



DECLARATION OF NON-FINANCIAL PERFORMANCE OF BPI SA (SHISEIDO EMEA)

This document presents all the information required by Articles L.225-205, R.225-105 and R.225-105 1 of the French Commercial Code regarding the declaration of non-financial performance. As required by law, it is split into three chapters:

- 1- The business model of Shiseido EMEA
- 2- Presentation of the main non-financial risks of Shiseido EMEA
- 3- Related policies and performance indicators

THE BUSINESS MODEL OF SHISEIDO EMEA

VISION & MISSION OF SHISEIDO

Shiseido was founded in 1872 in the Ginza District of Tokyo. At the time, Shiseido was Japan's first Western-style pharmacy. Over 145 years later, Shiseido has become a top global cosmetics company, a leader in Asia and recognized worldwide for its unique expertise in creating functional, reliable, cutting-edge cosmetic products and for its ability to develop brands loved by consumers worldwide.

Believing that Beauty can change the world, Shiseido has infused its mission of "Beauty Innovations for a Better World" with its goal of marrying economic performance and sustainable value creation by putting innovation at the heart of its strategy to create a better world. To achieve this mission, Shiseido believes that trust is key to building a winning team and aims to become the most trustworthy company for all its stakeholders.

Shiseido has a matrix organisation built around six regional divisions (Japan, China, EMEA, APAC, Americas, Travel Retail) and Centres of Excellence located in the countries at the cutting edge of the focus of these centres. The Digital and Makeup Centres of Excellence are thus in New York, while the Fragrance Centre of Excellence is in Paris. The Personal Care Centre of Excellence is in Japan, the Group's cradle. In 2019, two new Centres of Excellence will be established in Asia.

With over 46,000 employees and some 70 nationalities working in 120 countries, Shiseido offers a unique selection of skincare, makeup and perfumes generating nearly 1,100 billion yen in revenue in 2018. In 2018, the EMEA region accounted for 10.4% of Shiseido's revenue.

PRESENTATION OF SHISEIDO EMEA

Shiseido EMEA is the trading name of the legal entity BPI SA. Within the matrix organisation employed by the Group, Shiseido EMEA has a dual function:

- Shiseido's regional headquarters responsible for distributing Shiseido's "Prestige" brands in the EMEA region (Europe, Middle East, Africa); and
- Global headquarters for Shiseido's Fragrance division.

Established in October 2016, Shiseido EMEA oversees the global operations of the Group's perfume brands: *Issey Miyake*, *narciso rodriguez*, *Elie Saab*, *Alaïa*, *Zadig & Voltaire*, *Shiseido Ginza Tokyo* fragrances, *Dolce&Gabbana* and *Serge Lutens* (creation, production, marketing) as well as the distribution of Shiseido's personal care & make-up brands (*Shiseido Ginza Tokyo*, *Clé de Peau Beauté*, *Laura Mercier*, *bareMinerals*, *Buxom* and *NARS*) in the EMEA region.



PRESENTATION OF SHISEIDO EMEA'S STAKEHOLDERS

To more closely track industry and market developments, Shiseido EMEA pays particular attention to its stakeholders. Shiseido EMEA is committed to ensuring good and close relationships with them. The table below lists the key stakeholders of Shiseido EMEA.

