

### **Terms and Conditions of Business Entrustment (quasi-mandate)**

Japan Airlines Co., Ltd. (Hereinafter referred to as "our company".) provides your company with the following terms and conditions for a request for quotation on consignment (quasi-mandate). In addition, if terms and conditions are separately agreed upon in the Basic Transaction Agreement, etc., such terms and conditions shall take precedence.

As a prerequisite for business with your company, your company shall understand the content of JAL Group Supplier, Code of Conduct (hereinafter referred to as "Supplier Code of Conduct") defined by our company, shall endeavor to comply with it, and shall respond to the three points set forth below, and shall implement initiatives to improve matters for which initiatives have not yet been implemented.

- (1) Your company shall inform and educate employees of your company and employees of suppliers in your company supply chain about the contents of Supplier Code of Conduct, and make efforts to comply with them.
- (2) When your company checks the status of its activities with our company Supplier Code of Conduct, our company periodically checks the status of its activities.
- (3) In the event of a material concern regarding the content of Supplier Code of Conduct, our company may visit suppliers in your company or in your company supply chain in your company's presence.

### **Section 1 General provisions**

#### Article 1 (Scope of the Terms and Conditions)

These Terms and Conditions apply to the Business of Requesting Quotations in your company.

#### Article 2 (Quotation)

1. Your company has requested a quotation indicating the Terms and Conditions of the Transaction presented by our company, the name of the Business, the contents of the Business, the date of the Business, the location of the Business, the period of entrustment, etc., and specifications for the execution of the Business.

Please submit the quotation to the designated address in our company by the request date in our company.

2. The Quote shall be submitted to our company with the following form and content.

Article3 (Contents of individual contracts)

In the individual contract, the order date, the contents of the Services, the business date, the business location, the inspection contents, the submitted documents, the consignment amount, the consignment period, etc. shall be specified.

Article4 (Formation of individual contracts)

1. Individual contracts shall be executed when our company issues an order (purchase order) to your company and your company accepts it.

2. If, within seven (7) days from the date of issuance of the Purchase Order, there is no written refusal or other express intention by your company to our company, your company shall be deemed to have accepted our company's order.

Article5 (Modification of Individual Contracts)

If our company and your company need to add or change the contents of individual contracts, they may do so by agreement after discussion with our company your company. If our company reissues the order and your company indicates its intention to accept the order, the individual contract after the change shall be deemed to have been concluded.

**Section 2 Execution of Business**

Article6 (Contents of the Business)

Under these Terms and Conditions, the Business to be entrusted by our company to your company and by your company to be entrusted by our company shall be set forth in individual contracts to be concluded for each transaction.

Article7 (Replacement of the person in charge)

In the event that your company deems that the attitude, conduct, etc., of your company's employees engaged in the Work to be inappropriate for the execution of the Work, our company may request your company to replace our company person in charge. In such cases, your company is required to hold consultations regarding such offer in good faith.

#### Article8 (labor management)

With respect to the employees of your company who engage in the Work, your company shall have the right to command, manage and supervise the execution of the Work, labor management including working hours, safety health management and all other matters, and your company shall assume all obligations as an employer in accordance with labor laws and other relevant laws and regulations.

#### Article9 (Subcontracting)

1. Your company shall not subcontract all or any part of the Services under these Terms and Conditions to any third party without our company's prior written consent.

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2. If our company grants the approval set forth in the preceding paragraph, it may designate a subcontractor, and in this case, your company shall subcontract to the subcontractor designated by our company.

3. Even if your company subcontracts all or part of the Business pursuant to the preceding two paragraphs, your company shall be fully responsible for the performance of the Terms and Conditions including the Business conducted by the subcontractor.

#### Article10 (Prohibition of Acts of Representation)

Your company is only authorized by our company to perform the Services under these Terms and Conditions, is not authorized by our company to represent our company, and shall not represent or act on behalf of our company without our company's prior written consent.

#### Article11 (Burden of expenses)

Your company shall bear all expenses for office expenses, equipment, consumables, etc., used for the Services, but those to be paid on the grounds of our company shall be stipulated in the Individual Contract.

#### Article12 (Alternative measures in the event of inability to perform operations)

1. Your company shall notify our company in writing as soon as possible in the event that, whatever the cause, it becomes unable or threatened to perform all or part of the Services.

2. In the event that our company is unable or is likely to be unable to perform all or part of the Services in your company, your company may have a company or other entity other than ABC perform all or part of the Services.

3. In the event that your company fails to perform all or any part of the Services, regardless of the cause thereof, our company shall not be obligated to pay your company a commission for the portion

of the Services which it fails to perform. In addition, in the event that your company is responsible for not implementing all or part of the Business, your company shall bear the expenses required for the measures for acting as the agent in the preceding paragraph (include preparation for), and our company shall be able to deduct a considerable amount from the Proceeds for the Business.

