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 had 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.

Peace
People
Community

The word aeon (AEON) 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

Growing Together with Communities

1991: The first Aeon Hometown Forests Program store in Japan AEOI New Kashiwa Store (Currently AEOI Kashiwa)
1992: The first Aeon Hometown Forests Program store in Japan JUSCO Nippon, Malaysia (Currently AEOI Nippon)
1993: AEON MALL Okinawa Rycom
1995: AEON MALL Urawa Misono
1996: AEON MALL Tokoname
1997: AEON MALL Malacca, Malaysia (Currently AEON Malacca SC)
1998: AEON MALL Hisai
1999: AEON MALL Malacca, Malaysia (Currently AEON Malacca SC)
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Continuing our mission of working together

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Advisor, noticed that the Nandina Heavenly Bamboo flowers in the garden of his home in Yokkaichi city, Mie prefecture has stopped blooming.

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.

Aeon, a shopping center nurtured in a green environment

AEON Hometown Forests Program (AEON MALL Urawa Misono)

In Japan

November 2015
Aeon Hometown Forests Program
AEON MALL Tokoname

Around the world

July 2015
Tree planting in Yangon, Myanmar
AEON Environmental Foundation

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).

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.

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.

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 and 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.

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

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”: 19,782,927 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)

Expand the “Project Aeon Joining Hands”

Disaster area volunteer activities are carried out by both the Aeon Group and the Ministry of Land, Infrastructure, Transport and Tourism. The “Aeon Future Co-Creation Program” is implemented in fiscal 2016, considered regional challenges in disaster-affected areas through new exchanges with government agencies.
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.

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.

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.

Aeon Eco Project

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

Aiming for correct understanding and appropriate support

Supporters for People with Dementia *2

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.

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.

- **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.

- **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).

- **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.

- **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)

- **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.

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 11. Trade
   Collective Bargain 12. Certification, Audit, and
5. Discrimination Monitoring and Renewal
7. Working hours

*TOPVALU Collection: A collection of products that express the TOPVALU spirit

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Image 1: Aeon Supplier Code of Conduct

Image 2: Aeon Supplier CoC (Trading Code of Conduct)

Image 3: Fairtrade Sourcing Program label (cocoa)
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.

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.”

**Visits to the botanical garden**

**Plant dyeing experience**

**Farming experience**

**Botanical garden tour**
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

Aeon Environmental and Social Report 2016
(Detailed report version, issued on the official website in September) A systematic and exhaustive introduction on the progress of our KPI (Key Performance Indicators), and details on operations and performance data.

Aeon Sustainability Pamphlet 2016 (This one)
Mainly covering unique initiatives of AEON, presented in a format that utilized visual elements for ease of understanding.

Aeon Sustainability Leaflet 2016
(Issued in June 2016) Mainly covering initiatives carried out at stores, and presented in a format accessible even to children.

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

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