

# Shiseido Code of Conduct and Ethics





Masahiko Uotani  
Representative Director,  
Chairman and CEO

# Message from the CEO

Dear Shiseido Family,

At Shiseido, we are committed to building "BEAUTY INNOVATIONS FOR A BETTER WORLD" and we are committed to doing so the Right way: the Shiseido way. Our way of doing business is founded upon our core values for integrity, respect, excellence and service. Our values and our way is how we build trust. That's why our employees, consumers, business partners and investors choose Shiseido --they know we are a company they can trust. It is this trust that will continue to give us our competitive advantage.

The Shiseido Code of Conduct and Ethics sets out the "Shiseido way", which applies to all of us and is the right way to do business with ethics and integrity. To become the most trusted beauty company in the world, we must understand THE SHISEIDO PHILOSOPHY, follow OUR PRINCIPLES (TRUST 8) and use our Shiseido Code of Conduct and Ethics as our guiding compass in our daily work.

Let's WIN the trust of all our stakeholders together, the right way, the Shiseido way.

# THE SHISEIDO PHILOSOPHY

In our quest to become the most trusted beauty company in the world and remain vital for the next 100 years and beyond, THE SHISEIDO PHILOSOPHY is our guiding light. For each and every member of the global Shiseido family. THE SHISEIDO PHILOSOPHY is at the heart of everything we do as we strive to be a global winner with our heritage.

## THE SHISEIDO PHILOSOPHY consists of:

1. OUR MISSION, which is the reason we exist since our founding.
2. OUR DNA embodies our unique heritage of over 150 years.
3. OUR PRINCIPLES serve as the working principles we live by.

Our Code of Conduct and Ethics sets forth the actions that must be taken and shared by each and every employee of the Shiseido Group of Companies. The Code embodies the spirit of the laws of each country and region in which we operate, and our internal rules and governing principles. Our standards of conduct and ethics are consistent with the highest ethical principles and our Shiseido philosophy.





Maria Chiclana  
Chief Legal Officer

# Message from the CLO

Dear Colleagues,

In our newly issued Shiseido Code of Conduct and Ethics, we re-declare and reiterate our intention to conduct our business consistent with the highest standards of ethics and with our shared values as ONE Shiseido. Our Code defines the expectations we have as a Company for how we act and how we make decisions. This expectation applies to every employee regardless of nationality and what affiliate or brand they represent. Our Shiseido Code of Conduct and Ethics reflects who we are as a Company.

The guidelines set forth in our Code are to be followed by our directors, officers and employees in all of our business activities. It is critical to the continued success of our business that we carefully review the Code, understand its content, and practice these values.

We trust that every employee will find our Shiseido Code of Conduct and Ethics a useful tool in their everyday work.



# Commitments from Global Leaders



We follow OUR PRINCIPLES (TRUST 8).

We value fairness and honesty  
and act with integrity.

We are committed to quality and safety.

We cherish basic human rights  
and treat each other with respect.

We respect the history, culture, and customs  
of all people, countries and regions, and we  
act to ensure that diversity is valued, inclusion  
is promoted, and sustainability is advanced.

We aim to be a global winner with our  
Shiseido Code of Conduct and Ethics  
as our compass.

# Guides

All directors, officers, and employees of Shiseido ("We") must always act in the best interests of the Company and in accordance with our Shiseido Code of Conduct and Ethics (the "Code").

The executive leadership, along with management, is responsible for leading by example and ensuring that our Code is complied with and all employees are familiar with it.

A violation of the Code may result in disciplinary action (including dismissal) in accordance with our policies and procedures.

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## Hotlines

If you have any compliance concerns, such as the possibility of a Code violation or non-adherence to our internal rules, please contact the appropriate regional hotlines or helplines.

The hotlines and helplines maintain the confidentiality of the notifying person to the greatest extent possible.

We do not tolerate any retaliation against those who report in good faith or have co-operated in an investigation.

For details, please refer to Page 34.

