

Delta Air Lines

# Supplier Code of Conduct



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ATTENTION: The correct email address to return your acknowledgement of Delta’s Supplier Code of Conduct should be [TOCSupplyChain@delta.com](mailto:TOCSupplyChain@delta.com).

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## Delta Supplier Code of Conduct

Delta Air Lines is committed to the highest standards of safety, customer service, ethical conduct, and environmental protection. Not only are our employees held to these standards, but Delta has established this *Supplier Code of Conduct* to set the standard of behavior for all suppliers doing business with us.

We must ensure that all of our business activities are conducted with integrity and the highest standards of ethics, and are in compliance with all legal requirements. We will only conduct business with companies that share this commitment. A failure by any supplier to follow these standards can result in actions by Delta up to and including termination of any contract, disclosure of legal violations to the appropriate authorities and/or pursuit of other legal remedies.

Please review this document carefully and ensure that your company's employees and representatives who may deal with Delta are informed of these standards. Suppliers must notify Delta when the supplier is in violation of this *Supplier Code of Conduct*. Delta may audit Suppliers or inspect their facilities to ensure compliance.

Please note that all of the requirements in your contract(s) with Delta continue to apply, and that nothing in this document may be read as excusing performance from any contractual requirement. This guide is only a summary of some of the requirements for dealing with Delta, and does not purport to cover all of the legal and ethical standards that may apply to a supplier's dealings with us. Any questions regarding legal matters should be discussed with your own company's legal counsel.

### A. Legal Compliance

Delta is committed to lawful and ethical conduct in all of our endeavors. We expect all Delta employees and suppliers to act accordingly in conducting our business, including in jurisdictions outside the United States. All suppliers are required to comply with all applicable laws and regulations both domestic and international.

- **Antitrust and Fair Competition:** Suppliers must comply with all applicable antitrust and competition laws. They may not participate in any agreement with competitors, whether explicit or tacit, to fix prices, allocate markets, limit capacity, or undermine the integrity of any competitive bidding process.
- **Boycotts:** Suppliers must not participate in international boycotts that are not sanctioned by the United States government.
- **Compliance with Anti-Corruption and Anti-Bribery Laws:** Suppliers will not offer bribes or kickbacks to a Delta employee or to a public official or any third party on Delta's behalf. Suppliers must comply with the U.S. Foreign Corrupt Practices Act (FCPA), the U.K. Bribery Act, and anti-bribery and anti-corruption laws and regulations in countries where they do business. Suppliers may not promise, offer or give money or anything of value to another person while having reason to believe that all, or a portion, of the money or thing of value may be offered, given, or promised, directly or indirectly, to a foreign official for the purpose of influencing any act or decision of that foreign official related to Delta. In addition, suppliers must accurately and clearly record and document any payments to public officials in all documents provided to Delta, including invoices, as well as in the supplier's books and records.

## **B. Labor and Human Rights**

Delta is committed to fostering human rights and supporting the communities we live in. Delta encourages its suppliers to join its efforts in condemning all forms of human trafficking and sexual exploitation including child prostitution and child pornography. Additionally, Delta requires that suppliers:

- not use child or forced labor
- comply with all applicable minimum wage laws and maximum hours laws
- maintain a workplace that is free of hostility, harassment and discrimination
- not participate in human trafficking or sexual exploitation
- respect the right of freedom of association

## **C. Health and Safety**

Suppliers must provide and maintain a safe and healthy work environment, and perform services in a manner that complies with all laws and regulations. Additionally, hostility, harassment, unwelcome sexual advances and other unprofessional conduct are not tolerated.

For the safety of all personnel, bringing explosives, incendiary devices and deadly or dangerous weapons of any kind onto Delta property or aircraft, for any purpose, is prohibited. Violence or threats of violence are also prohibited. All supplier employees need to know and follow Delta's work rules, including prohibitions on:

- unsafe work practices
- possession or use of illegal substances, alcohol and other intoxicants while on Delta's premises or while conducting business for Delta
- misuse of legal drugs, or other substances including prescription medications and supplements

Delta may ask to review and supplier shall provide worker injury performance data, such as OSHA's worker safety metrics.

