

Report of Aeon's ISO 14001 Targets and Performance

Targets and Performance of Aeon Co., Ltd.

◎=Achieved △= Did not achieve but will continue to make efforts

Environmental policies	Environmental objectives (to be achieved by the end of FY 2002)	Targets for FY 2002	Performance in FY 2001	
1. Efforts to provide environmentally conscious products	Development and sales of environmentally conscious products	Home fashion, non-foods, books, and stationery	TOPVALU Kyokan Sengen: 2.38 billion yen 99.1% △	
		Agricultural products	TOPVALU Green Eye: 27.04 billion yen 98.3% △	
		SELF+SERVICE	SELF+SERVICE: 830 million yen 86.5% △	
		Total	Total sales: 30.25 billion yen (1.93% of overall sales) 92.4% △	
	Establishment of environmentally conscious standards for private brand containers and packaging materials	Indication of the container/packaging "material" and the "identification mark" under the law on all private brand products	All-out efforts made to indicate the identification marks	109.3% ◎
		Use of cardboard boxes made with 80% or more recycled paper for the packaging of 95% or more of all private brand products		97.8% △
	Promotion of environmentally conscious sales methods	Achieve 50% of agricultural products sales through unpackaged produce sales	43.0%	85.9% △
		Increase of fishery product delivery without the use of styrene foam containers to 100 items	Achieved 100 items	101.0% ◎
		Introduction of recyclable mannequins at 50 more stores	Introduced at 50 stores	100.0% ◎
		Optional target for stores	Enhanced management of forms for the manifest system in conjunction with the enactment of the Home Appliances Recycling Law	Implementation verified by internal audit
Achievement of 1.4% shares of products with a 5-year warranty in total home appliances sales		1.23%	87.9% △	
2. Initiatives for energy and resource conservation and waste reduction	Promotion of energy conservation	2% reduction in electricity consumption compared to FY 2001; basic unit: 48.9wh/m ² .h	Basic unit: 44.0 wh/m ² .h 90.0% ◎	
	Promotion of resource conservation	2% reduction in water consumption compared to FY 2001; basic unit: 232.8cc/m ² .h	Basic unit: 204.1 cc/m ² .h 87.7% ◎	
		Strict implementation of the rules for office paper use; identification of the precise amount of use	174,036,250 pieces used	— —
		10% reduction in Administration Center printouts; 39.84 million pieces	46,945,599 pieces output	117.8% △
		Maintenance of the same level of copy counter use as FY 2001; 95,715,221 pieces	96,590,285 pieces used	100.9% △
		20% increase in the collection of stamped cards compared to FY 2001 (achievement of 6.5% in the rate of customers bringing their own shopping bags)	32.5% increase in the collection of stamped cards compared to FY 2001 (rate of customers bringing their own shopping bags: 6.7%)	102.9% ◎
5% reduction in the use of plastic shopping bags compared to FY 2001; 345.5 kg/100 million yen sales	342 kg used	102.5% △		
3. Initiatives for reutilization, recycling, and green-purchasing toward building a recycling-oriented society	Promotion of waste separation activities at stores to reduce waste	Recycling trays of discarded products and milk cartons	Milk cartons recycled at 151 stores and food trays at 195 stores △	
		Optional target for stores	Achievement of a 17% recycling rate for food discards 139.4% ◎	
	Promotion of resource recovery activities at stores to reduce waste generated from homes	Optional target for stores	Management of the actual collected amounts or increase in the collected amounts	Aluminum cans: 1,088,870 kg; 116.1% compared to FY 2001 (on an all-store basis) ◎ Milk cartons: 1,546,197 kg; 107.6% compared to FY 2001 (on an all-store basis) ◎ Food trays: 779,037 kg; 103.2% compared to FY 2001 (on an all-store basis) ◎
			Reduction in the use of cardboard boxes at stores	Annual use of 7.5 million returnable containers 8.63 million cases 115.0% ◎ Achievement of use of reusable hangers for delivery of 13 million garment items 11,837,521 items 91.1% △
			Formulation of green purchasing standards; implementation and expansion of green purchasing	Formulation of green purchasing standards for materials and further expansion of green purchasing
	4. Cutting down of CO ₂ emission to prevent global warming	Promotion of increased efficiency in the distribution system	2% reduction in the mileage of delivery vehicles compared to FY 2001 (basic unit)	Mileage: 46,500,530 km; increased 9.4% from FY 2001 111.6% △
		2% reduction in CO ₂ emissions per 1m ² floor space for a single opening hour compared with FY 2001; 30.32g/m ² .h	Basic unit: 24.31 g/m ² .h 80.1% ◎	
5. Promotion of tree-planting activities with the cooperation of local communities	Continued implementation of Aeon Hometown Forests Program	Planting of 220,000 trees at 14 locations	212,000 trees planted at 17 locations 96.4% △	
		Optional target for stores	Increase in the Junior Eco-Club membership	Membership: 3,510 (increased 12% over FY 2001); 154 clubs — ◎

* Targets and Performance are on comparable store basis.

