

Sustainability Data

Data detailing Shiseido's activity towards sustainability is available.

Environmental Data

- CO₂
- Energy
- Water
- Waste
- Environmental pollution (Air/Water)
- Responding to Environmental Risks
- CO₂ emissions from cosmetics and personal care products (environmental footprint)

Social Data

- Human Resources
- Customer Satisfaction
- Compliance and Risk Management
- Social Activity

Environmental Data

Data

The data marked with ☒ in the figure below has been third-party certified.

CO₂

Scope1,2*1

(t)

	2019	2020	2021	2022	2023
Total	<input checked="" type="checkbox"/> 78,750	<input checked="" type="checkbox"/> 72,458	<input checked="" type="checkbox"/> 65,481	<input checked="" type="checkbox"/> 46,439	<input checked="" type="checkbox"/> 34,722*3
Coverage (%)*2	96.8	100.0	100.0	100.0	100.0
Scope 1	<input checked="" type="checkbox"/> 27,036	<input checked="" type="checkbox"/> 25,968	<input checked="" type="checkbox"/> 28,744	<input checked="" type="checkbox"/> 23,912	<input checked="" type="checkbox"/> 21,105
Coverage (%)*2	95.0	100.0	100.0	100.0	100.0
Scope 2	<input checked="" type="checkbox"/> 51,714	<input checked="" type="checkbox"/> 46,490	<input checked="" type="checkbox"/> 36,737	<input checked="" type="checkbox"/> 22,527	<input checked="" type="checkbox"/> 13,617
Coverage (%)*2	98.0	100.0	100.0	100.0	100.0

*1 : The performance data covers energy-delivered CO2 and calculated based on the GHG Protocol. Scope 2 was based on the market-based method.

*2 : At all sites.

*3 : Total emissions after the deduction of carbon credits (for ☒3,581 t) is 31,141t

Scope3*1

(t)

	2019	2020	2021	2022	2023
Total	2,770,000	2,540,000	1,520,000	1,510,000	973,000
Category 1 Purchased goods and services*2	<input checked="" type="checkbox"/> 644,000	<input checked="" type="checkbox"/> 528,000	<input checked="" type="checkbox"/> 953,000	<input checked="" type="checkbox"/> 931,000	<input checked="" type="checkbox"/> 509,000
Category 2 Capital goods	231,000	246,000	<input checked="" type="checkbox"/> 225,000	<input checked="" type="checkbox"/> 150,000	<input checked="" type="checkbox"/> 139,000
Category 3 Fuel and energy related activities	15,600	13,200	12,600	9,500	9,740
Category 4 Upstream transportation and distribution	110,000	85,400	<input checked="" type="checkbox"/> 51,600*5	<input checked="" type="checkbox"/> 67,500	<input checked="" type="checkbox"/> 37,200
Category 5 Waste generated in operations	20,700	33,000	<input checked="" type="checkbox"/> 15,100	<input checked="" type="checkbox"/> 15,500	<input checked="" type="checkbox"/> 13,900
Category 6 Business travel	14,700	1,600	900	2,400	9,460
Category 7 Employee commuting	5,200	6,200	8,500	7,500	7,990

Category 8 Upstream leased assets	0	0	0	0	0
Category 9 Downstream transportation & distribution	-	-	-	☑87,000*4	☑74,300
Category 10 Processing of sold products	0	0	0	0	0
Category 11 Use of sold products	☑1,580,000	☑1,540,000	☑134,000*5	☑143,000	☑108,000
Category 12 End of life treatment of sold products	☑148,000	☑82,900	☑118,000	☑94,600	☑59,400
Category 13 Downstream leased assets	0	0	0	0	0
Category 14 Franchises	0	0	0	0	0
Category 15 Investments	-	-	-	2,800*4	☑4,940

*1 : Used IDEA v2 and ecoinvent v3.8 as CO₂ calculation basis database.

*2 : Amount of materials used in Japan in 2023 (including estimates): glass 3,700 t, metal 660t

*3 : Emissions from land-use change related to the procurement of raw materials and ingredients were taken into account from 2021.

*4 : Downstream transportation & distribution and Investments were taken into account from 2022.

*5 : Excluding the sold business and brands.

Scope1,2,3 Total

(t)

	2019	2020	2021	2022	2023
Total	2,848,750	2,612,458	1,585,481	1,556,439	1,008,126

Avoided CO₂ emissions (2023)

Approximately 4,200 tons of CO₂, was reduced thanks to the sale of refill products.

(t)

Each stage of the value chain	Avoided CO ₂ emissions
Procurement	2,900
End of life	1,300
Total	4,200

Energy

(MWh)

	2019	2020	2021	2022	2023
Energy consumption	289,280	298,589	322,527	304,962	239,863*4
Coverage (%) ^{*1}	96.8	100.0	100.0	100.0	100.0
Electric power	115,228	127,188	137,881	141,841	127,305

Gas*2	122,636	128,568	139,424	109,953	58,413
LPG	2,771	2,552	2,370	2,559	1,778
Fuel*3	24,358	16,146	20,181	20,436	24,129
Steam	24,286	24,135	22,671	30,172	28,239

*1 : At all sites.

*2 : Total consumption of city gas and natural gas.

*3 : Total consumption of gasoline, kerosene, diesel oil and fuel oil.

*4 : Non-renewable energy consumption in 2023 : 131,037MWh.

Water*

(Mil. m³)

	2019	2020	2021	2022	2023
Water withdrawals	1.2	1.2	1.2	1.1	0.8
Municipal water	1.0	0.9	0.9	0.7	0.5
Municipal water(Industrial grade)	0.1	0.1	0	0	0
Ground water	0.1	0.3	0.3	0.3	0.3
Water discharged	0.9	1.0	1.0	0.9	0.6
Sewage	0.9	0.8	0.8	0.8	0.4
Surface water	0	0.2	0.2	0.1	0.2

* 2019-2020: Production sites (coverage:100%). 2021: Production sites (coverage:100%) and domestic research centers.

2022-2023: Production sites(coverage:100%) and research centers (coverage:100%).

