

# OUR SUSTAINABILITY APPROACH

At AEON, sustainability is deeply rooted in our corporate philosophy and commitment to creating a better future for our customers, communities, and planet. Our approach is guided by AEON Foundational Ideals of pursuing peace, respecting humanity, and contributing to the local communities, always with customers as our starting point. These have been fundamental in shaping our sustainability framework and initiatives.

In 2022, we established the AEON Sustainability Charter (ASC), a foundational framework designed to translate these principles into actionable goals that drive sustainable practices across our operations.

Building on this foundation, in 2024, we embarked on a comprehensive review of our sustainability strategy and framework, focusing on refining our priorities, setting measurable targets, and aligning our goals with global sustainability standards. This process was driven by our commitment to continuous improvement and our responsibility to address emerging environmental, social, and governance (ESG) challenges.

The outcome of this review is our enhanced AEON Sustainability Charter. This updated framework reflects our renewed focus on meaningful impact, strengthened by clear targets and actionable goals that are integrated into our business strategy.

We are proud to present this new charter and its key elements in this report, which demonstrates our ongoing commitment to driving sustainable progress for a brighter, more resilient future.



## OUR SUSTAINABILITY APPROACH

The agenda was enhanced to align with the global and national ESG agenda and evolving regulatory requirements. The process involved assessing current and future sustainability programmes and initiatives, defining clear targets and goals, and ensuring measurable impact across our operations. The following factors were taken into consideration:

1. Gathering insights from external third party on AEON's ESG profile, risk exposure and enhancing readiness for emerging challenges.
2. Refining core sustainability pillars with time-bound, measurable targets to track progress and demonstrate impact.
3. Engaging key business units to ensure alignment with the sustainability strategy and effective implementation.
4. Benchmarking against industry peers, recognised sustainability frameworks, global ESG ratings, and best practices to maintain alignment with global and national standards.
5. Conducting regular stakeholder engagements, particularly with regulators and key investors, to align with their requirements and expectations.

The ASC was deliberated by AEON Leadership Council (ALC) and Sustainability and Risk Management Committee (SRMC) and was subsequently approved by the Board.

The ASC comprises four core pillars, each aimed at addressing different facets of sustainability:












Through these four pillars, AEON embeds sustainability into our daily operations, demonstrating our commitment to delivering long-term value for stakeholders while actively supporting global and national sustainability goals.

# STAKEHOLDER ENGAGEMENT











As one of Malaysia's leading retailers and mall operators, AEON's operations influence a diverse group of stakeholders. We recognise that stakeholder engagement is a vital aspect of our business, enabling us to gather valuable insights and input to ensure our strategies, sustainability policies, and initiatives align with the interests and needs of those we serve.

Through regular and consistent dialogue — both formal and informal — with our stakeholders, we gain a deeper understanding of their expectations and perspectives. This feedback not only informs our materiality analysis but also highlights areas for improvement, fostering stronger relationships and trust. These efforts underpin our commitment to long-term value creation.

A comprehensive overview of our key stakeholder groups, engagement methods, key discussion topics, and our responses to these matters is presented in the table below.

Stakeholders	Modes of Engagement	Matters Discussed by Stakeholder	Our Response
<b>Customers</b>  	<ul style="list-style-type: none"> <li>• Store and Mall visits</li> <li>• myAEON2go platform</li> <li>• Promotions and marketing campaigns</li> <li>• Website and social media platforms</li> <li>• Customer service counter</li> <li>• AEON Careline touchpoints</li> <li>• Newsletters</li> </ul>	<ul style="list-style-type: none"> <li>• Product pricing, quality and safety</li> <li>• Customer service, engagement, convenience, comfort and satisfaction</li> <li>• Privileges, benefits and added value</li> <li>• Online shopping</li> <li>• Data privacy</li> </ul>	<ul style="list-style-type: none"> <li>• Customer engagement activities</li> <li>• Timely response to customer enquiries</li> <li>• Regular surveys of Net Promoter Score (NPS) and customer satisfaction</li> <li>• Innovative service offering on myAEON2go platform</li> <li>• Reliable customer service</li> <li>• Compliance with Personal Data Protection Act 2010 (PDPA)</li> </ul>
<b>Shareholders and the Investment Community</b>    	<ul style="list-style-type: none"> <li>• Annual General Meeting</li> <li>• Integrated Annual Reports</li> <li>• Results announcements and analyst briefings</li> <li>• Company announcements on Bursa Malaysia</li> <li>• Conferences and non-deal roadshows</li> <li>• Regular meetings and teleconference calls</li> <li>• Corporate website</li> <li>• Store and Mall visits</li> </ul>	<ul style="list-style-type: none"> <li>• Business outlook and strategic direction</li> <li>• Operational efficiencies</li> <li>• Cash utilisation and dividends</li> <li>• Governance and business ethics</li> <li>• Returns to shareholders</li> <li>• Sustainability strategy and initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Regular investor engagements</li> <li>• Timely updates on material business developments, strategy and performance</li> <li>• Engagement with ESG rating agencies</li> </ul>
<b>Employees</b>   	<ul style="list-style-type: none"> <li>• Onboarding programme</li> <li>• Monthly morning assembly</li> <li>• AEON Leadership Council meeting</li> <li>• Head of Division and Department meeting</li> <li>• Learning and development programmes</li> <li>• Surveys</li> <li>• Emails and iAEON app</li> </ul>	<ul style="list-style-type: none"> <li>• Remuneration structure</li> <li>• Employee benefits and welfare</li> <li>• Learning and career development opportunities</li> <li>• Strategic direction and business growth</li> <li>• Conducive working environment</li> <li>• Health and safety procedures at work</li> <li>• Employment equality</li> <li>• Opportunity to contribute towards sustainability initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Career development opportunities</li> <li>• Employee benefits</li> <li>• OSH training and activities</li> <li>• Learning and development programmes</li> <li>• Job rotations</li> <li>• Employee engagement platforms</li> <li>• Employee volunteering opportunities</li> </ul>

## STAKEHOLDER ENGAGEMENT

Stakeholders	Modes of Engagement	Matters Discussed by Stakeholder	Our Response
<b>Regulators and Governmental Authorities</b>  	<ul style="list-style-type: none"> <li>Regular stakeholder dialogue</li> <li>Review of policies and procedures</li> <li>Regular engagement with government bodies</li> <li>Store and Mall visits, forums, meetings, roundtables &amp; briefings</li> <li>Corporate website</li> </ul>	<ul style="list-style-type: none"> <li>Direct and indirect contribution to the local economy</li> <li>Growth and challenges of the local retail industry</li> <li>Compliance with laws and legal framework</li> <li>Sustainable business practices</li> <li>Environment and Climate Change</li> <li>Human Rights</li> <li>Governance and Business Ethics</li> </ul>	<ul style="list-style-type: none"> <li>Uphold good corporate governance through robust policies such as the AEON Corporate Commitment and Anti-Bribery and Corruption Policy to ensure regulatory compliance</li> <li>Adhere to responsible and sustainable practices to protect stakeholders' interests</li> </ul>
<b>Suppliers</b>  	<ul style="list-style-type: none"> <li>Clear procurement and payment policies and SOPs</li> <li>Whistleblowing channel</li> <li>Supplier Audits</li> <li>Store and Mall visits</li> <li>Joint-marketing collaborations</li> <li>Formal and social events</li> <li>Regular stakeholder dialogue</li> </ul>	<ul style="list-style-type: none"> <li>Ethical business practices</li> <li>Clear and concise trading terms</li> <li>Prompt and timely payments</li> <li>Strategic partnerships</li> <li>Product and promotion support</li> <li>Human Rights</li> <li>Technology and Digital Transformation</li> <li>Cybersecurity</li> </ul>	<ul style="list-style-type: none"> <li>Fair and transparent dealing</li> <li>Partner with suppliers on shared opportunities</li> </ul>
<b>Community</b>  	<ul style="list-style-type: none"> <li>Malaysian AEON Foundation (MAF) activities</li> <li>Festive celebrations</li> <li>Corporate Social Responsibility (CSR) events and programmes</li> <li>Job opportunities</li> <li>Kiosk and temporary space set-ups at shopping malls</li> </ul>	<ul style="list-style-type: none"> <li>CSR programmes and initiatives</li> <li>Community support and aid</li> <li>Environmental awareness and education</li> <li>Business and job opportunities</li> </ul>	<ul style="list-style-type: none"> <li>CSR engagements and donations</li> <li>Impactful programmes and initiatives</li> </ul>
<b>Media</b>  	<ul style="list-style-type: none"> <li>Media releases and conferences</li> <li>Media interviews</li> <li>Media collaborative programmes</li> <li>Online and offline media campaigns</li> <li>Editorial, advertorial and branded content</li> </ul>	<ul style="list-style-type: none"> <li>Product offerings and launches</li> <li>Business performance</li> <li>Business milestones and industry updates</li> <li>Sustainable business practices</li> <li>Perception management and crisis communication</li> </ul>	<ul style="list-style-type: none"> <li>Regular media engagements</li> <li>Announcements on material business developments, strategy and performance</li> </ul>
<b>Industry</b>  	<ul style="list-style-type: none"> <li>Meetings/forums/roundtables with Malaysia Retailers Association (MRA), Malaysia Shopping Malls Association and industry players</li> <li>Regular stakeholder dialogue</li> <li>Formal and social events</li> </ul>	<ul style="list-style-type: none"> <li>Industry outlook and issues</li> <li>Retail sales performance</li> <li>Government policies</li> <li>Mutual interest issues</li> </ul>	<ul style="list-style-type: none"> <li>Regular stakeholder engagements</li> <li>Partner with suppliers on shared opportunities</li> <li>Adhere to responsible and sustainable practices to protect stakeholders' interest</li> </ul>

## Legend:

## Frequency of Engagement



Ongoing



Monthly



Quarterly



Annually

## STAKEHOLDER ENGAGEMENT

### MEMBERSHIP AND ASSOCIATION

AEON values the connections and insights gained through our memberships and associations, which help us stay ahead of industry trends and remain aligned with regulatory changes. Active participation in these networks enables us to exchange knowledge, access specialised expertise, and strengthen partnerships that support our sustainability and business objectives.

In 2024, AEON continued its role as an elected panel advisor for Climate Change within the 'Trade and Industry' cluster under the Ministry of Natural Resources and Environmental Sustainability (NRES). Through focus group discussions, AEON provided retail-specific insights that helped shape key topics presented at the Malaysian Pavilion during the 29<sup>th</sup> United Nations Climate Change Conference (COP29) in Baku, Azerbaijan. This engagement reinforces AEON's position as a climate action advocate in the retail industry, supporting national climate policies and strengthening our commitment to sustainable business practices and environmental responsibility.

Being part of local and global associations also enhances AEON's ability to collaborate with key stakeholders, driving collective progress in areas such as sustainability, responsible business practices, and industry innovation. Our engagement in these networks reflects our commitment to continuous improvement and strategic growth within the retail and property management services sectors.



#### United Nations Global Compact Malaysia & Brunei (UNGC MYB)

As the world's largest corporate sustainability initiative, the United Nations Global Compact (UNGC) promotes ethical business conduct across human rights, labour, the environment, and anti-corruption. By aligning with the UNGC's Ten Principles, AEON integrates these values into our business strategies, operations, and corporate culture. Since becoming a member in 2022, AEON has aligned its sustainability approach with the UNGC MYB and in 2024, AEON contributed to this

agenda by sharing insights on the topic of 'Leadership at the Intersection of Human Resources & Sustainability', presented by our Chief Human Resource Officer at the GO ESG Symposium 2024 held in November 2024. This engagement reflects our commitment to strengthening industry collaboration and sustainability leadership as we strive to actively participate and share insights in the future.



#### CEO Action Network in Malaysia

The CEO Action Network (CAN) is a peer-driven coalition of CEOs and Board members advocating for sustainability, capacity building, and ESG integration. CAN aims to shape future-ready, ESG-driven business models and ecosystems through dedicated working groups and active member participation.

AEON has been a member of CAN since 2022, engaging in discussions and initiatives to advance sustainable business practices. As part of our commitment, AEON participates in CAN's workstreams and advocacy efforts.

In 2024, AEON was part of the Programme Taskforce for Sustainability Leaders Apprenticeship for Youth (SLAY) Programme, collaboration with Jane Goodall's Roots and Shoots Malaysia Award (RASMA), an initiative which offers RASMA graduates an opportunity to immerse themselves in meaningful ESG roles within CAN member companies, strengthening the pipeline of sustainability-minded professionals while driving corporate innovation in alignment with national development goals. Through CAN, we collaborate with industry peers to drive sustainable development and responsible business growth within Malaysia's business ecosystem.



#### Malaysia Retailers Association (MRA)

As Deputy President of the MRA, AEON plays an active role in shaping the retail industry's growth and development. MRA serves as a collaborative platform for industry players, working closely with government agencies and stakeholders to address regulatory matters, market trends, and industry challenges.

Through advocacy, networking, and capacity-building initiatives, MRA supports its members by providing industry insights, policy recommendations, and strategic guidance. As part of its leadership role, AEON remains committed to enhancing the sustainability and resilience of Malaysia's retail sector while driving innovation and best practices within the industry.

# MATERIAL MATTERS

During the year under review, the Company undertook a materiality revalidation exercise to evaluate and prioritise key issues that are critical to AEON and its stakeholders. This exercise focused on identifying issues based on their relevance to our current priorities, strategic direction, stakeholder concerns, and material risks—factors integral to our value creation process.

The revalidation process was carried out using a structured four-step approach:



## 1. Review & Identification

For 2024, the Company has refined its sustainability focus, updating its material matters to align with the evolving business environment and global priorities. This exercise resulted in a streamlined list of 14 key sustainability matters, compared to 18 in 2023. The refinement process was guided by several key factors, including:

- Mapping against global standards to ensure alignment with international best practices;
- Aligning with AEON's organisational strategy to integrate sustainability into business priorities; and
- Analysing investors' expectations to address the growing importance of ESG factors in decision-making.

'Energy Efficiency' and 'Preserving Biodiversity' as standalone material matters have now been merged into 'Climate Change' and inclusion of one new matter - 'Sustainable Packaging'. Priority Matters largely remains as previously, except for 'Climate Change' as a new priority matter, replacing 'Energy Efficiency' which has been merged into 'Climate Change'. The changes reflect a more focused approach while maintaining comprehensive coverage of essential sustainability aspects.

## 2. Stakeholder Engagement

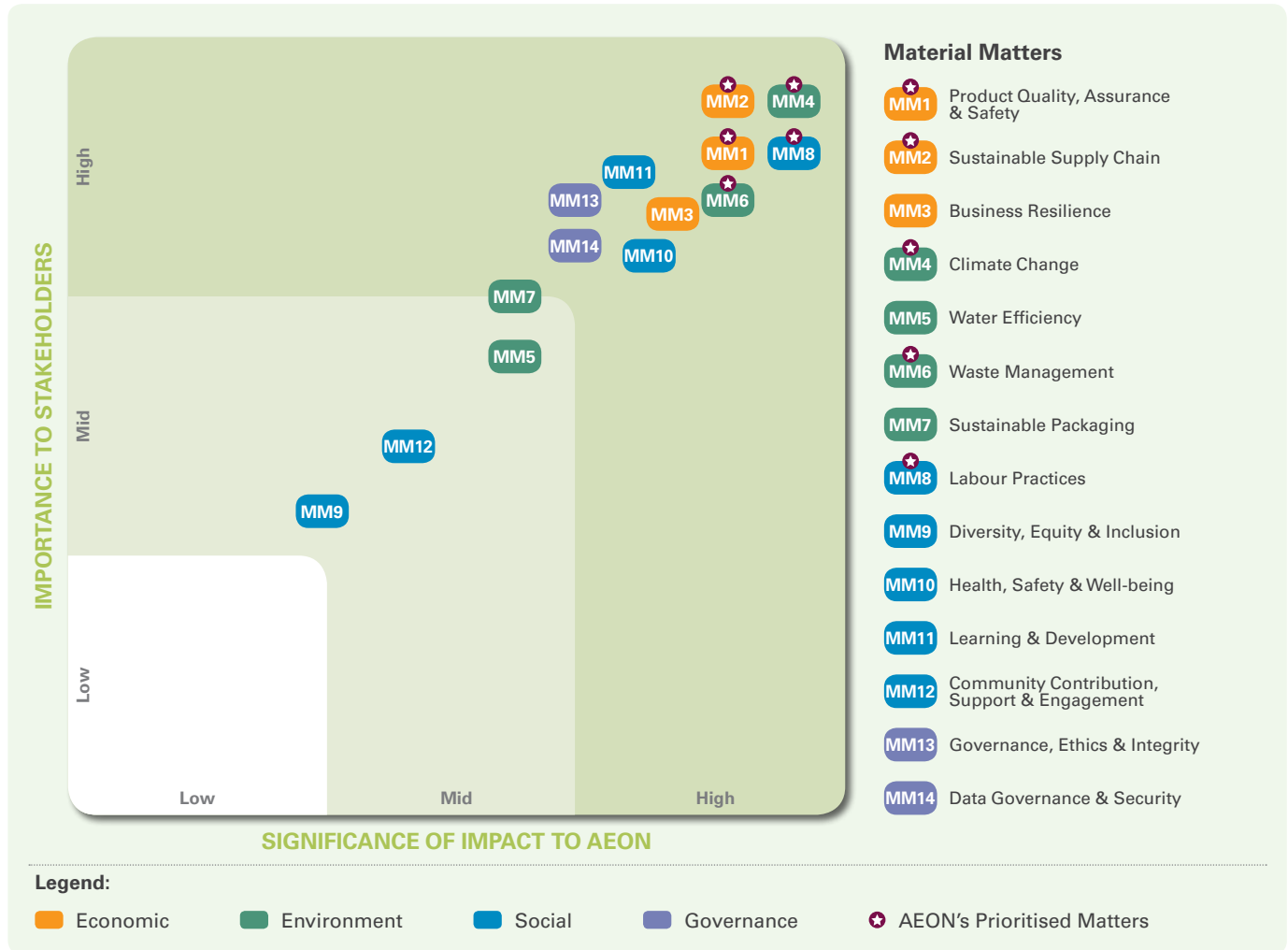
In 2024, AEON strengthened its stakeholder engagement by conducting a survey with key business leaders alongside regular stakeholder dialogues. These efforts provided valuable insights into evolving expectations, priorities, and areas for improvement. The feedback gathered played a critical role in refining our materiality analysis, ensuring alignment with stakeholder needs and business goals. By incorporating these insights, we aim to enhance our sustainability efforts and deliver long-term value to all stakeholders.

## 3. Prioritisation of Material Matters

We have prioritised five key material matters by evaluating their impact on the Company and their importance to stakeholders. This approach enables AEON to concentrate on areas that are most vital to its business performance and stakeholder expectations.



## MATERIAL MATTERS



#### 4. Positioning & Validation

The assessment identified 'Sustainable Supply Chain' and 'Product Quality, Assurance, and Safety' as ongoing high-priority areas, valued particularly by business partners, and customers. These areas present significant opportunities for AEON to drive positive impact and enhance stakeholder trust.

'Labour Practices' continued to emerge as a rising priority among stakeholders, reflecting its increasing relevance to AEON's operations. Additionally, 'Climate Change' and 'Waste Management' were highlighted as critical issues due to their associated risks and potential opportunities for the business.



As part of AEON's annual materiality review, the Sustainability Steering Committee (SSC) deliberated the AEON's material sustainability matters, focusing on their relevance to AEON. The findings were reviewed by the SRMC and approved by the Board for inclusion in this IAR 2024.

