

# Environment

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Environment



## Biodiversity

### Policy

#### Commitment to Reducing Our Impact on Biodiversity

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

We 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.

### Risk Assessment

#### Identify Potential Impact on Biodiversity

We perform scientific studies when developing new malls to identify the potential impact on biodiversity. We take steps to conserve rare species in the event we discover such living on a site slated for development. We also protect existing trees and other vegetation, even if they are not considered to be rare species.

#### Examples of Rare Species We Conserve

AEON MALL Kusatsu: Conservation of Mizutakamoji (*Agropyron Humidum*)

AEON MALL Omuta: Conservation of 25 rare species

### Engagement

#### Protect and Restore Habitats

We conduct scientific studies of plants growing wild in communities surrounding our businesses and plant trees to establish a natural forest and restore habitat for diverse species.

#### Governments, Regulatory Agencies, Local Communities, NGOs, Etc.

We participate in the Japan Business Initiative for Biodiversity (JBIB) through AEON Co., Ltd.

#### Growing Number of Malls Earning ABINC Certification

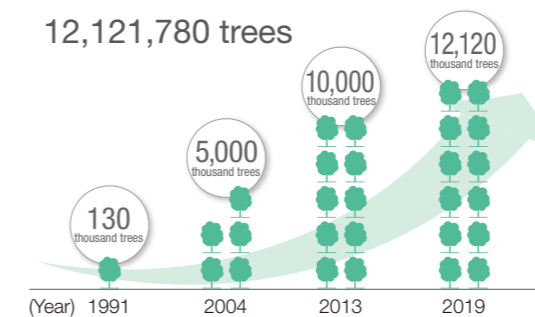
In March 2019, THE OUTLETS HIROSHIMA (Hiroshima Prefecture) and AEON MALL Zama (Kanagawa Prefecture) earned ABINC certification in recognition of initiatives such as the creation of biodiversity-friendly green areas. The Association for Business Innovation in Harmony with Nature and the Community (ABINC) oversees third-party evaluations and certifications of such efforts based on the Guidelines for Sustainable Business Sites, created by the Japan Business Initiative for Biodiversity (JBIB). At present, nine AEON MALL facilities have earned this certification.

## Biodiversity

### AEON Furusato no Mori (Hometown Forest)

The AEON Furusato no Mori (Hometown Forest) initiative began in Malaysia in 1991. The AEON Group sees this tree planting initiative as a way to embody a philosophy centered on pursuing peace, respecting humanity, and contributing to local communities, always beginning with the customer's point of view. Every time a new mall opens in Japan or overseas, AEON hosts a tree planting ceremony, working with customers to plant native trees most appropriate for the local natural environment. We planted about 28,700 trees at four new malls in Japan and overseas during fiscal 2019. As of the end of February 2020, the AEON Group has planted a total of 12.12 million trees.

■ Total number of trees planted (as of the end of February 2020)



### Related Certifications Obtained

The AEON MALL Group has obtained ABINC certification.

\*About ABINC certification

ABINC certification attests that a facility has been planned and managed in keeping with the approach of the Guideline for Offices Promoting Symbiosis with Life Forms as developed by the Japan Business Initiative for Biodiversity (JBIB). Certification is awarded to candidates that meet the required scores on JBIB's Land Use Score Card and pass a review.

Certification period: Three years from the date certificate is issued. For structures not yet completed, certification is valid for three years from the date that completion is scheduled.

Source: <https://www3.abinc.or.jp/>

## Climate Change

### Policy

#### Climate change policy

Combined, AEON Group stores account for close to 1% of Japan's total electricity consumption. Therefore, we recognize how important it is to find ways to use energy more efficiently and reduce our impact on the environment. This is what led the AEON Group to adopt the Aeon Manifesto on the Prevention of Global Warming in 2008 and the AEON Eco Project in 2012. In these ways and others, the group strives to reduce energy consumption and CO<sub>2</sub> emissions.

We took up a new challenge in March 2018 when we announced AEON Decarbonization Vision 2050. This vision calls on us to help achieve a decarbonized society by 2050 through further energy conservation, renewable energy, etc..

#### AEON Decarbonization Vision 2050

AEON will work to reduce CO<sub>2</sub> and other greenhouse gas (hereinafter "GHG") emissions by taking the following three-pronged approach, thereby contributing to the realization of a decarbonized society.

- We will reduce the total GHG emissions from our stores to zero by 2050.
- We will continue our efforts to achieve zero GHG emissions from our business operations.
- We will cooperate with our customers for the realization of a decarbonized society.

#### Energy use policy

- By FY2020, we will reduce energy use by 50% compared to FY2010.
- We will conduct day-to-day equipment operations in energy-efficient ways.
- We will adopt LED lighting, energy conservation systems, plug-in hybrid vehicles (PHV), and electric vehicles (EV).
- We will promote the use of PHVs and EVs as part of the regional infrastructure.

#### Participation in climate change initiatives

We promote the RE100 initiative through AEON Co., Ltd.



We have joined the EV100 initiative and are installing multiple EV charging points at all malls.



## Climate Change

### Role of the Board of Directors (Environment)

The AEON MALL board of directors makes the final decisions on matters considered by the CSR Council, Risk Management Committee, and Compliance Committee. Board meeting agendas include climate issue-related topics throughout the year. In its supervisory role, the board emphasizes the connections between climate issues and our business, supervising other corporate committees to ensure no errors in decisions have been made.

