



# Beauty Innovations through the Power of Diversity

## Diversity and Inclusion in Shiseido

**SHISEIDO CO., LTD.**

**June 29, 2023**



**Name**

**Yuki Honda**

**Title**

**Shiseido Co., Ltd  
Vice President, Diversity and Inclusion Strategy Acceleration Department**

**Profile**

HQ Management Reform PJ under the direct control of the President who introduced the “Kangaroo Staff System” for the replacement of beauty consultants. In 2007, she planned and promoted work style reforms (“Shiseido Shock”) for the career growth of employees with children. As the General Manager of the Business Partner Office, Human Resources Department, she led the overall reform of human resources management with the aim of shifting from system-driven, management-oriented human resources to a strategy of “winning with people.” In 2016, she was promoted to General Manager of the Human Resources Department at Shiseido Japan Co. In her current position, since 2022, she has led overall D&I strategy development and strategic actions on a global scale.



**Name**

**Maki Yamamoto**

**Title**

**Shiseido Co., Ltd  
Group Manager, Diversity and Inclusion Strategy Acceleration Department**

**Profile**

After more than 10 years in sales and marketing, she transferred to the Human Resources Department, where she has been in charge of human resource/training development. Since 2015, she has been involved in all aspects of human resources operations for employees in the Kinki area, and in 2021, she led a project to promote the empowerment of women in sales. From January 2022, she has been working on identifying issues and formulating solutions for women’s empowerment in her current division.

<b>Prologue</b>	<b>The History of Shiseido</b>
<b>Chapter 1</b>	<b>Aiming to Become a Global Beauty Company from Japan that Lasts 100 Years</b> Matrix-type global management structure and CxO structure Breaking away from Japanese-style employment practices Why we focus on women in D&I
<b>Chapter 2</b>	<b>Giving Back to Society Through Our Knowledge and Experience</b> Social Contribution Activities: Women's Empowerment About the 30% Club Japan
<b>Chapter 3</b>	<b>Personal Beauty Wellness Company</b> <b>~Culture as the Key to Beauty Innovation~</b> Improvement of D&I Literacy - Creating Social Value Through Our Core Business D&I and Innovation - D&I Lab

# BEAUTY INNOVATIONS FOR A BETTER WORLD

In 1872, Shiseido opened its doors in Ginza, Tokyo as Japan's first Western-style pharmacy. Since then, our 150 years of history and tradition are represented by the constant accumulation of innovations across generations.

We aim to become a global beauty company originating from Japan. In addition to creating never-before-seen products and bringing new value to the cosmetics industry, we will also bring happiness to our customers around the world through beauty.

We believe that D&I is essential to **realizing these “beauty innovations”**

**D&I is Our Core Business Strategy**

## BEAUTY INNOVATIONS FOR A BETTER WORLD

**Shiseido has always created diverse values of beauty that symbolize a new era.**

Since its inception, the company has been redefining conventions and breaking stereotypes in society by grasping social changes and proposing new and diverse beauty values and lifestyles that are not bound by existing ways or values. By eliminating conventional stereotypes, prejudice, and discrimination from society, and by transmitting diverse values of beauty that symbolize a new era through our core business, we have contributed to the creation of a better society.

1934  
Miss SHISEIDO



The thinking that “women from good families do not enter the workforce” should be considered a thing of the past.

**Proposing giving everyone the choice to work**

1976  
Yureru, Manazashi



Makeup brand CHIFFONETT proposed a shift from a European image of beauty to an **affirmation of Asian beauty.**

1990s-  
Successful Aging



Skincare brand Actea heart  
“I think Japan will change if we acknowledge the beauty of 50-year-olds.”

**Promoting the recognition that people’s attractiveness can deepen with age**

Present



Shiseido 150th Anniversary Message  
**Beauty is the desire for the happiness of others.**  
It is the expression of diverse beauty regardless of age, gender, etc.

# **Chapter 1**

**Aiming to Become a Global Beauty Company  
from Japan that Lasts 100 Years**

# Aiming to be a global beauty company from Japan that still exists 100 years from now

## Think Global, Act Local



2016-  
Matrix-type global management system

## Diversity of Top Management



From 2021  
Executive Officer System (CxO structure)



## Diversity

### For Women

Women's Leadership Development School NLW



**37.6%**

\*Ratio of female managers in Japan by 2023

### Global Careers

Global Mobility



**1.9 %**

\*Ratio of foreign nationals employed in Japan in 2022

### People w/ Disability



Hanatsubaki Factory

**2.65 %**

\*Rate of employment of persons with disabilities in 2022



Expansion of job opportunities

### Generations



Reverse Mentoring  
Career Mentoring

## Inclusion

### Our Principles Trust 8

Guidelines introduced in management evaluations



### Hybrid-Work Style Flexible work arrangements



### Unconscious Bias Survey E-Learning Workshops



### Acceleration of Paternity Leave "Start of Ikutore" (100% achieved by 2023)





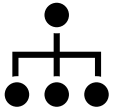
## Introduction of job-grade-based HR system in 2021

- Job grades (JG) were introduced at all levels.
- The job description (JD) that is the basis for grade determination is clearly stated.



