



Conservation of Biodiversity

Management Approach

Recognition of Challenges

All companies harness ecosystem services, leveraging the resources produced by our ecosystem in each phase of the lifecycle, from the sourcing of raw materials to production, sales, use and disposal. At the same time, however, the world continues to lose its tropical forests while the number of fauna and flora found on the red list of endangered species continues to grow unabated. Also, Aeon’s business operations cannot be sustained without the ecosystem services of agricultural produce and marine products, which is why Aeon continues to work on various initiatives for the sustainable use of resources, with biodiversity conservation considered one of the key issues.

Aeon’s Approach

In March 2010, Aeon established the Aeon Biodiversity Principle in order to continually promote the sustainable use of resources while conserving biodiversity. Following the Action Guidelines stipulated for this principle, Aeon is working together with customers through its products and stores.

- Initiatives for products: We have been working to source and sell products that are mindful of ecosystem sustainability, such as offering MSC certified products (from 2006) and selling notepads made from FSC certified paper (from 2008). In order to further reinforce these activities, in February 2014 we devised the Aeon Sustainable Procurement Principle and the Aeon Sustainable Seafood Procurement Policy for the sourcing of sustainable sources of marine produce.
- Initiatives at stores: Biodiversity has been incorporated into the standards for Smart Aeon next-generation eco stores and Aeon is expanding its use of FSC certified wood products as construction materials for Ministop stores. These efforts form our commitment to create stores that have a minimum impact on the ecosystem as well as the surrounding environment.

The Aeon Hometown Forests Program, launched as an activity to share the importance of nature and world peace with members of the local community, has continued for more than two decades since 1991. Under this initiative, whenever we open a new store, we plant trees on the site of the store together with customers. Thus far, we have planted more than 10 million trees and we are working on activities under the themes, “plant”, “nurture”, and “thrive”, aimed at the next 10 million trees.

Future Initiatives

Environmental agencies and the Conference of Parties (COP) under the Convention on Biological Diversity are working to make biodiversity mainstream through various social and economic activities promoting the protection of biodiversity and its sustainable use, from a worldwide to local community. Consequently, Aeon will utilize its business characteristic of coming into contact with vast numbers of consumers on a daily basis to continually highlight the importance of biodiversity through the familiar platforms of stores and products. As part of this, in FY2015 Aeon steadily expanded its lineup of TOPVALU Gurinal products and is now working on devising a procurement policy for forest resources following the Aeon Sustainable Seafood Procurement Policy.

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.

Progress of KPI of FY2014

Main Category	Subcategory	KPI	Scope Covered	Target	FY 2014 Results	Summary of Actions/Initiatives
Sustainable Resource Usage in Products	Promoting Sustainable Procurement	Sustainable procurement initiatives in seafood	Consolidated Group companies in Japan	FY 2014: Development of action plans based on the Aeon Sustainable Procurement Principle and Aeon Sustainable Seafood Procurement Policy FY 2015: Efforts start that was based on the plan	• Expansion of the ASC/MSC CoC (Chain of Custody) certification in Aeon group Group companies 12 companies acquired (June 2015) • Expansion of and handling merchandise assortment MSC: 13 species, 23 items (March 2015) ASC: 2 species, 7 items (March 2015) • Sales start of Completely Farm-Raised Bluefin Tuna (June 2015)	Established a Seafood Assessmentcommittee, analysis of risks and opportunities, a study of viable initiatives through, develop priority initiatives plan. (Regularly held, efforts plan scheduled for update)
Sustainable Resource Usage in Stores and Products	Promoting Sustainable Procurement	Sustainable procurement policies of forest resources	Consolidated Group companies in Japan	FY 2015: Development of procurement policies of forest resources	(Products) • Notes and to use the FSC certification raw material in the copy paper • Use FSC certified paper to and paper tags • Kitchen towels use the FSC certification raw materials to (Store construction) • MINISTOP: 108 stores in architecture by using the FSC-certified wood domestic (as of January 2015) (Store materials) • Implement the procurement based on the Green Procurement Standards	Implementation of seminars that led to outside experts in relation to sustainable procurement of forest resources
Biodiversity Conservation at the Store Level	Aeon Hometown Forests Program	Maintenance and Management Situation of Forests	Companies to implement the Aeon Hometown Forests Program	FY 2014: 100% implementation	Focusing on GMS and SM, spread planting zone management based on the management manual	1) Confirm the progress and thorough implementation of management plans at each store 2) Spread weeding and cleaning through Clean & Green Activities carried out by employees 3) Demonstration of the model store for the small tree-planting ceremony conducted at existing stores
Contributions to the Community	Sustainable forest conservation	Development of circulation program of Aeon Sato Mori	Consolidated Group companies in Japan	Promotion of new businesses in the fields of the “Plant”, “Nurture”, “Thrive”	Implementation of the Pilot Project in the “Nurture” field	A Curriculum to Education Forest-Conscious People • Cooperation with Mie Prefecture Miyagawa forest election set • Employment in forest-related fields of students (six out of 17 persons)
Initiatives through our Products	Provide products that are friendly to the ecosystem	Appropriate products in private brand	Consolidated companies in Japan for GMS, SM and Small-sized Store Business	Expansion of TOPVALU Gurinal products	A total of 137 organic products, one of the largest number as private brand label products in Japan (as of February 2015)	Ministry of Agriculture, Forestry and Fisheries to get the “Certified Importer” qualifications of JAS organic produce processed foods prescribed by, the development of domestic and foreign organic products, and promote the procurement

