



Environment (Efforts for improving environment)

We are promoting the development of towns that harmonize well with the local environment through the utilization of natural energy and the introduction of the latest technologies for reducing environmental loads.



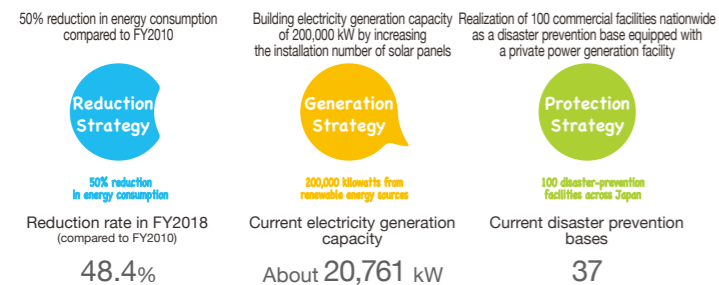
Solar walls [AEON MALL Zama]

Promoting "AEON Decarbonation Vision 2050"

In March 2018, we announced "AEON Decarbonation Vision 2050" as a new challenge of the AEON group. We will strive to realize a "carbon-free society" towards 2050 through various activities such as the utilization of renewable energy and the promotion of energy conservation. Now there are 11 stores of "Smart AEON", a model environmentally friendly type store on which we have been working, in the AEON group (out of which 10 stores are managed by AEON MALL). We are also working on the development of more advanced "Next-generation Smart AEON" from the decarbonation perspective, and AEON MALL Zama (Kanagawa Prefecture) reduced CO₂ emissions by 30% compared to AEON's standard stores.

Promoting "AEON eco Project"

Having set specific quantitative goals for our global environment and living environments under the "AEON eco Project" on which the AEON group is working, we are striving to achieve the goals by 2020. <FY2018 actual results at shopping malls owned and managed by AEON MALL>



Energy conservation / natural energy utilization

Adoption of LED lighting

We have achieved almost 100% adoption rate in common areas of our shopping malls all over Japan. As we are calling on the specialty stores to adopt LED lighting when a new mall opens or the store is renovated, switching to LED lighting is in progress at the specialty stores.



Solar power generation

Earlier than other commercial facilities, we have been generating electricity while utilizing natural energy by installing solar power generation systems in phases, and some malls adopt a system capable of utilizing electricity even during a power failure.



Participation in the equipment subsidy project of the Joint Crediting Mechanism

We are a member of the Joint Crediting Mechanism (JCM) whereby we contribute to the reduction of greenhouse gas emissions in cooperation with other countries and share the results through the dissemination of excellent low-carbon technologies. At AEON MALL Sen Sok City (Cambodia) which opened in May 2018, a solar power generation facility is installed on the rooftop. It has been adopted as FY2016 JCM equipment subsidy project of Ministry of the Environment, Japan.



Social (Efforts for improving society)

To achieve real contribution that people are seeking, we will deepen our interactions with local communities and various organizations, share the problems, and try to solve them.



Clean & Green Activities [Vietnam]

AEON Happy Yellow Receipt Campaign

Yellow receipts are issued at the time of payment on the 11th of each month. If receipts are put in a special box with local welfare organization names on it, we donate items equivalent to 1% of the total revenue shown on the receipts to organization. AEON MALL's total amount of the donation in FY2018 was 38,277,327 yen.

Cooperation in an exchange event for children with disabilities and parents

AEON MALL KIDSDREAM, LLC, 100% subsidiary of AEON MALL, that manages the work experience theme park "Kandu" at AEON MALL Makuhari New City (Chiba Prefecture) carried out "On-site Kandu" in the event held by the developmental disability portal site LITALICO Development Navigation in March 2019. Many children with disabilities enjoyed work experiences.



Clean & Green Activities

On the 11th of each month designated as "AEON Day", we clean sidewalks, parks, tree-planting zones and other areas around our malls with the cooperation of employees of the specialty stores.



Cooperation in blood-donation activities

AEON MALL has been promoting blood donation activities and received cooperation from approximately 183,408 people throughout the nation in FY2018. In December 2018, student blood donation promotion volunteers of the Japanese Red Cross Society called for blood donation at our 40 shopping malls and encouraged each age group especially young people to gain an understanding of blood donation and donate their blood.



