



Aeon Biodiversity Principle

Aeon's business depends on living products, such as agricultural and marine products. Recognizing this, Aeon formulated the "Aeon Biodiversity Principle" in March 2010, towards the conservation of biodiversity are essential to form a sustainable society.

Basic Principle

Grasping the impact our overall corporate activities have on the ecosystem, we actively focus on reducing the impact on the ecosystem and conservation activities, working in collaboration with our stakeholders, including our customers, local authorities and non-profit organizations. We focus on the following points related to the ecosystem in our corporate activities:

Through our corporate activities, we

1. Remain conscious of blessings and burdens.
2. Engage in initiatives that protect and nurture.
3. Disclose information on our activities.

Action Guidelines (Excerpt)

1. Products: We will set sustainability targets for resource managed fresh seafood and processed products, engage in their purchase and sale while sharing those targets with our business partners, and communicate related information to customers.
2. Stores: We will continue to promote tree-planting campaigns with local customers at new store sites and continue to develop Eco Stores with less environmental impact than conventional facilities.
3. With Customers: Through tree-planting campaigns and other programs, we will share environmental awareness and learn together with all of our customers.

Conservation through Products and Distribution

CSR Procurement Guidelines

Our natural resources face many threats today, from ecosystem destruction from overexploitation to poor agricultural harvests from abnormal weather caused by climate change. Whereas, with the supply chain now stretched across the entire world, Aeon must be conscious of human rights and working environments at suppliers as well as work to prevent corruption, including bribery and extortion.

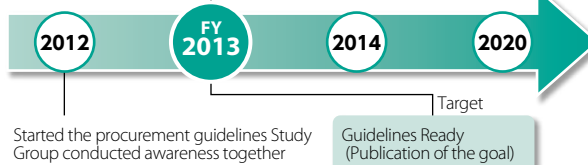
The products manufactured and sold by Aeon are made possible by the bounty of nature and contain raw materials procured from producers and locations around the globe. We have been following a green procurement strategy for some time now where we prioritize the procurement of products that are environmentally friendly, but to achieve even more sustainable procurement, we commenced efforts to formulate CSR Procurement Guidelines in 2011. Through the work of a CSR Procurement Guidelines Committee comprised of managers from related Aeon departments, and tasked with gathering CSR procurement-related information, we formulated and published, in February 2014, our Aeon Sustainable Procurement Principle. In addition, we also set in place an Aeon Sustainable Seafood Procurement Policy in order to further elevate our efforts toward procuring sustainable marine products.

In fiscal 2014, we plan to enhance this Policy by adding concrete initiatives.

FY2013 Results and Target of KPI

Compilation of CSR Procurement Guidelines (sustainable procurement and purchasing guidelines)

Announced the Aeon Sustainable Procurement Principle in February 2014. Announced concrete policies for seafood at the same time



Aeon Sustainable Procurement Principle

1. Elimination of illegal trading, harvesting and fishing of natural resources
2. Setting and following Aeon's standard for conservation of biodiversity and prevention of natural resource depletion
3. Minimizing use of non-renewable resources
4. Establishing agricultural and fishery production locations and fishing method traceability
5. Conservation and prevention of destruction of high-protective value forests

Specific Measures of the "Aeon Sustainable Seafood Procurement Policy"

1. Provision of Certified Products
2. Establishment of Traceability Measures
3. Elimination of Illegal Trade
4. Regular Risk Assessments

Communicate Biodiversity-friendly Products to Customers

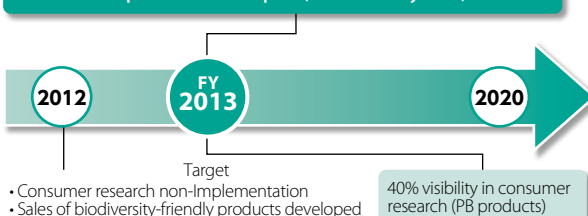
Aeon is committed to informing customers and earning their support with regard to the importance and significance of using sustainable products and products that conserve bioversity. Based on this commitment, we are engaging in a variety of initiatives such as providing products that take into account the sustainable use of bio resources, as well as providing opportunities for people to learn more about biodiversity.

FY2013 Results and Target of KPI

Visibility of Biodiversity-friendly Products

TOPVALU

- MSC-certified products: 46 SKU
(Told number sold: 4,977,463 units; sales amount: 1,278,618,849 yen)
- FSC-certified products: 105 SKU
(Told number sold: 7,885,759 units; sales amount: 683,489,024 yen)
- ASC-certified products also adopted (from February 2014)



● Promoting the Procurement of Sustainable Seafood

Aeon actively works to procure sustainable seafood products in order to help protect limited marine resources and to hand down to future generations our traditional culture surrounding food sources from the water and sea.

