

AIRFRANCE KLM



**CORPORATE
SOCIAL RESPONSIBILITY
REPORT**

2014

Corporate Social Responsibility Report 2014

| | |
|---------------------------------------------------|-----------|
| Index | |
| FOREWORD | 3 |
| INTERVIEW | 4 |
| AVIATION INDUSTRY DEVELOPMENTS | 7 |
| FINANCIAL RESULTS | 8 |
| CSR HIGHLIGHTS 2014 | 9 |
| GOVERNANCE | 10 |
| CSR approach | 12 |
| CSR strategy | 14 |
| Corporate governance | 16 |
| Shareholders | 17 |
| Safety | 18 |
| Risk management | 19 |
| Ethics | 20 |
| Public positions | 21 |
| ENVIRONMENT | 22 |
| Objectives and main achievements 2014 | 24 |
| Key figures | 26 |
| Climate change policy | 27 |
| Carbon footprint | 28 |
| Sustainable biofuels | 30 |
| Noise | 32 |
| Air quality | 33 |
| Waste | 34 |
| Energy and water | 36 |
| Research and innovation | 38 |
| Biodiversity | 39 |
| SUSTAINABILITY IN THE CUSTOMER EXPERIENCE | 40 |
| Objectives and main achievements 2014 | 42 |
| Our approach | 42 |
| Dialogue with customers | 44 |
| Sustainable procurement | 46 |
| Best practices | 48 |
| A sustainable and innovative product range | 50 |
| RESPONSIBLE HUMAN RESOURCES | 52 |
| Objectives and main achievements 2014 | 54 |
| Key figures | 56 |
| Group social policy | 57 |
| Health and safety at work | 58 |
| Equal opportunities | 60 |
| International human resources | 61 |
| LOCAL DEVELOPMENT | 62 |
| Objectives and main achievements 2014 | 64 |
| Economic value | 65 |
| Local development around our hubs | 66 |
| Local development at destinations | 68 |
| Social partnerships | 70 |
| PERFORMANCE INDICATORS | 72 |



“Air France-KLM is mobilizing to create the travel of the future, an experience we envision as caring, innovative and responsible.”

Within a very rapidly-changing environment, the Air France-KLM Group is pursuing its transformation initiated some three years ago. Demand for air transportation is growing and opening up new horizons.

To benefit from this growth and reinforce our competitive positioning, we are investing in our products and services. We are developing our dual Paris-Charles-de-Gaulle and Amsterdam-Schiphol hubs, the gateways that Air France-KLM is opening to the world. This requires resolute efforts to increase our attractiveness, competitiveness and communication with all our stakeholders.

Air France-KLM is mobilizing to create the travel of the future, an experience we envision as caring, innovative and responsible. Conscious of the leading role we can play with our customers, partners, suppliers and the industry, we enshrine innovation alongside citizenship and environmental commitment at the heart of our business strategy. This commitment is affirmed each year through our membership of the United Nations Global Compact.

Making sustainable development increasingly integral to operations, creating a growth dynamic with all our staff, finding original solutions in all areas, such as the goals which will enable us to reinvent our business.

In 2015, France will be host country for the COP21 Climate Conference. This is an opportunity to show that Air France-KLM is committed to meeting its customers' needs more effectively and anticipating changes in our society. ●

Alexandre de Juniac
Chairman and Chief Executive Officer,
Air France-KLM



Interview

A look back at 2014 and the outlook for the next years

WHAT IS YOUR ASSESSMENT OF THE TRANSFORM PLAN? WHAT ARE THE RESULTS FOR THE AIR FRANCE-KLM GROUP?

Alexandre de Juniac

The Transform 2015 strategic plan, launched in 2012, made way for a considerable improvement in Air France-KLM's ability to compete. We reduced Group debt and implemented cost-saving programs. In parallel, we are pursuing an up-market move for our products and services, which we initiated three years ago. The Group has invested USD 1 billion to offer top-quality services on all its long-haul flights, aligned with the highest international standards. This enables us to again rank amongst the leading international airlines. The satisfaction scores of customers who have travelled in our new cabins have almost doubled, showing that we are on the right path.

Deleveraging, cost savings and the upgrading of our products and services are all tangible results of the efforts made by the Group's 100,000 employees over the past three years. The next step is to win back market share with our new Perform 2020 plan.

AND WITH AIR FRANCE AND KLM?

Frédéric Gagey

Transform 2015 proved effective and created a real momentum behind the financial turnaround for Air France. We will benefit from its effects in 2015. Air France is focusing on service quality and optimising on-board comfort. In long-haul travel, we plan to continue to install our La Première suites and new Business, Premium Economy and Economy cabins to offer all our customers the highest possible level of comfort. We are playing the card of French luxury and the excellence of our products and cuisine. We will also deploy this move up-market on our medium-haul network.

We have restructured our medium-haul operations across the Air France

offering for all European flights serving the Paris-CDG hub and the new HOP! Air France proposition, mainly on departure from Paris-Orly. The aim is to meet market expectations more effectively and respond to our main competitors.

We want to offer the best-in-class for the airline industry. By offering this complementary positioning, we are looking to address our entire customer base.

Pieter Elbers

Political unrest around the world, a major economic crisis, spiralling oil prices, competition from Middle Eastern airlines and low-cost carriers – all of these meant KLM had to make significant changes. Apart from that, the aviation industry is still heavily regulated. However, KLM invested in its products and services and in its fleet. We began installing our new World Business Class cabin interior aboard our Boeing 747 and 777-200 fleets. We phased out our MD-11s, as part of our fleet renewal program, we welcomed new 777s, and our introduction team began preparing for the arrival of the 787.

With Transform 2015, we have focused closely on structurally reducing our costs, reducing our net debt and, at the same time, improving our products and services.

HOW DO YOU SEE 2015 UNFOLDING FOR THE AIR FRANCE-KLM GROUP?

Alexandre de Juniac

The Group will begin to deploy the Perform 2020 plan. We need to reinforce our position as a major global player with strong foundations in Europe. Our network gives us a competitive advantage but we are going to have to search for growth. The Summer 2015 schedule reflects this ambition. We are also reinforcing our partnerships, with a particular focus on Asia where our challenge is to grasp every development opportunity.



Alexandre de Juniac,
Chairman and Chief Executive Officer,
Air France-KLM



Frédéric Gagey,
Chairman and Chief Executive Officer,
Air France



Pieter Elbers,
Chairman and Chief Executive Officer,
KLM

In short and medium-haul travel, growth requires a response to competition from low-cost carriers. This is the *raison d'être* of our Transavia subsidiary, through which we plan to develop our low-cost offer in Europe.

Concerning maintenance—where Air France-KLM ranks number two globally—we need to be closer to our customers, particularly in North America, the leading market. Lastly, we are continuing to restructure the cargo business. Within a year, we will carry almost all cargo in the bellies of passenger aircraft. Employees are at the heart of the process. We have begun to collate their transformation proposals by way of a “bottom-up” process. I am impressed by the high response levels and by the ideas, which are really interesting.

THIS YEAR THE DEPLOYMENT OF NEW PRODUCTS AND SERVICES CONTINUED AT AIR FRANCE AND KLM. IN YOUR VIEW, WHAT ARE THE DIFFERENTIATING FACTORS FOR AN AIRLINE?

Frédéric Gagey

We are trying to differentiate ourselves by proposing innovative offers attuned to our customers' expectations. In 2014, we worked on in-flight comfort and on other aspects of travel such as airport customer experience. Our aim is to offer our customers a streamlined, autonomous airport experience through the deployment of digital tools and new self-service kiosks. Thanks to these new developments, staff can focus more on building caring and personalized relationships with customers.

I also believe that airlines have a citizenship role to play. Air France

2
hubs
Paris-CDG
Amsterdam-Schiphol

1st
long-haul network
from Europe

316
destinations
in 115 countries

3
businesses
Passengers, Cargo, Maintenance

87.4
million
passengers carried

1,3
million
tons of cargo

encourages innovation in the territories where it operates and we have signed the innovative SME Charter. We also support startups and engage in partnerships. As another example of Air France's commitment, I am also to develop procurement from the protected sector. This year, the proportion of our procurement reserved for businesses employing persons with disabilities again increased, thereby demonstrating our confidence in them.

Pieter Elbers

KLM turned 95 in 2015 by being innovative, customer-centric and flexible. To ensure the high standard of our products, we continually invest in our business operations so that we can keep improving ourselves and become more efficient.

Our staff is developing innovative solutions by sharing knowledge and experiences to optimise products. Apart from investing in our fleet, our products and our services, we are also working on central security at Schiphol, which is a crucial improvement for our customers.

Since 2009, KLM has been a pioneer in service provision via social media. KLM offers a 24/7, one-stop shop, in 14 languages on six platforms, through which we engage in authentic, open and personal dialogue. We believe that by engaging actively we can learn, innovate and make a difference for our customers.

KLM is working to enhance its position as Europe's leading customer-centric, innovative, efficient network carrier. Our frontline staff already belongs to the top in Europe, but we strive to constantly outperform ourselves in terms of customer-centricity. Only then can we maintain our lead over our competitors.

WHAT ARE THE DEVELOPMENTS FOR KLM IN 2015?

Pieter Elbers

KLM has launched Flight Plan 2015. Of course, the operational side of Perform 2020 includes CSR elements. We will focus on remaining at the top of the Dow Jones Sustainability Index. We have defined targets to reduce our waste, further introduce responsible catering products and save energy. It is our ambition to reduce CO₂ emissions by 20% through 2020, in the air and on the ground. How? Through fleet renewal, by introducing the 787-9 and by replacing our Fokker 70s with Embraer 175s, and by pursuing our efforts to develop the market for sustainable biofuels. We will further digitize our processes by implementing a paperless cockpit

and by equipping our frontline staff with tablets. This will further optimize customer service. As our staff is our main asset, we are also focusing on maintaining a healthy workforce and improving employability.

IN 2014, AIR FRANCE LAUNCHED ITS LAB'LINE FOR THE FUTURE PROJECT. CAN YOU TELL US MORE ABOUT THAT?

Frédéric Gagey

I am very proud of this project. I am convinced that the future of aviation will involve innovation and increased respect for the environment. It is concrete proof of Air France's commitment to innovation and research. Since September 2014, and for a one-year period, we have been operating weekly flights between Toulouse and Paris powered by biofuel. Lab'line is an opportunity for Air France to showcase all its innovation aimed at more responsible travel, not only environmentally but also by expressing social and citizenship dimensions. Aviation remains a link between mankind and economies.

Through this project, we aim to support the development of a full-fledged French biofuel industry. To this end, we are mobilising fourteen partners to create a real dynamic. We are passionate about this challenge.

FOR THE TENTH YEAR RUNNING, AIR FRANCE-KLM HAS BEEN INCLUDED IN THE DOW JONES SUSTAINABILITY INDEX, THE LEADING INTERNATIONAL INDEX EVALUATING COMPANIES ON THEIR SUSTAINABLE DEVELOPMENT PERFORMANCE.

Alexandre de Juniac

DJSI and the extra-financial rating agency RobecoSAM, ranked Air France-KLM as the Group leader of the "Airlines" category for the tenth consecutive year.

Furthermore, for the sixth year, Air France-KLM was named leader of the broader "Transport" category, grouping air, rail, sea and road transportation, together with airport activities. Air France-KLM thus ranks amongst the twenty-four most sustainable companies in the world, each in their own sector of activity.

Ten years represents a real recognition of our commitment and strategy, which has been built over the long term. It encourages us to continue our efforts and develop new projects.

Aviation industry developments

AIRLINES BUSINESS

The airline industry operates in a competitive environment, concerning a highly cyclical business and stands out poorly in the value chain as earning the lowest returns and bearing virtually the highest risk. The strong competition from low-cost carriers as well as expanding Middle Eastern airlines require adapted business plans and growth strategies. Traditional European hub-carriers are engaged in restructuring plans to restore adequate levels of profitability, particularly relative to competitors who benefit from a more dynamic context.

GLOBAL ALLIANCES

Consolidation remains a key factor behind improving margins in the air transport industry. Mergers, alliances and partnership agreements create economies of scale and reduce operating costs. Traditional alliances such as SkyTeam, Star Alliance and Oneworld continue their growth. The Middle Eastern carriers also continue to develop partnerships and make conditions challenging for European airlines.

STRUCTURAL GROWTH

The air transport industry is growing by about 5% annually, and is expected to develop even further over the coming two decades. High growth will be concentrated in emerging markets in Brazil, China and Southeast Asia. International Air Transport Association's prediction for 2050 for aviation is 16 billion passengers travelling by plane and 400 million tons of cargo being carried.

CLIMATE CHANGE

Mitigating climate change remains an important challenge in a context of resource scarcity and volatility of oil prices. Although oil prices have dropped substantially over the last year, a shift towards sustainable bio-fuels is crucial. Collaboration is needed to reduce CO₂ by focusing on new technologies, operational efficiency, improved infrastructure and economic measures to fill the remaining emission gap.

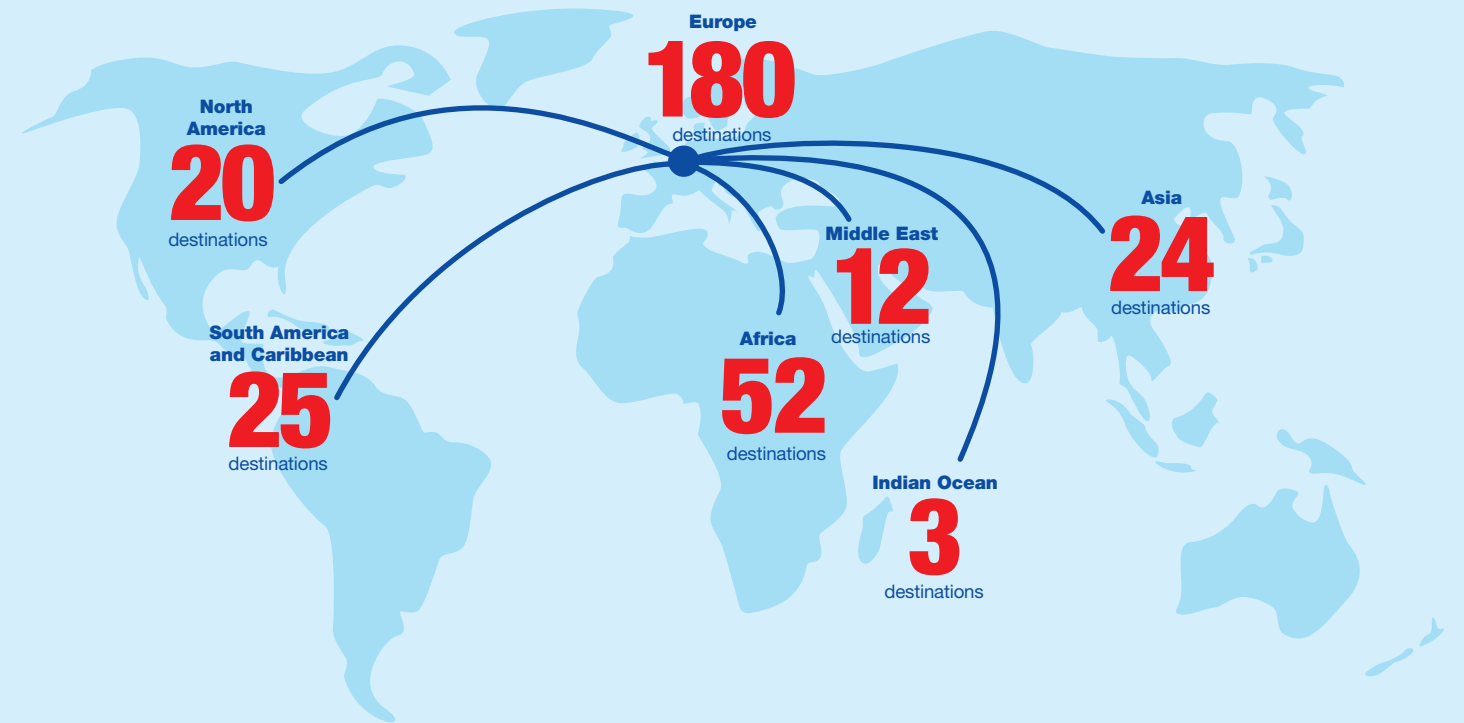
CUSTOMER BEHAVIOR

Customer behaviour has undergone a profound transformation in recent years. Customers are well informed and sensitive to the value of the service offered. The need for a personalized service is growing, whatever the class of travel. The development of mobile devices is changing established practice: Customers share their experiences online, and expect real time information and quick response through social media. In addition, mobile booking continues to grow. In the next few years, technological innovation will also require changes in traditional distribution systems.

REGULATIONS

Strict regulations are applied to consumer protection and security, resulting in more restrictions for customers and higher costs for carriers. Varying passenger rights around the world creates difficulties for airlines. Unlike rail transport, aviation funds all of its own infrastructure costs, both on the ground and in the air, as well as flight security and safety costs. The cost of using this infrastructure has risen steeply in the past decade. ●

AIR FRANCE-KLM NETWORK



94,666
employees (FTEs)

546
aircraft in operation

Member of SkyTeam
2nd largest alliance
20 members more than 1 000 destinations

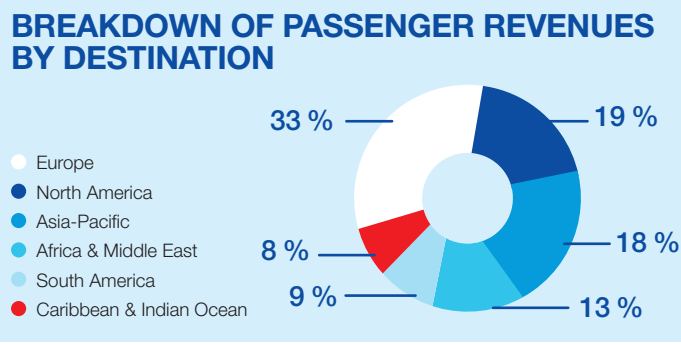
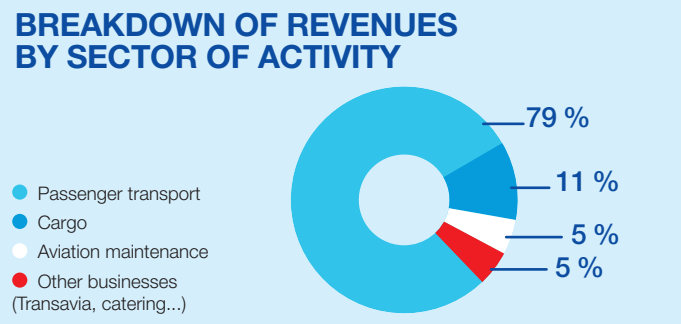
Financial results

The Air France-KLM Group comprises a single holding company and two airlines, Air France and KLM, each of which retains its own brand and identity. Its three main businesses are passenger transport, cargo transport and aviation maintenance services, for its own fleet and those of other airlines.

For the period between January 1 and December 31, 2014, consolidated revenues amounted to €24.91 billion, a 2.4% decrease but stable (+0.3%) like-for-like. The result from current operations was negative at €129 million (versus income of €130 million at December 31, 2013).

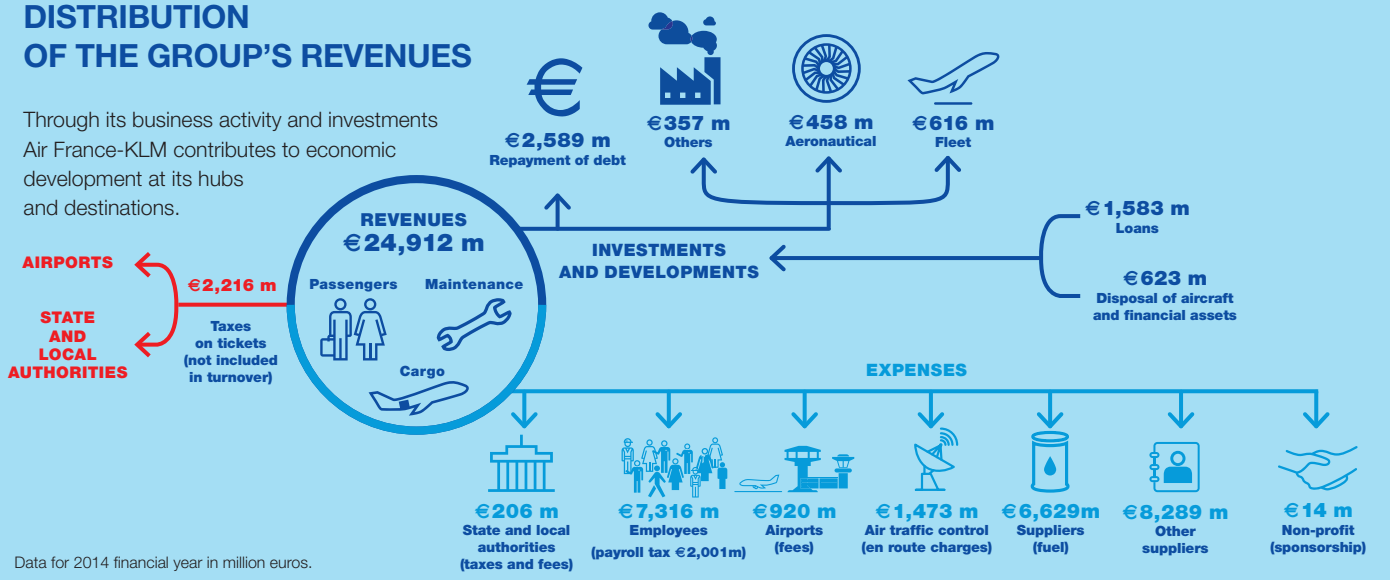
Revenues
€24,912 m

Result from current operations
€-129 m



DISTRIBUTION OF THE GROUP'S REVENUES

Through its business activity and investments Air France-KLM contributes to economic development at its hubs and destinations.



Data for 2014 financial year in million euros.

CSR highlights 2014

AIR FRANCE LAB'LINE FOR THE FUTURE

14 partners



One weekly flight
Toulouse - Paris
partly operated with biofuel

KLM CORPORATE BIOFUEL PROGRAM



15 partners

20 flights

Amsterdam - Aruba - Bonaire on partly on biofuel



FLIGHT OPERATIONS

3.45 liters
fuel / passenger / 100 km

86 g. CO₂
/ passenger / km
6.7% reduction compared to 2011



NOISE

38%
reduction compared to 2000

GROUND OPERATIONS

10%
reduction compared to 2013



EMPLOYEES

90%
located in France and in The Netherlands

43.2% of women



Senior management and executive level women

26.3% at Air France
20.5% at KLM

Private sector employer

Air France **1st** in the Paris region

KLM **3rd** in the Netherlands

Training

28 hours
/ employee at Air France

€ 3,229
/ employee at KLM

SUSTAINABLE PROCUREMENT

75% of the 4,976 suppliers signed the Sustainable Development charter

15 Responsible catering products added on board KLM flights



€ 18 million spending by Air France in sheltered sector

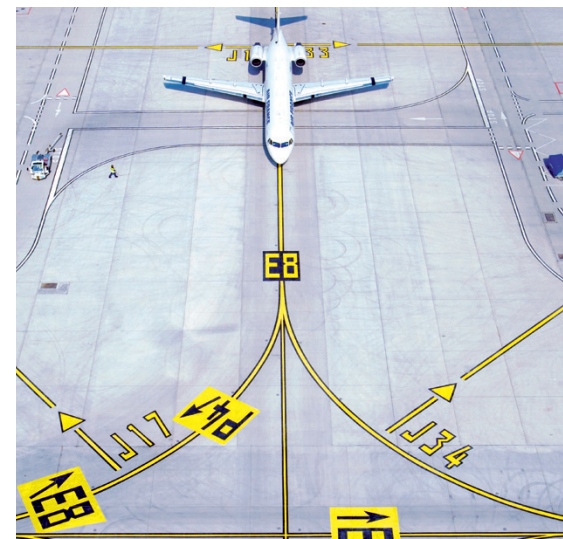
SOCIAL PARTNERSHIPS

€ 14 million financial support to community projects

112.7 million Miles donated by Flying Blue members

DJSI / RobecoSAM

N°1 in the Airline industry since 2005 in the Industry Group "Transportation" for the 6th year



- CSR APPROACH
- CSR STRATEGY
- CORPORATE GOVERNANCE
- SHAREHOLDERS
- SAFETY
- RISK MANAGEMENT
- ETHICS
- PUBLIC POSITIONS

AMBITION

Our ambition is to set the standard in CSR and to remain the frontrunner in the air transport industry.

