

Medium- to Long-Term Value Creation

The ANA Group aims to create sustainable societies and enhance corporate value as a company that continues to grow together with society by resolving social issues through business operations leading to a world of wonder for all.



ANA Group ESG Management

The ANA Group’s new management vision is **Uniting the World in Wonder**. We aim to be a company that grows together with society by resolving global environmental and social issues through business in a way that is unique to the ANA Group. We will aim to resolve materiality to the Group and achieve the simultaneous creation of social value and economic value by identifying and incorporating those issues into our business strategies and plans.

Identification of Materiality

In fiscal 2022, the ANA Group reviewed the materiality to be addressed through redefining the FY2023-25 ANA Group Corporate Strategy, which was also set to realize its new management vision.

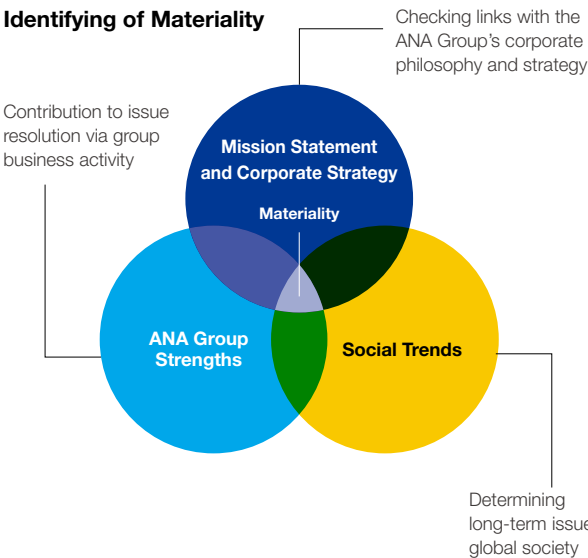
Since fiscal 2020, we have united as a group and overcome company crises among impacts of COVID-19 and unpredictable changes in the global environment through the ingenuity, motivation, and autonomy of each employee. The power of people and the capabilities of our organization stems from our human resources. We believe that strengthening the investment in our human capital will enable them to leverage their individual and diverse strengths to drive change, thus supporting the medium- to long-term sustainable growth of the Company. In light of this, we added human resources as a material issue, as they have also historically served as the foundation of value creation for the ANA Group. Other materiality identified include environment, people (human resources, DEI, and human rights), and regional development.

We use the following process to identify materiality to be addressed by the Group.

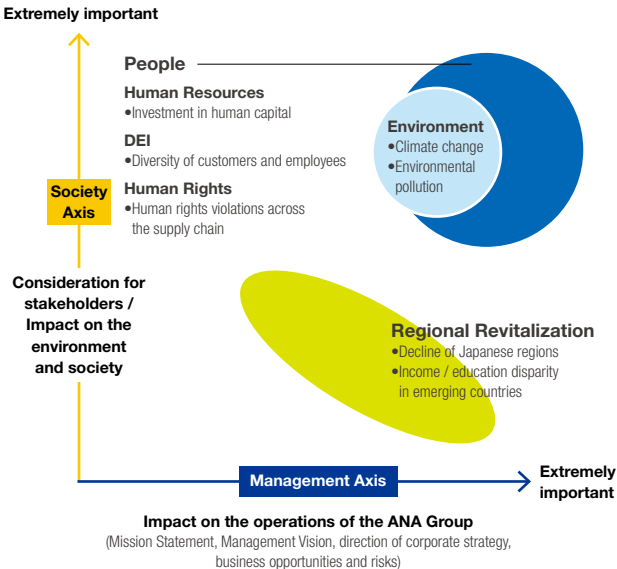
- (1) Identify long-term issues facing global society and determine whether these issues are sustainable and consistent with our mission statement and corporate strategies
- (2) Analyze whether we can contribute to the resolution of these issues through our business activities from the perspectives of our mission statement, corporate strategy, ANA Group strengths, and social trends
- (3) Determine degree of importance and identify materiality through mapping issues on two axes: one representing the impact on group business (management axis), and the other representing the impact on society and the environment, or stakeholder interest (society axis).

Materiality is discussed and deliberated at the Group Management Committee and submitted to the Board of Directors. We periodically review the appropriateness of our material issues through discussions and information gatherings with both internal and external stakeholders as we consequently repeat the process of identifying material issues to resolve. This process enables us to scrutinize whether material issues are consistent with global affairs, the environment, and our corporate strategy.

Schematic for Identifying of Materiality



Materiality Matrix



Identified Material Issues and Specific Initiatives

	Materiality	Specific Initiatives	Relevant SDGs
E	Environment	<ul style="list-style-type: none">• Reduce CO₂ emissions• Reduce resource waste ratio• Reduce food waste ratio• Conserve biodiversity	<ul style="list-style-type: none">• Achieve ANA Group 2030 medium-term targets and 2050 long-term environmental goals• Disclose information in line with the TCFD recommendations• Contribute to biodiversity conservation through initiatives such as those aimed at preventing wildlife trafficking
S	People		
		Human Resources	<ul style="list-style-type: none">• Respond to labor shortages• Cultivate human resources and organizations to achieve transformation• Enhance human capital productivity
		Diversity, Equity, and Inclusion (DEI)	<ul style="list-style-type: none">• Develop human resources for sustainable growth• Promotion of universal services
		Human Rights	<ul style="list-style-type: none">• Respect human rights• Engage in responsible procurement
		Regional Revitalization	<ul style="list-style-type: none">• Innovate to resolve social issues• Regional revitalization through social contribution and resolving social issues
G	Strengthen Governance Structures		
		Disclose commitments of top management	
		Increase diversity in Board membership	
		Ensure appropriate information disclosure and transparency	

ESG Management Promotion Cycle

The ANA Group executes ESG management through a cycle of dialogues, initiatives, and information disclosures. Through dialogues with stakeholders, it is essential for the group to understand the latest social needs and changing interests to accurately understand the social expectations of the group and our responses to social issues. We evaluate the risks and opportunities for our business and society based on the social demands we receive through these discussions. After debating the risks and opportunities at management meetings and other forums, the group incorporates them into its corporate strategy and reflects them in specific initiatives. The ANA Group transparently discloses its goals, their progress, and the results of group efforts on its corporate website and in other media as necessary. We engage in deeper dialogue with our stakeholders through information disclosures, reporting our progress and confirming the appropriateness of our initiatives in those discussions.

ESG Management Implementation Structure

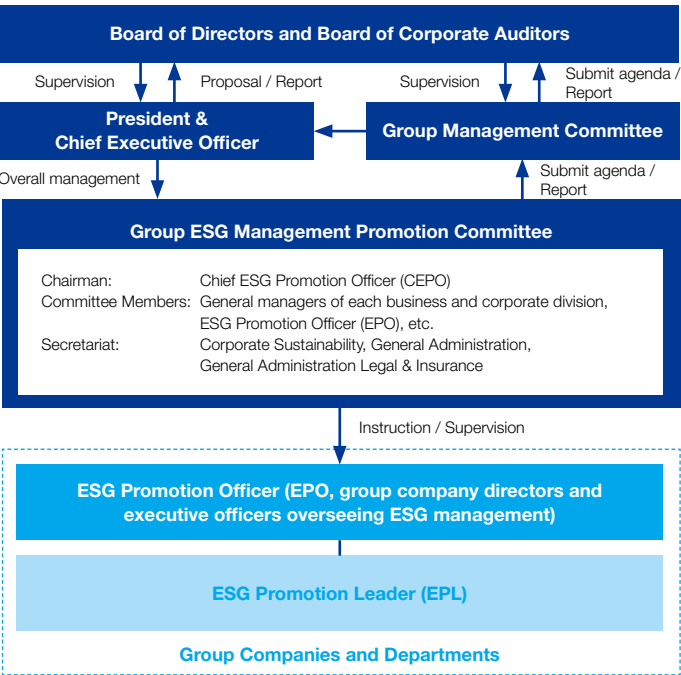
We established the Group ESG Management Promotion Committee to address various ESG management issues. The committee is overseen by the President & Chief Executive Officer of ANA HOLDINGS INC., and chaired by the Chief ESG Promotion Officer (CEPO), the director in charge of group ESG management. Members include group company directors and executive officers, as well as the full-time Audit & Supervisory Board members. The ESG Management Promotion Committee convenes four times a year to discuss important policies and measures and monitor target progress. Material issues related to corporate strategy are discussed at the Group Management Committee and submitted to the Board of Directors. The Board of Directors sets groupwide management policies and goals on issues such as ESG management, while supervising the management and business execution of each group company.

Each group company appoints an ESG Promotion Officer (EPO) as the person responsible for promoting ESG management and a member of the Group ESG Management Promotion Committee. At the same time, they appoint an ESG Promotion Leader (EPL) at each company and department to lead the ESG activities of their respective organization. Matters discussed, resolved, and reported by the Board of Directors, the Group Management Committee, and the Group ESG Management Promotion Committee are shared and implemented throughout the Group in close cooperation with each EPO and EPL. We hold EPL meetings twice a year to share comprehensive information and promote initiatives within each Group company and department.

Furthermore, we aim to objectively and multilaterally monitor the status of ESG management execution to achieve sustainable growth as a company and enhance corporate value over the medium to long term. For that purpose, we employ evaluation indicators, such as external ESG evaluation, and reflect them in officer remuneration.

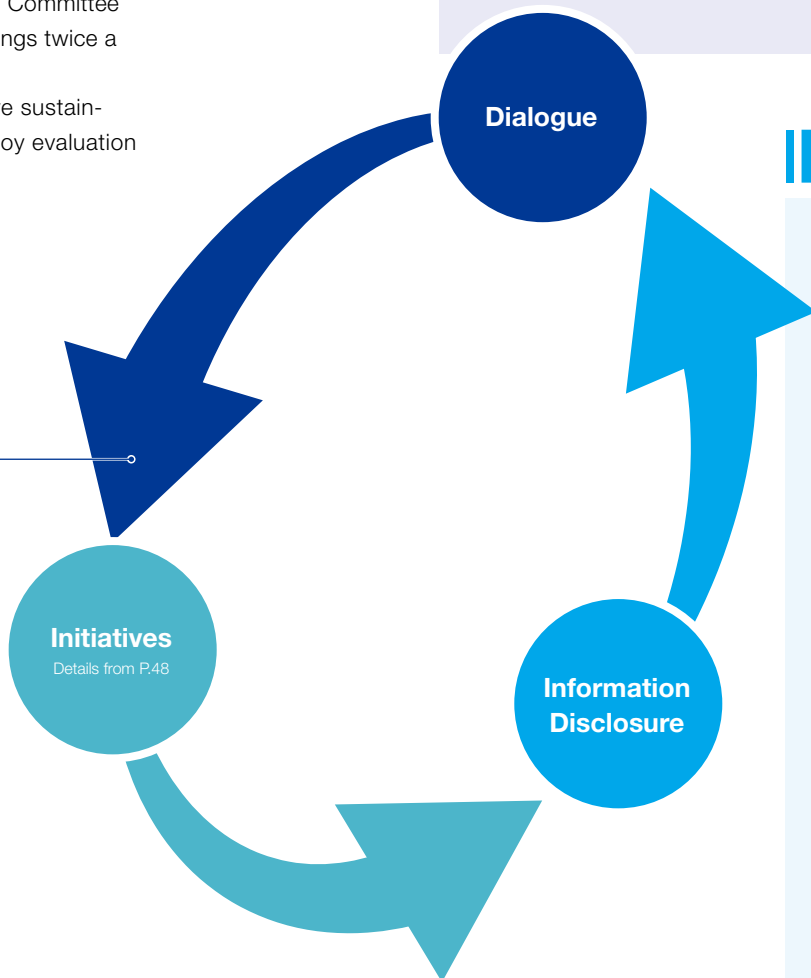
→ See P.107 for more on external evaluations.

ESG Management Implementation Structure



Formulating Strategic Initiatives

We review and revise the content of our initiatives every year based on social trends and suggestions from internal and external dialogues. The ESG Management Promotion Committee discusses strategies, which are then deliberated and resolved by the Group Management Committee and the Board of Directors. Upon their resolution, we formulate strategy policies for the next fiscal year.



Stakeholder Dialogue

The ESG management promotion cycle begins with dialogue with external stakeholders. Based on the information obtained from the dialogue, we strive to not only comply with relevant global laws and norms but also accurately understand the impact that changing social conditions have on our business. We then work to resolve materiality based on our understanding of societal demands and expectations.