Environmental Policies	Environmental objectives (to be achieved by the end of FY 2005)	Targets for FY 2003
1. Efforts to provide environmentally conscious products	Sales of environmentally conscious products for 3.0% of overall sales	Sales of environmentally conscious products for 2.0% of overall sales; formulation of new standards for environmental consciousness
	Reduction in the amount of plastic packages and containers used for TOPVALU products (basic unit)	Launch of experimentation toward reducing the amount of plastic packages and containers used for TOPVALU products
2. Initiatives for energy and resource conservation and waste reduction	5% reduction in electricity consumption compared to FY 2002 (basic unit)	2.0% reduction compared to FY 2002
	2% weight reduction in plastic/paper packaging materials compared to FY 2002	0.5% reduction compared to FY 2002
	Achievement of 30% in the rate of customers bringing their own shopping bags	Achievement of 14.5% in the rate of customers bringing their own shopping bags
	20% reduction in the amount of sales losses from discarding products compared to FY 2002	5% reduction compared to FY 2002
	Achievement of 30% in the recycling rate for food discards	Achievement of 25% in the recycling rate for food discards
	Introduction of the measurement and separation of waste at the model stores of regional companies, Maxvalue, and Megamart (6 stores) to prepare for the introduction in all stores	Selection of 3 pilot stores in the Kanto area and establishment of a system model including man-hours.
	20% reduction in the amount of paper waste compared to FY 2002	Promotion of "less paper" efforts within the headquarters based on the initiatives of the Working Style Reform Meeting
3. Initiatives for reutilization, recycling, and green purchasing toward building a recycling-oriented society	Introduction of returnable containers for fishery products and curbing of waste styrene foam	Use of returnable containers for 30 fishery products items (introduced to Kanto Regional Company in the second half term)
	Implementation of paper recycling at all offices (headquarters, regional companies, and stores)	Identification of the actual amounts recycled at all offices (headquarters, regional companies, and stores), and ensuring implementation at every single office
	Increase of construction material items subject to green procurement	Use of 10% or more of specific materials acquired through green procurement (7 items) where these materials can be used in constructing new stores
	Establishment of ecological stores standards	Further adoption of environmental considerations at stores (e.g., rooftop greenery, reutilization of rainwater)
4. Cutting down of CO ₂ emissions to prevent global warming	Further expansion of green purchasing	Clarification of the Aeon Green Purchasing standards, and only listing items that comply with the standards on the office supply order list (except when no compliant item is available)
	5% reduction of CO ₂ emissions compared to FY 2002 (basic unit)	Formulation of an anti-global-warming vision
5. Promotion of tree-planting activities with the cooperation of local communities	100% replacement of delivery vehicles to those clearing the diesel regulations	100% introduction of regulation-clearing vehicles to the Kanto area (Tokyo, Kanagawa, Chiba, and Saitama); introduction of a cumulative total of 15 natural gas vehicles
	Continued implementation of Aeon Hometown Forests Program	Planting of 330,000 trees at 30 locations (23 stores and 7 distribution centers)
6. Promising compliance to law and abiding by any requests that the company has decided to take on	Establishment of system to prevent soil pollution	Formulation of a policy, decision and implementation of measures, and establishment of a verification process

Summary of Activities in FY 2002

Three years have passed since Aeon Co., Ltd. was certified to ISO 14001. The most prominent achievement was that we were able to form a footing for all of Aeon to conduct not merely temporary, but organized and continuous environment conservation activities. While we have always placed importance on carrying out environment conservation activities "together with customers," we take the same attitude in promoting ISO. At the regular examination in 2002, the independent efforts made at the respective stores where we directly interact with our customers were highly regarded. This must be a sign that Aeon's Basic Principles have penetrated into the promotion of ISO and that environment conservation activities have taken root. In FY 2002, we dramatically reviewed our approach, centering on a "change in awareness and a change of action" among individual employees. The weight has been shifted from company-wide activities to activities based on the "original operations" of the respective divisions and stores with the aim of having all employees "engage in environment conservation activities as part of their work." Unfortunately, however, FY 2002 was a year in which environmental accidents occurred at Aeon stores, some of which had adverse effects on the local environment. We immediately introduced fundamental measures for preventing re-occurrences, but we truly regret that these incidents ever occurred in the first place. As for compliance with law and risk management, we will share information and strive to make further improvements, considering them as Aeon's common issues. In line with the shift to an operating holding company in 2003, we will aim to establish an environment conservation activity system for the entire group. From company-based environmental management systems to an Aeon-wide environmental management system - a system where the individual companies reduce environmental load through means suitable for the respective industry and operations with ISO 14001 as the common tool and under the same principles, objectives, and goals; and further developing the management system to also encompass social responsibility. Aeon employees will join together to work toward this new goal.



Naoki Hayashi
Managing Director in charge of environmental management