

# Southwest Airlines Supplier Code of Conduct

*Introduction from Stacy Malphurs, Vice President Supply Chain Management*

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At Southwest Airlines (“Southwest” or the “Company”) our Purpose is to connect People to what’s important in their lives through friendly, reliable, and low-cost air travel. This complements our Vision to be the world’s most loved, most efficient, and most profitable airline. Across Southwest, we take pride in our reputation as the airline with Heart, which naturally extends to a passion for treating People with respect, making a difference in our communities, and respecting our environmental resources. At all times, we are focused on doing the right thing by our People, through our Performance, and in service to our Planet. We seek to promote human rights in our business and guard against human rights abuses by complying with applicable laws and establishing appropriate policies. To learn more about Southwest’s approach to Corporate Citizenship including efforts related to Environment, Social, and Governance, see our [Southwest Citizenship](#) page.

Our steadfast dedication to our Purpose and Vision is driven by our Southwest Values, which speak to the Heart of who we are and how we treat each other. We are committed to treating our Customers, communities, and Suppliers with the same concern, respect, and caring attitude that they would experience as part of the Southwest Team.

All of the work we do, including our Supply Chain Management efforts, supports our Purpose, Vision, and Values, and we expect all suppliers and service providers (“Suppliers”) working with Southwest to observe the highest standards of ethical conduct.

## Introduction

In support of connecting People with what’s important in their lives, Southwest strives to maintain low-cost Leadership through effective and efficient procurement and supply management practices and spending capital wisely.

Working with our Suppliers is an important part of being a good corporate citizen. We work with our Suppliers not only because of the impact they have on the products and equipment we use in the skies, on the ground, and in our offices, but also to empower the communities we serve and respect the planet we love. We seek to build relationships with our Suppliers to help fulfill our operational needs, support the communities we serve, and satisfy the expectations of our Stakeholders. We expect

Suppliers to deal fairly, demonstrate integrity, honor commitments and not take unfair advantage of others.

This Southwest Supplier Code of Conduct sets forth the minimum expectations for establishing and maintaining a business relationship with Southwest. Additionally, we expect Suppliers to replicate these standards and ethical business practices further down the supply chain. This Supplier Code of Conduct is not meant to, and does not, supersede any applicable law, or any term in an agreement between Southwest and a Supplier.

## Southwest Process

Southwest expects Suppliers to follow this Supplier Code of Conduct. Failure by Suppliers to do so may result in being ineligible to compete for future business. Southwest utilizes an online Supplier portal called STARS. STARS enhances the Supplier registration process through a self-registration process including the ability for Suppliers to upload relevant information and certificates. All Suppliers who desire to do business with Southwest are expected to complete a Supplier profile in the STARS portal at <https://swa.starssmp.com>.

Questions about Supply Chain processes should be directed to a Supply Chain Management representative at [procurement@wnco.com](mailto:procurement@wnco.com).

## Ethical Workplace

Southwest expects all Suppliers to adhere to the below standards. Suppliers are expected to carry-out their businesses honestly and with the highest ethical standards, and operate in full compliance with all applicable laws, rules, and regulations:

**Conflicts of Interest:** It is Southwest’s expectation that Suppliers, including potential Suppliers, should refrain from any activity that creates an actual or apparent conflict with Southwest. Suppliers are expected to disclose to Southwest any potential, perceived, or actual conflicts of interest that could impact business dealings with Southwest. Unless approved by the Vice President Supply Chain Management or Vice President People, a former Southwest Employee who had purchasing responsibilities or who may have influenced purchasing decisions during

his/her last year prior to leaving Southwest, cannot have direct contact with Southwest as a representative for a Supplier (e.g. salesperson) during the first (12) months following the Employee's separation from Southwest.

**Bribery:** Southwest is committed to compliance with all applicable anti-bribery and anti-corruption laws and regulations in the countries/regions in which it does business. Suppliers are expected to similarly comply with applicable anti-bribery and anti-corruption laws.

**Record Keeping:** A Supplier's financial, accounting, and other reports and records should accurately and fairly reflect transactions in reasonable detail and in accordance with acceptable accounting standards and government regulations. Information should be recorded completely, honestly, accurately, and in a timely manner.

**Gift Giving, Entertainment & Hospitality:** Suppliers, including potential Suppliers, should not, under any circumstances, offer gifts, gratuities or excessive entertainment to Southwest Employees for the purpose of influencing, or giving the appearance of influencing, decisions by those Employees in favor of a Supplier or potential Supplier. For example, extension of offers of gifts or other hospitalities during open commercial discussions such as requests for proposal ("RFPs") or negotiations is expressly prohibited.

**Fair Competition & Fair Dealing:** Suppliers should seek to achieve competitive advantages fairly and honestly, and never through unethical or illegal business practices. Each Supplier is expected to carry out its business in line with applicable competition and antitrust laws and regulations.

