

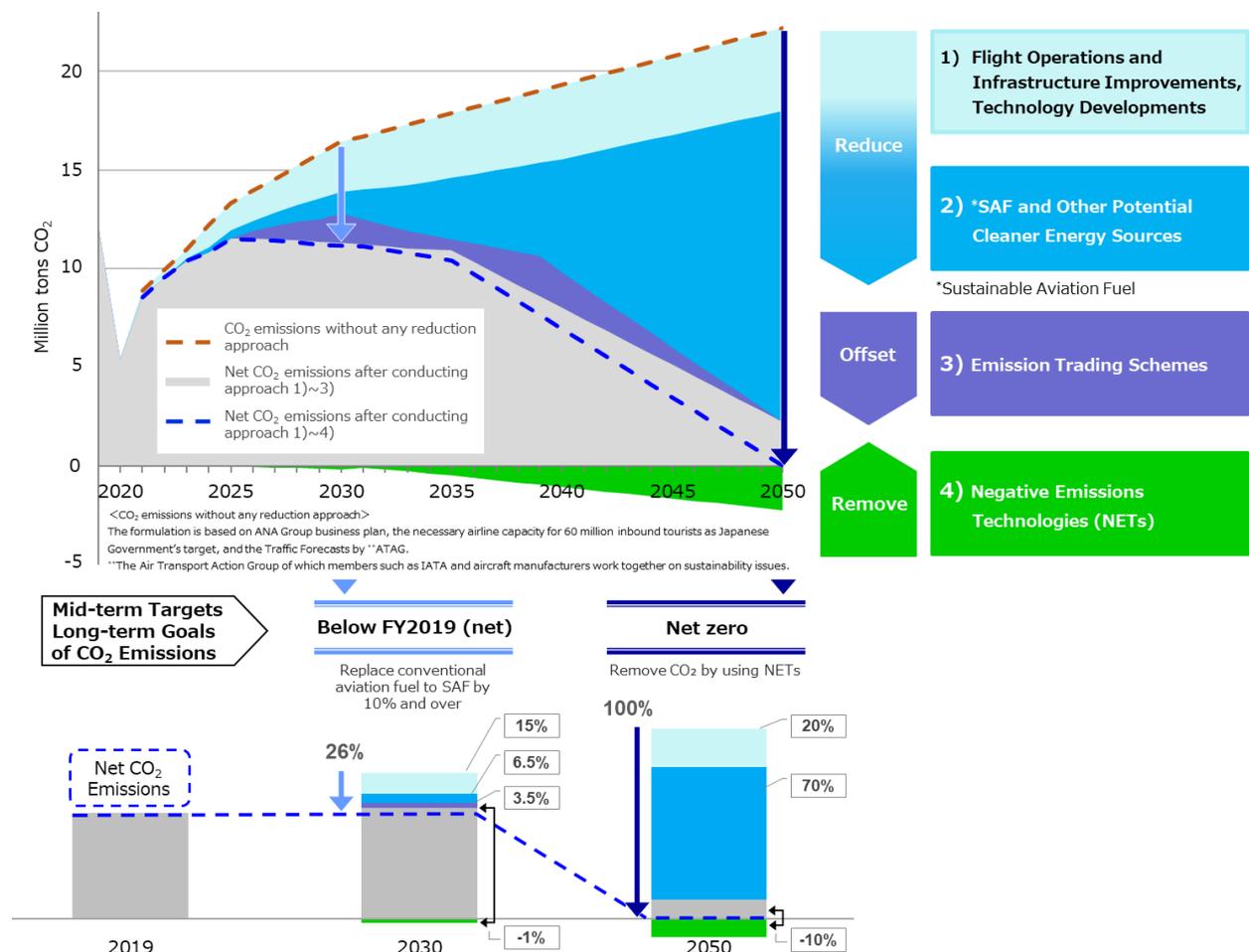
## 1. Introduction

ANA HOLDINGS INC. (the "Company") has developed the following Green Bond Framework (the "Framework") based on the Green Bond Principles (GBP) 2021 (the "Principles") published by the International Capital Market Association (ICMA) and the Green Bond Guidelines 2022 (the "Guidelines") published by the Ministry of the Environment of Japan. The Company has obtained a Third-Party Opinion from Japan Credit Rating Agency, Ltd. (JCR) to confirm the alignment with the Principles and the Guidelines.