Governance

CSR approach

As a global business, Air France-KLM enables people, economies and cultures to connect, driving economic growth and social progress. The Group assumes its responsibilities and acts to reconcile growth with environmental protection, social value and local development at its hubs and destinations.



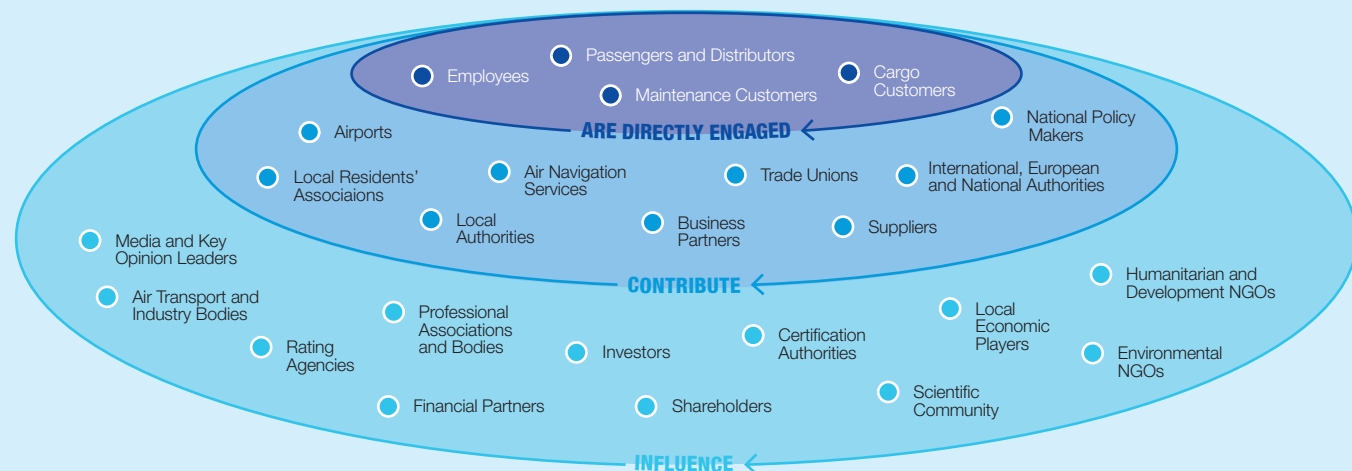
STAKEHOLDER ENGAGEMENT

Stakeholder engagement plays a major part in Air France and KLM's CSR strategy. Stakeholders are identified as actors that are significantly involved in the two airlines' activities, and who can affect Air France-KLM's ability to successfully implement its strategy. As a worldwide operator, Air France-KLM interacts with various stakeholder groups.

In 2014, Air France-KLM identified and engaged with its major stakeholders through various channels, including:

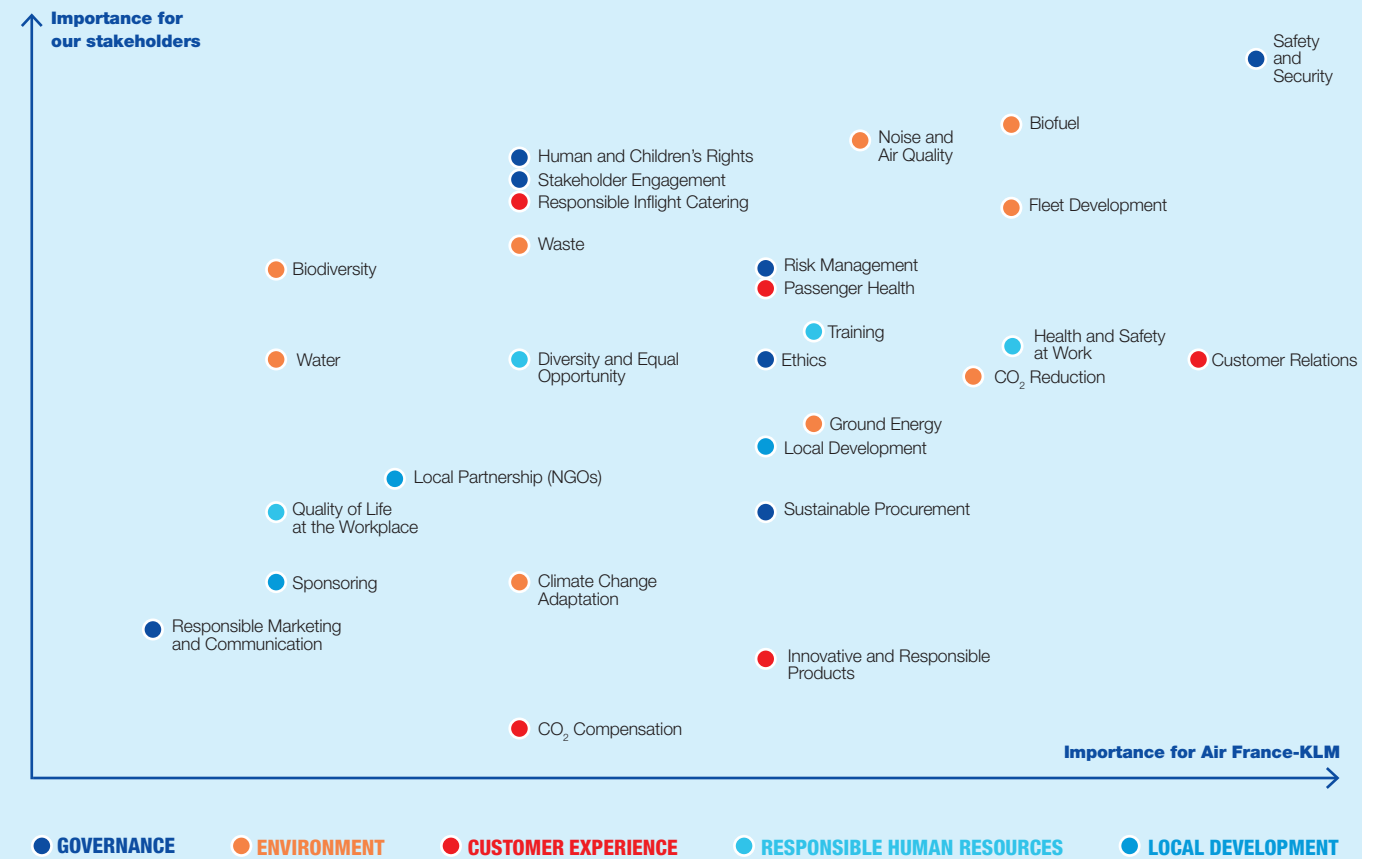
- internal barometers and events to monitor staff perception and collect suggestions for improvement;
- external stakeholder sessions;
- customer satisfaction and perception surveys;
- dialogue and evaluation of supplier CSR performance;
- exchange of best practices, benchmarks and working groups within the industry and with other large companies;
- dialogue with shareholders and investors, recommendations from non-financial ratings agencies;
- reviews and comments collected via dedicated email addresses, websites and social media;
- various engagement pathways to enable stakeholders to express grievances.

STAKEHOLDER MAP



For more information about stakeholder dialogue, see p.74-75.

MATERIALITY MATRIX



MATERIALITY ASSESSMENT

In 2014, Air France and KLM carried out an integrated materiality process in order to map the material CSR topics related to their business and operations. In this process, amongst others, an external study was conducted seeking the views of various stakeholder groups. To prioritize and rank the topics, internal and external stakeholder inputs were used. Surveys were conducted amongst employees, customers, corporates, and NGOs mainly in France and The Netherlands. These included Air France-KLM Group senior decision makers as well. From the results, a materiality matrix was developed showing the most material aspects for the Group. 28 material aspects have been identified including safety, risk management, CO₂ reduction, biofuels, sustainable procurement, ethics, human rights. To make the matrix easier to read, these aspects were clustered into the categories: Governance, Environment, Customer Experience, Responsible Human Resources and Local Development. In 2015, the materiality identification method will be further enhanced. The results of the materiality assessment are shown above. ●



CSR strategy

The Group's commitment is laid out in its Corporate Social Responsibility Statement, Social Rights and Ethics Charter and Climate Action Plan. To integrate CSR in business and operations, Air France-KLM CSR strategy is centered around four pillars:

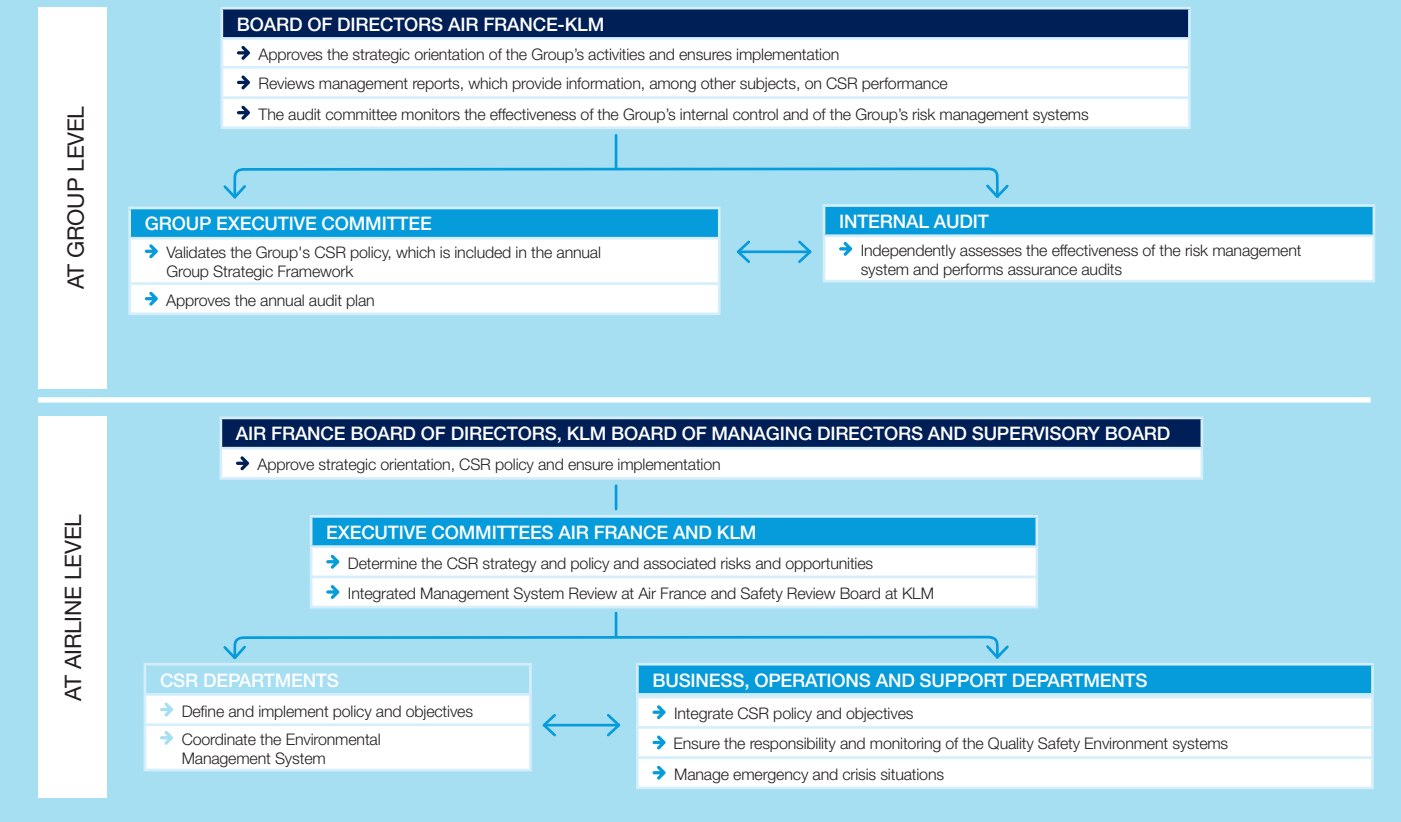
| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p>ENVIRONMENT Reduce our environmental footprint by improving our operations, by innovating in the supply chain and by mobilizing our staff and the industry.</p> |  <p>CUSTOMER EXPERIENCE Integrate sustainability within the entire value chain to offer our customers sustainable and innovative products and services.</p> |
|  <p>RESPONSIBLE HUMAN RESOURCES Maintain a responsible social policy and encourage personal development to ensure the motivation and drive of our employees.</p> |  <p>LOCAL DEVELOPMENT Create economic and social value, through our network, at hubs and destinations.</p> |

NATIONAL AND INTERNATIONAL COMMITMENTS

→ Air France-KLM respects fundamental rights: The Universal Declaration of Human Rights, The Charter of Fundamental Rights of the European Union, The International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, and the Organization for Economic Cooperation and Development's (OECD) guiding principles.
→ Air France and KLM have been signatories of the United Nations Global Compact since 2003 and 2006, and are committed to respecting and promoting its ten principles (see p.82). The Group promotes and encourages its partners and suppliers to commit to this path (see p.20 and 46).

→ Air France is a signatory of the Caring for Climate initiative led by the UN Global Compact and the UN Environment Program. In 2014, Air France signed the Paris Climate Action Charter.
→ KLM has been working in partnership with WWF-NL since 2007 to develop a more sustainable air transport industry.
→ With partner UNICEF the Netherlands, KLM aims to develop guidelines for the industry based on the ten Children's Rights and Business Principles.
→ With regards to sustainable procurement, Air France signed the Charter for Public Companies in Favor of Innovative SMEs and KLM signed the Sustainable Supply and Corporate Responsibility Manifesto, which aims to support the market for sustainable products and services.

CSR GOVERNANCE AND IMPLEMENTATION



SUSTAINABILITY IN BUSINESS AND OPERATIONS

The Group Executive Committee reviews CSR strategy and performance annually, as part of the overall Group Strategic Framework, which is reviewed and approved by the Board of Directors. At Air France, CSR is driven by an Executive Vice President who is a member of the Executive Committee. At KLM this role is fulfilled by the CEO, who chairs the Executive Committee. Each airline has committees monitoring the integration of CSR and associated risks and opportunities. At KLM these are the quarterly CSR Council and the Safety Review Board, which meets six times per year. Air France reviews CSR objectives twice a year during the Executive Committee meeting dedicated to the Integrated Management System (IMS) objectives. Air France and KLM CSR offices define and implement CSR policy, coordinate the Environmental Management System, and monitor roll-out of policy within businesses and operational divisions. Air France and KLM are ISO 14001 certified for all flights and operations in France and The Netherlands. Employees are encouraged to contribute to the CSR objectives. Through innovation programs they can share ideas that improve work processes, efficiency and safety, or other types of CSR performance.

OBJECTIVES AND MANAGEMENT INDICATORS

Every year, Air France and KLM senior executives formalize their commitment to CSR, through action plans with specific targets.

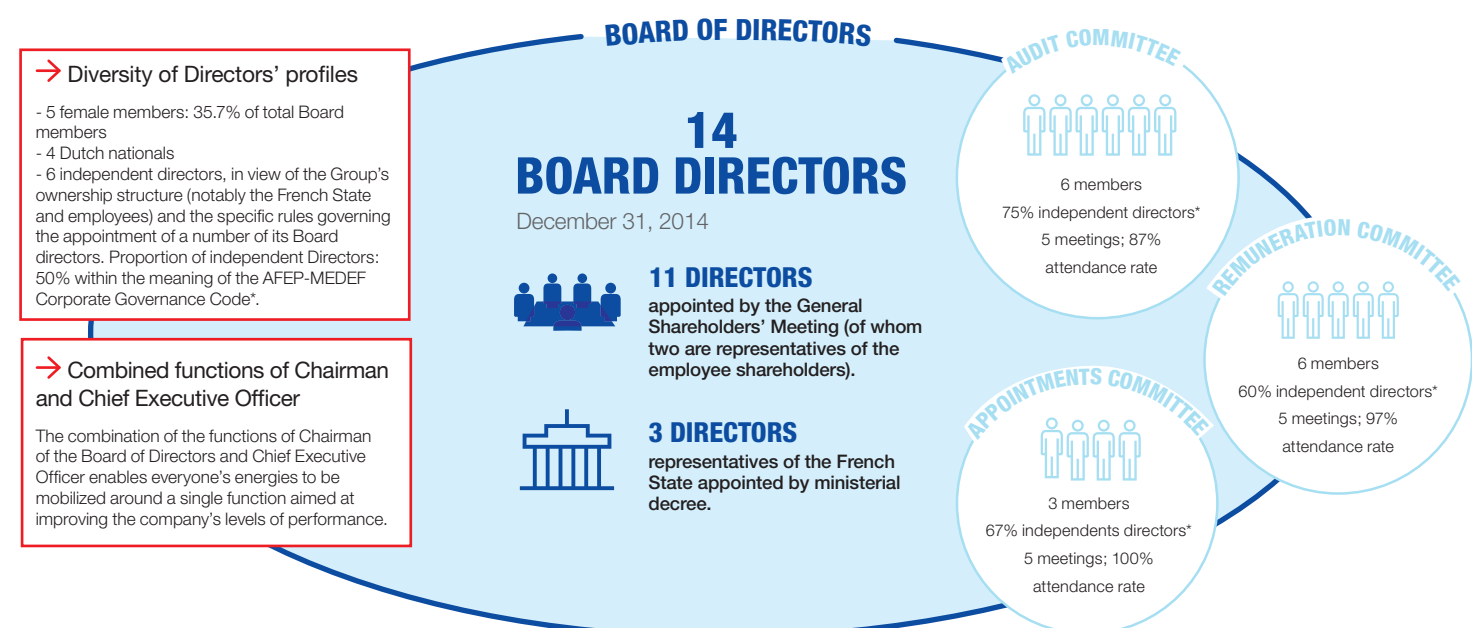
As such, in 2014 Air France renewed its CSR strategy, Air France Takes Care, centered around Governance, Environment, Customers, Employees, Partners and Local development. Objectives for 2020 and annual action plans are set and progress is monitored annually. Environmental objectives for 2020 are:
→ Aircraft energy efficiency: 20% CO₂ emissions reduction compared with 2011 (in g.CO₂ / FTK);
→ Ground energy efficiency: 20% reduction in overall energy consumption compared with 2011;
→ Waste recycling and recovery: 100% of non-hazardous waste and 60% of hazardous waste recovered.

At KLM, within the KLM Takes Care strategy, the following ambitions for 2020 were set in 2013:
→ Smart Energy: 20% CO₂ reduction for flight and ground operations compared with 2011 (tons/km);
→ Responsible Catering: 100% responsible inflight catering products (on flights from Amsterdam);
→ Zero Waste: 100% recycling and recovery;
→ Meaningful Community Involvement: All areas have a program in place positively impacting future generations.

The CO₂ target is a common Air France and KLM objective for 2020. ●

Corporate Governance

Air France-KLM is a limited company with a Board of directors and is organized under French Law. The Board of directors operates according to French corporate governance principles, as set out in the AFEP-MEDEF Corporate Governance Code.



DIRECTORS' TERM OF OFFICE

4 years (expiration dates for these terms of office staggered to facilitate the smooth renewal of the Board of Directors).

ETHICS AND INTERNAL REGULATIONS

Two documents adopted by the Board and regularly updated:

- internal regulations regularly updated and available online**;
- compliance rules.

12 MEETINGS OF THE BOARD OF DIRECTORS

Average attendance rate: 90%

TRAINING OF BOARD DIRECTORS

Newly appointed directors may carry out site visits, meet with key managers from within the Group and undertake training organized by the company. On appointment, they receive all the information required to fulfill their mandates.

COMPENSATION

Information published in the Registration Document, in the Management Report and on the Group's website**:

- criteria and compensation amounts paid to executive directors;
- allocation modalities and directors' fees.

Should they leave the company, executive directors do not benefit from any special indemnities.

ANNUAL EVALUATION

Evaluation of the Board is carried out on an annual basis. With respect to the 2014 financial year it was carried out by an independent firm.

For further information, see the Registration Document 2014 at www.airfranceklm.com

* In application of §9.2 et 16.1 of the AFEP-MEDEF Corporate Governance Code, the two directors representing employee shareholders are not counted in the calculation of the percentages of independent shareholders within Boards of directors and Committees.

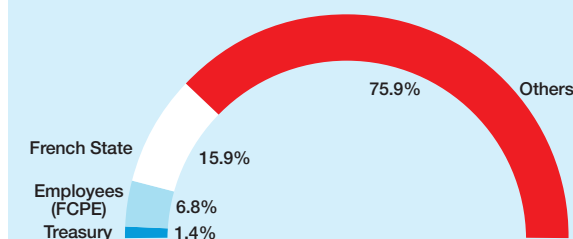
** www.airfranceklm.com, Governance section

Shareholders

Pursuant to the obligation for air transport companies to monitor and control their shareholders, Air France-KLM implements a procedure for their identification. On December 31, 2014, Air France-KLM was 57.7% owned by French interests (compared with 57.5% on December 31, 2013) and more than 73% by European institutions.

BREAKDOWN OF SHARE CAPITAL

December 31, 2014



on a quarterly basis. Members are also invited to information sessions at regional sites and to visits of Air France facilities. The Consultative Committee for Individual Shareholders is consulted on a regular basis to improve the way the Group provides information and services to shareholders. The Committee is comprised of twelve members and meets with senior leaders of the Group four times per year, notably to

INVESTORS

Air France-KLM pursues regular dialogue with financial analysts, institutional investors and SRIs (Socially Responsible Investors). Beyond meetings organized to communicate financial results, senior executives regularly take part in conferences on air transport in Europe and the United States. The Group organizes Investor Days, which are an opportunity to discuss its strategic decisions.

The Group was awarded the Silver Award for "Best investor relations, all categories" at the Investor Relations and Financial Communication Forum in December 2014. The quality of information provided to investors, especially when presenting the new strategic plan Perform 2020 and the availability of Air France-KLM teams were key criteria.