## Strategic talent management

- Conduct talent reviews at the global/regional/functional level, respectively
- Developed a succession appointment and training plan for key positions
- Develop a personalized development plan based on strengths and weaknesses and implement with the CEO endorsement



## Autonomous career development support

- Create a Career Development Plan (CDP) that outlines mid- to long-term career goals for employees
- A wide range of training programs are available to enhance business skills and professionalism that employees can use for voluntary career development.



## The traps of homogeneity

10



- Homogenous, everyone looks the same.
- Read the “air,” do what is expected of you.
- Know your place and stay in your lane; no crossing borders

# Why we focus on women in D&I

2023 Gender Gap Index\*:

**Japan ranks 125th** out of 146 countries (**116th last year**).

The political and economic gender gaps are particularly large.

**Economy: 123rd (121st)**

81st place in female labor participation, 75th place in the gender wage gap for the same work, 100th place in the gender income gap, 133rd place in the management position gender gap

Why Women?

- Women, who make up half of the population, are directly linked to our company's sustainable growth and economic independence
- Take advantage of our strengths by addressing the many issues and challenges faced by working women

Women Only?

Think globally, act locally  
Can make arrangements around women + local D&I issues  
Maintain company-wide consistency and respond to local needs



# Actions to promote women's career growth



**Awareness of autonomy in the period of career growth**



**Peace of mind and confidence during the period of balancing work with childcare**



**Career awareness among emerging leaders**



**Aspirations and readiness for leadership maturity**

**Insight**

As soon as hired, I felt the difference between men and women. Women are treated as "vulnerable."

Too busy with balancing child rearing and work.  
Too much burden on mothers.

The work is reasonably rewarding and the income is adequate. This is about the right level for me.

I can't keep up with unspoken cues in a male-dominated society. I feel alienated in a male-dominated organization.

**Top commitment**

Declaration of 100% acquisition of childcare leave by eligible male employees

50:50 ratio of male to female managers at all levels by 2030  
Encouragement of top management to directors in charge (visualization of female successors)

**Supervisors' Awareness**

Initiatives to promote career autonomy regardless of gender

- Performance Management
- Career Development Plan
- Mentoring Program
- Reverse Mentoring Program, etc.

Sessions for Supervisors

**Next Leadership Session for Women**

NLW Basic

NLW

NLW Advanced

**Awareness of the individual**

**Working Styles**

Various systems for work balance support

Childcare leave/childcare time system/office childcare center, etc.

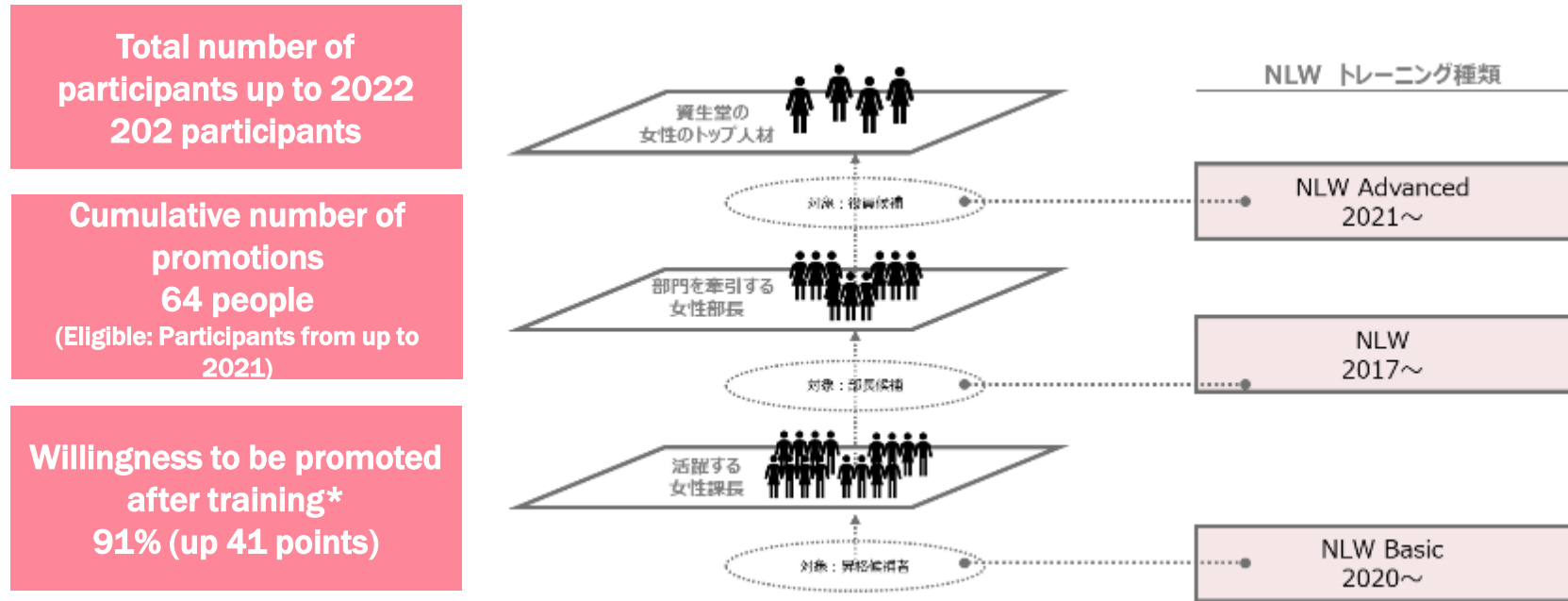
**Diverse and flexible work styles:** hybrid workstyle / flexible work without core time / workplace transformation

