

# Materialities

AEON MALL has identified **Five Materialities** in the context of business strategy for achieving our long-term vision

P.29

## Developing Community and Social Infrastructure



### Safe, secure, and pleasant facilities

In 2005, AEON introduced universal design in the development of malls in Japan to ensure all customers enjoy safe and pleasant shopping experiences. Subsequently, we have conducted regular customer surveys soliciting customer

opinions, making ongoing improvements in both tangible and intangible aspects of mall design.

Overseas, we were among the first to develop malls with large parking facilities in response to rising motorization.



AEON MALL Zama (Kanagawa Prefecture)

In 2018, AEON MALL Zama received the *Barrier-Free Town Planning Award* from Kanagawa Prefecture. This award recognized the mall for innovative design accommodating all shoppers, including guests with disabilities and seniors.

### Malls that reflect the unique character of a community

AEON designs malls to reflect the particular community to be served and local market characteristics. To the greatest extent possible, we create design concepts that incorporate what makes an area unique and attractive. We will continue to produce uniquely appealing facilities by embodying these concepts in exterior and interior designs, leasing, and daily events.

We also create concept zones in each of our malls that encourage visitors to rediscover the attraction of their community's culture, industry, tourism resources, and more. By reflecting the unique features of the region in the design of each facility, AEON MALL instills a sense of community pride that results in residents taking personal ownership of the mall.



THE OUTLETS HIROSHIMA (Hiroshima Prefecture)

The first "THE OUTLETS" concept mall is a regional innovative commercial facility completely different from conventional malls. The facility features an outlet zone with nearly 120 brand shops, along with entertainment facilities that include Wonder Rink, the only year-round ice-skating rink in Hiroshima Prefecture. With the support of local community and Hiroshima City, this mall offers shops and information resources that communicate the attractions of the surrounding region.

## Town planning for disaster prevention

Most of our malls in Japan have signed agreements with local governments for disaster relief and other activities for the safety of local citizens. We coordinate closely with local communities

to improve disaster preparedness by holding regularly scheduled disaster prevention response exercises with tenant specialty store employees.



**AEON MALL Iwaki Onahama (Fukushima Prefecture)**

A major feature of this mall is its status as a disaster-ready mall. Important mall equipment is installed at a height above the highest expected tsunami level. The mall also has emergency power equipment and portable toilets. In the event of an earthquake, AEON MALL Iwaki Onahama is ready to accept evacuees, even after regular business hours.

## Expansion of public functions

AEON MALL is adding more public functions for customer convenience, including post offices, administrative services



branch offices, libraries, and polling stations for early voting. Other public facilities include health clinics and financial services.

We also work with the Japan Red Cross to promote blood donation drives. Our malls throughout Japan provide blood donation centers, and we raise awareness of the need for blood donations from people of all ages, particularly younger donors.

### Japan Student Christmas Blood Donation Campaign

In December 2018, student blood drive volunteers led the Japan Student Christmas Blood Donation Campaign at 40 malls across Japan.

## Encouraging acceptance and use of electric vehicles (EV)

AEON MALL is installing EV charging stations at our malls to encourage the use of low-CO<sub>2</sub> electric vehicles and plug-in hybrids. In 2017, AEON was the first company in Japan to pledge participation in EV100. We currently have a total 2,332 EV charging stations at our malls in Japan and overseas.



## Encouraging the use of public transportation

AEON MALL supports the construction of public transportation services that our customers can use to visit our malls. At certain malls within walking distance of train stations, we

partner with railroad companies and transportation authorities to offer special perks to customers who take the train when they shop at our facilities.

# Materialities

## Building Bridges to Local Communities



### Happiness Mall initiatives

The AEON Group has been conducting more *Health and Wellness* initiatives to contribute to rich and varied lifestyles for customers through physical and mental health. Our goal is to make AEON MALL a place that offers happiness



for our customers. Each mall engages in Happiness Mall initiatives based on the four pillars of HEALTH, WELLNESS, COMMUNITY, and OPPORTUNITY.

### AEON MALL Walking

To support healthier lifestyles for our customers, AEON MALL facilities provide walking paths, open for all to use. AEON MALL Miyazaki (Miyazaki Prefecture) offers a mall walking program overseen by the Center for Preventive Medical Sciences at Chiba University. This program was incorporated into the mall after a floor space expansion in March, creating a space and opportunity to promote greater health awareness. We participate in the Fun + Walk Project with the Japan Sports Agency in a public-private partnership. No matter what the weather outdoors, customers can always enjoy walking inside their local mall.

