

Environmental Strategy

In accordance with the AEON Basic Policy on Sustainability, revised and enacted in 2018, we identified and are working on three items that we will focus on as AEON MALL. These initiatives are to achieve a decarbonized society, achieve circular malls, and preserve biodiversity.

Relevant
SDGs



Value Creation Strategy

AEON MALL pursues the following three environmental initiatives.

① Achieving Decarbonized Societies

Switching to 100% locally produced, locally consumed renewable energy at directly managed malls in the year 2040



We launched operations of low-voltage, distributed solar power generation systems with self-directed transmissions. AEON Malls nationwide use renewable energy with low environmental impact.

② Achieving Circular Malls

Leveraging the concentration and scale of our malls where various resources are gathered to create recycling-based societies through co-creation



Starting with AEON MALLs, we aim to become a company that recycles waste as a resource to reduce waste while we work to build a system for reuse.

③ Preserving Biodiversity

Assessing the impact of our business activities on ecosystems and actively engaging in activities to reduce impact and conserve ecosystems



We are committed to Preserving biodiversity, aiming for an abundant future in which various living creatures coexist in harmony with each other by creating facilities that are friendly to the green environment.

For more information, refer to the special page *Machi no* ACTION!

[▶ https://www.aeonmall.com/heartful-sustainable/](https://www.aeonmall.com/heartful-sustainable/)

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Environmental Strategy ① Achieving Decarbonized Societies

Relevant SDGs



Aeon created the Aeon Decarbonization Vision 2050 in 2018. Based on this vision, we continue our efforts to achieve decarbonized societies through three main pillars: stores, products and logistics, and hand in hand with customers.

Aeon Decarbonization Vision

Aeon Decarbonization Vision

Aeon will work to reduce CO₂ and other greenhouse gas (hereinafter "GHG") emissions by taking the following three-pronged approach, thereby contributing to the realization of a decarbonized society.

| | |
|-----------------------------|--|
| Stores | We will reduce the total GHG emissions from our stores to zero by 2050. |
| Products and Logistics | We will continue our efforts to achieve zero GHG emissions from our business operations. |
| Hand in Hand With Customers | We will cooperate with our customers for the realization of a decarbonized society. |

| | Interim Target | Target to Achieve |
|---------------|---|--|
| As of 2018 | Reduce CO ₂ emissions by 35% by 2030 (vs. 2010) | Reduce the total GHG emissions from stores to zero by 2050 |
| 2021 Revision | Shift 50% of the electricity used in stores to renewable energy by 2030 | Reduce total GHG emissions from stores to zero by 2040 |

AEON MALL Decarbonization Vision

As a decarbonization initiative based on Aeon Decarbonization Vision, we intend to reduce total CO₂ and other emissions from our businesses in Japan to zero by the year 2040.

We continue to engage in energy conservation activities that include installation of solar power generation systems and EV chargers. In addition to these reduction measures, we aim to convert electricity used at approximately 160 malls in Japan to renewable energy sources by fiscal 2025 through direct renewable energy contracts in each region. We will then shift over time from procuring effectively CO₂-free electricity through direct renewable energy contracts in each region to locally produced and locally consumed renewable energy (including PPA*1). By fiscal 2040, we aim to operate 100% of our directly managed malls using locally produced and locally consumed renewable energy.

We will accelerate our efforts to achieve a decarbonized society in Japan and overseas, aiming to reduce the total amount of CO₂ and other emissions from all our business activities to zero.

The AEON MALL Approach to Decarbonized Societies

We work in a three-pronged approach toward decarbonization by 2040. By strengthening energy-savings and energy-creating initiatives, we aim to achieve 100% use of locally produced and locally consumed renewable energy in mall operations and to reduce total mall CO₂ emissions to zero.



1 Pursue energy conservation

We pursue energy conservation in malls and strive to reduce power consumption.

① Rationalize HVAC operation
 ② Introduce high-efficiency energy-saving equipment
 ③ Install solar power generation systems on mall roofs
 ④ Install LED lighting

Achieved a 55.1% reduction in energy use (per floor area) over the 10-year period between 2010 and 2020.
 * The term *energy* refers to electricity, gas, and water.