Employees	As part of the Group's human resources strategy - PEOPLE FIRST - Shiseido EMEA puts listening to and dialogue with employees forefront to ensure their health, safety, development and well-being at work.
Consumers	In line with the Group's ambition to be a company that consumers trust, Shiseido EMEA puts listening to the current and future needs and concerns of its consumers at the heart of its strategy.
Fashion houses / licensors	Shiseido EMEA is extremely committed to building and maintaining close, transparent and respectful relationships with the fashion houses that have chosen to entrust the manufacture of their cosmetic lines to Shiseido EMEA.
Commercial partners & distributors	Shiseido EMEA puts ethics, integrity and respect for differences at the heart of the relationships that the company wishes to have with all its business partners. Shiseido EMEA is committed to building lasting partnerships with its business partners.
Production suppliers & subcontractors	Shiseido EMEA places great importance on the quality of its suppliers and ensures that they share a common set of rules, practices and principles relating to ethics, social responsibility and environmental protection, which are set out in its Supplier Code of Conduct.
Global Headquarters of Shiseido	As a subsidiary of Shiseido, Shiseido EMEA strives to further and implement the strategy and commitments entered into by the Group.
The non-profit sector	Shiseido EMEA supports associations working for the most vulnerable communities. This commitment translates, among other things, into financial donations, product donations and the possibility for its employees to spend one working day per year in an association.
Trade bodies	Shiseido EMEA is a member of FEBEA (French Federation of Beauty Companies) and other industry trade bodies. It participates in a series of working groups, including SPICE (Sustainable Packaging Initiative for CosmEtics) and MRI (Mica Responsible Initiative). By way of this commitment, Shiseido EMEA wants to make its contribution to the development of solutions to the social and environmental challenges faced by the beauty industry.
Students	Shiseido EMEA has implemented a Campus strategy to help students and young graduates find an internship or a first job that reflects their degree and professional expectations. Shiseido EMEA makes every effort to hire varied profiles thanks to its network of partner schools.
The cultural world	Shiseido has always nurtured and supported the arts. The Fukuhara family that founded the brand had a fervent desire to see art and science unite, and their passion for art, culture and European design was naturally illustrated in the brand's visuals. Shiseido EMEA demonstrates this commitment by supporting various artistic and cultural events through patronage and sponsorship.



CHALLENGES AND OUTLOOK FOR SHISEIDO EMEA

A Euromonitor study forecasts a growth rate in the EMEA beauty market of 3.7% between 2018 and 2020. This should not, however, obscure the challenges facing the beauty sector and in particular:

- A luxury product clientele that is broadening its consumption to experiences (hotels, cruises, restaurants, etc.).
- Younger generations who are increasingly influenced by the digital sphere (editorial and online marketing content, social media) and with new purchasing behaviours requiring the integration of more and more digital features and means (online purchases, Internet of Things, virtual reality, artificial intelligence, mobile payment).
- Consumers who are looking for trusted products and brands and who want more transparency about ingredients and what is in their beauty products.
- Consumers who care about their health and well-being and that of their loved ones.

THE SHISEIDO EMEA VALUE CREATION MODEL

Our Assets	Our Strategy	Our Impact
<p>Our economic resources</p> <ul style="list-style-type: none"> • A portfolio of complementary and varied products: <ul style="list-style-type: none"> ○ 8 perfume brands (<i>Dolce&Gabbana, Issey Miyake, narciso rodriguez, Zadig & Voltaire, Shiseido Parfums, Elie Saab, Serge Lutens, Alaïa</i>) ○ 5 makeup brands (<i>Shiseido, bareMinerals, NARS, Laura Mercier, Buxom</i>) ○ 2 personal care brands (<i>Shiseido, Clé de Peau Beauté</i>) 	<ul style="list-style-type: none"> • Offer a diverse range of products, combined with a range of differentiating services for a unique customer experience • Apply a sustainable business model 	<ul style="list-style-type: none"> • Revenue of over €800 million in 2018
<p>Our know-how</p> <ul style="list-style-type: none"> • Expertise in perfume development • In-depth knowledge of EMEA markets and their particularities • Management of cosmetic line licences • Respect for consumers • Control of selective distribution 	<ul style="list-style-type: none"> • Build trust in the products we develop • Imagine the perfumes and beauty rituals of the future • Anticipate trends and adapt to the market 	<ul style="list-style-type: none"> • 203 permanent employees hired in 2018 to preserve our know-how
<p>Our ecosystem</p> <ul style="list-style-type: none"> • 88 distribution countries • Two perfume production plants in the Cosmetics Valley in France (Shiseido International France) • Long-standing relationships with the arts and cultural world 	<ul style="list-style-type: none"> • Develop a business model based on trust, ethics and respect • Contribute to local economic development through France-based perfume production • Develop strong relationships with students 	<ul style="list-style-type: none"> • Trusting relationships with suppliers through our Supplier Code of Conduct • 100% of perfumes distributed in EMEA are made in France • 33% of partner schools are art or design schools
<p>Our human capital</p> <ul style="list-style-type: none"> • 710 employees (permanent and fixed-term contracts) • Average age of workforce: 35 • 90% of employees on permanent contracts • 37 nationalities 	<ul style="list-style-type: none"> • Maintain a high level of expertise and support the acquisition of new skills • Make gender equality an asset • Support our employees in identifying and building up their strengths 	<ul style="list-style-type: none"> • 8,182 hours of training • 83% of workforce are women • 52% of managers are women • 1,843 days of work done in home offices in 2018

PRESENTATION OF THE MAIN NON-FINANCIAL RISKS OF SHISEIDO EMEA

Shiseido EMEA mapped its non-financial risks in 2018 to protect its business and safeguard its portfolio of brands from the social, ethical and environmental risks to which they may be exposed.

