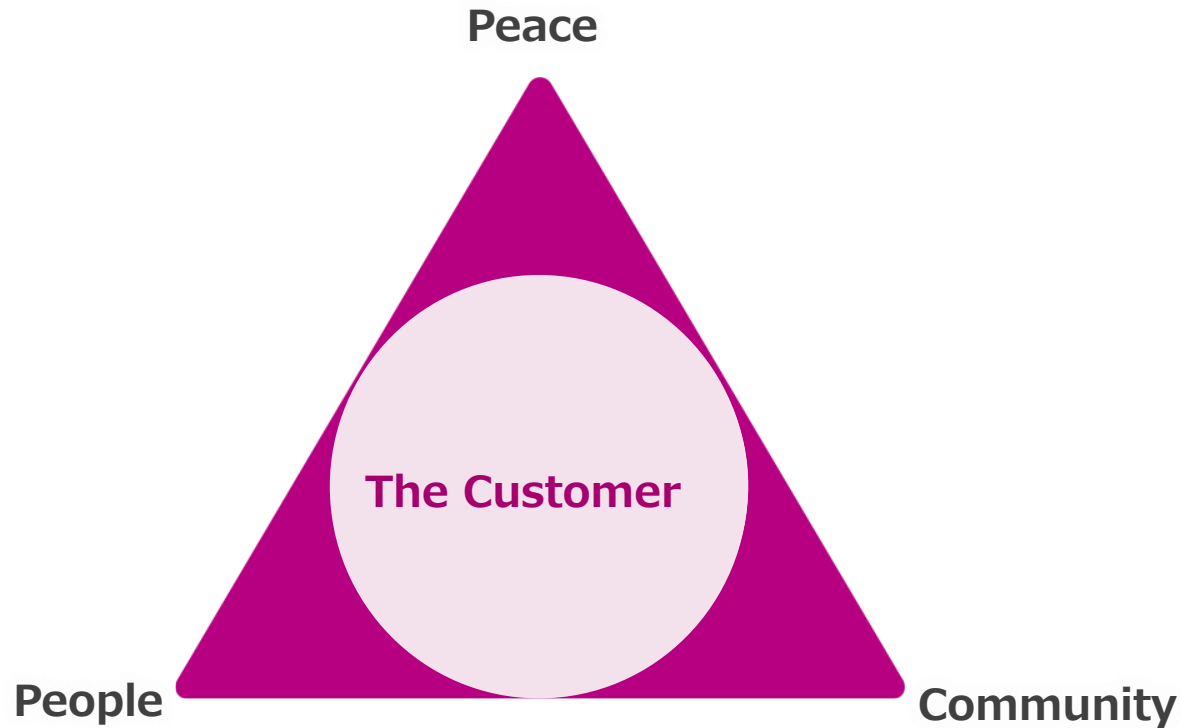


# **FY2020**

# **AEON Sustainable Management Briefing**

January 25, 2021  
AEON Co., Ltd.

Pursuing peace, respecting humanity, and contributing to local communities, always with the customer's point of view as its core.



On the basis of the AEON Basic Principles, AEON practices its “Customer-First” philosophy with its ever-lasting innovative spirit.



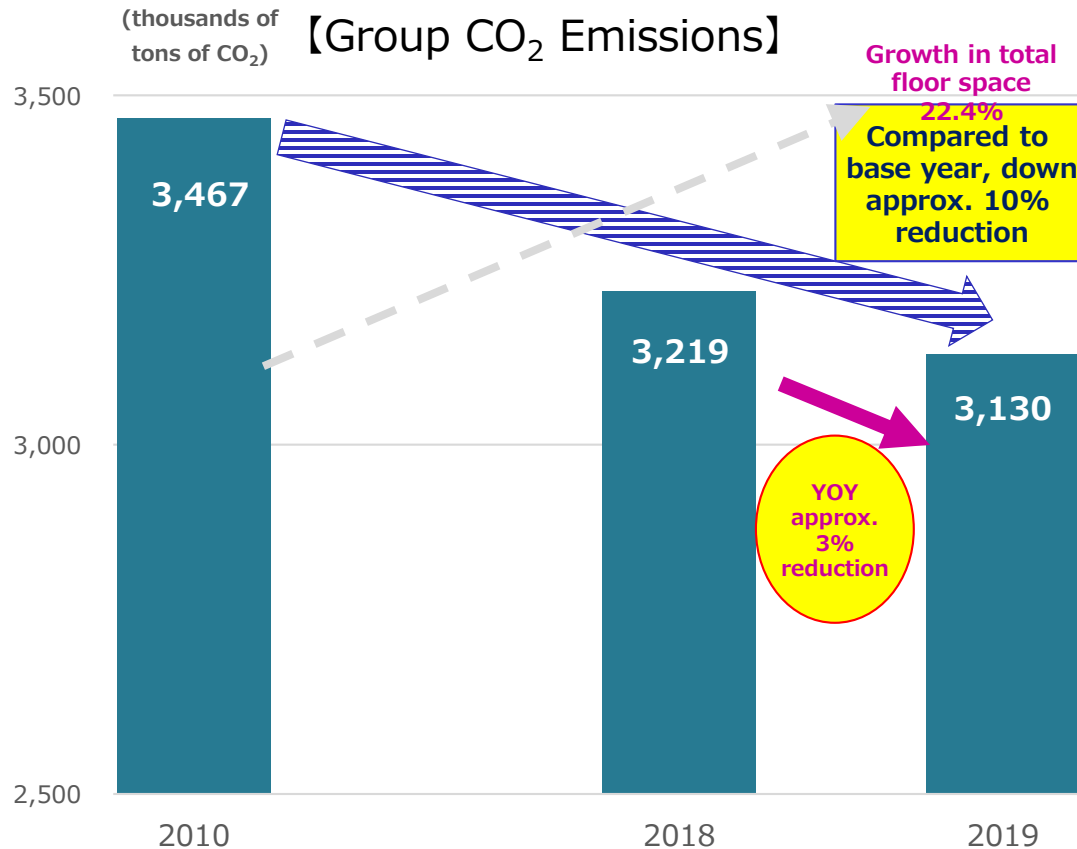
**Sustainable Planet: Decarbonization and climate change**

# **AEON Decarbonization Vision 2050**

- CO<sub>2</sub> emissions: Group-wide reduction of approximately 3% from the previous year (FY2018)

A decrease of approximately 10% from the base year (FY2010)

\* 2010→2019 total gross floor area has grown 22.4%



### 【Main Measures】

#### Energy saving measures

Operational improvements and energy AD  
Introduction of energy-efficient equipment and facilities

#### Energy generation

On-site PPA for solar power generation, etc.

#### Reduced CO<sub>2</sub> emissions from power systems

Post-FIT electricity purchasing  
CO<sub>2</sub>-free menu purchasing

## ■ Introduction of advanced energy-saving technology

World's first air-conditioning energy-use management using AI paired with data on human traffic flow and other information

Cameras and various sensors such as thermometers are installed inside and outside stores to detect human traffic flow, flow lines, temperature/humidity, CO<sub>2</sub> concentrations, etc. in real time, and the data thus accumulated is used for advanced analysis, learning, and prediction using AI, with the goal of optimal automatic control of air conditioning.

