

2016 AEON Sustainability Pamphlet



Continuing our mission of working together

The Origin of Tree Planting Activities

Around 50 years ago, in the 1960's, Takuya Okada, then president of JUSCO (present day Aeon) and currently Aeon Honorary Chairman and Advisor, noticed that the Nandina Heavenly Bamboo flowers in the garden of his home in Yokkaichi city, Mie prefecture has stopped blooming. He assumed that was a result of the earth's changing environment. He also felt a sense of crisis, realizing that the pollution accompanying economic growth would create social problems and that the loss of nature's richness would be connected with a loss of sources of wealth. As a retailer, we considered what we should do. Based on our reflection, we started the tree planting activity in 1991.

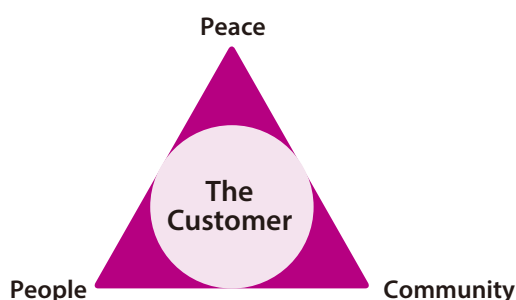
Aeon's tree planting, which has been promoted along with our customers around the world, has planted more than 11,000,000 trees in 2015. Aeon will continue with tree planting activities that connect the present to the future.

Tree planting activities embody the "AEON Basic Principles".

AEON Basic Principles



Pursuing peace, respecting humanity and contributing to local communities, always with the customer's point of view as its core.



The word aeon (ÆON) has its origins in a Latin root meaning "eternity." The customers' beliefs and desires comprise the central core of our philosophy. At Aeon, our eternal mission as a corporate group is to benefit our customers, and our operations are thus customer-focused to the highest degree.

- "Peace" Aeon is a corporate group whose operations are dedicated to the pursuit of peace through prosperity.
- "People" Aeon is a corporate group that respects human dignity and values personal relationships.
- "Community" Aeon is a corporate group rooted in local community life and dedicated to making a continuing contribution to the community.

On the basis of the Aeon Basic Principles, Aeon practices its "Customer-First" philosophy with its ever-lasting innovative spirit.

Laying a Foundation for Peace

Environmental problems threaten to destroy the health and well-being of everyone on Earth. Aeon conducts business in close contact with the people of the community. Based on the idea that a peaceful society is the basis of Aeon's business, we are working to solve environmental issues through tree planting.

Creating a Space for Lively Communication

People of all ages, from children to senior citizens, enjoy getting together to plant trees and talk with each other. It is Aeon's desire to expand opportunities for such occasions of exchange through tree planting.

