

AEON Supplier Code of Conduct

Index:

- I. Preface
 - 1. Purpose
 - 2. Scope of Application
- II. Supplier Code of Conduct
- III. Main Requirements of the Supplier Code of Conduct

Appendices:

- 1. Terminology
- 2. Requirements for Bangladesh Fire Prevention and Disaster Prevention
- 3. AEON Sustainable Procurement Principle
- 4. AEON Biodiversity Principle
- 5. AEON Sustainable Seafood Procurement Policy
- 6. AEON Forest Resources Procurement Principle

I. Preface

1. Purpose

Each year there is increasing demand for businesses not just to make own profit but also to fulfil their corporate social responsibility as a part of their business activities. At the same time, as the international society's social and environmental issues are becoming more complex, across countries, no one company or organisation can tackle these alone.

In response, each organization within the supply chain shall have its own responsibilities to fulfil, and also they shall request further organization involved with their businesses to respond. The chain is surely to be completed with the focus on our social responsibility. The Code of Conduct (CoC) is a tool to clarify issues every organisation involved in the supply chain that Aeon uses for products and services should comply. Each organisation shall be engaged in these issues, and we shall gain trust and peace of mind from our stakeholders.

Business activities and organisational management shall be based on the approach to these social issues. Active engagement is expected to achieve a sustainable organisation.

2. Scope of Application

This code shall apply to all companies and organisations within the supply chain with involvement in individual products and services traded by the Aeon group irrespective of the brand.

II. Supplier Code of Conduct

1. Laws and Regulations

Shall comply with all applicable legislation, bylaws, and regulations of the countries and regions in which business is operated. Shall also demand that all of your suppliers, subcontractors, and contractors comply with legislation, bylaws, regulations, and our supplier Code of Conduct.

2. Child Labour

There shall be no use of, or support of use of a child who is not yet the older of either age 15 or the age at where a child is allowed to be used in that country. For individuals who have not yet reached the age of 18 or who are at or above the age at which it is legally permitted to use or employ them, education shall be given priority where there are compulsory education laws, and they shall not be placed in a situation where they would be subjected to physical or mental health or developments risks or danger.

3. Forced Labour

The use and employment process shall not be forced or be complicit in force that is against a employees' will by means of violence, intimidation, restraint, mental or physical means or of unjustly limiting their freedom of conduct.

4. Working Hours

Shall comply with legislation relating to working hours, breaks and holidays and other industry standards. Overtime work must be voluntary, and should not be demanded regularly. In terms of work exceeding statutory working hours, a determinate overtime allowance shall be paid.

5. Wages and Benefits Package

Shall comply with legislation on national wages and benefits. Wages and various benefits shall be paid and deducted in accordance with the relevant legislation and records shall be kept. Wages shall be in excess of the amount required to meet employees' basic needs. The paid wages shall include overtime allowances and shall be described in a manner comprehensible to employees.

6. Abuse and Harassment

Shall not engage in, have any involvement in or be complicit in any punishment of employees, use of mental or physical force or use of abusive language. Shall not permit any acts of harassment including gestures, language or physical contact in any workplace within the business activity.

7. Discrimination

Shall not discriminate or be complicit in employment discrimination relating to recruitment, wages, promotion, training, termination or retirement on the grounds of race, nationality, ethnicity, gender, age, origin, religion, academic background, physical or mental disability, sexual orientation or gender identity. All decisions pertaining to employment shall be based on criteria relating to the ability to accomplish the required task.

8. Freedom of Association and the Right to Collective Bargaining

Shall respect employees' right to organize, join and manage a labour union chosen by the employees themselves, and for the employees' representative to enter into collective bargaining with the company. Where there are legal and regulatory restrictions imposed on the right to freedom of association and collective bargaining, shall establish as an alternative measure, a complaint handling system where management and employee representatives can take their concerns and to respond in good faith.