**AEON Soyora Ebie (opened in March 2020)**

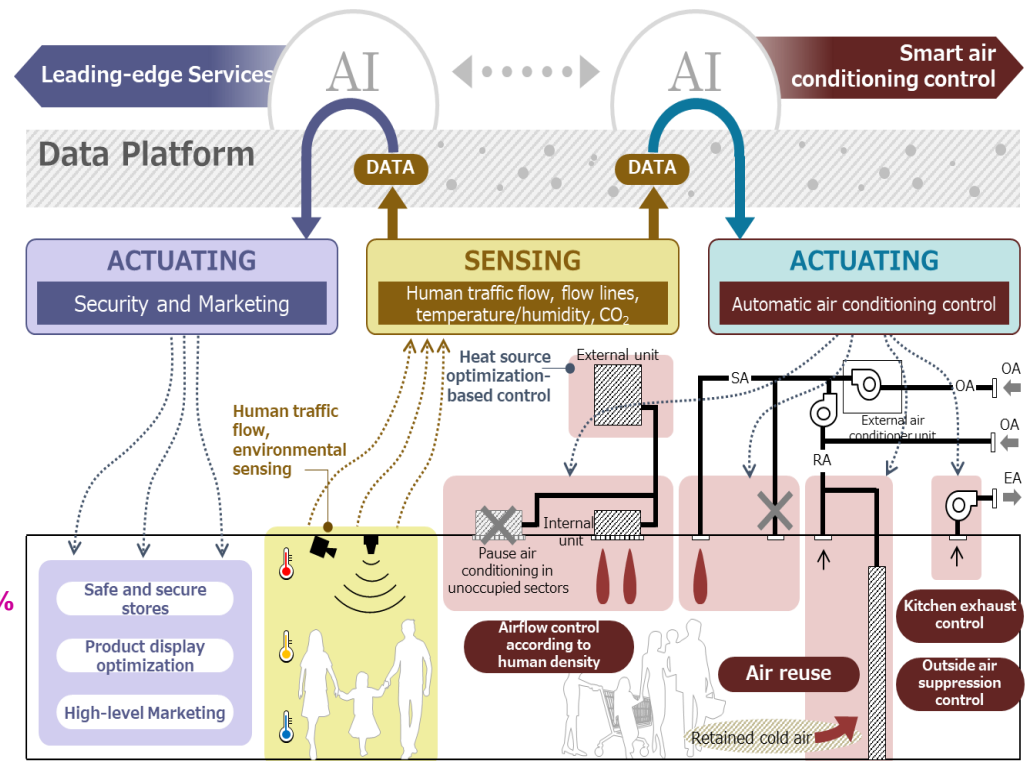


**Trial period: March 2020 to August 2022**

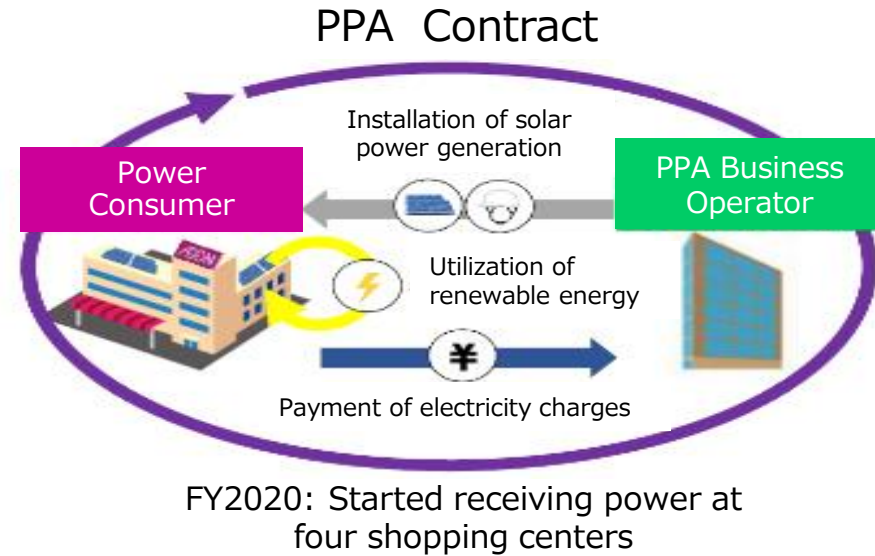
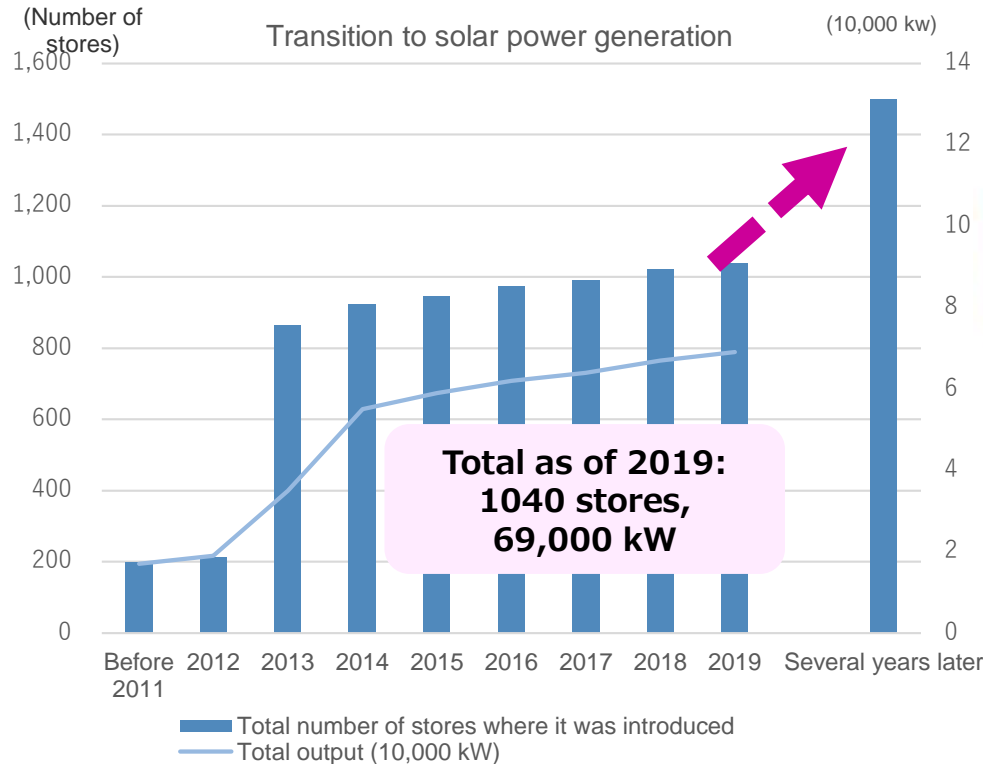
**Aiming to reduce CO<sub>2</sub> emissions from air conditioning by 40%**

**Trial participants:**

AEON Retail, Kansai Electric Power Co. Inc.,  
Optage Inc., Kobe University, Nikken Sekkei  
Research Institute



## ■ Solar power generation - Renewable energy procurement through on-site PPA



PPA to be introduced sequentially in the future.  
200 potential locations

**AEON Fujiidera Shopping Center:**  
Started receiving power in September 2019



**AEON Mall Tsu-Minami:** Started receiving power in June 2020



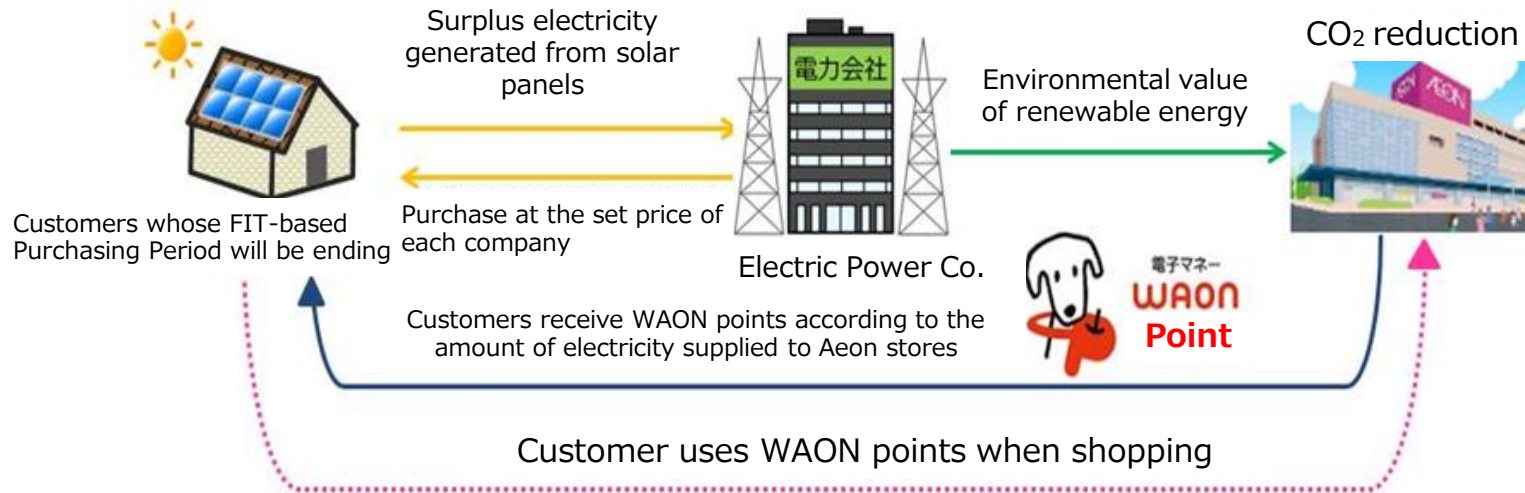
**AEON Town Konan:** Started receiving power in September 2020





## ■ Transition to supplying stores with renewable energy using post-FIT surplus electricity

Procuring renewable energies from the Customers whose FIT-based Purchasing Period will be ending

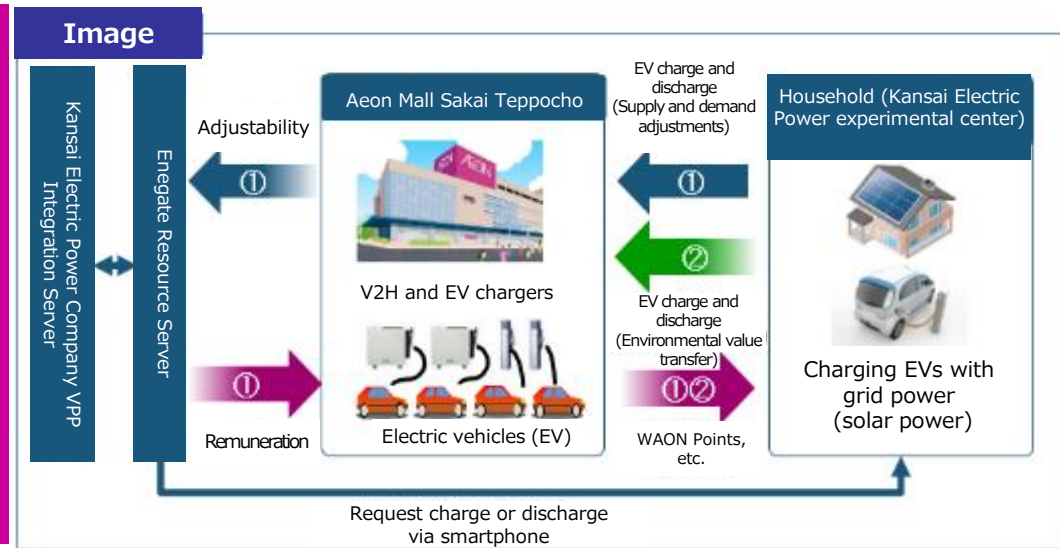


◆ Annual renewable energy procurement volume in the Chubu area: 16 million kWh  
Around 25% of electricity consumption at each shopping center is covered by renewable energy procured from post-FIT sources



## FY2019 Test Implementation Details

- 1) VPP verification test  
Use of METI subsidies
  - 2) Using blockchain tech to verify environmental value transactions
- Experiments in collaboration with Kansai Electric Power



