Materiality

12 Materiality issues and 2030 Targets

The AEON delight Group promotes ESG management, which helps resolve social issues through our business and enhances our enterprise value. In 2021, we identified 12 Materiality issues in five domains, including ensuring safety and security, resolving labor shortages, and addressing the environment as we set forth in our Management Principles and the AEON delight Vision 2025, as well as using technology and enhancing governance, which we believe are necessary to achieve sustainable growth. In addition, we have set 2030 targets for each of the five domains. We will also contribute to achieving the SDGs through group-wide initiatives to resolve social issues.

5 Areas	12 Material Issues	Opportunities for our Group	Risks to our Group	Vision (KGI)	2030 Targets	Results FY2021	Results FY2022	Related SDGs
Safety and Security	Providing safe living environments	Growing need for facilities/equipment resilient against disasters and infrastructure outages. Growing demand for high-quality services in Japan and abroad	Difficulties in continuing operations due to disaster or infrastructure outage	Contribute to improving people's quality of life by providing services that ensure a safe, secure, hygienic, and healthy environment in and around facilities. Provide a facility environment that protects lives by fully preparing for disasters such as windstorms, floods, and major earthquakes, and quickly respond when such disasters occur.	Expand provision of safe and secure services • 20% of sales from BCP and infection control-related services*1	3.8%	3.7%	
	Providing hygienic/healthy living environments	Growing need for hygienic/healthy living environments	Decline in corporate image if infectious disease impact is not prevented. Growing health risks accompanying increased employment of elderly personnel					
Labor Shortage	Resolving labor shortages	Promote recruitment of diverse personnel. Growing need for improved productivity and operational efficiency	Risk of contract non-fulfillment and lost opportunities due to lack of personnel	Offer employees a work environment that improves job satisfaction and makes it easier for them to work by creating a vibrant organizational culture that enables a diverse workforce to fully demonstrate their abilities. Establish strong partnerships by building mutual trust with business partners and striving to ensure legal compliance, fair trade, thorough compliance, and respect for human rights throughout the supply chain. Contribute to resolving labor shortages in society by providing facility management and peripheral services that enable customers to streamline operations and reduce manpower.	Improve business continuity by resolving labor shortages • 30% female managers on a consolidated basis • 50% reduction in consolidated annual employee turnover rate (regular employees, contract employees, and temporary employees) compared to FY2021 • 50% reduction in consolidated annual overtime per person compared to FY2021 • 30% reduction in number of consolidated annual work-related accidents*2 compared to FY2021	22.1% / 23.7% / 268 hours / 139 accidents	22.4% / 21.3% / 230.3 hours / 72 accidents	
	Improving productivity through efficient allocation of talent	Expand AEON delight Economic Zone by strengthening Group management and relationship with partner companies	Risk of decline in service quality due to insufficient personnel training					
	Promoting diversity and inclusion	Improve quality and productivity by securing diverse personnel. Expanding need for services as women enter the workforce	Risk of contract non-fulfillment and lost opportunities due to lack of personnel. Decline in corporate power due to inadequate communication skills and multicultural understanding					
	Promoting multi-stakeholder engagement	Develop new services by strengthening relationships with local communities, partner companies, and relevant government agencies	Risk of non-compliance, including affiliates and partner companies. Risk of not gaining trust/understanding when expanding overseas due to inadequate handling of target country risks (changes in political, economic, and social environments)					
	Appropriate labor management	Improve productivity and job satisfaction by reducing employee morbidity and providing comfortable work environments	Risk of difficulties in securing personnel due to inadequate enforcement of proper labor management. Employee accident and mental health risks during work					
Environment	Climate change and global warming countermeasures	Growing need for energy-saving and renewable energy use	Increased cost burden due to environmental measures and soaring energy prices	Promote resource recycling, preserve biodiversity, and create a decarbonized society by providing solutions that meet society's expectations. Promote initiatives to reduce environmental impact by procuring and operating responsibly and working with stakeholders in the supply chain.	Expand environmentally-friendly business • 10% of sales from GHG emission reduction related services*3 • Zero gasoline and diesel vehicles, including hybrid vehicles, for business (consolidated) • 50% of sales in the materials business from environmentally friendly products • 50% recycling rate (bottle-to-bottle) in vending machine business	2.5% / Of 822 total vehicles, 591 gasoline/diesel vehicles, 230 hybrid vehicles, 1 electric vehicle / 14.9% / 15%	3.7% / Of 752 total vehicles, 467 gasoline/diesel vehicles, 284 hybrid vehicles, 1 electric vehicle / 18.0% / 7.6%	
	Nature conservation and environmental impact reduction	Growing need for environmentally friendly products and services	Decline in corporate image and brand power due to water pollution, increased plastic waste, etc. Stricter laws and regulations related to waste, etc.					

▼ Initiatives to support the above activities

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Use of Technology	Use of Technology	Raise productivity, improve operational efficiency, and develop new services through digital transformation driven by IoT, sensors, AI, etc.	Decline in service quality and market share due to lagging digital transformation. Risk of information leaks	Deliver benefits and new value by incorporating DX to improve productivity and streamline operations in our customers' and our own supply chain.	Leverage the latest technology to research and develop new services • Enable unmanned management through robotization of facilities • Reduce facility lifecycle costs by using FM big data and AI to diagnose buildings • Develop solutions business leveraging our unique FM data			
	Addressing information society risks	Growing need to strengthen facility information security	Risk of cyber-attacks leading to operational shutdown or information leak					
Corporate Governance	Strengthening Group governance	Curtail costs with prompt problem detection/resolution through strengthened governance	Adverse effect on corporate activities and damage to social reputation due to inadequate governance systems. Risk of harm to business performance due to inability to handle target country risks when expanding overseas (changes in political, economic, and social environments)	Earn the trust of society and enhance enterprise value by complying with various laws and regulations and by building a strong corporate governance system within AEON delight and the AEON delight Group.	Establish robust Group governance system in Japan and abroad • Establish a 'three lines of defense' structure • Corporate Culture Committee and Group Governance Enhancement Promotion Committee continue to operate			

*1 BCP services include disaster prevention and countermeasure construction, provision of remote monitoring systems, infection control measures, infection control cleaning (New Standard Cleaning), sales of related materials, and construction work related to droplet and contact infection control measures.
*2 Work-related accidents resulting in four or more days of absence from work
*3 Includes installation of energy management systems, freon management, installation of EV chargers, installation of energy-saving equipment (lighting, air conditioning, refrigeration cases), installation of water-based floor coding agents, etc.