The group also holds dialogues with internal and external stakeholders through information disclosures to ensure our efforts are appropriate. This two-way communication holds us accountable and ensures we maintain management transparency.

- External Dialogue**
 - Dialogue with experts on the environment
 - Dialogue with experts on business and human rights
 - Dialogue with overseas ESG investors and rating agencies
 - Dialogue with university students
- Internal Dialogue**
 - Internal discussions to promote ESG management awareness
 - Alignment with corporate strategy



Dialogue with xSDG Laboratory, Keio Research Institute at SFC

▶ P.102 Trust Building with Stakeholders

Non-Financial Information Disclosure

Global standards are under development for sustainability disclosures, including disclosures related to climate change. We will proactively disclose targets and results in accordance with required sustainability disclosure guidelines, as well as disclose the details of our initiatives, our process to achieve targets, and their results in a timely manner through appropriate methods.

- **Annual Report**
 - Progress, results related to materiality
 - Information disclosures in line with the TCFD recommendations
- **Human Rights Report**
- **ANA SKY WEB**
 - ESG Content Index
 - Progress, results related to medium- to long-term environmental targets

• **CDP**
We disclose information on corporate strategies for CO₂ emissions and climate change.
In 2022, the company was selected as a CDP Climate Change A List Company.



• **Science Based Targets Initiatives (SBTi)**
These are greenhouse gas reduction targets based on scientific evidence consistent with the Paris Agreement.
In November 2022, we became the first airline in Asia to receive the certification from SBTi for our fiscal 2030 greenhouse gas emission reduction targets.



• **DJSI**
Stock index developed jointly by U.S.-based S&P and Switzerland-based RobecoSAM.
The ANA Group was selected as a component of DJSI World for the sixth consecutive year and DJSI Asia Pacific for the seventh consecutive year, based on their evaluations of our corporate sustainability from the perspective of economy, environment, and society.



• **TCFD**
We analyze the risks and opportunities that climate change poses to the ANA Group's Air Transportation Business and disclose information in accordance with the guidelines. (Details on P.70)



Materiality

» People



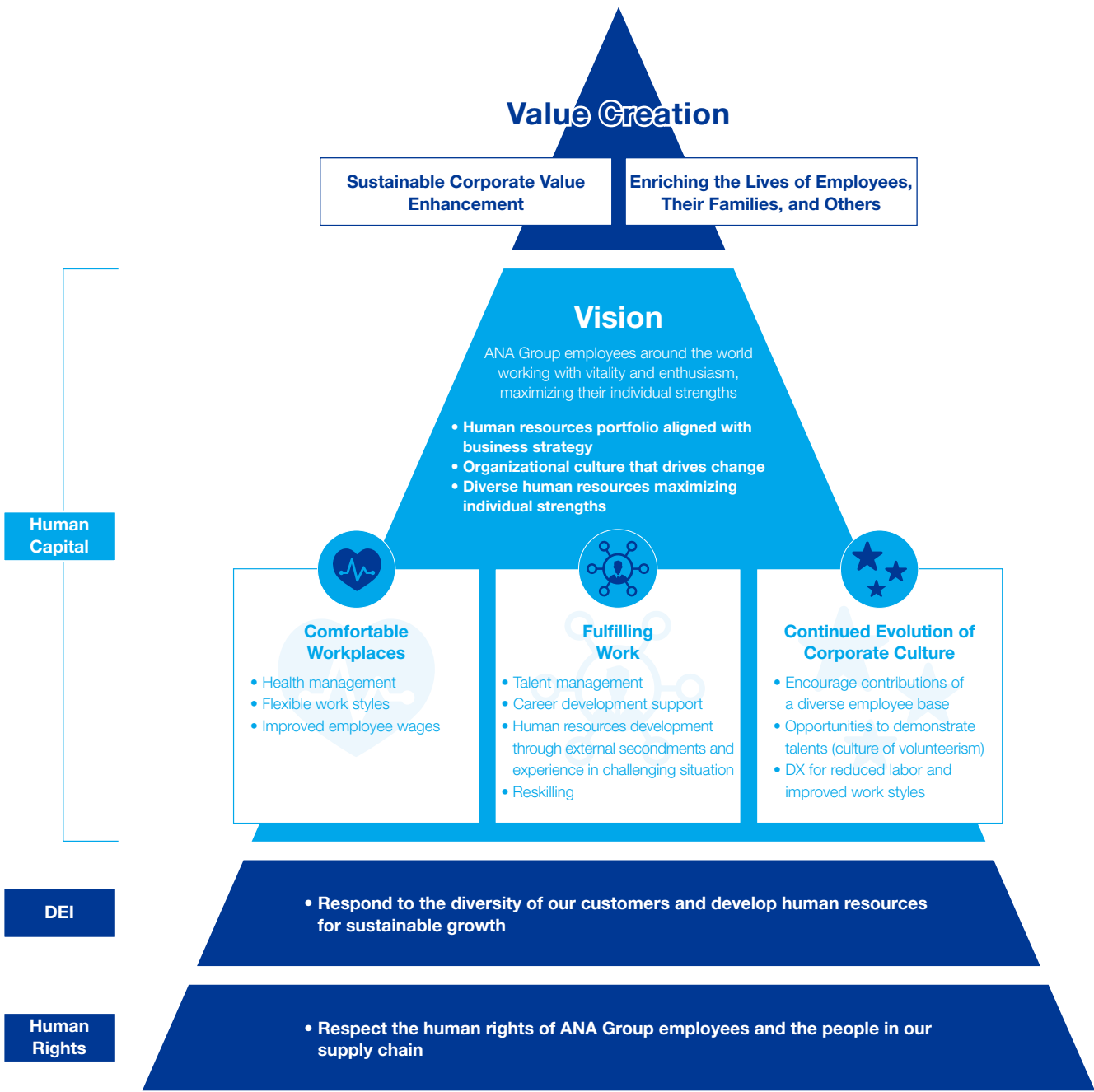
Basic Approach

We define *people* as a materiality at the ANA Group (human resources, DEI, and human rights). During the COVID-19 pandemic, we reaffirmed that human resources, added recently as a materiality, is a source of ANA Group value creation. We must invest more in people if we are to return to a path of growth.

Diversity, equity, and inclusion (DEI) is a groupwide effort under which we develop human resources for sustainable growth and to respond to the diversity of our customers.

Meanwhile, ANA Group business operations impact the human rights of a variety of stakeholders. We take appropriate measures to respect the human rights of group employees as well as the rights of people in our supply chain.

By appropriately addressing people issues, we aim to enhance corporate value sustainably, enriching the lives of our employees, their families, and others whose lives we impact.



CHO Message

We create environments in which ANA Group employees work with vitality and enthusiasm to achieve sustainable corporate value enhancement and personal well-being.

NAOKI Yoshiharu

Executive Vice President
Group Chief Human Resource Officer (CHO)



ANA's Way is the ANA Group code of conduct, communicating the spirit of our founder as expressed in the words of our founder: *Hardship Now, Yet Hope for the Future* and *Wakyo* (close cooperation). The strengths of the ANA Group lie in the power of our people and the comprehensive capabilities (power of our organization) that transcend job titles, companies, and other organizational barriers, and these strengths become the source of value creation.

During the COVID-19 pandemic, employee-led efforts to secure profitability and agile groupwide cost reduction measures drove our performance recovery. The fiscal 2022 ANA's Way Survey (ANA Group Employee Engagement Survey) demonstrated the strong sense of attachment of our employees, who scored ANA 4.05 points out of 5.00 in response to the statement: *I am proud to work for the ANA Group*.

Of course, we must maintain these strengths into the future. At the same time, we must respond to the fast-paced changes in customer needs and uncertain international conditions in the post-COVID-19 era, continuing to develop our human resources and evolve our corporate culture for repeated cycles of reform, *Uniting the World in Wonder* as we state in our new management vision. Recognizing these issues, we launched the Corporate Transformation Council in fiscal 2023 to communicate our new management vision, increase productivity, and foster work-style reform. This council encourages group executives and employees work together to strengthen our people- and organization-based efforts.

Our medium-term human resources strategy calls for the creation of environments in which diverse ANA

Group employees around the world work with vitality and enthusiasm, as well as improved employee engagement to achieve sustainable corporate value enhancement and personal well-being. In pursuing the two-axis management of our air transportation and non-airline businesses, as described in the ANA Group Corporate Strategy, we must clarify our human resources portfolio and address several human resources-related issues. These issues include securing the human resources necessary to expand the scale of our businesses, the development of next-generation leaders capable of fostering change, and human productivity improvement. We plan to implement several measures to stabilize the livelihood of our employees, including raising base wages, starting salaries, and bonuses to pre-COVID-19 base levels, having reduced employee pay during the pandemic. Other measures include the resumption of flight attendant hiring after a four-year freeze, internal internships, and reskilling.

The essence of human resources management is to support each employee to maximize their potential. To this end, we must create systems and mechanisms tailored to each group company. I am in frequent contact with the chief human resources officers of other companies and outside experts to exchange opinions, thinking every day about the most appropriate systems and measures for our group. We continue to investment more in human resources, taking into account the ANA Group corporate culture, the direction of our corporate strategy, and the challenges we face, to become a resilient corporate group in which all employees make the most of their talents.

Human Capital

Human Capital Supporting Our Corporate Strategy



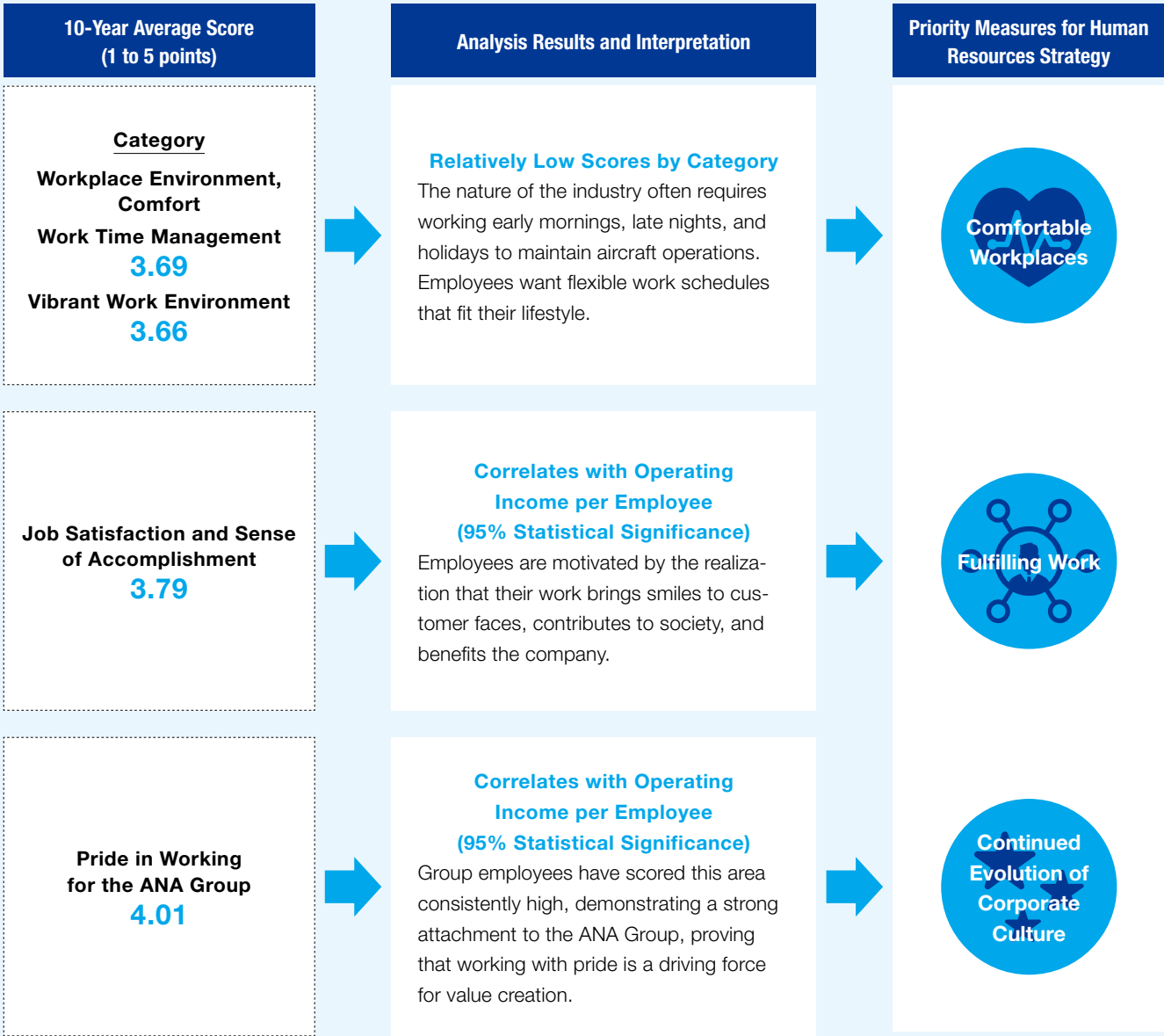
Identifying Measures Based on Engagement Survey Results

We analyzed scores for each question and calculated the correlation with profit performance based on ANA's Way Survey results over the past 10 years (FY2013-2022). Our analysis showed that *pride in working for the ANA Group* and *job satisfaction and sense of accomplishment* correlated with operating income per employee for each fiscal year in question.