### ▼ Monitor recruitment poster



### ▼ Demonstration test photos



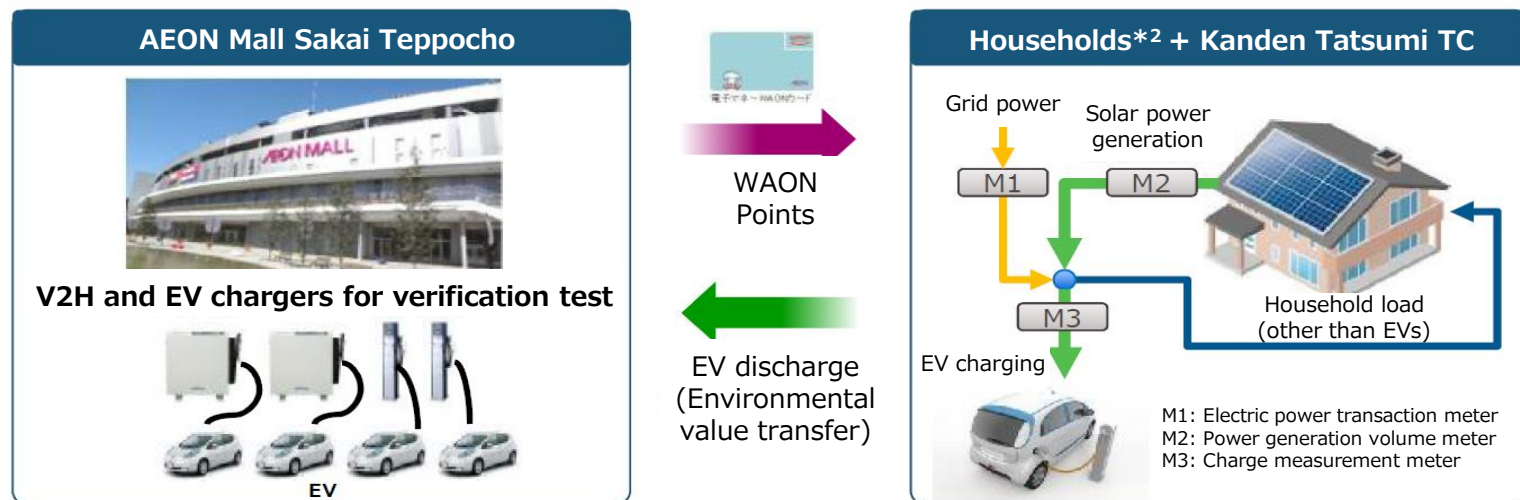
### Verification test results:

Ran for 12 days in total. A total of 19 members of the public participated as monitors. The system was constructed without problems. A news release attracted a large number of inquiries, indicating a high level of interest.

## ■ V2H and EV chargers, VPP, and blockchain verification experiments

- 1) VPP: Constructing a system to transfer renewable energy generated by households to AEON Mall, using EVs as intermediaries
- 2) Blockchain: Constructing an AI system to link the environmental value of renewable energy to WAON points

### Verification test diagram



\* 2: Implemented with monitors who participated in FY2019 (about 4 households)

## Future Schedule

- January - February FY2020: Blockchain verification experiment planned using the homes of members of the public participating as monitors
- During FY2021: Next verification experiment (planned)
- During FY2022: Commercialization and expansion to other stores (planned)

**Sustainable Planet: Sustainable procurement**

# **AEON Sustainable Procurement Policy**

# AEON Sustainable Procurement Policy and 2020 Procurement Goals



Agricultural products	Good Agricultural Practices (GAP) management 100%	99%
	Increase organic farm products sales to 5% of total	41%
Livestock products	Food Safety Management System and GAP management 100% (processing plants)	76%
	Same as above (farms)	33%
Seafood	100% acquisition of MSC and ASC certification for distribution and processing (CoC)	80%
	MSC, ASC certification ratio 20%	82%
	100% sustainable private brand evidence	38%
Paper, pulp, and timber	100% FSC certification of raw materials (HBC)	64%
	100% FSC certification of raw materials (stationery)	54%
Palm oil	100% RSPO certification of raw materials	100%

+

Coffee

Evidence of sustainability of private brand products

## Sustainable Procurement Principles

- We will strive for sustainable coffee procurement by conducting risk assessments in terms of continuity of production and environmental and social sustainability.
- We will also contribute to solving issues faced by producer and worker communities.

## Commitment

- We will use raw materials that have been proven to be sustainable for all private brand and AEON-branded coffees.

## Proof of Sustainability

- Use raw materials that have acquired third-party certification recognized by AEON.
- Support projects that serve the needs of producer and worker communities and help improve livelihoods, compensation, the environment, and educational opportunities.

## Initiatives

### Use third-party certification

- Because of the large number of producers around the world, use third-party certification to ensure secure evidence
- Because there are multiple labels, narrow down the range used

### Project support

- Fund two or three projects, and work to support producer communities
- Work to visually represent ongoing improvements to specific production areas





Now available at all AEON Retail and MINISTOP stores. Gradually expand to all group General Merchandise Stores and Supermarkets nationwide.



## 1. Establishing sustainable coffee

### Strengthen understanding & practice of 4C certification

- Establish sustainable coffee production
- Survey the current situation through resident participation
- Training on 4C issues (social environment & quality)

## 3. Agricultural technology support

### Promotion of low input agriculture

- Survey the current situation and draft plans with involved parties
- Promote environmentally friendly low-input agriculture
- Training and practice to improve agricultural skills



## 2. Community support

### 1) Improve living standards

- Survey of residents' current living conditions
- Literacy education, improving household hygiene (5S) training

### 2) Construct a follow-up system for human resource development and mutual support

- Clarify division of roles
- Training for potential local leaders
- Mutual visits, workshops, evaluations

## 4. Dealing with volatile coffee markets

### Purchase coffee at appropriate prices, even during extreme market price declines.



## Fair Trade Certification



Fair trade hot coffee



Fair trade iced coffee



## Rainforest Alliance Certification



**Sustainable Planet: Promotion of resource recycling**

# **AEON Plastic Usage Policy**

## ■ AEON's resource conservation and recycling initiatives over the years

1990

2000

2010

2020

### Products



1974: Launch of "J-Cup" cup noodles without attached fork



2000: Launch of TOPVALU Kyokan Sengen series

Container packaging made thinner and more compact, etc.

2020: Packaging for three types of cleaning products, such as sodium bicarbonate, changed to paper

### Shopping Bags



1991: Began the "Bring Your Own Shopping Bag" campaign



2007: First in Japan to halt free provision of disposable shopping bags  
2013: Biomass blended disposable bags, "My Baskets" introduced



2019: Launch of TOPVALU My Bag  
From April 2020: Free provision of disposable bags terminated at all stores



### Resource Recovery



1991: In-store resource collection started



2008: PET bottle cap collection campaign started



2015: Installation of WAON-linked recycling stations

**\* Formulated  
September 2020**

## AEON Plastic Usage Policy

AEON is working toward the sustainable use of plastics in order to contribute to the creation of a decarbonized society. Through our stores, products, and services, we will work together with all stakeholders to establish a new way of life with zero net carbon emissions and thorough recycling/reuse of resources.

1. We will review the wasteful use of resources and the use of disposable products in our businesses and aim for zero disposable plastic use.
  2. We will transition to using necessary plastics made from environment- and society-friendly materials instead of plastics made from fossil fuels.
    - \* Appropriate selection of traceable paper, biomass plastic, recycled plastic, recyclable materials, etc., taking into account the environmental and social impact of the entire life cycle
  3. We will establish a resource recycling model for the collection, reuse, and recycling of used plastics at our stores, and work together with customers on sustainable resource use.
- Targets: Aim for sustainable plastic use with zero net CO<sub>2</sub> emissions by 2050,
- ◆ By 2030, we will halve the volume of disposable plastic we use.
  - ◆ By 2030, we will use environmentally and socially friendly materials in all private brand products.
  - ◆ By 2030, we will convert 100% of private brand product PET plastic bottles to bottles made from recycled or plant-based materials.



## ■ Topvalu merchandise: Examples of Initiatives

### Decreased size



- **Promoting Longer Rolls:** Double-length rolls of kitchen towels
  - **Promoting Longer Rolls:** 50% longer rolls of toilet paper
- Renewal from the second half of 2020 through 2021 to create longer rolls for all products

### Recycled plastic



- “Free From” skin cleansers (from October 2020)
- Bottles are made from approximately 95% mechanical PET plastic material, which is recycled from PET plastic beverage bottles

### Transition to paper packaging



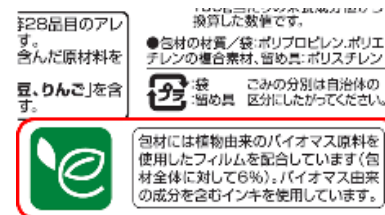
- Sodium sesquicarbonate, citric acid, and sodium bicarbonate for cleaning

We reduced the amount of plastic used by 45% by partially replacing packaging materials with paper and excluding measuring spoons

### Bioplastic



#### Introduction of environment-friendly material labels



- Pain de Mie packaging film (renewed in September 2020)



## ■ In-store resource collection

Since 1991, collection boxes for food trays, paper cartons, aluminum cans, etc. have been installed in stores with the goal of helping to establish a circular economy. We actively promote resource recycling, recycling collected paper packaging, aluminum cans, etc., and using some of these as raw materials for Topvalu merchandise.

### FY2019 Results

#### PET bottles

**Amount collected**  
**Approx. 190.19 million bottles**

Amount collected: 11,982 tons  
CO<sub>2</sub> reduction: 43,136 tons

Recycled chemical fibers, etc.



