

June, 18th 2018
AEON CO., LTD

AEON Formulates Eel Handling Policy

Through the efforts on the “Indonesian Shortfin Eel Conservation Project”,

We set out for a full-fledged inauguration of the world's first-ever eel FIP*

AEON will formulate policies for handling eel, contribute to prevention of depletion of resources, and work toward sustainable procurement to hand traditional Japanese food culture down to the next generation.

In 2006, AEON began handling “MSC certified” (the blue fish label) products, which is a certification of natural fishery products caught in a sustainable, properly controlled and environmentally responsible manner. In 2014, we sold products that had acquired 'ASC certification', which is a certification of fishery products produced at aquaculture farms operating with consideration for the environment and society, for the first time in the Asian retailing industry. Through such initiatives, we are continuing our efforts to conserve finite resources.

In addition, based on the Aeon Sustainable Procurement Principles (2014), which were established with the aim of achieving both sustainability of natural resources and continuous development of business activities, we announced the Aeon Sustainable Procurement Policy and Aeon Sustainable Procurement Goals for 2020 with regard to agricultural, livestock and fishery products as well as paper, pulp, timber and palm oil last year, promoting a variety of initiatives.

On this occasion, we will establish a policy on handling eel and work on the “Indonesian Shortfin Eel (A. Bicolor) Conservation Project” in order to promote shifting to the procurement of eel with a sustainable backing. In this project, we will begin full-scale FIP (Fishery Improvement Project) *, the first ever in the world for eel, in Indonesia, and aim to acquire “MSC certification” for the harvesting of glass eels. We will consider using the know-how accumulated by this project to the management of Japanese eel (A. Japonica) in Japan.

Through these efforts, we aim to strengthen customer satisfaction by not only realizing sustainable eel procurement and contributing to the inheritance of Japanese traditional food culture, but also actively making new suggestions for product development, such as Kabayaki (grilled eel) using ingredients other than eel.

Through our business activities, Aeon will continue to proactively work toward resolving various environmental and social issues.

[AEON's Eel Handling Policy]

- Japanese eel and Indonesian shortfin eel are our two primary sale items.
- We will aim to sell 100% traceable eel by 2023.
- In order to ensure the sustainability of Indonesian shortfin eels, we will promote the “Indonesian Shortfin Eel Conservation Project”.
- We will promote product development of “Kabayaki” using ingredients other than eel.

* FIP (Fishery Improvement Project):

FIP is a project in which various stakeholders, such as fishermen, distributors, NGOs, cooperate to achieve sustainable fishery. Preliminary audit is conducted based on “MSC Certification” criteria, and improvement plans are drafted to solve the identified issues. While reviewing the plan by periodic monitoring, we aim to acquire “MSC certification” through continuous improvement.

WWF Japan (World Wide Fund for Nature) provides technical support for “Indonesian Shortfin Eel Conservation Project”, an FIP in which Aeon is engaged.

URL: <https://www.wwf.or.jp/>

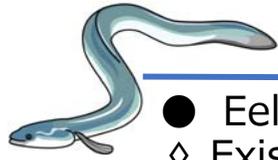
For reference

**To pass down the Eel Kabayaki
(grilled eel) culture to children in
the future**

AEON CO., LTD

- 1. Current status of eels**
- 2. AEON's eel handling policy**
- 3. AEON's Eel Conservation Project in Indonesia**
- 4. AEON's recommendations regarding eel conservation**