### **Section 3 Acceptance**

#### **Article13 (Job completion report)**

When your company intends to complete the Services, it shall submit to our company, prior to the receipt inspection stipulated in the following Article, documents such as business records and certificates in the form set forth in the Individual Contract in advance.

#### **Article14 (Acceptance)**

1. When your company intends to complete the Services, it shall notify our company thereof and our company shall conduct an inspection of receipts and accept them. In this context, "When the Business is to be completed" refers to the billing period and unit agreed between our company and your company.
2. If, as a result of the receipt inspection set forth in the preceding paragraph, it is found that the Services performed by your company do not conform to our company's order specifications, our company shall notify your company thereof, and your company shall immediately process the same at its own responsibility and expense.
3. If our company can confirm that the Services performed by your company conform to our company's order specifications by means of the Receipt Inspection, our company shall inform your company that it has passed the Receipt Inspection, which shall complete the Receipt Inspection.

### **Section 4 Quality**

#### **Article15 (Audit)**

1. Your company shall conduct its own audits of the business systems of your company and subcontractors in accordance with your company's standards, or have such systems audited by a third party capable of auditing, and maintain and ensure a system that enables proper performance of the Terms and Conditions throughout the term of the Terms and Conditions.
2. Your company shall, at our company's request, accept our company's audit of your company's and the subcontractor's operations. If our company requests the disclosure of your company's audit report, your company shall promptly disclose the audit report.

#### Article16 (quality assurance)

Your company warrants that the Services to be performed by your company shall comply with all specifications and quality standards specified by our company as follows.

- (1) Specifications and quality standards for the Services provided in the Individual Contract.
- (2) Specifications shown in documents, manuals, and equivalent documents prepared by our company and lent to your company.
- (3) Specifications appearing in specifications and equivalent documents prepared by your company and accepted by our company.

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#### Article17 (Unsafe event)

Your company shall report to safety without delay any defect which significantly affects our company event specified in the consignment specifications during the work of the object.

### **Section 5 Supplies and Lent**

#### Article18 (Supplies)

1. In the event that our company deems it necessary to receive a request for Supplied Item from your company, it shall provide the same for or without charge.
2. The name, quantity, time of supply, whether it is paid or not shall be prescribed in the individual contract.
3. Upon receipt of the Supplied Item, your company shall submit a receipt to our company and promptly conduct the prescribed inspection.
4. If any defect is found in the Supplied Item in the inspection set forth in the preceding paragraph, our company shall promptly repair the Supplied Item or replace it with a substitute.
5. Title to the Paid Goods shall remain with your company until pays our company the price and title to the Free Goods shall remain with our company.

#### Article19 (Articles lent)

1. Our company shall receive a request from for the lending of materials, manuals, etc. necessary for the Work, and if your company deems it necessary, it shall lend them at a charge or without charge.
2. Whether materials, manuals, etc. (hereinafter referred to as "articles lent") to be lent in the preceding paragraph are charged or free of charge, and royalties, etc. in the case of charges, shall be stipulated in the individual contract.
3. Upon receipt of the rental, your company shall submit a receipt to our company.
4. Our company and your company shall enter into lease agreements for the loaned items as

necessary.

#### Article20 (Management of Supplies and Lent)

1. Your company shall control Supplies, Remaining Materials and Leased Products with the due care of a good manager and shall clearly distinguish them from those owned by your company in custody and books.
2. Your company shall not use Supplies or Lent for any purpose other than the performance of the Work without the written consent of our company and shall not allow any third party to use or store Supplies or Lent.
3. In the event that there is a risk of infringement of our company's rights, such as seizure by a third party, with respect to Supplied Item (s) and Leased Item (s), your company shall immediately notify our company and, at the same time, defend our company's rights by asserting to the third party that the rights to Supplied Item (s) without compensation, Unpaid Supplied Item (s) and Leased Item (s) shall belong to our company.
4. Your company shall prepare and submit a prescribed inventory of Supplies and Leasing at the time designated by our company. If requested by our company, your company shall conduct inventory in the presence of our company or its agent.
5. Your company shall immediately notify our company in the event of loss of Supplied Item or Lent Item. In such event, your company shall, in accordance with our company's instructions, repair or procure replacements for the Supplies and Leases at your company's expense if our company deems it necessary, or pay an amount determined in consultation with our company.
6. Your company shall, upon receipt of a claim for non-life insurance, etc. with respect to the gratuitous supplies or loaned items, and upon consultation with our company, carry insurance in which our company shall be the beneficiary at your company's expense.
7. Upon the completion of these Terms and Conditions of Transaction or upon receipt of a request for return from our company, your company shall promptly return the gratis Supplied Item, the Paid Supplied Item and the Lent Item for which payment has not been made.

