

Sustainability Report 2024

FineToday Group

finetoday

Purpose

Our purpose is to enrich the lives of everyone today and for generations to come, one fine day at a time.

Our inherited Aesthetic Intelligence and expertise enables us to help people feel more alive every day.

Our products and services bring wellness to the mind and body as well as the environment.

Our team embodies truth, goodness, and beauty, and acts as one for the benefit of people and the planet.

Values

1
Customer Delight
and Commitment
to Quality

We strive to delight our customers, providing exceptional products and services tailored to their daily lives. We work together as one united and agile team to anticipate and meet our customers' true needs wherever they are.

2
Aesthetics
Rooted in Us

We are committed to continuing our inherited tradition of "Aesthetic Intelligence". We are true to both people and the planet. We act with integrity, compelled to enrich present and future generations by bringing quality and comfort to their minds and bodies.

3
Frontier Spirit

We challenge ourselves to generate ideas, experiment, and be open to new possibilities. We embrace diversity and inspire each other with different perspectives in pursuit of our purpose.

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Editorial Policy

Business administration and promotion of environmental, social, and governance (ESG) initiatives serve as the integral twin axes of FineToday Group's business. The Group publishes a Sustainability Report to deepen its dialogue with stakeholders. The first part of the report consists of the "Introduction" and "FineToday Group's Sustainability." These include a message from the CEO along with information serving as the fundamental premises of reporting on ESG activities, including FineToday's Purpose and Values, its medium- to long-term vision, and information on R&D and manufacturing activities. With reference to Global Reporting Initiative (GRI) Standards, the sections on the "Environmental," "Social," and "Governance" each report on individual activities related to ESG initiatives as comprehensively and specifically as possible. Stakeholder dialogue is essential to business growth and raising the bar on ESG initiatives. FineToday Group will continue its proactive approach to disclosure in the future.

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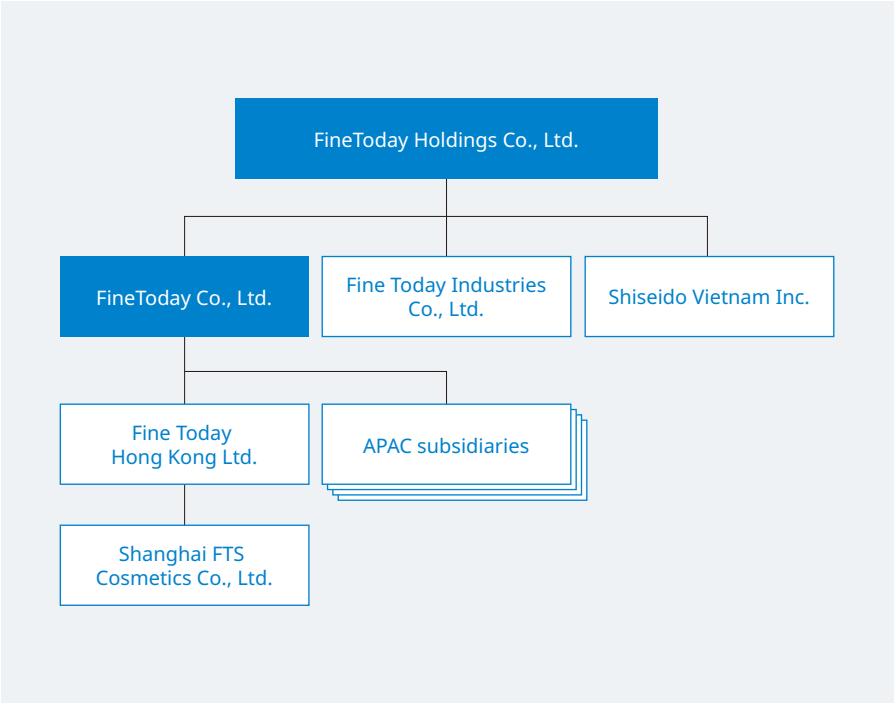
Published	August 2024
Period covered by this Report	FY2023 (January 1–December 31, 2023) * Includes some information from other periods.
Organizations covered by this Report	FineToday Holdings Co., Ltd. and 13 Group companies (two companies in Japan, two companies in China, and nine companies in the Asia-Pacific [APAC] region)

Subjects referred to in this Report	Information on FineToday Holdings Co., Ltd. is identified by the terms "FineToday Holdings Co., Ltd." and "Company." Information on the Group as a whole uses the terms "FineToday Group" and "Group." Information concerning FineToday Co., Ltd. uses the terms "FineToday Co., Ltd." and "FineToday." Other companies are referred to by their individual names.
Guidelines and other reference materials	• The Global Reporting Initiative's GRI Standards • The Framework of the Task Force on Climate-related Financial Disclosures (TCFD)

FineToday Group launched its business in July 2021 as a fabless manufacturer succeeding the personal-care businesses of Shiseido Company, Limited and FT Shiseido Co., Ltd., through an absorption-type company split.

In 2023, we acquired of Shiseido Vietnam Inc. along with its Kuki Factory and Vietnam Plant from Shiseido Company, Limited. We also established our own R&D facility, the FineToday Beauty Innovation Center, in Tokyo, Japan, and established our business structure integrating technology development, production, and sales.

Following our Purpose, the FineToday Group seeks to quickly and flexibly develop beautifying and enriching personal care products for consumers across Asia. We aim to be a glocal corporation that is a role model for advancing sustainable business practices in the Asia region.



Company profile

Company Name
FineToday Holdings Co., Ltd.

Location of Head Office
18F, Shinagawa Grand Central Tower, 2-16-3
Konan, Minato-ku, Tokyo, Japan

Representative
Tetsuo Komori
Representative Director, CEO

Our Business
Manufacturing, Sales and Marketing of
Personal Care Products, etc.

Date of Business Launch
January 1, 2023

Fine Today Industries Co., Ltd.



Fine Today Industries Co., Ltd. (FTI), which is responsible for FineToday Group's manufacturing functions, began operation in April 2023.

FTI, whose predecessor the Shiseido Co., Ltd. Kuki Factory began operation in 1983, seeks to produce high-quality personal care products to beautify and enrich consumers' daily lives, with a thorough focus on aesthetic intelligence. In its manufacturing processes, it focuses on lessening environmental impact and maintaining safe, secure working environments, as a member of the local community.

FTI has a worldwide presence in the FineToday Group, as it aims to develop an integrated business system from technology development through purchasing, manufacturing, sales, and marketing.

Location of Head Office	5 Kiyoku-cho, Kuki City, Saitama Prefecture
Site Area	Approx. 100,000 square meters
Business Areas	Manufacturing of personal care products, etc.
Certifications	• ISO 14001 • ISO 22716

Shiseido Vietnam Inc.



In December 2023, FineToday Holdings Co., Ltd. acquired Shiseido Vietnam Inc. (SVI), a wholly-owned subsidiary of Shiseido Company, Limited operating a factory in Vietnam. The acquisition was the Group's first overseas production base and fulfilled the Group objective to establish a fully integrated structure from technological development to production and sales.

SVI has been producing halal-certified products since 2012 and provides localized products meeting specific market and cultural needs in each Asia-Pacific (APAC) region. Since August 2024, solar panels installed on the company's buildings have been providing roughly 40% of its electrical energy.

Location of Head Office	Amata Industrial Park, Bien Hoa City, Dong Nai Province, Vietnam
Site Area	Approx. 70,000 square meters
Business Areas	Manufacturing of personal care products, etc.
Certifications	• ISO 14001 • ISO 45001 • Halal certification

FineToday Beauty Innovation Center



The FineToday Group established the FineToday Beauty Innovation Center in July 2023 as an urban laboratory for research and development of personal care products.

Located in Toyosu, Koto, Tokyo, the center is easily accessible from the FineToday Head Office in Minato, Tokyo, and the production center FineToday Industries in Kuki, Saitama. The tight collaboration between the Group's brand marketing, production, and sales functions and the active communication with the R&D department enables us to accelerate innovation of new value to deliver to customers.

Location of Head Office	MEBKS TOYOSU, 6-4-34 Toyosu, Koto-ku, Tokyo
Site Area	Approx. 1,100 square meters
Function and Role	Research and development of personal care products

In line with our purpose “to enrich the lives of everyone today and for generations to come, one fine day at a time,” we at FineToday Group work to identify our key issues (materiality items) in order to promote sustainability management and strive to resolve social issues through our business activities. As one aspect of these efforts, we participate actively in international initiatives. Our sustainability activities also are evaluated by an external organization.

Participation
in External
Initiatives

Task Force on Climate-Related Financial Disclosures (TCFD)

Endorsed in June 2022

FineToday



Task Force on Climate-Related Financial Disclosures (TCFD)

Consortium joined in December 2023

FineToday



Science Based Targets initiative (SBTi)

Certified for “1.5°C target” in January 2024

FineToday



UN Global Compact

Signed in April 2022
Also joined Global Compact Network Japan at the same time

FineToday



Roundtable on Sustainable Palm Oil (RSPO)

Joined in April 2022

FineToday



Women's Empowerment Principles (WEPs)

Signed in March 2022

FineToday



External
Evaluation

EcoVadis

In September 2023, FineToday Group earned a Gold Medal from EcoVadis. The Gold Medal is awarded to only the top 5% among companies evaluated. EcoVadis is the world's largest sustainability assessment agency, with more than 100,000 registered companies in 175 countries.

FineToday Group



Shareholder Voice

We are ongoing partners in the creation of sustainable value

Rebekah Earp ESG Director, Asia, CVC Capital Partners

FineToday Co., Ltd. commenced operations in July 2021 when funds advised by CVC Capital Partners ("CVC") carved out the Personal Care business from Shiseido. At CVC we work in close partnership with our portfolio companies to build better businesses. FineToday group has made many excellent and progressive achievements since its establishment. During this time, we have been delighted to see the brand adopt reusable and recyclable packaging; reduce emissions by redesigning manufacturing processes and switching to clean energy; and issue both sustainability and TCFD reports. This has culminated in a Gold EcoVadis medal. As partners, we look forward to continuing to work with FineToday to create sustainable value for all stakeholders.

Providing daily-use beauty products to make every day a fine day as a glocal company in Asia

Business

Supplying the personal care products that consumers truly desire

FineToday Group delivers high-quality personal care products based on an understanding of consumers' essential needs. Demonstrating a frontier spirit based on aesthetic intelligence, the Group aims to grow to be Asia's No.1 Personal Care Company.

Brands

Offering daily-use beauty products for skin, hair, and body care every day

Our products are more than daily necessities. They're tools for beauty that have earned the solid support of consumers for enriching their lives in three main focus areas: skin, hair, and body care.



Consolidated net revenue
More than
JPY 100 billion (FY2023)

Percentage of revenue
from overseas
Approx. 60% (FY2023)

Group employees
Approx. 2,600 (As of April 2024)

Percentage of employees
overseas
Approx. 60% (As of April 2024)

Percentage of women employees		
Japan	China	APAC
Approx. 50%	Approx. 60%	Approx. 70%
(As of April 2024)		

Network

Operating in 20 locations as a glocal company in Asia

Outside of Japan, FineToday Group has manufacturing, sales, and brand marketing offices in China, APAC countries, and other regions. As a glocal entity in Asia, the FineToday Group provides products meeting diverse customer needs.

China
Taiwan
Korea
Japan

Malaysia

Worldwide:
20 locations

Japan: **9** locations

China and APAC:

11 locations

(As of December 2023)

2023 Highlights

The FineToday Group's 20 bases in the Asian region are all driven by our Purpose and advancing various activities to promote the Group's business and ESG objectives.

Japan

We established the FineToday Beauty Innovation Center in July 2023 to serve as the R&D base for the Group. We also introduced the Group's first in-house developed hair care brand +tmr (Plus Tomorrow). In addition, we improved the sustainability characteristics of our products, including using recycled PET plastic in our product bottles.

Fine Today Industries Co., Ltd.

Fine Today Industries, which serves as the mother factory for the Group, registered as an SDG Promotion Partner in Kuki City, Saitama Prefecture in December 2023. As a registered partner, we provide gift products for the city's hometown tax payment program as also donate to local NPOs.

China

We stepped up development and production of original products catered to the needs of local customers. We also actively trained local human resources and rejuvenated our organization as we continued to increase our business in the Chinese market. Also during the year, we took steps to integrate ESG activities into our business operations.

Korea

Our activities in Korea centered on marketing the Senka brand products with a major sales campaign highlighting the brand's 20th year on the market. The strong boost from the campaign lifted sales to a record high in FY2023. Korean media and retailers also bestowed Senka with several awards recognizing it as the top brand of cleansing products.

Malaysia

We significantly improved the profitability of our operations in Malaysia in FY2023 by aggressively developing our business and advancing several activities prioritizing sustainability. Major activities included supporting a mangrove conservation program and providing daily necessities to low-income families.

Taiwan

In Taiwan, our main focus was expanding our business and promoting our social contribution activities. General managers led all staff in participating in a beach cleanup activity, and the Company and employees pooled donations to provide Christmas gifts to underprivileged children.

Network

Operating in 20 locations as a glocal company in Asia



Thailand



We continued steadily improving our business performance in Thailand, and ultimately surpassed our targets for FY2023. Activities during the year including participating in a campaign with retail stores for World Environment Day, during which we featured our efforts to reduce the volume of plastic and chemicals used in our Senka brand product packaging.

Singapore



In May 2023, we presented a “Live beautifully & Pamper yourself” event at a women’s shelter with the objective of helping women in difficult situations maintain confidence in themselves. The event included beauty tips and a workshop on how to use FineToday products. At the end of the workshop, the 83 women who participated received an assortment of products for their personal use.

Indonesia



FT Indonesia accelerated the business with new category (Tsubaki), we also launched Halal Beauty in 2023 as the first Halal Senka Perfect Whip in Indonesia. In March 2024, we joined with a charity supporting orphaned children to host a dinner party for the children.

Philippines



We hosted a product launch event for the official release of the Tsubaki brand for members of the press and our sales partners. The event was a major opportunity to feature the value of our products and to strengthen our partnerships with stakeholders.

Vietnam



Our activities in Vietnam were aimed at building our business led by the Senka, Tsubaki, Uno, and Fino brands and advancing our sustainability initiatives. These efforts include a special campaign to support breast cancer patients and featuring our Tsubaki brand products. Other programs included visiting orphanages and provided educational materials to children as part of our drive to spread “Fine Smiles.”

Shiseido Vietnam Inc.



SVI, which joined the FineToday Group in December 2023, is the only Group company that has obtained ISO 45001 certification. In addition to our standard product lines, the company also produces Halal-certified products. SVI is also actively promoting environmental initiatives, including being the first in the Group to install rooftop solar panels and increasing its use of renewable energy.



Tetsuo Komori
Representative Director, CEO
FineToday Holdings Co., Ltd.

We are now a fully autonomous manufacturer applying our Purpose-driven management as we work with stakeholders to enhance our sustainable corporate value.

Introduction

Since our founding in July 2021 as Fine Today Shiseido Co., Ltd., the FineToday Group has steadily grown its business and rapidly established a structure for autonomous business operations.

The year 2023 was a major milestone for the Group. In January, we adopted a new corporate name without “Shiseido” and a holding company structure to enable faster and more agile decision-making. We also fortified our position in the rapidly changing personal care market by establishing a structure to facilitate the development and supply of products for the Japanese and overseas markets. This was accomplished by acquiring manufacturing bases in Japan and Vietnam from Shiseido, opening the FineToday Beauty Innovation Center, which is our proprietary R&D facility, and establishing a fully in-house, integrated business system from technological development to production, marketing, and sales. In November, we debuted the first original FineToday product brand, +tmr (“Plus Tomorrow”), heralding in both name and reality the autonomy of our business operations.

We are also aware that the rapid expansion of our supply chain for our growing business domain means that our responsibility to create a sustainable operation is also increasing. To fulfill our aim to be a Group that is respected by generations 100 years from now, we know that to continue increasing our corporate value, it is

absolutely essential that we not just grow our business, but that we work together with our stakeholders to realize sustainability for our society and planet.

In this report, we present the FineToday Group’s approach to sustainability, share the outcomes of various related initiatives, and introduce our medium- and long-term targets in the hope that readers will gain a deeper understanding of how we will pursue sustainability-related initiatives to enhance our corporate value.

Basic concept of the Group’s Purpose-driven management

The FineToday Group’s management is rooted in our Purpose (Our reason for existence) and Values (Our ideals and principles).

Our employees in Japan and overseas formulated our Purpose and Values in FY2022 to elucidate the meaning of our slogan “bringing a fine day to everyone in the world,” which is the source of the name we adopted for the company.

The graphic on page 10 illustrates the management approach we apply to our business. With the solid foundation of our Values, we carry out our Purpose by advancing business activities and ESG initiatives that earn the trust, empathy, and inspiration of our stakeholders and by engaging with our stakeholders to bring about

behavioral change that leads to positive action for people, society, and the environment, which together will support ongoing enhancement of our corporate value.

I believe that the key to gaining stakeholder trust, empathy, and inspiration is our Group's unique "aesthetic intelligence."

Our greatest strength is our unique lineup of daily-use beauty products that express the unique sense of beauty we have cultivated by creating cosmetics and other products focused on "beauty." Our sense of beauty goes deeper than surface beauty to embrace internal and emotional values—the full richness of mind and body. Our products deliver added value through their functionality and also through our aesthetic intelligence by brightening people's moods, which is the objective of our Purpose "to enrich the lives of everyone today and for generations to come, one fine day at a time."

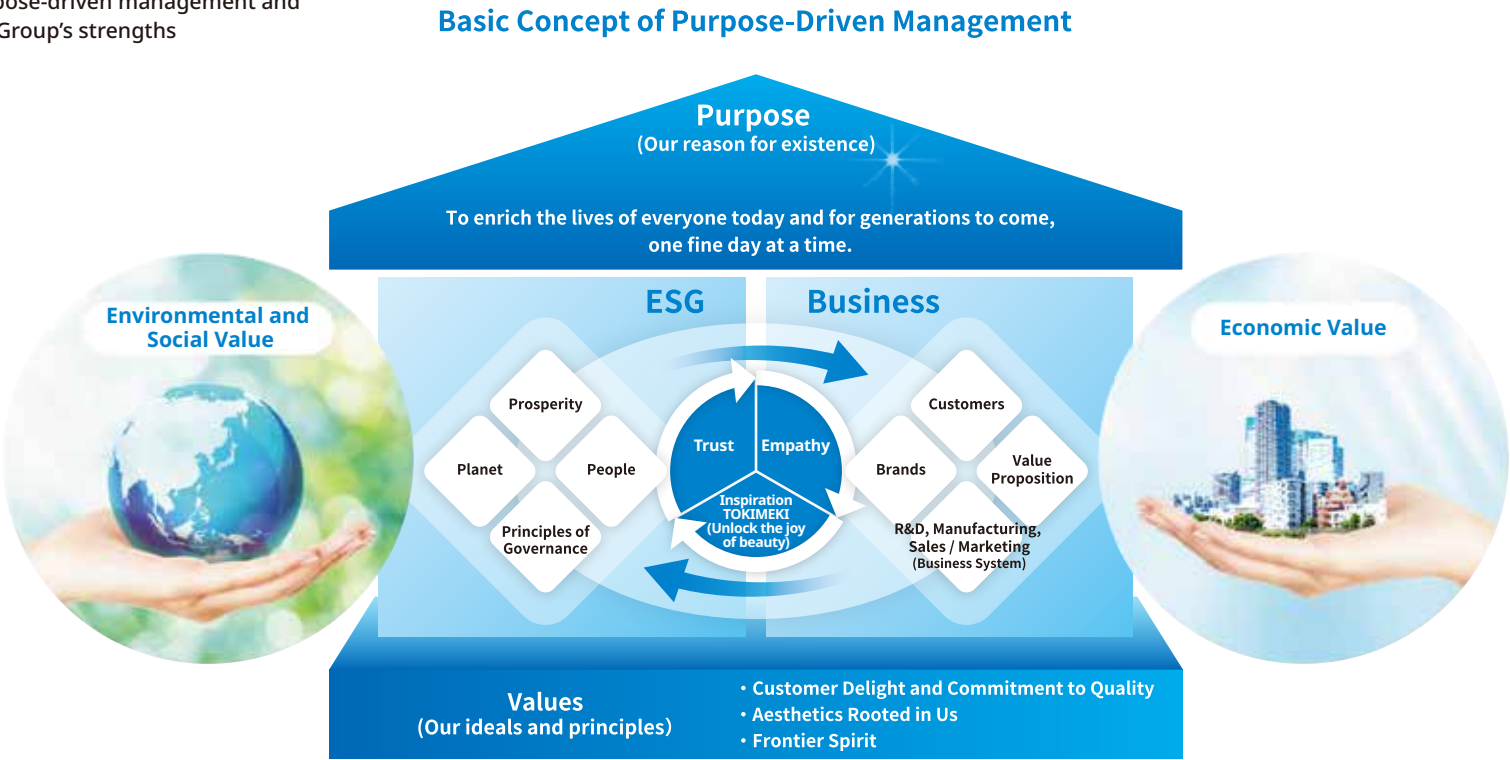
Sustainability initiatives that enhance our brand and product value

Our efforts to establish sustainability add to the aesthetic intelligence of the internal and emotional value of our brand and products. A product with the added value of contributing to the sustainability of society and the Earth can resonate with customers in the form of emotional value.

