

Society

Advancing a society that embraces diversity through respect, and supports lives of beauty.



We are committed to realizing Shiseido's corporate mission, "BEAUTY INNOVATIONS FOR A BETTER WORLD," by prioritizing diversity, equity, and inclusion (DE&I) as our key business strategy.

We aim to create a culture where employees respect individuals' differences regardless of gender, age, or nationality, feel valued, and continue to contribute to innovations through the synergy of our diverse workforce.

We have set our strategic actions as "Advancing Gender Equality" and "Empowering People Through the Power of Beauty," and by 2030, we will support 1 million people in each of these actions, leveraging our findings and expertise from our longstanding efforts. We remain firmly committed to respecting the human rights of all stakeholders.

This commitment is the foundation for working with all the stakeholders throughout our business, including employees and consumers, for a highly inclusive society where everyone can be their authentic self.

1. Advancing Gender Equality

In the Global Gender Gap Report 2024, the World Economic Forum*1 reported that girls around the world who cannot receive primary and secondary education because of barriers such as child marriage, poverty, discrimination, and gender prejudice, are in an increasingly dire situation. Japan's ranking for gender equality is in the 118th place*2, the lowest among major developed countries, showing little improvement in 17 years since the first report in 2006, with women's participation especially low in the areas of politics and the economy. The World Economic Forum reported that it would take another 134 years to close the gender gap. Shiseido believes this is a pressing issue in Japan.

As one of our strategic actions, "Advancing Gender Equality," we are aiming to support 1 million people by 2030. To reach this goal, we are building upon our accumulated findings and expertise to focus on "Resolving the Gender Gap and Empowering Women" and "Supporting Women's and Girls' Education and Financial Independence Worldwide."

*1 : The World Economic Forum (WEF) is a nongovernmental and nonprofit organization based in Switzerland aimed to resolve global economic issues by engaging political, political, academic, and other leaders of society.

*2 : Based on the index for measuring the gender gap between areas and countries used in the Global Gender Gap Report.2024

Empowering People Through the Power of Beauty

There are people everywhere in the world who avoid interactions because of their age, health condition, disability, a change in their physical appearance, and other concerns and hardships.

There are also people who feel they have difficulty maintaining social connections because unconscious biases and fixed ideas that they experience everyday hinder their individual expression of beauty. At Shiseido, we advocate the power of beauty as instrumental in mental and physical well-being, as well as social well-being*1. We engage in various activities to achieve a society where everyone feels empowered, confident, and free to be themselves. We are a beauty company that enables diverse beauty, and we strive to eliminate assumptions and prejudices associated with beauty for a world where everyone can celebrate each other's beauty.

As one of our strategic actions, "Empowering People Through the Power of Beauty," we are aiming to support 1 million people by 2030. To reach this goal, we are building upon our accumulated findings and expertise to focus on "Cultivating Self-Efficacy Through the Power of Beauty" and "Challenging the Unconscious Biases and Prejudices that Limit Individual Beauty."

* Social well-being is defined as the sustaining of meaningful relationships with society and people.

Promoting Respect for Human Rights

At Shiseido, respect for human rights is at the core of our DNA. Across our business, we are dedicated to respecting and protecting the rights of our diverse group of stakeholders, including business partners and employees.

We are committed to eradicating human rights issues — including forced labor and child labor — as well as workplace harassment, which is an issue that has become more prevalent due to changes in social structure and the rise of more diverse values. We are aware that failure to take appropriate action against such issues poses great risk to our company and all our stakeholders.

Across the Shiseido Group, we have standards and policies in place to guide our actions when it comes to human rights. Based on the Shiseido Code of Conduct and Ethics, which stipulate the mandatory behavior expected of every individual working for the Shiseido Group, we ensure that our business is always conducted according to high ethical standards.

Respecting Human Rights and Ensuring Responsible Procurement

Human Resources

Resolving the Gender Gap and Empowering Women in Japan

Building on insights and experiences accumulated by Shiseido, we partner with international institutions, private enterprises, municipalities, and other related organizations to work towards gender equality, including women's financial independence and participation in decision-making. We strive to nurture a society where everyone can feel empowered to live their life freely by having fair opportunities regardless of gender.

Resolving the Gender Gap and Empowering Women in Japan

As a leader in achieving gender equality throughout Japanese society, Shiseido promotes a variety of activities to empower women by constantly upgrading our internal initiatives.

Shiseido DE&I Lab

At the Shiseido DE&I Lab established in 2023, we explore ways to leverage the power of diversity in our joint work with Tokyo University researchers. We study the process by which the empowerment of diverse human resources facilitates innovation by introducing different values and ideas and aim to verify the relationship between DE&I and corporate growth. Additionally, we disseminate our findings broadly throughout society through the "Shiseido DE&I Lab Site," thereby contributing to the growth of the Japanese economy through DE&I.

On the DE&I Lab Site, the company publishes the learnings gained from its past initiatives such as its workstyle reforms for beauty professionals and women's management training programs under "actions," as well as its empirical research results on the relationship between diverse talent and corporate growth conducted in collaboration with a team led by Professor Shintaro Yamaguchi from the University of Tokyo*, under "research."

In 2024, we published the results of two themes. The first theme, "From Women's Empowerment to Gender Equality," suggested that a gender imbalance among organizational leaders could reinforce unconscious biases. In response to these findings, we emphasized the importance of achieving gender balance among leaders and implementing a company-wide approach. The second theme, "Beyond Diversity: The Prescription for Inclusion," highlighted a successful marketing team that consistently launches "hero products." This team creates an inclusive environment by preparing pre-read materials for meetings, ensuring that members from diverse backgrounds, such as those with foreign nationalities or mid-career hires, can confidently share their opinions.

The "Shiseido DE&I Lab" will continue to conduct empirical research that leads to organizational transformation, striving for true gender equality.

*Research led by Shintaro Yamaguchi and Yoko Okuyama (Assistant Professor at the Department of Economics, Uppsala University / Invited Researcher at CREPE, University of Tokyo) as a co-researcher.

SHISEIDO DE&I Lab



SHISEIDO DE&I Lab

TOP > RESEARCH

RESEARCH

資生堂DE&Iラボによる
自社の取り組み検証



[Click here for the Shiseido DE&I Lab](#)

Participation in the 30% Club Japan for Sound Gender Balance in Corporate Decision-Making Bodies

The 30% Club Japan aims to increase the proportion of women on the boards*1 of companies in Japan. As part of a global initiative that originated in the United Kingdom, the Japan chapter was inaugurated in 2019, and Phase 2 started in 2022 with the goal of achieving women directors for 30% of the directors' positions*2 at TOPIX 100 companies by 2030. Masahiko Uotani, Shiseido's Representative Corporate Executive Officer, Chairman, and CEO, continues to serve as the chairperson for Phase 2, as well as for Phase 1, leading the activities of the TOPIX President's Committee, which consists of 34 chairpersons and presidents of companies*3 listed on the TOPIX 100 and TOPIX Mid 400.

The TOPIX President's Committee was held 9 sessions*4 as of the end of 2023 with a total participation of 172 chairpersons and presidents of the TOPIX 100 and TOPIX Mid 400. To lead innovations, it is necessary to nurture an organizational culture with high adaptability to change, and it is considered extremely important to achieve gender balance among management executives (such as executive officers and organization head positions) who have many team members and substantial influence on daily operations. In addition to the ongoing theme, the appointment of women to executive officer and organization head positions, there were lively discussions and case studies from different member companies on broad topics, such as fostering an organizational culture that leverages diversity. On the project management team organized by operation-level leaders of member companies (about 80 members from 34 companies), cross-company projects have been organized to tackle three gateways that inhibit the career development of women, which was clarified through the TOPIX President's Committee, by promoting the implementation of concrete measures to resolve common issues, including developing career awareness among young women, sharing best practices for combining work with childcare, and holding exchange meetings between women candidates for executive positions with the President's Committee leaders.

In Phase 2, a fully integrated approach to influencing society through various stakeholders collaborating with companies, which is characteristic of the 30% Club Japan, is going into full operation. Specific actions have been taken through the collaboration of the Investor Group of 33 institutional investors, the University Group of 9 universities, and the TOPIX President's Committee.

With its activities during the past 5 years, the ratio of women on the boards of companies comprising the TOPIX President's Committee rose by 12.5 percentage points to 23% compared to the average ratio for all listed companies in Japan. It has also brought about further progress for women's participation in corporate decision-making, such as advancement to previously untraditional posts, including directors of business operations and manufacturing operations. Shiseido will lead the way in transforming Japanese companies to break away from the current homogeneity by promoting the active participation of women, thereby leading innovations.

*1 : Women on the boards are defined as directors and auditors.

*2 : Proportion of women members on the boards of directors at TOPIX 100 companies (including auditors at companies with a board of auditors)

*3 : As of the end of December 2023

*4 : As of the end of December 2023

[Click here for the 30% Club Japan](#)



Meeting of the TOPIX President's Committee



Empowering Women through Collaboration with Local Governments

Ayako Hirofujii, Executive Officer, Chief Financial Officer, and Chief DE&I Officer of Shiseido Co., Ltd., participated in the Tokyo Living Conference sponsored by the Tokyo Metropolitan Government as a committee member in 2024. The objective of this conference is to facilitate discussions between experts and the Tokyo Metropolitan Government regarding various social systems and corporate organizational situations related to the work styles and lifestyles of Tokyo residents. At the third conference, she shared our company's DE&I initiatives and emphasized the importance of respecting individual career aspirations. She highlighted that excessive consideration by the company could potentially hinder career development opportunities for women. Therefore, it is crucial to support their success and growth by actively assigning them to significant roles and responsibilities.

Furthermore, in 2024, Shiseido personnel were invited to deliver lectures on gender equality and the promotion of women's empowerment by approximately 60 sponsor companies, local governments, universities, ministries, and various organizations; these lectures reached a total of approximately 6,000 attendees. The lectures covered a wide range of topics, including the importance of top management's commitment to developing women leaders, Shiseido's history of promoting women's empowerment, and various human resources measures to change mindsets. Some of the major events were the "9th Nagasaki Women's Empowerment Promotion Company Awards" hosted by Nagasaki Prefecture and the "5th SDGs Exchange Meeting" organized by the Mid-Tochigi Machizukuri Council." We will continue to dedicate ourselves to promoting positive social change by applying the knowledge and experience we have gained through our efforts to advance gender equality.

Childcare Support

In the drive to make the childcare environment better through company cooperation, Shiseido launched a childcare business in 2017 with the establishment of KODOMOLOGY Co. Ltd., which focuses on the entrusted operation of in-house childcare facilities for businesses. In addition to the operation of in-house nurseries within Shiseido, such as KANGAROOM Shiodome (2003) *1 and KANGAROOM Kakegawa (2017), KODOMOLOGY supports management of 3 childcare facilities at other companies in Kanagawa Prefecture and Shizuoka Prefecture (2 facilities in Shizuoka and 1 facility in Kanagawa)*2. Since 2022, we have offered the parenting training program "KODOMOLOGY Ikutore—Preparing for Paternity Leave" at KANGAROOM Shiodome in response to the new legal requirements for paternity leave in Japan. In April 2023, we introduced KANGAROOM+, a parenting support service available to employees of Shiseido and partner companies, from the prenatal stage through elementary school age. Starting in November 2023, KANGAROOM+ expanded to offer postpartum support service for employees with children under 3 months of age. This service features childcare professionals certified in postpartum care visit employees' homes to assist with housework and childcare during these early months.

*1 : KODOMOLOGY CO.,LTD. closed Kangaroom Shiodome at the end of March 2023 and started the childcare support program, "KANGAROOM +" for employees of Shiseido and alliance partners in April 2023.

*2 : As of the end of December 2023

[Click here for information on employee support in balancing work and childcare/family care.](#)

[Click here for press releases on the postpartum support offered at KANGAROOM+.](#)

[Click here for the corporate website of KODOMOLOGY CO.,LTD. \(in Japanese only\)](#)



Children playing at the in-house daycare facility KANGAROOM
Kakegawa



KANGAROOM+ began providing postpartum support

Supporting Women Researchers in Natural Sciences

The proportion of women researchers in Japan is low compared to other countries, remaining at roughly 18.3%*1. To improve this situation, Shiseido is offering continued support to women researchers in Japan who are engaged in world-leading, innovative research in natural sciences. The Shiseido Female Researcher Science Grant has been providing support in this area since 2007. Now in its 17th year, 2024, we awarded research grants to 10 women researchers. This subsidy is distinguished for its versatility in providing support to women in their life events such as childbirth and childcare, so long as the objective of the funding is research. To date, it has contributed to the research results and the career development of 169 researchers.

The theme for the 2024 award presentation ceremony held at the Shiseido Global Innovation Center (Yokohama) was "Deepening the Network of Women Researchers." We surveyed past award recipients*2 about the current situation of women researchers and found that over 80% reported facing challenges due to their gender. Many shared their struggles, such as balancing family and work, a lack of understanding due to the underrepresentation of women in the research community, and the absence of colleagues and networks they can confide in. These responses highlighted the difficulties faced by women researchers in balancing family and work due to deep-rooted gender roles in Japanese society, as well as their isolation and concerns about career development. On the positive side, recipients noted several benefits from winning the award beyond the financial grant. They mentioned that exchanges with fellow award winners inspired new ideas, while the award also provided emotional support, facilitated interactions with Shiseido researchers, and increased their recognition.

Shiseido will support exceptional women researchers facing difficulties in their work environment by offering opportunities for communication and knowledge exchange that transcend the boundaries of research fields and specialization. The company will also contribute to the future development of science in Japan by promoting communication between the grant recipients and young students.

*1 : Based on the 2023 Report on the Survey of Research and Development by Japan's Ministry of Internal Affairs and Communication

*2 : The survey was conducted from November 16-30, 2022, and completed by 74 recipients of the Shiseido Female Researcher Science Grant (sent to 119 recipients.)

[Click here for details on the Shiseido Female Researcher Science Grant](#)



SCIENCE
GRANT
SHISEIDO FEMALE RESEARCHER

Empowerment of Women in Suppliers

In 2024, Shiseido conducted a lecture on diversity for 32 executives and managers from a supplier company. The lecture focused on themes such as the development of women leaders and flexible working styles as well as discussions on the employment of people with disabilities in factories and employee well-being. Shiseido views the empowerment of women and people with disabilities in the manufacturing industry as a social issue and will continue to support the improvement of ESG performance across the entire supply chain by sharing best practices.

Supporting Women's and Girls' Education and Financial Independence Worldwide

Shiseido brands and regional headquarters overseas are cooperating to support the education and the independence of socially vulnerable women and girls with the aim of resolving global gender issues and empowering women.

Clé de Peau Beauté: Supporting Education for Girls

In April 2023, Global luxury brand Clé de Peau Beauté and UNICEF*1 have announced a three-year extension of their partnership dedicated to addressing gender inequality with a focus on science, technology, engineering, and mathematics (STEM) education, employment, and empowerment programs for girls.

The partnership began in 2019 and was renewed in 2023 with the new goal of reaching 5.7 million girls in Bangladesh, China, Indonesia, Kazakhstan, Kyrgyzstan, Lao PDR, Namibia, Niger, Peru, Uzbekistan, and Vietnam by 2025. After one year of the renewed partnership, the supported programs have already reached more than 3 million girls.

To see this impactful work in action, in March 2024, a group of Clé de Peau Beauté and UNICEF representatives, recently visited Bangladesh – one of the partnership's main supported regions – to witness the benefits up close. The team visited schools that have adopted gender-transformative and skill-oriented curricula, which aims to modernize the education system through an effective and more engaging educational approach. They also had the opportunity to visit workplaces that provide skills training through the Skills4Girls program. This program is designed to equip the most marginalized out-of-school girls with transferable skills and connect them with employment opportunities.

One of the Skills4Girls graduate shared her personal story: "Since childhood, I aspired to learn computer skills, but financial constraints halted my education. Thanks to the Skills4Girls computer training course, I've gained diverse skills and am now working as a trainer myself. I've shattered the belief that girls can't excel because we can achieve anything. No boundaries can confine me now."

Clé de Peau Beauté has pledged the world's largest private sector contribution of US\$17.4 million to UNICEF's Gender Equality Program since the partnership started in 2019. This contribution is funded through the brand's global Cause-Related Marketing Campaign*2, where US\$3 from every purchase of The Serum, one of the brand's best-selling products, benefits UNICEF's on-the-ground work.

*1 : UNICEF does not endorse any company, brand, product, or service

*2 : A cause-related marketing campaign whereby US\$3 from every purchase of The Serum between January 1 and December 31, 2023, was donated to support UNICEF's programs for the education and empowerment of girls around the world.

[Click here for Clé de Peau Beauté global partnership with UNICEF.](#)

UNLOCK THE POWER *of* GIRLS

THE KEY TO A BETTER WORLD



Additionally, Clé de Peau Beauté's long-term philanthropic commitment includes the annual 'Power of Radiance Awards'—a philanthropic endeavor to honor women from around the world who have acted to drive positive change through knowledge since 2019. In 2024, the Power of Radiance Awards recognized Ms. Reshma Saujani from New York, US in recognition for her extensive work championing STEM (Science, Technology, Engineering, Math) education for girls. Ms. Saujani has dedicated herself to empowering and increasing the number of girls in computer science through the founding of Girls Who Code, an international non-profit organization working to close the gender gap in technology.

The 'Power of Radiance Awards' are funded*3 by a percentage of global sales of The Serum. The brand will continue to support women who have a positive impact on society and celebrate all women's aspirations to be beautiful and strong, both inside and out.

*3 : Grants from the Power of Radiance Awards are donated to a charitable organization of the award recipient's choice in support of educational initiatives.

[Click here for information on the Power of Radiance Awards.](#)

[Click here for information on Clé de Peau Beauté.](#)



POWER
RADIANCE
of
clé de peau
BEAUTÉ

Ms. Reshma Saujani, recipient of the 2024 Power of Radiance Awards

Shiseido Travel Retail: Supporting Marginalized Women and Girls in Cambodia

In 2020, Shiseido Travel Retail partnered with Friends-International in the "Empower Her" initiative, which aims to help young women from disadvantaged backgrounds in Cambodia break the cycle of poverty by providing them with education, vocational training, and access to job opportunities in the beauty industry. In support of the initiative, we have made cash donations and contributed beauty products, and we have also been involved in the development of the training curriculum. In 2023, 108 women received vocational beauty training, and 57 of whom were given the opportunity for employment.

In 2022, we formed a partnership with Un Village Sous Les Etoiles (UVSLE) to expand our activities. Through UVSLE, we constructed Opportunity



Beauty training in progress

Village, which provides vulnerable Nepalese girls between the ages of 4 and 18 with homes, medical care, education and vocational training in a safe environment. We also help them start their careers, including the launch of microbusinesses. By 2023, 109 women had received training, 10 launched microbusinesses and 33 had opportunities to live in Opportunity Village.

Support for the Independence and Higher Education of Children who Live at Childcare Facilities or with Foster Parents

With the vision, "Aiming for a society in which all children are brimming with smiles and shining in their own way," the Shiseido Child Foundation*1 supports children through three pillars of activities: "Supporting Children's Challenge for the Future" to help them prepare themselves for challenges brought by adulthood, "Creating Opportunities to Learn for People who Nurture Children" to provide training for child welfare facility personnel, and "Creating a Society in which Children are Supported by Everyone" to disseminate information to the general public.



Self-reliance Seminar

As part of "Supporting the Children's Challenge for the Future," the Foundation organizes Self-Reliance Seminars in cooperation with Shiseido Japan Co., Ltd., Aoki Inc., Recruit Co., Ltd., and other companies and organizations, to enable junior high school and high school students who receive social care*2 to acquire social knowledge and skills from specialists so that they can live independent lives. In FY2023*3, more than 350 children participated in these seminars. In addition, the scholarship program launched in 2007 to support students entering universities, junior colleges, and vocational schools, supported 16 recipients in FY2023, making the total number of recipients 88. Other activities included training staff of child welfare facilities as part of "Creating Opportunities to Learn for People who Nurture Children" and subsidizing child abuse prevention awareness events and seminars for families raising children throughout Japan for "Creating a Society in which Children are Supported by Everyone."



The logomark was renewed in concurrence with the name change in 2022.

*1 : In October 2022, the name was changed from the Shiseido Social Welfare Foundation to the Shiseido Child Foundation in commemoration of its 50th anniversary.

*2 : "Social care" refers to the public responsibility of protecting children who are unable to live with their parents by caring for them and providing support to households with difficulty finding childcare. About 42,000 children in Japan are receiving social care.

*3 : FY2023 refers to April 2023 to March 2024

[Click here for the activities of the Shiseido Child Foundation.](#)

Cultivating Self-Efficacy Through the Power of Beauty

At Shiseido, we take a scientific approach to uncovering the power of beauty to enrich minds, spark joy, and bring happiness to life. This pursuit started in 1956 with the launch of Japan's first makeup product designed to lessen the suffering of wartime burn victims, and we continue to explore ways to harness the power of beauty, such as the development of specialized cosmetics and application techniques to address the changes in a person's appearance from discolorations and scars. We collaborate with various support groups, medical institutions, and local governments in activities that leverage the power of beauty to promote the mental, physical, and social well-being* of people facing broad skin concerns and challenges.

*Social well-being is defined as the sustaining of meaningful relationships with society and people.

Support for People Living with Cancer

With the vision of a society where people with cancer can continue to live their lives in the ways they desire, we continue our global efforts to help them cope with the changes in their appearance associated with medical treatment. Since 2008, we have provided support in appearance care that addresses the visible side effects of cancer treatment. In 2015, we published a booklet for people living with cancer, and several editions have appeared since. In 2022, we introduced an easy guide for all genders illustrating the information and techniques to deal with changes in the skin and looks caused by cancer treatment, called "Appearance Care for Your Confidence and Comfort." In 2023, following the COVID-19 pandemic, we once again began actively conducting appearance care seminars for people living with cancer and we have reached a total of 6,045 people worldwide*.



"Appearance Care for Your Confidence and Comfort"

In June 2023, we won an award for excellence at the 8th Annual Meeting of the Japanese Association of Supportive Care in Cancer, held in Nara Prefecture, Japan, for our presentation on joint research with St. Luke's International Hospital. The study demonstrated that online consultations on appearance care provided psychosocial support for people with cancer, improving their quality of life.

In Japan, a highly skilled team of seven Social Area Leaders and 38 Social Area Partners from Shiseido Japan plays crucial roles in planning and leading activities that leverage the power of beauty by identifying the characteristics and social issues unique to their areas.

In 2023, Shiseido Japan and Yamagata City entered into the Agreement for the Health Maintenance and Promotion of the Citizens of Yamagata City.

Through this agreement, we are joining forces in initiatives to promote the health of residents through the city's programs for cancer and health. In the same year, Shiseido Japan also entered into the Collaboration Agreement for Cancer Control with Tochigi Prefecture and held appearance care seminars for Tochigi residents living with cancer. Tochigi Prefecture and Shiseido Japan are working together to promote the prefecture's measures for cancer with the aim of helping residents live more physically and mentally healthy lives.

In March 2024, Shiseido Japan implemented its first joint initiative with Matsue City during the 34th National Tsubaki Summit in Matsue, Shimane Prefecture. As part of this event, we partnered with Matsue City Hospital and Matsue Red Cross Hospital to host a Cancer Appearance Care Seminar for about 70 attendees, including the general public, healthcare professionals and cancer patients. The seminar was focused on the theme "Understanding and Confronting Cancer Correctly," with approximately 40 attendees also participating in the Makeup Workshop.

In the same month, at AICHI AYA WEEK 2024 in Nagoya, we offered personalized appearance care consultations and held a hair and makeup show led by our top hair and makeup artists. The aim was to help AYA*2 cancer patients enjoy

wigs and feel confident every day. During the two-day event, 494 people participated in the Shiseido Beauty Experience.

Additionally, we participated in the AYA WEEK 2024 Grand Community Event in Fukuoka, where we provided our unique healing touch care^{*3}, Personal B Color Diagnosis^{*4}, and other services.

*1 : Countries and regions including Japan, China, Singapore, and Taiwan (as of December 2023)

*2 : Adolescent and Young Adult (AYA), people between the ages of 15 and 39

*3 : Shiseido's unique treatment technique for relieving mental and physical tension by touching and massaging the back

*4 : Shiseido's unique diagnostic method for identifying a customer's personal color based on their natural skin, hair and eye colors

[Click here for the Shiseido Life Quality Makeup website.](#)



Delegates from Yamagata City and Shiseido Japan at the signing ceremony



Delegates from Tochigi Prefecture and Shiseido Japan at the signing ceremony

Global Expansion of the LAVENDER RING MAKEUP & PHOTOS WITH SMILES" for People Living with Cancer

Since 2017, Shiseido has participated in the LAVENDER RING project to support people with cancer, pursuing a society where people can live with a smile even if they have cancer. We lead the MAKEUP & PHOTOS WITH SMILES, and we encourage people in living their own lives after cancer and helps them to return to society through hair and makeup, as well as portrait photography. In recognition of such efforts, Shiseido received the Mécénat Award for Excellence in November 2021 from the Association for Corporate Support of the Arts, a public interest incorporated association in Japan.

On World Cancer Day, February 4, 2021, LAVENDER RING published its first book entitled LAVENDER RING Photo Book: Smiles and Messages from 206 People Living with Cancer. The featured poster portraits and interviews with 206 people living with cancer resonate with, inspire, and encourage readers, and not just people living with cancer, their families, and supporters. The photo book is available in bookstores, hospitals, and from other retailers.



LAVENDER RING Photo Book: Smiles and Messages from 206 People Living with Cancer (Hearst Fujingaho Co., Ltd.)

Since 2022, LAVENDER RING MAKEUP & PHOTOS WITH SMILES has expanded globally, and in 2023, events were held in countries and regions including Japan, China, Singapore, Taiwan, and Thailand. The reception by the partnering patient groups and medical institutions was very positive, and they expressed the hope that the event would be held regularly because it inspired courage and confidence in many participants. In 2024, we expanded the project to the

Philippines and Malaysia. In January, 65 people living with cancer participated in the Philippines event, while 15 attended the Malaysia event in May.