We linked issues identified from responses to the ANA's Way Survey with the priority measures of *comfortable workplaces*, *fulfilling work*, and *continued evolution of corporate culture*.

To identify changes in employee awareness in a more timely manner, we added a new quarterly Pulse Survey in fiscal 2023. We plan to take flexible action as needed in response to these surveys.

Key Characteristics and Human Resources Strategy Linked to the ANA's Way Survey



Initiatives to Strengthen People and Organizations



Health Management*1 Initiatives

The ANA Group issued the ANA Group Health Management Declaration in April 2016. We create environments in which employees work with vitality and enthusiasm in mental and physical health, aiming to enhance corporate value and improve employee quality of life. In recognition of past groupwide initiatives (ANA Group Exercise, occupational health staff seminars, etc.), we were awarded the Health & Productivity Stock Selection 2023*2. In addition, eight ANA Group companies were recognized as 2023 Certified Health and Productivity Management Outstanding Organizations (White 500)*3.

*1 Health Management is a registered trademark of NPO KenkoKeiei Kenkyukai
*2 Health & Productivity Stock Selection companies are companies listed on the Tokyo Stock Exchange that consider the health management of their employees from a strategic managerial perspective. In principle, only one company per industry is selected.
*3 Not limited to publicly traded companies, the Health & Productivity Management Outstanding Organizations Recognition Program (White 500) recognizes large corporations that practice excellent health management in cooperation with health insurance societies and other insurers. The top 500 companies among those selected as outstanding organizations are included in the White 500.

ANA Group FY2023-29 Medium-Term Health Management Plan

We recently formulated the ANA Group FY2023-29 Medium-Term Health Management Plan. Targeting March 2030 (end of fiscal 2029), we intend to strengthen our health management initiatives in line with five key categories. We continue to assign the role of Chief Wellness Officer (CWO) to the director in charge of ANA Group human resources and labor affairs. The CWO is responsible for health management across the group. We clarify the structure for health management at each group company and continue to engage in health management at all group companies. The ANA Group continues to pursue health management as we strive for sustainable corporate growth and rising levels of corporate value.

Physical Health Measures	<ul style="list-style-type: none">Prevent and quickly detect lifestyle-related disease, cancer, and women's health issuesProvide early education for young and healthy employees to raise awareness of their future health
Mental Health Measures	<ul style="list-style-type: none">Prevent mental illness through comfortable work environments and improved self-careStrengthen line care through the effective use of stress check results, and improved internal consultation system, etc.
Ensuring Compliance with Occupational Health and Safety Laws	<ul style="list-style-type: none">Measures to prevent occupational accidents
Measures Based on Data Analysis	<ul style="list-style-type: none">Analyze employee health data; identify issues and trends specific to the ANA Group and take response measures
Proactive Information Disclosure	<ul style="list-style-type: none">Communicate ANA Group health management initiatives to stakeholders through expanded information disclosure

Fiscal 2022 Initiatives



ANA Group Exercise



Health & Productivity Stock Selection Awards



Vegetable Day Co-Sponsored by Kagome Co., Ltd.

Comfortable Workplaces

Systems Supporting Flexible Work Styles

We continue to review systems and expand options for diverse work styles and work-life management.

Dual Employment and Side Jobs

External: Encouraging the acquisition of new knowledge and skills through experiences not available within the company
→Fiscal 2022 result: 2,300 people (ANA)

Internal: Solicit volunteers for dual employment in specific departments within the group, providing opportunities to experience work not available in their own departments

Sabbatical Leave System (ANA)

Leave system used for various purposes such as study abroad, self-development, childcare, and nursing care
(1) Choose a leave of absence period from 1 month to a maximum of 2 years

- (2) No restrictions on reasons for leave of absence
- (3) Sabbatical grants available to alleviate concerns about living conditions
→About 390 people have used the system in the three years since introduction in April 2021

New Work Styles for Flight Attendants (ANA)

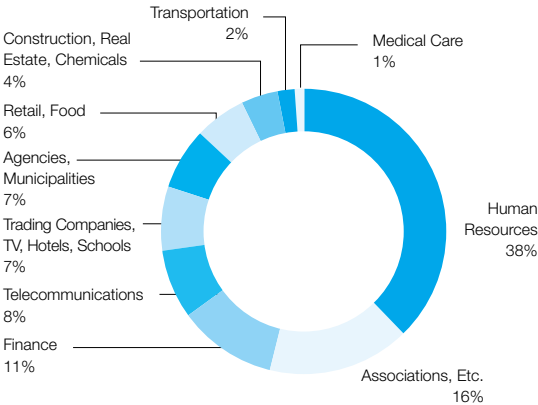
New (fiscal 2022) option for fewer work days, with approximately 3,000 employees opting for the system
(1) Option to work only domestic or only international flights
(2) Choice of working 80% or 50% of normal work hours
(3) Work system allowing designation of home base
→Systems will continue to operate with certain changes in fiscal 2023

Fulfilling Work

External Secondments

As of May 2023, a cumulative total of 2,300 employees had been seconded to companies, organizations, and municipalities outside the ANA Group during the COVID-19 pandemic. These professionals are bringing a variety of work experience and values back to the ANA Group for their own personal and ANA Group growth.

Secondment Partners (ANA, Cumulative)



Secondment Program Overview
Secondment Selection
<ul style="list-style-type: none">Selected mainly through open recruitmentEach round accompanied with announcement ceremony and message from the ANA Holdings president
During Secondment
<ul style="list-style-type: none">Follow-up with seconded employees through periodic interviews with home-company supervisorANA has the opportunity to share its corporate culture with other companies through etiquette course materials, etc.
Completion of Secondment
<ul style="list-style-type: none">Home-company supervisor meets with seconded employee to discuss work and career after returning
Return to Work
<ul style="list-style-type: none">Returning employee brings new skills and experiences to the home companyReturning employee shares experiences from secondment with colleagues

Continued Evolution of Corporate Culture

Evolving an Organizational Culture Unique to the ANA Group Identity

We are changing our organizational culture from the bottom up by creating a system that allows young and mid-career professionals to participate directly and interact with each other.

Happiness Planet Gym

- The ANA Group Happiness Cup is a team competition event for young employees serving as a means to improve employee well-being. The event incorporates Happiness Planet Gym, an organizational support service provided by Hitachi Group company Happiness Planet to create positive connections between people and organizations.
- Aiming to increase employee happiness and maximize performance, keys to improving customer service



Exciting Challenge Goals

- Individuals set challenging goals in areas aligned with their interests, contributing to the achievement of our new management vision
- Individuals pursue actions that offer excitement to oneself, their peers, customers, and society, sharing results and offering support through dialogue in an organizational setting

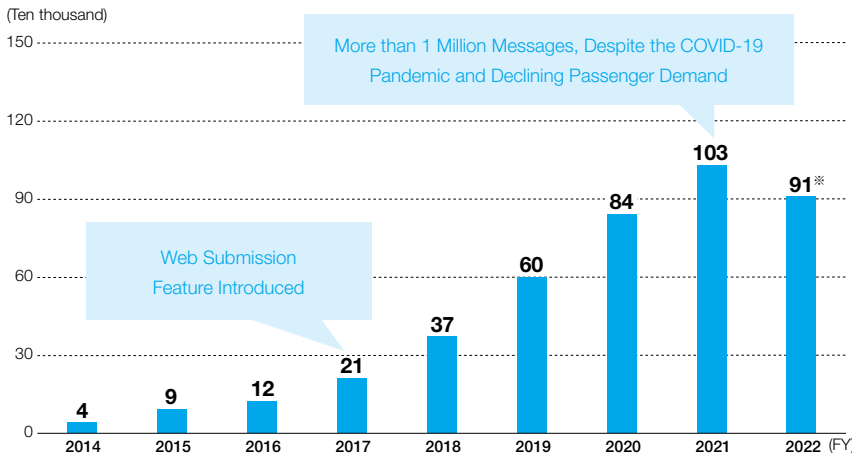
Continued Evolution of Corporate Culture

Fostering a Culture of Praise – Good Job Program –

We launched this program in fiscal 2001 as a tool to foster a culture of mutual appreciation and respect. Employees send messages of appreciation to colleagues in other group companies or divisions.



Number of Messages Sent



CDO Message

The ANA Group works to accelerate the promotion of diversity, equity, and inclusion to enhance employees' lifestyles and growth, enabling them to lead the workplace.

TANEIE Jun

Executive Vice President
Group Chief Diversity, Equity & Inclusion Officer (CDO)



ANA Group DEI Initiatives

The ANA Group works to spread diversity, equity, and inclusion (DEI) throughout our organization as a material issue. The value created by diversity and improvements in quality and safety are important elements that support our sustainable growth as we aim to achieve our vision of Uniting the World in Wonder.

Our airline group requires a high level of technology and expertise. As such, the source of our competitive advantage comes from its people and the power of their teams. In a drastically changing global environment, co-creation with stakeholders is additionally becoming increasingly important, even in businesses other than air transportation. The foundation that supports the ANA Group is comprised of the following: (1) workplaces that enable each employee to maximize their abilities regardless of differences in attributes and work styles, resulting in individual strength leading to organization strength, and (2) a corporate culture in which employees respect each other and actively communicate across generations. Both of these foundations are created through DEI promotion.

DEI not only serves as a responsible approach to human rights and discrimination and as a driving force of sustainable growth but it is also becoming increasingly important to companies from a human capital management perspective. Historically, the Group has worked to accelerate DEI promotion and speed up decision-making by establishing dedicated organizations and appointing a Group Chief Diversity, Equity & Inclusion Officer (CDO) in line with our 2015 ANA Group Diversity and Inclusion Promise as our basic philosophy.

Future Direction

The ANA Group works to achieve our new management vision Uniting the World in Wonder and become a group where all employees around the world can work with enthusiasm and demonstrate their individual strengths, as envisioned in our medium-term human resources strategy. As such, we set the following three key issues in our medium-term DEI strategy.

- 1) Create a DEI-infused workplace and improve employee engagement
- 2) Ensure diversity in decision-making bodies and provide an enriched work-life balance
- 3) Further exercise the capabilities of a diverse workforce

We recognize the importance of the ratio of female managers as a social issue and indicator to ensure diversity in decision-making bodies. In 2021, we formulated new medium-term targets for the ratio of female executives and managers and have steadily improved this ratio through a comprehensive approach to personnel and support systems, capacity building, and awareness building. We also aim to achieve gender equality as we clarify what "Women's Participation and Advancement in the Workplace" truly indicates. The ANA Group firmly believes that the diversification of decision-making bodies and work styles that enhance work-life balance are, and will continue to be, essential elements for the growth and happiness of our company and employees. As such, we will continue to create a fair and inclusive workplace where employees around the world have opportunities to grow and demonstrate their abilities.

Diversity, Equity, and Inclusion (DEI)

1 Understanding and Addressing Diversity

Gender Equality: Diversifying Decision-Making Bodies

The ANA Group aims to reach a 30% or higher employment ratio of female executives and managers as early as possible by 2030. We take action to review personnel and support systems, build capacity, and foster awareness to ensure diversity in Group decision-making, as well as aid the autonomous growth of employees.

Certain group companies, such as ANA, obtained the highest level of certification under the "Eruboshi" Certification. This certification is based on the Act on Women's Participation and Advancement in the Workplace established by the Ministry of Health, Labour and Welfare.