- Other sources of water withdrawals (surface water, harvested rainwater, external wastewater, sea water, quarry water) in 2019-2023: 0m³.

- Other destinations of water discharged (ocean, subsurface / well, off-site water treatment, beneficial / other use) in 2019-2022: 0m³, in 2023: 831,057m³

- Total net fresh water consumption in 2023 (water consumption excluding the amount of wastewater returned to the same water source): 0.8 million m³.

- Percentage of water withdrawal and water consumption in areas with high or very high water stress as classified by the World Resources Institute's (WRI) Water Risk Atlas tool, Aqeduct in 2023: 11%.

Waste generated in operations*1

(t)

	2019	2020	2021	2022	2023
Waste discharged	14,297	12,825	13,096	12,560	10,895
Recycled*2	13,910	12,779	13,038	12,473	10,813
Disposed	387	47	58	87	81

*1 : 2019-2021: Production sites (Coverage 100%) and domestic research centers.

2022-2023: Production sites (Coverage 100%) and research centers (Coverage 100%) .

*2 : Including thermal recovery.

Environmental pollution (Air/Water)

(t)

	2019	2020	2021	2022	2023
NOx emissions	27	23	24	31	10
Coverage (%)*	81.8	90.9	100.0	100.0	100.0
SOx emissions	0	0	0	0	0
Coverage (%)*	81.8	90.9	91.7	91.7	91.7
Chemical Oxygen Demand	103	70	68	52	46
Coverage (%)*	90.9	90.9	91.7	92.3	92.3

* Production sites.

Responding to Environmental Risks

In terms of environmental law, key function of the company is Production sites. Including those functions, Shiseido observes environmental laws and regulations thoroughly by conducting compliance evaluation based on ISO14001 standards.

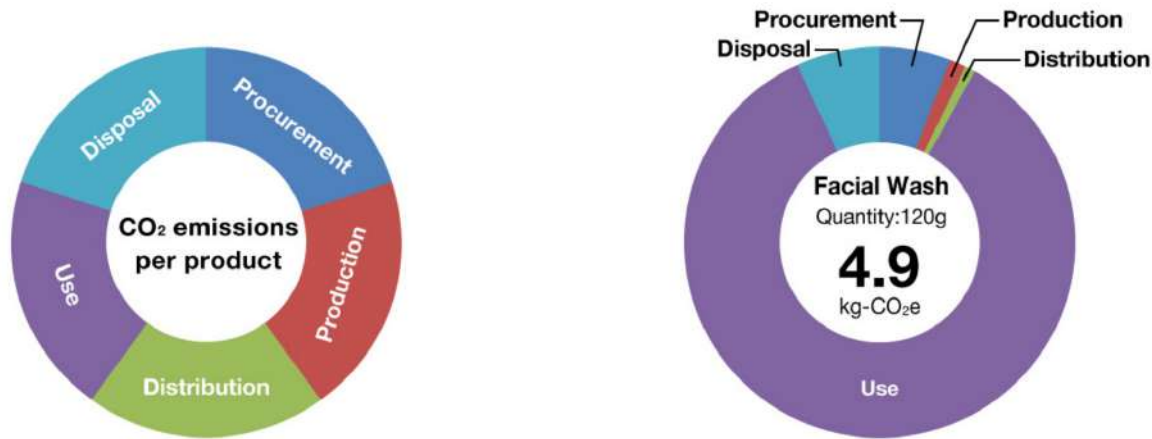
Investigations of domestic and overseas affiliates revealed no major violations of environmental laws or regulations in the last 5 years including 2023.

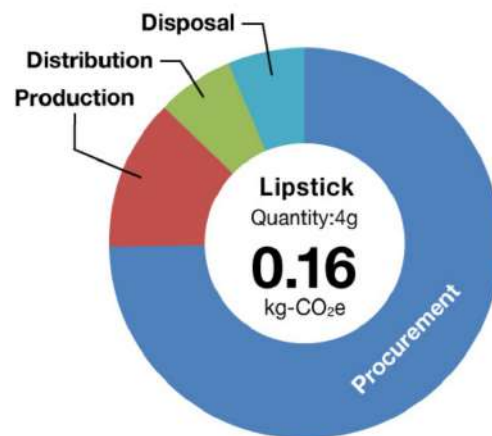
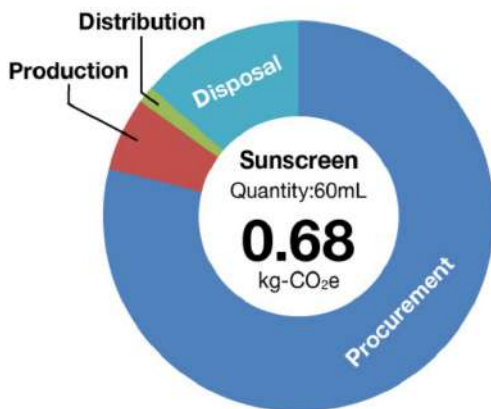
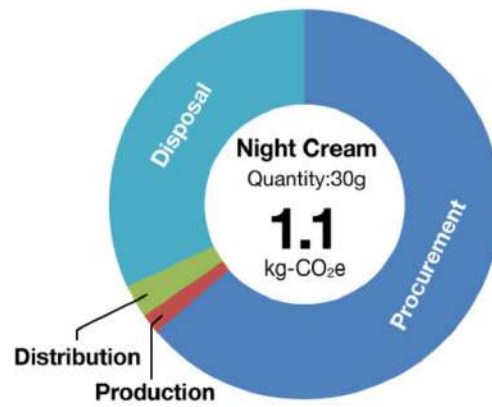
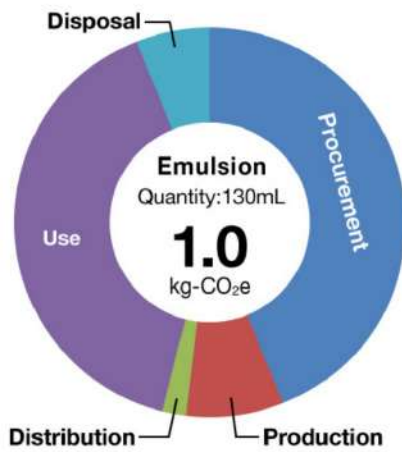
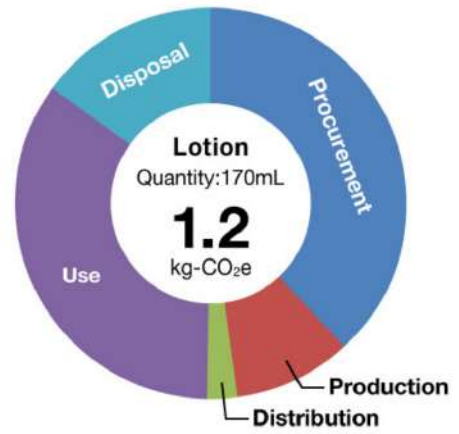
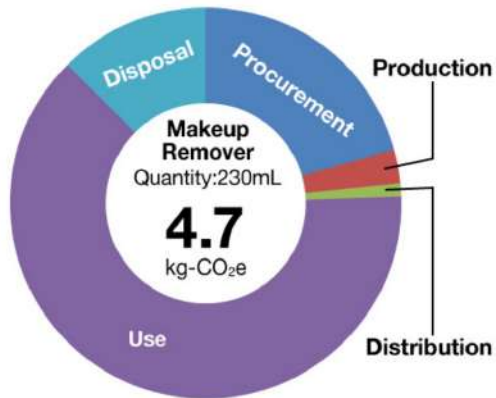
Shiseido is committed on appropriate operation that complies with the environmental laws and regulations continuously.