## **D. Environment**

Delta is committed to doing more for the environment than simply complying with legal requirements. Compliance with laws is the foundation of our environmental commitment, but Delta is aiming higher. We want our company to be known for environmental excellence. We expect our suppliers to share this commitment. We encourage our suppliers to consistently look for new and better ways to conserve resources, reduce the impact of products in use, and reduce manufacturing waste. We expect suppliers to:

- Meet legal and regulatory requirements at a minimum
- Act in an environmentally responsible way as defined by best practices
- Use non-hazardous materials where feasible
- Minimize the impact of waste materials on the environment through effective controls and recycling
- Prevent pollution or establish mitigation programs
- Reduce greenhouse gas emissions wherever feasible
- Conduct environmental compliance audits to ensure compliance
- Use natural resources efficiently

Where appropriate, we encourage suppliers to seek product certifications as a means to validate and communicate their sustainable practices.

### **E. Supplier Diversity**

Delta is committed to the development and utilization of small, minority and women-owned businesses. It is our policy to ensure that these businesses have an opportunity to compete for our contracts. We pride ourselves on selecting and maintaining a diverse team of qualified suppliers who are dedicated to achieving excellence. Delta believes that our suppliers should also make every attempt to utilize diverse businesses and shall provide information regarding their use of diverse suppliers upon request.

### **F. Information Security and Data Privacy**

Delta defines information security as the protection of information assets and the management of risks to those assets. Delta's management strongly supports a robust and active information security program for its business worldwide. Delta expects suppliers to have information security and privacy programs in place to ensure the confidentiality, integrity, and availability of the information necessary to achieve long-term business success as well as maintain the security and privacy of all employees and customers.

### **G. Protection of Intellectual Property**

Delta's intellectual property includes its proprietary and confidential information, any material subject to copyright, its innovations and patentable inventions, trade secrets, and its trade and service marks including the Delta name and logo. Suppliers may not use any of Delta's intellectual property except as expressly provided in a supplier's contract. Permission to use the Delta name, or to list Delta on any customer list, or to use the supplier's relationship with Delta for any purpose including promotional purposes, requires the prior written consent of the Senior Vice President — Supply Chain Management.

### **H. Accuracy of Reporting**

It is imperative that Delta's suppliers provide all requested data accurately and promptly, as this is critical to our passenger safety, customer service, legal compliance, financial results and accurate reporting. Examples of supplier-reported information include the following:

- Lead times
- Quality specifications
- Service and shipping data
- Prices and invoices
- Productivity volume (capacity)
- Types of products/services
- Audit-related disclosures
- Repair requirements and measurements
- Expense reporting
- Information regarding any possible misconduct or risk to safety

### **I. Inside Information**

Federal laws protect the investing public by making it illegal for those with "inside information" to use that information in buying or selling securities (stocks, bonds, options, etc.). This important rule can apply to anyone at Delta and their families, and to suppliers who deal with Delta.

If a supplier has knowledge of any Delta material information that is non-public, this is inside information. It must be kept confidential and they must not buy or sell Delta securities using it.

#### **J. Use of Delta's Facilities**

Suppliers are not permitted to use any property or facilities of Delta for any purpose other than for providing services under contract to Delta such as telecommunications, computer and other technology assets.

#### **K. Roles**

Supply Chain Management, in tandem with Delta's business units, is responsible for identifying, building and maintaining supplier relationships, which involve a long-term commitment by Delta to work together for the mutual benefit of both parties. Supply Chain Management is responsible for developing supply chain strategies, leading negotiations and the supplier selection process, facilitating corporate supplier relationships, and executing supplier contracts. Delta business units and Supply Chain Management are jointly responsible for identifying business needs and opportunities, managing the working-level supplier relationships, and improving working interfaces and performance. Supply Chain Management also maintains records of suppliers' performance in their assigned products and services areas, which are consulted as part of the "due diligence" effort to avoid rehiring suppliers who engaged in misconduct or poor performance in the past.