### 1.1. ANA Group ESG Management and Decarbonization Approach

In promoting ESG management, ANA Group has identified Environment, Human Rights, Diversity, Equity & Inclusion (DEI), and Regional Revitalization as four key material issues. By appropriately addressing these issues through our business activities, our policy is to contribute to the realization of a sustainable society and to enhance our corporate value.

With regard to "Environment", we have been working on reducing environmental burdens, including establishing the "ANA Group Environmental Principles" in 1998 and the "ANA Group Environmental Policies" in 2017. Recently, we have set "2050 Environmental Goals" (the "Goals"), in which achieving Carbon Neutrality by FY2050 is declared, and have established "2030 Environmental Targets" (the "Targets") as a roadmap. Furthermore, we have developed ANA Group Transition Strategies to achieve the Goals and the Targets.



## **ANA Group Environmental Principles**

The mindset to value the environment starts with recognition of the burden we place on the Earth.

We will use natural resources and energy with care and contribute to attaining a prosperous and sustainable society.

We will take the initiative in environment conservation activities and share our care for the Earth with people around the world.

## **ANA Group Environmental Policies**

ANA Group, recognizing the global environmental issues, including global warming and the conservation of biodiversity, as a quintessential management task, aims to be an "Environmental Leading Airline Group" through all engaged activities.

1. We will precisely grasp and analyze the impact of our business activities on the environment, and disclose it to society.
2. We will promote environmental preservation in line with social needs that go above and beyond the pertinent laws and regulations, through widespread conversations with stakeholders.
3. We will promote measures to reduce the environmental impact in all related businesses and operations, and we actively pursue possibilities of new technologies and services for this purpose.
4. We will constantly pay close attention to the environmental consideration of supply-chains, and promote the environment-conscious procurement.
5. We will intensify the "3R" (Reduce, Reuse, Recycle) activities and waste management in an effort to contribute to the creation of a recycling society.
6. We will encourage our workforce to engage in environmental preservation activities, raising each and every employee's awareness and consciousness.

## **2030 Environmental Targets**

By FY2030, ANA Group will:

1. Reduce net CO<sub>2</sub> emissions from aircraft operations to less than FY2019 levels.
2. Reduce CO<sub>2</sub> emissions from non-aircraft operations by 33% or more compared to FY2019 levels.
3. Reduce resource waste ratio (plastics, paper, etc.) by 70% or more compared to FY2019 levels.
4. Reduce food waste ratio (in-flight/airport lounge meals, etc.) to less than 3.8%.

## **2050 Environmental Goals**

By FY2050, ANA Group will:

1. Reduce net CO<sub>2</sub> emissions from aircraft operations to zero.
2. Reduce net CO<sub>2</sub> emissions from non-aircraft operations to zero.
3. Reduce resource waste ratio (plastics, paper, etc.) to zero.
4. Reduce food waste ratio (in-flight/airport lounge meals, etc.) to less than 2.3%.

## 1.2. Purpose of the Framework

In order to achieve ANA Group's 2030 and 2050 environmental goals, we will issue Green Bonds based on this framework to raise funds to carry out the core actions (Green Projects) of our Transition Strategies.

## 2. Green Bond Framework

### 2.1. Use of Proceeds

The proceeds from the issued Green Bonds will be used to finance and refinance expenditures and investments in following eligible projects. In the case of using the proceeds to refinance expenditures or investments, the projects must have been implemented within 24 months prior to the date of the Green Bonds.

Eligible criteria	Eligible projects	SDGs alignment
Clean Transportation	Procurement of Sustainable Aviation Fuel (SAF)	 
	Investments in projects/companies aiming at increasing available SAF	
Circular economy adapted products, production technologies and processes, certified eco-efficient products	Investments in utilization of negative emissions technologies (*DAC/CCS/CCU, etc.)	 