#### Paper packaging

**Amount collected**  
**Approx. 154.7 million bottles**

Amount collected: 4,641 tons  
CO<sub>2</sub> reduction: 2,321 tons

Topvalu toilet paper, etc.

#### Food trays

**Amount collected**  
**Approx. 447.7 million trays**

Amount collected: 3,133 tons  
CO<sub>2</sub> reduction: 19,744 tons

Recycled trays, etc.

#### Aluminum cans

**Amount collected**  
**Approx. 347.38 million cans**

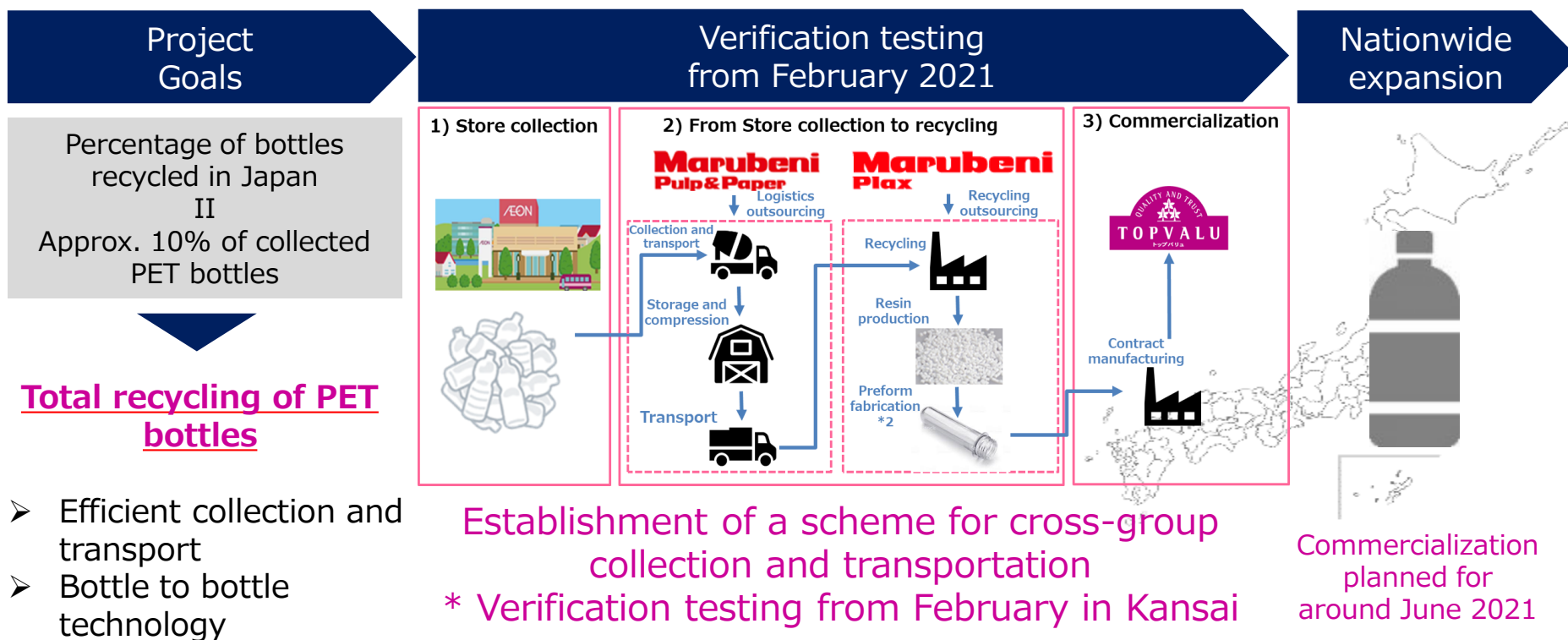
Amount collected: 5,558 tons  
CO<sub>2</sub> reduction: 47,800 tons

Topvalu kitchen wall splash guards, etc.

## ■ Establishment of a "bottle to bottle" resource recycling model

- By 2030, convert 100% of PET bottles for private brand products to recycled or plant-derived materials
- Aeon and Marubeni will collaborate on a stable and sustainable resource recycling model by carrying out the entire process from collecting and transporting used PET bottles to making them into new products

### Overview of the AEON & Marubeni "Bottle to Bottle Project"



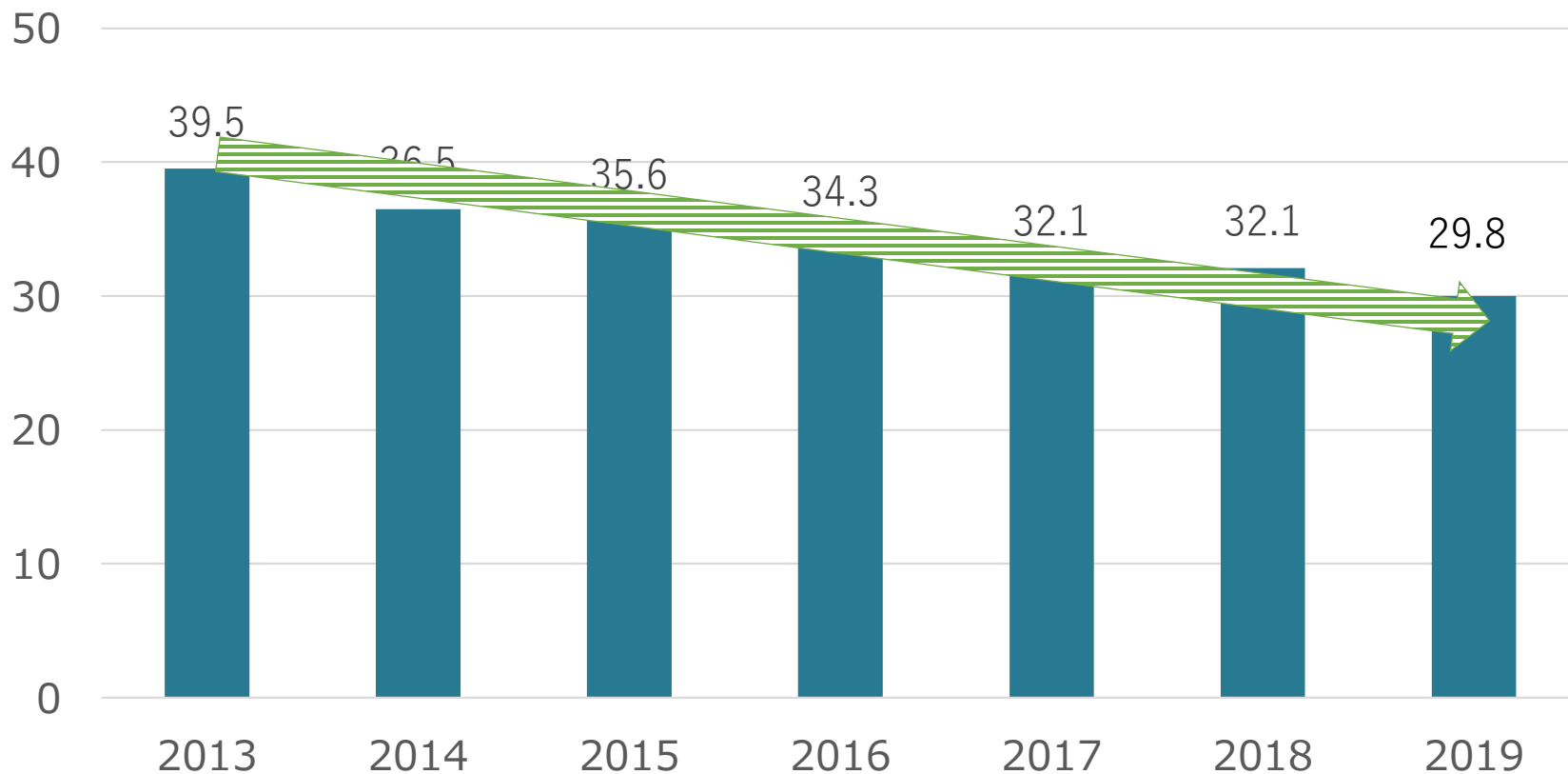
**Sustainable Planet: Promotion of resource recycling**

# **AEON's Food Loss and Waste Reduction**

Target for reduction of per-unit generation of food loss and waste  
35.6 kg/million yen (FY2015) → 26.7 kg/million yen (FY2020)

## Changes in AEON Group's per-unit generation of food waste

Units: kg/million yen





WORLD  
RESOURCES  
INSTITUTE



- **10** global retailers, each in collaboration with **20** major suppliers, will collaborate using a "Target-Measure - Act" approach, to halve food loss and waste by 20**30** together with participating suppliers.
- Our goal is to further spread this movement throughout **the entire supply chain** to achieve a 50% reduction in food loss and waste.