Event in Taiwan



Makeup session at the event in Taiwan

In 2023, LAVENDER RING MAKEUP & PHOTOS WITH SMILES continued to grow in Japan, and events were held in five areas (Tokyo, Osaka, Aichi, Ehime, and Fukuoka). In addition, we held a special photo exhibit titled "MAKEUP & PHOTOS WITH SMILES" to display the participants' bright smiles and messages at the 31st General Assembly of the Japan Medical Congress held in Tokyo.

In summary, since the inception of the program in 2017 until 2023, we have held 30 MAKEUP & PHOTOS WITH SMILES events in partnership with medical institutions and patient groups in Japan, China, Singapore, Taiwan, and Thailand and have welcomed a total of 653 groups of people living with cancer to these events. In February 2024, we held the LAVENDER RING MAKEUP & PHOTOS WITH SMILES poster exhibition at the 38th Conference of the Japanese Society of Cancer Nursing.



Exhibit at the 31st General Assembly of the Japan Medical Congress

"Shiseido Life Quality Makeup" : Support for People with Serious Skin Concerns

The Shiseido Life Quality Makeup initiative started over 60 years ago. The initiative focused on Japan's first makeup products for people suffering from burn scars from war. Shiseido has been engaged in the research of physical appearance care for birthmarks, burn scars, and the side effects of cancer treatment, as well as the development of beauty information and specialized products. Today, as part of this initiative, Shiseido operates dedicated Life Quality Beauty Centers in Japan, China, Singapore, and Taiwan. In 2023, the Shiseido Life Quality Beauty Center in Japan continued to support people with severe skin problems. It provided beauty information to people suffering from facial asymmetry due to facial nerve paralysis and other disorders. The center also partnered with medical institutions to offer personalized online consultations to people unable to visit in person.

In 2023, the center offered enhanced personalized consultation in a privacy-protected space, along with virtual seminars and events. A total of 2,516 in-person and online consultations, seminars, and events were attended by 58,058 people.

In China, upon renewal of the dedicated product series for Shiseido Life Quality Makeup, Perfect Cover (Chinese brand name: PF-COVER), in March 2023, we focused on online communication to reach far and wide; we are working with key opinion leaders (KOLs), a leading platform for people with vitiligo (白白手拉手), and social media. Currently, 80% of those who visit the Shiseido Life Quality Center in China have vitiligo.

In Taiwan, we strengthened our collaboration with medical institutions in 2023, holding 221 Shiseido Life Quality Makeup seminars through patient group events and lectures. Six highly trained consultants introduced Perfect Cover at retailers while continuously supporting the improvement of the skills of the retailer personnel.



Online appearance care consultation



Consultation room at the Shiseido Life Quality Beauty Center (Japan)



Consultation at the Shiseido Life Quality Beauty Center (China)



Makeup consultation at the Shiseido Life Quality Beauty Center (Taiwan)

Evolution of Perfect Cover

In 1995, Shiseido launched the Perfect Cover series designated for Shiseido Life Quality Makeup, which applied optical technology to address blue discoloration (nevi of Ota), red discoloration (hemangiomas), and conspicuous dark spots. The series has since evolved to meet a wider range of deep skin concerns including vitiligo and uneven skin textures, such as scars and vitiligo.

In anticipation of further global expansion, the series went through a complete renewal in 2022 with new packaging and reformulation. The renewed series provides enhanced coverage for changes in appearance from the side effects of cancer treatment (such as dull complexion and pigmentation) while achieving a lasting, natural-looking finish. The flagship product, Perfect Cover Foundation MC offers smooth application and a comprehensive coverage solution to concerns about uneven skin tones and surfaces. Specially developed for vitiligo, Perfect Cover Foundation VC provides seamless coverage of vitiligo patches to match the rest of the skin. As demand for makeup increases post-pandemic, we aim to support individuals seeking coverage to help them look and feel like themselves.



Shiseido Life Quality Makeup for serious skin concerns



Perfect Cover products

Collaborating with Retail Partners and Other Organizations in Support Programs for Older People

Japan is home to the oldest population in the world with its aging rate*1 now*2 at 29.1%. Japan's Ministry of Health, Labour and Welfare issued guidelines to promote the healthy lifestyles of residents in local communities, and this inspired the creation of support structures for people with cancer and older people nationwide.

Shiseido Japan supports this initiative by reinforcing partnerships with retail partners, support groups, medical institutions, and local governments in different regions of Japan to enrich the social lives of older people. Together, we offer beauty workshops for older people designed to promote a healthy life expectancy. For instance, in Saitama, Shiseido Japan, local Community General Support Centers, and Welcia Yakkyoku Co., Ltd., jointly held 56 workshops for older people at 18 Welcafe locations, the community spaces inside Welcia pharmacies in 2023.



Workshop at the Welcafe Kawaguchi Ryoke branch

We also developed the Beauty for Health program, which incorporates research findings from Shiseido's cosmetic therapy*3 to help older people, and 497*4 CRC*5 member retailers have adopted the program. We are committed to providing access for local communities to improve well-being through the power of beauty.

In the medical field, oral frailty*6 continues to affect the lives of older people. Shiseido's cosmetic therapy has shown that the action of applying cosmetics stimulates the salivary glands, thereby improving oral function. Drawing on our research, we collaborate with dentists and dental clinics to hold seminars for local communities.

*1 : The aging rate is the proportion of a society's population that is comprised of persons aged 65 or older.

*2 : Based on data published in 2023 by Japan's Ministry of Internal Affairs and Communications

*3 : Shiseido's cosmetic therapy uses skincare and makeup application techniques to help improve and maintain mental and physical health, quality of life, and healthy life expectancy.

*4 : As of December 2022

*5 : CRC: National Federation of Cosmetic Retail Cooperatives.

*6 : A decline in oral function, including chewing, swallowing food, and speaking. It is considered a key early sign of aging.

Support for People with Disabilities

In the 1980s, Shiseido began developing educational materials to assist consumers with vision impairments or low vision. This included beauty manuals in Braille, Braille stickers for products, and Braille dosage stickers. The Shiseido Listener's Café, an audio-based beauty information website launched in 2002, enjoyed a major renewal in July 2022 to reach a larger audience. The website now features updated videos, and employees with visual challenges join to share beauty tips. As it did before, the website works with text-to-speech (TTS) software and offers beauty advice from Social Area Partners, event information, and other practical information so that people can enjoy the beauty and grooming content.

In 2019, Shiseido Japan developed the Shiseido Guide Makeup for people with visual impairments and added the course to Shiseido Life Quality Beauty Seminars. In 2021, online seminars were enhanced with workshops for people with visual impairments. In 2023, we resumed Guide Makeup seminars after the COVID-19 pandemic in cities across Japan, including Saitama, Hamamatsu, Nagoya, Kyoto, and Hiroshima. These seminars were designed to accommodate both in-person and online attendance. By harnessing the power of beauty, we are committed to promoting a society where people with visual, intellectual, developmental, and other challenges can also live their lives in ways they desire.

Also in 2018, Shiseido started adding closed captions to its television advertising to reach viewers who are deaf or hard of hearing, and now all our commercials have closed captioning.



Poster for Shiseido Guide Makeup



Guide Makeup workshop at the Association of the Visually Impaired in Nagoya



Logo of Shiseido Listener's Café

ANESSA Sunshine Project to Support Children's Mental and Physical Growth

In 2024, Shiseido's sunscreen brand ANESSA launched the ANESSA Sunshine Project, a new initiative aimed at supporting the healthy growth of children's minds and bodies through activities in the sun. This project marks ANESSA's first cross-border social contribution effort across 12 countries and regions in Asia*1.

The World Health Organization (WHO) recommends that children and adolescents between the ages of 5 and 17 engage in at least 60 minutes of physical activity per day (more than 7 hours per week)*2. However, in modern society, children spend less and less time playing outside. According to an independent survey*3 conducted by ANESSA in urban areas in four Asian countries (China, Japan, Thailand and Vietnam), less than 50% of children in all of the countries surveyed spend more than 7 hours a week playing outdoors. ANESSA is committed to addressing this social issue because playing outside nurtures five key aspects of child development (physical, emotional, social, intellectual and psychological development). In particular, it enhances autonomic function, which helps them develop life skills such as motivation and spontaneity*4.

As part of the initiative to address this issue, ANESSA has become the first cosmetics brand to sign a Social Value Partnership with the Japan Football Association (JFA) under the JFA PARTNERSHIP PROJECT for DREAM. As a JFA Social Value Partner, ANESSA collaborates with the JFA to host interactive events for children and families. These events include UV-protection seminars to promote safe sun exposure and engaging mental and physical activities in the sun.

*1 : China, Hong Kong, Indonesia, Japan, South Korea, Macau, Malaysia, the Philippines, Singapore, Taiwan, Thailand, and Vietnam

*2 : WHO Guidelines on Physical Activity and Sedentary Behavior

*3 : Survey on Children's Outdoor Play in Four Asian Countries, conducted online by ANESSA from February 15 to March 1, 2024, with 100 parents with children living in four cities (Shanghai, Tokyo, Bangkok, Ho Chi Minh)

*4 : According to Dr. Akira Maehashi, Doctor of Medicine, Professor of the Faculty of Human Sciences, Waseda University, an expert in child health and welfare studies



ANESSA Sunshine Project



ANESSA Sunshine Project and Collaboration with the JFA

[Click here for the press release on the ANESSA Sunshine Project](#)

[Click here for the press release on the JFA Social Value Partnership](#)

Support for Patients with Xeroderma Pigmentosum

Since 2000, Shiseido has supported people living with Xeroderma Pigmentosum (XP)—a condition characterized by extreme sun sensitivity—through sunscreen donations and seminars led by Shiseido researchers and Personal Beauty Partners.

At these seminars, they explain how to effectively protect the skin to enjoy the outdoors even for patients with XP. Since 2005, Shiseido has also provided financial aid for patient exchange meetings through voluntary donations from participating employees' salaries (Shiseido Camellia Fund). In 2023, to raise awareness and promote the understanding of XP, we invited the Japanese National Network of XP Family Associations to speak about its activities and how it uses donations at Brown Bag, the intranet seminar for Shiseido employees.



Support for Patients with Xeroderma Pigmentosum

Challenging the Unconscious Biases and Prejudices that Limit Individual Beauty

As a cosmetics company that celebrates diversity in beauty, Shiseido launched a global project to dispel prejudices and stereotypes that impede people's achievement of their desired beauty, that is, unconscious beauty biases (UBBs). In addition, we are committed to supporting the LGBTQ+ community and its allies* inside and outside the company. This demonstrates our commitment to achieving a world where everyone can live their lives and celebrate each other's beauty, regardless of gender, age, and nationality.

*Ally means "comrade, alliance" and refers to those who understand and support persons concerned

Launch of an Interactive Website and the SEE, SAY, DO Program for Corporations/Organizations

Brand SHISEIDO, which markets to 88 countries and regions, pursues the Sustainable Development Goals (SDGs) through the Sustainable Beauty Actions project. As part of this initiative, the brand developed the SEE, SAY, DO project* in September 2022, aiming of building a society where everyone can be who they want to be. A special website was unveiled allowing users to experience UBB. Shiseido also developed the SEE, SAY, DO program for Japanese corporations and organizations to help them discuss UBBs. The program has been well-received because it is eye-opening and informative to know even seemingly harmless, casual remarks can perpetuate UBBs.



Partnering with ARROWS Inc., a developer-operator of SENSEI Note, Japan's largest online information exchange platform for teachers, we developed complimentary educational material on unconscious biases and started providing it to teachers upon request in March 2023. Titled "For a World Where Everyone Can Be True, Beautiful Self," the free program can be used during a moral education class to learn unconscious biases and stereotypes that interfere with the students or someone else from staying true to themselves. It facilitates proactive thinking and discussion on how to be who they want to be and feel alive and beautiful. In 2023, 16,875 students across Japan took the program. In its second year, 2024, classes will begin in April, and the program is expected to enroll over more than 10,000 students nationwide.

*We conducted an online qualitative survey in ten countries worldwide (Australia, Brazil, China, France, Germany, Italy, Japan, Thailand, the United Arab Emirates, and the United States), collecting 5,000 personal experiences to shed light on UBB around the world before the project.

[Click here for the SEE, SAY, DO. Project website](#)

[Click here for the SEE, SAY, DO. project press release \(Japanese Only\)](#)

Supporting the LGBTQ+ Community

In Japan, highly skilled Social Area Leaders and Social Area Partners from Shiseido Japan, who are dedicated to working within their respective regions, are at the forefront of promoting support for LGBTQ+ communities in various areas.

In 2024, Shiseido participated in Pride events held in Tokyo, Gunma, Nagoya, Osaka, and Hiroshima. Alongside a total of 214 employee volunteers, we took part in parades and set up beauty experience booths, attracting 4,073 visitors. In collaboration with domestic organizations, we conducted various activities, including a makeup advice workshop for

sexual minorities with Pride Center Osaka, a "Discover Your True Self! Self-Production with Makeup" workshop for LGBTQ+ and allies with the Hiroshima Prefectural Sexual Minority Association, and a makeup workshop for transgender women with Rainbow Tokyo Kita Ward, which saw participation from 40 individuals. Internationally, we also engaged in Pride events in New York and Germany, joining parades with our employee resource groups (ERGs) and brands.



Tokyo Rainbow Pride 2024 Parade



Osaka Rainbow Pride! 2024



The New York City Pride Parade



The ColognePride 2024 Parade in Germany

Our Human Rights Approach

Shiseido has established the Shiseido Human Rights Policy based on the United Nations Guiding Principles for Business and Human Rights and its basic corporate philosophy, which is described in the group-wide code of ethical behaviors. We will contribute to the realization of a sustainable global society by promoting various efforts to respect human rights in all Shiseido Group businesses, including in the creation of our products.



Shiseido Code of Conduct and Ethics

For details, please refer to the Shiseido Code of Conduct and Ethics.

Shiseido Policy on Human Rights

It was formulated based on the United Nations Guiding Principles on Business and Human Rights and the Shiseido Code of Conduct and Ethics. It promotes the Shiseido Group's efforts to respect human rights and sets guidelines to fulfil their responsibilities. In order to become a company trusted by consumers and societies all over the world, and to continue developing along with the global society, all our business activities are based on respect for human rights. In the policy, we declare our commitment to protecting people's rights. We respect workers' rights, such as freedom of association, the right to collective bargaining, and fair remuneration, while strongly opposing human rights violations, such as human trafficking, forced labor, child labor, and discrimination. The policy was formulated in 2017, published with the approval of the Board of Directors, and revised in 2022. This policy applies to the Shiseido Group and our business partners.

Shiseido Group Supplier Code of Conduct

Please check the details in the Promoting Sustainable and Responsible Procurement.

Shiseido Group Procurement Policy

Please check the details in the Promoting Sustainable and Responsible Procurement.

Shiseido Group Sustainable Raw Materials Procurement Guidelines

Please check the details in the Promoting Sustainable and Responsible Procurement.

Consumer Rights

For details, please check the Shiseido Code of Conduct and Ethics (Chapter 2: With Consumers).

Shiseido Group Policy on Customer Harassment

In 2024, we established the Shiseido Group Policy on Customer Harassment.

Approval and support for international norms

2010	We signed the Women's Empowerment Principles (WEPs)(Joint initiative of UN Women and the United Nations Global Compact), which are the principles of action for companies that actively work to promote the full participation and leadership by women in the workplace, and we are working to implement WEPs with UN Women and various stakeholders.
2004	Our company signed the United Nations Global Compact and supports the ten principles in the four areas (Human rights, Labor, Environment, and Anti-corruption) together with all our group companies.

Human Rights Promotion System

Shiseido is committed to ensuring that neither our business nor supply chain involves the practices of enslavement or human trafficking. This is done by establishing corporate policies applicable to Shiseido and thoroughly communicating them to employees and suppliers, including Tier 1 and upstream suppliers. These policies were drafted by the person responsible for human rights at the GHQ and approved by the Company's Board of Directors.

The Company's Chief DE&I Officer is responsible for promoting the human rights policy, including human rights due diligence and risk assessment. With regard to identified human rights issues, the Company has clearly designated the departments and executive officers in charge of each issue and implemented improvement activities to prevent and reduce negative impacts on human rights. In our everyday duties, relevant functions in the Global Headquarters (Human Resources, Risk Management, Sustainability, Procurement) work together with various departments and domestic and overseas group companies to further the promotion of human rights. The results of these activities are reported to the Sustainability Committee, which deliberates on sustainability issues. The Sustainability Committee makes decisions on specific action plans, including strategies and policies for the entire group and responses to human rights, while also monitoring the progress of medium- and long-term targets. Significant achievements and concerns related to human rights are reported and proposed to the Board of Directors each year.

Supply Chain

The Global Headquarters (Procurement, Risk Management, Sustainability) work on human rights issues among suppliers. As one of the systems to gather information on human rights risks and promptly address them (grievance mechanisms), we have established the Shiseido Business Partner Hotline where suppliers can report and consult on human rights issues with our company.

Human Rights Initiatives

Human Rights Due Diligence

Based on the United Nations Guiding Principles on Business and Human Rights (UNGPs), National Action Plans (NAPs) have been formulated in various countries, mainly in the EU, and many NAPs include a statement on human rights due diligence.

In 2020, we established a human rights due diligence process to promptly identify, prevent and mitigate potential human rights issues.

The human rights due diligence process begins with a human rights risk assessment to assess and identify human rights risks for all stakeholders. Next, improvement activities are promoted to stop, prevent or mitigate the negative impacts of the identified human rights risks. The promotion of these activities is checked and activities to further reduce human rights risks are continued, as well as progress reporting and disclosure.

In addition to the visible human rights risks, potential negative impacts on human rights are regularly identified and risk mitigation measures are taken to prevent serious damage. Progress and findings are reported to the Sustainability Committee, a management meeting focused on the deliberation of sustainability and human rights-related issues. Significant achievements and concerns related to human rights are reported and proposed to the Board of Directors each year.

The scope of the risk identification process in Shiseido's human rights due diligence not only includes our operations but is also extensively expanded into those of our suppliers. In any new business relationship, such as mergers and acquisitions, respect for human rights (compliance with personnel and labor issues, employee and customer safety, etc.) is part of the due diligence process for all investment decisions. Our human rights risk assessment focuses on issues such as forced labor and child labor, clearly regarding employees of suppliers as those in a vulnerable group. The risk mapping of both potential and visible impact on human rights is reviewed on a regular basis.

In 2023, we conducted a human rights risk assessment as part of our periodic review of our risk map regarding potential human rights issues. Two of our factories were surveyed by a human rights NGO to assess the working environment, which included interviews with migrant workers. Although the survey did not find any significant human rights risks, we have taken corrective measures for the cases that were identified as human rights risks. We will continue to conduct investigations to identify potential human rights risks and continuously improve our working conditions.



Human Rights Risk Assessment

Step 1: Identification of human rights issues

In cooperation with external human rights experts and by referencing international codes on human rights, standards on non-financial disclosures, and the Corporate Human Rights Benchmark (CHRB), we have developed a list of human rights issues to address including modern slavery issues and other wider-ranging issues. Throughout the value chain, we have identified the risks of targets relevant to the Company and organized the areas and targets of our due diligence in this field.

- Affected parties: business partners, employees, consumers, and members of society. Specifically, contractors, suppliers' employees, our own employees (employed both directly and indirectly), women, children, indigenous peoples, local residents, and immigrants.
- Human rights issues to be considered: 25 listed items including respect for human rights and non-compliance with abuses, harassment and abuse, child labor (right to education), discriminatory actions and expressions, forced labor (including human trafficking), restrictions on the right to association and collective bargaining, and disadvantages on the basis of gender (including gender equality and equal pay for equal work), etc.
- The state of the cosmetics and personal products industry.
- International norms on human rights and corporate human rights benchmarks: The Ten Principles of the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the ILO Core Labor Standards, the Universal Declaration of Human Rights, the Global Reporting Initiative (GRI), the CHRB, the Dow Jones Sustainability Indices (DJSI), and the FTSE4Good Index Series (FTSE).

Step 2: Assessment of human rights risks

We assessed the status of our activities against the human rights issues identified above. This was done by interviewing stakeholders in Japan and overseas, and investigating internal documents such as surveys and reports — while also referring to external documents for any potential impact on human rights. Based on our findings, we determined the severity and likelihood of both potential and visible risks to human rights, as well as the status of our preventive and corrective measures.

- Third-party evaluations: A third-party organization specializing in human rights risk assessment was commissioned to conduct the assessment. Based on various materials and records related to Shiseido's human rights activities as well as information obtained through interviews with Shiseido Group employees in Japan and overseas, the assessment sought to determine the existence or absence of human rights risks (potential and visible risks) in the entire value chain. The organization evaluated Shiseido's human rights risk management system, including the status of our preventive and corrective measures.
- Human rights risk assessment requires a combination of methods at the information gathering stage, and interviews were conducted with migrant workers (temporary employees) as a means of communicating with rights holders* who may actually be affected.

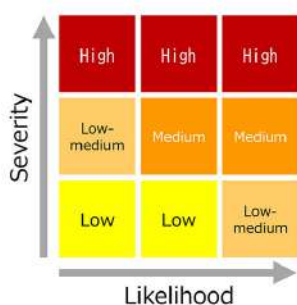
*People who are subject to human rights and who are affected by human rights in the course of our business activities.

- Investigation of impact on human rights: Country-specific human rights risks were extracted from materials such as the International Labor Organization's (ILO) survey on discrimination, World Bank surveys on training and education and consumer rights, WIN World Survey research materials on gender equality, and UNICEF surveys on child labor.
- Status of preventive and corrective measures: We created a checklist of preventive and corrective measures related to human rights from items that international organizations, such as the CHRB, DJSI, FTSE, and GRI, require to be addressed and disclosed. We evaluated whether or not Shiseido has taken these preventive and corrective measures.

Step 3: Human rights risk map and periodic review

Human rights risk assessment scores are mapped on two axes, severity and likelihood of occurrence, to determine the priority of responses. For severity, we assess actual risks and risks by country and region to understand their severity. For likelihood, we assign scores based on latent risks, industry-specific risks, and the existence of effective preventive and corrective processes to reduce risks. We conducted the first human rights risk assessment for the entire Shiseido Group in 2020 and the second in 2023 to confirm human rights risks. In the 2023 assessment, we received third party advice from Deloitte Touche Tohmatsu LLC, a limited liability auditing firm in the Deloitte Tohmatsu Group, as an organization with expertise in the fields of business and human rights. The risk map was reviewed regularly during the assessment, which was conducted once every two years. We identified important human rights risks of a particular priority level that needed to be addressed, and reported them to management.

Human rights risk map



Component of the score

Severity	<ul style="list-style-type: none"> Visible Risk Country and Region Risk
Likelihood	<ul style="list-style-type: none"> Potential Risk Business Specific Risk Preventive and Corrective Measures

Periodic human rights risk assessments

	Human Rights Risk Assessment 2020	Human Rights Risk Assessment 2023
Scope*	3 Regions (Japan/GHQ, China, Americas)	Regional headquarters of all regions
Affected parties	Business partners, employees, consumers, and members of society. Specifically, contractors, suppliers' employees, our own employees (employed both directly and indirectly), women, children, indigenous peoples, local residents, and immigrants.	
Human rights issues to be considered	25 listed items including respect for human rights and non-compliance with abuses, harassment and abuse, child labor (right to education), discriminatory actions and expressions, forced labor (including human trafficking), restrictions on the right to association and collective bargaining, and disadvantages on the basis of gender (including gender equality and equal pay for equal work), etc.	

* Including new business relationships such as M&As and joint ventures.

Important Areas of Human Rights Identified through Risk Assessment

Our human rights risk assessment identified the areas that are assumed to be relatively at high risk in Shiseido's value chain as follows: "discriminatory actions/expressions", "violation of compliance/fair competition", "personal/confidential information leakages", "employees' personal data and privacy", "incomplete supplier management", "occupational safety and health issues (work-related accidents)", "breach of working hours, breaks, and rest period (overtime-work)", and "harassment and abuse".*

On the other hand, forced labor and child labor, which are closely related to modern slavery and human trafficking, were assessed as low human rights risks compared to other areas. Going forward, we will prioritize the human rights issues and risks discovered in our activities in 2020. We will take measures to reduce both manifest and latent risks, and strive to further enhance preventive and corrective measures and promote improvement efforts.

* In no particular order

Measures for Mitigating and Correcting Human Rights Risks

The eight areas identified through the human rights risk assessment have been consolidated into six categories and assigned as an area of responsibility to an executive officer. In no particular order, the six categories are:

- Violation of compliance/fair competition
- Harassment and discrimination
- Breach of working hours, breaks, and rest periods (overtime work)
- Privacy invasion and personal/confidential information leaks
- Occupational safety and health issues (work-related accidents)
- Incomplete supplier management

By assigning each category to an executive officer, we help ensure the active implementation of activities to stop, prevent and mitigate negative impacts on human rights.

In Shiseido, human rights issues concerning employees are managed by the Human Resources and Risk Management departments, while human rights issues concerning suppliers and contracted manufacturers are handled by the Supply Network Division.

In order to deepen our employees' understanding of human rights and strengthen our work to reduce human rights risks, we provide training on ethics and harassment for employees in managerial positions. This includes regular training and education on the Shiseido Code of Conduct and Ethics, as well as related policies and rules, according to the employee's position and job type. Training sessions are delivered to employees in various divisions/departments and to new employees.

If improper acts or the like are revealed, we stop such acts immediately and implement corrective measures and reoccurrence prevention measures rapidly in cooperation with the relevant companies, offices, and divisions/departments. We also take disciplinary action against employees who have been involved in such acts in accordance with employment regulations and internal rules. If any cases of disadvantageous treatment, harassment, etc. toward whistleblowers or consultants are identified, we take appropriate relief/restoration measures immediately in cooperation with the relevant companies, offices, and divisions/departments, and take strict measures including any disciplinary punishment against the persons who have engaged in such disadvantageous treatment or harassment.

If the case may pose a risk to our business management, it is promptly reported to management from the divisions/departments. Any serious compliance-related concern is reported to management of the Global Risk Management & Compliance Committee and/or HQ/SJ Compliance Committee, and we work to eliminate the concern immediately and implement corrective measures and reoccurrence prevention measures rapidly in cooperation with the relevant companies, offices, and divisions/departments.

