

JAL Group Code of Conduct

Commitment to Society; Interpretation and Ways of Thinking

This is to explain the background and way of thinking of each chapter in order to abide by the JAL Group Code of Conduct *Commitment to Society*. We would like all JAL Group employees to deepen their understanding of our commitment and put it to practice in their everyday work so that we may earn the trust of society.

Introduction

The JAL Group established the Corporate Policy to “Pursue the material and intellectual growth of all our employees; Deliver unparalleled service to our customers, and Increase corporate value and contribute to the betterment of society,” and to realize this Policy, practices the JAL Philosophy, a shared awareness, attitude and values expected of every JAL Group employee.

To increase corporate value and realize a sustainable society, we have established “Commitment to Society” which sets out the basic guidelines to ensure corporate ethical behavior in all business situations.

“Commitment to Society” is based on the Group-shared awareness and values of the JAL Philosophy. Performing duties according to “Commitment to Society” leads to the embodiment of the JAL Philosophy and further, the realization of the JAL Group Corporate Policy.

JAL Group employees understand the company’s objective in establishing this Code of Conduct, and endeavor to build relationships of trust with all stakeholders and society and actively contribute to realizing a sustainable society with the full commitment and support of top management.

【Background】

To build a prosperous and vibrant society, companies must behave with a strong sense of ethical values and responsibility. In particular, companies are strongly required to demonstrate creativity and innovation to achieve the SDGs (Sustainable Development Goals) adopted by the United Nations in 2015. To balance economic growth and the resolution of social issues, Keidanren (Japan Business Federation) has revised its Charter for Corporate Behavior in 2017.

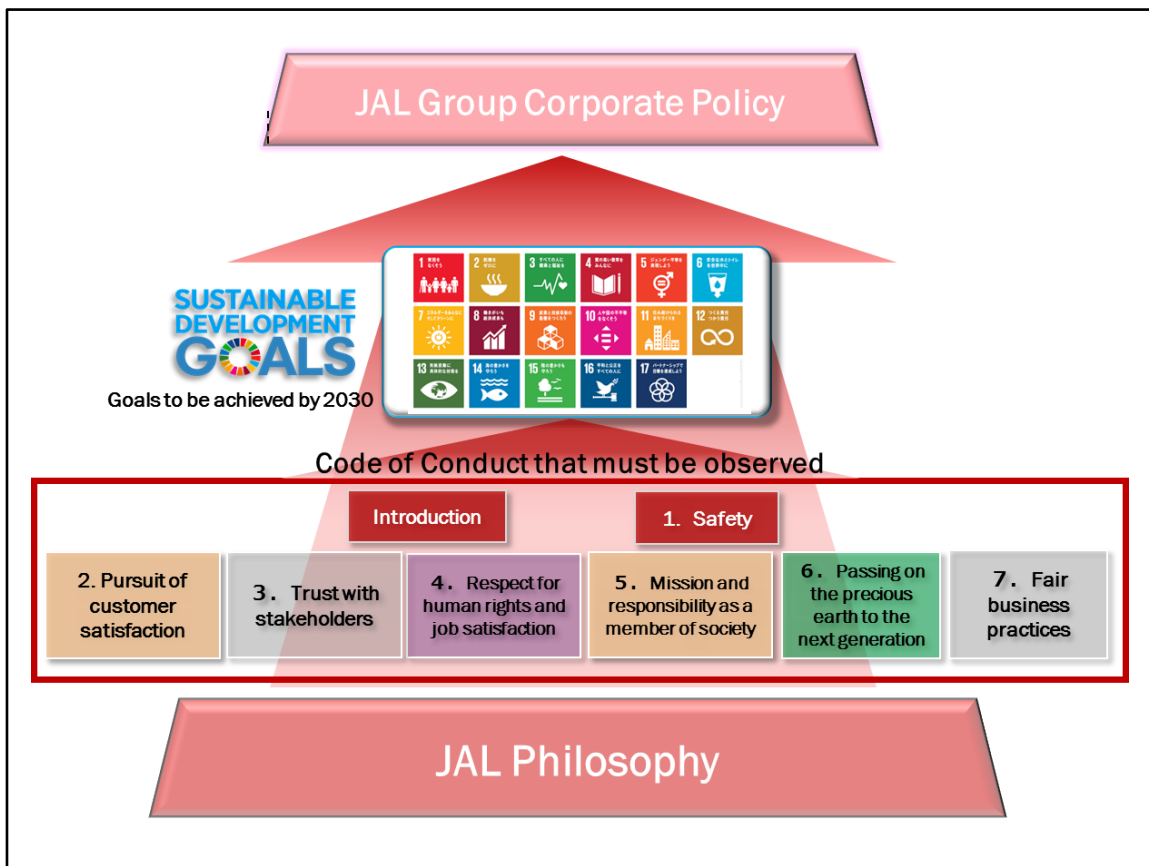
Referring to the Charter for Corporate Behavior, the JAL Group established JAL Group Code of Conduct *Commitment to Society* with the aim to play a lead role in realizing a sustainable society, while taking into account and thinking beyond business ethics and social responsibility.