That has been our belief since the Group was founded, and it is behind our continuous efforts to strengthen our initiatives to achieve sustainability.

The roadmap for these initiatives is our medium- to long-term vision "Fine Today & Tomorrow 2030." The vision sets key performance indicators (KPIs) for sustainability in the domains we call the four "P's"—Principles of Governance, People, Planet, and Prosperity—where we are actively applying the PDCA cycle.

Purpose-driven management and the Group's strengths



In FY2022, just two years after our founding, we issued a TCFD report, calculated our greenhouse gas (GHG) emissions, and subsequently received the EcoVadis^{*1} Silver Medal as being in the top 25% of all companies rated. We continued making progress in FY2023 when we received the EcoVadis Gold Medal for being a top 5% company and obtained SBT initiative certification for our GHG reduction targets. We also conducted our own Fine Today & Tomorrow Award event to highlight the social contributions of our employees in Japan and worldwide. We are also continuing to deepen the sustainability initiatives in our business activities,

including cooperating with companies across industries for Container Round Use^{*2} and utilizing a high percentage of recycled PET plastic for our +tmr (Plus Tomorrow) brand products. For such a newly formed company, we believe we are making rapid progress expanding the scope and depth of our sustainability initiatives.

^{*1} The world's largest sustainability assessment platform with more than 100,000 companies rated across 175 countries.

^{*2} A circular system for product transport in which companies cooperate by unloading import containers and allowing other companies to reuse the containers for export, thereby eliminating shipment of empty containers and improving logistic efficiency.

The heart of our Purpose-driven management is DE&I

The FineToday Group considers Diversity, Equity, and Inclusion (DE&I) to be the engine of its management and puts DE&I at the core of all of its activities because we believe that maximizing the potential and actively engaging human resources with diverse backgrounds and values is the source for creating corporate value.

When our company was created in July 2021, we had about 300 employees. Now, we have some 2,600 employees at 20 business sites in Japan, China, and across the Asia-Pacific region. We have an exceedingly diverse group of human resources, roughly half of which are foreign nationals, with a wide variety of career experiences and personal backgrounds.

With such rich diversity, I believe it is important for us to implement glocalization in all regions by applying our Purpose following a global standard for valuing diversity and fairness combined with local activities geared to each region's specific



needs and culture. A culture that is accepting of diversity provides a foundation with a strong psychological safety and creates an environment where employees with various values feel self-motivation and satisfaction in their jobs. I believe that environment encourages the sharing of ideas and will enable us to flexibly develop products catered to local needs.

The aesthetic intelligence in the Group's products does not refer to a uniform sense of beauty. By listening to different perspectives and seeking to understand our customers' needs, I believe we can brighten the hearts of even more customers by imbuing FineToday's unique aesthetic intelligence into value-added products.

Conducting our business with full consideration for human rights is also absolutely essential, as it is fundamental to accepting diversity, gaining the trust of stakeholders, and building good relationships. For that reason, we will continue conducting human rights due diligence as well as training for harassment prevention and other programs.

Connecting sustainability measures to our efforts to establish ongoing corporate value growth

As I stated earlier, the trust, empathy, and inspiration of our customers and stakeholders for our brand, products, and the FineToday Group itself that we build through our sustainability efforts is the core of our Group's strength and the foundation for enhancing our corporate value.

The market for high value-added and high-priced products is expanding not only in Japan but in all the Asian countries and regions where we do business. At the same time, interest in sustainability is rapidly increasing. I believe these trends will present profit opportunities for the Group as we apply our unique

aesthetic intelligence coupled with our sustainability activities. I also believe these qualities will set us apart from the price competition that the mass-produced daily necessities industry is so prone to, thereby providing us with a solid foundation for continuously enhancing our corporate value into the future.

We are advancing Group sustainability initiatives to achieve the medium- and long-term objectives of the Fine Today & Tomorrow 2030 vision, including our longer aim to achieve carbon neutrality by 2050.

The current business environment is very unsettled, particularly from the unstable international situation and soaring cost of raw materials. We will remain dedicated to our Purpose, which guides our business development, as sustainability measures become increasingly critical to the sustainability of our business and our world.

Our Purpose will be the driving force for actively advancing management focused on both our business and sustainability as the Group puts forth a united effort to successfully navigate the adverse conditions and continue enhancing corporate value to be a Group respected by generations 100 years in the future.

 **Tetsuo Komori**
Representative Director, CEO
FineToday Holdings Co., Ltd.

The value FineToday Group delivers to stakeholders

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

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.

To become a presence
trusted by all of our
stakeholders.



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

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.

To respect all people
and deepen our
relationships.



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

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



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

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.

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

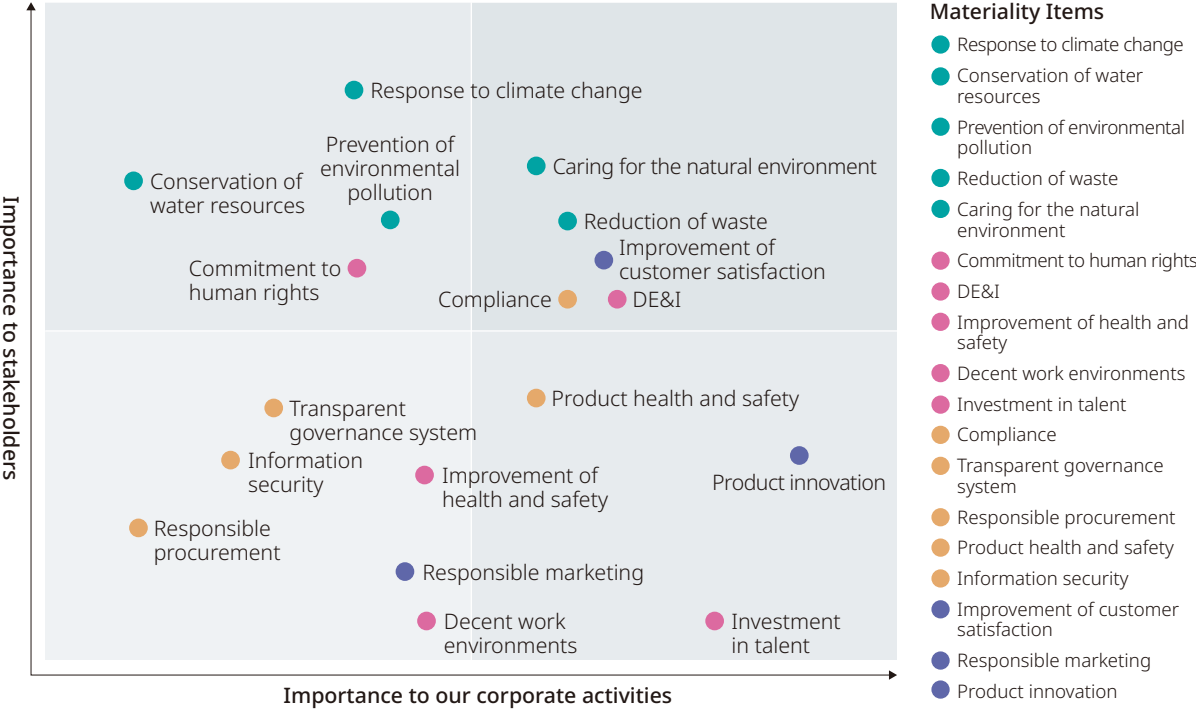
Materiality Identification Process

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

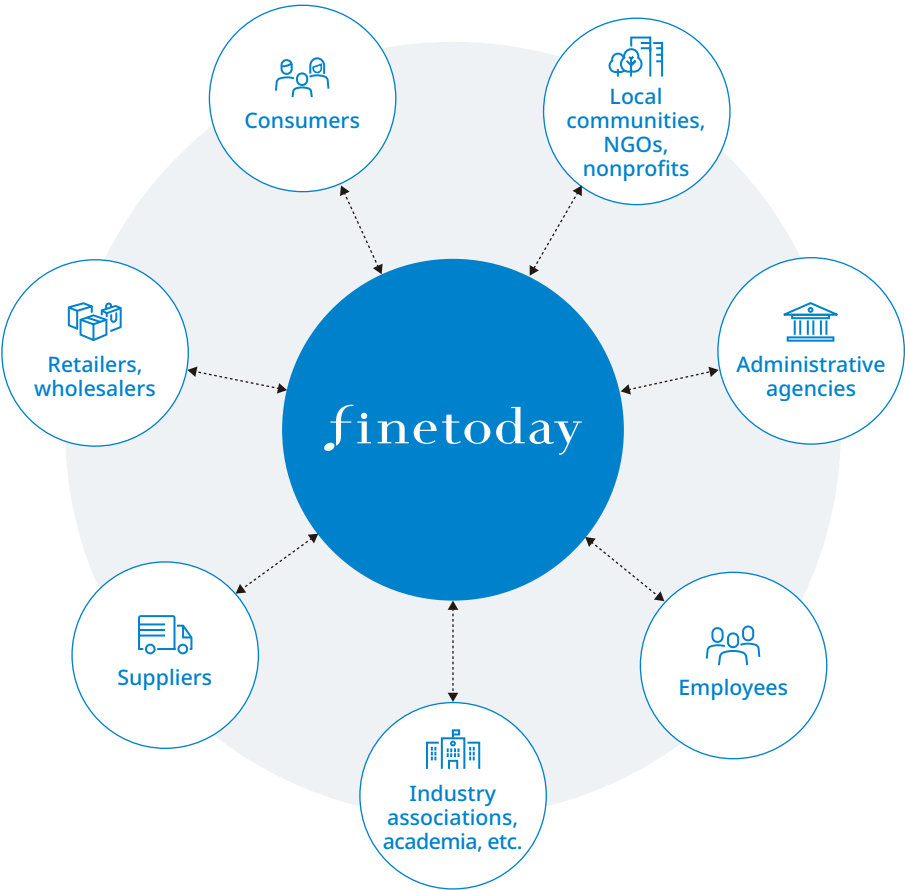
Retailers, wholesalers FineToday Group listens with sincerity to the voices of retailers and wholesalers and reflects them in product improvements, new-product development, and service improvements.

- 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> <div></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	<div></div>
	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	<div></div>
	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	<div></div>
	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)	<div></div>


* 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

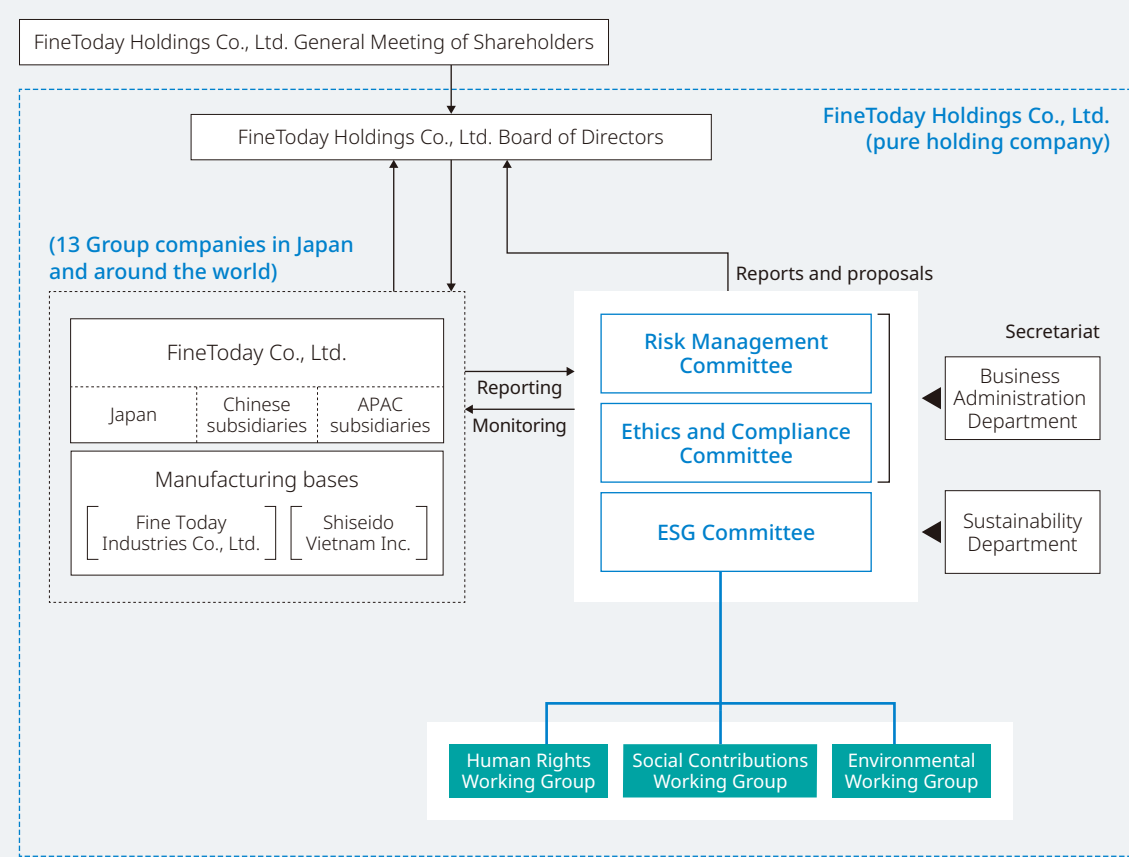
FineToday Group has established the Risk Management Committee, Ethics and Compliance Committee, and ESG Committee as the organizations responsible for sustainability activities, such as confirming and assessing risks related to the environment, society, and governance (ESG) and formulating sustainability 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 plansEmergency 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 plansReview 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 ESGCommunication and deliberation of issues related to the Group ESG

Environmental

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FineToday Group Basic Environmental Policy

FineToday Group Basic Environmental Policy

Basic Philosophy

• **Realization of a Sustainable Society**

We in the FineToday Group believe in the importance of balancing our business activities with conservation of the global environment so that we may pass on a beautiful global environment to future generations. Through our personal care products, we strive to provide people all around the world with a fine day, and at the same time, we are contributing to the realization of a sustainable society by working to protect the global environment through our business activities in order to beautify and enrich the lives of those in future generations.

• **Corporate Social Responsibility**

We in the FineToday Group recognize the social responsibility that we bear as a company, and in addition to complying with laws, regulations, and international rules aimed at conserving the global environment, providing our employees with environmental education, and collaborating with local communities, we also intend to proactively disclose information and engage in other forms of environmental communication.

Action Agenda

• **Priority Areas and Basic Approach**

- (1) Initiatives in Response to Climate Change
Through our business activities and value chain, we work to promote energy-efficiency and reduce greenhouse gas emissions, which cause climate change.
- (2) Initiatives in Biodiversity Conservation
We work to assess the impact of our business activities and value chain on biodiversity and endeavor to reduce any negative effects in order to promote sustainable use of natural capital in harmony with nature.
- (3) Sustainable Management of Water
Through our business activities and value chain, we engage in sustainable use and management of water resources, in regard to both water withdrawal and water discharge.
- (4) Initiatives in Realizing a Sound Material-Cycle Society (Circularity)
In order to promote sustainable consumption, we contribute to the realization of a circular economy through appropriately managing and efficiently utilizing resources as well as through reducing waste in our business operations, product usage, and product life cycles, including used product packaging.

- (5) Air Quality Control and Chemicals Management
We strive to reduce our environmental impact and prevent pollution by reliably managing the chemical substances used in our business activities and value chain.

• **Environmental Management System**

We in the FineToday Group have established an environmental management system and intend to work continuously to maintain and improve this system through application of the PDCA cycle.

Our responses to climate change

Basic policy

In line with our Basic Environmental Policy, the FineToday Group strives to fulfill its social responsibility to protect the environment and help realize a sustainable society.

The medium- to long-term vision Fine Today & Tomorrow 2030 identifies addressing climate change as a priority area. We are enhancing our climate-change initiatives as a management priority.

Our responses to the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)

In June 2022, FineToday announced its support for the TCFD recommendations and conducted scenario analysis to assess climate change-related risk and opportunity impact on corporate management. The analysis results and other information were published in the TCFD Report issued in March 2023.

FineToday also joined the TCFD Consortium (see p. 05) in December 2023 and continues to promote climate change measures.

Website

TCFD Report
<https://www.finetoday.com/en/sustainability/environmental/climate/>

Science-Based Targets (SBT)

FineToday is committed to reducing greenhouse gas (GHG) emissions throughout its value chain. We have set 2030 targets to reduce the company's greenhouse gas emissions*¹ compared to 2021 by 42% and our total indirect emissions*² (including the value chain) by 25%. The Science Based Targets initiative (SBTi) has validated our targets for its Business Ambition for 1.5°C.

To achieve the Fine Today & Tomorrow 2030 objectives, we will continue monitoring Scope 1, 2, and 3 GHG emissions (see p. 62) and are formulating detailed plans for reducing emissions over the medium and long term.

*1 Direct emissions (Scope 1) from the company's own fuel use and industrial processes and indirect emissions (Scope 2) from electricity and heating purchased by the company

*2 Other indirect emissions (Scope 3) from business activities and the value chain

Environmental initiatives at the Vietnam Factory

The Vietnam Factory, which joined the FineToday Group in December 2023, has installed a Central Energy Monitoring System. The system, which was brought over from Japan, provides visualization of the factory's energy usage and enables meticulous monitoring and control for minimizing energy consumption.

Solar power generation equipment has also been installed on the premises and buildings to incorporate renewable energy sources.

We will continue examining and advancing environmental measures, such as ISO 14001-based initiatives, to lower the factory's power consumption and transition further to renewable energy sources.

Our responses to climate change

— Priority items

Risk

	Item	Overview	Financial Impact*1			Timeframe*2		
			Sales Item	Expense Item	Investment Item	Short-term	Mid-term	Long-term
Physical Risk	Large Typhoon, Heavy Rain, Flood	Delay of transportation caused by supply chain segmentation, loss of sales opportunities, and loss of assets due to the product damage at logistics bases	Medium	High		○	○	○
	Rising Mean Temperature	Decrease in demand for autumn and winter products	Medium				○	○
Transition Risk	Carbon Tax	Increase in transportation costs		Low - Medium			○	○
	National Climate Change Policy	Reducing carbon emissions in logistics, rising production costs, and increased cost due to decarbonization measures		Low - Medium			○	○
	Shift in Consumer Purchasing Towards Low Carbon Products	Costs increase due to the use of alternative raw materials and promotion of low carbonization of product lifecycle			Medium		○	○

*1 FineToday assesses the financial impact by sales, expenses, and investment items based on the annual profits and expenses using the criteria of “High,” “Medium,” and “Low.”