AEON MALL endeavors to reduce power consumption by installing high-efficiency, energy-saving equipment and rationalizing HVAC operation. AEON MALL Toyokawa acquired ZEB*2 Ready certification, which certifies that the building reduces primary energy consumption by 50% or more compared with standard primary energy consumption (excluding renewable energy). This mall was the first large-scale commercial facility with a total floor area of 100,000 m² or more to achieve this goal in Japan.

2 Pursue energy generation: On-site (renewable energy) and off-site (self-directed transmission)

AEON MALL is adopting and expanding self-consumption models of solar power generation. In Japan and overseas, we implement on-site PPA. The solar panels installed on the roof of AEON MALL Meanchey in Cambodia have a capacity of 2,880 kWp (DC), making it the second largest solar panel installation of all AEON MALL facilities. This installation will expand the use of environmentally friendly renewable energy by reducing the burden on Cambodia's electricity supply and demand, thereby reducing CO₂ emissions.

*1 PPA: Abbreviation for power purchase agreement (sales contract model). This is a business model in which a PPA operator leases space in a building premises or roof belonging to an electricity customer, installing a solar power generation system and selling the energy generated thereby to the customer.

*2 ZEB (Net Zero Energy Building) refers to buildings that aim to achieve a comfortable indoor environment while reducing the net annual primary energy consumed to zero.

(Source: <https://www.env.go.jp/earth/zeb/about/index.html> Ministry of the Environment website (Japanese Only))



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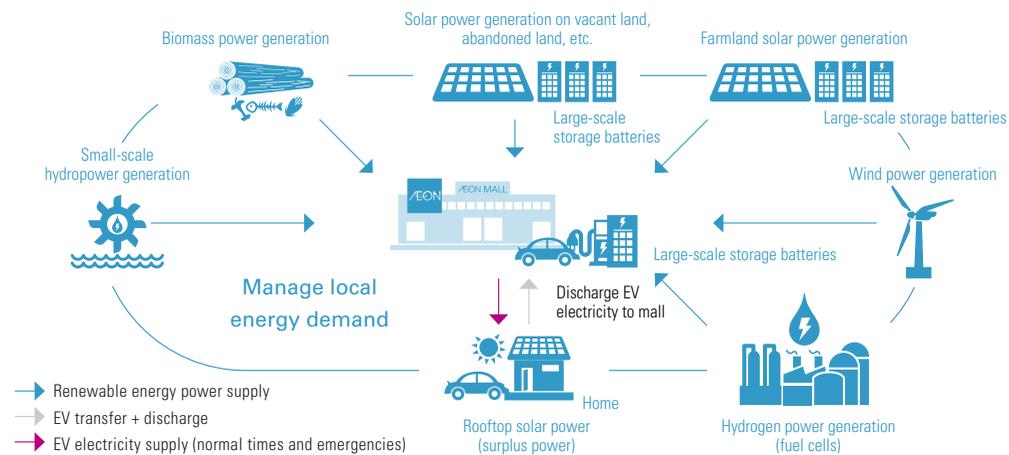
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3 Work with local communities to create renewable energy locally for local consumption

Pursuing the procurement of effectively CO₂-free electricity, we will switch gradually to locally produced, locally consumed renewable energy (including PPA) by 2025. This transition is part of our commitment to 100% locally produced, locally consumed renewable energy at all directly managed malls by 2040. We plan to establish an in-house renewable energy procurement model by 2040 and make the switch in stages. In addition to expanding the use of wind power, hydrogen energy, and storage batteries, we aim to operate directly managed malls using 100% locally produced and consumed renewable energy (1.4 billion kWh/year) by fiscal 2040.



Expanding Renewable Energy Procurement

In September 2022, we began operations of AEON MALL *Machi no Hatsudensho* (community power plant), an off-site PPA model for self-directed transmission. We launched the second phase of the project in fall 2023 at approximately 650 new locations, bringing the total number of locations in operation nationwide to 1,390. We expect this project to supply approximately 120 MW of renewable energy*¹ to 50 AEON MALL facilities*². As a new initiative this year, we intend to begin farmland solar power generation (solar sharing)*³. Solar sharing, the installation of solar panels over farmland, allows for power generation and crop growth at the same time. This approach is expected to encourage the development of agriculture through the planned and efficient use of abandoned farmland, and is also attracting attention as a contributor to the spread of renewable energy and means of revitalization for local economies.