9. Health and Safety

Shall provide employees with a safe and healthy working environment compliant with applicable legislation, in addition to providing effective steps to prevent disease including accidents, injuries and emotional issues relating to potential health and safety. Shall apply similar health and safety standards to dormitories and cafeterias provided to employees.

10. Environment

It shall not be sufficient to only comply with all legislation relating to the environment of the nation and the region in which manufacturing is being undertaken, instead maximum consideration shall be given to the environment. There shall be confirmation that the raw materials and the products used conform to the legislation of the nation and region from which they are obtained, that international treaties and protocols are being applied and that the environmental policies specified by Aeon are satisfied.

11. Business Transactions

Shall comply with the laws relating to the country of origin of final product and its components and of business transactions of the exporting country and region.

12. Integrity and Transparency

Shall never be involved in unethical actions such as bribery, falsification, manipulation or concealment of records, evidence or testimony in any business activity. Information relating to business activities shall be correctly disclosed in accordance with the applicable regulations and standard business practices.

13. Engagement

Shall integrate the requested content of Aeon's suppliers Code of Conduct into their own company or their own organisation's management system, and work throughout the entire organization to resolve social issues occurring throughout the whole supply chain.

III. Main Requirements of Supplier Code of Conduct

1. Laws and Regulations

Code Shall comply with all applicable legislation, bylaws, and regulations of the countries and regions in which business is operated. Shall also demand that all of our suppliers, subcontractors, and contractors comply with legislation, bylaws, regulations, and our supplier Code of Conduct.

Requirements

1-1 Regarding to compliance with legislation, bylaws, and regulations, in addition to the business activities conducted by Aeon's direct supplier themselves, where that supplier engages its own supplier, they shall ensure that all subcontractors and contractors are also in compliance. It shall be confirmed that all suppliers, subcontractors and contractors have been informed that they are requested by Aeon to satisfy the requirements of either the Aeon Supplier Code of Conduct or their own Code.

1-2 Shall comply with the most stringent requirements that may be applied where there is a difference in the laws and regulations or in interpretation of the legislation in the region, the locality or the municipality in which business activity is conducted.

1-3 Companies and organisations shall comply with the principles of the treaties and recommendations stipulated by the following international organisations:
International Labour Organisation Declaration on Fundamental Principles and Rights at Work.
International Bill of Human Rights (Universal Declaration of Human Rights and the International Covenants on Human Rights)
United Nations Guiding Principles on Business and Human Rights
Ten principles of the United Nations Global Compact

2. Child Labour

Code There shall be no use of, or support of use of a child who is not yet the older of either age 15 or the age at which a child is allowed to be used in that country. For individuals who have not yet reached the age of 18 or who are at or above the age at which it is legally permitted to use or employ them, education shall be given priority where there are compulsory education laws, and they shall not be placed in a situation where they would be subjected to physical or mental health or developments risks or danger.

Requirements

2-1 There shall be no use of, or support of use of a child who is not yet the older of either age 15 or the age at which a child is permitted to be used in that country. For countries excluded from the ILO minimum age convention, C138 that is recognised by local legislation there shall be no use of a child who has not reached the age of 14.

2-2 Before starting employment, confirm the age of said employees in a public record and keep a record of this information.

2-3 For individuals who have not yet reached the age of 18 or who are at or above the age at which it is legally permitted to use or employ them, education shall be given priority where there are compulsory education laws, and they shall not be placed in a situation where they would be subjected to physical or mental health risks, harm or danger.

3. Forced Labour

Code The use and employment process shall not be forced or be complicit in force that is against a employees' will by means of violence, intimidation, restraint, mental or physical means or of unjustly limiting their freedom of conduct.

Requirements

3-1 Shall not receive any provision, or support any provision of labour associated with forced labour, bonded labour, exploitative labour, human trafficking, involuntary or prison labour.