Selling MSC-certified products is part of this effort. The Marine Stewardship Council (MSC) is an international body overseeing a program that certifies the fishing industry's commitment to the environment and sustainable resources. The Marine Eco-Label seal of approval is placed on marine products caught by certified fisheries. After beginning to sell MSC-certified products in 2006, Aeon has gradually expanded the number of available items. As of the end of February 2014, we offer customers 15 MSC-certified products across 13 species—more than any other retailer in Japan.

Additionally, we started selling three products certified by ASC (the Aquaculture Stewardship Council) in March 2014. This has enabled us to provide customers with both certified wild fish and certified farm-raised fish. We are striving to increase the number of ASC-certified products available in our stores to six species by fiscal 2016.



MSC-certified Scallop



ASC-certified TOPVALU Raw Atlantic salmon

VOICE

Delivering Freshness, Quality, Sustainability

We are convinced of the tremendous importance of offering ASC certified salmon for sale. The bounties of nature sustain our lives. Building a sustainable society and respecting natural resources is essential in order to assure that the resources remain in the future. Aeon's mission is to transmit the value of sustainability to our customers and to the world at large.



Kinzo Matsumoto
General Manager of
Minami-kanto
Food Department
AEON Retail Co., Ltd.

● Selling FSC® certified products

The Forest Stewardship Council certifies wood products and paper manufactured with timber from properly managed sustainable forests.

Aeon has been selling notebooks and other FSC-certified paper products since 2008. From fiscal 2011, we have been using FSC-certified materials for price tags and other widely used markers.



* Product design, February 2014



FSC certification

● TOPVALU Gurinai

TOPVALU Gurinai is food safety, the relief brand which considered natural environmental friendliness when healthy to a body. A lineup does food meeting the voice of the customer "to want to buy the thing which is safer because it is a thing to eat every day".

TOPVALU Gurinai Five Criteria

1. No artificial coloring, preservatives or sweeteners are used in Gurinai products.
2. Use of chemical fertilizers, agrichemicals, antibiotics and other chemical items is minimized in the production process.
3. Gurinai products are made using the power of nature in the location, timing, crop varieties and feeding in order to make foods as delicious as possible.
4. Gurinai products support environmentally-friendly agricultural produce.
5. Gurinai products are controlled from production to sale in accordance with our own self-imposed strict standards.



The rice that is being cultivated by children in Shiga, Iwate and Akita is labeled 'TOPVALU Gurinai Specially Cultivated Rice' and the children of Saga prefecture produce 'TOPVALU Kyushu Hinohikari' rice.

● Rice Paddy Activities for Elementary School Students

Aeon began the Rice Paddy Activities for Elementary School Students project in 2008. This is an effort undertaken with local agricultural cooperatives and NPOs to teach children about food and sustenance by letting them experience the production process from planting through harvest, and, ultimately, the sale of rice at a retail store.

In fiscal 2013, the 6th year of the project, Aeon expanded to include Akita, Iwate, Shiga, and Saga prefectures.

The activity will be continued in fiscal 2014.



Rice planting experience (Akamatsu Elementary School, Saga Prefecture)



Raising juvenile nigoro-buna fish (Lake Biwa's endemic crucian carp) in rice paddies (Hayami Elementary School, Shiga Prefecture)



Rice harvesting experience (Kyowa Elementary School, Akita Prefecture)



Rice retail marketing experience (Shibutami Elementary School, Iwate Prefecture)

TOPICS

Continue Making Delicious Unagi (Eel) Available to Customers

In order to maintain Japan's traditional culture surrounding food sources from the water and sea, Aeon continues to pursue efforts to protect and rejuvenate fish species that are raising concern due to worries of deletion. One example of this is our support for unagi and its declining numbers of juvenile fish.

Aeon sells TOPVALU Gurinai Unagi Kabayaki from Kagoshima prefecture. The unagi used in this product is raised, processed and sold out of a designated fishery in Kagoshima prefecture. Also, in an effort to maintain a beneficial habitat for young unagi, members of the Aeon Cheers Club gathered together with employees in November 2013 for a coastline clean-up event. Club members and employees also learned about limited bio resources and the importance of preserving them through a visit to the unagi fishery.



Coastline clean-up



Visiting the unagi fishery



TOPVALU Gurinai Unagi Kabayaki from Kagoshima prefecture

Biodiversity Conservation at the Store Level

Developing and Evaluating Indicators

Aeon pays great attention to conservation and creation of ecosystems in developing its stores through initiatives such as planning and implementing biodiversity evaluation and environmental burden reduction measures when opening stores. The aim is to minimize the impact of our stores on the surrounding environment and ecosystem. Examples of these initiatives include the Aeon Hometown Forests Program and installing biotopes at some of our shopping centers.