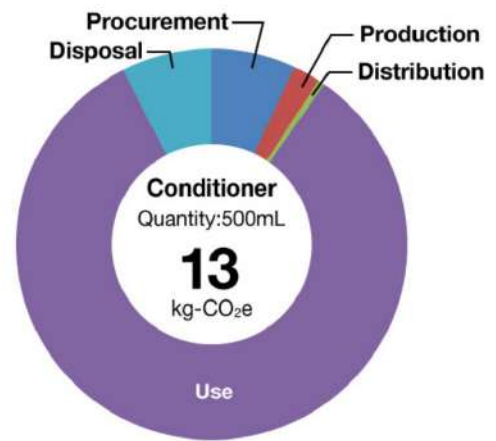
CO₂ emissions from products (environmental footprint)

We assess the environmental footprint including CO₂ emissions regarding products.

Legend







* The calculation of usage phase was evaluated by setting the following usage scenarios.

Type	Usage scenario
Facial wash	Rinse the face with 4.11L of hot water at 40°C
Makeup remover	Rinse the face with 4.5L of hot water at 33°C
Lotion, emulsion	Use a cotton pad and apply all over the face
Shampoo, conditioner	Rinse the face with 15L of hot water at 40°C

Independent Assurance Report



Translation

1 July 2024
Opinion No : SGS24/111

Masahiko Uotani
Representative Corporate Executive Officer, Chairman and CEO
Shiseido Company, Limited
7-5-5, Ginza, Chuo-ku, Tokyo, Japan

SGS Japan Inc. (hereinafter referred to as "SGS") has conducted a limited assurance engagement on the sustainability data for the fiscal year 2023 indicated with ☒ or ☐ in "Environmental Data" of the website (<https://corp.shiseido.com/en/sustainability/performance/env/>) and SUSTAINABILITY REPORT 2023 (hereinafter referred to as "Environmental Data") prepared by Shiseido Company, Limited (hereinafter referred to as "the Organization") based on their request.

The Organization's Responsibility

The Organization is responsible for preparing the Statement in conformance with the calculation and reporting standards (hereinafter referred to as "the Organization's Criteria") described in the Environmental Data. The calculation of GHG emissions is inherently uncertain due to the incomplete scientific knowledge required to determine emission factors and the numerical data, for combining emissions of different gases.

Our Independence and Quality Control

SGS has complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Statement based on the procedures performed and the evidence obtained.

SGS has performed the limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and ISAE 3410 "Assurance Engagements on Greenhouse Gas Statements."

The procedures performed by SGS are based on our professional judgment and include the following:

- Evaluation of the appropriateness and inquiries regarding the Organization's Criteria used to measure, aggregate, calculate, and report the Statement.
- Verification that the Statement and the underlying records are consistent.
- Inquiring about the design of the systems and methods used to collect and process the Statement.
- Analytical procedures and inquiries regarding quantitative data.
- On-site inspection of Shiseido Fukuoka Kurume Factory and Global Headquarters, Shiodome Office (GLOBAL VISION CENTER).
- Assessment of the Organization's Criteria to develop estimates were appropriate and consistently applied. (This does not include testing the data underlying the estimate or developing independent estimates to evaluate the estimate.)

The procedures performed in a limited assurance engagement vary in nature from and are less in scope than, those performed in a reasonable assurance engagement.

As a result, the level of assurance obtained in a limited assurance engagement is lower than what would have been obtained if a reasonable assurance engagement had been performed.

Limited Assurance Conclusion

Based on the procedures performed and evidence obtained by us, nothing has come to our attention that causes us to believe that the Statement in the Environmental Data are not prepared in conformance with the Organization's Criteria in all material respects.

For and on behalf of SGS Japan Inc.

Yokohama business Park North Square I
134, Godo-cho, Hodogaya-ku, Yokohama
Business Assurance
Head of Certification/Accreditation
Yuji Takeuchi

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Social Data

Human Resources

Number of Shiseido Group Employees

Indicator		Period	2021	2022	2023	2024
Total (persons)		As of January 1 each year in Japan and as of December 31 of the previous year outside Japan	45,527	40,484	38,878	35,675
Ratio of Women (%)	All Shiseido Group	As of December 31 of the previous year	83	82.2	81.9	82.2
	Shiseido Group in Japan	As of January 1 each year	82	81.3	80.7	80.9

Number of Employees by Region (persons)

Indicator	Period	2021	2022	2023	2024
Japan	As of January 1 each year	☑24,903	☑23,458	☑22,129	☑20,793
China	As of December 31 of the previous year	9,019	8,174	8,158	7,492
Asia Pacific		4,392	3,858	3,674	2,649
Americas		2,997	1,939	1,819	1,776
Europe		4,031	2,900	2,930	2,783
Travel Retail		185	155	168	182

Data marked with ☑ has been third-party certified.