3-2 In the use of raw materials and within the supply chain, shall eliminate involvement or support in forced labour, bonded labour, exploitative labour, human trafficking, involuntary or prison labour.

3-3 Shall provide employees with their employment terms and conditions in writing in accordance with applicable legislation. Said documentation shall be provided in a language that the employees can understand. When migrant employees are employed, these shall be provided to the employees' prior to them leaving their home country.

3-4 When an intermediary is used for employees recruitment, shall confirm that the agency is an ethical business person.

3-5 Shall not demand employment fees or similar expenses. In particular when employing migrant employees, actively confirm that employees are not subject to unreasonable obligations in their country of origin.

3-6 Suppliers and business supplying labour to suppliers shall, upon employment not retain any salary, benefits, assets or any form of certification such as a passport.

3-7 Shall permit an employee to terminate their employment contract subject to reasonable notice being provided to the organisation.

3-8 Shall allow employees the right to leave their workplace once their specified working hours have ended. Also, to allow employees reasonable freedom of movement in the workplace, including access to toilets and water.

4. Working Hours

Code Shall comply with legislation relating to working hours, breaks and holidays and other industry standards. Overtime work must be voluntary, and should not be demanded regularly. In terms of labour exceeding statutory working hours, an overtime allowance shall be paid according to the legal requirement.

Requirements

4-1 Shall confirm and comply with laws relating to working hours, breaks, holidays and public holidays, collective agreements (where applicable) and other industry standards.

4-2 Weekly working hours shall be as stated in legislation, but shall not exceed 48 hours per week, except for overtime.

4-3 Overtime work must be voluntary. Weekly working hours shall not exceed 60 hours per week, including overtime hours, which shall not be demanded regularly.

4-4 Employees shall be provided with holidays as stated in legislation. Where there is no applicable legislation, then at least 1 day off in every 7 days shall be provided.

4-5 Employees shall be able to make use of all applicable legislation relating to holidays including annual leave.

4-6 Working hours shall be completely documented using an accurate and reliable record system and shall also include working hours for employees for whom a piece-rate system is used for wage payments. The records of working hours shall be verifiable by employees.

5. Wages and Benefits Package

Code Shall comply with legislation on national wages and benefits. Wages and various benefits shall be paid and deducted in accordance with the relevant legislation and records shall be kept. Wages shall be in excess of the amount required to meet employees' basic needs. The paid wages shall include overtime allowances and shall be explained in a comprehensible manner to employees.

Requirements

5-1 Shall verify, explain to employees and comply with legislation relating to the national or regional wages and benefits system.

5-2 Wages shall be above the statutory minimum wage, meet employees' basic needs, and be above the living wage.

5-3 A contract of employment shall be prepared and provided to every employee. This shall include details of their role, specific wage, payday, and payment method.

5-4 Work exceeding statutory working times shall receive payment of a higher amount of overtime allowance than is stated in legislation or collective agreements.

5-5 Shall comply with legislation in terms of all wages and benefits and shall pay in a convenient method to employees. In no instance shall it ever be acceptable to delay payment or to make a payment in any restricted condition.

5-6 Piece-rate employees shall be paid at least the statutory minimum wage.

5-7 Employees shall be provided with an easy to understand and detailed payslip. The written language used shall be comprehensible for employees.

5-8 Deductions from employee wages may be taken only what it is permitted in legislation such as social insurance or taxation.

5-9 Unreasonable deductions shall not be taken from wages even as a form of punishment. The disciplinary system shall prioritise education, shall be a tiered system and shall be communicated to all employees in a clear and easily understandable manner. The system shall be applied in a fair and indiscriminate manner.

5-9 Shall comply with legislation relating to social security payments.

6. Abuse and Harassment

Code Shall not engage in, have any involvement in or be complicit in any punishment of employees, use of mental or physical force or use of abusive language. Shall not permit any acts of harassment including gestures, language or physical contact in any workplace within the business activity.