	Ratio of Female Executives	Ratio of Female Managers
ANA Group* ¹	10.4% (+0.4%)	19.3% (+1.1%)
ANA	16.3% (±0.0%)	19.3% (+1.0%)

* As of June 2023 (year-on-year change)

Diverse Work Styles: Increasing the Percentage of Employees Taking Paternity Leave

The ANA Group develops systems that help enhance the lifestyles of employees in various ways, such as through balancing work with childcare and/or nursing care. The ratio of male employees taking childcare leave is increasing through our efforts to promote understanding among supervisors and workplaces, in addition to the employees themselves. We extended access to the three-day parental leave, which had previously only been available to certain companies, to the entire Group and set 2030 targets to ensure all eligible employees take this leave.



Fiscal 2022
Percentage of Employees Taking Childcare Leave
57.3%*¹ (FY2021: 27.8%)

Percentage of employees taking either or both childcare leave or the three-day parental leave
90.7%*¹ (FY2021: 80.7%)

LGBTQ+: Respect for Diversity of Sexuality

In 2022, we established the Basic Policy on Respect for Diversity of Sexuality (LGBTQ+) and work to improve workplace environments and promote understanding of these issues. Efforts include expanding our partner system and addressing discrimination. 35 Group companies were awarded a rating of Gold in the PRIDE Index*², an evaluation index for corporate actions related to LGBTQ+. ANA has received this award for seven consecutive years.

Employment of People with Disabilities

The ANA Group established the team for specially promoting employment of people with disabilities in 2012. This team focuses on encouraging the employment of people with disabilities by strengthening cooperation throughout the Group through regular meetings and seminars.

The ANA Group 36K-Employee Kickoff Group code of conduct on the employment of people with disabilities, formulated in 2015, is a shared commitment of all Group employees to promote a proper understanding of reasonable accommodation from both tangible and intangible perspectives. Under this code, we will work to improve society through the creation of a workplace where everyone can demonstrate their strengths and play an active role.

Employment rate of people with disabilities as of June 1, 2023*³
2.72%

All 40 Group companies achieved the legally mandated employment ratio.



*¹ Total of 38 companies: ANA HOLDINGS INC., 36 companies subject to our management rules, and ANA Wing Fellows Vie Oji Co., Ltd.

*² Organized by work with Pride

*³ Total of ANA HOLDINGS INC, ANA, and qualified ANA Group companies

2 Universal Service

▼ Initiatives:
https://www.ana.co.jp/group/en/csr/customer_diversity/

As customer values diversify and the social environment changes, continuing to be chosen and trusted by all customers is crucial for the future growth of the ANA Group. We will continue to accelerate initiatives aimed at providing world-class inclusive and universal services in an effort to fulfill our responsibility as a public transportation entity and build a sustainable inclusive society in which everyone can live together.

Human Rights

Basic Approach

The ANA Group has a wide range of business operations which have the potential to impact the human rights of our stakeholders.

The ANA Group is committed to upholding human rights in accordance with the global standards provided in the United Nations Guiding Principles on Business and Human Rights. In April 2016, we established the ANA Group Policy on Human Rights. We based this policy on the International Bill of Human Rights (the Universal Declaration of Human Rights and the two International Covenants), the International Labour Organization Declaration on Fundamental Principles and Rights at Work, the Ten Principles of the United Nations Global Compact, and the United Nations Guiding Principles on Business and Human Rights. In fiscal 2020, we reviewed our existing procurement policy and formulated a new ANA Group Procurement Policy consisting of the Basic Procurement Policy and the Supplier Code of Conduct. We continue to encourage our contractors and suppliers to adopt similar policies.

We will continue human rights initiatives, recognizing that respect for human rights lies at the very foundations of the philosophy of the SDGs.

Issuing the Human Rights Report

The ANA Group issued our first Human Rights Report in Japan in 2018, aiming to promote communication with stakeholders through active dissemination of our initiatives to respect human rights. The group has continued to issue human rights reports since that time. This year, we will again issue a human rights report describing our current efforts.

Expert Review

Since fiscal 2016, the ANA Group has held regular annual discussions with international human rights experts to obtain advice on ANA Group initiatives to respect human rights. In October 2022, we invited three human rights experts from two overseas entities, the United Nations Development Programme*1 and the World Benchmarking Alliance*2, to evaluate the progress of the initiatives set forth by the ANA Group given the advice received in the previous fiscal year. We received advice from experts on the importance of trusted stakeholder engagement and direct dialogue. We also received guidance on how to link human rights and the environment and in identifying human rights and environmental issues across the value chain.

→P.103 for more details

*1 The lead United Nations development support agency working to eradicate poverty, reduce inequality, and promote sustainable development
*2 The Index Initiative was established primarily by the United Nations Foundation and British insurance company Aviva. This organization develops benchmark indicators to evaluate company contribution levels to a sustainable society.

Human Rights and Environmental Due Diligence Workshops

In July 2022, the ANA Group established an organization-wide forum to discuss and confirm concerns regarding potential risk factors from the perspective of human rights and the environment across the businesses that the group develops and executes. Representatives from more than 35 group companies and internal departments gathered to identify potential issues in the presence of representatives from the Caux Round Table (CRT Japan)*3 and Conservation International Japan*4, a third-party organization. After the forum, we held dialogues with domestic and international experts to identify new human rights and environmental issues where we should focus future efforts.

▼ For more on new topics, see:
https://www.ana.co.jp/group/en/csr/human_rights/duediligence/

*3 Caux Round Table is a global network of business leaders aimed at ensuring business contributes to a more free, fair, and transparent society. The organization assists companies to promote their human rights activities. The network mainly supports corporate efforts to respect human rights.
*4 The Japanese branch of an international NGO with offices in 29 countries. Conservation International advocates for policies related to climate change and biodiversity.



Human rights and environmental due diligence workshops

▼ Please visit our corporate website for more:
https://www.ana.co.jp/group/en/csr/human_rights/
https://www.ana.co.jp/group/en/csr/supply_chain_management/

1 Respect Human Rights

To ensure respect for human rights, we conducted a review in 2016 to identify potential risks to human rights related to business activities across the ANA Group and at all locations we serve. We are working to prevent the occurrence of risks with regard to the areas we have identified.

Survey on Employment Conditions of Foreign Workers in Japan

Every year since 2017, we have engaged a third-party organization to assess working conditions for non-Japanese nationals working in ground handling and catering operations at airports. These assessments are performed with the cooperation of contractors in Japan and include direct interviews with workers and inspections of living arrangements. In 2021, we began a system-based survey on the employment status of workers at group companies and major contractors.

In January 2022, we received an anonymous request to investigate the human rights situation of technical intern trainees at Narita Airport. In response, we worked with a third-party organization in April to conduct face-to-face interviews with 33 technical intern trainees working for ANA Group companies and major contractors. We also conducted a follow-up in October, confirming no human rights violations. In the same month, we conducted a second survey on the employment status of workers for 40 group companies and 127 major contractors, confirming the employment of 5,967 foreign workers across 67 countries. Based on the survey results, in March 2023 we conducted direct interviews through a third-party organization, talking with foreign workers at major contractors where we identified potential risks.

We continue to perform periodic surveys of the employment status of foreign workers across our supply chain. We also examine safe and secure routes for recruiting foreign workers in the ANA Group and our supply chain.

Prevent the Use of Airplanes in Human Trafficking

After conducting training for all cabin attendants, we began a program in fiscal 2019 to report potential cases of human trafficking found in-flight to ground facilities. We continue to work with government agencies and other companies in our industry to increase the momentum and effective deterrence across the airline industry in addressing this issue.

Corruption Prevention

To comply with the anti-bribery laws of countries around the world, we have established the ANA Group Anti-Bribery Regulations which explains these regulations with specific examples. By distributing the ANA Group Anti-Bribery Handbook and conducting e-learning programs, we are working to educate our employees. In early 2023, we offered online in-person training to employees and other persons at our North American locations.

2 Engage in Responsible Procurement

In 2020, we formulated the ANA Group Procurement Policy to conduct more sustainable procurement activities throughout the supply chain. Particularly in terms of human rights and the environment, we now request more extensive and detailed information from suppliers compared to our previous ANA Group Purchasing Policy.

In accordance with the ANA Group Procurement Policy, we analyzed priority risks in our supply chain, identifying tableware and cutlery used in-flight as high priority items.

In fiscal 2022, we held information sessions on the ANA Group procurement policy for seven domestic suppliers of tableware and cutlery, seeking an understanding of responsible procurement. In addition, we conducted a survey on sustainability with suppliers who attended the information sessions. In this process, we monitor and confirm the status of initiatives at each company, providing feedback on ANA Group intentions and deepening communication with suppliers.

The ANA Group also conducts periodic training to ensure a broader understanding of our procurement policy. In fiscal 2022, we held training three times for ANA Group procurement

managers (approximately 100 people). The training covered the importance of complying with social norms, laws, and regulations in procurement activities, as well as the importance of continuing to reduce our environmental impact. The ANA Group will continue to conduct awareness-raising activities.



Information session for Toyo-Sasaki Glass Co., Ltd. (Supplier)

Environment



Basic Approach

As a company whose core business is air transportation, the ANA Group recognizes the urgency in reducing greenhouse gas (GHG) emissions for sustainable business growth and as our contribution to society.

Inspired by this recognition, we established the ANA Group Environmental Policies, 2050 Environmental Goals, and 2030 Environmental Targets. We pursue strategic initiatives to achieve a balance between our medium- to long-term corporate aspirations and short-term growth, aiming to enhance corporate value on a sustainable basis.

Progress in Medium- to Long-Term Environmental Goals and FY2022 Results

In 2021, we announced our 2050 Environmental Goals and plan to achieve net zero carbon emissions by fiscal 2050. We also formulated the 2030 Environmental Targets as a roadmap toward this goal. In May 2023, we updated our target for fiscal 2030 CO₂ emissions from flight operations. We will promote initiatives to reduce our environmental impact over both the medium and long term, using our fiscal 2019 results as a benchmark and monitoring progress every year.

		Targets			
		Initiatives	FY2030	FY2050	FY2022 Results
Reduce CO ₂ Emissions	Aircraft	<ul style="list-style-type: none">• Improve flight operations• Adopt new aircraft technologies• Decarbonize aircraft fuel by using SAF*1 (replace 10% or more of fuel used with SAF by FY2030)• Use negative emissions technologies (NETs)• Use emission trading schemes	Net 10%+ reduction vs. FY2019 (Net emissions: 11.1 million tons or less) Replace 10% or more of fuel used with SAF	Net zero*2	24.3% reduction*3 (Emissions: 9.32 million tons)
		<div>External Environment Necessary for Achieving Goals</div> <ul style="list-style-type: none">• Stable supply of SAF (volume and price)• Adopt new aircraft technologies (Development of electric and hydrogen airplanes, etc.)• Establish an environment for the emissions trading market			
	Non-Aircraft	<ul style="list-style-type: none">• Enhance energy efficiency and upgrade aging facilities and equipment• Use renewable energy• Procure electric vehicles (EVs) and fuel cell vehicles (FCVs) when upgrading airport vehicles	33%+ reduction vs. FY2019	Net zero	22.8% reduction
		<div>External Environment Necessary for Achieving Goals</div> <ul style="list-style-type: none">• Expansion of renewable energy supply• Development of airport infrastructure to convert to EVs/FCVs			
Reduce Resource Waste Ratio (Plastics, Paper, etc.)		<ul style="list-style-type: none">• Switch from single-use plastics to paper and reusable materials for in-flight meal containers• Establish an in-house recycling scheme for plastic film used in cargo transportation	70%+ reduction (waste generated vs. FY2019)	Zero waste ratio	54.2% reduction
Reduce Food Waste Ratio (Including In-Flight Meals, etc.)		<ul style="list-style-type: none">• Monitor the disposal of in-flight and domestic airport lounge meals and optimize the number of meals loaded using in-flight pre-order service, etc.	Less than 3.8% waste ratio (FY2019: 4.6%)	Less than 2.3% waste ratio (50% reduction vs. FY2019)	5.4%
Conserve Biodiversity		<ul style="list-style-type: none">• Conduct educational activities aimed at eradicating illegal wildlife trade in air transportation• Engage in environmental conservation activities aimed at biodiversity conservation, etc.			

