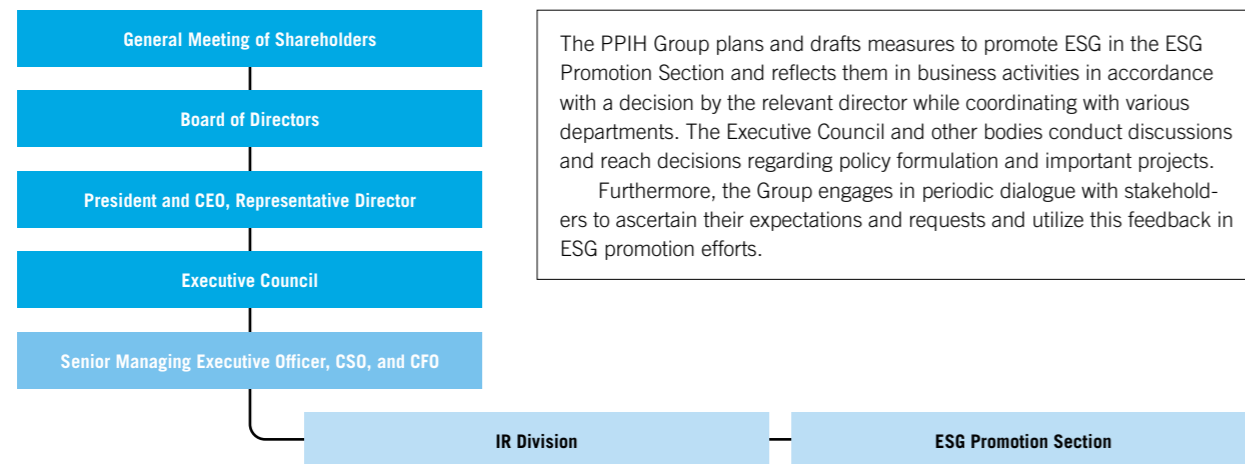


## ESG Initiatives of the PPIH Group

# Approach to Promoting Sustainability

For the PPIH Group to realize sustainable growth, it is important to deepen trust with all stakeholders and promote management with commitments to ESG and sustainability that have attracted growing attention in recent years. From this perspective, we have ramped up ESG promotion efforts since May 2019 and arranged a framework to collect and organize ESG activity information and compile and disclose non-financial information for the entire Group.

### ESG Promotion Framework (as of October 2020)



### PPIH Group Stakeholders

Stakeholders	Important Dialogue Methods
<b>Customers</b>	Store sales and events Information provision via corporate website, official social media, or dedicated app Customer questionnaires, main inquiry contact
<b>Partners (Suppliers)</b>	General assembly of partners Dialogue through a web-based business discussion system Partner exclusive hotline
<b>Shareholders and Investors</b>	Shareholder general assembly, IR briefings, IR meetings Information site for investors PPIH Report, Integrated Report, ESG Data Book 
<b>Local Communities</b>	Local resident briefings, communication with local government entities Social contribution activities, volunteer activities
<b>Employees</b>	Information provision via the internal portal site or internal newsletters Whistleblower contact, work satisfaction questionnaire Salary interview, communication interview "The Source" training, seminars

## ▶ PPIH Group Materiality

In formulation of the new medium-to-long-term management plan, we extensively discussed "importance to our valued stakeholders" and "what activities utilized our Group strengths" as the basis for identifying key ESG issues. Additionally, ESG initiatives in our main business overlap in many aspects with the Sustainable

Development Goals (SDGs) promoted by the United Nations. We defined our ESG fundamental policy and materiality, including consideration of these points.

### E Environment

**Reduce environmental burden caused by business activities**

- Lower CO<sub>2</sub> emission volume
- Reduce containers and packaging and make effective use of resources
- Reduce food waste and strengthen recycling

Collect recycled products at stores (UNY)

Separate garbage by type in separate containers

### S Society

**Reinforce human resources and human rights management**

Foster a comfortable and rewarding workplace environment

**Promote diversity**

**Strengthen dialogue with the local community**

Promote local contribution activities

Participate in the Sapporo Rainbow Pride 2020 Parade

Contribute hygiene products to elementary schools in the local area where the store operates

### G Governance

**Bolster the corporate governance framework**

Improve management transparency

Cultivate the next-generation CEO and next-generation executives

**Strengthen risk management**

Ensure thorough compliance

Reinforce information security

Strengthen response to natural disaster risk

Disinfect shopping baskets and carts for customer safety

Ensure prevention of droplet infection at checkout counters