Growing Together with Communities

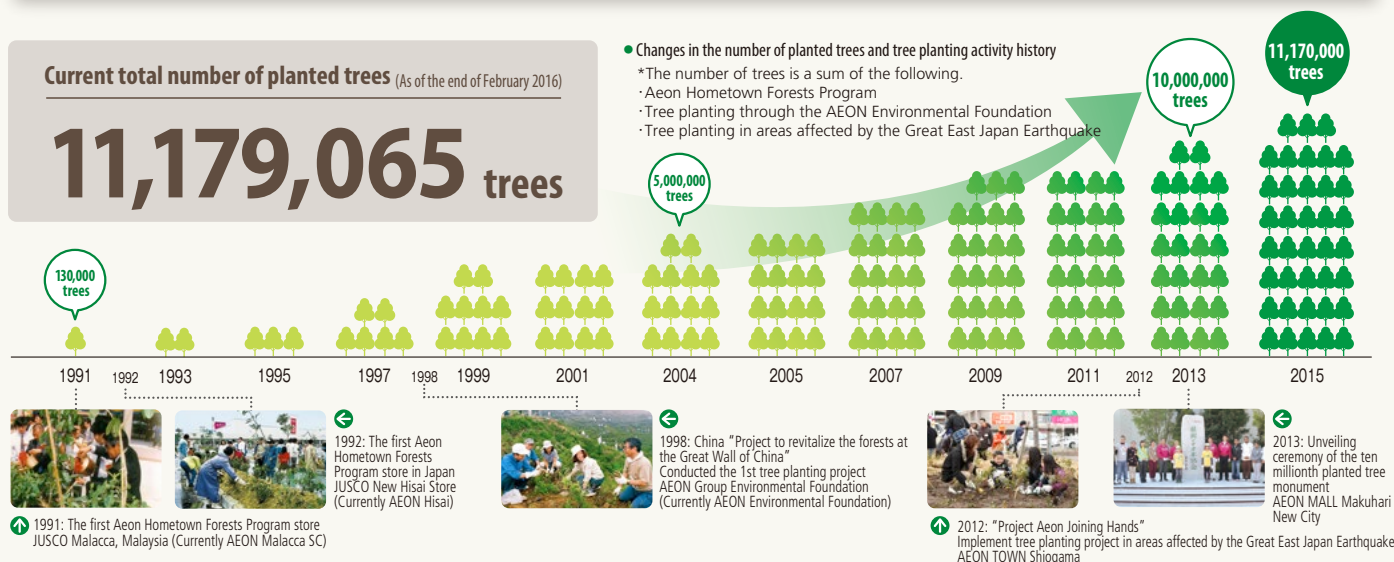
Aeon is building forests rooted in the respective regions by planting native trees. Further, learning and sharing that occurs through the process of planting trees is also something Aeon wishes to continue to foster.

Current total number of planted trees (As of the end of February 2016)

11,179,065 trees

Changes in the number of planted trees and tree planting activity history

- *The number of trees is a sum of the following.
- Aeon Hometown Forests Program
- Tree planting through the AEON Environmental Foundation
- Tree planting in areas affected by the Great East Japan Earthquake



to deliver a future rich with thriving forests

Aeon, a shopping center nurtured in a green environment AEON Hometown Forests Program (AEON MALL Urawa Misono)



2006 (trees planted)



2009



2016



Aeon Letting Forests Grow Project

“Aeon Hometown Forests Program”
AEON MALL Okinawa Rycom



Plant

Planting the Next 10 Million Trees —for the regions and for the future

There are tree planting activities through the Aeon Environmental Foundation that aim for the regeneration of forests around the world along with carrying out Aeon Hometown Forests Program by planting trees on site with customers when a new store opens, and tree planting activities in areas affected by the Great East Japan Earthquake are also implemented.



Expansion of stores using domestic FSC® certified lumber



Thrive

Construction Materials and Products Made from the Lumber of properly-managed Forests

We are developing stores (MINISTOP CO., LTD.) that use 100% domestic FSC® certified lumber. The number of such stores has expanded to 152 stores (current as of the end of February 2016).



Nurture

Growth of Forests Enriches Lives

Development and management of planted trees has been carried out. In addition, in Mie Prefecture, we aim for cooperation with business and also work with NPO Miyagawa Shinsengumi on forestry succession planning.



