

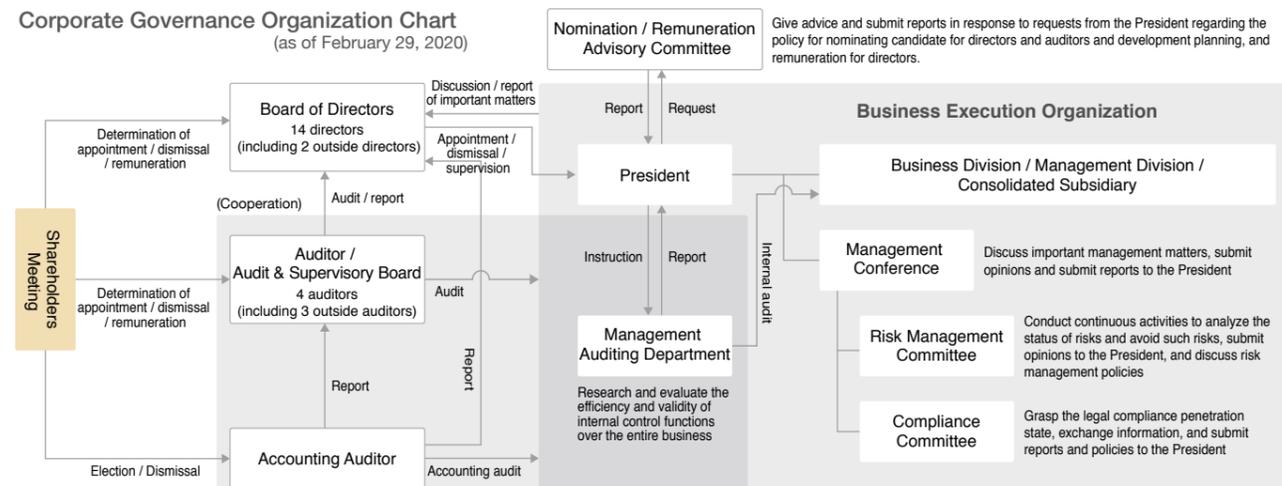
Ensuring Fair Execution of Business Activities

We pay sufficient consideration to the human rights of all stakeholders involved in AEON MALL by strengthening our governance and raising employees' awareness of compliance.



Management structure

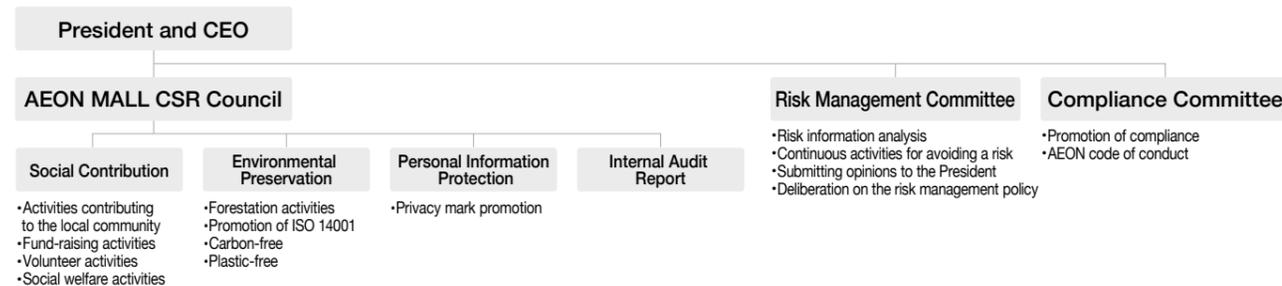
Having the Management Council in place to serve as an advisory body for the president and CEO, AEON MALL is working on strengthening business strategy functions and ensuring a more efficient decision-making process. In addition, we bolster management and supervisory functions by holding at least one board of directors' meeting per month, chaired by the president and CEO.



