

AEON

SUSTAINABILITY CHARTER



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AEON Sustainability Charter (ASC)

At AEON, we strive to grow out our business in tandem with realising 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 as its core. We think globally and act locally, actively driving initiatives involving both environmental and societal aspects, in collaboration with our stakeholders, to make a positive impact on a broader scale.

We recognise that 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. On the social front, retailers face workforce shortages, rising cost of living, and a talent crunch. These issues are essential for AEON as our operations are well rooted in people's everyday lives and supported by local communities. Thus, AEON has embedded one of its mission in pursuing sustainable management. This mission aims to contribute to achieving a sustainable society in tandem with the growth of AEON and align with the growing importance of corporate responsibility.

AEON Sustainable Charter (ASC) is created to provide a blueprint for our key engagement area, highlighting our sustainability principles and key initiatives for the coming years. This charter covers the associated operations under AEON CO. (M) BHD. only, and we will refer to AEON for simplicity in this document

Together, we will plant seeds of growth for a more sustainable future.

Our Stakeholders



We have identified four key stakeholders as the collaborative ecosystem that will support the ASC's success.



Customers are our hearts and soul. Our business relies on our customer's support, mainly from the communities we operate in. Their feedback for improvement is core to the sustainability of AEON businesses. We aim to ensure that the strategic business planning and initiatives align with our customers' expectations.

AEON's employees serve as the primary vehicle to serve our customers' needs. Our employees also play key roles in ensuring AEON's success as an organisation by working with various stakeholders to meet the objectives of the organisation. Employee input will form the foundation of AEON initiatives.

AEON values our business partners who support the growth of the organisation. In the rapid changing retail landscape, building robust relationships with our business partners is crucial to seize new growth opportunities. We aim to build a more sustainable ecosystem with our business partners.

AEON works closely with our suppliers to ensure quality, safety and security are adhered to. We value our suppliers as the key integral of AEON ecosystem that will foster our sustainable supply chain. This relationship will enable AEON's long-term growth and ensure a dynamic customer experience that garners our customer loyalty.

Through stakeholder consultations, 16 key focus areas have been identified in the ASC to guide AEON to pour effort and resources where they matter most

The 5 Core Pillars



We have identified five core pillars essential for driving AEON's sustainable growth, serving as the focal points of our strategic efforts to focus in our ASC, which we believe will be essential to propel AEON's growth



- 1.Environmentally Focused
- 2.Responsible Employment
- 3.Efficiency & Integrity
- 4.Sustainable Economics
- 5.Dynamic CX (Customer Experience)

Pillar

1

ENVIRONMENTALLY FOCUSED

AEON strives to be environmentally focused to address the most concerning environmental issues, i.e. climate change. We are committed to understanding our environmental impact on society and working towards addressing each of them along the journey.

Our efforts are aligned with the following United Nations' Sustainable Development Goals (SDG) :-



Ensure sustainable consumption and production patterns.



Take urgent action to combat climate change and its impacts.



Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

FOCUS AREA

1. Improve Energy Efficiency
2. Reduce Carbon Footprint
3. Reducing Waste and Minimising Water Consumption
4. Enhance Biodiversity Conservation

KEY INITIATIVES

- Energy Management Plan and Audit.
- Smart Energy Management System.
- Full assessment of Scope 1, 2 & 3.
- Use of renewable energy.
- Use of natural refrigerant.
- Use of electric vehicles in operation.
- Waste Management Plan and Audit.
- Enhance recycling Activities (3Rs).
- Collaboration with recycling associations.
- Water conservation and recycling program.
- Forest protection and conservation program.
- Sustainable agriculture and aquaculture.
- Partnership for action in biodiversity protection.
- Animal welfare policy.

Pillar

2

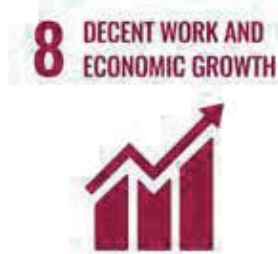
RESPONSIBLE EMPLOYMENT

Here at AEON, we value our employees. We are committed to diversity and inclusion in the workplace. We strive to train and develop our employees' skill to ensure they have a variety of opportunities and that they feel safe and thrive at AEON.

Our efforts are aligned with the following United Nations' Sustainable Development Goals (SDG) :-



Ensure healthy lives and promote well-being for all at all ages.



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



Reduce inequality within society.