Supply Chain Management should be contacted in the event a supplier or potential supplier is approached by any Delta employee outside the Supply Chain Management organization regarding negotiations for pricing or any other contract-related items.

Any wrongful influence on the business unit or Supply Chain Management personnel by a supplier is unacceptable. Likewise, Delta personnel must not wrongfully influence suppliers. Either situation will lead to adverse implications for both parties up to and including termination.

#### **L. Site Visits and Contacting Delta Employees**

Delta requires that suppliers contact the Supply Chain Management department regarding all site visits, contract-related activities and business discussions, as this allows Delta to properly and productively facilitate the arrangements between the suppliers and their customers within Delta. Delta's suppliers may contact their customers within Delta on matters concerning the operations of the day-to-day business; however, Supply Chain Management must be aware prior to any meetings regarding these matters. For all other matters (termination of contract, bidding, purchase orders, etc.), the supplier's sole point of contact is the Supply Chain Management department.

#### **M. Unsolicited Bidding**

Delta welcomes proposals from suppliers that will aid Delta in becoming more efficient and competitive. However, Delta will not tolerate attempts to circumvent its established contracting procedures through unsolicited bidding during a formal bid process. Suppliers will be notified when a bidding opportunity arises. When a product or service is available for bidding, invited suppliers must adhere to the bidding process outlined to them at that time. Please note that submitting unsolicited bids that violate Delta's bidding rules may disqualify the supplier from obtaining future business with Delta.

## **N. Work Request Documentation**

Delta's suppliers must have proper documentation prior to providing any service or product to Delta, since this is the only way the supplier and Delta can agree, in advance, on the terms of service arrangement. Delta suppliers must obtain a purchase order, contract, or some other written documentation prior to providing Delta with any products or services. In addition, only written changes are acceptable when amending purchase orders, contracts or any other document that requests a product or service of a supplier.

Suppliers should note that members of Delta's Supply Chain Management department are the only authorized agents of the company for executing contracts for purchased goods and services with suppliers. Contracts signed by Delta employees outside this organization may be refused by Delta and may be declared immediately null and void at any time, at Delta's discretion.

## **O. Supplier–Furnished Gifts, Meals, and Entertainment**

Delta recognizes that the management of business transactions may include entertainment such as dinners and social events. However, accommodations such as these, when abused, can damage our reputation, harm our business, and could even break the law. To help avoid these adverse consequences, Suppliers are required to know and follow Delta's policy on gifts, meals, and entertainment. You should be aware that, in many ways, Delta's policy on receiving gifts, meals, and entertainment goes beyond what the law requires. Employees in Delta's Supply Chain Management function are also subject to special restrictions, in keeping with Delta's desire to maintain the integrity of our procurement processes.

From time to time, Delta employees are allowed to receive a gift, meal or entertainment from a current or potential business partner, but employees are required to use good judgment and avoid situations in which a gift might diminish – or appear to diminish – their objectivity.

### Gifts

- Employees may accept gifts under \$25 in most cases unless the gift violates the conditions set out below.
- Employees may not accept gifts above \$25. If declining the gift is culturally insensitive or impractical, employees are required to donate the gift to a Delta-sponsored charity.
- Corporate gifts to commemorate major achievements between Delta and a supplier may be accepted, provided they are not offered during a bid or negotiation and are approved by a vice president. Upon an employee's departure from Delta, such corporate gifts will be retained by Delta.

### Ordinary Business Meals and Entertainment

- Employees may accept occasional business meals for valid business purposes.
- Employees may accept occasional ordinary entertainment such as rounds of golf, non-playoff sporting events, and theater or event tickets.

- Employees may accept invitations to events where multiple vendors or customers are involved, such as a trade show, educational conference, sporting event or charitable golf tournament, but supervisor approval is required, and the supplier may not pay for our employees to attend. Employees must expense the cost to Delta.

