

Social



Responsibility to Our Customers

Customer-Related Compliance

Complaints or claims regarding breaches of customer privacy or loss of customer data

Based on our basic philosophy that the Customer Comes First, AEON MALL Co., Ltd. fully recognizes our social mission to protect all personal information we collect and handle. We comply with laws and regulations concerning the protection of individual rights and personal information. In addition, we hereby declare that we have established a personal information protection management system to implement the policies described below. We also declare that we will make company-wide efforts to improve this system on a continued basis, always keeping in mind the changes in social demands and changes in the business environment.

AEON MALL Personal Information Protection Policy

1. We collect, use, and provide personal information only to the extent necessary for the legitimate conduct of our business, as well as for the employment and personnel management of employees in our shopping mall management and operation business, housing business, etc. We do not use personal information beyond the scope necessary to achieve the specified purpose of use. We also take steps to ensure that personal information is not used for other than the intended purpose.
2. We comply with laws and regulations, national guidelines, and other norms concerning the protection of personal information.
3. We take reasonable security measures against risk and to prevent the leakage of, loss, or damage to personal information. We continue to improve our personal information security system by allocating management resources commensurate with the actual conditions of our business. We also take immediate corrective action in the event of an emergency.
4. We respond promptly and sincerely to complaints and inquiries about the handling of personal information.
5. We review our personal information protection management system regularly and make improvements in a timely and appropriate manner according to changes in the environment surrounding our company.

Human Rights and Local Communities

Policy

AEON MALL human rights policy

AEON MALL conducts activities in accordance with the AEON Human Rights Policy, promulgated by parent company AEON Co., Ltd.

AEON human rights policy

In accordance with this policy, all of AEON executives and employees (AEON People) deepen further their understanding of human rights and help achieve a society that respects these rights. This policy applies to all AEON People, and we share this policy with all business partners.

1. Our approach to human rights

AEON has established the AEON Basic Principles and the AEON Code of Conduct. We also ascribe to the United Nations Global Compact, which we joined in 2004. In accordance with these principles and in compliance 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, we respect the rights of all individuals who are impacted by our businesses. In addition, we support and follow the United Nations Guiding Principles on Business and Human Rights.

2. Respect for human rights in business activities

AEON respects 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. In addition, we remain mindful of the positions of others and respect them as our equals.

- AEON treats all customers in a fair and impartial manner and provide them with safe, reliable products and services, as well as related information.
- AEON actively communicates with local community members to ensure that we respect their human rights.
- AEON complies 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 improve our performance in this regard continually.
- AEON listens to our coworkers, respect the human rights of each coworker, and create workplace environments that are free of harassment, safe, and employee-friendly. At the same time, we train and educate all AEON People to further their knowledge and understanding of human rights.

3. Implementation of human rights due diligence

AEON conducts due diligence regarding the human rights impacted by our business activities to contribute to achieving a society in which human rights are respected.

Human Rights and Local Communities

Formulation of Guidelines for Sustainable Transactions

Overview

To prevent situations with potential human rights violations and build a sustainable value chain, AEON MALL established our own Guidelines on Sustainable Transactions (“Guidelines”), based on the AEON Human Rights Policy and AEON Supplier Transaction Code of Conduct. Our Guidelines ensure a comprehensive inclusion of international norms and industry human rights matters related to human rights and labor. At the same time, these guidelines identify matters that should be included in our own guidelines based on an assessment of importance. We contribute to sustainable societies by sharing our values with our business partners and using these values as a guide to fulfill our social responsibilities.

See the AEON MALL corporate website for more about our Guidelines.

» https://www.aeonmall.com/esg/society/02/#human_rights_guide

Formulation Process

We worked with external experts and engaged in the following process to formulate our Guidelines.

1. Confirm human rights matters based on international norms, etc.

We referenced the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and other international norms on human rights and labor when considering the elements to include in our Guidelines.

2. Confirm human rights matters in our industry

In addition to international norms, we confirmed the matters related to human rights and labor that are emphasized in our industry when considering the elements to include in our Guidelines.

3. Assess importance

We assessed the importance of human rights elements identified in steps 1 and 2, defining important matters to reflect in our own guidelines, including child labor, forced labor, working hours, discrimination, and health and safety.

4. Prepare guidelines and requirements for each human rights matter

We prepared guidelines and detailed requirements for each matter.

Future Implementation

In the future, we intend to share our guidelines with group companies and business partners, asking them to comply with these guidelines. We will also strive to understand the status of implementation, aiming to manage and reduce human rights risks in our sup-ply chain.

Implementation of Human Rights Due Diligence

At AEON, all AEON People (executives and employees) gain a deeper understanding of human rights, and, based on the AEON Human Rights Policy, strive to create a society that respects human rights. The AEON Human Rights Policy* clearly describes a human rights due diligence process. In accordance with the AEON guidelines, AEON MALL began implementing this initiative in 2020. As described in the United Nations Guiding Principles on Business and Human Rights, we will continue our efforts to build a sustainable value chain in our role as a leader in ensuring human rights.

*The Human Rights Policy for AEON Co., Ltd.