“Forest Transcend Project”
to foster successor forestry
started in 2014

Tree planting activities spread around the world

In Japan

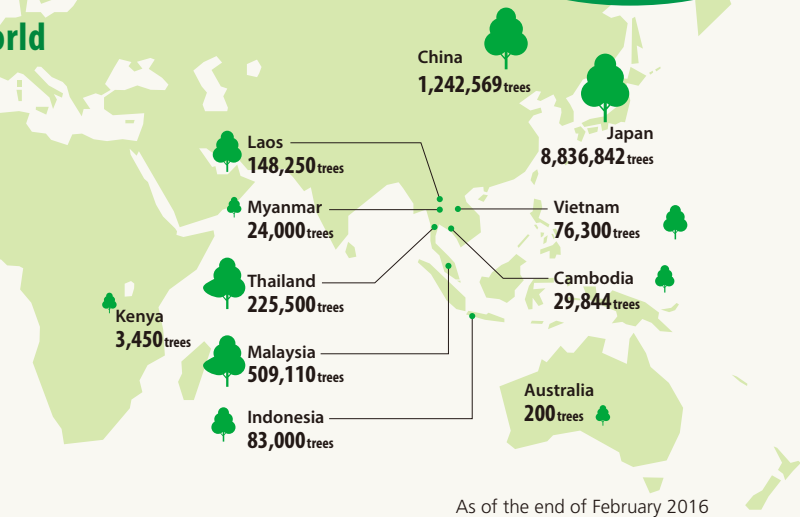


November 2015
Aeon Hometown Forests Program
AEON MALL Tokoname

Around the world



July 2015
Tree planting in Yangon, Myanmar
AEON Environmental Foundation



As of the end of February 2016

In order to create a more prosperous society

Aiming for local revitalization

Comprehensive Cooperation Agreements

Aeon has entered cooperation agreements with local governments to effectively combine respective resources for disaster preparedness, social welfare and environmental conservations to stimulate commerce and tourism. The first agreement was concluded in June 2010 with the Osaka prefectural government. As of the end of February 2016, we had agreements with 44 prefectural governments and 15 government-ordinance-designated cities. Through these agreements, we are, providing emergency supplies and emergency shelters for times of disaster, holding local product fairs and promoting local tourism through our stores, and issuing Local WAON cards.

Electronic money contributing to local communities

Local WAON

WAON is a system of e-money pre-paid cards available at over 246,000 participating stores*1 throughout Japan. Aeon issues Local WAON cards together with the regional and local governments nationwide. A part of the proceeds from sales goes to social contributions for communities, such as community environment conservation efforts, promotion of tourism, preservation of cultural assets, promotion of sports and animal welfare.

As of the end of February 2016, a total of about 56,100,000 copies of "Local WAON" with as many as 109 types were issued, and the total amount of donations up to the end of February 2016 was approximately 665,280,000 yen.

*1 Including approximately 148,000 vending machine and driving terminal locations



Sample of Local WAON cards issued in fiscal 2015
Eco Island Miyakojima WAON (left)
Komatsu Kabbuki WAON (right)

Supporting persons with disabilities

Aeon Welfare Fund

The Aeon Welfare Fund was established in 1977 to promote the welfare of persons with disabilities and to support their independent participation in society. Aeon has carried out various projects, focusing on donating special vehicles and contributing to volunteer activities, through 50-yen monthly employee contributions matched by the employer. As of the end of February 2016, 63,250 Aeon employees from 89 companies are participating in this program. Since the inception of the Welfare Fund, a total of 63 welfare vehicles were donated, and approximately 10,981 facilities were visited for volunteer activities.



Welfare vehicle donation ceremony

To spread the ring of recreation of Tohoku

"Nigiwai Tohoku" - Join hands and foster the power of Hometowns"

Five years have passed since the Great East Japan Earthquake. Aeon aims for the next stage "creation of local areas (hometowns)" from "reconstruction assistance", and has started "Nigiwai Tohoku" efforts to help connect the energy of Tohoku throughout Japan and around the world. With these thoughts of wanting to create the future of Tohoku with "bustling energy" put into this theme, and with four policy pillars we will walk together with everyone towards Tohoku creation from here on out.

[Four Policies toward Recreating Tohoku]

1. Revitalizing local industries through business activities
2. Creating job opportunities and worker-friendly environment
3. Environmental and social contribution activities to jointly shape the future of regions
4. Creating communities where people can live with peace of mind



Major achievements of Tohoku reconstruction support activities

- Number of planted trees: 146,279 trees (as of the end of February 2016)
- Number of volunteers: 196,728 people (as of the end of February 2016)
- Donation amount through "Tohoku Reconstruction Assistance WAON": 19,782,027 yen (including donation in spring 2016)
- Donation amount through the Aeon Happy Yellow Receipt Campaign for Supporting Tohoku: Approximately 726 million yen (including donation in spring 2016)

The Aeon Hirono store opened in the Fukushima Prefecture public commercial facility "Hirono Terrace"

The Aeon Hirono Store opened on March 5, 2016. The store aims for local residents to realize work life with a peace of mind in a local area along with the creation of employment through store opening in a disaster-affected area. In addition, the "Hirono Disaster Mitigation Green Zone Tree Planting Festival" was held the day the store opened.