Looking ahead, AEON remains committed to monitoring sustainability trends and will continue to review material matters annually, where relevant. This ensures our sustainability initiatives remain aligned with evolving stakeholder expectations and business objectives.

# AEON SUSTAINABILITY TARGETS AND PERFORMANCE




As expectations for corporate transparency continue to grow, we understand the growing importance of publicly disclosed sustainability targets. Setting and communicating these targets reflects our commitment to accountability, enabling us to manage risks, measure progress, and evaluate our ESG impacts effectively.

In 2024, we refined the AEON Sustainability Charter, setting clear and time-bound targets, and crafting a concrete roadmap to achieve AEON's overall sustainability. These targets serve as a foundation for tracking our progress and identifying areas for improvement, ensuring we remain aligned with our sustainability commitments. The following table defines the Company's aspirations and targets as well as our progress/performance in FY2024:

ASC	Focus Area	Material Matters	Aspiration & Targets	FY2024 Performance
<b>SUSTAINABLE ECONOMICS</b> 	Foster Sustainable Business Partnership	MM2	<ul style="list-style-type: none"> <li>50% and 100% tenant adherence to ESG guidelines by 2030 and 2040, respectively.</li> <li>100% suppliers adherence to AEON Supplier Code of Conduct by 2040.</li> <li>Empower micro, small and medium businesses for sustainable economic development.</li> </ul>	<ul style="list-style-type: none"> <li>New target set in 2024; performance tracking will begin in subsequent fiscal years.</li> <li>New target set in 2024; performance tracking will begin in subsequent fiscal years.</li> <li>99% proportion of spending on local suppliers <i>Refer to page 61 for more information.</i></li> </ul>
	Enhance Product Quality	MM1	<ul style="list-style-type: none"> <li>Prioritise the safety and well-being of our customers by delivering high-quality products.</li> <li>Promote sustainable procurement through suppliers' adherence to AEON procurement principles.</li> </ul>	<ul style="list-style-type: none"> <li>Achieved HACCP and Halal certification. <i>Refer to page 63 for more information.</i></li> <li>New target set in 2024; performance tracking will begin in subsequent fiscal years.</li> </ul>
	Improve AEON's Agility to Meet Customer Needs	MM3	<ul style="list-style-type: none"> <li>40% utilisation of Self-Checkout counters (SCOs) by 2025.</li> </ul>	<ul style="list-style-type: none"> <li>Achieved SCOs utilisation at 40% in 2024. <i>Refer to page 66 for more information.</i></li> </ul>
<b>ENVIRONMENTALLY FOCUSED</b> 	Reduce Carbon Footprint	MM4	<ul style="list-style-type: none"> <li>70% absolute emissions reduction for Scope 1 and 2 by 2035 compared to base year 2019.</li> <li>All new buildings completed in 2025 onwards to be green-building certified.</li> </ul>	<ul style="list-style-type: none"> <li>Achieved emissions reduction by 17% for Scope 1 and Scope 2 in 2024 compared to base year 2019. <i>Refer to page 78 for more information.</i></li> <li>New target set in 2024; performance tracking will begin in subsequent fiscal years.</li> </ul>
	Minimise Water Consumption	MM5	<ul style="list-style-type: none"> <li>15% reduction in water consumption by 2030 compared to base year 2019.</li> </ul>	<ul style="list-style-type: none"> <li>Reduced 7% water consumption in 2024 compared to base year 2019. <i>Refer to page 79 for more information.</i></li> </ul>
	Reduce Waste	MM6	<ul style="list-style-type: none"> <li>15% of total waste diverted from landfill by 2030.</li> <li>50% reduction of food waste in AEON's operations by 2040.</li> </ul>	<ul style="list-style-type: none"> <li>11% of total waste was diverted from landfill. <i>Refer to page 82 for more information.</i></li> <li>New target set in 2024; performance tracking will begin in subsequent fiscal years.</li> </ul>



## AEON SUSTAINABILITY TARGETS AND PERFORMANCE

ASC	Focus Area	Material Matters	Aspiration & Targets	FY2024 Performance
<b>ENVIRONMENTALLY FOCUSED (CONT'D)</b> 	Enhance Biodiversity Conservation	MM4	<ul style="list-style-type: none"> <li>Plant additional 30,000 trees by 2027.</li> </ul>	<ul style="list-style-type: none"> <li>New target set in 2024; performance tracking will begin in subsequent fiscal years.</li> </ul>
	Promote Sustainable Packaging	MM7	<ul style="list-style-type: none"> <li>50% sustainable packaging by 2030.</li> <li>Eliminate single-use plastic across value chain by 2040, where feasible.</li> </ul>	<ul style="list-style-type: none"> <li>New target set in 2024; performance tracking will begin in subsequent fiscal years.</li> <li>New target set in 2024; performance tracking will begin in subsequent fiscal years.</li> </ul>
<b>EMPOWERING PEOPLE</b> 	Promote Diversity, Equity & Inclusivity	MM9	<ul style="list-style-type: none"> <li>Maintain at least 30% women representation in AEON Board and AEON Leadership Council (ALC).</li> <li>Maintain at least 50% women representation in Management.</li> <li>2% of AEON's workforce to include Persons With Disabilities (PWD) by 2030.*</li> </ul>	<ul style="list-style-type: none"> <li>Achieved 40% women representation in AEON Board and 40% of ALC are women.</li> <li>59% of Management roles are held by women at managerial level.</li> <li>PWD at 1.8% representing number of 168 PWD hired in 2024. <i>Refer to page 88 for more information.</i></li> </ul>
	Respect Human & Labour Rights	MM8	<ul style="list-style-type: none"> <li>Conduct human rights due diligence and address identified gaps by 2030.</li> </ul>	<ul style="list-style-type: none"> <li>New target set in 2024; performance tracking will begin in subsequent fiscal years.</li> </ul>
	Enhance Health, Safety & Well-being	MM10	<ul style="list-style-type: none"> <li>Commit to protecting AEON employees' health, safety and well-being.</li> </ul>	<ul style="list-style-type: none"> <li>Zero fatalities recorded in 2024.</li> <li>Lost Time Injury Rate (LTIR) of 1.64 recorded. <i>Refer to page 90 for more information.</i></li> </ul>
	Empower Employee Learning & Development	MM11	<ul style="list-style-type: none"> <li>Implement future-skills training aligned with market trends.</li> </ul>	<ul style="list-style-type: none"> <li>New target set in 2024; performance tracking will begin in subsequent fiscal years.</li> </ul>
	Community Engagement & Development	MM12	<ul style="list-style-type: none"> <li>Contribute at least RM1 million annually to external beneficiaries.</li> </ul>	<ul style="list-style-type: none"> <li>RM1.2 million contributed for 41,987 beneficiaries in 2024. <i>Refer to page 95 for more information.</i></li> </ul>
<b>EFFICIENCY &amp; INTEGRITY</b> 	Promote Integrity & Anti-Corruption	MM13	<ul style="list-style-type: none"> <li>Zero cases related to bribery and corruption.</li> <li>Achieve ISO37001 Certification.*</li> </ul>	<ul style="list-style-type: none"> <li>Zero cases related to bribery and corruption. <i>Refer to page 98 for more information.</i></li> <li>In progress to achieve ISO37001 certification by end of 2025.</li> </ul>
	Strengthen Data Governance & Security	MM14	<ul style="list-style-type: none"> <li>Zero incident of privacy and data leaks.</li> </ul>	<ul style="list-style-type: none"> <li>Zero incidents related to privacy/data leaks. <i>Refer to page 99 for more information.</i></li> </ul>

\* Revised targets

AEON is committed to periodically reviewing and enhancing our targets to focus on key priorities and adapt to the evolving sustainability landscape, regulatory requirements, and stakeholder expectations, where relevant. This ensures that we stay on track to deliver meaningful outcomes for our business and the communities we serve.



## SUSTAINABLE ECONOMICS

### GOAL Build a resilient and sustainable value chain by 2040

AEON's resilient financial performance forms the foundation for long-term value creation and business sustainability, enabling the Company to navigate dynamic market conditions with resilience. As one of Malaysia's leading retailers and mall operators, AEON contributes to economic growth by creating employment opportunities and driving community initiatives.

To uphold strong economic performance, AEON employs a strategic business approach focused on staying ahead of market trends, maintaining a robust balance sheet, and leveraging digitalisation to adapt to changing customer

preferences. Risk management is a key priority, ensuring the business remains resilient and positioned for sustained success.

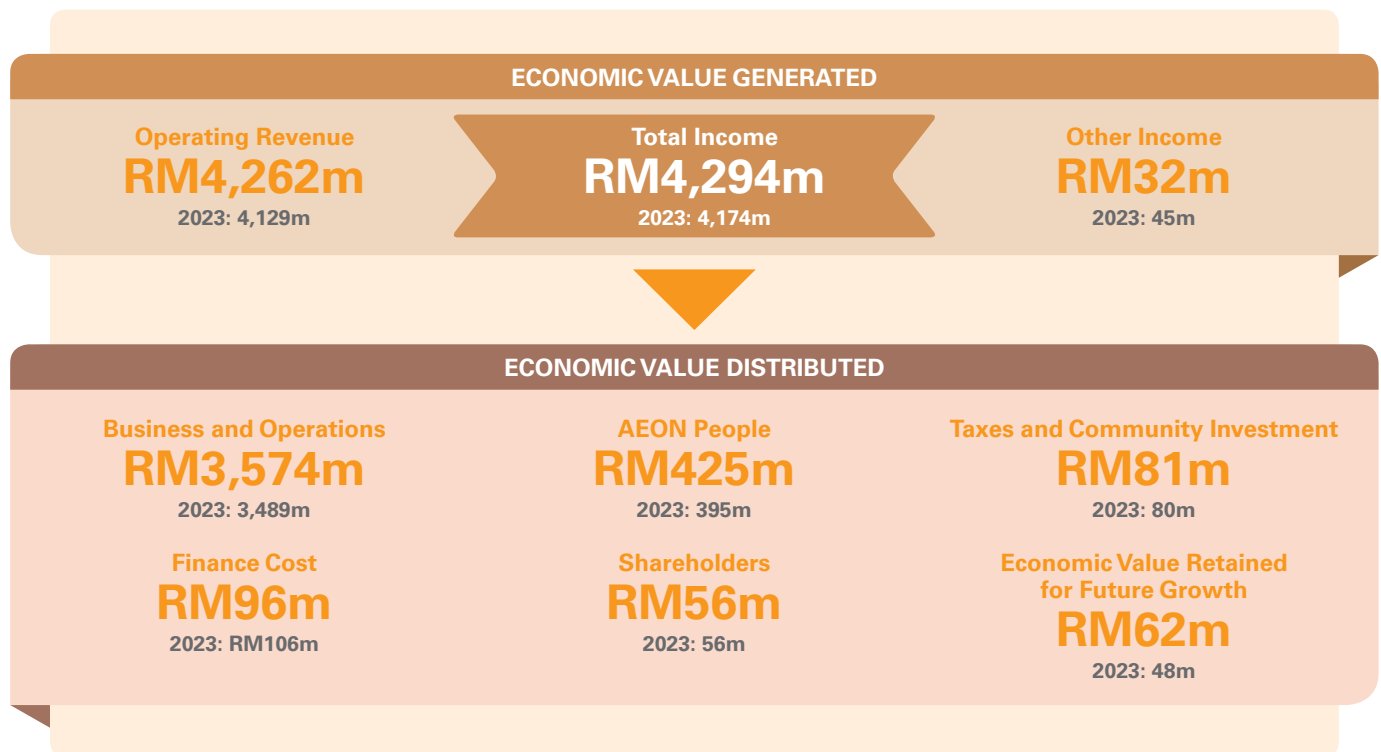
Our Value Creation Model, detailed on pages 36 to 37 of this IAR, highlights how AEON leverages six capitals – Financial, Manufactured, Intellectual, Natural, Human, and Social and Relationship – to drive economic performance. Sustainability initiatives are integral to our strategy, reinforcing AEON's ability to create financial value while addressing societal and environmental needs.

### DELIVER RESILIENT ECONOMIC PERFORMANCE



GRI 201-1 **MM3**

In 2024, AEON recorded a total revenue of RM4.3 billion, with 83% derived from our Retail business segment. The table below indicates the economic value generated and distributed to our stakeholders.



The financial results presented in the table are derived from the audited financial statement, which is available in our IAR 2024 on pages 150 to 207.

## SUSTAINABLE ECONOMICS

### FOSTER SUSTAINABLE BUSINESS PARTNERSHIP

GRI 2-6, 204-1, 308-1, 414-1

**MM2**



#### Commitment:

- 50% and 100% tenant adherence to ESG guidelines by 2030 and 2040, respectively
- 100% suppliers adherence to AEON Supplier Code of Conduct by 2040
- Empower micro, small and medium businesses for sustainable economic development

#### WHY IT MATTERS

Building a sustainable business ecosystem requires strong, responsible partnerships. As a leading retailer and mall operator with 184 outlets across Malaysia, AEON recognises the importance of maintaining long-term, ethical relationships with both suppliers and tenants. Ensuring sustainability within our supply chain and commercial partnerships are key to maintaining operational resilience and delivering value to our stakeholders. At AEON, we recognise the need for continuous improvement in our supply chain by ensuring ethical business practices, legal compliance, and environmental stewardship at every stage. Customers are also increasingly prioritising responsible sourcing in their purchasing decisions, reinforcing the importance of supply chain accountability.

#### OUR APPROACH

AEON has established policies and guidelines that promote responsible business practices. Our approach includes embedding ESG considerations into supplier engagements, implementing responsible leasing practices, and ensuring compliance with sustainability frameworks. By setting clear expectations and fostering collaboration, we aim to create a business environment that not only drives economic growth but also upholds social and environmental responsibility. Below are the list of our policies:

1. AEON Supplier Code of Conduct
2. AEON Responsible Sourcing Policy
3. AEON Animal Health and Welfare Policy

These policies can be viewed at <https://aeongroupmalaysia.com/sustainability-policies/>. For a comprehensive view of our expectations and guidelines for suppliers, please refer to the AEON Supplier Code of Conduct which is accessible on our website in 18 languages at <https://www.aeon.info/en/sustainability/social/coc/>



#### OUR INITIATIVES IN 2024

##### 1. AEON Supplier Code of Conduct (CoC) Audit

The AEON Supplier Code of Conduct (CoC) was established by AEON CO., LTD., Japan in 2003 as a foundational framework for responsible business practices. On the local front, our Company adheres to this CoC to promote ethical operations, fair working conditions, and social responsibility among the supply chain partners for AEON's Private Brand, TOPVALU. The AEON Supplier CoC outlines 13 key requirements, including compliance with national and regional laws - related to environmental laws, respect for human rights, and ensuring safe and healthy workplaces. We currently require suppliers of TOPVALU brand to comply with AEON Supplier CoC, and we improve issues through supplier audits.

As at end 2024, all 136 suppliers under our Private Brand, TOPVALU, have adhered to the AEON Supplier CoC, reinforcing our commitment to responsible sourcing and ethical business practices. Audit for AEON Supplier CoC is conducted every two years in compliance to the local regulation and requirements on labour practices, environmental laws and occupational safety and health management systems. In 2024, we conducted the following audit:

#### AEON SUPPLIER COC AUDIT

**52**  
2023

**66**  
2024

## SUSTAINABLE ECONOMICS

### 2. Cultivating a Sustainable Supply Chain for Micro, Small and Medium Enterprises

Supporting micro, small and medium enterprises (MSMEs) in retail is crucial for sustainability as it stimulates local economies, cultivates job creation, promotes diversity and innovation and enhances supply chain resilience. We continue to support local businesses by mainly sourcing from local suppliers, as this not only supports the local economy but also helps in reducing our carbon footprint. In 2024, the proportion between local and foreign suppliers in AEON is as follows:

No. of Suppliers	2022	2023	2024
Local suppliers	3,578*	3,898*	<b>3,563</b>
Foreign suppliers	98*	127*	<b>110</b>
Proportion of local suppliers	97%	97%	<b>97%</b>

**Note:**

\* This number has been restated due to the expansion of suppliers' categories.

In FY2024, local suppliers accounted for 99% of AEON's total procurement spend.

To support local MSMEs, AEON provides prime shelf space in our supermarkets, ensuring market access for their products by enabling them to collaborate with a trusted retail brand while encouraging consumer support for homegrown businesses. Beyond retail, we continue to collaborate with various ministries and government agencies, through AEON Malls to offer MSMEs a broader platform to showcase their products nationwide, driving greater visibility and growth opportunities. In 2024 we collaborated with the following government agencies through several programmes:

- i. **Federal Agricultural Marketing Authority (FAMA)**  
AEON collaborated with FAMA in Melaka, Negeri Sembilan, and Selangor, hosting events such as FAMA Agro Fiesta 2024 and Jualan Agro Madani. These initiatives connected farmers directly with consumers, reducing costs and ensuring access to fresh, high-quality produce.

AEON Malls involved	Entrepreneurs supported
<b>5</b>	<b>293</b>
Total sales	
<b>RM2,512,000</b>	

- ii. **Ramadan Bazaar**

Selected AEON Stores celebrated the fasting season with indoor Ramadan Bazaars, offering food, beverages, clothing, accessories, and Raya essentials. The indoor setting ensured a comfortable, weather-proof shopping experience for both sellers and customers.

AEON Malls involved	Entrepreneurs supported
<b>5</b>	<b>89</b>
Total sales	
<b>RM950,000</b>	

- iii. **Festival Kala Kelate Maghi 2024**

AEON Mall Shah Alam, in collaboration with Perbadanan Kemajuan Iktisad Negeri Kelantan (PKINK), hosted an event showcasing products from Kelantan entrepreneurs. This initiative provided them with greater market exposure, expanding their reach beyond their home state while highlighting local craftsmanship and businesses.

Entrepreneurs supported	Total sales
<b>17</b>	<b>RM161,000</b>

- iv. **Showcase Usahawan Sarawak**

In collaboration with the Ministry of International Trade, Industry and Investment Sarawak (MINTRED), we hosted the Showcase Usahawan Sarawak at AEON Mall Tebrau City. This event provided a valuable platform for entrepreneurs from Sarawak to showcase their products to a wider audience.

Entrepreneurs supported	Total sales
<b>37</b>	<b>RM412,000</b>

## SUSTAINABLE ECONOMICS

### v. *Promosi Kraftangan Malaysia*

AEON partnered with Perbadanan Kemajuan Kraftangan Malaysia, Negeri Sembilan, to showcase local crafts at AEON Mall Nilai, providing artisans with a platform to reach a wider audience and promote Malaysia's rich cultural heritage.

Entrepreneurs  
supported  
**16**

Total sales  
**RM185,000**

### vi. *Malaysia Fair – Taste of Malaysia*

AEON, in collaboration with the Ministry of Domestic Trade and Cost of Living, facilitated the participation of 32 Malaysian entrepreneurs in a product showcase held across six AEON Stores in Japan. This initiative provided them with an international platform to present their products, expanding market opportunities and promoting Malaysian brands to Japanese consumers.

Entrepreneurs  
supported  
**32**

Total sales  
**RM65,000**



*Showcasing Malaysian products in Japan*

In addition to our ongoing support for MSMEs, we continue to foster sustainable ecosystems and inclusivity. In 2024, we shared insights with MSMEs entrepreneurs in the 2024 MSME Sustainability Series: Charting the ESG Path for MSMEs, organised by SME Corp Malaysia. This initiative provided MSME entrepreneurs with valuable insights on sustainable supply chain practices including kickstarting their ESG journey, helping them align with broader sustainability goals.

