

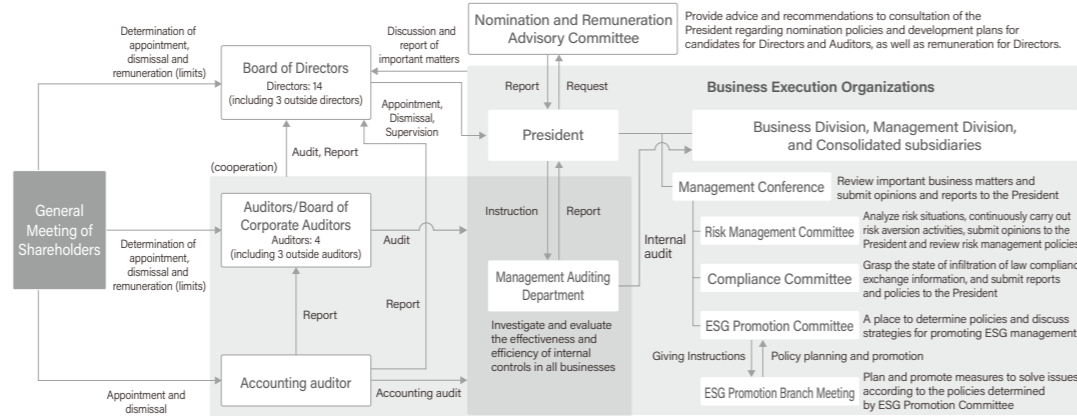
We will strengthen the internal governance system of the Company and ensure that every employee takes on a social role and pursue more fulfilling ways of living for the future.

Build a sound business management system

Management Structure

As the consulting body of the President, we have set up the Management Meeting to strengthen the functions of management strategies and make the decision-making process more efficient. In addition, we also aim at strengthening the functions of management supervision through holding meetings of the Board of Directors, chaired by the President, at least once a month.

Corporate Governance Organization Chart (as of the end of April 2021)



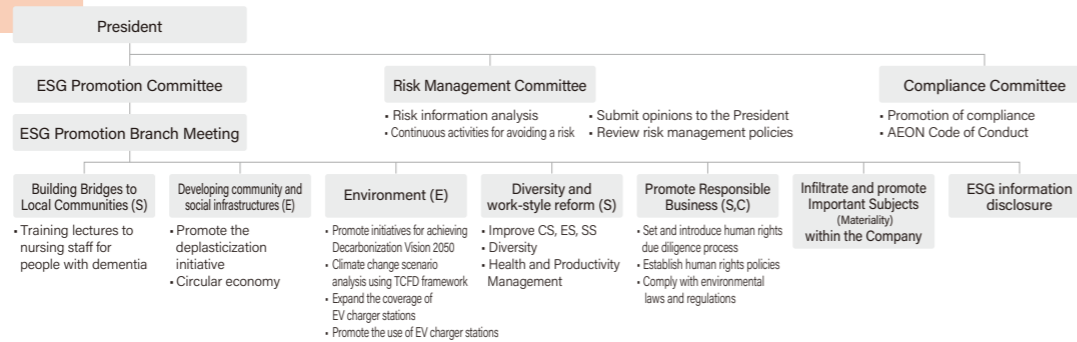
Board of Directors

In order to strengthen the functions of management supervision, the President shall be the chairman of the meeting, and the meeting shall be held at least once a month. Auditors also attend. (Three directors and two auditors are independent directors)

Audit & Supervisory Board

In order to improve the effectiveness and efficiency of auditing, the accounting auditors and the Management Auditing Department which is the internal auditing department will exchange information and opinions with each other every time.

ESG Promotion System Chart



Internal control system (some of the main items)



Information storage and management

Documents such as approvals, meeting minutes are stored and managed in a suitable, reliable and highly retrievable state that suits their storage media, and are kept in a state that can become available for inspection if necessary. At the same time, the department in charge as specified in the Document Management Rules will prevent leakage to outside of the Company.