FOCUS AREA

1. Promote Diversity and Inclusivity
2. Respect Human and Labour Rights
3. Enhance Health, Safety and Well-being
4. Empower Employee Learning and Development

KEY INITIATIVES

- Female representation at board level and female ratio in workforce.
- Inclusive and non discriminatory work culture.
- Equity in development and career opportunities.
- Elimination of forced and child labour.
- Alignment of Human and Labour Policy with International Labour Organization (ILO) and local regulation.
- Employee and contractors engagement.
- Strengthen Health & Safety policy and audit.
- Promote employee's well-being program.
- Continuous improvement.
- Employee training structure and program.
- Job competency training and upskilling.
- Career progression and pathways.

Pillar

3

EFFICENCY & INTEGRITY

AEON strives for efficiency in growth, meticulously planning investments to maximise value. Aspiring to lead in operational efficiency, we safeguard our integrity through robust governance, ensuring that our employees and business partners align with AEON's commitment to integrity.

Our efforts are aligned with the following United Nations' Sustainable Development Goals (SDG) :-



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.



Strengthen the means for implementation and revitalise the Global Partnership for Sustainable Development.

FOCUS AREA

1. Promote Integrity and Anti-corruption
2. Improve Data Disclosure and Transparency
3. Embed Risk Management in Operations

KEY INITIATIVES

- Collaboration with partners to enhance organisational integrity.
- MS ISO 37001 Anti-Bribery Systems (ABMS).
- Annual training on anti corruption.
- Adopt internationally recognised standards and frameworks for disclosure.
- Assurance and audit on the disclosed data.
- Advocacy of risk management mindset to all AEON workforce.
- Updated risk register including latest risk identification, control and mitigation procedure.
- Risk management as part of operational procedure.

Pillar

4

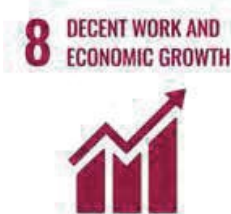
SUSTAINABLE ECONOMICS

AEON aims to build sustainable economies where we operate through fostering intrapreneurship and entrepreneurship. We empower the younger generation with the right education and support local businesses to create self-sustaining economies.

Our efforts are aligned with the following United Nations' Sustainable Development Goals (SDG) :-



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work.



Ensure sustainable consumption and production patterns.

FOCUS AREA

1. Community Engagement and Development
2. Foster Sustainable Business Partnership

KEY INITIATIVES

- Job creation within local communities.
- Build local talent to fulfil highly skilled jobs.
- Social entrepreneurship development.
- Synergetic engagement with local communities.
- Sustainable supply chain program.
- Partnership with local businesses to deliver sustainable solutions.
- Intrapreneurship and entrepreneurship development program.
- Digitalisation of shopping experience.
- E-commerce offering.

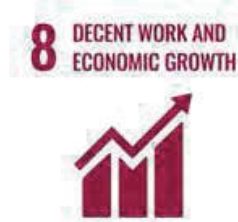
Pillar

5

DYNAMIC CX

AEON recognises the rapid changes in the world and evolving customer needs. Embracing dynamic customer experience (CX) allow us to stay agile, anticipate trends and deliver excellent customer service. We strive to offer products and services catering to an extensive range of our customer personas.

Our efforts are aligned with the following United Nations' Sustainable Development Goals (SDG) :-



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work.



Ensure sustainable consumption and production patterns.

FOCUS AREA

1. Enhance Customer Loyalty and Experience
2. Improves AEON Agility to Meets Customer Needs
3. Enhance Product Quality

KEY INITIATIVES

- Integration of personas in service offering.
- Customer feedback and analytics.
- Elevation of customer loyalty programs.
- Personalisation of service for targeted customer needs.
- Shopping experience improvement program.
- Integration for sustainable program into shopping experience.
- Strict adherence to regulatory requirement during production process.
- Explore innovative approaches to product quality assurance.
- Cultivate quality-centric culture.

Community

We will work towards enhancing community and social practices with objectives to foster, cultivate and empower responsible lifestyle & living.

Ecosystem

We will build cross-industry and public-private partnerships integrating SMEs & Social Enterprises that create win-win strategies to shape a Green & Responsible AEON Ecosystem.

Development

We will promote and develop sustained and efficient organic and inorganic development as part of AEON's continued expansion plans.

Shopping

We want to catalyse customer experiences, products, services and innovative offerings aligned with promoting 3R (Reduce, Reuse, Recycle) and the Circular Economy.

Sourcing

We will activate end-to-end integration of the green supply value and energy chain into our core business towards a green economy and supply chain.

Investment

We want to utilise green technology and financing. We will explore investment in technology such as AI and cloud-based solutions to enable transparency and operational efficiencies via new sources of green financing.