At the time when a supplier becomes aware of any violation of Shiseido Group Supplier Code of Conduct, it shall immediately inform the Shiseido Group thereof. If any violation is acknowledged, the supplier must formulate a plan to correct such violation and conduct suitable corrective measures, as well as reporting the status of such correction to the Shiseido Group on each occasion. An agreement entered into with the Shiseido Group may be cancelled depending on the contents of the violation.

Suppliers shall accept whistle-blowing and complaints from their employees, shall make sure to protect their employees from possible retaliation from the suppliers and persons against whom the relevant whistle-blowing was made, and shall take appropriate measures to rectify the status and conditions against which such complaints are made, while always taking the privacy of whistle-blowers into consideration.

Risk Mitigation Measures for Each Human Rights Issue

Human Rights Impact Assessment

We conducted human rights impact assessments at eight business sites in Japan and overseas (six regional headquarters in all regions and two factories in Japan).

Occupational Health and Safety (OH & S)

Number of factories with ISO 45001 certification: 8 sites

A safety culture audit was conducted at 22 Shiseido Group companies in Japan to evaluate and analyze the level of safety culture at each company in the areas of education and training, reporting obligations, performance, resources and the environment, and organization and corporate culture. The results of the audit are reported back to the Shiseido Group Occupational Health and Safety Management System Committee, which meets four times a year. The committee analyzes trends in work-related accidents at each business site and gives instructions for improvement, especially for the improvement of dangerous locations and dangerous actions to ensure that they do not recur.

Harassment

In 2022, a workplace harassment fact-finding survey was conducted in 309 departments of the Shiseido Group in Japan. The results of the survey were provided to each department as feedback, and each department was requested to take measures to resolve harassment issues. In response, each department took corrective measures individually. In 2023, a harassment fact-finding survey was conducted at departments deemed to be at high risk of harassment to ascertain the status of subsequent improvements. The survey results were provided to all responsible persons in the departments subject to the survey as feedback, and for departments that were not making sufficient improvements, corrective measures were requested again based on the survey results.

In 2023, six disciplinary actions were taken at the Shiseido Group in Japan regarding harassment. In each case, employees involved in misconduct were punished in accordance with work rules and internal regulations, and corrective measures and measures to prevent recurrence were promptly taken in cooperation with the relevant departments.

Promoting Sustainable and Responsible Procurement

We were able to achieve the goal of using 100% sustainable paper for product packaging by 2023.*

As for raw materials derived from palm oil, we have replaced 51% of palm oil-derived raw materials (palm oil equivalent, on a weight basis) with certified palm oil based on the RSPO's physical supply chain model.

* Such as certified paper and recycled paper, paper weight basis

Supplier Assessment Program

Tier 1 Suppliers Assessment

In 2023, we conducted the Supplier Assessment Program globally for all 860 Tier 1 suppliers (categories: direct materials, OEM products, contract manufacturing goods, and sales support tools). It was since 2020 that we conducted the program covering all Tier 1 Suppliers. As a result, we completed the self-assessment of all 860 suppliers*1. Furthermore, 12 suppliers were identified as high-risk suppliers in the self-assessment.

- We provided feedback on the result and advised on corrective action plans to all 12 suppliers.
- We conducted third-party audits to all high-risk suppliers and asked suppliers to take corrective actions. As a result, we reduced the number of High-Risk Suppliers to 3.

We will continue working with the 3 high-risk suppliers for corrective actions, aiming to complete the corrections by the end of 2024. In addition, we will expand the categories of the Supplier Assessment Program and plan to start an assessment of Tier 1 suppliers of indirect materials*2 in 2024.

*1 : 1 supplier completed the self-assessment in February 2024.

*2 : Scope of the assessment is based on priorities derived by using IQ Plus, a screening tool from EcoVadis, which screens suppliers based on country, industry sector, spend and others.

Please refer to "Promoting Sustainable and Responsible Procurement" for the results.

Grievance mechanisms

We offer whistleblowing and consultation hotlines for the purpose of detecting and correcting violations against the laws and regulations, the Articles of Incorporation, and rules within the Shiseido Group. The whistleblowing and consultation hotlines are operated according to internal rules that specify confidentiality, prohibition of disadvantageous treatment or reprisals against whistleblowers/consulters, elimination of conflicts of interest, and the process for handling whistleblowing and consultations, etc. These internal rules are disclosed via the internal intranet so that employees can view them at any time.

Globally, we have established whistleblowing and consultation hotlines at each regional affiliate for employees to voice their concerns about or report on words and/or actions which are or may be unethical or in violation of laws in the relevant countries/regions, the internal rules, and the Shiseido Code of Conduct and Ethics. At Company headquarters, the Shiseido Global Hotline has been established to receive reports directly from any employee in the Shiseido Group. In Japan, we have established the Shiseido Hotline, which handles consultations and reports from a wide range of workplaces, and the Shiseido Group Audit Committee Hotline*, which handles domestic and overseas reports related to directors, executive officers, and persons in charge of the hotline. All these hotlines accept anonymous whistleblowing and consultations.

Shiseido also has a Business Partner Hotline for suppliers and business partners in Japan to voice any concerns on violations of human rights and compliance by Shiseido Group companies and employees.

* The hotlines in Japan accept whistleblowing and consultations from all persons working for Shiseido Group companies in Japan (directors, auditors, executive officers, employees, contract employees, temporary employees, former employees within one (1) year of their retirement, and other protected parties as stipulated in the Whistleblower Protection Act).

Living Wages

Shiseido considers wages to be the amount of monetary compensation necessary for our employees and their families to be able to lead fruitful lives. We have established an internal project to develop an approach to living wages throughout the value chain. In 2023, we collaborated with the Fair Wage Network to evaluate the living wages of employees across the entire Shiseido Group using the Living Wage Methodology. We have also begun evaluating the living wages of suppliers using the same method.

In addition, for employees with children in the Shiseido Group in Japan, we provide monthly allowances to cover childcare and education in addition to base salary. (Subsidies for childcare and education expenses are available through the Cafeteria Plan.)

In 2022, in the case of employees of Shiseido Co., Ltd. and Shiseido Japan Co., Ltd. a self-assessment confirms that the basic salary is designed to exceed the living wage in comparison with the 2021 RENGO Living Wage Report issued by the Japanese Trade Union Confederation.

Furthermore, the Shiseido Group Supplier Code of Conduct stipulates that suppliers need to take into consideration their wage levels to ensure that wages paid are at a level necessary for their employees and their family members to live with human dignity.

In 2023, through the EcoVadis* questionnaire, we checked if some of our suppliers made the commitment to paying a living wage or have conducted an assessment as to whether their employees were being paid a living wage. As a result, we confirmed that 15 of them made the commitment or conducted an assessment.

In addition, we plan to conduct living wage assessment of our strategic suppliers from 2024, with the Fair Wage Network.

*Measure the quality of a company's ESG management system through its policies, actions and results.

The assessment focuses on sustainability criteria that are grouped into four themes: Environment, Labor & Human Rights, Ethics and Sustainable Procurement.

Dialogues with stakeholders

In order to ensure sustainable and responsible procurement and respect for human rights in the course of our business activities, Shiseido works with various stakeholders to discuss both the environment and society and share and resolve

issues. In dialogues with human rights experts, we received advice on how to proceed with human rights due diligence and reflect it in our activities.

In 2023, we held a dialogue with human rights experts to report on the results of our human rights risk assessment and discuss the progress of our response to each human rights risk, disclosure of human rights due diligence, and response to human rights risks in the supply chain.

Date	October 16, 2023
Agenda	Building grievance mechanisms, supplier management in human rights
Experts	Human rights experts from the World Benchmarking Alliance and the United Nations Development Programme Asia Pacific
Key comments	Human rights experts advise that it is important to build a relationship of trust with rights holders and to promote engagement with suppliers in order to build a grievance mechanism.

In 2022, dialogues with ten human rights bodies and experts were set up under the following themes.

- Forced labor or human trafficking in supply chains
- Privacy protection
- Water risks and human rights
- Gender gap

Important matters of concerns and improvements gained through the dialogues with stakeholders are reported in the Sustainability Committee held annually.

Responding to and learning from human rights issues identified through the dialogue with stakeholders

In 2023, we conducted a human rights risk assessment as part of our periodic review of our risk map regarding potential human rights issues. Two of our factories were surveyed by a human rights NGO to assess the working environment, which included interviews with migrant workers. Although the survey did not find any significant human rights risks, we have taken corrective measures for the cases that were identified as human rights risks.

Date	September 21-22, 2023
Venue	Shiseido Kakegawa Factory and Shiseido Osaka Ibaraki Factory
Agenda	- Human rights due diligence and engagement - Working environment research, including interviews with migrant workers (temporary workers)
Survey and interviewer	The Global Alliance for Sustainable Supply Chain (ASSC), a human rights NGO
Contents of the survey	- Interviews with 20 foreign workers on working conditions, wages, working hours, and safety and health. - Management interviews with the management departments of the factories, checking records on working conditions, wages, working hours, safety and health, and disciplinary measures, as well as checking the actual working environment.

● Case 1: Time spent changing clothes regarded as paid working hours

The human rights NGO that conducted the survey pointed out that the fact that the time to change into uniforms at the time of going to work and leaving work is not treated as working hours is a human rights risk. At the time of the survey, the Company was in the process of making arrangements to pay wages for time spent changing into uniforms. In 2024, all our factories in Japan began paying for the time spent changing into uniforms.

● Case 2: Multilingualization of employment contracts for foreign workers in our factories

When the human rights NGO interviewed migrant workers (temporary workers) working at our factories, some of

them commented favorably that the increased use of English in the notice boards and documents at the factories made them easier to understand than before. However, some pointed out that the employment contracts and other documents prepared by the temporary staffing companies were written only in Japanese. We understood the necessity of providing employment contracts in multiple languages and changed the language for preparing employment contracts so that foreign workers can understand them regardless of whether they are hired directly or indirectly.

Report/Disclosure Concerning Human Rights

Shiseido reports progresses concerning human rights issues in our sustainability reports and "Sustainability" on our corporate website. The report includes updated due diligence, risk assessment activities, and if applicable, incidents relating to human rights and remedial actions/plans. Shiseido also discloses a declaration concerning the UK Modern Slavery Act on our corporate website. Through these communications, we review and improve the assessment processes.

Promoting Sustainable and Responsible Procurement

At Shiseido, we utilize the world's natural resources to develop products and operate our business. We understand these resources are limited, and as such, we place the utmost importance on the sustainable and responsible procurement of raw materials at every stage of the supply chain. This includes the reduction and reuse of resources from the perspective of environmental protection, biodiversity, and in support of a circular economy. In all our activities, we also work to address and strengthen our response to other sustainability issues, such as human rights.

Biodiversity Initiatives and Procurement of Raw Materials

Shiseido's business activities rely on nature's rich biodiversity.

In recent years, many scientists and non-governmental organizations have warned of rapid biodiversity loss. As a result, from both a species conservation and sustainable business perspective, companies are being called upon to ensure transparent information disclosure regarding the relationship between business and the natural environment and to engage in biodiversity conservation activities.

Generally, in raw material production areas, there are concerns over not only the loss of biodiversity caused by overexploitation but also violations of the human rights of the people working there.

Corporate Initiatives on Biodiversity

At Shiseido, we have analyzed the relationship of our business with terrestrial, freshwater and marine biodiversity and found that our business has a significant dependence and impact on terrestrial ecosystems, especially in the procurement of raw materials. In particular, palm oil and paper have a material impact, so companies are required to be proactive in taking measures. In 2020, we published our medium- to long-term targets for the sustainable procurement of palm oil and paper, and we are currently in the process of switching to more sustainable raw materials.

For the procurement of palm oil and paper, we support the principles of the No Deforestation, No Peat, No Exploitation (NDPE). We request suppliers to ensure compliance with NDPE as stated in the Shiseido Group Sustainable Raw Materials Procurement Guidelines.

We are also strengthening our efforts to solve issues related to the mining of mica. By clarifying our own procurement policy and building a support system in collaboration with other companies, we aim to create positive change in the mica mining industry.

At Shiseido, we use the Taskforce on Nature-related Financial Disclosures' (TNFD) framework and the LEAP Approach to analyze risks and opportunities around our business activities' dependence and impact on nature. To fulfill the responsibilities of business site managers, we requested MS&AD InterRisk Research & Consulting, Inc., which has TNFD members, to conduct detailed surveys focused on rare species' habitats and reserves and the status of water resources in areas around our sites, including factory premises. We analyzed them from the perspectives of preciousness and importance (identified sensitive locations and material locations). We also analyzed them by means of a Life Cycle Assessment for the purpose of assessing indirect impacts given via the value chain. For raw materials originating from agricultural products, which were identified as a factor with a significant impact, we converted the value of ecosystem services by pollinators, such as honey bees, into monetary values and thus visualized the level of our dependence on biodiversity in procurement. We summarized and disclosed results of these analyses in a Shiseido Climate/Nature-related Financial Disclosure Report in 2023.

Based on the results of the analyses we conducted, going forward we will drive sustainable business activities which are in harmony with nature and biodiversity by working together with suppliers, external experts, and other stakeholders, with a strong awareness that recovering and regenerating biodiversity is essential.

[Click here \[PDF : 1.21MB\]](#) for Shiseido Climate/Nature-related Financial Disclosure Report

[Click here](#) for Environmental Policy (Biodiversity/Forests)

Biodiversity Initiatives by Brands and Other Activities

Shiseido engages in a wide range of biodiversity protection activities through many of its brands and business operations in regions.

Since 2019, brand SHISEIDO has been implementing the "SHISEIDO BLUE PROJECT," a global initiative to protect the oceans under the theme "Respect for the Ocean." Collaborating with Shiseido teams worldwide, local communities, and NGOs, the brand has engaged in impactful activities such as beach clean-ups and dune planting to enhance the beauty of our oceans. On World Oceans Day, June 8, 2024, marking the project's sixth anniversary, we proudly conducted a series of sustainability initiatives focused on sun care across nine locations in five countries.

[Click here](#) for the details on the activities of the SHISEIDO BLUE PROJECT

BAUM was established to celebrate and honor our coexistence with trees. In October 2023, the brand planted seedlings at BAUM Oak Forest in Morioka City, Iwate Prefecture for the third time, in collaboration with Iwate-ken Shinrin Seibi Kyodo Kumiai (Iwate Prefecture Forest Development Cooperative) and Sumitomo Forestry Co., Ltd. Since launching in 2020, the brand has carried out these plantings as a way to give back to nature rather than only receiving the blessings of trees. As part of its sustainability efforts, BAUM will continue to use wood from its forests in product packaging.

In Japan in 2022, we began nature conservation activities on Mt. Ibuki*1, an area where medicinal herbs have been cultivated for centuries. In addition to opening our own medicinal herb garden and cultivating herbs, we are working alongside the Reiho Ibukiyama Association—which works to protect the nature around the mountain—to restore vegetation and preserve the abundant nature in the mountain's foothills.

In 2023, to make full use of unused herbs from Mt. Ibuki, we developed SOYU, herb bath powder, jointly with Matsuda Chemical Industries. We used this product as a reciprocal gift in crowdfunding for nature conservation activities on Mt. Ibuki.

*A semi-independent peak among the Ibuki Mountains, which connect Maibara City in Shiga Prefecture and the Ibi/Fuwa districts in Gifu Prefecture. 1,377 meters high and one of the 100 famous Japanese Mountains.

[Click here](#) for the news release regarding the nature conservation activities on Mt. Ibuki. (In Japanese only)

Bees play an important role in the pollination of crops. There are concerns around the declining population of honeybees. So our Val de Loire and Gien factories in France have incorporated the protection of honeybees and the conservation of ecosystems into their sustainability plans. As well as setting up beehives onsite, both factories prohibit the use of agrochemicals on factory grounds. In 2023, the factories' beehives produced around 179 kg of honey.

Palm Oil

Palm oil is a highly versatile raw material used in a variety of products from food to cosmetics. However, its production has caused significant challenges, including deforestation and human rights issues. Therefore, it is essential for companies to ensure sustainable and responsible procurement of this raw material.

In 2010, as part of our efforts in this area, we joined the Roundtable on Sustainable Palm Oil (RSPO), an international non-profit organization. In 2023, we purchased RSPO credits equivalent to 100% of the palm oil-derived raw materials we procure. In 2020, we disclosed our medium- to long-term target of reaching 100% sustainable palm oil in our products by 2026. The relevant teams in our global and regional headquarters have been working to achieve this target ever since. To achieve this target, we request all suppliers dealing in palm oil to join RSPO and switch to certified palm oil*1 based on the RSPO's physical supply chain model. We thus work with suppliers to procure sustainable palm oil-derived raw materials and ensure traceability.

In addition, in 2023 we held a session for explaining our procurement policy to suppliers in Japan and requested them to collaborate with us in promoting traceability of palm oil. In 2023, we replaced 51% of palm oil-derived raw materials

(palm oil equivalent, weight basis) with certified palm oil based on the RSPO's physical supply chain model. In addition, we continued working towards RSPO Supply Chain Certification at our factories. All of our factories are now RSPO certified.*2

Since 2019, we have been part of the Japan Sustainable Palm Oil Network (JaSPON) and the palm oil working group of the Consumer Goods Forum (CGF)*3, both of which work to solve issues related to palm oil by strengthening collaboration with other companies. Further, through the Shiseido Camellia Fund *4, we support WWF Japan's activities in Indonesia. By training local farmers on environmentally friendly production methods and workplace safety, and by supporting the establishment of producer associations, WWF*5 Japan is helping smallholder farmers acquire RSPO certification and improve their livelihoods. We purchased RSPO credits sold by RSPO-certified small-scale farmers. In doing so, we promoted sustainable procurement in response to environmental and social challenges.

*1 : Raw materials certified by RSPO's physical supply chain method

*2 : The Fukuoka Kurume factory (Japan), which began operations in 2022, will be RSPO certified in 2024.

*3 : An international industry group consisting of manufacturers and retailers from the food and consumer goods industries.

*4 : A fund that uses donations from Shiseido employees and alumni to support the activities of NPOs and NGOs working to tackle social issues.

*5 : World Wildlife Fund for Nature



RSPO, Jonathan Perugia



Check our progress at www.rspo.org

Paper

As part of our strategic action to use resources responsibly and reduce our use of single-use plastics, we actively promote the use of paper for secondary packaging, such as folding cartons. However, there are environmental issues associated with the production of raw materials for paper, such as deforestation and loss of biodiversity, as well as human rights issues. Therefore, sustainable and responsible procurement is essential.

We were able to achieve the goal of using 100 % sustainable paper*1 for product packaging*2 by 2023.

Cosmetics packaging must meet various expectations and standards. It should be sophisticated and beautiful, but also sustainable in its design and strong enough to protect the cosmetics inside. In collaboration with paper manufacturers, we are developing innovative paper packaging solutions that meet and exceed these expectations. We are also switching to sustainable paper for promotional materials and consumables such as copy paper in offices. For promotional materials, we began to implement initiatives in accordance with the Shiseido POSM Global Eco Design Guidelines within the company from 2023. For example, we are switching to certified paper and recycled paper for promotional materials, such as product displays, bags, and leaflets. In addition, we are reducing paper usage by standardizing and unifying some of the cardboard paper for cosmetic sample.

*1 : Use of certified paper and recycled paper from the perspective of forest conservation.

*2 : Amount of paper packaging used in 2023 (including estimates): 5,300t

Mica

Due to its light-reflecting properties and excellent heat resistance, mica is used in a wide range of industries, including cosmetics. In 2017, Shiseido joined the Responsible Mica Initiative (RMI), which aims to eliminate child labor and forced labor at mining sites in the mica-producing countries to establish mica as a sustainably and responsibly produced raw material. We endeavor to ensure responsible procurement of mica produced in India, which has risk of human right issues such as child labor, by sourcing from RMI member companies and confirming that there are no human right issues.

In collaboration with non-governmental organizations, the Indian Government, and its member companies, among others, RMI implemented community empowerment programs in 180 mica-dependent villages during the six years from 2018 to 2023. This program supported activities, such as helping to improve incomes and livelihoods of approx. 95,000 people from approx. 19,500 households in the villages.

We will continue to strive to procure mica sourced from producers with no social responsibility issues.



Responsible Mica Initiative



Traceability

In 2023, Shiseido joined in a consortium of 15 cosmetics industry companies*, TRaceability Alliance for Sustainable CosmEtics (TRASCE) to enhance traceability in key ingredient and packaging supply chains across the industry. Together with the member companies, we are committed to working to map our supply chains across the entire value chain on a common digital platform, Transparency-One, an ISN Company.

* The 15 founding members of TRASCE: Albéa, Chanel, Clarins, Cosfilbel group powered by GPA, Dior, The Estée Lauder Companies, Groupe Pochet, L'Occitane en Provence, L'Oréal, Merck, Neyret, Nuxe, Sensient, Shiseido and Sisley (alphabetical order)

Supplier Assessment Program

Ethical Supply Chain Policies and Standards

At Shiseido, we strive to grow our business as well as stimulate the growth of the societies in which we work. But we want this growth to be sustainable and responsible. In all our activities, we seek ways to prevent human rights problems and preserve the environment.

In recent years, as social and environmental issues have become more serious, companies are strongly urged to not only comply with the laws and regulations of each country, but also respect international treaties and conventions and work toward the realization of a sustainable society and world throughout their supply chains. To this end, Shiseido has established standards and policies for procurement.

We have issued the Shiseido Group Supplier Code of Conduct and the Shiseido Group Procurement Policy and conduct supplier assessments and monitoring on a regular basis to ensure an ethical supply chain. In addition, the Shiseido

Group Sustainable Raw Materials Procurement Guidelines have been enforced across the Group to ensure the procurement of sustainable raw materials (e.g., palm oil and paper) on a global scale.

We strive to share and resolve issues with our stakeholders and liaise with wide-ranging experts such as international human rights experts and people working in raw material producing regions to make sure our actions always rely on expert knowledge.

Shiseido Group Procurement Policy

Our procurement policy is to respect all our suppliers as well as ensure sustainable procurement taking society and the environment into account. This is because we aim to provide safe products with high quality which satisfy our customers.

We state a policy to create social value with suppliers in addition to economic one such as cost and quality. We define social value as fair transactions, compliance with laws and regulations, respecting different cultures and set of values, respecting human rights and protection of the environment.

To actively promote more sustainable and responsible procurement together with our suppliers, we revised the policy and announced it in February 2022. In the new Procurement Policy, we formulated requirements for our suppliers regarding the environment and human rights as well as introducing a strict, objective risk identification and correction process through third-party audits, clearly stating that we will evaluate our suppliers from the perspective of sustainability.

Shiseido Group Supplier Code of Conduct

We joined The United Nations Global Compact and took this opportunity to establish the Shiseido Group Supplier Code of Conduct. This code of conduct articulates norms related to human rights, compliance with laws and regulations, labor practices, protection of intellectual properties, protection of confidentiality, protection of the environment and fair transactions. We request all suppliers who have transactions with us to comply with these standards.

To ensure sustainable procurement together with our suppliers, we regularly conduct supplier assessment and the supplier assessment program, which includes corrective actions after the assessment.

In the event that any supplier is identified to have violated the code of conduct, they are requested to implement corrective actions, and we support and educate them.

Shiseido Group Sustainable Raw Materials Procurement Guidelines

We take actions to resolve issues of raw materials that are determined to have a high probability of serious environmental and human rights issues in the country of origin, such as switching to materials with third party certification of zero involvement and joining international initiatives.

In particular, palm oil-derived raw materials, paper and mica cause deforestation and labor issues which have been frequently revisited. Therefore, we announced targets and measures to resolve the issues and set out a guideline to ensure sustainable procurement.

Overview of Shiseido Products and Suppliers

Purchasing Commodities

Items to be purchased include direct materials such as raw materials and packaging for our products, sales support tools, OEM products and contract manufacturing goods.

Shiseido does business with 860 suppliers* from various countries and regions around the world based on the Shiseido Group Procurement Policy. Under the policy we build good partnerships, conduct fair purchasing transactions, make sure that contracts are fulfilled, promote responsible procurement, and respect diverse values.

*Companies belonging to the same corporate group are counted as one supplier. (Tier 1 suppliers only)
Each company is counted only once even if it appears in more than one category.

