

# JAL Group Supplier Code of Conduct

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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 imposed 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.

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