

September 4, 2017
AEON CO., LTD.

Policy to Discontinue Trade in Ivory Products

Aeon to discontinue sales of ivory products by the end of March 2020

Aeon Co., Ltd., has decided to completely discontinue trade in products made with elephant ivory by the end of March 2020. International trade in ivory is prohibited by the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES; also known as the Washington Convention).

International momentum towards banning trade in ivory products is increasing, as exemplified by the resolution adopted at the 2016 CITES meeting by its member states to call for the closure of ivory markets in all countries in case there is a poaching of African elephants or an ivory market contributed to illegal trade.

In Japan, trade in ivory products is conducted under the control of the government on the basis of Endangered Species Preservation Act. From the perspective of biodiversity preservation, Aeon adopted a policy in June 2015 to refrain from selling ivory products at its directly operated stores, while giving an explanation of its policy to the tenants which sell stamps in Aeon's commercial facilities. With the understanding and cooperation, the tenants start to tackle with this issue, such as replacing the ivory products with products made of environmentally friendly alternative materials in stages by the end of March, 2020.

In accordance with its Basic Principles, "Pursuing peace, respecting humanity, and contributing to local communities, always with the customer's point of view as its core," Aeon established the Aeon Sustainability Principle in 2011. Comprised of four core principles—realization of a low-carbon society, conservation of biodiversity, better use of resources and addressing social issue—the Principle aims to fulfill sustainable management that aligns corporate growth with social development. In 2014, seeking to further advance sustainable management, Aeon upheld the Big Challenge 2020 targets, adhering to corporate social responsibility (CSR) activities as an integral part of business activities.

On the merchandise front, Aeon formulated the Sustainable Procurement Goals for 2020 in April 2017 based on its Sustainable Procurement Policy. The Company declared its commitment to procuring agricultural, livestock and fishery products as well as paper, pulp, timber and palm oil in harmony with nature, natural ecosystems and society and in line with global and sustainable standards.

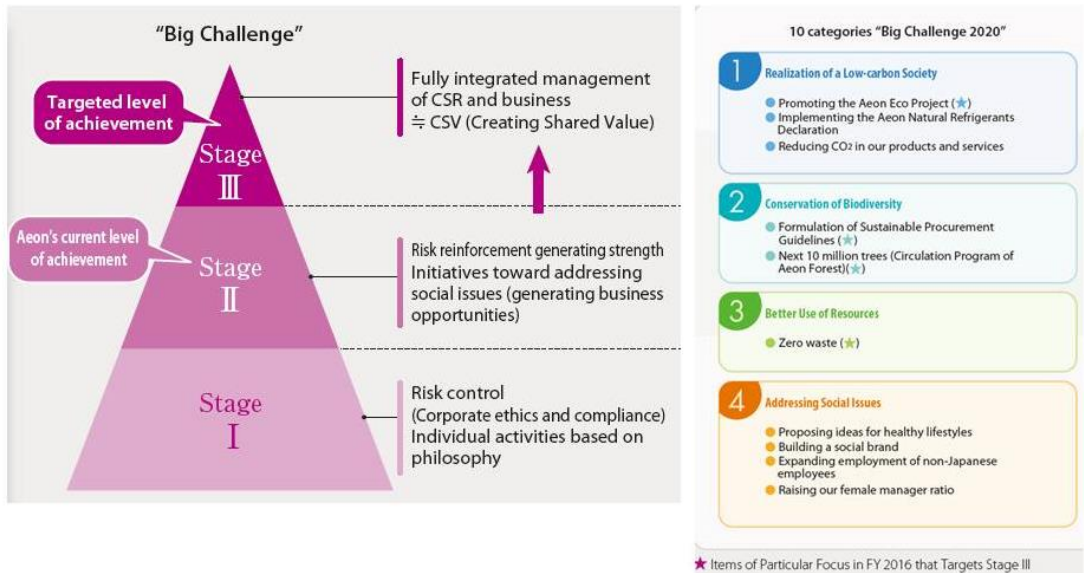
Aeon will contribute to solving social problems through its business activities by implementing a wide range of initiatives, including the discontinuance of ivory product trade to preserve the ecosystem, and the execution of the Sustainable Procurement Goals for 2020.

Reference Materials

【Aeon Sustainability Principle】



【Big Challenge 2020】



[Aeon Sustainable Procurement Policy and Goals for 2020]

Target	Aeon Sustainable Procurement Policy	Sustainable Procurement Goals for 2020
Agricultural products	Committed to procuring agricultural products in a sustainable manner that is in harmony with nature, natural ecosystems and society. Also cultivating and providing safe and delicious vegetables, thereby contributing to future food safety and helping people go about their daily lives with peace of mind.	<ul style="list-style-type: none"> • For the private brand, aiming for 100% implementation of the GFSI^{*1}-based Good Agricultural Practice (GAP) • Aiming to increase the sales ratio of organic products to 5% of the total agricultural products
Livestock products	Committed to procuring livestock products in a sustainable manner that is in harmony with nature, natural ecosystems and society. Also cultivating and providing safe and delicious beef, thereby contributing to future food safety and helping people go about their daily lives with peace of mind.	<ul style="list-style-type: none"> • For the private brand, aiming for 100% implementation of the GFSI-based Food Safety Management System (FSMS) or the Good Agricultural Practice (GAP)
Target	Aeon Sustainable Procurement Policy	Sustainable Procurement Goals for 2020
Seafood	Carrying out regular risk assessments from a resource depletion prevention and biodiversity conservation perspective. Also, in order to mitigate risks, reviewing feasible countermeasures and striving to procure sustainable seafood. (Note 1)	<ul style="list-style-type: none"> • Aiming for 100% acquisition of MSC^{*2} /ASC^{*3} Chain of Custody (CoC) certification by Aeon's consolidated subsidiaries operating general merchandise stores or supermarkets • Providing sustainability-proven private brand products in all major fish species
Paper, pulp and timber	Utilizing store materials and product raw materials made of lumber and pulp produced from properly managed forests, and strive to prevent deforestation. (Note 2)	<ul style="list-style-type: none"> • Aiming for 100% use of sustainability-certified (by FSC^{*4} or equivalent) materials for the private brand in the major product categories
Palm oil	For palm oil used as a product material, aiming for procurement that gives consideration to the prevention of deforestation and conservation of biodiversity.	<ul style="list-style-type: none"> • Aiming for 100% use of sustainability-certified (by RSPO^{*5} or equivalent) materials for the private brand

Note 1: Regarding the procurement of fishery products, Aeon formulated the Aeon Sustainable Seafood Procurement Policy earlier in 2014.

Note 2: Regarding the procurement of paper, pulp and timber, Aeon formulated the Aeon Forest Resources Procurement Principle (Paper/Pulp/Timber) earlier in 2016.

*¹ GFSI (Global Food Safety Initiative) : GFSI is an industry-driven global collaboration to advance food safety powered by the TCGF, which is composed of food manufacturers and global retailers. GFSI also recognizes food safety certification program.

*² MSC (Marine Stewardship Council) : MSC is non-profit organization that manages and promotes the MSC certification program which certifies sustainable fisheries.

*³ ASC (Aquaculture Stewardship Council) : The ASC is an independent not for profit organization implementing the world's leading certification and labelling program for responsibly farmed seafood.

*⁴ FSC (Forest Stewardship Council) :FSC is an independent, not for profit, nongovernmental organization established to support environmentally appropriate, socially beneficial, and economically viable management of the world's forests.

*⁵ RSPO (Roundtable on Sustainable Palm Oil) : RSPO was formed to promote the growth and use of sustainable oil palm products through credible global standards and engagement of stakeholders.