Sustainable Resource Usage in Products

Promoting Sustainable Procurement

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 FY2014, we established the Seafood Assessment Committee comprised of Aeon's Environment Division and other Divisions at Aeon Group companies, functional companies, and other companies. Based on input from external stakeholders (NGOs, the government, seafood businesses), we analyzed risks and opportunities, reviewed feasible projects, and used the results to formulate key initiatives.

In FY2015, we took the plan we formulated in FY2014 and commenced sales of completely farmed tuna that does not rely on wild tuna stocks.

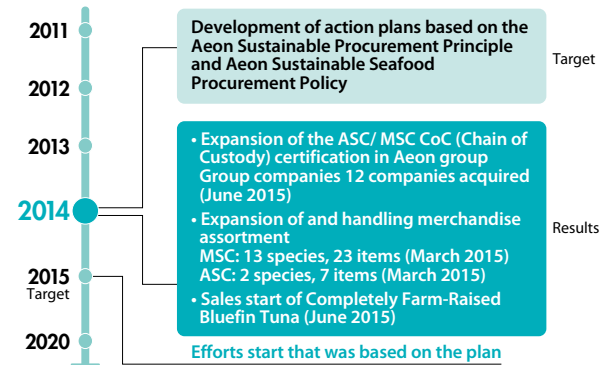
In addition, following on from formulating the Aeon Sustainable Seafood Procurement Policy, we started formulating a Forest Resource Procurement Policy, which is scheduled to be completed and published during FY2015.

Aeon Sustainable Procurement Principle

1. Eliminating natural resource transactions, gathering, and fishing conducted illegally.
2. Establishing and managing Aeon standards from the perspective of biodiversity preservation and preventing the depletion of natural resources.
3. Minimizing use of non-renewable resources.
4. Establishing traceability, including place of production and fishing methods, for produce and marine resources.
5. Preventing the destruction of forest land with high conversation value.

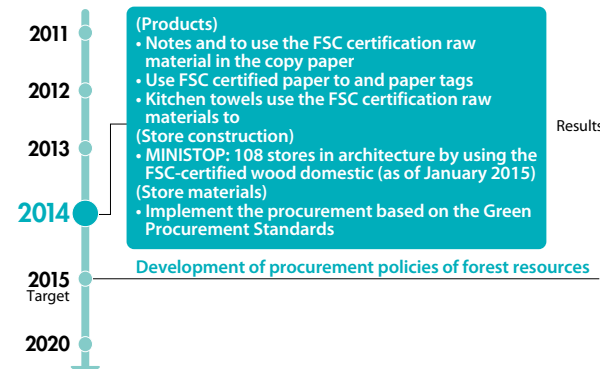
FY 2014 Results and Target of KPI

Sustainable procurement initiatives in seafood



FY 2014 Results and Target of KPI

Sustainable procurement policies of forest resources



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.