Scope : Shiseido Group in Japan (21 companies)

Number of Employees by Type of Employment (persons)

Indicator			Period	2021	2022	2023	2024
Japan	Employees	Total	As of January 1 each year	17,698	17,160	16,393	15,375
		Men		3,835	3,783	3,622	3,332
		Women		13,863	13,377	12,747	12,043
	contract employees	Total		7,205	6,298	5,760	5,418

		Men		655	610	657	648
		Women		6,550	5,688	5,103	4,770

Number of Leaders (persons)

Indicator			Period	2021	2022	2023	2024
Japan	Leaders*1	Men	As of January 1 each year	☑862	☑841	☑843	☑796
		Women		☑459	☑500	☑509	☑531
	Junior managers*2	Men		535	490	331	327
		Women		246	248	209	208

Data marked with ☑ has been third-party certified.

Scope : Shiseido Group in Japan (21 companies)

*1 : Leaders: Manager position holders and annual salary system employees

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

Ratio of Women Leaders (%)

Indicator		Period	2021	2022	2023	2024
Entire Shiseido Group (Coverage 100%)	Ratio of women leaders*1	As of January 1 each year in Japan and as of December 31 of the previous year outside Japan	57.5	58.3	58.1	58.8
Japan	Ratio of women leaders*2 Target: 50%	As of January 1 each year	☑34.7	☑37.3	☑37.6	☑40.0
	Ratio of women junior managers*3		31.5	33.6	38.7	38.9
China	Ratio of women leaders	As of December 31 of the previous year	63.5	65.2	69.4	70.1
Asia Pacific			67.9	65.4	81.4	78.4
Americas			73.1	76.4	67.9	68.3
Europe			73.5	68.7	71.3	72.1
Travel Retail			79.1	82.6	83.0	83.6

Data marked with ☑ has been third-party certified.

Scope : Shiseido Group in Japan (21 companies)

*1 : Ratio of women junior managers in the entire Shiseido Group: 64.7%

*2 : Leaders: Managerial position holders who are also under the annual salary system (full-time employees / fixed-term contract employees)

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

Diversity in Top Management

Indicator	Period	2020	2021	2022	2023	2024
Ratio of women on Board of Directors (%) *1	As of April 1 each year	46.2	46.2	46.2	40.0	45.5

External directors ratio on Board of Directors (%)		53.8	53.8	53.8	53.3	63.6
Ratio of women executive officers (%)		25.0*2	31.6	35.3	35.3	40.0
Ratio of women of all top management (%) *3		28.3	41.7	42.9	44.1	43.8

*1 : Ratio of women directors and Audit & Supervisory Board members is shown until 2023. With the transition to a "Company with Three Statutory Committees" at the 124th Ordinary General Meeting (March 26, 2024), the ratio of women directors is shown from 2024.

*2 : Ratio of women corporate officers

*3 : Leaders within 2 levels from the CEO

Ratio of Employees with Disabilities*1 (%)

Indicator	Period	2020	2021	2022	2023	2024
Shiseido Company, Limited	As of June 1 each year	3.04	3.89	4.18	4.52	4.81
Shiseido Group in Japan*2		☑2.22	☑2.44	☑2.65	☑2.82	2.99
Target		2.2	2.3	2.3	2.3	2.5

Data marked with ☑ has been third-party certified.

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

*2 : Shiseido Group in Japan: 12 special subsidiary companies of Shiseido Group

Employee Diversity

Ratio of employees by age group (%)

Indicator	Period	Age group	2021	2022	2023	2024
All Shiseido Group	As of January 1 each year in Japan and as of December 31 of the previous year outside Japan	Under 30 years old	24.1	18.6	17.6	17.7
		30-49 years old	55.5	58.5	58.5	57.6
		50 years old and over	20.4	22.9	23.9	24.7
Japan	As of January 1 each year	Under 30 years old	20.4	18.6	17.2	16.5
		30-49 years old	49.3	49.4	49.3	49.1
		50 years old and over	30.3	32	33.5	34.4
China	As of December 31 of the previous year	Under 30 years old	24.5	18	17.1	18.2
		30-49 years old	73.9	79.3	79.8	79.2
		50 years old and over	1.6	2.7	3.2	2.7
Asia Pacific		Under 30 years old	36.3	25	23.2	24.3
		30-49 years old	57.1	67.5	68.4	65.6
		50 years old and over	6.6	7.5	8.4	10.1

Americas		Under 30 years old	26.5	13.3	13.4	15.7
		30-49 years old	51	55.7	53.8	54.1
		50 years old and over	22.5	31	32.8	30.2
Europe		Under 30 years old	30.9	15.4	17.5	20.5
		30-49 years old	53.3	62.1	58.2	56.2
		50 years old and over	15.8	22.5	24.3	23.3
Travel Retail		Under 30 years old	21.6	16.8	14.9	18.7
		30-49 years old	73	76.8	77.4	73.6
		50 years old and over	5.4	6.5	7.7	7.7
Indicator		Period	2021	2022	2023	2024
Ratio of women in management in a revenue-generating function (%)	All Shiseido Group	As of January 1 each year	69	70	72.7	69.2
Ratio of women in a STEM-related department (%)	All Shiseido Group		-	59	56.8	57.4
	Shiseido Group in Japan		33.3	58.1	57.4	56.7

Indicator		Period	2021	2022	2023	2024
Number of foreign national employees in Japan	Shiseido Group in Japan	As of January 1 each year	486	443	397	386
Ratio of foreign national employees in Japan (%)			2	1.9	1.8	1.9

Nationality of Employees (%)