*1 Renewable energy power generated by a 120 MW-scale power plant is equivalent to the electricity consumption of approximately 30,000 average households.

*2 50 AEON MALL facilities means that the amount of the electricity transmitted to 50 malls is equivalent to the power consumption of seven or eight actual malls.

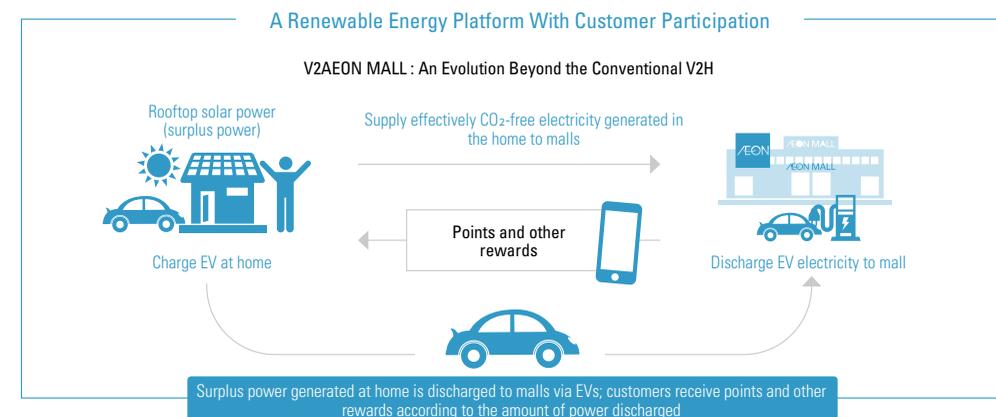
*3 Solar sharing (farmland solar power generation) is an initiative to utilize sunlight in both agricultural production and power generation by installing solar power generation systems suspended in the space over farmland.

Accelerating Decarbonization Initiatives With Our Customers

We pursue and implement community-wide efforts to decarbonize through customer-involved renewable energy cycle measures, working with and encouraging customers to modify their behavior by encouraging through environmental action.

V2AEON MALL: Surplus Energy From Private Homes

In May 2023, AEON MALL launched the V2AEON MALL (vehicle-to-AEON MALL) program at three locations in the Kansai area. This program represents a new evolution in conventional V2H (vehicle-to-home). Participating customers who discharge electricity generated at home (surplus electricity) to our malls via their EVs will earn shopping points representing their cooperation in efforts to create decarbonized societies. Through this customer-participatory renewable energy circulation platform, we will contribute to opportunities for customers to choose renewable energy for use at home.



We will continue to work with customers to build decarbonized societies, expanding our support to link the environmental awareness of our customers (main actors in the community) to action.

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Disclosures Based on TCFD Recommendations



Relevant SDGs



AEON MALL conducts scenario analysis based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) to analyze the impact of climate change on the sustainability of our businesses and to address the various opportunities and risks associated with climate change.

Addressing Climate Change Through Scenario Analysis

We endorse the recommendations of the TCFD, an information disclosure task force, and commit to reducing total domestic CO₂ and other emissions to zero by 2040 in line with the AEON MALL Decarbonization Vision. We also pursue other initiatives toward decarbonized societies, including operating all AEON MALL locations in Japan using effectively CO₂-free electricity by 2025, which is included in our interim targets.

Governance

Recognizing that the risks and opportunities of climate change impact our business strategy significantly, AEON MALL defines climate change as a key sustainability issue. Our president has the ultimate responsibility for Company activities in this area.

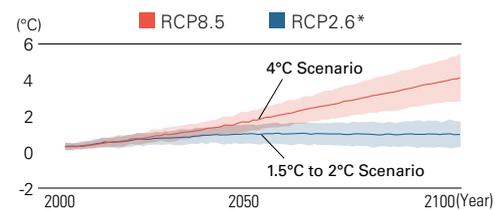
Our ESG Promotion Committee, organized under the Management Council, is chaired by the president and includes internal directors and full-time members of the Audit & Supervisory Board. The committee meets once every two months to discuss important policies, measures, and targets related to the environment, including our response to climate change and systems for the prompt response and resolution of any issues. The committee reports the outcome of discussions to the Board of Directors as appropriate, and the Board discusses important climate-related issues at Board meetings. In this way, we ensure the supervision of decisions made in each meeting body to avoid errors.