#### Article21 (Lending of technical data)

1. Our company shall, when deemed necessary, lend to your company technical materials (hereinafter referred to as "Technical Materials") such as documents and manuals relating to the Work.
2. Your company shall strictly manage the Technical Materials with the due care of a good manager and shall not copy them without our company's written consent.
3. Your company shall not disclose or divulge the Technical Materials or any information contained therein to third parties or to employees not involved in the Services.

4. Your company shall not use the Technical Materials for any purpose other than the manufacture of the subject matter.
5. Your company shall not apply for intellectual property rights with respect to the information contained therein.
6. Your company shall promptly return the Technical Materials and copies thereof upon completion of the Services, upon completion of the manufacture, etc. of the subject matter, or upon receipt of a return request from our company.

## **Section 6 Payment of Proceeds**

### Article22 (Price)

The commission of the Services to be paid by our company to your company shall be set forth in the Individual Agreement.

### Article23 (Payment of money)

1. Upon completion of the acceptance pursuant to Article 14, our company shall pay the commission of the Services to your company in accordance with the following payment method.

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- Pay last day of the following month if the payment date is 1 to 15 days and the invoice is submitted in 20 days (must-have)

However, if the payment date is a holiday, the payment shall be made on the previous business day.

- If the payment date is 16 to the last day of the month and the invoice is submitted on the 2nd day of the following month (must-have), payment is made on the 2nd day of the following month and 15 days thereafter.

However, if the payment date is a holiday, payment shall be made on the following business day.

2. The method of payment shall be determined in our company and your company in either of the following ways.

(1) Our company will notify your company in the Payment Confirmation if a Basic Transaction Agreement is entered into.

(For Transaction Agreements, see Section 32)

(2) If a Basic Transaction Agreement is not concluded, it shall be specified in the Individual Agreement.

### Article24 (Offset)

If our company and your company have monetary claims to be paid by each other, they may offset the payment set forth in the preceding paragraph against such monetary claims at any time.

## **Section 7 General Matters**

### Article25 (Duty of ensuring prudent management)

Your company shall comply with the principle of good faith and with the duty of care of a prudent manager in the execution of the Business entrusted by the execution of the Individual Contract.

### Article26 (Restriction of transfer)

Your company may not assign or pledge to a third party all or part of the rights and obligations arising from the formation of an Individual Agreement without the prior written consent of our company.

### Article27 (liability for compensation)

In the performance of the Services, your company shall be fully liable for and shall indemnify our company (Including officers and its employees), officers of your company and its our company employees or third parties for and against any and all damages, whether in name or name, arising out of or in connection with the performance of the Services. In addition, your company shall bear all costs (Including attorney's fees in cases where a complaint is requested or a lawsuit is filed by a third party) related to these damages including our company's costs.

### Article28 (Non-life insurance)

1. Your company shall indemnify your company against any damages that may arise from or in connection with the Business at's expense and coinsure our company with a cross-liability clause.
2. For the insurance prescribed in the preceding paragraph, your company shall obtain from the insurance company a document certifying that start date        under the individual contract and insurance satisfying the above conditions at the start of each insurance period, and deliver it to our company promptly after each period of start date.

### Article29 (Force majeure)

Our company and your company shall not be liable for damages in the event of failure to perform all or any part of these Terms and Conditions due to acts of God, war, riots, strikes or any other cause not attributable to them.

### Article30 (Confidentiality)

As used in these Terms and Conditions, Confidential Information means all information disclosed to the other party (hereinafter referred to as "receiving party") by one of the parties (hereinafter referred to as "disclosing party") in the performance of an Individual Contract, which is disclosed in writing as confidential at the time of disclosure or within 30 days after oral or visual disclosure.



However, information certified by the receiving party as falling under any of the following is not confidential.

- (1) Information already in the public domain or in the possession of the Receiving Party at the time of disclosure
- (2) Information that becomes publicly available after disclosure through no fault of the Receiving Party
- (3) Information lawfully obtained by the receiving party without any obligation of confidentiality from a third party
- (4) Information for which both parties have confirmed in writing that no confidentiality is required at the time of disclosure or after disclosure.
- (5) Information independently developed without relying on confidential information

2. The Receiving Party shall keep the Confidential Information in confidence and shall not disclose the Confidential Information to any person other than officers, employees engaged in the performance of Individual Contracts without the prior written consent of the Disclosing Party.

