

Continually creating value for all stakeholders,
aiming to grow to be Asia's top personal care company

The value FineToday Group delivers to stakeholders

Embodying truth, goodness,
and beauty

We will build the trust of all stakeholders by developing harmonious beauty through straightforward pursuit of ethical practices as a glocal enterprise.

Acting as one for the benefit
of people and the planet

FineToday Group balances business growth with the sustainable development of the region centered on Asia: the growth engine of the global economy with a wealth of natural bounty.

Principles of Governance

To become a presence
trusted by all of our
stakeholders.



Pursuit of purpose	Transparent governance
Ethical conduct	Integration of risks and opportunities

Planet

To halve our environmental impact throughout our value chain.



Response to climate change	Conservation of nature and biodiversity
Pursuit of a circular economy	Caring for water, air, etc.

People

To respect all people
and deepen our
relationships.



Commitment to human rights	DE&I
Improvement of health and safety	Investment in talent

Prosperity

To provide a wonderful day to as many people as possible.



Expansion of economic contributions	Improvement of consumer satisfaction
Product innovation	Community support

Fine Today & Tomorrow

**Our promises as
we move toward 2030**

To enable everyone in the world to
weave a wonderful day and live
everlastingly beautiful and
enriched lives

Bringing wellness to mind
and body as well as the
environment

Respecting ethnical, cultural, and value diversity of the region centered in Asia, FineToday Group builds stronger ties with people by helping everyone work and live in their desired ways.

Making every day a fine day
through aesthetic intelligence

FineToday Group takes on the unmet needs of today's society, as it changes in rapid and complex ways, to make every day a "fine day" through personal beauty products.