INDIVIDUAL SHAREHOLDERS

The Group pursues a policy of active dialogue among its individual shareholders. To address shareholder concerns and to present its businesses, assets and growth potential, the Shareholders' Club provides access to all general and financial information related to the business. The ACTION'air letter is sent to the Club's 7,000 members

prepare the annual general meeting. In 2014, the magazine *Le Revenu* attributed to Air France-KLM the Super Silver Award for the quality of its shareholder relations, the Gold Award for the best AGM and the Silver Award for the best website in the "SBF 120 outside the CAC 40" category.

EMPLOYEE SHARE OWNERSHIP

Air France-KLM has one of the highest proportions of employee share ownership of the companies in the SBF 120 stock index: more than 40,000 current and former employees own 6.8% of Group equity on December 31, 2014.

Two employee shareholder representatives sit on the Board of Directors. These are appointed by the employee shareholders themselves and contribute to the work of the Audit Committee. ●

6.8%

Employee share ownership

SHAREHOLDERS' GENERAL MEETING, MAY 20, 2014

| | |
|-------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| One share equals one vote | Yes |
| Number of shareholders present, represented, granting power of attorney to chairman or voting by mail | 12,635 shareholders representing 171,490,146 shares |
| Attendance rate | 57.9% |

Safety

Safety is the absolute priority for Air France-KLM and covers all measures taken to reduce the risks associated with aviation. Aviation security aims to combat criminal and terrorist acts against aircraft, employees and passengers.

INTERNATIONAL STANDARDS

All of the Group's businesses are subject to extensive controls and certification. They meet extremely strict standards and the highest level of regulations in the industry, at European level with the European Aviation Safety Agency (EASA), and globally with the International Air Transport Association (IATA), whose IOSA operational safety audit is a standard for the industry. Following the IOSA safety audit in September 2014 and January 2015, Air France and KLM were IOSA re-certified for a further two years.

SAFETY MANAGEMENT

To achieve the highest attainable standard of flight safety, both airlines have been in the process of upgrading and updating their respective Safety Management Systems (SMS). The SMS deals specifically with risk management in aviation. It is comprehensively integrated into the organization, processes and culture of the company and is validated at the highest level of management within the Group and by training and awareness building initiatives among staff members.

Air France's Integrated Management System (IMS) covers the following domains: flight safety, health and occupational safety, quality of service, operational performance, environment, food safety and security. It analyzes and manages risks in an orchestrated approach. The IMS ensures safe performance, transverse consistency, continuous improvement, global management, for all processes within these domains. KLM Integrated Safety Management System (ISMS) covers the domains of operational safety, occupational safety, operational security and environmental safety. ISMS provides a framework for continuously reducing safety risks in all these domains to an acceptable level of safety. In 2014 KLM was successfully audited on the ISMS by the Dutch Civil Aviation Authority (CAA).



CULTURE OF SAFETY

The safety of operations rests upon a shared commitment to rigor, vigilance, individual responsibility and mutual trust. Employees play a key role in the system, which involves a continuous cycle of improvement. Air France and KLM promote a safety culture, encouraging employees to report possible unsafe situations, incidents or accidents. It makes sure no action is taken against employees who report, or are involved in a safety occurrence or hazard.

To maintain the highest level of staff skills, the Group constantly improves its training programs and implements crisis prevention plans. Communication and promotion are key in building a safety culture. In 2014, three Flight Safety workshops, based on the re-enactment of a real event, brought together over 700 employees from all Air France divisions.

KLM issues SafetyF@cts and e-newsletters to inform managers and employees on safety-related topics and safety principles. Safety Champions ensure awareness and inspire safe employee behavior in all divisions.

SECURITY

The Group's security procedures aim to protect customers, employees and assets (aircraft, facilities and IT systems). This includes various measures such as risk analysis of Air France-KLM's business and operations, and the systematic inspection of aircraft, passengers, baggage, cargo, and employees. These procedures, which are subject to strict regulation, are carried out with a constant concern for the privacy of passengers and employees.

To ensure the highest level of protection for their customers and employees in over 100 countries and 200 cities, Air France and KLM's security departments constantly monitor international geopolitical developments. Dedicated teams are responsible for ensuring continuous flight operations and where necessary, for implementing additional security measures. ●

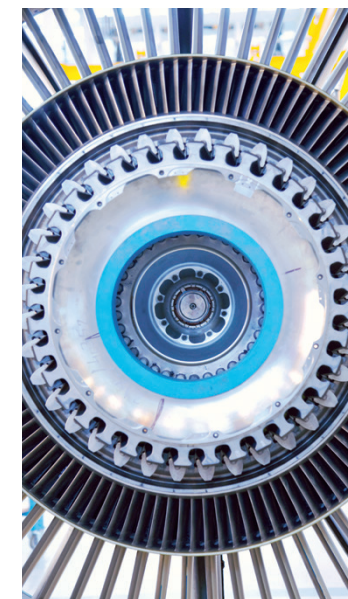
Risk management

Air France-KLM is exposed to general risks associated with its business and has consequently implemented a system to identify, analyze, monitor, manage and control risks.

IDENTIFYING, ANALYSING AND MONITORING RISK

Strategic risk mapping and operational risk mapping processes have been established by all relevant entities, supervised by senior management and facilitated by Internal Audit and Internal Control. These risk maps are regularly updated and consolidated by Air France and KLM and for the Air France-KLM Group.

Examples are risks specifically linked to air transport, such as the cyclical and seasonal nature of the business, flight operational risks, the risk of terrorist attacks, geopolitical instability or sanitary events, regulatory risks such as rules related to the treatment of passengers, environmental risks, occupational risks or risks to IT systems. Other risks are linked to the airlines' activity, such as the impact of competition with



other carriers, or negotiating collective agreements and industrial disputes. Market risks (fuel, currencies and interest rates) are managed by the Risk Management Committee.

Every three months, each Group entity updates the content of its operational risks by indicating the risk itself, the probability it will occur and its potential impact. These risks are discussed within the management teams with ownership of the risks.

Both specific risks to each entity and transverse risks potentially affecting the whole Group are the subject of reporting. For each of the

reported risks, members of the Air France-KLM's Executive Committee are responsible for reviewing the measures implemented to control these risks.

On a quarterly basis, a presentation on the most significant operational and financial risks is made by Internal Audit and Internal Control, and presented to the Air France-KLM Group Executive Committee and to the Audit Committee, together with the measures in place for their management.

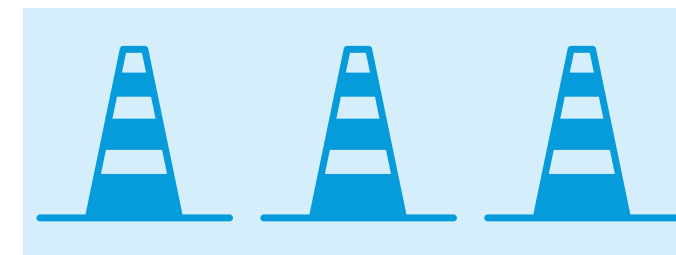
The Air France-KLM Group Strategic Framework determines strategic risk (competition, economic growth, etc.) as well as related action plans within the context of its work to establish the Group's strategy. These risks and action plans are also discussed with the France-KLM Group Executive Committee.

INDEPENDENT MANAGING AND CONTROLLING

In addition to this enterprise risk management system, Air France-KLM has put in place internal control and audit departments. Internal control is based on the new COSO 2013 framework (Committee of Sponsoring Organization of the Treadway Commission). The 2013 Framework defines internal control as a process, affected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Reliability of reporting,
- Effectiveness and efficiency of operations,
- Compliance with applicable laws and regulations.

Internal audits contribute to improving the operational processes, the assurance of safety and help in achieving objectives at Group level or specific objectives in the business. For further information on risk management, see Registration Document 2014, chapter 3. ●



Ethics

As signatories of the United Nations Global Compact, Air France and KLM strive to respect and support human rights and the fight against corruption, and to oppose all forms of child and forced labor.

HUMAN AND CHILDREN'S RIGHTS

Based on international standards on fundamental human rights, rights at work and children's rights, the Group aims to protect its employees, customers, workers in its supply chain and communities. The Social Rights and Ethics Charter affirms the Group's commitment to foster a climate of trust and mutual respect in the workplace, a safe and healthy work environment and social dialogue. The Charter applies to Air France, KLM and all European subsidiaries' employees. The Group assesses human rights risk factors within its businesses, covering areas including health and safety, equal opportunities, work-life balance and systems to protect the personal data of customers and staff.

To manage respect for human rights in the supply chain, suppliers are asked to sign a Sustainable Development Charter based on the UN Global Compact principles. This Charter will be supplemented in 2015 with additional supplier guidelines (see p.46).

Attention is paid to children's rights in particular: since 2013, KLM has worked with UNICEF the Netherlands on applying the Children's Rights and Business Principles (CRBP). In addition to implementing the CRBP in the organization, the aim is to develop airline industry guidelines.

BUSINESS CONDUCT RULES

As a framework for doing business ethically, the Group has several rules of conduct. For example, the Air France-KLM procurement and Air France HR departments each have a code of ethics in force, which is signed by members of these departments. The Board of Directors has adopted a Compliance Charter and a Financial Code of Ethics. KLM has a Code of Conduct in place that sets out the main principles concerning financial and business integrity, confidentiality, compliance and commitment to CSR.

An "Air France and KLM Anti-Bribery Manual" was made available at the end of 2013, accessible to all employees in French and English. 14,000 employees have been invited to complete the accompanying e-learning module on anti-bribery and corruption. The objective of the training is to increase the level of awareness of the importance of preventing bribery and corruption.

Air France-KLM actively pursues its policy against anti-competitive practices through its "Air France and KLM Competition Law Compliance Manual". In addition, several other means of prevention are



made available to employees, such as two e-learning modules on competition law, a dedicated competition law hotline and specific training courses delivered by the legal staff.

To enable staff members to signal serious matters that they may be aware of, such as accountancy and financial fraud or corruption, both Air France and KLM have a whistleblower procedure.

At KLM this procedure is broadly applicable, enabling staff to report any type of irregularity or suspected irregularity. The policy applies to all employees working for KLM and its subsidiaries in The Netherlands and abroad.

PUBLIC POSITIONS

Air France-KLM belongs to international bodies (International Air Transport Association, Association of European Airlines) and national bodies that represent the air transport sector and advocate its public positions. Air France-KLM aims to provide governmental representatives with information necessary to understand the issues facing the airline industry,

to drive the changes that Air France and KLM feel are necessary, and to advocate the effective implementation and application of national, European and international regulations to avoid any competitive distortion.

An Air France representative works directly with the French Parliament and Government, and complies with codes of conduct in force in both Chambers. Air France and KLM each have a Public Affairs Delegate, declared on Interest Representative Registers in the French and Dutch parliaments. ●

Public positions

SUPPORT FOR A GLOBAL CARBON EMISSIONS TRADING SYSTEM FROM 2020

The EU Directive establishing the EU Emissions Trading Scheme (EU ETS) has applied to aviation since 2012. Air France-KLM supports the implementation of a market-based measures mechanism (MBM) as it benefits its environmental targets far more than a straightforward tax, provided the mechanism is non-discriminatory, workable and cost efficient. EU ETS, limited to intra-European flights, is considered a first step towards a worldwide system that should be defined at International Civil Aviation Organization (ICAO) level.

Air France and KLM actively support this ICAO process with IATA and some individual airlines. Following the 2013 ICAO agreement, the EU has adopted an amendment to EU ETS regulations, which the Group welcomed. The amendment limits the application of EU ETS to intra-European flights (excluding French overseas territories), and above all should ensure greater stability in European regulations on CO₂ emissions from aviation until 2020, provided ICAO is able to reach an agreement in 2016 on implementation in 2020.

The Group considers that beyond 2020, EU ETS should be replaced by a global carbon emissions trading system. This would avoid unfair competition between airlines and ensure that the effects of greenhouse gases emitted by aviation are tackled in the most effective way possible.

SINGLE EUROPEAN SKY

The Single European Sky (SES) is the result of two "legislative packages" adopted in 2004 and 2009 and is intended to overhaul air traffic control by reforming European Air Traffic Management (ATM). This would enable a three-fold increase in capacity, improve safety performance by a factor 10, ensure up to 10% less CO₂ emissions and reduce ATM costs by 50%.

To date its implementation is incomplete, resulting in an average additional distance of 42 km per flight and additional carbon emissions. Air France-KLM welcomes efforts to give fresh impetus to the Single European Sky, and supports the guiding principles of the European Commission's "SES2+" package of measures. Through active cooperation in the SESAR program (the technological pillar of Single

European Sky), ACARE (dedicated to aviation research) and AIRE (a transatlantic emissions reduction initiative), Air France-KLM is committed to implementing tangible measures.

SUSTAINABLE BIOFUELS

Sustainable biofuels constitute the most effective measure to reduce air transport's carbon footprint. Air France-KLM provides support for research and contributes to the emergence of an international market for sustainable aviation biofuels that are environmentally friendly and which positively impact economic and social development. The Group supports the European Commission's Biofuel FlightPath 2020 initiative, which is conducted in partnership with Airbus, other European airlines and European biofuel producers.

The Dutch Government and KLM have signed a Green Deal for the 2011-2015 period, to increase demand for sustainable biofuels and shift from single projects to continuous supply of sustainable biofuels for The Netherlands and Europe. To achieve this ambition, KLM was one of the initiators of BioPort Holland, a 7-year initiative aiming to develop the first real bio jetfuel hub in Europe.

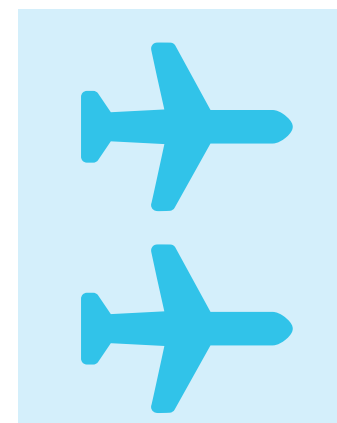
Air France is calling for the French government to give more support to French stakeholders including Air France in creating a French biofuel production pathway.

SUPPORTING THE COMPETITIVENESS OF EUROPEAN AVIATION

Air France-KLM supports the European Commission's efforts to promote a level playing field for aviation within and outside the EU. In a global marketplace, jobs and the competitiveness of European aviation, and a fair treatment for airlines in the EU, must be at the heart of any new regulation. New European measures must be compatible with practice and regulations in force in the rest of the world, and must promote competitiveness by adapting the European social and fiscal environment. The problems faced by airlines due to significantly higher infrastructure costs in Europe than in other parts of the world, particularly in areas such as air traffic control and airport charges, require particular attention.

CONSUMER RIGHTS

Customer service, punctuality and service reliability are at the heart of the Group's business. Air France and KLM have all necessary arrangements in place to ensure that all operational hazards are dealt with as quickly as possible. The Group contributes to the European institutions' work on consumer rights. It remains vigilant that rules are proportionate and are applied equally to all airlines operating to and from the European Union. ●





OBJECTIVES AND MAIN ACHIEVEMENTS 2014

KEY FIGURES

CLIMATE CHANGE POLICY

CARBON FOOTPRINT

SUSTAINABLE BIOFUELS

NOISE

AIR QUALITY

WASTE

ENERGY AND WATER

RESEARCH AND INNOVATION

BIODIVERSITY

AMBITION

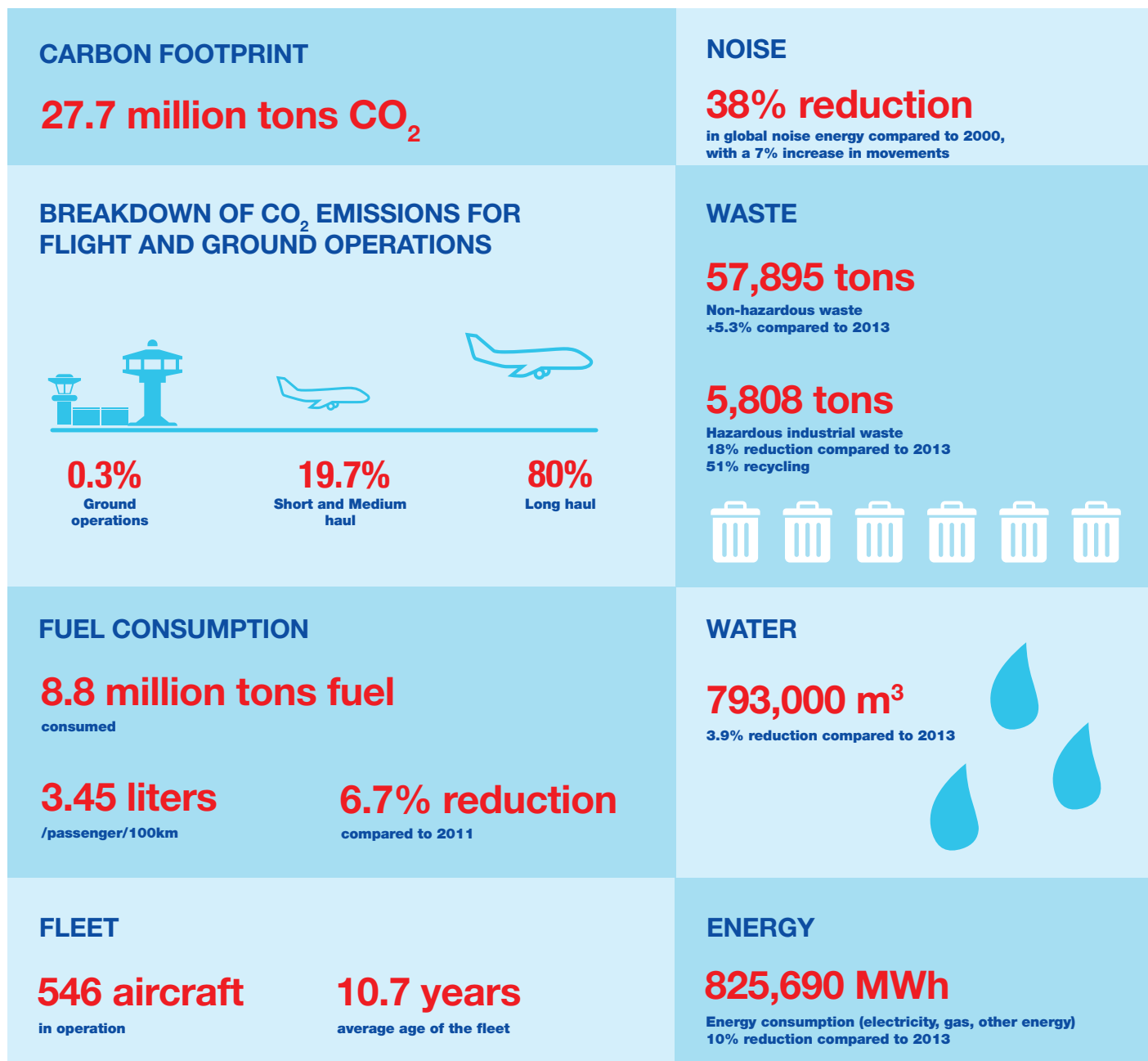
We aim to reduce our environmental footprint by improving our operations and processes, partnering and innovating in the supply chain and by mobilizing our staff and the industry.

Environment

| OBJECTIVES | SCHEDULE | MAIN ACHIEVEMENTS 2014 |
|--------------------------------------------------------------------------------------------------------------------|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CARBON FOOTPRINT | | |
| → Reduce CO ₂ emissions by 20% compared to 2011 (tons/km) | 2020 | → 86 g CO₂ / passenger / km or 3.45 liters of fuel / passenger / 100 km → 6.7% reduction compared to 2011 |
| Air France: → Fuel Plan: 1% annual reduction in fuel consumption | 2014 | → Fuel saving: 50 million liters → (126,000 tons of CO₂ emissions saved) |
| KLM: → Fuel Savings Plan: 5 million liters fuel saving | 2014 | → Fuel saving: 8.8 million liters → (22,000 tons of CO₂ emissions saved) |
| BIOFUELS | | |
| Air France: → Operate regular flights powered by sustainable biofuel | 2014 | → One weekly Toulouse-Paris flight since September 2014: → - 11 flights operated → - Launch of the Lab'line initiative: 14 partners |
| KLM: → Create a market for sustainable biofuels | 2020 | → 20 flights with biofuel from Amsterdam to Aruba and Bonaire → Volumes of biofuel tripled in 2014 (compared to 2013) → 15 partners in KLM Corporate BioFuel program |
| NOISE | | |
| Air France: → Expand activity while keeping noise emissions below 2005 levels (10 major French airports) | 2014 | → 40.1% reduction in noise energy compared to 2005 |
| KLM: → Reduce noise at Schiphol in partnership with the aviation sector | 2014 | → 25.8% reduction in noise energy compared to 2000 → KLM implemented Noise Abatement Departure Procedure 2 |
| → Fleet modernization | 2015 | → Air France: A320s fitted with noise reduction kits by 2016 → KLM: Final 5 MD11s phased out |
| LOCAL AIR QUALITY | | |
| Air France: → Ground operations: Electrically powered equipment and APU use procedures | 2014 | → Almost 50% of ground support equipment are electric → 11% reduction in APU fuel consumption compared to 2013 |
| → Contribute to the reduction of polluting emissions caused by Air France staff commuting in Paris Region | 2014 | → 30 electric vehicle-charging points installed in staff car parks → Contributions to the inter-company travel plans at Paris-CDG and Paris-Only airports |
| → Implementation of fuel efficient taxiing solutions | 2014 | → Airport-Collaborative Decision Making project: 3 minutes reduction of taxiing time at Paris-CDG airport → TaxiBot project: Towbarless towing taxiing operation for long-haul aircraft |

| OBJECTIVES | SCHEDULE | MAIN ACHIEVEMENTS 2014 |
|----------------------------------------------------------------------------------------------------------------------------------|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| LOCAL AIR QUALITY | | |
| KLM: → Minimize the use of APU by towing with external power | 2014 | → Estimated NO_x emission reduction due to 4,250 hours less APU use |
| → Increase electrically powered ground equipment | 2014 | → 40% of KLM GSE at Schiphol Airport are electric |
| WASTE | | |
| Air France: → 100% of non-hazardous waste and 60% of hazardous waste recovered | 2020 | → Non-hazardous waste recycled: 90% → Hazardous waste recycled: 43% |
| KLM: → "No waste of resources and materials" ambition: 100% waste recycling and recovery | 2020 | → Non-hazardous waste recycled: 26% → Hazardous waste recycled: 75% |
| ENERGY | | |
| Air France: → Improve the energy efficiency of buildings through an 8% reduction in energy consumption (baseline 2011) | 2014 | → Energy efficiency of buildings improvement: +14.6% compared to 2011 |
| KLM: → 2% annual improvement in the energy efficiency of buildings | 2016 | → +1.9% energy savings and 0.8% renewable energy generated by KLM's installations → 100% green electricity from water power |
| BIODIVERSITY | | |
| Air France: → Madagascar project | 2017 | → Implementation of the 2nd phase of the project (2014-2017): new partners and objectives |
| → Airport biodiversity | 2015 | → Project HOP!: study carried out on 4 French airports |
| KLM: → 100% responsible inflight catering products (from Amsterdam) | 2020 | → 15 new products added to responsible inflight catering offer → Thus far, 80% of non-sustainable soy and palm oil replaced by responsible alternatives |

Key figures



Climate change policy

Aviation's contribution to man-made greenhouse gas emissions is between 2 and 3%. However, growth in global air traffic over the coming decades will increase aviation's contribution if no action is taken.