### 3. **Launch of #AEONResponsible Suppliers Program**

In December 2024, AEON launched the #AEONResponsible Suppliers Program, a pioneering initiative that underscores our effort in promoting ESG principles within Malaysia's retail industry. Recognising the critical role our supply chain plays in our sustainability journey, this programme is designed to promote responsible sourcing practices, strengthen supplier capabilities, and align with AEON's vision of building a resilient and sustainable value chain by 2040. Through this programme, AEON collaborates with other partners to provide tailored capacity-building opportunities to help suppliers enhance their ESG practices. Key initiatives include workshops, training sessions, and knowledge-sharing platforms aimed at equipping suppliers with the tools to adopt sustainable practices. Additionally, the programme facilitates access to sustainability-linked financing, empowering suppliers to make impactful investments in their operations. To enhance transparency and accountability, AEON is also facilitating the utilisation of ESG tools to support suppliers in improving their ESG disclosures, ensuring alignment with global sustainability standards.

In 2025, AEON will focus on implementing the programme's comprehensive workplan. This includes rolling out capacity-building initiatives for suppliers, introducing ESG performance tracking systems, and ensuring that suppliers have access to the necessary resources and financing to meet sustainability objectives. By prioritising the execution of this workplan, we aim to establish a robust framework to promote responsible and ethical supply chains that align with our net-zero ambition.



*Launch of #AEONResponsible Supplier Program*



## SUSTAINABLE ECONOMICS

## ENHANCE PRODUCT QUALITY

GRI 416-1, 417-1

MM1

**Commitment:**

- Prioritise the safety and well-being of our customers by delivering high-quality products
- Promote sustainable procurement through suppliers' adherence to AEON procurement principles

## WHY IT MATTERS

At AEON, product quality, safety, and assurance are fundamental to customer satisfaction, brand reputation, and long-term sustainability. We uphold strict safety and quality standards, comply with local and national regulations, and promote responsible marketing to maintain customer trust and market leadership. With over one million SKUs across 35 stores, AEON is committed to ensure the safety and quality of every product we offer. By ensuring stringent quality controls, we not only deliver safe and quality offerings to our customers but also enhances supply chain resilience through responsible sourcing practices.

## OUR APPROACH

AEON is guided by policies and principles that uphold compliance to ensure that our products meet stringent safety and regulatory requirement, while making well-informed decisions and advocating for responsible marketing and advertising practices. To further uphold consumer trust, we emphasise transparency in product information, enabling customers to make informed choices while safeguarding them against misleading practices. Additionally, we are developing a sustainable procurement principle based on our existing policies, further strengthening our commitment to ethical sourcing. In the domestic context, our operations adhere to the Food Act 1983 and the Halal Assurance Management System, as mandated by the Department of Islamic Development Malaysia (JAKIM). Within AEON, we are guided by a set of specific policies:

1. AEON Food Safety and Quality Policy
2. AEON Halal Policy
3. AEON Customer Responsibility Policy



These policies can be viewed at <https://aeongroupmalaysia.com/sustainability-policies>

## OUR INITIATIVES IN 2024

## ADHERING TO SAFETY AND QUALITY STANDARDS

## 1. HACCP Certification



Since 2008, AEON has been the only supermarket in Malaysia to achieve and maintain Hazard Analysis and Critical Control Point (HACCP) Certification, reflecting our unwavering commitment to food safety. Our voluntary pursuit of this certification reinforces our dedication to upholding the highest safety and quality standards for our customers. To maintain our HACCP Certification, we conduct regular internal and external audits across our stores, ensuring continuous compliance with food safety standards and evolving consumer needs. Our efforts are guided by Good Manufacturing Practice and Hazard Analysis Critical Control Points, reinforcing our commitment to excellence. As of 2024, 34 out of 35 AEON Stores are HACCP-certified, demonstrating our dedication to the highest food safety standards.

## AEON STORES CERTIFIED

34\*

AEON Stores certified in 2024

\* AEON Setia Alam is in the process of getting certified in 2025

## 2. Halal Certification



Since 2010, AEON's Halal Policy has been integral to our operations, ensuring strict compliance with JAKIM's guidelines. Through the AEON Halal Assurance Scheme, we uphold Halal standards across our supply chain, requiring supplier adherence and reinforcing ethical business practices.



## SUSTAINABLE ECONOMICS



To ensure compliance, our Quality Management Department conducts bi-annual internal Halal audits at all outlets. We also provide Halal awareness training, ensuring each outlet has at least one JAKIM-certified Halal officer. In 2024, we completed internal Halal audits across all 35 AEON Stores and conducted training to strengthen compliance.

As at the end of December 2024, we obtained Halal certification for all our stores, including the new AEON Setia Alam. AEON remains committed to maintaining the highest Halal standards, ensuring quality, trust, and compliance across our operations.



The decrease in the number of Halal-certified F&B outlets in 2024 was due to several store renovations undertaken during the year. As a result, some certificates were returned to JAKIM and re-applied to comply with updated layout requirements.

As the demand for halal-certified products continues to grow, we remain committed to engage with stakeholders to raise awareness and explore market opportunities.

Aimed at strengthening consumer confidence in imported halal products, we hosted *Makanan Halal: Selera Sedunia* at AEON Mall Shah Alam in 2024. The event focused on raising awareness on halal certification, market opportunities and compliance

among participants. It also provided a platform to support and encourage local businesses to explore opportunities beyond Malaysian shores.

Through expert-led discussions, exhibitions, and interactive activities, participants gained valuable insights into halal integrity, supply chain compliance, and global sourcing processes. AEON's Private Brand, TOPVALU also took the opportunity to share its halal sourcing process. By connecting consumers with industry leaders, the event reinforced trust in halal-certified products and contributed to the growth of the halal market.

### 3. TOPVALU Supplier Compliance and Quality Assurance

To ensure product safety and quality, AEON mandates that suppliers producing and manufacturing under the TOPVALU brand undergo the AEON Factory Audit for Food and Non-Food Products. Additionally, these suppliers are required to strictly adhere to and being audited against AEON Supplier CoC Standard which aligns with business values. These evaluations were crucial to ensure our suppliers continue to meet our stringent quality standards, ethical guidelines, and policies. Factory Audit on Food Safety Management System (FSMS) and Quality Management System (QMS) are conducted on a yearly basis. In 2024, we conducted the following audits:



### ENCOURAGING INFORMED DECISION-MAKING

At AEON, we hold a strong conviction that consumers should have access to precise and impartial information about the products and services they purchase. This transparency empowers them to make choices that align with their needs and preferences while safeguarding them against unfair or deceptive practices by businesses. To reinforce this belief, we established the AEON Customer Responsibility Policy, outlining the principles, commitment and guidance on AEON's position with regards to consumer rights.



The AEON Customer Responsibility Policy can be viewed at <https://aeongroupmalaysia.com/sustainability-policies/>

## SUSTAINABLE ECONOMICS

### 1. Nutrition Information

AEON embraces the diversity of our customers and remains committed to transparency in product information. In 2024, we continue to focus on clear labelling for food products, ensuring customers have access to detailed information on ingredients, nutritional content, calorie count, and allergens. This empowers consumers to make informed food choices while mitigating potential health risks.

To ensure full compliance with product labelling regulations, AEON adheres to strict guidelines across all product categories. These include sourcing transparency, safe usage instructions, content disclosures—especially for substances with environmental or social impact—and disposal considerations. We also ensure compliance with critical requirements such as Halal certification, HACCP standards, and accurate nutritional labelling.



### 2. Responsible Marketing and Advertising

AEON remains committed to ethical and responsible marketing, ensuring that all communications provide accurate, transparent, and balanced information about our brands and products. As part of our commitment to empower customers, AEON strictly adheres to Regulation 361 of the Food Regulation 1985, ensuring that alcoholic beverages are accurately labelled with alcohol content details and health warning statements. This reinforces our dedication to providing essential information that supports informed consumer choices.

### COMMITMENT TO QUALITY AND SUSTAINABILITY IN THE AEON TOPVALU RANGE

In 2023, our Private Brand, TOPVALU transitioned all paper products to FSC-certified materials, reinforcing our commitment to responsible sourcing. The Forest Stewardship Council (FSC) certifies wood products and paper manufactured with timber from properly managed sustainable forests.

Building on this progress, in 2024, we expanded our sustainable product offerings under TOPVALU brand by incorporating additional responsibly sourced materials across a broader range of product categories. This initiative underscores our dedication to promoting sustainability through our product portfolio while meeting the evolving expectations of our customers.

As part of AEON's commitment to ethical sourcing and environmental responsibility, we are developing a sustainable procurement guideline, aligned with the broader sustainability vision set by our headquarters in Japan. Recognising the importance of responsible procurement, we aim to adopt and implement practices that are most relevant to AEON, ensuring they are suited to our local business landscape, regulatory environment, and stakeholder expectations. Building on our existing policies, this principle will serve as a framework to guide sustainable decision-making across our supply chain, starting with our Private Brands. It will reinforce our commitment to ethical business practices, responsible sourcing, and environmental stewardship, strengthening supplier engagement and transparency.

To measure our progress, we have established targets to track and increase the availability of sustainable products across our supply chain. These efforts reflect AEON's dedication to providing high-quality, responsibly sourced products while supporting a more sustainable retail ecosystem. Moving forward, we will assess and integrate best practices while tailoring our approach to meet Malaysia's evolving sustainability landscape. This initiative reflects our ongoing efforts to align global sustainability commitments with local implementation, driving positive change across our operations and supply chain.

## SUSTAINABLE ECONOMICS

### IMPROVE AEON'S AGILITY TO MEET CUSTOMER NEEDS

GRI 2-6

**MM3**



#### Commitment:

- 40% utilisation of Self-Checkout counters by 2025

#### WHY IT MATTERS

Customer expectations are rapidly evolving, and agility is key to staying ahead in a dynamic retail landscape. By leveraging digital tools and technologies, AEON enhances customer experiences through personalised and engaging services, while also driving operational efficiency. Digitalisation not only improves market responsiveness and cost efficiency but also supports sustainability efforts by enabling resource optimisation and informed decision-making.

Innovation plays a crucial role in driving efficiency and competitiveness. By fostering a culture of continuous improvement, AEON encourages new ideas and solutions that enhance operations, streamline processes, and optimise customer experiences.

Customer relationship management is equally vital in building long-term trust and loyalty. Through data-driven insights and personalised engagement, AEON strengthens customer connections, ensuring that products and services align with evolving preferences and expectations.

#### OUR APPROACH

AEON integrates innovation, digital transformation, and customer relationship management to enhance engagement and business resilience.

- Dedicated team to look at innovation through the Ventures Department.
- Leverage on customer relationship management tools and digital analytics to better understand customer preferences and behaviours, enabling us to provide personalised services, targeted promotions, and seamless shopping experiences across multiple touchpoints.
- Strengthen digital transformation by continuously optimising our online and offline customer interactions, AEON ensures a responsive and adaptive approach that meets the evolving needs of our consumers.

Through these efforts, AEON remains committed to innovation-driven solutions and customer-centric strategies, ensuring we stay agile in a rapidly changing retail landscape.

#### OUR INITIATIVES IN 2024

##### DIGITALISATION EFFORTS

##### 1. Self-Checkout Counters (SCOs)

As part of our goal to elevate customer convenience, AEON continues to install SCOs at our various stores and outlets. To date, close to 500 SCOs were installed across AEON Stores, AEON MaxValu, AEON Wellness and DAISO outlets, enabling us to achieved our 2025 utilisation target of 40%, ahead of time in 2024. This also marks a significant increase from 28% utilisation rate in 2023.

Moving forward, we hope to roll out more SCOs to ensure continued improvements in customer experience and operational efficiency.

##### 2. E-Documentation

As part of AEON's ongoing digital transformation journey, AEON continues to expand e-documentation usage, supporting the shift towards a sustainable, paperless future. As part of our ongoing improvements, we are set to implement e-invoicing functionality, aligning with upcoming government regulations. Currently, over 90% of invoices from suppliers are submitted electronically via our Supplier Portal, positioning AEON at the forefront of Malaysia's e-invoicing initiative and enhancing both operational efficiency and environmental responsibility.

In addition, AEON has introduced the option for customers to choose a QR code version of their receipt printout, replacing the full itemised version. This initiative not only reduces paper usage but also aligns with our commitment to promoting sustainable retail practices.

##### DRIVING INNOVATION FOR SUSTAINABLE GROWTH

##### 1. AEON Corporate Venture Capital

AEON Corporate Venture Capital (AEON CVC) was established in 2024 to position the Company at the forefront of retail innovation. As the Company's innovation and investment arm, AEON CVC drives

## SUSTAINABLE ECONOMICS

corporate innovation, securing a first-mover advantage in emerging technologies, and cultivates ecosystem synergies to shape the future of retail.

Focusing on early-to-growth stage companies across Southeast Asia, AEON CVC invests in high-potential ventures in retail-adjacent sectors. Prioritising companies with strong product-market fit and revenue potential, AEON CVC enables strategic collaboration, technology adoption, and enhances value creation, ensuring the Company's sustained competitive edge in an evolving retail landscape.



For more information on AEON CVC, please visit <https://aeongroupmalaysia.com/about-aeon-corporate-venture-capital/>

### 2. AEON Pulse

In 2024, the Company launched AEON Pulse, its inaugural innovation challenge designed to empower AEON People to drive innovation, reimagine possibilities, and shape the Company's future. Guided by the vision of 'Shaping the Future of Retail Through Innovation in Our DNA', AEON Pulse provided a structured transformative journey – from idea submission to mentorship, bootcamps, and pitch development – culminating in a final presentation to the ALC.

More than just a crowdsourcing initiative, AEON Pulse represents a strategic commitment to embedding innovation into AEON's workforce, fostering a culture where bold ideas are championed and transformed into tangible impact.

The first cohort attracted 34 submissions, with five standout finalists presenting their innovative solutions to the ALC. The winning idea will enter an incubation phase for pilot development with a pathway towards commercialisation and implementation – ensuring that innovation moves beyond ideation into real-world impact.



### ENHANCING CUSTOMER LOYALTY AND EXPERIENCE

#### AEON Careline

AEON has developed an integrated platform to capture the voice of our customers, consolidating feedback across four key categories: Enquiries, Complaints, Compliments, and Suggestions. Customers can share their feedback through multiple channels, including the AEON Careline hotline 1300-80-2366, email, social media platforms, online live chat, and QR code forms at our physical outlets. This multi-channel approach ensures we remain accessible, responsive, and engaged with our customers across all touchpoints.

In 2024, AEON recorded an increase in customer feedback, with the majority falling under the 'Enquiries' category. This underscores our customers' growing engagement and trust in AEON's service channels, reinforcing our commitment to continuous improvement and customer satisfaction.

Category	2022	2023	2024
Enquiries	40,834	57,963	<b>88,838</b>
Complaint	9,723	6,520	<b>6,363</b>
Compliments	6,428	4,302	<b>5,167</b>
Suggestions	664	546	<b>411</b>
<b>Total</b>	<b>57,649</b>	<b>69,331</b>	<b>100,779</b>

Our primary focus is on prompt and thorough complaint resolution, ensuring every issue is attended to efficiently and satisfactorily. We also prioritise proactive follow-ups, ensuring that customers who have lodged complaints receive timely updates and that their concerns are fully resolved to their satisfaction.

AEON's Net Promoter Score (NPS) Programme, introduced in 2022, continues to play a key role in measuring customer loyalty and satisfaction. In 2024, we expanded the programme to cover all business units, collecting feedback through QR codes at our malls and stores as well as email surveys. The programme ran until 31 December 2024, allowing us to gain valuable insights into customer experiences and expectation, achieving a score of +83. We are committed to enhancing our NPS score by continuously improving and expanding our customer loyalty programme, offering greater value, personalised experiences, and seamless engagement to strengthen customer satisfaction and long-term loyalty.

#### NET PROMOTER SCORE

**+75**  
2023

**+83**  
2024





## ENVIRONMENTALLY FOCUSED

**GOAL** Achieve net-zero emissions by 2050



*Solar panels installed on the ground carpark of AEON Mall Shah Alam*

AEON aims to achieve net-zero emissions by 2050 and as part of our ongoing journey towards greater transparency and accountability, AEON is aligning with IFRS S2: Climate-related Disclosures standard (IFRS S2). This step ensures that we address critical climate-related risks and opportunities in a way that is consistent with global best practices and stakeholder expectations.

IFRS S2 provides a framework for disclosing how climate change impacts our business strategy, operations, and financial performance. Our alignment with this standard enhances transparency in disclosing governance, strategy, risk management, and climate-related metrics, including Scope 1, Scope 2, and relevant Scope 3 greenhouse gas emissions.

AEON's initial alignment with IFRS S2 focuses on qualitative assessments, strengthening transparency and providing stakeholders with clearer insights into climate risks and opportunities (CROs). We collaborated with external experts to assess disclosure gaps, identify material CROs based on geographical and business considerations, and define

suitable climate scenarios for the quantitative assessments in the future. We have put in place these foundational efforts to facilitate a strong climate response year-on-year, and thus reinforce our commitment to integrating climate resilience into business strategy.

We are committed to progressively enhancing our climate disclosures, moving towards more quantitative assessments over time. These include closing disclosure gaps, refining CROs assessment methodologies, and improving data quality to align with global best practices, all of which will enable a smoother transition towards a more effective quantitative scenario analysis. As we advance in our sustainability reporting journey, we will continue to strengthen our climate-related insights and transparency.

### GOVERNANCE

We strive to embed sustainability into our management and daily operations, reflecting our commitment to responsible business practices in alignment with Bursa Securities MMLR and the MCCG guidelines.

## ENVIRONMENTALLY FOCUSED

### BOARD'S OVERSIGHT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES

While the Board of Directors holds ultimate accountability in key decision-making on all sustainability-related matters including CROs, responsibilities are delegated through the SRMC. In addition to the SRMC's oversight of AEON's overall sustainability strategy, issues, targets and performance, they also hold responsibility over the Company's CROs, along with the relevant climate strategies in place to address it. Comprising four Board Directors, the SRMC meets at least four times a year and is supported by SSC which includes the ALC, Sustainability Department, and relevant Heads of Departments ensuring a cohesive approach to addressing climate challenges.

*For more information on the roles of SRMC and SSC, please refer to page 124.*

Additionally, the Risk Management Committee (RMC) reviews, monitors, and assesses the effectiveness of the Company's risk treatment and mitigation action plans for managing key risks, including sustainability and climate-related risks with oversight from the SRMC. The RMC also stays abreast on new and emerging sustainability and climate-related risks as well as other potential threats, ensuring proactive risk management and resilience.

*For more information on the roles of RMC, please refer to page 138.*

### MANAGEMENT'S ROLE IN ASSESSING AND MANAGING CLIMATE-RELATED RISK AND OPPORTUNITIES

Management plays a critical role in assessing and managing CROs by integrating them into AEON's strategic planning and risk management frameworks. The RMC and SSC, which consists of ALC and relevant Heads of Departments, and chaired by the Deputy Managing Director, meet quarterly to discuss progress made with AEON's key sustainability initiatives, which include climate-related plans and programmes. Through regular monitoring, cross-department collaboration, and stakeholder engagement, Management ensures that CROs are effectively addressed to enhance business resilience, regulatory compliance, and long-term value creation.