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3. The Receiving Party shall manage the Confidential Information with the due care of a good manager and shall not use the Confidential Information for any purpose other than the purpose of this Agreement or the Individual Agreement.
4. The Receiving Party shall not reproduce the Confidential Information without the prior written consent of the Disclosing Party. Reproductions made with consent shall be treated as confidential information.
5. The Receiving Party shall return or destroy the Confidential Information at the Disclosing Party's direction if the Disclosing Party so requests.
6. The rights and obligations under this Article shall be effective for each Confidential Information for a period of five (5) years from the date such Confidential Information is disclosed.

#### Article 31 (Protection of personal information)

1. Our company and your company are obligated to comply with the Personal Information Protection Law (Act No. 57 of May 30, 15).
2. In carrying out the assignment, your company shall control and protect the personal information provided by our company or our company customers deposited with your company.
3. Your company shall maintain the confidentiality of personal information not only during the term of the consigned work but also after the completion thereof, and shall not disclose, provide or leak such personal information to any third party except with our company's written consent.
4. Your company shall not use personal information for any purpose other than the purpose of conducting the applicable consignment.

5. Your company shall restrict access to personal information by officers and its employees to the minimum necessary and shall impose on officers and its employees the confidentiality obligations set forth herein.

6. Your company shall not reproduce, copy or re-deposit any personal information deposited with it to any third party without prior consent from our company.

7. Upon your company request by our company or upon completion of the applicable consignment, our company shall return to all personal information deposited and copies reproduced with our company's approval without delay. However, with the consent of our company, they may be deleted, incinerated or destroyed in lieu of return. your company shall indemnify your company for any and all damages suffered by officers in the event of any leakage of personal information due to reasons attributable to our company or its employees.

8. In your company the event that the personal information concerned is leaked due to reasons attributable to your company officers or its employees, our company shall compensate for any and all damages suffered by Sony.

#### Article32 (Form of transaction after the transaction decision is made)

Our company and your company may, after consultation, promise these terms and conditions as a Basic Transaction Agreement. At that time, validity period of the Basic Agreement on Transactions shall be one (1) year from the date of conclusion of the Agreement, and if neither our company nor your company offers otherwise in writing 60 days prior to the expiration of the Agreement, the Agreement shall be extended for another one (1) year under the same terms and conditions, and the same shall apply thereafter.

#### Article33 (Cancellation before maturity of Basic Transaction Agreement)

Even within validity period as set forth in the preceding Article, our company or your company may terminate part or all of the Basic Transaction Agreement by giving 90 days written notice to the other party.

#### Article34 (Immediate release)

"our company and your company may terminate the Agreement, in whole or in part, immediately without any notice or demand to the other party or offering performance of their obligations, if the other party has any reason falling under any of the following items:. In addition, if any damage is caused by this, the other party shall compensate.

(1) In the event of a breach of any provision of the Terms and Conditions of the Transaction and the fact of the breach is not rectified within a reasonable period of time after the notice has been issued.

(2) If he/she is subject to suspension of business or rescission of his/her business license or business

registration by the competent authorities.

(3) When a petition for provisional seizure, provisional disposition, compulsory execution or auction, etc. for exercise of a security interest is filed, or a petition for bankruptcy, civil rehabilitation or corporate reorganization is filed.

(4) If it is dissolved or liquidated.

(5) has caused suspension of payments or insolvency, etc.

(6) When a negotiable instrument or check is dishonored.

#### Article 35 (Elimination of antisocial forces)

Our company and your company may terminate the Agreement, in whole or in part, without any notice or demand to the other party and without providing performance of its obligations, if and when the other party reasonably determines that any of the following applies. In addition, if any damage is caused by this, the other party shall compensate.

(1) Cases falling under any of the following antisocial forces

- ① gangster
- ② gangster
- ③ associate member of an organized crime group
- ④ Boryokudan affiliated companies
- ⑤ racketeers, social movements, etc.

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⑥ Other matters equivalent to (1) to (5) above

(2) Cases where the person has any of the following relationships with the antisocial forces or persons with whom the person has a close friendship with the antisocial forces set forth in the preceding item (Hereinafter referred to as "Anti-Social forces, etc.".):

- ① a relationship in which management is controlled by antisocial forces
- ② A relationship in which antisocial forces, etc. are substantially involved in its management
- ③ A relationship such as providing funds or facilities to antisocial forces
- ④ Socially reprehensible relationships with other anti-social forces

(3) In the case of performing any of the following acts by oneself or by using a third party

- ① violent demand
- ② unreasonable demands beyond legal liability
- ③ the act of using threatening words or behavior or violence in connection with a transaction
- ④ the act of spreading rumors or using fraudulent means or force to damage the reputation of another party or obstruct business
- ⑤ Other acts equivalent to (1) to (4) above

#### Article36 (Survival clause)

The following shall remain in effect after the termination of the individual contract for the Services. Article 15 (Audit), Article 16 (quality assurance), Article 23 (payment of money), Article 24 (offset), Article 26 (restriction of transfer), Article 27 (liability for compensation), Article 30 (confidentiality), Article 31 (protection of personal information), this Article (survival clause), Article 37 (agreed jurisdiction) and Article 38 (consultation)

#### Article37 (Agreed jurisdiction)

For disputes concerning individual contracts, the Tokyo District Court shall be the court with exclusive jurisdiction in the first instance.

