

Respect for human rights

Basic policy

FineToday Group recognizes the importance of international standards on human rights. These include the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights, and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. In addition, recent years have seen growing interest around the world in not only issues such as forced labor and child labor but also topics such as harassment rooted in changing social structures and diverse values. Businesses have important responsibilities concerning solutions to these issues, and failure to respond appropriately could pose severe risks to a business.

Recognizing that all its business activities are grounded in respect for human rights, FineToday Group has established the FineToday Group Human Rights Policy, based on the United Nations Guiding Principles on Business & Human Rights. It also has identified commitment to human rights as a Group materiality item and strictly prohibits and calls for zero tolerance of various types of discrimination, mistreatment, and mental harassment under the FineToday Group Code of Conduct and Ethics (see p. 58).

FineToday Group Human Rights Policy (Preamble)

We in the FineToday Group are committed to respecting the human rights of all stakeholders associated with the value chain of our business activities in accordance with our Purpose (our reason for existing in society) and our Values (our ideals and principles).

The daily necessities that we provide reach all corners of life throughout the world and promote wellbeing by improving sanitation and bolstering physical and mental health. Consequently, we believe that a culture of cooperating with stakeholders and accepting diversity is essential in contributing to the sustainable development of society and promoting innovation.

At the same time, we also recognize that our products could potentially lead to a variety of negative impacts during their life cycle. In order to fulfill our responsibilities as a provider of daily necessities, we respect the human rights of employees, consumers, local communities, business partners, suppliers, and everyone else who plays a role in our value chain.

Website

FineToday Group Human Rights Policy
<https://www.finetoday.com/en/sustainability/esg-list/>

Human rights management system

The Human Rights Working Group (WG) established under the ESG Committee (see p. 19) promotes thorough respect for human rights throughout all organizations in FineToday Group. The WG holds plenary meetings and subcommittee meetings as deemed necessary to ascertain and assess current conditions of human rights, plan improvements, and plan employee education, along with other activities including risk assessment in the supply chain and deliberating on response policies.

With the addition of a manufacturing function to the Group in April 2023, the WG plans to focus on matters including respect for human rights throughout the supply chain.

— FY2023 initiatives

- Preparation for human rights due diligence
- e-Learning for all FineToday employees

— FY2024 ongoing initiatives

- Establishment of strategic KPIs on human rights
- Developing a complaint resolution mechanism
- Identifying the respect for human rights status at suppliers

Respect for human rights

Education and training on human rights

In FY2023, FineToday conducted e-learning for all employees on human rights and compliance and on business and human rights. We also invited external experts to engage in dialogues with top management.

Human-rights due diligence

FineToday Group is proceeding with human-rights due diligence in the supply chain, in stages.

FineToday conducted a human rights survey of all employees in March 2023 and analyzed the findings to identify issues in the organization. Future plans call for studying and implementing policies to respond to the issues identified.

Together with these efforts, plans call for requesting sustainability assessment by EcoVadis or similar independent agencies to ascertain the state of human rights initiatives at suppliers to the Group companies, in consideration of the state of their transactions with the Group and other factors. Under consideration is a process through which procurement sections (see p. 52), which handle manufacturing materials such as product packages and raw materials as well as OEM and ODM supplies, would cooperate with the Human Rights Working Group to analyze results of and responses to this review and establish and implement a plan-do-check-act (PDCA) cycle to encourage

improvements. Independent auditing of corrective measures also is being considered.

Preventing harassment

The FineToday Group Code of Conduct and Ethics (see p. 58) strictly prohibits and calls for zero tolerance of discrimination by race, gender, age, nationality, religion, disability status, or other qualities as well as abuse, sexual harassment, and abuse of power.

The Group Internal Hotline, Group External Hotline, and Audit and Supervisory Committee Contact accept reports of acts such as the above. These three hotlines also accept reports of compliance violations and other incidents that could lead to loss of society's trust. All global employees, including those of Group companies outside Japan, can use them. The sections in charge of the hotlines respond to consultations and reports received with consideration to prevent any disadvantageous treatment of the whistleblowers.

— Harassment whistleblowing hotlines

Group Internal Hotline	• The hotlines accept anonymous consultation and reports
Audit and Supervisory Committee Contact	• All employees may use them, regardless of contractual status
Group External Hotline	• Whistleblowers will not suffer any disadvantageous treatment