Indicator	Period	Nationality	2024	
			Employees	Managers
All Shiseido Group	As of January 1 each year in Japan and as of December 31 of the previous year outside Japan	Japan	57.4	40.2
		China	20.3	14.8
		United States	4.3	13.7
		France	3.1	9.9

Average Service Years of Employees (years)

Indicator		Period	2021	2022	2023	2024
Shiseido Group in Japan Employees (excluding contract employees)	Average	As of January 1 each year	14.4	14.9	15.3	15.7
	Men		14.5	14.2	14.1	14.4
	Women		14.4	15	15.7	16

Turnover Rate in Japan (%)

Indicator			2020	2021	2022	2023
Total employee turnover rate*1	Permanent employees total		3.5	4.4	5.2	8.7
	Breakdown	Manager positions and career path positions	3.4	3.8	5.2	6.5
		Beauty consultant positions	2.3	3.4	4	5.3
Voluntary employee turnover rate*2	Permanent employees total		3.3	4.2	4.9	5.6
	Breakdown	Manager positions and career path positions	3.1	3.7	4.7	4.8
		Beauty consultant positions	2.1	3.2	3.8	5.1

*1 : The sum of the Voluntary employee turnover and the involuntary employee turnover rate (such as death, dismissal, leave of absence for personal injury or illness, expiration of absentee period).

*2 : Retirement, early retirement, and retirement for personal reasons

Working Hours

Indicator			Period	2020	2021	2022	2023
Working hours*1	Total annual hours worked per person (hours/years/persons)	Shiseido Company, Limited	As of December 31 each year	1,955	2,003	1,937	1,910
		Shiseido Group in Japan		1,863	1,901	1,857	1,865
Prescribed working hours	Annual prescribed working hours (hours/years/persons)	Shiseido Group in Japan		1,836.8	1,844.5	1836.8	1852.25

Overtime hours*2	Annual overtime hours per person (hours/years/ persons)	Shiseido Company, Limited		173.4	211.6	167.2	178.1
		Shiseido Group in Japan		69	88.2	91.6	108.7

*1 : Employees (excluding contract employees)

*2 : Employees (excluding contract employees and Manager positions)

Rate of Paid Leave Taken

Indicator			Period	2020	2021	2022	2023
Annual rate of paid leave taken per person (%) Target: To achieve 80.0%	Shiseido Company, Limited	Employees and contractors	As of December 31 each year	70.4	76.3	69.6	83.4
	Shiseido Group in Japan			80.6	80.3	70.5	85.7

Number of Employees Hired*

Indicator			Period	2020	2021	2022	2023
Periodic employment of career path positions	Employees	Men (persons)	As of December 31 each year	65	26	21	15
		Women (persons)		85	35	29	28
		Women (%)		56.7	57.4	58	65.1
Periodic employment of beauty consultant positions		Men (persons)		5	0	0	0
		Women (persons)		333	26	32	15
		Women (%)		98.5	100	100	100
Periodic employment of production positions		Men (persons)		-	30	18	33
		Women (persons)		-	45	25	47
		Women (%)		-	60	58.1	58.8
Periodic employment of the others		Men (persons)		-	-	3	3
		Women (persons)		-	-	11	52
		Women (%)		-	-	78.6	94.5
Mid-career employment	Employees and contract employees equivalent to employees (annual salary and special professional employees)	Men (persons)		79	122	189	128
		Women (persons)		100	127	187	190
		Women (%)		55.9	51	49.7	59.7

Others	Contract employees except for the above	Men (persons)		-	-	149	181
		Women (persons)		-	-	475	580
		Women (%)		-	-	76.1	76.2

* Shiseido Group in Japan

Breakdown of new hires

Indicator				2021	2022	2023
Shiseido Group in Japan	All employees (including contract employees)	Total number of new hires (persons)		985	1136	1272
		Women (%)		66.7	66.5	71.7
		Ratio of employees by age group (%)	Under 30 years old	49	49.2	50
			30-49 years old	42	42.3	40.4
			50 years old and over	8.9	8.5	9.6
		Management level (%)	Non-managerial positions	89.8	93.7	94.6
			Manager positions	10.2	6.3	5.4
		Ratio of employees with disabilities (%)		3.8	3.4	2.9

Percentage of open positions filled by internal candidates (internal hires) in Shiseido Company, Limited and Shiseido Japan Co., Ltd.: 27% (2023)

Starting Pay (yen/month)

Indicator			2021	2022	2023	2024
Monthly amount paid*	Doctoral graduate	Employees who joined the company in April each year	293,450	293,450	293,450	293,450
	Master's graduate		261,310	261,310	261,310	261,310
	Undergraduate		237,890	237,890	237,890	237,890
	Technical/Junior college graduate		215,670	215,670	215,670	215,670

* An area allowance of 9,000 yen is provided to employees who live in Tokyo wards. (0 to 9,000 yen depending on area)

Average Annual Salary* (yen/year)

Indicator	2020	2021	2022	2023
Shiseido Company, Limited	6,585,163	6,202,140	6,634,381	7,405,508

* Including bonuses and extra wages

Equal Remuneration

Indicator			2021	2022	2023
All Shiseido Group	Executive Officer	Base salary only	☑ Men 100 : Women 85	☑ Men 100 : Women 79	☑ Men 100 : Women 80
		Base salary + bonuses*1 *2	☑ Men 100 : Women 81	☑ Men 100 : Women 71	☑ Men 100 : Women 75
Shiseido Group in Japan	Manager positions	Base salary only	☑ Men 100 : Women 96	☑ Men 100 : Women 96	☑ Men 100 : Women 95
		Base salary + bonuses*1	☑ Men 100 : Women 96	☑ Men 100 : Women 96	☑ Men 100 : Women 96
	Non-managerial positions		☑ Men 100 : Women 85	☑ Men 100 : Women 88	☑ Men 100 : Women 86
		Career path positions	Base salary only	Men 100 : Women 99	Men 100 : Women 94
		Beauty consultant positions		Men 100 : Women 120	Men 100 : Women 115
		Production positions		-	Men 100 : Women 97

Data marked with ☑ has been third-party certified.

