Action towards a sound material-cycle society (circularity)

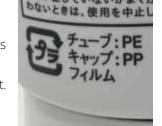
Basic policy

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

The FineToday Group strives to lessen the environmental impact of containers and packaging materials. For example, bottles^{*} for the Super Mild natural haircare brand use approximately 96% eco-friendly bioplastics from sugarcane. In addition, products provide information on the resources used in their packages to encourage recycling. 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 them out for recycling by vendors as specified in the act. * Sold in bottles in China only.



- Container and packaging wastes sent out for recycling <FineToday>

	FY2021*	FY2022*
Glass	4,532 kg	4,260 kg
Paper containers	110,390 kg	102,189 kg
Plastic containers and packaging	3,486,029 kg	3,484,604 kg

* Fiscal year of application under the Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging (not year of waste generation)

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

FT Shiseido Co., Ltd., FineToday's predecessor, first launched these efforts to reduce wastes of promotional and related materials.

• Activities to put unneeded materials to prompt use

For several years, FineToday has addressed the issue of inventories of promotional materials remaining unused over the long term by separating materials into those planned for immediate use and those not expected to be used. 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.

• Efforts to prevent waste of resources FineToday also conserves resources by improving how it packs promotional materials. For example, use of floor stands that reuse cardboard boxes, instead of disposing of the boxes after unpacking, conserves resources used for promotional materials.



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- Volume of wastes from promotional materials* <FineToday>

	FY2019	FY2020	FY2021	FY2022
Volume of wastes	100	103	109	25

FY2019 and FY2020 data are for FT Shiseido Co., Ltd. FY2021 data also include data for FT Shiseido Co., Ltd.

* Index calculated assigning a value of 100 to actual wastes in FY2019.

Review of materials used in promotional materials

FineToday's promotional materials are made mainly of paper, but they may use plastic and metal as well. Since the United Nations Environment Assembly passed a resolution on international rules to prevent plastic pollution in February 2022, demands have been increasing for reducing use of plastic and disposing of it properly in order to protect marine ecosystems.

In-store promotional materials include product hanger displays. Many hooks on hanger displays are made of plastic, but since January 2022 FineToday has strived to reduce plastic use by switching to paper hangers where possible.

Highlight

Hanger displays using paper hooks successfully introduced

It is vital for in-store product displays to make it easy for customers to see and grab products. To transition away from plastics, FineToday studied replacing these plastic hooks with paper ones, but this led to practical issues with durability. Over several months beginning in January 2022, FineToday tested the durability of paper hooks in areas such as

vulnerability to force and humidity, with the cooperation of about 30 retailers across Japan. The findings showed that the hooks tended to bend when people's hands touched them and to sag when used for heavy products. Through trial and error, in autumn 2022 some retailers began using paper hanger displays to display Water In Lip lip creme products. The cooperation of retailers and other stakeholders will drive steady progress on transitioning away from plastics in the future as well.



well. Hanger display with paper hook

More efficient deliveries of promotional materials

FT Shiseido Co., Ltd. began efforts to reduce use of trucks through more efficient deliveries 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

Highlight

FRESSY makes hair more comfortable while saving water

FRESSY is a dry shampoo that does not require any water. Users simply spray an appropriate amount on the hair and scalp, massage it gently into the scalp, and dry with a dry towel. Not only does FRESSY make it easy to refresh hair and scalp, but it also saves water.