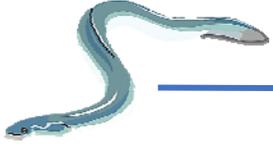
1. Current state of the Eel



Resources of eels

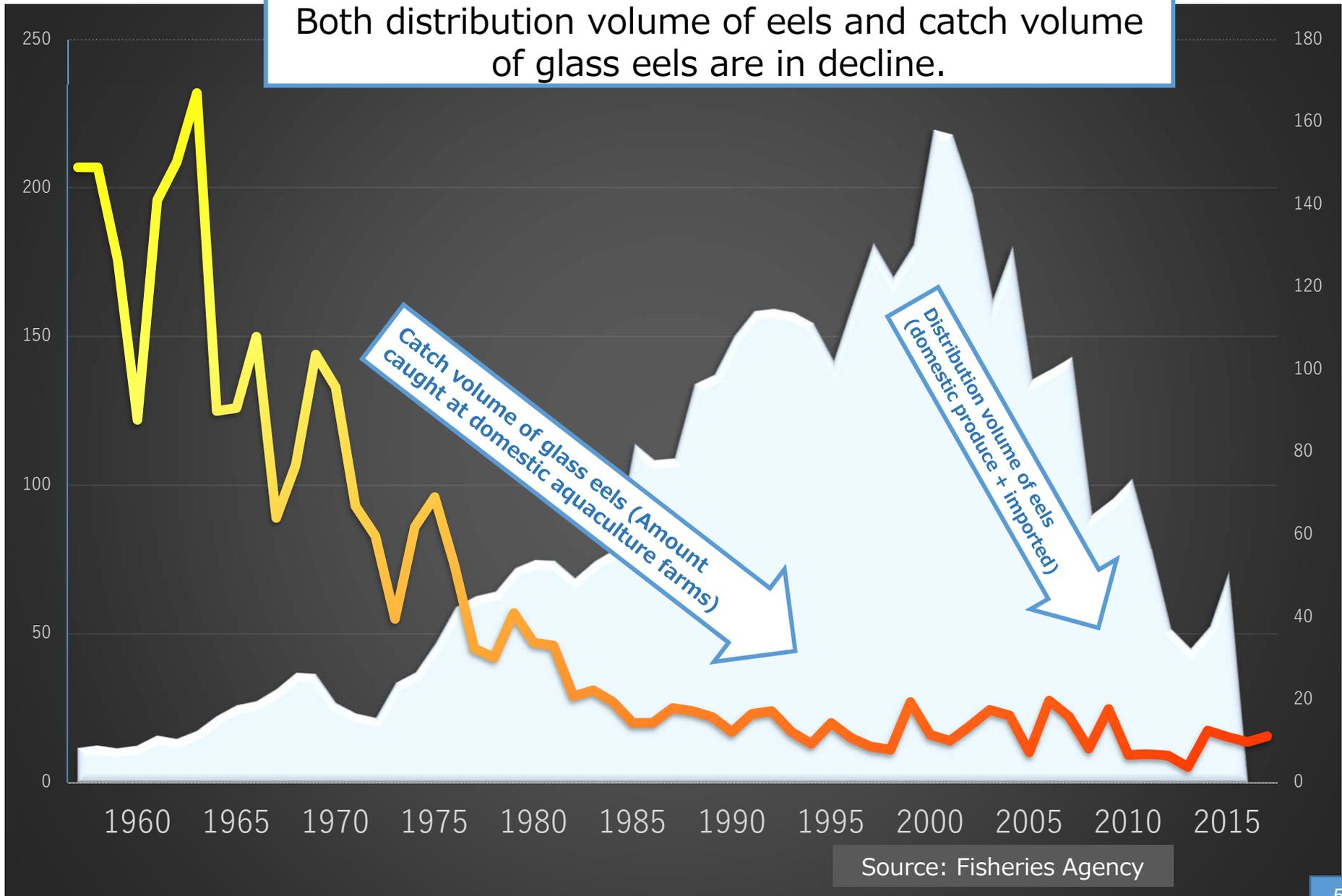
- Eel species ..
 - ◇ Existence of 16 species (3 subspecies) is acknowledged worldwide.
 - ◇ More than 90% of the world production of eels depends on aquaculture, and the aquaculture business involves catching and nurturing of natural fry called “glass eel”. (Full-cycle aquaculture is not available commercially.)

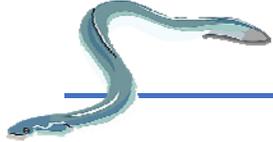
	IUCN Red List	Import/export	Compliance
European eels A. Anguilla	CR Critically Endangered IA (2008)	Annex II of the Washington Convention (Listed in 2007 and under control from 2009) EU voluntary export ban	
American eels A. Rostrata	EN Endangered IB (2014)	Instead of European eels, aquaculture has been increasing in Fujian Province, China.	
Japanese eels A. Japonica	EN Endangered IB (2014)	«Taiwan» Export ban «Indonesia» Export ban of glass eels «The Philippines» Export ban of glass eels «Japan» Export ban	«(Hong Kong)» Those caught in countries with restrictions on export of glass eels «Japan» IUU fishing of the glass eels I=Illegal, U=Unreported, U=Unregulated
Indonesian shortfin eels A. Bicolor	NT Near Threatened (2014)	«Japan» Export ban	



Where eels stand (Awareness of status quo)

Both distribution volume of eels and catch volume of glass eels are in decline.