» <https://www.aeon.info/humanrights/aeonhumanrightspolicy/>

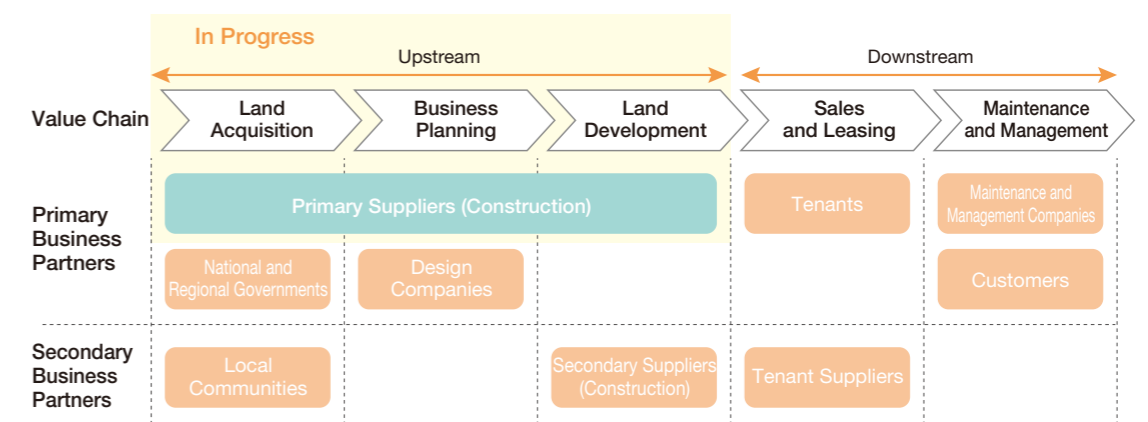
Human Rights and Local Communities

2020-2021: Human Rights Due Diligence Implementation Process



Implementation Scope Related to Human Rights Due Diligence

During the current fiscal year, we are conducting human rights due diligence, mainly focusing on the upstream portion of our value chain. In the future, we intend to expand the scope of implementation to include downstream contractors and tenants. Here, we plan to confirm the status of compliance with our Guidelines for Sustainable Transactions throughout the value chain, as well as examine measures to address and mitigate negative impacts.

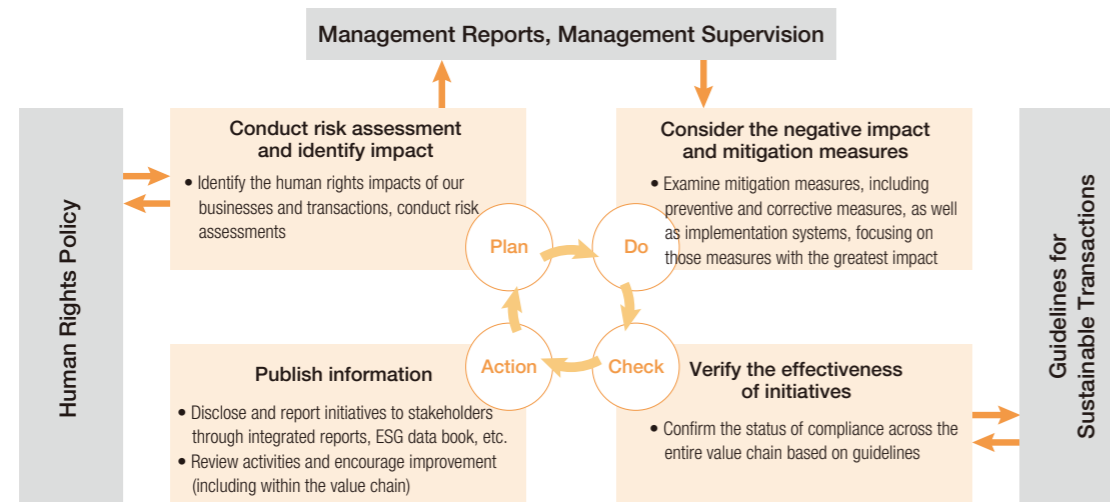


Human Rights and Local Communities

Human Rights Due Diligence Post-Implementation Roadmap

After implementing the human rights due diligence process fully, we will establish a PDCA cycle for corrective action plans. In this way, we will secure a structure for engaging in human rights risk reduction on a regular basis and disclose identified risks in our integrated report cover the next fiscal year.

Human Rights Due Diligence-Centric PDCA Cycle for Risk Reduction



Investment in Local Communities

Malls that reflect the unique character of a community

AEON MALL 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 operate and manage uniquely appealing facilities by embodying these concepts in exterior and interior designs, leasing, and daily operations.

In addition, we focus on the social issues faced by each region, including rural and urban areas, to solve these social problems by building connections between our business strategies and investments in communities.

Furthermore, we 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 each community in the design of each facility, AEON MALL aims to instill a sense of community pride that results in residents taking personal ownership of the mall.

AEON happy yellow receipt campaign

To embody the concept of giving back to the community, on the 11th of each month, we ask customers to drop receipts from their purchases into special collection boxes bearing the name of a local volunteer or other organization. AEON MALL donates the equivalent of 1% of the total receipt amount to the organization through AEON gift cards. During fiscal 2020, we donated a total of ¥22.3 million.