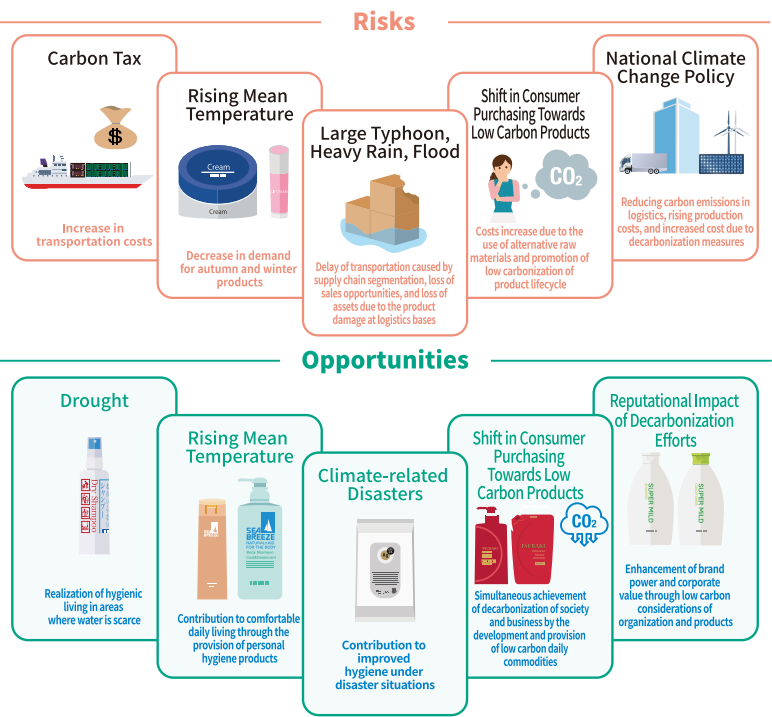
*2 FineToday specifies the timeframe as shown on the right. Short-term: 2022-2023 (The time of assessment) Mid-term: Around 2030 Long-term: Around 2050

Opportunity

	Item	Overview	Financial Impact*1			Timeframe*2		
			Sales Item	Expense Item	Investment Item	Short-term	Mid-term	Long-term
Physical Risk	Climate-related Disasters	Provision of products that can be used during disasters	Low - Medium	High				○
	Drought	Increased demand for products that do not require water	Low - Medium					○
	Rising Mean Temperature	Increased demand for personal hygiene products	Low - Medium				○	○
Transition Risk	Shift in Consumer Purchasing Towards Low Carbon Products	Increased sales resulting from the provision of low carbon products	Medium	Low - Medium				○
	Reputational Impact of Decarbonization Efforts	Enhancement of brand power and corporate value through low carbon considerations of organization and products		Low - Medium			○	○

Our responses to climate change

Strategic thinking on climate change



FineToday collected and quantitatively assessed information on climate-related risks and opportunities. As a result, it has become clear that the physical risks of climate change associated with the increase of extreme weather events, such as large typhoons, heavy rain, and flood, are inevitable. However, overall trends have emerged indicating that climate change is not always necessarily negative for FineToday products.

Based on the scenario in which the average temperature will increase 1.5 or 2 °C globally in the long term, we believe that it will become more important to promote the development of low carbon products along with the reduction of company-wide greenhouse gas emissions. In addition, we recognize that the importance of developing products that are helpful for people living under extreme weather conditions will increase based on the scenario in which average temperature will increase 4 °C.

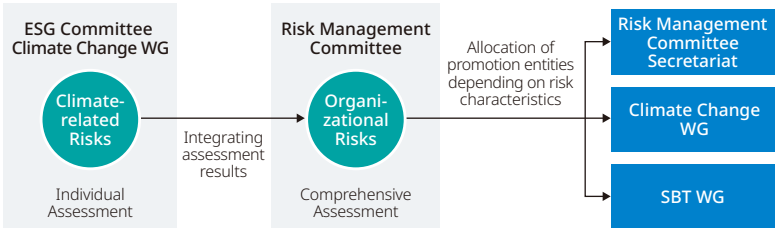
Climate-related risks management

The Risk Management Committee and the ESG Committee's Climate Change Working Group (WG) and SBT WG have been leading measures addressing the five climate-related risks.

The only acute physical risk that was assessed as “short-term” and “high” is “large typhoon, heavy rain, flood.” Current measures are under way to separate our logistics warehouses into eastern and western regions and increase inventory levels. The Risk Management Committee is now in charge of addressing natural disaster risk in addition to leading our risk response for “rising mean temperature,” “shift in consumer purchasing towards low carbon products,” “carbon tax,” and “national climate change policy.”

We will continue advancing activities to bolster our resilience to climate-related risks and disclose relevant information in accordance with the TCFD recommendations.

– Responses to climate-related risks in which the Risk Management Committee plays a central role



(As of September 2023)

Action towards a sound material-cycle society (circularity)

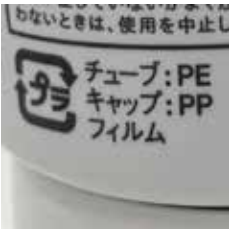
Basic policy

The FineToday Group has established the FineToday Group Basic Environmental Policy to contribute to a sustainable society. Together with climate change, realizing a sound material-cycle society (circularity) is an important topic of FineToday's management. In accordance with the medium- to long-term vision Fine Today & Tomorrow 2030, the Group focuses on efficient use of resources and recycling.

Container and packaging initiatives

Pursuant to the Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging, FineToday calculates annually the volumes of materials used in containers and packaging and sends materials to recycling operators as specified in the act. In addition, products provide information on the resources used in their packages to encourage recycling.

Reference p. 26 Focus 1:
Development of environmentally friendly products



Initiatives for promotional materials

FineToday uses various promotional tools to support product sales by retailers. These promotional materials play important roles displaying products and communicating product information and product visions to customers on the sales floor.

Most promotional materials are disposed of after use, and some are disposed of without being used as planned. FineToday actively strives to reduce wastes of promotional materials and change the materials to be more environmentally friendly.

Reducing wastes of promotional materials

FineToday is committed to reducing the amount of waste generated from promotional and other materials.

- **Activities to put unneeded materials to prompt disposal**

For several years, FineToday has addressed the issue of inventories of promotional materials remaining unused over the long term by separating materials into those actively used and those not used as planned. Unused materials are disposed of through systematic monthly waste processing. This has helped to reduce inventories of promotional materials remaining unused over the long term and to cut wastes of promotional materials as a whole.

- **Ordering promotional materials more efficiently**

By nature, the volumes of promotional materials needed are not necessarily clear in advance. This can cause gaps between volumes of promotional materials produced and those actually used. In response, FineToday changed how Sales and Marketing cooperate, adopting a structure under which Sales, with their wealth of retail knowledge, decide on volumes of promotional materials. This helps to reduce waste by using promotional materials more efficiently.

- **More efficient deliveries of promotional materials**

We are taking steps to decrease truck usage by improving the distribution efficiency of promotional materials. Like other companies in the industry, FineToday had delivered promotional materials to stores independently, but since June 2019 deliveries to the same stores on the same day have been made jointly with Lion Corporation and Unicharm Corporation, in the same packages. In addition to saving on packaging materials, this helps to reduce CO₂ emissions from logistics.



Cardboard box containing promotional materials for the three companies

Note: Measures prior to July 2021 are listed under Shiseido Co., Ltd. personal care business.

Focus
1

Development of environmentally friendly products

Birth of a new haircare brand that contributes to “enriching everyday life”

Bottle made of 66% recycled PET

Creating environmentally friendly, sustainable products

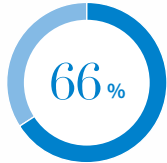
The FineToday Group seeks to minimize the environmental impact of all of its lifestyle products as part of its effort to contribute to a sustainable society. For our haircare and other products, we seek to reduce energy consumption and waste generation in the production processes, use environmentally friendly containers and packaging, and seek to minimize plastic usage.

Our new +tmr (Plus Tomorrow) haircare brand features bottles made with 66% recycled PET materials, excluding the pump. The packaging of our refillable products is 44% plant-based plastic and 7% recycled PET, and is

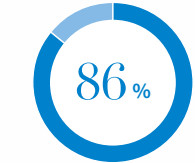
printed with biomass ink. The refillable products we offer enable consumers to reuse the product bottles, which reduces plastic waste by 86% compared to acquiring new bottles.

After the limited pre-sale campaign, the +tmr brand immediately attracted strong demand for meeting consumer beauty trends and modern sensibilities. We are accelerating development of products offering both high functionality and low environmental impact as we continue to work with our customers to create a recycling-oriented society.

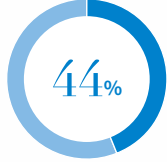
Recycled PET in bottle



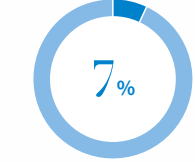
Plastic waste reduction from using refillable packaging



Plant-derived plastic in refill package



Recycled PET in refill package



The new haircare brand +tmr (Plus Tomorrow)

In February 2024, we launched nationwide sales of +tmr, the FineToday Group's first original haircare brand. Following the concept of “good hair makes a fine today, and tomorrow,” the brand is presented as providing “essential care” with a focus on enriching the protein content in hair. The +tmr formula delivers protein to the hair shaft and amino acids to repair cavities in damaged hair without using silicone, sulfate*, paraben, ethanol, mineral oil, or colorants.

* The shampoo formula contains no silicone or sulfate.

Comment from the manager



Meiko Horiuchi
+tmr Brand Manager
Marketing Strategy & Development Division

Our aim is to deliver value beyond quality and functionality to enrich daily lives

The brand name +tmr represents not just a “fine today” but also our desire to join with consumers to build a “better tomorrow.” We were looking to go beyond providing quality and functionality by also offering a product with a rich and full texture and fragrance. The package design was created to give a sense of iridescent clouds, which are said to bring good fortune to people who see them. When a person washes their hair, we want +tmr to provide a positive feeling for now and a sense of hope for the future.

FineToday Industries Environmental Initiatives

The FineToday Group’s manufacturing company Fine Today Industries (FTI) is committed to reducing the environmental impact of production processes as part of its responsibility as a member of the local community.



Futa 21 hybrid wind- and solar-powered street lighting, a symbol of FTI’s environmental initiatives (installed in December 2010)

Environmental management

Continual improvements to environmental activities based on ISO 14001

In 1997, when it was operating as the Kuki Factory of Shiseido Co., Ltd., FTI was the first facility in the cosmetics industry in Japan to earn ISO 14001 certification. By running through a plan-do-check-act (PDCA) cycle based on ISO 14001, it strives to enhance its environmental management structure and continually reduce its environmental impact.

It continues to maintain ISO 14001 certification through annual regular maintenance review and update review every three years, both conducted by external agencies.

Compliance with environmental laws and regulations through a periodic checking structure

The manufacturing sections, whose activities involve larger environmental impacts, play leading roles in assessment of compliance with environmental laws, regulations, etc., based on ISO 14001, to ensure thorough compliance.

Promoting education and training to raise employees’ environmental consciousness

FTI provides a wide range of environmental education and training for employees. By raising the environmental awareness of each and every employee involved in diverse activities in each section, it aims to lessen its environmental impact while also maintaining and building positive relations with the local community.

Main education and training topics at FTI

- Sharing results and plans for environmental management, including protection of energy sources and responding to climate change
- Requests for cooperation in waste segregation, energy conservation, and paperless operations
- Raising awareness of measures to prevent outflows of raw materials and chemicals off site
- Requests for cooperation in refraining from idling vehicle engines

Lessening environmental impact

Reducing CO₂ emissions through systematic environmental investment

FineToday Group’s medium-to-long-term vision Fine Today & Tomorrow 2030 identifies the “Planet” as one important pillar of the Group’s activities. FTI too is striving to reduce CO₂ emissions through systematic investment.

Upgrading cogeneration systems

In 2012, FTI upgraded the gas-turbine generator system it had adopted in 2001 to a power-generation system based on two gas-engine generators. Waste heat generated by this system is used to produce hot water and steam for use in manufacturing areas. Stable operation of this generation system also supports manufacturing with little energy loss. It also supplies about 900 kW of electricity and makes it possible to secure power supplies even in the event of lengthy power failures or rolling blackouts due to natural disasters or other causes.

Capital investment and measures to reduce CO₂

2012	<ul style="list-style-type: none">• Upgrading from absorption chillers to heat-pump chillers• Upgrading cogeneration systems (two gas-engine systems)
2015	<ul style="list-style-type: none">• Upgrading brine chillers• Changing method of connecting fluid supplies from semifinished-product tanks to filling lines (reducing CO₂ emissions by using less hot water, through switching from automated pipe connectors to a process under which workers connect fluid supply hoses manually)
2016	<ul style="list-style-type: none">• Upgrading the electrical substation for factory building no. 4 from standard oil-immersed transformers to super-high-efficiency oil-immersed transformers (three units)
2017	<ul style="list-style-type: none">• Upgrading the production chillers in factory building no. 4 and switching to LED lighting in the building
2018	<ul style="list-style-type: none">• Promoting use of LED lighting
2019	<ul style="list-style-type: none">• Switching some electricity used to hydroelectric power (3,455 MW)
2022	<ul style="list-style-type: none">• Switching all electricity used to hydroelectric power (target power: 9,799 MW)• Use of carbon-offset credits (J-Credits) (purchase of CO₂ emissions credits)• Upgrading the electrical substation for factory building no. 5 to ultra-high-efficiency transformers• Upgrading the energy building’s compressor to an inverter-controlled compressor (one unit)
2023	<ul style="list-style-type: none">• Updated the air conditioner systems in the filling and finishing rooms on the first floor of factory building no. 3

Note: Measures prior to July 2021 are listed under Shiseido Co., Ltd. personal care business.

Focusing on waste reduction and appropriate control of chemical substances

Together with advancing efforts to reduce wastes generated in manufacturing processes and the employee dining hall, FTI also properly controls harmful chemical substances used in its operations. It also carries out periodic environmental surveys in accordance with laws, regulations, etc., to prevent soil pollution and air and water pollution.

Waste reduction

Each type of waste is treated in accordance with applicable environmental work procedures.

- Various shredders and compactors have been adopted in the Recycling Center on site, where some wastes are compacted and reduced for recycling as valuable resources.
- FTI has adopted drum washers to wash the insides of polymer drums and composite packaging, previously disposed of as waste, so they can be recycled as valuable resources.
- Food waste, produced mainly in the employee dining hall, is reduced through biotreatment in food-waste disposal equipment.

Control of hazardous wastes

- Waste batteries are disposed of properly by industrial waste processing vendors.
- Ex.: Primary batteries (alkaline and manganese batteries) are disposed of properly through a process of segregation and nonferrous smelting (zinc recovery)

Control of substances subject to the PRTR Act

- Pursuant to the Act on the Assessment of Releases of Specified Chemical Substances in the Environment and the Promotion of Management Improvement (PRTR Act), the names and quantities handled of specified chemical substances produced or used are reported to the Atmospheric Environment Department of the Saitama Prefecture Environment Bureau in June of each year.

Prevention of soil pollution

- A review conducted in FY2021 showed that soil pollution levels conformed to reference values. FTI renovates facilities such as the interior and exterior drainpipes of individual buildings and underground piping on the factory site in a timely manner.

Prevention of air and water pollution

- FTI has adopted equipment and technologies to reduce atmospheric pollutants such as NOx and SOx and organic substances included in wastewater generated in manufacturing processes to within the reference values stipulated by laws and regulations and values agreed to with local governments. It measures NOx concentrations twice a year and soot and dust concentrations once every five years.
- FTI processes manufacturing wastewater through activated-sludge treatment in its wastewater treatment facilities, releasing it into the sewer system only after first treating it to conform to values specified by laws and regulations.

Prevention of noise pollution

- FTI thoroughly prohibits idling by delivery trucks and employees' personal vehicles on site.
- It measures noise levels on site boundary lines once a year. These measurements showed that reference levels continued to be satisfied in FY2023.



Horizontal recycling of release paper

FTI implements extensive measures to use resources efficiently and to reduce waste. One of our environmental initiatives is working with companies to create systems for recycling the release paper for point-of-purchase (POP) labels (stickers).

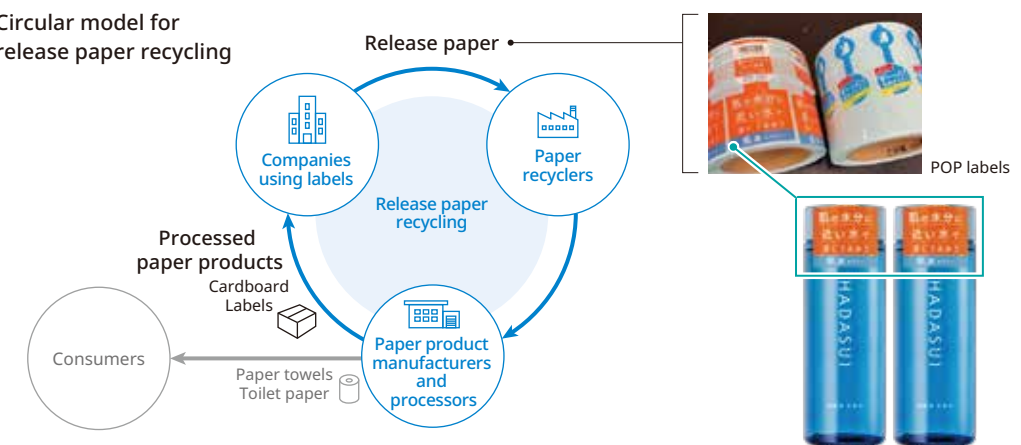
FTI had been paying the processing fees for release paper remaining after the client manufacturing processes and contracted collection of the paper as industrial waste (waste plastic). The release paper was then recycled as RPF (Refuse Paper & Plastic Fuel) by compressing the waste paper and plastic into fuel pellets for industrial use. RPF combustion produces 33% less CO₂ emissions than coal.

In June 2024, we began using the Japan Earth Conscious Labeling Association's (J-ECOL) circular-use model to recycle release paper into other paper products. The high-quality pulp used to produce

release paper makes it an ideal resource for paper manufacturing, but the resource has been largely untapped due to the lack of collection infrastructure. J-ECOL created a complete recycling structure in which its association member and partner companies collect and recycle the release paper into resources that paper product manufacturers and processing companies then recycle into cardboard, paper towels, and other products. FTI's initiative to shift from using recycled release paper as industrial waste mainly for RPF to using it as a resource for horizontal recycling back into paper products has not only lowered its disposal expenses but also reduced the amount of industrial waste it produces each year by close to 20 tons.

The FineToday Group is working to reduce the use of POP labels and to further reduce environmental impact.

Circular model for release paper recycling



Social

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- 51 Engagement with suppliers to promote sustainable and responsible procurement
- 53 Community collaboration

Quality assurance

Basic policy

The FineToday Group has established the FineToday Group Quality Assurance Principle, based on its Purpose and Values. This principle identifies the attitude and responsibilities for quality assurance in all stages from product design, research and development, manufacturing, distribution/logistics, and customer use.

The FineToday Group’s quality assurance values

Customer Delight and Commitment to Quality

- We strive to delight our customers, providing exceptional products and services tailored to their daily lives.
- We work together as one united and agile team to anticipate and meet our customers’ true needs wherever they are.

Quality management system

The FineToday Group is developing its own quality management system (QMS) to deliver products that will satisfy customers and earn their trust. The QMS will be utilized in governance based on objective decision-making following management review in the near future.

Quality control at Fine Today Industries

Fine Today Industries, which handles the Group’s manufacturing functions, strives to produce quality products by complying with Good Manufacturing Practice (GMP).
In addition to multiple inspections during manufacturing processes and testing using precision instruments, its highly experienced staff also assess products through sensory analysis. The plant interior is zoned by sanitation management level, strictly restricting the apparel that may be worn in and articles that may be brought in to each zone.



