

Shiseido Group

Supplier Code of Conduct

SHISEIDO

Shiseido Group Supplier Code of Conduct (December 2011 version)

Foreword

In April 2011, Shiseido enacted “Our Mission, Values and Way,” a new corporate philosophy for the Shiseido Group, as operational guidelines for Shiseido Group employees worldwide, and is working toward full compliance.

Under “Our Mission” — “We cultivate relationships with people. We appreciate genuine, meaningful values. We create beauty, we create wellness.” — the Shiseido Group works to research, develop, manufacture and sell products and services that are outstanding in terms of their high quality, the peace of mind they offer and their safety, and that deliver satisfaction from the standpoint of consumers. At the same time, we view all our suppliers as “partners in creating new value,” and we aim to conduct business in compliance with the law and with the highest ethical standards on both sides as we work together toward sustained growth.

Building on its participation in the United Nations Global Compact, the Shiseido Group has established a Supplier Code of Conduct. Based on various international guidelines, the Code aims to share the same ethical standards among the Shiseido Group and its suppliers.

Shiseido Group companies shall use the Supplier Code of Conduct as the basis for selecting suppliers. In addition to requiring suppliers to fully comply with the Code, Shiseido Group companies also expect suppliers to ensure compliance among their own subcontractors involved in business related to the Shiseido Group.

Together with its suppliers, the Shiseido Group shall work to provide products and services that offer peace of mind and safety to consumers and that are friendly to both society and the environment, conduct its business activities in good faith through ample disclosure of information to and communication with consumers, and place greater emphasis on relationships with local communities as it strives to realize a sustainable society.

Supplier Code of Conduct

1. Human Rights

In conducting transactions with suppliers, Shiseido Group companies shall respect the International Bill of Human Rights and other international standards for human rights.

Shiseido Group companies shall favor suppliers that do not discriminate against their employees in hiring practices or treatment 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 and sexual orientation. Shiseido Group companies shall also favor suppliers that do not engage in moral harassment, including sexual harassment and abuse of power.

2. Legal Compliance

Shiseido Group companies shall conduct business with suppliers that are in full compliance with the laws of the countries and regions in which they operate.

Shiseido Group companies shall favor suppliers that meet stricter international and industry standards than those mandated by law.

3. Labor Practices

Shiseido Group companies shall conduct business with suppliers that are in full compliance with the labor laws of the countries and regions in which they operate.

When selecting a supplier, Shiseido Group companies shall pay particular attention to issues such as the prohibition of child labor and forced labor; the maintenance of safe, clean and healthy work environments for employees; the payment of an employee wage that is not less than the minimum wage; compliance with applicable laws regarding working hours; and respect for the right of employees to organize.

4. Protection of Intellectual Property* and Maintenance of Confidentiality

Shiseido Group companies shall conduct business with suppliers that have instituted measures necessary to manage and safeguard confidential and personal information and ensure the protection of their own intellectual property as well as that of other Shiseido Group companies and third parties.

In addition to efforts to acquire intellectual property rights pertaining to business conducted with Shiseido, Shiseido Group companies shall specifically require suppliers to maintain policies and procedures as well as to provide employee instruction and training to assure compliance in areas including preventing infringement on intellectual property rights, identifying and managing business secrets, and protecting personal information.

*Intellectual Property refers to patents, trademarks, copyright and trade secrets.

5. Protection of the Environment

Shiseido Group companies shall conduct business with suppliers that are in full compliance with the environmental laws of the countries and regions in which they operate.

Through their business activities, Shiseido Group companies shall maintain a proactive stance toward protection of the environment and shall work to contribute to the development of a sustainable society in which humanity and the Earth coexist beautifully through measures such as protecting biodiversity, reducing greenhouse gas (GHG) emissions, conserving resources and recycling, and preventing pollution.

Shiseido Group companies shall specifically require suppliers to recognize the importance of protection of the environment and to conduct environmentally friendly business operations that include measures such as assuring biodiversity and reducing GHG emissions in all phases from the use of resources to the management of waste materials.

6. Fair Operating Practices

Shiseido Group companies shall conduct business with suppliers that thoroughly comply with all applicable fair trade laws of the countries and regions in which they operate.

Shiseido Group companies shall select suppliers on the basis of considerations including quality, cost and supply capabilities.

Shiseido Group companies shall neither provide nor accept gifts or entertainment that may cause suspicion regarding fairness.

Shiseido Group companies shall require that suppliers neither give gifts nor engage in entertainment intended to furnish inappropriate or illegal benefits such as bribes.

Verification of Compliance

Shiseido Group companies shall require suppliers to submit answers to questionnaires, to accept on-site verification, and to submit materials and records bearing the signature of an authorized representative of the company for the purpose of verifying that they are in compliance with this Supplier Code of Conduct.

Shiseido Group companies shall obtain suppliers' agreement with the Shiseido Group Supplier Code of Conduct when initiating business, and shall request compliance with the Code's content and the submission of documentation that demonstrates suppliers' intention to comply with the Code.

Moreover, the Shiseido Group may revise its Supplier Code of Conduct in accordance with changing circumstances and social requirements, and shall inform suppliers of such revisions in addition to disclosing them on its website. Following revisions to the Shiseido Group Supplier Code of Conduct, Shiseido Group companies shall request the continued agreement and compliance of suppliers.

Suppliers that need clarification or have opinions concerning the content of revisions should contact a Shiseido Group company.

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