Identification of 18 materiality items fundamental to sustainable value creation

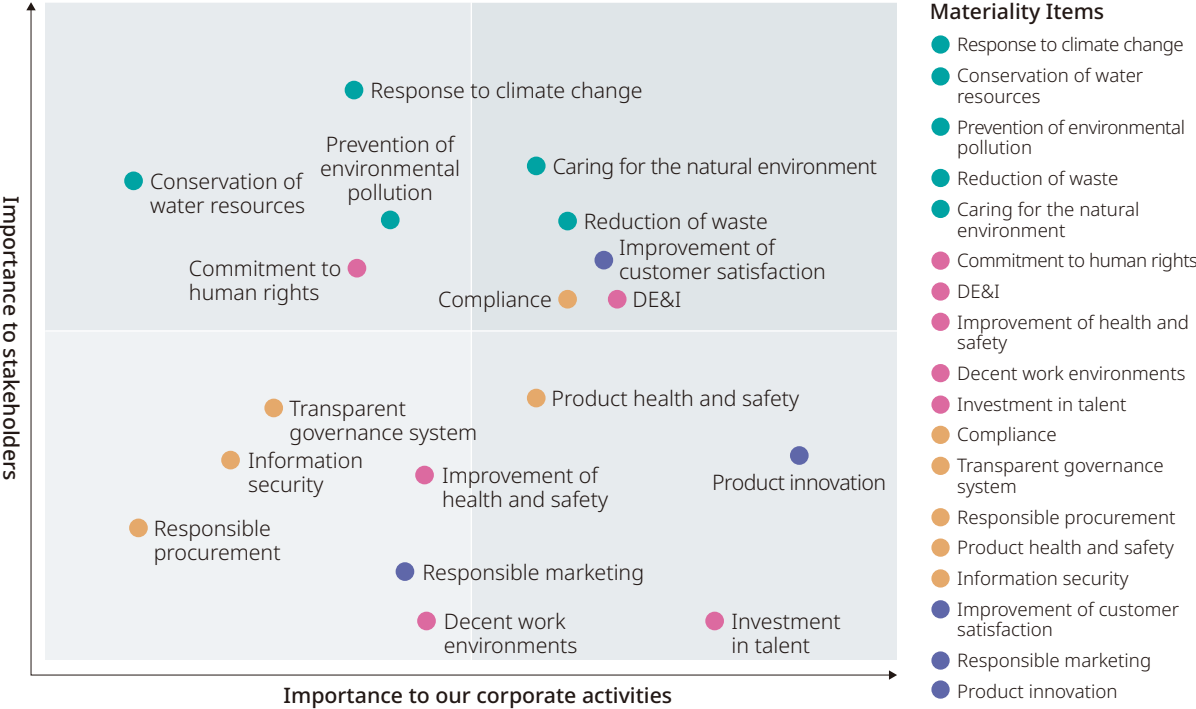
Materiality Identification Process

Reflecting international sustainability norms and guidance, in 2022 FineToday Group defined 18 materiality items (key issues) to address through a four-step process aimed at realizing its management vision and helping to achieve the United Nations Sustainable Development Goals (SDGs). Moving forward, the Group will revise these as needed in response to trends in the international community and changes in its businesses.

Step 1	Identification of social issues to address	Listing materiality candidates with reference including the UN Global Compact, ISO 26000, the GRI Standards, the SDGs, and assessment items used by ESG assessment organizations
Step 2	Analysis of social and business impact	Examining the degree of the business impact of the materiality items identified in Step 1 in terms of responsibility to stakeholders and value creation, while reflecting the opinions of external experts
Step 3	Identification of the validity and priority of materiality items	Based on the results of the impact analysis in Step 2, preparing a materiality matrix to identify 18 materiality items that are demanded by stakeholders and have significant business impacts
Step 4	Approval by the executive committee and the board of directors	Approval of the 18 identified materiality items by the executive committee and the board of directors

Materiality Matrix

FineToday Group identifies the ESG challenges that are important to implementing its medium-to-long-term strategies, in terms of their importance both to stakeholders and to our corporate activities. Then, it considers the actions that the Group must take. The current matrix formulated in 2022 is currently being reviewed.



Reflecting stakeholder dialogue in sustainability activities

Consumers FineToday Group is expanding its range of consumers contact through means such as consumer support desks and social media platforms. The Group rewards consumers’ trust by listening with sincerity to their voices and reflecting them in quality management for its products and services.

- Dialogue methods and venues
- Consumer support desks
 - Social media

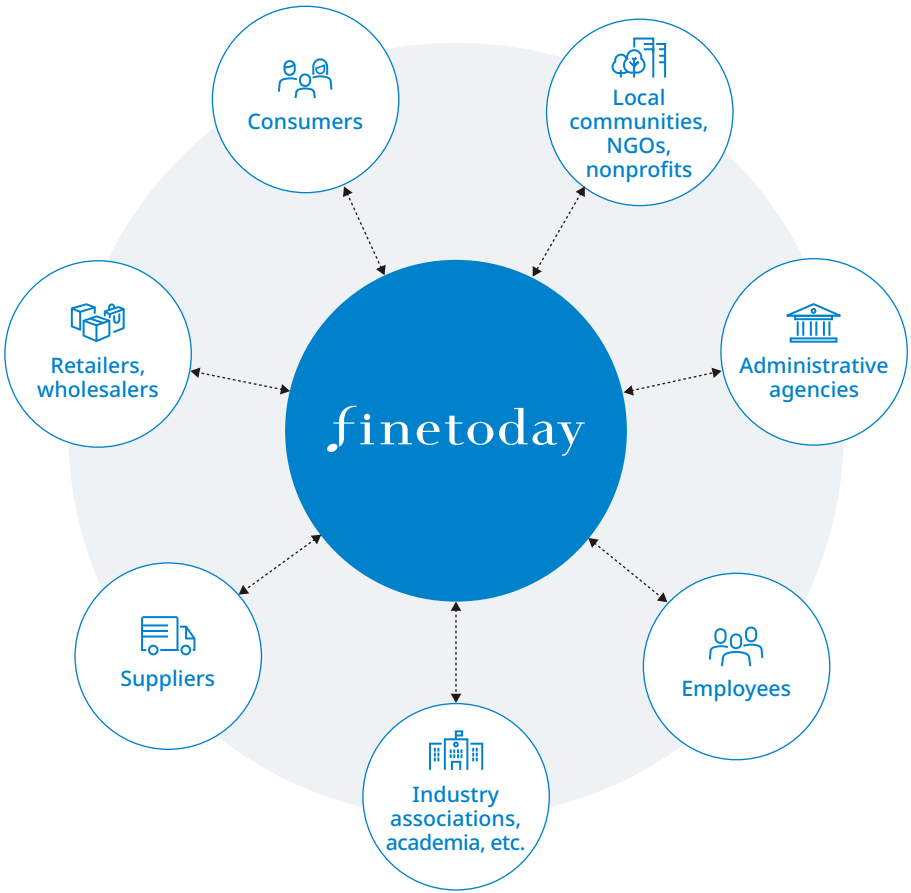
Retailers, wholesalers FineToday Group listens with sincerity to the voices of retailers and wholesalers and reflects them in product improvements, new-product development, and service improvements.