*1 : Base salary + other cash incentives

*2 : The current year's bonus amount is paid in March of the following year

Employees Rehired after Retirement

Indicator		Period	2022	2023	2024
Number of employees rehired after retirement (persons)	Shiseido Company, Limited and Shiseido Japan Co., Ltd.	As of January 1 each year	633	749	804
Percentage of employees rehired after retirement (%)			2.7	3.4	4.8

Childcare Leave and Family Care Leave

Indicator				2019	2020	2021	2022	2023
Number of Employees who Used Childcare Leave System*1 (persons)	Shiseido Group in Japan	All employees (including contract employees)	Men	30	67	61	139	167
			Women	1,360	1,303	1,260	479	475
Number of Employees who Used Childcare Time System*2 (persons)	Shiseido Group in Japan	All employees (including contract employees)	Men	4	8	14	12	14
			Women	2,296	2,430	2,364	2,333	2,253
		In-store beauty consultants	Men	0	0	0	0	0
			Women	1,743	1,750	1,707	1,708	1,632

Ratio of employees taking childcare leave (%)	Shiseido Group in Japan	All employees (including contract employees)	Men*3	-	-	-	95	113
			Women*4	-	-	-	100	107
Period of childcare leave (average days)	Shiseido Group in Japan	All employees (including contract employees)	Men	-	-	-	22	30
			Women	-	-	-	512	501
Reinstatement Rate after Childcare Leave*5 (%)	Shiseido Group in Japan	All employees (including contract employees)		-	-	-	94.9	92.3
		Manager positions/Career path positions		95	97.3	99.3	-	97
	Shiseido Japan Co., Ltd.	Beauty consultant positions only (excluding contract employees)		93.6	94.4	92.3	93.4	93.1
Retention Rate after Childcare Leave*6 (%)	Shiseido Group in Japan	All employees (including contract employees)		-	-	-	83.8	82.8
		Manager positions/Career path positions		100	94.1	91.2	-	-
	Shiseido Japan Co., Ltd.	Beauty consultant positions only (excluding contract employees)		98.8	90.3	88.8	82.9	86.2
Number of Employees who Used Family Care Leave System*7 (persons)	Shiseido Group in Japan	All employees (including contract employees)	Men	1	2	1	2	2
			Women	28	40	37	40	40
Number of Employees who Used Family Care Time System*8 (persons)	Shiseido Group in Japan	All employees (including contract employees)	Men	1	1	0	2	1
			Women	27	35	30	34	47
Kangaroo Staff*9 (persons)	Shiseido Group in Japan	-	-	2,095	1,659	1,090	721	479

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

Up to 2021, the total number of employees who took at least one day of childcare leave during the current fiscal year. In 2022, the actual number of employees who started childcare leave during the current fiscal year

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

*3 : Number of employees who started childcare leave during the current year÷ Number of employees whose spouses gave birth x 100

*4 : Number of employees who started childcare leave during the year ÷ Number of employees who gave birth x100

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

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

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

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

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

Labor Accidents

Number of Work-Related Accidents*1

Indicator			2019		2020		2021		2022		2023	
			Number	Coverage (%)	Number	Coverage (%)	Number	Coverage (%)	Number	Coverage (%)	Number	Coverage (%)
Shiseido Group in Japan*2	Directly hired employees	Total (factories)	30 (9)	100	32 (6)	100	28 (4)	100	24 (3)	100	30 (2)	100
		Fatalities	0	100	0	100	0	100	0	100	0	100
	Indirectly hired employees (temporary staff) *3	Total	0	39.6	3	79.5	1	85	2	93	1	85
		Fatalities	0	39.6	0	79.5	0	85	0	93	0	85
Shiseido Group outside Japan	Directly hired employees	Total	65	80	61	100	66	100	54	100	42	100

Accident Severity Rate*4

Indicator		2019	2020	2021	2022	2023
Shiseido Group in Japan*2	Directly hired employees	0.013	0.007	0.013	0.021	0.025

LTIFR*5

Indicator		2019	2020	2021	2022	2023
Shiseido Group in Japan*2	Directly hired employees (Coverage (%))	0.87 (100)	0.77 (100)	0.74 (100)	0.68 (100)	0.89 (100)
	Indirectly hired employees (temporary staff)*3 (Coverage (%))	0.00 (39.6)	2.56 (79.5)	0.73 (85.0)	1.05 (93.0)	0.53 (85.0)
	Directly hired employees and indirectly hired employees	-	0.82	0.74	0.69	0.87

Shiseido Group outside Japan	Directly hired employees (Coverage (%))	-	1.6(100)	1.9(100)	1.8(100)	1.47(100)
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Data marked with ☒ has been third-party certified.

*1 : Number of labor accidents (injury and illness) resulting in suspension of work

*2 : Shiseido Group in Japan (2023): Shiseido Company, Limited and 20 consolidated subsidiaries

*3 : Data from our three major dispatch companies, GIC, and dispatch companies using factories

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

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

Labor Union

Indicator			Period	2021	2022	2023	2024
Percentage of Corporations with Labor Union (%)	Shiseido Group in Japan (coverage 100%)		As of January 1 each year	29.4	22.2	23.5	-
	Shiseido Group outside Japan*1 (coverage 100%)			68.4	68.4	68.4	-
Number of Labor Union Members (persons)		13,672		13,438	12,930	12,731	
Ratio of Labor Union Members (%)	Shiseido Group in Japan	Ratio including contract employees*2		55	56.6	58.3	58.2
		Ratio excluding contract employees*3		77.3	77.1	78.3	78.3

*1 : Including work council

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

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

Employee Engagement*

Indicator	2017	2019	2022	2024
All Shiseido Group	76	76	65	68

* Survey conducted every two years

*We changed the survey questions from 2022 and plan to monitor trends regarding the scores based on the 2022 results.

*For an overview of the survey, please see "Employee Feedback Systems" under "Human Resource Development and Fair Evaluation."