FY2018 fund-raising activity results (AEON MALLS throughout Japan)

■ Tohoku disabled person manufacturing support fund-raising	Feb. 10 – Mar. 11, 2018	JPY 2,847,686
■ Myanmar school construction support fund-raising	Apr. 1 – May 27, 2018	JPY 4,547,240
■ AEON UNICEF safe water campaign fund-raising	Oct. 1 – Nov. 11, 2018	JPY 3,114,663
■ Asian disabled person support fund-raising	Nov. 15 – Dec. 16, 2018	JPY 3,100,405
■ 24-hour TV program charity fund-raising	Jun. 8 – Sep. 2, 2018	JPY 16,940,680
■ West Japan heavy rain disaster emergency support fund-raising	Jul. 9 – Jul. 31, 2018	JPY 22,261,835
■ West Japan heavy rain disaster emergency support fund-raising (second)	Aug. 1 – Aug. 31, 2018	JPY 16,373,698
■ 2018 Typhoon No. 21 / 2018 Hokkaido Eastern Iburi Earthquake emergency support fund-raising	Sep. 7 – Sep. 24, 2018	JPY 8,176,516
■ 2018 Sulawesi (Indonesia) earthquake and tsunami damage emergency support fund-raising	Oct. 10 – Oct. 21, 2018	JPY 257,397
		Total JPY 77,620,120



Governance (Efforts for improving governance)

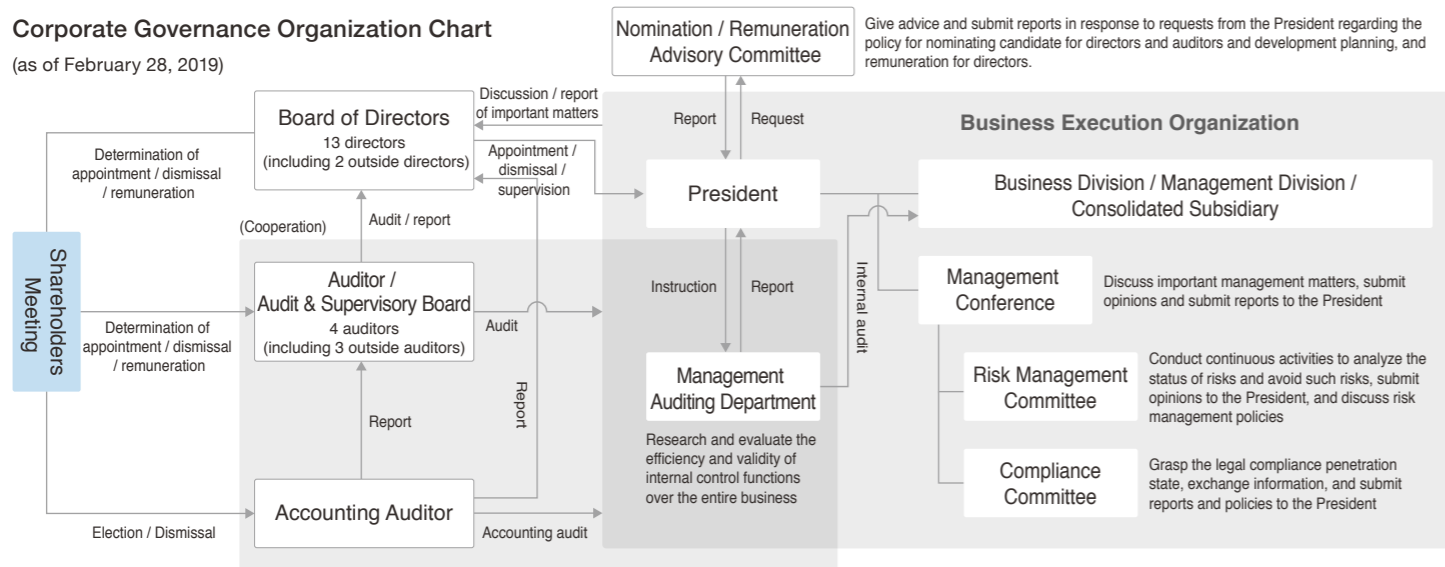
We are striving to become commercial facilities that are rooted in local communities and always loved by customers. AEON MALL regards corporate governance as one of the most important matters in corporate management

Management Structure

AEON MALL has adopted the Audit & Supervisory Board system. While working on maintaining and improving management efficiency by composing the Board of Directors with directors who are well versed in our business, we are maintaining and enhancing sound management by enhancing auditing functions.