Our president has the ultimate responsibility in climate-related issues, as climate change risks and opportunities impact business strategy in such significant ways..

We established the CSR Council (sustainability committee) as an organization under the Management Council. The CSR Council, chaired by the president and with directors and members of the Audit & Supervisory Board serving as members, meets monthly to discuss primarily the four areas of 1) environmental issues, 2) social issues, 3) stronger governance, and 4) communications. The council considers internal and external needs and expectations related to these areas, current challenges, initiative targets, and progress management. The council also gives relevant instructions to internal personnel.

The CSR Council facilitates rapid decision-making related to specific measures for achieving the AEON Decarbonization Vision 2050. These measures have included the adoption of high-efficiency lighting and energy-saving HVAC systems.

### Role of Management (Environment)

Management makes decisions on specific environmental measures, including those relating to achieving AEON Decarbonization Vision 2050.

### Risks and Opportunities

#### Definition of medium- and long-term targets

Long-term targets: Targets to be met by 2050

Medium-term targets: Targets to be met by 2030

\*AEON Decarbonization Vision 2050

#### Governance

AEON MALL recognizes that climate change is an important management issue. We report our related initiatives and results regularly at board of director meetings, ensuring a system of board supervision.

## Climate Change

### Risk categories

Transition risk	Policy and legal risk	Carbon pricing	Two types of carbon pricing are anticipated. One is a carbon tax that is applied to crude oil and energy (electricity, gas, and fuel) and the other is cap-and-trade, under which charges vary depending on business-related GHG emissions.
	Policy and legal risk	Regulations on energy conservation/CFC alternatives	We expect tighter restrictions based on the regulations of the current Energy Saving Act (METI), the Building Energy Efficiency Act (MLIT), and the Act on Rational Use and Appropriate Management of Fluorocarbons (MOE). We also reflect expectations for the establishment of new related laws.
	Market risk	Energy price	We consider two types of energy prices. One type varies in response to the unit price of electricity and fossil fuel energy, accounting for about 90% of total GHG emissions discharged from business activities. The other type reflects prices for renewable energy.
	Market risk and technical risk	Supply and demand balance of food and raw materials	We project changes in the geographical suitability of manufacturing and processing related to perishable food raw materials, water resources, and products in Japan and overseas. We must also consider changes in supply and demand due to population increase, which serves as an indirect indicator. These changes impact anchor stores and specialty stores.
	Market risk and reputation risk	Changes in customers	"Customers" refers to citizens, including consumers and citizens in general. "Changes" refers to changes in consumption behavior and awareness.
Physical risk	Acute risk Chronic risk	Damage caused by abnormal weather	A risk of operational interruption of a certain number of stores (areas are unidentifiable) caused by weather damage is anticipated every year. We use a certain ratio to project costs and time for recovery related to malls affected by flood or other physical damage. We project market area contraction in some areas due to frequent weather disasters or changes in demographics.

### Scenario review

•4°C scenario (2030–2050*) Scenario extending along the current trajectory	•2°C Scenario (2030–2050*) A world with a clear intention to decarbonize
Little impact from regulatory risk (medium to large transition risk), large impact from weather disaster risk	Large impact of regulatory and transition risks, small to medium impact due to climate disaster risk
●No carbon pricing. No internalization of social costs, incentives to induce businesses to decarbonize do not work. (Carbon pricing)	●Carbon pricing is put into effect by policy, and carbon emissions are incorporated into business activities as a cost. Policy functions as an incentive to decarbonize. (Carbon pricing)
●Few regulations to control carbon emissions. Thermal power (including nuclear) remains the main power supply, renewable energy does not become widespread. Therefore, fossil fuel price fluctuations have large impact on energy costs. (Regulations on energy conservation/CFC alternatives, energy prices (price of electric power))	●Various systems and regulations are created to regulate carbon emissions. Energy efficiency improvements, elimination of CFCs, elimination of plastic, etc. Combination of policy inducements to use renewable energy as a main power supply and stronger systems and regulations result in prices that are competitive with thermal power (including nuclear). (Regulations related to energy conservation/CFC alternatives, energy prices (price of electric power))
●Scale and frequency of climate disasters increase gradually, more business sites, supply chains, and consumers are impacted. Costs of adaptation and countermeasures necessary for business continuity rise suddenly. (Damage caused by abnormal weather, changes in customers)	●Global-scale physical risks due to climate change are minor, but are emerging at this time. Measures to adapt and prevent disasters are already being taken. Consideration must be given to phenomena that could potentially occur in the future.
●Fewer places suitable for producing food globally, food production volumes decline. Impact of climate change must be considered when selecting suppliers in Japan and abroad. (Supply and demand balance of food and raw materials) ●Changes in the balance of food supply and demand caused by the development of newly emerging economies (changes in consumer tastes, population growth) cannot be absorbed because of climate change. Food problems become safety and security concerns between nations. (Balance of food and raw material supply and demand, changes in customers)	●No changes in food production regions or production volumes. However, as newly emerging economies develop causing consumer tastes to change and populations to grow, the procurement of food and resources could become more difficult over time. (Balance of food and raw material supply and demand, changes in customers)

\* No significant differences in temperature trajectories between the RCP 2.6 and RCP 8.5 scenarios are expected to arise before the year 2030. The trajectories will begin to diverge more significantly after 2030. Therefore, the difference between the 2°C and 4°C scenarios is expected to emerge after 2030.

The table above presents risk categories identified by the AEON Group, along with our scenario review. Referencing this data, AEON MALL will use the TCFD framework to disclose information appropriately in the future.