INDUSTRY COMMITMENT TO CO₂-NEUTRAL GROWTH FROM 2020

Air France-KLM supports the sector's global commitment to make a fair contribution in the collective effort to reduce CO₂ emissions related to air transport. In 2009, the International Air Transport Association (IATA) set an ambitious worldwide commitment:

- 1.5% average annual fuel efficiency improvement until 2020 (excluding economic measures);
- Carbon neutral growth from 2020 onwards;
- A reduction in net aviation CO₂ emissions of 50% by 2050, relative to 2005 levels.

CLIMATE CHANGE ADAPTATION MEASURES

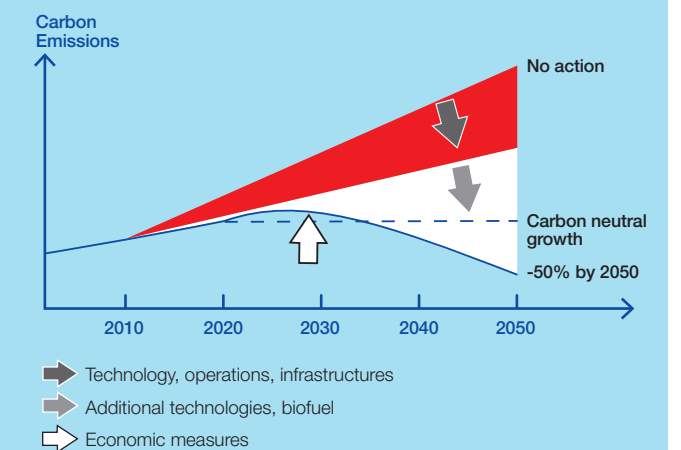
In its 2014 report, the Intergovernmental Panel on Climate Change (IPCC) evaluated the impacts of climate change. These impacts, including precipitation changes, wind changes, and more extreme weather events, pose potential risks to flight operations. Above all, the goal of air transport is to guarantee flight safety, security, and to provide the best-possible service to customers. Due to the Group's large network and diverse fleet composition, Air France and KLM are already accustomed to operating under different weather conditions and are relatively flexible in adapting flight schedules when necessary. Nevertheless, the Group regularly conducts comprehensive risk analyses to improve and optimize existing policies. Air France and KLM have developed special programs in which employees are trained to manage emergency situations. Both airlines work together with airports to ensure safe operational and passenger handling conditions. ●

AIR FRANCE-KLM'S CLIMATE ACTION PLAN

The Group is mitigating impacts on climate change in the following ways:

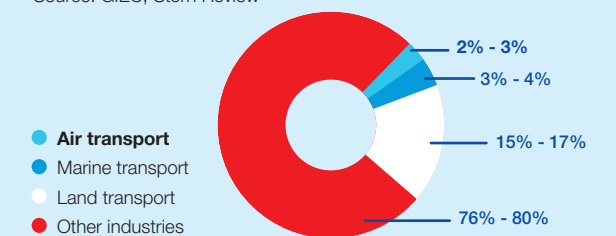
- pursuing fleet modernization and contributing to aeronautical research;
- involving staff and external stakeholders on fuel reduction and energy efficiency action plans;

MAPPING OUT THE INDUSTRY COMMITMENTS



SHARE OF TRANSPORT IN GLOBAL MAN-MADE CO₂ EMISSIONS

Source: GIEC, Stern Review



- stimulating the use of sustainable aviation biofuels and being involved in research for renewable energy;
- supporting environmental protection programs led by NGOs;
- providing customers with information on their travel-related CO₂ emissions and the opportunity to offset these;
- supporting efforts towards achieving a global climate agreement, with a fair contribution for aviation.

Carbon footprint

Air France-KLM aims to minimize its impact on the environment, and has set the target to reduce CO₂ emissions by 20% by 2020, as compared to 2011. To achieve this ambition, a diverse set of measures has been laid out, focusing mainly on fleet renewal, operational efficiency, sustainable biofuels, and carbon offsetting.

AMBITION 2020
Air France and KLM: Reduce CO₂ emissions by 20% compared to 2011 (tons/km)

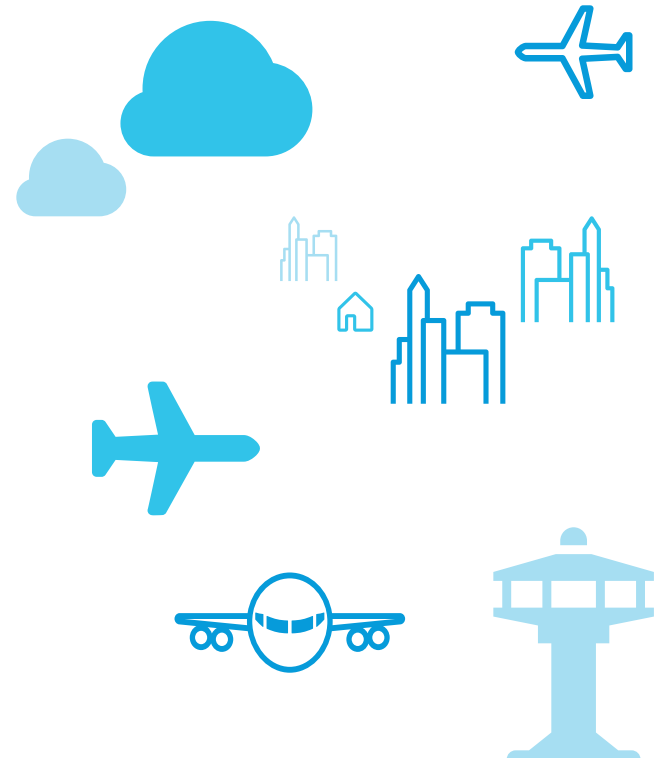
FLEET MODERNISATION
By investing in a modern, more energy- and fuel efficient fleet, Air France-KLM is improving both its economic and environmental performance. The Group currently has standing orders for twenty-five Boeing 787 Dreamliners, and twenty-five A350s. These are due to be delivered from 2015 onwards. In 2014, Air France took delivery of its tenth Airbus A380. Two Boeing 747-400ERFs, one A319ER and three A320s were withdrawn from the fleet.

KLM phased out its remaining five MD11s. The routes are now operated by A330-2/300 and B777-200 aircraft, which are approximately 20% more fuel efficient per seat, thus emitting 20% less CO₂. For more information on Air France-KLM fleet, see p.78 and Registration Document 2014.

Air France Fuel Plan

Air France's Fuel Plan identifies and implements all possible fuel saving measures, subject to strict respect for flight safety. 150 measures have been identified, and over 30 have already been put into practice.

Eco-piloting, which was first rolled out in 2013 thanks to the work of pilots has been pursued, as has the optimization of the volume of drinking water carried onboard long-haul aircraft. New initiatives with significant impacts on fuel consumption have been developed for medium-haul aircraft, such as single-engine taxi-out and take-off with a reduced flap configuration. The introduction of two new Airbus A320s fitted with sharklets into the fleet has meant a reduction in fuel consumption of between 2% and 4%. Taken all together, these initiatives have resulted in a 40,000 tons reduction in fuel consumed in 2014, compared to 2013.



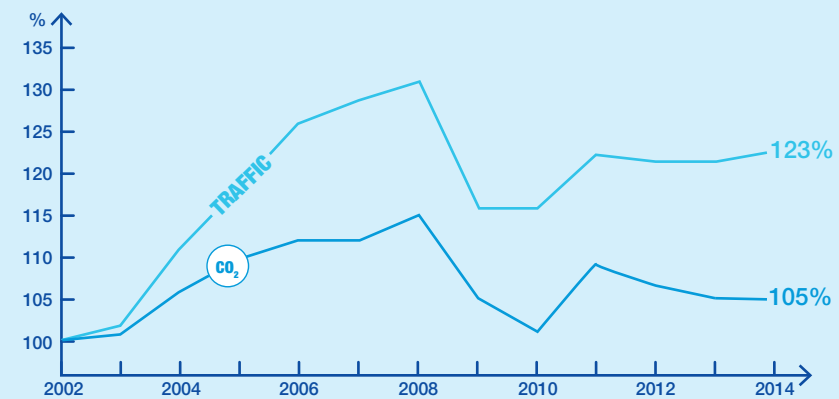
OPERATIONAL EFFICIENCY

Reducing weight carried on board

The lighter an aircraft is, the less fuel it consumes.
 → One kilogram less weight carried onboard an Air France flight saves around 69 tons of CO₂ per year.
 → In 2015, Air France's medium-haul fleet will be fitted with new lighter seats. The total reduction in CO₂ emissions will amount to 1,400 tons for the A319 fleet and 2,300 tons for the A320 fleet.
 → New Economy class seats will be installed in KLM's Boeing 777-200 fleet in 2015. They weigh only 11.6 kg, and are the lightest in their class.
 → KLM has been digitizing its paperwork. KLM Cityhopper has digitized the onboard cabin crew documentation and introduced tablets to replace pilot flight bags. KLM Cityhopper is the first European airline to have digitized all of its on board documentation.
 → KLM Inflight's efforts to reduce the weight of inflight products have enabled a CO₂ reduction of almost 800 tons in 2014.

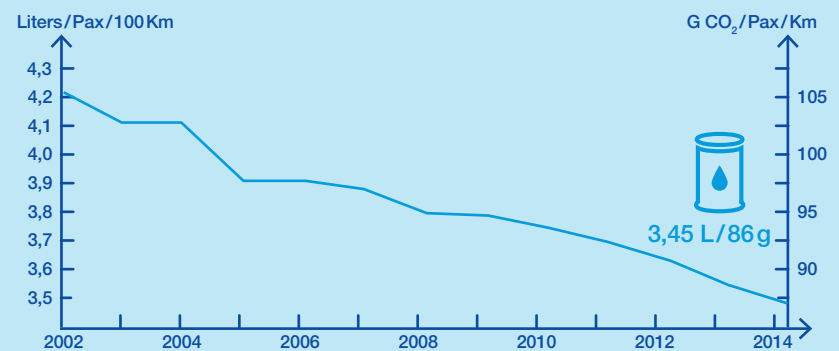
3.45 liters
fuel/passenger/100km

CO₂ EMISSIONS AND TRAFFIC



Air France and KLM figures

GROUP SPECIFIC FUEL CONSUMPTION



Optimizing the use of airspace

Improvements in fuel efficiency are made through the optimization of routes and flight paths, the reduction of aircraft waiting times and optimized altitudes (also see Public positions p.21).
 → Air Traffic Control (ATC) impact on Air France Group's fuel consumption has been estimated at 6% or around 70,000 tons per year. In 2014, Air France launched a program with ATC to reduce waiting times on the approach to Paris-CDG, and so reduce fuel consumption.
 → Route optimization resulted in a CO₂ reduction of approximately 4,000 tons for KLM in 2014.

Eco-piloting in the air and on the ground

Pilots are trained to apply the most fuel efficient procedures possible: flight plan precision, speed adjustments and optimized procedures, taxiing with one engine, and using of electric aircraft Ground Power Units.
 → Air France has extended the France-Italy WE-Free program to other European destinations with flights operated via direct routes, and so using less fuel. The Engage program ensures that speed and altitude are optimized for flights between Paris-CDG and North America.
 → In 2014, KLM implemented a new take-off procedure (NADP2) which saved nearly 10,000 tons of CO₂ emissions throughout the year.

KLM Fuel Savings Plan

KLM's Fuel Plan aims to reduce fuel use through various projects, focusing on: fuel policies, fuel standards, accurate planning information, route optimization, and weight reduction. A total of 15,000 tons of CO₂ were saved by KLM in 2014 through this Fuel Savings Plan. The largest fuel savings project consisted of the implementation of a new take-off procedure. This is called Noise Abatement Departure Procedure 2 (NADP2), and is now in use for all flights departing from Amsterdam, and on 90% of other flights. Other fuel saving project examples include: introduction of lightweight plastic PET-bottles for wine, reduction of the weight of cargo nets, and implementation of a more fuel-efficient take-off roll procedure.

USING SUSTAINABLE BIOFUELS

Air France-KLM considers the transition from fossil fuels to renewables a priority to ensure the future of commercial aviation. The Group's strategy is to explore and contribute to the entire value chain from research to commercialization and to set an example for the rest of the industry. Partnerships are important to accelerate the development of a market for sustainable biofuels. For more information see p.21 and 30.

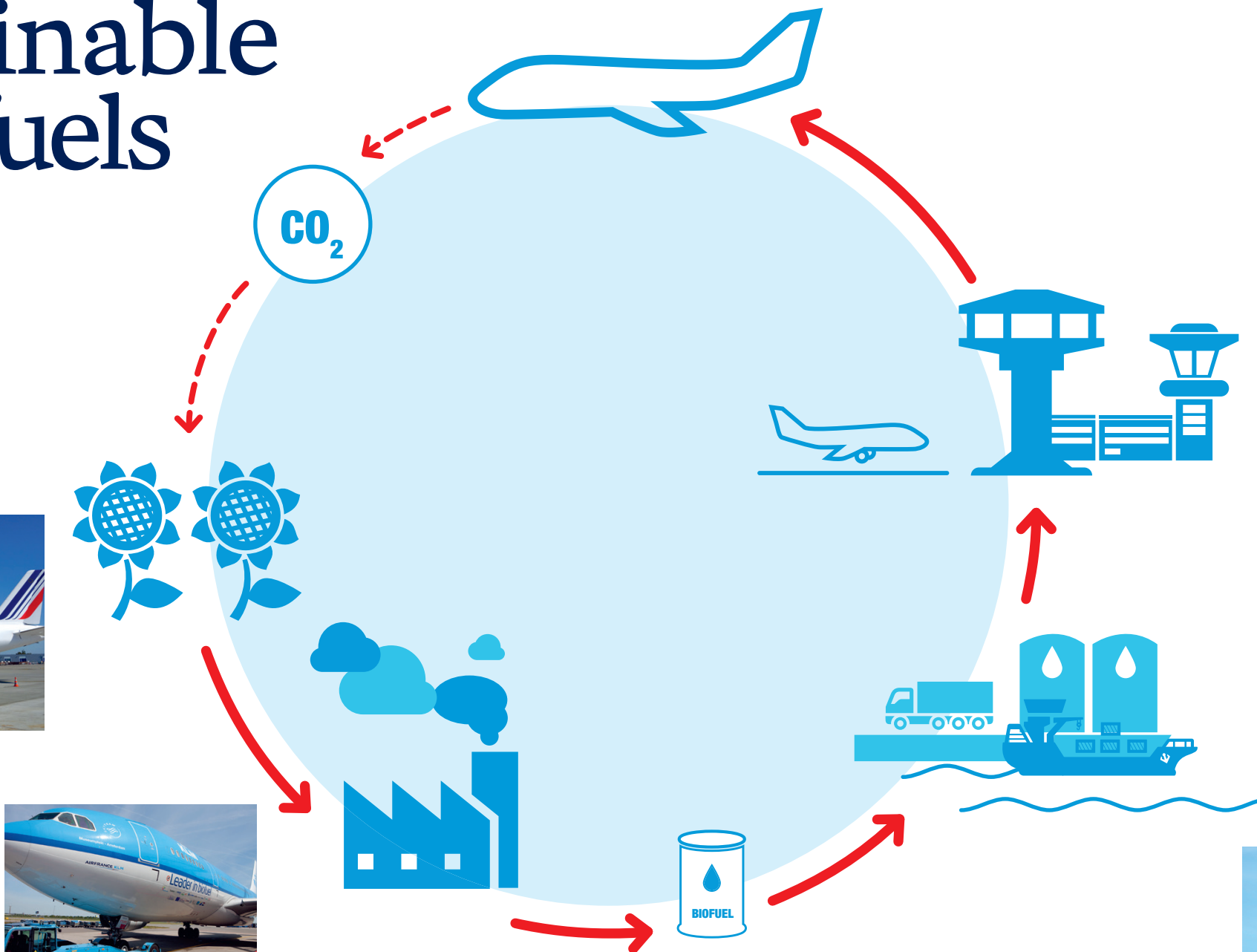
OFFSETTING EMISSIONS

Air France and KLM offer a CO₂ offsetting service for their customers. Both airlines provide CO₂ emission calculators on their websites, which can determine CO₂ emissions of a passenger based on the distance flown and fuel-efficiency data of aircraft. These emissions can then be offset via certified sustainable carbon reduction credits. These are obtained through Air France's partnership with GoodPlanet and KLM's CO2ZERO program, which invests in Gold Standard projects. ●



Sustainable biofuels

The use of biofuel as compared to conventional fuel can reduce CO₂ emissions by up to 80% when used on a large scale. Air France and KLM have shown that flying on biofuel can be done both safely and sustainably. The ambition is to stimulate the biofuel market, whilst taking strict environmental, social and economic criteria into account. Air France and KLM have entered into new and innovative partnerships both with corporate clients as well as suppliers, airports and logistic partners to increase supply volumes for bio-jet fuel. The use of different types of renewable feedstock is supported, provided they meet stringent sustainability criteria. These include substantial reduction in CO₂ emissions, a minimal impact on biodiversity, no competition with food production or the availability of food resources, and a positive impact on the social development of local communities.



SECURING STRICT SUSTAINABILITY CRITERIA

→ To ensure sustainability of the feedstock, Air France and KLM joined the Roundtable on Sustainable Biomaterials (RSB) in 2008 as one of the founding Sustainable Aviation Fuel Users Group (SAFUG) members. In the SAFUG more than 30 major airlines are united to align sustainability policies for biofuels. The standard of the RSB is included in the European Commission's Regulation (RED) and was recognized by, amongst others, WWF, IUCN, and NRDC as best in class.
 → KLM uses SkyNRG's independent Sustainability Board, which includes WWF-NL, Solidaridad, and the Science Institute Copernicus, as an advisory platform for sustainability issues pertaining to the supply of biofuel.



COLLABORATION TO STIMULATE THE MARKET

Air France and KLM collaborate with customers and other partners to stimulate the offtake of sustainable biofuels for aviation.
 → Air France is active in the the SYNDIESE project to produce biofuel from forestry waste conducted by the CEA (Atomic and Alternative Energies Commission).
 → KLM collaborates with the Dutch Government, Neste Oil, Port of Rotterdam, SkyNRG and Schiphol Airport to scale up production of sustainable jet fuels in The Netherlands in the joint initiative BioPort Holland. The initiative won the Sustainable Bio Award for best collaboration of the year.
 → KLM Corporate BioFuel Program (including 15 partners in 2014) enables investment in the offtake of sustainable fuels for aviation (see p.49).

SUPPORT REGULATORY INCENTIVES

Air France and KLM also support regulatory incentives stimulating the biofuel market.
 → Both airlines have been participating in UN Sustainable Energy for All (SE4All) and European Commission Biofuel FlightPath 2020 internationally. The FlightPath aims to reach an annual production of 2 million tons of sustainably produced biofuel for aviation by 2020.
 → In France, the Ini-FCA (Future Alternative Fuels Initiative) led by the French Civil Aviation Authority, is working towards the production of 200,000 tons of biofuel in France by 2020.
 → In 2014, the Dutch government announced it would join the KLM Corporate BioFuel Program, to incentivize the biofuel market.

BIOFUEL FLIGHTS

→ Since 17 September 2014, Air France has been operating a weekly flight powered by biofuel between Toulouse and Paris-Orly. These flights are operated by an Airbus A321 equipped with CFM56, fuelled with a blend of 10% biofuel (Farnesane). This biofuel is made from sugarcane by Total-Amyris and its production process has been certified by the RSB. Thanks to the support of 14 partners involved in this project, these flights will be operated for a year (see p.48).
 → KLM operated 20 biofuel flights with an Airbus A330 to Aruba and Bonaire starting in May 2014. The biofuel for this series was sourced by ITAKA and supplied by SkyNRG.



Noise

Noise is one of the main themes of Air France-KLM's environmental policy. The Group aims to meet the increasing demand for mobility, without compromising acceptable noise hindrance levels for people living near airports.

REDUCING NOISE

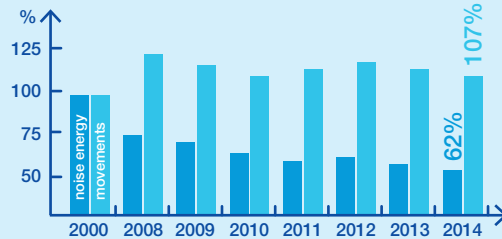
Renewal and modernization of the fleet have a major impact on the noise reduction at source. The Group is pursuing its ongoing investment in fleet renewal. All aircraft operated meet the criteria laid out in the ICAO's Chapter 4, the most demanding in terms of acoustics for civilian aircraft. In 2014, KLM finished phasing out its MD11-fleet, which was replaced by quieter aircraft to structurally improve noise impact.

In addition, the Group is involved in developing noise abatement procedures. Both airlines are working to improve departure and approach procedures, along with the French and Dutch civil aviation authorities, which are assessing environmental benefits. KLM implemented the new Noise Abatement Departure Procedure 2, which significantly reduces noise pollution and emissions in areas close by as well as further away from the airport (see p.29). Night traffic is governed by strict rules on the number of allocated slots and the respect of scheduled times.

New solutions for aircraft noise

In 2012, following complaints from residents living close to the airport about a particular noise produced by the A320 family of aircraft, Air France and the French Civil Aviation Authority requested Airbus to investigate the origin of the noise, which led to a design modification which cancels this noise. This modification will be applied to new Airbus aircraft. On a voluntary basis, Air France decided to progressively fit all of its A320s concerned (116 aircraft) with noise reduction kits by 2016.

GLOBAL NOISE ENERGY



NOISE MAPS PER AIRCRAFT

| YEAR OF ENTRY INTO SERVICE | AIRCRAFT WEIGHT | TAKE-OFF NOISE FOOTPRINT (85 DB) |
|----------------------------|----------------------------|----------------------------------|
| 2008 | Airbus A380 510 tons | 4 km ² |
| 1988 | Boeing 747-400 366 tons | 7.4 km ² |
| 1978 | Boeing 747-200 300 tons | 12 km ² |

38%

noise reduction compared with 2000 despite a 7% increase in movements

€31.5m

paid in 2014 for soundproofing

DIALOGUE WITH RESIDENTS

Air France and KLM are members of local committees around the airports. These constitute the main forum for dialogue between the air transport professionals and local communities, thereby helping to orientate the environmental measures accompanying airport development. Air France participates in the Environmental Advisory Committees (CCE) and Advisory Committees for Resident Assistance (CCAR) in the main French airports. KLM

continues with its commitment to pursuing dialogue through Alders Table and CROS (Schiphol Regional Consultative Committee). French and Dutch government policies include exposure to aircraft noise in urban planning considerations, and include financial help for soundproofing homes. Air transport is the only industry that fully finances such a comprehensive noise hindrance reduction system. In 2014, Air France-KLM paid 31.5 million euros towards soundproofing. ●

Air quality

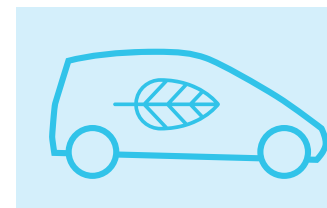
Aviation has an impact on the air quality in areas surrounding airports, as a result of emissions and particles from aircraft, engines, ground operations and maintenance activities. Air France-KLM reduces the local emissions of its activities in three ways: through fleet renewal, investment in cleaner vehicles and equipment and operational procedures.