*1 SAF (sustainable aviation fuel): Aviation fuel that is not produced from fossil fuels but from sustainable sources such as vegetable oils and animal fats

*2 The balance of CO₂ emissions that cannot be reduced over the entire life cycle will be eliminated through technologies, etc., that physically remove CO₂ from the atmosphere

*3 Includes reductions due to flight suspensions and lower frequency caused by COVID-19

CSO Message

We will create an environment and accelerate efforts to achieve our fiscal 2030 targets to realize net zero emissions by fiscal 2050.

MIYATA Chikako

Executive Vice President
Group Chief Sustainability Officer (CSO)



The ANA Group seeks to reduce the GHG emissions from our flight operations to achieve net zero emissions by the year 2050. In October 2022, the International Civil Aviation Organization (ICAO) reviewed CORSIA baseline for 2024-2035 and proposed long-term goals for carbon neutrality. CORSIA is a global harmonized carbon offsetting and reduction scheme for international aviation. Decarbonizing the aviation sector is an urgent issue, and in December 2022, the Japanese government published the Basic Policy for the Promotion of Decarbonization in the Aviation Sector.

The key to achieving net zero emissions by 2050 is to transition away from using fossil-based fuels and switch to low-carbon alternatives for powering our fleet. Made from renewable sources including biomass and used cooking oil, SAF is considered sustainable since it does not increase CO₂ emissions in the sense that the raw materials are from existing feedstock on our planet and are recycled into energy. Experts say that SAF CO₂ emissions over the life cycle from feedstock collection through usage are 80% lower than conventional fossil fuels. SAF blends directly with jet fuel, so aircraft specifications, airport facilities, and other infrastructure can be used as-is. While effective as a means to an end, the current global supply of SAF is insufficient.

The first order of business is to create an environment for using SAF. For this purpose, we set a medium-term ANA Group goal to replace 10% or more of fuel used with SAF by fiscal 2030 to help accelerate the scale-up of SAF production and usage. Under the Sophisticated Methods of Energy Supply Structures Act*, the Japanese government indicated its active support of SAF, requiring energy suppliers to deliver aircraft fuel consisting of at least 10% SAF at Japanese airports by 2030.

Furthermore, amid the growing global demand for SAF, it is essential that we develop recycling systems to ensure the stable supply of feedstocks as well as technologies to diversify those feedstocks.

We plan to accelerate solutions to these issues in an all-Japan effort, working with various stakeholders based on public-private partnerships toward the stable domestic production of SAF at internationally competitive prices.

But decarbonizing aviation cannot be achieved through one approach alone. We must create a comprehensive structure combining multiple solutions for operational improvements, aircraft innovation, etc., collaborating with all stakeholders across the supply chain and industries. We are reducing CO₂ emissions through daily operational improvements, adopting more efficient flight operations and flight routes while maintaining and improving safe day-to-day operations. There are, however, CO₂ emissions that cannot be reduced through operational efficiencies, upgrades to more fuel-efficient aircraft, and the use of SAF and other low-carbon fuels. For these emissions, we will take advantage of emissions trading systems over the long term. Negative emission technologies are CO₂ removal technologies that capture, absorb, store, and immobilize CO₂ in the atmosphere. We plan to work with our partners to diversify our means of CO₂ emissions reductions through these technologies.

We feel strongly about meeting our responsibilities in resolving global and environmental issues while we continue to provide our unique value of connecting people, goods, and services through our fleet soaring the skies. We will continue to fulfill our social responsibility through transparent information disclosure related to our environmental impact and the progress of our initiatives.

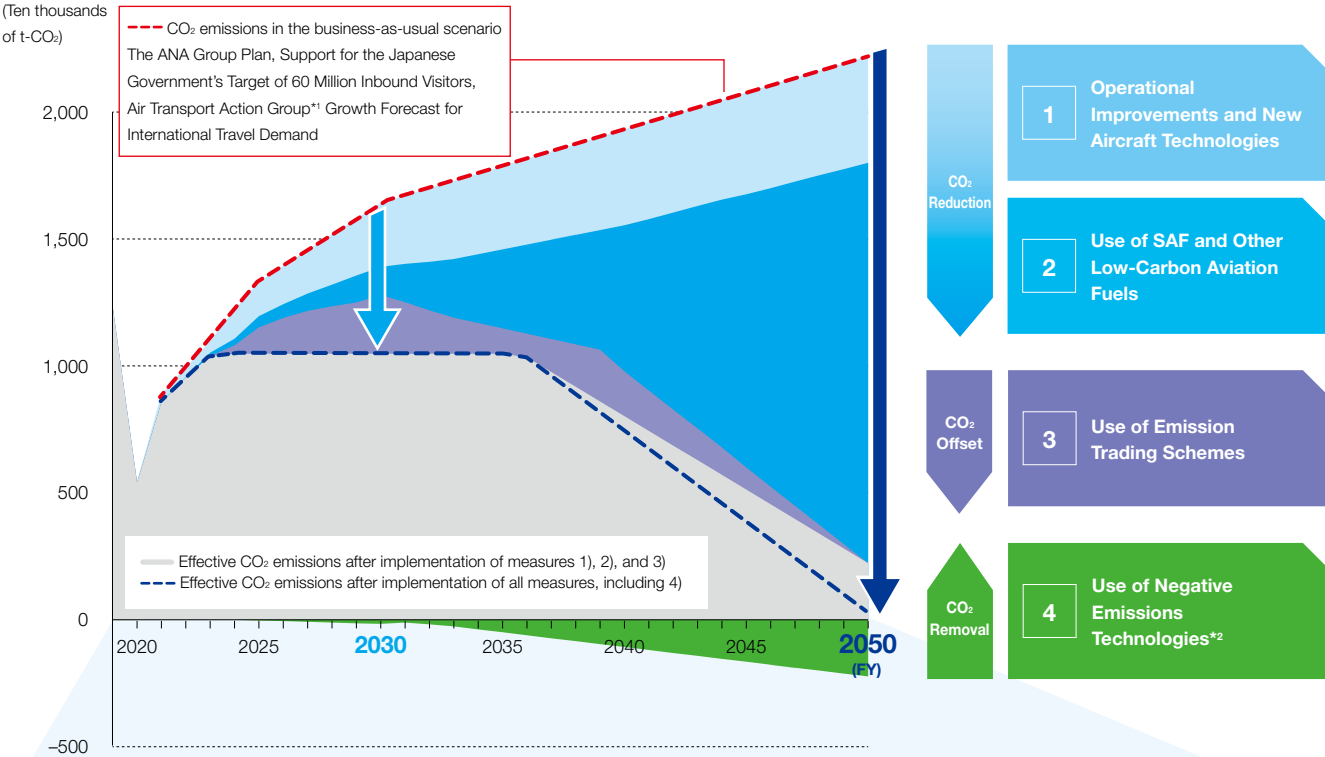
* Act on the Promotion of Use of Non-Fossil Energy Sources and Effective Use of Fossil Energy Materials by Energy Suppliers

1 Reduce CO₂ Emissions

Reduce CO₂ Emissions from Aircraft Flight Operations

We have developed transition scenarios to achieve the ANA Group environmental goals for fiscal 2050. Our efforts to achieve our medium- to long-term environmental targets in fiscal 2030 and fiscal 2050 combine four strategic approaches that reflect economic rationality.

Transition Strategies to Achieve Long-Term Environmental Goals for FY2050



By 2025

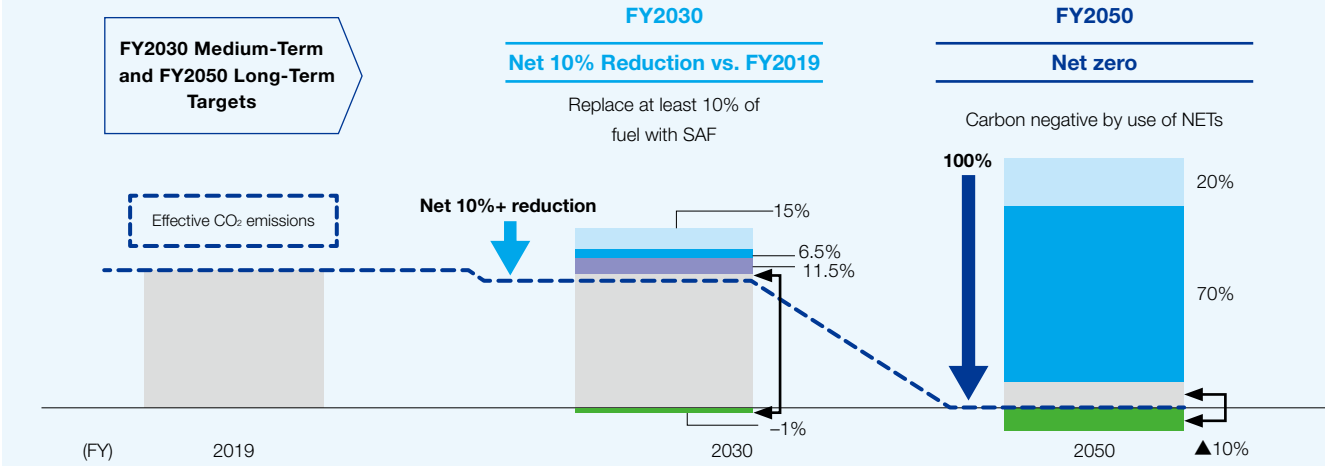
Pursue emissions reductions through operational innovations during the ASK/ATK recovery phase. Continue to adopt SAF and switch to fuel-efficient aircraft.

By FY2030

Upgrade to more fuel-efficient aircraft and use SAF to meet FY2030 targets, while accounting for economic rationality and using emissions trading to cover any shortfalls.

By FY2050

Accelerate the use of SAF further and strive to decarbonize most, if not all, fuels. Use NETs to achieve net zero for residual CO₂ emissions in the life cycle.



*1 Air Transport Action Group: A research group on sustainability in the airline industry, with involvement from the International Air Transport Association (IATA), aircraft manufacturers, and others
*2 Negative emissions technologies (NETs)

1 Operational Improvements and New Aircraft Technologies

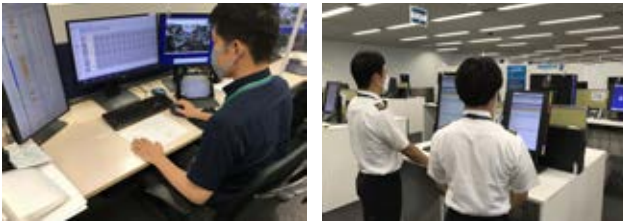
All departments involved in safe flight operations work together on measures to reduce CO₂ emissions in daily operations. In parallel, we are making steady progress in decarbonization and fuel efficiency improvements, upgrading to more fuel-efficient aircraft as part of the ANA Group Corporate Strategy.

Improve Flight Operations

Examples of improving fuel efficiency and reducing CO₂ emissions include rapid acceleration and climb during takeoff, reducing thrust reverser usage after landing, single-engine taxiing, engine washing, etc. We disclose the results of these efforts on our website every month.

Since fiscal 2023, the Green Operations Committee, led by flight operations and flight crew divisions, established a system and framework to revise rules and optimize fuel consumption to reduce CO₂ emissions in daily flight operations. We continue to decarbonize our operations through accelerated PDCA cycles.

And through our participation in the Operations Improvement and CO₂ Reduction Council and Future Air Traffic Systems Council established by the Ministry of Land, Infrastructure, Transport and Tourism, we strive to create environments that encourage CO₂ emissions reductions through operational improvements. These efforts include innovations in aviation systems through industry-academia-government collaborations.



For more on ANA Group CO₂ emissions reduction results, see:
<https://www.ana.co.jp/ja/jp/brand/ana-future-promise/ana-green-jet/co2-reduction/>

Adopt New Aircraft Technologies

As our business recovers and expands, we continue to upgrade our fleet to more fuel-efficient aircraft. We expect to achieve a fuel-efficient aircraft ratio of 85.8% by the end of fiscal 2025. By 2030, we will have more than 100 Boeing 787 series aircraft, representing more than 35% of our fleet. We plan to raise this ratio of fuel-efficient aircraft as early as possible.

And we participate in the Public-Private Committee on New Technologies toward Decarbonization of Aircraft, sponsored by the Ministry of Economy, Trade and Industry, toward the adoption of new technologies.