The Sustainability & Climate Change Policy can be viewed on our website at <https://aeongroupmalaysia.com/sustainability-policies/>

### Next Steps

We are committed to continuously improving our approach to climate governance in alignment with the IFRS S2. Moving forward, we will regularly review, and update roles and responsibilities as needed to ensure the effective integration of CROs into our business strategies and financial planning.

As part of our commitment to integrating CROs into our risk management framework, we plan to incorporate Climate Risks into our enterprise risk management (ERM) and enhance our reporting on GHG emissions (Scope 1, 2, and 3) as key risk indicators. Once implemented, we will provide quarterly updates to the SRMC to strengthen oversight.

## STRATEGY

### APPROACH

AEON identifies and assesses climate-related risks and opportunities across short, medium and long-term horizons, considering both physical risks (e.g. extreme weather events, supply chain disruptions) and transition risks (e.g. regulatory changes, carbon pricing, shifting consumer preference). This proactive approach allows AEON to not only mitigate potential negative impacts but also to strategically leverage emerging climate-related opportunities.

In alignment with the Company's Sustainability & Climate Change Policy, we continue to advance our commitments across our four sustainability pillars. Our climate strategy is centred on achieving net-zero emissions by 2050. Climate action is embedded within our Environmentally Focused Pillar, reflecting interconnectedness between climate change, resource efficiency, and sustainable consumption. As one of the leading retailer, AEON has the capacity to drive meaningful change by promoting low-carbon operations, responsible sourcing, and circular economy practices.

In 2024, AEON conducted a CROs assessment to identify and evaluate climate-related risks and opportunities relevant to our operations, including retail, property management services, and supply chain activities. This assessment provided insights into potential impacts and will help inform our strategic response to ensure business resilience and sustainable growth.



## ENVIRONMENTALLY FOCUSED

The following approach was taken to assess climate risks and opportunities relevant to AEON:



## ENVIRONMENTALLY FOCUSED

### AEON'S CLIMATE-RELATED RISKS AND OPPORTUNITIES

The material risks and opportunities were identified and assessed in terms of their level of materiality, as well as the potential qualitative impacts to our business. These impacts were assessed through impact pathways, which showcase the linkage between each risk and opportunity, their drivers and the business and financial impacts to AEON. The risks and opportunities, along with some examples of these impacts are outlined in the table below:

Risk Category	Risks Relevant to AEON	Potential Impacts to AEON (Non-exhaustive)
<b>TRANSITION RISKS</b>		
<b>Policy &amp; Legal Risks</b> Implementation of governmental policies designed to tackle climate change	<ul style="list-style-type: none"> <li>Carbon pricing</li> <li>Mandates on and regulations of existing products and services</li> </ul>	<ul style="list-style-type: none"> <li>Higher carbon prices will lead to higher expenses from emissions-related activities across operations and supply chains</li> <li>Higher compliance requirements and costs</li> </ul>
<b>Technology Risks</b> Write-offs for investments in obsolete technologies/ investments in new technologies as well as lower emissions products and services	<ul style="list-style-type: none"> <li>Transition to lower emissions technology, products and services</li> </ul>	<ul style="list-style-type: none"> <li>Increased investments in infrastructure, R&amp;D and workforce upskilling for both AEON and supply chain partners</li> </ul>
<b>Market Risks</b> Market shifts in supply and demand for certain commodities, products and services	<ul style="list-style-type: none"> <li>Changing customer behaviour and/or investor expectations</li> </ul>	<ul style="list-style-type: none"> <li>Untapped opportunities arising from new stakeholder demands</li> <li>Higher risk of losing access to capital markets due to lower market valuation and failure to meet financial providers' climate-focused expectations</li> <li>Potential loss of revenue from reduced demand for current product offerings due to reduced competitive advantage against more climate-conscious brands</li> </ul>
<b>Reputational Risks</b> Damage to brand value or reputation	<ul style="list-style-type: none"> <li>Increased stakeholders concern or negative shareholder feedback</li> </ul>	<ul style="list-style-type: none"> <li>Potential decline in reputation and market valuation if expectations are not met</li> </ul>
<b>PHYSICAL RISKS</b>		
<b>Acute Physical Risks</b> Exposure to increasingly frequent and severe extreme weather events	<ul style="list-style-type: none"> <li>Increased severity of extreme weather events (e.g. floods, tropical cyclones, water scarcity/ stress, droughts, heatwaves)</li> </ul>	<ul style="list-style-type: none"> <li>May damage infrastructure and impact workforce health, safety and commute, which can lead to more frequent and severe service disruptions, which results in higher spending on repairs and compensation</li> </ul>
<b>Chronic Physical Risks</b> Exposure to longer-term, incremental shifts in climate patterns	<ul style="list-style-type: none"> <li>Changes in precipitation patterns and extreme variability in weather patterns</li> <li>Rising mean temperatures</li> <li>Rising sea levels</li> </ul>	<ul style="list-style-type: none"> <li>May result in lower consumer traffic across malls and stores, which will impact revenue</li> <li>May increase demand for cooling facilities, resulting in higher energy costs and lower lifespan, as well as impact workforce health (e.g. more prone to heat stress or certain illnesses) which can lead to service disruptions and poorer quality of services</li> </ul>

## ENVIRONMENTALLY FOCUSED

Opportunity Category	Opportunities Relevant to AEON	Potential Impacts to AEON (Non-exhaustive)
<b>OPPORTUNITIES</b>		
<b>Resource Efficiency</b> Use of more resource efficient processes and equipment to optimise consumption of energy, water, waste and materials	<ul style="list-style-type: none"> <li>• Use of more efficient production and distribution processes</li> </ul>	<ul style="list-style-type: none"> <li>• May reduce operating costs due to lower resource consumption and lower carbon prices incurred, whilst increasing value of fixed assets (e.g. from having a highly-rated energy efficient building)</li> <li>• May also have access to lower cost of funds to implement resource efficiency initiatives</li> </ul>
<b>Energy Source</b> Use of green or renewable sources of energy, and exploration of carbon trading platforms	<ul style="list-style-type: none"> <li>• Use of low-emissions sources of energy</li> <li>• Participation in carbon markets</li> </ul>	<ul style="list-style-type: none"> <li>• May increase AEON's access to renewable energy infrastructure, leading to long-term cost reductions in terms of energy purchase and carbon taxes incurred</li> <li>• May also have access to lower cost of funds to implement clean or alternative energy initiatives</li> <li>• May purchase voluntary carbon credits to meet climate goals and / or sell excess credits as an additional source of income</li> </ul>
<b>Products &amp; Services</b> Development of low-emissions goods and services, as well as climate adaptation and mitigation solutions	<ul style="list-style-type: none"> <li>• Transition to low-emissions products and services</li> </ul>	<ul style="list-style-type: none"> <li>• May facilitate the expansion of low carbon product and service offerings, which can lead to additional revenue sources, higher reputation, as well as increased access to a more climate-conscious customer base and sustainable finance instruments</li> </ul>
<b>Energy Source</b> Exploration of new markets and avenues for lower financing costs with low carbon products and services	<ul style="list-style-type: none"> <li>• Access to new markets across more climate-conscious consumers</li> <li>• Increased reputation from collaboration and proactive response to shifts in consumer and investor demand</li> <li>• Use of public sector incentives</li> </ul>	<ul style="list-style-type: none"> <li>• May help deliver new value and stay ahead in the competition, including attracting and retaining a new, evolving group of consumers (which expands the customer base and increases demand, leading to higher revenues), as well as workforce (which can improve quality of services and save costs related to high turnover rates)</li> <li>• May provide a competitive advantage that can help capture additional sales, enhance profits and obtain lower cost of funds</li> <li>• May provide increased capital to fund projects around improving climate resilience and adaptation</li> </ul>
<b>Resilience</b> Increase in adaptive capacity to respond to climate change	<ul style="list-style-type: none"> <li>• Participation in renewable energy programmes and energy labels for energy efficient products and services</li> <li>• Improved community and consumer resilience</li> <li>• Achievement of sustainability certifications and energy labels for energy efficient products and services</li> </ul>	<ul style="list-style-type: none"> <li>• May provide increased capital to fund projects around improving climate resilience and adaptation</li> <li>• May contribute to indirect cost reductions</li> <li>• May achieve long-term cost savings, increase the value of physical assets, boost transparency and reputation, as well as prepare for potential compliance risks if such labels or certifications were made mandatory in the future</li> <li>• May increase market valuation while protecting goods, business operations, customers and the workforce, including that of the supply chain</li> </ul>

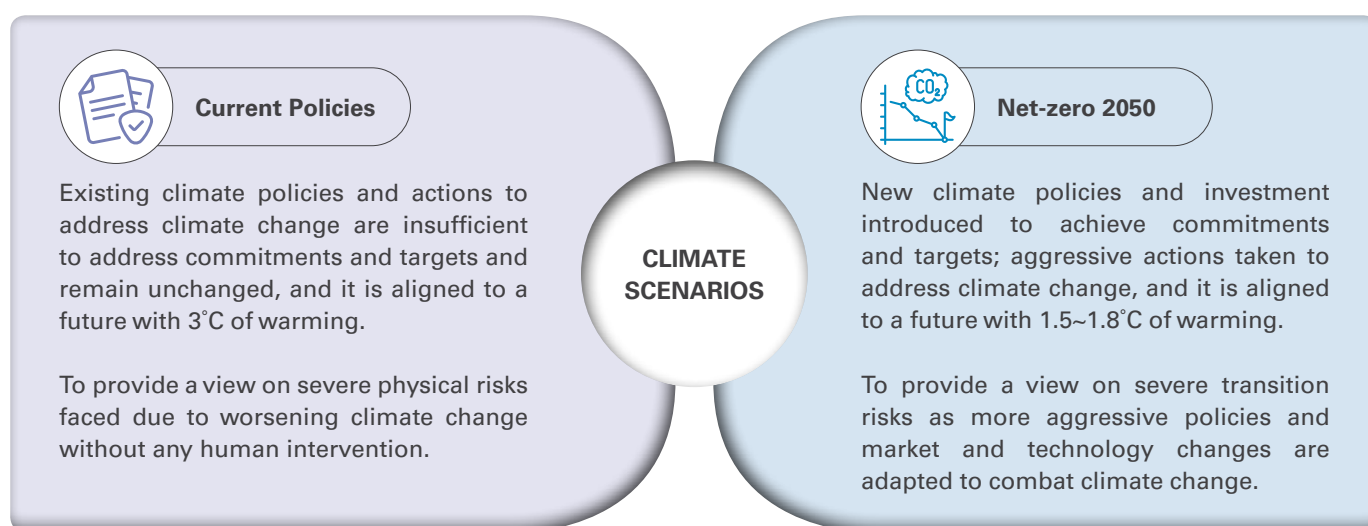
Progressively, we will assess the potential impact of these identified CROs on our financial performance, reputation, and strategic objectives. This assessment will incorporate scenario analysis, alongside quantitative and qualitative evaluations, to determine the range and materiality of potential impacts.

## ENVIRONMENTALLY FOCUSED

### CLIMATE SCENARIO ANALYSIS

Conducting climate scenario analysis is essential for understanding the potential business impacts of climate change. Over the next few years, we will prioritise this approach to identify, assess, and manage risks and opportunities. By leveraging scenario analysis, we aim to model the potential effects of various climate scenarios on our operations, financial performance, and value chain.

In 2024, we selected two climate scenarios which we will be aligning with when conducting our scenario analysis against our climate risks and opportunities moving forward:



These selected climate scenarios correspond to those that are outlined by the NGFS that accounts for projections from both physical and transition risks, enabling a more holistic view on climate-related risks. NGFS is also recommended by the Central Bank of Malaysia to be applied by financial institutions in Malaysia, enabling AEON to align its scenario projections with the climate expectations of lenders and regulators. The guide covers a time frame of up to 2050, which is in line with Malaysia's target to be net-zero by 2050. While we will be aligning with NGFS as our foundational guide, we may leverage data from other guidelines such as the Intergovernmental Panel on Climate Change (IPCC) and International Energy Agency (IEA) to supplement risks and opportunities assessments going forward.

### Next Steps

AEON will continue to enhance our climate strategy as part of our climate resilience development. Some of the measures we plan to take include:

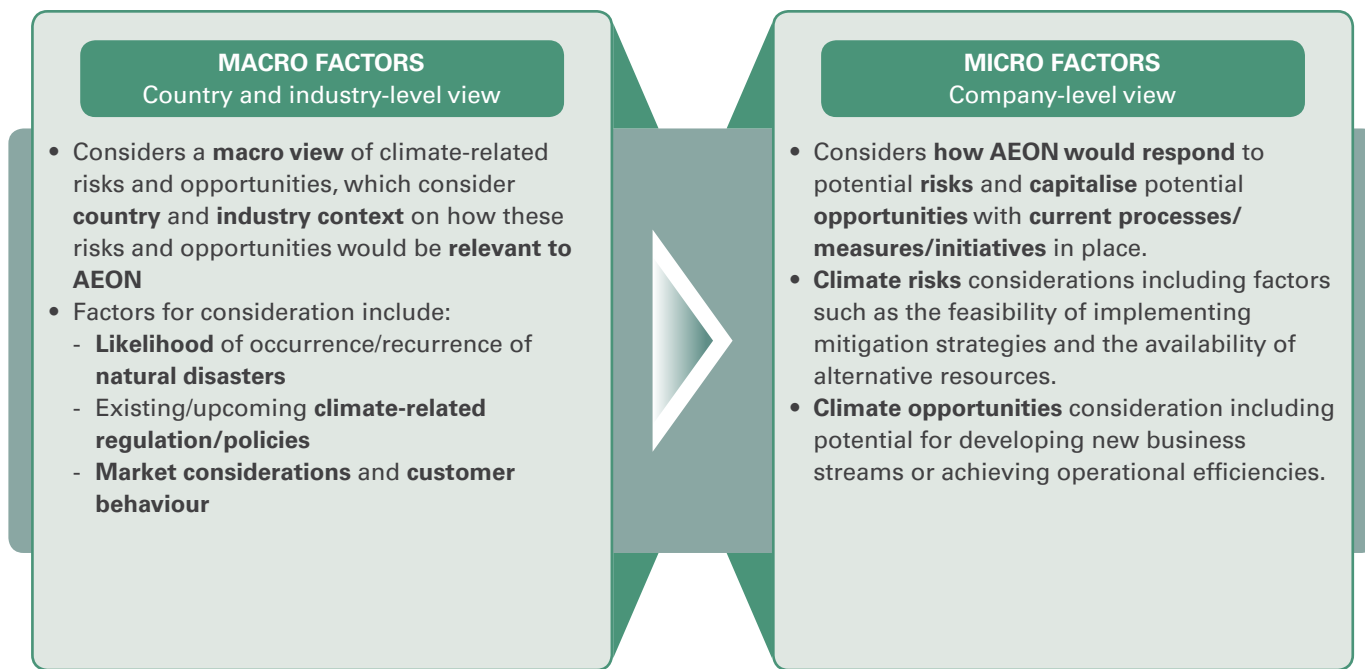
- Strengthen CROs management by defining short, medium, and long-term climate risk horizons
- Conduct scenario analysis to evaluate potential business impacts under the two projected climate conditions
- Integrate quantitative climate-related analysis and using the relevant outcomes to formulate action plans. The action plans will be used to address climate matters as part of AEON's net-zero decarbonisation roadmap and will be integrated into our corporate strategy and financial planning.

## ENVIRONMENTALLY FOCUSED

### RISK MANAGEMENT

As part of our CROs assessment, AEON undertook a structured approach to evaluate the materiality of climate-related risks and opportunities across our core business segments, including retail, property management services, and supply chain operations. This assessment helps us understand potential climate impacts and supports the development of mitigation and adaptation strategies to enhance business resilience. The following steps were taken to assess climate risks and opportunities relevant to AEON.

#### Shortlisted risks and opportunities relevant to AEON



While the assessment was conducted at the Company level, the ALC were engaged to provide feedback and validate the findings. This assessment enables relevant business unit to monitor its vulnerability to climate risks and potential opportunities, represented through materiality heat maps. These insights will guide progressive actions to mitigate identified risks and capitalise on emerging opportunities.

AEON's Sustainability Department oversees the progress of business units in addressing climate-related matters and provide guidance where necessary. This effort is further supported by a climate working group comprising representatives from risk, strategy, finance, and operations, ensuring a structured and collaborative approach to climate risk management.

#### Next Steps

Moving forward, AEON will strengthen the integration of climate-related risks into our ERM framework, including policies, risk appetite, and management strategies. This includes aligning climate risk assessment with our materiality analysis and incorporating physical and transition risks into our risk taxonomy.

We are committed to standardising our climate risk assessment process to ensure consistency across business units. Once finalised, this framework will be communicated across AEON, enabling proactive risk management and opportunity identification.

## ENVIRONMENTALLY FOCUSED

### METRICS AND TARGETS

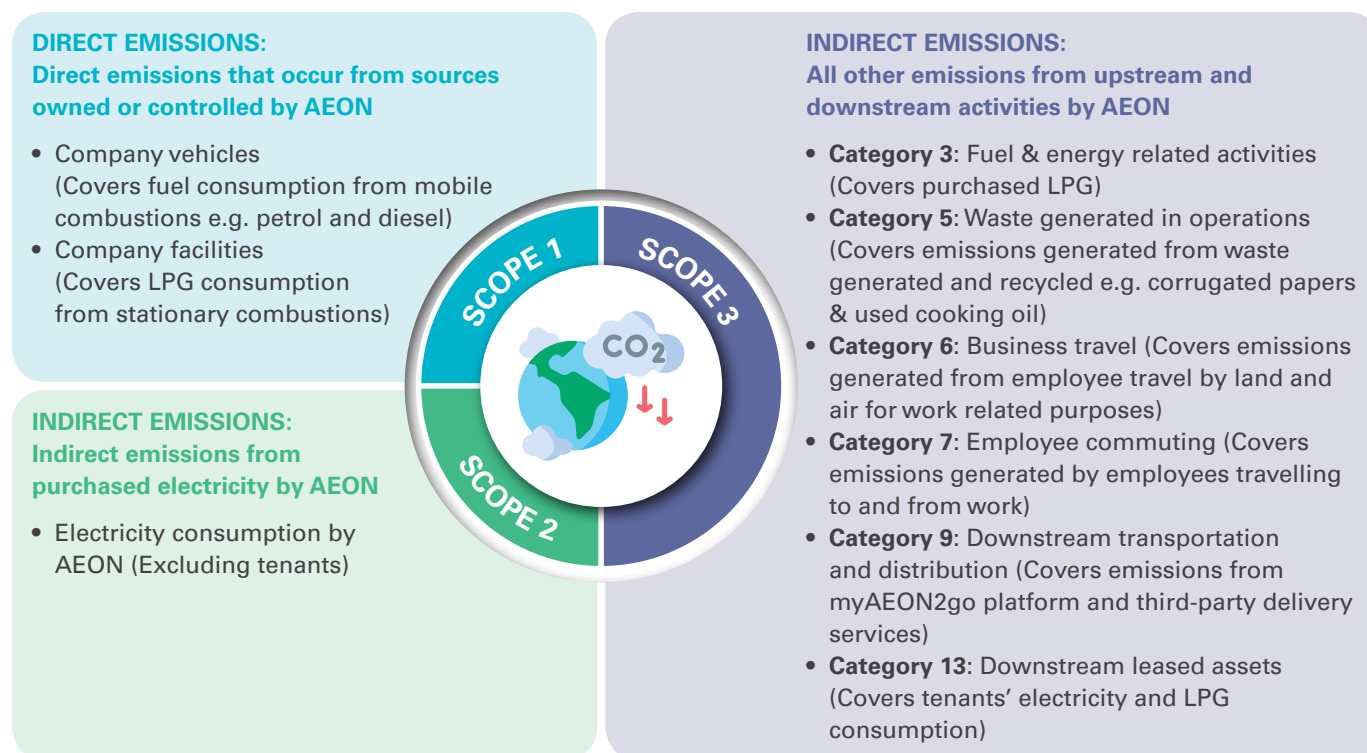
Setting clear targets, monitoring climate-related metrics, and regularly reviewing our approach is essential to achieving AEON's climate ambition and effectively addressing emerging climate risks and opportunities.