MEASURING EMISSIONS ON THE GROUND AND AT LOW ALTITUDE

At both Paris-CDG and Schiphol Airport, the majority of gases emitted are produced by aircraft movements (taxiing, takeoff and landing). The remainder is produced by ground activities, including logistics and road access to the airport for passengers, employees and suppliers. Over the past ten years, aviation's contribution to emissions in the Paris region, which includes accessing and operating the airport, has remained stable. At Schiphol Airport the yearly measurements on particulate matter (PM) indicated that the local air quality has improved slightly in recent years.

CLEANER VEHICLES AND EQUIPMENT

Air France-KLM prioritizes electric vehicles for airport ground transportation. This plan extends to ground handling equipment that is mainly powered by diesel. Almost half of the 1,000 items of ground support equipment (GSE) used at Paris-CDG and 40% of the KLM GSE at Schiphol airport are electric. To reduce emissions in the immediate environment of aircraft handling areas, KLM aims to increase the percentage of electric GSE equipment to 60% in the coming years.



Air France mobility plan for employees

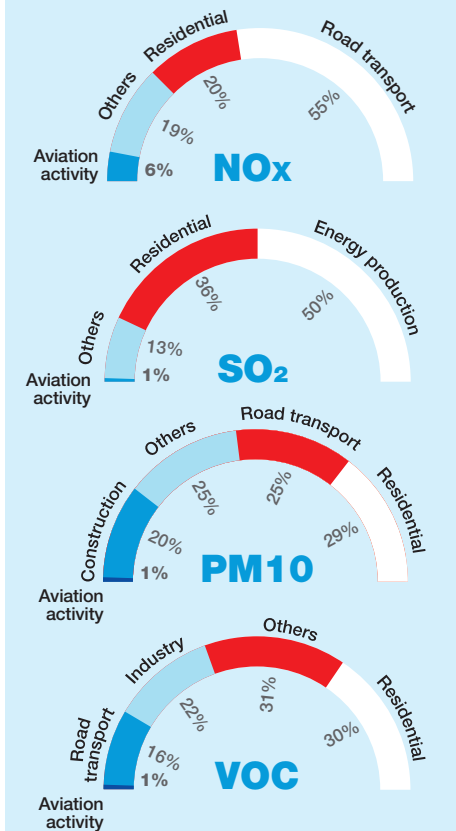
Air France is involved in the air protection plan in the Paris area, through its employee business travel plan. The plan aims to reduce emissions caused by commuting through measures promoting public transport use and a car pooling website. Of the 44,000 employees concerned, 79% travel to work by car and have an average daily commute of 1 hour and 30 minutes.

This topic is important both in terms of the environment as well as health and safety at work. Air France is a partner in inter-company travel plans at Paris-CDG and Paris-Orly airports, in order to take effective joint action on responsible transport.

In 2014, employees at Villeneuve-le-Roi and Orly tested electric bikes over a long journey and completed a questionnaire on eco-friendly transport. To encourage the use of sustainable transport, Air France installed 30 electric vehicle-charging points in its staff car parks in 2014.

BREAKDOWN OF EMISSIONS PER SECTOR IN PARIS REGION

Source : Airparif 2013



OPERATIONAL PROCEDURES

Together with Paris-CDG and Schiphol Airport, Air France and KLM aim to lower emissions of NOx and CO₂ of aircraft ground handling. As part of the Airport-Collaborative Decision Making project, Air France has succeeded in reducing taxiing time by 3 minutes at Paris-CDG. Rather than using kerosene-powered APU (Auxiliary Power Units), Air France and KLM use electric FPU (Fixed Power Units) where possible to power aircraft and ACU (Air Conditioning Units) which maintain an acceptable temperature on board aircraft. The GPUs, as well as an increasing number of aircraft towing trucks have been equipped with automatic power shut down systems. At Air France, maintenance, ground operations and flight divisions have been working to reduce the use of GPUs. In addition to this, new air conditioning equipment has been introduced at Paris-CDG, Guadeloupe, Martinique and Réunion Island. This has resulted in an 11% reduction in APU fuel consumption compared to 2013. Currently 70% of the Pre-Conditioned Air (PCA) units at KLM are electric. Towing aircraft using external power (not using APU) resulted in a saving of more than 2000 tons CO₂ emissions in 2014 at Schiphol. ●

Waste

Air France-KLM aims to minimize waste generation and to recycle and reprocess whenever possible throughout the supply chain. For customers, handling waste in a sustainable manner is one of the main environmental issues the Group should address. Air France and KLM follow four principles to reduce the impact of waste: redesign, reduce, re-use, and recycle.

AMBITION 2020
Air France: 100% of non-hazardous waste and 60% of hazardous waste recovered
KLM: “No waste of resources and materials” ambition 100% waste recycling and recovery

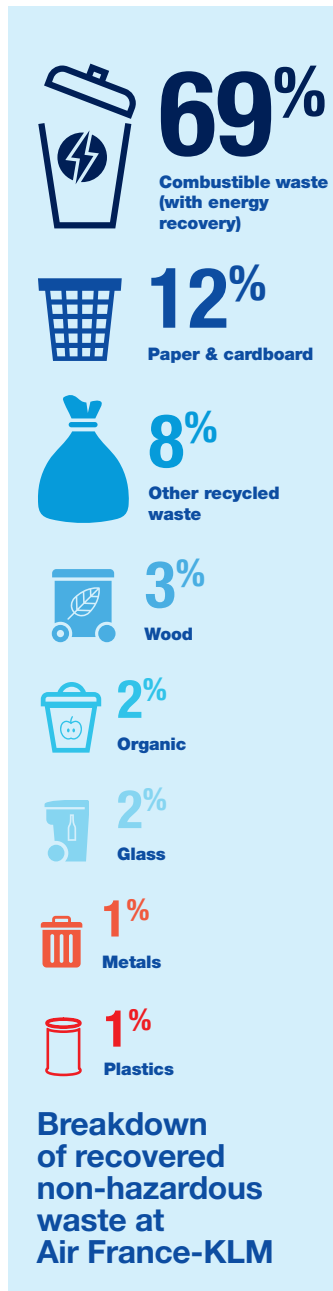
ONBOARD WASTE

Throughout the year, the Group monitors sources of waste. Onboard catering produces about 70% of all non-hazardous waste. The key to managing this onboard waste sustainably, is through preventing waste by redesign and by separating the waste correctly.

At Air France a significant proportion of reusable equipment, like trays, drawers, blankets and trolleys, is recycled every year. Items designed with eco-design approaches, which take the entire life cycle of products into account, are favored. Four families of materials are recycled: Plastic, metal, textiles and paper. Most textiles are recycled and used in the manufacturing of insulation materials for cars; plastics are mostly reused in the production of new materials such as Air France’s drawers and serving trays.

At KLM, waste has been reduced by decreasing the amount of packaging used for onboard catering products. The redesign of cardboard packaging for sandwiches has resulted in an annual saving of 20 tons of waste. Additionally, KLM has been separating onboard waste with cup-collecting compartments in trolleys on all European flights since 2013. This not only makes recycling easier, it also saves space by stacking the cups. Glass, cans, aluminum lids and PET bottles are also separated when collected, and recycled.

During turnaround at the gate, aircraft are serviced and cleaned. KLM’s cabin cleaning teams use special color-coded wheelie bins to separate paper and cardboard. Customers on intercontinental flights are invited to leave newspapers in the front row, for easier collecting. 587 tons of recyclable paper and cardboard are collected annually. Due to regulations, food waste generated by intercontinental air transport has to be incinerated and is used to produce energy. Servair has developed a waste management program focused on: reducing waste, increasing the rate of recycling, and identifying specialized recycling channels. In 2014, Servair launched an awareness



and investigated reuse opportunities for plastic cabin components. Orange waste bins (iconic for separating plastics in the Netherlands) were placed in all E&M buildings. Furthermore, used maintenance tools are auctioned amongst staff, and the money collected is donated to a good cause.

campaign for its employees on wastage, loss and breaking of goods. About 4,300 employees took part in the event.

AIRCRAFT PARTS AND METALS

Air France and KLM have programs for recycling aircraft maintenance waste. A proportion of this waste is re-used to manufacture new parts. 174 tons of aircraft parts and 80 tons of metal were recycled in 2014 at KLM.

Air France has recycled 20.7 tons of aeronautic metal. In addition, a dismantling and recycling process has been set up to accompany the fitting of new seats on long-haul aircraft. The process includes procedures to reuse and recover spare parts and to recycle used foam and metals.

Each year, KLM Engineering & Maintenance (E&M) assesses which waste streams can be re-used or recycled in KLM’s ScrapPlaza program. Where possible the principle of cradle-to-cradle is applied to bring waste back into a new production cycle with the goal of streamlining and controlling all technical waste flows. In 2014, ScrapPlaza focused on the plastics waste stream

UPCYCLING

In 2014, Air France conducted a study on waste management within the company. An e-learning module was developed to raise employee awareness on waste recycling and compliance with legislation. It also aims to optimize transport solutions during the waste management process, decreasing not only transportation cost, but also environmental impact.

Air France and KLM work with various partners to promote the circular economy and to identify wider potential scope for recycling. In 2014, both took part in feasibility studies to set up circular economy initiatives in the area surrounding Paris-CDG and Schiphol airports. Air France and KLM are also working on initiatives to upcycle waste into new uses. At Air France, re-useable components like medical equipment are recovered from out-of-date on-board survival kits. Outdated life vests are used to manufacture travel amenity bags and kits. In 2014, Air France also transformed former tarpaulins and advertising boards into pencil cases.

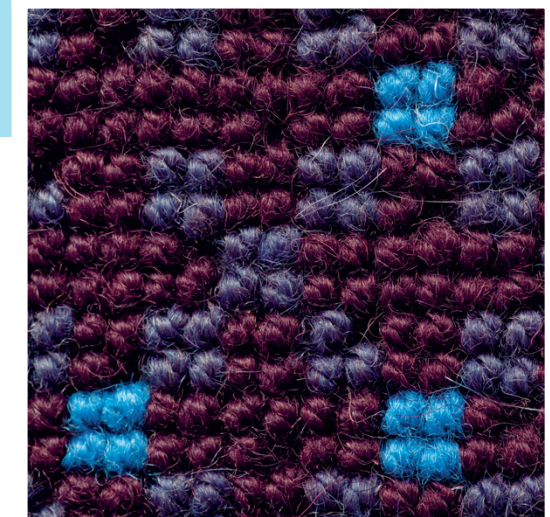
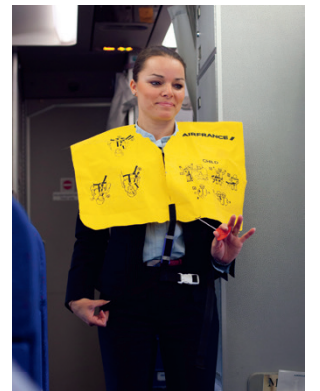
Since 2013, used KLM uniforms and old Business class carpeting were recycled into fibers used to manufacture the carpets for the New World Business Class. The 90,000 kilos of textile that remained after the ladies uniforms were changed in 2010 was transformed into a felt-like raw material, visible in the blue details of the new carpet. All used carpets are recycled in collaboration with carpet manufacturer Desso, as part of the Take Back™ program. In 2014, 39 tons of used carpet were given a new life. ●

Reducing Paper Waste

With the increasing use of digital newspaper apps, KLM Inflight services noticed many leftover newspapers after flights. To reduce this paper waste, the amount of newspapers stocked onboard has been optimized, varying for outbound and inbound flights. For example, on European Business Class flights, newspapers are provided for 60 % of passenger on board.

However, there is always a minimum number of papers provided. This initiative has resulted in 20% reduction of newspaper waste and a cost reduction of around €2 million over the past three years.

At KLM’s Ground Services division, manuals are no longer available in hardcopy, but instead are provided digitally. These are constantly updated, which constitutes an additional benefit. This has resulted in a paper saving of over 375,000 sheets of paper annually.



Energy and water

Air France-KLM aims to reduce energy consumption, improve energy efficiency and increase the use of sustainable energy for its buildings, offices and warehouses.

AMBITION 2020
Air France and KLM 20% energy efficiency improvement (baseline 2011)

ENERGY CONSUMPTION AND EFFICIENCY

At Air France, the target to reduce energy consumption applies to all divisions through annual objective contracts. The goal in 2015 is to reduce energy consumption by 2% compared to 2014.

To achieve this objective, the IT Operations division that manages two data centers has upgraded its site in Valbonne by combining energy efficiency, innovation in sustainable development, with cost and carbon footprint reduction.

Suppliers play a key role with regards to saving energy. The Maintenance division, which operates in large hangars, signed an energy supplier contract in 2013, including an annual target to reduce energy used by heating by 12.5% (at constant unified degree days). At the end of 2014, the goal had not only been reached, but went on to be more than doubled, achieving a 30% reduction.

At Servair, a total energy consumption audit was carried out in 2014. In addition, an assessment procedure identified excessive energy use at a site in Paris-CDG. As a result, the temperature management system was changed to better regulate energy demand during periods when heating was switched on. This investment helped to reduce energy consumption by 50%, or more than 600,000 kWh in the first quarter 2014, equivalent to the annual electricity consumption of 75 people.

KLM implemented the Energy Efficiency Plan 2013-2016, outlining a range of measures to reach the annual target of 2% efficiency improvement.

In 2014, replacing cooling systems achieved significant energy efficiency improvements. One building installed a cooling system utilizing more environmentally friendly refrigerants, saving 190,000 kWh yearly. KLM's data-center was equipped with new chillers, which are expected to generate savings of 570,000 kWh on an annual basis. The new cooling system within KLM Information Services has meant an improvement of Power Usage Effectiveness from 1.8 to 1.6. Furthermore, a new cooling installation and heat recovery system for KLM Catering Services has reduced KLM's energy consumption by over 1,000,000 kWh per year.

KLM Engineering & Maintenance (E&M) has introduced new lighting systems designed to produce three times as much light, whilst using 70% less energy, with an improved light productivity of 6%.



In 2014, E&M's distribution hallway was equipped with new LED-lighting, which is not only more energy efficient, but also reduces the chance of accidents by keeping employees more alert. Moreover, to reduce energy consumption, sensors were installed in one of the hangars to determine whether an aircraft is present. Both light and heating are now automatically turned off when there is no aircraft in the hangar.



SUSTAINABLE ENERGY

Air France and KLM invest in sustainable energy for their ground operations. Since 2002, KLM has been operating heat pumps with aquifers. Aquifers are underground water-bearing reservoirs in which thermal energy can be stored. Currently, KLM uses 5 heat pumps with aquifers, which generate enough energy to heat and cool 5 buildings. The amount of sustainable energy generated by these heat pumps in 2014 was an equivalent of 710,000 kWh electricity, and 89,000 m³ of natural gas.

SAVING WATER

As an airline group, the most significant water consuming divisions are catering (accounting for about 45% of total water usage), and engineering and maintenance (25%).

KLM Catering Services has reduced the amount of water used for dishwashing through a series of preventive measures including installing water meters and eliminating the least water-efficient machines.

To preserve water resources, Servair has implemented several measures to better control water consumption, such as regular monitoring and by including water efficiency in its workshop processes. Since 2010 in France, a 20% reduction in water use has been achieved (Continental France and overseas territories). Servair is also committed to reducing water pollution by adjusting the concentration of detergent used in washing machines and for cleaning buildings, and by implementing recycling systems for edible oils. In addition, major investments have been made in advanced wastewater pre-treatment facilities.

Reducing water consumption requires innovation. Air France Industries uses the "EcoShine" method to clean the exterior of aircraft.



Energy Efficient Laundry

Lamme Textile Management cleans over 270,000 textile items, such as pillow cases, blankets and uniforms for KLM every week. To improve the energy efficiency of this washing process, the company has laid out a diverse set of measures in their Energy Efficiency Plan. Recently, drying temperatures were optimized saving 2,000 kWh of electricity, and washing time was reduced, leading to a reduction of 3,000 kWh of electricity. Between 2012 and 2014, per kilogram of laundry, Lamme Textile Management reduced the electricity consumption by 14%, and gas consumption by 8%. Moreover, logistical improvements decreased transport movement by 540 km per week. The company employs 40 people with disabilities, who make up the dedicated team that facilitates eco-friendly washing for KLM on a daily basis.



By using pads, this process uses 100 times less water than the previous system: 100 liters to clean a Boeing 777, rather than 10,000 liters previously. This has resulted in water savings of 8 million liters, reducing the need to treat wastewater. In 2015, KLM E&M will start piloting this procedure as well.

Additionally the "Engine Water Wash" method is used to wash engines efficiently. The

system reduces fuel consumption and CO₂ emissions and is also environmentally friendly, as the water used for cleaning is collected and purified. The water wash equipment sprays approximately 100 liters of water into the engine via the front of the engine several times. The engine continues to run throughout this process. The result is a washing machine effect, via which the engine cleans itself. ●

Research and innovation

Air France-KLM supports research and innovation to better understand the environmental impacts of its businesses and to act on this effectively.

PROGRESS ON CLIMATE CHANGE, NOISE AND AIR QUALITY

The vice-chairman of Air France-KLM has chaired ACARE, the Advisory Council for Aviation Research and Innovation in Europe since 2013. ACARE advises the European Commission on aviation research, policy and regulatory framework development, contributing to a more environmentally friendly aviation sector, while maintaining the competitiveness of European airlines. This includes innovation in biofuel, aircraft design, passenger perceptions at airports and European certification processes for aircraft components and systems. KLM is member of the ACARE NL steering board, chaired by the Dutch Ministry of Economic Affairs and including members from other Ministries, the aeronautics industry, universities and Schiphol Airport.

Air France is a member of the steering committee of CORAC, the French ACARE national council. CORAC brings together all stakeholders in French aeronautics research to develop the aircraft of 2050. To move from basic research to the development of a prototype, research areas range from the airframe and engines to energy systems. Air France also participates in various working groups: IROQUA aims to reduce aircraft noise, and the Ini-FCA works on the development of sustainable biofuels.

KLM participates in projects that aspire to create a market for renewable aviation biofuel. Through the project ITAKA, offtake of the fuel produced is guaranteed. The RENJet project funded by the Climate KIC looks into various elements in the supply chain. Project BioReFly, in which KLM is consortium partner, focuses on the production of renewable kerosene from lignin waste streams and initiate the ASTM certification process.



CLIMATE RESEARCH

Since 2013, Air France has participated in the European project IAGOS (In-service Aircraft for a Global Observing System) by carrying atmospheric measuring equipment on board an Airbus A340. The information collected is of great interest to researchers as destinations including the Caribbean and West Africa are served, which are not widely served by other airlines supporting this project. The data collected is made available to international meteorological centers and scientists worldwide, which is particularly useful for studying the carbon cycle and verifying CO₂ emissions.

EUROPEAN SKY

In 2014, Air France joined the SESAR Deployment Alliance, an organization in charge of planning and coordinating the comprehensive modernization of European airspace. The organization is appointed by the European Commission and comprises 4 airlines, 25 airports and 11 air traffic control services. It will be in charge of supervising the implementation of almost 3 billion euros worth of air traffic control infrastructure improvements in Europe to enhance efficiency, reduce delays and increase environmental performance.



ELECTRIC TAXIING

Air France has worked on developing Honeywell and Safran's EGTS system (Electric Green Taxiing System) on Airbus 320 since 2013, which aims to significantly reduce the use of engines and vehicles for aircraft ground movement. This reduces costs, as well as the amount of gases emitted and noise. Equipping an aircraft with the EGTS system can reduce nitrogen oxide (NO_x) emissions by around 50%. In 2014, Air France introduced a new Green Taxiing project for long-haul aircraft. ●

Biodiversity

Sustainability labels

KLM aims to introduce at least 15 responsible catering products on board each year including MSC certified fish and Rondeel chicken and eggs. Some of these products are principally served on flights from Schiphol, because sourcing certified foods is challenging in certain areas of the world. However, success was achieved in Suriname where locally caught MSC-certified prawns were sourced and served on flights to Amsterdam, a good example what can be done to reduce biodiversity impact, as trawling of wild shrimps has a huge impact on the coastal area. Further goals include sustainable soy and palm oil used in all catering products (currently 80%) and the inclusion of fruits and nuts.



Air transport affects biodiversity indirectly through CO₂ emissions, as well as through impact related to inflight food production.

SUSTAINABLE CATERING

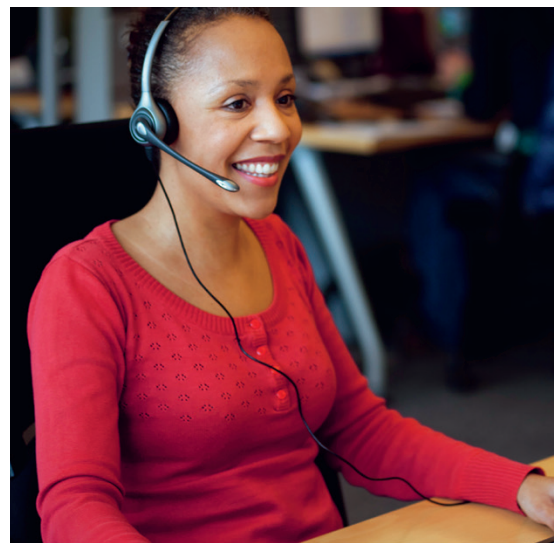
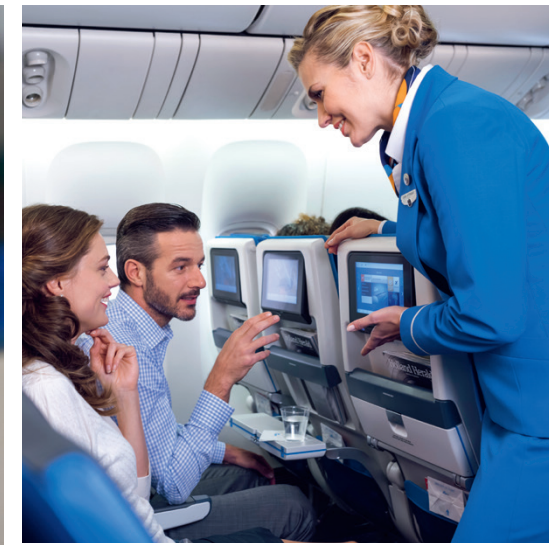
Air France and KLM serve a total of 85 million meals and snacks per year. Given the amount of products needed to produce these meals, the choices made regarding catering products can significantly impact biodiversity. Air France and Servair favor local, seasonal and responsible products for onboard catering. In 2014, Servair used over 200 tons of organic produce, 8.7 tons of AOP/AOC (Protected Designation of Origin) cheese and 70,000 bottles of AOP/AOC wine and Champagne. KLM strives for 100% responsible catering products by 2020 on flights from Amsterdam. This means selecting products that are produced responsibly, come with less packaging, a smaller energy footprint, and which are respectful of animal welfare. The focus is on preservation of biodiversity by paying particular attention to fish, palm oil and soy. To this end, KLM is a member of the Responsible Soy (RTRS) and Sustainable Palm Oil (RSPO) Round Tables.