#### Article38 (Consultation)

For matters not stipulated in these Terms and Conditions, please contact our company for discussion. In addition, in the event of any matter not stipulated between our company your company and our company your company after the commencement of transactions, or in the event of any doubt arising in the interpretation of the terms, contracts, etc., agreed between our company and your company, such matters shall be determined on a case-by-case basis.

# JAL Group Supplier Code of Conduct

Active date: 16JUL19

The JAL Group (“we”) is firmly committed to maintaining flight safety, the basis of our existence, as an infrastructure that supports society. We endeavor to be a corporate group that provides unparalleled products and services to customers and fulfills responsibilities as a corporate citizen in order to increase corporate value and contribute to the betterment of society, as declared in the JAL Group Corporate Policy.

Under this Corporate Policy, the JAL Group has established this Code of Conduct to promote the establishment of sound supply chains in order to achieve the Sustainable Development Goals\*, on the major premise of securing safety based on a shared awareness that safe operations is maintained through joint efforts with our suppliers so that our customers may use our flights with peace of mind.

The JAL Group requests its suppliers to not only understand and comply with this Code of Conduct but also establish good partnerships based on mutual trust regarding the principles outlined herein and promote sustainable and responsible purchasing activities.

\*Sustainable Development Goals, or SDGs:

17 goals to be solved by the international community by 2030 to realize a sustainable society.

## < Requests to our suppliers >

Suppliers of the JAL Group are requested to comply with the following matters.

### 1. Quality Assurance

#### 1-1 Ensure product & service quality and safety

**Ensure product & service quality and safety through quality management systems or a third-party certification system. Provide accurate information on products and services.**

【Commentary】Daily quality enhancement efforts are necessary in order to provide product and service quality and safety of high standards. Specifically, steadily implement the PDCA cycle and conduct quality control based on international standards such as ISO9000.

#### 1-2 Respond appropriately to accidents or distribution of defective products and services

**Establish systems to disclose information, report to relevant authorities, recall products, enforce measures toward suppliers, etc. in case of an accident or defective products.**

【Commentary】In case defective products and services cause bodily harm to customers, etc. or damage their property, or such concerns are raised, provide accurate information, quickly set up a recall system, etc. in order to solve the problem with top priority. Also, establish a system to proactively prevent recall.

## **2. Human Rights and Labor**

### **2-1 Respecting human rights and eliminate discrimination**

**Do not discriminate on the basis of gender, age, national or regional origin, race, ethnicity, religion, social status, disability, sexual orientation, gender identity or other attributes.**

【Commentary】Make every effort to create workplaces that are free of harassment and unlawful discrimination. Discrimination in employment conditions such as wages, promotion, remuneration on the basis of the following is prohibited; race, color, age, gender, sexual orientation, gender identity disorder and sexual expression, ethnicity or national or regional origin, disability, pregnancy, religion, political conviction, union member, military experience, protected genetic information, marital status, etc.

### **2-2 Freedom of association**

**Respect fundamental labor rights including freedom of association, workers' rights to organize and collective bargaining rights.**

【Commentary】Respect fundamental labor rights including freedom of association, workers' right to organize and collective bargaining rights according to local laws. Give consideration to employees to exchange frank opinions on working conditions and management practices with management without fear of discrimination, retaliation, threats, etc.

### **2-3 Control long work hours**

**Manage work hours of employees appropriately to ensure work hours do not exceed limits stipulated by local laws.**

【Commentary】Work hours must not exceed limits established by applicable local laws. As a general rule, the number of working days a year must stay within statutory limits and the number of working hours a week (including overtime) must not exceed statutory limits.

### **2-4 Wages**

**Pay wages and salaries to employees in compliance with all related laws including the minimum wage, overtime and statutory benefits.**

【Commentary】Remuneration paid to employees must comply with all related laws including the minimum wage, overtime and statutory benefits. Comply with applicable local laws and pay overtime at a higher wage rate than normal hourly rate.