World's biggest  
food retailers  
and providers

(12 companies)



Ahold Delhaize



Carrefour



AEON's priority  
suppliers

(21 companies)



味の素株式会社



Ito Fresh Salad



Nihon Delica  
Fresh



## 2020 Main Initiatives

- 21 companies studied WRI's calculation and reporting methods in a webinars.
- Exchange of opinions based on the SDGs target of halving food loss and waste



## 2021 Action Plan

- Sharing of each company's goals and announcement of best practices
- Initiatives carried out through product transactions with other companies
- Collaboration on common environmental and social issues



WORLD  
RESOURCES  
INSTITUTE

### Initiatives carried out through product transactions

- Utilization of non-standard products
- Use of manufacturing byproducts
- Support for speculative production
- Dealing with slump-related inventory
- Handling of end-of-sale products

### Environmental and Social Initiatives

- Raising consumer awareness
- Initiatives to extend expiration dates
- Creating a system for donations
- Use as food ingredients
- Conversion to animal feed and fertilizer



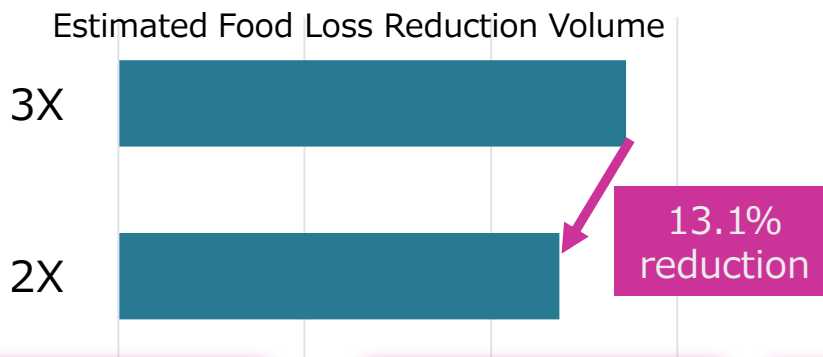
## Measures to reduce food loss through review of product transactions

### Securing lead times

- Bring forward order times and push back shipping times
- Optimize production, delivery, and store operation systems to improve efficiency

### Nihon Delica Fresh & MINISTOP Initiative

- Reduce the number of daily production and delivery cycles for *bento* boxes, rice balls, and sushi
- Secure lead times and improve efficiency to reduce the amount of food loss at plants



Reduced food loss

+

Improved production efficiency

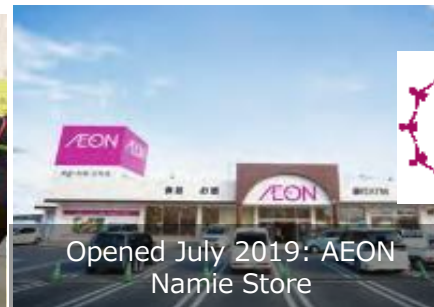
Reduced logistics costs

Improved store operation efficiency

**Heartful Community: Urban development and bond development,  
support and nurturing of the next generation**

**Together with People  
from Local Communities**

## Action Report for "Project AEON Joining Hands" Tohoku Restoration Support



## Main examples of AEON Future Co-creation Program initiatives

### ■ Otsuchi-cho, Iwate: Kanesawa watercress

This is watercress grown in clear stream water in reclaimed fallow rice fields.



### ■ Iwate: Kamaishi Tono Wine

Kamaishi wine was born in 2014 from seedlings planted by Aeon volunteers.



### ■ Tono City, Iwate: Yondori Doburoku

This authentic doburoku is made with pesticide-free rice from the Yondori district, a village on the outskirts of Tono City.



### ■ Minamisanriku-cho, Miyagi Prefecture: YES workshop crafts

A wide range of products such as the Fukko octopus (Octopus-kun), woodwork, and mayuzaiku products can be developed.



### ■ Koya district, Marumori-machi, Miyagi: Korokaki persimmons

We deliver "Korokaki" persimmons, which are popular all over Japan, along with other agricultural products from Marumori, through exchanges.



### ■ Minamisoma City, Fukushima: "Agricultural Products from Minamisoma City"

We would like people to buy rice, vegetables, and processed products from Minamisoma as they did before the earthquake.





## ■ Launch of the AEON Children's Cafeteria Support Group

In order to support the lives of children and households raising children who have been forced to bear a particularly heavy burden due to the COVID-19 pandemic, we have teamed up with the NPO, National Children's Cafeteria Support Center Musubie, to provide ongoing support for feeding children at children's cafeterias around Japan.



### Main Initiatives

- ◆ We will support the project by providing venues at AEON stores nationwide and through the AEON COVID-19 Protocol for Infectious Disease Control (venues for seasonal events, educational activities, and other initiatives)
- ◆ Fund-raising activities involving all AEON operating companies (December)
- ◆ Funded by the AEON One Percent Club, a Public Interest Incorporated Foundation
- ◆ Support provided through a cooperative initiative by Musubie and local governments

## Initiatives with Setagaya Ward

### Emergency Santa Action:

Last December Aeon collaborated with Ai Haruna, founder and operator of a children's cafeteria in Setagaya; Setagaya Ward; the Setagaya Ward Council of Social Welfare; and Musubie.

Information was sent out from Setagaya Ward and 10,000 meals were distributed through children's cafeterias.



## Activities at the AEON Sagamihara Store

In collaboration with children's cafeterias near our stores, which were introduced to us by Musubie, we carried out awareness-raising activities for the children's cafeterias at our stores during the fundraising period. Many of our customers made donations.

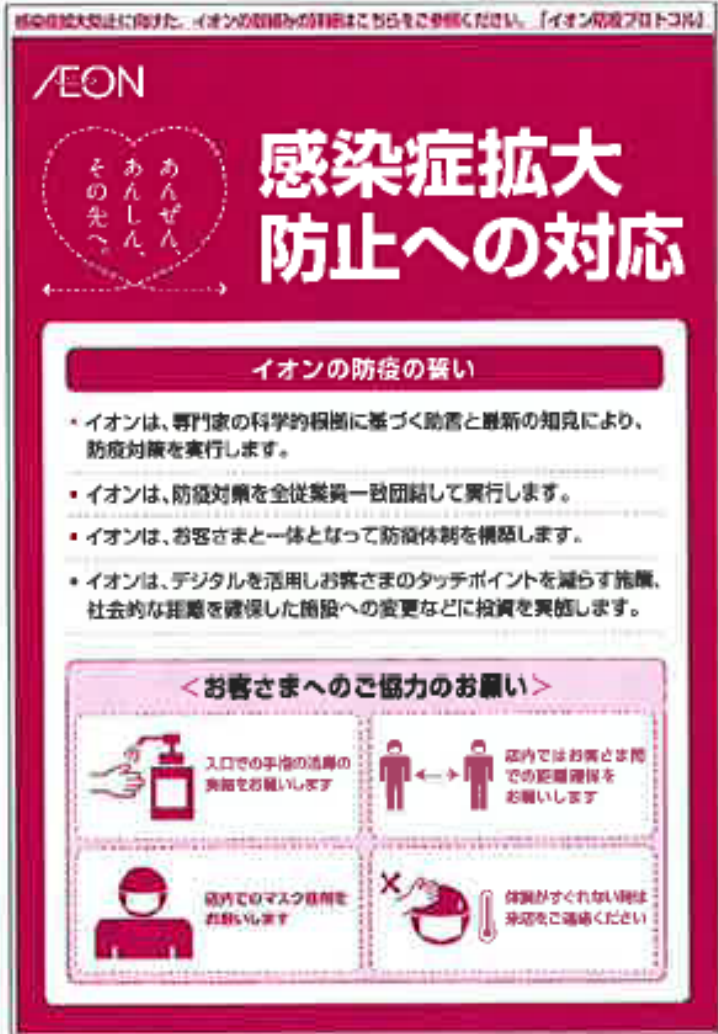






# **AEON COVID-19 Protocol for Infectious Disease Control**

We established the AEON COVID-19 Protocol for Infectious Disease Control in June 30, 2020 to guide our collaborative work with customers to help establish safe and secure lifestyles for local community members



## Objectives

- As the COVID-19 epidemic continues, AEON will work with local customers to implement this protocol on an ongoing basis, rather than as a temporary measure. Making infection prevention an integral part of daily life, we will protect the health and lifestyles of our customers and employees, and together with our customers, protect the safety and security of local communities.

## Aims of the Protocol

- AEON will implement infectious disease control measures by using scientifically-based advice and the latest knowledge from experts.
- AEON will implement infectious disease control measures by working together as one with all of its employees.
- AEON will stand together with customers in building an infectious disease control structure.
- AEON will implement measures to reduce points of contact with customers by utilizing digital means and will make investments, such as changing to facilities that ensure social distancing.

AEON will work with customers to adapt to the "new normal" by prioritizing the safety of customers and employees.

**AEOON**

おもてなしです  
AEOON

## 日々の暮らしを、 新しい日常を、 地域の皆さまと一緒に守りたい

### —イオンの約束—

- ◆従業員のマスク着用と手指の消毒
- ◆従業員の検温の実施と健康管理の徹底
- ◆売場、お買物カゴ、フードコート、エスカーレーダーの手すりやエレベーターの操作ボタンなど、共用設備の消毒徹底
- ◆店内換気の実施や販促方法の見直し
- ◆飲食店舗、フードコートやオートイオンコーナーの席数制限

### —お客さまへのお願い—

- ◆ご来店時のマスク着用
- ◆手指の消毒・検温の実施
- ◆エスカーレーダー、エレベーターでの移動ヤレでお願いいたなく静は一定間隔を確保
- ◆店内保衛時の入場制限へのご協力
- ◆お会計時の電子決済やセルフレジのご利用

地域のライフラインとして営業を継続し、この社会的危機を乗り切るために、イオンは、地域の皆さまと一緒に、新しい生活様式を築いていきたいと考えております。


この非常時の中で、いつもと変わらず、笑顔で働く従業員は私たちの誇りです。

これからも、イオンビームは心一つにして、地域の皆さまとともに暮らしを変えてまいります。


より安心してお買物いただける環境づくりのため、ご協力をお願いいたします。

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# お客さまへの ご協力をお願い




入口での手指の消毒の  
実施をお願いします




店内でのマスク着用を  
お願いします



店内ではお客さま間  
での距離の確保を  
お願いします



体調がすぐれない時は  
来店をご遠慮ください



## November 11, 2020: Revisions made to the AEON COVID-19 Protocol for Infectious Disease Control

### Purpose of Revisions

Revised to add content that reinforces measures aimed at bolstering the prevention of infection via airborne droplets in enclosed spaces, which is thought to be a primary transmission pathway for COVID-19

### Revised Items

#### Droplet Infection Prevention

- ◇ Ensuring social distancing
  - ① Clearly indicate the distances between seats and the number of people to be admitted into food courts, restaurant zones, beauty salons, gyms, etc.
  - ② Acrylic panels will be installed in places where social distance (1 to 2m) cannot be maintained.