Aeon Sustainable Seafood Procurement Policy

Carry out regular risk assessments from a resource depletion prevention and biodiversity conservation perspective. Also, in order to mitigate risks, review feasible countermeasures and strive to procure sustainable seafood.

Specific Measures

Aeon is constantly devising and implementing measures to shift from endangered seafood to seafood with a sustainable backing into the future.

1. Provision of Sustainable Products
 - Actively sell sustainable seafood such as MSC-certified and ASC-certified products
 - Strengthen handling of complete aquaculture
2. Elimination of Illegal Trade
 - Comply with international conventions, such as Washington Convention
3. Establishment of Traceability Measures
 - Promote strengthening of resource management in Indonesia
4. Regular Risk Assessments
 - Launch organization to promote sustainable procurement

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 March 2015, we offer customers 23 MSC-certified products across 13 species—more than any other retailer in Japan.

Also, from 2014, we started selling products in Asia certified by ASC (the Aquaculture Stewardship Council) as "seafood produced through responsible aquaculture." As of March 2015, we are selling seven ASC-certified products across two species.

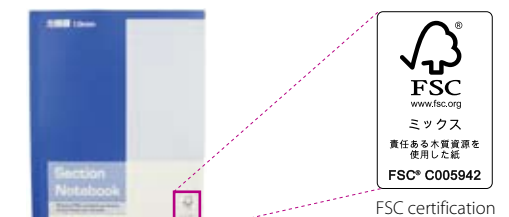
In June 2015, eight Group companies joined Aeon Retail Co., Ltd., Aeon Hokkaido Corporation, Aeon Kyushu Co., Ltd., and Aeon Ryukyu Co., Ltd. in acquiring Chain of Custody (CoC) certification. CoC certification ensures the reliability of MSC- (Marine Stewardship Council) and ASC- (Aquaculture Stewardship Council) certified products and is a system for assuring consumers of the traceability of certified products. Going forward, Aeon will promote procurement of sustainable seafood by increasing the number of companies that acquire certification.



Promoting the Procurement of Sustainable forest resources

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 FY2011, we have been using FSC-certified materials for price tags and other widely used markers.



Notebook made from FSC-certified paper

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 biodiversity. 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.

TOPICS

Commencing Sales of Completely Farm-Raised Bluefin Tuna

Aeon started selling completely farm-raised* TOPVALU Gurinai Amami Bluefin Tuna in June 2015. We are the first Japanese private brand to start selling completely farm-raised Bluefin tuna.

International measures have been stepped up for the management of wild natural resources. Bluefin tuna was designated in November 2014 as a wild animal in danger of extinction by the International Union for the Conservation of Nature and Natural Resources (IUCN), and, in December of the same year, the Western and Central Pacific Fisheries Commission (WCPFC) decided to halve catches of young Atlantic Bluefin tuna.

These circumstances led Aeon to supply completely farm-raised Bluefin tuna from the perspective of resource depletion prevention and biodiversity conservation, and we did so utilizing the cooperation of Maruha Nichiro Corporation and their ability to raise completely farmed tuna that does not rely on wild stocks.

In addition, in consideration of the ecosystem surrounding fish farms, we are taking care to regularly carry out water quality checks and properly steward the natural environment around Amami island.

Going forward, Aeon will promote the procurement and sale of sustainable seafood by protecting limited resources.

* Completely farm raised: Fertilized eggs are taken from adult tuna and artificially hatched, then those eggs are raised in a full cycle that does not rely on wild tuna stocks.



Tuna (lean)



Sales floor

Sustainable Forest Conservation

Letting Forests Grow—Plant, Nurture, Thrive

When we open a new store, Aeon Hometown Forests Program joins with our customers to plant trees on the new site. Since this Program began at our Jusco Malacca store in Malaysia in 1991 (Currently renamed Aeon Malacca SC), over one million customers have planted trees together with us over the course of more than 20 years, passing the 10 millionth tree mark in 2013.

