



# KLM Code of Conduct

Royal Dutch Airlines





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# Foreword

KLM wants to be Europe's **most customer-centric, innovative, and efficient network carrier**.

Our organisation's behaviour is the sum total of all our actions. Our company's success and its reputation are the result of that behaviour - day in, day out. In *KLM's Code of Conduct* you will read about what KLM expects of you, no matter what you do or where you work.

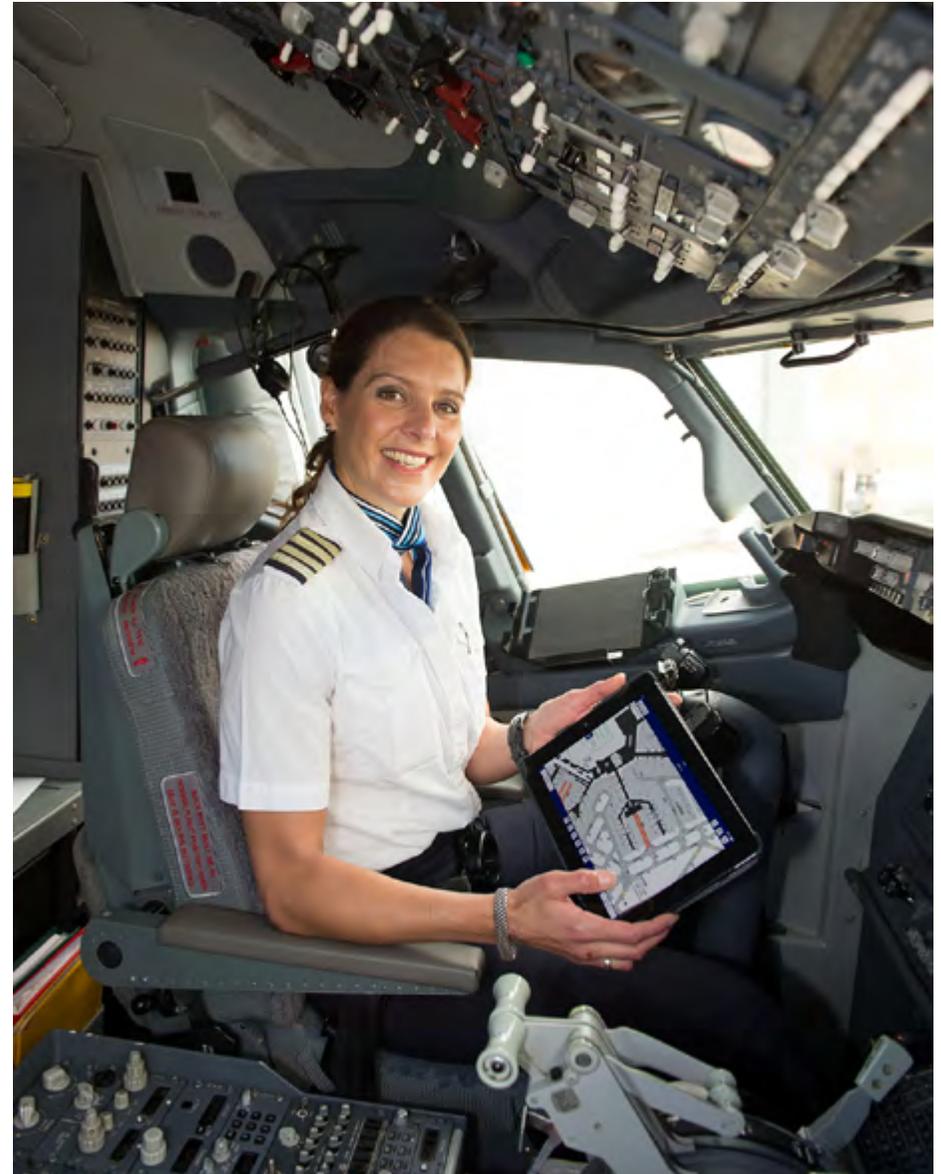
Compliance with the code is an integral part of the way KLM does business. So, please make this code your own. Discuss your dilemmas, be transparent, work transparently, and speak to your colleagues if you see them breaching the code.

With an eye on the future, we are deploying the policy of "Changing, participating, and winning." Because, with the right changes, we can win our customers' hearts and our competitors' business.

Special customer perception is linked directly to our common purpose. In that way, it is the responsibility of every KLM staff member regardless of what they do or where they work. Our behaviour as an organisation as it is described in *KLM's Code of Conduct* lies at the foundation of this idea.

**Pieter Elbers**

KLM President & CEO



# Introduction

## What is KLM's Code of Conduct?

KLM's Code of Conduct is an overarching document containing the basic principles with which all KLM staff members must comply. KLM's Code of Conduct is a dynamic document and is updated whenever necessary. Wherever applicable, we will refer to the underlying, more detailed regulations. As a staff member, you are expected to act according to these principles.

