

# **Japan Airport Terminal Group's Supply Chain Management Initiatives**

(Detailed version)

## **Introduction**

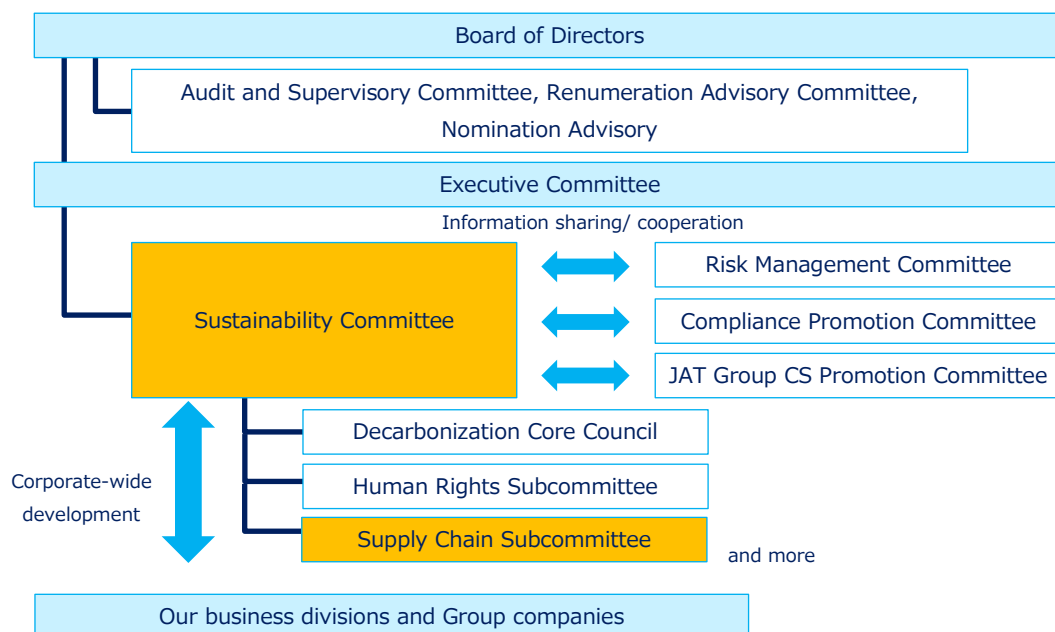
As a company engaged in the highly public business of constructing, managing, and operating airport passenger terminals, the Japan Airport Terminal Group must naturally comply with laws, regulations, and social norms. Furthermore, in order to strengthen its governance system, conduct sound and transparent management, and promote fair business activities, it is essential that the Group expands its efforts to all of its business activities, not just within its own group.

Under its Basic Sustainability Policy, the Japan Airport Terminal Group pays attention to environmental and social issues in all of its business activities, including its entire supply chain, in its procurement activities, and strives to conduct transactions fairly and honestly. It has set "Inadequate supply chain management" as one of its priority risks, and has set "Strengthening of sustainability governance" as part of our efforts to promote fair business activities, which is one of our material issues (important issues), and we are promoting supply chain management as part of this effort.

## **Promotion system**

In order to steadily advance the Medium-Term Sustainability Plan, Japan Airport Terminal Group has established a "Sustainability Committee" chaired by the president and consisting of all executive officers as members. As a subordinate organization to the Sustainability Committee, we have also established "Supply Chain Subcommittee", which is made up of the Sustainability Management Office, General Affairs & Human Resources Division, and executives in charge of each business division, to promote the initiative company-wide. In addition, the "Risk Management Committee" (chaired by the president), which is responsible for company-wide risk management including responses to priority risks, has set "Inadequate supply chain management" as a priority risk and is managing the status of initiatives.

The progress of these initiatives is reported by both committees and deliberated at the Executive Committee, after which it is reported to and deliberated by the Board of Directors, which then oversees the efforts.



## Main Policies Regarding Supply Chain Management

### 1. Japan Airport Terminal Group Procurement Policy

In order to promote proper supply chain management and fair procurement practices, Japan Airport Terminal Group has established and disclosed the following procurement policy.