Strategy

Scenario Analysis

We selected the 1.5°C to 2°C scenario and the 4°C scenario, referencing the climate change scenarios in the United Nations Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report. We consider the long-term perspective of the Aeon Decarbonization Vision and the AEON MALL Decarbonization Vision, projecting the impact of climate change in the year 2050.

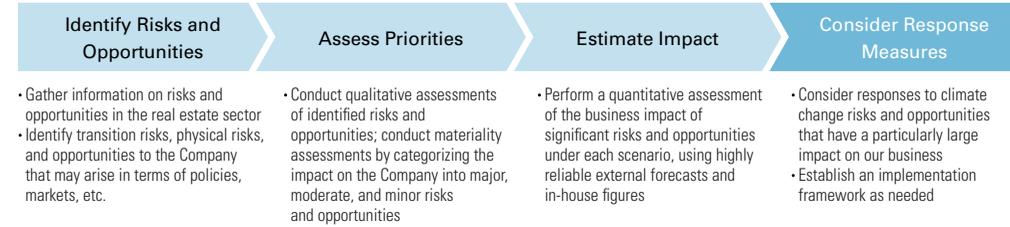
* Climate change projection scenarios (JMA website) in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) <https://www.jma-net.go.jp/sapporo/bosai/publication/kiko/kikohendo2020/scenarios.html>



4°C Scenario
A temperature increase of between 3.2°C and 5.4°C compared with the era of the Industrial Revolution if no additional measures are taken beyond the current level.

1.5°C to 2°C Scenario
A temperature increase of between 0.9°C and 2.3°C compared with the era of the Industrial Revolution period if drastic measures are taken

Analysis Process



Evidence used for scenario analysis:
UN Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report
World Energy Outlook 2020, IEA; *World Energy Outlook 2021*, IEA

TOPICS

TCFD Workshop

The Company held a joint workshop among relevant departments to assess risk materialities in selecting climate change-related risks and opportunities, mitigating transition and physical risks, and considering measures to take advantage of opportunities. We identified approximately 70 response measures, including responses currently in progress, summarizing and prioritizing measures for implementation.

- Participating Departments**
- Operations Support Department
 - Construction Planning Department
 - General Affairs Department
 - Regional Sustainability Promotion Office
 - Strategy Department



TCFD Workshop



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Major Risks and Opportunities

Identifying Subject Risks

Based on external information, AEON MALL has summarized the significant climate change risks and opportunities in Japan, China, and ASEAN countries where we operate our mall business. We also collected forward-looking forecast data on each of these risks and opportunities. Based on this information, we examined the transition risks and opportunities related to decarbonized societies and the physical risks and opportunities arising from climate change, identifying potential risks to our businesses as described in the chart to the right.

Of those risks and opportunities, we evaluated and identified the financial impact and time horizon for each of those that we consider to be of high importance to our mall business. For example, we believe the risk of reduced customer attraction due to delays in investments in electric vehicle charging stations could have a significant negative financial impact on the Company. Similarly, the opportunity to differentiate ourselves from competing facilities through appropriate capital investments will have a significant positive financial impact on the Company. These risks and opportunities will be the topic of discussion among particularly relevant departments, after which we will develop action plans.

For more information about risks and opportunities:
[▶ https://www.aeonmall.com/en/esg/environment/03/](https://www.aeonmall.com/en/esg/environment/03/)