#### Eliminate the spread of infection between employees

- ◇ Take thorough measures to prevent infection in and around facilities
- ◇ Coronavirus Control Measures Handbook  
Promote awareness of the importance of wearing masks by distributing information and posting it online.

#### Measures to prevent secondary infections after an outbreak

- ◇ Clearly specify to both employees and customers what they should do in the event of infection.

## Droplet infection prevention ◇ Facility ventilation and air purification - Aiming to create safe and secure shopping center environments -



- ◇ In food courts located near outside walls, ventilation fans will be added to further improve ventilation.  
(AEON Mall Makuhari New City)
- ◇ Installation of high-performance air purifiers to clean the air.  
(AEON Mall Kochi)



設置イメージ

- ◇ Curbing COVID-19 infectivity  
Around 1,000 new photocatalytic sterilizers have been installed in 72 shopping centers nationwide.  
(AEON Town Co., Ltd.)



## Droplet infection prevention ◇ Facility ventilation and air purification - Measures in the amusement business



◇ Installed multiple Kaltec Co., Ltd.'s photocatalytic sterilizer units at regular intervals in areas where customers spend extended periods for thorough prevention of viral infections.  
(Molly Fantasy Fujimino)



◇ Partitions between seats  
(Aeon Cinema Ichikawa Myoden)

◇ Large-scale anti-virus air conditioning system  
Trane Technologies' triple air shields have been installed to help purify air in closed spaces.  
(Aeon Cinema Ichikawa Myoden, Makuhari New City)

Eliminating the spread of infection between employees

- ◇ Distributed the Coronavirus Control Measures Handbook to all employees and business partners.

AEON  
新型コロナウイルス  
対策ハンドブック

施設名 : \_\_\_\_\_  
所属店舗 : \_\_\_\_\_  
氏名 : \_\_\_\_\_  
2020年10月改定

AEON  
COVID-19  
Prevention  
Handbook

Mall : \_\_\_\_\_  
Store : \_\_\_\_\_  
Employee : \_\_\_\_\_  
Published in October 2020

AEON  
新冠肺炎  
防疫手册

设施名 : \_\_\_\_\_  
所属店铺 : \_\_\_\_\_  
姓名 : \_\_\_\_\_  
2020年10月发行

AEON  
Sổ tay ứng phó với  
Virus corona  
chúng mình

Tên cơ sở : \_\_\_\_\_  
Tên cửa hàng : \_\_\_\_\_  
Họ và tên : \_\_\_\_\_  
Phát hành tháng 10 năm 2020

AEON  
नोभल कोरोना भाईरस  
कोभिड बाट जोगिन  
लेखिएको पुस्तिका

सुबिधाको नाम : \_\_\_\_\_  
कम गर्ने पसल : \_\_\_\_\_  
नाम : \_\_\_\_\_  
२०२० साल अगस्तमा प्रकाशित

Distribution

All Group employees & business partners - 1.5 million copies in total

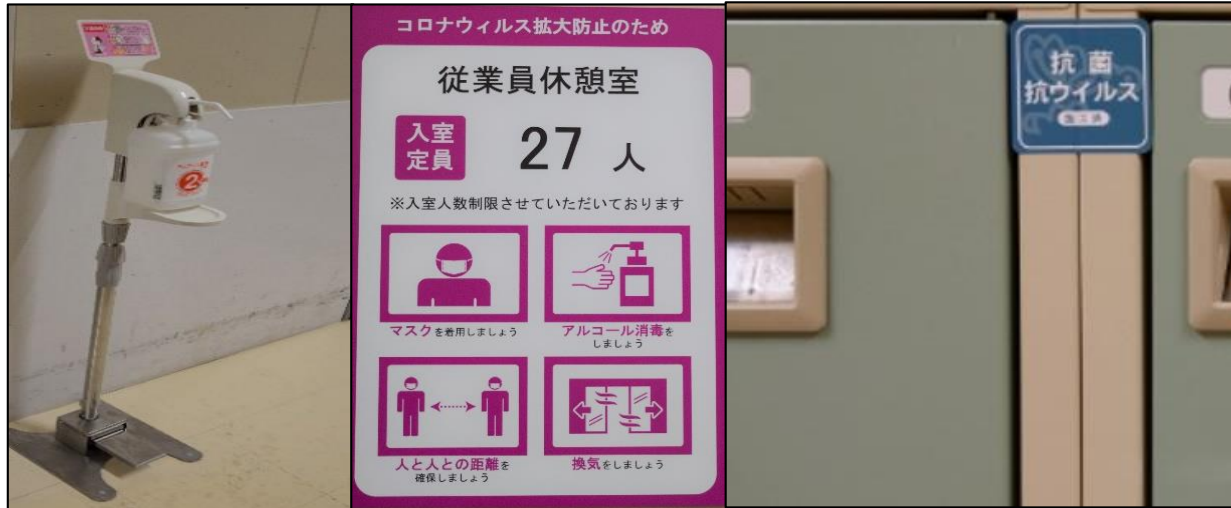
Supported languages

Japanese, English, Chinese  
Vietnamese, Nepalese

Revisions

First edition in August  
Revised in November

## Verification tests on backroom infection control measures at AEON Style Makuhari Shintoshin



Dispensers installed in each work area

Room personnel capacities displayed

Antiviral/antibacterial coatings applied to surfaces

## Encouragement to receive vaccination against influenza

Employees are being encouraged to get vaccinated against influenza, about which there is concern about outbreaks during the COVID-19 pandemic.

June: Announcements encouraging vaccination  
July: Announcements concerning full subsidization  
August: Coordination of group vaccinations

Employees provided with thoroughgoing COVID-19-related information

Care provided to those returning to work  
Follow-up with people recuperating at home  
Consideration for workers who are pregnant

## Secondments to Services and Specialty Store business under the declared state of emergency

Short-term secondment of employees who need to secure employment

Services and Specialty Store business  
A total of 1,160 employees  
from 14 companies  
(one person counted for each week)

April 13 to May  
31, 2020

Supermarkets,  
drugstores, etc.  
of 17 companies

## Acceptance of seconded employees by food service businesses

Acceptance based on requests from the food service industry, etc. through UA Zensen union

7 companies in the food  
services industry  
Approx. 200 people

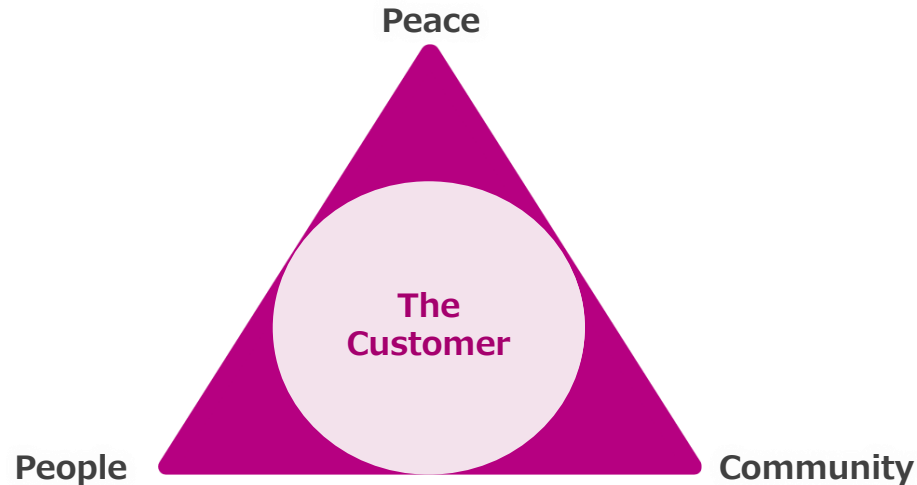
May through  
September 20  
2020

Group supermarkets,  
etc. of  
5 companies

# **Support for Sustainable Management Initiatives Related to AEON People**

## **AEON Basic Principles**

Pursuing peace, respecting humanity, and contributing to local communities, always with the customer's point of view as its core.



On the basis of the AEON Basic Principles, AEON practices its “Customer-First” philosophy with its ever-lasting innovative spirit.

## **AEON Health Management Declaration**

AEON supports the health of employees and their families.  
AEON and its  
employees will strive to realize the health  
and happiness of local communities.



Each Group company has its own health promotion system to support the health of employees and their families.

## AEON Group Health Promotion Manager

### AEON Health Promotion Section

**Chairperson:** Promotion Manager (Executive Officer of Human Resources & Administration, AEON Co., Ltd.)

**Committee members:** In charge of promotion at major operating companies

AEON Co., Ltd. Human Resources Planning Department  
AEON Co., Ltd. head industrial doctor and public health nurses  
AEON Corporate Health Insurance Society  
AEON Good Life Club (group mutual aid association)

#### Duties of the AEON Health Promotion Section

Set the general direction and goals and track progress in order to promote health management as a joint Group initiative and have each Group company carry out health management on an ongoing basis.