# Introduction

Foraying into the world of global business is like embarking on a journey. You will interact and work with people from different backgrounds and cultures. You will gain new experiences. Hone your skills. Expand your knowledge. But exciting as this journey may be, you will also be faced with sudden changes. Unexpected challenges. You will need to overcome obstacles, course-correct, and come up with swift solutions. In other words, you will need a compass to point you in the right direction. And that is what this Code of Conduct and Ethics is: A reliable compass. Here to help you find your way — every day. Whenever you feel unsure, whenever you feel you need advice and guidance, use it. And set out on your journey with confidence, certainty, and peace of mind.

To make the right decision, consider the following



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# With Employees

Finding the way with co-workers through collaboration.





# Respect for human rights and diversity

We respect the human rights, character, and individuality of everyone in the workplace. Valuing diversity and inclusion, we strive to grow together as ONE Shiseido.



- 1 We do not engage in or tolerate discrimination or abuse on any basis including, but not limited to, race, color, gender, age, language, property, nationality or national origin, religion, ethnic or social origin, political or other opinion, disability, health status, sexual orientation, and gender identity.  
We do not engage in or tolerate harassment, including sexual harassment and abuse of power.
- 2 We follow OUR PRINCIPLES (TRUST 8).

# Sincere work initiatives

We work conscientiously and maintain a clear distinction between professional and private matters.



- 1 We properly manage confidential and personal information to prevent it from being leaked or lost, and do not use such information improperly.
- 2 We manage information appropriately when using the internet or social media.
- 3 We act in a way that is of the greatest benefit to Shiseido. We avoid situations and do not engage in businesses that conflict or compete with Shiseido's interests, products or services. We do not participate in any other actions that could negatively affect Shiseido's interests.
- 4 We do not misuse our authority or positions for private gain, nor to solicit cooperation in personal activities or provide favors to third parties.



# Healthy and safe professional work environment

We strive to create a safe, healthy work environment and enhance employees' comfort and sense of career fulfillment.



- 1 We seek to make work environments that are safe, clean, healthy, efficient, and accessible.
- 2 We strive to maintain and manage our physical and mental health, and to maintain an appropriate work-life balance.
- 3 We prioritize the safety of our employees and their families in the event of a disaster.
- 4 We work together with our co-workers to fulfill our potential in our jobs. We strive to maintain a dialogue with our co-workers and are committed to their growth as well as our own.
- 5 We conduct fair evaluations and engage in fair career development.

# Reference

- Rules of Employment
- Shiseido Group Policy on Human Rights
- Shiseido Group Rules of Handling Information Assets
- Acceptable Use of Information Systems
- Shiseido Group Social Media Policy
- Shiseido Group Information Security Policy
- Shiseido Group Privacy Rules

## Q&A

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### Q

I feel I have been discriminated against by a colleague because of my gender, and that I have been harassed based on my country of origin. How should I handle this issue?

### Q

Can I post on social media about a new product, which I have been helping develop?

### A

Shiseido does not tolerate discrimination or harassment. Please consult your superior or an appropriate department, such as HR. If that is not feasible, please report the matter to the hotline/helpline in your local region. Your personal information will be kept strictly confidential to the greatest extent possible. For details, please refer to the "Guides" page.