Human Rights and Local Communities

Overseas malls that create opportunities for career development (outside of Japan)

Since the opening of our first mall outside of Japan in Beijing in 2008, we have opened 22 shopping malls in China, 11 shopping malls in Indonesia, Vietnam and Cambodia, a total of 33 shopping malls (as of August 2021). In our shopping malls located outside of Japan, our basic policy is to operate them with local staff who fully understand our Company's philosophy, and we are also making effort to personnel training in every country, and are actively promoting local staff up to managing and executive positions. There are 11 shopping malls outside of Japan with local staff as the general manager (GM), a position that is in charge of the entire shopping mall.

Commitment to Local Employment and Procurement

We create thousands of jobs when opening a new mall in a region. These jobs include not only employment at specialty store retail tenants, but also security, guides, cleaning, maintenance, in-building logistics. We are also committed to local employment and procurement. Creating jobs leads to an increase in population and tax revenue, which has an indirect effect on the entire region.

Risk Assessment

Number of violations and responses

We receive reports on human rights through the *Number 110 Code of Conduct* hotline. In fiscal 2020, we received eight reports of harassment in Japan and conducted appropriate responses. We have also formulated and implement Harassment Prevention Rules. In June 2020, our president and chief executive officer sent a message to the company about eradicating harassment.

Engagement

Systems to Engage and Become Involved With Non-Profit Organizations

AEON MALL entered into an agreement with the social welfare organization Saiseikai Imperial Gift Foundation, which embodies social inclusion through the comprehensive provision of medical, health, and welfare activities. Through this support, we contribute to local town development where AEON MALL and Saiseikai have operations. As the first step in our contribution activities in June 2019, we sponsored a health-themed AEON MALL Walking event and medical field career experience for children at AEON MALL Takaoka (Toyama Prefecture).

Discussions with stakeholders regarding economic, environmental, and social matters

Under the guidance of the Institute for Global Environmental Strategies Japanese Center for International Studies in Ecology, we created the AEON Hometown Forest Project, which contributes to biodiversity.

Human Rights and Local Communities

Collaboration with human rights organizations

Supporting refugee aid activities (UNHCR association)

The Japan for UNHCR is a certified NPO established in 2000 to serve as the UNHCR's official point of support in Japan. This organization engages in public relations and fundraising activities to support refugee support and other activities. AEON MALL has been provided physical space to support the Refugee Support Campaign since 2009, this year marking the 10th of our participation. To date, the campaign has raised general awareness of refugees around the world, with the total number of registered members reaching more than 13,000 people. Approximately ¥1.0 billion has been donated in support.

Supporting the children of the world (Japan committee for UNICEF)

Since 2010, AEON MALL has continued to support the Japan Committee for UNICEF, which has entered into a cooperative agreement with the United Nations Children's Fund (UNICEF). The United Nations Children's Fund is an organization that works around the world to protect the lives and rights of children. In fiscal 2019, a total of 77 malls provided space to support the committee's fundraising program. In addition, AEON MALL Funabashi (Chiba Prefecture) sponsored a walking event to encourage customers to tour museums and other locations to experience local culture. The mall donated the participation fees collected.

Reporting Systems to Ensure Human Rights

Large-Scale Retail Stores Location Law

AEON MALL complies with the Large-Scale Retail Stores Location Law.

Number 110 AEON Code of Conduct Hotline

The Number 110 AEON Code of Conduct Hotline is a consultation and whistleblower hotline established for cases where it is difficult to resolve workplace problems within the workplace or inconvenient to consult with a supervisor.

Customer feedback

To take outside comments and requests into account when improving services, etc., we have set up a customer feedback system in our stores and online.

Community Investment

Detailed Results, Achievements, and Benefits Related to Community Investments

AEON happy yellow receipt campaign

AEON has been engaged in this campaign since 2001. In fiscal 2020, the total amount donated through AEON MALL facilities nationwide amounted to ¥22,255,091.

AEON 1% CLUB

To reinvest profits received from customers back into society, the major AEON Group companies donate 1% of pre-tax profits to the club, which engages in activities centered on three main themes: Sound Development of the Next Generation, Promotion of Friendship with Foreign Countries, and Sustainable Development of Regional Communities.

Human Rights and Local Communities

Other AEON group initiatives

●AEON Welfare Fund

Through the AEON Welfare Fund, labor and management set aside ¥100 per employee on a monthly basis to fund employee volunteer activities for people with disabilities, welfare vehicles for use in special facilities for disabled persons, etc.

●AEON Cheers Club

The AEON Cheers Club supports children's environmental activities, helping kids learn rules and etiquette through group activities, while sparking interest and curiosity in the environment, as well as the ability to think independently.

●Clean & green activities

On the 11th of each month, AEON employees volunteer to clean the areas around AEON offices and facilities.

■ FY2020 fundraising activity results (AEON MALLs throughout Japan)

As part of the AEON group's social contribution activities, we receive a lot of support every year from customers for our fundraising activities held at our malls.