Inside a store on its opening day

Promote the activation of local industry through the "Nigiwai Tohoku Fair"

The 1st "Nigiwai Tohoku Fair" was held from March 4 to 6, 2016 in 41 stores in the Tohoku region and 70 stores in the Kanto region for Aeon Retail Co., Ltd., and in 21 stores for Aeon Super Center Co., Ltd. We aim to expand sales of goods made in Tohoku, and are aiming for sales of 2,000 items and a sales amount of 100 billion yen by fiscal 2018.



Expand sales of goods made in Tohoku

Expand the "Project Aeon Joining Hands"

Disaster area volunteer activities are carried out by a both labor and management of the Aeon Group. The "Aeon Future Co-Creation Program" is implemented in fiscal 2016, considered regional challenges in disaster-affected areas through new exchanges with group companies.



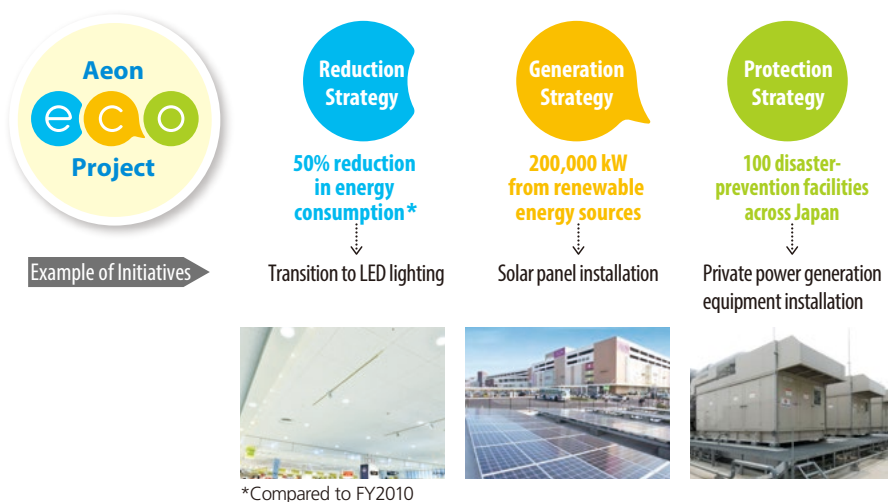
Volunteer activities to put out household goods in Odaka, Minamisoma City

Towards a better environment and friendly stores

"Reduce" "Generate" "Protect"

Aeon Eco Project

The company started the Aeon Eco Project in September 2012, reflecting the environmental targets for fiscal 2020 that had been set in response to the increasing needs for energy use efficiency and power conservation, as well as for power supply shortages. In addition to reducing energy use and actively generating renewable energy, we aim to be a lifeline center protecting the community during disasters and emergencies. Focusing on three strategies of reduction, generation, and protection, Aeon is working to achieve the targets by taking full advantage of the Group's comprehensive strength.



Next generation "Eco-Store"

Smart Aeon

Working to build environmentally friendly stores, Aeon has defined Eco Stores as outlets that achieve at least 20% lower CO₂ emissions in comparison with conventional stores, and a CASBEE ranking of A* or higher. Since the opening of our first Eco Store, the Aeon Chikusa Shopping Center (present day Aeon Town Chikusa), in May 2005, 12 such stores had been opened by February 2013. In September 2012, we started working on further developments for Next-Generation (Smart Aeon) Eco Store. In addition to building stores with lower environmental impacts than in the past, we also formulated five criteria, such as energy efficiency and disaster prevention measures, from the perspective of civic and community-building efforts carried out in cooperation with local regions. As of the end of February 2016, we opened nine Smart Aeon stores as part of our efforts to achieve the environmental targets for the Aeon Eco Project.