Board of Directors
Hold meetings of the Board of Directors chaired by the President at least once a month to strengthen the management oversight function, with the attendance of auditors. (2 directors and 2 auditors are independent directors)

Audit & Supervisory Board
Exchange information and opinions with the accounting auditors and the Management Auditing Department which is an internal audit department to raise efficiency and effectiveness of audits.

Business execution organization



Internal control system (part of important matters)

Information storage and management
We store and manage documents such as settlement documents and meeting minutes in a highly retrievable state which is appropriate and secure in accordance with the storage medium, maintain the browsability state as necessary, and take precautions that the relevant department specified in the "Document Management Regulations" prevents leakage outside the company.

Risk management
We will endeavor to reduce risks and by formulating "Business Risk Management Regulations" to prevent crises and minimize damage in the event of a crisis. If an urgent and serious loss risk occurs, we will accurately handle the loss through appropriate transmission of information and decision-making based on these regulations.

Pointing out and improving problems
By establishing a "Compliance Committee" chaired by the General Manager of Administration Division, we report the minutes of the committee to the Management Meeting and report important matters to the Board of Directors. We also establish a help line AEON MALL "Personnel Dial 110" ("Workers' Union Dial 110" in the Workers' Union of AEON MALL) as an internal whistle blowing contact point to prevent whistleblowers from being put at a disadvantage. Upon receipt of any report or notification, the department in charge will carefully examine the contents and take necessary measures based on our internal rules to assess if there is an act of violation, formulate measures to prevent a recurrence and report them to the "Compliance Committee".

Initiatives to strengthen compliance (China)

Compliance trainings

We conduct executive training and general training for about 800 AEON MALL employees working in China, once a year at each mall and office. We share information about compliance we learned in basic education and actual cases of fraud, based on laws, legal regulations, and company rules.

Interviews with new mall employees

Because about two-thirds of employees are newly hired employees at a new mall, we carry out early-phase employee education within a year of opening the mall by conducting activities such as individual interviews to foster compliance awareness.

Setting up whistle blowing hotline for specialty stores

If someone at a specialty store or an outside contractor is harassed or mistreated, he or she can directly contact the Compliance Department by email or phone.

Strengthening compliance by establishing specialized department



The Compliance Department was established in 2017 in China with the purpose of investigating and responding to fraudulent acts as well as conducting ongoing employee education to prevent such acts. The department is currently staffed by four people. We hold training once a year at every mall and office to help participants gain compliance knowledge and make sound judgments. In these trainings, we encourage active participation by inviting staff to raise questions. In addition to interviewing

employees of new malls and investigating cases reported through AEON 110, we have also established a whistleblowing system for specialty stores. When we receive a report, we carefully check the facts and take corrective action while managing the confidential information. In Chinese society, where lawsuits are frequently filed, there are many occasions when an emergency response is required because laws and legal regulations differ depending on the province or city, so our company (just under 800 employees) has 5 employees, including myself, who are qualified as lawyers, to take prompt action in the event of an emergency. In order to reduce fraudulent acts committed by employees, it is important for us to continue these initiatives and steadily disseminate them to all parties involved. I think the level of awareness has improved compared to when the Compliance Department was first established. We will strive to create a better work environment for all employees to comply with our company rules and philosophies.



Yang Min
Manager
Compliance Department
AEON MALL (China) Co., Ltd.

Entering into fair contracts for the construction of malls (ASEAN)

AEON MALL exercises consideration for the human rights and occupational health and safety of all stakeholders. When we develop malls in ASEAN, we attach great importance to the degree of contribution towards regional development as criteria for general contractor selection, such as active recruitment of local workers and environment preservation measures. We maintain a high degree of fairness by entering into an agreement between AEON MALL which is the ordering party, and the contractor to share the risk equally. We also ensure human rights protection by managing IDs of people entering and exiting the site, preventing child labor and illegal employment, and conducting health checkups for workers.