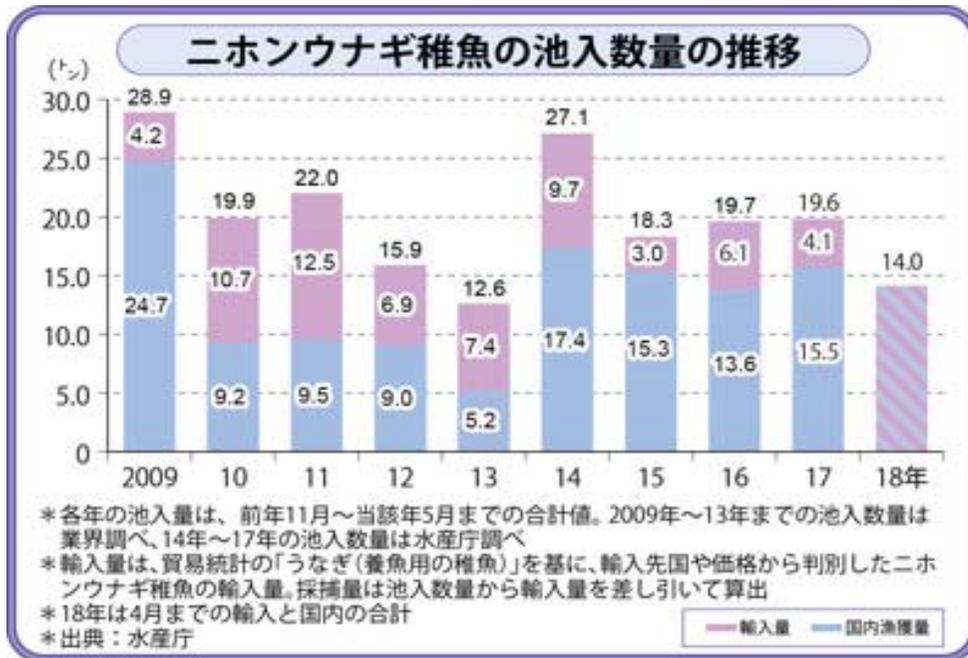




Unregulated glass eels in Japan

Domestic aquaculture business requires a license from the state (Fisheries Agency).
 The state sets a limit on the amount of eels for aquaculture (initial input of eel seeds into aquaculture ponds) yearly for resource preservation and distributes the seeds to aquaculture business operators.
 Also, despite some prefectural ordinances that prohibit the outflow of glass eels to other prefectures, illegal outflow is possible.

- It is possible that unreported eels are provided to consumers.



Unregulated glass eels outside Japan

Since Japanese eels are not yet subject to the control of the Washington Convention, they are still imported.

Japan, China, South Korea, and Taiwan agreed to reduce the amount of initial input of Japanese eel seeds into aquaculture ponds.

It is possible that those farmed outside the resource control/conservation are imported from Hong Kong.

- It is possible that eels that do not conform to resource management and conservation regulations are provided to consumers.

2. AEON's Eel handling Policy



Current circumstances prevent sustainable procurement

**イオン
持続可能な
調達原則**

1. Eliminating natural resources 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.

**イオン
水産物
調達方針**

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

Procurement restriction

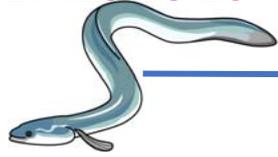
Whale meat

Procurement restriction

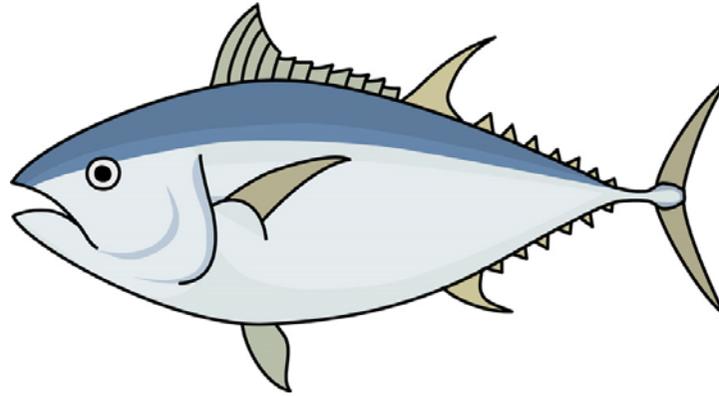
Pacific bluefin tuna

Shift to fish nurtured through complete aquaculture technologies

Eel



**Pacific bluefin
tuna**



IUCN Red List
EN
Endangered
species
II (VU)