Product safety education and training

FineToday raises awareness of product safety by sharing information concerning daily customer service with management and related sections.
In addition, as a marketing authorization holder, FineToday establishes rules and procedures for quality assurance and safety management, and carries out education and training based on them to fulfill its responsibilities.

Responding to quality issues and product incidents

Any quality issues and incidents concerning FineToday Group products need to be responded to swiftly. The Group responds appropriately based on rules, procedures, and related manuals.

Focus 2

R&D in FineToday Group

Developing an R&D structure to meet glocal needs

Toward realizing a development structure as a glocal enterprise

Aiming to be a role model for a glocal enterprise in Asia, FineToday Group is making progress on development of an integrated business system covering activities from development of new technologies, products, and brands through manufacturing and sales. The aim is to continue supplying products and services to meet the diverse needs of consumers in the areas where it does business.

Since FY2021, FineToday's R&D Division has played a central role in building an R&D

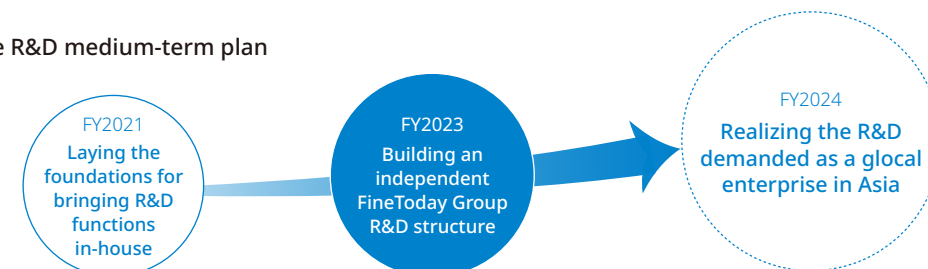
structure as part of these efforts. This division has formulated a three-year medium-term plan under which it aims to realize the R&D needed of a glocal enterprise in Asia, by FY2024, through systematic progress in areas such as enhancement of human resources and organizational reforms. In this way, FineToday Group is taking on the challenge of growing to be a business group that will earn the support of even more consumers in the personal care field.

Overview of and progress on midterm plans

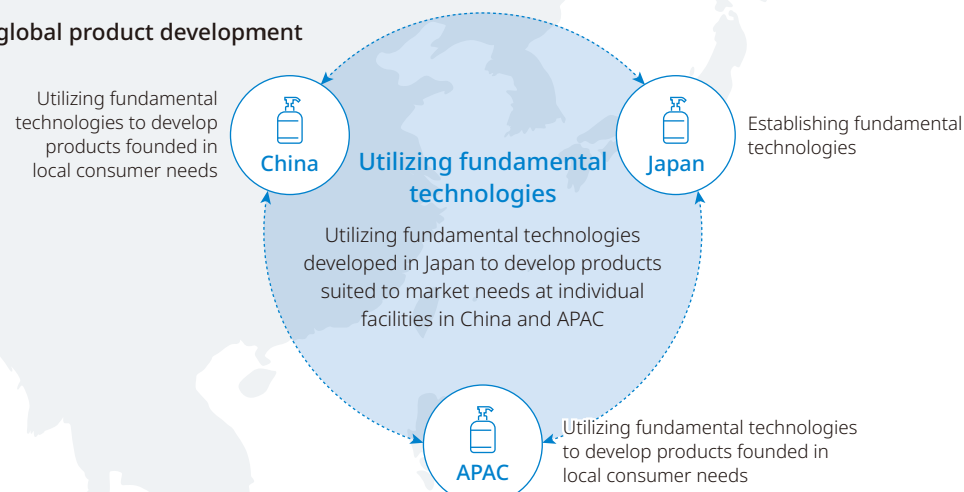
At least 60% of FineToday Group's sales come from the overseas markets of China and APAC. Currently, Group products consist of brands developed in the Japan market adjusted for overseas markets. In the future, however, the Group will aim to develop products and services better suited to consumers through thoroughly identifying and analyzing consumer needs in each country and region. The Group has identified as an important future goal the development of a structure under which facilities outside of Japan individually collect information on market needs and work together with the R&D Division in Japan to develop and supply unique products and services for each country and region.

The R&D Division's midterm plan identifies the themes of initiatives for each fiscal year based on this goal. In this way, the Group will move forward steadily on improving its R&D structure to meet glocal needs. FineToday Group has laid the foundations for building such an R&D structure in FY2022-2023, which it has identified as the period in which the Group will establish this structure. The Group has made enhancements to its people in charge of R&D, pharmaceutical affairs, quality assurance, technology, and intellectual property. It also is making progress in areas such as development of organizational structures and information systems in addition to securing the permits needed.

Topics of the R&D medium-term plan



— Future global product development



Developing brand value and advancing Basic and Fundamental Research

To promote the medium-term plan in R&D, FineToday Group's R&D focuses on the central themes of Brand Value Development and Basic and Fundamental Research for future solutions. Brand value development aims to establish technologies to deliver to consumers FineToday Group's unique brand value, which has earned the trust of personal care markets, while valuing the brand value technologies inherited from Shiseido Co., Ltd.

In addition to product quality, safety, and features, the Group strives to generate sensual value through which consumers truly can experience the brand value of the products they use. For this reason, it is focusing on research

and development and enhancement of expertise to communicate this sensual value to consumers.

At the same time, it is vital to carry out Basic and Fundamental Research over the medium to long term to continue developing new products. In the cosmetics and pharmaceuticals industry in particular, which includes the personal care field, not a few companies leverage their own proprietary core technologies to develop products with competitive advantages. FineToday Group too will aim to develop technologies to contribute to further growth in China and APAC while enhancing the Group's resources such as its people and facilities.

Leveraging Group resources toward further growth

Currently, the R&D Division's staff includes researchers with backgrounds in various organizations, including raw-material producers as well as cosmetics manufacturers. This stimulating environment of interaction among people with such diverse backgrounds serves as an important strength in advancing development of products and services.

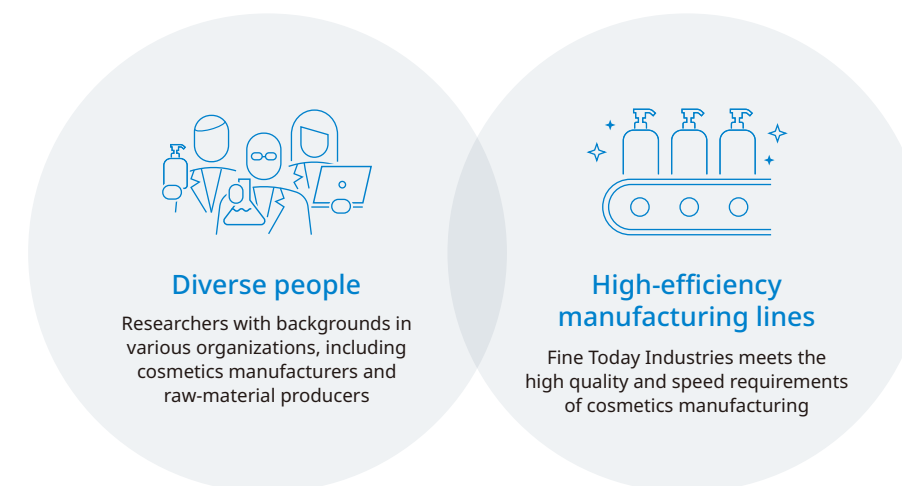
Fine Today Industries, which joined the Group in April 2023, satisfies the high quality and manufacturing-speed demands of cosmetics. It is capable of timely introduction of

products that reflect Basic and Fundamental Research and new ideas.

FineToday Group will strengthen collaboration and leverage its strengths to the maximum in accelerating innovation for growth and delivering value to consumers.



— The Group's strengths serving as the bases for delivering value



Giving consumers information they need

Basic policy

In accordance with FineToday's Purpose and Values, and with the FineToday Group Code of Conduct and Ethics (see p. 58), advertising, labeling, promotion, and other activities for FineToday Group products comply with applicable laws and regulations. All products sold to consumers are labeled accurately and advertised and promoted responsibly.

FineToday has established a quality control structure for product labeling to ensure that labeling conforms to applicable laws and regulations and is easy for consumers to read and understand. Staff devoted to checking the content of labeling and advertising participate in training programs led by regulators and in various seminars to be able to judge the quality of labeling in light of the latest legal interpretations and regulatory and societal trends. FineToday also discusses related matters with outside experts and consults with regulators as appropriate, striving to maintain and improve specialized abilities in this area.

Advertising initiatives

FineToday Group has established in-house rules calling for communication in line with the standards for appropriate advertising of medicinal and similar products, the fair competition code, and guidelines for cosmetics advertising from associations

including the Japan Advertising Agencies Association, and Word of Mouth Marketing Association of Japan.

Closed captioning TV commercials

Closed captioning of TV commercials helps to communicate information to a wider range of viewers, including those with special hearing needs. The Japan Commercial Broadcasters Association's closed-captioning initiatives previously accepted closed-captioned TV commercials in only network and local broadcast time slots, but since October 2022 broadcasters have accepted closed-captioned TV commercials in all time slots.

In response, all of FineToday's TV commercials have been closed captioned since the new commercials for the haircare brand Tsubaki first aired on October 14, 2022.

Website

Closed-captioned TV commercials launched
<https://www.finetoday.com/jp/news/newsrelease/20221013/> (Japanese only)

Information on websites

FineToday Group communicates information on products and services via a wide range of media, including not only advertising but also owned media such as brand sites and official social media accounts as well as external media.

The official FineToday website introduced a Consumer Support page in June 2023. This page features frequently asked questions

and answers (FAQs) on each brand and product as well as information on contacting FineToday by Toll-free calls, email, online chat, and social media.

Website

Consumer Support
<https://support.finetoday.com/hc/ja> (Japanese only)

Package initiatives

FineToday's in-house manual on legal requirements for product packaging ensures our products present information in full compliance with laws, regulations, and guidelines so consumers have a clear understanding of our products.

Labeling in the languages of the countries and regions where products are sold

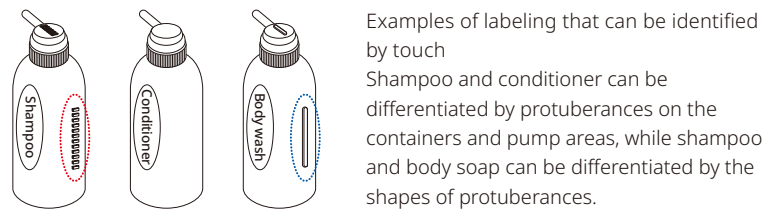
Information on subjects such as how to use products and their ingredients is labeled in local languages. FineToday strives to communicate the information consumers need in accordance with the laws and regulations of the countries and regions where products are sold.

Giving consumers information they need

Universal design

FineToday is promoting universal design of product packages based on Japan Cosmetic Industry Association guidelines and Japan Industrial Standards (JIS).

For example, containers of shampoo, conditioner, and body wash, which often come in similar containers and are used together in baths and bathrooms, feature labeling that can be identified by touch so that consumers with visual disabilities can use them with peace of mind. Products for China & APAC markets have similar labeling.



To reflect the Voice of Consumer in our products and services

The FineToday Consumer Support Desk were set up in June 2023 with the motto “Making Every Day a Fine Day by Listening and Responding to the Voice of Consumer.” The desk responds to questions and comments from consumers by toll-free calls, email, online chat, and social media. The desk shares the Voice of Consumer (VOC) feedback it receives with management and

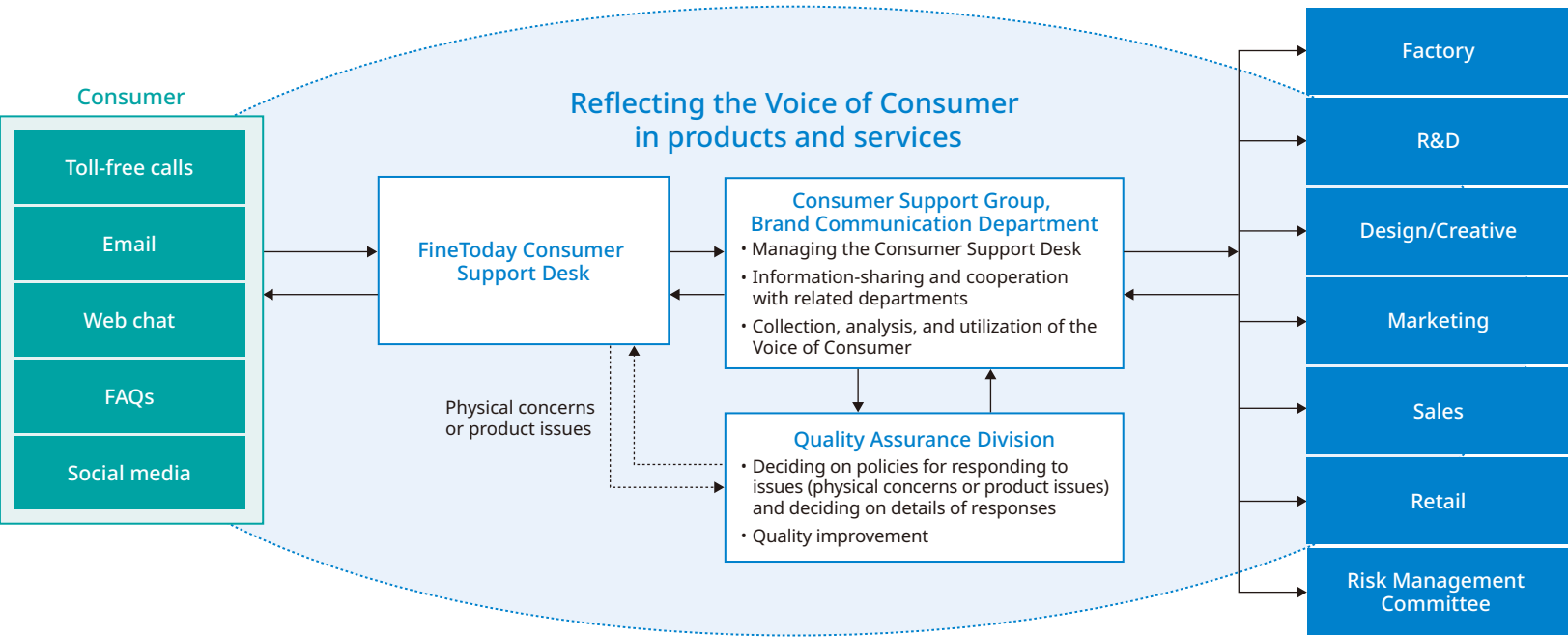
related departments on a daily basis, which helps us to continue improving our products and services.

The introduction of the Consumer Support page to our corporate website led to a year-on-year increase in VOC feedback in FY2023. As in the previous year, about 90% of consumer feedback was about how to use or where to buy a product. The remaining 10% comprised comments indicating dissatisfaction due

to a product being defective or out of stock, requests for a product to be reissued, and compliments about a product’s effectiveness.

We endeavor to promptly and diligently respond to consumer feedback and will continue seeking to provide an environment that makes it easy for customers to contact us with questions and comments about our products.

— To reflect the Voice of Consumer in our products and services (as of April 2024)



Giving consumers information they need

Education and training on advertising and labeling

FineToday's risk management training for all employees other than temporary employees and contractors covers expressions used in advertising and labeling. Training topics in FY2022 and FY2023 included gender expressions and appropriate expressions from the perspectives of ethics or consideration (see p. 57).

We also make every effort to provide consumers with all appropriate information. We held multiple study sessions attended by some 50 brand representatives following the tightened regulations on new types of misrepresentations, such as so-called stealth marketing, outlined in the October 2023 amendment to the Act on Unjustifiable Premiums and Misleading Representations. The legal sections held seminars on trademarks where they provided an overview of the trademark protection system and shared knowledge about the proper use of trademarks. We also conducted training sessions on advertising regulations based on the Act on Securing Quality, Efficacy and Safety of Products including Pharmaceuticals and Medical Devices. Aimed at marketing staff, the sessions seek to prevent false, exaggerated, or unlawful advertising through a careful examination of the law details and specific examples of law violations.

— Education and training plans for FY2023 and beyond (topics)

- Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices
- Act against Unjustifiable Premiums and Misleading Representations
- Voluntary codes of industry associations (guidelines on appropriate advertising of cosmetics and similar products), etc.

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

Hiring, promotion, diversity, equity, and inclusion

Basic policy

To enrich the lives of everyone today and for generations to come, one fine day at a time, FineToday Group considers diversity, equity, and inclusion (DE&I) to be fundamental to all of its activities. The FineToday Group Code of Conduct and Ethics (see p. 58) strictly prohibits and calls for zero tolerance of various types of discrimination, mistreatment, and mental harassment based on considerations such as race, skin color, gender, age, language, wealth, nationality, country of origin, religion, ethnicity, social background, political views, disability, health status, and sexual orientation.

The Group currently operates facilities in Japan, China, and the Asia-Pacific region (APAC). The workforce is becoming increasingly diverse as roughly 60% of its employees work outside of Japan. FineToday actively hires new graduates and mid-career hires, believing that collaboration among diverse employees leads to creation of new value. Recognizing DE&I as an important component of sustained growth, the Group has identified it as one of its materiality items.

Hiring

FineToday Group believes that employment of people with diverse values, backgrounds, and skills generates innovation that will contribute to sustainable growth in the Group and society. For this reason, it has identified fair hiring with respect for individual diversity as a basic policy of employment.

In employee selection, it eliminates from consideration factors unrelated to job ability. People involved in hiring undergo training to ensure compliance with this principle.

Multinational Recruitment

Group companies in Japan, China and APAC regions actively hire people with diverse national and cultural backgrounds. Multinational recruitment conforms to immigration regulations on visa status and other matters.

Employment of people with disabilities

As advocated in the medium- to long-term vision “Fine Today & Tomorrow 2030,” in its diversity, equity, and inclusion initiatives FineToday Group focuses in particular on inclusion of its diverse workforce. As part of these efforts, it strives to employ and empower people with disabilities. It hires people with strengths that differ by individual and creates opportunities for them to thrive based on their own specialties and job aptitudes.

In January 2022 it hired a qualified massage therapist who has a visual impairment, tasked with conceptual and systematic preparations for opening an in-house massage center and operating the center after it opened.

Since August 2022, FineToday has employed two para-athletes active on the international stage. It actively creates opportunities for these athletes, who usually train for competitions on their own, to connect with other employees so that they can devote themselves to competition with a true feel for how their activities inspire employees.

Hiring, promotion, diversity, equity, and inclusion

Reemployment of retirees

Group companies in Japan are leveraging the talents of highly experienced senior employees by adopting programs to provide job opportunities to motivated employees who have retired at the mandatory retirement age of 60 years.

Employment of contracted employees with fixed periods and temporary employees

Group companies in Japan employ contracted employees with fixed terms and temporary employees as well as permanent, full-time employees. We conclude appropriate employment agreements with such employees and provide appropriate management and compensation in line with laws and regulations. We also offer the opportunity for contracted employees with fixed periods whose total contract terms exceed five years to switch to contracts with no fixed periods.

Evaluation and compensation

The FineToday Group Code of Conduct and Ethics (see p. 58) calls for the Group to evaluate people fairly. Under the Approach to Evaluations and Compensation based on this Code, the Group strives to ensure fairness and equity in areas such as evaluation and compensation of employees.

Approach to evaluations and compensation

- Employees will be treated fairly both inside and outside the Company, and systems will be employed that are designed to secure employees' understanding.
- Employee evaluations will be highly transparent and based on objective facts, free from prejudice and overreliance on first impressions.
- Evaluations will be based on management by objectives (performance) and competency (actions)
- Standards for evaluation, promotion, etc. will be disclosed to employees, and employees will be given feedback on the results of evaluations.
- Support and guidance for employee development will be provided through regular communication in addition to evaluation interviews held at least once a year.