To this end, a steering committee, comprising two representatives of the Shiseido EMEA Executive Committee and of the Sustainability & social management oversight teams, has been set up. The risks were identified by the members of this committee on the basis of their expertise and the materiality analysis done by Shiseido. For consistency and efficiency, this analysis was done using the tools developed by the Risk Management Department of Shiseido. The analysis sets out the likelihood of occurrence and the level of impact for the identified risk and the way in which the company is structured to best control said risk.

This exercise highlighted risks that could affect the performance of Shiseido EMEA, damage its reputation and that of its portfolio brands and impact the environment and Shiseido EMEA stakeholders. The following risks have been classified as “main”:

- Risk A Health & safety of employees & consumers
- Risk B Loss of expertise and key know-how from the company
- Risk C Limited diversity in the organisation
- Risk D Failure to adapt to changes and new expectations of consumers & employees
- Risk E Corruption
- Risk F Animal welfare
- Risk G Exhaustion of natural resources
- Risk H Climate change
- Risk I Circular economy

The table below sets out the key commitments made by Shiseido EMEA in response to the risks identified and links them to the SDGs (Sustainability Goals set by the UN).

AREA 1 - Protecting the beauty of the planet		
Combating climate change	By way of this commitment, Shiseido EMEA seeks to mitigate risk H	
Supporting the circular economy	By way of this commitment, Shiseido EMEA seeks to mitigate risks G & I	
Building consumer trust in the ingredients used	By way of this commitment, Shiseido EMEA seeks to mitigate risk D	
Respecting animal welfare	By way of this commitment, Shiseido EMEA seeks to mitigate risk F	
AREA 2 - Promoting beauty in all its forms		
Embracing diversity	By way of this commitment, Shiseido EMEA seeks to mitigate risk C	
Ensuring the health and safety of our employees	By way of this commitment, Shiseido EMEA seeks to mitigate risk A	
Supporting the development of our employees	By way of this commitment, Shiseido EMEA seeks to mitigate risk B	
Working for our communities	By way of this commitment, Shiseido EMEA seeks to mitigate risk D	
AREA 3 - Inspiring beauty with meaning		
Combating corruption	By way of this commitment, Shiseido EMEA seeks to mitigate risk E	
Respecting fundamental human rights	By way of this commitment, Shiseido EMEA seeks to mitigate risk D	
Protecting the personal data entrusted to us	By way of this commitment, Shiseido EMEA seeks to mitigate risk D	
Supporting the Arts and Culture		NA



RELATED POLICIES AND PERFORMANCE INDICATORS

Shiseido EMEA's Sustainability policy is overseen by a two-person Sustainability Department. Established in 2017, its mission is to apply Shiseido's commitments within the region and to raise the profile of the Fragrance Centre of Excellence through the development of innovative and creative Sustainability projects.

All the steps taken must meet one of Shiseido EMEA's three priority Sustainability goals:

- 1- Protect the brands managed by Shiseido EMEA by implementing or strengthening Sustainability standards in collaboration with the purchasing teams and the Shiseido International France (Shiseido Operations) teams responsible for packaging development, R&D and formulation. All these standards apply across the brand portfolio and thus constitute a common basis for all the brands managed by Shiseido EMEA.
- 2- Support the brands managed by Shiseido EMEA with their own Sustainability initiatives. To this end, the Sustainability Department works with the marketing and consumer insights teams to identify the Sustainability domains of the brands and to implement their commitments at an operational level.
- 3- Motivate employees with respect to Sustainability. As part of this third goal, the Sustainability team works with the human resources and internal communication team. This third area echoes the Group's "Beauty Innovations for a Better World" mission and aims to meet the growing expectations of employees regarding the company's social mission and its place in society while ensuring the acquisition of the Sustainability skills needed to ensure its employees remain highly employable.