We are also part of a joint research project with an aircraft manufacturer on the development of technology to fly on hydrogen and electric power. Working with Airbus on a joint

Route Development Project

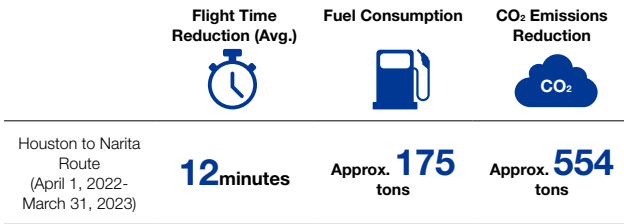
Each ANA international long-range route has between 10 and 15 flight paths.

In 2020, ANA employees launched the Route Development Project, believing that an analysis of flight path regulations of each country would uncover routes that avoid headwinds and shorten flight times for routes that tend to exceed scheduled flight times due to headwinds.

In addition to considering national regulations, the project also considered safety, comfort, on-time performance, and operations efficiencies when selecting new flight paths. We submitted finalized flight plans to air traffic control authorities over each route for approval.

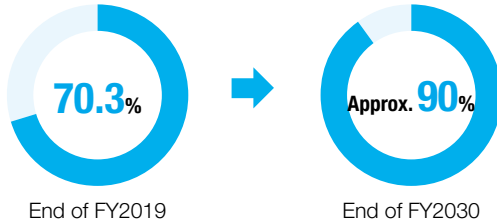
Main Outcomes

We contributed to reduced fuel consumption and CO₂ emissions through new routes and shortened flight times.



research project to develop hydrogen aircraft and infrastructure, we share information on advanced technologies and tackle issues related to the adoption of hydrogen aircraft. At the same time, we collaborate with Boeing on research into electric, hybrid, hydrogen, and other new propulsion systems.

Fuel-Efficient Aircraft Ratio



2 Shift to Low-Carbon Aviation Fuel, Including Utilizing SAF

The core of the ANA Group strategy to achieve decarbonization is the use of low-carbonization aviation fuels, including SAF. By fiscal 2030, more than 10% fuel used will be replaced with SAF, and by fiscal 2050 nearly all fuel in use will be low-carbon.

As we must accelerate efforts not only through public-private partnerships but also through our entire supply chain, we are working with stakeholders even more closely to establish a supply chain and ensure a stable supply of SAF.

Ensuring a Stable Supply of Domestically Produced SAF

Public-Private Partnerships

The Public-Private Council on Promoting the Adoption of Sustainable Aircraft Fuel (SAF) of the Ministry of Land, Infrastructure, Transport and Tourism; Ministry of Economy, Trade and Industry; Ministry of the Environment; Ministry of Agriculture, Forestry and Fisheries

To achieve the ANA Group environmental target of replacing at least 10% of fuel used with SAF by 2030, we must establish a business environment that allows SAF refueling in Japan. A public-private partnership council, including the relevant ministries and agencies, oil wholesalers, and other suppliers, confirmed the need to secure sufficient SAF production capacity and supply chain for raw materials and to establish a system ensuring a stable supply of SAF at internationally competitive prices. In addition, the council confirmed that the government will consider active support for SAF through regulations targeting 10% of fuel supplied to Japanese airports to be SAF by 2030.

Specific Initiatives

Procuring SAF Blended in Japan

A proof-of-concept project of the Public-Private Council on Promoting the Adoption of Sustainable Aircraft Fuel (SAF) led by the Civil Aviation Bureau of the Ministry of Land, Infrastructure, Transport and Tourism, imported neat SAF* to blend with jet fuel in Japan. This project fostered a significant advancement in the supply chain for fueling aircraft, including the clarification of quality control procedures, customs clearance and bonding procedures, and safety in handling. ANA procures SAF blended in Japan through this project and uses this fuel on scheduled domestic and international flights departing from Haneda and Narita airports.

Issues Related to Domestic Blending



* SAF before blending with jet fuel

ACT FOR SKY, an Inter-Industry Collaboration to Promote Domestic SAF

ACT FOR SKY is an all-Japan voluntary organization launched on March 2, 2022, consisting of 29 companies (as of July 2023), 20 of which are involved directly in domestically produced SAF as a business and represent the main actors in building the SAF supply chain. The other nine companies represent entities required to build the supply chain for domestically produced SAF.

The organization aims to create a cross-sector movement of collaboration and action, transcending industry boundaries to commercialize, promote, and expand domestically produced SAF toward carbon-neutral skies.

▼ For more details regarding ACT FOR SKY (in Japanese only), please visit:
<https://actforsky.jp>

Participation in the Ministry of the Environment Decarbonization x Reconstruction Town Development Platform

The ANA Group participates in the Decarbonization x Reconstruction Town Development Platform and the platform's Working Group on Decarbonized Fuel, projects established recently by the Ministry of the Environment. We are helping with the recovery in selected areas through the use of low-carbon circular agriculture, biomass, and other materials for local production and local consumption of SAF and other decarbonized fuels, as well as the investigation of business models to solve issues in this area.

Expanding SAF Procurement Options Overseas

Strengthening Partnerships

- In fiscal 2020, ANA began a strategic alliance with Finland-based SAF manufacturer NESTE for medium- to long-term supply, purchasing and importing SAF on a commercial scale for use on scheduled flights departing from Haneda and Narita airports.
- In December 2022, the ANA Group and the Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development (JOIN) signed a memorandum of understanding (MOU) to collaborate on a project that aims to manufacture and procure SAF overseas. Under this MOU, JOIN will expand opportunities to invest in SAF-related projects overseas while ANA will expand SAF procurement options.
- During fiscal 2023, ANA plans to procure SAF produced by LanzaJet in the U.S., produced using exhaust gas from steel mills and oil refineries, for use on flights departing from the U.S.
- In January 2023, the ANA Group signed a memorandum of understanding with Raven SR of the U.S. and ITOCHU Corporation for SAF procurement. Raven SR manufactures SAF from municipal solid waste and other waste materials, which means a stable supply of SAF in certain quantities should be possible in the future. ANA is considering purchasing this SAF for use on flights departing the U.S. after 2025.

Encouraging the Use of Synthetic Fuels

Biomass, the primary raw material for SAF, is already used commercially. This raw material could become scarce in the future, requiring the rapid commercialization of synthetic fuels over the medium to long term. Synthetic fuels are artificial fuels made by synthesizing CO₂ and hydrogen.

In September 2021, ANA and six other companies collaborated on a proof-of-concept project that uses carbon and hydrogen separated and recovered from CO₂ emission sources and the atmosphere as raw materials to produce SAF using a technology that synthesizes liquid hydrocarbons through a catalytic reaction.

In September 2022, the Ministry of Economy, Trade and Industry, the Ministry of Land, Infrastructure, Transport and Tourism, and other supply-side and demand-side entities (automobile industry, shipping industry, and aviation industry) established the Public-Private Council on the Promotion of Synthetic Fuel (E-fuel). This council addresses technical development and institutional issues under an integrated public-private partnership aiming for commercialization of e-fuel by the early 2030s.

Promoting SAF and Reducing CO₂ Emissions in the Supply Chain



SAF Flight Initiative

In September 2021, ANA, together with companies that use airplanes for business trips and cargo transportation, launched the SAF Flight Initiative. This partnership is a program aiming for a sustainable future by visualizing CO₂ emissions (Scope 3) throughout the supply chain and promoting the widespread use of SAF. Under this program, partners bear a portion of the costs related to SAF, and ANA issues a certificate of CO₂ emissions reductions resulting from SAF usage. We received the 2022 Nikkei Excellent Products and Services Award for this business solution that, among other things, contributes to the achievement of Scope 3 reduction targets for partner companies and improves corporate value. As of March 2023, 13 companies have participated in the program, and we continue to invite new companies to join.



3

Use of Emission Trading Schemes

We intend to reduce CO₂ emissions from flight operations through operational improvements, technological aircraft innovations, and low-carbon aviation fuels such as SAF. In the short to medium term, we are looking into the use of CO₂ emissions trading schemes in consideration of business continuity.

We plan to use high-quality carbon credits that mitigate the impact on climate change, biodiversity, and human rights, while also offering benefits such as economic contributions to local communities.

4

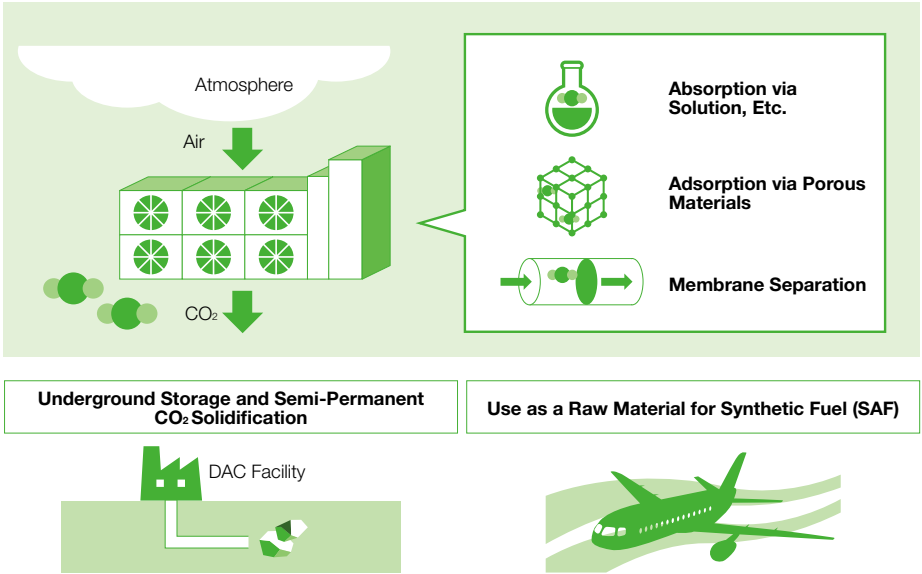
Utilization of Negative Emissions Technologies (NETs)

For the remaining emissions not covered by SAF and other fuel reductions, we intend to achieve net zero emissions by 2050 through NETs. These technologies include direct air capture (DAC), which captures and removes CO₂ directly from the atmosphere.

In March 2022, ANA signed a basic agreement with Climeworks, a Swiss start-up company working on DAC. Under this agreement, we began researching high-quality, permanent CO₂ removal technology. In August 2023, we became the first airline in the world to sign a procurement contract with 1PointFive of the U.S.. 1PointFive is constructing a DAC plant in Texas, U.S.A., which is expected to begin commercial operation by the end of 2025. ANA plans to procure more than 30,000 tons of carbon dioxide removal (CDR) credits over three years beginning 2025.

DAC technology captures and removes large amounts of CO₂ directly from the atmosphere and is an essential approach that diversifies the means to address CO₂ emissions reduction in the difficult-to-decarbonize aviation industry. We will continue efforts to pursue DAC technology and industry development, diversifying decarbonization measures in our transition strategy to achieve the ANA Group's medium- and long-term environmental goals.

DAC Conceptual Diagram



1PointFive is committed to reducing global temperature rise by 1.5 °C by 2050 through decarbonization solutions, including Carbon Engineering's DAC technology, AIR TO FUELS™ technology, and geological storage hubs. AIR TO FUELS™ is a registered trademark of Carbon Engineering Ltd.



1PointFive's DAC Plant (Courtesy of 1PointFive)

Initiatives to Reduce Environmental Impact

Carbon Offset Program

Since fiscal 2019, the ANA Group offers the ANA Carbon Offset Program for each class on domestic and international routes. This program is a mechanism that provides customers with opportunities to offset the amount of CO₂ emitted by their aircraft. Our selection of offset programs are based on global certification standards.

▼ For more details, please visit:
<https://www.ana.bluedotgreen.co.jp/en/home>



Eco-First Certified Company

In 2008, ANA became the first in the transportation industry and the first airline to become a certified Eco-First Company. We received this honor in recognition of our environmental initiatives and corporate stance that emphasizes social responsibility, and we continue to work toward the creation of sustainable societies. In March 2022, we updated our Eco-First Promise for protecting the global environment as an environmentally advanced company to reflect our medium- and long-term environmental goals.

