

Sustainability & Climate Change Policy

1. Overview

Sustainability in retail remains an important concern for customers. People have become more conscious of how their lifestyle and shopping habits affect the planet. Society today expects businesses to do their part in addressing concerns regarding Environment, Social and Governance (ESG).

The retail industry's global landscape is evolving at an unprecedented pace. On the environmental front, retailers face issues such as climate change, resource depletion, biodiversity loss, water stress and waste management whilst on the social front, retailers face workforce shortages, a rising cost of living, and a talent crunch.

The ability of retailers to thrive in the future relies on healthy natural resources available in the world. Thus, protecting biodiversity and the ecosystem while maintaining a stable climate condition remains a priority for many retailers.

2. Purpose

The purpose of the Sustainability and Climate Change Policy (hereinafter referred to as "Policy") is to outline the principles, commitment and guidance adopted by AEON CO. (M) BHD. (hereinafter referred to as "AEON").

3. Objective

The objective of this Policy is to provide a commitment statement along with guidance on AEON's position with regard to sustainability and climate change. This Policy should be used in conjunction with AEON's Responsible Sourcing Policy.

4. Scope

This Policy applies to all AEON businesses, including supply chains that AEON engages as part of our businesses.

5. Policy Statement

AEON strives to grow the business in tandem with realizing a sustainable society. We uphold our basic principles of pursuing peace, respecting humanity and contributing to local communities, always with the customer's point of view at its core. We aim to think globally and advance activities locally as we actively promote initiatives involving both environmental and societal aspects with our many stakeholders.

We are committed to ensuring all our activities are sustainable. We benchmark our responsibility towards the environment and society based on global expectations. We

constantly engage with our stakeholders and communities to implement our sustainability actions effectively.

We pivot this Policy into two key areas, Environmental and Social.

For the Environment, we focus on the following:

Achieving a decarbonized society

We recognize climate change is a key business issue. We are committed to addressing climate change's impact on our businesses and supply chains. We aim to mitigate GHG emissions (via energy efficiency and the use of renewable energy) and where possible, implement appropriate adaptation measures to reduce or avoid the physical impact of climate change.

We recognized that climate change could cause both transition and physical risk to our businesses, including our supply chain. However, we understand such risk also provides us the opportunity to discover new businesses and improve our operational efficiency. We strive to monitor both risks and opportunities closely to ensure we can achieve a decarbonized society in tandem with economic growth.

Preservation of biodiversity

Our lives are made possible by the rich blessings of nature. Biodiversity is essential to support human and societal needs, including food and nutrition security, energy, and the development of medicines and pharmaceuticals as well as freshwater, which underpin good health. It also supports economic opportunities and leisure activities that contribute to overall well-being.

Biodiversity, which is the source of nature, is gradually declining across the planet. Losing biodiversity will have severe consequences on our way of life, resulting in food and water related problems.

In recognition of this situation, AEON is committed to do our part in preserving the biodiversity that is necessary for a sustainable society. We understand the effects of our overall business activities on the ecosystem, and we strive work together with our customers, the government, NGOs, and other stakeholders to remain actively involved in preservation activities and reducing the effects of biodiversity loss.

Promotion of resource recycling

We strive to protect natural resources from depletion. It is important for us to recycle the resources we have extracted to minimize the impact on the environment. Recycling could provide benefits such as energy conservation, reducing air and water pollution, reducing greenhouse gases, and conserving natural resources.

Within the same focus, we also aim to minimize our water consumption. We strive to implement water recycling initiatives (such as rainwater harvesting), where feasible. Water recycling is essential to preserve aquatic life and biodiversity by reducing polluting discharges into surface water.

We aim to integrate a circular economy as part of our business process, including onboarding our supply chain to embrace circularity. Circular economy gives a broader

context of resource recycling, including tackling climate change and biodiversity loss while addressing important social needs.