Seizing this opportunity, we announced new objectives to “plant, nurture, and thrive” as we work toward the next 10 million trees. Specifically, our “plant” objective targets tree planting that improves the quality of life in regions across the globe, and tree planting that protects areas from tsunami and disasters; our “nurture” objective targets activities to foster forests; and our “thrive” objective promotes the utilization of forest products such as lumber, etc. as resources for our products and building materials for our stores. We will continue to create enriching lives for people with the natural blessings of a healthy forest life cycle.



Biodiversity Conservation at the Store Level

Letting Forests Grow—Plant 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 FY2014 we planted a total of 544,495 young trees in 38 locations.

As of the end of February 2015, 10,867,710 trees* had been planted through these activities. Aeon is deeply grateful to the customers who have participated in our tree planting efforts and we look forward to the next 10 million trees, which we will plant and nurture alongside our customers and local communities.

* Combined total for the Aeon Hometown Forests Program and Aeon Environmental Foundation.



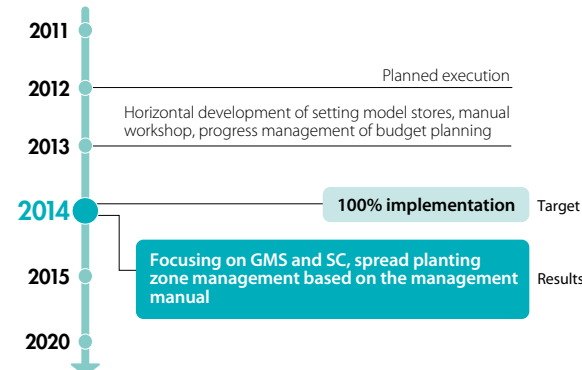
Aeon Supercenter Rikuzentakata store



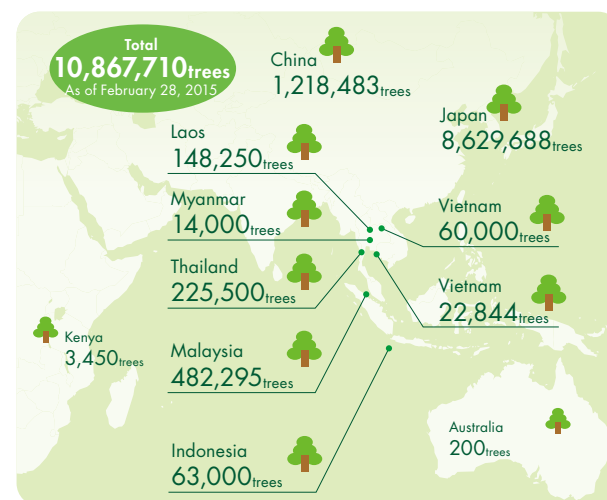
Children of Aeon Cheers club to explain a way of tree planting (Aeon Mall Tamadairanomori)

FY 2014 Results and Target of KPI

Maintenance and Management Situation of Forests



Letting Forests Grow



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 FY2014, at Aeon Mall Tendo, we built a Rain Garden™ that recycles rainwater, and we installed a rooftop biotope at Aeon Mall Tamadairanomori, both as part of efforts to build stores that utilize space in ways conscious of ecosystem preservation, and that effectively utilize natural resources.

Following Aeon Mall Toin last year, Aeon Mall Tamadairanomori acquired the Sustainable Business Sites® Certificate (for urban areas and shopping centers) from the Association for Business Innovation in Harmony with Nature and Community (ABINC).

In FY2015 and beyond, Aeon plans to actively adopt policies aware of biodiversity, focusing on newly opening store sites.



Rain Garden™ (Aeon Mall Tendo)



Rooftop biotope (Aeon Mall Tamadairanomori)

TOPICS

Ideal Biotopes as Fusions of Aeon Stores and Local Communities

Aeon's first biotope at a store opened in the 21st century was the design that boldly rises up in the middle of the Aeon Mall Yokkaichikita parking lot. The biotope encompasses approximately 990 square meters of green space that was a neighborhood shrine, shrine woods, and their surrounding waters.