Remuneration levels and systems

In addition to complying with rules such as minimum wages and working hours designated under laws and regulations, FineToday Group takes care to maintain remuneration levels and systems that are competitive in the labor markets of individual countries and regions. Decisions on remuneration amounts reflect wage statistics from government agencies and other sources as well as remuneration data from external research institutions and are reviewed regularly.

FineToday Group also maintains diverse remuneration systems that reflect roles, duties, and results, striving to eliminate seniority factors. Base salaries reflect individual roles and duties, and calculations are free from discrimination by gender or other considerations. The Group provides information on salaries, bonuses, evaluations, promotions, and other aspects of the system on the intranet.

In accordance with the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, FineToday complies with legal minimum wage and applies identical remuneration systems to identical levels of qualifications and duties (equal pay for equal work).

Consideration in job transfers

FineToday's labor agreement calls for negotiation and decision-making in good faith by the employer and the labor union when opening or relocation of business sites involves job transfers that could have a major impact on employees' lives.

Hiring, promotion, diversity, equity, and inclusion

Empowering diverse employees

FineToday Group's people are diverse in terms of age, nationality, and other factors. The Group strives to improve workplaces and enhance various support programs so that employees can leverage their individual strengths to demonstrate their abilities to the fullest.

Currently, the Group is focusing on empowering women employees, targeting a percentage of 40% of Group managerial personnel being women by FY2030. It also is raising LGBTQ+ awareness to enable all employees to be themselves free from discrimination or harassment based on sexual identity or orientation.

FineToday has introduced an employee referral program through which employees can recommend their friends and acquaintances for employment, to lessen gaps between job expectations before and actual working conditions after hiring and to promote hiring and empowerment of diverse people. Under certain conditions, the referring employees can receive monetary rewards upon hiring of candidates they referred. Since they can know about the company culture, work styles, and job descriptions in advance, this program enables new referred employees to adjust to work smoothly by having accurate expectations for their jobs. To ensure fairness in hiring decisions, FineToday reviews applicants using the same standards and selection process employed for other mid-career hires.

— Major initiatives to empower employees <FineToday>

Training, seminars

- Video sharing of seminar on women's health issues (period, menopause)
- In-house lecture meeting and roundtable discussion on International Women's Day Programs

Programs

- Flextime program with no assigned core hours
- Work styles offering work from home and remote work options
- Encouraging male employees to take childcare leave
- Adoption of support programs to help improve women's health (period, menopause)
- Stipulation in rules of employment that employees' same-sex partners are eligible for the same benefits as spouses of different sexes

Employee skills development

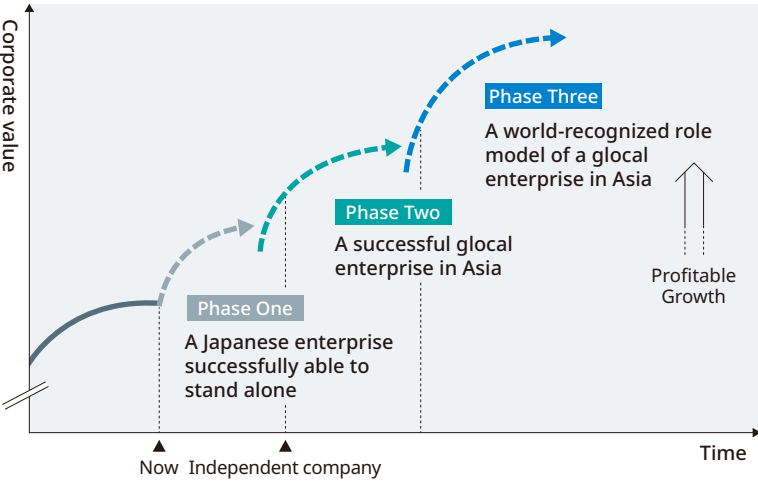
Basic policy

FineToday Group aims to provide an environment in which all people across national and regional boundaries, regardless of race, gender, age, or nationality, can thrive while thinking and acting on their own.

Fine Today & Tomorrow 2030, the medium- to long-term vision targeting the year 2030, identifies investment in talent as one of its goals. In addition to focusing on skills development through activities such as education and training, FineToday Group ascertains the state of employee engagement periodically through surveys and other means and puts the findings to use to make further improvements. Dividing human-resource measures into three phases for the period from 2021, when it began doing business, through 2030, it has established specific themes for each phase. During Phase One, “*Wakuwaku* (excitement) I,” of establishing our independence, measures are focusing on improving the motivation and psychological safety that serve as the driving forces behind the work of each and every employee.

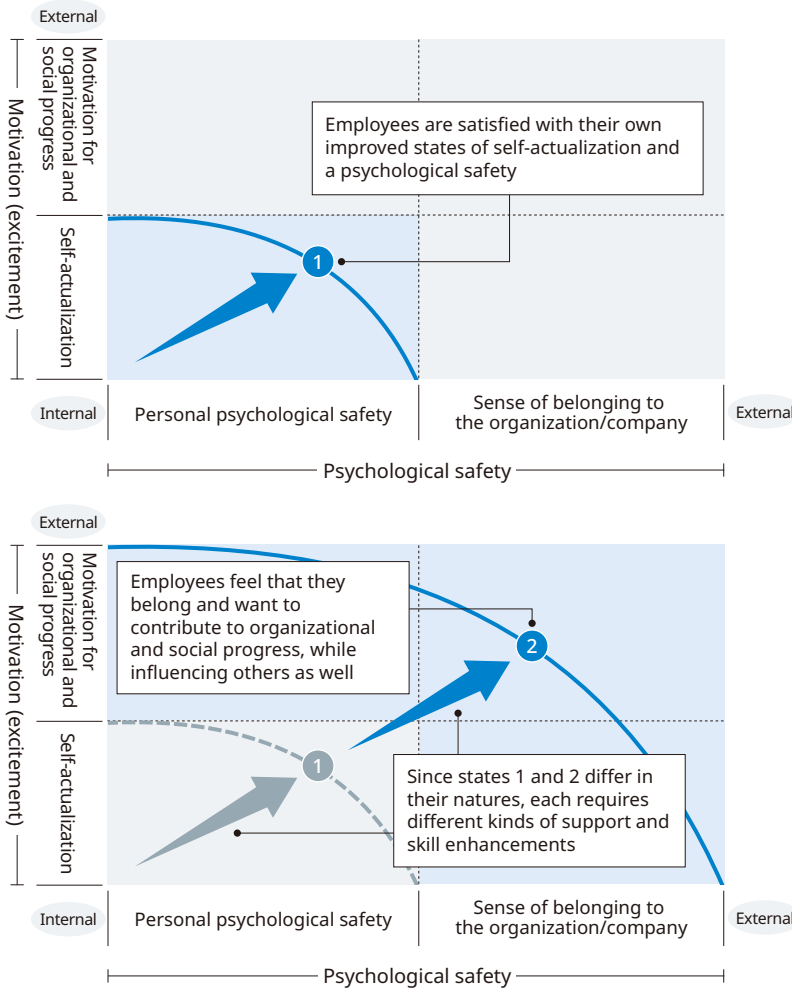
Through these initiatives, FineToday Group aims to realize an environment in which all employees can continue to have positive impacts on the organization and society conscious of their own Purposes for working, while taking on and striving to achieve the FineToday Purpose.

Three phases of human-resource measures



Phase One	Phase Two	Phase Three
"Wakuwaku (excitement) I"	"Wakuwaku (excitement) II"	"Wakuwaku (excitement) III"
To stand alone	A successful glocal enterprise in Asia	A world-recognized role model of a glocal enterprise in Asia
<ul style="list-style-type: none">Development and enhancement of basic HR systemsSafety and peace of mind: Improving motivation and psychological safety	<ul style="list-style-type: none">Growth opportunitiesRewarding workplaces and environments	<ul style="list-style-type: none">Participating in and contributing to the organizationContributing to societyRealizing one's own Purpose

Illustration of improving motivation and psychological safety



Employee skills development

Programs to support skills development

In addition to individual programs designed to deepen understanding of the company's business, FineToday offers training programs for individual posts, to improve individuals' specialized abilities, and programs to support self-learning and growth so that people who are motivated can learn on their own.

Business simulation programs

Our *ICHIGANize* business simulation program provides employees with a deeper understanding of the fundamental Values & Leadership Behavior shared by all of FineToday's businesses and group companies. Participants in the program held for senior managers in FY2023 engaged in company management simulations that provided deeper insight into the company's characteristics and the standard of value that FineToday upholds.

e-Learning

The company's e-learning service was created to support employees seeking to improve their skills. The service covers 20 categories and some 8,000 topics ranging from basic business and management skills to marketing and digital transformation.

We provide an environment that encourages employees to learn at their own pace and as often as they desire at any time or location so each employee can take the initiative and enjoy developing skills for their daily activities and career development.

— Education and training systems (FY2023) <FineToday>

Classifi-cation	All job types				Specialty	Individual job tiers and courses		Upper management	Self-education
Executives	Onboarding	Required compliance and governance training	FineToday business fundamentals	ICHIGANize business simulation program	By department			MLP coaching program	e-learning
						Upper management	Training for new executives		
						Coaching			
General employees						Self-leadership		International work experience program	

Onboarding support

Orientations for new mid-career hires help them to adjust smoothly to their new workplaces. Mid-career hires also have free access to the Knowledge Site containing a wealth of in-house information to ensure a successful transition into the company.

Employee skills development

Enhancement of engagement

The level of achievement and necessary environment of employees' motivation and psychological safety may vary widely. In addition to skills development for self-confidence and career formation, it also is vital to develop a culture of acceptance of diversity among colleagues.

The FineToday Group clearly states its approach in the Group's fundamental Values & Leadership Behavior. We are conducting workshops and building an organizational culture designed to instill in each individual with leadership behavior. We also regularly monitor employee engagement through surveys and other methods.

Engagement surveys

Once every half-year, FineToday Group conducts an engagement survey of all employees, using an external survey tool. This initiative not only assesses objectively the state of matters such as ease of work but also plays an important role in identifying current issues in each organization in the Group and encouraging autonomous improvements.

Management in each organization uses the survey findings to identify actions for employee improvement. Individual employees also strive to improve their organizations under the slogan "We Do."

Global meetings

FineToday Group regularly holds G3 Meetings and townhall meetings in which all employees, from Japan, China, and APAC, take part.

The G3 Meetings provide opportunities for communication across national and regional boundaries, to stimulate interpersonal exchange within the organization and enhance its cooperative structures. The townhall meetings share information on strategies and financial results as well as global best practices, aiming to generate new ideas and promote mutual understanding. Management answers questions from employees on any topic in these meetings and using our Sharepoint systems.

Although these meetings had been held online in principle since FineToday Group began doing business in July 2021, the G3 Meeting in December 2022, held in person while taking care to stop the spread of COVID-19, provided the first opportunity for employees from all over Japan to come together in one place. Attendees introduced themselves to colleagues from other sites and expressed surprise at how many people were there. The meeting was followed by social gatherings of employees from each region. The meeting proved an opportunity to reaffirm the commitment to further solidarity in the Group's initiatives in FY2023.

Highlight

"Cultureship" workshop creates an employee-led Group organizational culture

The FineToday Group celebrated the first anniversary of its founding in July 2022 by establishing our Purpose (reason for being) and our Values (ideals and principles). In FY2023 we defined the Leadership Behavior—the specific ways we expect employees to conduct themselves as we seek to embody these high-level concepts. We also held a "Cultureship" workshop for participants to give thought to the Group's organizational culture. Participants led discussions about how the company should change and what actions each of us could take to create our own unique organizational culture.



Promoting work-life balance

Basic policy

FineToday Group considers development of workplaces where employees can balance their careers with life events such as childbirth and the need to care for family members and can work with vitality in line with their own lifestyles to contribute not only to individual growth but to improving the performance of workplaces as well. Based on this perspective, the Group has identified decent work environments as a materiality item and offers various programs to support employees’ diverse work styles.

Programs to support diverse work styles

FineToday Group carries out a variety of measures to enable employees to balance work with their private lives.

Support for work styles unbound by time and place

Group companies in Japan offer flextime programs with no core hours and remote working programs that enable employees to work wherever they feel most comfortable, even outside of the office or the home.

FineToday has adopted a free-address office space at its head office, so that employees can choose the most comfortable places to work on each assignment, such as spaces where they can concentrate on the task at hand or casual spaces where they can generate ideas together. This helps to stimulate communication in the organization and encourage collaboration across sections.

Encouraging employees to take annual paid leave

At the start of the year, FineToday Group issues a company wide notice encouraging employees to take annual paid leave and asks them to plan when to take leave. It also strives to foster a culture in which employees actively take leave, through means including employees sharing their leave plans through the in-house social networking service.

— Overview of main programs <FineToday>

Program	Summary
Annual paid leave	Employees receive up to 21 days of annual paid leave, depending on years of continual service and the month of joining the company. Rules call for employees awarded 10 or more days of annual paid leave to take at least five of those days during the fiscal year in which they were awarded.
Summer vacation	Employees receive five days off in addition to Saturdays and Sundays.
Refreshment leave	Employees with 10 or more years of continuous service may take five or 10 consecutive days off every five years. Assistance is available for travel and other expenses as well.
Flextime program	Employees may use this program as long as they work at least one hour per day, with no specified core working hours. (Working hours are managed by the month, instead of the day.)
Remote working program	Employees can use this program as many times as they need, for childcare, family care, or any reason. They can work from home or elsewhere.
Side-job program	FineToday has established conditions for permitting employees to work side jobs and rules on handling side jobs. Employees may work side jobs after the company has checked and approved conditions reported by the employees, such as forms and places of employment and expected working hours. This is intended to protect employee health and safety as well as retaining the trust of society and protecting trade secrets.

Promoting work-life balance

Programs to support childcare and family care

FineToday Group offers longer leave than required by law for employees who need to care for children or other family members. It also publicizes these programs to employees. In addition, FineToday has established the Guidelines on Transfers Involving Employees Caring for Children. Employees taking time off for childcare or family care also are exempt from unwanted transfers involving relocation.

Support for returning to the workplace after childcare leave

FineToday offers a childcare plan program through which female employees check with their superiors on the process from pregnancy through returning to the workplace after childbirth. This helps to alleviate employee concerns about pregnancy, childbirth, and childcare and with sharing information with superiors to facilitate returning to work.

Overview of main programs <FineToday>

Program	Summary
Support for childcare	
Childcare leave	Employees can take this leave for up to five years in total, until their children reach the age of three years. This period exceeds that required by law. In special situations, an employee may take leave up to three times for the same child. Note: While childcare leave is unpaid, childcare leave benefits are paid under employment insurance.
Childcare leave system for childbirth	Employees can take four weeks of leave within the first eight weeks after childbirth. This leave is primarily intended for employees who do not take maternity leave (primarily male employees).
Maternity leave	An expectant mother may take six weeks of paid leave before and eight weeks of paid leave after giving birth. (Some periods of this leave are unpaid.) Note: Employees may use accumulated leave or annual paid leave for the unpaid periods.
Short-term childcare leave	Employees may take paid short-term childcare leave for up to two weeks during the period until the child's third birthday. An employee whose spouse or other partner has given birth may take separate special paid leave of up to five days.
Childcare working hours	Employees may shorten their working hours by up to two hours per day during the period until the child enters the third grade (i.e., the end of March when the child is nine years old). This exceeds the legal requirement. During the period until the child reaches the age of one year, one hour of the shortened working hours is paid.
Financial assistance for employees caring for children	One of the Cafeteria Plan* options provides employees caring for dependent children with financial assistance for childcare costs such as those of nursery school and babysitting and with the children's education costs.
Child nursing care leave	Employees may take paid time off in hourly units to care for sick or injured preschool children or take them to health checkups or vaccinations. Note: This leave is available for up to five days (40 hours) per year for a parent of one child or up to ten days (80 hours) per year for a parent of two or more children. This exceeds the legal requirement.
Spousal accompaniment program for childcare	An employee caring for a child through the third grade who accompanies a spouse or other partner on a job transfer in Japan may continue his or her career at a business facility near the partner's assignment.

Program	Summary
Support for family care	Family members eligible for care include members of not only the employee's family but that of the employee's spouse or other partner too.
Family care leave	Employees may take leave an unlimited number of times (up to one year each time) for each relative who requires long-term care (up to a total of three years).
Family care working hours	Employees may take paid time off in hourly units to care for relatives who require long-term care. This time off is paid for up to five days (40 hours) per year per eligible family member.
Financial assistance for employees providing long-term care	One of the Cafeteria Plan* options provides an allowance to help pay for long-term care services and facility charges for family members certified to require long-term care.

* A benefit program under which the company awards points to employees that they can use to receive their choice of services.

Promoting work-life balance

Other programs

FineToday is enhancing its programs to support employees in various situations, such as when a spouse is transferred to work overseas or when volunteering.

— Overview of main programs <FineToday>

Program	Summary
Leave program for transfer of a spouse to work overseas	An employee may take up to three years of leave to accompany a spouse or other partner who has been transferred overseas.
Special volunteer leave program (Social studies day program)	An employee may take up to three days of paid leave per year to participate in activities to contribute to society on weekdays.

VOICE — Comment from the management team

We want to create an environment and corporate culture where every employee can fulfill their objectives.

Sanae Ishii Managing Executive Officer, General Manager, Human Resources Division, FineToday Co., Ltd.

We have reached our fourth year of operation since taking over Shiseido's personal care business in July 2021. We currently have about 2,600 employees, about 60% of which are overseas, working at 9 bases in Japan and 11 bases overseas.

Our Tsubaki and other brands embody the aesthetic sense that has been cultivated since we were part of Shiseido. We want our products to be more than daily necessities but to be daily-use beauty products that enrich both mind and body. Our employees share this sentiment, and this is reflected in our high percentage of female employees, which exceeds 50% in all three of our business regions* and as high as 70% in the APAC region.

Our workforce is characterized by a higher number of mid-career hires with diverse backgrounds and personnel with individual aspirations all pursuing our shared corporate purpose. We call these personal goals and ambitions "My Purpose." As a company, we embrace employees who are driven by their own motivations. We consider it our mission to create an environment and corporate culture that enables all employees to use their

work to pursue their My Purpose, whether it's to advance their career overseas or to develop new products that are safe for the environment and people. We believe that having a workforce of employees who share our value of "aesthetic intelligence" as they pursue their My Purpose also ultimately leads to fulfilling our corporate purpose.

We believe that fostering this corporate culture will enable us to evolve into a borderless, global company, enhance our corporate value, and enrich the lives of every employee and stakeholder. We will continue to respect and be receptive to our employees' sensibilities and aesthetic intelligence to offer daily-use beauty products that reflect our sensibilities to customers.

* Japan, China, and APAC



Occupational health and safety

Basic policy

FineToday Group’s Purpose calls for it “To enrich the lives of everyone today and for generations to come, one fine day at a time.” Based on this concept, the FineToday Group Code of Conduct and Ethics (see p. 58) specifies that the Group will strive to create healthy and safe workplaces and enhance work-life quality for employees. The group also has established the Occupational Health and Safety Policy, under which it focuses on maintenance and improvement of employees’ health and building workplace environments and a corporate culture for safety and peace of mind.

The Occupational Health and Safety Policy also identifies the aim of workplaces where everybody can work in good health and with peace of mind. This policy serves as the foundation of a variety of active efforts now underway, including prevention of occupational illnesses, formation of appropriate workplace environments, and support for autonomous health management by employees.

Occupational Health and Safety Policy

FineToday Group aims for workplaces where everybody can work in good health and with peace of mind.

It will carry out the following measures toward this end.