*CASBEE: Environmental performance evaluation system architecture that was developed in 2001. It is used as an index to evaluate and display objectively the performance whether you are conscious how the global environment and surrounding environment, that there is no waste in running costs, such as, or comfortable for the user.

• The 5 Smart Aeon Criteria

- Smart Energy
- Integration of E-Money and Internet
- Traffic Situation (Smart Mobility)
- Biodiversity and Landscape
- Disaster Prevention and Regional Infrastructure



AEON MALL Okinawa Rycorn



AEON MALL Shijonawate

To have a peace of mind while shopping

Care-Fitters *1

We encourage Aeon employees to acquire Care-fitter certification to help ensure that seniors and people in need of assistance can shop in our stores with total confidence. Certified Care-fitters in Aeon Group numbered 11,737 as of the end of February 2016.



Care-fitter Training Session

Aiming for correct understanding and appropriate support

Supporters for People with Dementia *2

We have participated in the "Dementia Supporters Caravan" since 2007, and it has become the largest of our domestic enterprises. We are training a total of about 59,360 people as "Supporters for People with Dementia" current as of the end of February 2016. Aeon employees not only learn knowledge on dementia, but also do case study in order to understand dementia correctly and support the people with dementia appropriately.



Lectures for the dementia supporter training program



The dementia supporter mark and orange band

*1 Care-fitter: A certification administered by the Nippon Care-Fit Education Institute (a public interest incorporated foundation).

*2 Supporters for People with Dementia: People certified through a prescribed curriculum course implemented by municipalities and other groups. Supporters have an understanding of dementia and are able, within their abilities, to give care to, watch over, and give support to people with dementia and their families.

Changing the future by shopping at Aeon

Customers' voices are the origin of brands

TOPVALU

Aeon's self-developed and planned brand "TOPVALU" comes from a feeling of "better life for every customer". We are working to create products in the point of view of our customers, from the product planning and design phase up to selection of subcontractors, determination of product specifications, production management and sales.

• TOPVALU Brand System

TOPVALU 3-tier structure



Brand of products highly committed to the best quality



Brand of products to enrich the quality of lives



Brand of products of convincing quality and reasonable prices

Safe/Reliable, Sustainable



Brand of safe, reliable food products

A safe and secure brand that is conscious to be kind to the natural environment and human health (Gurinal)

To fulfill social responsibilities in the manufacturing process
Aeon Supplier CoC

In the "Aeon supplier CoC (Trading Code of Conduct)" enacted by Aeon in 2003, we ask for supplier (contract manufacturer) compliance with requirements such as protection of the natural environment, a safe working environment and protection of the working conditions of those working on the products. Confirmation is currently carried out with procedures such as audits, and compliance requirements for "TOPVALU" and TOPVALU Collection" suppliers are asked.

Aeon Supplier Code of Conduct

- | | |
|--|--|
| 1. Child labor | 8. Wages and benefits |
| 2. Forced labor | 9. Management responsibility |
| 3. Health and Safety | 10. Environment |
| 4. Freedom of Association and Collective Bargain | 11. Trade |
| 5. Discrimination | 12. Certification, Audit, and Monitoring and Renewal |
| 6. Disciplinary Practices | 13. Ban on Gifts |
| 7. Working hours | |



Aeon Supplier Code of Conduct audit

To meet the various expectations of society

Products that enable customers to contribute in environmental protection and social contribution through purchasing

• Full-cycle Aquaculture Pacific Bluefin

Aeon protects natural resources by cultivate eggs from adult fish in aqua farms and nurturing the eggs to avoid relying on natural eggs and juvenile fish.

Aeon began selling fully aqua farmed tuna for the first time as a domestic generic brand product from 2015.