List of Risks and Opportunities

| Evaluated Item | Business Impact Considerations (Qualitative Information) | | Financial Impact (billions of yen)* | | Calculation Method | Time Horizon | Response Measures | |
|----------------|--|--|---|-----------------------------|-----------------------------|--|---------------------|--|
| | Risks | Opportunities | 4°C Scenario | 1.5°C to 2°C Scenario | | | | |
| Transition | Carbon tax, GHG emission regulations | <ul style="list-style-type: none"> Increase in construction and operating costs due to higher carbon taxes and the total energy use restrictions, etc. | <ul style="list-style-type: none"> Increase in market value due to energy savings, renewable energy shift, and the use of low-carbon building materials Increase in lease income due to the sale of CO₂-free electricity to companies opening new stores | Minor (-0.69) | Minor (-0.33) | Incremental carbon tax cost (GHG emissions in 2050 x carbon tax rate) | Medium-term | <ul style="list-style-type: none"> Achievement of Decarbonization Vision 2050 Achievement of medium-term environmental plan Cool Share at malls |
| | Changes in customer behavior | <ul style="list-style-type: none"> Increase in vacant floor space due to the failure to respond to growing energy efficiency needs of specialty stores | <ul style="list-style-type: none"> Increased leases and tenants due to high-efficiency buildings and inexpensive energy | Outside scope of estimation | Outside scope of estimation | — | Short- to long-term | <ul style="list-style-type: none"> Achievement of Decarbonization Vision 2050 Solutions to issues in collaboration with specialty stores and communication of efforts to customers V2AEON MALL implementation, PR |
| | Changes in energy mix and demand | <ul style="list-style-type: none"> Increased operating costs due to higher energy prices Increased costs of acquiring non-fossil certificates | <ul style="list-style-type: none"> Lower capital investment costs related to carbon tax and energy savings due to low-carbon grid electricity Stabilized energy procurement through in-house power generation and PPA | Moderate (-2.65) | Moderate (-1.34) | Incremental cost of electricity and HVAC (current electricity and HVAC costs x rate of increase in electricity and HVAC costs x mall growth rate) | Medium-term | <ul style="list-style-type: none"> Achievement of Decarbonization Vision 2050 Membership in RE100 Increase in the number of electricity- and gas-based zero CO₂ malls Adoption of smart meters |
| | Popularization of electric vehicles | <ul style="list-style-type: none"> Increased capital investment and maintenance costs for EV charging facilities | <ul style="list-style-type: none"> Improved ability to attract customers through differentiation based on EV recharging facilities | Moderate (-1.48) | Moderate (-3.48) | Increase in installation and operation cost/year for charging facilities = (Additional units installed/year x installation cost/unit ÷ service life) + (additional units installed through 2050 x operating cost/unit) | Medium-term | <ul style="list-style-type: none"> Achievement of Decarbonization Vision 2050 Development of a roadmap for EV chargers |
| | Renewable energy and energy-saving technologies | <ul style="list-style-type: none"> Lower occupancy rates and higher operating costs due to slow adoption of energy-saving/renewable energy technologies | <ul style="list-style-type: none"> Lower operating costs and increase in property values due to energy-saving and renewable energy technologies | Outside scope of estimation | Outside scope of estimation | — | Medium-term | <ul style="list-style-type: none"> Achievement of Decarbonization Vision 2050 Collaborations with the AEON Group in power generation and providing environmental value Energy conservation through LEDs, etc. Creation of non-financial indicators |
| Physical | Average temperature increase | <ul style="list-style-type: none"> Increase in construction costs due to added insulation, HVAC systems, etc. Increased in operating and repair costs due to higher cooling load | <ul style="list-style-type: none"> Reduced HVAC costs, increased user numbers, and improved employee productivity due to high-efficiency HVAC equipment | Outside scope of estimation | Outside scope of estimation | — | Long-term | <ul style="list-style-type: none"> Achievement of Decarbonization Vision 2050 |
| | Rise in sea levels | <ul style="list-style-type: none"> Increased costs to address sea level rise in coastal facilities Increase in damages due to lack of disaster prevention training in coastal areas | <ul style="list-style-type: none"> Reduced insurance premiums due to addressing the risk of sea level rise | Outside scope of estimation | Outside scope of estimation | — | Long-term | <ul style="list-style-type: none"> Measures to improve safety at each mall Evacuee hosting manuals Disaster drills at malls |
| | Intensification of extreme weather | <ul style="list-style-type: none"> Increased restoration costs and insurance premium costs; fewer days in operation and fewer customers Increase in damages due to lack of disaster prevention training in coastal areas | <ul style="list-style-type: none"> Increase in lease income and customer numbers due to competitive advantage offered by enhanced disaster response Lower insurance premiums due to addressing natural disaster risks | Moderate (-2.32) | Minor (-0.77) | Increased flood/typhoon damage (Historical damage/location x number of locations expected to be flooded x probability of flooding x rate of increase in flood frequency) | Short- to long-term | <ul style="list-style-type: none"> Evacuee hosting manuals Measures to improve safety at each mall |

