

Sustainable Product Sourcing and Responsible Sales

Supply chain management that accounts for human rights and the environment

The PPIH Group believes that addressing human rights issues for all people involved in its business, as well as environmental issues such as climate change and environmental pollution is one of the key challenges for the Group as a retailer, and considers these to be priority issues.

Therefore, in January of 2022, the PPIH Group established the “PPIH Group Sustainable Procurement Policy” in order to procure products with consideration for human rights and environmental issues.

Since the understanding and cooperation of our suppliers are essential to achieving this policy, we have also established the “PPIH Group Supply Chain Code of Conduct” and ask for their understanding of and compliance with the “PPIH Group Sustainable Procurement Policy.”

We encourage our suppliers to follow this Code of Conduct, and we aim to realize a sustainable society based on a strong partnership between the PPIH Group and our suppliers.



PPIH Group Sustainable Procurement Policy

- 1. Supplying Safe and Reliable Products.
- 2. Thorough Compliance.
- 3. Fair and Equitable Transactions.
- 4. Coexistence with the Local Community.
- 5. Human Rights Considerations.
- 6. Environmental Considerations.
- 7. Collaboration with Business Partners.
- 8. Management of Confidential Information.

PPIH Group Supply Chain Code of Conduct

- 1. Respect for Human Rights
- 2. Management of Working Environment, Safety and Health
- 3. Fair and Transparent Business Activities
- 4. Environmental Protection
- 5. Quality Control
- 6. Information Security
- 7. Contributing to the Local Community
- 8. Efforts to Put into Practice

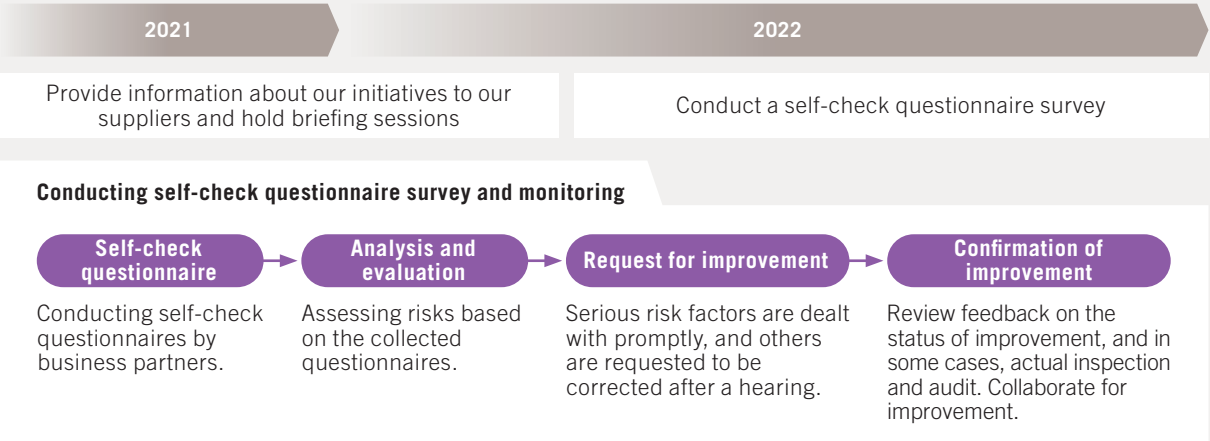
Conducting briefings on the “PPIH Group Supply Chain Code of Conduct” for suppliers and questionnaire surveys

In the development of private brands (PB), we will work together with our suppliers to promote responsible procurement throughout the supply chain.

In May and June of 2022, we held briefing sessions for approximately 700 suppliers to obtain their support and cooperation for the PPIH Group Supply Chain Code of Conduct.

In July 2022, we started a questionnaire survey for all suppliers to whom we outsource PB manufacturing, asking suppliers to self-check their compliance with the “PPIH Group Supply Chain Code of Conduct.” This survey is designed to assess each item in the areas of human rights, health and safety, and the environment, as well as to conduct risk assessment.

After the risk assessment is conducted, we will monitor the situation, and if there are any serious risk factors, we will request improvement, and in some cases, we will confirm the current situation at the site and work together with our suppliers to make improvements.



Private brand products and original services that aim to solve social and environmental issues



Development of sustainable products as private brand products, “JONETZ”

“JONETZ” is Don Quijote’s private brand product based on the concept of “People Brand,” which means to create together with customers. “JONETZ” also focuses on developing environmentally friendly products. It ensures effective use of resources, including recycled materials, and meets the needs of customers who want products with low impact on the Earth.

“JONETZ” tea leaves

The packaging material for “JONETZ” tea leaves has been overhauled, with some of the plastic being replaced with paper and biomass ink being used, to make these products eco-friendly. Products with this new packaging went on sale in June 2022. Because tea is sensitive to moisture and light, it cannot be packaged only in paper, and a certain amount of plastic must be used. We went through a trial and error process to reduce plastic as much as possible while maintaining the quality of the tea leaves. As a result, we reduced plastic in the packaging by about 48%. This was a pioneering initiative, as not many tea leaf products use packaging marked with a paper symbol for recycling.



Environmentally conscious original products to be incorporated into customers’ lifestyles



One of the PB products developed by UNY, a core company of the PPIH Group, is “eco!on,” an environmentally conscious original product created together with customers. The eco!on brand products are developed from the perspective of “3R (Reduce, Reuse, Recycle)” in the concept of product development, with a view to not polluting the earth by planning products that address energy conservation and the use of biomass resources to achieve a decarbonized society.

[Eco-roll series]

The “Eco-Roll” series is toilet paper from our eco-friendly private brand “eco!on.” It is sold at Apita and Piago stores, as well as elsewhere. Both “Eco-Roll (Regular)” and the “Double-roll type of the Eco-Roll series” are eco-friendly toilet paper made from 100% recycled paper.

[Regular type of Eco-Roll series]

The regular type of Eco-Roll series uses milk cartons collected at UNY stores as part of its raw materials. The polyethylene used to coat the milk cartons is reused as thermal energy in the plant.



[Double-roll type of the Eco-Roll series]

This double-roll type is even more eco-friendly. The recycled paper used as the raw material for those products is an FSC-certified recycled material. By doubling the rolls of the regular type and keeping the fluffy feel of the leaf embossing, the amount of core and packaging film used and the amount of waste derived from the product have been cut down, while the amount of CO₂ emitted during transportation has been reduced by approximately 50%. This product is made using renewable plant-derived biomass ink. The rolls of paper are long, which reduces the frequency of roll replacement and saves space.