**Employment practices**

Role-based compensation and benefits system (job-grade-based HR system)

# NEXT LEADERSHIP SESSION for WOMEN

By promoting the discovery and demonstration of “leadership that is both flexible and resilient” develop the next generation of female leaders who are confident and prepared to exert greater influence in the future.



\*Motivation for promotion after training (positive perception toward having greater responsibility and influence)

**Chapter 2**  
**Giving Back to Society**  
**Through Our Knowledge and Experience**



By 2030  
30% women on the Board of  
Directors



TOPIX Presidents' Meeting  
(30%Club Japan HP)  
(<https://30percentclub.org/chapters/japan-2/>)

Support for women  
researchers in Japan



Clé de Peau Beauté" × UNICEF  
Support girls' education and skill  
development





# What is the 30% Club?

- ✓ A global campaign originated in the UK
- ✓ Aimed at meeting shared global goal of the highest decision-making bodies in companies being at least 30% women
- ✓ Promotes closure of gender gap and participation of women in decision-making through an integrated approach that includes companies, government bodies, investors, Universities, media, etc.
- ✓ Launched in Japan in May 2019 (14th country globally)



TOPIX Presidents' Meeting

## Institutional Design: 3 Working Groups



# 30% Club Japan TOPIX Presidents' Meeting: 35 Participating Companies (as of April 2023)

1	Asahi Group Holdings, Ltd	19	NIPPON TELEGRAPH AND TELEPHONE CORPORATION
2	Ajinomoto Co., Inc.	20	Nippon Yusen Kabushiki Kaisha
3	ANA HOLDINGS INC.	21	Nomura Holdings, Inc.
4	MS&AD Insurance Group Holdings, Inc.	22	Panasonic Holdings Corporation
5	Kao Corporation	23	Hitachi, Ltd.
6	Kirin Holdings Company, Limited	24	Fujitsu Ltd.
7	KDDI CORPORATION	25	POLA ORBIS HOLDINGS Inc.
8	Shiseido Company, Limited	26	MARUI GROUP CO., LTD.
9	SHIMIZU CORPORATION	27	Mizuho Financial Group, Inc.
10	Seven & i Holdings Co., Ltd.	28	Sumitomo Mitsui Financial Group, Inc.
11	Sompo Holdings, Inc.	29	Meiji Holdings Co., Ltd.
12	Dai-ichi Life Holdings, Inc.	30	Yamaguchi Financial Group, Inc.
13	Daiwa Securities Group Inc.	31	Unicharm Corporation
14	TV Asahi Holdings Corporation	32	Lion Corporation
15	Dentsu Group Inc.	33	RICOH COMPANY, LTD.
16	Tokio Marine Holdings, Inc.	34	Resona Holdings, Inc.
17	Nissui Corporation	35	Lawson, Inc.
18	NEC Corporation		

## ★ Bi-annual top management meetings

Only the top management (Presidents/Chairpersons) of the member companies can participate  
**No proxy attendance is allowed**, so that top management can have honest discussions with each other



# PM Team Activities: Action 1, 2 & 3

## Early Career Period: Action 1



Career Awareness Program for  
Pre-Life Event Employees

## Balancing Period: Action 2



Various support measures  
to fill in gaps

## Leader Period: Action 3



Cross-mentoring between top  
management and senior  
female leaders



## Project Management (PM) Team

Cross-company project in which member company employees in charge of actual operations and their workers will participate