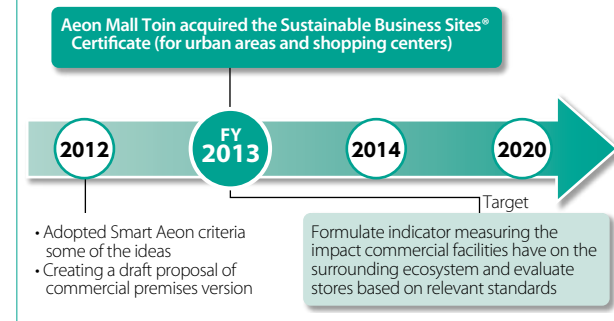
In fiscal 2013, we worked to build stores that utilize space in ways conscious of ecosystem preservation, and that effectively utilize bio resources, all as part of the "Biodiversity and landscapes" requirement that is part of our 5 Smart Aeon criteria.

In February 2014, Aeon Mall Toin acquired the Sustainable Business Sites® Certificate (for urban areas and shopping centers), designating the branch as a shopping mall friendly toward biodiversity. (See also "TOPICS")

In fiscal 2014 and beyond, Aeon plans to actively adopt policies aware of biodiversity, focusing on newly opening store sites.

FY2013 Results and Target of KPI

Formulation and Evaluation Indicators for Impacts on Ecosystems



Expanding Use of Eco-friendly FSC® Japan Certified Wood Materials

Aeon has been developing stores with attention to eco-system conservation. Ministop Co., Ltd., for example, opened a MINISTOP store that used 100% FSC Japan certified materials in 2009, as the first FSC-certified convenience store in Japan. As of the end of February 2014, 89 MINISTOP stores are FSC certified. Going forward, we plan to actively increase the number of environmentally-friendly stores using FSC Japan certified materials.



Store under construction



MINISTOP store

(FSC-JPN-0036 ©FSC, A.C. All rights reserved.)

TOPICS

A First for Shopping Malls! Aeon Mall Toin acquires the Sustainable Business Sites® Certificate (for urban areas and shopping centers)

Opened in Mie Prefecture in November 2013, Aeon Mall Toin acquired the Association for Business Innovation in Harmony with Nature and Community (ABINC) certificate for facilities in urban areas and shopping centers supporting biodiversity conservation.

ABINC evaluates and certifies office buildings and commercial facilities for their biodiversity conservation activities, such as landscape designing with greeneries, based on the JBIB Guidelines for Sustainable Business Sites® specified by the Japan Business Initiative for Biodiversity (JBIB). Aeon Mall Toin is one of the first awardees.

Acquisition of the certification recognizes Aeon's efforts, which include tree planting activities carried out with customers when a new store is opened, the Rain Garden™ project to recycle rain water, and the Fureai Park project to save spaces for local fauna and flora.



The Rain Garden™ project to filter rain water through top soil instead of transmitting it directly to sewage pipes

Actions Taken with Customers

Aeon Hometown Forests Program

Aeon, since the launch of our Hometown Forests Program in 1991, has been integrating new stores and encouraging local residents in the greening of their communities. Under this program, we join with our customers to plant trees on new store sites. In fiscal 2013 we planted a total of 150,314 young trees in 34 locations.

Fiscal 2013 also marked the year that we reached 10 million trees planted. This was an opportunity for Aeon to utilize media and other means, inside and outside the Company, to communicate the significance of tree planting.

At the same time, we worked to bolster our maintenance and care for the trees that we have planted to date at existing stores.

In fiscal 2014, we will utilize Aeon's forests, which are spreading throughout Japan, to inform customers, regional communities, and employees of the significance of tree planting, while also pursuing our efforts toward "cultivating and using" trees.