Requirements

6-1 Shall not have any involvement or be complicit in any abuse or inhuman acts or behavior or abusive language directed towards employees in a weak position in any workplace, including all dormitories provided by the company or organization.

6-2 When providing an employee dormitory for a employee, shall ensure that there are no entry or exit restrictions, privacy and safety are secured and that there is no inhuman treatment taking place.

6-3 Shall not permit actions that the receiving party perceives as harassment, limited not only to sexual harassment or power harassment in any workplace including dormitories provided to employees by the company or organization.

6-4 Shall not engage in any inappropriate punishment or dismissals in the name of punishment.

6-5 Shall implement remedial measures to locate any employee who is suffering from abuse or harassment and remedy any issue.

7. Discrimination

Code Shall not discriminate or be complicit in employment discrimination relating to recruitment, wages, promotion, training, termination or retirement on the grounds of race, nationality, ethnicity, gender, age, origin, religion, academic background, physical or mental disability, sexual orientation or gender identity. All decisions pertaining to employment shall be based on criteria relating to the ability to accomplish the required task.

Requirements

7-1 Shall not discriminate or further discrimination based on race, nationality, ethnicity, gender, age, origin, religion, academic background, physical or mental disability, sexual orientation, gender identity or any other conditions which may be the cause of other discrimination in terms of recruitment, wages, research opportunities, promotion, termination, retirement or other employment practices.

7-2 Shall provide all employees with equal opportunities.

7-3 Shall not impose gender-based pay differentials for the same level of work.

7-4 Shall not use pregnancy tests or the use of contraception as a condition of recruitment or of continued employment. In addition, other than when it required for reasons of health and safety, shall not even ask female applicants or employees whether they are pregnant or not.

7-5 Shall not make decisions that will adversely affect the employment situation of pregnant women for reasons of marriage of female employees or pregnancy. Shall not threaten female employees for the purpose of interfering with marriage or pregnancy.

7-6 Shall implement remedial measures to locate any employee who is suffering discrimination and remedy any issue.

8. Freedom of Association and the Right to Collective Bargaining

Code Shall respect employees' right to organize, join and manage a labor union chosen by the employees themselves, and for the employees' representative to enter into collective bargaining with the company. Where there are legal and regulatory restrictions imposed on the right to freedom of association and collective bargaining, shall establish as an alternative measure, a complaint handling system where management and employee representatives can take employee's concerns and to respond in good faith.

Requirements

- 8-1 Employees shall have the right to organize, join, and manage a labour union chosen by the employees themselves and for management and to enter into collective bargaining with the company as the employees' representative. The company shall respect this right and shall effectively notify the employees that they may join the labour organization of their own choice without any negative impact or retaliation being shown to the employee. In addition the company shall not engage in any interference with the establishment, management, operation, or collective bargaining of labour union.
- 8-2 The company shall systematically guarantee that employees, who are union members, act as employee representatives or who are involved with labor organisations shall not be subject to any discrimination, harassment, or abuse and retaliation for the reason that they are involved in the organization or activities of an employees' organization.
- 8-3 In a situation where restrictions are imposed on freedom of association and the right to collective bargaining in law, the company shall provide a complaint handling system where employee representatives can take their concerns, operate it effectively and monitor it to ensure that no employee using the service shall be disadvantaged without any exception. The employees shall be informed of this measure.

9. Health and Safety

Code Shall provide employees with a safe and healthy working environment compliant with applicable legislation, in addition to providing effective steps to prevent disease including accidents, injuries and emotional issues relating to potential health and safety. Shall apply similar health and safety standards to dormitories and cafeterias provided to employees.

Requirements

9-1 Equipment Safety and Accident Prevention

- 9-1-1 Shall verify the regional legislation pertaining to facilities, equipment, and machinery and, when required, obtain effective approval and maintain them. Shall also conduct periodic safety inspections.
- 9-1-2 Shall implement measures to avoid dangers relating to use of equipment and machinery. Shall provide periodic and advance employee training and keep records of such.
- 9-1-3 Shall provide employees the appropriate protections with no cost against using equipment and machinery to prevent employee health and safety risks.