- 1. Realizing safe, comfortable working environments for all workers
- 2. Aiming for zero accidents involving time off work
- 3. Conforming to the requirements of the occupational health and safety management system (applies only to business sites with manufacturing sections)
- 4. Conducting risk assessments and striving to prevent on-the-job accidents in all workplaces
- 5. Continually improving the occupational health and safety management system and raising the level of occupational health and safety (applies only to business sites with manufacturing sections)
- 6. Promoting occupational health and safety activities to emphasize an appropriate culture and thinking, through discussion and engagement with all employees

Promoting occupational health and safety

FineToday has established the seven-member Health and Safety Committee, chaired by a manager from the Human Resources Division. The committee’s other members comprise two managers from the Human Resources Division, one industrial physician, and three representatives chosen from employees. It meets at least

monthly to promote various occupational health and safety measures.

Fine Today Industries Co., Ltd. also has a Health and Safety Committee that meets at least once each month. It strives toward its goal of eliminating lost-time accidents by making improvements to hazards and unsafe activities and preventing serious accidents.

— Main agenda items of the Health and Safety Committee (FY2023) <FineToday>

- Sharing the findings of workplace patrols and addressing issues identified
- Keeping down long working hours (e.g., numbers of eligible persons and consultations with the industrial physician)
- Status of health checkups and stress checks
- State of occurrence of on-the-job accidents
- Sharing information provided by industrial physicians (e.g., cautionary alerts for heat stroke and seasonal diseases, hay fever, characteristics of seasonal depression, cognitive behavioral therapy)
- Providing the Mental Health Promotion Plan
- Sharing information provided by the health insurance association
- Changing the health insurance association
- Setting up the counselor contact desk

Occupational health and safety

Education and training on occupational health and safety

FineToday provides online training for employees, with aims including to raise awareness of occupational health and safety and to share information on cautions.

Ensuring occupational health and safety

FineToday Group implements measures from a variety of approaches to realize workplace environments where employees can work in good health and with peace of mind.

Keeping down long working hours

FineToday's "Article 36" agreement (an agreement on working hours under Article 36 of the Labor Standards Act in Japan) specifies a maximum of 80 hours of overtime work per month. It strives toward thorough management and more efficient work so that employees will not exceed this maximum. The HR section meets with the superiors of employees found to have exceeded this maximum, to identify the reason and study and implement practical improvements.

Since temporary workload increases and imbalances during peak periods could lead to overworking, FineToday checks project workloads and staff assignments. If a project does not have the staff it needs at the time, responses are considered such as partial outsourcing, use of temporary placement agencies and development of new tools.

In addition to these initiatives, we have introduced an attendance management system that enables each department to thoroughly and efficiently manage work hours of their employees. The system enables work-hour verification in real time and automatically sends alerts when monthly work hours exceed a set amount.

Health checkups

All employees of Group companies in Japan are members of the health insurance society, which provides annual health checkups. Checkups cover the examination items of regular checkups that employers must provide by law (statutory items) and other optional items provided by the health insurance society, chiefly cancer screening (optional items). All employees are made aware of the need to undergo checkups on the mandatory statutory items.

Employees instructed to seek treatment, follow-up exams, or detailed exams following checkups receive the support they need through means such as meeting with industrial physicians and follow-up exams.

Appropriate health checkups and similar services are provided at Group companies overseas in accordance with local laws and regulations.

Stress checks

FineToday provides annual stress checks for all employees other than temporary employees. We provide consultation upon request for individuals evaluated as "highly stressed" and are taking steps to reduce sources of stress in the workplace, including by improving our leadership training.

Occupational health and safety

Support programs for women’s health issues

FineToday provides external services to support women's health issues. These services have contributed to improved presenteeism (reduced productivity when employees are not fully functioning in the workplace due to health issues) and increased productivity.

– Details of support programs for health issues

Menstrual period program	<ul style="list-style-type: none">• Providing online content for all employees to learn about the menstrual period• Support for administering low-dosage oral contraceptive pills through online gynecological exams
Menopause program	<ul style="list-style-type: none">• Providing online content for all employees to learn about menopause• Support for administering traditional Chinese herbal medicines and other treatment through online exams

Health campaigns, etc.

We conduct various campaigns when considered helpful for employees to maintain and improve their health.

– Main initiatives (FY2023)

Dental checkup campaign	Covers part of the cost of employee dental checkups
Flu vaccinations	Covers part of the cost of (optional) flu vaccinations for employees and their families

Physical and mental health hotlines

FineToday provides a consultation desk accessible by full-time company employees of Group companies in Japan to contact about physical or mental health issues. Counselors specializing in various issues may be contacted by telephone, email, or other method.

The hotlines protect the privacy of their users, and information they share with the hotlines will not be provided to their workplaces or superiors without their permission. Employees are informed about the hotlines so that all can use them worry-free.

– Examples of topics addressed by physical and mental health hotlines

General health topics	<ul style="list-style-type: none">• Concerns about recent symptoms• Seeking specialist opinions• Seeking an appropriate hospital
Mental health concerns	<ul style="list-style-type: none">• Feeling stressed and uneasy• Feeling out of sorts

Highlight

In-house massage center for employees

To support employees' health and improve productivity, the Re-fine massage center has opened at the FineToday head office. A nationally qualified massage therapist is on hand at all times to provide massage therapy as well as communicating health management tips, the latest health research findings, and other information for living healthier every day, through the in-house social networking service.

Employees working at other sites may receive assistance with part of the costs of using private relaxation spas.



Labor-management relations

Labor-management negotiations

The preamble to FineToday Group's labor-management agreement concluded with its labor union states, "In recognition of the social mission of our business, we will strive toward sound corporate growth while maintaining and improving the economic and social standing of employees, based on solid labor-management relations grounded in integrity and trust." Following this principle, we have established a forum for labor and management to engage in mutually respectful dialogue to address and resolve issues related to working conditions and other topics.

In addition, the Group recognizes the importance of international standards such as the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and also strives to build and maintain healthy labor-management relations at the international facilities with respect for the labor laws and regulations of each country and region.

The labor union has adopted a union-shop system, and as of the end of March 2024 all general employees (permanent, full-time employees other than those in managerial posts) were union members.

— **Main topics of labor-management negotiations (FY2023) <FineToday>**

- Relationship between the employer and the labor union at FineToday
- Future measures based on the findings of employee engagement surveys

Dialogue between employees and top management

FineToday actively provides opportunities for direct, two-way dialogue between the Representative Director and CEO and employees, regardless of their forms of employment.

About 60 sessions took place during FY2023, including One-on-One Meetings for direct dialogue between the CEO and employees, get-together events with individual sections, and site visits. The CEO asked employees about subjects such as their careers and current duties, while employees spoke directly to the CEO about their views and questions concerning management policies and other topics.

Such dialogue provides a valuable opportunity to deepen mutual communication, as management ascertains information on matters such as the thinking of our workforce of employees with diverse backgrounds. Employees have responded positively to this initiative. For example, one commented, "It makes me feel like I have a part to play in management and what's going on today."

We will continue to provide various opportunities for two-way dialogue with employees.

Engagement with suppliers to promote sustainable and responsible procurement

Basic policy

To continue delivering products and services which make every day a fine day for consumers, packaging-materials, raw-materials, OEM, and ODM suppliers are essential partners. FineToday Group strives to strengthen the supply chain through dialogue and cooperation with suppliers and to promote sustainable and responsible procurement activities including compliance, human rights, and environmental protection.

To promote sustainable and responsible procurement with suppliers, FineToday Group has established the “FineToday Group Procurement Policy” and “FineToday Group Sustainable Raw Materials Procurement Guidelines.” In addition to these, FineToday Group has established the “FineToday Group Supplier Code of Conduct” describing specific requirements that suppliers need to meet. To reinforce our commitment to work together with suppliers, FineToday Group is concluding Master Purchase Agreements that incorporate items required in the Code of Conduct with existing and new suppliers.

FineToday Group Procurement Policy

Procurement Vision

- Together with our Purpose “to enrich the lives of everyone today and for generations to come, one fine day at a time”, we strive through our procurement activities to achieve the following.
- Optimized costs, best quality, and provision of products and services in a timely manner
 - A society in which human rights are respected and a sustainable society where environments are conserved and people and the planet coexist in harmony.

We will conduct business with suppliers that share the same spirit toward the vision above in accordance with the policy below.

Basic Policy

- Building good partnerships
We strive to create new value and improved products with suppliers based on a firm, trusting relationship and to mutually evolve and develop.
- Fair purchasing transactions
We engage in fair, transparent and free competition, and appropriate business transactions.
- Performance of contracts
We strictly adhere to contracts and rules related to purchasing transactions built on high transparency and ethics.
- Promoting responsible procurement
We share our stance on fulfilling our social sustainability responsibilities—including compliance with laws, labor practices, respect for human rights, conflict minerals, and protection of the environment—with our business partners and encourage them to take their own voluntary initiatives.
- Respecting diverse values
We embrace the diverse values of our suppliers and continuously create new ideas and innovations that have never been seen before.

FineToday Group Supplier Code of Conduct

- [I] Legal Compliance
- [II] Anti-Corruption
 1. Prohibition of Bribery and Corruption
 2. Prohibition of Unfair Provision of Gifts and Entertainment
 3. Prohibition of Improper Transactions
 4. Information Security, Protection of Intellectual Property, Confidential Information, and Personal Information
 5. Publication of Information
- [III] Respect for Human Rights
 1. Prohibition of Discrimination
 2. Prohibition of Abuse and Harassment
 3. Prohibition of Forced Labor and Human Trafficking
 4. Prohibition of Child Labor
 5. Compliance with Labor-Related Laws and Regulations
 6. Freedom of Association and Collective Bargaining
 7. Respect for the Rights of Indigenous People
 8. Migrant Workers
- [IV] Safe and Healthy Working Environment
 1. Safe and Healthy Facilities
 2. Prevention of Workplace Injuries and Illnesses
 3. Disaster Prevention Measures
- [V] Protection of the Environment
- [VI] Quality Assurance and Securing Traceability
- [VII] Measures
- [VIII] Subcontractors’ Compliance with this Code

Website

- FineToday Group Procurement Policy
- FineToday Group Sustainable Raw Materials Procurement Guidelines
- FineToday Group Supplier Code of Conduct
<https://www.finetoday.com/en/sustainability/esg-list/>

Engagement with suppliers to promote sustainable and responsible procurement

Assessing compliance to the Supplier Code of Conduct

FineToday Group added a manufacturing function in April 2023 (see p. 03). To promote sustainable and responsible procurement throughout the supply chain, FineToday Group concludes Master Purchase Agreements with packaging-materials, raw-materials, OEM, and ODM suppliers that require compliance with the Supplier Code of Conduct. A regular process to assess and monitor compliance with the Supplier Code of Conduct is under consideration.

We plan to conduct it in several steps. Specifically, FineToday Group plans to request suppliers to undertake assessment by EcoVadis or similar third party assessment tools. The Procurement Department and the Human Rights Working Group (see p. 19) will review the results of assessment, and a plan-do-check-act (PDCA) cycle to encourage improvements is under consideration to respond to any issue found. The Group also is considering using third party audits to remedy issues.

FineToday conducted transactions with approximately 130 suppliers in FY2023. The sustainability assessment of suppliers conducted in FY2022 found no high-risk suppliers requiring corrective action. The assessment was conducted by Shiseido Co., Ltd., subcontracted procurement activity then, and was limited to suppliers of product packaging, production materials (such as raw materials), and produces of finished products (such as OEMs and ODMs).

Sustainable raw-materials procurement

FineToday Group uses palm oil as one of its main raw materials. In light of the fact that various issues concerning the environment, human rights, and other topics have been identified with regard to extraction of palm oil and cultivation of oil palm, from which the material is sourced, in April 2022, FineToday joined the Roundtable on Sustainable Palm Oil (RSPO).

Education and training

Human rights are fundamental to sustainable procurement. FineToday accordingly provides human rights education and training to its buyers in its Procurement Department who are directly engaged in ensuring sustainable and responsible procurement, as well as to all employees. In FY2023, we conducted e-learning on human rights and compliance and on business and human rights.

Reference p. 37: Education and training on human rights

Community collaboration

Basic policy

FineToday Group’s medium- to long-term vision Fine Today & Tomorrow 2030 identifies as one of its goals, prosperity with consumers and other stakeholders. Toward this end, the Group carries out active community collaboration initiatives.

The FineToday Group Corporate Citizenship Policy was established in March 2023 to make steady progress on these activities. The Group strives to make an impact on society and increase corporate value through continual progress on activities centered on the four priority areas of beauty and enrichment, environment and nature, support for the next generation, and support for local residents.

FineToday Group Corporate Citizenship Policy

We are committed to our Purpose – “to enrich the lives of everyone today and for generations to come, one fine day at a time” – and work to realize it through our activities.

In our corporate citizenship activities, we keep our Purpose in the forefront of our minds as we support communities with the aim of contributing to the realization of our Purpose as well as the Brand Purpose set forth by each brand.

Priority Areas



Criteria for reviewing and deciding on activities

- We shall contribute to the realization of our Purpose or Brand Purpose through activities in key areas.
- Activities must enable employees to put our Values into practice.
- We shall maintain a perspective that balances social impact and corporate value.
- We shall collaborate with a wide range of stakeholders, including NPO/NGOs, and leverage their respective advantages.
- We shall make effective use of management resources, including the skills and expertise possessed by employees.

Promotion structure

FineToday Group adopted the Corporate Citizenship Policy and simultaneously launched a Social Contributions Working Group with the missions of promoting the Group’s social contribution activities, collecting and sharing information about the activities, and formulating a governance structure for the activities. In addition, in FY2023 FineToday Group established the FT&T* Awards for social-contribution activities by employees as individuals or in teams. This awards program aims to encourage social-contribution activities to help achieve the Purpose throughout the Group and to properly build a governance system capable of collecting the information needed.

* Fine Today & Tomorrow

Website

Community Contribution Activities
<https://www.finetoday.com/en/sustainability/social/stakeholders/>

Governance

- 55 Corporate governance
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- 60 Information security

Corporate governance

Basic policy

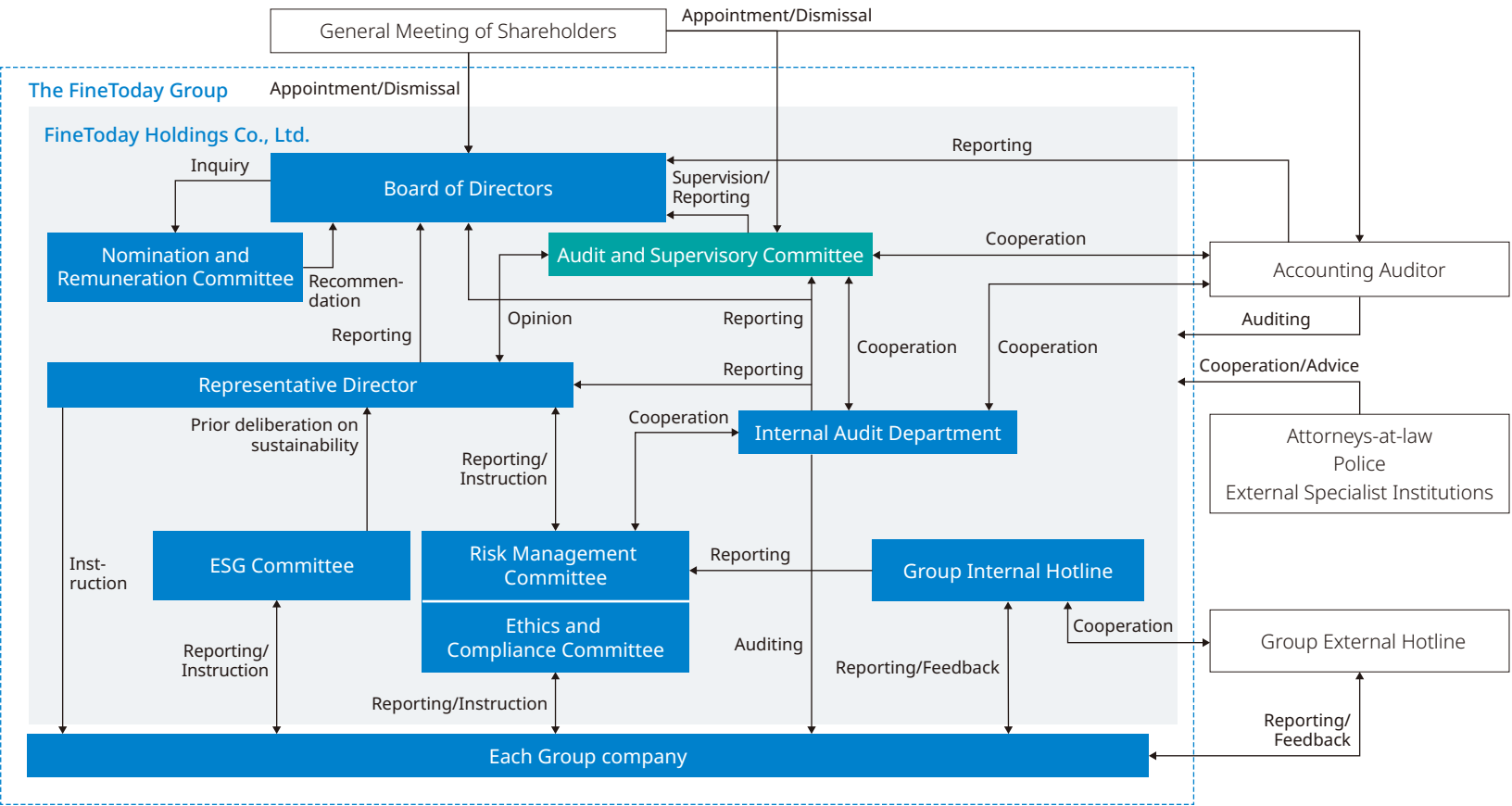
The FineToday Group takes a transparent governance system to be one of our key management issues (materiality). We will continue striving to maintain and improve the transparency, fairness, and speed of decision making while engaging in dialogue with all stakeholders, including customers, suppliers, employees, shareholders, local communities, and the planet, reflecting the results in further improvements to maximize corporate value over the medium to long term.

Corporate governance system

The FineToday Group's goal is to be an independent company by building our own unique business model grounded in the personal care business succeeded from Shiseido Co., Ltd. We are accelerating efforts to establish a robust corporate governance system.

In April 2023, FineToday Holdings Co., Ltd. transitioned to a company with an Audit and Supervisory Committee from a company with a board of corporate auditors. This move aims to strengthen the Board of Directors' core function of monitoring through management oversight, supervision, and assessment.

— The FineToday Group's Corporate Governance Framework (as of June 2024)



Corporate governance

Board of Directors

The Board of Directors of FineToday Holdings Co., Ltd, has eight members as of June 20, 2024: two executive directors, two non-executive directors (including one outside director), and four directors/Audit and Supervisory Committee members (including three outside directors).

The Board meets monthly in principle, deciding on management strategies and plans and making other important management decisions. It also receives reports on matters such as execution of the duties of directors, important business operations by Group companies, and compliance and risk management. It oversees Group management as a whole.

In addition to deliberating on important corporate management policies as needed, the Board also strives to enhance management oversight functions further through means such as advising executives.

Audit and Supervisory Committee

The Audit and Supervisory Committee of FineToday Holdings Co., Ltd. has four members in total (including two independent outside directors who satisfy the company’s independence criteria) as of June 20, 2024.

The Audit and Supervisory Committee establishes audit policies, plans, etc. and audits the performance of the duties of directors and other executives. Audit and Supervisory Committee members cooperate with the accounting audit firm and the Internal Audit Department through means including exchange of opinions on annual audit plans and audit findings, while respecting each other’s auditing independence.

Risk management

Basic policy

As the business environment is becoming more and more complex and diverse, the FineToday Group is developing and enhancing our risk management system in line with our Purpose and management strategies. “Integration of risks and opportunities” is also one of our 16 priorities in the medium- to long-term vision “Fine Today & Tomorrow 2030.”