## **2-5 Prohibiting forced labor and child labor**

**Do not use forced labor in any form or employ workers who do not reach the minimum work age.**

【Commentary】Effectively eliminate forced labor by guaranteeing that all work is voluntary and that employees are free to leave the company at any time. To effectively eliminate child labor, do not employ children who are 15 or the mandatory education completion age or the minimum employment age of the country, whichever is the oldest, according to regulations of the ILO (International Labor Organization). Furthermore, do not assign workers under 18 (young workers) to jobs where they are exposed to health and safety hazards including night shift and overtime.

## **2-6 Prohibiting inhumane treatment**

**Do not impose physical or mental cruelty, all types of harassment and inhuman treatment that damages personal dignity.**

【Commentary】Apparent or fear of degrading, inhumane treatment toward employees such as sexual harassment, power harassment, sexual abuse, corporal punishment, psychological or physical repression, and verbal abuse is prohibited. When taking disciplinary action, etc. against these acts, clarify the policy and procedures and inform employees in advance.

## **2-7 Preventing involvement (participation) of human rights violations**

**Give sufficient consideration to prevent involvement (promotion) of human rights violations of consumers, residents of regional communities and all stakeholders through the company's business activities.**

【Commentary】In case related persons of a company's business violate human rights, the company will be regarded as having had "indirect" involvement (participation). As participation in human rights violations must be taken into account, pay attention to the impact of not only your products and services but also decision-making and business activities on human rights.

## **2-8 Respect for the lives of indigenous people and local communities**

**When conducting business in habitation areas of indigenous peoples or minority ethnic groups, give consideration to their rights by respecting their unique culture and history.**

【Commentary】As vulnerable indigenous peoples or ethnic minorities may be impacted by business activities in various ways, respect their culture and practices by paying attention to habitation areas specified by local laws and regulations and international standards such as international laws.

## **2-9 Respect for foreign and immigrant workers**

**Foreign and immigrant workers shall be treated in the same way as workers of your own country and provided transparent employment conditions, good work conditions and life conditions.**

【Commentary】Ensure that foreign or immigrant workers (including technical interns) are not treated differently from workers of your own country on the basis of nationality, etc. and that immigrant workers are not illegally employed.

## **2-10 Creating work environments**

**Respect traditions and customs of countries and regions where the company operates, respect religious traditions and customs of employees, and take care not to obstruct such traditions and customs through uniform employment regulations, etc.**

【Commentary】Respect and give consideration to the cultures and practices of countries and regions where the company operates. In particular, give consideration to a certain extent to allow employees to observe religious practices.

# **3. Safety and Sanitation of Work Environment**

## **3-1 Proactively prevent accidents and disasters and minimize damage**

**Proactively prevent accidents and disasters, minimize damage and create workplaces where employees can work with peace of mind.**

【Commentary】The company has the responsibility to comply with applicable local laws and protect the safety and health of their employees. Employees have the responsibility to observe necessary matters to prevent occupational accidents and cooperate with occupational accident preventive measures implemented by the company.

## **3-2 Occupational health**

**Appropriately manage chemical, biological and physical factors in the work environment that are potentially harmful to employee health.**

【Commentary】Companies have the responsibility to comply with applicable local laws, identify, assess and manage exposure of employees to chemical, biological and physical factors, take steps to



reduce excess exposure, and if it is difficult to control dangerous factors through such steps, protect employee health through appropriate protective equipment, etc.

### **3-3 Healthcare management of employees**

**Prevent occupational accidents and illness by providing and maintaining safe and sound work environments.**

【Commentary】Take necessary steps to prevent occupational accidents and illness, pay attention to heavy physical work and conduct healthcare management to maintain employee health. Comply with all applicable laws concerning the work environment and keep the workplace clean and sanitary. Especially, provide and maintain clean toilets, safe drinking water and a hygienic meal environment.

## **4. Global environment**

### **4-1 Establish and operate environmental management systems**

**Establish, operate and continuously improve environmental management systems.**

【Commentary】To implement voluntary environmental preservation initiatives in management, establish environmental policies and targets and a framework of systems, procedures, etc. in factories and business offices for pursuing the targets, which are called environmental management systems (international standard ISO14001). To conduct continuous environmental activities, establish and operate environmental management systems.

### **4-2 Reducing greenhouse gas emissions**

**Establish and pursue voluntary greenhouse gas emission reduction targets to respond to climate change.**

【Commentary】Make every effort to pursue cost-efficient methods to minimize greenhouse gases directly emitted by burning fossil fuel in business activities and indirectly emitted by purchasing electricity, such as improving energy efficiency and using alternative fuels.

### **4-3 Sustainable, efficient use of resources (energy, water, raw materials, etc.)**

**Set voluntary targets to save resources and save energy, and continuously strive to use resources and energy effectively.**

【Commentary】To effectively use resources (energy, water, raw materials, etc.), take steps to check facility and company levels and improve efficiency.