- Dialogue methods and venues
- Briefings on new products and marketing
 - Meetings to share merchandising proposals
 - Product study meetings

Suppliers* FineToday Group strives to enhance sustainable and responsible supply chains together with suppliers who share the vision of the FineToday Group Procurement Policy.

- Dialogue methods and venues
- Concluding Master Purchase Agreement which incorporates items required in the FineToday Group Supplier Code of Conduct

* Packaging materials, raw materials, OEM and ODM suppliers



Local communities, NGOs, nonprofits As a good corporate citizen, FineToday Group actively participates in the activities of local communities, NGOs, and nonprofits, to help realize a sound, sustainable society and environmental solutions.

- Dialogue methods and venues
- Activities to contribute to society in accordance with the FineToday Group Corporate Citizenship Policy
 - Donating funds and products
 - Volunteer activities
 - Dialogue with outside experts

Administrative agencies In addition to complying with applicable laws, regulations, and rules in each country and region, FineToday Group cooperates with administrative agencies to contribute to solutions to social issues and to sustainable development in the international community.

- Dialogue methods and venues
- Exchange of opinions
 - Cooperation in events organized by local governments and others














Employees FineToday Group aims to be an organization in which diverse people can leverage their individual strengths to thrive on their own, regardless of gender, nationality, religious belief, disability status, and sexual orientation.

- Dialogue methods and venues
- Engagement surveys
 - Internal whistleblowing systems, hotlines
 - Leadership development
 - Values and Leadership Behavior internal promotion, global communication conferences










Industry associations, academia, etc. FineToday Group cooperates in contributing to the progress of society and the industry, through active and wide-ranging knowledge sharing and exchange of opinions.

- Dialogue methods and venues
- Information collection
 - Exchange of opinions








KPIs set for 16 items in the 4 medium-to-long-term vision domains, and PDCA cycle applied to ensure steady progress

		Vision	Strategic KPIs and 2030 targets	FY2023 results	FY2024 measures	Related Sustainable Development Goals (SDGs)
<div>Principles of Governance</div> 	Ethical conduct	An organizational culture that prevents and has zero tolerance for compliance violations	Number of serious compliance violations* 0	0 <ul style="list-style-type: none">Created an Ethics and Compliance Committee and established a centralized management systemDomestic: Established a structure to comply with the Subcontract Act and prevent interaction with antisocial forces	<ul style="list-style-type: none">Remedy issues identified through legal due diligenceImplement compliance education and training	  
	Transparent governance	Structures are in place under which anybody can notify the organization of any internal or external issue with confidence that the issue will be addressed.	Percentage of issues reported to the group internal hotline that have been resolved 100%	Percentage of resolved issues during the fiscal year 100% <ul style="list-style-type: none">Reviewed the rules and system for internal whistleblowingJapan: Provided education and training about the whistleblowing systems	<ul style="list-style-type: none">China and APAC: Provide education and training about the whistleblowing systems	  
	Integration of risks and opportunities	Mechanisms throughout the value chain detect risks and opportunities enabling quick response.	Percentage of long-term risks and opportunities analyzed and responded to appropriately by the Risk Management Committee 100%	<ul style="list-style-type: none">Created the Risk Management CommitteeConducted short- to medium-term risk assessments	<ul style="list-style-type: none">Formulate a BCP and strengthen measures against physical risks	  
	Pursuit of Purpose	Our Purpose informs the actions and decisions of every employee.	Percentage of positive responses on the Purpose and Vision in engagement surveys 88%	84%	<ul style="list-style-type: none">Hold workshops to define the connection between our Purpose and our business (starting in Japan and then in other countries)	  


