

未来の  
ために、  
いま選ぼう。

June 1, 2016

AEON CO., LTD.

AEON AGRI CREATE Co., Ltd.

## **Farm products grown with compost made from Aeon Group stores' food waste** **Aeon's Complete Food Recycling Loop Achieved!** **System recognized as best practice by TCGF**



Cabbages grown through Aeon's complete food recycling loop

From June 1, Aeon Agri Create Co., Ltd., an Aeon Group agricultural corporation, (hereinafter, Aeon Agri Create) began full-scale shipments of farm products grown through Aeon's complete food recycling loop to Aeon Group stores in the Kansai region.

A food recycling loop is an environmentally friendly circulating system in which food waste, including unsold or uneaten food, is recycled into compost which is returned to the soil to cultivate farm products.

Aeon's food recycling loop is a "closed" recycling loop; first, food waste from Aeon Group stores is recycled into compost, then the compost is used to produce farm products at Aeon's directly operated farms, and the grown farm products are finally sold at Aeon Group stores.

In September 2014, Aeon Agri Create concluded an "Agreement on the Promotion of Food Recycling Loop" with a recycling company, Daiei Kankyo Co., Ltd. (hereinafter, Daiei Kankyo). Since the agreement, Daiei Kankyo has collected vegetable scraps along with expired meat, bread and other food products from Aeon Group general merchandise stores and supermarkets (approximately 3,500 tons in the previous fiscal year), processed them into organic compost at its factory, and supplied the compost to the Aeon Hyogo Miki-Satowaki Farm operated by Aeon Agri Create to use in the production of farm products.

In January 2016, Aeon Hyogo Miki-Satowaki Farm began preparing soil by spreading approximately 60 tons of the organic compost on its entire 11.2ha vegetable farmland for the cultivation of farm products. From June, full-scale shipment of harvested cabbages began to be delivered to the Group stores in Hyogo Prefecture. Besides cabbages, the company plans to ship a total of about 500 tons of daikon radishes, Chinese cabbages, spinach, cherry tomatoes and other produce this fiscal year.

The scope and other attributes of this closed recycling loop have been recognized worldwide. In April 2016, TCGF (The Consumer Goods Forum, the world's largest consumer good organization with approximately 400 corporate members in 70 countries) introduced the system as a best practice\*.

Aeon is implementing "Big Challenge 2020" as part of its effort to achieve sustainable management. The main goal of the challenge is to reduce incineration and landfill waste generation to zero by 2020. Aeon is implementing reduce, reuse, and recycling (3R) initiatives and collaborating with stakeholders to achieve this challenge and contribute to the establishment of a recycling-oriented society. Moving forward, the entire Aeon Group will engage in initiatives to conserve the environment.

## ■Farm products grown through Aeon's food recycling loop

Start of Sales: From June 1, 2016

Stores supplying food waste and selling farm products: Aeon and Maxvalu stores mainly in Miki City, Hyogo Prefecture.

\*Subject to change depending on season and weather. Scope of collection and supply will gradually be expanded.

Products: Cabbage, daikon radish, Chinese cabbage, spinach, cherry tomato, etc.

Volume: approx. 500 tons of vegetables a year



Organic compost made from food waste



Aeon Hyogo Miki-Satowaki Farm

## ■Background of Aeon Agri Create food recycling loop

September 2014: Forms food recycling loop partnership agreement with Daiei Kankyo Co., Ltd.

November 2014: Acquires certification for recycling business plan (food recycle loop) from Minister of Agriculture, Forestry and Fisheries, Minister of the Environment, and Minister of Economy, Trade and Industry based on Article 19-3 of the Law Concerning Promotion to Recover and Utilize Recyclable Food Resources

December 2014: Daiei Kankyo Co., Ltd. begins to collect food waste from Aeon Group stores and produce compost

March 2015: Daiei Kankyo Co., Ltd. supplies initial six tons of the compost to Aeon Hyogo Miki-Satowaki Farm and used to fertilize farmland

January 2016: Full-scale production of 60 tons of the compost is spread over entire farm to begin vegetable cultivation

June 2016: Full-scale shipment of farm products begins

\*TCGF best practice <http://bit.ly/CGFClimateBook>



未来の  
ために、  
いき選ぼう。

Aeon supports the Japanese government's "COOL CHOICE" national campaign to achieve a low-carbon society by promoting eco-oriented products, services, and behaviors.

## Overview of Aeon's Complete Food Recycling Loop



### 【AEON AGRI CREATE Co., Ltd.】

Company name: AEON AGRI CREATE Co., Ltd.