After a year 2017 dedicated to developing the approach, 2018 saw the first results. These results are presented below for each of the three pillars of Shiseido's Sustainability policy.

AREA 1 - PROTECTING THE BEAUTY OF THE PLANET

In 2016, Shiseido EMEA decided to set up its regional headquarters in a building with HQE (High Environmental Quality) certification. In parallel, in 2017 the company introduced a series of environmental indicators allowing it to accurately monitor its electricity, water and paper consumption as well as its waste production.

Combating climate change

Shiseido EMEA generated 3,629 metric tons of CO₂ emissions in 2018 (calculated using ADEME's 2017 Carbon Database). These emissions break down as follows: 1.5% from the energy consumption of Shiseido EMEA's headquarters, 8.3% from the company vehicle fleet, 0.1% from taxis, 0.2% from couriers, 0.2% from IT servers and almost 89.6% from the air and rail travel of its employees.

This year, and for the first time, Shiseido EMEA decided to measure CO₂ emissions from couriers, taxis and its IT servers in order to identify the impact of these sources. On a pro-forma basis, CO₂ emissions in 2018 were up 28% solely on the back of the 34% increase in CO₂ emissions from employee air travel.

CO₂ emissions from the vehicle fleet and energy consumption were on the other hand down, reflecting the impact of the steps taken on these two items during the year. Shiseido EMEA's Company Car Policy thus includes a financial incentive for employees who choose a hybrid or electric car comprising a bonus of 20% on the base lease payment. CO₂ emissions from vehicles are limited to 120g/km. To limit its energy consumption, Shiseido EMEA's headquarters has sensors that automatically turn on and off lights depending on how bright it is outside. Similarly, the air conditioning and heating systems are automated to ensure optimal comfort levels while limiting the site's energy consumption.

Supporting the circular economy

In the course of its business, Shiseido EMEA is developing initiatives to underpin the circular economy. Shiseido EMEA is working both on raw materials consumed and recycled directly at its headquarters and on eco-design projects with its brands.

Convinced that the best waste is no waste, Shiseido EMEA is making every effort to reduce its consumption of raw materials from office activities, starting with its paper consumption. In 2018, the site reduced its waste production by 28% compared to 2017.



Shiseido EMEA has a threefold objective with respect to paper: to reduce paper consumption, ensure its recycling and consume paper that does not contribute to deforestation. The Group is committed to using 100% certified paper by 2020. In 2018, Shiseido consumed 11.8 metric tons of paper, 100% of which came from sustainable forests, thereby enabling Shiseido EMEA to achieve the stated target one year early. 56% of paper consumption comes from reams (100% of which are FSC-certified) and 44% from various internal and external publications published during 2018. During the year, Shiseido EMEA recycled more paper and cardboard than it used, with 61 metric tons of paper and cardboard recycled in 2018. This is due to the recycling systems in place on-site, which makes it possible to move paper and cardboard coming from outside into the recycling channel (letters and publications received, dumping of document archives, delivery cartons, etc.).

Shiseido EMEA generated a total of 85 metric tons of waste. At the Inter-Company Restaurant at Shiseido EMEA's headquarters, managed by an external service provider, Shiseido EMEA employees have the ability to sort their waste. The areas imposed by regulation relating to responsible, fair and sustainable food and those relating to the combating of food waste and insecurity are not relevant with respect to BPI SA's activities.

In addition to the actions carried out on-site, 2018 was marked by the first Life Cycle Analyses for the Issey Miyake and Dolce&Gabbana cosmetics brands. These analyses were done on iconic products from both brands in order to identify the environmental strengths and weaknesses of these products. These analyses were conducted to help brands better design their future products and to help them identify possible reductions on existing products. This work reaffirmed the environmental positives of working on perfume packaging, in particular glass. The findings of this work were shared with the marketing teams but also with the formulations & packaging teams.

Based on this work, in 2018 the Sustainability team worked with the packaging team to structure a "responsible packaging" approach based on three pillars:

- Optimising the weight of packaging
- Incorporating responsible materials
- A design that facilitates product recycling

This approach was validated in early 2019 by the Fragrance Centre of Excellence and will be rolled out in the course of the year.