### **4-4 Managing and reducing sewage, sludge and exhaust**

**Prevent pollution by monitoring, controlling and reducing emission of sewage, sludge and exhaust, etc.**

【Commentary】Establish voluntary targets to reduce impacts on the environment equivalent to or above standards under law, prevent pollution, monitor and control sewage, sludge and exhaust, etc. and reduce emissions.

**4-5 Identify, manage, reduce and responsibly dispose of recycle waste**

**Establish and pursue voluntary waste reduction targets.**

【Commentary】Take systematic approaches to identify, manage, reduce and responsibly dispose or recycle wastes (excluding hazardous substances).

**4-6 Manage chemical substances and hazardous substances specified by laws and regulations, etc. for the production process and contained in products and services.**

**Appropriately manage chemical substances and hazardous substances and appropriately report to government agencies.**

【Commentary】Comply with applicable local laws and manage chemical substances contained in products, identify the volume of chemical substances handled and report, etc. to government agencies. Also, document procedures for safe storage, usage and disposal of hazardous substances and manage chemical substances.

**4-7 Initiatives for biodiversity**

**Consider direct and indirect impacts of operations on the ecosystem and take steps for the conservation and sustainable use of biodiversity.**

【Commentary】Recognizing that rich and diverse ecosystems are the basis of business, take steps to prevent damage, taking into account impacts of operations on the ecosystem.

**5. Business Management**

**5-1 Comply with laws and statutory and regulatory requirements**

**Operate business in compliance with laws of countries and regions where the company operates, and all other related statutory and regulatory requirements.**

【Commentary】Comply with laws of countries and regions where the company operates and all related statutory and regulatory requirements, including the establishment of appropriate export and import management systems and procedures. To reinforce compliance, policies and systems,

establish and enforce action guidelines, and frameworks such as the whistle blower system and education programs.

## **5-2 Fair business transactions**

**Conduct fair, transparent, free competition and appropriate transactions. Impeding practices are prohibited.**

【Commentary】Fair, free, lawful competition through transparent processes is indispensable in domestic and international businesses for markets to function properly. Comply with competition laws of each country.

**Abuse of a dominant bargaining position that is detrimental to business partners is prohibited.**

【Commentary】Transactions with business partners must be honest and fair based on agreements, etc. Abuse of a dominant bargaining position to arbitrarily decide favorable terms and conditions or to make unfavorable demands on business partners is prohibited.

**When there is a conflict of interest between an employee and the company, it is prohibited to damage the interests of the company to enjoy personal gain.**

【Commentary】In case the interests of the company and an employee contravene (conflict of interest), the interests and purpose of the company must be prioritized. Using one's position in the company to enjoy personal gain is prohibited. Behavior that impedes fair operations or objective judgment is prohibited.

**Buying and selling of equities, etc. by related persons, etc. of listed companies based on confidential information those people had privileged access to is prohibited.**

【Commentary】Buying and selling equities, etc. as a result of having access to confidential information that could impact share prices is called insider trading and is prohibited. Leaking important non-public information about a company or advise others to buy or sell equities, etc. for their benefit is also prohibited.

## **5-3 Preventing bribery and corruption**

**Giving or accepting bribes of any form is prohibited. Giving and accepting entertainment, gifts or cash to customers, suppliers and other business partners in excess of common sense is prohibited.**

【Commentary】Do not give, accept, promise, request or approve to give bribes or other means to gain inappropriate benefits. This includes promises, requests, approvals, giving or receiving of value, direct or indirect, through a third person to acquire, maintain or transfer business or to gain other inappropriate benefits. To comply with anticorruption laws, open a hot line for whistle blowers.

## **5-4 Elimination of relations with antisocial forces**

**Any and all relations with antisocial forces that pose a threat to the order and safety of civil society and disrupt economic activities is strictly prohibited.**

【Commentary】Make every effort to eliminate any and all relations with antisocial forces. Resolutely refuse threatening demands for unlawful economic benefits due to complaints about our service, etc. The organization shall deal with such demands without leaving employees isolated to deal with the matter alone.

## **5-5 Protection of intellectual property**

**Protect and pay attention to intellectual property in possession or belonging to the company to prevent infringement by a third party.**

【Commentary】Protect and pay attention to intellectual property in possession or belonging to the company to prevent infringement by a third party. Illegal acquisition and misuse of intellectual property such as patent rights, utility model rights, design rights or trademark rights of third parties including customers and suppliers or infringement of rights such as illegal copying of software and books is prohibited.