* Acts subject to external disclosure under FineToday Group in-house rules, violations by Directors or Executives impacting Company management

		Vision	Strategic KPIs and 2030 targets	FY2023 results	FY2024 measures	Related Sustainable Development Goals (SDGs)
<div>People</div> <div></div>	Commitment to human rights	The human rights of all people are afforded the utmost respect, with no one left behind, throughout the value chain.	Percentage of specific measures applied to priority risks*1 100%	• Analyzed the status of human rights and formulated a human rights due diligence system	• Operate the human rights due diligence system and monitor the status of priority measures and changes in conditions	 
	DE&I	Maintain an environment that is equitable and respects diversity throughout the value chain so everyone can fulfill their potential.	Percentage of engagement survey responses*2 in the psychological safety score section that were positive for interpersonal relations and acknowledgement 90% Percentage of women in senior management positions worldwide (excluding directors) 40%	Psychological safety score on engagement surveys; the average of scores on interpersonal relations and acknowledgement 74.5 pts. 30%	• Promote the participation and advancement of women in the workforce by correcting the wage gap between men and women	 
	Improvement of health and safety	All people on the value chain do their job every day in decent work environments*3.	Percentage of engagement survey responses*2 in the decent work score section that were positive for rewarding work and good health 80% Number of lost-time accidents 0	Decent work score on engagement surveys, the average of scores on rewarding work and good health 66 pts. 4	• Increase company injury and illness support and create an environment where employees can work with peace of mind	 
	Investment in talent	Each employee is encouraged to take on new challenges and works autonomously or in a team to generate a positive influence inside and outside the company.	Percentage of employees whose actions demonstrate our Values & Leadership Behavior 95% Percentage of engagement survey responses*2 in the autonomous growth score section that were positive for opportunities for growth and culture of taking on challenges 80%	49% Autonomous growth score on engagement surveys: the average of scores on opportunities for growth and culture of taking on challenges 67 pts.	• Create a personnel system that incorporates personal goal evaluations for individuals seeking to put Values & Leadership Behavior • Provide career option choices, such as through a job posting system • Provide e-learning and other opportunities for self-advancement	 

*1 Risks identified in human rights due diligence conducted at the beginning and during the fiscal year.
*2 Beginning in FY2024, the target results for 2030 have been changed from the average point value to the percentage of positive responses.
*3 Humane, rewarding work; more specifically, productive work in conditions of freedom, equity, security, and human dignity for all
Source: International Labour Organisation <https://www.ilo.org/topics/decent-work>