9-2 Working Environment

- 9-2-1 Shall pay attention and provide measures for the temperature and humidity of the working environment. Particularly in high temperature working environments, consideration shall be paid to provision of an adequate water supply.

- 9-2-2 Shall provide adequate lighting and ventilation to all employees, and provide free access to drinking water.
- 9-2-3 Shall provide an adequate number of toilets in compliance with legislation and also appropriate for the employees. In addition, shall consider gender, individual privacy, convenience, and hygiene and shall not place any inappropriate restrictions on toilet breaks.
- 9-2-4 Smoking within the facilities shall only be permitted within designated smoking areas that are equipped with appropriate fire-extinguishing and ventilation equipment.
- 9-2-5 Shall evaluate and eliminate all risks in the working environment for mothers following child birth, during pregnancy, or nursing.

9-3 Medical Facilities and Medical Examinations

- 9-3-1 Shall provide at least the medical examinations stipulated in legislation. Shall provide the particular medical examinations required for the role and the chemical agents handled in compliance with legislation and industry standards.
- 9-3-2 Shall establish and maintain medical facilities as stated in legislation. Where it is legally required, medical staff that are in possession of valid qualifications shall be in residence and shall respond.
- 9-3-3 Shall be able to make direct contact with a doctor or a hospital that can be used when a major incident occurring.
- 9-3-4 Shall place first aid kits that may be used to provide appropriate first aid measures. During operations, prepare places where these can be used even at night.

9-4 Fire Prevention and Disaster Prevention

- 9-4-1 Shall maintain a valid license or permit relating to fire-fighting at the facility.
- 9-4-2 Shall acquire valid building permits that are required under applicable legislation. In Bangladesh, a separate request shall be provided. (Appendix 2)
- 9-4-3 Emergency Exits and Evacuation Routes
 - 9-4-3-1 Shall, at any times, maintain corridors, exits and stairways in a condition such that there are never any obstacles in place and that they may never become blocked.
 - 9-4-3-2 The facilities shall have more than the required minimum number of emergency exits for per floor used. Emergency exit doors shall be maintained in a usable condition at any times, as well as in a condition in which all of the people within the facility are able to open them instantly.
 - 9-4-3-3 Emergency guidance lighting, including emergency lighting shall be placed on all used floors and in all areas used within the building, including stairways.
 - 9-4-3-4 Shall create and display evacuation routes that can be easily and simply understood by all employees and visitors.
- 9-4-4 Fire-Fighting Equipment
 - 9-4-4-1 Shall provide fire-fighting equipment based on legislation and the extent of operational risk. Shall carry out inspections at least once per month, keep records and always maintain for a useable condition.
 - 9-4-4-2 Shall set an effective fire alarm system up and shall cover the entire facility.
- 9-4-5 Training

9-4-5-1 The facility shall retain records of evacuation drills held at least once per year. All employees shall participate in the evacuation drills and at facilities operating at night, this shall be conducted at night or conducted assuming it to be night.

9-4-5-2 A sufficient number of employees shall receive fire-fighting training such as first aid fire-fighting training.

9-4-6 Secure Handling of Raw Materials and Chemical Substances

9-4-6-1 Hazardous materials, inflammable chemicals and inflammable raw materials shall be kept away from fire and sources of heat and stored in areas where fire extinguishers are readily available.

9-5 Chemical Substances

9-5-1 Shall carefully manage chemical agents and toxic substances within a locked room as demanded on the SDS (Safety Data Sheet).

9-5-2 Hazardous materials and toxic substances shall only be handled by properly trained personnel.