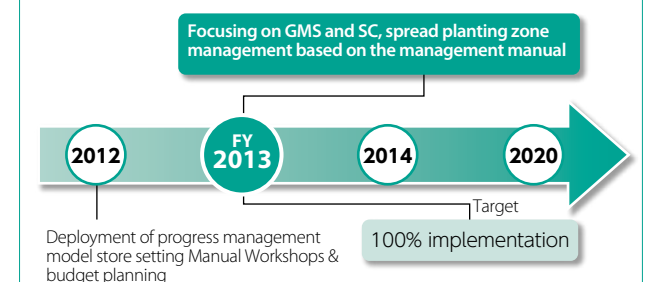
Aeon Mall Higashikurume



Aeon Tan Phu Celadon (Vietnam)

FY2013 Results and Target of KPI

Maintenance and Management Situation of Forests



Aeon Environmental Foundation Initiatives

Aeon Tree-Planting Activities

The Aeon Environmental Foundation, with the cooperation at the national and local government level, conducts tree-planting activities that aim to regenerate forests devastated by natural disasters. Tree-planting activities being undertaken by the Aeon Environmental Foundation have their origins in a similar forest development project implemented in Thailand by Japan International Volunteer Center in 1991. The Foundation's current tree-planting initiatives are being carried out in different parts of the world, particularly in Asia, in addition to Japan.

In fiscal 2013, domestic locations included Mukawa town (Hokkaido), Chita city (Aichi prefecture), Urayasu city (Chiba prefecture), Aya town (Miyazaki prefecture), and Kihoku town (Mie prefecture). In addition, the Aeon Hometown Forests Program and Aeon Environmental Foundation commemorated the planting of their 10 millionth tree (counting domestic and overseas efforts) and a tree-planting ceremony was held to mark the occasion at the Aeon Mall Makuu New City shopping center.

In terms of overseas initiatives, we concluded the final year of our 3-year tree-planting plan in Jakarta, Indonesia, while starting new 3-year plans in Yangon, Myanmar, and Hanoi, Vietnam. Marking the milestone of planting a cumulative total of more than 10 million trees, Aeon gathered with past tree-planting volunteers at the Great Wall of China, where we observed the areas we had previously planted, and also did maintenance work on some of those trees.

In fiscal 2014, we plan to continue current efforts, while also planting trees through single year projects in Suzhou, China and Bidor, Malaysia, the latter as part of cooperative plans to commemorate the 30th anniversary of Aeon Malaysia.



Urayasu Kizuna no Mori Tree Planting



Jakarta Tree Planting

Aeon Environmental Foundation

Excellence in Biodiversity Maintenance Biodiversity Award

The Aeon Environmental Foundation inaugurated the Japan Awards for Biodiversity to promote biodiversity conservation and sustainable use of biodiversity in Japan, as well as the MIDORI Prize for Biodiversity, which is an international prize. The two awards honor recipients in alternate years.

In fiscal 2013, we held the third awards ceremony for the Japan Awards for Biodiversity. With 104 entries from groups and individuals in Japan, a selection committee chose five projects that deserved particular recognition.

In fiscal 2014, we will hold the third awards ceremony for The MIDORI Prize for Biodiversity.

Recipients (in Japanese alphabetical order) of the third Japan Awards for Biodiversity

- Ajinomoto Co., Inc. "Joint Tagging Survey of Skipjack off the Pacific Coast of Japan and a Series of Cooperative Projects and Enlightenment Activities"
- NPO Tambo "Restoration of Rice Paddies Devastated by the Tsunami of the Great East Japan Earthquake Using Resilience of the Ecosystem"
- Chuetsu Pulp & Paper Co., Ltd "Bamboo Paper Project"
- TERUHA Forest Association "Aya Lucidophyllous Forest Project"
- Society for Nature Technology, Graduate School of Environmental Studies, Tohoku University "System Construction for the Creation of Nature Technology"



Awards Ceremony



Rice paddy restoration work being done by NPO Tambo, recipient of the Grand Prix

Giving Grants for Environmental Activities

Since its establishment, the Aeon Environmental Foundation has been awarding grants for activities related to the preservation and sustainable use of biodiversity in Japan and in developing countries.

In fiscal 2013, 98.65 million yen was awarded to 107 organizations.

We will continue in 2014 to call for grant applications.

For details on the call for grant applications, visit <http://www.aeon.info/ef/activity/ngo/index.html>



NPO Eco-Alliance 21 (Mongolia) Locals try their hands at tree planting for the first time



Amami Marine Life Research Association (Amami Oshima) Local residents attending a sea turtle survey course

Initiatives Undertaken by Group Companies

MINISTOP CO., LTD.

Supporting the Hana-no Wa (Flower Circle) Campaign and Donating Flower and Tree Seedlings to Elementary Schools

Ministop donates flower and tree seedlings to elementary schools as part of its support for the Flower Circle Campaign run by the Public Interest Incorporated Foundation for the Agriculture of Flowers and Greenery. The goal of the donations is to help students learn about the importance of living organisms through planting and raising seedlings. Ministop supports this cause and collects donations in its stores, while also using 1% of soft cream sales made on Saturdays to fund the flower and tree seedlings donated to nearby elementary schools.



Donates flower seedlings