# Supporting women's empowerment in collaboration with local governments

## Yamaguchi Prefectural Police Manager Training



## JR East Chiba Branch Office Manager/Employee Seminar



## Hiroshima Prefecture

### Conclusion of Partnership Agreement on Promotion of Women's Empowerment



## Yamagata City

### Participation in Public-Private Partnership Project for Women's Advancement



## Vision Network in Tochigi

Keynote address at a talk session by a  
female leader/local business owner

## **Chapter 3**

**Personal Beauty Wellness Company**

**- Culture as the Key to Beauty Innovation -**

## Shift 2025 and Beyond

- ✓ Rebuild earnings base by bringing back growth in Japan
- ✓ Winning in China (China Business, Travel Retail Asia)
- ✓ Build a foundation for growth in Americas as the next growth pillar
- ✓ Develop new markets for the future



Maximizing the individual strengths of diverse human resources = D&I as a management strategy

Human capital D&I enables corporate value creation (innovation)

**Gender Equality**

**50%** female managers by 2030

**D&I Literacy Improvement**

**D&I Lab**

Investigate relationship between D&I and innovation

# D&I literacy improvement

## - Creating social value through our core business

Refine Shiseido's DNA, which has always created diverse beauty values that symbolize a new era, to create social value through our core business (brand) and inspire our employees

### D&I Input Session

Conducted for brand marketers and creative area employees of HQ and Shiseido JP

- Understand appropriate D&I wording and response methods for brand marketing activities
- Experience the connection between Brand Purpose and D&I, and create triggers that can be incorporated into your marketing activities

Approx. 800  
Participants



Message on importance from the Department Head



Make our work feel personal to achieve our mission



Inspiration from domestic and international case studies



Learning methods for generating innovation from blind spots



# Establishing the causal relationship between D&I and innovation

## - Process validation to maximize the power of diversity

Examine the process of how different values and ways of thinking can lead to new innovations by bringing out the full potential of human resources with diverse backgrounds, such as gender, age, and nationality.

### SHISEIDO D&I Lab

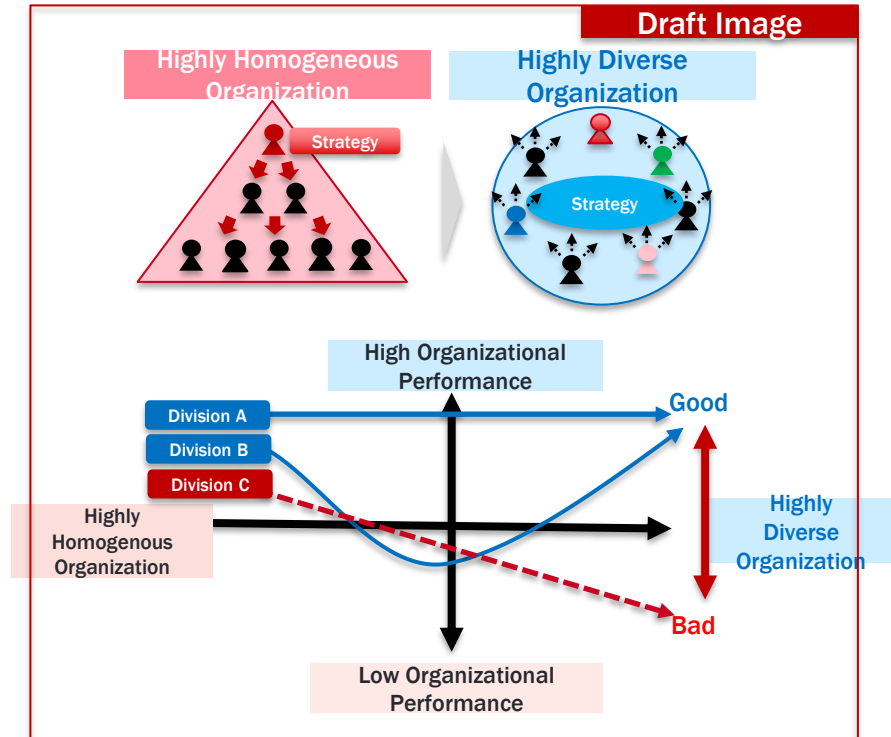
- ✓ Are there any differences in the job categories of men and women? (Gender Role Attitudes)
- ✓ How does heterogeneity change organizational culture?
- ✓ What happened to the organization when the innovation was made?



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Shiseido Co.  
Chief D&I Officer  
Yukari Suzuki



## Conclusion

### What is D&I?

Integral to our business strategy to drive innovation

Makes the most effective use of human capital

Creates new social values that enable people to lead rich and fulfilling lives in their own way



SHISEIDO