**Insider Trading:** During the course of a Supplier's work, a Supplier may become aware of material non-public information. To use material non-public information for personal financial benefit or to "tip" others who might make an investment decision on the basis of this information is not only unethical, but is also illegal. Suppliers are expected to comply with all federal, state, and local securities laws.

**Payment to Government Officials:** Suppliers are expected to comply with The Foreign Corrupt Practices Act of 1977, as amended (the "FCPA") which prohibits the payment or giving of anything of value, whether directly or indirectly, to a foreign official in order to benefit the Company's business.

**Confidentiality:** We expect our Suppliers to protect the confidentiality of the information entrusted to them by Southwest. Suppliers may use Southwest confidential information only to the extent permit-

ted by and for the purposes identified by Southwest.

**Southwest's Logos:** Suppliers, including potential Suppliers, should not, under any circumstances, use Southwest's logos or branding without Southwest's prior written approval.

**Reporting Potential Misconduct:** Southwest expects that Suppliers will communicate to Southwest any actual or suspected illegal or otherwise improper conduct.

### **Respectful Workplace**

Suppliers should be committed to providing a stable work environment with equal opportunity for learning and personal growth. Suppliers should encourage their employees to raise any questions or concerns regarding harassment, sexual harassment, discrimination, or retaliation with his/her supervisor.

**Human Trafficking:** Southwest complies with applicable laws against human trafficking, and our policies regarding labor and human rights are consistent with international standards. We support and align with U.N. Guiding Principles for Business and Human Rights, the International Bill of Human Rights, and the International Labor Organization.

Actual or suspected violations should be reported to local law enforcement and/or the National Human Trafficking Resource Center (NHTRC) at 888-373-7888.

Our [Human Rights Policy Statement](#) details our commitments to addressing labor issues such as discrimination, harassment and retaliation, forced labor, modern slavery, [safety and security](#), freedom of association and collective bargaining, human trafficking and child labor. We expect our Suppliers to adhere to the same standards.

**Drug Free Workplace:** Suppliers should comply with all federal regulations and implement a drug-free workplace policy that applies to all employees.

### **Emergency Preparedness & Business Continuity**

Suppliers should be prepared to oversee planning and response initiatives to meet moral and legal obligations in the event of an emergency and establish framework to enable business to continue during disruptions to its people, facilities and technology.

### **Authority to Commit**

Contracts must be approved by the appropriate authorized approver prior to execution. Only certain individuals are authorized to make Supplier commitments. If questions or clarifications are needed please direct questions to [procurement@wnco.com](mailto:procurement@wnco.com).

**Supplier Diversity:** At Southwest, Diversity is more than a word – it is the fabric of our culture. We encourage our Suppliers to cultivate an inclusive and equitable environment for their employees and customers and to strive to maintain a diverse and unique workforce to help fulfill operational needs and stimulate economic growth in the communities they serve. For more information on Southwest's Supplier Diversity Program, read [Our Corporate Commitment to Supplier Diversity](#).

**Environmental & Sustainable Practices:** Environmental sustainability is a priority for Southwest, and our efforts towards environmental sustainability extend beyond just takeoff and landing to our services, operations, and procurement policies. We expect our Suppliers to clearly identify the environmental impacts of their operations and maintain an open dialogue with Southwest about their environmental responsibility and sustainability efforts.

The key areas we expect Suppliers to act on are:

**Compliance with Environmental Laws & Pollution Prevention:** Knowledge of and compliance with all applicable environmental laws and regulations is expected.

**Greenhouse Gas (GHG) Emissions:** Southwest has set forth goals and targets to reduce the GHG emissions intensity associated with our operations. We encourage our Suppliers to take concrete steps to address their own footprints by tracking their GHG emissions through an annual GHG inventory, establishing GHG emissions intensity goals and targets, and developing mitigation plans.

**Climate Risk:** We expect our Suppliers to be transparent with Southwest about the climate-related risks posed to their business and operations.

**Use of Resources:** Throughout their operations, we expect Suppliers will work to use resources more efficiently, including raw materials, energy, and water. Additionally, we encourage Suppliers to seek out more sustainable alternatives, such as through cleaner energy sourcing.

## Supplier Risk

Southwest values long-term Supplier relationships when mutual loyalty is evidenced through superior performance and a commitment to continuous improvement and value enhancement. Southwest expects its Suppliers to maintain a program to proactively identify and manage risk associated with its operations that may prevent the Supplier from fulfilling its obligations on time.

## Supplier Performance Management

Southwest actively monitors Suppliers for criteria including, but not limited to, performance to the terms of governing contracts, financial health of Suppliers, business continuity, and risk mitigation. Southwest may request Suppliers to participate in Supplier performance reviews and may utilize data and information from internal, Supplier, and/or third-party sources to ensure optimal Supplier performance.