● Myanmar School Construction Support Fundraising Apr. 1 - Apr. 28, 2020	JPY 1,370,327
● COVID-19 Children's Aid Fund Emergency Relief Fundraising Apr. 28 - May 24, 2020	JPY 451,440
● Kyushu Rainstorm Disaster Emergency Aid Fundraising Jul. 6 - Aug. 2, 2020	JPY 1,766,825
● 24 HOUR TELEVISION Charity Fundraising Jul. 10 - Aug. 30, 2020	JPY 18,442,969
● AEON UNICEF Safe Water Campaign Fundraising Oct. 1 - Oct. 31, 2020	JPY 3,068,746
● Asian Disabled Person Support Fundraising Nov. 1 - Nov. 30, 2020	JPY 3,418,392
● Fundraising for Supporting Health Care Workers for COVID-19 *Only in the Kinki region of Japan Dec. 14, 2020 - Feb. 28, 2021	JPY 2,799,710
● National Children's Cafeteria Support Fundraising Dec. 15, 2020 - Jan. 17, 2021	JPY 6,955,092
● Disabled Person Manufacturing Support Fundraising Feb. 6 - Mar. 7, 2021	JPY 3,760,700
	Total JPY 42,034,201

Rights of indigenous persons

Violations of rights of indigenous persons

No instances of violations were recorded for FY2020.

Health and Safety

Policies

Health and safety policies and commitments

Signing of the global framework agreement

AEON Co., Ltd., UNI Global Union, UA Zensen, and the AEON Group Labor Union signed the Global Framework Agreement in November 2014. The purpose of this agreement is for companies and labor unions to recognize each other as partners, sharing awareness of respect for rights, such as basic human rights in the workplace, defining responses to impact on the global environment, and striving to translate these agreements into specific action. This is only the third instance of such an agreement in Japan. The details of the agreement include respect for the eight core ILO (International Labor Organization) treaties that cover the minimum age of employment, as well as treaties on occupational safety, health, and work environments. AEON will pursue labor rights, human rights, and environmental initiatives with the cooperation of the other three signatories, both in Japan and internationally.

Working with our customers to build safe and secure lifestyles for local communities

On June 30, 2020, AEON established the AEON COVID-19 Protocol for Infectious Disease Control, which provides standards for pandemic prevention measures to prevent the spread of COVID-19.

With this protocol, AEON aims to make pandemic prevention measures a part of everyday life through permanent, rather than temporary, pandemic prevention measures. AEON also aims to protect the health and livelihoods of customers and employees, working together with our customers to help local communities live safe and secure lifestyles.

To prevent the spread of the virus, which began spreading in January, AEON has worked in cooperation with customers to adopt pandemic prevention measures based on the latest knowledge of the virus and scientifically based advice from experts.

Under the protocol, AEON has incorporated the prevention measures adopted to date as clear standards. AEON has also employed the supervision of three pandemic prevention experts to educate employees and inform customers on a continual basis. First, the protocol defines the AEON Pandemic Prevention Pledge. Next, the protocol addresses the ways in which AEON is handling various issues:

The AEON pandemic prevention pledge

- AEON will implement pandemic prevention measures adopting expert evidence-based advice and up-to-date knowledge.
- AEON will implement pandemic prevention measures in unison with all employees.
- AEON will work with customers to build a pandemic prevention system.
- AEON will invest in measures to reduce customer contact points by utilizing digital technology and invest in modifying facilities to ensure social distancing.

In addressing (1) the risk of infection from employees and (2) the risk of droplet infection and contact infection in our facilities, AEON will adopt standards for preventative measures and ask customers to kindly cooperate with us in regard to these measures.

* AEON has prepared protocol information in English and Chinese to educate employees and inform customers in every country AEON operates.

In the future, AEON will continue to incorporate the new normal as part of everyday lifestyles through the actions of our employees and the cooperation of our customers. More than ever before, AEON must do its utmost to ensure the safety of local communities and inspire confidence.

Health and Safety

Board Member Roles

Health and safety supervision by the board

We established the Compliance Committee, chaired by the general manager of the Administration Division, to confirm the status of compliance with laws, regulations, the articles of incorporation. In this way, the committee identifies issues and deliberates improvement measures. The proceedings of the Compliance Committee are reported to the Executive Council, and matters deemed important are reported to the board of directors.

Employee health is the foundation of our corporate activities. We believe healthy employees allow us to provide services that offer health and mental well-being to the customers in our communities. Therefore, we engage in employee health management as a group.

Each department holds a monthly meeting to address and improve the work environment. We strive as an entire organization to improve our daily work styles.

Monitoring and management of health and safety performance

To curtail long working hours, in particular, AEON MALL monitors progress in accordance with numerical targets.

Health Management (Local Residents / Employees)

Efforts to improve the health of local residents and employees

Dementia supporter training courses

In February 2020, in cooperation with Shimotsuma City and related organizations, AEON MALL Shimotsuma (Ibaraki Prefecture) held a dementia supporter training course for customers. In addition to teaching accurate information about dementia and points to consider when communicating with dementia sufferers, this course also featured exercises for brain stimulation and activation. Together with these courses conducted at various malls, AEON MALL will also hold courses tailored to our specialty store tenants and company employees, teaching about how to treat customers with dementia. In addition, the AEON MALL app offers a fun health promotion function where users can check the number of steps they have taken in a day, both inside and outside our malls. Users can also compare their figures to national weekly step rankings.

