



FY18 Modern Slavery Act Statement

This statement has been published by Japan Airlines Co., Ltd. (hereinafter called "JAL") in accordance with Clause 1, Article 54 of UK's Modern Slavery Act 2015. It discloses the steps taken in order to prevent modern slavery and human trafficking in the JAL Group and its global supply chains.

1. The organization's structure, its business, and its supply chains

Founded in 1951, the JAL Group consists of Japan Airlines Co., Ltd., 77 subsidiaries, and 57 affiliated companies. The number of group employees is 33,038, and we operate air transport business and other businesses (as of 31st March 2018).

With regard to the air transport business, we operate air transport services between 343 airports (including codeshare flights), as well as airport passenger handling, ground handling, maintenance, cargo, passenger sales, and airport-related businesses. Regarding other businesses, we operate businesses such as planning and sale of travel packages using air transport, sale of seats, baggage delivery, fueling, system development and operation, offering a reservation and ticketing system, and credit card services.

The Board of Directors ensures a high level of management transparency and strong management oversight through the election of candidates for the positions of Director, Corporate Auditor, and Executive Officer, decides their remuneration, and makes important decisions. In order to separate the management oversight function and business executive functions, the Board appoints a Director who does not serve concurrently as an Executive Officer as Chairperson, and an appropriate number of three or more External Directors who qualify as highly independent to provide appropriate advice. The Board of Directors has established the Corporate Governance Committee, which comprises the Chairperson of the Board and External Directors, to evaluate the effectiveness of the Board of Directors once a year, review board operation, and so forth appropriately, and disclose a summary of its findings.

In the United Kingdom, JAL, which operates an aviation business, operates flights to and from London Heathrow Airport. Our subsidiaries EURO-CREATIVE TOURS (U.K.) LTD and JALPAK INTERNATIONAL (EUROPE) B.V. are located in London and operate passenger sales.

The JAL Group operates businesses centered on air transportation, and its value chain covers route networking, procurement, system development and maintenance, public relations and advertising, passenger sales, airport passenger service, ground handling, cargo and logistics, flight operations, retail and aircraft maintenance, just to name a few. Procurement items are centered on aircraft, jet fuel and cabin service goods, and include outsourced services.

Acknowledging that daily flight operations and products and services for customers are made



possible through the cooperation and support of many suppliers the JAL Group respects human rights in relationships with its business partners by conducting procurement activities based on three principles; fair and impartial, safety and sense of security of customers, and sustainability, and by building good partnerships based on mutual trust.

2. Our policies in relation to modern slavery and human trafficking

The JAL Group has declared in its Corporate Policy that it will strive to “increase corporate value and contribute to the betterment of society” and will duly fulfill its corporate social responsibility as a member of our society. With the Corporate Policy positioned as our universal management objective and company creed, we are working to cultivate a corporate climate that respects human rights by practicing the JAL Philosophy, which defines the attitude, values and mindset expected of every staff who handles JAL Group products and services.

Also, the JAL Group has been a signatory to the United Nations Global Compact since December 2004. As part of our support for its principles, we have made a public commitment to respecting human rights in all our business activities.

Moreover, to prevent modern slavery and human trafficking, we have implemented the JAL Supplier Code of Conduct, which is available in Japanese, English, and Chinese. It is based on the principles of the United Nations Global Compact and covers four key areas: (1) human rights, (2) health and safety, (3) business management, and (4) the environment. We ask all our suppliers to understand and comply with the Supplier Code of Conduct.

3. Our due diligence processes in relation to modern slavery and human trafficking in our business and supply chains

To promote ethical and responsible business practices and supply chains and improve risk management, in fiscal year 2018 the JAL Group conducted human rights risk assessment of JAL and Group companies to fully scope any human rights risks, and uncovered potential risks in JAL and Group companies. We then identified human rights risks of the value chain and clarified issues to be addressed with priority based on the severity and likelihood of human rights impacts, while receiving advice from external experts.

To promote the establishment of sustainable supply chains, the JAL Group became a member of Sedex Information Exchange Limited (Sedex) in 2015 and has asked its suppliers to also join Sedex. While building a relationship of trust with our suppliers, we will continuously ask them to share and report information on the Sedex collaborative online platform, centered on providers of goods and services such as inflight meals, cabin service goods and uniforms, which may have significant adverse human rights impacts. We will also conduct human rights risk assessment and monitoring, and enforce measures to prevent and mitigate modern slavery and human trafficking in our supply



chains.

There are internal and external hotlines that are accessible to all staff working in the JAL Group. They enable staff to report and consult issues, including ones related to modern slavery and human trafficking. We ensure that staff will not be subjected to disadvantageous treatment as a result of using the JAL Group Hotline.

Moreover, to ensure that all the staff is aware of the related rules and guidance of hotlines, staff can view them on our intranet.

4. Other measures taken to prevent modern slavery and human trafficking

We are working to penetrate human rights awareness in JAL Group staff by including “raising of human rights awareness in our New Employee Orientation Program, First Time Manager Training, and other in-house training programs.

In fiscal 2018, we invited a lawyer specializing in Business and Human Rights to hold a seminar on “Business and Human Rights” for staff in charge of human rights or procurement, and held dialogues on supply chains and human rights with external experts.

5. Plans to strengthen our approach in the future

In fiscal year 2019, the JAL Group will enforce measures on key human rights issues to be prioritized. In addition, we will disclose related information in our annual report and website to ensure transparency of our risk management methodologies.

We will also hold direct dialogues and discussions with our stakeholders and external experts.

Through these initiatives, we will take appropriate action to prevent modern slavery and human trafficking in the JAL Group and its global supply chains.

This statement was approved by the Board of Directors and signed on its behalf by:

29th March 2019

A handwritten signature in black ink, appearing to read "Yuji Akasaka", with a long horizontal flourish extending to the right.

Yuji Akasaka

Representative Director, President

Japan Airlines Co., Ltd.