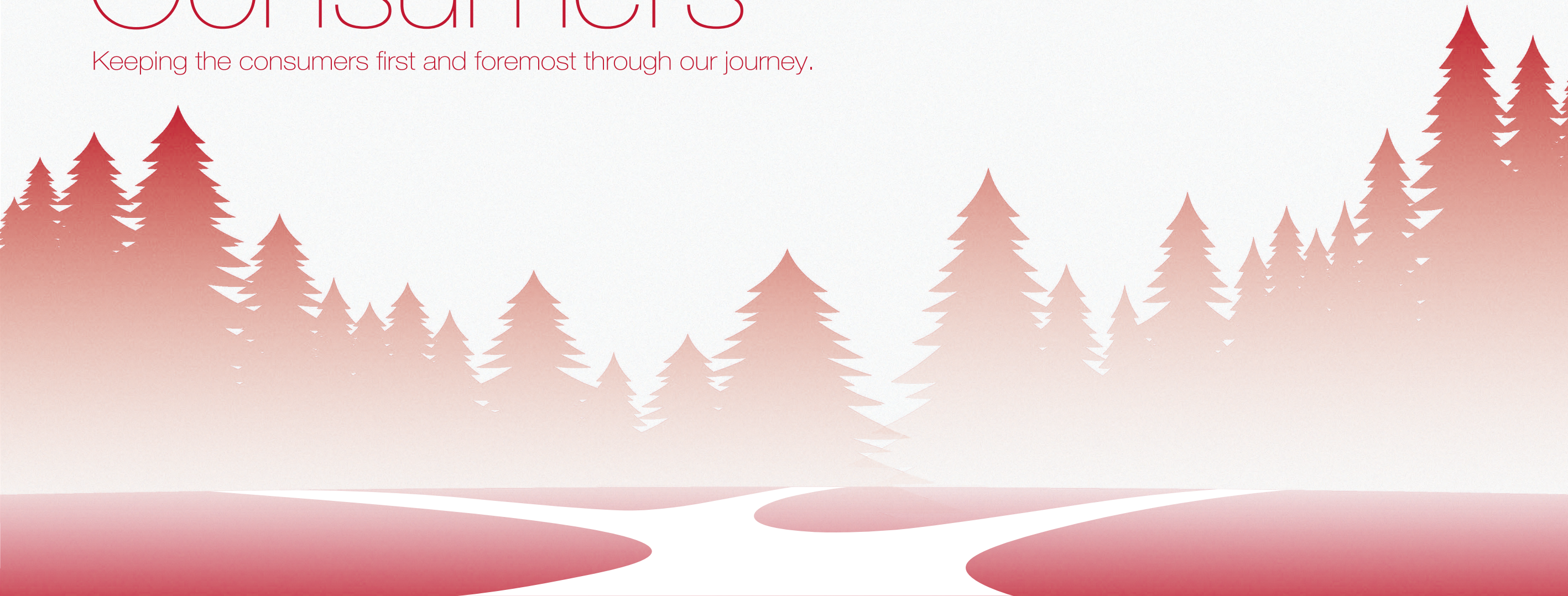
### A

No. Even if posting on social media anonymously, you are not allowed to share confidential company information, including new product information. You may not disclose any information that has not been disclosed to the general public — even to members of your own family.



# With Consumers

Keeping the consumers first and foremost through our journey.





# Responsibility for product and service

We consistently strive to research, develop, manufacture, and sell safe, high-quality products and services that deliver true satisfaction from the standpoint of consumers.



- 1 We always place the highest priority on quality and safety to ensure the confidence of consumers. In addition to external regulations, we comply with our own stringent internal standards and conduct quality and safety evaluations.
- 2 We provide information that consumers need in a timely and appropriate manner. We clearly and accurately present and explain information that consumers need when selecting and using our products and services, preventing misunderstandings.
- 3 We respect consumers' privacy. We appropriately manage and secure the personal information consumers have entrusted to us, using it in accordance with local law and in ways that are consistent with our privacy policies.
- 4 We produce creative and appealing advertising and marketing programs that reflect our values of diversity and respect for human rights. We create advertising that is factual, fair, ethical, and does not disparage others.
- 5 We always take consumer accessibility into full consideration when developing products and services.

# Consumer satisfaction and trust

We strive to enhance consumer satisfaction and trust at every touchpoint. We support their beauty and well-being.



- 1 We always treat consumers with great appreciation and deliver on the spirit of OMOTENASHI.
- 2 We handle consumer complaints fairly and promptly, and welcome their honest feedback.
- 3 We take consumer feedback seriously and use it to improve and develop our products and services.
- 4 We are always conscientious and respectful of the rights of our consumers, including their human rights, privacy, and security.

# Increasing brand value

We strive to increase the value of all of Shiseido's brands.