Under Social, we focus on the following:

Creating products and stores that meet social expectations

As a responsible business, we strive to provide high-quality products and services that meet the needs of society. We envisage that our operations integrate broad diversity and inclusivity into the community we serve. We constantly seek feedback from the community we serve to improve our products offering and services. We commit to conducting our business with the highest integrity. This commitment is important for improving our brand, attracting and retaining top talent, and improving customer and community relationships.

Engaging in fair business practices that respect human rights

AEON embraces fair business practices with a focus on respecting human rights. By doing so, we aim to change the way trade works through better prices, decent working conditions and a fairer deal for workers (and farmers) in our supply chain. This will contribute to sustainable development by offering better trading conditions and securing the rights of marginalized producers and workers. We do not foresee this to be donations to producers in vulnerable positions living in developing nations. Instead, it is a system that supports trade so that they can become independent by continuously purchasing their products at a fair price.

Collaborating with the community

AEON collaborates with government and local businesses to effectively utilize the resources of both parties in various fields, such as the promotion of disaster prevention, welfare, environmental conservation, promotion of commerce and tourism.

We aim to create a sustainable economy in the location where we operate. We foster intrapreneurship and entrepreneurship via our ecosystem. We provide knowledge and education to the young generation to build their business mentality. We also support small and local businesses around our communities to enable them to grow on a bigger platform like AEON. We strive to create long-lasting eco-systems that can be self-sustaining.

6. Implementation

We are engaged in efforts to provide our customers an enriched lifestyle and preserve the global environment by providing safe and secure stores, products and services.

We will use an environmental management system (EMS) to periodically review our actions and make continuous improvements to enhance our environmental performance and to promote our efforts.

1. We will work to reduce greenhouse gas emissions in all business activities to realize a decarbonized society.
 - 1.1. AEON continuously improves energy efficiency at stores.
 - 1.2. Efforts are underway to reduce energy expenditure across the entire product supply chain.

2. We understand our business's effects on and the ecosystem's benefits and promote preservation activities.
 - 2.1. AEON is engaged in developing and procuring sustainable, resource-managed products.
 - 2.2. We promote tree-planting activities and other actions that help protect local ecosystems.
3. We promote resource recycling to enable sustainable resource usage.
 - 3.1. AEON also promotes the reduce, reuse, and recycle methods.
 - 3.2. We strive to select materials that have a minimal environmental impact.
4. We strictly follow environmental laws and regulations and work to prevent contamination and ensure that our employees are trained to on the laws and regulations. .
5. Aeon is engaged in expanding our range of initiatives by building partnerships with as many people as possible, starting with our customers.

AEON supports the preservation of biodiversity, which is necessary for a sustainable society. Through our business activities, we aim to integrate the following into our business ecosystem:

- Not to harm, knowingly cause, or risk causing irreversible ecosystem damage;
- Not to engage in trade of recognized endangered or critically endangered species according to the International Union for Conservation of Nature (IUCN) red list of threatened species; and
- To keep our stakeholders informed of our activities and take action to improve adverse environmental impacts identified by AEON.

In the course of purchasing and sales, we remain aware of sustainability regarding resource-managed perishable and processed products:

1. We strive to stock products certified for sustainable biological resources (MSC, ASC, FSC, etc.) and share such information.
2. We will continue developing and selling products with minimal environmental impact.
3. We provide assistance to help preserve and promote local varieties of agricultural products.

We continue to promote tree planting activities with our customers when opening new locations and develop ecologically-friendly stores that reduce the environmental impact.

1. Aeon is also furthering efforts in the green purchasing of building materials.
2. Before opening a new location, we evaluate the area and plan to reduce its biodiversity burden.
3. Stores are being developed to produce less carbon dioxide (CO₂) than conventional locations and to preserve and create further biodiversity.

We share and learn about environmental awareness with others through our tree-planting activities.

1. Aeon actively promotes the Aeon Hometown Forests Program at stores to communicate the importance of our forests.
2. We actively participate in forest replanting and tree planting in the location where we operate.

-
-
3. We work to raise awareness of biodiversity with all of our employees and help inspire them to voluntarily participate in preservation activities while sharing environmental awareness with customers in the community.

Date: 1 September 2022