Risk Management

Formulate Business Crisis Management Rules (Risk Management Procedures) for the purpose of preventing crises and minimizing losses when crises occur, and strive to reduce risks and losses. In the event of an urgent risk of serious losses, accurate handling shall be made through appropriate information transmission and decision-making in accordance with such rules.



Pointing out and improving problems

Establish Compliance Committee chaired by Executive General Manager, Administration Division. Report the proceedings of the committee to Management Meeting and important matters to the Board of Directors. In addition, set up help hotline and the AEON MALL hotline as internal reporting means that do not adversely affect reporters (the Company's labor union also has a "Union 110" hotline). Upon receipt of a report or notification, the responsible department will carefully review its content. If there is a violation, the department will take necessary measures according to the Company's internal regulations, and then formulate measures to prevent recurrence and report to the Compliance Committee.

Hold SDGs seminars targeted at all employees



In January 2021, we held a seminar targeted at all employees on the theme of "The historical significance of SDGs and the requirements for companies ~ become a company selected by the future through SDGs management ~." We invited the representative director of General Incorporated Association Chubu SDGs Promotion Center, Mr. Shiro Tonari, to deliver a lecture at the AEON Hall of AEON MALL Makuhari New City (Chiba Prefecture) and live-streamed the lecture, which was viewed online by employees in Japan, China, and the ASEAN region. Many employees asked questions during the lecture, and it was a great opportunity for all employees of the Company to further deepen their understanding of the SDGs and to rethink how they can incorporate the SDGs into their own work.

Number of participants

3,492

* Including employees from shopping malls outside of Japan

Use the awareness of SDGs to complete daily work

SDGs should not be dealt with separately from usual business activities. Companies are required to focus on the realization of a sustainable society and carry out their business from the perspective of SDGs. Our Company organized this seminar with the goal of providing various values to customers and local communities amid shopping mall developing and operating businesses and with the purpose of promoting the understanding of SDGs of all Company employees. We hope that AEON MALL appears in the ordinary daily life that customers spend with family and friends, and that AEON MALL is a place allowing customers to spend meaningful time through various experiences such as shopping or dining. This is the ideal form of a shopping mall that we are pursuing. If employees only act in accordance with the manual, we will not be able to achieve this goal smoothly. Because different countries or regions have different requirements for the functions of shopping malls, it is most important that everyone judges what to do according to the situations and then take actions based on the concept of "Customer First." Through this seminar, I expect all employees to acquire knowledge that will become the basis for their thinking, and understand the thoughts behind the ideas and sublimate them into action.



President Yasutsugu Iwamura

Thoroughly execute fair business activities

Measures to strengthen compliance

Create a working environment where everyone can work without worries (China)

We have set up a Compliance Department dedicated to dealing with and preventing misconduct. In addition to annual trainings for the education of employees, we have also created a manual about compliance to promote the infiltration of the rules throughout the Company. We have established the AEON 110 Report, AEON Mall Report Window and Lawyer's Office Report Window as means for employees of our Company or specialty stores to report when they discovered bribery or were subjected to harassments. After receiving the reports, we will quickly investigate and make efforts to solve the problems. In order to find out problems early on, we have put up posters in China's headquarters and shopping malls to encourage employees to actively report and to thoroughly publicize the way of reporting, which not only enlightens employees, but also promotes compliance with relevant laws and regulations. The role of the compliance department is very important in protecting employees' rights and providing them with a secure working environment.



AEON MALL (CHINA) CO., LTD.
Administration and Management
Department Legal Department
Xiaoyu Guo



For fair and sound enterprise operation

In order to meet the needs of about 800 employees, we have separated the compliance department, which is responsible for investigating the content of the report, and the legal affairs department, which requires a higher level of knowledge reserve, in order to improve their professionalism. In order to strengthen employees' awareness of compliance, we have held trainings suited for different positions and shared specific cases and countermeasures, and meanwhile we also interviewed employees so as to find out any improper behaviors or problems that need to be solved early on. In order to improve the value of the enterprise, what's important is that all employees should have the awareness of being the one involved. Our future goal is to realize sound operation of the enterprise through fruitful staff education that makes full use of e-learning and other digital technologies.