- 1 We increase the value of Shiseido's brands by co-creating with consumers and working with them on how we can help them achieve beauty and well-being. In our continuous effort to increase brand value, we do not engage in behavior that could harm brand value at any point of consumer contact, including stores.
- 2 We appropriately manage and protect our intellectual property, which increases the value of Shiseido's brands. We comply with laws and internal regulations when using logos or brand names, and do not infringe on the intellectual property rights of others.
- 3 We believe in being transparent with our consumers on all matters that impact brand value including, but not limited to, transparency of ingredients, product benefit claims, safety, data privacy, and sustainability efforts.



# Reference

- Basic policy for quality assurance
- Shiseido Corporate Identity Guidelines
- Shiseido Global Privacy Principles

## Q&A

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### Q

Where can I find "THE SHISEIDO PHILOSOPHY," "Shiseido Code of Conduct and Ethics" and other internal regulations?

### A

"THE SHISEIDO PHILOSOPHY" and "Shiseido Code of Conduct and Ethics" are posted on the Shiseido website. Shiseido's main internal regulations can be found in the "Guidelines & Rules" section on the WITH intranet. Please also check the policies and other related information on the sites of respective regions or departments.



# With Business Partners

Navigating valued partnerships.





# Fair trading activities

We select business partners that share our business integrity and high ethical standards regarding fair, transparent, and free competition. We conduct business globally in compliance with all applicable laws.



- 1 We choose our retailers, suppliers, vendors, and other business partners on the basis of their efforts to respect human rights, comply with laws, protect the environment and address social issues, as well as their capabilities in Quality and Safety, not just on price.
- 2 We do not engage in price fixing, collusion, dumping or any other actions that hinder free competition.
- 3 We do not use our position of superiority to engage in behavior that is unfair to our business partners.
- 4 We comply with our contracts and obligations in our business transactions. We also comply with all related laws regarding import/export transactions and trade control.



# Prohibition of bribery and corruption

We do not engage in bribery or corruption, and we do not give or accept material gifts or entertainment that may cause suspicions about our business dealings or interests.

- 1 We prohibit all forms of bribery, embezzlement, and fraud. We do not engage in any activities, direct or indirect, that would cause suspicions about our arms-length relationships, donations and philanthropic/ sponsorship activities, or make improper political contributions and kickbacks.
- 2 We do not give or accept money or gifts in the course of our work with our business partners. Exceptions are seasonal and courtesy gifts given as a matter of custom, provided that such gifts are within socially acceptable limits in accordance with our internal policies.
- 3 We also keep meals and entertainment over the course of our work with our business partners within socially acceptable limits in accordance with our internal policies.

# Sustainable development

We respect all our business partners who share our aims and social responsibility values. We work together with them toward sustainable growth.



- 1 We share with our business partners our stance regarding the fulfillment of social responsibilities, including respect for human rights, compliance with laws, information management and the protection of the environment. We also encourage them to take their own voluntary initiatives.
- 2 We respect international laws, including treaties. We never engage in human rights violations, such as child labor, forced labor or human trafficking. We do not tolerate such activities by our business partners.
- 3 We collaborate with our business partners to enhance the value of Shiseido's brands.

# Reference

- Shiseido Group Supplier Code of Conduct
- Shiseido Group Procurement Policy
- Compliance Rules Regarding Prevention of Cartels
- Shiseido Group Policy on Anti-Corruption
- Compliance Rules Regarding Prevention of Bribery

## Q&A

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### Q

Can I accept a monetary gift from a business partner in celebration of a promotion?

### Q

Can I give an inspector of government authorities (e.g. FDA, Ministry of Health, Labour and Welfare, etc.) at our facility a generous gift bag of our best products to take with them after the end of the inspection?

### A

No. We do not give or accept money or gifts in the course of our work with our business partners. (This includes cash, cash equivalents, such as gift cards or cash vouchers, expensive items and the like). You should not accept any entertainment or gifts from business partners, as doing so could cast doubt on the fairness of your work dealings. (Exceptions are seasonal and courtesy gifts within socially acceptable limits in accordance with our internal policies.)

### A

No. We do not give any gifts or entertainment to any government official, as it can be construed as a bribe by the official. For gifts and entertainment concerning government officials, we prohibit any corrupt practices. (Please refer to Chapter 5).