### Hyper-Localization to boost local appeal

AEON MALL builds shopping malls that provide many community functions, serving as local community centers. One such example is our work supporting the Nationwide Disaster

Prevention Caravan in cooperation with the Scout Association of Japan.

### AEON Yume-Mirai Nursery School

We continue to build on-site AEON MALL Yume-Mirai Nursery Schools to support work-life balance for our employees who are raising children. These facilities are open to everyone



working in our malls, including the employees of the AEON Group and tenants. This initiative helps people who must balance work with child rearing. At the same time these schools reduce the number of children on waiting lists for childcare centers.

The admission rate for AEON MALL nursery schools is 84 percent<sup>\*1</sup>, which exceeds the national average for company-sponsored child-care facilities of 61 percent<sup>\*2</sup>.

<sup>\*1</sup> As of November 1, 2018

<sup>\*2</sup> As of March 31, 2018

A total of 18 nursery schools have been installed in AEON MALL facilities to date (as of February 28, 2019; 25 facilities across all AEON Group properties).

# The Environment



## Responding to climate change and global warming

In March 2018, the AEON Group announced AEON Decarbonization Vision 2050. The goal of this initiative is to achieve a decarbonized society by the year 2050 by promoting energy conservation, the use of renewable energy, and other measures.

To date, 11 facilities in the AEON Group, 10 of which are operated by AEON MALL, have become environmentally friendly model facilities. We are currently developing the Next-Generation Smart AEON program, a further evolution in our decarbonization. As an example, AEON MALL Zama

(Kanagawa Prefecture) has achieved a 30 percent reduction in CO<sub>2</sub> emissions compared to standard AEON stores.

In FY2018, AEON MALL was awarded a score of B by the Carbon Disclosure Project (CDP)\*1 in recognition of the our response to climate change and our disclosure of carbon emissions data. This score places AEON MALL at the third position in an eight-level scale, the highest we have ever achieved.

\*1 The Carbon Disclosure Project is an international NGO that promotes climate change disclosures on behalf of over 800 institutional investors representing holdings of \$100 trillion. The CDP conducts annual surveys of companies around the world. In FY2018, over 6,800 companies responded to the survey.



### AEON MALL Sen Sok City (Cambodia)

This mall features a nearly 1MW solar power system and high-efficiency chillers, targeting a goal of reducing CO<sub>2</sub> emissions by approximately 1,564 tons per year. The AEON MALL Sen Sok City solar power system and high-efficiency chillers qualified the mall for selection as a Joint Crediting Mechanism (JCM) assistance project\*2 for FY2016 by the Japan Ministry of the Environment.

\*2 The Joint Crediting Mechanism (JCM) is a program organized by the Japanese government. This program contributes to the global spread of advanced Japanese low-carbon technologies and initiatives to reduce greenhouse gases and encourage sustainable development among emerging economies. These efforts are assessed according to the quantitative volume of emissions reductions, helping Japan accomplish its greenhouse gas reduction targets.

## AEON Hometown Forest Project (biodiversity)

The AEON Hometown Forest Project is a forestry initiative that embodies the AEON Group's basic philosophy. The project has been ongoing since 1991. AEON works with customers to plant trees on land considered most appropriate for the local natural environment. As of February 28, 2019, the AEON

Group has planted a cumulative total of nearly 11.9 million trees. In FY2018, AEON MALL held tree-planting festivals at seven newly-opened malls in Japan and overseas. A total of approximately 124,000 trees were planted at these events.

## Recycling waste products



To foster a recycling oriented society, AEON MALL launched a zero emissions program to recycle all waste generated by our malls.

### AEON MALL Okayama (Okayama Prefecture)

AEON MALL Okayama operates a program in which waste is collected from each tenant, weighed with measuring instruments, correctly sorted, and recycled under the guidance of a specialist. This initiative was honored by receiving the Okayama City Waste Reduction and Resource Development for Business Award.

# Materialities

## Diversity and Work-Style Reform



### Globalization of Human Resources

Our basic policy for overseas human resources is to hire local staff who have a deep understanding of AEON MALL principles and who can engage in business rooted deeply in the local community. We promote people who produce results to senior management positions without regard to national origin. In China, seven AEON MALL facilities are overseen by general managers who were hired locally. In ASEAN as well, we are active in promoting local staff to senior positions.

Meanwhile, we create opportunities for our Japanese employees to gain experience overseas. We believe that the experience of working with local staff gives Japanese employees the chance to grow and develop in their own careers.



