

# Reduce the Environmental Impact of Our Business Activities

We recognize that addressing climate change is a pressing issue for the realization of a sustainable society and one of the social responsibilities that the entire PPIH Group must undertake. With the aim of realizing a decarbonized society, we are working to reduce the environmental impact of our business activities by advancing measures toward achieving reduction targets for CO<sub>2</sub> emissions and plastic usage, which contribute to global warming.

## Climate Change Risks

Climate change and extreme weather caused by global warming affect all aspects of our business, including store operations and product procurement. To accelerate and ensure our efforts to address these environmental issues, the PPIH Group declared its support for the Task Force on Climate-related Financial Disclosures (TCFD) in February 2022 and published disclosures based on the TCFD framework. Furthermore, in FY6/25, we began responding to the SSBJ climate-related disclosure standards, and newly disclosed our governance structure related to climate change

and reporting content to the Board of Directors. Additionally, the Sustainability Committee has reviewed the content of climate change-related risks and opportunities, analyzed financial impacts across short-, medium-, and long-term timeframes, and worked to enhance our disclosure content. Going forward, we will continue to strengthen governance related to climate change, aiming for sustainable business development and medium- to long-term enhancement of corporate value.

Governance structure, roles, and reporting/deliberation results related to climate change (FY6/25)

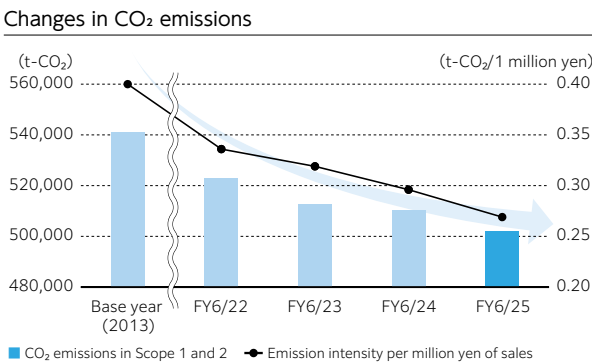
| Organization             | Members   | Role  | Number of Reports/ Meetings | Major Reporting and Deliberation Matters  |
|--------------------------|---|---|-----------------------------|---|
| Board of Directors       | Directors   | <ul style="list-style-type: none"><li>Receive reports from the Sustainability Committee at least once a year on the progress of climate change response and the status of achieving targets, and supervise climate-related risks and opportunities</li><li>Approval of climate change policies, strategies, and important initiatives</li></ul>   | Twice a year                | <ul style="list-style-type: none"><li>Report on the status of compliance with SSBJ climate-related disclosure standards and California law (climate-related financial risks law)</li><li>Progress report on environmental goals</li></ul>   |
| Sustainability Committee | <p>[Chair] Executive Officer, Head of Risk Management</p> <p>[Members] Head of Related Departments (Environmental Measures, Design, Facility Management, Disaster Countermeasures, Crisis Management, Store Compliance, Product Procurement Department, Quality Control, Fair Trade Management, Legal Affairs)</p> <p>[Outside Committee Member] Hidemi Tomita (Representative Director, Institute for Sustainability Management)</p> | <ul style="list-style-type: none"><li>Consider the PPIH Group's climate change policies and strategies, discuss risk management and countermeasures, and decide on the implementation of new initiatives</li><li>Planning and promotion of initiatives are led by subcommittees under the Sustainability Committee (climate-change scenario analysis, CO<sub>2</sub> reduction, waste reduction and plastic reduction), which are subordinate organizations of the Sustainability Committee, and are implemented by each Group company</li><li>Sustainability Committee members who serve as the heads of each subcommittee manage and monitor the progress of initiatives and report to the Sustainability Committee</li></ul> | Monthly (12 times per year) | <ul style="list-style-type: none"><li>Report on the status of compliance with SSBJ climate-related disclosure standards and California law (climate-related financial risks law)</li><li>Progress report on decarbonization goals</li><li>Report on the introduction status of solar power generation equipment and energy-saving equipment</li><li>Report on efforts to reduce food recycling and food loss</li><li>Progress report on plastic reduction targets related to store services</li><li>Progress report on human rights and environmental measures in the supply chain</li><li>Report on initiatives to reduce Scope 3 emissions</li><li>Report on ESG evaluation</li></ul> |

■ For details on disclosure based on the TCFD framework, please refer to our corporate website on sustainability. [https://ppih.co.jp/en/sustainability/materiality1/climate\\_change/](https://ppih.co.jp/en/sustainability/materiality1/climate_change/)



## Reduction of CO<sub>2</sub> Emissions (Scope 1 and 2)

As part of our measures to mitigate climate change, the PPIH Group has set a target of reducing CO<sub>2</sub> emissions from our stores by 50% by 2030, compared to 2013 levels (emission intensity per million yen of sales), and we are advancing initiatives such as improving energy efficiency and introducing renewable energy to achieve this goal. We are making steady progress toward our 2030 target, achieving a 26% reduction by FY6/24 and a 32.7% reduction by FY6/25, with total emissions also declining.



## Major Initiatives Implemented in FY6/25

### Utilization of renewable energy both in Japan and overseas

During this consolidated fiscal year, we began installing and operating solar power generation equipment through onsite CPPA at 5 domestic stores. We utilized approximately 10 million kWh of renewable energy at a cumulative total of 27 stores and 1 office building (aggregation period: April 2024 to March 2025).

Overseas as well, we have introduced solar power generation equipment at stores in Hawaii and Thailand, working to reduce CO<sub>2</sub> emissions.



MEGA Don Quijote UNY Kakegawa Store



Don Quijote Kaheka Store

## Initiatives Toward Scope 3 Emissions Reduction

We are working to reduce CO<sub>2</sub> emissions not only from our stores but also across the entire supply chain, from procurement through distribution to consumption. In FY6/25, we worked to capture primary data on emissions related to purchased products and held explanatory sessions for business partners themed on the importance of addressing climate change, aiming to reduce emissions across the entire supply chain. Through these efforts, we are strengthening collaboration with business partners and accelerating initiatives toward the realization of a sustainable society.

In the distribution sector, we are cooperating with logistics partners to promote freight transportation that balances environmental considerations with productivity improvements through modal shifts, the utilization of electric vehicles and double-linked trucks, and the review of delivery plans through inventory optimization in the transportation and delivery of products.



Explanatory session for business partners (held in June 2025)



Operating double-linked trucks between Kanto and Kansai bases and between Kanto and Tokai bases (Photo: Senko Co., Ltd.)

## Reduction of Plastic Usage

We regard addressing environmental pollution caused by plastics, such as global warming and marine plastic waste issues, as our social responsibility as a retailer. We are working to reduce the environmental impact of our business activities through initiatives such as reducing plastic produce bags used in customer service, changing materials for plastic cutlery, and reducing the thickness of laminated POP displays used in store presentations.



In-store poster encouraging customers to reduce use of plastic produce bags

■ Environmental initiatives for PB/OEM products

We are working on environmentally conscious product development, including reducing the thickness of product packaging materials and containers, adopting biomass materials, and utilizing environmentally friendly materials and technologies for package printing.



Adopting water-based flexographic printing for product packaging to reduce CO<sub>2</sub> emissions

Using 10% biomass materials in some plastic materials of products