		Vision	Strategic KPIs and 2030 targets	FY2023 results	FY2024 measures	Related Sustainable Development Goals (SDGs)
<div>Planet</div> 	Response to climate change	Reducing greenhouse-gas (GHG) emissions throughout the product life cycle, and contributing to minimizing climate risks and maximizing climate opportunities	Scope 1 and 2 emissions Reduced 42% (vs. 2021) Scope 3 emissions Reduced 25% (vs. 2021) Notes: SBT (1.5°C target level) certified	Reduced 82% Reduced 17%	<ul style="list-style-type: none">Formulate a Group GHG Reduction Roadmap incorporating FTI*1 and SVI*2, which were added in 2023	
	Conservation of nature and biodiversity	Assessment and reduction of impacts on ecosystems throughout the value chain	Sustainable palm oil procurement 100%	<ul style="list-style-type: none">Held study sessions for managers on nature, biodiversity, and TNFD*3Continued membership in the RSPO*4	<ul style="list-style-type: none">Compliance with TNFD recommendationsContinuing membership in RSPO	 
	Pursuit of a circular economy	Circular social systems are developed and the resource cycle is made more efficient, including use of sustainable containers and packaging.	Percentage of sustainable containers and packaging 100%	<ul style="list-style-type: none">Formulated the FineToday Group Sustainable Containers and Packaging Development GuidelinesLaunched an in-house project to set medium- to long-term targets for reducing plastics	<ul style="list-style-type: none">Set and disclose medium- to long-term targets for reducing plastics	 
	Caring for water, air, etc.	Business activities minimize their impacts on water and the natural environment.	Water intensity Reduced by 10% (vs. 2021)	<ul style="list-style-type: none">Advanced initiatives centered on FTI	<ul style="list-style-type: none">Confirm the status of environmental data following the acquisition of SVIAdd total Group water consumption to disclosure data	

*1 Fine Today Industries Co., Ltd.
*2 Shiseido Vietnam Inc.
*3 Taskforce on Nature-related Financial Disclosures
*4 Roundtable on Sustainable Palm Oil

Vision and story for 2030			Strategic KPIs and 2030 targets	Related Sustainable Development Goals (SDGs)
<div>Prosperity</div> 	Expansion of economic contributions	<p>Sustained generation of profits and continual contribution to solutions to social challenges through business activities</p> <p>We will reinvest profits from business in solutions to unresolved challenges, to build relations of co-prosperity with as many consumers as possible.</p>	Internal targets only	
	Improvement of consumer satisfaction	<p>FineToday Group brands' unique products and services to meet the unmet needs of consumers across generations</p> <p>We will build relations of trust between our brands and consumers, by beautifying and enriching their daily lives and making their lives more satisfying.</p>	Internal targets only	
	Product innovation	<p>FineToday Group ceaselessly takes on the challenges of value innovation, to deliver fine days to as many people as possible around the world.</p> <p>In addition to progress on features and technologies for healthier, more attractive skin and hair, we will continue to improve the sensual value that delivers joy and satisfaction.</p>	Internal targets only	
	Community support	<p>Contributing to community development as a member of the local communities where business activities take place</p> <p>We will support the progress of the communities near our facilities and factories across the countries and regions of Asia, through sustainable business growth.</p>	Internal targets only	

We are currently considering revisions to our strategic KPIs and targets to reflect our co-prosperity vision.

Developing a sustainability promotion structure in which top management plays a central role