## To whom does the KLM Code of Conduct apply?

KLM's Code of Conduct applies to everyone who works for KLM Royal Dutch Airlines, Martinair Holland, Transavia Airlines, KLM Cityhopper, and all other subsidiary companies of *Koninklijke Luchtvaart Maatschappij N.V. (KLM)*, whether they are in active service or not.

## What is expected of KLM staff?

Every KLM staff member must be aware of, and comply with, the KLM Code of Conduct and its underlying regulations. From time to time, there may be questions in actual practice that cannot be answered unambiguously. If you are uncertain about how to act under certain circumstances, ask yourself these questions:

- Do I understand the risks and can I foresee the consequences?
- Is it legal?
- Does it comply with the KLM Code of Conduct?
- Is it correct and fair?
- If it becomes public knowledge, will it reflect well on me and the company?
- Would I approve if this were to appear in the news?

If the answer to these questions is no, you can deliberate with your manager, the legal department, HR, or the Legal and Business Ethics Compliance Director at [Compliance.Helpdesk@klm.com](mailto:Compliance.Helpdesk@klm.com).

Staff members who do not keep to the KLM Code of Conduct may face disciplinary measures as are laid down in the Collective Labour Agreement (CAO), including dismissal. This is subject to possible civil and criminal proceedings. However, KLM does not take disciplinary action against employees for their actions, mistakes, or decisions as long as they fall within what may be expected of them based on their training, knowledge, and experience. Intentional violations, destructive actions, and gross negligence will not be tolerated.

Violations - and suspicions of possible violations - of the KLM Code of Conduct or underlying regulations must be reported immediately. (We refer to the last paragraph of the KLM Code of Conduct: Reporting Violations.)

## What can you expect of KLM?

KLM is well aware that staff members, internal and external alike, must always feel safe as they carry out their tasks. A safe work environment forms the very foundation for personal wellbeing. Trust and integrity are core values for KLM in the way we deal with ourselves, our colleagues, and our managers. That means making discussable the issues that can potentially jeopardise your safety, health, and wellbeing, and that of your colleagues - including when the risk includes illness, injury, or worse. At KLM we refer to this as the Just Culture.

# Safety

Safety is an essential and integral aspect of all activities and complex processes that make up the day-to-day work of many colleagues. All employees and hired staff are responsible for the safety of their colleagues, customers, passengers, and suppliers. For that reason, everyone must adhere to the KLM Code of Conduct in the workplace. People must challenge their colleagues and help one another in the event of real or potentially dangerous situations. Managers must lead by example. They must communicate clearly about the best working methods and make sure that everyone can work safely. Each staff member is also responsible for creating a safe work environment and can contribute to solutions that promote safety. It is not hierarchy but experience that stands front-and-centre, as does an open corporate culture and an alert and learning organisation.

To that end we rely on our five Safety and Security principles:

- ✓ Work safely
- ✓ Stick to the rules
- ✓ Report unsafe situations
- ✓ Help and challenge each other
- ✓ Be fit to work

The **Safety portal** contains relevant information about the Integrated Safety Management System, the Integrated Safety Services Organisation's products and services, the way we ensure and manage safety, the safety rules that apply to all employees, current documents and manuals, instructional videos



and process descriptions, and explanations and examples of the Just Culture. Staff can also report unsafe situations on the portal - via Q-Pulse, the central incident reporting system.

# Business integrity

## Compliance with the law

All KLM staff must comply with the laws and regulations that apply to their work activities.

## Fair competition

KLM competes with other companies. It supports the idea of a free-market economy and it makes its own commercial decisions. KLM expects its staff members to keep to the competition laws. Actions in breach of competition law are strictly prohibited. The **Air France-KLM Competition Law Compliance Manual** provides some of the more specific guidelines about how to handle contact between competitors (including within trade organisations), sharing confidential information, the abuse of positions of power, and the use of language.

## Export regulations and trade sanctions

KLM complies with export regulations and trade sanctions. It does this by putting the restrictions in place that apply to specific countries and business partners. Before KLM even enters into a business relationship or carries out transactions, it examines the export restrictions and trade sanctions in place. Only then does it decide if those relations or transactions are allowed or whether the relevant authorities require an export permit.

## Bribery and fraud

KLM does business expressly on the basis of loyalty, fairness, transparency, honesty, and integrity. All around the world, KLM complies with all anti-bribery legislation. KLM does not accept any form of bribery or fraud from its employees or its agents, joint venture or other partners, advisers, distributors, suppliers, or anyone else acting on behalf of KLM or anyone with whom it does business.

The **Air France-KLM Anti-Bribery Manual** introduces the relevant regulations about combatting bribery and provides background information about bribery. The **Air France-KLM Gift and Hospitality Policy** lay down specific rules including limits to amounts and the approval process that precedes the provision of gifts and hospitality. Furthermore, KLM maintains a specific KLM Anti-Fraud Policy from which the **KLM Anti-Fraud Policy Statement** has been derived. An Air France-KLM-wide **Procurement Code of Ethics** is in place as well.