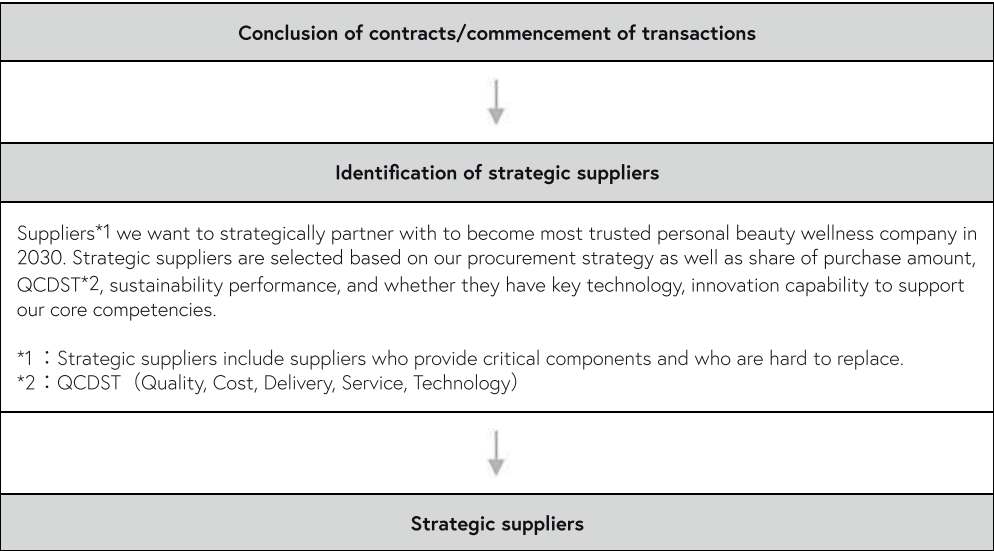
Suppliers by Category



Strategic Suppliers

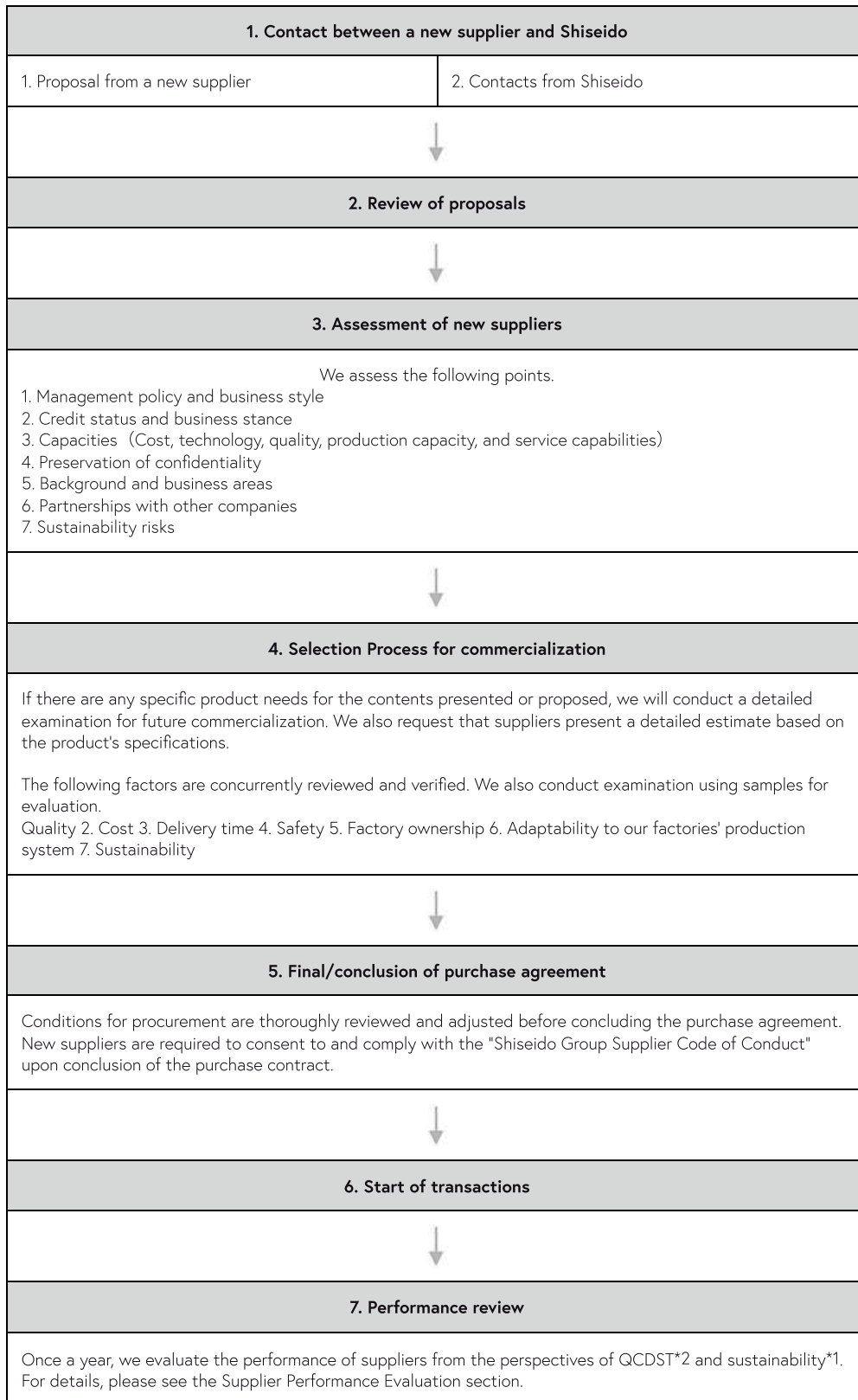
Identification of Strategic Suppliers

We identify strategic suppliers once a year by the following process



Number of strategic suppliers

	Suppliers
Tier1	24
Non-Tier 1	5
Total	29



*1 : The minimum requirement for doing business with a supplier is that it is assessed as "not high-risk" in terms of sustainability. If a supplier is categorized to be "high-risk", it is excluded from the candidates; however, if issues are corrected within a certain period and requirements are met, its eligibility may be reconsidered.
 Please refer to the Supplier Assessment Program for the definition of "high-risk".

*2 : Quality, Cost, Delivery, Service, Technology

Category strategy in Procurement

Shiseido builds category strategy based on purchased commodities and conducts sourcing activities accordingly. The category strategy is created by considering requirements based on QCDST* business aspects, and requirements from a sustainability perspective. The strategy is updated based on category performance which is reviewed regularly and the status of compliance with the Supplier Code of Conduct.

In these ways, we continuously review our purchasing practices and ensure alignment with the Supplier Code of Conduct while confirming there are no conflicts with sustainability requirements.

*Quality, Cost, Delivery, Service, Technology

Supplier Assessment Program

Our aim is to create a sustainable supply chain built on responsible procurement and to minimize risk across the entire supply chain. To do so, we are promoting the implementation of the Supplier Assessment Program.

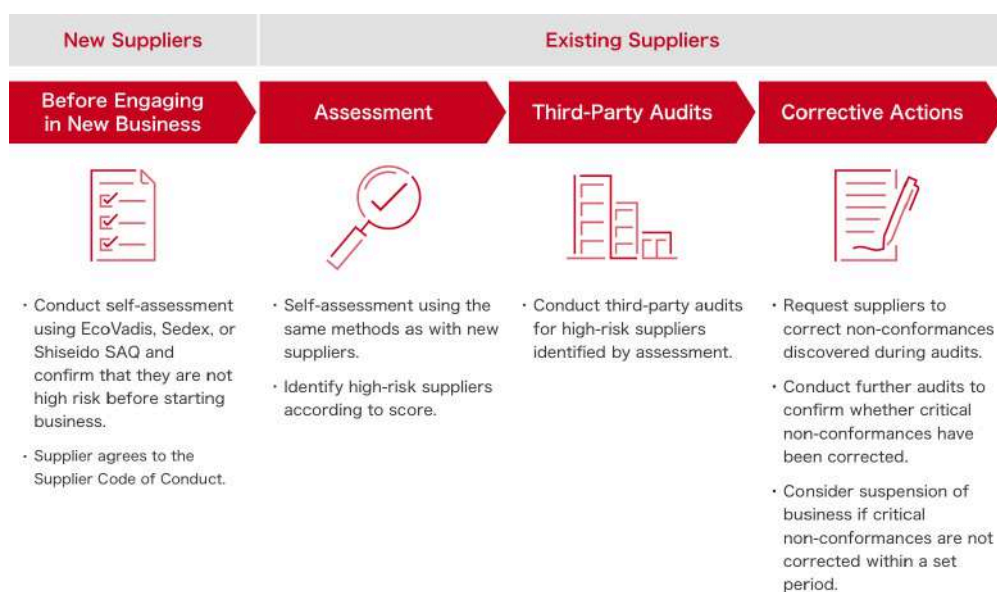
At Shiseido, we implement the program based on the Shiseido Group Procurement Policy which was revised in 2022. We don't work with suppliers, if they are categorized as high-risk by the assessment and don't correct non-conformances identified by audits.

We conduct a self-assessment for all suppliers when starting business from the perspective of sustainability (human rights, occupational health and safety, environment, and business ethics) using either EcoVadis, Sedex, or our original Self-Assessment Questionnaire (SAQ) *1.

We start business with new suppliers after conducting supplier assessments, confirming that they are non-high-risk and then agree to Shiseido Group Supplier Code of Conduct.

For existing suppliers, we continuously confirm compliance with Shiseido Group Supplier Code of Conduct using the above assessments.

We screen significant suppliers*2 based on their degree of risk and importance to our business to prioritize assessments. The screening process considers the risks of suppliers (ESG risks, risks specific to country, industry, commodity), spend, QCDST*3 performance, etc.



Based on self-assessment results, we categorize suppliers into three groups according to the degree of risk: low-risk, medium-risk, and high-risk. If a supplier is categorized as high-risk, we conduct third-party audits.*4

Additionally, we give all suppliers feedback on the results either face-to-face or on-line, and, if necessary, our employees visit the suppliers' sites to discuss improvements in their ESG performances.

During third-party audits, employee interviews and verification of required documentation are conducted. High-risk suppliers are then requested to implement corrective action plans, and in the event of critical non-conformance, we conduct further third-party audits to confirm correction status. If issues are not corrected within a set period, we consider suspension of business.

*1 : Please refer to the following table for details about our self-assessment tools.

*2 : In 2023, 38 companies were classified as significant suppliers (33 of these are Tier 1 suppliers and their spend accounts for 35% of the global spend), We assessed all of them and none of them was categorized into high-risk.

*3 : Quality, Cost, Delivery, Service, Technology

*4 : WCA audit (a third-party audit company, Intertek's sustainability audit program), SMETA audit (audit program designed and managed by Sedex), and others

Tool	Explanation (main criteria etc.)
EcoVadis	<p>Measure the quality of a company's ESG management system through its policies, actions and results.</p> <p>The assessment focuses on sustainability criteria that are grouped into four themes: Environment, Labor & Human Rights, Ethics and Sustainable Procurement.</p> <p>The questionnaire is customized according to industry type, location, and company size of the respondent.</p> <p>Supporting documents are required when submitting answers.</p>
Sedex	<p>Evaluate suppliers by the questionnaires based on labor standards, health and safety and business ethics. The number of questions vary depending on industries.</p> <p>The level of risk is calculated based on the answers to the questionnaire. Country and sector specific risks are also considered.</p>
Shiseido SAQ (Self-Assessment Questionnaire)	<p>Based on Shiseido Group Supplier Code of Conduct, the SAQ evaluates suppliers from four criteria: human rights and labor, occupational health and safety, the environment, and business ethics.</p>

Shiseido is gradually expanding the scope of its supplier assessment program from the perspectives of procurement category, country, and tier (a measure of the distance of a supplier from companies)

From a category perspective, we assess globally suppliers which provide direct materials, OEM products, contract manufacturing goods, and sales support tools. From a tier viewpoint, we assess not only Tier1 suppliers, but also upstream suppliers; Tier 2, and beyond.

We will expand the categories of the Supplier Assessment Program and plan to start an assessment of Tier 1 suppliers of indirect materials* in 2024.

The policy and the results of the supplier assessment program are reviewed by the Sustainability Committee, and then, proposals and reports are made to the Board of Directors.

* Scope of the assessment is based on priorities derived by using IQ Plus, a screening tool from EcoVadis, which screens suppliers based on county, industry sector, spend and others.

Results:

Activities in 2023

Tier 1 Suppliers Assessment

In 2023, we conducted the Supplier Assessment Program globally for all 860 Tier 1 suppliers (categories: direct materials, OEM products, contract manufacturing goods, and sales support tools). It was since 2020 that we conducted the program covering all Tier 1 suppliers. As a result, we completed the self-assessment of all 860 suppliers*1.

Furthermore, 12 suppliers were identified as high-risk suppliers in the self-assessment.

- We provided feedback on the result and advised on corrective action plans to all 12 suppliers.
 - We conducted third-party audits to all high-risk suppliers and asked suppliers to take corrective actions. As a result, we reduced the number of high-risk suppliers to 3.
- We will continue working with the 3 high-risk suppliers for corrective actions, aiming to complete the corrections by the end of 2024.

Tier 1 Suppliers Assessment Results

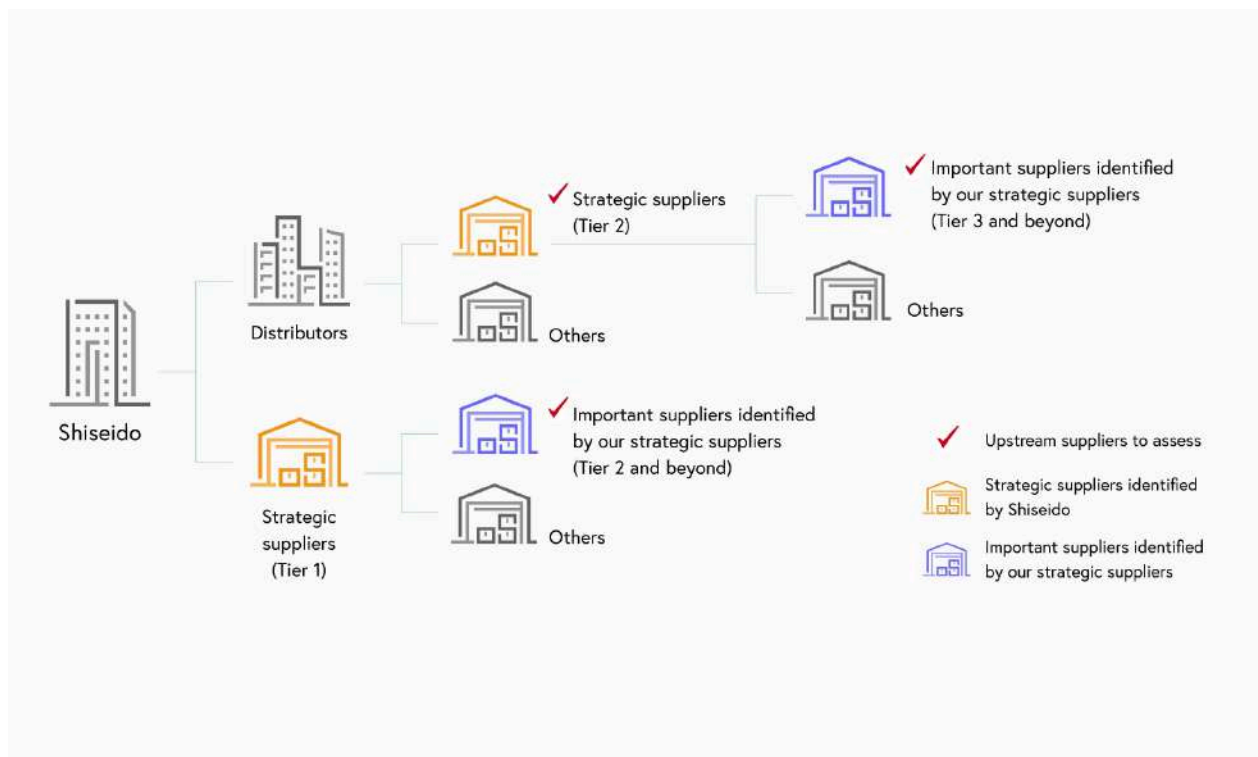
Year	No. of Suppliers Assessed	No. of High-Risk Suppliers Identified	No. of High-Risk Suppliers (at end of FY2023)
2020	889	132	0
2021	279	17	0
2022	72	10	0
2023	860*	12	3

*1 supplier completed the self-assessment in February 2024.

Assessment of Upstream Suppliers (Tier 2 supplier and beyond)

Same as previous year, we assessed five Tier 2 strategic suppliers in 2023, and none were categorized as high-risk. In addition, we expanded the assessment scope and began to assess upstream suppliers (Tier 2 supplier and beyond). First, we requested our strategic suppliers (Tier 1 and Tier 2) to identify important manufacturing suppliers that they work with and confirm the risks of these suppliers using such as EcoVadis and Sedex etc. As a result, we completed an assessment of 169 upstream suppliers in total and identified one high-risk supplier. Together with our Tier 1 and Tier 2 strategic suppliers, we will continue identifying suppliers to assess and correct the issues of the high-risk supplier.

Assessment Scope of Upstream Supplier (Tier 2 supplier and beyond)



(KPI 1) % of suppliers assessed (number of Tier 1 suppliers)

Year	2020	2021	2022		2023	
	Results	Results	Results	Target	Results	Target
% of suppliers assessed (number of suppliers assessed) *1	94% (791)	97% (279)	100% (67)	100%	100% (860) *2	100%
Geographical scope	All Tier 1 suppliers in all regions	Global headquarter, EMEA Regional Headquarters and some suppliers	All Regions		All Tier 1 suppliers in all regions	

*1 : % of suppliers assessed = number of suppliers assessed / total number of suppliers in scope of assessment

*2 : The assessment of one supplier was completed in February 2024.

(KPI2) % of strategic suppliers assessed (number of Tier 1 suppliers) *

Year	2020 Results	2021 Results	2022 Results	2023 Results	2024 Target
% of strategic suppliers assessed (number of suppliers assessed)	96% (239)	100% (17) *	100% (23)	100% (24)	100%

*The definition of a strategic supplier was revised in 2021. We regularly revisit the definition, considering business environment and strategies.

Issues of high-risk suppliers found through third-party audits

Area	Examples of issues	Examples of corrective actions
Occupational health and safety	Evacuation guidance signs were not placed in the warehouse.	Evacuation guidance signs were placed.
	The warehouse area was not equipped with emergency lighting.	Emergency lighting was installed.
	A door along the evacuation route was locked and equipped with a door knob cover.	A warning to not lock the door during operating hours was installed, and the cover was removed.
	Fire extinguishers were improperly installed in the facility.	Proper installation of fire extinguishers, and regular checks were implemented.
	Power outlets and wiring were not installed in a safe manner.	Safety covers were installed.
	Measures were not taken to prevent the leakage of chemical substances.	Leak prevention trays were installed.
Human rights	Long employee working hours were occurring.	New employees were hired to ensure adequate staffing.

Partnership with suppliers

Supplier Performance Evaluations

Once a year, Shiseido evaluates the performance of its suppliers from the perspectives of QCDST* and sustainability. Evaluation results are provided to suppliers as feedback during business meetings and other occasions, and along with requesting improvements, results are also reflected in our category strategy.

Evaluation weight for sustainability criteria is 20% of the total, and evaluation criteria includes results such as supplier self-assessment.

*Quality, Cost, Delivery, Service, Technology

Shiseido Supplier's Day

Shiseido invites the top management of suppliers that have shown high performance to Shiseido Suppliers' Day, in order to share information about Shiseido's Medium-Term Strategy, policies on procurement activities and expectations of suppliers. 2021 was the first time the Shiseido Suppliers' Day was held online globally. As part of this event, we requested the understanding and cooperation of suppliers, explaining our sustainability medium-term targets and action, in addition to describing what we expect from them in terms of human rights, the environment and society.

Briefing Sessions on Procurement and Sustainability Policies

To keep pace with the changing times and respond to social requirements, Shiseido considers it important to communicate our concept of procurement with business partners in a timely and accurate manner.

Therefore, with the aim of widespread dissemination of the procurement policy, the procurement departments in the Global Headquarters and China Regional Headquarters hold an annual Supplier's Day to share purchasing activities and strategies with suppliers.

Taking this opportunity, our Global Headquarters procurement department promulgates Shiseido's procurement policy, various tasks, and requests in the fields of raw materials, packaging, and indirect materials, and responds to questions and requests from business partners.

To ensure responsible procurement through an engagement with our suppliers, in 2023, we held our first Supplier Sustainability Session for Suppliers in Japan. Around 200 companies participated and we explained them our medium- to long-term targets and implementation of the Supplier Assessment Program. Furthermore, we held a ceremony to present letters of appreciation to suppliers who have shown great performance in terms of the Supplier Assessment Program. To strengthen supplier engagement, we will continue to hold such initiatives as well as the sessions.



Global Procurement Collaboration and Education for Buyers

Global Procurement Collaboration

We regularly host meetings with procurement leaders from each of our global facilities. At these meetings, policies and strategies related to important themes such as sustainability are discussed to promote close coordination at the global level.

In addition, once a year we hold a Shiseido Procurement Summit (SPS) where Procurement leaders from each region gather in one place. We also promote the global implementation of sustainability activities through this meeting. Due to the COVID-19 pandemic, SPS was not held on-site from 2020 to 2022. We held it in Tokyo in 2023 and in Shanghai in April 2024.



Education for buyers

To implement sustainable and responsible procurement, Shiseido provides various training directed at employees of procurement departments from perspectives including human rights, occupational health and safety and the environment.

Education provided for members of procurement department

Year	Theme	Participants
2021	Online seminar about management of sustainable supply chain	Global Headquarters: Staff in charge of Sustainability
	Online Seminar held by Sedex	Global Headquarters: Staff in charge of Sustainability
	Internal seminar about sustainability ratings	Global Headquarters: Procurement department
	E-learning on sustainability	Global Headquarters: Procurement department
2022	Internal explanatory meeting about Shiseido Group Procurement Policy	All regions: Procurement department
	EcoVadis buyer training*1	Global headquarters, China Regional headquarters Affiliate in APAC Regional headquarters, Americas Regional headquarters: Procurement department
	EcoVadis program kickoff*2	All regions: Procurement department
2023	DE&I: Session to exchange views on male childcare leave	Procurement Department of the Global Headquarters
	DE&I: Workshop on communicating with others with different values and cultures	Procurement Department of the Global Headquarters
	Seminar on challenges related to sustainability and Shiseido's sustainability strategy	Procurement Department of the EMEA Regional Headquarters
	Seminar on climate change and carbon neutrality	Procurement Department of the China Regional Headquarters
	Workshop on supplier human rights issues and risk management*3	Procurement Department of the Global Headquarters

*1 : Training on EcoVadis and the Supplier Assessment Program has been regularly provided to new staff and buyers at Global Headquarters and in each region since 2022.

*2 : We held a global meeting to confirm the purpose of supplier assessment, KPIs, and the roles and responsibilities of employees in charge of the assessment.

*3 : Actual examples were used for discussions about the roles and actions of each person and how the company should respond, taking into account Shiseido's procurement policies.

Programs to improve ESG performance of suppliers

Shiseido carries out the following programs periodically to increase the ESG performance of its suppliers.

Item	Target	Details
Explanation of Shiseido Group Procurement Policy	All suppliers	<ul style="list-style-type: none"> We distribute videos about the Shiseido Group Procurement Policy and the assessment program. Additionally, buyers provide explanations to suppliers via online or face-to-face meetings, when necessary. We provide new suppliers with explanations before conducting self-assessments. We provided explanations to all of the existing suppliers when we revised the policy in February 2022.
Feedback on self-assessment results	All suppliers	<ul style="list-style-type: none"> We give feedback on the self-assessment results to suppliers. The feedback includes benchmark data. We support high-risk suppliers by recommending concrete corrective actions, etc.
E-learning (EcoVadis Academy)	Strategic suppliers	<ul style="list-style-type: none"> We recommend that suppliers take part in EcoVadis Academy, an e-learning program for suppliers that have already become EcoVadis members.

In addition, we have recently held the following explanatory meetings and seminars. We are working out a plan to enable us to provide more suppliers with training programs.

Item	Target	Details
EcoVadis explanatory meeting (2021—2022)	All suppliers	<ul style="list-style-type: none"> We held an explanatory meeting jointly with EcoVadis to explain our reasons for using EcoVadis, the EcoVadis rating methodology, benefits of being a member, the response process, and other matters.
CDP explanatory meeting (May 2023)	Suppliers in Japan	<ul style="list-style-type: none"> We held a meeting together with CDP to explain how to respond to the CDP questionnaire and improve the suppliers' environmental performance.
Sustainability Policy Briefing (2023 and 2024)	Suppliers in Japan (November 2023) Suppliers in China (June 2024)	<ul style="list-style-type: none"> To strengthen engagement with suppliers in sustainability activities, we held a briefing session about our medium-term targets, the implementation of the Supplier Assessment Program and other topics.
EcoVadis Score Improvement Seminar (June 2024)	Suppliers newly joined to EcoVadis and suppliers under certain EcoVadis score	<ul style="list-style-type: none"> For suppliers who have joined EcoVadis, we conduct seminars about the skills and action needed to improve EcoVadis scores and ESG performance.

Taking Part in Initiatives Related to Responsible Procurement

Shiseido has been a member of the Responsible Beauty Initiative (RBI) since 2022. RBI is an initiative related to sustainability in the cosmetics industry. Through the sharing of best practices among member companies and discussions about issues that affect the entire industry, RBI works to improve sustainability throughout the supply chain.

Response to the United Kingdom's Modern Slavery Act 2015

Based on the United Kingdom's Modern Slavery Act 2015 enacted in March 2015, we disclose the Shiseido Modern Slavery Statement.

Shiseido Modern Slavery Statement (Year ended December 31, 2023)

The statement below is the report for FY2023 as of December 31, 2023. Based on the statement of the previous fiscal year, this statement describes the actions taken in FY2023 and the initiatives planned for FY2024 and beyond.

1 About This Statement

Shiseido Company, Limited, (hereafter the “Company”) makes the following declaration based on Section 54 (1) of the UK Modern Slavery Act 2015 (hereafter the “Slavery Act”) and discloses the measures implemented by the Company and its subsidiaries (collectively referred to as the Shiseido Group, hereafter “Shiseido”) to ensure that neither Shiseido’s business operations nor its supply chains involve practices amounting to slavery and/or labour under conditions of slavery and human trafficking. The Company hereby declares that Shiseido entirely opposes slavery and human trafficking in its business and supply chain operations. With this statement, Shiseido follows the definitions and concepts of slavery and human trafficking stipulated in the Slavery Act.

2 Business Operations and Organization

The Company is a cosmetics manufacturer established in 1872 in Japan. While the core of Shiseido’s business operations revolves around cosmetics, such as skincare, makeup, and fragrance, the scope of our business activities extends into a wide range of areas, including restaurants and education/childcare. Our mission is to contribute to society through beauty innovations that enrich the lives of our stakeholders globally. Shiseido currently operates cosmetic businesses in more than 120 countries and areas with approximately 36,000 employees and a global turnover of 973 billion yen in FY2023. In the UK, the Company currently sells cosmetics through its subsidiaries Shiseido UK Limited and Gallinée Ltd.

Business Overview: <https://corp.shiseido.com/en/company/business/>

Key Figures: <https://corp.shiseido.com/en/company/glance/>

3 Supply Chain

Shiseido is engaged in purchasing, factory production, and logistics in cooperation with the global headquarters and each region. Our relationship with our suppliers is based on the following philosophies stated in the Shiseido Group Procurement Policy: “Building a Good Partnership,” “Fair Purchasing Transactions,” “Toward Global Procurement,” “Performance of Contract,” “Promoting sustainable procurement,” and “Respecting diverse values.” Of these, we purchase materials from over 800 Tier 1

suppliers around the world. Our Tier 1 suppliers are all required to follow the Shiseido Group Supplier Code of Conduct, and they are responsible for adapting it to their Tier 2 and upstream suppliers.

