



SUSTAINABLE PROCUREMENT - POLICY DOCUMENT

January 30th 2024

OBJECTIVES

SUSTAINABLE PROCUREMENT

1. Reduce scope 3 supplier CO2 emissions
2. Work with sustainable partners
3. Purchase products and services that contribute to Air France KLM environmental sustainability **targets 2030**

CO2 reduction
per pax km
-30% (new)

compared to 2019

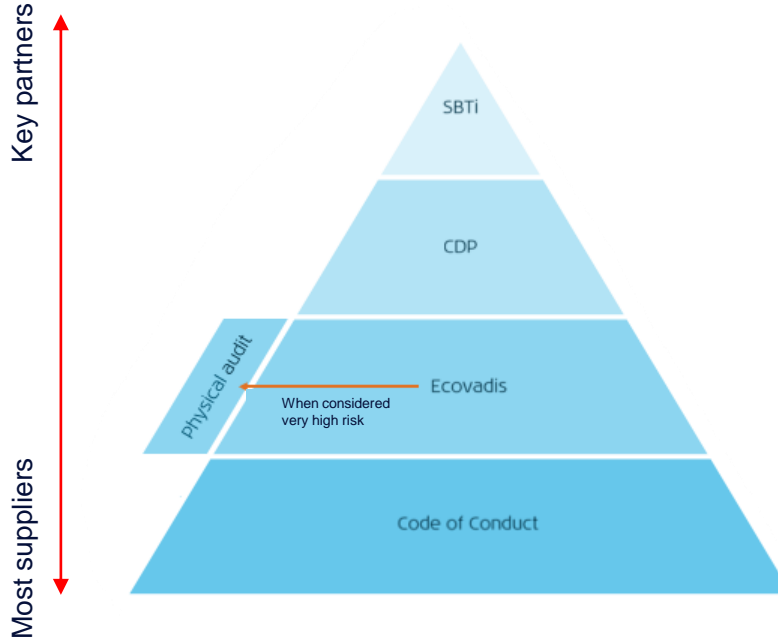
10% SAF
worldwide

zero CO2
ground

Reduce non-
recycled waste -
50%

compared to 2011

AIR FRANCE KLM SUSTAINABLE PROCUREMENT STANDARDS



SUPPLIER SUSTAINABILITY CODE OF CONDUCT

The Supplier Sustainability Code of Conduct is based on the ten principles of the UN Global Compact as well as related international standards. It is an important document to ensure Air France KLM works with responsible suppliers and is compliant with regulations.

- All contracted suppliers need to be Code of Conduct Compliant (mandatory) on a holding level.
- In order to be compliant, the supplier needs to sign;
 - the Air France – KLM Supplier Code of Conduct
 - the UNGLOBAL compact, or
 - own Code of Conduct, which is approved by the compliance officer Air France or KLM
- The validity expires after 5 years and the process shall be renewed upon expiration.
- If the supplier is not able or willing to comply, a formal exception can be requested in exceptional cases. See Annex 1. Escalation & exception process.
- In all other cases, the supplier is no longer qualified
- The sCoC coverage is published externally, including non-qualified suppliers %
- The latest version of the supplier CoC is registered in DOK (AF only) and can be found on the public AFKL procurement portal and on the PSS sustainability share point sites

ECOVADIS

- EcoVadis is an internationally well recognized sustainability monitoring platform to assist our suppliers to conduct evidence based sustainability self-assessments. The assessment consists of 4 themes (1) Environment (2) Labor and human rights (3) Ethics (4) Sustainable procurement.
- For contracted high CSR risk suppliers* and for critical suppliers* a valid EcoVadis assessment is mandatory. For all other contracted suppliers an EcoVadis assessment is optional.
- The EcoVadis assessment is valid for 3 years, in case the overall score is 45 or above, or 1 year in case the overall score is below 45. In this latter case, a supplier action plan would be requested and supplier's corrective actions would be monitored.
- If the supplier in the high CSR risk category or critical supplier, is not able or willing to conduct an EcoVadis assessment, a formal exception can be requested in exceptional cases. See Annex 1. Escalation & exception process.
- In all other cases, the supplier is no longer qualified
- The Ecovadis coverage is published externally, including non-qualified suppliers %