## Climate Change

### Energy

#### Energy use monitoring system

Each year, AEON MALL sets group-wide energy conservation targets within our ISO environmental targets. Each mall then plans and carries out its own energy conservation initiatives and manages progress. Malls that do not meet their target examine corrective measures and submit a report to environmental personnel. Particularly important corrections are reported to the CSR Council or to its higher-level organization, the Board of Directors.

#### Energy consumption

##### Energy consumption over time

	Unit	Scope**	Boundary	FY2015	FY2016	FY2017	FY2018	FY2019
Energy consumption (crude oil equivalent)	kl	①	Common space	114,856	117,278	118,030	118,723	117,801
Energy consumption intensity	GJ/1,000 m <sup>2</sup> × h	①	Common space	0.453	0.432	0.410	0.401	0.379
Energy consumption intensity YoY (%)	%	①	Common space	95.45	95.33	94.88	97.86	94.43

\*1 Scope ① Directly managed malls in Japan: Business sites are not included in scope if we are only commissioned to perform management and operations without responsibility to manage energy.  
② Consolidated. (Includes overseas and subsidiaries)

### GHG Emissions

#### GHG emissions volume

##### GHG emissions over time

	Unit	Scope**	Boundary	FY2015	FY2016	FY2017	FY2018	FY2019
Scope 1	t-CO <sub>2</sub>	①	Common space	11,924	13,731	15,977	15,271	13,840
Scope 2	t-CO <sub>2</sub>	①	Common space	226,382	230,161	225,500	213,468	193,771
Scope 1, 2	t-CO <sub>2</sub>	①	Common space	238,306	243,892	241,477	228,739	207,611
Scope 1, 2 (overseas)	t-CO <sub>2</sub>	Overseas	Common space	31,315	39,929	60,292	60,113	61,532
Scope 1, 2 (Japan + overseas)	t-CO <sub>2</sub>	②	Common space	269,621	283,821	301,768	288,852	269,143
Scope 3	t-CO <sub>2</sub>	②	Entire supply chain for business activities	—	—	—	—	1,655,553

\*1 Scope ① Directly managed malls in Japan: Business sites are not included in scope if we are only commissioned to perform management and operations without responsibility to manage energy.  
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#### Reduction targets (long-term, short-term)

AEON MALL sets GHG reduction targets in keeping with AEON Group policy.

The AEON Group adopted the AEON Eco Project as our group energy strategy for the years 2012 to 2020. Under this strategy, we have been working to reduce energy use by 50% and to create 200,000 kW of renewable energy.

In March 2018, the AEON Group established and announced AEON Decarbonization Vision 2050, a long-term vision seeking to decarbonize (fully eliminate CO<sub>2</sub> emissions) by 2050. As an intermediate target, the group aims to reduce CO<sub>2</sub> emissions 35% by 2030 (vs. FY2010). Further, the group aims to help achieve a decarbonized society by 2050 through collaborations with malls, business sites, suppliers, logistics providers, and other business partners, as well as our customers.

The AEON Group has also joined the RE100 initiative, making a commitment to convert all electric power use to renewable energy by 2050. We have not yet reached our CO<sub>2</sub> targets on an

## Climate Change

absolute basis, since we have more malls now than in FY2010. Our CO<sub>2</sub> intensity, on the other hand, which divides CO<sub>2</sub> emissions by floor space, has gone down 49.2% compared to 2010.

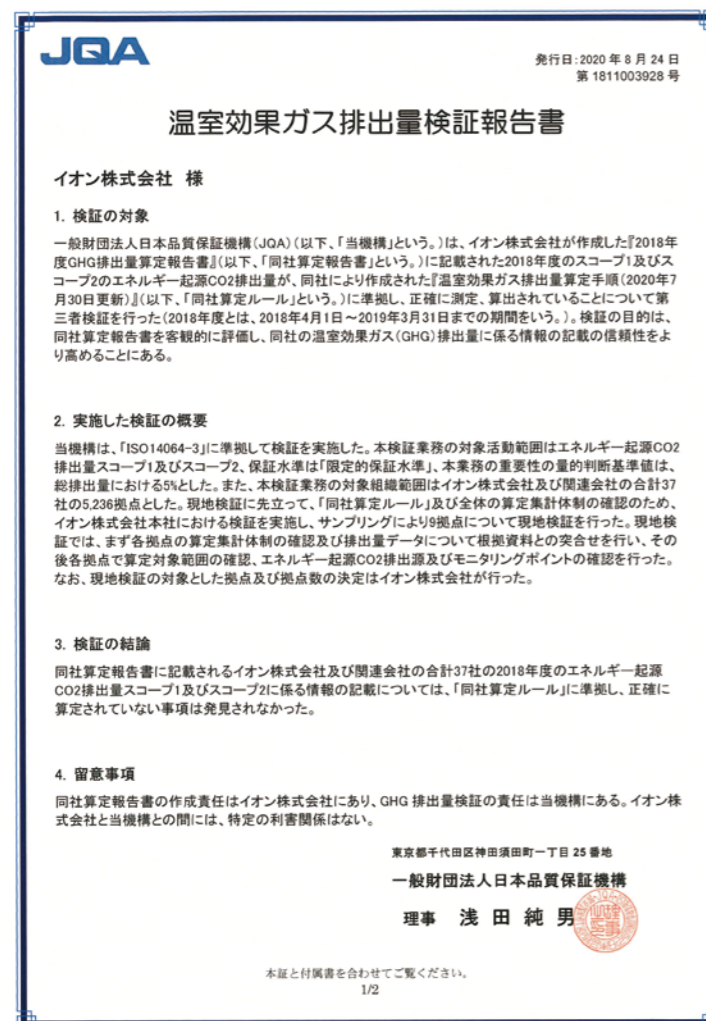
### Third-party verifications

In FY2019, we contracted with a third-party verification agency to verify our GHG emissions (Scope 1, 2, and 3), water use, and waste to ensure transparency and increase reliability. In addition, we work continually to improve our internal information based on improvement predictions derived from the verification process.