【Way of thinking】

Commitment to Society is based on the mindset described in the JAL Philosophy. They say that it is difficult to understand its relationship with day-to-day work and to practice the principles and philosophies. However, *Commitment to Society* explains the JAL Philosophy in close relation with our business and work.

Furthermore, the JAL Group has pledged in Medium Term Management Plan-Rolling Plan 2019 to make efforts to solve social issues through SDGs* initiatives. In other words, efforts based on *Commitment to Society* will lead to achieving and contributing to the SDGs.

* SDGs : (Sustainable Development Goals) 17 goals to be solved by the international community to realize a sustainable society.



1. Safety

Safety: The protection of lives.

This is the commitment and basic foundation of business continuity for the JAL Group. We take to heart our mission and responsibility as safety professionals to ensure a safe operation on every flight with the best of our knowledge, skills and abilities.

To accomplish this, we will act according to the following principles.

- Stop immediately when a safety concern arises.
- Comply with rules and strictly follow standard operating procedures.
- Always check and confirm; never rely on assumptions.
- Promptly communicate information without omission to ensure safety.
- Deal with problems quickly and appropriately without underestimation.

【Background】

Safety is protecting lives. An airline that cannot protect lives will lose the trust of customers and will be eliminated from society. Realizing safety is our mission and responsibility that we must fulfill. Safety is the major premise for business continuity of the JAL Group. Business continuity is impossible unless we realize safety.

【Way of thinking】

We are entrusted with valuable lives in our work, but depending on how we do our work, we ourselves could pose a threat to valuable lives. Sometimes, non-compliance with rules and procedures or shunning and ignoring unfavorable facts can lead to unsafe events. We must recognize this risk and behave with pride and responsibility as safety professionals.

Furthermore, to realize safety, the employees' self-motivated awareness and behavior is necessary. Risks leading to unsafe events are hidden around us. Always paying attention to our surroundings and dealing with questions and issues quickly and accurately will shut out unsafe events or prevent adverse situations from developing into serious incidents. Never think it is the job of certain employees or certain departments to realize safety. Removing as many hidden risks as possible through the joint efforts of every employee will lead to realizing a strong safety foundation.

2. Pursuit of customer satisfaction

The JAL Group (or “we”) provides information on products and services appropriately, takes comments from customers sincerely, and continuously strives to develop and provide better products and services in order to provide unparalleled service to every customer. When developing and improving products and services, we put ourselves in the customers’ standpoint and develop innovative products and services to meet diverse customer needs.

【Background】

The JAL Group always puts itself in the customers’ position and provides unparalleled service each day in order to realize the Corporate Policy.

The Consumer Affairs Agency issued the report “Promotion of Consumer-Oriented Management” in 2016 and requested the participation of companies. Consumer-oriented management is a way of thinking, in which enhancing the rights and interests of consumers (customers) from their viewpoint is at the forefront of all corporate activities.

【Way of thinking】

Amid accelerating change and diversification in society, the environment and lifestyles, the customers’ viewpoint has gained greater importance than ever. As a result, it is essential for companies to pay attention to and reflect the customers’ viewpoint in their products and services.

It is necessary for JAL Group employees to align mental vectors to the Corporate Policy and work on providing better products and services including human service.

By listening to and accepting customer comments with sincerity and gratitude, reflecting them in your work, and creating value one step ahead of the competition while actively incorporating new ideas and technologies, we can continuously deliver a fresh and inspiring customer journey. Let’s work together to make JAL the world’s most preferred and valued airline.