PARTNERING FOR BIODIVERSITY

The forest conservation project in Madagascar, supported by Air France since 2008 and co-funded by the French Development Agency (AFD) and the French Global Environment Facility (FFEM) since 2014, contributes to the development of local communities while protecting the biodiversity of the island. The second phase of the project (2014-2017) aims to strengthen conservation activities, expand and improve

the propagation of sustainable alternatives to deforestation, and to validate the project under one of the existing REDD+ international label. In 2014, HOP! Air France launched an innovative collaboration-based project to assess biodiversity around airports, identify best practices and promote natural resource management, within the constraints of airport operations taking place. A study was carried out on four volunteer airports in France by HOP!'s scientific committee, which is made up of researchers and multidisciplinary academics. The initiative, which brought together HOP! staff, airports and local stakeholders is set to continue, with the aim of getting other partners involved in the shift to a green economy.

As part of its partnership with WWF-NL, which started in 2007, KLM financially supports three conservation programs: the Coral Triangle in Indonesia, the Bonaire Marine Park and the APRA program in the Amazon. The APRA program supports biodiversity programs across a vast tract of the Amazon region (around 15% of the surface area and 60 million hectares) to protect and enforce the recovery and conservation of biodiversity. ●



OBJECTIVES AND MAIN ACHIEVEMENTS 2014

OUR APPROACH

DIALOGUE WITH CUSTOMERS

SUSTAINABLE PROCUREMENT

BEST PRACTICES

A SUSTAINABLE AND INNOVATIVE PRODUCT RANGE

AMBITION

We incorporate our CSR commitments into the customer experience by offering high quality products and services. Together with our suppliers and partners, we take sustainability into account throughout the entire value chain.

Sustainability in the customer experience

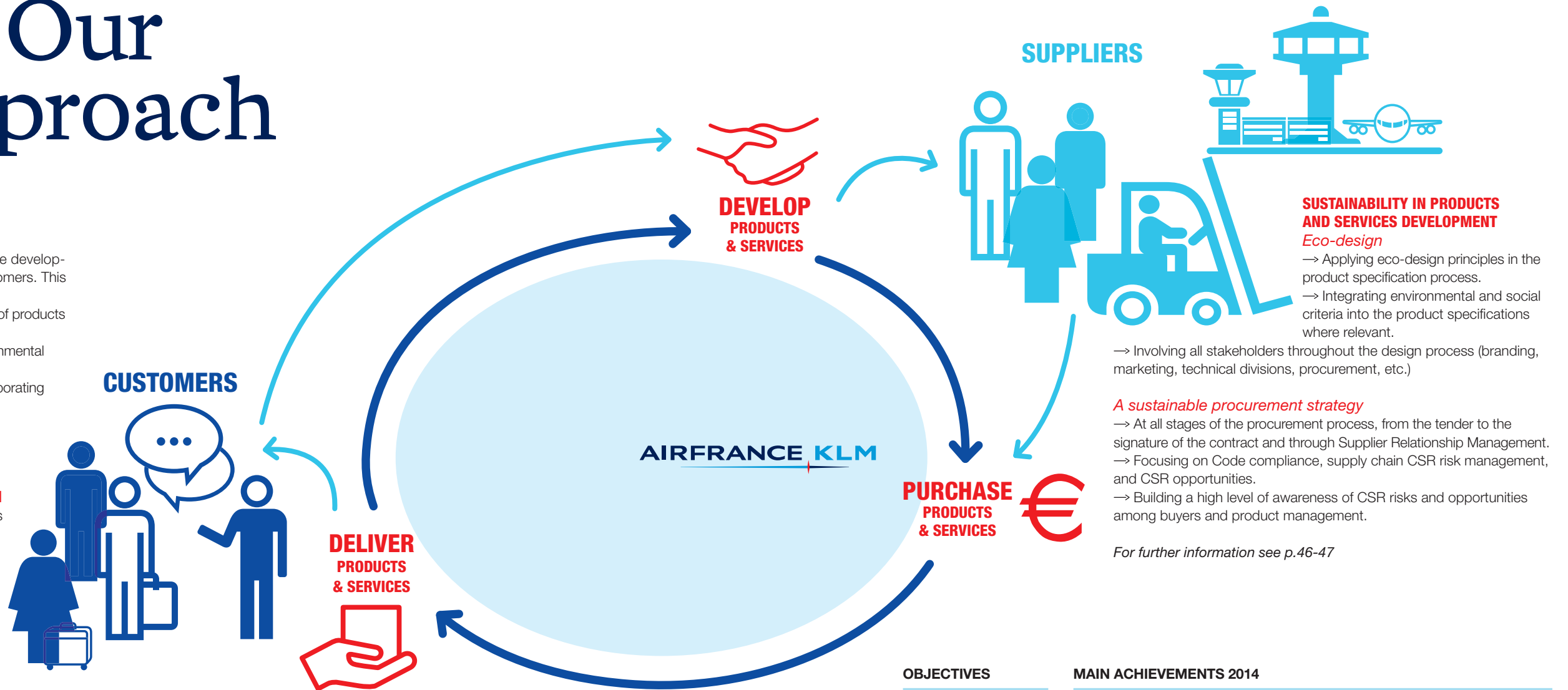
Our approach

Air France-KLM's commitment to CSR extends to the development of the products and services provided to customers. This approach integrates sustainability in the value chain:
 → from the development stage to purchasing and delivery of products and services;
 → based on customer dialogue, taking into account environmental and social criteria in specifications;
 → with an integrated sustainable procurement policy, collaborating with suppliers and partners.

CUSTOMER DIALOGUE AND CO-CREATION

- During all stages of developing products and services:
- Customer behavior analysis,
- Identification of requirements,
- Benchmark studies,
- Customer trials.
- Monitor quality & customer satisfaction.
- Involve customers in CSR initiatives.

For further information see p.44-45



| OBJECTIVES | MAIN ACHIEVEMENTS 2014 |
|-------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CUSTOMER DIALOGUE | |
| Reinforce programs supporting customer dialogue | <ul style="list-style-type: none"> → 20,000 members of Quality Observers program provided more than 25,000 flight reports → Up to 1 million answers to eSCORE surveys on customers satisfaction → Deployment of Net Promoter Score as the indicator for customer recommendation |
| Further involve customers in CSR initiatives | <ul style="list-style-type: none"> → Further development of KLM Takes Care online platform → Lab'line for the future: study on the customers' vision of responsible travel of the future |

| OBJECTIVES | MAIN ACHIEVEMENTS 2014 |
|----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SUSTAINABLE PRODUCTS AND SERVICES | |
| Continue integrating CSR principles into products and services | <ul style="list-style-type: none"> → Launch of Lab'line for the future: Air France started its operations with sustainable biofuel on a weekly Toulouse-Paris-Orly flight, making this route a showcase for sustainable innovation → Complete deployment of the KLM new World Business Class on 747 fleet and start overhaul 777 fleet → 3 new partners in KLM Corporate BioFuel Program → 15 new responsible catering products onboard KLM flights |
| SUSTAINABLE PROCUREMENT | |
| Strengthen the sustainable procurement strategy | <ul style="list-style-type: none"> → Supply chain CSR risk approach implemented → 75% Suppliers signed the Sustainable Development Charter → 179 Suppliers assessed on their CSR performance → Supplier guidelines developed, in collaboration with UNICEF- NL |

Dialogue with customers

Customer dialogue is key to providing high quality and sustainable products and services.

CUSTOMER INSIGHT

The Air France-KLM Customer Insight department conducts research on customer understanding and customer satisfaction. It also carries out benchmarking, specific customer research and data analysis, with a constant respect for the privacy of customer data.



Co-creation

The customer is placed at the center of products and services development. For example in 2014:

- Air France carried out several customer tests on new long-haul catering. Customer feedback was integrated into the development process;
- a co-creation program was implemented with top-members of the Flying Blue program;
- KLM organized a study on customer expectations about services specifically targeted at families and children.

Customer analysis

Air France-KLM carries out surveys, inflight trials and focus groups to ensure that customer feedback is systematically taken into account during the development of new products and services:

- Around 35 tailored studies are carried out per year among 22,000 FB@home customers and 500 Intouch customers;
- 35 studies were conducted among other Air France-KLM

SOCIAL MEDIA

A cornerstone of Air France and KLM customer dialogue.

- 71% increase to 13,151,570 fans
- 79% increase to 2,163,485 followers
- 287% increase to 157,841 followers

customers and potential customers to understand their needs;

- Customer complaints are analyzed and reported monthly, to understand key product and service challenges, and define possibilities for improvement;
- In 2014, the Net Promoter Score (NPS) indicator was deployed as the standard indicator used to monitor customer recommendation.

Benchmarking

Market research and industry-wide studies (such as AirS@t

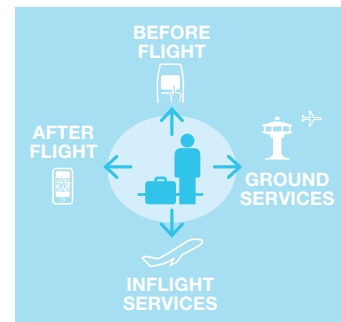
and the IATA Frequent Flyer Program benchmark) enrich analysis of the competitive environment. Part of this information is shared within the Group via a dedicated intranet. Benchmarking and collaboration is also done with other companies with similar customers, such as the Accor hotel group, with whom a joint project was carried out about hotel and airline bookers' purchasing behavior.

Monitor customer satisfaction

→ Air France-KLM fully rolled-out its innovative "Quality Observer" program in 2014. Flying Blue customers who are members of this community can perform quality audits, to check if services are delivered according to standards. Around 20,000 frequent customers have now signed up to this program, using an app and a dedicated website to provide over 25,000 quality observations annually.

→ 2014 was the first full year for eSCORE. This online program measures

passenger satisfaction on all Air France and KLM flights, with specific and tailored questions. The information gathered contains passenger profiles and choices, as well as satisfaction scores covering the entire customer experience. Over 1 million responses were received and analyzed to constantly improve and customize products and services.



STRIVING FOR EXCELLENCE IN CUSTOMER SERVICE

Air France and KLM undertake numerous initiatives designed to achieve excellence in customer service. In 2014:

- Air France integrated the Signatures of Services values, aimed at a "caring attitude", as an overall standard of conduct for the entire organization, including managerial attitudes and staff recognition schemes.
- The Signatures of Service were deployed in more than 100 Air France-KLM outstations (50% of the total number) and an empowerment approach is being deployed to promote front line staff initiatives.

→ KLM Lost & Found: a dedicated service was set up to return items found by cabin crew or by KLM airport staff to their owners as soon as possible, using all available information like seat and phone numbers and social media details. The service was launched with the successful "Sherlock" campaign, and initial results show that around 80% of found items are now returned.



INVOLVING CUSTOMERS IN OUR CSR INITIATIVES

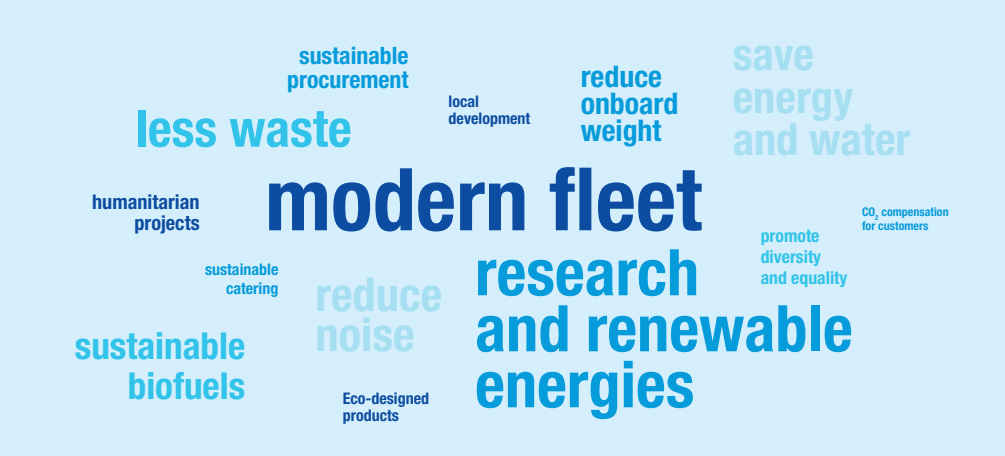
CSR monitor study

The CSR perceptions study carried out among Flying Blue customers was updated in 2013. This study aims at determining which CSR initiatives are considered as a priority for the Group. As shown in the figure below (the size of text corresponding to the level of relevance), the top three items quoted were: Investing in a modern fleet, reducing waste and supporting aviation research and renewable energies.

KLM Takes Care platform

KLM launched its KLM Takes Care online platform and logo in June 2012. KLM Takes Care brings together all of KLM's corporate social responsibility activities under a single name. klmtakescare.com is dedicated to providing information on all relevant topics, engaging in dialogue and providing a forum for discussion on sustainability. KLM Takes Care makes it easy to identify CSR initiatives both online and offline, and the logo increases visibility.

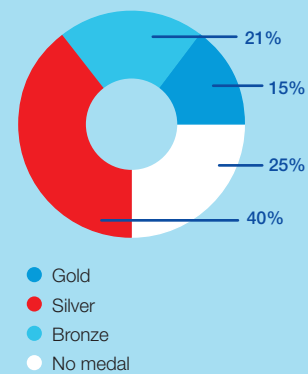
CSR PRIORITIES VIEWED BY OUR CUSTOMERS



Sustainable procurement

As a large purchaser of various products and services, ranging from fuel to onboard catering products, Air France-KLM aims to integrate sustainability in the supply chain by sourcing products and services that minimize our environmental footprint and have a positive social impact. Working together with around 4,976 suppliers, a proactive role for procurement is essential. The most significant purchases are aircraft, fuel, airport and navigation fees, onboard products and Engineering & Maintenance. Given the significant amounts spent, optimization, innovation and the integration of CSR in the supply chain are priorities.

ECOVADIS ASSESSMENT RESULTS - 179 SUPPLIERS



4,976
suppliers

75%
of suppliers signed the Sustainable Development Charter

179
suppliers assessed on their CSR performance

AIR FRANCE-KLM SUSTAINABLE PROCUREMENT STRATEGY IS FOCUSED ON FOUR AREAS

Code compliance

Buyers sign a code of ethics. Suppliers are asked to sign the Air France-KLM Sustainable Development Charter, which is based on the UN Global Compact principles, or to send an equivalent document to be approved by Air France-KLM.

In 2014, additional guidelines were developed based on international standards including the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the Children's Rights and Business Principles, the Core Conventions of the International Labour Organization (ILO) and the OECD Guidelines for Multinational Enterprises. KLM's partner UNICEF the Netherlands provided feedback on child-related aspects.

Supply chain risk assessment

Air France-KLM uses the EcoVadis online platform for assessing supplier CSR performance. Suppliers are scored on social, environmental, ethical and supply chain management criteria through a questionnaire. Depending on their score they are given a bronze, silver or gold "medal" in recognition of their performance (see above). A risk-based approach was developed in 2014, focusing on suppliers in higher risk sectors and countries.

Managing non-commitment/non-compliance

In 2014, a non-compliance policy was formalized and is being deployed progressively. All suppliers are asked to sign the Sustainable Development Charter, and those identified as high risk take part in a CSR assessment conducted by EcoVadis. If a supplier does not obtain a minimum score of 37, he is asked to provide a corrective action plan. The policy focuses on continuous improvement.

CSR opportunities

Engaging suppliers on their CSR performance and challenges helps to identify CSR opportunities. In part, this is achieved by integrating environmental, social and ethical criteria in product/service specifications and contracts where relevant. Air France-KLM also contributes to supply chain sustainability by closely collaborating with suppliers to develop innovative and sustainable solutions. Procurement also cooperates with organizations and companies in the sheltered sector on multiple projects, representing a total expenditure of €18 million. Air France also focuses on the development of small and medium-sized companies and start-ups, the creation of an innovation counter, participation in business incubators and on specific themes such as the Lab'line for the future project. In 2014, Air France obtained the "label SME" for its actions as part of the "innovative SME Charter".

RESPONSIBLE CATERING



KLM enjoys a leading position in the aviation industry in the field of responsible catering and aims to remain a frontrunner in this area. The objective is to offer 100% responsible inflight catering products on flights departing from Amsterdam by 2020.

Focus is on biodiversity impact, with particular attention paid to fish, palm oil and soy. Suppliers are given catering criteria and collaboratively, more responsible options are sought. For example, in 2014 one supplier switched to sustainable palm oil for its entire range of cookies, while another supplier obtained GlobalGAP certification for its apple and orange juices. This standard for fruits and vegetables sets requirements for safe production methods, employee health and safety, responsible use of resources, and animal welfare.

SAVING FUEL AND ENERGY WITH MOBILE AIR-CONDITIONING UNITS

With its fuel savings program, Air France aspires to reduce energy consumption and noise pollution caused by aircraft Auxiliary Power Units (APU). APUs provide electricity and air-conditioning to planes when they are on the ground. Pilots, engineers, maintenance service and outstations are involved in replacing these APU with mobile Air-Conditioning Units (ACU), where possible and profitable. In 2014, 3 new ACUs at Charles de Gaulle airport resulted in an energy reduction of 25% at aircraft parking.



REDUCING PRINTING

Launched in early 2014, the Air France Econoprint program aims at rethinking the way paper printing is managed in administrative work positions. Principles are simple:

- Reduce the number of printers per workstation,
- Improve the monitoring of printers, to ensure a better service quality,
- Ensure secure access for each member of staff, to limit paper waste,
- Lighter paper (-37% compared with previous), sourced from sustainably managed forests.

The objectives of this project to reduce printing by 36% were reached after few months of deployment (47.8 million sheets of paper were saved in 2014).



E&M ELECTRIC BOOM LIFT



In 2014, KLM supplier Riwal launched a major innovation by converting an articulating boom lift from diesel to electric power. This was done following KLM's request for a 26 meter high aerial work platform for aircraft maintenance inside hangars, that would not expose employees to emissions or loud noise. As no machines meeting these requirements were available, Riwal offered an innovative solution by replacing the diesel engine and fuel tank by an electric engine, battery pack, charger and control mechanism. Currently three electric boom lifts are used at KLM. This success demonstrates the value of working closely with suppliers.

Best practices



CORPORATE BIOFUEL PROGRAM

Since June 2012, KLM has been the first airline in the world to enable corporate customers to become partners in the KLM Corporate BioFuel Program, and to meet part of their travel needs with biofuel-powered flights. Participants pay a surcharge that covers the difference in cost between biofuel and traditional kerosene. This surcharge is fully used for the purchase of sustainable biofuel. Through these partnerships, members confirm their leadership and actively contribute to the development of a market for sustainable aviation biofuels. In 2014, new partners joined the Program, including City of Amsterdam, Friesland Campina, Perfetti van Melle and Ricoh.

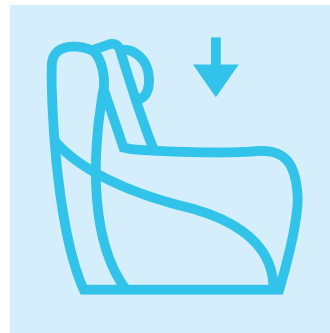


15

Corporate BioFuel partners

2

Series of 10 multi-leg flights Amsterdam - Bonaire - Aruba



NEW WORLD BUSINESS CLASS



In 2014 KLM completed the overhaul of its new World Business Class on the whole Boeing 747-400 fleet and introduced the new cabin interior on the Boeing 777 fleet. In addition to full-flat seats, the interior features new carpeting, panel decorations, curtains, lighting, blankets, cushions and upholstery. The carpets are produced using high quality recycled materials including old KLM crew uniforms. In addition to the World Business Class, designer Hella Jongerius has also designed a new Economy Class interior. A key improvement is the lighter seats, weighing just 11.6 kg compared to 17 kg for the old seats. This weight saving of 5.4 kg per seat ensures lower fuel consumption and therefore lower CO₂ emissions.

LAB'LINE FOR THE FUTURE

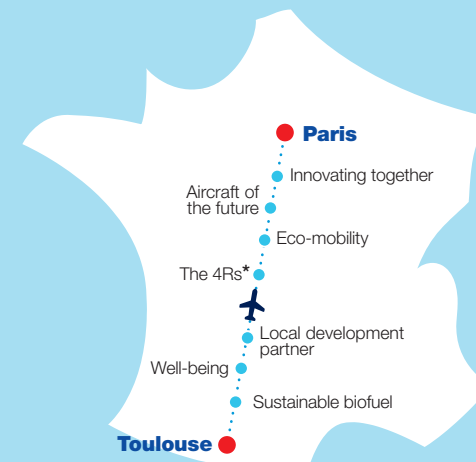
Beginning in September 2014 for a period of more than one year, Air France is showcasing innovation for sustainable development. Reflecting its commitments to CSR and to innovation, it is involving its customers in the challenges and solutions on the path to more sustainable travel.

14
Corporate partners

11
Toulouse-Paris-Orly flights

Inventing the transport of the future: more responsible, more sustainable

Once per week, over the course of a year, an Air France Toulouse-Paris-Orly flight is being powered using 10% sustainable biofuel, to showcase responsible travel (see page 30). The initiative aims to shape the responsible customer experience of the future, with a commitment to reducing environmental impact and increasing societal value.



One year to make a difference

Over the course of the year, various themes of responsible travel are being addressed, ranging from local development to the aircraft of the future. The initiative will enable Air France and its partners to showcase their best practices, and to trial innovation for more sustainable travel.

* The 4Rs: Rethink, Reduce, Re-use, Recycle



Raising awareness about responsible travel

The initiative is supported by an awareness-building campaign, including a web series. The series is available on the internet via social media and at the airport, it takes an informative



approach to exploring Air France's positions on sustainability and solutions for responsible travel in the future.