●In 2020, AEON Co., Ltd. and consolidated group companies underwent third-party verification. We will continue working to increase the reliability of our data and reduce our GHG emissions.

\*For Scope 3, verification is only performed on Category 4, transportation and distribution (upstream), at AEON Co., Ltd. (The scope and methods of verification are the same as for Scope 1 and 2.)

Scope of verification	CO <sub>2</sub> emissions attributable to energy use (Scope 1 and 2) of AEON Co., Ltd. and affiliated companies, including AEON MALL, during the period April 1, 2018 to March 31, 2019	Verification procedure	We contracted with a third-party verification agency to perform verifications in accordance with the requirements of ISO 14064-3.
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## Pollution and Resources

### Policy

#### Pollution

AEON MALL has built an environmental management system, established departmental targets and pollution prevention systems, and makes continuous improvements to raise environmental performance.

#### Resource use

AEON MALL strives to achieve zero-emission malls to conserve the earth's resources and to build a recycling-oriented society.

### Pollution, Waste, and Raw Materials

#### Waste reduction and recycling

To reduce waste emitted from malls, it is important to clearly understand what is disposed of, where, and how much, while also engaging the help of tenants and making them aware of the issue. Each mall has a system to classify waste into 18 basic categories and weigh waste by category. Each tenant weighs its own waste by category, and then affixes a label indicating that the weight has been measured. Tenants then place waste in the location designated for each category for disposal. Segregated waste that is recyclable is recycled to the greatest extent possible. We calculate the recycling rate for each category.

■Total waste output and recycling rates for FY2019 (recycling rate (including thermal recycling) for directly managed malls in Japan: 89.4%)

	Output volume by category	Recycling rate		Output volume by category	Recycling rate
1	Raw garbage 16,060t	91.9%	10	Waste oil 2,167t	100%
2	Cardboard 23,262t	100%	11	Paper 2,433t	100%
3	Mixed garbage 23,110t	74.8%	12	Large garbage 216t	92.7%
4	Waste plastics 3,543t	94.9%	13	Other non-combustible waste 1,399t	61.6%
5	Waste plastics (valuable) 106t	100%	14	Fluorescent bulb 17t	91.9%
6	PET bottle 606t	100%	15	Waste battery 16t	87.6%
7	Glass bottle 367t	97.5%	16	Disposable chopsticks 115t	97.0%
8	Can 606t	100%	17	Waste alkali/paint remover 17t	23.0%
9	Styrofoam 132t	100%	18	Sludge 5,321t	90.4%

#### Initiatives to reduce pollution, waste, and raw material use through external partnerships

AEON MALL raises environmental awareness among all employees and widens our circle of initiatives with customers and partners.

We provide ISO training to suppliers to maintain security, conduct cleaning, and perform other tasks in our malls and tenant businesses. Training materials reflect global trends related to climate change and environmental measures implemented at malls. We use these materials to encourage trainees to act in ways that help reduce CO<sub>2</sub> emissions.

## Pollution and Resources

### Financial quantification of pollution, waste, and raw material use

Some AEON MALL facilities charge tenants a fee based on the number of plastic hangers discarded. This creates an incentive to find alternatives.

## Recycling

### Reused products and packaging

When we construct malls, we strive to use resources effectively and control amounts of construction by-products. We also endeavor to reuse construction byproducts when possible.

With a few exceptions, charity collection boxes placed in stores are made of recycled PET bottles.

## Life Cycle Analysis

### Use of life cycle analysis for product and system design

AEON MALL has established minimum acceptable criteria to encourage sustainable construction. These criteria consist of written standards for architecture and facilities. Since conditions differ at every site, we use life cycle analysis (LCA) to conduct thorough studies beginning from the early design stage. This analysis ensures adequate consideration is given to the global and local environment.

## Environmental Management System

### Percentage of business sites with environmental management system certification under ISO 14001

AEON MALL conducts an internal audit once every year to verify whether our Environmental Management System complies with AEON Group and ISO 14001 requirements. Audits also determine whether our environmental management system is implemented effectively and maintained.

Audit programs consider factors including the environmental importance of the operations in question, changes impacting the AEON Group, and the results of earlier audits.

#### Percentage of business units with ISO 14001 certification over time

	Unit	Scope**	Boundary	FY2015	FY2016	FY2017	FY2018	FY2019
Percentage of business units with ISO 14001 certification (properties)	%	①	Entire structure	100	100	100	100	100
Percentage of business units with ISO 14001 certification (properties)	%	②	Entire structure	65	64	61	60	59

\*1 Scope ① Directly managed malls in Japan: Business sites are not included in scope if we are only commissioned to perform management and operations without responsibility to manage energy.

② Consolidated. (Includes overseas and subsidiaries)

## Pollution and Resources

## Environmental Compliance

### Total cost of environment-related fines and sanctions during fiscal year (parent company only)

We recorded no environment-related fines or sanctions.