Our current climate-related metrics include energy consumption, Scope 1, Scope 2 and Scope 3 GHG emissions. To further strengthen our commitment, AEON is developing a net-zero decarbonisation roadmap, which will outline our mid to long-term climate targets and strategies to accelerate our transition towards net-zero 2050.

In 2024, we continued to monitor our GHG emissions closely based on Scope 1, 2 and 3, using best emissions reporting practices. Our GHG emissions were calculated with reference to the GHG Protocol, a globally recognised accounting and reporting standard. To this end, we recognise the pertinent role of our suppliers, tenants, workforce and customers in reducing our carbon footprint and persist in capacity building and collaborating with them.

Prior to the launch of the National Sustainability Reporting Framework, we have begun developing an internal data collection and management processes with various business units to ensure data completeness and accuracy.

To this end, we have disclosed Scope 1 and 2 emissions, and six out of the 15 categories of the Scope 3 GHG emissions. We will strive to progressively enhance the Scope 3 emissions disclosure.



For more information on AEON's climate-related metrics and targets, refer to pages 57- 58.

### Next Steps

AEON is committed to continuously enhancing the monitoring and tracking of our climate impacts, ensuring measurable progress toward a positive environmental impact. As part of our efforts, we will expand our climate-related metrics and targets beyond GHG reduction to include quantified financial impacts, such as capital expenditure allocated for climate initiatives. This broader approach will provide deeper insights into the financial and operational implications of climate risks and opportunities, reinforcing AEON's commitment to sustainable growth and resilience.



## ENVIRONMENTALLY FOCUSED

### REDUCE CARBON FOOTPRINT

GRI 302-1, 302-2, 302-4, 305-1, 305-2, 305-3, 305-5

**MM4**



#### Commitment:

- 70% absolute emissions reduction for Scope 1 and 2 by 2035 compared to base year 2019
- All new buildings completed in 2025 onwards to be green-building certified

#### WHY IT MATTERS

AEON acknowledges the climate impact of our energy use and carbon footprint. This understanding encompasses not only our direct business operations but also extends to our extensive value chain. As a result, we are deeply committed to reducing our carbon footprint and transition our business toward a resilient and sustainable low-carbon economy.

#### OUR APPROACH

A key aspect of AEON's climate strategy is to drive the growth of both renewable energy (RE) and energy efficiency (EE) initiatives. This dual approach is critical not only within AEON's operations but also in supporting Malaysia's net-zero ambition, contributing to the broader energy transition and the reduction of GHG emissions needed to combat climate change and global warming. By prioritising EE alongside RE, AEON aims to optimise energy use while advancing sustainable practices across its value chain. In alignment with AEON Sustainability Charter, AEON has set climate target, aiming for net-zero emissions by 2050 with mid-term target to reduce 70% absolute emissions for Scope 1 and Scope 2 GHG emissions by 2035, compared to base year 2019. In line with AEON's business strategy expansion of current and new malls, we are also committing to ensure that all new buildings completed in 2025 onwards to be green-building certified.



EV charging facilities at AEON Mall Shah Alam

AEON's commitment extends beyond our immediate operations which not only serves AEON's goals but also supports sustainable practices among our customers. In 2024, we have installed a total of 62 EV charging bays across AEON's 18 malls nationwide, with plans to roll out to more sites in 2025. This initiative makes charging electric vehicles more convenient and supports the wider adoption of EV in Malaysia.

#### OUR DECARBONISATION INITIATIVES IN FY2024

##### RENEWABLE ENERGY

Since 2022, AEON has been actively installing solar photovoltaic (PV) systems across our malls to generate RE. To date, our RE capacity has been expanded to 11 AEON Malls with all of them being powered up and actively generating solar power.

In 2024, our solar PV systems generated 8,877 MWh collectively, supplementing our electricity use. Our goal is to complete solar PV systems installations at nine other AEON malls by the end of 2025.

In addition to this, AEON has continued to subscribe to the Green Energy Tariff (GET), reinforcing our commitment to supporting sustainable energy sources. In 2024, we generated a total of 66,790 MWh of RE and avoided 39,780 tonnes of CO<sub>2</sub>e emissions through RE generated by our solar PV systems and GET subscriptions.

##### ENERGY EFFICIENCY

Improving EE is one of the most crucial efforts in decarbonisation as our business operations utilise high energy consumption. To this end, AEON's Facility Department is tasked to closely monitor our energy consumption to ensure that we consume electricity efficiently. Additionally, we actively engage with our stakeholders to increase awareness on improving EE.

AEON has adopted a strategic approach to significantly reduce the Company's energy consumption, implementing energy-efficient strategies across 28 AEON Malls.

## ENVIRONMENTALLY FOCUSED

In 2024, AEON implemented several energy conservation initiatives to optimise our daily operational needs which includes the following:

- i. Adjusted our Mall's chillers operation control to ensure that our air conditioning usage operate efficiently and only during business hours.
- ii. Scheduled travellers and escalators operation times according to set hours daily.
- iii. Scheduled lighting operation hours according to set hours daily.
- iv. Replaced conventional lights with LED lights.
- v. Utilised smart meter systems.
- vi. Installed energy-saving system in 17 Malls, an additional three Malls in 2024 to enhance energy efficiency.



During the year, AEON also established a dedicated task force to assess and implement a comprehensive EE plan tailored to the diverse needs of its properties. With 28 Malls of varying ages and structural designs, the task force recognises the importance of developing a strategy to address the energy demands of each mall. As part of this initiative, the plan is to focus on selected malls as a pilot in 2025 to help refine and optimise solutions before considering a broader scale implementation.

In terms of awareness, we take part in Earth Hour annually to mark AEON's commitment to combat climate change. Across our malls, lights are switched off one hour to spread awareness about energy savings measures.

### PERFORMANCE

In 2024, AEON's electricity consumption increased by 0.4% from 2023 particularly due to opening of new outlets. AEON remains steadfast in its commitment to EE and RE initiatives, as well as our net-zero emissions commitment, principles that will continue to guide the development of new outlets and the retrofitting of existing ones. The following table summarises the Company's energy consumption for the financial year 2024:

Parameter	Units	2022	2023	2024
<b>Electricity</b>				
Total Electricity Consumption	Megawatt	521,414 <sup>1</sup>	524,739 <sup>1</sup>	<b>528,298</b>
AEON Consumption <sup>2</sup>	Megawatt	412,368 <sup>1</sup>	402,220 <sup>1</sup>	<b>403,840<sup>3</sup></b>
Tenants Consumption	Megawatt	109,047	122,519	<b>124,458</b>
<b>Renewable Energy</b>				
Solar PV Generation	MWh	1,982	3,922	<b>8,877</b>
Green Electricity Purchased via Green Electricity Tariff (GET)	MWh	387,495	290,230	<b>57,913<sup>4</sup></b>
<b>Fuel</b>				
LPG Consumption by AEON	m <sup>3</sup>	172,429 <sup>1</sup>	190,755 <sup>1</sup>	<b>186,914</b>
LPG Consumption by AEON's Tenants	m <sup>3</sup>	621,978 <sup>1</sup>	634,692	<b>709,218</b>
Diesel Consumption <sup>5</sup>	Litre	-	-	<b>53,119</b>
Petrol/Gasoline Consumption	Litre	210,411	227,720	<b>142,738</b>

#### Notes:

<sup>1</sup> This number has been restated following data update to ensure accuracy in reporting.

<sup>2</sup> FY2024 AEON electricity consumption from DAISO and AEON Wellness outlets in Mayang Mall were not accounted due to unavailability of data (opened in December 2024).

<sup>3</sup> This data has been independently assured. Please refer to the Independent Limited Assurance Report on pages 220 to 222.

<sup>4</sup> The decrease in GET subscriptions in 2024 reflects the adjusted subscription amount and the May-December coverage period.

<sup>5</sup> Diesel consumption data is not available in 2022 and 2023 due to a revised approach and calculation methodology to ensure accuracy and consistency in future reporting.

## ENVIRONMENTALLY FOCUSED

We report our GHG emissions with reference to the GHG Protocol Corporate Standard. Our GHG emissions inventory covers all business activities under our financial and operational control. For details on the Company's GHG emissions please refer to the following table:

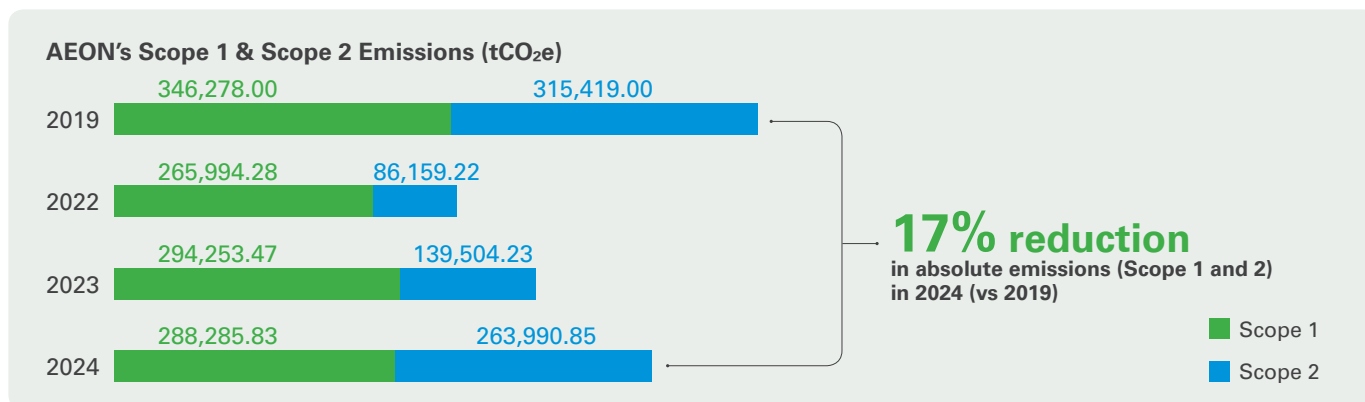
### GHG Emissions

	Units	2022	2023	2024
Scope 1 Emissions	tCO <sub>2</sub> e	265,994.28 <sup>1</sup>	294,253.47 <sup>1</sup>	<b>288,285.83<sup>5</sup></b>
Scope 2 Emissions <sup>2</sup>	tCO <sub>2</sub> e	86,159.22 <sup>3</sup>	139,504.23 <sup>3</sup>	<b>263,990.85<sup>5</sup></b>
Scope 3 Emissions	tCO <sub>2</sub> e	1,008,914.01 <sup>4</sup>	1,055,446.92 <sup>4</sup>	<b>1,211,978.85<sup>5</sup></b>
Category 3: Fuel- and Energy-Related Activities	tCO <sub>2</sub> e	4,042.85	6,779.08	<b>6,929.62<sup>5</sup></b>
Category 5: Waste Generated in Operations	tCO <sub>2</sub> e	26,979.50	28,882.23	<b>26,884.63<sup>5</sup></b>
Category 6: Business Travel Employee Commuting	tCO <sub>2</sub> e	191.54	252.09	<b>552.89<sup>5</sup></b>
Category 7: Employee Commuting	tCO <sub>2</sub> e	1,346.16	1,355.49	<b>1,420.86<sup>5</sup></b>
Category 9: Downstream Transportation & Distribution	tCO <sub>2</sub> e	242.92	324.49	<b>362.71<sup>5</sup></b>
Category 13: Downstream Leased Asset	tCO <sub>2</sub> e	976,111.04	1,017,853.54	<b>1,175,828.15<sup>5</sup></b>

#### Notes:

- <sup>1</sup> This number has been restated following a revision in LPG gas density conversion.
- <sup>2</sup> Under Scope 2 (FY2024), emissions from DAISO and AEON Wellness outlets in Mayang Mall were not accounted due to unavailability of electricity consumption data (opened in December 2024).
- <sup>3</sup> This number has been restated due to the application of the latest grid emissions factor.
- <sup>4</sup> This number has been restated due to additional categories disclosed in Scope 3 emissions.
- <sup>5</sup> This data has been independently assured. Please refer to the Independent Limited Assurance Report on pages 220 to 222.

For more information on approach and emissions sources of Scope 1, Scope 2 and selected Scope 3, refer to page 75.



Building on our commitment to develop decarbonisation strategies and assess Scope 3 emissions, AEON has made progress in laying the groundwork for impactful climate action. As we move into 2025, we are developing a net-zero decarbonisation roadmap to accelerate our GHG emissions reduction efforts. This roadmap will provide a clear path for achieving our sustainability targets, aligning with global best practices and emerging industry standards.

Simultaneously, we are assessing our Scope 3 emissions to identify and prioritise opportunities to reduce GHG emissions across our value chain. By addressing both direct and indirect emissions, AEON is reinforcing its commitment to sustainable operations and contributing to the broader global effort to combat climate change.

## ENVIRONMENTALLY FOCUSED

## MINIMISE WATER CONSUMPTION

GRI 302-4, 303-5

MM5

**Commitment:**

- 15% reduction of water consumption by 2030 compared to base year 2019

**WHY IT MATTERS**

AEON recognises the increasing challenge of water scarcity, driven by climate change. As fresh, clean water is essential to our operations, we are committed to responsible water stewardship across our value chain—from raw materials and suppliers to malls, store operations, and food preparation processes.

By reducing water consumption, we not only contribute to environmental conservation but also enhance energy efficiency and lower operational costs. To this end, AEON is dedicated to implementing water management initiatives that prioritise sustainable usage and efficiency, ensuring the long-term preservation of this vital resource.

**OUR APPROACH**

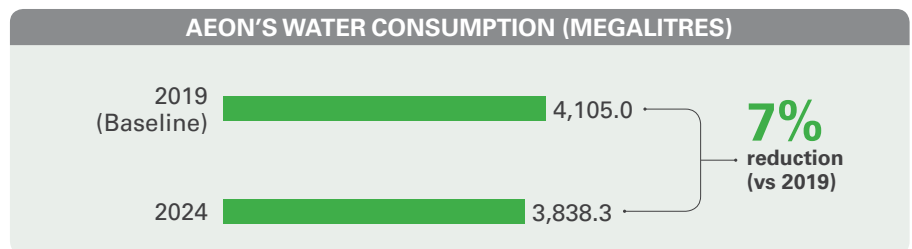
As per our other environmental initiatives, AEON's water management strategies are guided by the Company's Sustainability & Climate Change Policy. Water withdrawn from municipal sources are assured of their quality and is compliant with the Drinking Water Quality Standards, published by the Ministry of Health, Malaysia. Air Selangor, one of our municipal water sources, regularly monitors the quality of raw and treated water at various sampling points through in-house laboratories which have been accredited with ISO 17025 (Laboratory Accreditation) Certification. In line with our objective to minimise the

environmental impact of our operations, we have committed to a water reduction strategy with a goal to reduce our water usage by 15% by 2030 from our 2019 levels.

**OUR INITIATIVES IN 2024**

In 2023, we initiated efforts to improve the maintenance of our water facilities across operations to prevent leaks. This included retrofitting facilities with water-efficient faucets and toilets, as well as installing scale removal and prevention systems in cooling tower to optimise water usage and improve heat transfer resulting in energy efficiency. We continued to expand our water efficiency measures in 2024 by implementing company-wide energy-saving measures, incorporating water conservation initiatives to further align our efforts toward sustainability and operational resilience.

In 2024, there were zero incidents of non-compliance with water quality / quantity permits, standards and regulations. The total water consumption in 2024 is as follows:



AEON remains committed to strengthening its water management strategies to align with our water reduction targets. Moving forward, we will continue to review and enhance our water management plans across all operations to ensure they remain effective and adaptable to evolving challenges. A key focus is on the continuous monitoring and maintenance of facilities, particularly mall and store toilets, to minimise water waste.

Additionally, we are exploring scalable water conservation initiatives, including exploring alternative water sources to reduce reliance on municipal water supplies. Where necessary, we will install modified water taps with lower flow rates to improve efficiency without compromising functionality.

Beyond infrastructure improvements, AEON will continue to engage in awareness campaigns to encourage water-saving practices among customers and employees, fostering a culture of responsible water use across our operations.

## ENVIRONMENTALLY FOCUSED

### REDUCE WASTE

GRI 306-1, 306-2, 306-3, 306-4, 306-5

**MM6**



#### Commitment:

- 15% of total waste diverted from landfill by 2030
- 50% reduction of food waste in AEON's operations by 2040

#### WHY IT MATTERS

Effective waste management is a key pillar of AEON's sustainability strategy, particularly within our retail and property management services operations. We recognise that our business activities can impact the environment and local communities, making pollution control a critical priority. Failure to manage these impacts effectively could expose us to reputational, legal, and financial risks, as well as potential threats to our operating licences.

#### OUR APPROACH

Our approach to waste management prioritises waste reduction, recycling awareness and responsible disposal practices. To ensure that we are managing our waste in compliance with best practices and legal requirements, AEON adheres to the Environmental Quality Act 1974 and Solid Waste and Public Cleansing Management Act 2007 (Act 672). Internally, AEON has a Waste Management Policy which serves as a guideline to fulfil both its ethical and legal obligations for responsible waste management. The implementation of this Policy ensures that AEON's waste management practices are not only compliant and safe but also environmentally sound and financially viable.

AEON is also embracing the principles of a circular economy, focusing on streamlining processes to minimise waste and maximise the recycling of materials. The following infographic illustrates the Company's waste management process:



Starting with prevention and reduction, we actively work towards minimising waste generation. We also emphasise re-use and recycling practices by ensuring that materials are given a second life whenever possible to save on resources. Our commitment extends to recovery efforts, extracting value from discarded materials. Final responsible disposal methods are employed for any remaining waste, completing our holistic approach to waste management. We ensure we maximise our efforts by finding the best method to manage our waste before disposing as our last resort.



The Waste Management Policy can be viewed on our website at <https://aeongroupmalaysia.com/sustainability-policies/>



## ENVIRONMENTALLY FOCUSED

### OUR INITIATIVES IN 2024

#### PREVENTION

Waste prevention is a fundamental aspect of our waste management strategy, aimed at eliminating waste at its source. We actively work to reduce or avoid the procurement of single-use materials across our retail and mall operations. When new materials are necessary, we prioritise sourcing sustainable alternatives, ensuring they align with our commitment to responsible consumption and circular economy principles. Our suppliers play a crucial role in this effort, providing insights into the availability of eco-friendly options and supporting AEON in making environmentally responsible purchasing decisions.

AEON continues to implement practical solutions to reduce plastic dependency, including:



Food waste avoidance by implementing 'Repriced To Clear' for products that are nearing its 'use by' date.



Promoting a 'Say No to Single-Use Plastics' approach among tenants and F&B outlets in our malls; to encourage customers to bring their own shopping bags.



Expanding plastic-free initiatives in our bakery operations.



Eliminating plastic straws from our Delica and Delicatessen sections to further reduce unnecessary plastic waste.