Shiseido has established internal policies and rules for the prevention of bribery and anti-corruption. We do not give or accept material gifts or entertainment that may cause suspicion, complying with our internal policies and rules as well as applicable laws and regulations.



# With Shareholders

Embarking on a common journey.





# Sustainable enhancement of corporate value

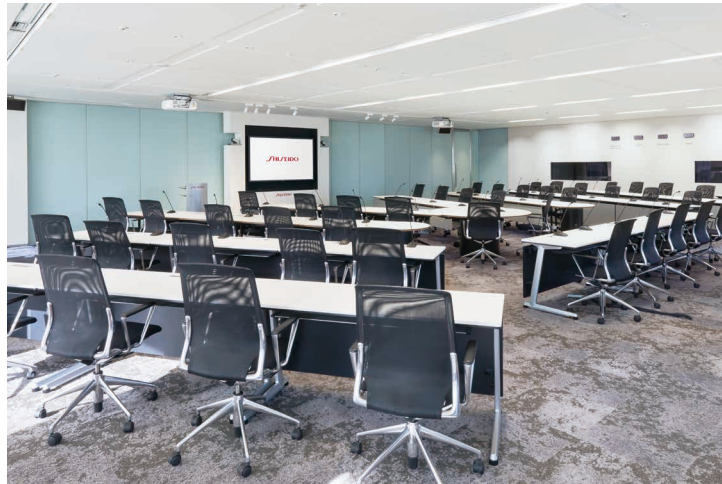
We strive to continuously enhance Shiseido's corporate value by enhancing the entire range of our tangible, intangible, and other assets.



- 1 We manage all our assets with the highest standard of care and utilize them appropriately for business purposes and to contribute to society.
- 2 We prudently assess investments and loans, make appropriate decisions, and follow proper procedures when undertaking them.
- 3 We appropriately manage and control risks that could impact our business performance, our assets, our brands, the safety of our employees or the implementation of our strategies. In the event of crises/incidents, we respond quickly and appropriately to minimize losses and recover rapidly, preventing the crises/incidents from reoccurring.

# Corporate governance and internal control

We comply with laws and rules concerning corporate governance and internal controls. We always conduct our business appropriately and with integrity.



- 1 We follow proper accounting procedures based on internal approval procedures. We conduct accurate financial and tax accounting to ensure credibility.
- 2 We maintain the effectiveness of our internal and external management oversight functions and audit functions to achieve sound corporate management.
- 3 We strictly adhere to corporate governance to properly manage confidential information (e.g. information regarding our company or our business partners). We never engage in unfair transactions, such as insider trading.

# Dialogue with shareholders and investors

We place utmost importance on our dialogue with shareholders and investors, and strive to earn and maintain their trust.



- 1 We deal with all shareholders and investors impartially and disclose actively and promptly accurate management information, financial information, and non-financial information, such as our corporate governance, management philosophy, business strategies and risk management, as well as environmental and social information.
- 2 We build good, trusting relationships with shareholders and investors by incorporating their views in our corporate management.
- 3 We conduct general meetings of shareholders—the highest decision-making body of a company—in a transparent and fair manner, and use it as a place for constructive dialogue.



# Reference

- Shiseido Group Crisis Management Policy
- Global policy relating to insider trading
- Global Tax Policy
- Basic Policy on Information Disclosure and Dialogue with Shareholders and Investors

## Q&A

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### Q

What is insider trading?

### Q

If I'm talking to family or friends, and I accidentally mention something about our business performance or the like, would that be considered insider trading? For example:

\*At dinner, I mentioned an upcoming merger to my family.

\*At a meeting with a business partner, I accidentally mentioned that our business had declined significantly before this information was publicly disclosed.

### A

Insider trading is a criminal act consisting of the illegal sharing or use of undisclosed information to perform transactions in the securities market, causing harm to investors that do not have access to that data. Those involved in insider trading can be subject to criminal penalties and internal disciplinary action, and can harm the credibility of the company.

### A

If someone who receives that information uses it to trade securities, it becomes insider trading. Divulging undisclosed important information creates opportunities for those around you to engage in insider trading. The leakage of information by employees can also result in questions about problems with our information management. Handle any confidential or market sensitive information you receive with utmost care.



