



June 12, 2020 AEON CO., LTD.

<u>Donation of Proceeds from Sales of Disposable Shopping Bags Posted at Stores that No Longer Distribute Free-of-Charge Disposable Bags</u> (139.99 Million Yen for Fiscal 2019)

Aeon will donate proceeds*1 totaling about 139.99 million yen gained in fiscal 2019 from the sales of disposable shopping bags at its stores that stopped distributing free-of-charge disposable bags to local governments and others for use in their environmental conservation activities.

Aeon launched the Bring Your Own Shopping bag Campaign reduce the number of disposable shopping bags distributed at its stores in 1991. Subsequently in 2007, Aeon began conducting a demonstration test targeting the food floors of its general merchandise stores (GMSs) to stop the distribution of these bags. Then in 2013, the initiative was expanded to include its GMSs across Japan, supported by the kind understanding of customers. Aeon has sequentially included its food supermarkets and other stores in the target of the initiative.

Since April 2020, Aeon has stopped the distribution of disposable shopping bags also at its "My Basket" supermarkets located in urban areas, "WELCIA" drugstores, "MINISTOP" convenience stores and others. This has led to the Aeon Group ending its distribution of free-of-charge disposable shopping bags at almost all of its retail outlets.

Thanks to the cooperation of many customers, including those who bring their own shopping bags to the stores, the Aeon Group reduced the number of disposable shopping bags distributed at its stores by 2,869.96 million bags annually in fiscal 2019, thereby reducing its CO2 emissions by 88,395 tons-CO2*2.

To customers in need of disposable shopping bags, Aeon offers disposable bags made from a combination of biomass materials*3 for purchase. In each of the areas where it operates, Aeon has been donating the proceeds from the sales of these bags every year to local governments and others for use in their environmental conservation activities. The amount donated since 2007 totals about 841.61 million yen.

Plastic, which is a major material used to produce disposable shopping bags, causes problems on a global scale, including generating greenhouse gases when incinerated as waste and polluting the environment when dumped into rivers and other natural locations. Aeon is proactively making proposals for the establishment of a non-disposable lifestyle, including the use of "My Bags," which are made from recycled plastic and can be used repeatedly, and "My Baskets," which customers can use to carry their purchases under a deposit system.

Aeon will continue to cooperate with customers for the establishment of a lifestyle that contributes to the creation of a sustainable society.

- *1 Proceeds from sales of disposable bags: Calculated by deducting the bag procurement cost from the sales price (excluding tax)
- *2 Calculated based on the assumption that the refusal of one disposable bag will help to reduce CO2 emissions by 30.8 g (reference value provided by the Japanese Ministry of the Environment for the visualization of 3R activities)
- *3 Plant-derived plastic