### Environmental law and regulation violations, examples

We recorded no violations concerning waste, PCBs, air pollution, chlorofluorocarbons, or soil pollution. Certain malls recorded water pollutants that exceeded the values allowed under the Sewerage Law. However, we enacted countermeasures through physical and systematic approaches.

## Waste

### Waste emissions

#### Waste emission trends

	Unit	Scope**	Boundary	FY2015	FY2016	FY2017	FY2018	FY2019
Total waste emissions	t	①	Entire structure	69,598	72,326	76,342	79,364	79,492
Harmful waste emissions	t	①	Entire structure	0	0	0	0	0
Non-recycled waste emissions	t	①	Entire structure	9,327	9,521	10,594	10,387	8,426
Recycled waste emissions	t	①	Entire structure	60,271	62,805	65,748	68,977	71,066

\*1 Scope ① Directly managed malls in Japan: Business sites are not included in scope if we are only commissioned to perform management and operations without responsibility to manage energy.

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### Waste targets

Recycling rate at directly managed malls in Japan in FY2020: 80% or higher

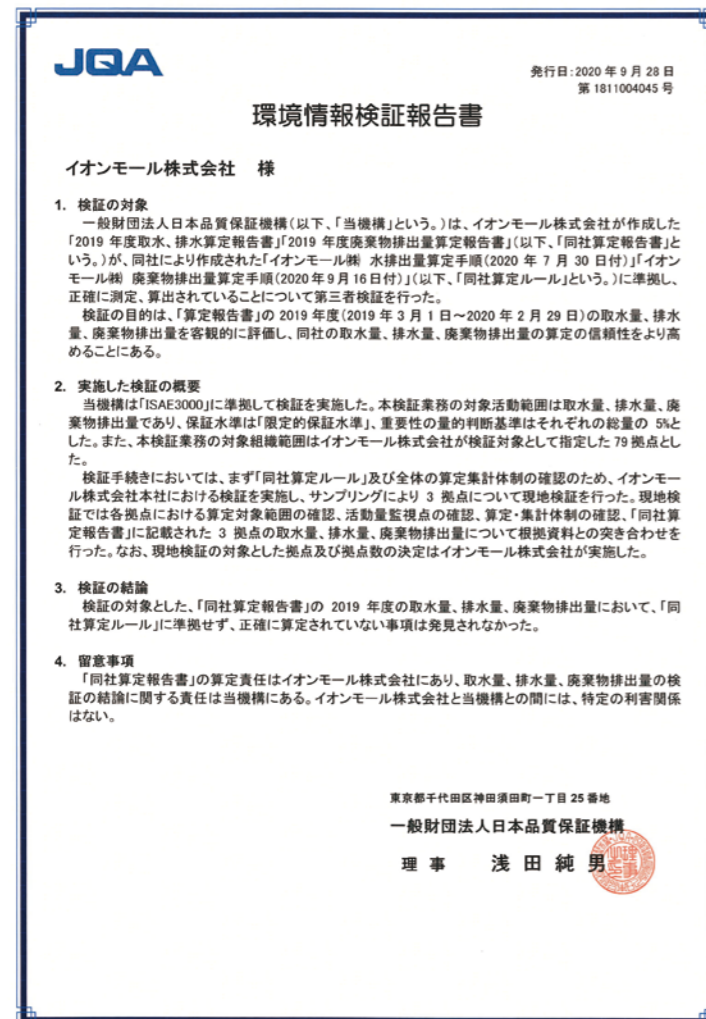
\*As we have already achieved this target, we are establishing a new target at present

## Pollution and Resources

### Third-party verifications

In FY2019, we contracted a third-party to verify waste emissions at 79 directly managed AEON MALL facilities. We will continue to enhance the reliability of our data and reduce waste emissions.

Scope of verification	Waste emissions at 79 directly managed AEON MALL facilities between March 1, 2019, and February 29, 2020	Verification procedure	A third-party verification agency conducted audits in conformance with the requirements of ISO 14064-3.
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## Pollution and Resources

### Pollution

#### Emissions of liquid waste

AEON MALL uses manifests to confirm that waste wax stripping solution is properly and fully processed. When doing so, we look not only at the waste that we emit directly, but also waste emitted from tenant stores.

#### Emissions of volatile organic compounds (VOCs)

We confirm the safety of indoor spaces by performing environmental air measurements.

#### Wastewater control

The AEON MALL Environmental Management Manual governs how we confirm compliance with laws and regulations, how we measure the results of operations, and how we report violations if they occur. In addition, each mall confirms the ordinances established by local governments. The AEON MALL environmental departments compile the information.

We examine each mall's wastewater at least once every three months. We have set voluntary standards stricter than the legal criteria. If pollutants exceed what is allowed by these standards, we work to solve the problem via physical and systematic solutions as we strive to maintain and enhance our level of wastewater control.

#### Progress toward pollution targets

For our pollution control efforts, we have set a voluntary standard of emitting no more than 95% of the pollution allowed under national and prefectural regulations. During FY2019, certain malls did not meet standards due to issues with water intake locations. We have analyzed the underlying causes of the issues and implemented countermeasures.

## Water Security

### Policy

#### Water use reduction policy

When constructing malls and other buildings, we incorporate design plans allowing for the efficient use of water resources.

### Water Use

#### Initiatives to reduce water use

We install water-saving fixtures and equipment, using rainwater, well water, recycled water, and/or industrial water where allowed by location, mall structure, etc.