**Shift to fishery product with a
sustainable backing**

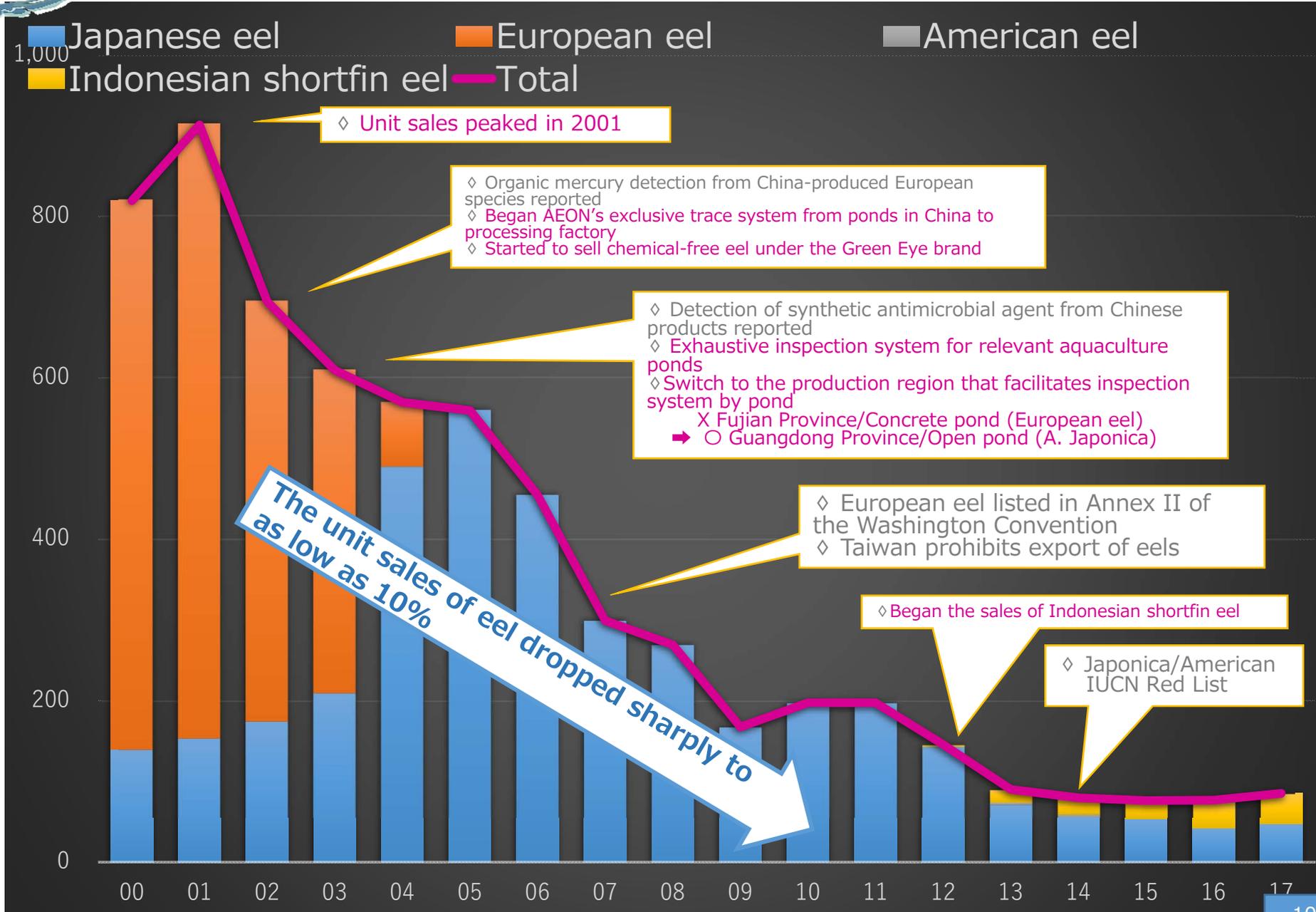
Shift to
reproduceable
full-cycle
aquaculture
fish