9-6 Employee Dormitories and Employee Canteens

9-6-1 Employee dormitories and canteens shall all comply with all applicable legislation. Any dormitory or canteen located within a facility shall be protected by item 9-4, covering fire prevention and disaster prevention.

9-6-2 Employee dormitories shall include employee security and privacy measures, and shall be sited in locations away from production areas, workshops, and warehouses. Employee dormitories shall all provide adequate ventilation in every room and standard temperature management equipment in said areas, and clean toilets and showers shall be available.

9-6-3 All equipment and employees involved in preparation and cooking in employee canteens shall operate with thorough attention to hygiene management, and shall comply with regional hygiene regulations.

10. Environment

Code It shall not be sufficient to only comply with all legislation relating to the environment of the nation and the region in which manufacturing is being undertaken, instead maximum consideration shall be given to the environment. There shall be confirmation that the raw materials and the products used conform to the legislation of the nation and region from which they are obtained, that international treaties and protocols are being applied and that the environmental policies specified by Aeon are satisfied.

Requirements

10-1 In addition to complying with all legislation relating to the environment, to understand the burden imposed on the environment, and to consider environmental protection as much as possible. Also, this shall satisfy Aeon Sustainable Procurement Principle (Appendix 3) and Aeon Biodiversity Principle (Appendix 4).

10-2 These environmental requirements must also be shared with your own suppliers. Particularly organisations who are using the following raw materials shall be

responsible for explaining about the raw materials. Raw materials shall be complied with Aeon Sustainable Procurement Principle (Appendix 3) as well as the following:

- a) Seafood resources: Aeon Sustainable Seafood Procurement Policy (Appendix 5)
- b) Timber and pulp: Aeon Forest Resources Procurement Principle (Appendix 6)

10-3 Raw materials used shall not be environmentally destructive or infringe the rights of aboriginal peoples.

10-4 Shall meet the environmental standards stipulated in the legislation of the country of production and procurement in relation to air emissions, waste water, waste and noise. In addition, all requisite permits shall be obtained and retained.

10-5 In the raw material production process, in terms of actions that place a burden on the environment such as waste water, the supplier shall explain their responsibility for the use of said raw materials.

10-6 Shall obtain and retain all appropriate permits for hazardous substances. To prevent the risk of environmental contamination as a result of a toxic substance spillage, appropriate measures shall be put in place and any contamination or incident that occurs shall be reported to the relevant authorities.

10-7 Shall correctly manage chlorofluorocarbons to comply with the 'Montreal Protocol on Substances that Deplete the Ozone Layer,' relating to regulations on use of the substance in a production process. When national legislation exists, it shall be complied with.

10-8 In terms of energy consumption, greenhouse gas emissions, raw material usage that impacts on the global environment such as forestry and aquatic resources, shall fulfill the most stringent of the national, regional legislation, industry standards or Aeon's standards 10-1, 10-2.

10-9 Suppliers shall acquire and maintain the appropriate legal permits relating to the use of water resources in yourself or your own used raw material production process, and shall contribute to the effective use of water resources.

11. Business Transactions

Code Shall comply with the laws relating to the country of origin of final product and its components and of business transactions of the exporting country and region.

Requirements

11-1 Shall comply with each of the laws relating to the country of origin of final product and its components and of business transactions of the exporting country and region.

11-2 Shall comply with intellectual property rights-related laws and Unfair Competition Prevention Law. Companies who are producing products based on receipt of

licensing of intellectual property rights from a third party shall retain documentation certifying such usage rights.

11-3 In the manufacturing and raw material procurement, shall confirm that the manufacturing or producing countries and organisations are not designated as a sanctioned country (subject) by Japan or the United Nations.

12. Integrity and Transparency

Code Shall never be involved in unethical actions such as bribery, falsification, manipulation or concealment of records, evidence or testimony in any business activity. Information relating to business activities shall be correctly disclosed in accordance with the applicable regulations and standard business practices.