AEON MALL (CHINA) CO., LTD.
Director of Administration and Management Department & Director of Shanghai Office
Sho Saito

Promote the establishment of a compliance system (Vietnam)

We have established bribery prevention rules in 2020. We hold two trainings a year to infiltrate relevant rules to every local employee through both English and Vietnamese, and actively respond to their questions to deepen their understanding. Since we are following and taking the bribery rules stipulated in Japan, the current task is to formulate rules that are suited to national and regional cultures and practices. In Vietnam, due to the rapid development of shopping malls, the number of employees has increased significantly, so we want to build a compliance system that adapt to changes within the Company and strengthen organizational capabilities.



AEON MALL Vietnam
General Affairs Department
Human Resource & Management
Section Manager
Nguyễn Thị Minh



AEON MALL Vietnam
Legal Department
General Manager
Nguyễn Mai Sương Thảo

Measures to prevent bribery from multiple angles (Cambodia)

Since 2019, we have been holding a training on bribery every year, and from the subsequent questionnaires to employees, we can also feel that the employees have understood the training content smoothly. We are improving everyone's awareness of compliance in their daily work by requiring all employees to carry a card with their ID card, which clearly states the rules like compliance with laws and regulations and reporting obligations when they discover bribery. When signing contracts with other companies or administrations, we require that clauses related to prevention of bribery must be included and strive to conduct fair business. We are considering specifying items on bribery in the Code of Conduct, so as to thoroughly prevent improper behaviors from happening.



AEON MALL Cambodia
Manager of Legal Section
Ly Bola Nin

AEON Code of Conduct Hotline

Working together to keep the rules.

Contact us immediately if you witness, hear of, or are concerned about involvement in a breach of the laws, a breach of the employment regulations, misconduct, or activities that may lead to such a breach.

AEON Code of Conduct Hotline
<https://aeon-ethics.secure.force.com/>

User ID: AMCAM001
Password: 9999

Legal Attorney Hotline
(hotline for misconduct on part of management above senior general manager)

✉ report_aeonglobal@yglpc.com

* Your identity will be protected and your report will be kept confidential.
* This should not be used as an opportunity for fabrication or personal gain.

The AEON Code of Conduct Commitment

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

Issue Sustainability Bond

In order to solve social issues and achieve environmental protection, we issued the Sustainability Bond. The funds raised by this bond will be used for matters that "help solve social issues (social)" and that "have an effect on improving the environment (environmental). The funds raised by the Company's bond will be used for response to the COVID-19

pandemic, support for reconstruction after the Great East Japan Earthquake, and construction of shopping malls in Japan and abroad to further expand E (environment) S (society) G (governance) initiatives, contributing to the realization of a sustainable society.

Usage of funds raised

Solve social issues

- Response to the COVID-19 pandemic
 - ▶ Introduce body temperature measuring equipment in shopping malls
 - ▶ Provide business continuity support for companies that open specialty stores in shopping malls
 - ▶ Purchase face masks, disinfectants, partitions and other equipment for infection prevention
- Support for reconstruction after Great East Japan Earthquake
 - ▶ Construct AEON MALL Iwakionahama (Fukushima Prefecture)

Effects on improving the environment

Construct shopping malls in Japan and abroad that meet certain environmental standards

- ▶ AEON Fujiidera SC (Osaka Prefecture)
- ▶ AEON MALL Ageo (Saitama Prefecture)
- ▶ AEON MALL Hoang Mai (Vietnam)
- ▶ AEON MALL Mean Chey (Cambodia)

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