Building consumer trust in the ingredients used

Shiseido EMEA puts consumer trust at the heart of the relationship the company and its brands want to build with consumers. In terms of ingredients, Shiseido EMEA puts the health and safety of its customers first and thereby ensures the quality and safety of these products. For this purpose, the company has a regulatory department that is tasked with ensuring that products and their ingredients have been rigorously tested before they are marketed. As part of Shiseido's focus on listening to consumers, the company goes further and also ensures that the ingredients used do not have negative environmental and societal impacts.

It is in this regard that Shiseido EMEA is working with all its palm oil suppliers on a conversion plan aimed at achieving 100% Roundtable on Sustainable Palm Oil (RSPO) certified palm oil by 2020-end. At 2018-end, 73% of the palm oil purchased directly by the EMEA region had RSPO Mass-Balance certification. This work is Shiseido EMEA's contribution to the commitments made by Shiseido to combat deforestation.

In terms of high-risk ingredients, the Shiseido EMEA purchasing and Sustainability teams supervised the mapping in 2018 of the origin of the mica used by the brands managed by Shiseido EMEA. Shiseido EMEA used this to measure the proportion of mica from India, a region of the world where there have been proven instances of forced child labour. This work was done as part of the commitments made by Shiseido to the *Responsible Mica Initiative* aimed at eradicating forced labour in those regions of India in which natural mica is sourced.

Lastly, Shiseido EMEA is mindful of ingredients about which consumers and business stakeholders may have concerns. In an effort to listen to and understand such concerns, Shiseido EMEA works with its suppliers on how to alter product formulations while ensuring the quality and safety expected by consumers. This preparatory work is done jointly with Shiseido's R&D teams in France, the United States and Japan.



Respecting animal welfare

Since 2013, Shiseido has not tested its cosmetic products on animals. Shiseido has established internal safety rules using alternative methods. Moreover, the Group proactively encourages government agencies around the world to formally adopt effective alternative methods.

Furthermore, Shiseido EMEA worked with Dolce&Gabbana in 2018 on the origin of the hair used in the brand's makeup instruments. The beauty division of the Italian fashion house has thus undertaken to only use synthetic hair in new products launched from 2019.

AREA 2 - PROMOTING BEAUTY IN ALL ITS FORMS

In line with Shiseido's PEOPLE FIRST strategy, Shiseido EMEA considers its employees to be its greatest assets for achieving the objectives the company has set itself. Shiseido EMEA had 773 employees as of 31 December 2018, 99% of whom are based in France (the 1% being International Volunteers in Business based in Europe). Under-24-year-olds account for 6% of permanent employees; 42% of permanent employees are between 24 and 30 years old; 41% of permanent employees are between 30 and 40 years old; and 30% of permanent employees are between 40 and 50 years old. 9% of permanent employees are over 51 years old.

Promoting diversity

Respect for difference is a core value of Shiseido EMEA. This commitment is part of the company's PEOPLE FIRST strategy and is also a commitment to Shiseido EMEA's Sustainability approach. In terms of diversity, Shiseido EMEA has chosen to focus its efforts on three areas: cultural diversity, gender equality and acceptance of disability.

Cultural diversity is a priority for Shiseido EMEA as part of its recruitment and mobility strategy to have employees at its headquarters that reflect the communities in which the company's products are sold. Efforts were thus made in 2018 to attract more international employees to headquarters. There were 37 nationalities at headquarters as of 31 December 2018. French and foreign language courses are also offered to employees looking to hone their skills (representing 9% of the training hours received in 2018) or who wish to explore a new culture. Given the close relations between certain teams in Paris and the Japanese teams at the Group's headquarters in Tokyo, Shiseido EMEA added courses offering an introduction to Japanese culture. These initiatives are designed to foster interaction and effectiveness between the EMEA region and the Group's headquarters.

Gender equality is a matter that was brought to the forefront by Shiseido with the Group in Japan signing a partnership in 2017 with UN Women as part of the #HeForShe campaign. At Shiseido EMEA, the proportion of women in the workforce is 83%, 52% of whom are managers. Nevertheless, there are proportionally fewer women managers at Shiseido EMEA than in other positions in the company. In light of this, Shiseido EMEA has decided to implement the SHeseido women leadership program. Following the success of the pilot project in 2017 with 15 women, it was decided to run a new session in 2018 open to 20 female employees from the EMEA region. A number of women working at Shiseido EMEA have had the opportunity to participate in this program.