### Each company's Health Promotion System

Chief Officer of Health Promotion  
Senior Chief Officer of Health Promotion

Each company's corporate health insurance society

Stores  
Offices

Stores  
Offices

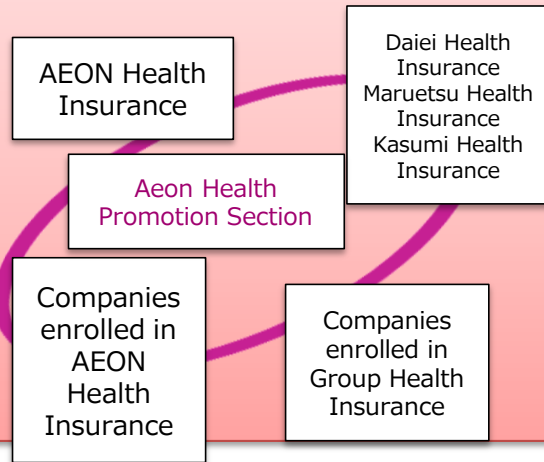
Stores  
Offices

Labor unions

Corporate Health Insurance Society  
Health Management Committee members

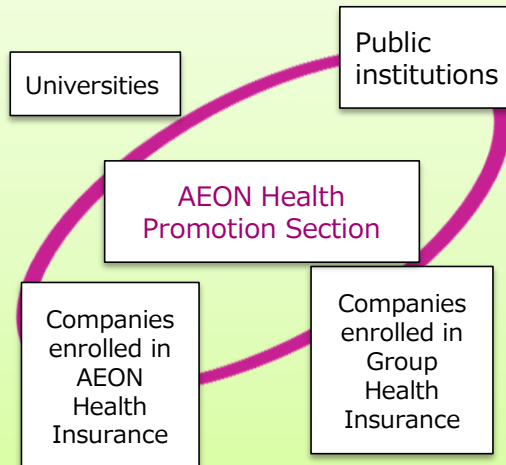
## Group-wide initiatives

Promote White 500 acquisition  
Improve hypertension consultation rate



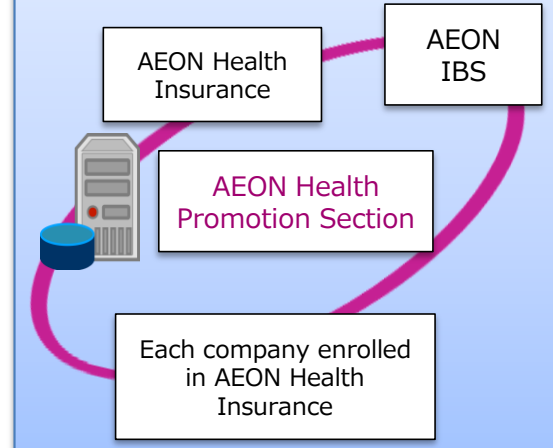
## Expert analysis and countermeasures

External cooperation  
Infection countermeasures



## Data-driven collaborative health promotion

Centralization of health data



## Measures against second-hand smoke

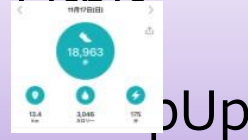


From manners to rules

## Health literacy improvement and behavior changes (nudges)



Fitbit



&



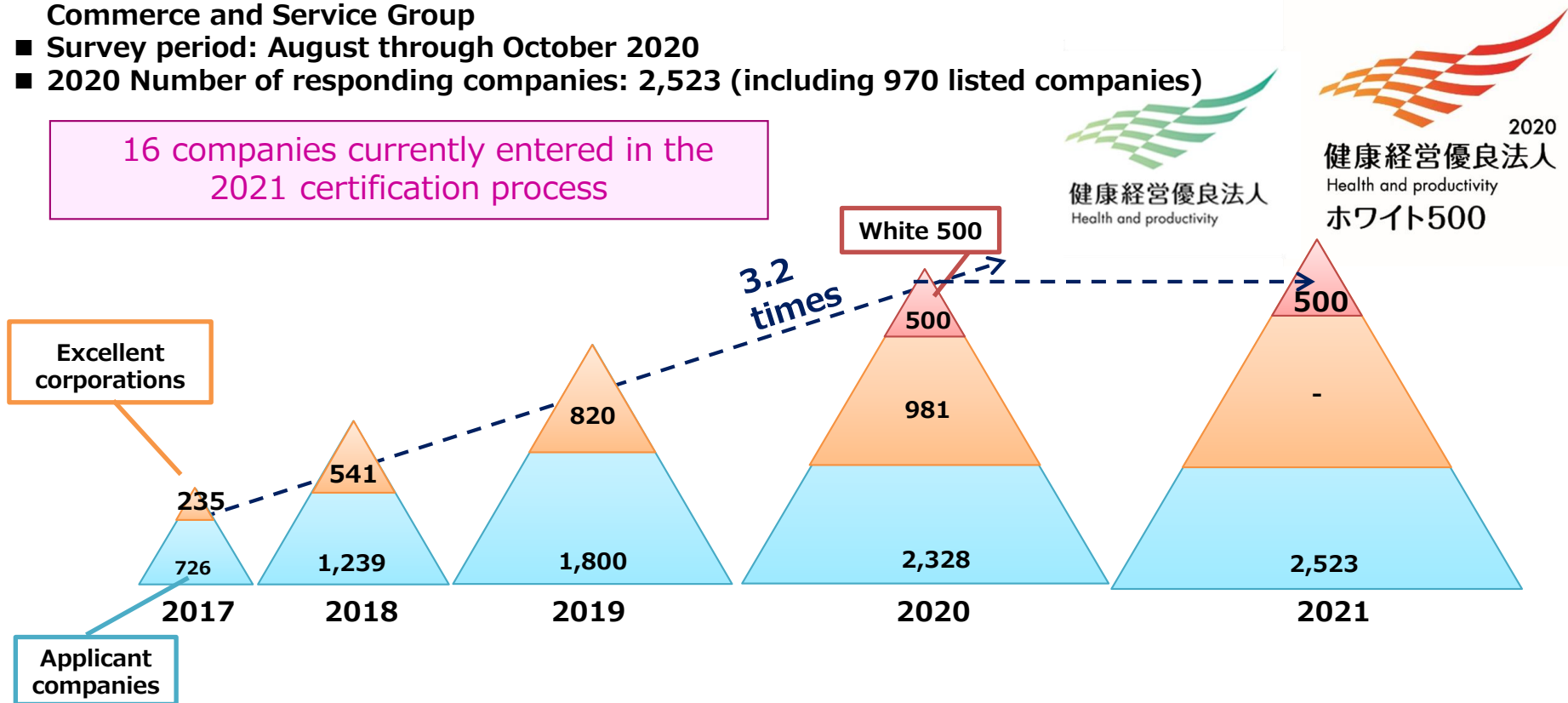
# AEON Health Management: Initiatives to Acquire Health & Productivity Management Outstanding Organizations Recognition



## Survey Outline

- Survey Name: FY2020 Health Management Survey (survey on employee health initiatives)
- Survey by: Ministry of Economy, Trade and Industry, Healthcare Industry Division, Commerce and Service Group
- Survey period: August through October 2020
- 2020 Number of responding companies: 2,523 (including 970 listed companies)

16 companies currently entered in the 2021 certification process



AEON Group's Certified Companies	2	3	10	14	Companies certified in 2020	
	<ul style="list-style-type: none"> <li>- AEON</li> <li>- AEON Retail</li> </ul>				<ul style="list-style-type: none"> <li>- AEON</li> <li>- AEON Retail</li> <li>- AEON Kyushu</li> <li>- AEON Financial Service</li> <li>- AEON Credit Service</li> </ul>	<ul style="list-style-type: none"> <li>- AEON Product Finance</li> <li>- AEON Insurance Service</li> <li>- A・C・S Credit Management</li> <li>- ACS-leasing</li> <li>- AEON Housing Loan Service</li> </ul>
					<ul style="list-style-type: none"> <li>- AEON Mall</li> <li>- AEON Bank</li> <li>- AEON REIT Mgmt</li> <li>- AEON S.S. Insurance</li> </ul>	

# AEON Health Management: AEON Health Management and Anti-Smoking Progress



2020: Revised Health Promotion Law: No smoking indoors in principle  
Temporary closure of smoking rooms for customers and employees (infection control measure)

February 2020: Companies with Excellent Health Management,  
White 500 acquisition expansion (14 companies)

July 2019: AEON Tower and AEON Tower Annex  
Smoking prohibited in all areas

2019: AEON Health Promotion  
Goals 10% reduction in  
the number of smokers

2018: No smoking days on 12th and 22nd of each month  
Reduced the number of employee smoking rooms, non-  
smoking outpatient assistance

2017: No smoking day on the 22nd of each month

January 2017: AEON Health Management Commitment, Companies with Excellent  
Health Management White 500 acquisition



# AEON Health Management: AEON Second-Hand and Third-Hand Smoke Prevention Initiatives

By March 2021: At all business locations of the 115 domestic AEON companies, approximately 450,000 employees will be prohibited from smoking during working hours and on the premises

No smoking during working hours  
No smoking on premises

Smoking is prohibited during working hours

Company-owned buildings and premises

No smoking in company vehicles

Stop smoking at least 45 minutes before the start of work (including breaks)



Strengthen company support for quitting smoking

Support provided for quitting smoking

- Online program for quitting smoking
- Outpatient support for quitting smoking
- "Nonsmo" support for quitting smoking
- Seminars on quitting smoking

Distribution of information on smoking cessation awareness

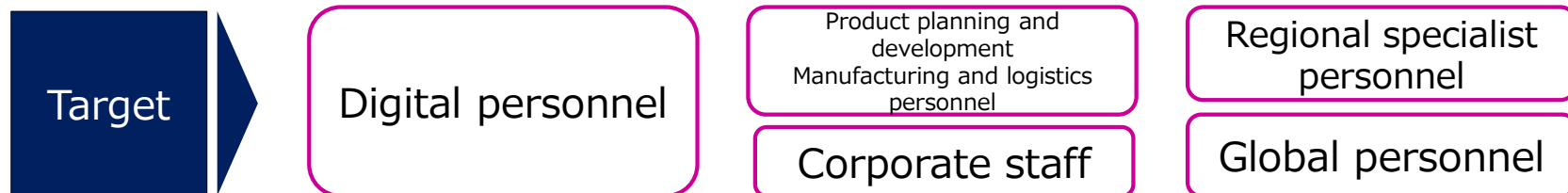
- Display of posters on quitting smoking
- Company website
- Distribution of information on PepUp
- Education through corporate newsletters

FY2020 promotion goal: Reduce the number of smokers by **25** % compared to the previous year

Create a safe and secure environment for customers and employees



## Expand the acquisition of specialized talent capable of realizing new value



### New Recruitment Message



✓ Appealing to specialized personnel

AEON is determined to break through the barriers of the "ordinary", and create a new future, filled with dreams and brilliance.