Talent Development

Indicator		2019	2020	2021	2022	2023
Average hours per FTE of training and development*1	All Shiseido Group	22.4	26.0	66	46.2	33.8

Average Education / Training Cost per FTE (yen)*2		29,277	43,936	23,682	29,892	36,199
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*1 : FTE: Full-Time Equivalent

*2 : Regarding average education / training costs per employee, we revised the scope of aggregation to exclude personnel expenses of lost opportunities for education and training of participants. The previous years are retroactively adjusted in the same way.

Customer Satisfaction

In our Shiseido Code of Conduct and Ethics, we have committed ourselves "to strive continuously to improve consumers' trust in Shiseido and their satisfaction with our products and services at all points of contact." To measure our performance against this goal, we regularly conduct a corporate image and brands survey and use the results to guide future corporate activities to further improve our performance in this area.

Favorable perception of the Company and intention for repeat purchase of the Company's brand.

Indicator		2020	2021	2022	2023
Corporate Brand Survey*1	"Impressions of Shiseido" among current Shiseido customers (top 2 box scores<Very favorable / Favorable> on a 5-point scale) (%)	95.4	94.7	95.4	95.4
Product Brand Survey*2	Intention for repeat purchase among customers who have purchased the Shiseido brand within the past year (%)	74.3	73.5	73.6	73.9

*1 : Survey conducted in Japan only.

*2 : Global surveys. Total response rates for the top three box scores on an 11-point scale. Combined figures for our 7 major brands (*SHISEIDO*, *CPB*, *Drunk Elephant*, *IPSA*, *ELIXIR*, *NARS*, *ANESSA*) for 11 countries.

Compliance and Risk Management

Anti-Corruption

	Target	2019	2020	2021	2023
Operations assessed for risks related to corruption	All business offices inside and outside Japan	Significant risk identified: None	Significant risk identified: None	Significant risk identified: None	Significant risk identified: None
Confirmed incidents of corruption and actions taken	All business offices inside and outside Japan	Confirmed incidents of corruption: None	Confirmed incidents of corruption: None	Confirmed incidents of corruption: None	Confirmed incidents of corruption: None

Anti-Competitive Behavior

	Target	2020	2021	2022	2023
Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	All business offices inside and outside Japan	No legal action	No legal action	No legal action	No legal action

Operating Performance of Hotlines/Helplines (Case)

For employees

Hotlines/Helplines	Target	2020	2021	2022	2023
In-house Shiseido Hotline*1	Employees of the Shiseido Group in Japan	289	255	220	216*2
External Shiseido Hotline*1					
Compliance Committee Hotline*1					
Shiseido Global Hotline	Employees of the Shiseido Group	2	0	1	2*2

*1 : From January 2024, it has been reorganized into the "Shiseido Hotline."

*2 : In fiscal 2023, the above Hotlines/Helplines received a total of 218 cases.

These included 43 discrimination/harassment cases, 50 labor management cases, 82 workplace environment/communication cases, 26 inquiries/other cases, and 17 other legal/internal rule violation cases.

Of these, 42 cases were investigated, and based on the results of these investigations, 1 case was confirmed as a violation of laws/internal rules (discrimination/harassment: 0; corruption or bribery: 0; leakage of customers' privacy data: 0; conflict of interest: 0; insider trading: 0; labor management: 0; workplace environment/communication: 0; inquiries/others: 0, other legal/internal rule violation: 1;), of which 1 was an action taken for violations of employment regulations.

Reporting Desks	Target	2020	2021	2022	2023
Shiseido Group Whistleblowing to Audit and Supervisory Board Members*	Employees of the Shiseido Group	4	3	7	2

*From March 26, 2024, the name was changed to the "Shiseido Group Whistleblowing to the Audit Committee."

For Business Partners

Hotlines/Helplines	Target	2020	2021	2022	2023
Shiseido Business Partner Hotline	Directors and employees of business partners in Japan	13	17	11	14*

*In fiscal 2023, the above Hotlines/Helplines received a total of 14 cases. These included 2 discrimination/harassment cases, 3 labor management cases, 3 workplace environment/communication cases, 4 inquiries/other cases, and 2 other legal/internal rule violation cases.

Of these, 4 cases were investigated, and based on the results of these investigations, 1 case was confirmed as a violation of laws/internal rules (discrimination/harassment: 1; corruption or bribery: 0; leakage of customers' privacy data: 0; conflict of interest transactions: 0; insider trading: 0; labor management: 0; workplace environment/communication: 0; inquiries/others: 0, other legal/internal rule violation: 0;), of which 1 was an action taken for violations of employment regulations.

Performance of Human Rights Education Training for Employees

Type of training	Target	Number of graduates (persons) in year 2023
Shiseido Code of Conduct and Ethics training	Employees of the Shiseido Group	Employees of the Shiseido Group in Japan: total of 18,750 Conducted in all regions of the Shiseido Group.
Harassment awareness programs	Employees of the Shiseido Group in Japan	All employees: total of 16,862 participants (83% participation rate) Newly appointed management positions: total of 132
Human rights awareness programs	Employees of the Shiseido Group in Japan	Employees of the Shiseido Group in Japan: total of 45,698 participants (81% participation rate)

Harassment Survey for Employees

Type	Target	FY2024 results and subsequent improvement measures
Questionnaires*	<p>Survey subjects for 2024</p> <p>Employees of Shiseido Group in Japan (with some exceptions)</p> <ul style="list-style-type: none"> Job category/classification: Full-time employees (managers, main career track position employees, personal beauty partners, specified work position personnel) , fixed-term contract employees (including rehires) , temporary staff 	<p>FY2024 results: Number of respondents: 10,483 Response rate: 79.5%</p> <p>Risk assessment method: The risk of harassment was analyzed and evaluated for each workplace in accordance with the Shiseido Code of Conduct and Ethics.</p> <ul style="list-style-type: none"> FY2024 measures: The results of the harassment survey conducted in FY 2024 were fed back individually to the heads of departments of all surveyed departments, and each department was requested to take corrective measures to resolve any harassment issues within their organization that can be inferred from the survey results. In October 2024, Shiseido will conduct harassment prevention training for employees of the Shiseido Group in Japan with the aim of reducing the risk of harassment.