While the employment of people with disabilities is an important topic for Shiseido EMEA, the number of workers with disabilities in the company is currently extremely low. In 2018, Shiseido EMEA had 3 employees with recognised disabilities. Given this, it was decided in 2019 to review the company's strategy on this matter and to take concrete steps to achieve results by 2019-end. Shiseido EMEA's headquarters is accessible to people with reduced mobility.

Ensuring the health and safety of our employees

Shiseido EMEA is committed to ensuring the health and safety of all company employees both on-site and on business trips. On-site fire drills were thus carried out at the company's headquarters in 2018. 97 people received fire training in 2018.

The use of a single travel agency is the way for Shiseido EMEA to manage possible emergencies when employees are on the move. Using this system, the company has real-time information on the number of employees travelling as well as their date and place of travel.



Supporting the development of our employees

Employee development is a strategic issue that is central to Shiseido EMEA's VISION 2020 strategic plan because of the competitive environment in which the company operates and the ongoing transformation of the organisation.

As part of its Human Resources strategy, Shiseido EMEA wishes to foster the emergence of efficient, diverse and agile teams, by capitalising on each person's unique strengths. The objective of the Human Resources Department is thus to help Shiseido EMEA employees identify their strengths and develop them in order to achieve high-level individual and collective performance. In 2018, Shiseido EMEA employees received 10,104 hours of training, 7,660 of which were dedicated to developing know-how and soft skills.

The entire training plan is designed around needs identified during the annual evaluation interviews held at the beginning of the year. In order to facilitate discussion between employees and managers a new HR tool called MIRAI has been acquired. This tool was rolled out throughout 2018 and allows all Shiseido EMEA employees to have a single secure tool for doing their work. This tool also holds all their personal information.

In 2018, the company signed a company-wide agreement on working time arrangements designed in particular to extend the existing home office system.

When hiring, Shiseido EMEA ensures the diversity of its young talents and supports the professional on-boarding of young people. Every year, the company offers apprenticeship and professional training contracts to students who receive special support from a member of Shiseido EMEA's human resources team.

In terms of Sustainability and to support employees in acquiring new habits and/or skills, a series of awareness and information sessions were held in 2018 within the teams. Sustainability has also been incorporated into the Shiseido EMEA employee training catalogue. This aspect should be strengthened in 2019 with the introduction of different training courses depending on the level of expertise expected and the professions.

Working for our communities

Shiseido EMEA paid over €50,000 to French associations in 2018 as part of its commitments to the non-profit sector. In 2018, an effort was made to focus sponsorship on women's issues to align Shiseido EMEA's actions with the Group's long-standing commitments on this matter. Notable events in 2018 include the following:

- Shiseido EMEA held its annual "Charity Day", which gave over one hundred employees the opportunity to spend a working day in one of eight selected associations – all of which aim to provide support to disadvantaged women. This event was popular with teams, with 98% of them feeling validated and enriched the following day. 100% said they were ready to repeat the Charity Day in 2019.
- Shiseido EMEA joined the belle & bien association, which is part of the Look Good Feel Better global network. Shiseido EMEA has committed to donating products to the association, whose mission is to organise personal care and makeup workshops in French hospitals for women with cancer. The company also joins the commitments of Shiseido entities based in Germany, England, Spain and Italy already involved with the Look Good Feel Better local network.

AREA 3 - INSPIRING BEAUTY WITH MEANING

In line with its Japanese roots, Shiseido EMEA views ethics and integrity as core values to be respected and therefore feels that the development of its business should be as beautiful as the products developed by its brands.

Combating corruption

Pursuant to the Sapin II law, in 2018 Shiseido EMEA drew up a comprehensive program to tighten its current anti-corruption standards. As a result of this work, Shiseido EMEA has mapped the corruption risks within its scope and has accordingly drawn up an anti-corruption Code of Conduct and related due diligence procedures. This work was done in collaboration with the Shiseido risk management team and led by the Human Resources Department. The entire system will also be underpinned by a new whistleblowing procedure open to all Shiseido EMEA employees from 2019.