▼ For the Eco-First Promise (in Japanese only), please visit:
https://www.ana.co.jp/group/csr/environment/pdf/eco_first_2203.pdf



Reduce CO₂ Emissions from All Non-Aircraft Flight Operations

The ANA Group implements appropriate energy management using our energy management system ANA Eiims based on our own Energy Management Standard. ANA and ANA Foods (specified business operators under the Act on the Rational Use of Energy) achieved energy reductions of 1% or more of fiscal 2021 targets, receiving Excellence in Energy Efficiency Award (S Class) certification under the Act on the Rational Use of Energy of the Ministry of Economy, Trade and Industry. ANA has received S Class certification for eight consecutive years since the establishment of the classification system. To achieve net zero CO₂ non-aircraft emissions by fiscal 2050, we will work to reduce energy consumption by fiscal 2030, focusing on the use of electricity and vehicle fuel (gasoline and diesel fuel), which accounts for the majority of our total emissions.

Electricity

We will systematically upgrade our facilities and equipment to energy-saving devices.

ANA Blue Base, the ANA Group comprehensive training center, ANA Tonomachi Business Center, and ANA TELEMART Nagasaki Branch Call Center have installed solar panels, generating electricity from solar power.

In addition, since fiscal 2020, some of our own facilities in the Osaka and Kyushu areas have been purchasing an amount of CO₂-free energy from electric power companies. Since fiscal 2022, we have been introducing renewable energy and started use at our Shiodome Office. We are now working to introduce renewable energy across the ANA Group.



Solar panels at ANA Blue Base

Vehicle Fuel

We are upgrading our airport vehicles to hybrid vehicles (HVs), electric vehicles (EVs), fuel cell vehicles (FCVs), etc., in stages as appropriate. The ANA Group is the first company in Japan to introduce remote-controlled EVs (manufactured by Mototok of Germany) to tow passenger aircraft at airports. Since introducing the vehicles at Saga Airport in 2019, we have placed others into operation at several airports in Japan. In addition to contributing to the reduction of environmental impact, this system allows simpler remote control operation compared to conventional vehicles, leading to more efficient operations.



Pushback using Mototok EVs

2 Reduce Resource Waste Ratio (Plastics, Paper, etc.)

The ANA Group pursues the 3Rs (Reduce, Reuse, Recycle) + R (Renewable) to reduce our resource waste ratio. We encourage use reduction and recycling, especially of plastics and paper.

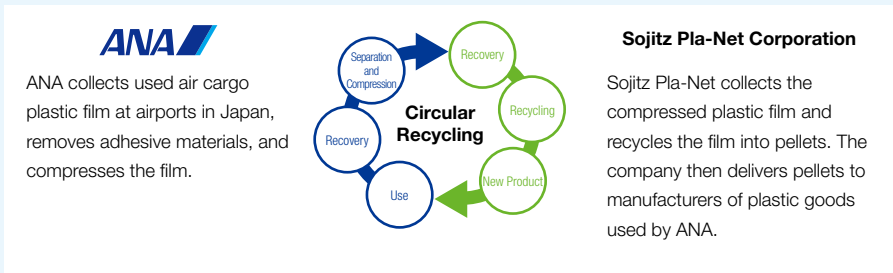
Reduce the Use of Plastics

We continue to make progress in replacing plastic products used in airport lounges and on flights with eco-friendly materials. In fiscal 2022, we replaced single-use plastic with paper for in-flight meal containers in premium class on domestic flights. We also switched from single-use to reusable containers for soup bowls and other products, reducing plastic waste by approximately 158 tons per year compared to fiscal 2019.

Major Initiatives

Establishing a Resource-Recycling Scheme for Air Cargo Plastic Film

ANA launched a joint recycling scheme with Sojitz Pla-Net Corporation to collect used plastic air cargo film for recycling into products used by ANA.



3 Reduce Food Waste Ratio (In-Flight / Airport Lounge Meals, etc.)

The ANA Group is working to reduce our food waste ratio, such as in-flight meals.

Food Loss Initiatives

ANA launched a new service on international flights that allows passengers to choose a lighter meal service or no meal service for more freedom and comfort in-flight. In addition to offering options that meet customer needs, we work with customers to eliminate food waste by reducing the number of in-flight meals discarded without being served.

Major Initiatives

ANA Future Promise

In June 2021, the ANA Group announced *ANA Future Promise*, a movement toward continued corporate growth to continue to the achievement of the SDGs together with our customers and society (Promise), aiming for sustainable growth (Future). In recognition of our efforts, we received the Minister of Land, Infrastructure, Transport and Tourism Award at the 31st Grand Prize for the Global Environment Awards. The Grand Prize for the Global Environment Awards was established in 1992 by the Fuji Sankei Group to encourage promoting industrial development in harmony with the global environment.

In October 2022, we began flying special-livery aircraft as a symbol of the *ANA Future Promise* and as a means to put activities into practice. We have introduced numerous measures on a trial basis, including the use of in-flight service items made from sustainable materials (certain in-flight meal containers and cabin amenities), vegan leather headrest covers made from plant-derived materials, and the testing of riblet film applied to the surface of aircraft. We intend to expand the most effective measures to other aircraft and routes.



▼ For more details, please visit our official website:
<https://www.ana.co.jp/en/jp/brand/ana-future-promise/>

4 Biodiversity Conservation

Adopted in December 2022, the Kunming-Montreal Biodiversity Framework (GBF*) included new global biodiversity goals. Under this framework, the airline industry is responsible for 2030 goals, particularly goals to prevent illegal wildlife trade, minimize the impact of climate change on biodiversity, and reduce food waste. The ANA Group discloses our policies and systems to address biodiversity conservation. We strive to mitigate our impact on biodiversity through our business activities and contribute to the conservation of biodiversity.

*1 Global Biodiversity Framework

Initiatives through Business Activities

| Avoid and Minimize | Preventing Wildlife Trafficking

In March 2018, ANA became the first Japanese airline to sign the Buckingham Palace Declaration, which aims to eradicate wildlife trafficking as recommended by IATA. Since 2018, we have conducted annual seminars on border control measures in collaboration with the international NGO TRAFFIC*. These seminars are part of our educational activities to prevent wildlife trafficking.

A total of 840 people from ANA Group companies, including airport personnel and overseas branches, have participated in these events.

*2 TRAFFIC: An international NGO that surveys and monitors wildlife trade. This NGO was established as a joint project of the World Wildlife Fund and International Union for Conservation of Nature, and the group operates through a worldwide network of bases in 10 regions.



| Minimize | Food Residue Recycling System

ANA Catering Service Co., Ltd., which produces in-flight meals for ANA, recycles 100% of food residue from the preparation of in-flight meals for use as compost and feed. The Ministry of Agriculture, Forestry and Fisheries, under the Act on Promotion of Recycling and Related Activities for Treatment of Cyclical Food Resources, approved the company's recycling system. This system uses vegetables (soft kale) grown using compost from animal and plant residues discharged from the Narita Plant as ingredients for in-flight meals.

In this way, the company provides chemical-free, safe vegetables for in-flight meals produced using safe soil consisting of compost derived from cooking residue. At the same time, the company contributes to the reduction of waste and conservation of biodiversity through food recycling.



| Restoration | Restoration of Farmland through the Farm Project

ANA Akindo oversees the Farm Project, which revitalizes abandoned mandarin orange farms and supports mandarin production, processing, distribution, and sales. The Farm Project helps solve problems such as pest and weed infestation, bird and animal damage, and disaster risks caused by the shrinkage of farmland and increased farmland abandonment.

The Farm Project promotes green tourism in cooperation with local governments and farmers through the planning and management of monitoring tours, workcations, and agricultural experiences to conserve biodiversity and restore farms. One such example is *iyokan* seedling planting at the Ishimaru Farm, a local farm operator.



Collaborations with Stakeholders



The ANA Group participates in the Keidanren Committee on Nature Conservation as a standing committee member. We also endorse the Keidanren Initiative for Biodiversity Conservation.



The ANA Group participates in the 30by30 Alliance for Biodiversity, which pursues efforts to achieve the 30by30 emissions targets.



Team Chura Sango (Coral Reef Conservation Project to Preserve Tourism Resources)

In 2004, ANA and other companies in and outside Okinawa launched Team Chura Sango to support the coral conservation activities of the Onna Village Fisheries Cooperative in Manza Bay, Okinawa Prefecture. In 2024, the team will observe its 20th anniversary. The project protects coral from bleaching caused by rising sea temperatures and feeding damage caused by massive outbreaks of crown-of-thorns starfish, thereby preserving the ecosystem of Manza Bay. With the support of the Ministry of the Environment, Okinawa Prefecture, Onna Village, and other government agencies, the team participates in coral seedling production and planting programs held five times a year. As of fiscal 2022, 17,839 coral seedlings have been planted thanks to the participation of 4,177 people. In recognition of these activities, the project received the Fisheries Agency Director's Award in the 42nd National Convention for the Development of an Abundantly Productive Sea.

Disclosures in Line with the TCFD Recommendations



In March 2019, the ANA Group became the first Japanese airline to endorse the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD, established by the Financial Stability Board. We disclose information in accordance with the four items required by the TCFD recommendations: Governance, Strategy, Risk Management, and Metrics and Targets. We will continue to enhance our disclosure content in line with the TCFD framework.

Governance

The Group ESG Management Promotion Committee convenes four times a year to hold discussions on important policies and measures related to environmental issues such as climate change. This committee is overseen by the President & Chief Executive Officer and chaired by the Chief ESG Promotion Officer (CEPO), the director in charge of group ESG management. Under the committee, we also established the Eco-First Subcommittee (related to aircraft operations) and the Ground Energy Subcommittee (related to ground energy other than aircraft operations). These subcommittees report and discuss CO₂ reduction measures, initiatives, and progress. The following important environmental matters related to corporate strategy are discussed at the Group Management Committee and submitted to the Board of Directors.

Furthermore, ESG management promotion status is objectively and multilaterally monitored to achieve sustainable growth as a company and enhance corporate value over the medium to long term. Here, we employ evaluation indicators such as CO₂ emissions volume and external ESG evaluation, which are also reflected in officer remuneration.

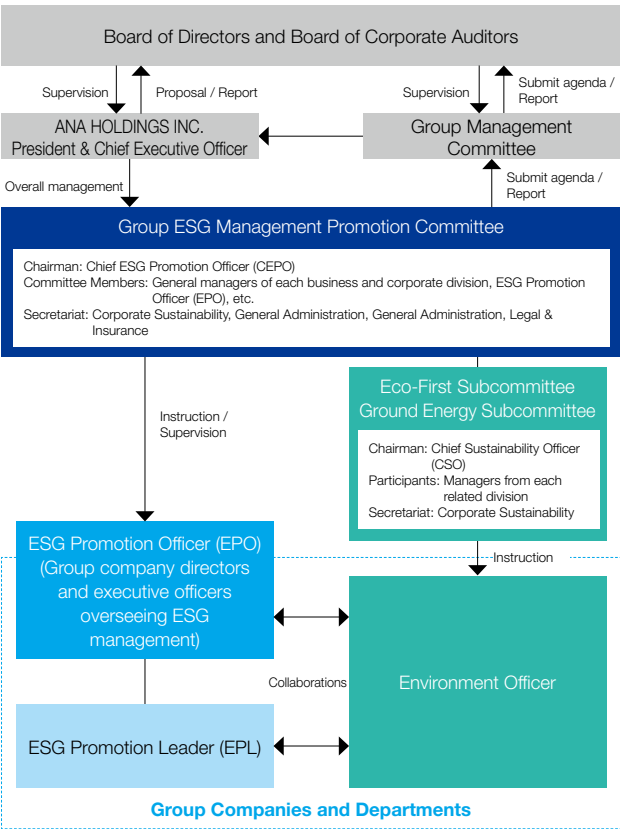
Examples of Climate Change Issues Brought Before/Reported to the Board of Directors

- Establishment of various environmental policies and medium- to long-term environmental targets, as well as their annual results
- Disclosures in line with TCFD recommendations
- Formulation of a transition scenario to achieve medium-to long-term environmental targets
- Incorporation of climate change response into the FY2023-25 ANA Group Corporate Strategy
- Progress on climate change initiatives

Risk Management

Based on the basic policies determined by the Board of Directors, the ANA Group Total Risk Management Regulations provide the basic terms of the group's risk management system. Under these regulations, the Group ESG Management Promotion Committee develops, implements, and monitors progress of basic policies. Risks related to climate change are also handled as key issues within the overall risk management framework.

Please refer to P.86 for more on the risk management structure.



Metrics and Targets

In 2021, the ANA Group formulated the 2030 Medium-Term Environmental Targets and the 2050 Long-Term Environmental Goals. In May 2023, we updated our 2030 Medium-Term Environmental Targets. We are currently strengthening our efforts to achieve our goal of net zero CO₂ emissions by fiscal 2050.