3. Trust with stakeholders

The JAL Group ensures fair disclosure of information while maintaining constructive dialogue with a board range of stakeholders in order to achieve sustainable growth and increase corporate value.

(1) Information disclosure and dialogue

We make every effort to maintain truthful communication with society by disclosing useful and accurate information and listening carefully to stakeholder concerns.

We place emphasis on Investor Relations (IR) with shareholders and investors and take steps to promote their understanding through constructive dialogue and quick and accurate information disclosures on corporate management and business activities.

(2) Prohibiting insider trading

We comply with relevant internal regulations, proactively prevent insider trading and do not engage in any real or suspected activities to gain benefits using non-public information acquired through business.

【Background】

To achieve sustainable growth and increase mid- to long-term corporate value, we must disclose information appropriately, hold constructive dialogue with shareholders and investors, and conduct business activities with their understanding of our business.

The JAL Group has declared in Fundamental Policies of Corporate Governance that we will hold constructive dialogue with shareholders and investors. In addition, listed companies that disclose unpublished and important information to specific market participants must also disclose the information to general investors (Fair Disclosure Rule). The Fundamental Policies also state that the JAL Group endeavors to realize the Corporate Policy through appropriate collaboration with our stakeholders and efforts based on the JAL Philosophy.

【Way of thinking】

In addition to information disclosures, it is important to face our stakeholders squarely, listen to their opinions, and hold dialogue with a sincere attitude in order to gain their trust and build good relationships. This attitude also applies to the organizational level and personal level. This mindset must not change, whether your work is directly related to our stakeholders or not.

Furthermore, behavior involving trading of shares or securities before the disclosure of material information (Insider trading) is prohibited, because we will lose the trust of our stakeholders.

【Definition of terms】

* Investor Relations (IR)

Activities to publicize the company's business conditions, financial position, financial results, forecasts and other information to its shareholders and investors

* Insider trading

The practice of related persons, etc. of listed companies selling or buying shares of one's company for one's benefits, using unpublished material information gained through their post or status in the company that could strongly influence investments. Financial Instruments and Exchange Act prohibits insider trading, because it will put general investors who have no knowledge of such information in a disadvantageous position when trading, and damage the integrity of stock markets

4. Respect for human rights and job satisfaction (human rights and labor)

Respecting individuals is respecting different cultures and values. To achieve this, we actively interact with diverse cultures around the world.

To create productive workplaces where employees are motivated about their jobs, we take pride and joy in doing our best for our colleagues.

(1) Respecting human rights and diversity

The JAL Group is committed to fulfilling its responsibility to respect the human rights of all people. This means that we respect all stakeholders including customers and everyone who works for the JAL Group, 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, and respect diversity so that everyone can exercise their originality, and conduct ourselves in a way to prevent harm to anybody or participation in human rights violations through our business activities. We address human rights issues, disclose status on human rights issues and rectify the situation through human rights due diligence *in accordance with our Human Rights Policy.

* A process to preemptively identify, prevent and mitigate any adverse human rights impacts that our business activities may have on society

(2) Safe and comfortable work environments

The JAL Group takes steps to continuously be an organization that ambitiously embraces challenges and creates value. In addition, we make efforts to create safe and comfortable work environments, both mentally and physically, where employees find work rewarding, through healthcare management and continuous workstyle innovation.

【Background】

All people are born equal and have the right to be treated equally. This is called human rights. This is incorporated in the UN Global Compact advocated in 2000, of which the JAL Group is a participant, and the UN Guiding Principles on Business and Human Rights approved in 2011. Nowadays, all businesses are expected to conduct business activities with respect for human rights. In addition, it is very important for society and businesses to respect diversity and bring out the best in people with various attributes and characteristics.

【Way of thinking】

To respect human rights and diversity, every employee must put him/herself in the other person's position.

None of you may think that you are showing disrespect for human rights or diversity. However, your behavior may be invading human rights without your knowing. Invasion of human rights refers to not only human relationships in the company but also outside the company. What is more, you may be indirectly involved or participating in the invasion of human rights. In the aviation industry, involvement in human rights violations by unknowingly transporting people suffering from human trafficking is especially a serious problem. In this way, the invasion of human rights is not a problem unrelated to us. Therefore, we must reflect on our behavior and consider whether we are infringing on the rights of others. It is extremely important to pay attention to risks of human rights violations that may occur before we notice.