TOPVALU Gurinal Organic Food Series
Raw tuna from Amami

• ASC-certified Products

Products have ASC (Aquaculture Stewardship Council) certification to authenticate that aquaculture is done while also being conscious towards society and human rights without placing a heavy burden on sea life and the environment. From 2014, Aeon has been handling 4 species of fish and 9 items (as of the end of February 2016) including salmon, which had obtained the first ASC certification in Asia.



TOPVALU Gurinal Organic Food Series
ASC-certified raw Atlantic salmon



• MSC-certified Products

Products have MSC (Marine Stewardship Council) certification to authenticate that fishing is being done while considering sea life and the environment so as not to reduce the amount of natural fish. From 2006, Aeon has been handling the most items of any retailer in Japan, with 18 species of fish and 36 items (as of the end of February 2016).



TOPVALU Gurinal Organic Food Series
MSC-certified salt sockeye salmon

• Organic Products

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 Gurinal Organic Food Series
Organic brown rice tea, refined green tea, roasted green tea

• FSC®-certified Products

The Forest Stewardship Council (FSC) certifies wood products and paper manufactured with timber from properly managed sustainable forests. Aeon has sold notebooks and other FSC-certified paper products since 2008. (FSC® C005942)



TOPVALU BEST PRICE
tissue paper using
FSC® certified paper

• Fairtrade Products

We have been developing and selling Fairtrade International certified products as "TOPVALU" products from 2004 in accordance with standards established by Fairtrade Labeling Organizations International. In order for even more customers to easily get fairtrade products, we have participated in the "Fairtrade International certification procurement program" since 2014, and we aim to have 10 times the trading amount of Fairtrade International certified cacao by 2020.



Left: FLO (Fairtrade International) certification mark
Right: Fairtrade Sourcing Program label (cocoa)



Some cacao with Fairtrade International certification was used in TOPVALU smooth mouth-melting bite-sized milk chocolate

TOPVALU
Fair trade chocolate milk

Continuing to move forward together with customers

Reducing plastic bag use

Bring Your Own Shopping Bag Campaign

Aeon has proactively promoted the Bring Your Own Shopping Bag Campaign since 1991. The campaign encourages customers to bring and use their own baskets or bags instead of the plastic bags available in the stores. Through this initiative, Aeon is trying to cut CO₂ emissions that are the cause of global warming, reduce waste, and conserve petroleum, the raw material for plastic bags. For customers that desire them, we offer plastic bags for a fee. We donate the profit toward local environmental conservation through local governments, etc. The profit in fiscal 2015 was approximately 16.36 million yen.



Takeaway baskets
"Bio My Basket"

Supporting local communities through customers purchases

Aeon Happy Yellow Receipt Campaign

The Aeon Happy Yellow Receipt Campaign is carried out on the 11th day of every month. Customers participate in the campaign by taking the yellow receipts they receive and placing them in a box labeled with the name of an organization or a particular activity. Aeon then contributes goods accordingly at a value of 1% of the total amount of the receipts. In fiscal 2015, 1,670 stores ran the campaign and we contributed goods worth approximately 289.85 million yen to a total of around 24,000 organizations. Since the campaign's inception in 2001, 242,600 organizations have received support totaling around 2,784.21 million yen.



Supporting children around the world

PET Bottle Cap Collection Campaign

Since 2008, Aeon has begun the "Smiles on children in the world with PET bottle caps" campaign. We collect the caps at stores, have them bought by recycling company, and donate that amount to organizations working on support activities for children suffering from poverty. In fiscal 2015, 5,179,649 yen from 375.46 million bottle caps was donated to these organizations. The funds will provide vaccines, nutritious food and books to children in Asia.



● The three international organizations



Save the Children Japan



Plan International



Japan Committee Vaccines for the World's Children

Towards a recycling society

Collecting Recyclable Resources at Stores

For recycling valuable resources, Aeon has collection bins for drink cartons, food trays, aluminum cans, and PET bottles in the stores. Drink cartons and aluminum cans are used as raw materials for "TOPVALU" brand products. Through these efforts, Aeon is moving forward to the creation of a recycling society.