#### Collaborative efforts to reduce water use

We ask for the cooperation of our specialty store tenants in conserving water.

### Water Risk

#### Measures to mitigate the impact of drainage and surface runoff

In preparation for heavy torrential rains, we install regulating ponds at each mall site depending on location. The purpose here is to store rainwater temporarily, thereby contributing to the reduction of water damage across wide areas of land.

Rain that falls on paved roads and parking lots can mix with substances contained in gasoline and exhaust fumes as it flows over the ground surface. Certain malls allow rain that falls on parking lots to infiltrate into the ground through *rain gardens*, where soil and plants help filter out pollutants and circulate rainwater.

\* Rain gardens refers to rainwater infiltration planting, touted as green infrastructure for cities, which allows rainwater to slowly infiltrate into the ground and return the earth and atmosphere. In this way, the plantings reduce the rise in surface temperatures and volume of rainwater runoff.

### Water Withdrawal

#### Total water withdrawal

##### Changes in total water withdrawal

	Unit	Scope*1	Boundary	FY2015	FY2016	FY2017	FY2018	FY2019
Total water withdrawal	m <sup>3</sup>	①	Entire structure	9,119,855	9,541,423	10,023,355	9,998,186	9,969,117
Total water withdrawal	m <sup>3</sup>	Overseas	Entire structure	3,198,939	4,702,551	5,200,736	6,476,457	6,806,827
Total water withdrawal	m <sup>3</sup>	②	Entire structure	12,318,794	14,243,974	15,224,091	16,474,643	16,775,944

\*1 Scope ① Directly managed malls in Japan: Business sites are not included in scope if we are only commissioned to perform management and operations without responsibility to manage energy.  
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## Water Security

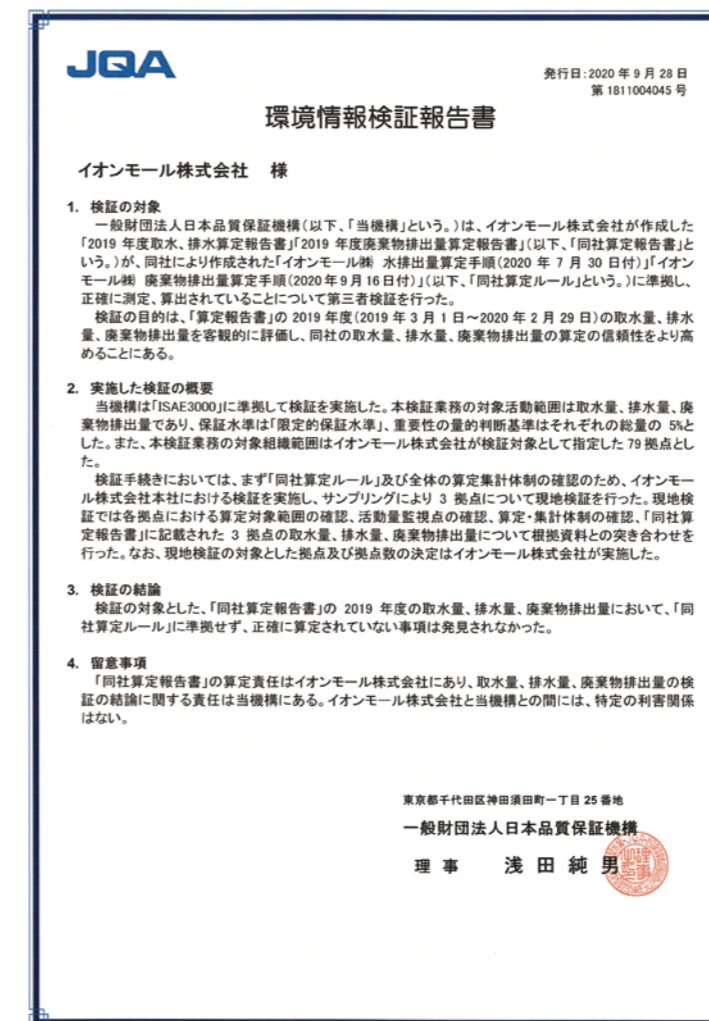
### Drainage

#### Third-party verifications

We obtained third-party verification for fiscal 2019 water drainage at 79 directly operated AEON Mall stores. We will strive to improve the reliability of the data and continue to reduce water emissions.

Scope of verification Water withdrawal and wastewater volume at 79 AEON MALL-owned stores between March 1, 2019 and February 29, 2020

Verification procedure Verified by a third-party verification agency in accordance with the requirements of ISO 14064-3.



#### Total wastewater volume

##### Changes in total wastewater volume

	Unit	Scope*1	Boundary	FY2015	FY2016	FY2017	FY2018	FY2019
Total wastewater volume	m <sup>3</sup>	①	Entire structure	7,869,479	7,903,120	8,465,501	8,719,243	8,798,918
Total wastewater volume	m <sup>3</sup>	Overseas	Entire structure	3,198,939	4,702,551	5,200,736	6,476,457	6,806,827
Total wastewater volume	m <sup>3</sup>	②	Entire structure	11,068,418	12,605,671	13,666,237	15,195,700	15,605,745

\*1 Scope ① Directly managed malls in Japan: Business sites are not included in scope if we are only commissioned to perform management and operations without responsibility to manage energy.  
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## Supply Chain (Environment)

### Supplier Policy

#### General environmental policy

AEON is committed to providing safety and security to our customers. To this end, we believe we have social responsibilities to fulfill when dealing with suppliers. In 2003 we established the AEON Supplier Code of Conduct. Under this code, we require suppliers to comply with several rules:

- Comply with all national and local environmental laws and regulations. Give the utmost consideration to environmental protection. Ensure that the raw materials and components used comply with the laws, regulations, international treaties, and protocols of the country or region from which they are secured. Fulfill the terms of the AEON Environmental Policy.