[https://www.tokyo-airport-bldg.co.jp/files/sustainability/procurement\\_policy.pdf](https://www.tokyo-airport-bldg.co.jp/files/sustainability/procurement_policy.pdf)

#### (1) Scope of Application

This Policy applies to all officers and employees of the Japan Airport Terminal Group.

Regarding business partners, etc., we will apply the "Japan Airport Terminal Group Sustainable Procurement Guidelines" in accordance with this policy.

#### (2) Conducting Transactions in a Fair, Just, and Sincere Manner

We will comply with laws and regulations and fair corporate practices adopted in respective countries and regions related to our business activities, and conduct transactions in a fair, just, and sincere manner.

#### (3) Ensuring Safety and Quality

Japan Airport Terminal Group will pursue high safety and quality in its procurement activities, ensure the reliability required for the products and services it provides, and build a resilient supply chain.

#### (4) Respect for Human Rights

We will strive to respect human rights throughout our supply chain in accordance with the "Japan Airport Terminal Group Human Rights Policy" as well as international human rights standards, laws, and guidelines.

(5) Consideration for the Environment

We will ensure procurement activities that take into consideration environmental conservation and the reduction of environmental impact, and will work to curb greenhouse gas emissions, reduce waste, and recycle resources throughout the supply chain, in accordance with the “Japan Airport Terminal Group Environmental Policy.”

2. Japan Airport Terminal Group Sustainable Procurement Guidelines

In our procurement activities, the Japan Airport Terminal Group pays attention to environmental and social issues in all business activities, including the entire supply chain, and has established and disclosed guidelines outlining the items we expect our business partners to comply with in order to conduct fair and honest transactions. We communicate to our business partners our expectations that they will comply with these guidelines and promote proactive efforts within their own business partners.

<https://www.tokyo-airport-bldg.co.jp/files/en/sustainability/JapanAirportTerminalGroupSustainableProcurementGuidelines.pdf>

Conducting Transactions in a Fair, Just, and Sincere Manner	<ul style="list-style-type: none"> <li>(1) Compliance with competition laws</li> <li>(2) Prevention of corruption and bribery</li> <li>(3) Elimination of relationships with anti-social forces</li> <li>(4) Protection of personal information and prevention of leakage of confidential information</li> <li>(5) Protection of intellectual property rights</li> </ul>
Ensuring Safety and Quality	<ul style="list-style-type: none"> <li>(1) Ensuring the safety of products and services</li> <li>(2) Provision of accurate information about products and services</li> <li>(3) Development of business continuity plan</li> </ul>
Respect for Human Rights	<ul style="list-style-type: none"> <li>(1) Respect for human rights and elimination of discrimination</li> <li>(2) Prohibition of forced labor</li> <li>(3) Prohibition of child labor</li> <li>(4) Prohibition of harassment, inhumane handling, and unfair treatment</li> <li>(5) Occupational safety and health</li> </ul>

	(6) Management of workers' health (7) Freedom of association and the right to collective bargaining
Consideration for the Environment	(1) Compliance with environmental laws and regulations (2) Disclosure of environmental information (3) Efficient use of energy and reduction of greenhouse gas emissions (4) Effective use of resources and waste management (5) Implementation of responsible procurement activities

### Major Initiatives in which we participate

#### 1. Declaration of partnership building

In order to ensure and improve the effectiveness of our efforts to promote proper supply chain management and fair procurement practices, we have agreed to the "Declaration of partnership building" in fiscal 2024.

#### 2. Participation in the UN Global Compact

In order to contribute to building a healthy global society, we have expressed our support for the United Nations Global Compact (UNGC), advocated by the United Nations, and were registered as a participating company in August 2024.

### The entire process of supply chain management

Japan Airport Terminal Group has established policies, established mechanisms, and implemented the following to understand and identify the various business, environmental, and social risks that arise from its trading activities and to manage their impact, while also setting indicators and targets to manage progress.

Through the implementation of this process, we will continually strive to strengthen our supply chain management.