With the cooperation of Chamber Group, a local environmental NPO led by Chairperson Hiromi Tanaka, the biotope is being maintained with an aim toward proliferating plant and animal life, based on expert advice on insects, fish, and plants suitable for a shopping center location.

Weeding and daily maintenance is performed with the help of employee volunteers who are Aeon Biopark Assist members, while the site is also used for Aeon Cheers Club activities and advanced environmental education including planting festivals, pond drying and animal observation events, firefly habitat creation, and invasive species surveys and removal. In 2015, firefly habitat creation was facilitated with various experiments, including those to shut out ambient light and those to release adult fireflies, all as part of our daily efforts to develop the project.

Going forward, a challenge for us is how to help our customers be more involved with the biotope as we continue to put time and effort into this particular area of biodiversity consciousness in our retail business.



The Biopark (Aeon Mall Yokkaichikita)



The Biopark management conference by citizen's group, experts and Aeon members

Contributions to the Community

Letting Forests Grow—Nurture A Curriculum to Education Forest-Conscious People

In recent years, preventing global warming and conserving biodiversity are challenges joined by another urgent social issue. That is, preserving and sustainably using forests, which serve multifaceted roles for carrying on Japanese culture, offering recreation, etc., and villages, which serve as places for humans and nature to coexist.

The Forest Transcend Project—Educating Forest-Conscious People is a collaborative effort between Aeon, Mie Prefecture, and the NPO Miyagawa Shinsengumi, aiming to foster the future generation of forestry workers by offering various programs to deepen understanding of Japan's forest management.

In FY2014, the Project was held over the course of five months, from October 5, 2014 to March 8, 2015 (17 days all total), in Odaicho, Mie prefecture. The curriculum included a lecture on forests and forestry (the two-day “forest seminar”), on-site training (the five-day “forest skills course” plus three days of field work), and a workshop on effectively utilizing forest resources (the two-day “forest laboratory”), for 12 days of study. The five-day “forest skills course” was especially unique and hands-on. By focusing on making a functional pathway for workers, the course taught forestry labor techniques and skills directly in the mountain forests of Odaicho.

17 participants completed the curriculum, with 6 of them later changing their work focus to forestry-related jobs.



The Forest Transcend Project

Letting Forests Grow—Thrive
Expanding Use of Eco-friendly FSC® Japan Certified
Wood Materials

Aeon has been developing stores with attention to ecosystem 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 2015, 108 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

Aeon Initiatives for Biodiversity
Conservation and Sustainable Use Become
Certified for Affiliation with the Japan
Committee for UNDB (UNDB-J)

Under the Aeon Biodiversity Principle formulated in 2010 and the Aeon Sustainable Procurement Principle formulated in 2014, Aeon has been promoting sustainable resource procurement conscious of both the environment and conservation of biodiversity in our product development and store construction.

These initiatives implemented through our business activities have been recognized as contributing concretely to conservation of the ecosystem and to sustainable use of resources, leading to their certified affiliation with the Japan Committee for the United Nations Decade on Biodiversity.*



* Japan Committee for the United Nations Decade on Biodiversity: Established in 2011 to promote initiatives for biodiversity conservation and sustainability, and tasked with working toward achieving the Aichi targets adopted at the Conference of the Parties to the Convention on Biological Diversity (COP10). UNDB-J provides information and opportunities for interaction for groups, companies, governments, and institutions carrying out biodiversity conservation activities, and also fulfills the role of promoting cross-collaboration between those activities.

Initiatives through our Products

TOPVALU Gurinai

TOPVALU Gurinai is a food safety brand that considers natural environmental friendliness and health for our bodies. The brand's product lineup offers food that meets customer demands and their desire "to buy food that is safer because it is something we eat every day".