Financial impact calculation criteria: Major (¥10 billion or more), moderate (more than ¥1 billion/less than ¥10 billion), minor (less than ¥1 billion), (financial impact not yet calculated)

* Financial impact: We calculated the quantitative financial impact on the Company for matters determined in the TCFD workshop discussions to have a relatively large impact on our business.

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■ Addressing Natural Disasters and Other Physical Risks

The results of the assessment revealed that in addition to transition risks, such as the imposition of a carbon tax for decarbonization and the additional cost of EV chargers, physical risks, such as increased flood and typhoon damage, have a significant impact on AEON MALL. To construct a resilient infrastructure system, and in light of the recent torrential rains in western Japan and Typhoon No. 24, which caused extensive damage from floods and tornadoes both in Japan and overseas, we included floods and tornadoes as risks.

Also, based on the responses of individual malls to previous disasters, we have established a range of policies, such as our natural disaster response guidelines. We will continue to examine further measures to limit these risks and maximize opportunities.

■ Business resilience

Our scenario analysis identified certain risks under each scenario, including the risk of changes in energy mix and demand, the popularization of electric vehicles, and the severity of extreme weather events. At the same time, we consider our businesses to be resilient, as we confirmed that we can mitigate negative impacts through response measures.

Risk Management

AEON MALL includes fluctuations in sales due to competition, fluctuations in exchange rates, reputational damage, and earthquakes and fires as risks. We describe our basic approach to managing these risks in our Corporate Risk Management Rules. Depending on the nature and type of risk, these risks are handled by different groups, such as the Strategy Department, the Compliance Committee, and the Risk Management Committee. The objective of the Risk Management Committee is to stay abreast of risk management operations, to exchange information, and to review the risk management system. The committee also makes reports and proposes policies to the president and CEO with regard to risk management.

In addition, we include climate change risk in our regular risk surveys to identify and manage climate change risks of high importance.

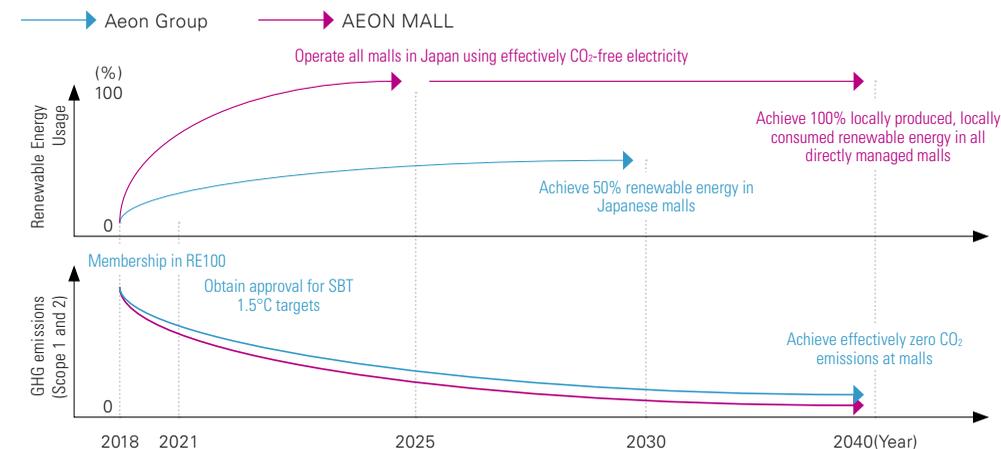
The ESG Promotion Committee brings together internal directors and meets six times a year to discuss climate change risks. Risks of particular importance are managed and evaluated in the Management Council and meetings of the Board of Directors.