4 Policies in Relation to Slavery and Human Trafficking

Shiseido strives to ensure that neither our business nor the supply chain related to it involves the practices of enslavement or human trafficking. This is done by establishing corporate policies applicable to Shiseido and thoroughly communicating them to employees and suppliers, including Tier 1 and upstream suppliers. These policies were drafted by the person responsible for human rights at the GHQ and were approved by the Company's Board of Directors. The Company's Chief DE&I Officer is responsible for promoting the human rights policy, including human rights due diligence and risk assessments, and reports to the Sustainability Committee at its meetings to discuss sustainability-related issues. Designation of an Executive Officer responsible for human rights issues identified through human rights risk assessments, and improvement activities are being implemented to stop, prevent, and mitigate negative impacts on human rights.

Shiseido's policies include the following:

- **Shiseido Policy on Human Rights**

Adopted in 2017, the Shiseido Policy on Human Rights is based on the United Nations Guiding Principles on Business and Human Rights to prevent slave labour (e.g., child labour, forced labour, etc.) and other work under slavery and human trafficking. This Policy applies to Shiseido and its business partners.
<https://corp.shiseido.com/en/sustainability/human/pdf/policy01.pdf>

- **Shiseido Code of Conduct and Ethics**

The Shiseido Code of Conduct and Ethics stipulates the mandatory behaviours expected of every individual working for Shiseido. The Company has established a specific code of conduct to operate its business with high ethical standards, as well as to comply with the laws and regulations of the country, local government, and company rules. It declares the absolute prohibition of practices such as child labour, forced labour, human trafficking, and other activities that may lead to human rights abuses.
<https://corp.shiseido.com/en/company/standards/>

- **Shiseido Group Procurement Policy**

Our procurement policy, which was updated in 2022, is based on a consumer-oriented perspective including the following principles:

- We carry out our procurement activities to create better products through co-creation with business partners.

• We comply with all relevant laws and regulations, prioritizing respect for human rights and protection of the global environment.

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

■ Shiseido Group Supplier Code of Conduct

Updated in 2019, this code of conduct clearly states that the use of child labour, forced labour, and human trafficking is prohibited. Shiseido takes any abuses of the code seriously and does not hesitate to terminate such relationships where necessary. Shiseido applies this code as a prerequisite for selecting Tier 1 suppliers, and Shiseido recommends that these suppliers request Tier 2 and upstream suppliers to also comply with the code. This code applies to purchasing contracts in order to strengthen solidarity and fulfil social responsibilities together with suppliers.

<https://corp.shiseido.com/en/sustainability/pdf/partner.pdf>

■ Shiseido Group Sustainable Raw Material Procurement Guidelines

We have created guidelines for palm-derived materials, paper and mica, which exacerbate environmental and human rights problems in the countries of origin.

<https://corp.shiseido.com/en/sustainability/ethical/procurement/pdf/2.pdf>

In addition to the above policies, in 2004 the Company signed the United Nations Global Compact and endorsed the principles of the Global Compact for Shiseido. Furthermore, in September 2010, the Company signed the Women's Empowerment Principles developed by UN Women and the United Nations Global Compact as a set of practical guidelines for private business and non-governmental organizations working for women's empowerment.

5 Human Rights Due Diligence

Shiseido has taken the following steps to identify and assess the apparent and potential impact of our activities relating to human rights in order to prevent or mitigate such activities.

■ Listing of human rights issues

By referring to international codes on human rights, standards on non-financial disclosures, and the Corporate Human Rights Benchmark (CHRB), Shiseido has developed a list of human rights issues to be considered based on the advice of human rights experts. This list includes not only issues related to modern slavery, such as forced labour and child labour, but also a wide range of issues related to human rights, such as freedom of association, the right to collective bargaining, and discrimination.

■ Assessment human rights risks

Shiseido has assessed the status of our activities for our listed human rights issues by interviewing stakeholders (consumers, business partners, employees, and society*) in Japan and other countries and by investigating internal documents such as but not limited to questionnaires, surveys and certain report materials (along with referring to external documents for the potential impact on human rights). Based on the results of this investigation, Shiseido has assessed the severity and likelihood of both potential and apparent risks regarding impacts on human rights in Japan and abroad, as well as the status of preventive and corrective measures Shiseido has taken to address these impacts.

*Including women, children, indigenous people, migrant workers, and temporary workers, etc.

■ Human rights risk reduction activities

Based on risk assessments of human rights issues, we identify areas in our value chain where human rights risks are assumed to be relatively high, and plan and promote improvement activities to stop, prevent, and mitigate negative impacts. The status of the promotion of these activities has been confirmed, and activities to further reduce human rights risks are ongoing, as well as progress reports and disclosure.

■ Stakeholder Engagement

Through dialogue with domestic and global human rights experts, and various NGOs and NPOs, we have continuously deepened our understanding of human rights abuses and labour problems. Since 2017, Shiseido has consecutively participated in a stakeholder engagement program operated by the Caux Round Table Japan in Tokyo, Japan. As part of the program for 2022, we identified important human rights issues for each industry through discussions with experts, NGOs, and NPOs with reference to the human rights guidance tool produced by the United Nations Environmental Programme / Finance Initiative (UNEP FI). Thus, it was confirmed that there is a possibility of child labour and forced labour in the cosmetics industry supply chain. Through this activity, we recognised that the human rights risks of slavery (including child and forced labour) and other forms of labour under conditions of servitude exist upstream in our supply chain, including in the countries of origin of raw materials such as palm oil and mica. In response to this, Shiseido continues to actively engage with human rights experts to take preventative and corrective measures to reduce such risks.

6 Risk Assessment and Management

Shiseido continues to assess and manage human rights risks in our supply chain using the following three approaches:

- Approach 1: Assess and manage risks through human rights due diligence
In order to prevent or mitigate the impact that our activities have or could have on human rights, we have identified and assessed that impact through the process described in "5. Human Rights Due Diligence." As a result, the areas in our supply chain where human rights risks were reported to be more likely are:

- Harassment and discrimination
- Violation of compliance/fair competition
- Privacy invasion and personal/confidential information leakages
- Occupational safety and health issues (work-related accidents)
- Breach of working hours, breaks, and rest period (overtime work)
- Incomplete supplier management (in no particular order).

On the other hand, we found that "forced labour" and "child labour," which are closely related to modern slavery and human trafficking, had lower human rights risks compared to other areas. For each human rights area, Shiseido will closely examine the risk level and the status of preventive and corrective measures that have already been introduced, and then assess the issues and take action according to the risk priority levels.

- Approach 2: Risk identification in the supply chain as a whole
Shiseido assesses suppliers from the perspective of sustainability (human rights, occupational health and safety, the environment, and business ethics) and confirms compliance with the Shiseido Group Supplier Code of Conduct through EcoVadis, Sedex, or our original Self-Assessment Questionnaire (SAQ) once a year. We classify suppliers into three categories according to the degree of risk: low risk, medium risk, and high risk. And for high-risk suppliers, we conduct third-party audits and request corrective action for non-conformances identified during them. In the event of critical non-conformance, we confirm correction status through third-party audits again, and if the non-conformance is not corrected within a set period, we also consider suspension of business to reduce the number of high-risk suppliers.

- Approach 3: Direct approach in terms of raw materials
In addition to the activities described above, as a direct action for raw materials that Shiseido has determined to have a high human rights risk, we have continued to promote the application of the certification system and participation in international initiatives.

Shiseido has devised ways to reduce the risks associated with palm oil, which is widely known to carry human rights risks including child labour and forced labour in the country of origin, by joining the Roundtable on Sustainable Palm Oil (RSPO). The goal is to procure raw materials certified by the RSPO in consideration of environmental protection and human rights in the place of origin. We are targeting a switch to 100% mass balance or better certified oil by 2026.

With respect to mica (which is a raw material for cosmetics), where the issue of child labour in India is becoming more apparent, Shiseido joined the Responsible Mica Initiative (RMI), which strives to achieve a responsible mica supply chain, in 2017. Shiseido participated in RMI's two activity groups, Traceability and Workplace Standards, and supported activities aimed at improving the traceability of the mica supply chain in India and responses to slave labour, including child labour.

Apart from the above initiatives, in 2023, Shiseido joined in a consortium of 15 cosmetics industry companies, TRaceability Alliance for Sustainable CosmEtics (TRASCE) to enhance traceability in key ingredient and packaging supply chains across the industry.

Together with the member companies, we are committed to working to map our supply chains across the entire value chain on a common digital platform, Transparency-One, an ISN Company.

*The 15 founding members of TRASCE: Albéa, Chanel, Clarins, Cosfibel group powered by GPA, Dior, The Estée Lauder Companies, Groupe Pochet, L'Occitane en Provence, L'Oréal, Merck, Neyret, Nuxe, Sensient, Shiseido and Sisley

7 Performance Assessment

Shiseido strives to prevent slavery (e.g. child labour and forced labour), other forms of labour under conditions of servitude, and human trafficking in its supply chain. We aim to establish traceability not only with Tier 1 suppliers but also Tier 2 and upstream suppliers on a global basis. The assessment results were used to determine the status of risks in the supply chain related to labour rights, health and safety, the environment, business ethics, and to request corrective actions.

■ Approach 1: Human rights due diligence

For the six human rights issues identified by the 2020 activities, Executive Officers were designated to be in charge, and improvement activities were implemented in 2021 to stop, prevent, and mitigate negative impacts on human rights. One of the issues identified was "incomplete supplier management," and we promoted the introduction of a rigorous and objective

risk identification and remediation process, including the implementation of third-party audits, and a process to monitor the progress of high-risk suppliers and reduce the number of them.

In 2023, we conducted a human rights risk assessment as part of our periodic review of our risk map regarding potential human rights issues. Two of our factories were surveyed by a human rights NGO to assess the working environment, which included interviews with migrant workers. Although the survey did not find any significant human rights risks, we will continue to conduct investigations to identify potential human rights risks and continuously improve our working conditions.

<https://corp.shiseido.com/en/sustainability/rights/activity.html>

■ Approach 2: Supplier assessment results

In 2023, we aimed to conduct self-assessments for all Tier 1 suppliers of raw material, packaging for our products, sales support tools, OEM products and manufacturing goods. Of 860 Tier 1 suppliers, we completed the self-assessment of 859 suppliers and 12 high-risk suppliers were identified. We conducted third-party audits for all of them to identify and correct their issues. By the end of 2023, the number of high-risk suppliers was reduced to 3. We will continue to remediate the remaining suppliers by the end of 2024.

Regarding the upstream assessment, we expanded the scope to include upstream manufacturing suppliers which our strategic suppliers have transactions with. We requested our strategic suppliers to identify their strategic manufacturing suppliers as well as to assess their risks.

In total, 169 upstream suppliers were assessed, and 1 high-risk suppliers was identified.

■ Approach 3: Direct action on raw materials identified as high human rights risk

In regards to palm oil, the relevant teams in our global and regional headquarters have been working together to promote initiatives aimed at achieving this target, and in 2023, we replaced 51% of palm oil-derived raw materials (palm oil equivalent, weight basis) with RSPO's physical supply chain model.

With respect to mica, to date, working with local partners RMI programs have reached 180 villages covering nearly 19,500 households, representing some 95,000 of the most vulnerable members of the mica. The programs helped to improve living income and livelihood.

8 Education and Training

The Company provides training on the Shiseido Code of Conduct and Ethics and/or related policies and rules through various internal programs, such as position-specific

training, in order to promote the increase of knowledge and understanding of all Shiseido employees.

■ Executive officers, vice presidents, and chief representatives

With the revision of the Shiseido Code of Conduct and Ethics in 2022, the Executive Officers, vice presidents, and office managers of both Shiseido Co., Ltd. and Shiseido Japan Co., Ltd. were briefed on the significance and key points of the revision.

■ Employees

Shiseido Code of Conduct and Ethics training: With the revision of the Shiseido Code of Conduct and Ethics in 2023, a total of 18,750 employees including the vice presidents and chief representatives of the Shiseido Group in Japan participated in training on the code, and similar training was also conducted in all regions of Shiseido Group. We also made employees aware of the prohibition of discrimination, abuse, and harassment during this training.

Harassment awareness programs: In the Shiseido Group in Japan, we conducted training on harassment prevention, and 132 newly appointed managers participated in the training. In addition, we provided training to all employees, with a total of 16,862 participants (83% participation rate).

Human rights awareness programs: We also conducted e-learning on "Unconscious Bias" as human rights awareness programs, with a total of 45,698 participants (81% participation rate).

Other programs: In EMEA, we launched a Sustainability Education Program to further understand sustainability issues and our strategies to address them.

■ Supply chain

In order to implement responsible procurement, Shiseido provides various training programs for employees in the Procurement department in terms of human rights, occupational health and safety, and the environment.

In 2023, we conducted a training for all buyers in the Procurement Department of GHQ to understand human rights issues in the supply chain and how to address them. Furthermore, in order to support building suppliers' capabilities, we have a wide ranging of initiatives.

- Explaining our Responsible Procurement Policy through online material
- Giving feedback on self-assessment results to suppliers
- Supporting high-risk suppliers by recommending corrective action plans
- Recommending EcoVadis Academy which is an online e-learning tool to strategic suppliers

9 For the Future

Shiseido continues to take the perspective of the UN Guiding Principles on Business and Human Rights and strives to prevent the initiation of its involvement in human rights abuses for its own business and throughout its supply chain. In FY2024, we will continue with the improvement activities implemented in FY2023 to stop, prevent, and mitigate negative impacts on human rights risks.

To minimize sustainability risks in the entire supply chain, we plan to continue upstream supplier assessment. Furthermore, in 2024, we will start the assessment of Indirect Material suppliers. Our scope will be suppliers identified as potentially high-risk by a 3rd party risk-screening tool.

This statement was approved by the Board of Directors of the Company and signed by the following person:

A handwritten signature in black ink, appearing to be 'KF' followed by a long horizontal stroke.

Kentaro Fujiwara
Director
Representative Corporate Executive Officer,
President and COO
Shiseido Company, Limited
May 29, 2024

Basic Policy Regarding Personnel Affairs

To realize our corporate mission of BEAUTY INNOVATIONS FOR A BETTER WORLD and basing on the concept of PEOPLE FIRST, we regard our talent as the source of Shiseido's value creation.

We define the workplace, which is the site of value creation, and the culture to which we aspire as the "Beauty Innovation Atelier." We strongly believe that investments in personnel are what improve corporate value and strive to develop an organization and culture enabling each individual to have a strong passion while collaborating across generational, career and organizational boundaries and delivering the highest quality output. We update our culture through individual empowerment and organizational development, placing a strong emphasis on nurturing innovation and enhancing leadership capabilities.

Based on our Think Global, Act Local approach, we roll out global initiatives in ways that reflect the needs of our regional headquarters, developing and revising personnel regulations that underpin strong individuals and strong organizations, while fostering an inclusive organizational culture that enhances employee engagement.

Diversity, Equity and Inclusion (DE&I)

We believe that respecting diversity such as gender, age, nationality, sexual orientation, gender identity and disabilities based on the concept of PEOPLE FIRST is necessary to realize our Shiseido Corporate Philosophy. Further, by promoting diversity, equity, and inclusion in the workplace, we create new value. As such, we will continue to develop personnel systems and policies to nurture a culture that encourages discussions for new value creation.

Support for Women's Empowerment

More than 80% of Shiseido Group employees are women, with 58.8% of women across our global organization in leadership positions. Women hold 45.5% of the positions on our Board of Directors (as of April 2024). The percentage of women in leadership positions in Japan is 40.0% (as of January 2024). We believe that empowering women can help spark innovation and in turn promote further growth at Shiseido, allowing employees to fulfil their potential. To drive this, we aim to increase the percentage of women in leadership to 50% by 2030 to fairly represent gender equality. For many years at Shiseido Japan, we have offered and promoted a wide range of systems and support measures for women's life events. Since the early 1990s—even before the introduction of childcare and family care laws—we implemented childcare leave and shortened working hour systems. We have opened two in-office childcare facilities—KANGAROOM Shiodome in 2003*1, and KANGAROOM Kakegawa in 2017—for Shiseido employees, as well as local businesses and residents. Further, to provide flexible childcare in line with diverse workstyles, in April 2023 we opened KANGAROOM+, a comprehensive childcare facility offering mainly babysitting services. In addition to ensuring more freedom of time and place by offering one-on-one childcare instead of group childcare, the scope of services has been extended to include elementary school students. The aim is to cater to the problems that parents face when their children enter elementary school first grade.*2

In 2008 we introduced the Kangaroo Staff program to secure personnel to cover for Shiseido Personal Beauty Partners who have to work shorter hours due to childcare. In 2023, 479 Kangaroo Staff helped to support the work-life balance of 1,411 Shiseido Personal Beauty Partners raising young children. As a result of initiatives like these, 92.3% of employees across Shiseido Group in Japan return to work following childcare leave, and we continue to maintain this high percentage.

In the area of people development and leadership, we hold a women's leadership development program called NEXT LEADERSHIP SESSIONS for WOMEN. In 2023, 64 women participated in the program, where they learned important management and business skills while discovering their own unique leadership styles. In the seven years since its launch, 47% (114) of the 241 program participants (excluding retirees) have been successfully promoted. Further, to increase the ratio of women in management positions to 50%, we expanded to three new programs for candidates for next Group Managers, Department/Division Heads and Executive Officers, reinforcing our leadership pipeline to steadily develop the next generation of leaders. Between 2020 and 2023, a total of 165 women from various fields including Sales, Production, and R&D, have taken part in Speak Jam, a mentoring program linking with executive officers.*3



"NEXT LEADERSHIP SESSION for WOMEN"

*1 : KANGAROOM Shiodome (our in-house nursery) was closed in line with the transition to KANGAROOM+

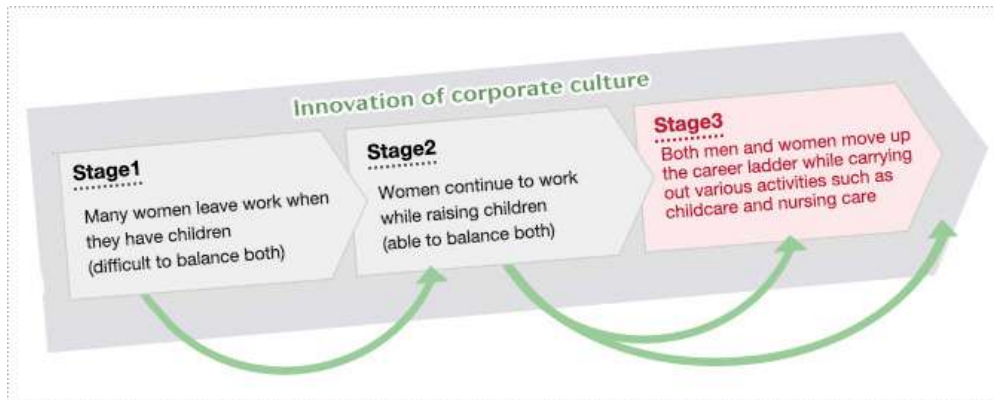
*2 : While nursery schools look after children from morning until night, elementary schools finish in the afternoon, meaning that some parents have to begin working shorter hours when their children start school.

*3 : Previously corporate officers (name changed in 2021)

We are also working to improve our workplace environments to create comfortable workplaces not only for women, but for employees with many different attributes. To ensure health, safety, job satisfaction and security, we are implementing various workstyle revisions. These include flextime with no core hours, remote work (Shiseido Group in

Japan), and the introduction of "Shiseido Hybrid Work Style," an innovative new arrangement that allows employees to combine in-office work with remote work to maximize productivity.

<Three Steps for Women Taking Active Roles>



We focus intensively on cultivating a company culture in which diverse employees play active roles while demonstrating their skills and proactively building their careers.

International Women's Day Initiatives

Shiseido carries out initiatives to deepen understanding of gender equality and DE&I every year on March 8, International Women's Day.

In 2024, Ayako Hirofuji, Chief DE&I Officer at Shiseido, Bea Asavajaru and Angelina Puzikova, Group Managers at Shiseido, spoke about their respective experiences of DE&I at Shiseido. The conversation is shared with people inside and outside the company via the Shiseido website, Instagram, LinkedIn, and the intranet.

We organize various initiatives for International Women's Day in every region.

At the Shiseido Asia Pacific Regional Headquarters and the Shiseido Travel Retail Regional Headquarters in Singapore, we organized a virtual panel discussion by internal and external leaders on the theme of inclusion in the history of Shiseido. We also partnered with Books Beyond Border, a social enterprise that supports education for girls in Nepal. As part of the effort to support these artisans, we commissioned bookmarks with the Shiseido International Women's Day logo for distribution to employees.

Also employees learnt about the support for Nepalese women's artisans from the founder. We also partnered with Project Dignity, a local company working with adults who need special support, to host networking events for employees.

Shiseido Malaysia hosted an event to commemorate International Women's Day. About 50 employees gathered to celebrate the achievements and contributions of women in the workplace and in society, and to promote DE&I at the company.

Taiwan Shiseido Group organized an event that was focused on Women's mental well-being and exploration of their inner selves through art.

At the request of Women Empowering Women, an Employee Resource Group (ERG), the Shiseido Americas regional headquarters organized a region-wide campaign, posting portrait photographs of employees on social media on the theme of International Women's Day. The executive sponsor and group leaders of Women Empowering Women also posted a video message to employees. The message promoted International Women's Day by introducing in-house events and the activities of Step Up, a non-profit organization that operates mentorship programs for girls.

[Click here for the Shiseido DE&I interview with women leaders.](#)



Shiseido International Women's Day logo



At the Shiseido DE&I interview



Networking event for employees at the Singapore office



Employees at the Ohio office posing for the International Women's Day theme

LGBTQ+ Initiatives

Shiseido is working on creating an environment and raising awareness so that every employee can be themselves at work by eliminating discrimination and harassment due to gender identity and sexual orientation.

In Japan, from 2017, the Rules of Employment stipulate equal treatment, including employee benefits, for employees with same-sex and opposite-sex partners. In addition, the Human Resources Department works to promote understanding of LGBTQ+ rights and issues among employees. The approximately 8000 personal beauty partners working in our stores have attended training on how to respond LGBTQ+ customers. They use their training to provide services that accept and support everyone.

In 2020, we endorsed Business for Marriage Equality, a campaign that promotes equal marriage (legalization of same-sex marriage).

In 2024, Shiseido's Chief DE&I Officer Ayako Hirofuji and Chief People Officer Shinji Wada expressed their support and participation in the corporate leaders' ally network "Pride1000." During Pride Month 2024, we conducted internal sessions to hear from LGBTQ+ community members within the company and organized sessions with external experts to learn the latest information about the LGBTQ+ community, aiming to deepen our understanding and support.

In 2024, we received the highest Gold certification from "work with PRIDE," the general incorporated association that evaluates corporate support for the LGBTQ+ community. Shiseido has also received the Rainbow



Certification, a credential that recognizes companies that promote cross-sector collaboration to create workplaces and societies where individuals who belong to LGBTQ+ communities can work authentically.



Chief DE&I Officer Ayako Hirofuji supports for 'Pride1000'



Chief People Officer Shinji Wada supports 'Pride1000'

Initiatives to Improve DE&I Literacy

Shiseido is implementing initiatives to improve DE&I literacy among employees. As of 2023, we have promoted DE&I training for marketers and creators in the Japan Region. Employees in charge of marketing and creativity are important points of contact with consumers. They have studied appropriate responses and expressions for marketing and advertising so that they can create new value through brand and business activities based on the DE&I approach. As a result, we have had positive reactions linked to behavioral change. In 2024, we launched an Inclusive Marketing Learning Session to fully integrate DE&I perspectives into our brand activities. Through dialogue sessions with individuals with disabilities and LGBTQ+ members both inside and outside the company, we engaged in discussions about the value our brand can offer.

In 2024, we started DE&I training for Executive Officers, department heads, and other leaders in the Japan Region.

Active Roles of Employees with Disabilities

The Shiseido Group in Japan employs approximately 400 employees with disabilities who put their experience and strengths to use regardless of workplace or type of work. The nature and extent of disabilities vary, but we tailor arrangements and resources to individual situations, and regard them as valuable talents in the workplace.

The employment percentage for people with disabilities is 4.52% at Shiseido Company, Limited. The percentage for the Shiseido Group in Japan is 2.82% (as of June 2023). Hanatsubaki Factory Co., Ltd, a special subsidiary of Shiseido where most employees are people with developmental challenges, operates in nine locations, including Tokyo, Tochigi, Kanagawa, Shizuoka, Osaka, Kyoto, and Fukuoka, employing more than 60 individuals with disabilities (as of June 2023).

Policies for employing persons with disabilities:

1. "We seriously expect achievement from them"
2. "We provide necessary consideration, but no special treatment"
3. "We assertively support those with the passion to work hard"

Based on the above employment policies, many employees with disabilities work as full-time employees (FTE) under the same personnel system as employees without disabilities. The program for developing human resources, including training, is also the same as for employees without disabilities.

When we recruit employees, we ask hopeful applicants in advance about any special considerations for their disability before we conduct the interviews. We also organize work experience workshops to promote understanding of the work among students with disabilities. Before joining the company, supervisors at the workplaces and HR representatives confirm any necessary adaptations. If necessary, they also arrange seminars to deepen understanding of disabilities

among employees in the department where the new staff member is assigned.

After new recruits join the company, we continue to follow up in collaboration with superiors, dedicated personnel supporting the retention of employees with disabilities, industrial physicians and public health nurses. In case of rehabilitation, tests, or hospital visits related to the disability, employees can take advantage of the outpatient leave. We also create flexible environments adapted to individual requests for aid and equipment. Further, in the SWING Project to Increase Job Options for Employees with Visual Impairments that was launched in 2019, a new job category named "online sales and marketing" was created based on a proposal made by employees with visual impairments themselves. We built systems and frameworks that permit visually challenged people to work and continued recruitment activities for three years from 2021. A total of four new employees with visual impairments, including one who joined in 2023, were appointed as salespeople in the three years.

We are deepening company-wide understanding of employing persons with disabilities. To that end, we incorporate content about disability in management training, and set up information exchanges for HR representatives.

Aid and Equipment for Employees with Disabilities

Various tools are available for use. For example, audio transcription apps, telephone relay services,*1 magnifiers, text-to-speech software, Braille blocks, sit-stand desk, and Eyeco Support.*2

*1 : An instant bidirectional telephone service where a relay operator uses sign language, or text and voice to interpret a conversation between a person with hearing or speech difficulties and a hearing person (a person without hearing disability)

*2 : A service that provides voice-based visual information to people who have lost their eyesight or have low vision. Support from a remote contact center based on location information or images taken with a smartphone.