Encouraging employees to bring their own containers for food and beverages, fostering a culture of sustainability within our operations.

#### REDUCE/RE-USE

We minimise waste generation at the source while reducing reliance on non-sustainable materials. We continuously explore alternative solutions to lower environmental impact and embed circular economy practices across our operations. In addition to our efforts to phase out single-use plastics, AEON continued its initiatives to drive waste reduction, including:

- **Reusable and Refillable Solutions** – We offer refill stations in select locations, allowing customers to purchase household essentials like detergents.

- **Bakery Waste Reduction** – Beyond eliminating plastic carrier bags, we are optimising production planning in our bakery operations to minimise surplus and reduce food waste.
- Our mall operations reuse decorations for festive celebrations and only incorporate new additions as needed.



#### RECYCLING

AEON continues to strengthen its recycling programmes, reinforcing our commitment to responsible waste management and circular economy principles. We continue to optimise our recycling efforts across our operations, focusing on key materials such as carton boxes, used cooking oil, and post-consumer plastic waste.

In terms of customer awareness programme, AEON Mall Alpha Angle continues to serve as a key hub for recycling and repurposing initiatives with its Buy-Back Centre to encourage greater participation in sustainable waste practices by making recycling more accessible for our customers and tenants.

In 2024, we continued our awareness initiatives, working with existing and new partners to drive impactful recycling efforts.



## ENVIRONMENTALLY FOCUSED

### EMBRACING CIRCULARITY WITH PARTNERS IN 2024



#### PET Bottles Recycling

Building on the success of last year's 'Recycle Me!' Campaign, AEON together with its partners Trash4Cash Malaysia, Coca-Cola Malaysia and Hiroyuki Industries, proudly launched the 2024 edition of this community-driven recycling initiative, resulting in the collection of 2,322kg of PET (polyethylene terephthalate) bottles.



#### Fabric Recycling Initiative

AEON and KLOTH collaborated on fabric recycling programme, resulting in the collection of total 252,732kg of unwanted textiles and clothing from across participating AEON Malls.



#### HDPE Recycling and Reward Programme

350kg of HDPE plastic (high-density polyethylene) containers were collected from selected AEON Mall, in collaboration with Kao Malaysia.



#### Paper and E-waste Recycling

AEON, partnering with Recircle Malaysia, achieved a successful single-day collection of approximately 2,000kg of mixed paper and e-waste from two malls, and plans to extend the programme to more locations in 2025.

## RECOVERY



#### Composting

AEON Mall Alpha Angle continued to utilise the composting machine to convert organic waste into valuable compost. In 2024, we refined our organic waste management processes, particularly enhancing waste segregation to improve organic waste collection efficiency across our operations, including tenants' waste at AEON Mall Alpha Angle.

## DISPOSAL

We ensure responsible and compliant disposal through appointed contractors, strictly adhering to local laws and regulations. The results of our endeavours for the year under review are as follows:

Waste	Units	2022	2023	2024
Total Waste	Metric tonnes	58,238	62,260	<b>58,023</b>
Non-recycled	Metric tonnes	52,287	55,507	<b>51,688</b>
Recycled*	Metric tonnes	5,951	6,753	<b>6,355</b>
Rate of Waste Diverted From Landfill	%	10	11	<b>11</b>

**Note:**

\* Mainly carton boxes and used cooking oils

Building on our ongoing efforts, AEON will enhance waste management across all malls and stores in 2025. We will improve waste segregation at source, explore innovative solutions, and stakeholder collaborations to advance circular economy practices. By optimising processes and strengthening partnerships, AEON aims to minimise environmental impact, optimise resource efficiency, and lead sustainable waste management in the retail sector.

## ENVIRONMENTALLY FOCUSED

## ENHANCE BIODIVERSITY CONSERVATION

GRI 101-1, 101-2, 101-4, 101-7, 101-8, 306-2, 306-4

MM4

MM7

**Commitment:**

- Plant additional 30,000 trees by 2027
- 50% sustainable packaging by 2030
- Eliminate single-use plastic across value chain by 2040, where feasible



AEON rehabilitated former tin mine area in Bidor by planting 30,000 trees through the Malaysia-Japan Friendship Forest Programme

**WHY IT MATTERS**

As consumer awareness of sustainability grows, ethical and responsible sourcing is becoming a key driver of retail operations. Biodiversity loss poses significant risks to key sectors such as agriculture, forestry, and fisheries, which are essential to the retail supply chain. Protecting biodiversity ensures the long-term availability of resources, supports ecosystem resilience, and fosters positive relationships with local communities. Retailers that integrate biodiversity conservation into their business strategies not only enhance brand reputation but also meet the rising expectations of eco-conscious consumers.

**OUR APPROACH**

AEON is committed to integrating biodiversity conservation into our sourcing practices, ensuring that we contribute to environmental stewardship while supporting business sustainability. Our approach includes:

- Investing in conservation efforts to protect natural ecosystems.
- Prioritising responsible sourcing by working with suppliers who adhere to sustainable practices.
- Collaborating with local communities to promote initiatives that support both the environment and livelihoods.
- Aligning with ethical and strategic business imperatives, ensuring that sustainability is embedded in our value creation efforts.

To prioritise responsible sourcing, AEON has established a Responsible Sourcing Policy, which guides our procurement decisions to ensure that suppliers adhere to ethical, environmental, and social standards. This policy reinforces our commitment to sourcing sustainably produced goods, promoting supply chain transparency, and reducing negative environmental and social impacts.

## ENVIRONMENTALLY FOCUSED

By championing biodiversity conservation and adhering to our Responsible Sourcing Policy, AEON not only meets evolving consumer expectations but also contributes to a more responsible and resilient retail industry.



The Responsible Sourcing Policy can be viewed on our website at <https://aeongroupmalaysia.com/sustainability-policies/>

### OUR INITIATIVES IN 2024

#### PLANTING SEEDS OF GROWTH

Tree planting has always been at the heart of AEON's sustainability efforts. To date, we have planted more than 557,000 trees through two major programmes since our inception, reinforcing our commitment to biodiversity conservation and environmental stewardship.

In 2024, AEON focused on community-driven tree planting efforts, engaging schools and local communities in sustainability initiatives. Through this effort, more than 7,000 saplings were planted across 28 schools surrounding 28 AEON Malls, fostering environmental awareness and instilling a culture of sustainability among students and educators.

For 2025 onwards, AEON has set a target to plant an additional 30,000 trees by 2027, further strengthening our dedication to urban greening and ecological restoration. By continuously expanding our reforestation efforts and community engagement, AEON remains committed to fostering a greener, more sustainable future.

Building on the success of previous Malaysia-Japan Friendship Forest Programme in Bidor, Perak, AEON will be launching a new three-year (2025-2027) partnership with Forest Research Institute Malaysia (FRIM) focused to plant approximately 30,000 trees in Johor. Complementing this, AEON will be involved in a 12-month Firefly Conservation Initiative in partnership with FRIM at Sungai Selangor, Kuala Selangor, focusing on restoring firefly habitat by planting Berembang and Rumbia trees. Both initiatives reinforce AEON's sustainability leadership, support conservation efforts and align with the Greening Malaysia Programme through 100 Million Tree Planting Campaign. These initiatives also offer opportunities for customer and employee engagement.

#### ADVANCING SUSTAINABLE PACKAGING

As part of AEON's commitment to responsible consumption and waste reduction, we aim to achieve 50% sustainable packaging by 2030 and eliminate single-use plastics across our value chain by 2040, where feasible. Moving forward, we will establish a baseline assessment to evaluate our packaging materials, enabling us to track and monitor progress while identifying key areas for improvement. Our focus includes:

- Explore sustainable materials by increasing the use of recyclable, biodegradable, and compostable packaging, starting with our Private Brands.
- Collaborate with suppliers to implement sustainable packaging solutions across our supply chain.
- Educate consumers on sustainable packaging choices through in-store and digital platforms.

Beyond operational changes, AEON continues to engage with stakeholders and policymakers to drive impactful change. We actively collaborate with Ministry of Housing and Local Government, offering retail sector insights to support the advancement of circular economy policies and sustainable waste management frameworks. By integrating these initiatives, AEON reinforces its role as a leader in sustainable retail, ensuring that our business practices align with long-term environmental stewardship.

AEON signed a pledge towards government's goal of eliminating single-use plastics nationwide by 2030. Starting 1 October 2024, AEON and 15 other retail chain operators no longer provide single-use plastic bags to customers. In line with this initiative, AEON had already begun its efforts, eliminating single-use plastic bags at all its counters nationwide since 1 January 2023.







## EMPOWERING PEOPLE

**GOAL** Foster an inclusive and future-ready workforce that uplifts society by 2030



AEON is committed to empower its 9,423 employees and the communities it serves. Guided by UN SDGs 3, 5, 8, and 10, we focus on health, decent work, and reducing inequalities to ensure a safe, inclusive, and professional workplace.

We prioritise employee well-being through health, safety, and wellness programmes, including mental health support and workplace enhancements. We also invest in talent development to equip employees with skills for the future.

As part of our diversity efforts, we aim to maintain for at least 30% women representation in AEON Board and ALC as well as maintain at least 50% women representation in Management. The Company also commit to a 2% employment rate for PWD by 2030.

Beyond the workplace, AEON supports communities through CSR initiatives and the Malaysian AEON Foundation (MAF), focusing on education, healthcare, and social welfare.

## PROMOTE DIVERSITY, EQUITY & INCLUSIVITY

GRI 2-7, 405-1

MM9



### Commitment:

- Maintain at least 30% women representation in AEON Board and ALC
- Maintain at least 50% women representation in Management
- 2% of AEON's workforce to include PWD by 2030

### WHY IT MATTERS

AEON sees diversity and inclusivity as both ethical and strategic imperatives, enabling us to meet the needs of our diverse stakeholders. In 2024, we strengthened our commitment to building a workplace that reflects the multicultural society we serve, ensuring equal opportunities for all.

### OUR APPROACH

AEON's Diversity Policy ensures decisions are based on merit and free from bias related to age, gender, ethnicity, or other personal characteristics. We maintain a zero-tolerance policy on discrimination and disrespectful behavior, ensuring a safe, respectful, and inclusive environment.



The AEON Diversity Policy can be viewed on our website at <https://aeongroupmalaysia.com/sustainability-policies/>

## EMPOWERING PEOPLE

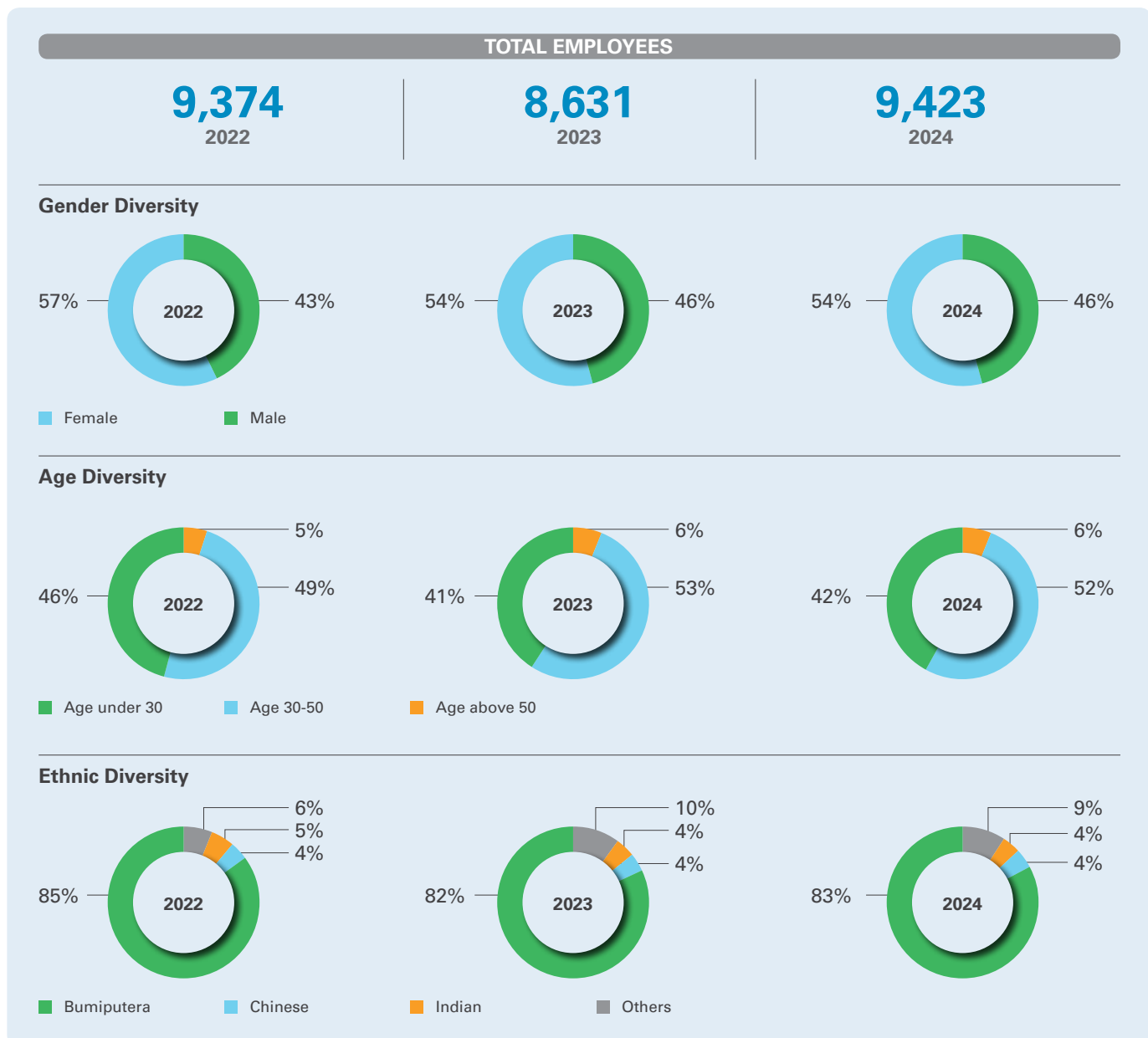
### OUR INITIATIVES AND PERFORMANCE IN 2024

AEON has taken proactive steps to diversify its workforce, recognising that varied skills, perspectives, and ideas drive innovation. In 2024, we expanded partnerships with diverse communities and organisations to attract under-represented talent through targeted recruitment programmes. We also strengthened our Recruitment Policy to reinforce fairness and inclusive hiring.

The composition of our workforce is as illustrated in the following charts.

For a more detailed insight into the composition of our Board of Directors, please refer to pages 106 to 111.

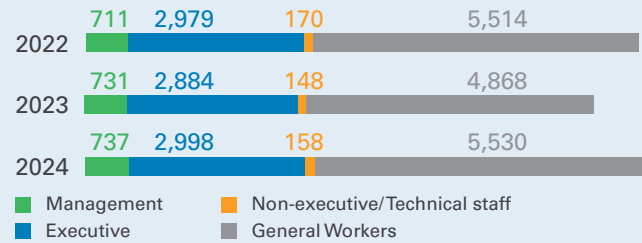
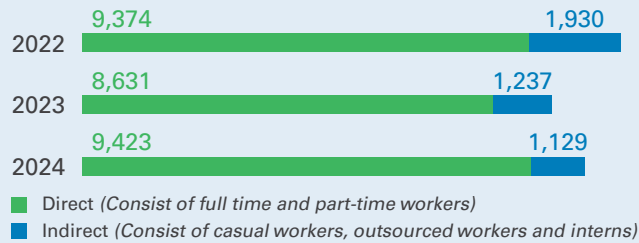
### WORKFORCE PROFILE



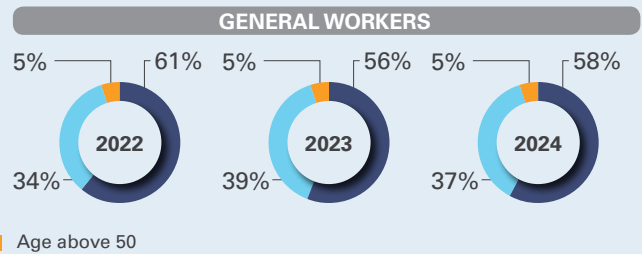
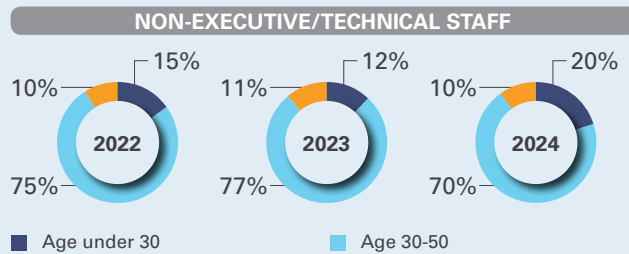
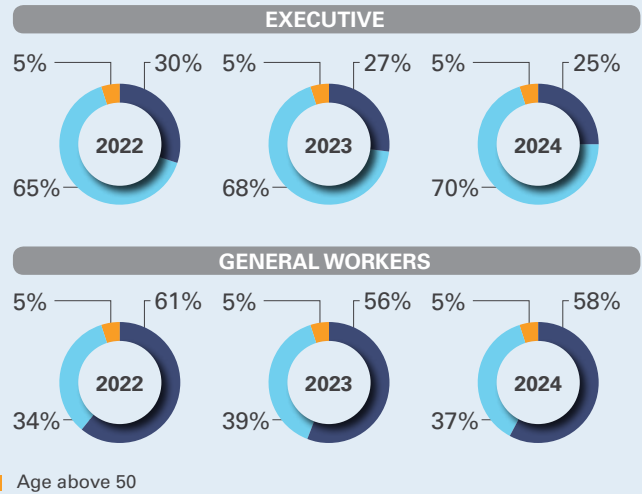
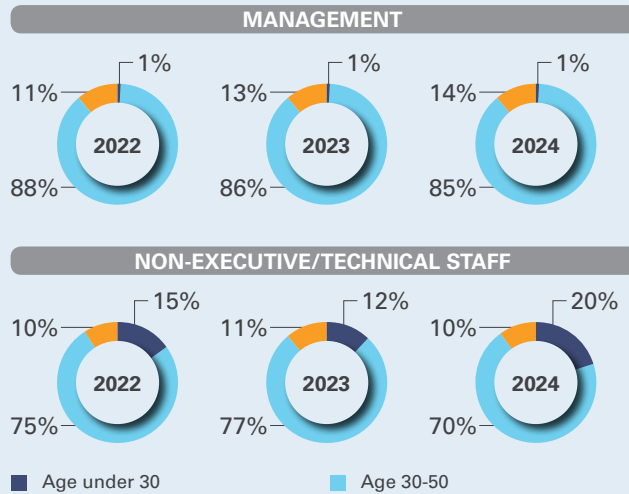