The FineToday Group will strive to both minimize losses at critical situations arising from potential risks and secure assets and benefit of stakeholders through appropriate Groupwide management of various uncertainties that might be obstacles to increasing our corporate value. In this way, we will fulfill our social responsibilities and sustainably enhance our corporate value.

Risk management system

The FineToday Group considers the Risk Management Committee as an independent organization along with the Ethics and Compliance Committee and the ESG Committee (see p. 55). Matters of consideration or report of the Risk Management Committee will be reported as necessary to Representative Director and the Board of Directors of FineToday Holdings, and be shared with the Internal Audit Department as needed.

The Risk Management Committee shall be held four times a year to decide on policies for addressing and evaluating potential risks identified by each business division of the FineToday Group. It also promotes timely preventive measures. As part of these activities, the committee implements Groupwide responses to 18 risks identified as priority risks. Its secretariat plays a leading role in these efforts. Based on the two pillars of appropriate insurance and risk mitigation, it enhances various measures starting with those risks judged to present the most danger.

The committee responds to emergencies by setting up emergency task forces. It maintains a structure to enable swift responses through means including identifying in advance the main sections responsible for individual risks and the sections that will support their efforts, to simplify the approval process in an emergency situation.

– Priority risks considered to be especially at high risk

Among the 18 priority risks, the following three items identified to be high risk will be addressed as top priorities.

- Natural disasters
- Quality-assurance issues
- Reputation issues

– Three steps toward a more advanced risk-management structure

1. Establishing reporting lines to ascertain numbers of incidents and their financial impacts. Making assessments more precise based on quantitative indicators of risks.
2. Identifying opportunities for improving corporate value through enhancement of risk responses, based on megatrends, long-term risks identified in reports from international institutions and other sources, and the insights of outside experts. Enhancing the content of IR materials.
3. Linking the KPIs and budgets of business plans to nonfinancial indicators and risk indicators, and making progress on developing a dashboard function for integrated management.

Education and training related to risk management

The FineToday Group carries out education and training to enhance the risk management system. The risk assessment results will continue to be used for ongoing e-learning about important risks in FY2024.

Compliance

Basic policy

The FineToday Group considers ensuring compliance as one of our materiality items. In addition to complying with the laws and regulations of each country and region with in-house rules, we have established the FineToday Group Code of Conduct and Ethics describing specific actions that executives and employees should take, to do business with even higher ethical values.

FineToday Group Code of Conduct and Ethics (extract)

The FineToday Group Code of Conduct and Ethics provides standards for all members of the FineToday Group to follow as they carry out their daily activities. The Group has established these specific conduct guidelines to ensure that its members are upholding higher ethical standards, while also complying with national and regional laws and regulations, as well as company rules.

All members of FineToday Group pursue shared and sustainable growth with all stakeholders.

With Consumers

- 1. We always take the consumer's viewpoint and strive to research, develop, manufacture, and deliver products and services that will provide safety, excellence and complete satisfaction.
- 2. We treat customers with sincerity whenever we interact with them, to increase their satisfaction and confidence in us.
- 3. We strive to improve the value of all FineToday Group brands.

With Business Partners

- 1. We select business partners and conduct transactions appropriately, while always engaging in fair, transparent, and free competition.
- 2. We never give or receive gifts or entertainment that could cast doubt our commitment to fairness.
- 3. We treat all business partners who share our goals with respect, and strive for mutual sustainable development.

With Employees

- 1. We respect the personality, individuality and diversity of everyone in our workplace, and strive to grow together with them.
- 2. We work diligently and maintain a separation between workplace and private activities.
- 3. We strive to create healthy and safe workplaces and enhance work-life quality for employees of the Group.

With Shareholders

- 1. We maximize use of the Group's assets, including funds and tangible and intangible assets, while striving to continuously improve corporate value.
- 2. We comply with rules related to corporate governance and internal control, and maintain proper accounting procedures.
- 3. We place emphasis on dialogue with shareholders and investors and strive to maintain their trust.

With Society and the Earth

- 1. We comply with all applicable laws and regulations in the jurisdictions in which we operate, while upholding high ethical standards and respect for human rights.
- 2. We aim to help create a sustainable world where people and the planet coexist in harmony. We also promote environmental measures in accordance with our own strict standards while taking biodiversity conservation into consideration.
- 3. We strive to maintain good communication with the wider society while working together with others to help solve social issues.

Compliance

Compliance system

FineToday Group’s Ethics and Compliance Committee serves as an independent organization along with the Risk Management Committee and the ESG Committee (see p. 55). As necessary, this committee reports on its proceedings and submits reports to FineToday Holdings’ Representative Director and CEO and Board of Directors, as well as sharing them with the Internal Audit Office.

The committee meets four times a year to study, plan, and propose important matters concerning ethics and compliance. It also advises and guides individual sections as appropriate.

The Group is strengthening its legal and regulatory compliance system with a main focus on enhancing compliance monitoring and control activities to prevent any ties or transactions with antisocial forces.

Compliance education and training

FineToday Group progressively enhances education and training systems to raise awareness among executives and employees and strengthen the compliance system continually.

Employee helplines

FineToday Group has established hotlines where global employees can report on legal or regulatory violations, harassment, or other cases they have observed that could prove detrimental to society’s trust in the Group.

The Whistleblowing Office handles reports and consultations while taking steps to ensure the reporting individual incurs no disadvantageous treatment. It checks on the facts of the case with related parties as needed and discipline the perpetrators of any confirmed violations in accordance with the rules of employment. Any matters that could impact management are reported promptly to management by the individual sections concerned. Serious compliance concerns are reported to management through the Ethics and Compliance Committee, in order to prevent their reoccurrence.

The rules that govern the operation of each hotline clearly describe fair investigation and resolution flows, prohibitions against disadvantageous treatment of whistleblowers, and confidentiality of reports and consultations. Employees are made thoroughly aware of related rules and how consultations are accepted, through e-learning and the intranet.

– Hotline

	Group Internal Hotline	Audit and Supervisory Committee Contact
Eligible users	Group employees	Group employees
Anonymous consultation	Y	Y
Consultation method	Email, in writing	Email
Liaison	Whistleblowing Office (Human Resources Department, FineToday Holdings)	Audit and Supervisory Committee Chair

	Group External Hotline
Eligible users	Group employees
Anonymous consultation	Y
Consultation method	Email
Liaison	Outside law office

Information security

Basic policy

The FineToday Group Code of Conduct and Ethics (see p. 58) calls for managing confidential information and personal information appropriate and preventing its misuse. This is intended to prevent cases such as loss or leakage of such information. Based on this code, the Group strives to protect and properly manage the important information assets it holds, through establishment of related rules and regulations, including the FineToday Group Information Security Policy, and sharing with employees of all business sites information on the importance of and our responsibility for information management.

— Information security rules and regulations

- Information Security Policy
- Information System Management Regulations
- Information System Use Regulations
- Rules on bring your own device (BYOD) policies, external storage, information devices, antivirus measures, and software
- Confidential Information Management Regulations
- Regulations on Handling of Information Assets
- The FineToday Group Global Personal Information Protection Policies
- Privacy Policy
- Personal Information Protection Regulations
- Regulations on Handling of Specific Personal Information

— Subjects of the FineToday Group Information Security Policy

1. Purpose
2. Definitions
3. Information security promotion structure
4. Outsourcee assessment
5. Education, inspection, auditing
6. Practical procedures
7. Duties of employees and others

Information security system

FineToday Group has appointed the Group Chief Information Security Officer (CISO) holding comprehensive responsibility for handling of information assets and information systems throughout the Group. In this way, the Group strives to maintain a robust information security system.

Each Group company appoints a person responsible for managing the handling of information assets and information systems inside the company. It also maintains and thoroughly puts into practice rules and regulations on control of confidential information, protection of personal information, information system administration, and information security measures, as well as carrying out activities such as security measures, education, and drills. The CISO oversees these activities and provides additional

instructions as needed.

Furthermore, periodic meetings on information security are held to continually improve the information security system of the Group as a whole.

Handling of personal information

The FineToday Group recognizes its corporate responsibility to handle personal information safely and securely, and has established The FineToday Group Global Personal Information Protection Policies for all Group companies. Each Group company maintains a privacy policy based on the laws and regulations of their specific country and region and carry out measures to protect personal information.

The implementation plans of Group companies and promotional campaigns set individual policies and rules for handling personal information in accordance with the policies and the applicable laws and regulations.

Website	The FineToday Group Global Personal Information Protection Policies https://www.finetoday.com/en/privacy/
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Information security

Responding to information security incidents

FineToday Group adopts an advanced zero-trust security model to enhance its measures to counter information security incidents. For example, it configures access controls to prevent unauthorized access to confidential information through business systems. It also has established the Security Operation Center (SOC) to monitor for external threats and detect and report cyberattacks 24 hours/day, 365 days/year. Group internal hotlines also accept reports concerning information security.

In FY2023, FineToday Group organized a Computer Security Incident Response Team (CSIRT) that specializes in responding to information security incidents. The CSIRT members come from FineToday's IT, general affairs, and corporate communications sections. The Group recognizes the importance of acting quickly in response to any incidents and supplements its security systems and structures with ongoing specialized education and drills for employees. The FineToday Chief Information Officer (CIO), who is responsible for Group cybersecurity, will respond to any serious incidents through an emergency response structure. To improve response capabilities even more, plans call for conducting drills that involve related business sections as well.

— Roles of the CSIRT

- Improving response capabilities through regular drills and training of team members
- Taking leadership in responding to information security incidents and minimizing their damage (internal and external cooperation)
- Serving as a single contact point for internal and external reporting



Cybersecurity assessment

FineToday took an independent cybersecurity assessment in FY2023. It strives to counter constantly changing cybersecurity risks by assessing risk levels objectively and, based on the results of this assessment, defining and taking actions to strengthen its responses further.

Information security education and training

FineToday Group provides education and training for executives and employees to prevent information security incidents and enhance its systems for managing them. FineToday conducts two cyberthreat response drills for targeted email attacks annually.

ESG data

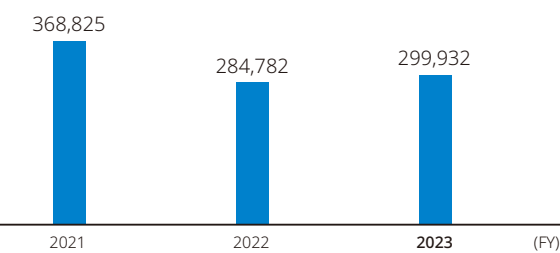
Reporting Coverage Abbreviations **FTHD** FineToday Holdings **FT** FineToday **FTI** Fine Today Industries **SVI** Shiseido Vietnam Inc. No mark indicates the FineToday Group

— Group basic data

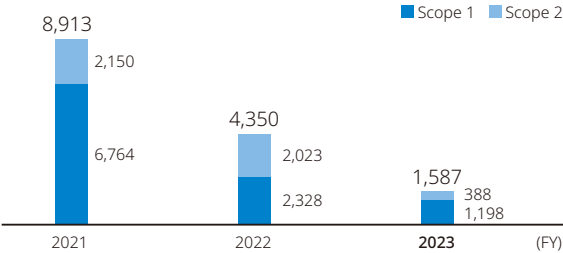
	Unit	FY2022	FY2023
Consolidated Net Revenue	Billion yen	Over ¥100 billion	Over ¥100 billion
Percentage of revenue from overseas	%	Over 50%	Roughly 60%
Facilities	Facility	19	20
	Japan	9	9
	China and APAC	10	11

— Environment

CO₂ emissions*1 (t-CO₂e)



CO₂ emissions (Scope 1+2)*1 (t-CO₂e)



*1 Scope 2: market based

CO₂ emissions (Scope 3)

	Unit	FY2021	FY2022	FY2023	Main target examples
Scope 3 emissions	t-CO ₂ e	359,912	280,432	298,346	
1. Purchased products and services	t-CO ₂ e	193,802	225,515	235,475	Product purchasing, raw material purchasing, disposal inventory, SG&A expenses
2. Capital goods	t-CO ₂ e	3,379	1,085	4,944	Buildings, machinery, equipment, software
3. Fuel and energy activities not included in Scope 1 and 2	t-CO ₂ e	2,622	2,630	2,533	Gasoline, diesel oil, municipal gas, LPG, electricity
4. Transportation and distribution (upstream)	t-CO ₂ e	26,901	27,465	19,162	Products for sale, raw materials purchased
5. Waste from business operations	t-CO ₂ e	13,752	3,128	5,926	Discarded product inventory, disposal POSM
6. Business trips	t-CO ₂ e	314	315	350	—
7. Employee commutes	t-CO ₂ e	1,078	1,081	1,225	—
8. Leased assets (upstream)	—	—	—	—	—
9. Transportation and distribution (downstream)	t-CO ₂ e	—	—	9,378	Products for sale, raw materials purchased
10. Processing of sold products	—	—	—	—	—
11. Use of sold products	—	—	—	—	—
12. Disposal of sold products	t-CO ₂ e	118,064	19,196	19,354	Plastic, paper, cardboard, metal, glass, etc.
13. Leased assets (downstream)	—	—	—	—	—
14. Franchises	—	—	—	—	—
15. Investments	—	—	—	—	—
Other (optional)	—	—	—	—	—

ESG data

Energy consumption

	Unit	FY2021	FY2022	FY2023
Total energy consumption	GJ	143,854	145,548	140,423
Renewable energy consumption	GJ	12,672	28,509	26,260

Private power generation amount

	Unit	FY2021	FY2022	FY2023
Total private power generation	kWh	20,059	20,043	22,288
Percentage of electricity derived from renewable energy	%	100%	100%	100%

Water intake FTI SVI

	Unit	FY2021	FY2022	FY2023
Total water intake	m ³	309,630	305,022	282,905
Surface water	m ³	0	0	0
Groundwater	m ³	0	0	0
Seawater	m ³	0	0	0
Water sources provided by third parties (tap water, industrial water)	m ³	309,630	305,022	282,905
Reclaimed water shared from outside the party	m ³	0	0	0

Drain water FTI SVI

	Unit	FY2021	FY2022	FY2023
Total drain water	m ³	260,849	246,629	227,260
Rivers and lakes	m ³	0	0	0
Ocean	m ³	0	0	0
Sewage	m ³	260,849	246,629	227,260
Supplied to third parties	m ³	0	0	0

Container and packaging wastes sent out for recycling*2 FT

	Unit	FY2021	FY2022	FY2023
Glass	kg	4,532	4,260	3,974
Paper containers	kg	110,390	102,189	140,323
Plastic containers and packaging	kg	3,486,029	3,021,669	3,018,479

Volume of wastes from promotional materials*3 FT

	FY2021	FY2022	FY2023
Volume of wastes (index)	100	23	23

Waste, etc. FTI SVI

	Unit	FY2022	FY2023
Amount of waste discharged and disposed of/recycling rate	Waste emissions	ton	1,763
	Volume recycled	ton	1,763
	Volume not recycled*4	ton	0
	Landfill wastes	ton	0
	Waste recycling rate	%	99% or above
Volume of pollutants released and transferred	NOx emissions	ton	24.15
	SOx emissions	ton	0
	Volume of transferred substances subject to the PRTR Act	ton	23.24

*2 Fiscal year of application based on the Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging, not the fiscal year in which the containers were discharged.
*3 Index calculated assigning a value of 100 to actual wastes in FY2021.
*4 Asbestos used as thermal-insulation materials in thermostat-oven processing.

ESG data

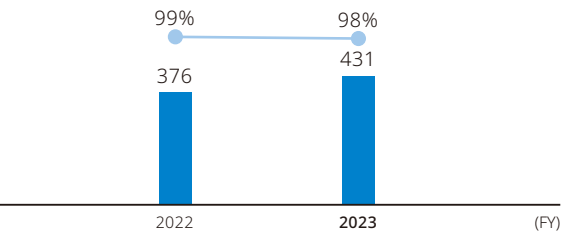
Information provided to consumers

Total violations of regulations or voluntary codes concerning marketing communication

No violations in FY2022. In FY2023, Fine Today Taiwan Inc. received one notification of misleading advertising from the relevant authorities. Appropriate countermeasures were completed in February 2024.

Human rights

Employees who underwent e-Learning (participation rate)*5
(No. of people/%) **FT**

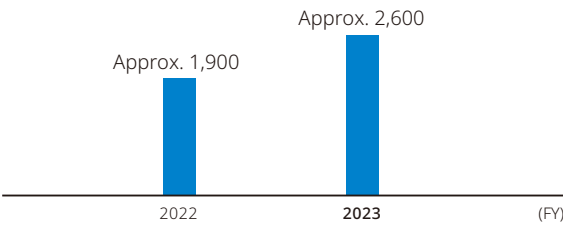


Incidents concerning forced labor, child labor, or human trafficking

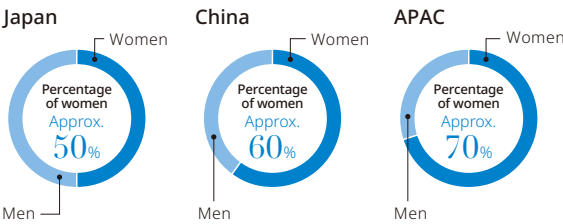
No incidents in FY2022 or FY2023.

Hiring, promotion, diversity, equity, and inclusion

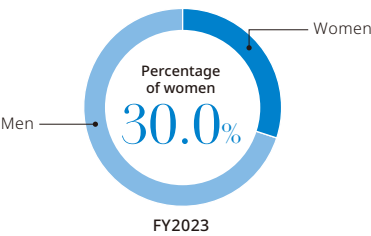
Number of employees*6 (No. of people)



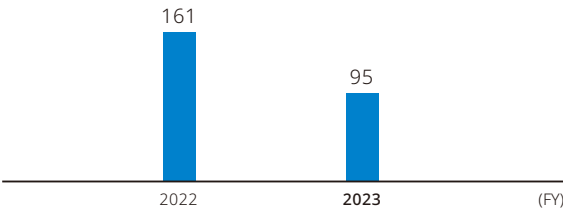
Percentage of women employees by region*6 (FY2023)



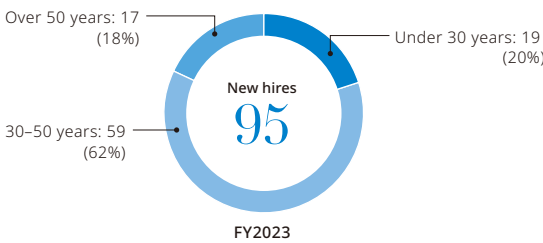
Women as a percentage of senior managers (not including executives)



New hires (No. of people) **FT**



Number of new hires by age **FT**

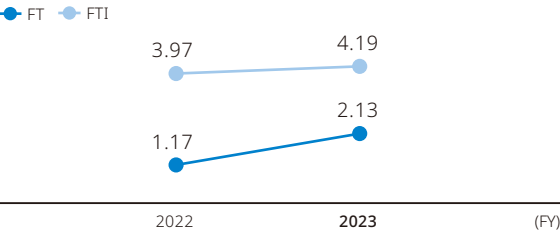


*5 FTI will complete full distribution of its Human Rights Policy in December 2023.

*6 As of April of each fiscal year; excludes executives and temporary employees.