## Financial reporting

KLM's financial records must be kept accurate, with a sufficient degree of detail in accordance with generally accepted principles of financial reporting. Staff must cooperate with internal and external auditors. No staff member may influence these auditors, incite them to take certain actions, or manipulate or mislead them.

The administration and information may not be manipulated to change or falsify business results. No deliberate misrepresentation may be given nor may incorrect or inaccurate data be provided for any purpose whatsoever. There may be no deviation from full and truthful reporting with regard to KLM's financial situation in any way, shape, or form.



KLM has created a specific **Code of Ethics for the Finance Function** for KLM staff with a financial position.

### Conflict of interest

KLM staff must avoid situations that might conflict with their private interests and the interests of KLM. For example, there could be a conflict of interest resulting from direct or indirect involvement in business activities that compete with KLM or its business relations. If staff members believe this to be the case, they must discuss it with their direct superior. If there is reason to do so, staff members must report the conflict of interest by email to KLM's Compliance Committee at [compliancecommittee@klm.com](mailto:compliancecommittee@klm.com).

### Confidentiality

All information important for business operations must be protected against loss, violation, misuse, and disclosure. During their employment and afterwards, staff must keep all non-public, proprietary information secret. The information may only be used to promote KLM's business interests. This does not include cases in which KLM permits disclosure or other use, or when required by law.

### How to handle information safely

The **KLM regulations for the safe handling of information and systems** stipulate rules on key issues such as the classification and processing of information, the protection of your computer and KLM computer systems, how to prevent the leaking of sensitive information, and the safe and confidential processing of company information.

The regulations enable you to contribute to the protection of company information and computers. In addition, there are rules regarding the private use of IT facilities and social media. You will also find information on protection measures and data storage.

## Protection of personal data

KLM is well aware of the importance of protecting personal data. The company respects the privacy of its customers, staff, business relations, and other relevant persons, and protects their personal data against abuse. We process individual personal data only in accordance with applicable privacy regulations.

## Safe, decent, and stimulating working conditions

KLM provides safe, decent, and stimulating working conditions. Undesirable behaviour including sexual or other intimidation, bullying, violence, and discrimination are not tolerated. In this context, we refer to the **Complaints Procedure for Inappropriate Conduct**, which gives staff the ability to talk to a confidential adviser and a complaints commission which have been specially appointed for this purpose.

## Protection and proper use of KLM property

All employees must protect KLM property and safeguard their efficient use. Theft, sloppiness, and waste all damage KLM's reputation and profitability. KLM's property may only be used for the company's business aims. They may not be used for personal benefit.

## Protection and proper use of KLM's intellectual property

KLM spends a great deal of time, energy, and money to protect its intellectual property such as copyrights, trademarks, trade secrets, and patents. KLM wants to avoid the improper and incorrect use of intellectual property belonging to others. KLM complies with legal obligations regarding intellectual property rights, including copyright laws. It requires its staff to respect those laws, including their application to copyright-protected printed material, video, music, software, and other electronic formats. It is prohibited to reproduce copyrighted work without permission.

# Social responsibility



Of course, KLM's pioneering role in international aviation goes hand in hand with corporate social responsibility. KLM is not only concerned with healthy business operations. It is also committed to a sustainable society and to care for the environment, both at home and abroad. Together, KLM and Air France employ an ambitious policy. Together, we publish a joint Sustainability Report, which is available digitally on the **KLM Takes Care Platform** under the heading of White Papers and Reports.

KLM's policy conforms to the universal principles laid out in 1999 in the UN Global Compact. By signing the UN Global Compact, KLM has demonstrated that it will respect human rights and labour conditions, combat corruption, and minimise its impact on the environment. We reject all forms of forced labour and child labour. See the **Air France-KLM Corporate Responsibility Statement** in this context.

KLM promotes staff employability and mobility through personal development and the development of competencies. One of KLM's guiding principles is that it strives to promote diversity and engage in social dialogue. We recognise the staff's freedom of association and the effective right of collective bargaining. This is supported by the signing of the **Air France-KLM Social Rights and Ethics Charter**.

KLM also requires its suppliers to comply with the UN Global Compact. We refer to the **Air France-KLM Sustainable Development Charter**.

# Reporting violations

Violations and suspicions of possible violations of the KLM Code of Conduct or underlying regulations must be reported immediately.

The **Whistleblower Policy** describes the procedure that staff must follow to report misconduct, or suspicion thereof. The way the report is treated is also part of the policy. The Whistleblower Policy also describes the guarantees regarding confidentiality and the protection that staff have. There is also a flyer called **10 Questions About the KLM Whistleblower Policy** in addition to the policy. It includes the most important information about the policy.

KLM expects employees who suspect misconduct to first inform their immediate superior about it. If staff are unable or unwilling to do this, they can email the KLM Compliance Committee at [compliancecommittee@klm.com](mailto:compliancecommittee@klm.com) or call +3120 649 2834. KLM does not allow reprisals against staff members who have reported a violation, or possible violation, in good faith.

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