In 2021, Shiseido endorsed and joined "The Valuable 500," a global initiative for disability inclusion. "The Valuable 500" is a collective of business leaders who drive system change for people with disabilities to unleash their potential to deliver business, economic and social value. Shiseido continues disability inclusion initiatives in the area of recruitment or providing services through our beauty business.



Diversifying Ethnicity

Shiseido has become more active in employing human resources with diverse nationalities and cultural backgrounds overseas facilities and in Japan.

Since 2018, we have mandated English as the official in-house language even in Japan in order to link talent diversity with value creation. Through e-learning and workshops on unconscious bias, we foster an inclusive organizational culture where employees with different backgrounds work in various departments. For non-Japanese nationals hired by Headquarters, the Company conforms to Japan's immigration control systems, especially related to resident status requirements, and treats them appropriately based on relevant Rules of Employment.

To accommodate diversity in faiths, we have also set up a prayer room at our Shiodome office.

Promotion of Core Human Resources Such As Women, Foreign Nationals, and Midcareer Hires

(in View of Corporate Governance Code)

The Tokyo Stock Exchange in its "Corporate Governance Code" establishes fundamental principles for effective corporate governance. One of the principles states that given the importance of human resource strategies for increasing corporate value over the medium-to-long term, listed companies should present their policies and measurable goals for ensuring diversity of core human resources, such as the promotion of women, foreign nationals, and midcareer hires to middle managerial positions, as well as disclose their status.

At Shiseido, we recognize and respect differences among individuals regardless of their attributes or ways of thinking, including women, foreign nationals, and midcareer hires, as we strive to create a company whose strength stems from individual strengths of its people and maximizing these strengths. To that end, we also aim to ensure diversity among

our core human resources.

We disclose the latest employment status of women, foreign nationals, and midcareer hires in the "Social Data" section.

Measurable targets related to support for women's empowerment are presented on the Social Data site mentioned above. Concerning the promotion of foreign nationals and midcareer hires as core human resources, as of January 2024, approximately 2% of managers at Shiseido Company, Limited were foreign nationals, and approximately 33%—midcareer hires. We do not set specific targets for foreign nationals and midcareer hires, as we do not consider them different from employees with other backgrounds.

[Click here for Principles of the Corporate Governance Code \(CG Code\) and Shiseido's Response](#)

Post-retirement Reemployment System

Shiseido has introduced a system to re-hire experienced employees after they reach the retirement age of the Company (age 60) since 2006, so that they can continue to work as long as they have the motivation and ability to do so. In 2021, the system was revised and name changed to the EL Partners Advanced System to enhance responsibilities and reemployment conditions. In anticipation of the advent of the 100-year life era, we have changed the system so that employees who are highly motivated to grow and contribute to the Company even after retirement can play an active role regardless of age.

Employment of Fixed-term Employees

The Shiseido Group in Japan employs fixed-term employees based on labor-related laws and regulations and provides appropriate treatment with various social insurance and holidays stipulated by the law according to employment regulations and various other regulations. For fixed-term employees of five years or more at the Company, we switch their employment contract to an indefinite-term contract upon request in accordance with the law established in 2018.

Employment of Temporary Employees

Temporary employees work at the Shiseido Group in Japan according to the Worker Dispatch Law. With regard to the employment of temporary employees at the Shiseido Group, we implement various measures such as concluding agreements with employment agencies, development and management of registers, and appointment of personnel in charge of management, all of which is based on the Worker Dispatch Law policy related to measures that should be established regarding employment agencies and other relevant laws and regulations. Shiseido continuously and appropriately responds to amendments in or reinterpretations of respective laws and regulations.

External Recognition

The Diversity, Equity & Inclusion (DE&I) initiatives at Shiseido have been recognized with several awards. We will continue to accelerate Diversity, Equity & Inclusion (DE&I) to support not only women, but employees with diverse backgrounds, including foreign nationals and mid-career hires.



FY2024 Nadeshiko Brand*1

2024 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

MSCI Japan Empowering Women Index (WIN)*2



Shiseido selected in the “The Global Parity Alliance Lighthouse Awards 2022”

Shiseido has been selected as the only Japan company in the 2022 "DEI Lighthouse" of The Global Parity Alliance. The Global Parity Alliance was launched by the World Economic Forum* and McKinsey & Company to accelerate diversity, equity, and inclusion (DE&I).

*1 : Nadeshiko Brand is designed to spotlight stocks of listed companies that excel in the empowerment of women to attract investors. Selected companies are those that place emphasis on long-term corporate value improvement and the acceleration of activities designed for the empowerment of women. Shiseido has been selected consecutively since 2021.

*2 : The MSCI Japan Empowering Women Index (WIN), developed by MSCI (USA), is designed to select Japanese businesses that rate highly in the empowerment of women and gender diversity. Shiseido has been selected six years in a row since its inception in 2017.

Shiseido and Shiseido Japan Receive Highest "Gold" Rating in PRIDE Index and Earn First Rainbow Certification

Shiseido and Shiseido Japan have been awarded the highest "Gold" rating in the PRIDE Index, an index that evaluates corporate initiatives for LGBTQ+ and other sexual minorities in the workplace in Japan, as established by the general incorporated association—work with Pride. Shiseido has also received the Rainbow Certification, a credential that recognizes companies that promote cross-sector collaboration to create workplaces and societies where individuals who belong to LGBTQ+ communities can work authentically.

Realizing a Rewarding Workplace

Each and every one of Shiseido employees demonstrates professional expertise and leadership, and this has contributed to realizing a rewarding workplace and supported the Company's growth.

Shiseido is now diversifying employee work styles by combining remote and in-office work.

Through continuous efforts and new challenges, we aim to achieve to sustain both employees' health and their personal growth.

Diverse Work Styles

To promote equal opportunity, Shiseido has introduced a flex-time system, a remote work (telework) system, options to work part-time, our own childcare services and subsidies for childcare and education, and, regardless of gender, paid special leave to raise children (childcare leave). We support family and career balance through a variety of diversity, equity and inclusion (DE&I) initiatives.

Work-life Balance

Achieving a work-life balance enables employees to use their newly created time to play active roles in society. Shiseido believes this not only leads to employee growth but also enhances the Company's performance and its corporate value. To accommodate employees' lifestyles and help them advance their careers regardless of life events, such as childcare and family care, the Company has introduced a more fulfilling system above the standards currently provided by law. The Shiseido Group in Japan stipulates equal treatment for employees with same-sex and opposite-sex partners since 2017. Common-law and same-sex couples are also eligible for support provided to employees who are raising children or caring for families as detailed below.

In 2023, 642 Shiseido Group employees in Japan (including 167 men) took childcare leave. We hold "Welcome Back Seminars" for employees returning to work after childbirth to reduce concerns about balancing work and childcare. As a result, 92.3% of employees in the Shiseido Group in Japan have returned to work from childcare leave, a high level that continues to be maintained.

To promote the goal of 100% take-up of childcare leave among employees who are men, we published internal interviews with employees who had taken paternity leave and shared information about childcare. By the end of 2023, the Shiseido Group in Japan had achieved 100% take-up of childcare leave for employees who are men.

Support for Employees Raising Children

To help its employees balance childcare and work, the Shiseido Group in Japan offers a robust environment as detailed below. In all cases, not only biological children and adopted children who have a legal parent-child relationship, but also children who are in the probationary period for special adoption and children who are entrusted to foster parents for adoption are eligible. The details of the support systems are summarized in the "Guidebook for Support to Balance Work and Childcare/Nursing Care," which supervisors shall inform eligible employees about.

Maternity leave (Leave before delivery, leave after delivery):

Employees may take up to six weeks paid leave before delivery and eight weeks partially paid leave after the birth of a child. It is possible to use accumulated leave and annual paid leave to cover unpaid leave. If employees choose to take

unpaid maternity leave, they can claim maternity allowance through the Shiseido Health Insurance Society.

Childcare leave:

Shiseido employees may take maternity leave in excess of the legally required minimum for up to a total of five years during the period until their child turns three years of age. Employees are eligible to use the system up to two times for any reason if their child is less than one year old, and they can apply beyond the second time under special circumstances. No wages will be paid by the Company to employees during childcare leave. However, employees receive childcare leave benefits through employment insurance. Shiseido has a communication system called the Childcare Plan which allows female employees to confirm with their supervisors the process from pregnancy onward to return to their workplace. This plan, intended to facilitate employees' smooth return to work, reduces anxiety about pregnancy, childbirth, and childcare, and is also a means to share information when a supervisor changes.

Childcare leave at the time of delivery (Paternity leave after delivery):

In addition to childcare leave, employees may take up to four weeks childcare leave within eight weeks after the birth of their child.

If employees apply for the full four weeks of leave at the start, it is possible to take the leave twice for the same child by splitting it in half. No wages will be paid by the Company to the employees during childcare leave; however, employees receive childcare leave benefits through employment insurance. During the childcare leave at the time of delivery, the Company allows employees to work based on prior adjustment within limits agreed by both employees and the Company (supervisors) according to an agreement concluded between labor and management.

Special leave for childbirth and childcare:

When an employee's partner (spouse, etc.) gives birth, special paid leave of up to five days is available in addition to paternity leave. In addition, employees are eligible to take special paid leave for childcare (a leave of consecutive seven days or less (including Saturday and Sunday) twice during a period), until their child turns three years of age. Employees who have been working for the Company for less than a year and as such not eligible for the childcare leave can also take this special leave. They are allowed to take it as a leave of two weeks in a row.

Well-being of employees raising children:

Japanese law requires the introduction of a short working hours system for employees with children until their child turns three years of age, Shiseido allows up to two hours reduction in working hours per day until the first end of March after their child turns nine years of age. During the period until their child turns one year of age, one hour of the reduced hours is covered as paid time.

Support for beauty consultants raising children:

When beauty consultants, who work in over-the-counter customer service, utilize the "Childcare Time" system for short working hours, substitute staff called Kangaroo Staff are sent to support sales counter operations in the evening hours. Since the Company began employing Kangaroo Staff in 2007, it has become easier for employees working in sales operations to balance work and childcare.

Childcare Service

At Shiseido, we aim to be a company where employees can advance their careers even during child-rearing years. Our support is based on the concept that everyone can manage both "childcare that puts children and employees at the center" and "work that generates new value."

The Shiseido Kangaroom Kakegawa childcare facility (Kakegawa, Shizuoka prefecture) is one such support measure. Kangaroom Kakegawa is adjacent to the Kakegawa Factory. The facility operates both regular childcare and temporary childcare. To contribute to and cooperate with the local area, the service is not exclusive to Shiseido employees, but a part of the facility is open to local residents.

Another support measure is KANGAROOM+ launched in April 2023 to deliver flexible childcare matching diverse work styles. The service is mainly available in the Tokyo metropolitan area to meet needs that are not met by local childcare services. Focused on one-to-one babysitting, the aim is to support day-to-day needs by providing consistent services to employees from the prenatal period until the children graduate from elementary school. KODOMOLOGY Co., Ltd., established in 2017 under the project of "employees their thoughts ahead of the Shiseido's next 100 years", is responsible for consulting and overall management of both childcare services.

*The workplace childcare facility Kangaroom Shiodome, which was opened in 2003, terminated its service at the end of March 2023.

Childcare contributions:

Employees of the Shiseido Group in Japan who support children are provided allowances for expenses related to nursery school, babysitters, and education. (Childcare and education contributions are available through the Cafeteria Plan*.)

*A corporate employee benefits plan with a point system. Employees can select options freely from a menu of services using points they have acquired.

Breast-feeding/breast-pumping facilities and benefits:

Our Head office and Major facilities have spaces for breast-feeding and breast pumping. Employees of the Shiseido Group in Japan who support children receive allowances for breast pumps. Shiseido allows employees to take breaks (30 minutes or more each twice a day) for breast-feeding and pumping from their child's birth until they reach one year of age. During that period, one hour of break time is covered as paid time. This benefit is provided beyond the legally required minimum.

Paid leave for the healthcare of children:

Employees can take paid leave on an hourly basis for children under elementary school age (usually age six and under) in need of nursing care due to sickness or injury, and when they receive checkups or vaccinations. Employees are entitled to paid leave in excess of the legally required minimum for up to five days (40 hours) a year for one child and up to 10 days (80 hours) a year for two or more children.

Partner accompaniment for childcare:

Employees with children up to the third grade in elementary school (i.e., until the first end of March after their child turns nine years of age) may request to accompany their partners who are transferred within Japan so that employees can continue their careers.

Operational guidelines for transfers of employees raising children that involve a change of address:

In Japan, the Child Care and Family Care Leave Act requires employers to consider employees' situations regarding childcare or family care when they are relocated. Shiseido has established operational guidelines for the transfer of employees raising children that involve a change of address. Employees who utilize the "Childcare Time" or "Family Care Time" system are exempted from transfers that involve a change of address at their request.

Support for Employees Caring for Family Members

Support plans listed below are intended not only for the family members of employees but also the families of their partners.

Family care leave:

Employees can take leave as often as necessary for a family member requiring care, for a period of leave up to one year at a time and up to three years in total.

Family Care Time:

Employees can take "Family Care Time" of up to two hours a day for purposes such as accompanying a family member to the hospital. This plan may be utilized for up to one year for one family member, and up to three years in total.

Family care contributions:

Employees are provided allowances to cover nursing-care service and facility usage fees relating to family members who have obtained a Certification of Needed Long-Term Care. (Family care contributions are available through the Cafeteria Plan*.)

*A corporate benefits plan with a point system. Employees can select options freely from a menu of services using points they have acquired.

Other Programs that Support Diverse Work Styles

Leave to accompany partners transferred overseas:

The Company allows up to three years of leave for employees to accompany their partners who are transferred overseas.

Special paid leave for volunteer activities:

Employees can take paid leave utilizing the "Social Studies Day Scheme" for up to three weekdays a year for social contribution activities. The Program encourages each employee to gain perspective in solving social problems, to foster a culture of thinking and acting on their own, and to utilize their experience wider perspective from such activities in their work. The Company believes this will lead to value creation for Shiseido.

Shiseido Health Support Dial:

External specialists are available 365 days a year to offer advice on physical and mental health concerns and balancing childcare or nursing care with work.

Diversity of beliefs

In consideration of a diversity of beliefs, we provide a space for worship in our Shiodome office.

For more details on support programs for childcare and family care, please refer to Social Data.

Appropriate Working Hours Management

The Shiseido Group in Japan concluded a labor-management agreement relating to overtime work and working on days off (Article 36 agreement) in accordance with Article 36 of the Labor Standards Act. The agreement sets a maximum of 80 hours per month of overtime work even in exceptional cases and on a temporary basis (instances of 45 to 80 hours of overtime work per month are limited to up to six times per year). Based on the rule that overtime work is allowed only when supervisors require, Shiseido informs the details of the Article 36 agreement to personnel in charge of each department and those in manager positions in an effort to reduce long working hours. To comply with the Article 36 agreement, all Shiseido facilities have enacted policy toward (1) reducing overtime work, (2) improving the usage rate of annual paid leave, and (3) reducing overall actual working hours. The HR departments at major Shiseido Group companies in Japan monitor the overtime hours of labor union members every month. They also provide guidance to heads of departments where overtime is significant and encourage health checkups for employees who work long hours. Data on working hours and paid leave take-up rates are shared with labor and management and reflected in initiatives to correct long working hours.

External Recognition

General Business Owner Action Plans Complying with the Next-Generation Nursing Support Measures Promotion Law

At Shiseido, we are committed to creating a workplace environment and systems that enable all employees to work with a sense of fulfillment. As part of this commitment, we have implemented various initiatives to further promote the active participation of female employees and support employees balancing work and childcare responsibilities. Shiseido Company, Limited obtained the "Kurumin" certification mark under the Act on Advancement of Measures to Support Raising Next-Generation Children in 2007 and 2013, and Shiseido Japan Co., Ltd. obtained it in 2007.



Women's Health Management® Awards sponsored by Women's Healthcare Awareness & Menopause Network Society

In 2023, Shiseido received its first Promotion Award for corporations and organizations at the Women's Health Management Awards®*1 sponsored by the Women's Healthcare Awareness & Menopause Network Society. The award recognizes Shiseido's efforts to improve health literacy by launching the Women's Health Project in 2020 and including the theme in the three-year mid-term plan starting in 2023.



Women's Healthcare Awareness & Menopause Network Society logo

The Women's Health Management Awards are presented to individuals who have passed the Women's Health Certification*2 sponsored by the Women's Healthcare Awareness & Menopause Network Society to qualify as Women's Health Promoters*3 or Women's Health Management Promoters.*4 The system also commends the corporations and organizations where these individuals are affiliated for proactive efforts linked to women's health support, health education, and health management.

*1 : Women's Health Management is a registered trademark of the Women's Healthcare Awareness & Menopause Network Society.

*2 : Women's Health Certification is sponsored by the Women's Healthcare Awareness & Menopause Network Society. It is a women's health education project that aims to contribute to building a better society, improving public health, and creating a society where women can enjoy healthy and fulfilling lifelong careers. Women's Health Certification is a registered trademark of the Women's Healthcare Awareness & Menopause Network Society.

*3 : Individuals who have passed the Women's Health Certification beginner's course to acquire basic knowledge about women's health and better styles of working.

*4 : Individuals who have passed the Women's Health Certification advanced course to acquire basic knowledge about women's health and better styles of working.

Human Resource Development and Fair Evaluation

The following introduces Shiseido talent development and career development support measures, as well as activities for fair evaluation.

Overview of human resource development

Shiseido actively invests in talent development based on its PEOPLE FIRST concept. We believe that all human resource's value creation and business activities start with the individual and that strong individuals create a strong company. To create "strong individuals," we focus on strategic talent management, performance management, and autonomous career development support, founded on a job-based personnel system. In 2020, Shiseido formulated the TRUST 8 Competencies, which describes a Company-wide image of human resources, with the aim of effectively implementing global human resource management. The TRUST 8 Competencies serves as the basis of our globally standardized selection/evaluation and human resource development programs, allowing each employee with ranging expertise to grow in work areas where they can maximize their respective strengths. Shiseido encourages employees' self-driven efforts to grow and provides support for individualized autonomous career development.

Job-based Personnel System

In 2021, Shiseido introduced a job-based personnel system in Japan for management and general corporate positions (excluding those in beauty and production) with the aim of becoming a globally competitive organization by strengthening the expertise of employees. The four items below are the adjusted approach to assessing employees from individual "ability" to "job," thereby enabling objective personnel ratings and treatment according to global standards. By clarifying job responsibilities and required specialized abilities in each department, this system is aimed at promoting career autonomy for each employee.

1. Define areas of expertise that employees should aim for in each Job Family (JF).
2. Clarify Functional Competency (FC) expertise and skills required for each Job Family.
3. Introduce Job Grades (JG) in all positions, including both managers and staff.
4. Clarify the Job Description (JD) based on determined Job Grades (to respond to organizational changes or assignment changes in accordance with Japanese labor practices).

Strategic Talent Management

We strive to ensure placement of the right people in the right positions throughout the Shiseido Group for strategic talent development. Every year, talent reviews are conducted at the global, regional, and functional levels, and plans for appointment and training of successors are prepared for key positions. For training of successors, training plans are formulated for each individual based on their strengths and development issues, including assignments to Stretch goals, global transfer opportunities, and leadership development programs, and are implemented with the approval and support of the CEO.

Performance Management

We are strengthening performance management for the sustainable growth of both our business and employees. In 2021, we introduced a global standardized process in which the performance management program was revised to evaluate both the degree of achievement of performance targets and the degree of actions taken in line with the TRUST 8 Competencies. This is aimed at promoting the improvement of medium-to-long-term business performance and the growth of our employees.

All our employees set a personal performance goal through interviews with their supervisors at the beginning of each term. The goal setting is designed by cascading the group team into the employees' goals so that the goals can link to the achievement of the team's goals. Moreover, a Career Development Plan (CDP) is formulated to specify each employee's career goal and competence development needed for achieving that goal.

In addition to more than one evaluation interview per year, during each term, employees review their progress on a regular basis through daily agile dialogues with and feedback from their supervisors and review goals as needed. At the end of each term, employees confirm their final achievement level through interviews with their supervisors. Moreover, supervisors can ask other employees to give their subordinates some feedback, which enables a multifaceted evaluation of employees, not limited to an evaluation by immediate supervisors.

To eliminate gaps in evaluation, an evaluation calibration meeting is held, and a formal evaluation is set. Also, at the beginning of each term, whether goals are set in line with the expected performance level is checked (calibration of goals) so that each employee can take on challenging work assignments to stretch their goals to strengthen their expertise.

Fair Evaluation

The Shiseido Group has established rules and guidelines regarding evaluation and treatment under its Shiseido Global Human Resources Policy.

- Ensure fairness of treatment both inside and outside the Company, and pursue satisfaction of employees in system operations.
- Strive to ensure high transparency in evaluation based on objective facts without prejudice.
- Conduct evaluation according to target management (performance) and the TRUST 8 Competencies (exercise of action).
- Disclose criteria for evaluation and promotion to employees, and provide feedback to employees following evaluation.
- Provide support and training through annual evaluation interviews and daily dialogue.

The Shiseido Group in Japan has established a fair and widely approved system to appropriately evaluate the results and processes of work. To maintain the fairness of evaluation, leaders (Job Appointment Managers with subordinates) are provided with enhanced training in management skills. New manager courses, evaluator training, and manager training are part of the opportunities through which leaders are encouraged to improve their management skills. Twice a year, personnel system seminars are held for managers of the Shiseido Group in Japan as opportunities to deepen their understanding of the system and its operation.

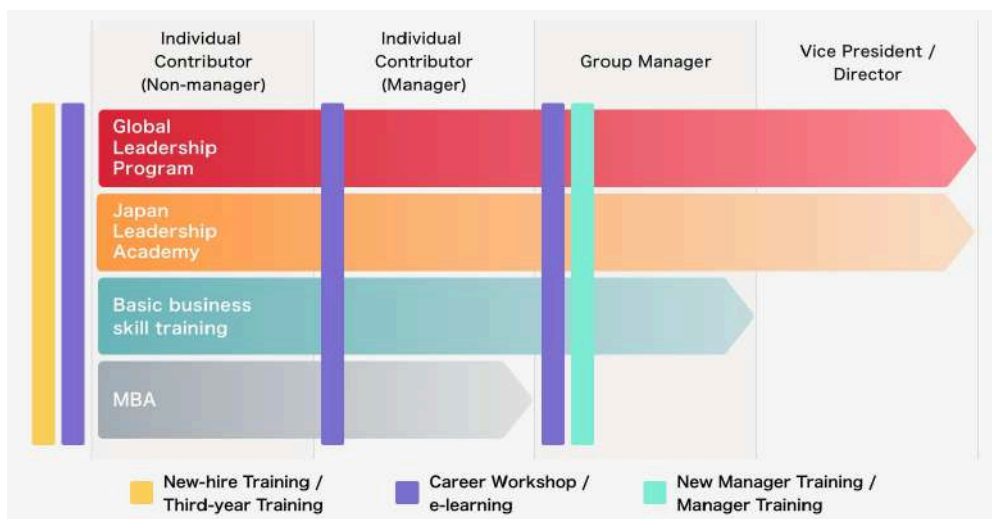
Career Ownership Development Support

Since 2020 when we introduced the job-based personnel system, we have organized career workshops and e-learning (as of 2023, 4770 employees have taken the courses) for all employees of the Shiseido Group in Japan to strengthen their career ownership and expertise. In addition, employees are encouraged to provide a career development plan (CDP) to envision medium-to-long-term career goals and is incorporated into performance management. Employees may share with their supervisors an action plan to achieve their medium-to-long-term career goals, which supervisors refer to for effective work assignment and human resource development. Shiseido offers a broad range of training programs to enhance business skills and improve expertise in each Job Family, which are used by employees for self-driven career development.

Training Programs

Shiseido human resource development emphasizes the "70:20:10 model*" in its training programs, which particularly provide opportunities in learning, interaction with other excellent employees, and raising motivations to grow further. We offer three types of training programs: selective, voluntary, and compulsory, depending on purpose and target.

*This model presumes that personal growth is derived 70% from challenging assignments, 20% from developmental relationships, and 10% from training and self-learning.



In 2023, we opened Shiseido Future University which runs leadership development programs focused on selective training and provides employees with opportunities to grow.

To strengthen employees' expertise, we have introduced LinkedIn Learning as a learning platform for encouraging autonomous learning, and we are expanding it so that global employees can learn on the same platform.

The training for development of women leaders titled "NEXT LEADERSHIP SESSION for WOMEN" is a program in which managerial candidates who are women learn management and business skills while exploring their individual leadership styles.

Over a period of 8 to 10 months in 2023, we provided 64 women candidates for future section managers and department heads with opportunities to learn management skills and leadership mindset, to clarify their career plans, and to participate in workshops to eliminate unconscious bias. This program empowers employees who are women, and so far, 47% of those who took the program have been promoted, contributing to better women leadership ratios. The ratio of women in management positions in Japan has risen from 29% in 2017 to 40% in 2023 (confirmed in Jan.1, 2024). We place importance on leadership training to make the most of our various human assets. To strengthen trust relationships between managers and employees and enhance management skills that can promote members' growth, a manager workshop is held for our managers on a quarterly basis in Japan. In 2023, 1,600 managers participated in the workshop, and it resulted in participants' confidence in management increasing from 54 points to 59 points following the workshop.

Selective Programs

Aiming to develop strategic talent, at Shiseido Future University, we encourage management candidates in every region of the Shiseido Group to develop their abilities and build networks that span national borders. At Shiseido Future University, a select group of next-generation leaders are offered programs in collaboration with external business schools so that they can learn leadership and management skills. Shiseido also focuses efforts on developing women leaders, and has held the "NEXT LEADERSHIP SESSION for WOMEN" every year since 2017 to enable and promote talented women free from unconscious bias toward themselves or any circumstance.

Voluntary Programs

Voluntary programs are offered to motivate employees to help them demonstrate high performance and autonomously develop their careers. Voluntary programs offered in Japan include business skill training for all job types and the dispatch of young ambitious employees for MBA programs, as well as the sales academy and the marketing academy to further enhance expertise in their respective Job Family or specialized field.