Creating the future begins with the strong feelings of a diverse workforce.

At AEON, our diverse personnel leverage their respective strengths to break through the boundaries between businesses and organizations, transcend even the barriers between the real and digital dimensions, and continue to create a new future.

Diversity is the source of our growth.

We want to continue to make a difference with new colleagues, and create a future filled with dreams.

AEON will change. Together with you.

You have the power to create the future.

(Some parts omitted)

## Aim for a 50:50 ratio of new graduates and career hires

Employ local personnel, including part-time employees seeking diverse work styles  
(approx. 1,000 employees in 2021)

## Strengthen digital personnel recruitment marketing

- Create the right environment to draw and hire the necessary digital talent (deployed from AEON Holdings to each Group company)

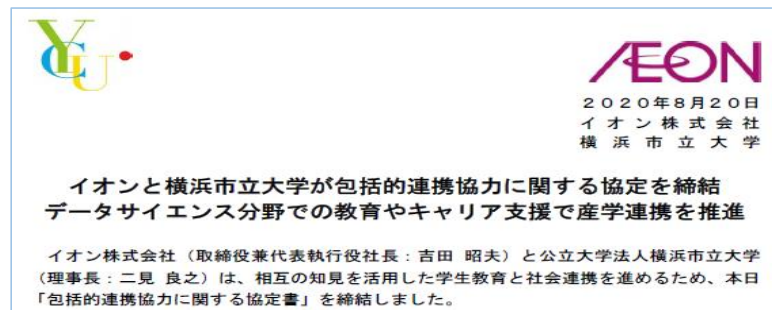


- Representatives speaking at tech events on topics of high interest to promote the appeal of working at AEON to digital talent



February 2020: Tech event held

- Promote industry-academia collaborations in education and career support in the field of data science



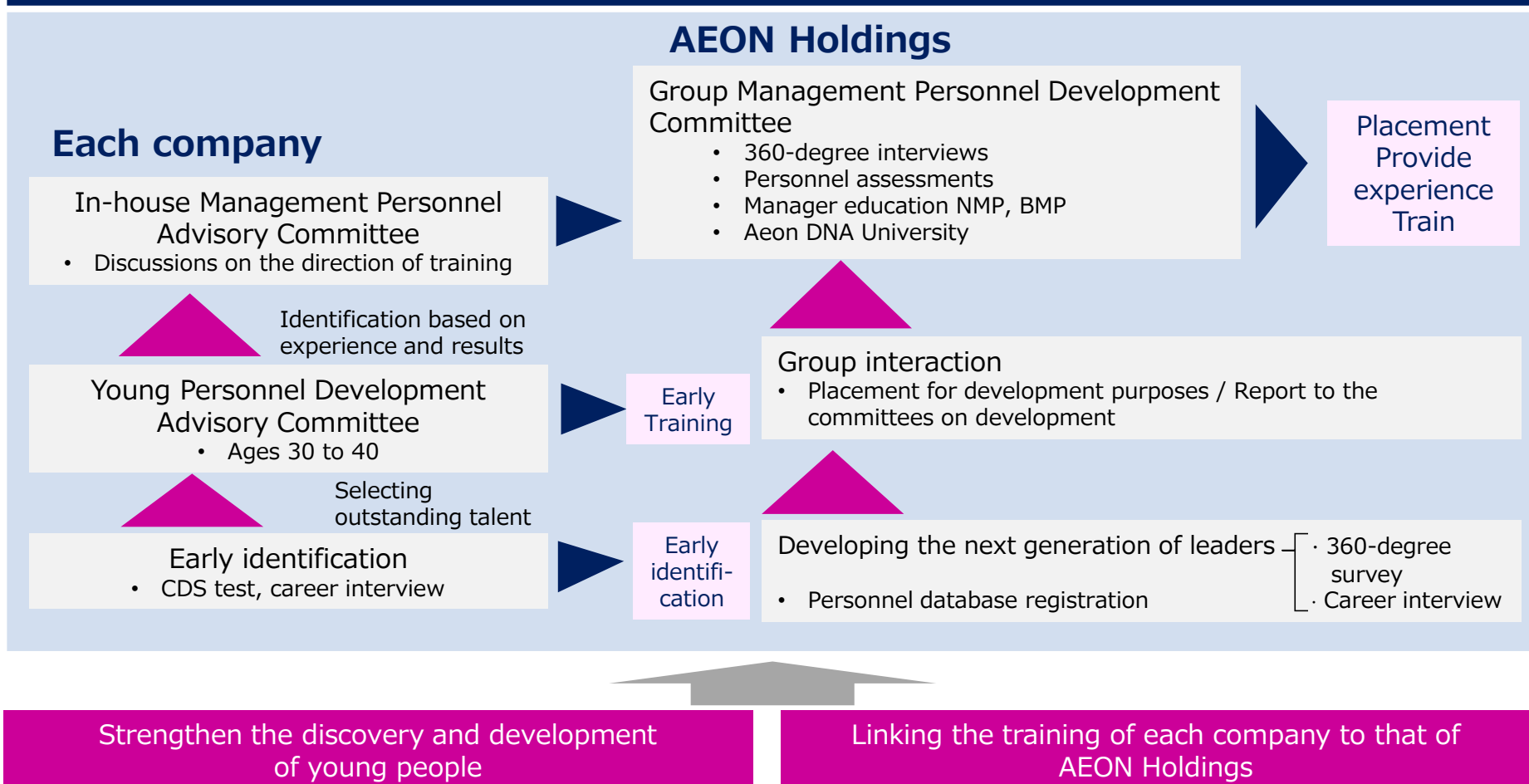
August 2020: News release (excerpt)



September 2020: Tech internships held

- Foster management leaders in each company who will be responsible for managing the Group
- All companies in the Group will develop management leaders with the aim of fostering the continuous growth of the Group

## Training Flow



AEON was one of the first retailers to invite outside directors in 1989, and has always emphasized transparency and independence in management. In 2003, AEON became the first company in Japan to adopt the “company with committees” system, and the company practices fair and honest corporate management.

	2003	2007	2008	2009	2013	2016	2018	2019	2020
Company form	Business holding company		Pure holding company (from August 2008)						
Corporate governance system	Company with committees (from May 2003) Chairpersons of the Nomination, Compensation, and Audit committees, and the majority of committee members are outside directors.								
Directors	8	7	7	9				8	7
(Outside directors)	4	3	3	5 (majority)				5	4
(Female directors)					1				
(Non-Japanese directors)							1		2
Policy						Basic Policy on Corporate Governance			

# **Reference Materials**



## AEON Decarbonization Vision 2050

AEON is working to reduce greenhouse gas ("CO<sub>2</sub>, etc.") emissions from three perspectives to contribute to the realization of a decarbonized society.

### Stores

By 2050, we will reduce the net amount of CO<sub>2</sub>, etc. and other emissions from our stores to zero.

### Products and logistics

We will continue our efforts to reduce the net emissions of CO<sub>2</sub>, etc. through our businesses to zero.

### Together with our customers

We will work together with all of our customers to help realize a decarbonized society.

**35% reduction in CO<sub>2</sub> emissions by 2030**  
(compared to 2010)\* SBT approved

<b>Agricultural Produce</b>	<ul style="list-style-type: none"><li>• For private brands, aim for 100% implementation of GFSI-based Good Agricultural Practices (GAP) management.</li><li>• Aim for organic agricultural products to account for 5% of sales.</li></ul>
<b>Livestock Products</b>	<ul style="list-style-type: none"><li>• For private brands, aim for 100% implementation of GFSI-based Good Agricultural Practices (GAP) management. Aim for 100% implementation of Food Safety Management System (FSMS) or Good Agricultural Practices (GAP) in management.</li></ul>
<b>Marine Products</b>	<ul style="list-style-type: none"><li>• Aim for 100% MSC and ASC Chain of Custody (CoC) certification for all GMS and SM companies subject to consolidation.</li><li>• Provide private brands with sustainability certification for all major fish species.</li></ul>
<b>Paper, Pulp, and Lumber</b>	<ul style="list-style-type: none"><li>• For private brands in major categories, aim for 100% use of certified sustainable ingredients (e.g., FSC certification).</li></ul>
<b>Palm Oil</b>	<ul style="list-style-type: none"><li>• For private brands, aim for 100% use of certified sustainable (e.g. RSPO) ingredients.</li></ul>

**\* Formulated in April 2017**

## AEON Group Food Waste Reduction Targets

### 1. Halve food waste by 2025

Reduce per-unit generation of food waste (amount of food waste generated per million yen in sales) compared to 2015 by 25% by 2020 and by 50% by 2025

### 2. Establishing a Food Resource Recycling Model

By 2020, establish a regional recycling model in collaboration with stores, producers, recyclers, etc. at 10 locations nationwide and more than 1,000 stores in the Group