List of Material Issues and medium-to-long-term targets

Prosperity

Material Issues	Commitments	Initiatives	KPIs	Target value (Achievement year)	FY2024 results	FY2025 measures	Related Sustainable Development Goals (SDGs)
Innovation to beautify and enrich everyday life	We will continue to create new value that meets the diverse needs of consumers through innovation, and bring beauty and wellness to mind, body, and the environment.	Provide unique value through thrilling brand experiences	Achievement rate of the top share in category segments	85% (FY2030)	75%	• Conduct promotions tailored to each product and region	
		Innovate to create diverse value	Provision of new value to global consumers, with a focus on Asia*1	At least once per fiscal year	–*2	Under consideration	
Improvement of community well-being	As a public institution in society, we aim to improve the well-being of local communities, and we will actively contribute to communities by making use of our technology, human resources, products, funds, and other resources in ways that benefit society.	Contribute and donate to local communities	Ongoing collaboration with NGOs, NPOs, public interest organizations, local governments, and other external partners	No numerical fiscal year targets	¥51 million	• Continue social contribution activities centered on local issues at each site	

*1 Including the creation of new brands and overseas rollout of existing products
*2 New KPI target beginning FY2025

List of Material Issues and medium-to-long-term targets

People

Material Issues	Commitments	Initiatives	KPIs	Target value (Achievement year)	FY2024 results	FY2025 measures	Related Sustainable Development Goals (SDGs)
Respect for human rights, and promotion of DE&I in the value chain	We will share with all of our stakeholders our policy of respecting the basic human rights of all people in the value chain and of refusing to tolerate any human rights violations, and we will fulfill our responsibilities in this area in accordance with the United Nations Guiding Principles on Business and Human Rights, and other internationally accepted human rights principles.	Respect human rights, and ensure responsible value chain management	Execution rate of measures to appropriately address currently defined priority human rights risks[*1]	100% ongoing (per fiscal year)	100%	• Continue human rights due diligence • Conduct in-house training sessions to raise human rights awareness	8, 12, 16
	We will contribute to the realization of a society where people with diverse values and ideas are able to fully demonstrate their individuality and abilities regardless of skin color, gender, social, cultural or geographical background, living environment, religion and beliefs, physical characteristics, or any other trait, and where everyone is able to live in their own way.	Contribute to improving self-esteem and realizing a society where people can live in their own way through our products and services	Implementation rate of the DE&I assessment process when proposing new products[*2]	100% ongoing (per fiscal year)	–[*3]	• Conduct thorough assessment processes and raise DE&I awareness	5, 10
		Eliminate inequality based on gender, physical characteristics, nationality, etc. in the workplace	Percentage of engagement survey responses that were positive for acknowledgement of comments and opinions	90% (FY2030)	78.8%[*4]	• Conduct evaluation training and 360-degree feedback for executives	5, 10
			Percentage of women in management positions	35% (FY2030)	30.7%	• Create a personnel system that supports active workplace participation by all workers	
Improvement of employee well-being	In order to generate a high degree of vitality and ensure physical, mental, and social fulfillment for each and every employee, we will boost job satisfaction (joy and sense of achievement gained through work) and facilitate work comfort (internal environments and systems) to improve the well-being of employees.	Ensure occupational health and safety, and promote decent work environments	Percentage of engagement survey responses that were positive for rewarding work	80% (FY2030)	65.5%[*4]	• Conduct training and global communication to foster aesthetic intelligence management and culture	3, 8
			Number of serious occupational accidents	0 (per fiscal year)	0	• Increase company injury and illness support and create an environment where employees can work with peace of mind	
		Develop human resources in the workplace	Percentage of engagement survey responses that were positive for opportunities for growth	80% (FY2030)	63.8%[*4]	• Provide opportunities for collaboration and new experiences, such as in-house side jobs	3, 4, 8
			Percentage of employees who hold to our Values & Leadership Behavior (behavioral level)	95% (FY2030)	53.0%	• Introduce behavioral assessments based on Leadership Behavior	

*1 Risks identified during human rights due diligence at the start and during the fiscal year
*2 Of the new products proposed within the target fiscal year, those that meet the company's internal DE&I requirements
*3 New KPI target beginning FY2025
*4 FineToday Holdings and FineToday employees