Indicators and Targets

■ Reduction Targets

AEON MALL is committed to the achievement of decarbonized societies as part of our AEON MALL Decarbonization Vision, and we seek to reduce CO₂ emissions at directly managed malls in Japan to zero by 2040 through renewable energy sourced 100% via local production for local consumption. (1.4 billion kWh/year) To achieve our long-term targets, we established milestones that include operating our approximately 160 malls in Japan using effectively CO₂-free electricity by 2025, steadily taking measures to achieve our vision.

Roadmap Toward Carbon Neutrality



See the following for more about energy usage and GHG emissions:
ESG Databook ► <https://www.aeonmall.com/en/sustainability/esgdatabook/>

■ Third-Party Verifications

We verify greenhouse gas emissions (Scope 1, 2, and 3), water, and waste via a third-party organization to ensure transparency and improve reliability. Using forecasts for improvements derived from this verification, we work to improve internal information on a continued basis.

* We verify Scope 3 in accordance with the AEON MALL Scope 3 Calculation Rules.

(Verification methods are the same as for Scope 1 and 2)

* Third-party verification report (► <https://www.aeonmall.com/en/esg/environment/03/>)

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Environmental Strategy ② Achieving Circular Malls

We pursue the 6Rs to create circular malls that cycle resources within AEON MALL facilities under the concept of a circular economy. We strive to establish recycling-based societies through co-creation with our customers, store association members, and our communities.

Relevant SDGs



Value Creation Strategy

Toward a Recycling Society Through the 6Rs

1 Our Vision

We aim to reduce the resources used within our malls and collect and reuse resources no longer needed at home to create societies with revitalized economies based on recycled resources.

What are the 6Rs?

- ① Rethink
- ② Recycle
- ③ Repair
- ④ Returnable
- ⑤ Reduce
- ⑥ Reuse



2 Total amount of waste generated and recycling rate in 2022

Recycling rate of directly managed malls in Japan (including thermal recycling) **90.6%**

| | | | |
|--------------------------|--------|-----------------------------|--------|
| Raw garbage | 90.2% | Paper | 100.0% |
| Cardboard | 100.0% | Large garbage | 84.8% |
| Mixed garbage | 79.7% | Other non-combustible waste | 76.0% |
| Waste plastics | 95.8% | Fluorescent bulbs | 93.3% |
| Waste plastic (valuable) | 100.0% | Waste batteries | 83.3% |
| PET bottles | 99.9% | Disposable chopsticks | 99.4% |
| Glass bottles | 92.0% | Waste alkali/paint remover | 9.5% |
| Cans | 100.0% | Sludge | 85.6% |
| Styrofoam | 100.0% | Total | 90.6% |
| Waste oil | 100.0% | | |

Specific initiatives

1 Eliminating plastic

Utilizing the Sustaina Action function of the AEON MALL app, we are implementing the NO Cutlery Action initiative, in which customers who decline cutlery (spoons, forks, straws, chopsticks, etc.) when eating in or taking out at participating specialty stores are given an Eco Ticket.



2 Food recycling loop

THE OUTLETS KITAKYUSHU installed a bio-based composter to eliminate wasted food that can still be eaten, thereby reducing environmental impact.

The mall composts leftover food from customers and food scraps from restaurants and stores. Through the cultivation of corn and other vegetables on nearby farms, the mall is investigating the effects of compost on crops (effect on taste and appearance).

In the future, the Company will implement initiatives to establish a food recycling loop, such as using harvested farm products in menu options at specialty restaurants.



3 Clothing collection

We hold Happiness Relay events to collect clothing that customers no longer use at AEON MALL facilities across the country (excluding some malls).

In the future, we plan to establish a system to collect unwanted clothing for reuse, recycling, and repair, reduce incineration and landfill of discarded clothing on a permanent basis, visualizing the circulation of remanufactured items within the AEON MALL ecosystem to solve community environmental issues.



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Environmental Strategy ③ Preserving Biodiversity

Our lives are supported by the many blessings of nature. But biodiversity, the source of these blessings, is said to be disappearing across the world. Damage to biodiversity would have a major impact on our lives, including issues of food and water. Recognizing this issue, we aim to preserve biodiversity to foster sustainable societies.

Relevant SDGs



Relationship Between AEON MALL Activities and Biodiversity

AEON monitors the impact of our business activities on ecosystems. We partner with customers, governments, NGOs, and other stakeholders to actively mitigate those impacts, protect ecosystems, and establish a policy to protect biodiversity.

