

Aeon aspires to be 'Asia's pre-eminent retailer' by imbuing each and every Aeon Group employee with Aeon's core values and principles.



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Promoting Sustainable Management Business Opportunities in Solutions to Social Problems

Since its establishment over 250 years ago, we at Aeon have continuously acted to fulfill our mission as a retailer. That mission starts with our 'customer first' philosophy and commitment to offering our customers safe and convenient high value products and services. We are also dedicated to strengthening relations with the people of local communities through our activities and contributions to community development.

We have maintained our philosophy while responding to changing times in collaboration with like-minded companies aiming to keep up to date with the times technically and socially. The Aeon Group has today become the largest retailer in Japan and in Asia, with 420,000 employees and over

6 trillion yen in sales.

Our scale of business is expanding, and along with this our position of influence on people's lives, on society, and on the environment, Aeon will continue to honor our basic principle of 'pursuing peace, respecting humanity and contributing to local communities, centered on our customers.' In order to practice the dual objectives of 'Aeon Group growth' and 'Societal development' we need to give attention to a variety of challenges endangering a healthy and sustainable society. In solving the individual problems, we can also discover business opportunities. Together with our stakeholders, we must promote the growth of 'sustainable management.'

In order to promote sustainable management, Aeon's Medium-term Management Plan (FY 2011-2013) identified "4 Shifts:" Senior Shift and Digital Shift, to allow people in an ageing and digitalizing society to shop for merchandise and services in our stores with confidence; Urban Shift, to provide new stores and new types of businesses responding to the needs of people with urban lifestyles; and Asia Shift, to provide safe and reliable products and services to the people of the remarkably expanding markets of China and ASEAN countries.

The new Medium-term Management Plan starting from FY2014, built on the previous Medium-term Management Plan, is intended to accelerate and strengthen these '4 Shifts' in order to respond to the diversification of customer needs. Aeon is also reinforcing its TOPVALU brand as it celebrates its 40th anniversary, and implementing product-oriented reforms.

Strengthening Global CSR Base to Support Sustainable Business Management

In order to respond to stakeholder expectations and societal demands, it is important to strengthen global CSR along with promotion of the '4 Shifts.'

It is essential to construct a 'sustainable supply chain' that takes into consideration global production site environmental and working condition issues, in addition to product safety and quality assurance. Aeon is committed to the realization of appropriate production environments,

and in 2003 formulated the "Aeon Supplier CoC" (Code of Conduct) for compliance of our TOPVALU manufacturing partners. In 2004, Aeon became Japan's first retailer to sign on to the United Nations Global Compact, a set of 10 principles laid out by the UN on human rights, labor, the environment and anticorruption. We were also the first among Japanese enterprises to acquire SA8000 certification, an international standard on protecting human rights in the labor market.

Moreover, we formulated the Aeon Sustainability Principle in 2011 to strengthen and increase CSR activities for the entire Group. In this, we have laid out four key issues: 1) realization of a low-carbon society; 2) conservation of biodiversity; 3) better use of resources; and 4) addressing social issues. We have also established key performance indicators (KPI) for individual activities.

Looking ahead to 2020 environmental targets, the Aeon ECO Project is developing next-generation 'smart Aeon stores' as part of our 'building towns' and 'building communities' initiatives (P.30).

In February 2014, we launched the 'Aeon Sustainable Procurement Principles' and began efforts for sustainable natural resource procurement.

Planting Over 10 Million Trees

Desiring to "Bequeath the irreplaceable earth beautifully to the next generation," Aeon has been engaging our customers and related persons in tree planting activities in Japan and overseas since 1991. By 2013, the number of trees planted surpassed 10 million. We once again thank all who cooperated. We remain committed to continued involvement and activities to plant and nurture trees.

Establishing 'Glocal' Management Structure through Japan, China and ASEAN Headquarters Cooperation

In order to continue promoting sustainable management, it is necessary for the entire Aeon group to have complementary perspectives on global and local management.

Aeon Japan is strengthening corporate governance and compliance, as well as management systems that

assure safety and quality control, and sharing accumulated experience and expertise with Aeon Group's China Headquarters and Aeon ASEAN Headquarters. At the same time, it is also important to flexibly respond to changing market and local needs by encouraging store and product development, human resource training, environmental conservation and social contribution activities, and by fostering the diversity of Aeon people in every locale.

Aeon Group's China Headquarters and Aeon ASEAN Headquarters are cooperating with Aeon Japan in strengthening CSR promotion systems. In addition, local oriented plans are being incorporated through collaboration with the Aeon 1% Club Foundation and the Aeon Environment Foundation.

Aiming for Diversity through a Diverse Workforce

With the aim of further accelerating "glocal" business growth, Aeon recruits human resources with diverse character, capabilities, and values through such efforts as conducting recruiting orientation sessions in countries around the world, particularly in China and ASEAN, and expanding educational and career programs. In 2013, we established a Diversity Promotion Office in Japan, with the aim of cultivating individuals who can be active globally. For FY 2014, we formulate the 'Aeon Diversity Declaration' as a guideline towards the configuration of Aeon in 2020.

For our senior management, the mission of utmost importance in the current environment of globalization is our group policy of 'customer first.' It is an essential element of the thinking of every member of the Aeon Group, and allows us to promote, in our uniquely innovative Aeon way, sustainable management and sustainable development of Asia, and to contribute to the revitalization of the Japanese economy and areas affected by the Great East Japan Earthquake.

Aeon will continue, through dialogue and cooperation with our diverse stakeholders, to incorporate new sustainability viewpoints and to grow in the mid and long-term to become Asia's pre-eminent retailer.