Requirements

12-1 Shall not accept or engage in any unethical behavior such as bribery, corruption, or concealment of, falsification of, or manipulation of personal records.

12-2 Shall not be associated with Anti-Social Groups.

12-3 When using tin, tantalum, tungsten, and gold as raw materials, shall not make use of conflict minerals that are extracted in the Republic of Congo or surrounding countries where such use is deemed to be directly or indirectly complicit in serious human rights violations.

12-4 Shall disclose manufacturing subcontractors to Aeon and shall obtain Aeon's approval prior to start of production. Shall obtain approval from Aeon prior to use of contractors and subcontractors.

12-5 To enable Aeon to verify the compliance status with the Aeon Supplier Code of Conduct (this Code), Aeon or an agent designated by Aeon, shall be entitled to enter a facility, question the employees, and check relevant documentation irrespective of whether provided advance notice or not.

12-6 Shall cooperate with Aeon when Aeon demands to verify whether the business activities of subcontractors, raw material, and auxiliary material suppliers are in compliance with this code.

12-7 When suppliers or organisations in the supply chain are in violation of this code, and this has been picked up by the mass media and stakeholders, Aeon shall be contacted immediately.

12-8 When a supplier or an organization in the supply chain is determined to be in violation of any legislation, ordinances, regulations, or this code, when their behavior is unethical as stated in 12-1 of this code, or when consigning production

without Aeon's permission, Aeon shall be able to terminate its relationship with said supplier immediately.

13. Engagement

Code Shall integrate the requested content of Aeon's suppliers Code of Conduct into their own company or their own organisation's management system, and work throughout the entire organization to resolve social issues occurring throughout the whole supply chain.

Requirements

- 13-1 When details requested in this code are lacking in your own company or organizational policies and activities, shall be included and its own company or own organizational management system shall be established.
- 13-2 Regarding compliance with this code, shall conduct periodic assessments involving management and employee participation, and improve what the issues raised.
- 13-3 Shall hold a written record of policies, assessments, and improvement activities, and shall keep an available condition to submit when Aeon and stakeholders demand.
- 13-4 The organization shall not impose any punishment, dismiss, or discriminate against an employee for reasons of provision of information regarding compliance with this code or of raising a complaint.
- 13-5 The organization shall establish a process to confirm that your own suppliers, subcontractors, and contractors comply with your own Code of Conduct that in itself satisfies this code.

Appendix 1

Terminology

Supplier: A company, individual or organisation that is supplying goods and/or services to a company or organisation. Examples of suppliers include manufacturers, assembly companies, component manufacturers, logistics operators, retailers and service providers.

Subcontract: A third-party (subcontractor) working under a contract with a contractor that is contracted for all or part of the work of the ordering party.

Contract: To have duties and work to undertake with clear responsibilities to perform for finished goods and deliverables based on contracts with the ordering party.

Child Labour: To use a child who has not reached the older of either age 15 or the age at which said country legally permits use of a child. For countries excluded from the ILO minimum age convention, C138 that is recognised by local legislation, there shall be no use of a child who has not reached the age of 14.

Forced Labour: All work or services that are not voluntary, are performed under fear of punishment or retribution or are demanded as a means of repayment of a debt.

Prison Labour: A form of forced labour or duties conducted under the supervision or management of a public authority as a result of receiving a guilty sentence in a court of law. Prisoners are paid compensation, but this is usually regarded as a form of forced labour, as it is often not possible to refuse to work.

Bonded Labour: A form of labour where freedom is limited due to repayment of a part of the debt to an employer or another individual or for other reasons.

Exploitative Labour: A form of labour that is performed involuntarily due to threat, intimidation, physical or mental pressure from an employer or another individual.

Human Trafficking: To recruit, transport, provide or acquire individuals through intimidation, threat, fraud or other oppressive actions for the purpose of exploitation.

Migrant Worker: An individual who is away from their country of birth or the country in which they were raised and who is living and working in said country for at least 12 months.