AEON MALL not only sponsor the *Aeon Furusato no Mori* (Hometown Forest) initiative, but we also pursue green purchasing to protect biodiversity and ecosystems. In this manner, we seek to achieve both business growth and the sustainability of natural resources.

Aeon Biodiversity Principle ▶ <https://www.aeon.info/en/sustainability/biodiversity/>

We identified biodiversity as a materiality for our business, establishing a KPI to increase the number of malls with ABINC certification to assist in achieving environmentally conscious societies that exist in harmony with nature. By 2030, all malls will meet the criteria for certification: (1) Develop environments for biodiversity conservation; (2) Engage in biodiversity-conscious maintenance and management; (3) Conduct communication activities. Our certification will lead to reduced risk and preserve biodiversity.

Our directly managed malls have been ISO 14001 certified since 2001. Since fiscal 2022, preserving biodiversity has been an organization-wide environmental goal whose progress we continue to manage.

AEON MALL Hakusan and AEON MALL Shinrifu (North Wing) underwent regular surveillance audits by JACO, an ISO 14001 certification body, receiving high marks for operational and management performance.

ABINC Certification

The ABINC Certification is granted by the Association for Business Innovation in Harmony with Nature and the Community (ABINC), a third party that independently evaluates and certifies biodiversity-conscious efforts to create green spaces based on the ABINC Guidelines written and registered by the Japan Business Initiative for Biodiversity (JBIB). Four malls received certification in March 2023, bringing the total to 19 malls that certified.



Follow the link below for more about ABINC.

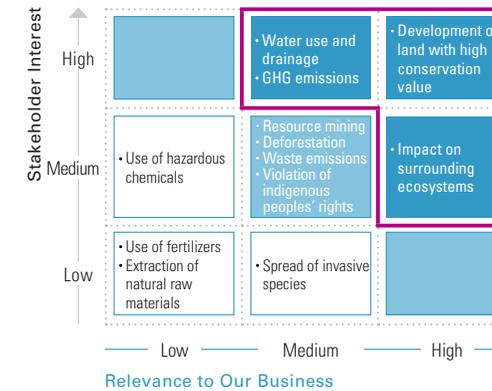
▶ https://www.aeonmall.com/files/management_news/1688/pdf.pdf

Risk Assessments in Advance of TNFD Disclosure

We are in the process of assessing nature-related business risks for disclosures in line with the Task Force on Nature-Related Financial Disclosures (TNFD).

In identifying nature-related materialities, we first assess the risk of nature-related topics closely related to the real estate sector (vertical axis). Here, we use the Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) tool.

We then investigate cases in which business risks closely related to our business have materialized, considering and evaluating the magnitude of the potential impact on AEON MALL businesses (horizontal axis) to identify and assess key issues. Tools such as the Integrated Biodiversity Assessment Tool (IBAT) help us identify surrounding ecosystems on a broader scale. Aqueduct is a tool we use to identify water stress. Using these and other tools, we conduct a regional analysis of all malls to identify hotspots or important ecosystems in the vicinity of our malls that potentially demand priority action in the future.



Initiatives

■ Aeon Furusato no Mori (Hometown Forest) Program

The *Aeon Furusato no Mori* (Hometown Forest) Program involves surveying plants native to the region and planting trees at each mall to grow into a natural forest, thereby restoring a habitat for a diverse range of organisms.



Total number of trees planted by the AEON Group: **12,554,305**

Total number of trees planted by AEON MALL: **3,617,830**

(as of February 2023)

Follow the link below for more about our biodiversity preservation efforts.

▶ <https://www.aeonmall.com/en/sustainability/environment/kankyo/>



Value Creation Strategy

Three-Year Medium-Term Management Plan Overview and Progress

2023-2025 Three-Year Medium-Term Management Plan Policies and Strategies

Financial Strategy: Message From the Director in Charge of Finance and Accounting

Special Feature

Dialogue Between Outside Director and Securities Analyst

Digital Transformation (DX) Strategy

Sustainability Strategy

Human Resources Strategy

Environmental Strategy

Attention to Human Rights