## EMPOWERING PEOPLE

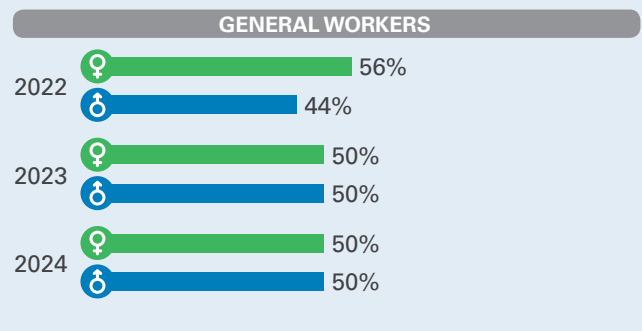
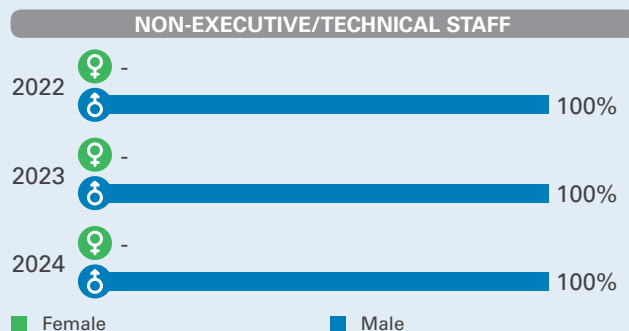
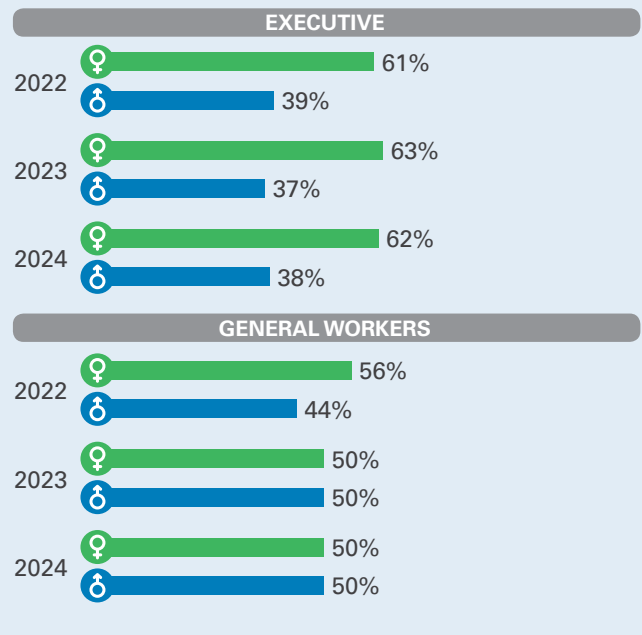
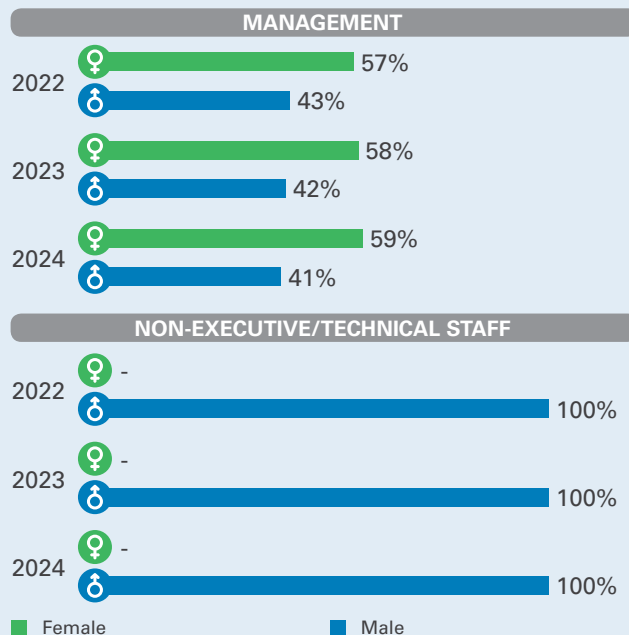
## Employee Composition



## Age Diversity by Employee Category



## Gender Diversity by Employee Category



## EMPOWERING PEOPLE

### ADVANCING DIVERSITY, EQUITY, AND INCLUSION

AEON is committed to creating a diverse, equitable, and inclusive workplace, ensuring opportunities for all employees to thrive. In 2024, we achieved our targets, achieving 40% women representation on our Board and 40% of ALC are women. In addition, we achieved 59% women representation in Management.

Our commitment to supporting PWD remain strong, with a 1.8% PWD employment rate as we progress toward our 2% target by 2030. In 2024, we conducted 64 hours of training for 151 PWD employees and their supervisors.

To further promote inclusivity, we are expanding initiatives that support diversity and professional growth. In 2025, the Young Leaders Programme will be launched to develop leadership at all levels.

Moving forward, AEON remains committed to building a sustainable, inclusive future. By nurturing a sense of belonging, we strengthen our workplace and create positive change for stakeholders and communities.

	2022	2023	2024
Number of PWD employed	123	184	<b>168</b>
% against total workforce	1.3%	2.1%	<b>1.8%</b>

## RESPECT HUMAN & LABOUR RIGHTS

GRI 2-7, 406-1, 407-1

**MM8**



#### Commitment:

- Conduct human rights due diligence and address identified gaps by 2030

### WHY IT MATTERS

AEON is committed to respecting human and labour rights as core elements of our organisational culture. With over 9,000 employees, we uphold fair treatment, safe working conditions, and equal opportunities. Ethical employment practices enhance workforce engagement, strengthen operational resilience, and build trust among employees, customers, and stakeholders. By integrating these principles into our culture and supply chain, we support long-term business sustainability while complying with evolving regulations.

### OUR APPROACH

AEON is guided by its Human and Labour Rights Policy which aligns with international standards and local regulations, ensuring equal treatment and respect for all employees. AEON upholds the United Nations Global Compact's Ten Principles, the Universal Declaration of Human Rights, and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.

Given the labour-intensive nature of retail, AEON enforces fair labour standards across all levels, adhering to laws such as the National Minimum Wage Policy, the Minimum Retirement Age guidelines, and the Employment Act of 1955. Compliance ensures fair wages, safe working conditions, and access to training programmes for skill development.

In 2024, AEON revised its Code of Conduct (ACOC) into the AEON Corporate Commitment, reinforcing clear ethical standards for employees and external stakeholders. Reporting platforms include the AEON Compliance Hotline, with a separate Legal Attorney Hotline for cases involving misconduct by management at Senior General Manager level and above. Committed to zero human rights-related incidents, AEON works closely with employee unions to ensure fair collective bargaining agreement. For employees outside this agreement, the Company remains dedicated to adhering to local labour laws and workforce regulations.

### OUR INITIATIVES AND PERFORMANCE IN 2024

In 2024, we took steps to strengthen our policies, practices, and initiatives to ensure a workplace that values fairness, dignity, and the well-being of all employees. We reinforced



The AEON Human Rights Policy can be viewed on our website at <https://aeongroupmalaysia.com/sustainability-policies/>

## EMPOWERING PEOPLE

our adherence to all relevant labour laws and policies, including the National Minimum Wage Policy, the Minimum Retirement Age guidelines and the Employment Act 1955. Aligned with the regulatory requirements, the Company revised the minimum working hours from 48 to 45 hours, and maternity leave from 60 days to 98 days.

### ENSURING FAIR LABOUR PRACTICES

To further support fair employment practices, AEON has strengthened our collaboration with employee union, fostering open dialogue and constructive negotiations to finalise the collective agreement. Through this agreement, we ensure that the rights and interests of all workers are adequately represented. As of December 2024, 21% of our workforce is covered under the collective agreement and 37% more are eligible to join the union, demonstrating our commitment to fair representation and worker empowerment.



*Signing of the first Collective Agreement*

### ZERO-TOLERANCE FOR HUMAN RIGHTS VIOLATIONS

AEON upholds a safe, respectful, and inclusive workplace with a zero-tolerance policy for human rights violations, including harassment and misconduct. To reinforce this, we have implemented preventive measures that promote awareness, accountability, and ethical behaviour across all levels. Sexual harassment prevention remains a key priority,

with mandatory awareness sessions included in new staff orientation programmes. Additionally, 'Zero-tolerance for Sexual Harassment' posters are displayed at all AEON operating sites, ensuring continuous reinforcement of our commitment.

In 2024, a total of 42 cases were reported through the AEON Compliance Hotline, with 9 substantiated cases related to human rights violations. Each case underwent a thorough review and investigation, ensuring due process and accountability. Where necessary, appropriate disciplinary actions were taken, including official warning, suspension and/or dismissal, where necessary. These actions reflect AEON's proactive approach to addressing workplace concerns and maintaining a safe and ethical workplace for all employees.

#### TOTAL CASES (THROUGH THE AEON COMPLIANCE HOTLINE)

**31**  
2022

**42**  
2023

**42**  
2024

#### NUMBER OF SUBSTANTIATED CASES CONCERNING HUMAN RIGHTS VIOLATION

**9\***  
2022

**7\***  
2023

**9**  
2024

\* This number has been restated due to revised categorisation

To further strengthen our ethical governance, AEON enhanced its whistleblowing channels that provide employees with a secure and confidential platform to report concerns. By cultivating a transparent and accountable corporate culture, we empower our workforce to speak up against any misconduct.

Moving forward, AEON is committed to strengthening its human rights practices with a new target to conduct human rights due diligence (HRDD) and address identified gaps by 2030. As part of this commitment, the Company plans to establish a HRDD framework and will conduct assessments to identify risks, implement necessary remediation measures, and enhance monitoring frameworks.

## EMPOWERING PEOPLE

### ENHANCE HEALTH, SAFETY & WELL-BEING

GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9, 403-10

**MM10**



#### Commitment:


- Commit to protecting AEON employees' health, safety and well-being

#### WHY IT MATTERS

At AEON, workplace health, safety, and well-being are top priorities. We are committed to protecting our employees, and stakeholders while ensuring business continuity. A safe and supportive work environment is not just a legal and moral responsibility—it also strengthens talent retention, productivity, and long-term sustainability.

#### OUR APPROACH

AEON's commitment to health and safety is anchored in the AEON Health, Safety, and Environmental (HSE) Policy, which serves as a guiding framework for workplace safety standards.

 The AEON Health, Safety and Environment Policy can be viewed on our website at <https://aeongroupmalaysia.com/sustainability-policies/>

We have Occupational Safety and Health Committees across all AEON operation sites, ensuring collaboration between employees and Management to identify and mitigate hazards. These committees meet quarterly to review safety performance, implement improvements, and oversee training. Our goal remains zero workplace fatalities, supported by enhanced risk assessments, emergency drills, and a structured incident reporting system.

#### OUR INITIATIVES IN 2024

##### ENSURING SAFE WORKPLACE

In 2024, we strengthened workplace safety with enhanced governance, industry best practices, and stricter protocols. We introduced a safety leadership engagement programme where relevant leaders conduct site visits and safety walkthroughs to reinforce compliance and encourage employee participation.

AEON upholds a store ownership principle, where each business unit takes full responsibility for risk management. We have improved hazard communication, ensuring employees can report safety concerns through a structured digital system. This has led to a more proactive approach in identifying and addressing risks before they escalate.

We are committed to full transparency in reporting and addressing workplace incidents. All reported cases, regardless of severity, are investigated to determine root causes and corrective actions. Our expanded near-miss reporting mechanism encourages employees to highlight potential risks early, strengthening preventive measures across operations.

Parameter	2022	2023	2024
<b>Health &amp; Safety Training</b>			
No of employees trained of safety	1,185	888	<b>1,133</b>
No of employees trained on safety as part of general training or induction	680	344	<b>827</b>
Lost Time Incident Rate (LTIR), including contractors*	1.18	1.23	<b>1.64</b>
No of work-related fatalities for employees	0	0	<b>0</b>
No of work-related fatalities for contractor	1	0	<b>0</b>

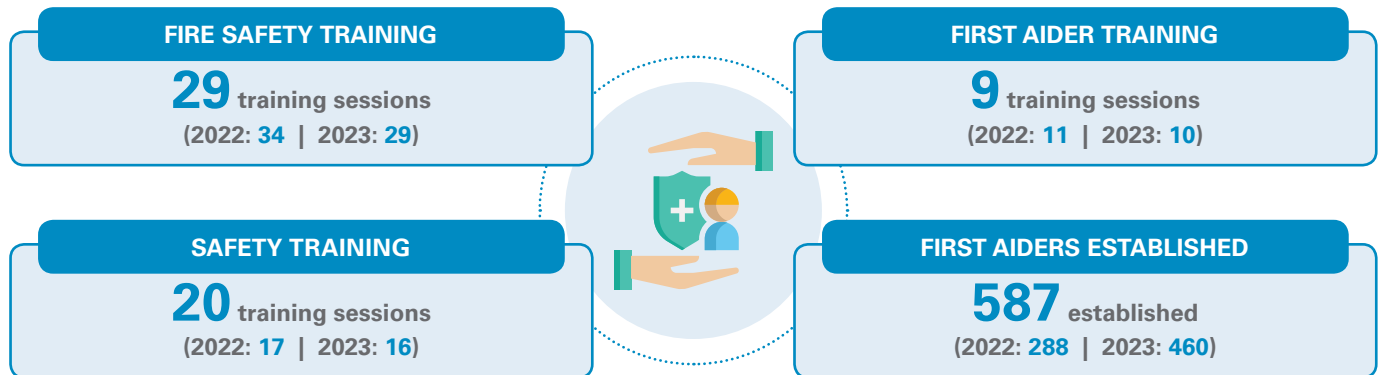
#### Note:

\* Refers to LTIR (times 200,000 hours) against total case and total AEON Employees

All investigation findings are compiled into an annual safety performance review, ensuring continuous learning and improvement while maintaining confidentiality. To complement this, we have introduced safety dashboards at all operational sites, providing real-time insights into incident trends and corrective measures. These enhancements allow for data-driven decision-making, helping identify patterns and improve overall workplace safety.

## EMPOWERING PEOPLE

In addition, we conduct annual trainings on health and safety:



### SUPPORTING EMPLOYEE WELL-BEING

#### Employee Engagement Survey

To ensure our well-being initiatives effectively meet employee needs, we conducted workplace experience surveys, with a 52% response rate, gathering insights into job satisfaction, engagement, and overall workplace conditions.

#### Summary from the 2024 Employee Survey:

##### STRENGTHS



##### Work Environment

**94%** of employees are happy working at AEON.



##### Company Culture & Values

**92%** feel comfortable with AEON's culture and values.



##### Sense of Belonging

**97%** are proud to be part of AEON.



##### Learning & Development

**95%** feel they have good opportunities for growth at AEON.



##### Commitment to AEON

**88%** plan to stay with AEON for the next two years.

### Employee Benefits

At AEON, we prioritise the well-being and growth of our employees, offering a comprehensive benefits programme designed to support career development, health, and work-life balance:



##### HEALTH AND WELLNESS

- Outpatient & In-patient Medical Coverage
- Health Screening
- Dental Coverage
- Optical Coverage



##### EMPLOYEE SUPPORT

- Marriage Leave & Token
- Maternity Leave
- Paternity Leave
- New Born Token
- Compassionate Leave & Bereavement Cash Relief
- Calamity Leave & Cash Relief



##### CAREER MOBILITY

- Individual Motivation Scheme
- Leader Housing Allowance Scheme
- Relocation Allowance
- Movement Expenses



##### BENEFITS

- Employee Purchase Programme
- Profit-sharing Bonus
- Retirement Gratuity Payout
- Additional Company EPF Contribution for Long Service Employees

Through these benefits, AEON aims to create a thriving and supportive work environment, empowering employees to excel both personally and professionally.



## EMPOWERING PEOPLE

### Health and Well-Being

A positive work environment is key to employee satisfaction and organisational success. In 2024, AEON introduced several initiatives to enhance employee well-being.

To promote proactive healthcare, AEON organised Wellness Days in collaboration with insurance providers and AEON Wellness, offering:

- ▶ Biometric assessments
- ▶ Cardiovascular health checks
- ▶ Musculoskeletal evaluations
- ▶ Postural screenings
- ▶ Vision tests



AEON Wellness Day 2024

For mental well-being, AEON hosted a stress management health talk, equipping employees with practical resilience strategies. We also conducted onboarding medical benefit briefings with our healthcare insurance partners, ensuring employees understand their coverage and have digital access to pharmaceutical services.

To support work-life balance, AEON offers flexible work arrangements for employees based at headquarters, helping employees manage both professional and personal commitments. These initiatives reinforce our commitment to a healthy and supportive workplace.

### Zakat Wakalah

AEON encourages employees to contribute to Zakat by offering salary deduction option. AEON will then administer the Zakat Wakalah funds to provide financial assistance to eligible employees. This initiative reflects our dedication to fostering a caring and inclusive workplace, ensuring that our employees receive the necessary support during challenging times.



In 2024, **RM108,000** was distributed to eligible beneficiaries, under four key categories:



#### ZAKAT PERUBATAN

Supporting employees in covering medical treatment costs.



#### ZAKAT MUSIBAH

Assisting employees affected by hardships such as natural disasters, personal accidents, theft, or robbery.



#### ZAKAT PENDIDIKAN

Easing the financial burden of employees in covering their children's education expenses at primary, secondary, and tertiary levels.



#### ZAKAT KECEMASAN

Providing immediate financial aid for urgent situations such as power outages, water disruptions, and home damages.

AEON remains committed to uplifting employee well-being, offering timely assistance to those facing difficulties, and ensuring that financial hardships do not hinder their quality of life.


## EMPOWERING PEOPLE

### Employee Engagement

AEON takes pride in celebrating the unwavering dedication of its employees through the AEON Long Service Awards. This tradition not only acknowledges their contributions but also reinforces AEON's culture of appreciation, strengthening the bond between the company and its workforce. By celebrating career milestones, AEON continues to support employees at every stage of their professional journey, fostering a sense of belonging and shared purpose.

In 2024, a total of 1,532 employees were recognised for their unwavering commitment through the AEON Long Service Awards.



 **1,532** employees awarded Long-Service Awards

Beyond tenure recognition, AEON also acknowledges top-performing individuals through the Best Employee 2024 Award based on business outcomes, KPIs, and competencies, rewarding them with:

- ▶ Cash incentives
- ▶ Certificates of recognition
- ▶ An overseas study trip
- ▶ Career Development programmes

To further enhance employee connection and workplace culture, AEON has established the AEONation Club, a dedicated platform aimed at strengthening professional relationships, team spirit, and overall employee well-being.

AEONation Club key pillars and its 2024 programmes are as below:

## AEONationClub

*Jaringan Hati*

### Employee Welfare



Good fortune, happiness, well-being, or prosperity of the employee programmes

#### Programmes:

Employee Birthdays

Raya Aidilfitri

Merdeka Campaign

### Wellness & Sports



Fitness and wellness programmes

#### Programmes:

Wellness Day

Futsal Tournament

### Engagement & Volunteerism



Bonding among employees activities

#### Programmes:

You Make Me Smile Campaign

ASEAN Best Cashier Skill Tournament

## EMPOWERING PEOPLE

### EMPOWER EMPLOYEE LEARNING & DEVELOPMENT

GRI 404-1, 404-2, 404-3

**MM11**



#### Commitment:

- Implement future-skills training aligned with market trends

#### WHY IT MATTERS

At AEON, we believe that investing in employee learning and development is key to building a skilled and future-ready workforce. By fostering a culture of continuous growth, we create an environment where talent is nurtured, supported, and retained. This commitment strengthens our competitive edge and long-term success, recognising that our people are at the core of our progress.

#### OUR APPROACH

AEON's approach to workforce development is guided by our Agile, Genba, and Entrepreneurial (A.G.E.) values, reinforced through the 3H (Head, Hand & Heart) framework. This holistic approach ensures employees grow intellectually, develop practical skills, and remain engaged emotionally.