Aiming for the development of healthy children
through environmental learning and experiences

Aeon Cheers Club

The Aeon Cheers Club provides various opportunities for first through ninth-grade students to participate in environmental activities. It is aimed for the students to take an interest in environment, develop the ability to think and learn social rules and manners by working in groups. In fiscal 2015, approximately 440 clubs and 7,900 students from all over Japan participated in the environmental studies and hands-on programs under the theme of "Plants."



Farming experience



Botanical garden tour



Plant dyeing experience

Working on environmental and social contribution activities through business.

Aeon Sustainability Principle

Aeon aims to realize a sustainable society with stakeholders based on our basic principle of pursuing peace, respecting humanity and contributing to local communities, always with the customer's point of view at its core. With realization of a low-carbon society, conservation of biodiversity, better use of resources and addressing social issues as core principles, we will think globally and advance activities locally.

Aeon is also promoting environmental and social contribution activities through the AEON 1% Club and the AEON Environmental Foundation.

AEON 1% Club Foundation

<http://www.aeon.info/1p/>

The Aeon 1% Club Foundation was established in 1989 with the philosophy that Aeon is a company that makes proper use of the benefits received from customers for the future and for the community. Our activities are centered around the sound upbringing of children who will lead the next generation, the promotion of international friendship and goodwill, and sustainable development of the local community. Major companies in the Aeon Group contribute 1% of pre-tax profits.



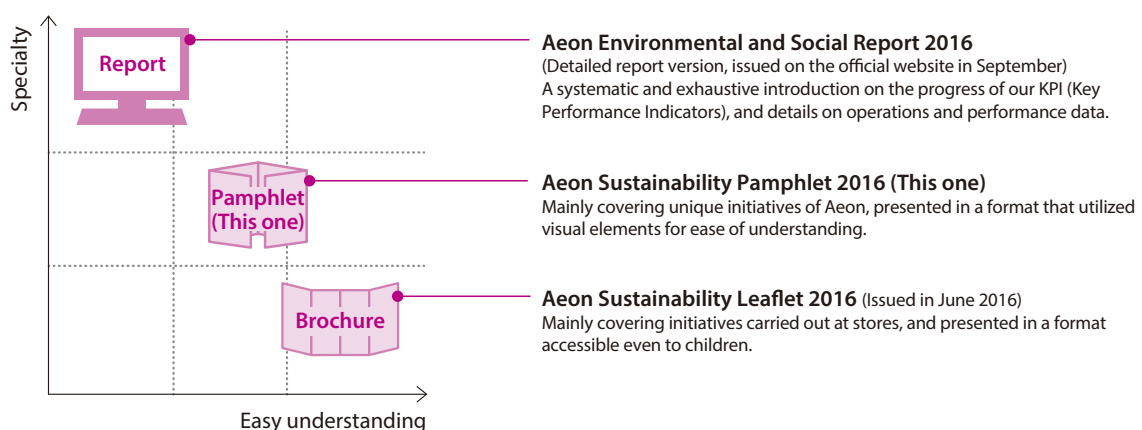
AEON Environmental Foundation

<http://www.aeon.info/ef/>

The Aeon Environmental Foundation was founded in 1990 to provide support to like-minded groups actively developing projects to protect the global environment. The Foundation has planted trees around the world and promoted a variety of joint environmental protection initiatives, such as the development of human resources in the fields of the environment and conservation of biodiversity.



Introduction to AEON environmental/social communication tools



Please visit our website!

AEON, Environmental and Social Initiatives

SEARCH

Any inquiries or comments regarding this pamphlet should be made to the following:

AEON CO., LTD. Group Corporate Citizenship Dept.

1-5-1 Nakase, Mihama-ku, Chiba-shi, Chiba, 261-8515 Japan
Tel: +81-43-212-6037 Fax: +81-43-212-6790

URL:

<http://www.aeon.info/>