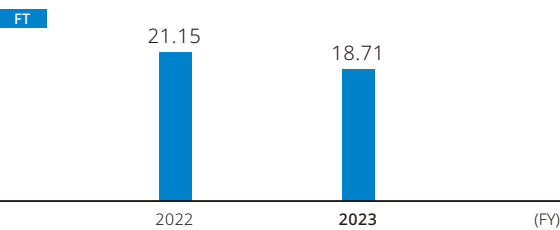
ESG data

Percentage of people with disabilities*7 (%)



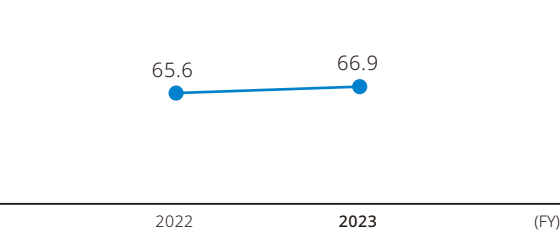
Employee skills development

Average education and training hours per employee*8 (hours)

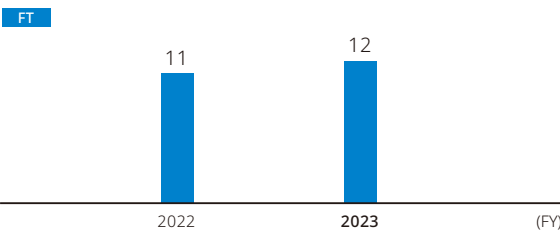


Work-life balance

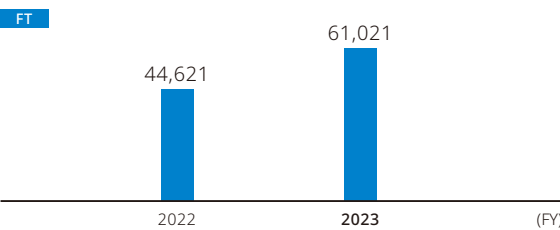
Percentage of employees taking annual paid leave (%)



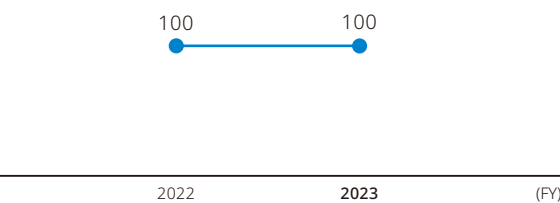
Users of the retiree reemployment program (No. of people)



Average education and training costs per employee*8 (yen)



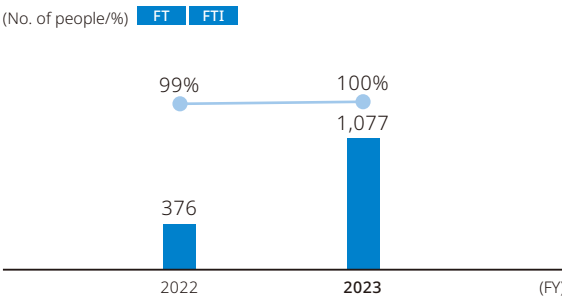
Percentage of eligible employees taking childcare leave (female) (%)



Occupational health and safety

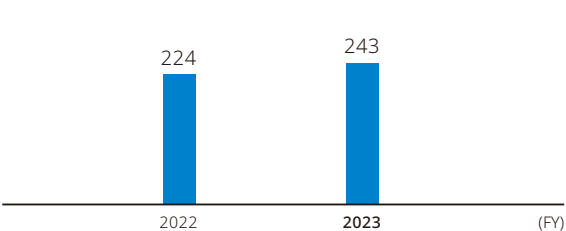
	Unit	FY2022	FY2023
Number of on-the-job accidents	Incidents	0	4
Frequency rate	%	0	1.17
Incidence rate	%	0	0.058
Occupational accident rate of 1,000 employees per year	%	0	2.304
Occupational-illness frequency rate (OIFR)	%	0	0

Employees who underwent e-Learning (participation rate)*9



Labor-management relations

Employees subject to the labor agreement (No. of people)



*7 As of June of each fiscal year. *8 All employees, excluding temporary employees and contractors.

*9 All employees, excluding temporary employees and contractors.

ESG data

Donations

		FY2023
Main donations and amounts	Kanagawa Prefecture	Donated 11 products (25,215 units in total)
	Abiko City, Chiba Prefecture	Donated 11 products (8,196 units in total)
	Japan Agency for Development and Emergency	Donated 3 products (4,260 units in total)
	NPO Florence	Donated 1 product (3,000 units), Donation of 1 million yen in cash to the Platform for Closing the Experience Gap for Children
	Living in Peace	Donated 1 million yen in cash to children's projects

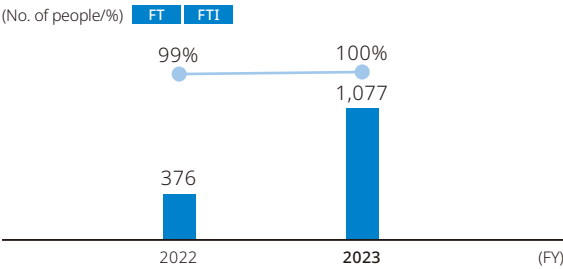
Corporate governance*10 FTHD

Directors		8
	Independent outside directors	2
Board of Directors	Executive directors	2
	Non-executive directors (outside directors)	2 (1)
	Audit and Supervisory Committee members (outside directors)	4 (3)
Directors/Audit and Supervisory Committee members		4
	Independent outside directors/Audit and Supervisory Committee members	2

*10 Officer composition as of June 20, 2024.

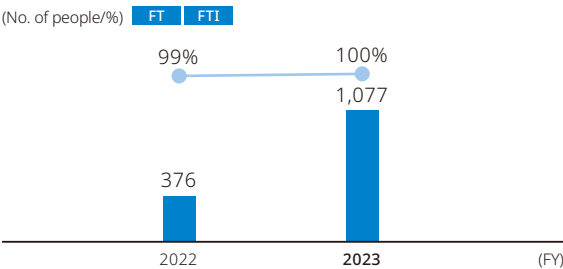
Risk management

Employees who underwent e-Learning (participation rate)*11



Compliance

Employees who underwent e-Learning (participation rate)*11



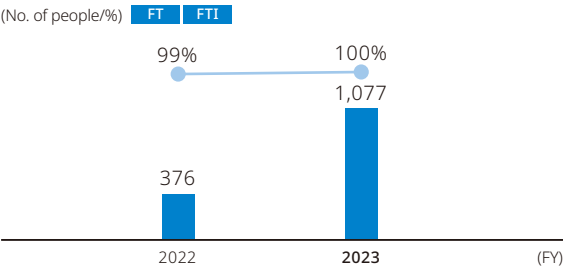
	Unit	FY2022	FY2023
Consultations to the Compliance Hotline	Incidents	0	3
Confirmed acts of corruption	Incidents	0	0
Confirmed serious compliance concerns	Incidents	0	0

*11 All employees, excluding temporary employees and contractors. E-learning in China and APAC took place from January to March 2024.

ESG data

Information security

Employees who underwent e-Learning (participation rate)*12



	Unit	FY2022	FY2023
Total number of cybersecurity incidents, including intrusions	Incidents	0	0
Total number of violations of information security related to leaks of customer personal information	Incidents	0	0
Total number of customers affected by intrusions on company data	Incidents	0	0
Total amounts of fines/penalties paid in connection with information security violations or other cybersecurity incidents	yen	0	0

*12 All employees, excluding temporary employees and contractors. E-learning in China and APAC took place from January to March 2024.

GRI Content Index

This index describes the relationship between the content of the Report and Global Reporting Initiative (GRI) Standards.

— Group basic data

Indicator		Where to find it in the Report
1. The organization and its reporting practices		
2-1	Organizational details	Company profile (p. 03)
2-2	Entities included in the organization's sustainability reporting	Editorial Policy (p. 02) Organization (p. 03)
2-3	Reporting period, frequency and contact point	Editorial Policy (p. 02) FineToday website consumer support page
2-4	Restatements of information	N/A
2-5	External assurance	—
2. Activities and workers		
2-6	Activities, value chain and other business relationships	Organization (p. 03) At a glance (pp. 06–08) Stakeholder engagement (p. 14) Assessing compliance to the Supplier Code of Conduct (p. 52)
2-7	Employees	At a glance (pp. 06–08) ESG data > Hiring, promotion, diversity, equity, and inclusion (p. 64)
2-8	Workers who are not employees	—
3. Governance		
2-9	Governance structure and composition	Sustainability management (p. 19) Corporate governance (pp. 55, 56) Risk management (p. 57) Compliance (pp. 58, 59)
2-10	Nomination and selection of the highest governance body	—

Indicator		Where to find it in the Report
2-11	Chair of the highest governance body	Sustainability management (p. 19) Corporate governance (pp. 55, 56) Risk management (p. 57) Compliance (pp. 58, 59)
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability management (p. 19) Risk management (p. 57) Compliance (pp. 58, 59)
2-13	Delegation of responsibility for managing impacts	Sustainability management (p. 19) Risk management (p. 57) Compliance (pp. 58, 59)
2-14	Role of the highest governance body in sustainability reporting	Sustainability management (p. 19) Corporate governance (pp. 55, 56) Risk management (p. 57) Compliance (pp. 58, 59)
2-15	Conflicts of interest	—
2-16	Communication of critical concerns	Sustainability management (p. 19) Corporate governance (pp. 55, 56) Risk management (p. 57) Compliance (pp. 58, 59)
2-17	Collective knowledge of the highest governance body	—
2-18	Evaluation of the performance of the highest governance body	—
2-19	Remuneration policies	—
2-20	Process to determine remuneration	—
2-21	Annual total compensation ratio	—

GRI Content Index

Indicator		Where to find it in the Report
4. Strategy, policies and practices		
2-22	Statement on sustainable development strategy	Message from the CEO (pp. 09–11)
2-23	Policy commitments	Purpose/Values (p. 01) Participation in external initiatives/external evaluation (p. 05) Fine Today & Tomorrow 2030, the medium-to-long-term vision (p. 12) FineToday Group Basic Environmental Policy (p. 21) Human Rights Policy (p. 36) Occupational Health and Safety Policy (p. 47) Procurement Policy (p. 51) Corporate Citizenship Policy (p. 53) Code of Conduct and Ethics (p. 58)
2-24	Embedding policy commitments	Progress toward the medium-to-long-term vision targets (pp. 15–18) Sustainability management (p. 19) Our responses to climate change (pp. 22–24) Action towards a sound material-cycle society (circularity) (p. 25) FineToday Industries Environmental Initiatives (pp. 27–28) Quality assurance (p. 30) Giving consumers information they need (pp. 33–35) Respect for human rights (pp. 36, 37) Hiring, promotion, diversity, equity, and inclusion (pp. 38–40) Employee skills development (pp. 41–43) Promoting work-life balance (pp. 44–46) Occupational health and safety (pp. 47–49) Labor-management relations (p. 50) Engagement with suppliers to promote sustainable and responsible procurement (pp. 51, 52) Community collaboration (p. 53) Corporate governance (pp. 55, 56) Risk management (p. 57) Compliance (pp. 58, 59) Information security (pp. 60, 61)

Indicator		Where to find it in the Report
2-25	Processes to remediate negative impacts	Fine Today & Tomorrow 2030, the medium-to-long term vision (p. 12) Participation in external initiatives/external evaluation (p. 05) FineToday Group Basic Environmental Policy (p. 21) Responding to quality issues and product incidents (p. 30) To reflect the voice of consumers in our products and services (p. 34) Preventing harassment (p. 37) Labor-management relations (p. 50) Assessing compliance to the Supplier Code of Conduct (p. 52) Corporate governance (pp. 55, 56) Employee helplines (p. 59)
2-26	Mechanisms for seeking advice and raising concerns	Responding to quality issues and product incidents (p. 30) To reflect the voice of consumers in our products and services (p. 34) Preventing harassment (p. 37) Labor-management relations (p. 50) Assessing compliance to the Supplier Code of Conduct (p. 52) Corporate governance (pp. 55, 56) Employee helplines (p. 59)
2-27	Compliance with laws and regulations	N/A
2-28	Membership associations	—
5. Stakeholder engagement		
2-29	Approach to stakeholder engagement	Stakeholder engagement (p. 14)
2-30	Collective bargaining agreements	Labor-management relations (p. 50)

GRI Content Index

— Material Topics 2021

Indicator		Where to find it in the Report
3-1	Process to determine material topics	Materiality (p. 13)
3-2	List of material topics	Materiality (p. 13)
3-3	Management of material topics	Fine Today & Tomorrow 2030, the medium-to-long term vision (p. 12) Progress toward the medium-to-long-term vision targets (pp. 15–18) Sustainability management (p. 19)

— Economic

Indicator		Where to find it in the Report
201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	At a glance (pp. 06–08) ESG data (pp. 62–67)
201-2	Financial implications and other risks and opportunities due to climate change	Climate-related risks and opportunities (p. 23)
201-3	Defined benefit plan obligations and other retirement plans	—
201-4	Financial assistance received from government	—
202: Market Presence 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	—
202-2	Proportion of senior management hired from the local community	—
203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	Community collaboration (p. 53)
203-2	Significant indirect economic impacts	—
204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	—

Indicator		Where to find it in the Report
205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	ESG data > Compliance (p. 66)
205-2	Communication and training about anti-corruption policies and procedures	Assessing compliance to the Supplier Code of Conduct (p. 52) Compliance (pp. 58, 59) ESG data > Compliance (p. 66)
205-3	Confirmed incidents of corruption and actions taken	N/A
206: Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	N/A
207: Tax 2019		
207-1	Approach to tax	—
207-2	Tax governance, control, and risk management	—
207-3	Stakeholder engagement and management of concerns related to tax	—
207-4	Country-by-country reporting	—

— Environmental

Indicator		Where to find it in the Report
301: Materials 2016		
301-1	Materials used by weight or volume	—
301-2	Recycled input materials used	—
301-3	Reclaimed products and their packaging materials	ESG data > Container and packaging wastes sent out for recycling (p. 63) ESG data > Waste, etc. (p. 63)

GRI Content Index

Indicator	Where to find it in the Report
302: Energy 2016	
302-1 Energy consumption within the organization	—
302-2 Energy consumption outside of the organization	—
302-3 Energy intensity	—
302-4 Reduction of energy consumption	—
302-5 Reductions in energy requirements of products and services	—
303: Water and Effluents 2018	
303-1 Interactions with water as a shared resource	Prevention of air and water pollution (p. 28) ESG data > Water intake, Drain water (p. 63)
303-2 Management of water dischargereLATED impacts	Prevention of air and water pollution (p. 28)
303-3 Water withdrawal	ESG data > Waste, etc. (p. 63) ESG data > Water intake (p. 63)
303-4 Water discharge	ESG data > Waste, etc. (p. 63) ESG data > Drain water (p. 63)
303-5 Water consumption	ESG data > Water intake, Drain water (p. 63)
304: Biodiversity 2016	
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	—
304-2 Significant impacts of activities, products and services on biodiversity	—
304-3 Habitats protected or restored	—
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	—

Indicator	Where to find it in the Report
305: Emissions 2016	
305-1 Direct (Scope 1) GHG emissions	ESG data > CO ₂ emissions (Scope 1+2) (p. 62)
305-2 Energy indirect (Scope 2) GHG emissions	ESG data > CO ₂ emissions (Scope 1+2) (p. 62)
305-3 Other indirect (Scope 3) GHG emissions	ESG data > CO ₂ emissions (Scope 3) (p. 62)
305-4 GHG emissions intensity	—
305-5 Reduction of GHG emissions	—
305-6 Emissions of ozone-depleting substances (ODS)	—
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	ESG data > Waste, etc. (p. 63)
306: Waste 2020	
306-1 Waste generation and significant waste-related impacts	Container and packaging initiatives (p. 25) Initiatives for promotional materials (p. 25)
306-2 Management of significant waste-related impacts	Container and packaging initiatives (p. 25) Initiatives for promotional materials (p. 25) Waste reduction (p. 28) Horizontal recycling of release paper (p. 28)
306-3 Waste generated	ESG data > Waste, etc. (p. 63) ESG data > Container and packaging wastes sent out for recycling, Volume of wastes from promotional materials (p. 63)
306-4 Waste diverted from disposal	ESG data > Waste, etc. (p. 63)
306-5 Waste directed to disposal	ESG data > Waste, etc. (p. 63)
308: Supplier Environmental Assessment 2016	
308-1 New suppliers that were screened using environmental criteria	—
308-2 Negative environmental impacts in the supply chain and actions taken	FineToday Group Supplier Code of Conduct (p. 51) Assessing compliance to the Supplier Code of Conduct (p. 52) ESG data > Environmental (pp. 62, 63)

GRI Content Index

— Social

Indicator	Where to find it in the Report
401: Employment 2016	
401-1 New employee hires and employee turnover	ESG data > Hiring, promotion, diversity, equity, and inclusion (p. 64)
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	—
401-3 Parental leave	ESG data > Percentage of eligible employees taking childcare leave (female) (p. 65)
402: Labor/Management Relations 2016	
402-1 Minimum notice periods regarding operational changes	—
403: Occupational Health and Safety 2018	
403-1 Occupational health and safety management system	Occupational Health and Safety Policy (p. 47) Promoting occupational health and safety (p. 47)
403-2 Hazard identification, risk assessment, and incident investigation	Promoting occupational health and safety (p. 47)
403-3 Occupational health services	Promoting occupational health and safety (p. 47)
403-4 Worker participation, consultation, and communication on occupational health and safety	Promoting occupational health and safety (p. 47)
403-5 Worker training on occupational health and safety	Education and training on occupational health and safety (p. 48)
403-6 Promotion of worker health	Education and training on occupational health and safety (p. 48) Ensuring occupational health and safety (p. 48)
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Assessing compliance to the Supplier Code of Conduct (p. 52)
403-8 Workers covered by an occupational health and safety management system	Promoting occupational health and safety (p. 47)
403-9 Work-related injuries	N/A
403-10 Work-related ill health	—
404: Training and Education 2016	
404-1 Average hours of training per year per employee	ESG data > Employee skills development (p. 65)
404-2 Programs for upgrading employee skills and transition assistance programs	Programs to support skills development (p. 42)

Indicator	Where to find it in the Report
404-3 Percentage of employees receiving regular performance and career development reviews	—
405: Diversity and Equal Opportunity 2016	
405-1 Diversity of governance bodies and employees	At a glance (p. 06) ESG data > Hiring, promotion, diversity, equity, and inclusion (p. 64)
405-2 Ratio of basic salary and remuneration of women to men	—
406: Non-discrimination 2016	
406-1 Incidents of discrimination and corrective actions taken	ESG data > Human rights (p. 64), Compliance (p. 66)
407: Freedom of Association and Collective Bargaining 2016	
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	—
408: Child Labor 2016	
408-1 Operations and suppliers at significant risk for incidents of child labor	N/A
409: Forced or Compulsory Labor 2016	
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	N/A
410: Security Practices 2016	
410-1 Security personnel trained in human rights policies or procedures	—
411: Rights of Indigenous Peoples 2016	
411-1 Incidents of violations involving rights of indigenous peoples	—
412: Human Rights Assessment 2016	
412-1 Operations that have been subject to human rights reviews or impact assessments	ESG data > Group basic data (p. 62), Human rights (p. 64)
412-2 Employee training on human rights policies or procedures	ESG data > Human rights (p. 64)
412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	—

GRI Content Index

Indicator	Where to find it in the Report
413: Local Communities 2016	
413-1 Operations with local community engagement, impact assessments, and development programs	—
413-2 Operations with significant actual and potential negative impacts on local communities	—
414: Supplier Social Assessment 2016	
414-1 New suppliers that were screened using social criteria	—
414-2 Negative social impacts in the supply chain and actions taken	Assessing compliance to the Supplier Code of Conduct (p. 52) ESG data > Human rights (p. 64)
415: Public Policy 2016	
415-1 Political contributions	—
416: Customer Health and Safety 2016	
416-1 Assessment of the health and safety impacts of product and service categories	—
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	—
417: Marketing and Labeling 2016	
417-1 Requirements for product and service information and labeling	Container and packaging initiatives (p. 25) Information on websites (p. 33) Package initiatives (p. 33)
417-2 Incidents of non-compliance concerning product and service information and labeling	—
417-3 Incidents of non-compliance concerning marketing communications	ESG data > Information provided to consumers (p. 64)
418: Customer Privacy 2016	
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	N/A

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