### Premium Gifts, Entertainment, or Travel

Delta employees may not accept premium gifts, entertainment, or travel unless there is a compelling business reason to do so. Delta employees must respectfully decline tickets to playoff sporting events, championships or major tournaments, including events such as the Olympics, Super Bowl, the Masters, World Cup, Academy Awards or Grammy Awards. Similarly, Delta employees must decline to attend meetings in premium or resort locations, and meetings where non-business activities are a significant and expensive component of the trip. If there is a compelling business reason for a Delta employee to attend or accept premium gifts or entertainment, the employee must obtain approval from a Delta vice president or higher prior to acceptance, and the supplier may not pay for our employees to attend. Employees must pay for their travel to and attendance at these events and expense the cost to Delta.

### Reporting

Supply Chain Management personnel are required to report all gifts or entertainment having a value greater than \$25. The Supply Chain Management Department reviews these reports regularly for compliance with our policies.

### Overarching Conditions

Regardless of the value of any gift, meal or entertainment, Delta employees may **not**:

- Accept any gift or entertainment that would be illegal or result in any violation of law.
- Accept any gift of cash or cash equivalents (such as gift cards, gift certificates, loans, stock, or stock options).
- Accept anything as part of an agreement to do something in return for the gift.
- Accept a gift or entertainment while in active bid or negotiation process.
- Accept any gift or entertainment where it could cause or give the appearance of causing Delta to receive any favor in return for the gift or entertainment.
- Participate in any entertainment with a supplier that is unsavory, sexually oriented, or otherwise violates Delta's commitment to dignity and mutual respect.
- Participate in any activity that they know would cause the person giving the gift or entertainment to violate his or her own employer's standards.
- Solicit gifts or entertainment from a supplier.



#### **P. Conflicts of Interest**

Even the appearance of a conflict of interest can be damaging to Delta or the supplier. For this reason, suppliers and Delta employees and representatives have to stay free of activities that could appear to create a conflict of interest. Delta's suppliers must disclose to Delta promptly all information regarding financial and personal relationships or arrangements the supplier, its representatives, employees, or their close relatives have with Delta employees or representatives or their close relatives, if those relationships or arrangements could appear to influence the outcome of a negotiation or purchasing decision or that violate Delta's standards.

Unless otherwise approved by Delta's Senior Vice President — Supply Chain Management, if a former Delta employee in Supply Chain Management works for a supplier, whether as an employee or agent, the supplier must wait two years before allowing the former employee to have any responsibility in connection with Delta's business with the supplier. The two years start from the former employee's last employment date at Delta. This limit helps avoid any appearance of favoritism and misuse of Delta information.

#### **Q. Duty to Report Violations; Non-Retaliation Policy**

Suppliers are required to report promptly to Delta any violations of these standards committed by their own employees or representatives, or by any employee or representative of Delta. These reports may be made through the supplier's normal purchasing contact, or through Delta's *Ethics and Compliance HelpLine* at 1-800-253-7879 within the U.S. and Canada or online at <https://iwf.tnwgrc.com/delta>. Reports can be made anonymously where allowed under local law. Delta prohibits any form of retaliation against anyone who in good faith reports suspected misconduct. A supplier's disclosure to Delta of misconduct by the supplier's employee(s) does not guarantee that the misconduct will not adversely impact Delta's continued relationship with that supplier. However, Delta will generally view such a disclosure as evidence of the supplier's good faith intent to follow Delta's rules for supplier relationships. Suppliers are expected to cooperate fully in any investigation of potential misconduct.

#### **R. Supplier Value Creation**

Our expectations are that suppliers strive to reduce cost and waste from their products and services such that Delta receives year over year improvements. We will work together with our suppliers to create new and innovative ways to improve quality and performance while reducing costs.

#### **S. Supplier Performance Program**

Suppliers may be asked to participate in Delta's Supplier Performance Program, which is a combination of a supplier scorecard and regularly-scheduled business reviews. Suppliers should participate in the scorecard program. The scorecard, a collaborative effort between Delta stakeholders and suppliers, measures several aspects of performance, such as service level, product lead-time, unit cost, operational impact, responsiveness, and quality. The frequency of business reviews is determined by the nature of the product or service provided by the supplier as well as the supplier's performance level on the scorecard. Suppliers are expected to meet and exceed minimum standards set on the scorecard.