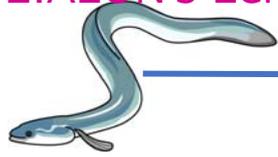
Restrict sales
of pacific
bluefin tuna
weighing less
than 30kg

No purchase
of pacific
bluefin tuna in
ovulation
(June-August)

2. AEON's Eel handling Policy

AEON's past handling of eel (AEON Retail)





Japanese eel and Indonesia shortfin eel are our two primary items.



We will aim to sell 100% traceable eel by 2023.



In order to ensure the sustainability of Indonesia shortfin eels, we will promote the “Indonesian Shortfin Eel Conservation Project” .



We will product development of “Kabayaki” using ingredients other than eel.

2.AEON's Eel handling Policy



Japanese eel and Indonesian shortfin eel are our two primary sale items



We will set and implement a new "Eel Procurement Standard" in order to carry out sustainable procurement of eels, which have many endangered species.

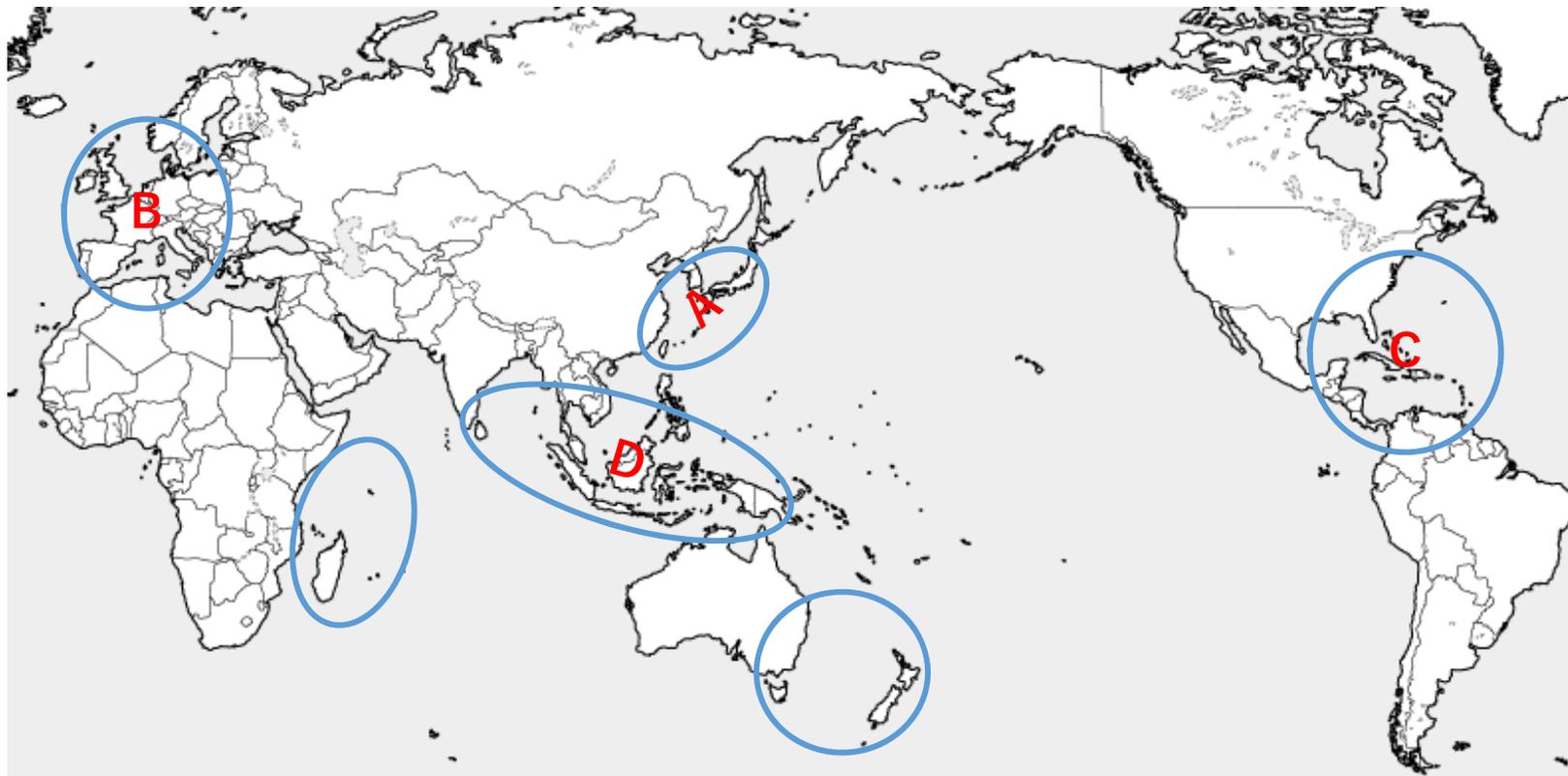
	2018	2023
European eel A. Anguilla	No procurement or sale	No procurement or sale until recovery of the resources is scientifically proven.
American eel A. Rostrta	No procurement or sale (No procurement as of September 1, 2018)	No procurement or sale until recovery of the resources is scientifically proven.
Japanese eel A. Japonica	Raise the ratio of traceable eel	Achieve handling of 100% traceable eel
Indonesian shortfin eel A. Bicolor	Implementation of the conservation project with a sustainable backing	Sustainable eel