\*DAC: Direct Air Capture, CCS: Carbon dioxide Capture and Storage, CCU: Carbon dioxide Capture and Utilization

### 2.2. Process for Project Evaluation and Selection

The Corporate Strategy Department, Finance Department and Sustainability Department evaluated and selected the eligible criteria and projects. Final confirmation of the selection of eligible projects was made by the Group ESG Management Promotion Committee, which headed by the president and chaired by the director in charge of ESG promotion of the Company, consisted of directors, executive officers, and full-time corporate auditors of the Company and its subsidiaries including ALL NIPPON AIRWAYS CO., LTD.

The potential environmental and social risks associated with each eligible project and the measures taken to mitigate them are as follows.

#### Potential Environmental and Social Risks and Activities to Offset Risks

SAF is produced from various raw materials such as biomass, waste cooking oil, and waste gas, etc. Sugar crops, one of the raw materials, have been pointed out as competitive risk on food and other applications. In addition, the possible negative impacts on environment such as water, air and soil, and human rights throughout the supply chain of SAF are within concern. To avoid these potential risks, ANA Group purchases EU Renewable Energy

Directive qualified SAF, or \*CORSlA Eligible SAF, which meets certain criteria regarding these issues.

\*CORSlA: Carbon Offsetting and Reduction Scheme for International Aviation

The amount of CO<sub>2</sub> emissions from aircraft operations basically has no differences between the case of using SAF and of using conventional aviation fuel. The effects of using SAF on reducing CO<sub>2</sub> emissions must be evaluated in terms of lifecycle emissions, including those from processes such as the cultivation and harvesting of raw materials and the production and transportation of SAF. ANA Group purchases SAF that has obtained a third-party evaluation of the CO<sub>2</sub> emission reduction rate based on life-cycle assessment.

With regard to utilization of negative emissions technologies, potential risks are supposed to include negative impacts on ecosystems caused by earthwork during plants construction, noise pollution, etc. To mitigate these negative impacts, the Company will confirm that appropriate measures are taken to address these issues relevant to the investments.

To further strengthen the foundation of ESG management, ANA Group has established the "Social Responsibility Guidelines" which all Group employees must follow. The guidelines stipulate compliance with the laws and regulations of each country and region, respect for human rights and diversity, and consideration for the environment.

### **2.3. Management of Proceeds**

Finance Department of the Company will be responsible for allocating and managing the proceeds of the issued Green Bonds based on this Framework. To ensure the proceeds are/will be properly allocated to eligible projects, the Department will use an internal management system, which is able to track both allocated and unallocated proceeds. Also, the Department will check the total amount of allocated and unallocated proceeds periodically to ensure its consistency with the amount of issued Green Bonds. Until the proceeds are fully allocated to eligible projects, the outstanding proceeds will be held in cash or cash equivalents or invested in highly secured and liquid assets such as negotiable certificates of deposit.

The proceeds will be fully allocated by the end of March of the fiscal year, in which is of the 3<sup>rd</sup> anniversary of the issuance of Green Bonds.

In the event of outstanding proceeds resulted from divestment of allocated projects/companies, all of them will be reallocated to other eligible projects.

### **2.4. Reporting**

[Allocation Reporting]

Until the proceeds are fully allocated, the Company will annually confirm the allocation status by the Chief Financial Officer, and report on its website the amount of both allocated and unallocated proceeds, and how the unallocated proceeds, if any, will be managed. In the case of the proceeds allocated for refinancing existing expenditures and investments, the amount or the percentage of that in total amount will be disclosed. If there is any major change in the allocation plan, information of the change will also be disclosed.

[Impact Reporting]

We will disclose the following information annually on our website until the Green Bonds

are fully redeemed, within confidentiality agreements and so far as is reasonably practicable.

Eligible projects	Impact reporting items
Procurement of SAF	<p>Ratio of SAF used in total aviation fuel consumption (%)</p> $\frac{\text{Amount of SAF consumption}}{\text{Amount of total aviation fuel consumption (Conventional Aviation Fuel + SAF)}} = \text{Ratio of SAF used in total aviation fuel consumption}$
Investments in projects/companies aiming at increasing available SAF	<p>List of the projects/companies Purpose of each investment</p>
Investments in utilization of negative emissions technologies (DAC/CCS/CCU, etc.)	<p>List of the projects/companies Purpose of each investment</p>