As each organization commits to addressing these issues, we ensure the safety and security of our customers.

#### Real estate management policy (including tenants)

Our interior design guidelines take into account the use of high-efficiency lighting, energy-saving equipment such as kitchen equipment and refrigerators, and construction methods that reduce waste.

### Policy Acceptance

#### Communication with suppliers

AEON MALL incorporates considerations of the global environment in our store agreements with our specialty store tenants.

In addition, we ask suppliers stationed at our malls to do sign an agreement of cooperation, committing to the following provisions:

- Understand the AEON MALL Environmental Policy
- Understand the environmental protection activities conducted at the mall
- Cooperate in achieving the environmental targets of the mall
- Comply with laws and regulations related to contracted operations
- Cooperate to prevent environmental accidents and emergencies, and help in our response should any accidents or emergencies occur
- Cooperate in other environmental conservation activities conducted by AEON MALL and AEON MALL facilities

#### Supplier training

We provide ISO training in facility security, cleaning, and other contracted mall operations, not only to our suppliers, but also to workers employed by mall specialty store tenants. We incorporate information related to global climate change trends and individual mall environmental measures into our training as part of our request to contractors and tenants to engage in actions that reduce CO<sub>2</sub> emissions.

## Supply Chain (Environment)

### Risk Assessment

#### New supplier selection

The AEON Group conducts information sessions on a monthly basis for suppliers with whom we are conducting business for the first time. The purpose of these sessions is to encourage respect for human rights and an understanding of the AEON Supplier Code of Conduct (CoC). In addition, we include compliance with the AEON Supplier Code of Conduct as part of our contracts with suppliers to ensure mutual growth in addressing social issues together with our business partners.

#### Identifying high-risk suppliers

To fulfill our responsibilities as an entity responsible for waste disposal, we vet waste disposal contractors. We confirm whether the contractor has received permissions to collect, transport, and dispose of waste, conduct on-site observances of work performed at our malls, and otherwise confirm that waste is disposed properly. In particular, we conduct training at least once every year for employees of mall specialty store tenants that handle oil to prevent spills into the ground or water.

### Risk Management

#### Recommendations for environmental impact reduction and reporting

AEON Mall requires suppliers to reduce and report on environmental impact based on the AEON Supplier Code of Conduct (AEON Supplier CoC).

The AEON Supplier CoC stipulates the following requirements:

- Suppliers must not only comply with all national and local environmental laws and regulations, but also understand the impact on the environment and give the utmost consideration to environmental protection.
- Suppliers must be accountable for the use of materials in the raw materials manufacturing process as such relates to wastewater and other activities that impact the environment.
- Suppliers must acquire and maintain appropriate permissions related to harmful substances. Suppliers must take appropriate measures to prevent the risk of environmental pollution due to the release of hazardous substances and report any contamination or incidents that have occurred to the relevant authorities.

#### Negative environmental impact in the supply chain and measures taken

AEON MALL has established, implemented and maintains the necessary processes to prepare for and respond to potential emergencies as described below:

- Prepare responses by planning actions to prevent or mitigate adverse environmental impacts stemming from emergency situations.
- Respond to emergencies as they emerge
- Take action to prevent or mitigate the outcomes of emergencies according to magnitude potential for negative environmental impact.
- Test planned response actions regularly, when feasible
- Review and revise processes and planned response actions on a regular basis, particularly after an emergency situation or testing.
- As necessary, provide relevant information and training on emergency preparedness and response to interested parties, including persons working under organization management.

## Supply Chain (Environment)

- Maintain documented information to the extent necessary to ensure confidence that processes will be executed as planned.

In the event of an emergency, AEON MALL has a defined flow chart for internal and external reporting.

In addition, each mall has a procedure manual for emergency response tailored to the particular structure and location of the facility. Malls conduct actual response training in accordance with these procedures. These trainings prepare us to prevent, reduce, or mitigate the environmental impact of possible accidents or emergency situations through a prompt response.

We have seen several incidents in which mall restaurant employees have fallen and spilled oil, but the procedures described herein have prevented oil from leaking out of the building.

### Measures to prevent compliance violations

The AEON Supplier Code of Conduct (CoC) stipulates the following requirements to prevent compliance violations:

- Refrain from unethical practices in all business activities, including bribery and the falsification, alteration or concealment of records, evidence, or testimony. Properly disclose information about business activities in accordance with applicable regulations and prevailing business practices.

## Initiatives

### Participation in workshops and industry/topic-specific initiatives and collaborations

In December 2019, AEON joined with 21 food makers in Japan to launch the Japanese version of the 10x20x30 Food Waste Reduction Initiative, a project pursued by retailers and other companies around the world. AEON MALL also supports this initiative.

## Supplier Audits

### Supplier audits, including on-site inspections

AEON MALL conducts on-site inspections of waste-related contractors once annually based on our own evaluation sheet. We also use our own evaluation sheet in conducting monthly inspections of mall building cleaning for existing contractors.

## Supply Chain (Environment)

### Real Estate Portfolio Targets

#### Time-specific numerical targets and performance for GHG emissions and energy use

We intend to eliminate CO<sub>2</sub> emissions from our malls in total by the year 2050.