Representative: President and Representative Director Yasuaki Fukunaga

Location of headquarters: 1-5-1, Nakase, Mihama-ku, Chiba-shi, Chiba

Date of establishment: July 10, 2009

Main business: Producing, processing, wholesale, and retail

Capital: 50 million yen

Shareholder: AEON CO., LTD. 100%



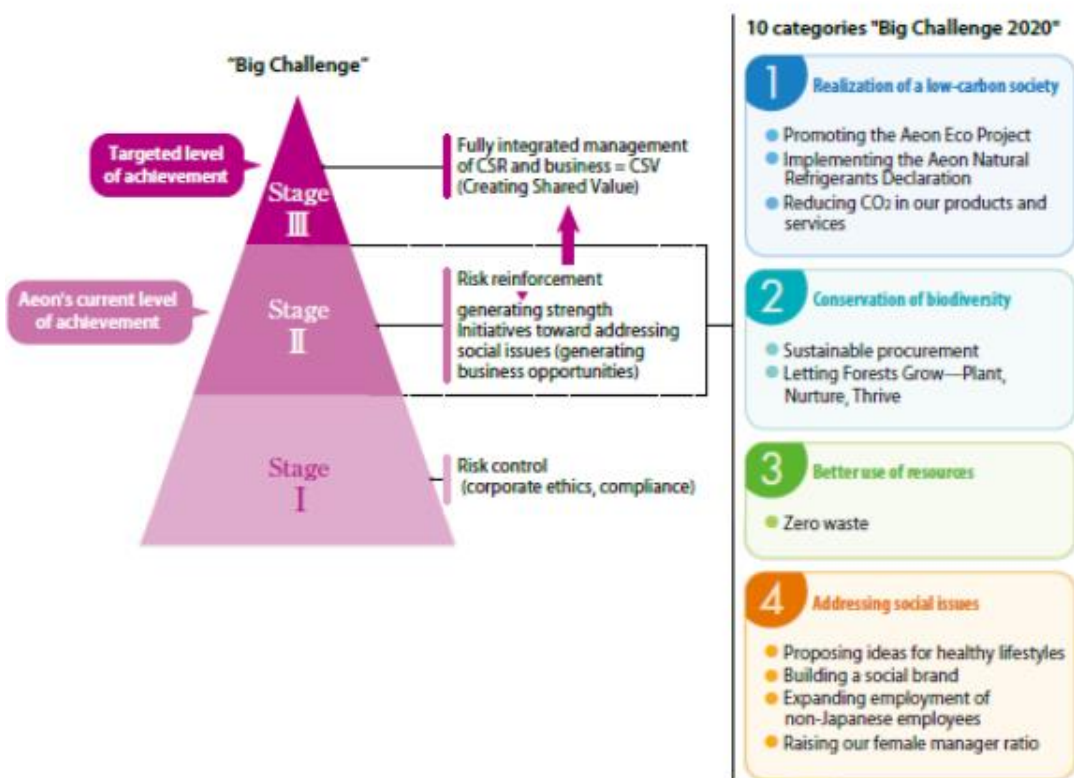
Aeon Agri Create Co., Ltd. was established in July 2009 as a consolidated subsidiary of Aeon Co., Ltd. to manage Aeon's directly operated farms and produce farm products. Based on the Aeon Basic Principle, which emphasizes community-rooted management, Aeon Agri Create strives to produce and supply farm products for the satisfaction of customers, while pursuing sustainable agricultural activities for the future. The company opened its first farm in Ushiku City, Ibaraki Prefecture in September 2009 and today it operates 21 farms across Japan producing approximately 30 kinds of vegetables, from such common varieties as cabbage and spinach to native varieties and traditional vegetables specific to certain regions.

Vegetables from Aeon farms are shipped to Aeon distribution centers immediately after harvest and then directly to Aeon stores. Compared to the vegetables in typical market, Aeon farm products reach store shelves 1-2 days faster to ensure the freshest experience for customers. In November 2015, Aeon began offering "morning harvested vegetables" in a limited number of regions of Japan. These vegetables are harvested in the morning and delivered to stores in 3-4 hours to ensure revolutionary and overwhelming freshness to customers.

## Aeon's Initiatives to Achieve Sustainable Management

Aeon formulated and announced the Aeon Sustainability Principle in 2011 to achieve sustainable management ensuring both Group growth and societal development. Under this Principle, Aeon is proactively promoting CSR activities throughout the Group amid its increasing influence on the environment and society with the advancement of business globalization. In 2014, with the aim responding to changes in the social and business environments while further advancing sustainable management, Aeon announced its "Big Challenge." Under this initiative, Aeon categorized its CSR achievements into three stages, assessed its activities' level as Stage II, and established 10 activities necessary to reach Stage III by 2020. In 2015, Aeon held dialogues with external experts to receive suggestions on future initiatives based on current progress. In these ways, Aeon strives to act as a responsible corporate citizen to continually improve its initiatives and aim towards the establishment of a sustainable society.

### ■Big Challenge 2020



### ■Aeon's zero-waste concept and initiatives for food Concept

Aeon aims to generate zero incineration and landfill waste by implementing reduce, reuse, and recycle (3R) activities. To achieve this initiative, Aeon collaborates with customers and stakeholders, and contribute to the establishment of a recycling-oriented society.

#### Initiatives

##### ▷ Store and product related initiatives

Visualization, ISO 14001, waste (selling price change) reduction, separation, recycling and other initiatives are being taken to reduce the amount of food waste in the store and merchandise supply chains.

▷ **Initiatives by communicating with customers**

Food education and store campaigns are being implemented to reduce food waste through collaboration with customers.

▷ **Initiatives in corporation with community**

The establishment of recycling loops, donations to food banks, and other collaborative projects with stakeholders in the community are being implemented to reduce food waste.