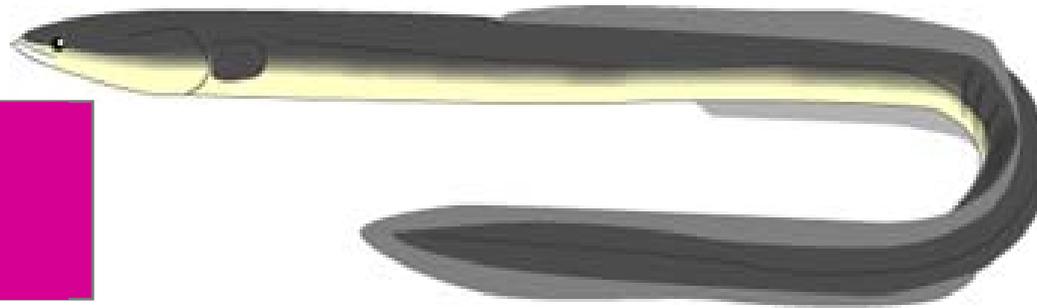
Indonesian shortfin eel (A. Bicolor)

	和名	学術名 (ラテン語)			生息域
		(属)	(種)	(亜種)	
A	ニホンウナギ	Anguilla	japonica		東アジア
B	ヨーロッパウナギ	Anguilla	anguilla		大西洋、ヨーロッパ
C	アメリカウナギ	Anguilla	rostrata		アメリカ東部
D	インドネシアウナギ	Anguilla	bicolor	bicolor	インド洋・西太平洋地域

A. Japanese eel
B. European eel
C. American eel
D. Indonesian shortfin eel
 A. Bicolor habitat
 (Habitation of other 12 species)



Measures for two target eels



Eel Indonesian shortfin eel
Japanese eel

Shift to fishery product with a sustainable backing

Not yet an endangered species
《Indonesian shortfin eel》

Endangered species
《Japanese eel》

Prevent it from becoming an endangered species

Visualization of supply chain

Glass eel resource conservation

Responsible aquaculture

Traceability

Development and expansion of Kabayaki for replacement

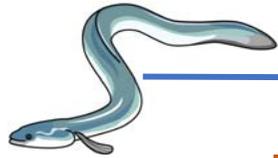
FIP
Fishery Improvement Plan
(Aim to acquire MSC in 2023)

AIP
Aquaculture Improvement Plan
(Aim to acquire ASC in 2023)

Achieve handling of eel that is 100% traceable (by 2023)

ASC
Pangasius
MSC Mackerel
Kindai-Catfish
Pork Kabayaki

3. “Indonesian Shortfin Eel (A. Bicolor) Conservation Project”



History of AEON's project plan and initiation

Plan

With the aim of establishing sustainability of A. Bicolor, which is the only eel that is not designated as an endangered species among the four eel species, AEON planned and initiated the Indonesian Shortfin Eel Conservation Project.