Corporate Governance Organization Chart

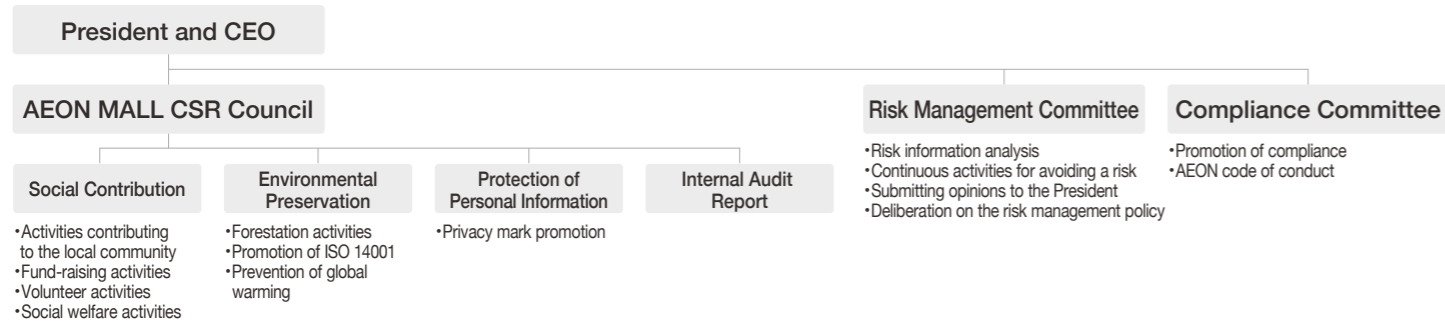
(as of February 28, 2019)



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

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

CSR Implementation Framework Diagram



Internal Control System (part of important matters)

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

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

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



Certification and Evaluation by an External Organization

We have made advanced efforts from both tangible and intangible ways for the "creation of a shopping mall designed for people and with the environment in mind". This fiscal year we have received high evaluations again from certification organizations inside and outside of Japan.

External ratings

Earned the rating of "Green Star" from GRESB Survey

Global Real Estate Sustainability Benchmark (GRESB) is an international benchmark for measuring environmental, social and governance considerations for real assets including the real estate portfolio and infrastructure. AEON MALL earned the rating of "Green Star" as a result of our activities concerning environmental consideration and sustainability which were highly evaluated for excellence in both "Management and Policy" and "Implementation and Measurement". We obtained 80 points (the average among participating companies being 68 points). We also received the highest evaluation "A" in the "GRESB disclosure evaluation (ESG information disclosure level)" which is rated based on the disclosed information.



Acquired Score B from CDP

CDP is an international environment evaluation NGO that investigates climate change measures and promotes the disclosure of corporate environmental information. Due to our efforts in climate change and information disclosure thereof, we were given the third highest grade "Score B" on an eight-grade evaluation by CDP.



Selected as a stock price index constituent for ESG investment

The criteria to judge corporate value for "ESG investment" purposes is made based not only on financial information but also on the efforts for solving environmental, social, and governance issues (non-financial information). As this investment method rapidly expands, AEON MALL has been selected as a composite of various indexes calculated after the selection of companies with a high ESG evaluation by the institution providing investment information for institutional investors.

- MSCI Japan ESG Select Leaders Index
- MSCI Japan Empowering Women Index
- SNAM Sustainability Index (selected 7 years in a row)
- Nadeshiko Brand 2019 (selected 3 years in a row)



Acquired certifications

Three malls acquired "DBJ Green Building Certification"

In January 2019, AEON MALL Kurashiki (Okayama Prefecture), AEON MALL Morioka (Iwate Prefecture) and AEON MALL Nogata (Fukuoka Prefecture) acquired the "DBJ Green Building Certification". AEON MALL Kurashiki earned the five-star rating, the highest level among five levels, and AEON MALL Morioka and AEON MALL Nogata acquired the four-star rating. As a result, 9 facilities have acquired this certification. The Development Bank of Japan, Inc. (DBJ) performs certification based on a comprehensive evaluation system including consideration for social requirements from various stakeholders that surround the property in addition to the environmental performance of the target property.



Expanding ABINC certified malls

THE OUTLETS HIROSHIMA (Hiroshima Prefecture) and AEON MALL Zama (Kanagawa Prefecture) acquired the "ABINC" certificate in March 2019. This certification is a system in which efforts in the creation of biodiversity-friendly green areas are objectively evaluated and certified by the Association for Business Innovation in Harmony with Nature and the Community based on the "Guideline for Offices Promoting Symbiosis with Life Forms" created and registered by Japan Business Initiatives for Biodiversity (JBIB). AEON MALL's 9 facilities have now acquired the certification.