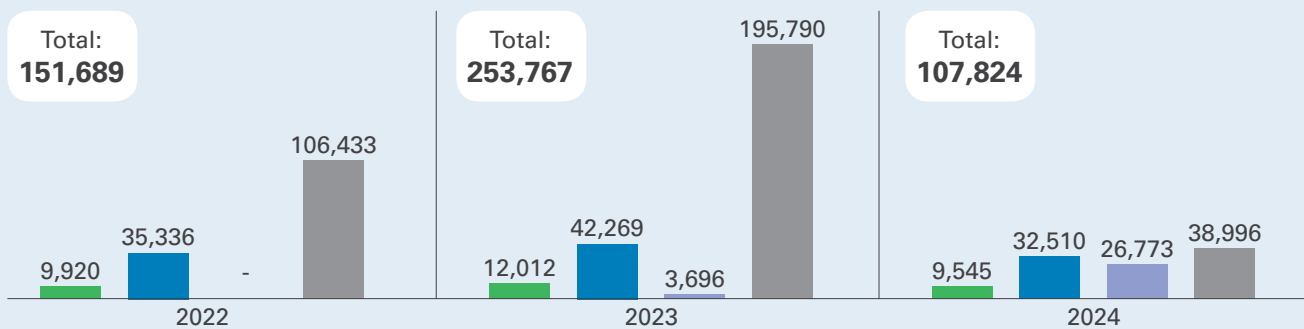
We actively provide employment and upskilling opportunities for Malaysians from diverse backgrounds, including those without tertiary education. By equipping employees with new skills, particularly in digital capabilities, we foster a high-performance culture across the organisation.

#### OUR INITIATIVES IN 2024

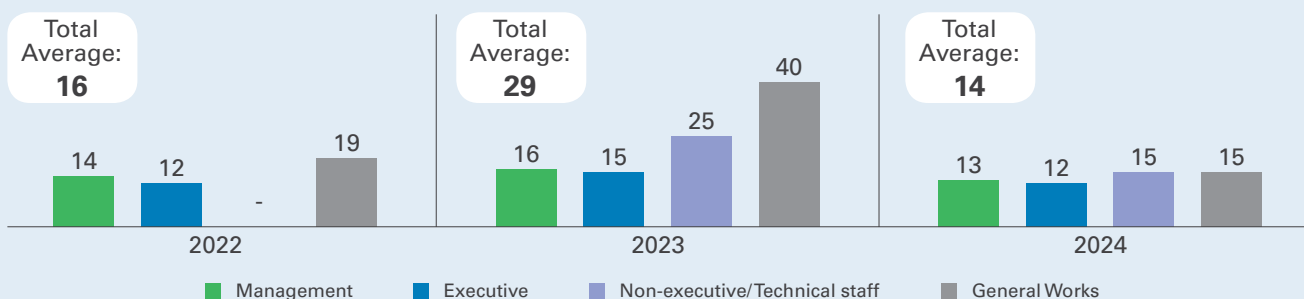
In 2024, AEON invested RM1.45 million in internal and external training programmes to enhance workforce skills and career development. The table below provides details on the training initiatives conducted throughout the year.

In 2024, total training hours declined as certain programs, including customer service training, were restructured to enhance content effectiveness and alignment with business needs. However, training frequency increased, prioritising key areas such as compliance, service excellence, and operational skills to ensure continuous employee development.

#### TOTAL HOURS OF TRAINING BY EMPLOYEE (IN HOURS)



#### AVERAGE TRAINING HOURS PER EMPLOYEE (IN HOURS)



## EMPOWERING PEOPLE

### EMPLOYEE RETENTION AND ATTRITION

AEON's Talent Management Framework is an integral part of the Company's strategy to ensure that every employee can grow and succeed within the company. Alongside the learning and development training provided to shape a high-performing culture, performance reviews and evaluation are conducted to ascertain appropriate merits and awards are accorded. The reviews and evaluations are conducted semi-annually, where KPIs are an integral part of assessment tools used, based on the Company's strategic priorities.

Building on the 2023 initiative to enhance succession planning, AEON further strengthened its Talent Management framework by collaborating with external experts to develop a tailored leadership programmes for key critical positions, supporting succession planning efforts. As a result of these initiatives, a comprehensive talent review was conducted, leading to the promotion of 368 employees in 2024.

Performance Review	2022	2023	2024
Employees formally appraised (annually)	100%	100%	100%
One-on-one performance review for year-end-evaluation	100%	100%	100%

### COMMUNITY ENGAGEMENT & DEVELOPMENT

GRI 2-29, 203-1, 203-2, 413-1

MM12



#### Commitment:

- Contribute at least RM1 million annually to external beneficiaries

### WHY IT MATTERS

AEON's commitment to sustainable business success is rooted in building strong community connections and enhancing well-being through Corporate Social Responsibility (CSR). We recognise that our growth is tied to the prosperity of the communities we serve. By supporting their development, we create shared value that drives long-term progress.

### OUR APPROACH

AEON CSR efforts are driven by the Corporate Communications Department and also through contribution to the Malaysian AEON Foundation (MAF). Our social responsibilities are fulfilled through direct engagement with our customers and local communities. A key part of this approach is fostering a culture of volunteerism, encouraging employees to actively participate

in community-focused initiatives. AEON has set clear targets to strengthen these initiatives, committing a minimum of RM1 million annually to external beneficiaries.

### OUR INITIATIVES IN 2024

#### NURTURING COMMUNITIES

In 2024, AEON fostered environmental awareness through 'Creating Gardens in the Schools' tree planting project, working with 28 schools nationwide as part of the 40<sup>th</sup> anniversary celebration. Additionally, the Corporate Communications Department and all AEON Malls collaborated with surrounding communities to prepare and distribute bubur lambuk to customers during Ramadan. Through various contributions and sponsorships, AEON also extended support to selected communities, reinforcing its dedication to social well-being and sustainability.

Community Investment Performance Data	2022	2023	2024
Total amount invested where the target beneficiaries are external to AEON (in RM)	1,000,000	1,073,979	1,232,671
Total number of beneficiaries of the investment in communities	37,471	21,489	41,987



## EMPOWERING PEOPLE

### EMPOWERING LIVES

MAF was established in 2004 as the CSR arm of AEON group of companies in Malaysia. To date, MAF has contributed more than RM20 million through various sustainability programmes.

#### MISSION

Care for All

Basic Needs for All

Opportunities for All

#### MAF PILLAR ACTIVITIES IN 2024

##### Fundraising



Programme	Fund Raised
<b>AEON CHARITY Run</b>	<b>RM1 million</b>

##### Education




Programme	Beneficiaries
<b>Smart Classroom</b>	<b>52 schools</b>
<b>TEACHERS' WORKSHOP</b>	<b>40 teachers</b>
<b>Green Challenge</b>	<b>29 students</b>

##### Community Support



Programme	Beneficiaries
<b>AEON Bantu</b>	<b>504 families</b>
<b>AEON Mesra</b>	<b>132 families</b> <b>496 children</b> <b>892 individuals</b>
<b>AEON Kami</b>	<b>15 individuals</b>
<b>AEON KASIH</b>	<b>53 individuals</b>
<b>General Donation</b>	<b>70 families</b> <b>158 children</b> <b>272 individuals</b>

 For more information on MAF, please visit <https://aeonfoundation.my/>

Through these diverse and impactful initiatives, AEON continues to strengthen its role as a corporate citizen, ensuring our communities thrive, our environment is protected and our future remains bright.





## EFFICIENCY & INTEGRITY

### GOAL An ESG-aligned organisation by 2025

AEON remains committed to efficiency and integrity, strategically driving growth while maintaining strong governance. This pillar aligns with UN SDGs 9 and 16, focusing on innovation, infrastructure, peace, justice, and strong institutions.

In 2024, AEON enhanced its governance framework to meet evolving regulations, strengthening internal controls, risk management, and sustainability oversight. Adhering to the Malaysian Code on Corporate Governance 2021 (MCCG), we refined policies to align with best practices. Sustainability assurance efforts expanded with external verification of GHG emissions and energy efficiency, building on our seven assured sustainability indicators from 2023. We also broadened Scope 3 and climate-related disclosures, ensuring alignment with the National Sustainability Reporting Framework (NSRF).

To reinforce ethical business practices, AEON initiated work toward ISO 37001:2016 Anti-Bribery Management System (ABMS) certification, targeted for completion by 2025. In data governance, we maintained zero substantiated complaints related to privacy breaches or data loss, affirming our commitment to data security.

AEON's PROJECTTRUST continues to strengthen our ERM framework, incorporating Business Continuity Management (BCM) and Anti-Bribery & Anti-Corruption measures. This holistic integration of risk management ensures resilience, operational efficiency, and ethical governance across all business functions.

*The following information pertains to the initiatives and performance of the Governance pillar in supporting the sustainability of our operations. For comprehensive details on our Governance Framework and practices, please refer to AEON's Corporate Governance Overview Statement.*

## PROMOTE INTEGRITY & ANTI-CORRUPTION



GRI 2-23, 2-24, 2-25, 2-26, 2-27, 205-1, 205-2, 205-3

MM13

### Commitment:

- Zero cases related to bribery and corruption
- Achieve ISO37001 Certification

### WHY IT MATTERS

At AEON, strong governance is the foundation of transparency, integrity, and responsible business conduct. Embedding anti-corruption principles into our operations helps mitigate risks related to fraud, regulatory non-compliance, and reputational damage while fostering stakeholder trust and long-term growth. Upholding the highest ethical standards strengthens AEON's credibility and commitment to a fair, sustainable business environment.

### OUR APPROACH

AEON has established policies and safeguards to uphold ethical conduct and prevent corruption. The AEON Code

of Ethics and AEON Corporate Commitment serve as the foundation for responsible behavior, reinforcing integrity at all levels. Employees reaffirm their commitment through monthly virtual assemblies, while the AEON Corporate Commitment is displayed on ID cards in both Bahasa Malaysia and English for daily reinforcement.

To ensure accountability, AEON has established a Whistleblowing Policy and Anti-Bribery & Corruption (ABC) Policy, both aligned with the MACC Act 2009. These policies support our zero-tolerance approach to bribery and corruption and are regularly reviewed for compliance.



The Whistleblowing Policy and ABC Policy can be viewed on our website at <https://aeongroupmalaysia.com/sustainability-policies/>

## EFFICIENCY & INTEGRITY



### OUR INITIATIVES AND PERFORMANCE IN 2024

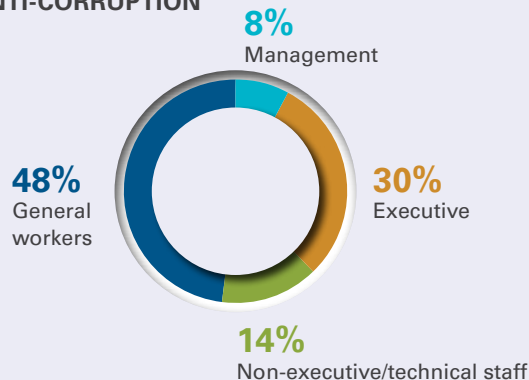
As part of AEON's ABC Policy, we remain committed to regular anti-bribery training for our employees. In 2024, AEON focused its anti-bribery training on Customer Care and Security Departments, both of which are departments with employees in high-risk roles.

In 2024, AEON expanded its efforts by conducting a group-wide anti-bribery training programme, reinforcing awareness and compliance across all levels. This initiative aligns with our implementation of an ABMS as part of our pursuit of ISO 37001:2016 certification. Strengthening our governance framework, this certification will further embed ethical business practices and align AEON with international standards for integrity and transparency. Additionally, AEON continues to assess 100% of its operations for corruption-related risks, ensuring that potential vulnerabilities are identified and mitigated proactively.

For further details on AEON's anti-bribery and corruption measures, please refer to our Statement on Risk Management and Internal Control on pages 137 to 145.

In 2024, a total of 3,229 employees attended training on anti-corruption, of which percentage of employees who received training on anti-corruption by employee category are as follows:

#### % OF EMPLOYEES WHO RECEIVED TRAINING ON ANTI-CORRUPTION



For 2025, AEON is on track to complete the ISO 37001:2016 ABMS certification, strengthening our anti-bribery governance framework.

As at 31 December 2024, we maintained our zero-incident score in corruption-related incidents across AEON's business operations.



**Zero**  
**Corruption Incidents**  
(2022-2024)

## EFFICIENCY & INTEGRITY

### STRENGTHEN DATA GOVERNANCE & SECURITY



GRI 418-1

MM14

#### Commitment:

- Zero incident of privacy and data leaks

#### WHY IT MATTERS

AEON remains committed to data security and transparency, ensuring the protection of sensitive information, maintaining customer trust, and safeguarding its reputation. As digital operations expand, the risks of cyber threats, unauthorised access, regulatory non-compliance, and reputational harm have intensified. To mitigate these challenges, AEON continues to strengthen its cybersecurity measures and data governance framework.

At the same time, leveraging advanced data protection technologies and maintaining regulatory compliance leadership present opportunities for digital transformation and business growth. By embedding robust governance practices, AEON reinforces its position as a trusted and responsible business in the digital economy. Through a proactive approach, AEON effectively addresses emerging digital risks, enhances stakeholder trust, and ensures operational resilience in an evolving landscape.

#### OUR APPROACH

AEON's data governance strategy is anchored in its Personal Data Protection Policy and follows data security benchmarks set by AEON CO., LTD., Japan to ensure compliance and safeguard sensitive information. Regular data security risk assessments are conducted to ensure lawful, transparent, and secure data collection, storage, and processing.

AEON CREDIT SERVICE (M) BERHAD, which owns and manages AEON's customer database, ensures all personal data is handled securely and in compliance with regulatory requirements, including obtaining necessary customer consent. Cybersecurity measures are continuously enhanced through advanced threat detection, incident response improvements, and system security upgrades to prevent breaches. Additionally, AEON fosters a culture of data protection through ongoing employee training and awareness programmes, strengthening internal defences against cyber threats.

#### OUR INITIATIVES IN 2024

In 2024, AEON undertook several initiatives to strengthen its cybersecurity and data privacy framework, ensuring compliance with evolving regulatory expectations and industry best practices:

- Enhanced cybersecurity infrastructure, including proactive threat detection systems and real-time monitoring to prevent breaches.
- Strengthened access control policies to prevent unauthorised data usage and reinforce accountability.
- Expansion of data privacy awareness programmes, ensuring employees across all levels are equipped with the latest cybersecurity best practices.

With these initiatives, AEON maintained zero substantiated complaints related to customer privacy breaches or data loss in 2024.



## Zero

**Substantiated complaints concerning breaches in customer privacy and data loss (2022-2024)**

Moving forward, AEON will continue to enhance its cybersecurity framework and expand efforts to educate employees on data protection and privacy. Ongoing initiatives will focus on reinforcing defenses against cyber threats, strengthening data governance, and fostering a culture of security awareness. These efforts reflect AEON's commitment to upholding the highest standards of data security and resilience in an evolving digital landscape.



The Personal Data Protection Policy can be viewed on our website at <https://aeongroupmalaysia.com/sustainability-policies/>

# ESG PERFORMANCE DATA TABLE

AEON CO. (M) BHD. as a listed Issuer is required to provide mandatory ESG disclosures as part of the Main Market Listing Requirements, in line with the enhanced Sustainability Reporting Guide, 3<sup>rd</sup> Edition and aligning with the National Sustainability Reporting Framework. The following performance data table is downloaded from the Bursa ESG Reporting Platform.

Indicator	Measurement Unit	2022	2023	2024
<b>Bursa (Supply chain management)</b>				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.00	99.00	99.00
<b>Bursa (Emissions management)</b>				
Bursa C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	265,994.28*	294,253.47*	288,285.83
Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	86,159.22*	139,504.23*	263,990.85
Bursa C11(c) Scope 3 emissions in tonnes of CO <sub>2</sub> e (at least for the categories of business travel and employee commuting)	Metric tonnes	1,008,914.01*	1,055,446.92*	1,211,978.85
<b>Bursa (Energy management)</b>				
Bursa C4(a) Total energy consumption	Megawatt	412,367.65*	402,220.31*	403,840.02
<b>Bursa (Water)</b>				
Bursa C9(a) Total volume of water used	Megalitres	3,838.300000	3,854.500000	3,838.300000
<b>Bursa (Waste management)</b>				
Bursa C10(a) Total waste generated	Metric tonnes	58,238.00	62,260.00	58,023.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	5,951.00	6,753.00	6,355.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	52,287.00	55,507.00	51,688.00
<b>Bursa (Diversity)</b>				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Management Under 30	Percentage	1.00	1.00	1.00
Management Between 30-50	Percentage	88.00	86.00	85.00
Management Above 50	Percentage	11.00	13.00	14.00
Executive Under 30	Percentage	30.00	27.00	25.00
Executive Between 30-50	Percentage	65.00	68.00	70.00
Executive Above 50	Percentage	5.00	5.00	5.00
Non-executive/Technical Staff Under 30	Percentage	15.00	12.00	20.00
Non-executive/Technical Staff Between 30-50	Percentage	75.00	77.00	70.00
Non-executive/Technical Staff Above 50	Percentage	10.00	11.00	10.00
General Workers Under 30	Percentage	61.00	56.00	58.00
General Workers Between 30-50	Percentage	34.00	39.00	37.00
General Workers Above 50	Percentage	5.00	5.00	5.00
Gender Group by Employee Category				
Management Male	Percentage	43.00	42.00	41.00
Management Female	Percentage	57.00	58.00	59.00
Executive Male	Percentage	39.00	37.00	38.00
Executive Female	Percentage	61.00	63.00	62.00
Non-executive/Technical Staff Male	Percentage	100.00	100.00	100.00
Non-executive/Technical Staff Female	Percentage	0.00	0.00	0.00
General Workers Male	Percentage	44.00	50.00	50.00
General Workers Female	Percentage	56.00	50.00	50.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	82.00	60.00	60.00
Female	Percentage	18.00	40.00	40.00
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	18.00	10.00	10.00
Above 50	Percentage	82.00	90.00	90.00

Internal assurance

External assurance

No assurance

(\*)Restated

## ESG PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2022	2023	2024
<b>Bursa (Labour practices and standards)</b>				
Bursa C6(a) Total hours of training by employee category				
Management	Hours	9,920	12,012	9,545
Executive	Hours	35,336	42,269	32,510
Non-executive/Technical Staff	Hours	0	3,696	26,773
General Workers	Hours	106,433	195,790	38,996
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	17.00	13.00	11.00
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	-	62	55
Executive	Number	-	432	362
Non-executive/Technical Staff	Number	-	44	14
General Workers	Number	-	3,269	2,965
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	9*	7*	9
<b>Bursa (Health and safety)</b>				
Bursa C5(a) Number of work-related fatalities	Number	1	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	1.18	1.23	1.64
Bursa C5(c) Number of employees trained on health and safety standards	Number	1,131*	850*	933
<b>Bursa (Community/Society)</b>				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	1,000,000.00	1,073,979.00	1,232,671.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	37,471	21,489	41,987
<b>Bursa (Anti-corruption)</b>				
Bursa C1(a) Percentage of employees who have received training on anticorruption by employee category				
Management	Percentage	-	No Data Provided	8.00
Executive	Percentage	-	No Data Provided	30.00
Non-executive/Technical Staff	Percentage	-	No Data Provided	14.00
General workers	Percentage	-	No Data Provided	48.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00	0.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
<b>Bursa (Data privacy and security)</b>				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0

Internal assurance

External assurance

No assurance

(\*)Restated

**Note:**

For Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category: Data for this indicator disclosed in FY2023 were externally assured, however it was stated as 'data not provided' due to the revision of employee categories. This revision was implemented to streamline the employee category and to ensure consistent reporting in future.