*Questionnaires were prepared in two languages in order to show consideration of the diverse workforce including non-Japanese speaking foreign national employees and human rights awareness. As the surveys are intended to create a sound workplace environment, they were given not only to directly hired employees, but also those indirectly hired and seconded from partner companies. The results were analyzed by employment status, job type and job position. In addition, in a two-year cycle, 1) understanding the actual situation (survey) targeting all departments of the Shiseido Group in Japan, 2) improvement actions based on 1), 3) understanding the improvement status (survey) targeting departments that are determined to have a high harassment risk as a result of 1), and 4) additional improvement actions are implemented.

Number of Serious Compliance Violations*

Target	2020	2021	2022	2023
Shiseido Group	None	None	None	None

*Determination and management of serious compliance violations within internal business operations of Shiseido Group

Membership dues to various organizations, political contributions to political parties, etc. (Millions of yen)

	2020	2021	2022	2023
Trade associations, etc.	41	40	20	41
Lobbying interest representation or similar	0	0	0	0
Donations to Political Parties	0	0	0	0

*Fraction have been rounded down

Non-Compliance with Laws and Regulations in the Social and Economic Area

		Target	2020	2021	2022	2023
Incidents of Non-Compliance Concerning Health and Safety Impacts and Services	Examples of product recall from consumers and the market	Global	2	2	2	3
Incidents of Non-Compliance Concerning Product and Service Information and Labeling	Examples of administrative guidance based on the Act against Unjustifiable	Japan	None	None	None	None

	Premiums and Misleading Representations Act, etc.					
Incidents of Non-Compliance Concerning Marketing Communications	Examples of administrative guidance based on the Act against Unjustifiable Premiums and Misleading Representations Act, etc.	Japan	None	None	None	None

*Above data represent the number of violation against regulations and/or voluntary codes

Incidents of Reporting Personal Information Disclosure to Personal Information Protection Commission (Cases)

Target	2020	2021	2022	2023
Shiseido Group in Japan	0	0	0	0

*This table shows the number of data breaches to be reported to the Personal Information Protection Commission.

Violations or Complaints regarding Customer Privacy Protection received from Regulatory Authorities, Public Institutions, Consumer Rights Groups, etc.

Target	2020	2021	2022	2023
Shiseido Group in Japan	uncounted	10	4	0

*The number of applicable cases from the customer's request to our Consumer Center is shown.

Non- Compliance with Laws and Regulations in Social and Economic Areas

Target	2020	2021	2022	2023
Shiseido Group in Japan	No fine imposed for violation of law	No fine imposed for violation of law	No fine imposed for violation of law	No fine imposed for violation of law

Social Activity

Target	-2023
Women's empowerment in Japan Supporting education and financial independence worldwide (unit: persons)	627,447
Cultivating self-efficacy through the power of beauty Challenging the unconscious biases and prejudices that limit individual beauty (unit: persons)	136,880

Spending on Social Contribution Activities (Unit: Millions of Yen)

Target	2022
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Shiseido Group	1,031
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*Fractions have been rounded down.

Other Social Contribution Activities

Item	Description	2023
Academic support	Number of winners of the JSID's Fellowship Shiseido Research Grant (persons)	2
	Shiseido Female Researcher Science Grant (persons)	10
	Number of winners of the Japanese Dermatological Association Basic Medical Research Grant (Shiseido donation) (persons)	6
Art and heritage	Number of visitors to the Shiseido Gallery (Ginza) (persons)	35,969
	Number of visitors to the Shiseido Corporate Museum (Kakegawa) (persons)	3,429
	Number of visitors to the Shiseido Art House (Kakegawa) *1 (persons)	4,973
	Number of visitors to the S/PARK Museum (Yokohama) (persons)	55,459
	Number of winners supported by "Shiseido art egg" <groups>	3

Community and Disaster Support

Donations from Shiseido Group employees are as follows.

Item	Description	2022
Community and disaster support	Amount of donations through "Shiseido Camellia Fund"* (unit: yen)	14,990,879

*Please click [here](#) for more details on the "Shiseido Camellia Fund."

Item	Description	2023
Community and disaster support	Amount of donations through "Shiseido Camellia Fund"* (unit: yen)	6,497,121

INDEPENDENT ASSURANCE STATEMENT

To: Shiseido Company, Limited



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

Selected information

The scope of our work was limited to assurance over the following information included within Shiseido Corporate Website 'Sustainability' page (the 'Web page') for the period of January 1, 2023 through December 31, 2023 (the 'Selected Information'):

Shiseido Group

- Equal Remuneration (Executive officer)

Shiseido Group (Japan)

- Number of employees (Total) (as of January 1, 2024)
- Number of leaders (Male / Female) (as of January 1, 2024)
- Ratio of female leaders (as of January 1, 2024)
- Ratio of employees with disabilities (as of June 1, 2023)
- Equal Remuneration (Managerial positions / Non-managerial positions)
- Number of work-related accidents (Directly hired employees)
- LTIFR: Lost Time Injury Frequency Rate
(Directly hired employees / Indirectly hired employees)
- Number of work-related fatalities
(Directly hired employees / Indirectly hired employees)

Reporting criteria

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

Limitations and Exclusions

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

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

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

Responsibilities

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

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

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

Assessment Standard

We performed our work in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (Effective for assurance reports dated on or after December 15, 2015) issued by the International Auditing and Assurance Standards Board.

Summary of work performed

As part of our independent verification, our work included:

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

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

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

Conclusion

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

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

Statement of Independence, Integrity and Competence

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety and social accountability with over 190 years history. Its assurance team

has extensive experience in conducting verification over environmental, social, ethical and health and safety information, systems and processes.

Bureau Veritas operates Quality Management System which complies with the requirements of globally recognized quality management standard, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

Bureau Veritas Japan Co., Ltd.

Yokohama, Japan

May 8, 2024