Piece-rate system: Payment method in which remuneration is calculated based not on the total number of hours worked but on the amount of goods that have been produced.

Punishment: Sanctions, such as disciplinary actions, reprimand, wage reduction, and suspension imposed for certain employee duty violations in order to maintain discipline and order within the organisation.

Documentation: a systematic description of all requisite information.

Living Wage: Sufficient remuneration for employees and their families to enjoy a reasonable life. Elements of a reasonable standard of living include indispensable items such as provision of food, water, shelter, education, healthcare, transportation, clothing and money for any unexpected expenditure.

Restricted forms of payment: Payment in the form of money vouchers, coupon tickets or promissory notes.

Punishment system: Sanctions imposed for certain employee duty violations in order for managers to maintain discipline and order. In the event of a serious reprimand, employees are entitled to receive support from a trade union or another suitable third party.

SDS: SDS is an abbreviation of Safety Data Sheet. Documents providing information on the physiochemical properties, risks, hazards and handling of said chemical agents or the constituents therein when they are being transferred or provided to other parties who transfer or provide chemical agents.

Countries subject to United Nation Sanctions: Target countries are those where peace is being threatened and where diplomatic efforts have ended in failure, where the United Nations Security Council applies sanctions as a compulsory measure.

Appendix 2

Requirements for Bangladesh Fire Prevention and Disaster Prevention

In Bangladesh the following 4 items shall apply to factory facilities.

- a. Buildings that were originally built for residential purposes may not be converted into industrial facilities.
- b. Multi-storied-facilities may not use the first floor as a shop or locate a shop on any other floors.
- c. Multi-storied-facilities may not share buildings with other factories under individual ownership.

d. A residence may not be placed within a building containing facilities.

In Bangladesh evacuation drills shall be conducted once every 3 months, and these evacuation drills are to be observed by an external third-party organisation.

Appendix 3

Aeon Sustainable Procurement Principle

1. Eliminating illegal gathering or trading of natural resources and illegal fishing.
2. Establishing and managing Aeon standards from the perspective of biodiversity preservation and preventing the depletion of natural resources.
3. Minimizing the use of non-renewable resources.
4. Establishing traceability, including place of production and fishing methods, for agricultural products and marine resources.
5. Preventing the destruction of forest land with high conservation value.

Appendix 4

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 toward the conservation of biodiversity, which is essential in achieving a sustainable society.

Basic Principle

Recognizing the impact of our overall corporate activities on the ecosystem, we actively focus on reducing the impact as well as on 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.

Appendix 5

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 the Convention on International Trade in Endangered Species of Wild Fauna and Flora (the Washington Convention)

3. Establishment of Traceability Measures

- Promote strengthening of resource management in Indonesia

4. Regular Risk Assessments

· Launch organization to promote sustainable procurement Measures in organization development, have begun.

Appendix 6

Aeon Forest Resources Procurement Principle (Paper/Pulp/Timber)

We will continue to utilize store materials and product raw materials made of lumber and pulp produced from properly managed forests, and strive to prevent forest destruction.

Initiatives through Our Products Identify risks and opportunities, consider viable methods, and aim for sustainable procurement through continuous improvement.

1. Handling of Sustainable Products

Raw material from properly managed forests is authenticated and products that have acquired FSC® certification are handled assertively.

2. Effective Use of Domestic Lumber in Japan

Efforts for the effective use of domestic lumber are undertaken in order to achieve sustainable recycling in Japan's forests.

3. Ensuring of Traceability Measures

For high-risk countries and regions, confirmation of raw material traceability to forests are handled on a priority basis.

4. Prevention of Illegal Deforestation

Confirmation of legality of lumber, etc., is conducted based on laws related to promotion of the use of legally harvested lumber.

5. Preservation of Areas with High Conservation Value

Confirmation of the implementation of precautionary measures is conducted in order to maintain areas with high conservation value.

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