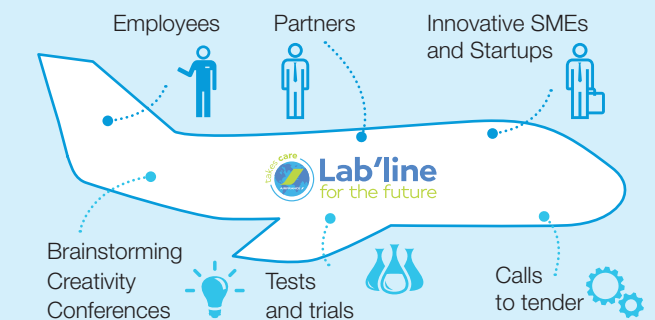


Co-innovation

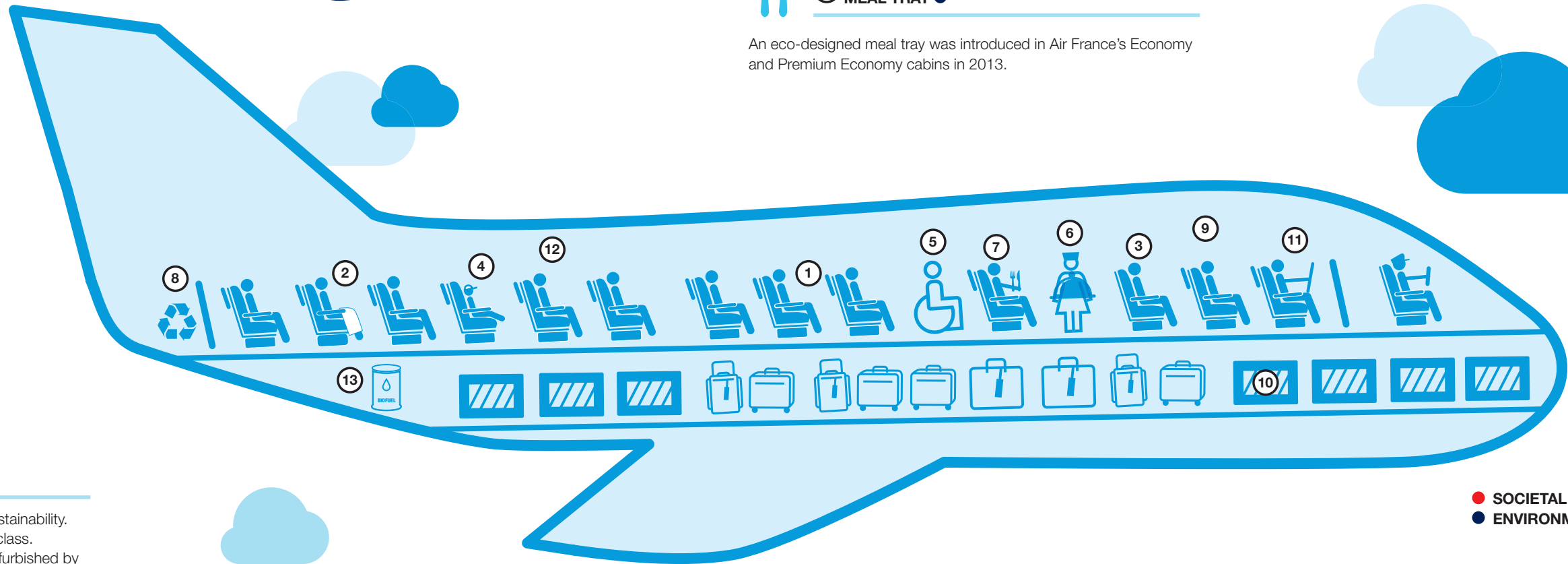
To maximize innovation, Air France is working together with other stakeholders who share the same values:

- 14 partners also present projects and innovations on Lab'line,
- Employees, customers, partners and startups.

All stakeholders are making a contribution, through challenges, project tenders and innovation seminars.



A sustainable and innovative product range



● SOCIETAL
● ENVIRONMENT

1 INFLIGHT ENTERTAINMENT ●●

In-flight entertainment includes a number of films on sustainability. Air France offers reusable headphones in its Economy class. Not only do these generate less waste, they are also refurbished by a sheltered sector company and provide improved sound quality.

2 BLANKETS ●●

100% of Air France economy class and crew blankets are cleaned by a sheltered sector company in the Paris region. Similarly, KLM works with Lamme Textile Management to clean blankets and other textiles in an eco-friendly way.

3 LOCAL CULTURE PROGRAMS ●

Air France's "Phoenix" and KLM's "Route Dedicated Service" programs are especially geared towards the culture and needs of passengers.

4 PRODUCTS FOR CHILDREN ●

KLM introduced the "Bluey" playset for children and Air France deployed its "Kids" program, so that children and their parents experience a comfortable flight.

5 PASSENGERS WITH REDUCED MOBILITY ●

Air France's "Saphir" and "KLM Cares" by KLM, are designed to offer a personalized service to passengers with reduced mobility or special medical needs.

6 RESPONSIBLE CATERING ●●

Onboard KLM flights, products are offered which have limited impact on biodiversity and that are respectful of animal wellbeing. In 2014, 15 new products were added, including GlobalGAP certified juices and ASC certified salmon.

Air France serves local and seasonal products on its flights. Babies and children are offered organic meals. In 2014 Air France renewed its ISO 22 000 food security certification.

7 MEAL TRAY ●

An eco-designed meal tray was introduced in Air France's Economy and Premium Economy cabins in 2013.

8 RECYCLING ●

Air France and KLM recycle onboard equipment at the end of its life cycle (such as trays, drawers, blankets and trolleys).

9 AIRCRAFT INTERIOR ●

KLM has redesigned its New World Business Class and has equipped its Fokker 70 with new, lighter seats. The seat covers are made of eco-leather, which is produced in an environmentally friendly way, using leather off-cuts.

10 LIGHTER AIRCRAFT EQUIPMENT ●

Air France-KLM-Martinair Cargo works with innovative, lightweight nets to save weight and reduce CO₂ emissions. Lightweight baggage containers are used in Air France's long haul fleet.

11 NEWSPAPERS ●

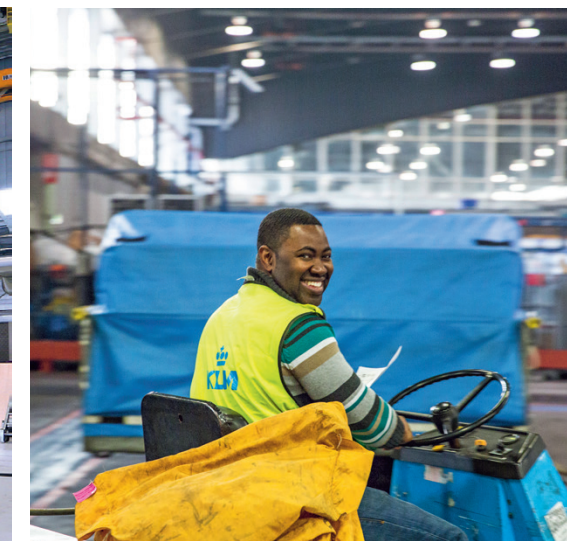
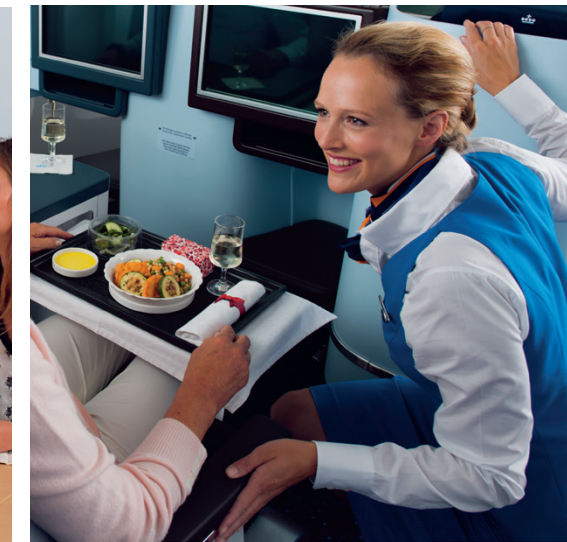
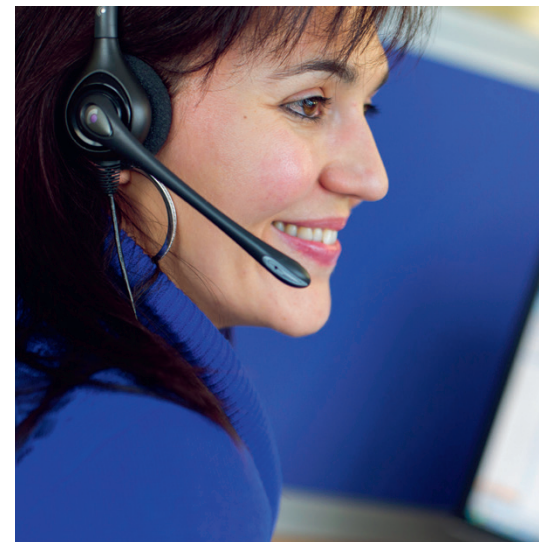
Digital newspapers and magazines are progressively being made available onboard Air France flights in close cooperation with all stakeholders.

12 CO₂ CALCULATION AND OFFSETTING ●

Passengers and cargo customers are given the opportunity to calculate and offset their CO₂ emissions. In addition, corporate accounts are offered emissions reporting.

13 BIOFUEL PROGRAMS ●

In 2014 Air France launched Lab'line for the future. KLM extended its Corporate BioFuel Program for corporate accounts.



OBJECTIVES AND MAIN ACHIEVEMENTS 2014

KEY FIGURES

GROUP SOCIAL POLICY

HEALTH AND SAFETY AT WORK

EQUAL OPPORTUNITIES

INTERNATIONAL HUMAN RESOURCES

AMBITION

We aim to create a safe and motivating environment for our employees. We continue developing skills to ensure the professionalism and employability of our staff, to achieve the best results for our business.

Responsible human resources

Air France

OBJECTIVES MAIN ACHIEVEMENTS 2014

SOCIAL POLICY

| | |
|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Promote effective dialogue with employees and their representatives | <ul style="list-style-type: none"> → 5 meetings of the European Works Council → 14 meetings of the Air France Corporate Works Council → 3 meetings of the French Corporate Works Council, bringing together the employee representatives from the Air France Group's various subsidiaries → 88 collective labor agreements signed in the Air France Group |
| Enhance mobility | <ul style="list-style-type: none"> → Mobility kiosks at Paris-CDG, Orly and regions → 900 jobs posted in the internal Job Exchange → 1,400 employees received individual support to change jobs → 1,600 employees took part in themed conferences |
| Internship development | <ul style="list-style-type: none"> → 1,550 apprentices (710 FTE, 2% of total staff), representing a 7% increase (in FTE) compared with 2013 |

TRAINING

| | |
|----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Train staff members to develop their employability | <ul style="list-style-type: none"> → 90% of ground staff and 100% of flight deck and cabin crew completed training → 28 training hours per employee → € 186 million spent on staff training → Personal training entitlements (DIF): 12% of overall training |
|----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

HEALTH AND SAFETY

| | |
|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reduce the number of workplace accidents | <ul style="list-style-type: none"> → Number of workplace accidents: +2%. Annual objective 2015: -5%. Frequency rate: +5%. Severity rate: -1% → OHSAS 18001 certification → Signature of the Ground Staff agreement improving organizations, working conditions, quality of day-to-day life in the workplace and preventing risks and hazardous situations |
|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

EQUAL OPPORTUNITIES

| | |
|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Pursue commitments to promote diversity | <ul style="list-style-type: none"> → A diversity section in the Air France Jobs website → Signature of the 2013-2015 "Generation Contract" → Percentage of female staff among senior management and executive level: 26.3% → Disabled employees: employment rate 5.22 % (4.95 % in 2013). 23 new employees with disabilities hired |
|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

KLM

OBJECTIVES MAIN ACHIEVEMENTS 2014

SOCIAL POLICY

| | |
|--------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Stimulate employability through mobility | <ul style="list-style-type: none"> → 195 employees took part in career programs → Divisional mobility centers introduced → 9 new young professionals in the KLM Management Trainee Program and 4 in the IT Management Program |
| More direct & intensive contact between manager and employee (use dialogue as inspiration) | <ul style="list-style-type: none"> → 49% response rate on employee engagement survey → Around 1,100 employees attended interactive town hall sessions to discuss the Perform 2020 plan |
| Implement e-HRM (MyHR) | <ul style="list-style-type: none"> → MyHR launched for all KLM staff |

TRAINING

| | |
|----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Facilitate training and personal development | <ul style="list-style-type: none"> → Total training cost: €3,229 per FTE (+22.4% as compared as 2013) → 112 employees gained vocational training diplomas → 91 employees started a vocational training program → Partnership with Schiphol Aviation College continued → Launch of the Develop Yourself Tool |
|----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

HEALTH AND SAFETY

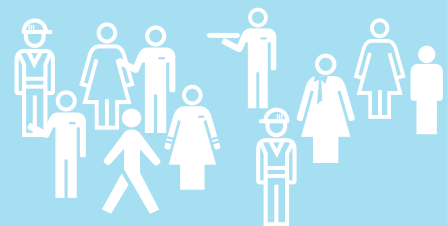
| | |
|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Become world leader within aviation safety and target a "Zero accident" situation | <ul style="list-style-type: none"> → Further roll-out of integrated health policy and three-year activity plan → 3 serious accidents involving hospitalization → Initiation of a program to accelerate and deepen the integration of occupational safety into ISMS |
| Decrease absenteeism rate | <ul style="list-style-type: none"> → Absenteeism levels: Increase from 5.3% in 2013 to 5.77% in 2014 → Health and lifestyle programs: <ul style="list-style-type: none"> - "FeelFit" within the Ground Services division - "Hello Fysio" for flight deck and cabin crew - Two health themed events organized |

DIVERSITY

| | |
|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Support diversity | <ul style="list-style-type: none"> → Diversity Manager appointed → Launch of a diversity perception survey of KLM → 5 Diversity Council meetings: focusing on how to promote diversity across the organization and raise awareness. |
|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Key figures

TOTAL STAFF 2014 (HEADCOUNT)



99,277
94,666 FTEs

WOMEN



43.2%

MEN



56.8%

HEADCOUNT BY CATEGORY OF STAFF 2014

Ground staff

65,545
66%



Flight Deck Crew

8,450
8.5%



Cabin Crew

25,282
25.5%

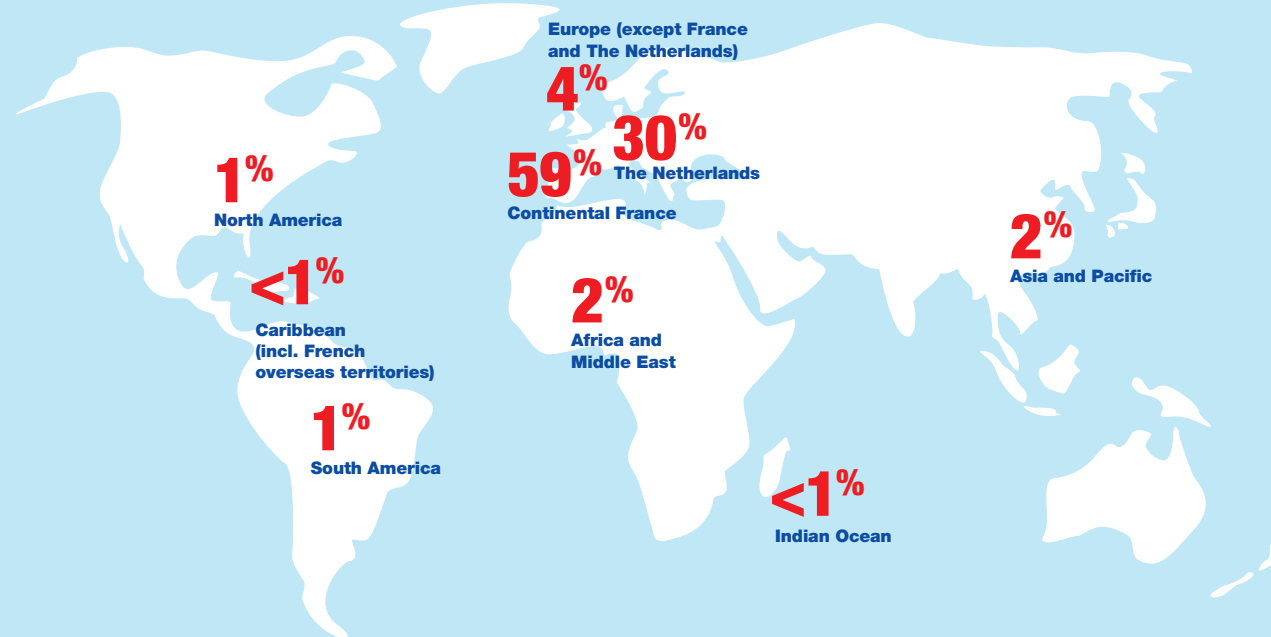


PART-TIME EMPLOYEES



27.7%

GEOGRAPHICAL DISTRIBUTION OF EMPLOYEES



Group social policy

MEETING ECONOMIC CHALLENGES

The Corporate Social Responsibility Statement and the Social Rights and Ethics Charter form the foundation of the Group's commitments by reaffirming the values and fundamental rights that guide its social and ethical policy.

Within a context of the on-going turnaround – completion of Transform 2015 and the launch of Perform 2020 – and return to profitability, Air France and KLM are committed to maintaining high-quality workplace dialogue. This workplace dialogue is transformed into a series of strategic plans over a five-year timeframe, which are rolled-out across individual divisions based on a “bottom-up” process, which takes into account market realities.

TRAINING AND MOBILITY

Air France-KLM maintained a high level of access to training in 2014. Mobility enables employees to grow professionally.

Priority areas for training are:

- supporting the Group's transformation projects;
- meeting regulatory requirements, particularly in the field of safety;
- providing support for mobility and retraining;
- developing the skills of employee to improve their employability;
- supporting employee career progression.

At Air France in 2014:

- Mobility Centers continue to offer specialist career mobility guidance;
- 900 jobs posted in the internal Job Exchange received 7,000 applications;
- 1,400 employees received individual support to change jobs;
- 1,600 people took part in themed conferences presenting the airline's different businesses.

KLM continues to focus on training and development, while containing costs. Several training programs were offered in 2014:

- KLM Academy has launched the Develop Yourself Tool, an online platform for staff to learn anywhere, anytime;

→ Divisional programs: KLM Business Campus and Ground Services have re-engineered the learning program for new Passenger Handling employees;

→ Employability Services supported 195 employees in a voluntary career orientation program.

YOUNG PROFESSIONAL AND INTERN DEVELOPMENT

As part of the sixth Internship Charter, Air France is continuing to fulfill its responsibilities towards young people entering the labor market:

→ 1,550 new interns welcomed in 2014, from further and higher education backgrounds;

→ Initiatives to support access to employment for apprentices in the local area: Workshops for job seekers, jobs fairs, networking with

employers in the Paris-CDG airport employment area.

In 2014, Servair demonstrated its commitment to helping young people by recruiting almost 140 people through the Emplois d'Avenir program.

HR Connect & MyHR

KLM's HR Connect strategy was defined to translate the Transform 2015 objectives into the human resources domain for 2012-15.

Within this framework, new initiatives included designing decentralized mobility centers and promoting the concept of leadership and its development in the future. One of the highlights in 2014 was the launch of the e-HRM environment, MyHR, for all KLM staff. With MyHR, staff can manage their HR matters any time and any place, easier and faster. MyHR has resulted in significant cost savings and has reduced paper waste by almost 3,500 kg in 2014.

Although KLM maintained its principle of limited external hiring, in place since 2008, a number of young professionals were welcomed to the company via the Management Trainee and IT Management Program. In addition, the high number of applications for the traineeships and internships illustrates the attractiveness of KLM as an employer.

→ Over 800 interns joined KLM in 2014;

→ KLM was ranked amongst the ten Best Dutch Employers in Effactory's “Best Employer” survey. ●

28
hours
of training per employee at Air France

€ 3,229
Training expenditure per FTE at KLM

Health and safety at work

The health and safety of staff in the workplace is a key priority for Air France-KLM, as well as maintaining good quality of life.

OUR KEY ISSUES

Ensuring Health and safety at work is a topic with social and financial aspects and a direct impact on business. Therefore, reducing risks, occupational illnesses, and workplace accidents are high priority areas.

As part of the Integrated Management System at Air France, specific annual performance target contracts are signed by the senior executive of each entity. These contracts formalize quantified commitments to reduce accidents at work through action plans. In 2014, Air France obtained OHSAS 18001 certification for its health and safety management system, in force at all levels of the company.

In terms of safety, KLM's ambition is to become a world leader in aviation safety. The objective of a "zero accident" situation has been set to minimize the number of workplace incidents. This objective is pursued by the Integrated Safety Management System (ISMS) (see p.18).

RISK PREVENTION

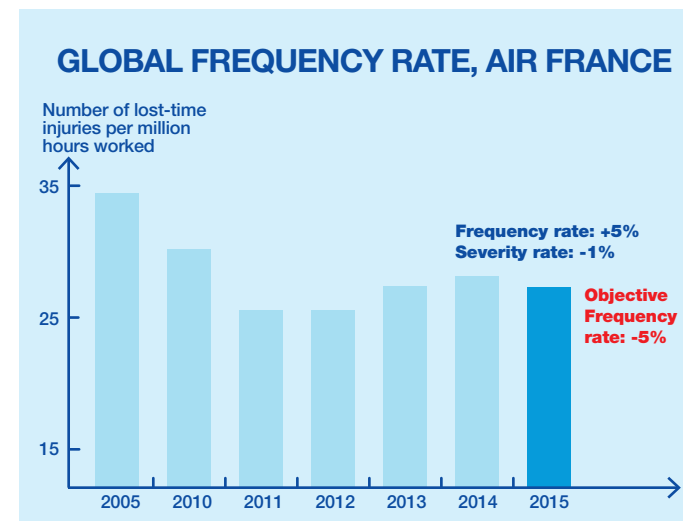
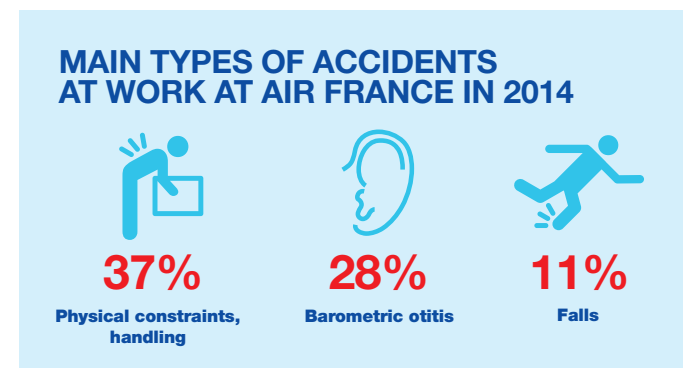
Being vigilant and taking action are now more of a priority than ever. To place accident avoidance and a culture of risk prevention at the heart of its business, the Group is taking action in several areas:

- integrating occupational safety criteria into project management and in the development of ergonomic procedures;
- involving field managers and staff to identify potentially hazardous situations and to encourage preventive action;
- feedback systems to share experience of incidents and best practices;
- building awareness and providing information on occupational health risks and their prevention, through dedicated conferences and forums;
- maintaining skills by offering risk prevention training, updated on a regular basis to keep pace with changes in regulations and tools available, as well as taking into account change and the emergence of new risks.

RESULTS AND OBJECTIVES

Following several years of progress, in 2013 and 2014 Air France recorded a deterioration in terms of workplace accidents in some divisions. However there was a decline in the severity rate of accidents. KLM has reached its goal of fewer than four accidents, however the number of workplace accidents leading to time off work rose slightly above target. Recently, media reports have suggested possible health risks for passengers and crew associated with chemical substance

leakage from aircraft engine oil into the air conditioning system. In response to this, KLM Health Services (KHS) experts organized several meetings with the Working Group Aircraft Related Dangerous Oil and Fumes (ARDOF). Aircraft manufacturers have demonstrated that during normal operation there is no health risk for passengers or crew. Measurements on board KLM's 737 and a consecutive risk assessment have confirmed this.



QUALITY OF LIFE IN THE WORKPLACE

The Group pays particular attention to quality of life in the workplace. Various initiatives help employees with their work-life balance, which also improves performance.

At Air France, a new agreement was signed at the end of 2014, aiming to ensure improvements to organization, working conditions, quality of life in the workplace, risk prevention and to physically demanding jobs. The agreement builds upon initiatives already in place and sets out a new package of measures. These include support for members of staff facing personal difficulties, the roll-out of management practices to promote quality workplace relationships, the development of ergonomic approaches during the design of projects, and the expansion of new working methods, such as home-working.