Compulsory Programs

Compulsory programs are provided at each milestone in career development, such as training for new employees, training for employees in their third year, and training for newly appointed managers. For leaders (Job Appointment Managers), manager training and manager workshops are provided to strengthen management skills, with a view to ensuring fair evaluation and promoting human resource development in each department.

For more details on education and training for employees, please refer to Social Data.

Employee Feedback Systems

We conduct the Shiseido Group engagement survey for all Shiseido Group employees to ensure that each individual employee feels that they do fulfilling and meaningful work in an open workplace. We conduct a regular survey once a year to grasp the health of the organization. The survey asks questions about engagement, inclusion, well-being, psychological safety, strategy penetration, trust in management and supervisors, opportunities for growth, authority and discretion, and corporate ethics to grasp the current situation. Shiseido employees are expected to take on many challenges during management reform, and are required to constantly improve their awareness and behavior. Since differences in awareness and initiatives among employees may influence the speed of reform, this survey enables management to hear directly from employees and to clarify current issues. Employees may also look at the survey results and come up with specific plans of action to improve the company. Shiseido believes that it is possible to achieve true change through bi-directional communication between managers and employees.

In addition, consultation and reporting centers have been set up inside and outside the Company to provide employees (regardless of employment type) with consultation on their working environment and relationships in the workplace, and are positioned to respond to whistleblowing on matters such as violation of the Rules of Employment or other law.

Health and Safety of the Shiseido Group

Initiatives for health management and health and safety measures

"BEAUTY INNOVATIONS FOR A BETTER WORLD." This is the significance of Shiseido's existence, and our corporate mission is to contribute to the sustainability of a beautiful and healthy society and the earth by enriching people's hearts with "beauty" and bringing joy and happiness to their lives. To realize this philosophy, employees must lead a healthy, prosperous, and happy life and embody their healthy beauty. And as a foundation to support the employees, we need an environment where they can work safely and securely. To achieve this, Shiseido is working with the Shiseido Health Insurance Society to formulate the "Shiseido Health Declaration" to clarify support for employees to live a healthy and beautiful life. We have also established an "Occupational Health and Safety Management System" that realizes a safe and secure working environment for people working in the Shiseido Group. Furthermore, we have formulated the "Shiseido Vision Zero Declaration (Safety Declaration)" aiming for zero lost time accidents in all workplaces. We will continue to evolve activities based on the above, minimize occupational safety risks, and invest in health to make our employees healthier and as a result, give back to society. We aim for a virtuous cycle. Shiseido delivers beauty to consumers. We will continue to shine 100 years from now and will do our utmost to manage health and safety measures so that we can become a company that diverse people around the world know and trust.



Representative Corporate Executive Officer,
President and CEO
Kentaro Fujiwara

A stylized handwritten signature in black ink, likely belonging to Kentaro Fujiwara.

Shiseido Health Declaration

Our mission is "BEAUTY INNOVATIONS FOR A BETTER WORLD." To that end, we promote initiatives for employees and their families to live beautifully and healthily based on our perception that beauty and health are sources of vitality.

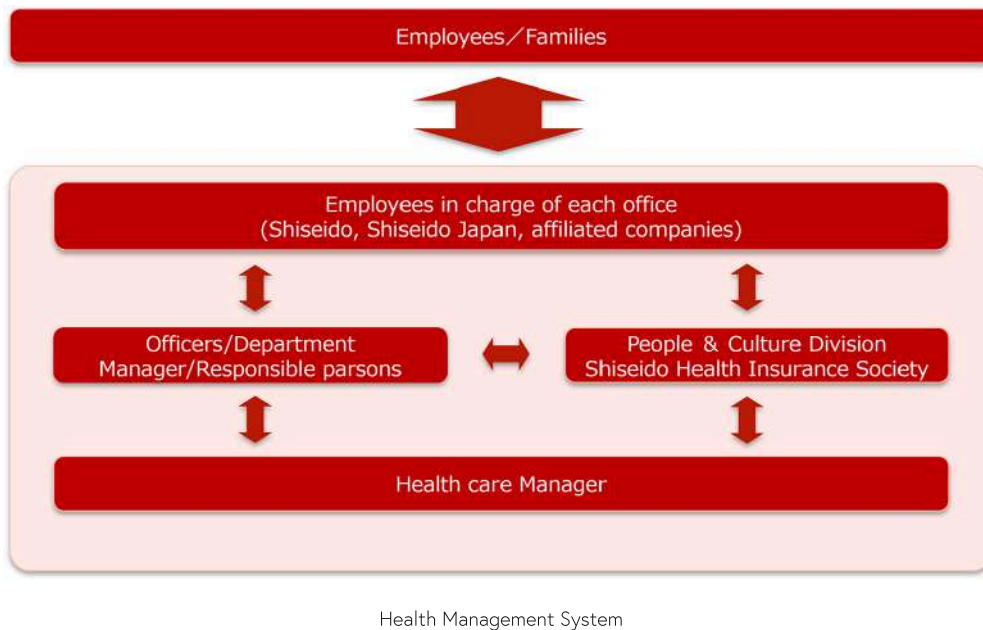


<Our principles>

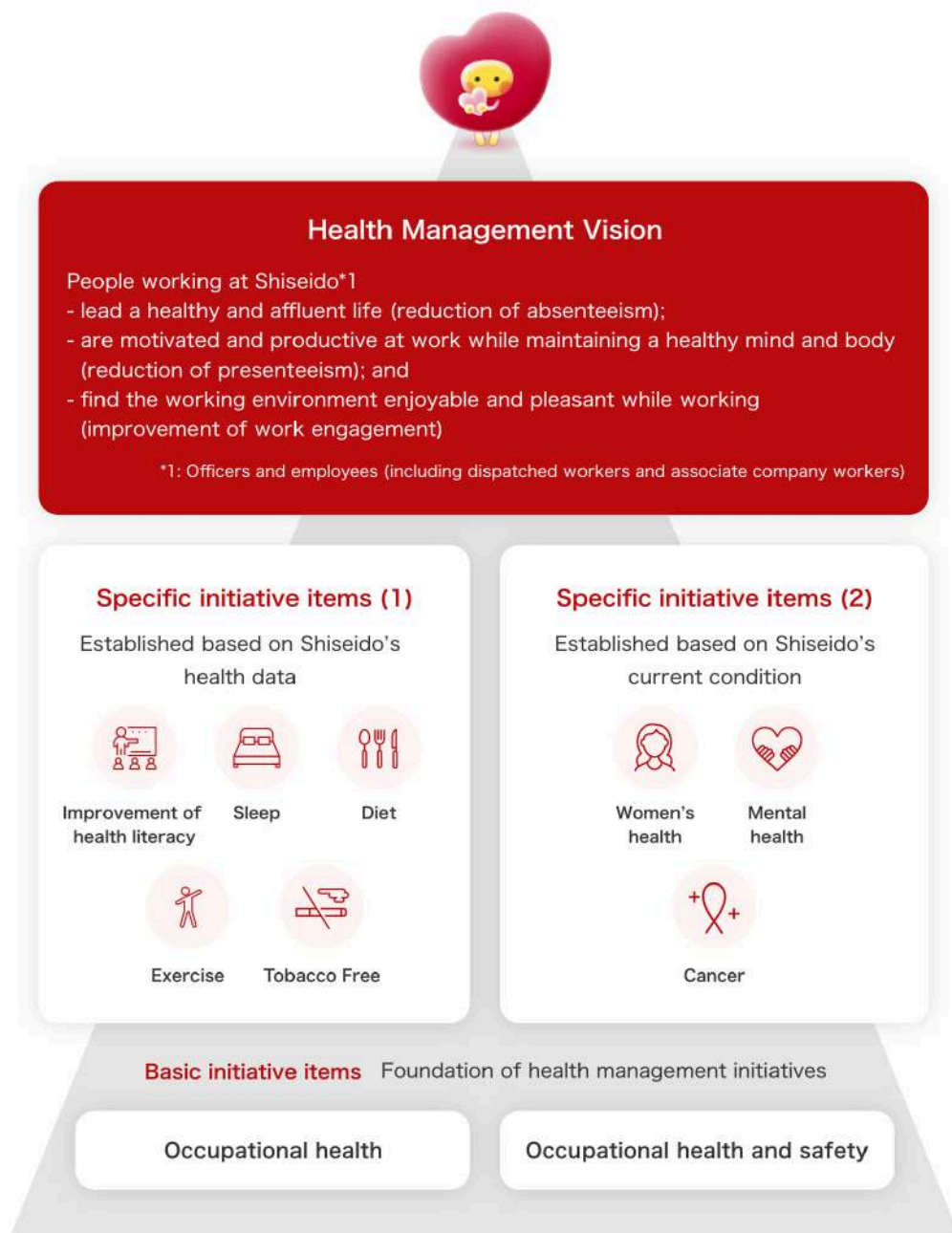
- As members of a company delivering beauty, each and every employee shall have awareness and knowledge and take action proactively to work healthily, physically and mentally.
- Shiseido will endeavor to provide opportunities for our employees to speak freely with each other about beautiful lifestyles and health for mutual growth.
- Shiseido will endeavor to create a safer and more comfortable work environment and will actively support the efforts of employees and their families in cooperation with the Shiseido Health Insurance Society.

Promotion system

Regarding promotion, the Representative Corporate Executive Officer, President and CEO acts as the Health Management Representative, and the Wellness Support Group of the People & Culture Division and Shiseido Health Insurance Society collaborate to support each office (of the Shiseido Group in Japan) to take the initiative to maintain and promote employee health. In addition, the Health Management Representative and each officer, department manager, and responsible person jointly discuss support for employee voluntary health initiatives.



Objectives of Health Management in Shiseido



<Shiseido Group's health and safety mascots>

The twin mascots were born in 2023 wishing for the health, safety, and peace of mind of all employees. They were designed with a motif of camellia petal and heart.



Health mascot: WELL-chan - looking out from a red camellia petal and hugging a heart



Safety mascot: SAFY-chan - Looking out from a yellow camellia petal, wearing a helmet and carrying a check sheet

Health Management Strategy Map

Numerical Targets for Health Management

The status of employees' health efforts is evaluated by setting KPIs. The analyzed employee health data is used to implement health-related initiatives for the Shiseido Group in Japan.

Priority Initiatives to Realize Health Management

<Five Priority Initiatives>

①Lifestyle Initiative

Aim	Embodiment of Beauty Wellness to enable everyone to lead a beautiful and healthy life
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Measures by the Shiseido Group in Japan		Measures by the Shiseido Health Insurance Society
Total lifestyle	<ul style="list-style-type: none">■ Organization of seminars based on proposals from each office<ul style="list-style-type: none">* Online seminars on diet / exercise / sleep by RIZAP instructors according to themes proposed by each office■ Thorough implementation of health guidance■ Organization of wellness fairs■ Implementation of e-learning courses to improve health literacy	<p>Business themes consistent with "beautifying people's lifestyles"</p> <ul style="list-style-type: none">■ Implementation of specific health checkups (focusing on metabolic syndrome) Implementation of feature for viewing specific health checkup data on Mynportal (updated every month)■ Implementation of health support programs (specific health guidance)<ul style="list-style-type: none">*1 Measure to prevent life-style related diseases among young people While the national age eligibility for the above specific health checkups and specific health guidance begins at age 40, eligibility with the Health Insurance Society begins at age 35.*2 Recommendation of specific medical checkups to those at risk of life-style related diseases Recommendation of specific medical checkups during specific health guidance interviews for those who need a complete examination or medical treatment as a result of the specific medical checkup (blood pressure, blood glucose, lipid)■ Implementation of Dental Examination Campaign: partial subsidy on fees for dental exams (from 2017)<ul style="list-style-type: none">*For the promotion of regular preventive dental care by family dentist and early detection and early treatment of gum disease and caries
Sleep	<ul style="list-style-type: none">■ Production of video of sleep seminar delivered by public health nurse and provision to offices where sleep is an issue■ Implementation of screening for sleep apnea syndrome■ Placement of column about lifestyle habits for sleeping better in the Health Insurance Society public relations magazine	<ul style="list-style-type: none">■ Implementation of lifestyle improvement seminars for all generations provided jointly by KENPO and RIZAP<ul style="list-style-type: none">①Introduced from 2019 as an ultra early lifestyle disease intervention for individuals in their 20s; classroom learning on diet and exercise and practical seminars about exercise are offered on a voluntary basis to offices and divisions that want to participate (all costs are borne by the Health Insurance Society)*Offered in a hybrid format combining online and in-person activities since the COVID-19 pandemic②Placement of a QR Code for "RIZAP Column" (a 1-minute workout video) in the Health Insurance Society public relations magazine■ Implementation of a program to prevent the worsening of diabetic nephropathy Program participants are supervised by occupational physicians in accordance with the MHLW program guidelines

Diet	<ul style="list-style-type: none"> ■ Provision of collaboration menu with Shiodome Cafeteria ■ Organization of seminars on drinking 	<ul style="list-style-type: none"> ■ Publication of healthy recipes on the Health Insurance Society website <ul style="list-style-type: none"> ① Different content provided every year ② FY2024: Recipes that provide two-thirds of the daily recommended vegetable intake and are also low in salt *Content with how to make video (dissemination through placement of a QR Code in the Health Insurance Society public relations magazine)
Exercise	<ul style="list-style-type: none"> ■ Implementation of walking events (app) as a collaboration program with the Health Insurance Society ■ Organization of exercise seminars 	<ul style="list-style-type: none"> ■ Recommendation of follow-up checkups during health checkups for dependents whose results showed a need for medical care / complete examination for blood pressure / blood glucose / lipid Dependents are sent information to their homes by simplified registered mail and asked to report back on follow-up checkups via a postage-paid postcard or online ■ Mailing of health awareness-raising leaflet "Let's go to the health forest on the dog bus" to retired employees (those whose voluntarily continued insurance has expired)

② Tobacco Free Initiative (Promotion of non-smoking)

Aim	Embodiment of Beauty Wellness through the promotion of non-smoking unique to Shiseido
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Measures by the Shiseido Group in Japan	Measures by the Shiseido Health Insurance Society
<p><Previous measures and the development of future Tobacco Free (promotion of non-smoking) ></p> <p>Since the start of measures against smoking in Shiseido in the 2000s, Shiseido and the Health Insurance Society have continued to work together on these measures over 20 years.</p> <p>These measures have been implemented with the following three pillars: education and awareness raising through in-house seminars and various media; creation of environments that prohibit smoking by establishing Non-Smoking Days and Non-Smoking Rules within the company; and support for quitting smoking, such as by providing instructions on quitting smoking and a program that subsidizes the cost of smoking cessation treatment.</p> <p>We have been participating in the Non-Smoking Promotion Business Consortium since its establishment, collecting information and exchanging opinions on advanced practices adopted by other companies, and we have further utilized the analysis results of previous measures, smoking-related data, and employee feedback provided through internal surveys and other means, to embody Beauty Wellness through non-smoking promotion measures unique to Shiseido and formulate a medium-to long-term plan that promotes Tobacco Free with a concerted effort by all employees.</p>	
<ul style="list-style-type: none"> ■ Groupwide communication of Tobacco Free Policy by Representative Corporate Executive Officer, President and COO ■ Implementation of fact-finding surveys and questionnaires to prevent secondhand smoke at the workplace, and the dissemination of internal non-smoking rules ■ Non-smoking education in health committee meetings ■ Bi-monthly dissemination of information on Non-Smoking Days ■ Organization of Tobacco Free Challenge (non-smoking event) ■ Implementation of e-learning courses to improve health literacy ■ Provision of health guidance on non-smoking ■ Trial implementation of in-house non-smoking counseling services (some offices) ■ Non-smoking event consultation at wellness fairs ■ Internal open application of a non-smoking mascot 	<ul style="list-style-type: none"> ■ Implementation of a remote smoking cessation outpatient consultation program <ul style="list-style-type: none"> *Implemented for a limited period twice a year and for a limited number of applicants. All costs are borne by the Health Insurance Association ■ Organization of Zero Yen Smoking Cessation Outpatient Challenge (organized irregularly; to be held in 2025) <ul style="list-style-type: none"> *Pre-participation challenge smoking cessation clinic outpatients who succeed in quitting smoking are fully reimbursed for all their costs (includes medical expenses and dispensing expenses) ■ Subsidy on fees for smoking cessation outpatient consultation (year round) ■ Instructions for smokers on how to quit smoking and guidance on the smoking cessation outpatient consultation under health support programs (specific health guidance) ■ Publication of interviews with those who successfully quit smoking in the Health Insurance Society public relations magazine ■ Provision of smoking cessation consultation with T-PEC Health Support Dial 24

③Women's Health Initiative

Aim	Employees obtain, choose, and correctly understand the health and medical care information and the health issues corresponding to life stages so that they can take autonomous health actions.
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Measures by the Shiseido Group in Japan	Measures by the Shiseido Health Insurance Society
<p><Measures to improve health literacy concerning health issues corresponding to life stages> *Focused on menopause in FY2023, and on menstruation, PMS, pregnancy, infertility and pre-conception care in FY2024</p> <ul style="list-style-type: none"> ■ Implementation of in-house questionnaire surveys on menstruation, PMS, pregnancy, and infertility ■ Implementation of in-house questionnaire surveys on assisted reproductive technology (infertility treatment and egg freezing) ■ Organization of "Aging, in my own way" menopause menstruation, PMS, pregnancy, infertility and preconception care campaign events First event (menstruation and PMS): Mini-seminar by a public health nurse and talk session with a corporate officer Second event (pregnancy, infertility and preconception care): seminar by an assisted reproductive technology specialist *Preconception care refers to lifestyle and healthcare interventions and services provided to women or couples before pregnancy ■ Receipt of Promotion Award at the Women's Health Management® ■ Distribution of "Women's Health" leaflets ■ Provision of Fem Tech services by Cradle Inc. *Online seminars and archived viewing on women's health issues and life planning for employees and their families, as well as the distribution of coupons for gynecological examinations ■ Provision of lecture on women's health by a public health nurse as part of training for those appointed to managerial positions to improve the literacy of those in managerial positions 	<ul style="list-style-type: none"> ■ Introduction of subsidy to cover the full cost of HPV vaccination (around 100,000 yen) for the prevention of cervical cancer from 2023 *HPV=human papillomavirus that cause cervical cancer *Target aged 27 to 45, excluding those eligible for publicly funded vaccination or catch-up vaccination ■ Participation in interview on the above measure by Yobo Iryou Fukyu Kyokai (an association for promoting preventive medicine) and dissemination of information about the Health Insurance Association's Cervical Cancer Eradication initiative through the Medical DOC website ■ Full subsidy for breast cancer screenings (breast ultrasound or mammogram) ■ Explicit presentation of a list of medical checkup institutions where female doctors are available ■ Mailing of leaflets for all female employees, along with information on medical checkups, as educational activities encouraging women to undergo the above gynecological screening It explains the necessity and advantages / disadvantages of examinations of breast cancer, cervical cancer and colorectal cancer screening ■ Introduction of the gynecological independent examination for dependent women aged 20 or over other than spouse from 2022 (recommendation of routine cervical cancer examinations for pre-employment age women) ■ Provision of follow-up support through recommendation of follow-up checkups at breast cancer and/or cervical cancer screenings Dependents whose results showed a need for complete examination or medical care are sent information to their homes by simplified registered mail and asked to report back on follow-up checkups via a postage-paid postcard or online ■ Placement of a link/banner to the "Women's Health Promotion Office, Healthcare Lab" website on the front page of the Health Insurance Society website, and the provision of relevant information on the society's website

④Mental Health Initiative

Aim	Employees understand and practice methods to notice stress and conduct self-care so that they can continue to actively work. All employees including managers foster a comfortable working environment.
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Measures by the Shiseido Group in Japan	Measures by the Shiseido Health Insurance Society
Establishment of the external consultation service: Telephone consultation with Health Support Dial 24 (24 hours/day, 365 days/year), mental health consultation support (remote support started in 2021)	
<ul style="list-style-type: none"> ■ Provision of stress checks ■ Interviews by department managers, and the improvement of work environments based on group analysis of stress check results ■ Organization of seminars for self-care and line-care (improvement of the workplace environment, etc., by supervisors and counseling for workers) *New employees, new managers, guidance training, training for managers, offices with mental health issues ■ Implementation of e-learning courses on mental health self-care ■ Creation of short videos for self-care and line-care practices ■ Assignment of an occupational physician specialized in mental health ■ Dissemination of information in lunchtime sessions (live streaming) ■ Return-to-work support (organization and updates of return-to-work support programs, creation of handbooks, and more) ■ Activities to raise awareness of the internal consultation service (Wellness Station and Health Management Office) 	<ul style="list-style-type: none"> ■ Placement of "Interviews about Mental Toughness" articles in the Health Insurance Society public relations magazine since 2020 *Interviewing of department managers, office managers and other top management officials regarding techniques on mental health control and the posting of articles that extract their secrets and tips ■ Placement of a link/banner to the MHLW's "Ears for the Heart (kokoro no mime)" website on the front page of the Health Insurance Society website, and the provision of relevant information on the society's website ■ Implementation of RIZAP seminars (on mental care) ■ Posting of banner for Health Support Dial 24 on the Health Insurance Association's website and implementation of activities to raise awareness about telephone consultation with Health Support Dial 24

⑤Cancer Initiative

Aim	Employees understand the disease of cancer, how to balance treatment and work, etc. so that they can take autonomous health actions that lead to early detection and early treatment.
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Measures by the Shiseido Group in Japan	Measures by the Shiseido Health Insurance Society
<ul style="list-style-type: none"> ■ Distribution of documents with information to encourage cancer screening ■ Implementation of cancer and health lectures by an occupational physician in health committee meetings, etc. ■ Implementation of e-learning courses about basic cancer knowledge, the importance of early detection / early treatment of cancer, and a support system for balancing cancer treatment and work ■ Implementation of a support system for cancer treatment / work balance (Granting of five days of special leave (can be taken on an hourly basis) to employees undergoing cancer treatment) ■ Participation in the "Cancer Control Promotion Company Action" ■ Recognition as Excellent Company for Promoting Cancer Control 	<ul style="list-style-type: none"> ■ Full subsidy for cancer screening Stomach cancer (upper gastrointestinal (GI) endoscopy or barium swallow) Colon cancer (fecal occult blood test (FOBT) using the 2-day method) Breast cancer (breast ultrasound or mammogram) Uterine cancer (cervix uteri cytology) ■ Provision of follow-up support since FY2018 through recommendation of follow-up checkups to individuals whose cancer screening results showed a need for complete examination or medical care. Individuals at risk are sent information recommending follow-up checkups to their homes by simplified registered mail and asked to report back on follow-up checkups via a postage-paid postcard or online ■ Implementation of cancer screening for family members of employees (checkups for dependents) at the same grade as employee cancer screenings since FY2018. Bridged the gap that previously existed between the grades of cancer screenings

<ul style="list-style-type: none"> ■ Participation in gan-ally-bu, a private-sector project aimed at building a workplace and society where cancer patients working while receiving treatment can enjoy their work ■ Implementation of cancer talk sessions with Corporate Officers as speakers ■ Implementation of cancer lectures by a public health nurse 	<p>offered on the basis that the health of family members has a significant bearing on the performance of employee and insurance participants whether employees or family members are equal employees. As a result, the ratio of employees' family members who receive checkups improved to around 80%</p> <ul style="list-style-type: none"> ■ Participation in the Corporate Action to Promote Cancer Control project (from FY2018) <ul style="list-style-type: none"> • Mailing/Provision of the Corporate Action to Promote Cancer Control leaflet "Cancer Screening Recommendations" to all participants • Placement of a QR Code for "Oshiete Nakagawa Sensei"* (Corporate Action to Promote Cancer Control video to raise awareness about cancer) in the Health Insurance Society public relations magazine * "Oshiete" means "teach us" • Recognition as an Excellent Company Promoting Cancer Control in the Excellent Company Promoting Cancer Control Award Program ■ Placement of National Cancer Center's "Cancer Information Service" website banner on the Health Insurance Society website, and the provision of a wide range of information about cancer on the society's website
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Key initiatives

Accomplishments of the Lifestyle Initiative

Completion rate of health support programs	The completion rate of health support programs (specific health guidance) stood at 53.4% in FY2022, higher than the national average (34.0%). *See the table below
Wellness fairs	Every year, we hold wellness fairs tailored to the health issues of each Shiseido Group location in Japan. The wellness fairs incorporate opportunities to learn about health through hands-on experience and fun activities to participate in, such as bone density and gait measurement sessions, and are designed so that employee can easily get involved and develop a greater interest in health. In 2023, we held wellness fairs at 10 offices and the overall average satisfaction score across all the venues was 97%. In 2024, we held wellness fairs at around 9 offices nationwide, and at some offices, in a new initiative, we held the fairs in time slots to suit shift workers.
Lifestyle seminars	Since 2019, we have provided seminars on exercise, diet, and sleep that are designed to address health issues in each organization, and these seminars have been well-received by participants. In FY2023, we have provided online seminar content according to the health issues in each office and have continuously implemented measures to improve exercise habits, sleep, and dietary habits of the more than 2,000 participants. We plan to continue implementing these measures going forward.
Walking events	Since 2022, in collaboration with the Health Insurance Association, we have been organizing an app-based walking event to create an opportunity to reduce lack of exercise and prompt a start to regular exercising. Both individuals and departments are ranked in the event and more than 2,500 people from approx. 170 departments have participated to date. The event is well-received as an opportunity to promote not only exercise habits but also communication among employees, and we plan to continue holding the even going forward.