AEON MALL walking

To support the healthy lifestyles of our customers, we offer AEON MALL Walking at nearly all malls in Japan. These malls feature a walking course in which customers can enjoy shopping and physical exercise regardless of the season, weather, or time.

Supporting the Japan sports agency health promotion project

We have been cooperating with the Ministry of Health, Labor and Welfare and the Japan Sports Agency in their efforts to promote health. In 2019, we began supporting the Japan Sports Agency's Sport in Life project. Between July and August, we sponsored Mall de Sports events at about 150 malls. In this event, we allow shoppers a sports experience using the cool and comfortable mall environment.

Health and Safety

Promoting an awareness of health through a spatial design program based on proactive measures

Step Walking

By walking on this design, people can compare their own stride with the appropriate stride for each age group and height.



Climb Walking

Encourage the use of stairs to increase physical activity. Malls play children's songs in stairwells, which are decorated with fun, colorful art.



Balance Walking

To encourage people to review their walking postures, malls feature hallways in which customers can measure their speed, balance, posture, etc. to understand their walking age and receive feedback.



Initiatives with our Occupational Health and Safety Committee and labor union

As a mechanism for dialogue between representatives of our employees and of the Company, we hold labor-management meetings 4 times a year (names/information TBC by HR), and work in a collaborative way between labor and management to implement an appropriate working environment and working conditions. Management and labor also exchange opinions and coordinate based on the common understanding that the health and safety of our employees is an important issue.

Occupational safety and health

Number of Employees Who Have Received Training on Health and Safety Standards

	Unit	Scope*1	FY2018	FY2019	FY2020
Number of employees who have received training on occupational safety and health*2	Persons	②	3,688	4,003	3,022

*1 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)

*2 Health Supervisors (Stipulated in Japan's Industrial Safety and Health Law) Emergency first-aid training. Evacuation drills (fires and earthquakes, etc.). Mental health care.

Lost Time Injury (LTI) Rates

	Unit	Scope*1	FY2018	FY2019	FY2020
Number of occupational accidents (excluding commuting accidents)	Numbers	②	41	30	18
Number of deaths due to occupational accidents*2	Numbers	②	0	0	0
Number of lost time accidents*3	Numbers	②	6	2	1

*1 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)

*2 Number of occupational accidents (excluding commuting accidents) resulting in death

*3 Number of occupational accidents (excluding commuting accidents) in which employees were unable to work the following day due to medical treatment for injury or illness

Labor Standards

Policies

Non-Discrimination Policy

This policy is included in the AEON Human Rights Policy. (See p. 40)

Policy on Ensuring Appropriate Working Hours

In addition to complying with laws and regulations related to working hours and occupational health and safety, we strive to create working environments in which each employee can work enthusiastically and without health or safety concerns. Furthermore, all departments hold meetings to improve their respective workplace environments, which has led to prevention of mental health issues among workers. Measures here include improving the physical layout of the workplace and managing work hours, work methods, organization, and communications.

Policy on Minimum Wage and Living Wage

We comply with the labor laws and regulations of each country. We comply with the minimum wage regulations of each country.

Policy in support of community initiatives

This policy is included in the AEON Human Rights Policy. (See p. 40)

Measures for responding to and preventing labor problems

Labor problem risk assessment

We perform appropriate due diligence when acquiring new stock.

Minimum period of notice concerning business-related changes relevant to labor-management relations

We comply with the minimum period of notice as agreed by labor and management.

Response to Harassment

Establishing regulations and conducting training

AEON MALL emphasizes compliance and respect for the AEON Code of Conduct, fostering improving relations with local communities and meeting our social responsibilities. We have established a Compliance Committee, which is chaired by the HQ general manager of administration. The role of this committee is to ensure group compliance with laws, regulations, our corporate charter, and internal rules. The committee is also responsible for identifying problems and advancing discussions to resolve said problems. Committee proceedings are reported to the Management Council, and matters of note are elevated to the board of directors. Additionally, we have set up the Helpline AEON MALL Hotline as an internal reporting contact point to protect whistleblowers. Our subsidiaries have helplines that mirror the AEON MALL system. When a helpline receives a report, the department in charge investigates, and if unacceptable behavior is proven, we take disciplinary action according to internal rules. We (or the department in question) also draft measures to prevent recurrence, which are then shared for company-wide implementation. The Compliance Committee also receives a report of the measures. The internal audit division determines whether the company and subsidiaries are managed appropriately. The division conducts audits based on Internal Audit Rules, presenting the results to the CEO and full-time members of the Audit and Supervisory Board according to the Internal Audit Rules.

Labor Standards

Helpline for specialty store tenants (china)

In the case of harassment or other unfair treatment, tenants and external vendors may use our system to report incidents to the compliance division directly via email or phone. We check the facts behind any report carefully, exercising caution to handle confidential information appropriately, and then taking corrective measures.

We protect the confidentiality of whistleblowers under this system, which ensures employees can use the system with confidence.