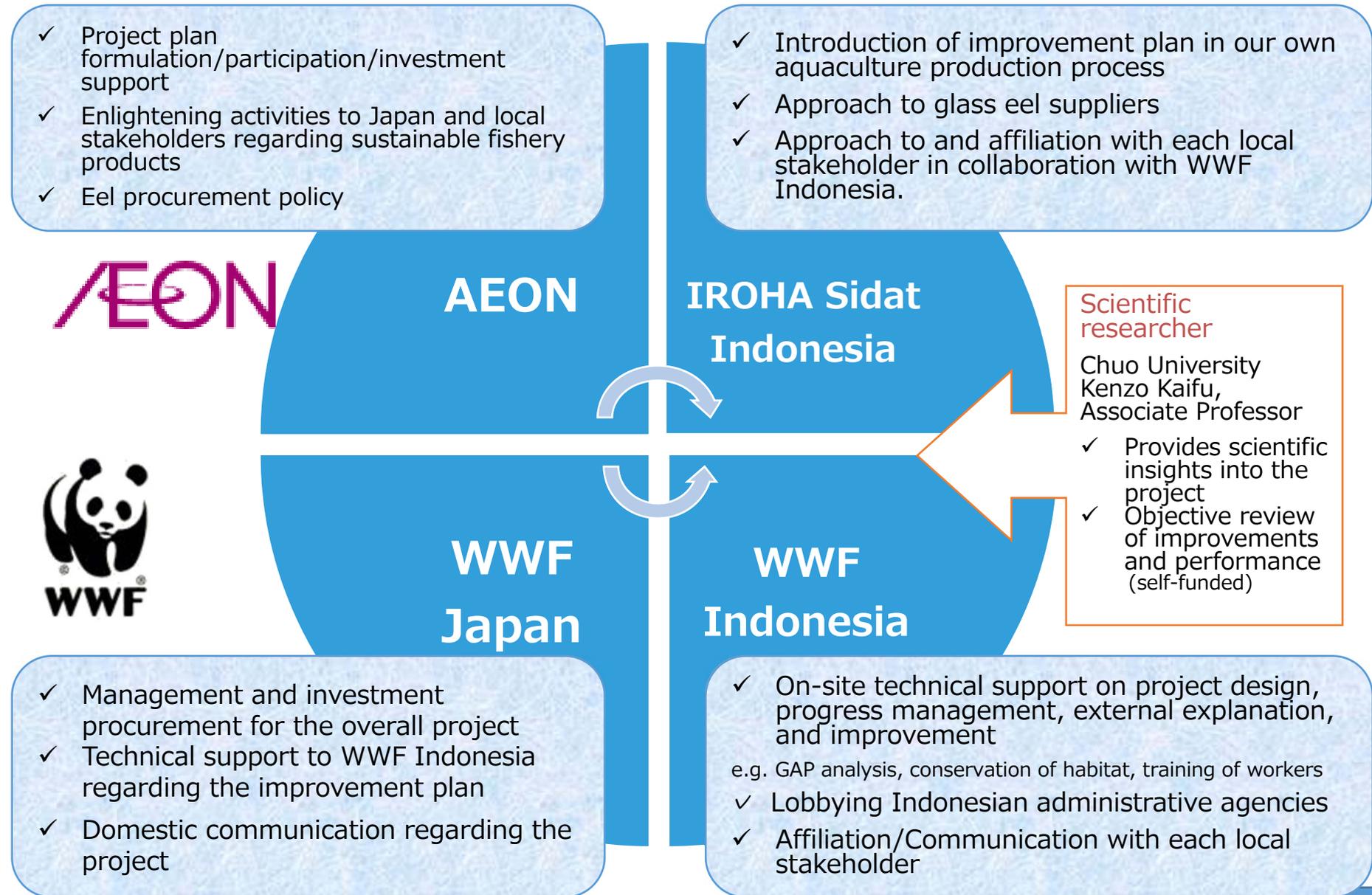
Objectives

We will ensure the sustainability of A. Bicolor, which is highly likely to be designated as an endangered species if we leave them as is, just like Japanese eel.
By so doing, we will achieve the following points:

Goals

- (1) Continuity of food culture**
- (2) Introduction of resource management**
- (3) Parallel development of effective cases (to other species/fish)**
- (4) Scientifically proven measures**
- (5) Continuity of promotion of Indonesia's exports/
Contributing to the continuous development of the industries in which Japanese companies have developed businesses**

Project collaborative system



4. AEON's proposal on Conservation of Eels

By 2023...



