Sustainability

REALIZING A BETTER WORLD THROUGH SOCIAL VALUE CREATION

OUR COMMITMENT



Our Actions Are Shaped and Motivated by Beauty

Guided by our mission *BEAUTY INNOVATIONS FOR A BETTER WORLD*, we aim to make people's lives better and more fulfilling through beauty. While the idea and ideal of beauty are the driving forces behind everything we strive to achieve, our efforts are also geared towards three major areas: Environment, Society, and Culture.

What is Shiseido's Sustainability



ENVIRONMENT

PROTECT BEAUTY

Protect the beauty of our planet; the beauty of all the life it holds within it, and of all the people who call Earth home.

1. EFFORTS TOWARDS REDUCING ENVIRONMENTAL BURDEN

Throughout the entire value chain, including the procurement of raw materials, we are promoting actions that mitigate environmental burden. We are striving to fulfill our responsibilities as a global corporate citizen and contribute to society. We are stepping up efforts to reduce CO2 emissions. We are making progress with regard to ethical procurement (palm oil, paper), which helps halt deforestation. At the same time, we are proceeding with water usage reduction and working to reduce and recycle waste in order to lessen the burden placed on the environment.

Reducing Environmental Burden

2. PROTECTING SKIN FROM UV RAYS AND PHOTOAGING*

Due to the impact of climate change and other factors on the global environment, economically active regions with dense populations (mainly in the middle latitudes) are predicted to see an increase in excessive UV ray exposure over the next 100 years. With a rich history of R&D that spans over one century, Shiseido's innovations are accelerated by its groundbreaking approach to research: Based on the results of extensive dermatological science

research and development focusing on the relationship between environment and skin (including UV rays), we are developing innovative products and services that protect beautiful skin, such as UV protection and care, skin brightening, and anti-aging care.

*Signs of aging caused by UV rays

Protecting Skin from UV Rays and Photoaging

3. OUR COMMITMENT TO DEVELOPING SUSTAINABLE PACKAGING

Shiseido launched its first refillable products in 1926. Since then, we have developed a range of environmentally friendly packaging (e.g., biomass containers, recyclable PET bottles, low-temperature combustible materials). We are the first Japanese company to join the Sustainable Packaging Initiative for CosmEtics (SPICE) in 2018. We have also been actively developing biodegradable packaging in addition to promoting the 3Rs (Reduce, Reuse, Recycle), aiming to limit the use of valuable resources and help alleviate—and ultimately resolve—ocean pollution.

Developing Sustainable Packaging

PROTECT BEAUTY



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SOCIETY

EMPOWER BEAUTY

Motivate and empower all the people who make up

our communities, our societies, the world.

1. REALIZING GENDER EQUALITY

AND FAIRNESS

While Japan has the third largest economy in the world, it only ranks 110th in the global gender gap index. At

Shiseido, we understand that advancing the role of women in society is key to global progress. In 2017, we

achieved a 30% ratio of women in management positions. We aim to raise that to 40% by the end of 2020. In

March 2019, the ratio of women on the Board of Directors reached 45%, injecting Board meetings with dynamism

and a multi-faceted perspective. Additionally, we support women's education outside Japan in an effort to maxi-

mize the potential of all women and realize a better, more beautiful society.

Collaboration with UN Women / Promotion of Gender Equality

See here for Europe and the French Gender Equality Index

2. INSTILLING CONFIDENCE THROUGH

THE STRENGTH OF COSMETICS AND

THE POWER OF MAKEUP

Shiseido has been at the forefront of improving people's self-image and steeling their confidence through a range

of beauty offerings. In 1956, in an effort to lessen the suffering of wartime burn victims, we created Shiseido

Spots Cover. Its launch signified the beginning of LIFE QUALITY MAKEUP, an initiative designed to help address

serious skin issues and concerns, such as scars and bruises, as well as changes in appearance resulting from

cancer treatment or the disease itself. We view this as a seminal step towards creating an accepting, inclusive

society.

Shiseido Life Quality Makeup

3. HUMAN RIGHTS: EMBEDDED

IN OUR BUSINESS ETHOS

In accordance with the U.N. Guiding Principles on Business and Human Rights, we have established the Shiseido

Group Policy on Human Rights, promoting group-wide efforts to support human rights. Together with our stake

holders, including international human right experts and workers in regions that produce raw materials, we are working to share information on and help resolve human rights issues. We actively participate in initiatives aimed at addressing the problem of child labor in India in an effort to further improve social issues within the supply chain.

Respecting Human Rights and Ensuring Responsible Procurement

EMPOWER BEAUTY



CULTURE

INSPIRE BEAUTY

Showcase our rich Japanese heritage to raise beauty awareness around the world and encourage the realization of beauty as a culture.

1. HERITAGE PAVES OUR WAY FORWARD

At Shiseido, we embrace our rich history of nearly 150 years as a social asset, continuing to break new ground by looking back at our illustrious past: We established an extensive archive that can be accessed by all our employees around the world to educate, inspire, and motivate them to create new value. At the same time, we are organizing heritage education activities in which all employees can participate. Additionally, we are working at establishing and

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promoting activities aimed at sharing our management philosophies and cultivated experiences with the public and

the broader society.

2. JAPANESE BEAUTY: FROM GINZA

TO THE WORLD

A robust effort to communicate the aesthetics that are unique to a Japanese company is currently underway. This

effort includes educating and cultural enrichment through Shiseido Gallery and Hanatsubaki magazine* (paperback

and digital versions). Corporate exhibitions around the world are being planned as well as collaborations with other

companies and social media influencers. In May 2019, we established the Japanese Beauty Institute with the aim of

sharing insights and generating interest in Japanese aesthetics, Shiseido's knowledge, and stories related to

Japanese beauty.

*Hanatsubaki magazine is Shiseido's own media publication. First published in 1937, it offers a variety of informa-

tion that helps contemporary women lead enriched, even more fulfilling lives. That includes information on beauty,

fashion, culture, and Shiseido's unique expertise.

Corporate Culture Magazine "Hanatsubaki"

Japanese Beauty Institute

INSPIRE BEAUTY

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SUSTAINABILITY IS A FUNDAMENTAL PILLAR OF OUR CORPORATE STRATEGY

Sustainability is an integral part of our business activities and our business ethos. We will continue and even intensify our efforts to create social value in order to help build a better and fairer world.

Respecting Human Rights and Ensuring Responsible Procurement	Customer Satisfaction and Product Safety
Human Resources	Compliance and Risk Management
Governance	Social Contribution Activities

Learn more about Shiseido and our dedication to sustainability.

External Evaluations and Awards Sustainability Data

Editorial Policy and GRI Content Index CSR/Environmental Reports

Annual Report 2018