Corporate initiatives on labor problems

We have put systems in place to allow only registered employees access to our buildings (or to the premises in the case of buildings under construction). We prevent workers from entering if there appears to be a potential violation of the law, such as child labor or forced labor.

Ongoing review of compliance system

The Compliance Committee, as a subordinate body of the Management Council, stays abreast of how compliance is instilled in the organization, exchanges information, and continuously reviews the compliance system (improves the PDCA cycle).

FY2019 compliance initiatives report

Committee purpose

The Compliance Committee focuses on human ethics and aims to establish standards and systems to prevent violations of laws, ordinances, and internal rules. The committee also strives to foster a corporate culture in which all employees understand the corporate philosophy at a higher level and act accordingly.

Establish the committee as an organization under the Management Council. Representatives of different departments come together for discussions that help us monitor the status of awareness related to compliance. We have also established a training program, exchange information, and improve our management system on a continual basis (improvement by PDCA cycle). We also use the PDCA cycle to manage risks listed in our Risk Management Rules related specifically to compliance. Supervisory departments use risk management sheets for this task.

Summary

(1) Key FY2020 initiatives

We shared reports on violations of and basic knowledge about human rights and the AEON Code of Conduct. In addition, we have been working to manage the committee with a particular focus on discussions to prevent recurrence. In order to more concretely examine measures to prevent recurrence, the following three incidents and their response status were shared, and we discussed the context of each violation and future preventive measures.

1. Confirmation of compliance status (AEON Code of Conduct 110 and disciplinary cases in Japan and overseas)
2. Progress management of compliance risks (prevention of harassment and unclear working hours)
3. Education and awareness raising activities from the perspectives of human rights, prevention of harassment, and legal compliance

Labor Standards

(2) Findings and problems

In order to eradicate harassment, we carry out training and awareness-raising programs founded in the continued penetration and establishment of corporate ethics in accordance with the AEON Code of Conduct. However, according to the results of our morale survey in fiscal 2020, 27% of respondents answered that they had either witnessed or heard about power harassment in the past year, exceeding the previous year's level of 26%. This shows that we must ascertain and implement more concrete measures against harassment. Furthermore, in light of the above, we will establish KPIs in fiscal 2021 for verifying effectiveness and thereby improving the granularity of the PDCA cycle so that it can lead to behavioral changes, linking this to actionable discussions.

Workers Performing Tasks with High Incidence Illness or Risk

We provide additional medical exams and healthcare for employees who are required to work after 10 p.m., managing the health of employees required to work late-night hours.

Awareness of corporate policy on labor standards

In keeping with the AEON Code of Conduct, we conduct continued and repeated training and awareness campaigns related to attendance management, human rights, harassment prevention, and compliance with laws and ordinances. Our FY2019 training focused on abuse of power and unpaid overtime as key themes. We discussed relevant cases that had occurred within the AEON MALL organization. We also implemented initiatives that emphasized prevention of recurrence and worked to promote an understanding of our help desk.

The AEON Code of Conduct, which includes respect for international labor standards, has been translated into various languages, and we provide training in the code of conduct for all employees.

Diversity and Equal Opportunity

Actions to increase labor force diversity and equal opportunity and reduce discrimination

The AEON Store Association, consisting of tenant stores in the AEON Group's commercial facilities, established a Diversity Promotion Group in June 2016. The purpose of the subcommittee is to make AEON Group commercial facilities a comfortable place for association member store staff to work and continue working through different life stages. Ten persons are selected to serve on the subcommittee, with roughly half appointed by specialty store tenants and half by related apartments within AEON MALL. Currently, seven of the members are women, including two directors from specialty store tenants and one outside director from AEON MALL. The subcommittee coordinates with the AEON MALL diversity promotion group to put various ideas into practice.

In the interest of achieving diversity, we define diversity of employees and work styles as materialities. We set a KGI to help create societies in which all people are given equal opportunities regardless of race, nationality, age, gender, or location.

- All employees attend annual human rights training. We also provide all employees with a handbook that lists both internal and external help desks.
- We distribute a guidebook to raise awareness of human rights to all employees.

Labor Standards

AEON MALL action plan

AEON MALL has established the following action plan designed to realize a workplace environment where all employees with their unique backgrounds can continue playing a lively working role, regardless of gender or nationality.

1. Period covered by plan

Two years, from April 1, 2020 to March 31, 2022

2. Previous AEON MALL initiatives

AEON MALL started promoting diversity as long ago as FY2005. As such, we have been designing programs to help employees balance their jobs with child-rearing and nursing care. We are also working to set up onsite childcare centers, known as AEON Yume-Mirai Nursery Schools, at all shopping malls in Japan as another way to allow balance. Among other initiatives, since FY2019 we have adopted the *Ikuboss* Financial Assistance Program to encourage male employees to take childcare leave. We work constantly to implement programs such as these to provide work-life balance and comfortable working environments that benefit employees and their families.