We will deliver products with traceability of all supply chain history from harvest to sale.

We will suggest eel that conforms to the 2020 Olympics procurement code. We will also contribute to Japanese cuisine.

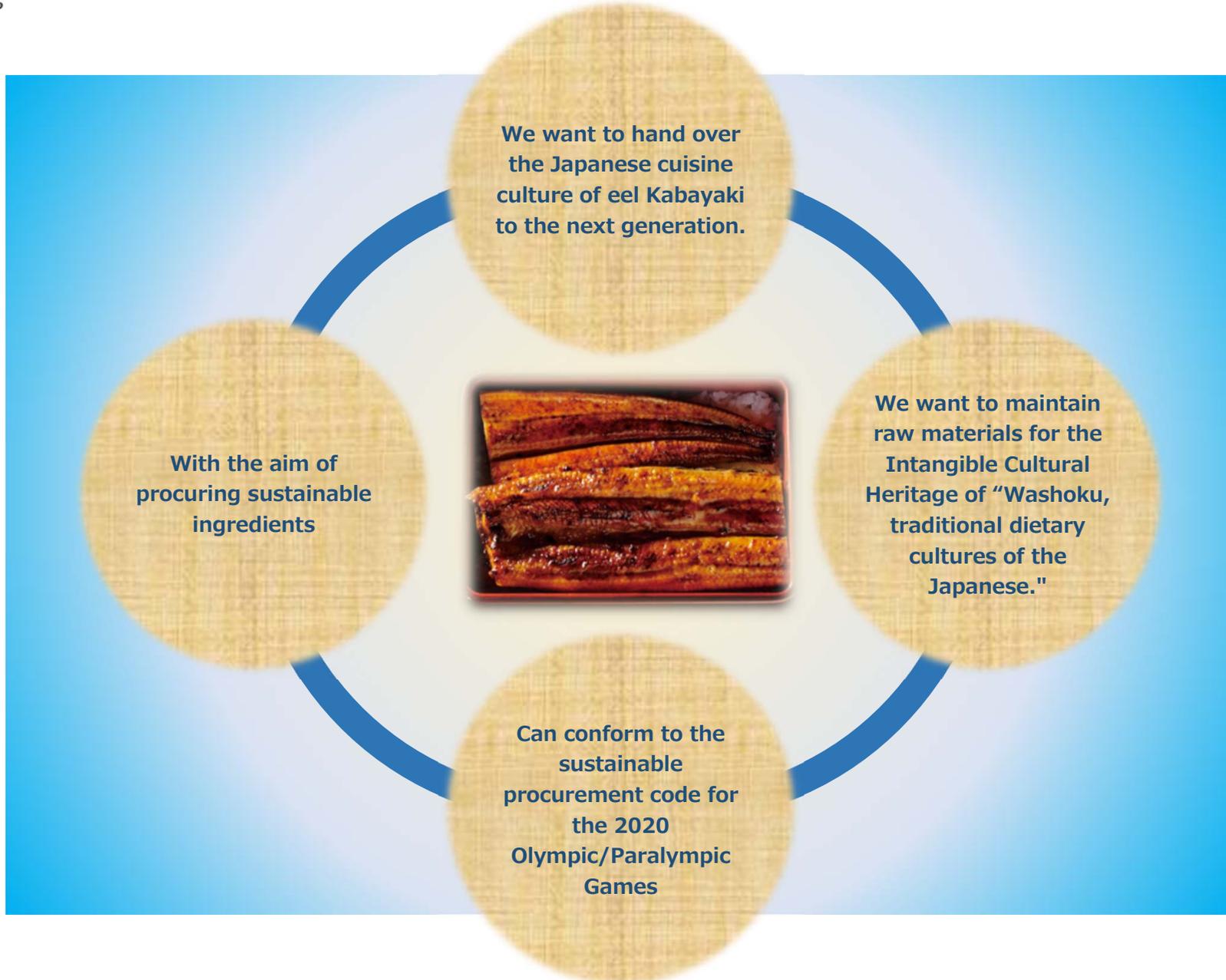
We will aim to sell 100% traceable eel by 2023.



4. AEON's proposal on Conservation of Eels



Hand over the culture of Eel Kabayaki,
a traditional Japanese cuisine, to children in the future!



AEON



木を植えています

私たちはイオンです