		FY2030 Targets	FY2050 Goals
Reduce CO ₂ Emissions	Aircraft	Net 10%+ reduction vs. FY2019 Replace 10% or more of fuel used with SAF	Net zero
	Non-Aircraft	33%+ reduction vs. FY2019	Net zero

Please refer to P.60 for more on fiscal 2022 results.

▼ Please visit our corporate website for more on disclosure based on TCFD recommendations:
<https://www.ana.co.jp/group/en/csr/environment/goal/>

Strategy

We analyzed scenarios based on the 4°C and 1.5°C scenarios provided by the United Nations Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA). Through this, we identify the risks and opportunities of climate change on our group, assess their financial impact, and explore countermeasures. The analysis covers the period from fiscal 2030 to fiscal 2050, as set forth in the ANA Group's medium- to long-term environmental targets.

See P.62 for our transition strategy

		Description of Opportunity / Risk	Financial Impact**	Action Plans
Physical	Risks	Increasing Severity and Frequency of Extreme Weather <ul style="list-style-type: none">• Increased operational costs due to severe natural disasters• Increased cost of restoration from damage to aircraft and facilities due to disasters• Development of data observation through aircraft• Decreased revenues due to difficulty in maintaining flight operations to affected areas	Large	<ul style="list-style-type: none">• Establishing a more advanced BCP• Upgrading to disaster-resistant facilities, equipment, etc.• Collaborating in research with JAXA• Determining destinations, number of flights, etc., and appropriate reflection in business plans
	Changes in Rainfall and Weather Patterns		Medium	
Transition	Actions to Reduce CO₂ Emissions (Aircraft)			
	—SAF	<ul style="list-style-type: none">• Concern about increased costs due to higher SAF prices until around 2040 and decreased revenues due to restricted flight operations as a result of insufficient procurement• Differentiating through strategic purchases, contracts, and investments to benefit from priority procurement and stable supply		<ul style="list-style-type: none">• Making strategic purchase agreements• Strategically investing in the establishment of a system for domestic mass production of SAF, and strengthening public-private and inter-industry collaboration to establish the supply chain• Partially compensating for SAF purchase costs through development of schemes such as the SAF Flight Initiative
	—New Technology	<ul style="list-style-type: none">• Increased cost of introducing next-generation aircraft (hydrogen, electricity, etc.)• Reduced fuel costs due to fuel efficiency improvements over the medium to long term, and creation of opportunities for technological innovation and priority procurement by investing in DAC** CO₂ removal technologies	Large	<ul style="list-style-type: none">• Engaging with policymakers and other relevant parties to improve airport infrastructure• Participating in joint research projects with aircraft manufacturers to develop aircrafts incorporating new technologies• Strategically investing in the introduction of high quality, permanent CO₂ removal technology
	—Credit	<ul style="list-style-type: none">• Increased costs due to the use of credits (price increases due to excess demand for emission credits / increased offsetting)		<ul style="list-style-type: none">• Procuring CORSIA eligible and high-quality credits• Minimizing cost impact through an optimum combination of SAF and credits
	Actions to Reduce CO₂ Emissions (Non-Aircraft)			
	Vehicle**3 Fuel (Diesel oil)	<ul style="list-style-type: none">• Increased costs due to replacement with ZEVs**4• Reduction in fuel costs and offset costs and labor-saving in airport operations due to the development of new technologies such as unmanned autonomous driving	Medium	<ul style="list-style-type: none">• Continuously engaging in and collaborating with policymakers and other relevant business operators to promote the shift to ZEVs and improve airport infrastructure• Procurement and construction of a supply chain for alternative fuels such as next-generation biofuels• Introduction of experimental tests and remote-controlled EVs to switch airport vehicles to EVs
	Litigation / Fines / Taxation	<ul style="list-style-type: none">• Penalties and fines for failure to comply with laws and regulations in each country• Pressure from stakeholders to delay climate action• Increased costs as a result of higher prices due to the introduction of carbon pricing (carbon taxes, emissions trading)	Medium	<ul style="list-style-type: none">• Appropriately responding to and disclosing information for climate change• Engaging with national governments continuously, in collaboration with industries and other organizations, for relaxation of regulations and tax systems
	Changes in Consumer Awareness and Preferences	<ul style="list-style-type: none">• Securing talent from a younger environmentally sensitive generation and increasing sales due to securing customer trust as a result of proactively addressing climate change to improve brand value• Growing new businesses that do not require physical travel• Increased demand for the reduction of corporate Scope 3 emissions (business trips and cargo transportation)	Medium	<ul style="list-style-type: none">• Appropriately responding to and disclosing information for climate change• Identifying needs through ongoing dialogue with society and reflecting these needs in strategies• Developing measures that move forward while acquiring the understanding and cooperation of customers• Diversifying business portfolio• Collaborating with various stakeholders and strategically investing in new business growth (avatars, electric air taxi, drone logistics services)
Transition	Opportunities	Financing <ul style="list-style-type: none">• Successfully financing through loans and incorporating ESG investment through proactively responding to climate change ahead of the market	Medium	<ul style="list-style-type: none">• Identifying needs through ongoing dialogue with investors and responding appropriately• Information disclosure in accordance with international frameworks

*1 Large: ¥10 billion or more per year; Medium: ¥1 billion to ¥10 billion per year; Small: less than ¥1 billion per year

*2 Direct Air Capture (DAC): Technology to capture CO₂ directly from the atmosphere

*3 Airport ground handling vehicles

*4 Zero Emission Vehicles: Vehicles that do not emit CO₂ or other emissions during operation (EVs, FCVs)

Regional Revitalization



For more details, please visit our corporate website: https://www.ana.co.jp/group/en/csr/regional_creation/regional_revitalization/

Basic Approach

Regional revitalization is an initiative to overcome regional issues such as declining populations, low birthrates, aging demographics, and shrinking economies, as well as to ensure that outlying regions will grow in the future.

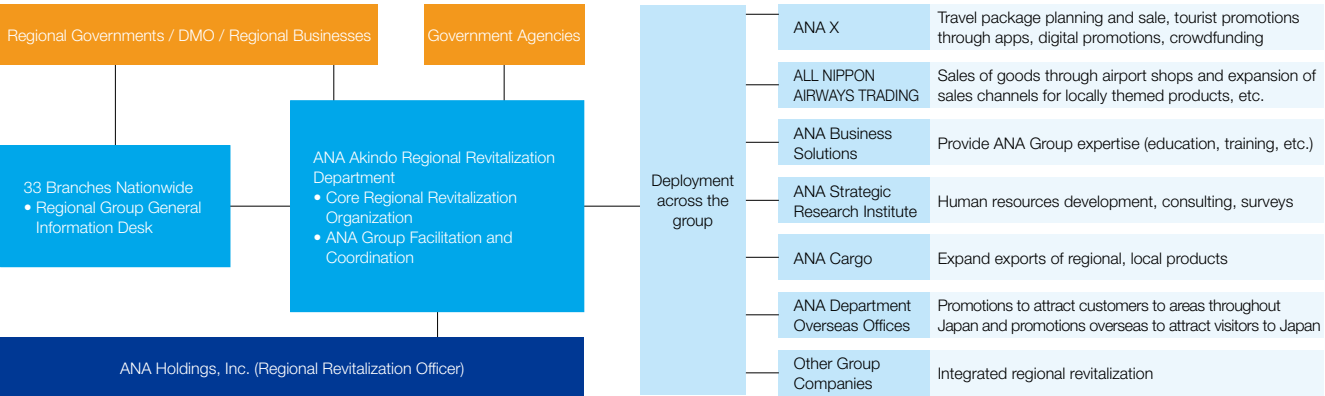
Beyond air transportation, the ANA Group aims to solve regional issues while creating new encounters and connections among people, goods, and experiences. We seek to grow regional fan bases, expanding the number of people with whom we interact and build relationships.

Working in unison with local communities is crucial to solving issues. We create deeper ties with local communities by building close relationships with local businesses coordinating with those branches nationwide that have regional operations, as well as through cooperative agreements with local governments throughout Japan.

Based on the relationships of trust we build with local communities through our Air Transportation and Travel Services businesses, we take on the challenge of regional revitalization by leveraging the strengths and assets of the ANA Group while making the most of the charms of each region.


Implementation Structure

The ANA Akindo Regional Revitalization Department, which coordinates with 33 branches nationwide across Japan that are engaged in community-based activities, plays a central role in integrating the initiatives of group companies organically, working with the ANA Group to create value that solves regional issues.



1 Expanding Regional Development in Cooperation with Local Governments

Case 1 Expanding ANA Hometown Tax Donation

Regional Issues Addressed	<ul style="list-style-type: none">Insufficient financial resources due to declining birthrates, aging populations, and declining local economiesFailure to communicate the attraction of local products, etc., to outside consumers	<ul style="list-style-type: none">Increase the number of people involved in the community through ANA Group efforts
Solution Methods	<ul style="list-style-type: none">Support local governments in securing new financial resources through donations made through the ANA Hometown Tax Donation websiteCommunicate information and distribute local products, etc., through hometown tax donationsEncourage travel and attract visitors through hometown tax donations	

Case 2 Pursue Grants and Other Regional Revitalization Projects

Regional Issues Addressed	<ul style="list-style-type: none">Lack of awareness of regional attractions and insufficient content to encourage longer stays from the perspective of inbound travelersDecrease in tourist consumption with fewer tourists	<ul style="list-style-type: none">Lack of workers / people willing to take over businesses due to declining birthrates and aging population
Solution Methods	<ul style="list-style-type: none">Implement initiatives to attract people through local government grants and other resourcesLeverage the ANA route network to attract inbound travelersDevelop and promote tourism-related content focused on specific themesImprove and foster work-study environments in rural areas to accommodate new ways of working	

2 Resolving Regional Issues through Innovation


ANA performed a bottom-up redesign of the *Airport Access Navi* route service, launching *Tabi CUBE* as a new service on July 31, 2023. Tabi CUBE is our platform for mobility services (MaaS). Through this platform, we intend to expand the scope of our mobility business, respond to diverse mobility needs, and resolve issues, offering a universal and seamless mobility experience for a society in which people enjoy travel and travel safely.

For more details (in Japanese only), please visit: <https://www.anahd.co.jp/group/pr/202307/20230731-5.html>




3 Regional Revitalization through Social Contribution and Resolving Social Issues

Case 1 ANA Farm Project

Regional Issues Addressed	<ul style="list-style-type: none">• Growing amount of abandoned land due to the aging of farmers and lack of successors• Gaining recognition of and expanding sales channels for Ehime products (citrus fruits)	
Solution Methods	<ul style="list-style-type: none">• ANA works with local farmers, governments, and regional banks, etc., to operate a mandarin orange orchard using abandoned farmland• Support the Production → Processing → Distribution → Sales chain• Expand sales channels and branding for prefectural products utilizing ANA resources; food processing utilizing the resources and expertise of ANA Catering, etc.• Contribute to the revitalization of primary industries, expand interchange. and build structures to prevent farmland from being abandoned	

Case 2 Tour of MRO Japan's Aircraft Maintenance Plant (Okinawa, Japan)

Regional Issues Addressed	<ul style="list-style-type: none">• Shortage of secondary industries in the prefecture other than tourism• Lack of employment opportunities for local workers
Solution Methods	<ul style="list-style-type: none">• MRO Japan began conducting tours of its aircraft maintenance shop at Naha Airport in May 2022 to increase awareness of Naha Airport and communicate its appeal as a new tourist resource.• The company will continue to refine its content offerings to expand the number of interactions and relationships. <p><small>*1 MRO Japan Co., Ltd.: Japan's only company specializing in aircraft maintenance. The company operates in cooperation with Okinawa Prefecture and local businesses to promote local industry.</small></p>





HARA Yuzo
Senior Executive Officer,
Group Regional Revitalization
President, ANA Akindo
Co., Ltd.

New Board Member

The ANA Group reorganized airline ticketing and travel services, handled formerly by ANA Sales Co., Ltd., by moving travel services to ANA X and expanding into the regional revitalization business by establishing ANA Akindo in April 2021.

We will leverage the strengths of the ANA Group and work with local communities, co-creating attractive regional revitalization to encourage greater human interactions and relationships. ANA Akindo contributes to the ANA Group revenue platform by tying activities to the creation of new value.

And we will do our utmost to achieve this vision. Look forward to great things in the future.