Planet

Material Issues	Commitments	Initiatives	KPIs	Target value (Achievement year)	FY2024 results	FY2025 measures	Related Sustainable Development Goals (SDGs)
Response to climate change	We will reduce the volume of CO_2 emitted through our business activities by using renewable energy and installing energy-efficient equipment. We will reduce the volume of CO_2 emitted through the use of our products and services by providing eco-friendly products and promoting eco-friendly practices. We will reduce CO_2 emissions at the procurement stage by promoting supplier engagement and purchasing raw materials that emit low volumes of CO_2.	Reduce greenhouse gas (GHG) emissions	Scope 1,2 emissions reduction rate (compared to 2021)	42% (FY2030)	73%	• Formulate a Group GHG Reduction Roadmap	7, 13
			Scope 3 emissions reduction rate (compared to 2021)	25% (FY2030)	Scope 3 emissions increased by 6% compared to 2021		
Conservation of the natural environment and biodiversity, and realization of a circular society	We will build a sustainable business by helping to conserve biodiversity and reduce the burden on the natural environment, while also actively applying innovative technologies. We will eliminate all waste in our business activities and throughout the entire value chain, and promote the effective use of resources.	Sustainably procure raw materials (mainly palm oil)	Sustainable palm oil procurement	100% (FY2030)	• Conducted TNFD analysis • Continued membership in RSPO	• Publish a TNFD report • Receive RSPO SC certification • Create a palm oil procurement roadmap	8, 12, 15
		Sustainable containers and packaging (mainly plastic)	Percentage of sustainable containers and packaging	100% (FY2030)	96%	• Revise the container and packaging guidelines • Establish a KPI management system	12, 13, 14, 15
			Reduction rate of petroleum-derived virgin plastic used in primary containers (Per unit compared to 2022)	25% or higher (FY2030)	3%	• Formulate a Group medium- to long-term plan for reducing plastics	
		Conserve water resources in our production activities	Reduction rate of water intensity (compared to 2021): FTI	10% (FY2030)	21%	• Add total Group water consumption to disclosure data • Formulate a plan to reduce manufacturing sites water consumption	6, 12, 13, 14, 15
			Reduction rate of water intensity (compared to 2021): FTIV	10% (FY2030)	13%		

Principles of Governance

Material Issues	Commitments	Initiatives	KPIs	Target value (Achievement year)	FY2024 results	FY2025 measures	Related Sustainable Development Goals (SDGs)
Promotion of transparent, fair, and trustworthy governance	We will establish an effective corporate governance system with the aim of ensuring a transparent management structure capable of quickly addressing to the needs of all stake-holders, including customers, business partners, and shareholders. We will also work to strengthen our corporate governance through consistent and proper operation of our internal control system.	Strengthen governance, ensure compliance, and promote risk management	Number of serious compliance violations[*1]	No ongoing cases (per fiscal year)	0	• Implement compliance education and training • Formulate a BCP and strengthen measures against physical risks	8, 12, 13
Promotion of transparent, fair, and trustworthy governance	We will establish an effective corporate governance system with the aim of ensuring a transparent management structure capable of quickly addressing to the needs of all stake-holders, including customers, business partners, and shareholders. We will also work to strengthen our corporate governance through consistent and proper operation of our internal control system.	Address information security and cyber security	Ongoing information security training and cybersecurity drills	No numerical targets (per fiscal year)	Training sessions: 1 Practice sessions: 3	• Hold information security training • Conduct targeted email attack and CSIRT practice drills	8, 12
Promotion of transparent, fair, and trustworthy governance	We will contribute to the creation of a safe and secure society where product reliability is guaranteed and risks are properly managed.	Promote activities to ensure product reliability	Number of serious quality-related incidents[*2]	No ongoing cases (per fiscal year)	0	• Broaden the quality management system to China and Southeast Asia branch offices and increase quality assurance activities overseas	8, 12
Creation of a corporate culture that realizes our purpose	Under the purpose of "To enrich the lives of everyone today and for generations to come, one fine day at a time," we will continue to foster a corporate culture that contributes to the realization of a sustainable society through management that combines our business operations with the promotion of ESG measures	Provide each and every employee with opportunities to work toward our purpose	Percentage of positive responses on the Purpose and Vision in engagement surveys	88% (FY2030)	83.0%[*3]	• Hold Group-wide meetings and other opportunities to think about our corporate Purpose	8, 12, 16

*1 Events that harm public welfare and require external disclosure
*2 Number of serious health issues that must be reported to the Pharmaceuticals and Medical Devices Agency (PMDA)
*3 FineToday Holdings and FineToday employees