



AEON Vietnam: Join hands in creating a sustainable society

The project on strengthening plastic waste management in Vietnam (Decision No. 1316/QĐ -TTg) has determined the goal of striving to use 100% eco-friendly plastic bags and packaging at commercial centers and supermarkets for domestic or household purposes to replace non-biodegradable plastic bags by 2025. To achieve that goal, in recent years, Vietnam has received the companionship of various retailers in the journey to reduce plastic bags and plastic waste pollution, including AEON Vietnam.

Sharing experiences in the implementation process, Mrs. Nguyễn Thị Ngọc Huệ - General Manager of Communications and External Affairs of AEON Vietnam had a discussion with Environment Magazine about this topic.

• **Could you share some information about AEON Vietnam?**

Mrs. Nguyễn Thị Ngọc Huệ: AEON Vietnam Co., Ltd, a subsidiary of AEON Japan's leading retail group, was officially established on October 7th, 2011. The Company has diversified its investments across various segments in the retail industry: Shopping Centers (SC); General Merchandise Stores (GMS); Specialty Stores (SS); E-commerce (EC); Small and Medium-sized Supermarkets (SM). With a vision to become an "Indispensable Retailer in Vietnam", AEON Vietnam is dedicated to creating shared values. The Company tirelessly pursues the mission of "contributing to Vietnam's economic and social growth" for sustainable development.

AEON Group has identified Vietnam as second key market (behind Japan) to expand investment in long-term strategy. AEON's ultimate goal is to become a familiar brand to the Vietnamese people, serving them and contributing to the nation's development. As AEON expands its business operations, it not only contributes to the development of Vietnam's commercial infrastructure, but also stimulates the consumption of Vietnamese products within AEON's system. AEON aims to provide quality products at reasonable prices to customers, contributing to the development of the local workforce in the Vietnamese retail industry.

In the next 3 - 5 years, AEON plans to focus on opening large-scale shopping centers. However, to adapt to changes in customer behaviour, especially the prioritization of convenience after the pandemic, AEON will develop diverse and flexible

business models tailored to the needs and realities of each locality. These formats may include Shopping Mall, General Merchandise Stores, Specialty Stores, Convenience Stores, Super Supermarkets. This approach will accelerate the opening of new stores and bring quality products and services to local residents. AEON will continue its expansion in Hanoi, Ho Chi Minh City, and extend its presence to the Central region and nearby provinces/cities.

As a retailer, AEON places a strong emphasis on sustainable production and consumption as one of main objectives. AEON Vietnam has implemented various initiatives to raise awareness and facilitate customers and employees in making sustainable consumption decisions. AEON has collaborated with domestic manufacturers to develop private brand products which are high quality and eco-friendly according to AEON's standards. Furthermore, in an effort to provide quality products at reasonable prices to local customers and contribute to the stability of the supply chain, AEON has collaborated with suppliers to research and develop Private Brand products produced in Vietnam according to AEON's standards.



▲ Customers can borrow eco-bags from the checkout counter to pack their goods when shopping at AEON Vietnam



• *Could you please share results that AEON Vietnam has achieved in the journey to reduce plastic bags in particular and plastic waste in general?*

Mrs. Nguyễn Thị Ngọc Huệ: At AEON Vietnam, sustainable development is not just an individual volunteer activities; it is associated with our operational activities and business philosophy. In addition to our primary mission as a retailer providing products and services to meet customer needs, AEON Vietnam aims to collaborate with the community to create sustainable social development. We focus on three crucial pillars: Society (People) - Economy (Profit) - Environment (Planet). Within the Environment (Planet) pillar, projects to reduce plastic waste are AEON Vietnam's relentless efforts to minimize the environmental impact of our business operations, preserve the local landscape and biodiversity; and contribute to the sustainable development of Vietnam's environment.

By the end of 2022, there have been 2 million plastic bags refusal transactions (equivalent to reducing 5.8 million plastic bags); 6% of plastic bag refusal transactions at our nationwide business locations; 100% of shopping bags provided to customers in General Merchandise Stores are eco-friendly (excluding AEON Delica and AEON Bakery). However, during implementation, we faced some challenges. For instance, plastic bags are convenient and ingrained in customer habits, so urging them to change takes time. In addition, concepts related to sustainable development and biodiversity conservation are still unfamiliar to consumers. For businesses like AEON, the production costs of eco-friendly and sustainable products/materials are usually higher than that of regular products. This often translates to higher prices for customers, while they tend to prioritize competitively priced products. Therefore, raising awareness and changing customer behavior is a long-term process that requires collaboration from various parties. Hence, businesses like AEON need to monitor customer behavior and adjust programs to ensure sustainable results for the Company, customers, and society.

• *How did AEON Vietnam calculate and assess the reduction of plastic bags and plastic waste at business locations?*

Mrs. Nguyễn Thị Ngọc Huệ: AEON Vietnam has been implementing various activities to support customers in making environmentally-friendly decisions more easily and conveniently. In addition to these efforts, we have organized activities such as environmental bag design competitions, provided various eco-friendly bag designs and choices, offered bag rental services to assist customers, set up priority checkout counters for customers who refuse plastic bags, provided free cartons boxes for packing, and show appreciation to customers who refuse to use bio-plastic bags.

To optimize the efficient use of local natural resources, invest in and seek sustainable alternatives solutions, AEON Vietnam has managed the number of biodegradable bags used for packaging; replaced single-use plastic and foam packaging materials with eco-friendly materials such as paper and bagasse; converted physical membership cards and paper coupons into the mobile app; and limited the display and supply of single-use plastic products. The success of AEON Vietnam's initiatives and activities is evaluated based on the ratio of plastic bag refusal transactions to total customer transactions during shopping; The reduction in the number of plastic bags used in our operations; The amount of plastic waste sorted at source and handed over to waste collection units.

Over the past 30 years, AEON in Japan has implemented long-term strategies and efforts to achieve a result of 80% of customers refuse to use plastic bags when shopping. As AEON entering Vietnam, our goal is to contribute to reducing plastic bags and plastic waste, with a long-term target of reaching 70% of customers refuse to use plastic bags within 10 years. All initiatives and activities contribute to the long-term goals of the Company and the authorities. With the expectation that when legal corridors regarding plastic bag fees will be issued, consumers have already formed the habit of not using plastic bags when shopping.

• *Based on your experience in implementing these initiatives at AEON Vietnam's stores, could you please share some insights and recommendations for Government authorities and other retailers in Vietnam?*

Mrs. Nguyễn Thị Ngọc Huệ: Based on our experience, initiatives or changes must ensure customer needs and convenience without disrupting the customer experience. Importantly, change should start internally within the Company as a model for customers and the community. In addition, we aligned with Government policies and work closely with relevant agencies to create systemic changes. Sustainable development initiatives in general and plastic waste reduction activities in particular, should not only target consumers, but should also be applied throughout the supply chain of retailers and relevant entities. Joint efforts from businesses and regulatory authorities will help to protect the environment, reduce plastic waste, and create a significant impact on society.

• *Thank you very much!*

NGUYỄN HẰNG