3. Targets, initiative details

Target 1: Increase employee paid leave usage rate by 13% over FY2018. (Usage rate in FY2018: 45.3% for employees with unlimited-term contracts and 57.9% for those with limited-term contracts)

Initiatives	<ul style="list-style-type: none"> ●We encourage employees to take paid leave (for example, our Kirakira Vacation System) for more personal time to refresh. Paid leave helps raise productivity and protect employee mental health. ●We are working to increase the percentage of male employees taking childcare leave.
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Target 2: Raise the number of women in management positions to at least 180. (Target for end of FY2021 under Act on Advancement of Measures to Support Raising Next-Generation Children: 173)

Initiatives	<ul style="list-style-type: none"> ●We establish and operate nursery facilities within AEON MALL facilities to provide on-site childcare. We also facilitate return to work after maternity/childcare leave, helping employees balance work and child-rearing duties. ●We are increasing the number of women candidates for management positions and provide motivation and support to these women. ●We strive to raise the number of persons taking and passing the <i>Ikuboss</i> exam. we also strive to transform the awareness of employees in management positions. In this way and others, we are establishing an environment that encourages young employees to aim for management positions.
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Target 3: Decrease total actual working hours for employees (Ranks A and D) (2,043 hours as of the end of FY2018)

Initiatives	<ul style="list-style-type: none"> ●We will improve and systematize operations to shorten working hours and raise productivity. ●Employees use work check lists to measure their own proficiency and strive to improve individual capabilities under appropriate instruction to raise work efficiency. ●We provide opportunities to discuss work-style reform during committee meetings and workplace environment improvement meetings. ●We strive to shorten travel times and diversify work styles through telecommuting and teleconferencing systems.
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Response to Act on Promotion of Women's Participation and Advancement in the Workplace

AEON MALL discloses relevant information to the MHLW website in keeping with the Act on Promotion of Women's Participation and Advancement in the Workplace. We have also received the following certifications in recognition of our initiatives.

- Kurumin* award mark as a business supporting childrearing (Act on Advancement of Measures to Support Raising Next-Generation Children)
- Eruboshi* (L-Star) certification based on the Act on Promotion of Women's Participation and Advancement in the Workplace
- Nadeshiko Brand* 2021 (Fifth Consecutive Year)



Labor Standards

Governance institutions and employee diversity

We disclose relevant employee data.

We recruit highly specialized human resources, including personnel from overseas.

Prevention principles or approach to prevention

We train all employees in the AEON Code of Conduct and human rights.

In addition, we implement the following initiatives in China.

Compliance training

We provide compliance training for approximately 800 AEON MALL employees working in China and the ASEAN region. We conduct both management trainings and general employee trainings, which are conducted at one mall or business unit at a time once every year. We share basic knowledge and case studies of actual cases of fraud based on laws, regulations, and internal rules.

Compliance education for new employees

We provide thorough employee training for new hires in the earliest stages of their employment to instill compliance awareness.

Employees

Actual

Voluntary separation rate for full-time employees

	Unit	Scope**	FY2018	FY2019	FY2020
Annual turnover for full-time employees	Persons	②	271	326	314
Number of employees above released by the company	Persons	②	14	14	28
Number of employees above separating due to personal reasons	Persons	②	242	285	263
Number of employees above retiring	Persons	②	15	26	24
Total number of AEON Mall employees (total of headquarters and mall offices)	Persons	②	3,070	3,296	3,708
Number of non-regular employees above (contract employees and temporary employees)	Persons	②	1,367	1,311	1,406

* Does not include business consignment

*1 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)

Percentage of Employees With Disabilities

	Unit	Scope**	FY2018	FY2019	FY2020
Percentage of Employees With Disabilities (%)	%	①	1.90	1.86	2.32

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② Consolidated. (Includes overseas and subsidiaries)

Percentage of Female Employees (Global)

	Unit	Scope**	FY2018	FY2019	FY2020
Percentage of Female Employees (%)	Persons	②	34.1	36.8	45.6

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② Consolidated. (Includes overseas and subsidiaries)

Percentage of employees receiving regular performance reviews and career development guidance

	Unit	Scope**	FY2020
Annual number of employee interviews	Times	②	3.6 *Average
Ratio of eligible employees (full-time)	%	②	99 *Average

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② Consolidated. (Includes overseas and subsidiaries)

Employees

Systems/Training

Compensation provided to regular employees, but not to non-regular employees

Compensation is provided equally.

Childcare leave

Kirakira vacation system

AEON MALL regular employees and flextime employees (part-time workers) receive up to two days per year for birthdays, anniversaries, trips to ancestral homes, family care, childcare, school or community events, etc., through the Kirakira vacation system adopted to encourage people to value the time they spend with their families.

In 2020, the rate at which people took eligible childcare leave was 100% for women and 53% for men.

Time devoted to employee skills development training

	Unit	Scope**	Boundary	FY2018	FY2019	FY2020
Employee training: Total annual training hours*2	H	②	Entire structure	8,840	8,634	8,375
Employee training: Total annual training cost*3	Million yen	②	Entire structure	303	324	80
Total number of trainees*4	Persons	②	Entire structure	4,247	4,411	4,126

*1 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)

*2 Total lecture training hours for mall office staff and head office staff. Training for specialty store employees is not included.

*3 Total of venue fees, lecturer fees, student transportation fees, etc.

*4 Total number of participants in training for mall office staff and head office staff. Training for specialty store employees is not included.