The JAL Group takes into account human rights of all stakeholders as a company, looks into possible human rights violations, and takes necessary corrective action. Likewise, let's pay attention to our stakeholders from a personal standpoint, consider whether we are hurt them or not, correct our behavior where necessary, and build better relationships.

5. Mission and responsibility as a member of society

We are grateful to play a role in delivering social infrastructure and repay our gratitude by fulfilling our mission as a public transport operator.

(1) Contributing to regional revitalization through our business

The JAL Group contributes to the sustainable development of regions across Japan that support our air transportation business. To achieve this, we make efforts to enhance the appeal and value of regions using our know-how accumulated in the aviation business and networks, and contribute to vitalizing regional economies by expanding the distribution and flow of people and goods.

Furthermore, we promote human, economic and cultural exchanges and contribute to economic development and world peace by connecting Japan and the world as the “Wings of Japan” and a network carrier.

(2) Responsibility as a company that plays a role in social infrastructure

The JAL Group conducts organizational risk management to be prepared against terrorism, cyber-attacks, natural disasters and other events that threaten civil life and corporate activities. In the event of a natural disaster, we make efforts to resume air transport services as quickly as possible, cooperate in disaster recovery efforts through air transport, etc. and fulfill our social mission and responsibility as a public transport operator that plays a role in social infrastructure.

(3) Responsibility as a corporate citizen

The JAL Group contributes to solving social issues and promoting social development as a corporate citizen by nurturing the next generation, supporting culture and sports, cooperating with disaster recovery operations, and through regional exchanges, international cooperation and other activities. We coordinate and collaborate with stakeholders and support employees in conducting proactive activities.

【Background】

Companies are members of society. In our case, the JAL Group plays a role in social infrastructure; air transportation. We connect countries and regions over our domestic and international route networks, which are our unique strengths, vitalize economies, serve as a public transport operator, and contribute to the betterment of society.

【Way of thinking】

This chapter explains contributions that we can make through our business, our responsibility

and mission as a social infrastructure and our role as a corporate citizen.

The JAL Group uses its know-how and networks in the air transportation business to vitalize regions, promote human, economic and cultural exchanges domestically and internationally as the “Wings of Japan,” contributes to economic development and world peace, connects societies globally, and spreads Japanese culture. We are working to realize human networks filled with possibilities through the air transport business, JAL Group’s core business.

As a social infrastructure, the JAL Group plays a social role of providing air transport in relief efforts in the aftermath of a natural disaster. To accomplish this, we have established a Business Continuity Plan (BCP), assuming that an earthquake hits the Tokyo area. In case of large-scale disasters, such as an earthquake in Tokyo, we have established basic matters such as policies and systems to maintain reservations, air transportation including information provision, and payments and settlements, and will fulfill our responsibility as a public transport operator by maintaining sound business operations even in a contingency.

Furthermore, JAL Group employees must proactively participate in social activities and contribute to the betterment of society as a good corporate citizen. The company actively supports these activities.

6. Passing on the precious earth to the next generation (global environment)

We sincerely accept the fact that our air transport business impacts the environment significantly. To fulfill our responsibility of passing on the precious earth to the next generation, we raise awareness of every employee and preserve the environment in every aspect.

(1) Global environmental preservation initiatives

The JAL Group complies with laws and regulations and strives to respond to climate change, effectively use limited resources, prevent environmental pollution, reduce noise, and preserve biodiversity in order to reduce impacts of operations on the environment. In addition, we pursue the development of environmentally-friendly technologies to solve environmental issues, in coordination with stakeholders.

(2) Disclosure of environmental information and dialogue

The JAL Group actively discloses environmental information, maintains dialogue with stakeholders and expands environmental preservation initiatives to society.

【Background】

A wide range of environmental problems has emerged, from climate change such as global warming to environmental destruction and the loss of biodiversity. Moreover, they are rapidly worsening on a global scale.

Countries, companies and research institutes are working and accelerating joint efforts to solve these problems. Amid this trend, companies have the responsibility to recognize the impact of their operations on the environment and proactively preserve the environment in all aspects of their business activities.