Developing and Promoting the Procurement of Organic Products

The TOPVALU Gurinai Organic Food Series offers a wider variety of environment friendly items certified both nationally and internationally as organic food. In order to reflect consumer interest in healthy food, safety and security, as well as to respond to requests from customers for more organic products in our stores, we promote development and procurement of organic products in Japan and from other countries utilizing the Japanese Agricultural Standards (JAS) certification for importers of organic agricultural/processed food products, a certification issued by the Ministry of Agriculture, Forestry and Fisheries (MAFF) of Japan.



TOPVALU Gurinai Organic Food Series

Organic JAS logo

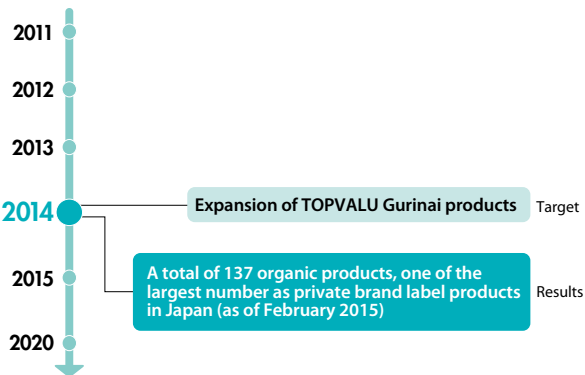
Operators certified by certification organizations registered by the MAFF are able to attach the organic JAS logo to their products. The logo is attached to agricultural, processed, or livestock products, as well as livestock feed, produced with a method of organic farming that uses natural power instead of pesticides or chemical fertilizers.



Organic JAS logo

FY 2014 Results and Target of KPI

Appropriate products in private brand



Aeon Environmental Foundation Initiatives

Aeon Tree-Planting Activities

The Aeon Environmental Foundation, with cooperation at the national and local government level, conducts tree-planting activities that aim to regenerate forests devastated by natural disasters. 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 FY2014, domestic locations included Urayasu city (Chiba prefecture) and Aya town (Miyazaki prefecture), both continuing their tree planting activities from FY2013, plus Mukawa town (Hokkaido), Chita city (Aichi prefecture), and Kihoku town (Mie prefecture) in the final year of their planting schedule.

Outside Japan, the second year of tree planting was carried out as part of 3-year plans in Yangon, Myanmar, and Hanoi, Vietnam, in addition to single-year projects in Suzhou, China and Bidor, Malaysia.

In FY2015, on-going projects continued, with the addition of new projects getting off the ground in Atsumacho, Hokkaido and Phnom Penh, Cambodia.



Tree planting in Urayasu, Chiba



Tree planting in Aya, Miyazaki



Tree planting in Yangon, Myanmar



Tree planting in Hanoi, Vietnam

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 FY2014, we sponsored the third awards ceremony for the MIDORI Prize for Biodiversity and presented the awards to Dr. Kamal Bawa from India, Dr. Alfred Oteng-Yeboah from Ghana, and



Winners
Dr. Kamal Bawa (India)
President, Ashoka Trust for Research in Ecology and the Environment (ATREE), India; Distinguished Professor, University of Massachusetts, Boston, USA
Dr. Alfred Oteng-Yeboah (Ghana)
Chair, Ghana National Biodiversity Committee, Ghana
Dr. Bibiana Vilá (Argentina)
Principal Researcher, National Research Council (CONICET); Director, Vicuñas, Camelids and Environment (VICAM), Argentina

Dr. Bibiana Vilá from Argentina. In FY2015, we will hold the fourth awards ceremony for the Japan Awards for Biodiversity.

Giving Grants for Environmental Activities

Since its establishment in 1990, the Aeon Environmental Foundation has awarded grants for activities related to sustainable use and the preservation of biodiversity in Japan and developing countries.

In FY2014, 99.74 million yen was awarded to 102 organizations throughout the world that are engaged in tree planting and forest improvement, anti-desertification, regeneration of mountain villages and the nearby woodlands and ocean, cleanup of lakes and rivers, wildlife protection, and endangered species conservation. The total number of organizations awarded reached 2,565, and the total amount reached 2,306.13 million yen.

We will continue in 2015 to call for grant applications.



Tree-planting event by NPO Shirakami Mountain Preservation Society (Aomori Prefecture)