

# Sustainability at the PPIH Group

## The PPIH Group's basic sustainability policy

Based on our corporate principle of "The Customer Matters Most," the PPIH Group is committed to resolving important environmental and social issues (materiality) through its core business of general retailing, with a primary focus on supporting the lifestyles of local customers and providing them with the enjoyment of shopping. We aim to achieve both the realization of a sustainable society and medium to long-term enhancement of corporate value through dialogue with our stakeholders.

## Materiality

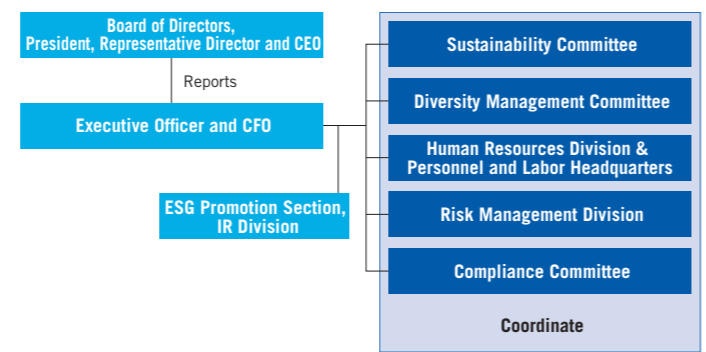
At the time of formulating the Visionary 2025/2030 medium to long-term management plan, we discussed the expectations and significance of the Group to our stakeholders and the social issues that we can contribute to solving by leveraging our strengths, and re-identified the key issues (materiality) for the realization of a sustainable society and company.

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|---|---|
| <b>Reduce the Environmental Impact of our Business Activities</b>         | <ul style="list-style-type: none"> <li>Responding to climate change</li> <li>Reduction of CO<sub>2</sub> emissions</li> <li>Reduction of plastic usage</li> <li>Development of environmentally friendly products</li> </ul>           |
| <b>Accepting Diversity and Creating a Rewarding Workplace</b>             | <ul style="list-style-type: none"> <li>Promotion of women's activities</li> <li>Support active participation of LGBTQ+</li> <li>Creating a work environment that fosters employee engagement</li> </ul>                               |
| <b>Sustainable Product Sourcing and Responsible Sales</b>                 | <ul style="list-style-type: none"> <li>Sustainability in the supply chain</li> <li>Responsible sales of alcohol</li> <li>Expand certified products that aim to solve social and environmental issues</li> </ul>                       |
| <b>Resolving Social Issues through Coexistence with Local Communities</b> | <ul style="list-style-type: none"> <li>Donations, fundraising activities, and contributions to local communities</li> <li>Growth of future generations</li> </ul>   |
| <b>Solid Governance</b>   | <ul style="list-style-type: none"> <li>Ensuring management transparency</li> <li>Compliance with and oversight of corporate philosophy</li> <li>Ensuring thorough compliance</li> <li>Responding to natural disaster risks</li> </ul> |

## Organization and systems

Under the management of the Executive Officer and CFO, who is in charge of ESG promotion, each committee and division in charge of ESG promotion plans and formulates measures, which are reflected in the business activities of Group companies.

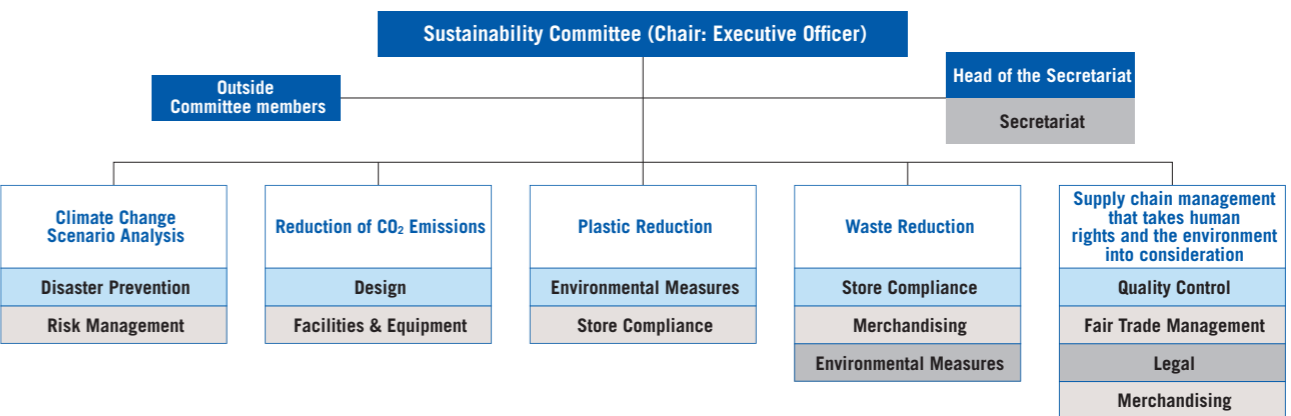
In addition, the chairpersons of each committee meet once a month to discuss the progress of initiatives, share information, and make decisions (promotion meeting), and further report on their activities at regular Board of Directors meetings. Policies and goals are also developed, and important initiatives are discussed and approved by the Board of Directors to be implemented.



## Introduction of the major committees

### Sustainability Committee

The Sustainability Committee, chaired by the Executive Officer & Head of Risk Management, meets once per month. It addresses issues such as the Task Force on Climate-related Financial Disclosures (TCFD), reduction of CO<sub>2</sub> emissions, development of a supply chain management system that takes human rights and the environment into consideration, and reduction of plastic and waste. The subcommittees have been established for each theme as a subordinate organization of this committee, so that each subcommittee can plan and formulate concrete measures to reflect in our business activities. In addition, regular meetings with outside committee member Hidemi Tomita, who has expertise in sustainability management, are held once a month to discuss specific issues with professional perspectives.



Executive Officer  
Head of Risk Management  
Deputy Head of Tenant Leasing Business  
**Keiji Hayakawa**

It has been almost two years since the Sustainability Committee was established. The Committee started by gaining an understanding of the current risks and issues and then setting goals. In the fiscal year ended June 30, 2023, specific initiatives based on these goals were gradually started and have begun to take shape. Sustainability awareness is steadily spreading within the Company as well, and employees are coming up with ideas for how to combine social and environmental perspectives with corporate growth, rather than these being a trade-off. At times, we believe that it is necessary for us to implement initiatives that lead to changes in our customers' environmental and social awareness, as we are the most familiar presence to customers as a retailer. We will persistently continue to implement dramatic initiatives unique to our company while engaging in dialogue with various stakeholders.

### Diversity Management Committee

The Diversity Management Committee is chaired by the Director & Executive Officer in charge of diversity management and meets once a month. The Committee plans, drafts, and implements a variety of measures to promote the active participation of diverse human resources, including female and LGBTQ+ employees, through cross-sectional cooperation among several related divisions, such as the Personnel System Planning Division, Labor Management Division, and Recruiting Management Division.



Director and Executive Officer  
Head of Diversity Management  
Head of Design  
**Hitomi Ninomiya**

PPIH Group stores serve over 600 million customers annually. One of the PPIH Group's strengths for satisfying customers with diverse values and continuing to operate the stores they choose is that many employees with diverse values, personalities, and backgrounds work at our stores, including not only women but also non-Japanese people, seniors, LGBTQ+ people, and people with disabilities. The Diversity Management Committee will continue to develop an even greater variety of systems and structures to create an environment in which all employees, including the aforementioned people, can work and thrive in their own way with peace of mind.