## **5-6 Protect and prevent the leakage of personal information and confidential information**

**Properly manage, protect and prevent the leakage of personal information and confidential information of the company, business partners, customers and third parties.**

【Commentary】Make every effort to properly manage, protect and prevent the leakage of personal information and confidential information of the company, business partners and customers and third parties. To execute this, take steps to provide protection against computer network threats and manage information to ensure that there is no damage to the company, business partners, customers and third parties.

# **6. Expansion to Suppliers**

## **6-1 Expansion to suppliers**

**Establish a policy to achieve sustainable procurement through the company and supply chains and disseminate and penetrate the policy inside and outside the company to achieve the principles set out in this Code of Conduct.**

【Commentary】Request business partners to comply with the principles set out in this Code of Conduct as well as the company. It has the same meaning as the JAL Group requesting its business partners to comply with this Code of Conduct that it established. Therefore, establish a CSR

procurement policy to practice sustainable procurement activities, disseminate the policy inside and outside the company and ensure that your business partners observe the policy.

## **6-2 Initiatives for conflict metals**

**Prevent the purchase and use of conflict metals, inspect and check suppliers according to business conditions of the company.**

【Commentary】Establish a policy to reasonably secure that tantalum, tin, tungsten and gold contained in products manufactured by the company do not directly or indirectly benefit or fund armed groups that commit serious human rights violations in the Democratic Republic of the Congo and neighboring countries. Perform due diligence on the source and distribution of metals and disclose the means to customers at their request.

## **7. Contribution to Regions and Society**

### **7-1 Contributing to regions and society**

**Carry out activities to reduce health, safety, sanitation, etc. hazards in regional communities and residents caused by the company's business activities. At the same time, contribute to the development of regional communities through your business.**

【Commentary】Carry out activities to reduce health, safety, sanitation, etc. hazards in regional communities caused by the production process or your products and services. At the same time, contribute to the development of regional communities while maintaining harmonious coexistence through job creation, capacity building, sales promotion of local products and services, development of suppliers, volunteer activities by employees, etc.

## **8. Establishment of Internal Promotion Systems**

### **8-1 Establish promotion systems**

**Establish risk management and PDCA cycle implementation systems in related fields and items to enforce this Code of Conduct.**

【Commentary】Specifically, establish promotion systems including the ① establishment of a policy for CSR initiatives, ② appointment of a management system oversight officer, ③ establishment of systems to respond to local laws and regulations, international laws and customer requests, ④ identification and management of risks, ⑤ establishment of targets, ⑥ establishment of a training

program, ⑦ dissemination to employees and suppliers, etc. ⑧ improvements based on requests from employees, ⑨ implementation of audits and assessment and corrective measures.

## **8-2 Establish an internal controls system**

**Establish a management system or framework to secure business effectiveness and efficiency as a company, credibility of financial reports, compliance with laws concerning business activities, security of assets.**

【Commentary】To establish an organizational structure to comply with applicable local laws and achieve sound business management, build a management system or framework to secure business effectiveness and business efficiency as a company, credibility of financial reports, compliance with laws, etc. concerning business activities and security of assets.

## **8-3 Preparedness in case of emergency disasters**

**Develop a Business Continuity Plan (BCP), presuming possible conditions and events in an emergency.**

【Commentary】Be prepared for unforeseen circumstances by identifying possible emergencies and appraising effects of damage, etc. in advance. In addition, establish measures and procedures to minimize damage to life, the environment and assets and build systems to assure business continuity even in a contingency.

## **8-4 Establish a whistle blower system**

**Establish a whistle blower system for employees to safely report or consult compliance problems or human rights and labor rights violations inflicted upon them.**

【Commentary】Establish a whistle blower system for employees to raise concerns or suspicion of compliance problems such as violation of laws and regulations or illegal behavior in company operations or human rights or labor rights violations inflicted upon them to a dedicated department or an external contact. Retaliation to the employee who reported or consulted is prohibited.

## **8-5 Information disclosure**

**Actively disclose information and fulfill accountability to stakeholders even if disclosure is not mandatory under laws and regulations, etc.**

【Commentary】Respond to requests for transparency or accountability of business operations by society or stakeholders, actively communicate and disclose information (financial, non-financial information) inside and outside the company, and fulfill accountability.

<Communication>

Make this Code of Conduct accessible by any employee in the company's business offices in the local language, disseminate and ensure compliance. We would appreciate your cooperation.

<Verification of efforts of suppliers>

To check efforts of suppliers, we may contact external organizations and ask them to answer our questions.

<For inquiries>

If you should have any questions, etc., please inquire with groups in the Procurement Division of Japan Airlines, the distributor of this Code of Conduct, or the department below.

Japan Airlines Co., Ltd., Procurement Division    E-mail : [purchasing@jal.com](mailto:purchasing@jal.com)

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