# With Society and the Earth

Coming together on intersecting paths.





# Compliance with laws and respect for human rights

We abide by the laws of each country and region in which we operate, and act with utmost integrity and ethics, as well as respecting human rights.



- 1 We abide by the laws and respect the history, culture, customs, and other aspects of each country and region in which we operate.
- 2 We recognize that all of our business activities must be predicated on respect for human rights, and we respect the human rights of all of our stakeholders. We do not tolerate any form of discrimination or harassment.
- 3 We do not work with individuals or organizations that engage in illegal activities, such as threatening public order or safety. We also do not respond to any requests for money or support from such individuals or organizations.
- 4 We strictly maintain fairness and a high level of transparency in our relationships with national and local government entities and officials, political parties, and politicians. We do not give or accept gifts or entertainment that may cause suspicion regarding our fairness, regardless of whether the other party is a public official or a private enterprise, and regardless of the legality of giving or accepting the gifts or entertainment.



# Aiming for a sustainable world

We promote environmental initiatives in line with our own stringent standards. We consider biodiversity as we aim for a sustainable world in which humankind and the Earth coexist harmoniously.



- 1 We strive to reduce our environmental impact through efforts such as reducing emissions of carbon dioxide (CO<sub>2</sub>), which makes up the majority of greenhouse gases (GHG), utilizing water resources effectively, and reducing waste in the production of our products.
- 2 We strive to minimize waste in our business processes and when our products are used by consumers, with emphasis on Shiseido's 5Rs: Respect, Reduce, Reuse, Recycle, Replace.
- 3 We work to develop and innovate new products and services that promote the beauty and well-being of consumers and are also eco-friendly.
- 4 We proactively develop new technologies and engage in technical collaboration with the aim of lessening the environmental impact of our business activities.

# Contribution to society

We engage in a broad dialogue with society and strive to cooperate in solving social challenges.



- 1 We strive to meet the expectations of global society through various activities, such as using the power of beauty to lift people's spirits and improve their quality of life, promoting gender equality in the workplace and in society, promoting the arts and culture, and implementing environmental initiatives.
- 2 We aim to deepen our interaction with communities where our affiliates are located and contribute to their development, thereby fulfilling our responsibility as a good corporate citizen.

# Reference

- The Ten Principles of the UN Global Compact
- Shiseido Group Policy on Human Rights
- Shiseido Group Policy on Anti-Corruption
- Sustainability Report

## Q&A

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### Q

What is Shiseido's approach to the environment?

### A

Shiseido aims to create a sustainable world through the three areas of the environment, society, and culture.

We are taking on the challenges of innovating to give people around the world confidence, courage, joy, and happiness, without sacrificing our support for the environment.



# Hotlines / Helplines information

If you have any compliance-related ethical concerns or feel worried about aspects of work-related matters, etc., please consult your superior or an appropriate department, such as HR or Legal. In case that, due to the circumstances, it is difficult to do so, please take advantage of the ways shown below to anonymously report a concern. Additional information about the hotlines/helplines can be found on Shiseido's intranet, in posters throughout facilities, in Compliance training sessions, etc. Alternatively, please consult your local office.

• Headquarters, Japan	Shiseido Sodan Room Compliance Committee Hotline	Shiseido External Hotline
• China	Shiseido SCH Hotline Shiseido CIC Hotline Shiseido SHK Hotline Shiseido SCH Weixin Whistleblowing Platform	Shiseido SLC Hotline Shiseido SZC Hotline
• Asia Pacific	Shiseido Whistleblowing	
• Americas	Shiseido Americas Compliance Helpline	
• EMEA	Whistleblowing hotline	
• Travel Retail (Asia Pacific)	Shiseido Whistleblowing	
• Global	Shiseido Global Hotline Shiseido Group Whistleblowing Desk to Audit and Supervisory Board Members	

\*Please contact the appropriate regional hotline or helpline.



OUR MISSION is

# BEAUTY INNOVATIONS FOR A BETTER WORLD