* Definitions can be found in Annex 2

CDP - CARBON DISCLOSURE

- CDP is an internationally well recognized sustainability monitoring platform to assist our suppliers to conduct evidence based sustainability self-assessments, in the field of CO2 disclosure (Climate module). It provides information about the CO2 strategy, policy, targets and performance.
- The top highest CO2 emitting suppliers (target list), need to have a CDP assessment on Climate module (mandatory), starting 2023
- The CDP 'Climate module' assessment is valid for 1 year
- If the supplier is not able or willing to conduct the CDP Climate module assessment, a formal exception can be requested in exceptional cases. See Annex 1. Escalation & exception process.
- In case one of the above is not in place, the supplier is no longer qualified

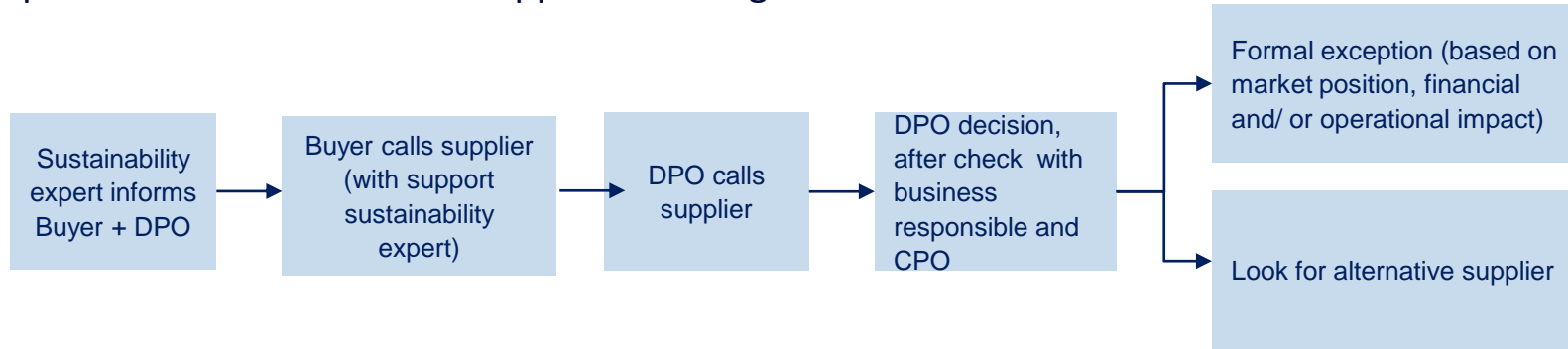
SCIENCE BASED TARGETS

- Science-based targets provide companies with a clearly-defined path to reduce emissions in line with the Paris Agreement goals. The commitment and performance are shared publicly.
- Strategic suppliers with high emission are selected, informed and requested to sign up for the Science Based Targets initiative (with support of PSS and/or the sustainability offices). This is not a mandatory process in 2023
- The responsibility lays at DPO/CPO level, in alignment with the Business responsible.

ANNEX 1. ESCALATION & EXCEPTION PROCESS

In case the supplier is not responding to the invitation to sign supplier Code of Conduct, to register and conduct an EcoVadis assessment and/or - CDP assessment, the supplier will be contacted by the buyer (with possibility of support of PSS), followed by DPO call.

In case of no positive result, DPO decides – aligned with Business responsible - on a formal exception process or look for an alternative supplier. The formal exception form can be found on the Procurement Ops -> PSS Service Portal -> Supplier Data Mgt.



ANNEX 2. DEFINITIONS

Critical supplier is a supplier that Air France - KLM is highly dependent on, based on following criteria; (i) high volume in spend or quantity and/or (ii) supplies critical products or services and/or (iii) non substitutable.

High CSR risk supplier is a supplier in a JCU category that is classified with EcoVadis risk level 5 or 6. The EcoVadis CSR risk classification information can be found on the PSS Sustainability share point site.