

## Develop a Human Rights Policy

**Whereas,** The *UN Guiding Principles on Business and Human Rights*<sup>1</sup> (hereinafter UNGPs), state that companies have the 'corporate responsibility' to respect human rights within their operations and throughout their value chains. This responsibility entails that companies should know their human rights risks and impacts; take concrete steps to prevent, mitigate and remediate adverse impacts when they occur; and publicly communicate how they are addressing salient human rights issues.

As investors, we are increasingly identifying, assessing and addressing human rights risks and impacts in portfolio companies in line with the OECD Guidelines on Responsible Business Conduct for Institutional Investors<sup>2</sup>. These guidelines provide a framework for investors to engage with companies concerning responsible global business conduct. In addition, a variety of benchmarks are emerging to support investor efforts to evaluate corporate human rights performance in their operations and in supply chains, including the Corporate Human Rights Benchmark<sup>3</sup>, Know the Chain<sup>4</sup>, and Behind the Barcodes<sup>5</sup>, and to improve company performance.

Managing human rights risks at both management and board levels is necessary and prudent in order to prevent and mitigate potential and significant operational, financial and reputational risks associated with negative human rights impacts, including in the supply chain. In turn, companies' ability to demonstrate policies and best practices reflecting internationally accepted human rights standards can lead to successful and sustainable business planning, and improved relations with customers, workers and business partners.

Southwest has a number of Corporate Policies, including a Code of Ethics<sup>6</sup>. Yet information available for review on Southwest.com indicates no specific public commitment to respect Human Rights in line with UNGPs.<sup>7</sup>

Southwest is one of the world's largest low-cost airline carriers and has significant leverage for identifying and addressing human rights risks in its operations and in its supply chain.

**Resolved:** Shareholders request the Board of Directors of Southwest Airlines to create a comprehensive policy articulating our company's respect for and commitment to human rights.

**Supporting Statement:** A comprehensive policy expressly reflects the global standards of expected conduct for all companies wherever they operate, which include:

1. A company's commitment to respect human rights (Guiding Principle 16).
2. A human rights due diligence process (Guiding Principles 17-21) and reporting on results.
3. Effective grievance mechanisms (Guiding Principles 22, 29 and 31).

<sup>1</sup> <https://www.business-humanrights.org/en/un-guiding-principles>

<sup>2</sup> <https://mneguidelines.oecd.org/RBC-for-Institutional-Investors.pdf>

<sup>3</sup> <https://www.corporatebenchmark.org/>

<sup>4</sup> <https://knowthechain.org/>

<sup>5</sup> <https://www.oxfamamerica.org/take-action/campaign/food-farming-and-hunger/behind-the-barcodes/>

<sup>6</sup> [http://investors.southwest.com/~/\\_media/Files/S/Southwest-IR/Code%20of%20Ethics%20-%20Clean%20as%20approved%20by%20Board%208-1-18.pdf](http://investors.southwest.com/~/_media/Files/S/Southwest-IR/Code%20of%20Ethics%20-%20Clean%20as%20approved%20by%20Board%208-1-18.pdf)

<sup>7</sup> <http://investors.southwest.com/corporate-governance/corporate-bylaws-articles-of-incorporation-and-corporate-policies/corporate-policies>