

Shiseido Group Supplier Code of Conduct

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The Shiseido Group values its relationships with its business partners and strives to achieve the mutual success of our respective businesses while operating at the highest level of ethical standards in compliance with the law.

The Shiseido Code was instituted in 1997 to set down the standard of conduct required of employees of the Shiseido Group. The goal is to achieve full compliance with The Shiseido Code. Having been given the opportunity to participate in the United Nations Global Compact, and with the goal of having a common code of conduct among the Shiseido Group and its suppliers consistent with international norms, the following "Supplier Code of Conduct" has been established by the Shiseido Group to set forth the standards of conduct expected of its suppliers. The Shiseido Group shall use the Supplier Code of Conduct as the criteria for selecting suppliers. In addition to requiring that suppliers comply with this Code, the Shiseido Group also expects its suppliers will require any subcontractors they retain in connection with the business of the Shiseido Group to adhere to the same standards.

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1. Legal Compliance

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

Member companies of the Shiseido Group shall favor suppliers that meet stricter international and industry standards than such mandated by law.

2. Labor

Member companies of the Shiseido Group shall conduct business with suppliers that are in full compliance with the labor laws of the countries and regions where they operate and that respect the rights of their employees in accordance with international standards.

Particular attention shall be given to the following:

① Child and Forced Labor

Suppliers shall not engage in the use of child labor, forced labor or other forms of compulsory labor.

② Non-Discrimination

Suppliers shall not discriminate against their employees in hiring practices or treatment on the basis of race, ethnicity, nationality, religion, beliefs, gender, social status, descent, disability, illness, sexual orientation or age.

③ Safety, Sanitation and Health

Suppliers shall maintain a safe, clean and healthy workplace for their employees in compliance with applicable law.

④ Wages and Working Hours

Suppliers shall pay a wage that is not less than the minimum wage required under applicable law.

Suppliers shall comply with laws applicable to working hours.

3. Protection of Intellectual Property (*) and Maintenance of Confidentiality

Member companies of the Shiseido Group shall conduct business with suppliers that have instituted measures necessary to maintain confidentiality and assure the protection of their own intellectual property as well as that of Shiseido Group member companies and third parties.

In addition to efforts to acquire intellectual property rights pertaining to business conducted with Shiseido, member companies of the Shiseido Group shall specifically require suppliers to maintain policies and procedures as well as provide instruction and training to employees to assure compliance with the following three matters:

- Prevention of infringement on the intellectual property rights of Shiseido Group member companies
- Prevention of infringement on the intellectual property rights of third parties.
- Identification and management of the business secrets of Shiseido Group member companies and suppliers.

(*) Intellectual Property means patents, trademarks, copyright and trade secrets.

4. Preservation of the Environment

In carrying on its business activities, the Shiseido Group maintains a proactive stance regarding preservation of the environment.

Member companies of the Shiseido Group shall conduct business with suppliers that are in compliance with the environmental laws of the countries and regions where they operate. Member companies of the Shiseido Group shall specifically require suppliers to be in compliance with the law in the management of industrial waste materials generated from their business operations.

Particular attention shall be given to the following measures concerning the lawful management of industrial waste materials:

- Policies that prescribe how industrial waste materials are to be managed.
- Records about when, by whom, which industrial waste products, and what amount of industrial waste products, were requested.
- Confirmation that the industrial waste product delegated party is properly disposing of the same (confirmation of the management of slips, disposal sites, and the like)

5. Fair Trade Practices

Member companies of the Shiseido Group shall conduct business with general consideration given to matters such as quality, cost and ability to supply materials.

Member companies of the Shiseido Group shall require that suppliers not give gifts or engage in entertainment intended to furnish inappropriate or illegal benefits such as bribes. Member companies of the Shiseido Group shall also not engage in inappropriate giving or receiving of gifts or entertainment.

6. Verification of Compliance

Member companies of the Shiseido Group shall require suppliers to submit answers to questionnaires, 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.