Implementation rate of health support program

	FY2019	FY2020	FY2021	FY2022
Number of target people(persons)	1,382	1,574	1,416	1,458
Number of target people who completed the program(persons)	700	837	803	779
Completion rate(%)	51.4	53.2	56.7	53.4
National average of completion rate(%)	27.4	26.9	31.2	34.0

Actual settings of wellness fairs



<Wellness fairs at Hamamatsucho Office>



<Special wellness fair menu created in collaboration with the cafeteria>

Actual settings of health seminar



Accomplishments of the Non-smoking Promotion Initiative

Smoking rate	<p>Since the calculating of the smoking rate began, it has been decreasing every year and declined to 16.7% in 2023 (-16.9 percent from 2010).</p> <p>We aim to further lower the rate with a target index of "less than 5% by 2030."</p>
Support to quit smoking	<p>In addition to individualized health instructions to quit smoking, we aim to create a system to provide a wide range of consultations regarding smoking cessation through the trial implementation of a non-smoking counseling service (at some offices), external consultation counters, etc.</p> <p>We have been holding the Tobacco Free Challenge as a smoking cessation event since FY2023. Employees who enter the challenge receive support from a public health nurse via email in a two-month attempt to quit smoking, and we make a donation to the Japan Cancer Society according to the number of employees who enter and succeed in quitting smoking. Insurance Society launched a limited-time full subsidy for smoking cessation treatment in FY2019 and a "remote smoking cessation outpatient consultation" (full cost subsidized by the Health Insurance Society) in FY2021.</p> <p>In FY2023, we achieved a high smoking cessation success rate of 74.6%. Our goal is to continue to maintain a success rate of at least 70% in the future. Rather than paying too much attention on the success of smoking cessation, we aim to create a supportive environment for people trying to quit.</p> <p>In 2024, in a new initiative, we held smoking cessation support study meetings for in-house occupational physicians and occupational health staff to learn about smoking cessation clinics and nicotine gum.</p>
Company non-smoking rules and measures against secondhand smoke	<p>In FY2012, we made the building smoke-free and prohibited employees from smoking when in uniform and in company vehicles. Following the dissemination of information about our Tobacco Free Policy in 2023, we conducted a fact-finding smoking survey targeting all employees. Based on the survey results and our Tobacco Free Policy, we held discussions in each business area and are now in the process of formulating a road map for 2030 to completely prevent unwanted passive smoking.</p>
Dissemination of information	<p>We continuously disseminate information through posters, leaflets, health committee meetings, in-house intranet, and in-house live streaming.</p>
Creation of a tobacco-free culture	<p>Following an in-house vote for the selection of a smoke-free mascot in which 480 employees, both smokers and non-smokers, took part, two mascots were born. The vote served as an opportunity for employees who participated to reflect on the tobacco free issue as something that concerns them.</p>  <p>Mascot characters peering out from a red camellia petal and holding a Tobacco Free flag</p>

Accomplishments of the Women's Health, Cancer, and Mental Health Initiative

Mental health and self-care	<p>We provide education on mental health and self-care through e-learning courses. The e-learning courses are effective, achieving a 99% comprehension rate (same as the previous year). Furthermore, we distribute helpful information for self-care by creating 5 to 10-minute short videos about assertion, cognitive behavioral therapy, etc.</p> <p>Since 2023, we have sought to review and strengthen mental health measures in general through the appointment of occupational physicians specializing in psychiatry.</p> <p>We have established internal and external consultation services and provide health consultations with in-house occupational physicians and nurses, as well as counselling with partner certified public psychologists where necessary.</p>
Mental health and line care	<p>All those in managerial positions are provided with education about mental health and line care through e-learning. In addition, we prepare and distribute 5- to 10-minute short videos for newly appointed managers about matters such as their obligation to consider safety, how to notice changes in their subordinates, and return-to-work support, and work to enhance line care training.</p>
Seminars on women's health	<p>Based on the characteristics and needs of the offices, we provide training on women's life stages and health (such as female hormones, menstruation, and menopause).</p> <p>We implemented seminars focusing on menopause in 2023 and menstruation, PMS, pregnancy, infertility and preconception care in 2024, and all seminars were extremely well received, with a satisfaction level of at least 90%.</p>
Implementation of support for balancing cancer treatment / work, and e-learning courses	<p>Since 2020, we have provided cancer education through e-learning. We work to improve cancer literacy among employees by exploring topics such as basic knowledge about cancer, support systems, and consultation services for balancing cancer treatment and work, and stories from employees who have undergone cancer treatment. The e-learning courses are effective, achieving a 99% comprehension rate (+1% from the previous year) and a 98% satisfaction rate (+1% from the previous year) in 2023. With 105 people taking part either in-person or online, our cancer seminars achieved a 100% comprehension rate and a 100% satisfaction rate.</p>



<Menopause events in 2023>



<Menstruation and PMS events in 2024>

Shiseido certified in the "2025 Health & Productivity Management Outstanding Organizations Recognition Program" (Large Enterprise Category, White 500)

Shiseido, together with 20 domestic affiliated companies in the group, was certified in the "2025 Health & Productivity Management Outstanding Organizations Recognition Program (Large Enterprise Category, White 500) run by the Ministry of Economy, Trade and Industry (METI) and the Japan Health Conference."*1



In recent years, the areas of wellness and wellbeing have been attracting greater attention, with an increasing number of companies aiming for outstanding health and productivity management*2. While the number of companies participating in the Survey on Health and Productivity this time was 3,869, the highest number ever (up 10% from last

year), the Shiseido Group was able to enter the top 10% in the large enterprise category and receive "White 500" certification (This is the fifth time in total). Going forward, we will continue to strive to achieve even greater heights in order to maintain and improve the health and safety of our employees.

*1 : Since 2017, the Ministry of Economy, Trade and Industry (METI) and the Japan Health Council have jointly certified the top 500 companies and corporations that practice particularly excellent health and productivity management as "Health & Productivity Management Outstanding Organizations."

*2: "Health and productivity management" is a registered trademark of the NPO Health and Productivity Management Study Group.

Name of certified corporation	Names of affiliate corporations also certified
Shiseido Corporation	Japan Retail Innovation Co., Ltd.
	KODOMOLOGY Co.,Ltd.
	Pierre Fabre Japon Co., Ltd.
	Shiseido Astech Co., Ltd.
	IPSA Co., Ltd.
	Ettusais Co., Ltd.
	ETWAS Co., Ltd.
	EFFECTIM Co., Ltd.
	The Ginza Co., Ltd.
	Shiseido Parlour Co., Ltd.
	Hanatsubaki Factory Co., Ltd.
	Shiseido Interactive Beauty Co., Ltd.
	Shiseido Japan Co., Ltd.
	Shiseido Beauty Academy
	Shiseido Corporate Pension Fund
	Shiseido Health Insurance Society
	Shiseido Child Foundation
	Shiseido Beauty Salon Co., Ltd.
	Shiseido Labor Union
	Shiseido Creative Co., Ltd.

Shiseido Vision Zero Declaration (Safety Declaration)

Shiseido pursues "PEOPLE FIRST," which is an important management philosophy for people working in the Shiseido Group to bring about innovation in society by producing results. To that end, our vision is to create an environment in which people working in the Shiseido Group can work safely and securely, and to achieve zero lost time accidents*1 at all workplaces.

*1 : Lost work accident (Injuries and illnesses during work or commuting in Japan which lead to one or more days off)

Behavioral Guidelines

These guidelines apply to all officers and employees (including dispatched employees and employees of cooperating companies) engaged in the Shiseido Group in Japan and overseas.

<Preventive Measures>

We will specify the issues at individual workplaces through thorough risk assessment*2 and based on the data analysis of lost work accidents, and we will take measures against hazards at the workplaces to create a secure working environment for all people.

<Continuous Education and Compliance with Rules>

We take responsibility for our own safety and the safety of the people around us, receive regular education on health and safety, practice it, and act according to the set rules.

<Improvement Activities>

We will share and discuss the cases of internal lost work accidents in the Shiseido Group with top management and the officers in the individual sectors at the health and safety management system committee meeting and take proactive countermeasures.

*2: Standardized safety evaluations to prevent accidents and activities to identify potential causes of danger

This commitment stipulates that the Occupational Health and Safety Management System Committee will prioritize and develop action plans with quantitative targets, and that operations shall commence upon mutual agreement between employees and Labor Union representatives.

These guidelines were developed with reference to the Occupational Health Hierarchy of Controls established by the National Institute for Occupational Safety and Health.

Management System

Management System	
Occupational Health and Safety Management System Committee "H&S Committee"	<p>In promoting the "H&S Committee," the officer in charge of human resources is responsible for health and safety management, supervising business areas in Japan and overseas, and taking the initiative in maintaining and promoting the health and safety of people working for the Shiseido Group.</p> <p>The health and safety manager works with officers, department directors, and other people in charge to encourage people working for the Shiseido Group to make voluntary efforts to ensure their health and safety.</p> <p>The H&S Committee, chaired by the officer in charge of human resources, determines commitments on occupational health and safety, of which significant ones and measures against occupational accidents are reported to the Board of Directors.</p>
Health and Safety Committee	<p>We have set up the Hygiene Committee and the Health and Safety Committee in accordance with laws and regulations and worked on establishing a safe and comfortable workplace through dialogue with employees and labor union representatives as well as through participation in and investigation and deliberation at the committees.</p> <p>To prevent occupational accidents, we have formulated an occupational health and safety policy and established the Health and Safety Committee, through which we analyze and review dangerous areas and behaviors, determine the causes, conduct risk assessment to evaluate and prioritize the causes and near-miss accidents,* and implement hazard prediction training.</p>
ISO 45001	<p>For factories in Japan and overseas, we have obtained the ISO 45001 certification and implemented occupational health and safety management systems as part of our effort to realize our goal of reducing occupational accidents to zero and prevent the occurrence of serious accidents.</p> <p>The certified factories have set up and implemented necessary procedures to prepare for and respond to possible emergencies.</p>

*A near-miss accident indicates the phenomenon by which a dangerous event occurred but luckily did not result in any injury or damage.



Occupational Health and Safety Management System



The Kakegawa Factory held an "H&S Committee" meeting where persons in charge of factories, laboratories, shops, and offices, officers from each area, and labor union representatives were brought together.



The Kakegawa Factory held an "H&S Committee" meeting and participants shared information on where occupational accidents (trips and falls) occurred and discussed countermeasures.

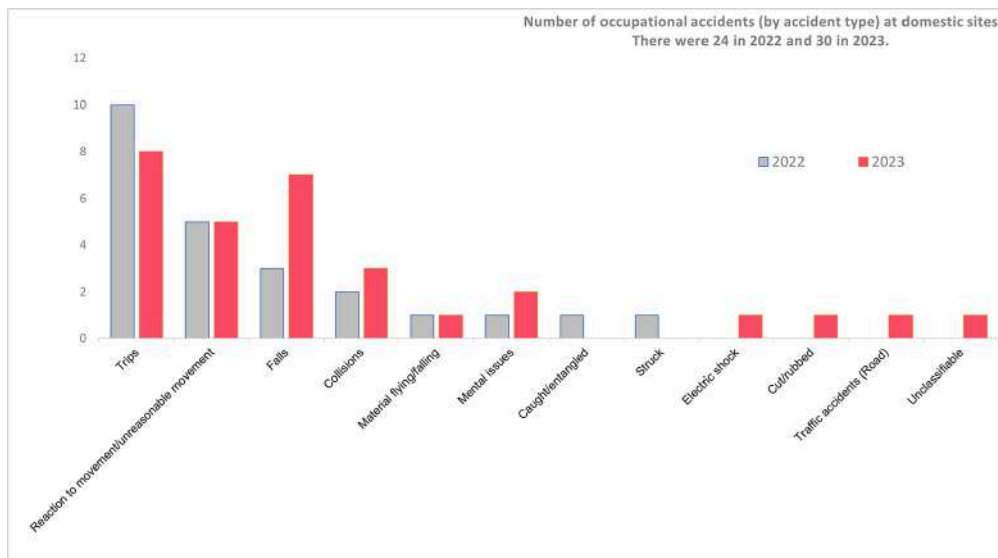
Overall Goals

- Elimination of accidents resulting in fatality or functional loss/elimination of occupational accidents
- Lowering of the lost time injuries frequency rate* to 0.1 or less by 2030

Results and Evaluations

Significant Item	Area	2021	2022	2023	2030
Accidents resulting in fatality or functional loss	Domestic and overseas sites	0	0	0	0
Number of occupational accidents (Japan)	Domestic sites	29	24	30	-
Number of occupational accidents (overseas)	Overseas sites	66	54	42	-
Lost time injuries frequency rate (Japan)	Domestic sites	0.74	0.68	0.89	0.1

Lost time injuries frequency rate (overseas)	Overseas sites	1.94	1.76	1.47	0.1
Number of factories that obtained the ISO 45001 certification	Domestic and overseas sites	3	3	8	11 (2024)



*Lost time injuries frequency rate or LTIFR is the number of occupational accidents resulting in absence from work in a workplace per 1 million work-hours

Progress and Issues that Need to Be Addressed

The number of occupational accidents and lost time injury frequency rate at domestic sites increased in 2023, and the main causes were trips and falls.

At domestic sites, we have conducted the Safety Culture Diagnosis in addition to company-wide health and safety education. Based on the diagnosis analysis and the actual results of occupational accidents in 2022 and 2023, we seek to encourage middle-career employees*1 by establishing an age-friendly workplace so that employees can actively work in safe and secure conditions.

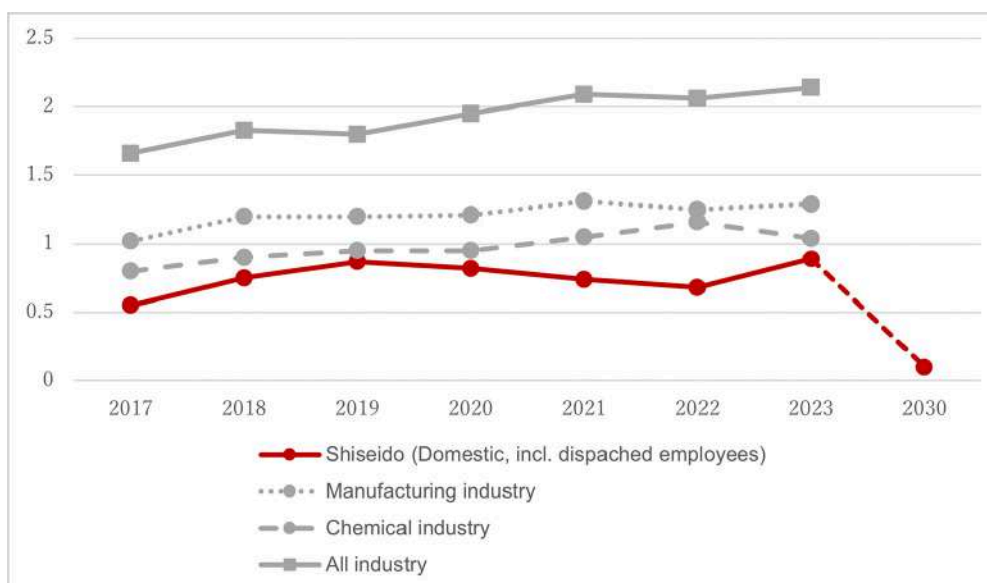
To achieve our health and safety goals by 2030, we need to prevent future accidents by conducting company-wide health and safety education and sharing information beyond business domains, instead of relying on the governance at each site. It is essential to strengthen safety measures against trips and falls, particularly among employees in their 50s and 60s who tend to be prone to such accidents, and to comply with the health and safety laws and regulations under which regulations are expected to be further tightened. We also need to alleviate the risks of operational suspension and public confidence loss resulting from serious occupational accidents.

We are currently introducing the "H&S Committee" system, which just started in Japan, at our overseas sites in addition to promoting the trinity of "occupational accidents," "disaster prevention," and "BCP*2" to build a system/environment that is conscious of workers' safety.

Compared to all domestic industries and each of the chemical and manufacturing industries in Japan, the Shiseido Group has been able to ensure safety for its workers. Nevertheless, we will further enhance the health and safety initiatives and implement various measures toward achieving our goals.

*1 : Middle-career employees refer to those in their 40s to mid-50s.

*2 : BCP: Business Continuity Plan



Comparisons of the lost time injuries frequency rate of domestic sites in the Shiseido Group with those of all domestic industries and the chemical and manufacturing industries in Japan

Shops/Sales and Offices in 2023

Shops/Sales and Offices	
Goal	Reduction of the number of occupational accidents resulting in absence from work by 50% from the level of 2022
Result	The systematic implementation of company-wide awareness building measures, surveys, and initiatives by each office has led to the distinct improvement of employee awareness of occupational safety management.
Initiatives / Issues that need to be addressed	Shops and sales, as well as offices, promote initiatives to prevent occupational accidents by holding monthly meetings of the Health and Safety Committee, among others. We analyze the occurrence situations and causes of accidents and share the information with each business site in Japan. We continuously collect information on near-miss accidents as well, examine measures against anticipated risks from multilateral perspectives, and share the information compiled in an easy-to-understand format with each workplace. In recent years, we have been particularly focusing on preventing trips at shops and other workplaces to create a safe and secure working environment.

R&D (Laboratories) in 2023

R&D (Laboratories)	
Goal	Standardization of the procedure of risk assessment on chemical substances
Result	The number of chemical substances subject to risk assessment has substantially increased following the 2022 amendment of the Industrial Safety and Health Act. However, we have completed the assessment on the targeted substances after standardizing the procedure and meticulously examining the conditions of use at research sites. Our risk assessments will continue with more substances expected to be included in the list.
Initiatives / Issues that need to be addressed	Laboratories manage various kinds of chemical substances in their possession with their own IT system and comply with laws and regulations by strictly and efficiently conducting risk assessment on the increasing number of chemical substances. We are also working on establishing a safe and secure working environment, promoting proper management of chemical substances based on regulations, and providing information and education to raise awareness of health and safety among researchers. We will strive to prevent any health damage attributable to chemical substances and ensure the health and safety of researchers for the years to come by keeping work logs and sharing risk assessment results.

Supply Network Domain (Factories and Distribution Centers) in 2023

Supply Network Domain (Factories and Distribution Centers)	
Goal	Attainment of the ISO 45001 certification for domestic factories
Result	Factories that obtained the ISO 45001 certification in 2023: Kakegawa Factory, Gien Factory, Val de Loire Factory, East Windsor Factory, and Osaka Factory
Initiatives / Issues that need to be addressed	<p>The lost time injuries frequency rate at all sites in Japan and overseas came to 0.7, significantly exceeding the target of 1.3 or less. However, accidents resulting in absence from work infrequently occurred. Our analysis on the occurrence situations of these occupational accidents has revealed that many cases resulted from the unsafe behaviors of some employees. We are therefore planning to introduce the Behavior Based Safety (BBS) program to reduce such behaviors at all sites in Japan and overseas.</p> <p>Factories and distribution centers are continuously promoting the Global Safety Management System (GSMS), which defines the common standard on occupational health and safety in Japan and overseas. In 2024, we started verifying the progress of the GSMS at each site under the leadership of the head office's management department on a full scale, in tandem with the introduction of the GSMS defining the same level of daily safety behaviors and requirements as ISO 45001:2018, to enhance the safety level at all sites.</p> <p>As part of these initiatives, we offer a diverse range of educational training programs that reflect our analysis of past occupational accidents and countermeasures. The Kakegawa Factory has created a video on safety rules that has been shared with all its employees.</p> <p>In addition to the above, in 2023, we started the external inspection program to verify the compliance status of all the regulations related to health and safety, as well as working conditions, at all sites in Japan and overseas, in cooperation with external professional organizations to improve our health and safety system and enhance our initiative to ensure compliance.</p>



The picture shows a footage from the safety rule video created by the Kakegawa Factory



The factory is being inspected by members of the external organization.

Domain Goals for 2024

Domain Goals	
Shops/Sales and Offices	<ul style="list-style-type: none"> ■ Leveling of safety initiatives led by each business site in Japan ■ Enhancement of recurrence prevention initiatives
R&D (Laboratories)	<ul style="list-style-type: none"> ■ Enhancement of chemical substance management system ■ Ensuring of compliance (formulation and revision of regulations, setting up of administrators, provision of health and safety education, etc.)
Supply Network Domain (Factories and Distribution Centers)	<ul style="list-style-type: none"> ■ Introduction of BBS program ■ Renewal of ergonomics programs and deployment thereof into all sites ■ Introduction of legal regulation surveillance system

Inspection and Examination

Inspection and Examination	
ISO 45001:2018	<ul style="list-style-type: none"> ■ The registration of the ISO 45001 certification for all our factories in Japan and overseas was completed in conjunction with the acquisition in March and April 2024 for the Fukuoka Kurume Factory and the Nasu Factory, respectively. (The certification organizations were SGS United Kingdom Limited for the Fukuoka Kurume Factory, and Japan Industrial Safety & Health Association for the Nasu Factory.) ■ Factories in Japan and overseas conduct the PDCA, or plan-do-check-act cycle (for organizational status; participation, planning, support, and management of leadership and workers; and evaluation and improvement of performance) and promote occupational health and safety management according to each process. ■ We promote continuous improvement through maintenance and examination, examination for renewal, and internal inspection of factories. ■ Factories that have obtained the ISO 45001 certification in each country and region: factories in Beijing and Shanghai, Hsinchu Factory, Kakegawa Factory, Gien Factory, Val de Loire Factory, East Windsor Factory, Osaka Factory, Osaka-Ibaraki Factory, Fukuoka Kurume Factory, and Nasu Factory (as of April 2024 and listed in the order of acquisition date)
Third-Party Verification	<ul style="list-style-type: none"> ■ The Shiseido Group in Japan receives third-party verification by Bureau Veritas Japan Co., Ltd. and conducts verification on occupational accident-related matters at domestic companies of the Shiseido Group, such as the number of occupational accidents, LTIFR for the directly or indirectly employed, and number of fatalities among the directly or indirectly employed, etc. based on the data collection procedure regarding domestic occupational accidents.



Members of the Osaka Factory that obtained the ISO 45001 certification pose with the Chief Supply Network Officer.



Members of the Ibaraki Factory that obtained the ISO 45001 certification pose with the Chief Supply Network Officer.



Members of the Fukuoka Kurume Factory that obtained the ISO 45001 certification pose with Health & Safety System Owner.



Members of the Nasu Factory that obtained the ISO 45001 certification pose with Chief Supply Network Officer. (April 2024)

Training and Educational Programs

In fiscal year 2022, we established an occupational health and safety management system and have since promoted the system across the group by sharing the information concerning safety activities as well as education and training programs provided in each domain. As one of such initiatives, we share the information on near-miss accidents and hazard prediction trainings at the H&S Committee to promote them in all the domain workplaces.

Company-wide health and safety education has incorporated common issues addressed by the H&S Committee, and it has been overhauled to be more comprehensible and help prevent occupational accidents. For training programs, we utilize internal e-learning systems and digital materials to enable all employees to take the programs.

In fiscal year 2023, we conducted the Safety Culture Diagnosis in addition to health and safety education and

quantified each of the four items—"education and training," "reporting obligation," "performance," "resource and environment," and "organization and culture"—to evaluate and assess the safety culture level in the Shiseido Group. (22 companies of the Shiseido Group took the Safety Culture Diagnosis)

The continuous execution of the Safety Culture Diagnosis has helped us recognize the level of understanding and awareness of safety among workers. Additionally, we are working in tandem with each region's initiatives to prevent occupational accidents through stratified analyses and feedback.

Employment and Work of Employees

At Shiseido, both the Company and employees make utmost efforts to maintain employee sustainability. To ensure long-term employment, we comply with laws and practices of countries and regions around the world, and respect diversity and promote the creation of rewarding workplaces in accordance with the Shiseido Code of Conduct and Ethics.

Employment

Shiseido recruits employees through the periodical employment for both new and recent graduates and the mid-career employment for employees with expert working experience. We make efforts to improve our employment system to provide a variety of employment opportunities, give consideration to the diverse working styles of our employees. As specified in labor agreements, the Company and the Labor Union consult with one other in good faith to make decisions, if any, that may have significant impact on the lives of employees or become necessary due to the establishment or relocation of a business facility.

Wages

The Shiseido wage system is based on roles, job responsibilities and achievements independent of seniority or personal connection. We also ensure a fair and highly transparent evaluation system based on rules for evaluation and treatment that is widely approved by employees.

Men-to-women average monthly salaries of the Shiseido Group in Japan are 100:96 for management positions, 100:94 for general positions, and 100:115 for beauty positions. (As of January 1, 2024)

For more details, please refer to Social Data.

Employee Benefits

Aiming to "realize a rich and comfortable life" for employees and their families, Shiseido focuses on enhancing employee benefits along with improving working conditions, providing support to enable active involvement in both the Company and community.

Welfare Measures to Support Career Advancement and Life Design

Shiseido supports employees in both their work and life, with career advancement and life design based on measures of autonomy and self-responsibility.

Systems and measures to support employees in balancing work and child/family care and to help realize the work-life balance of employees, as well as various other measures, include Company housing, Housing Allowance and other housing support programs, asset building support, the employee stock ownership program, and the consolation payment program. We have also introduced the Cafeteria Plan (selective employee benefit plan) through which the Company offers menus that correspond to the lifestyles and needs of employees, ranging from "workplace revitalization," "self-development," and "childcare and family care" to "health promotion." Employees may choose support programs as necessary accordingly.

Supporting Employees' Life Plans through Corporate Pension

Shiseido supports employee life plans and financial management plans. The Shiseido retirement benefit program consists of a defined benefit pension and defined contribution pension or advance retirement allowance. Employees may choose from either the defined contribution pension plan or advance retirement allowance. For the defined contribution pension plan, through periodical provision of information on asset management and investment, Shiseido supports employees to take the initiative in planning their lives after retirement. Some overseas subsidiaries offer a defined benefit system, lump-sum retirement allowance system, and defined contribution system.

Labor Unions

The Shiseido Group actively promotes information sharing regarding general corporate activities and discussions with employees to resolve issues in a concerted manner based on the belief that "good labor management relations are fundamental to corporate management." Labor unions have been organized in Shiseido and some Group companies (including overseas subsidiaries). In Japan, the Shiseido Labor Union adopts and operates the Union Shop System in representing certain employees of Shiseido Company, Limited, Shiseido Japan Co., Ltd. and some affiliates. In its labor agreement, Shiseido and the Shiseido Labor Union confirm to "recognize the social mission of Shiseido's business, strive to realize sound development of the Company, and maintain and improve the economic and social status of employees, thereby sustaining labor-management relations based on goodwill and trust." On this basis, both parties aim to honor their mutual stance and hold management councils as well as labor-management discussions in consideration of various issues. Specifically, we actively hold labor-management talks on the themes of "treatment and benefits for employees," "work style reform," and "proper management of working hours, including reduction of long working hours" to ensure appropriate business operations. In addition, at each site in Japan, discussions are held on their own labor-management issues. Overseas subsidiaries also do business while respecting the labor laws and regulations of respective countries, and thereby strive to build and maintain sound labor-management relationships through communication between the Company, labor unions and employees.