By the year 2020, we expect to achieve a 50% reduction in energy consumption intensity compared to 2010.

#### Targets and Results for Building Management Standard Certifications (LEED, BREEAM, etc.)

Our most-recently constructed malls are designed to meet or exceed CASBEE A standards.

### Real Estate Portfolio Performance

#### Application scope of green leases (lease agreements including environmental impact reduction) for tenants

We have installed low-impact equipment in our tenant areas. In addition, interior design guidelines for equipment brought in by specialty store tenants also specify the use of equipment with a low environmental impact.

#### Application scope smart meters

In principle, every area within our facilities has a smart meter installed.

#### Scope of building management system adoption for measuring energy efficiency

##### ■Scope and ratio of building management system adoption for measuring energy efficiency

	Unit	Scope*1	Boundary	FY2015	FY2016	FY2017	FY2018	FY2019
Scope of building management system adoption for measuring energy efficiency (Total/Partial)	Numbers	②	Entire structure	9	11	35	47	50
Ratio of adoption to total number of properties	%	②	Entire structure	8.74	10.09	28.93	36.15	37.59

\*1 Scope ① Directly managed malls in Japan: Business sites are not included in scope if we are only commissioned to perform management and operations without responsibility to manage energy.  
② Consolidated. (Includes overseas and subsidiaries)

#### Implementation of biodiversity conservation projects

##### ■Number and ratio of biodiversity conservation projects implemented

	Unit	Scope*1	Boundary	FY2015	FY2016	FY2017	FY2018	FY2019
Implementation of biodiversity conservation projects (total/partial) *Number of ABINC-certified malls (total)	Numbers	②	Entire structure	5	6	7	9	9
Ratio of certified properties to total number of properties	%	②	Entire structure	4.85	5.50	5.79	6.92	6.77

\*1 Scope ① Directly managed malls in Japan: Business sites are not included in scope if we are only commissioned to perform management and operations without responsibility to manage energy.  
② Consolidated. (Includes overseas and subsidiaries)

## Supply Chain (Environment)

### Total annual GHG emission data for the past five years

#### Annual GHG emission data statistics

	Unit	Scope*1	Boundary	FY2015	FY2016	FY2017	FY2018	FY2019
Scope 1	t-CO <sub>2</sub>	①	Common space	11,924	13,731	15,977	15,271	13,840
Scope 2	t-CO <sub>2</sub>	①	Common space	226,382	230,161	225,500	213,468	193,771
Scope 1, 2	t-CO <sub>2</sub>	①	Common space	238,306	243,892	241,477	228,739	207,611
Scope 1, 2 (overseas)	t-CO <sub>2</sub>	Overseas	Common space	31,315	39,929	60,292	60,113	61,532
Scope 1, 2 (Japan + overseas)	t-CO <sub>2</sub>	②	Common space	269,621	283,821	301,768	288,852	269,143
Scope 3	t-CO <sub>2</sub>	②	Entire supply chain for business activities	—	—	—	—	1,655,553

\*1 Scope ① Directly managed malls in Japan: Business sites are not included in scope if we are only commissioned to perform management and operations without responsibility to manage energy.  
② Consolidated. (Includes overseas and subsidiaries)

### Total annual energy use data for the past five years

#### Annual energy use data statistics

	Unit	Scope*1	Boundary	FY2015	FY2016	FY2017	FY2018	FY2019
Energy consumption (crude oil equivalent)	kl	①	Common space	114,856	117,278	118,030	118,723	117,801
Energy consumption intensity	GJ/1,000 m <sup>2</sup> × h	①	Common space	0.453	0.432	0.410	0.401	0.379
Energy consumption intensity YoY (%)	%	①	Common space	95.45	95.33	94.88	97.86	94.43

\*1 Scope ① Directly managed malls in Japan: Business sites are not included in scope if we are only commissioned to perform management and operations without responsibility to manage energy.  
② Consolidated. (Includes overseas and subsidiaries)

### Total annual water use data for the past five years

#### Annual water use data statistics

	Unit	Scope*1	Boundary	FY2015	FY2016	FY2017	FY2018	FY2019
Total water withdrawal	m <sup>3</sup>	①	Entire structure	9,119,855	9,541,423	10,023,355	9,998,186	9,969,117
Total water withdrawal	m <sup>3</sup>	Overseas	Entire structure	3,198,939	4,702,551	5,200,736	6,476,457	6,806,827
Total water withdrawal	m <sup>3</sup>	②	Entire structure	12,318,794	14,243,974	15,224,091	16,474,643	16,775,944

\*1 Scope ① Directly managed malls in Japan: Business sites are not included in scope if we are only commissioned to perform management and operations without responsibility to manage energy.  
② Consolidated. (Includes overseas and subsidiaries)

### Ratio of building management standard certifications (LEED, BREEAM, etc.) (year/scope)

#### Ratio of building management standard certifications (LEED, BREEAM, etc.)

	Unit	Scope*1	Boundary	FY2015	FY2016	FY2017	FY2018	FY2019
Number of certifications	Numbers	②	Entire structure	1	1	1	1	0
Ratio of certified malls to total buildings	%	②	Entire structure	0.97	0.92	0.83	0.77	0.00

\*1 Scope ① Directly managed malls in Japan: Business sites are not included in scope if we are only commissioned to perform management and operations without responsibility to manage energy.  
② Consolidated. (Includes overseas and subsidiaries)