Respecting fundamental human rights

As a Shiseido subsidiary, Shiseido EMEA uses the Shiseido Group Supplier Code of Conduct as a core document in dealings between the company and its suppliers. The application of the Supplier Code of Conduct is carried out jointly by the Shiseido EMEA Purchasing and Sustainability teams. 2018 saw the Group update the Supplier Code of Conduct. As part of this, Shiseido EMEA was asked to review the various updates proposed and also to monitor the translation of the new Code into European languages. The signing of this new Code began in early 2019.

In addition to this, the Shiseido EMEA procurement and Sustainability teams worked in 2018 on drafting an expanded procedure to better identify the suppliers and/or commodities most at risk from an ethical, social and environmental perspective. This work also included the drafting of a quality verification program for suppliers' factories on a documentary basis or on the basis of audits conducted on sites. All of this will be presented to the Shiseido EMEA Executive Committee in 2019.

Protecting the personal data entrusted to us

Shiseido EMEA places great importance on protecting the personal data of its end-consumers, prospects, customers, employees, candidates, and other stakeholders with whom Shiseido interacts. In 2018, a Data Protection Officer position was created to steer Shiseido EMEA's compliance with the new General Data Protection Regulation (GDPR). The Data Protection Officer is supported by an internal network of contacts, within each of Shiseido's main subsidiaries in the EMEA region.

As part of the GDPR compliance program, the privacy policies, information notices, methods for collecting consent and storing cookies have been updated on the websites of the various Group brands. A confidentiality policy for candidates has also been put in place. Some ten training and awareness workshops will be organised in 2019.

Over 150 processes and activities involving the use of personal data were identified in the course of the audit of Shiseido EMEA's personal data processing.

Supporting the Arts and Culture

Shiseido has always nurtured and supported the arts. The Fukuhara family that founded the brand had a fervent desire to see art and science unite, and their passion for art, culture and European design was naturally illustrated in the brand's visuals. In 1919, Shinzo Fukuhara, first president of Shiseido and son of the founder, opened an art gallery at the company's headquarters in Japan, marking the first stage in a long history of artistic and cultural patronage. A century later, the gallery is still open and considered the oldest in Japan.

In 2018, France and Japan celebrated 160 years of friendship and diplomatic relations. The two countries organised the exhibition "Japonismes 2018: les âmes en résonance", a festival of Japanese art and culture in Paris and in various cities in France, where over 3 million visitors were able to discover the diversity of Japanese culture. Shiseido EMEA naturally participated in this event through various initiatives:



- At the *Museum of Decorative Arts*, Shiseido EMEA financially supported, as the sole Beauty patron, the organisation of the “Japon – Japonismes. Objets inspirés, 1867-2018” exhibition, where nearly 1,500 works were exhibited, some of them from the Shiseido Collection museum.
- Shiseido EMEA also supported the Asia Now platform devoted to the Asian artistic scene and intended to present the diversity and vitality of the contemporary Japanese scene as a sponsor of the VIP show at the exhibition on 16 October 2018.
- In Paris, on the City Hall esplanade, the City of Tokyo in partnership with Shiseido invited Parisians and tourists to explore “FUROSHIKI PARIS”, an enormous temporary pavilion. A traditional packaging technique, “furoshiki” consists of folding a square of fabric around objects, which has been part of everyday life in Japan for centuries. Some of the exhibits were designed by designers at Shiseido’s Tokyo headquarters.

Methodological note

The content of this document has been prepared on the basis of selected indicators to report on the main economic, social, societal and environmental impacts of the operations of BPI SA, one of the French legal entities within Shiseido EMEA. The scope of the data presented below covers the period from 1 January to 31 December 2018. Insofar as possible, BPI SA has endeavoured to communicate comparable data (pro-forma data). The indicators were collected, calculated and consolidated with the support of a new HR tool called MIRAI and an Excel tool for training data and environmental data. The environmental reporting protocol drafted in 2017 was updated in 2018, in particular the emission factors. It encompasses the full methodology used to collect, verify and consolidate environmental data. All information was audited by KPMG, the statutory auditor of BPI SA, designated as an Independent Third Party.