Japanese Employees Working Overseas With Local Staff Members

### Nadeshiko Brand

Aiming to increase the ratio of female managers in our company, AEON MALL is building systems that allow employees to balance work with family and child care responsibilities. We are also generating a visual representation of work hours to reduce overtime work. Further, we are developing indicators designed to enhance work efficiency, making AEON MALL a company at which women can enjoy long-term careers. AEON MALL has been recognized as a Nadeshiko Brand for three consecutive years. This status recognizes publicly traded companies that actively encourage female participation.



*Iku Navi* is an internal guidebook for employees who wish to return to work while maintaining a healthy balance between child-rearing and work.

### Improving Employee Satisfaction for Tenant Employees

Labor shortages have become a social issue in Japan. As developers, we believe we have a responsibility to create workplace environments that support the long-term careers of tenant employees. We also believe sponsoring initiatives for



employee satisfaction is part of our responsibilities.

With these goals in mind, we present awards for best practices at our malls, recognizing efforts in employee break room renovations and employee-only menu options, for example. We catalog these best practices and roll them out throughout the rest of our organization.

#### AEON MALL Fukutsu (Fukuoka Prefecture)

In response to interviews with employees, AEON MALL Fukutsu is enhancing employee privacy by increasing the number of private carrels, providing more electrical outlets to recharge electronic devices, and improving the quality of powder rooms. Employees appreciate these improvements, with 88 percent reporting that facilities are easier to use than before.

# Accountability in Business



## Human Rights Policies, Systems, and Training

The unwavering principle of AEON is pursuing peace, respecting humanity, and contributing to local communities, always from the customer's point of view. To honor these principles we will comply with all relevant laws and regulations, while dealing with all people honestly and sincerely through proper behavior. The AEON Code of Conduct was enacted in April 2003 on the basis of these values. In September 2014, AEON codified a philosophy of human rights and the workplace producing AEON's Basic Human Rights Policies in support of the AEON Code of Conduct.

AEON MALL follows this philosophy and these policies

in respect for human rights. The company aspires to create an organization that allows all people, regardless of their gender or nationality, to participate in the development of the company. We strive to create workplaces that enable all employees to perform to the highest level of their abilities.

All employees of the company attend an annual human rights training. Moreover, all employees are provided with a handbook that lists both internal and external help desks. This handbook provides clear information about respect for human rights, the prevention of discrimination, and other matters in the context of the AEON MALL employment rules.

### AEON Code of Conduct—Our Commitment

1. AEON people are always grateful to the many other individuals who provide support and help, never forgetting to act with humility.
2. AEON people value the trust of others more than anything else, always acting with integrity and sincerity in all situations.
3. AEON people actively seek out ways to exceed customer expectations.
4. AEON people continually challenge themselves to find new ways to accomplish the AEON ideals.
5. AEON people support local community growth, acting as good corporate citizens in serving society.

### AEON Human Rights Policy

In accordance with this policy, all of AEON's executives and employees (AEON People) will further their understanding of human rights and help realize a society that respects these rights.

We will adopt this policy for all AEON People and share it with all business partners.

#### 1. Our Approach to Human Rights

For everyone affected by our business activities, we will comply with domestic laws on human rights and labor, the International Bill of Human Rights, and the rules on human rights set forth in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work in accordance with the AEON Basic Principles, the AEON Code of Conduct, and the United Nations Global Compact, which we joined in 2004. Further, we will support and follow the United Nations Guiding Principles on Business and Human Rights.

#### 2. Respect for Human Rights in Business Activities

We will respect the privacy of individuals as well as their diverse values and personalities and never discriminate against anyone for any reasons, including discriminatory treatment based on race, nationality, ethnicity, gender, age, place of birth, religion, educational background, physical or mental disability, sexual orientation, or gender identity. Further, we will remain mindful of the positions of others and respect them as our equals.

- We will treat all customers in a fair and impartial manner and provide them with safe, reliable products and services as well as related information.
- We will actively communicate with local community members to ensure that we are respecting their human rights.
- We will comply with sound corporate ethics and workplace environment-related laws, regulations, and international standards in our business activities by dealing with business partners fairly. Moreover, we will continually improve our performance in this regard.
- We will listen to our coworkers, respect each coworker's human rights, and create workplace environments that are harassment free, safe, and employee friendly. At the same time, we will train and educate all AEON People to further their knowledge and understanding of human rights.

#### 3. Implementation of Human Rights Due Diligence

Regarding the impact of our business activities on human rights, we will contribute to the realization of a society in which human rights are respected through the implementation of human rights due diligence.

Revised October 2018

## Initiatives to Prevent Corruption

See Corporate Governance (P.49) for more about our initiatives to prevent corruption.