

Fine Today Industries' environmental and social initiatives

Aiming to produce high-quality products with consideration for employee safety and lessening environmental impact

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.

Profile of FTI

Trade Name	Fine Today Industries Co., Ltd.
Location of Head Office	5 Kiyoku-cho, Kuki City, Saitama Prefecture
Representative	Hiroto Morozumi, CEO and Representative Director
Business Areas	Manufacturing of personal care products, etc.
Major Shareholder and Shareholding Ratio	FineToday Holdings Co., Ltd.: 100%



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 conscious

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 mid-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. It uses waste heat generated by this system 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.

- Main examples of capital investment toward CO₂ reduction

2001	Adoption of a cogeneration system (one gas-turbine system)	
2004 - 2007	• Replacement of lighting fixtures (replacement of approx. 3000 40-watt fluorescent lamps with energy-saving lamps)	
2005	Upgrading to high-efficiency compressors (four units)	
2006	Upgrading electrical substation transformers (two units)	
2010	Installing solar lightning in warehouses (82 units) Installing hybrid wind- and solar-powered street lighting	
2012	 Upgrading from absorption chillers to heat-pump chillers Upgrading cogeneration systems (two gas-engine systems) 	
2015	 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	• Upgrading the electrical substation for factory building no. 4 from standard oil-immersed transformers to super-high-efficiency oil-immersed transformers (three units)	
2017	Upgrading the production chillers in factory building no. 4 and switching to LED lighting in the building	
2018	Promoting use of LED lighting	
2019	Switching some electricity used to hydroelectric power (3,455 MW)	
2022	 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) 	



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.
- Raw wastes, produced mainly in the employee dining hall, are reduced through biotreatment in raw-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 activatedsludge 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 FY2022.

FTI's environmental data (January-December 2022)

Atmosphere

NOx emissions	24.15 t
SOx emissions	N/A

Substances subject to the PRTR Act

Emissions of substances subject 23.24 t to the PRTR Act

Wastes		
Waste emissions	1,762.5 t	
Volume recycled	1,762.5 t	
Volume not recycled	0.002 t Asbestos used as thermal- insulation materials in thermostat-oven processing	
Landfill wastes	0 t	
Waste recycling rate	99% or above	

Water

Total water intake 235,090 m³

203.882 m³ Total drain water

Focus 2 Fine Today Industries' environmental and social initiatives

Maintaining working environments in which people can do their jobs with safety and peace of mind

Complying with independent rules based on occupational health and safety laws and regulations

Delivering stable supplies of products that earn the support of diverse customers requires working environments where people can work with peace of mind.

FTI has established its own independent rules conforming to applicable laws and regulations, through which it strives to ensure the safety of its workplaces. As part of these efforts, it endeavors to eliminate hazards and reduce danger in the workplace through identification and risk assessment of dangers involved in the equipment, chemical substances used, and work performed in the workplace. It also educates employees to prevent workplace accidents by learning about how they occur, through simulated experience with common accidents and injuries in manufacturing workplaces.

