



Sustainable Procurement Policy

Introduction

Air France and KLM's ambition is to set the standard in CSR and to remain front runner in the airline industry. The group integrates sustainability within the supply chain to provide customers with responsible and innovative products and services, and offer reliability with a proactive focus on sustainability. This should create value for its customers and improve the social and environmental footprint of our services, contributing to the UN Sustainable Development Goals.

Our suppliers play a crucial role in reaching above objectives, as the way our supply chain partners act has a large influence on our risks and opportunities. This whole process of enhancing sustainability is managed with great care. Creating value chains together with our partners and the business is key in our strategy.

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Sustainable Procurement Policy

Air France-KLM's Sustainable Procurement Policy is based on three main elements:

1. Supplier Code of Conduct & Sustainable Development Charter
2. Supplier CSR performance framework
3. Continuous improvement and supplier partnering

1. Supplier Code of Conduct & Sustainable Development Charter

The Air France KLM Sustainable Development Charter (see appendix) must be used in all sourcing activities. (Potential) Suppliers must always be requested to sign the charter or provide an equivalent of their own, to be validated by the Air France-KLM official in charge of Sustainable Procurement. The Air France KLM Sustainable Development Charter is detailed with the Air France KLM Supplier Code of Conduct (see appendix). It is our ambition to have 80% of our Suppliers having signed the Sustainable Development Charter by 2021

2. Supplier CSR performance framework

To verify whether our Suppliers comply with the Air France KLM Sustainable Development Charter, we request our suppliers to undergo a third party assessment. Currently, Air France KLM uses the services of EcoVadis for these assessment, although other third parties can be considered. Selection of to be assessed suppliers is based on a risk mapping methodology. Suppliers that are active in High/Severe Risk categories have to be assessed with priority. On top of the assessment, Air France KLM can perform at any time an on-site Sustainability Audit. The Air France KLM Risk Mapping uses the International Standard Industrial Classification (ISIC)ⁱ categories. A detailed explanation of the methodology and scope of the Purchasing Category Risk Mapping is available for Air France KLM procurements staff.

3. Continuous improvement and supplier partnering

The Air France KLM Procurement organization across its 7 Procurement Categories (Airport & Navigation Fees, Airport Services, Corporate & Marketing, Engineering & Maintenance, Fuel, Inflight Services and IT)

is focused and committed to continuously search for Sustainable Procurement & Innovation opportunities in our Supply Chain. For examples please click [here](#) and [here](#).

This commitment is reflected in Sustainable Procurement targets for our Procurement teams, dedicated Sustainable Procurement Officers in Procurement and ongoing trainings. Furthermore, all Procurement Staff has signed our Code Of Ethics for Employees (see appendix).

We welcome partnering together with our suppliers and the airline industry to jointly drive the sustainability agenda quicker forward.

Suppliers are expected to fully understand their CSR impact and have continuous improvement plans in place to improve their performance. Suppliers that score a minimum of 35 points on the Ecovadis assessment are considered as compliant. Suppliers scoring less than 35 points are requested to provide an improvement plan.

Score (/100)	Items ⁽²⁾ (/100)	CSR Compliance Status	Actions
>= 35	>= 35	Compliant	Assesement every 3 years
>= 35	< 35	Compliant	Assesement every 3 years + Action plan
< 35	-	Non-compliant	Assesement in 1 year + Action plan

APPENDIX

1. Air France KLM Sustainable Development Charter
 2. Air France KLM Supplier Code of Conduct
 3. Air France KLM Code of Ethics for Employees
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