【Way of thinking】

Based on the principle that “we must save the environment to save the lives of all living creatures on earth,” the JAL Group works continuously to reduce impacts of our operations on the environment in order to pass on the precious earth to the next generation. This is a responsibility of the company and also of each employee.

Environmental initiatives are diverse, ranging from reduction of CO2 emissions from aircraft to efforts in the workplace or office and environmental consideration in our personal lives. Every one of these initiatives is very important. Therefore, let’s steadily do everything possible in each workplace and take active participation in JAL Group environmental activities. Furthermore, let’s communicate our thinking to our stakeholders and expand the sphere of environmental preservation.

7. Fair business practices

We comply with laws and rules and conduct ourselves with honesty and integrity as a member of a company that is genuinely trusted by society.

(1) Reinforcing compliance

The JAL Group complies with laws and regulations and other rules (compliance) in society in countries and regions where we conduct business. We understand the laws and procedures applicable to our respective business field, and act upon the advice of whistleblowers, legal departments, and others in the event of a non-compliance or potential non-compliance.

(2) Preventing corruption

The JAL Group does not accept or provide any form of bribes, direct or indirect, or commit any form of corruption, such as money laundering, in its business activities in Japan or overseas.

We will not accept or provide unjust money, gifts, entertainment or other benefits beyond what is recognized as appropriate by social customs.

Charitable donations, sponsorship funds, political donations, etc. must be made only for legitimate purposes and subject to the pre-approval procedures set out in the company regulations.

We do not conduct transactions that may cause conflicts of interest so that interests may not be unreasonably harmed.

(3) Fair business relations with business partners *

We bear in mind to conduct ourselves with honesty and integrity, mutually respect our business partners and achieve sound business development. We conduct transactions under appropriate terms and conditions based on rational decisions in compliance with regulations and procedures. In addition, we strive to build sustainable supply chains with our business partners.

* Our suppliers and all business partners

(4) Free and fair competition

The JAL Group conducts fair and transparent transactions with all business partners in compliance with applicable laws and regulations such as antitrust laws based on the principle of free competition. In countries and regions around the world, we understand the purpose and content of competition laws of each country and comply with such laws.

(5) Management of personal information and intellectual property

The JAL Group collects information necessary to conduct business activities such as customer information through lawful, appropriate means and uses the information only for justified purposes. We exercise utmost precaution when handling such information and assure appropriate information management such as taking steps to prevent unauthorized access.

We take every possible means to protect intellectual property of the Company, and respect and prohibit infringement of intellectual property of other companies.

(6) Eliminating relations with antisocial forces

The JAL Group puts forth Group-wide efforts to eliminate relations with any and all antisocial forces. We resolutely refuse undue demands from antisocial forces for unjustified economic gains through intimidation such as complaints about our service. We deal with their demands as an organization and do not leave employees isolated to handle the situation alone.

(1) Reinforcement of compliance**【Background】**

In whatever work we do, compliance with legal regulations and social norms of countries and regions where we do business and behaving in a fair and honest manner is a precondition that we must fulfill as persons doing business in society. The JAL Group must continuously pursue this principle in every situation and gain the genuine trust of society.

【Way of thinking】

In addition to consulting managers about questions and problems arising in day-to-day work, we have established a Group Hot Line to facilitate consultation. Whistleblowers are protected and are not treated unfairly or detrimentally. If you are hesitant or unsure, please consult your manager or the Hot Line.

(2) Prevention of corruption**【Background】**

Society expects companies to conduct fair and transparent business activities, whether in Japan or abroad. Each country has established laws and regulations and has signed international conventions prohibiting bribery. Furthermore, corruption such as bribery is a serious obstacle to sustainable development. It has unjust impact on developing countries and regions, corrupts the social structure itself, and may promote international terrorism through drug trafficking, money laundering* and illegal international remittances. Therefore, companies are expected to take steps to prevent corruption.

【Way of thinking】

Behavior with the purpose of offering preferential treatment to public officials (bribery), Money laundering, Embezzlement, whether in Japan or overseas, is prohibited by law and regulations. In addition, in order to avoid unduly harming the interests of the Company, it is prohibited to conduct transactions that may cause conflicts of interest. We must also refrain from offering money or gifts exceeding social norms to gain benefits in business.