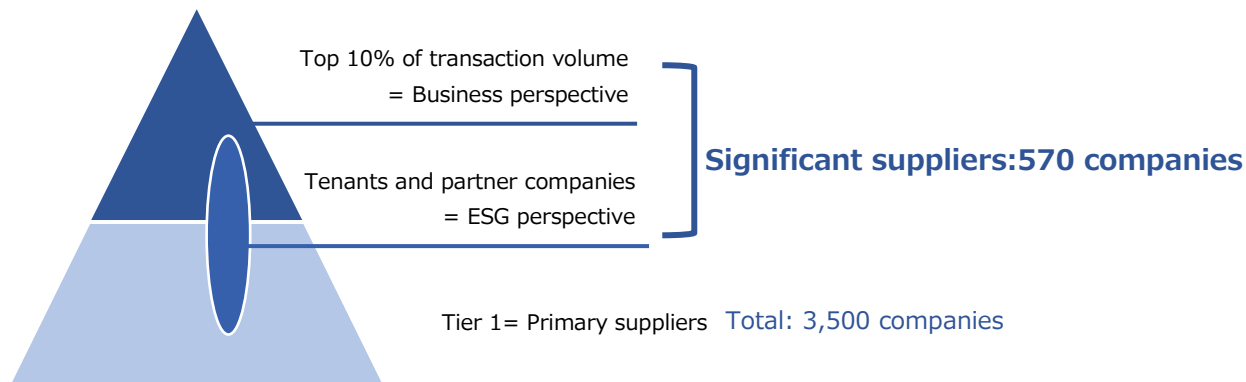
## Progress up to fiscal 2024

1. Formulation and disclosure of JAT Group Sustainable Procurement Guidelines  
As mentioned above, we have formulated Sustainable Procurement Guidelines and disclosed them both inside and outside the company.

Going forward, when signing contracts with new suppliers and renewing contracts with existing suppliers, we will inform them of the Sustainable Procurement Guidelines and request that they comply with them, and will continue to make efforts to raise awareness of the Sustainable Procurement Guidelines among our suppliers.

2. Selection of significant suppliers (Screening)

Of the approximately 3,500 Tier-1 suppliers, we have identified the top 10% of such companies, which account for 90% of the transaction amount, from a business perspective. In addition, we have identified tenants and operating partner companies that work together with the Japan Airport Terminal Group to operate terminals as significant suppliers from an ESG perspective, such as labor and environmental management, which are risks specific to the sector. In total, we have identified approximately 570 companies as significant suppliers.



3. Survey and assessment of significant suppliers

We made our significant suppliers aware of the Japan Airport Terminal Group Sustainable Procurement Guidelines and conducted a questionnaire survey on their compliance with each item. **The response rate was 39%, and the compliance rate was 67%.**

In addition, seven companies that were insufficient in more than half of the responses to the questionnaire or insufficient in more than half of the human rights items were designated as business partners requiring improvement.

#### 4. Response to suppliers requiring improvement

##### (1) Additional investigation (document investigation)

Many of the suppliers requiring improvement are small in terms of sales and personnel, and it is expected that the questions may not apply to their business operations, so we will ask more specific questions and conduct additional written surveys to understand the actual situation. Since the target companies were seven companies this time, we conducted interviews with all of the suppliers.

##### (2) Additional survey (interview)

We asked them about the intent of the question and the actual situation, and confirmed that although there was no explicit policy or quantitative target, the request was substantially met. We introduced examples of initiatives from other suppliers and requested that they continue to make improvements

#### 5. Indicators and goals

As it was determined that both the response rate and compliance rate from the initial survey required improvement, we have set a goal of continuously improving both the response rate and compliance rate until fiscal 2030 by steadily promoting ESG programs to business partners.

#### 6. Internal and external reporting

##### (1) Reporting to the Board of Directors

The progress of the sustainability plan is reported to the Board of Directors every six months, and progress toward strengthening sustainability governance in the materiality item "Promotion of fair business activities" is reported and supervised.

We will disclose our progress in strengthening supply chain management in our integrated reports to be issued in fiscal 2023 and 2024.

##### (2) Disclosure on company website

Because the amount of information that can be disclosed in an integrated report is limited due to space constraints, we have decided to compile an overall picture of our initiatives in the report and disclose it on our company website.

- End of document -