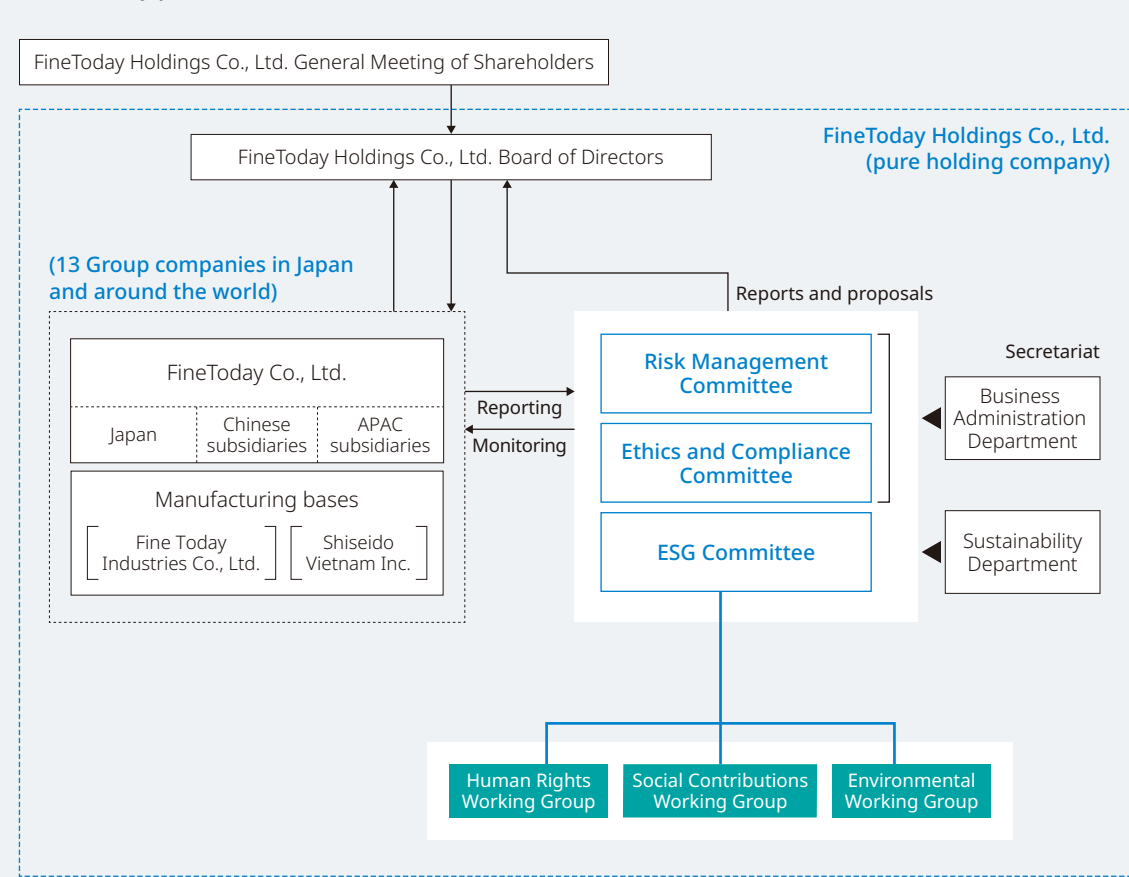
FineToday Group has established the Risk Management Committee, Ethics and Compliance Committee, and ESG Committee as the organizations responsible for sustainability activities, such as confirming and assessing risks related to the environment, society, and governance (ESG) and formulating sustainability policies and plans. The Representative Director and CEO of FineToday Holdings is responsible for these committees.

FineToday Group has established the ESG Working Group under the ESG Committee. They perform central roles in activities such as following up on the sustainability action plans carried out by individual sections and formulating execution plans on important topics.

FineToday Group also has adopted a system that reflects sustainability indicators in decisions on remuneration for executives and division general managers.*

* The remuneration system includes performance-linked bonuses evaluated from the degree of achievement of sustainability indicators, which are set based on engagement survey findings and GHG emissions conditions. The Nomination and Remuneration Committee considers ways to create a robust structure for the nomination and remuneration of officers.

Sustainability promotion structure (as of December 31, 2023)



Risk Management Committee	
Frequency of meetings	Once quarterly
Chairperson	Representative Director, CEO
Members	Officers of subsidiaries, executive officers, and other designated individuals
Main roles	<ul style="list-style-type: none">• Formulation and implementation of Group risk management policies and plans• Emergency responses to incidents

Ethics and Compliance Committee	
Frequency of meetings	Once quarterly
Chairperson	Representative Director, CEO
Members	Officers of subsidiaries, executive officers
Main roles	<ul style="list-style-type: none">• Formulation and implementation of Group basic compliance policies and plans• Review of the plan-do-check-act (PDCA) cycle for compliance education

ESG Committee	
Frequency of meetings	Once quarterly
Chairperson	Representative Director, CEO
Members	Officers of subsidiaries, executive officers, and other designated individuals
Main roles	<ul style="list-style-type: none">• Formulation, deliberation, and reporting of important measures related to Group ESG• Communication and deliberation of issues related to the Group ESG