Morale survey

The AEON Group conducts a morale survey once a year to improve employee satisfaction. Our satisfaction results for fiscal 2020 were somewhat higher than those for fiscal 2019.

The surveys are categorized into executive employee surveys, general employee surveys, and hourly wage employee surveys. We check our progress in improving employee satisfaction for 24 items, including acceptance of company philosophy, satisfaction with compensation, and interest in work duties.

Overall, the satisfaction level was higher than the average of the AEON Group, and we will continue to work on each of our issues to increase the satisfaction level further.

Employees

Personal Development Training for Employees

We provide many opportunities for employees to learn through various training programs based on their qualifications, positions, and other levels of growth. AEON MALL provides education and training programs across a wide range of topics. We design training to share and instill values toward the ideal that *the Customer Comes First*, part of the AEON Basic Principles. We also offer practical training according to years of service and position to improve employee knowledge and skills required of a commercial developer. The AEON Business School is a program for employees desiring other knowledge and skills for their future careers. We also pursue a variety of certification support systems (self-study) to help employees develop personally.

Practical business education at malls

In response to the increase in younger employees, we have been expanding practical training since fiscal 2017 in collaboration with our sales division, business department, and education department. In addition, our mall reform department plays a central role in creating a skills acquisition checklist and using the list as a tool to confirm the knowledge and skills required for work duties. We are also furthering the development of an environment in which each employee learns important company knowledge independently through a collection of materials for the internal database.

Recommended certifications

Since fiscal 2018, we have adopted a system that incorporates the holding of recommended certifications in promotion exams.

Overseas trainee system

In our pursuit of global business, as well as to quickly foster human resources that will lead our global businesses, we have implemented a short-term system that very nearly replicates the experience of working long-term at an overseas location.

Supply Chain (society)

Supplier Policy

AEON promises 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.

Child labor prevention

We do not employ, nor do we support the employment of, children under age 15 or under the lowest age permitted for employment by national legislation, whichever is higher. We give priority to school attendance for persons under the age of 18 who are permitted to be employed by law, but are still subject to the Compulsory Education Law. We require such persons not be exposed to situations that are dangerous or harmful to their physical or mental development.

Prevention of forced labor

We require that employers never force or support the employment or labor of an employee against their will through assault, intimidation, confinement, or other means of restricting the mental or physical freedom of employee.

Equal opportunity employment and prohibition of discrimination

We require that employers do not discriminate against employees by basing employment, wages, promotion, training, turnover, retirement, etc. on the grounds of race, nationality, ethnicity, gender, age, place of origin, religion, academic background, physical and mental disabilities, sexual orientation, gender identity, etc., that employers do not support such discrimination, and that any employment decisions are made based solely on the ability to perform necessary duties.

Policy to reduce excessive work hours

We require employers to eliminate excessive labor from the perspective of legal compliance.

Policy to Support the Right to Earn Minimum and Living Wages

We require employers to prevent low-wage work (work below the minimum wage).

Health and safety standards

We require that employees comply with laws and regulations regarding minimum and living wages.

Supply Chain (society)

Risk Assessment/Supervision

We assess disability compliance in all of our buildings and structures.

In accordance with the Barrier-Free Act, we have implemented greater levels of universal design in all facilities. At AEON MALL Kumamoto (Kumamoto Prefecture) and AEON Lake Town (Saitama Prefecture) locations, where we first launched our universal design efforts, our construction incorporated input from groups for disabled persons; when these were finished, we also verified their usability.

Based on the results of the verification, we issued universal design guidelines with expert guidance, which are to be reflected in the construction of new malls and which will enable all malls to assess and implement universal design.

Dealing With and Preventing Supplier Problems

Strengthening the capabilities of suppliers (capacity-building)

In addition to employee training for specialty store tenants, we sponsor a customer service role-playing contests and VP contests to improve the skills of our suppliers.

AEON Store Association Customer Service Role-Playing Contest

With the goal of building a stronger awareness of customer service, we hold a customer service role-playing contest in which tenant employees compete with each other on the skills they have worked to develop on a daily basis. In addition to proposing attractive facility environments and products to our customers, we also aim to further improve service mindsets by having each employee consider the importance of providing smiles, greetings, and comfort. This year's competition was the fifth, held in Cambodia with participation from approximately 200 tenant employees at two AEON Mall locations.

VP contest

Visual presentation (VP) consists of the coordination and display of products according to factors such as customer traffic, unit purchase prices, the strengths of one's own store, and other issues, displaying products in the most appealing way to customers. In VP contests, more than 5,500 AEON Store Association member applicants from around Japan come together to share their examples of visually appealing displays.

Bullying and harassment

We have established internal and external contact points for persons to report incidents of bullying or harassment report. These contacts are available to AEON MALL, as well as the employees of our business partners. The Whistleblower Protection Act stipulates rules and mechanisms for confidentiality, protection of whistleblowers, investigations, and corrective actions.

Real Estate

Access to Public Transportation

We design and develop facilities in consideration of access to public transportation such as railroads and buses. If necessary, we request transit bus lines stops or provide our own shuttle buses. In addition, the number of people using public transportation to reach our stores is an ISO target included in our key performance indicators.