Charitable donations, sponsorship funds, and political donations must be made only for legitimate purposes and must go through the pre-approval procedures set forth by internal regulations.

【Definition of terms】

* Money laundering

Money laundering is the process of remitting money repeatedly to bank accounts under a false name or someone's name to disguise the source of large amounts of money generated by a criminal activity, such as drug trafficking, tax evasion and fraudulent accounting (dirty money), to avoid seizure or exposure by investigative authorities. It is abused as illicit funds around the world, and prohibited by law.

(3) Fair business relationship with business partners

【Background】

If we do conduct business based on correct procedures with mutual respect for all business partners in the chain of business processes in the JAL Group, such as sales, reservations and ticketing, airports, flight operations, cabin attendants, maintenance, and cargo, society will no longer need us and we will not be able to grow in the long term. Meeting social requests and solving social issues with the cooperation of business partners will lead to co-existence and co-prosperity in the overall value chain and realization of a sustainable society.

【Way of thinking】

Not only suppliers of goods and services, but also clients that we do business with are important partners that help JAL Group grow.

Behavior with a sincere attitude must not change when conducting business. We must behave in a free and fair manner with business partners and refrain from demanding an advantageous deal by wielding our power or distorting market mechanisms. To achieve this, it is important carry out transactions correctly according to rules and procedures.

Furthermore, securing sustainable supply chains is vital for the JAL Group, which conducts business worldwide. Let's actively communicate with business partners about social issues

including human rights, the environment and corporate governance, and social responsibilities, build good partnerships based on mutual trust, and promote responsible, sustainable business.

(4) Free and fair competition

【Background】

Driven by trends in economic globalization, an increasing number of countries and regions have established competition laws to promote fair and free competition. Moreover, cooperation and coordination between authorities are in progress. From the perspective of securing free, vibrant competition in markets and strengthening disciplined corporate activities, laws and regulations on competition such as antitrust laws have been established globally, resulting in reinforcement of competition law compliance systems in Japan and abroad.

【Way of thinking】

The JAL Group has established a Guide to the Antitrust Law, which provides prohibited act by staff in charge, aimed to proactively reinforce compliance with antitrust laws and competition laws of each nation such as the Antitrust Law of Japan (hereinafter the “Antitrust Law”) and prevent violations. If you have any questions, please consult Legal Affairs of Japan Airlines.

(5) Management of personal information and intellectual property

【Background】

To realize a sustainable society, we are generating innovation and working to improve the quality of personal life and solve social issues by distributing and using large amounts of diverse data. On the other hand, as the use of personal information has expanded significantly, we must manage and use personal information appropriately. Individual rights and interests must be protected in compliance with laws and regulations on the protection of personal information, while taking into account the usefulness of personal information.

Intellectual property is the basis of corporate activities and a source of competitiveness. Therefore, businesses should use intellectual property belonging to the company effectively, and develop and provide society with useful and safe products and services. The precondition is building an appropriate framework to fully protect intellectual property and ensure compliance to prevent unlawful infringement of intellectual property of other parties.

【Way of thinking】

The JAL Group creates new value such as innovative products and services, and contributes to improving the quality of life and solving social issues by using large amounts of diverse data in its

possession. Furthermore, we have established Regulations on the Protection of Personal Information to ensure appropriate management and prevent breaches of personal information, according to the Act on the Protection of Personal Information. Workplaces are requested to pay close attention to management of personal information under their supervision.

The JAL Group has established JAL Group Regulations on Management of Intellectual Property to clarify ways to protect and use intellectual property and achieve appropriate operations, and operates and manages intellectual property accordingly.

(6) Eliminating relations with antisocial forces

【Background】

Taking a firm stand against antisocial forces and not giving them a chance to take advantage contributes to building a sound society. Furthermore, we must build a system to completely eliminate relationships with antisocial forces as it can lead to damaging corporate value.

【Way of thinking】

To prevent JAL Group officers and employees from dealing with antisocial forces alone, it is important to act in coordination with the Group Hot Line or related organizations such as the police. The JAL Group will maintain public trust and realize sound business management by eliminating unreasonable demands and all relationships with antisocial forces from all transactions.

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