To date, more than 18,000 employees have responded to a questionnaire evaluating occupational stress. The questionnaire has become a key tool for managing and preventing psychosocial risks within the company.

Since 2013, KLM has an integrated approach to all health-related matters to pursue a more concrete and efficient policy. A three-year plan, and a detailed action plan for 2014 present a common vision on company-wide goals for health and safety. The implementation of this policy is reviewed annually and updated if necessary. This new policy pursues the positive and effective initiatives that are underway, but also introduces a shift in focus with increasing investments in preventive healthcare, to improve working conditions and promote healthy employee

“Our colleagues know where to find us ergocoaches. It is becoming more and more accepted that we engage in dialogue with colleagues about unsafe or unhealthy work situations. Together with the other ergocoaches we deal with issues concerning ergonomics and safety. Management supports us, and we also get the time we need to really fulfill the role of ergo coach.”
Ergo coach at KLM Engineering and Maintenance

“In the SafetyF@ct videos, useful information on safety is covered. I can access the program any time, any place and it takes only five minutes of my time, but it makes me more aware of safety during my work.”
De-icing operator at KLM

“Our ‘Pilot-Pads’ have a new section dedicated to Health and Safety at work issues. This provides quick access to practical and concrete information on related subjects such as malaria or barometric otitis.”
Occupational safety coordinator at Air France

“I work at Cargo. We have been using vacuum lifting devices for our palettization operations, since 2014. Because they reduce the weight of the loads that we have to carry, they prevent the risk of musculoskeletal disorders.”
Cargo operator at Air France

lifestyles.

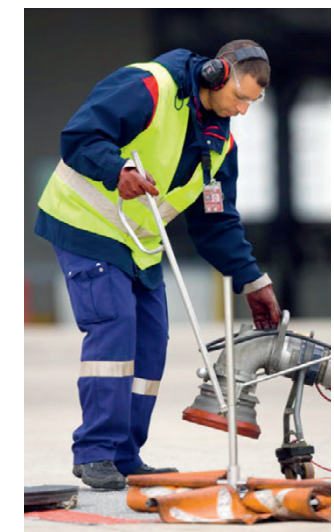
One example is the “Fit on the Ramp” lifestyle program at Ground Services which became “FeelFit” in 2014. This program offers many activities such as health screening and individual and group training on

healthy lifestyles (e.g. on quitting smoking). Furthermore, a pilot program “HelloFysio” was launched for flight deck crew and cabin crew, which offers online physiotherapy by experienced physiotherapists.

Additionally, KLM has started organizing Health Theme Events. Two events took place in 2014, focusing on self-management and on healthy lifestyle promotion. Managers and professionals from both inside and outside the company shared knowledge and best practices. ●

Change the way we work

As part of its “Change the way we work” program, which aims to renew working practices, Air France will expand telecommuting. More employees now have the opportunity to work from home one day per week. The initiative aims to boost motivation by reducing stress related to work travel, to improve work-life balance, and to offer greater independence to employees in the way they organize their work. Since its launch, about 600 employees have enrolled in the project.



Equal opportunities

DIVERSITY

In line with its Social Rights and Ethics Charter, Air France-KLM pursues a social policy based on integration through work, respect for equal opportunities, combating discrimination and promoting diversity. At Air France, internal recruitment and selection processes are governed by a code of ethics. Materials are available to managers, and more broadly to all staff members, including an e-learning module on "Diversity and Discrimination Prevention".

Air France is a signatory of national charters such as the Diversity Charter and the Good Parenting Charter. The airline signed the 2013-2015 "Generation Contract", the French government agreement for sustainable employment for young and older people, and the passing on of knowledge and skills.

KLM's Diversity Council, set up in 2014, examines ways of promoting diversity in the organization and increasing awareness. As a result, diversity is one of the themes of divisional Management Development plans, and a Diversity Manager has been appointed effective February 2015. At the end of 2014, a survey was conducted in cooperation with Leiden University to gain insight in the perception of diversity in the workplace.

DISABLED PEOPLE

Air France-KLM has a proactive approach to helping people with disabilities into work. Air France signed the 2015-2017 Disability Agreement in 2014, which aims to pursue and strengthen initiatives to promote improved, career-long support for employees with disabilities. In 2014:

- the share of employees with disabilities within the total workforce continued to grow to 5.22% in 2014 compared to 4.95% in 2013;
- 23 people with disabilities were recruited by Air France (16 in 2013);
- staff with disabilities were aided in retaining their jobs, through support and adaptation initiatives;
- increased use of companies and organizations in the sheltered sector: 18 million euros of purchases from this sector.

KLM is fully committed to actively furthering the vocational integration of people with disabilities and to maximizing their potential economic contribution. Based on government guidelines, occupational physicians evaluate employees' potential contribution. In cooperation with specialists, consultants and employees, adjustments are made to working hours, types of work and work station adaptation needed to optimize the potential of employees with disabilities. The return to work for employees with disabilities is proactively supported. When employees are unable to return to their jobs due to disability, they are automatically



percentage of female staff rose from 19.8% in 2013 to 20.5% in 2014.

KLM is committed to equality and respect for sexual orientation. The "Over the Rainbow" LGBT network brings together gay, bisexual and transgender employees. It provides advice to ensure fair treatment, regardless of sexual orientation. The network has steadily grown to around 350 members. On Coming Out Day in October 2014, the themes of gender equality and diversity were addressed during a lunch event. ●

offered an appropriate position without having to undergo a new application process. In 2014, KLM employed 750 employees with disabilities.

GENDER EQUALITY

Professional equality between men and women remains a key issue and progress area in HR management. Air France has made a commitment to reducing wage disparities between men and women. The percentage of female staff among senior management and executive level rose to 26.3%.

Air France signed the Convention for Occupational Gender Equality with the French Ministry of Women's Rights, formalizing a number of commitments, such as those on work-life balance, increasing the number of women on steering committees and providing support for equality initiatives among SME subcontractors and suppliers.

At KLM Group, the percentage of female staff grew to 42.6% in 2014, from 42.3 % in 2013. This increase also translated to the senior management and executive level, where the

International human resources

A WORLDWIDE SOCIAL POLICY

9,956 employees, accounting for 10% of Air France-KLM staff, are located at international establishments, which are the local Air France-KLM offices.

Guided by the Social Rights & Ethics Charter, the Group applies local collective labor agreements, agreed with unions or other relevant parties, according to local standards. Due to these local contexts, labor agreements and standards can vary per country.

As part of on-going workplace dialogue, the Air France-KLM employee satisfaction survey Reflect was conducted in 2014, to measure the satisfaction and expectations at work of all staff worldwide. They were asked to give their opinion on subjects such as their own role in the organization, experiences at work, opportunities for personal development, communication, leadership, management and overall impression including questions about CSR. The overall participation rate was 62%, and 87.4% of the respondents indicated they think that Air France-KLM is committed to CSR. In 2015 the departments and establishments will analyze the results of the survey, discuss findings with the employees and develop plans for improvement.

Another focus point in 2014 was the e-learning on Anti-Bribery and Corruption (see also p.20). Although this is a key part of the Air France-KLM overall ethics framework, particular attention was paid to the international establishments, where a larger share of staff was asked to participate, including lower management levels.

FOCUSING ON SERVICE QUALITY

For Air France and KLM, service is a key part of differentiating the offer and building customer loyalty. The entire service chain is involved at all destinations to ensure customers receive quality service throughout their journey, from check-in to baggage collection.

Training projects for staff throughout the world are deployed in order to foster a true customer-centric culture among employees. The Signatures of Service training program is being rolled out in over 100 local establishments. In 2014, this training was extended to Tokyo, Bangkok, Hong Kong, Abidjan, and Montreal, with cultural differences taken into account for each country. For example, in Bangkok, the famous Thai "wai greeting" was included as a standard part of welcoming customers.

DEVELOPING LOCAL TALENT

Additionally, various local management and talent development initiatives are in place.

The "Spice Trail" is a combined talent program of the area Asia Pacific and the Middle East, Gulf and India area at Air France-KLM. Each year, twelve talents are chosen by local management teams to follow this one year program that includes 360 degree feedback, managing change successfully, project management and culture and communication training. Other parts of the program include visits to various establishments to get to know the market and the colleagues and share best practices. The first "Africa's Got Talent" program began in October 2014 and will run until May 2015. Twelve local talents from all six African establishments experience an eight-month program in



four sessions, focused on business and organizational information, managerial skills and personal development. Local management at each establishment selects the participants. The goal of the program is to identify and foster talent with a view to local mobility in order to prepare new managers for the future. Furthermore, the program focuses on development of personal and management skills and competences, a wider business perspective, and achieving higher motivation levels. ●



| Time | Destination | Flight | Check-in | Embark |
|-------|-----------------|---------|----------|---------|
| 15:00 | GENEVE HEATHROW | AF 526 | CO 6051 | Zone |
| 15:00 | ROME-FIUMICINO | AF 1870 | | Area |
| 15:25 | VENISE | AF 2342 | | TERMINE |
| 15:25 | AMSTERDAM | AZ 323 | LX 4611 | TERMINE |
| 15:25 | ABERDEEN | AF 1926 | AF 9836 | EMBARQU |
| 15:25 | NEWCASTLE | AF 2040 | AZ 7331 | A L'HEU |
| 15:30 | CASABLANCA | AF 5558 | KL 2016 | A L'HE |
| 15:35 | MADRID | AF 5853 | AZ 3602 | A L'HE |
| 15:35 | DUSSELDORF | AF 1896 | AZ 3584 | A L'HE |
| 15:40 | BARCELONE | AF 1800 | KL 2114 | A L'HE |
| 15:40 | ZURICH | AF 2206 | UX 3438 | A L'HE |
| 15:40 | BIRMINGHAM | AF 1948 | DL 8412 | A L'HE |
| 15:40 | NICE | AF 5106 | AM 8948 | A L'HE |
| 15:40 | VERONE | AF 5136 | NI 9636 | A L'HE |
| 15:40 | CONAKRY | AF 7706 | JJ 8552 | A L'HE |
| 15:40 | DJIBOUTI | AF 5382 | KL 2182 | A L'HE |



OBJECTIVES AND MAIN ACHIEVEMENTS 2014

ECONOMIC VALUE

LOCAL DEVELOPMENT AROUND OUR HUBS

LOCAL DEVELOPMENT AT DESTINATIONS

SOCIAL PARTNERSHIPS

AMBITION

As an airline group, we connect people around the world. We strive to add economic and social value in the areas where we operate. By working together with local partners, we create new business opportunities and support projects that contribute to future generations and local communities.

Local development

LOCAL DEVELOPMENT AROUND OUR HUBS

| | |
|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Contributing to economic value | <p>→ Promoting regional attractiveness and development:</p> <ul style="list-style-type: none"> - Air France and KLM: 356,000 jobs induced in France by Air France and 90,000 jobs induced by the Dutch aviation industry in the Netherlands - KLM, Schiphol and the City of Amsterdam: Continued cooperation for regional competitiveness and sustainable development - KLM & Amsterdam Marketing focusing on the development of the Amsterdam region - Air France and 6 leading companies formed an association in the Paris-CDG to facilitate employees mobility and access to employment <p>→ Supporting SMEs and innovation projects:</p> <ul style="list-style-type: none"> - KLM: Invested in 8 startups through the Mainport Innovation Fund - Air France: Supported 70 Small and Medium Firms through a coaching program in the Paris-CDG area |
| Contributing to knowledge and skills for future generations and vulnerable people | <p>→ Knowledge and talent development of young people through education programs:</p> <ul style="list-style-type: none"> - KLM: Extended the ROC partnership and welcomed 182 pupils on a JINC mini-internship - Air France: 13,000 students informed on aviation careers during education fairs by Airemploi <p>→ Supporting people with distance to the labour market:</p> <ul style="list-style-type: none"> - KLM: 15 young people in Schiphol Aviation College program - Air France: 360 young unemployed trained or provided with guidance by JEREMY (including 134 at Air France) - Air France's sourcing from sheltered sector companies: €18 m |

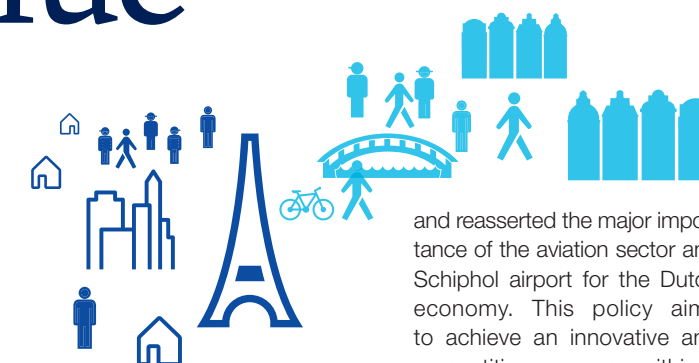
LOCAL DEVELOPMENT AT DESTINATIONS

| | |
|---------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Contributing to economic value | <p>→ Creating positive impact on local development through:</p> <ul style="list-style-type: none"> - Air France-KLM: large network of 316 destinations in 115 countries - Air France-KLM: over 2,500 local suppliers located at destinations |
| Developing Sustainable Tourism & Local Entrepreneurship | <ul style="list-style-type: none"> - KLM: 5-year support for chair Sustainable Tourism of Wageningen University and 4 participants in the ShareBusiness program - Transavia: Launch of Travel Solid'Air online guide, which recommends 200 ecotourism initiatives |

SOCIAL PARTNERSHIPS

| | |
|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Stimulating social and environmental development | <p>→ Investing in nature conservation programs:</p> <ul style="list-style-type: none"> - KLM & WWF-NL: 7-year financial support for various conservation projects - Air France supports forest conservation project in Madagascar since 2008 <p>→ Contributing to future generations through social projects:</p> <ul style="list-style-type: none"> - Air France: Air France Foundation (110 projects focused on childhood) - KLM: Working with UNICEF the Netherlands on applying the CRBP <p>→ Engaging employees & customers:</p> <ul style="list-style-type: none"> - KLM: Wings of Support invested in 73 projects - Air France: a monthly article devoted to the corporate Foundation and Acting for Life's projects within the Air France Magazine - Flying Blue: 112.7 million Miles donated by Flying Blue members to NGO partners |
|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Economic value



With hubs in Paris and Amsterdam and destinations worldwide, Air France and KLM contribute to economic and social development, both locally and at the national level, through direct and indirect activities.

DRIVING THE LOCAL ECONOMY

The hubs at Paris-CDG, Paris-Orly and Amsterdam Schiphol provide highly attractive business environments. With 90% of the Group's employees based in France and The Netherlands, Air France and KLM contribute significantly to their national economies. With more than 40,000 employees in Ile-de-France, Air France is the largest private sector employer in the Paris region, while connections to French regions contribute to development and enhance regional attractiveness. Air France has demonstrated its commitment to the Paris region through a €45m investment in a new maintenance facility at Paris-CDG, due to open in September 2015. With 26,656 FTEs, KLM Group is the third largest private sector employer in the Netherlands. Aviation's contribution to Dutch GDP is €26 billion (including catalytic effects).

LONG TERM COOPERATION ON MAJOR PROJECTS

Air France supports projects set to shape the areas around its hubs over the coming twenty years, such as the Grand Roissy project, the Nouveau Grand Paris and the Métropole du Grand Paris. KLM participates in the Dutch government's SMASH program which aims to optimize spatial planning and infrastructure around Schiphol. The Dutch government continued the implementation of its air transport policy ("Luchtvaartnota"), adopted in 2011,

and reasserted the major importance of the aviation sector and Schiphol airport for the Dutch economy. This policy aims to achieve an innovative and competitive economy within a sustainable environment. Optimum international accessibility by air is a key condition for achieving these goals. Moreover, the government has identified 9 sectors that are key to the economy and has brought together business, scientists and government agencies to collaborate on boosting the international competitiveness of these sectors. KLM partners with Schiphol Airport and the City of Amsterdam to strengthen the competitiveness and development of the region, by working on sustainability themes, including circular economy. In 2014, it led to the introduction of 168 Tesla "e-taxis" at Schiphol airport. This has improved air quality and raised awareness of electric transport. Both organizations are also partners in the Corporate BioFuel Program.

KLM and Amsterdam Marketing

In 2014, KLM and Amsterdam Marketing renewed their partnership after the successful Amsterdam 2013 campaign. It aims to make Amsterdam a more competitive destination, and attracting more international visitors.

KLM has also formed longer term "Holland Alliances" with Amsterdam Marketing, Amsterdam Airport Schiphol and NBTC Holland to develop and execute marketing programs in emerging markets such as Russia, Brazil and China. An award winning campaign "Holland, The Original Cool" was also launched in the United States.

356,000

jobs induced by Air France activity in France

AIR FRANCE
1st

private sector employer in the Paris region = more than 40,000 employees

KLM GROUP
3rd

largest private sector employer in The Netherlands = 26,656 FTEs

Local development around our hubs

SUPPORTING SMEs AND INNOVATION

Air France-KLM supports innovation through collaboration with small and medium firms (SMEs) and startups. In 2012, Air France signed the Charter for Public Companies in favor of Innovative SMEs. The airline also supports SMEs through its participation in a coaching program (PLATO) involving 70 SMEs in the Paris-CDG area, and through the creation of a business association in the city of Orly. Since March 2014, Air France has been a founder member of the 'Welcome City Lab', a startup incubator, aiming to foster innovation in the tourism sector. KLM, Schiphol Airport, Rabobank and Technology University of Delft work together through the Mainport Innovation Fund. It aims to accelerate innovation in the aviation sector by investing in startups that contribute to sustainable, safe and efficient air transport. The fund has invested in 8 innovative startups.

LOCAL STRUCTURAL INITIATIVES

The Group is involved in various initiatives to strengthen the economic attractiveness, reputation, international competitiveness, and sustainable development of its hubs.

LOCAL ECONOMIC DEVELOPMENT

PAYS DE ROISSY ASSOCIATION

Promoting socio-economic development of Paris-CDG area. Collaborate with more than 340 members (including elected representatives, businesses, institutions) on jobs, housing, economic development, transport and culture.

HUBSTART PARIS REGION AND AEROTROPOLIS

Promoting the hub region at an international level, facilitating companies moving to Paris-CDG.

COLLABORATION AMSTERDAM/SCHIPHOL/KLM (ASK)

Aiming to improve international competitiveness, promote destination Amsterdam, improve accessibility, education and sustainability.



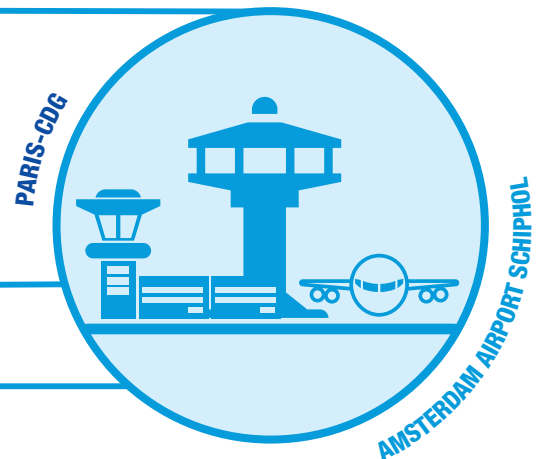
ENVIRONMENT

BOUSSOLE

Business Travel Plan to contribute to the reduction of emissions caused by employees commuting in the Paris region.

LANDSCAPE NORTH HOLLAND

A nature conservation organization in the Schiphol area. Through this partnership, KLM supports projects that protect a vulnerable nature reserve in the North Holland province.



JOBS AND TRAINING



KLM runs several education programs to attract future talent through collaboration with ROC's, Schiphol Aviation College, JINC and "ICT in the Clouds".

→ JINC offers mini-internships at KLM for children aged between 8 and 16.

→ "ICT in the Clouds", initiated by the Montessori School of Amsterdam, develops children with ICT talent.

AIR FRANCE is a founding member and partner of 4 associations involved in information and training programs on aviation careers: Airemploi, Jeremy, AFMAé and Engineers For Schools.

→ Airemploi provides information about aviation careers to 3,000 students.

→ AFMAé welcomes 624 apprentices at its training center (50% of whom are at Air France).

Fair travel tickets for job seekers and scholarship students

In 2014, Air France gave a boost to job seekers by signing a partnership with the Toulouse Employment Agency. Air France offers reduced rates for job seekers to help them in their mobility related to their search for work.

Toulouse Business School fraternities have joined the Air France-KLM BlueBiz loyalty program, allowing scholarship students to use earned Blue Credits for airline tickets.

KNOWLEDGE AND SKILLS FOR FUTURE GENERATIONS

To ensure a match between the skills needs of the industry and the qualifications of job seekers, Air France-KLM invests in various organizations and education programs. For example, the Group led several initiatives in 2014 for middle and high school students:

→ 62 Air France staff members volunteer to provide support to young people from underprivileged backgrounds up until their graduation from a business school or university, through a partnership with the "Passport Avenir" association.

→ The OPEN internship enables around 200 students from ten local middle schools to be informed on the aviation industry, and for a selected number of them to discover the airline.

→ Air France employees, representing the airline's key businesses met with 500 middle

school students from the Seine-Saint-Denis area at a careers forum organized by the FACE 93 organization (Action Against Exclusion Foundation), of which Air France is a partner.

→ KLM Engineering and Maintenance works with 5 Regional Community Colleges (ROC). To anticipate retirements in the coming years, Avionics and Accessories collaborates with ROC Flevoland to train new engineering talents. Electrical engineering students can follow a KLM Minor on aviation electronics, with courses given by KLM employees, to better match the education program with work practice. Students who excel can intern at KLM in their 3rd and 4th year.

COMMITTED TO THE EMPLOYMENT OF VULNERABLE PEOPLE

Air France signed the Businesses and Neighborhoods Charter, signaling its willingness to make a real contribution to priority neighborhoods. The airline also supports Second Chance Schools in locations throughout France.

It also supports workers with disabilities by working with sheltered sector companies: Air France's spending in the sheltered sector represented €18m in 2014. Air France is expanding its partnership with the sheltered sector year on year, for example, the proportion of onboard blankets cleaned by sheltered sector companies rose from 15% in 2009, to 82% in 2014.

KLM is a partner of Schiphol Aviation College, which brings together aviation businesses, vocational education institutions and authorities to stimulate employment around Schiphol. An employment agency offers temporary assignments to people with limited access to the labour market, to enable them to gain valuable work experience and training. In 2014, Schiphol Aviation College also completed a program for 15 unemployed young people, to help them access the labour market in the Schiphol region. ●

€1.9 billion

Air France purchases in France (exc. fuel)

€26 billion

aviation's contribution to the Dutch GDP



Local development at destinations

STIMULATING ECONOMIC DEVELOPMENT

With a strong presence in Africa and Asia, Air France-KLM promotes regional economic and social development. Air France-KLM offers frequent flights between Europe and Africa. The 2014 expansion of the Kenya Airways joint venture added four new routes and doubled the number of weekly flights between Amsterdam, London Heathrow and Paris-CDG to East Africa. Value is also created through local sourcing.

The Group also contributes to Latin American and Caribbean growth through its large long-haul network from Europe to these destinations. Air France-KLM serves 25 destinations in the region and offers over 200 weekly flights from Paris-CDG and Amsterdam Schiphol. In 2014, a long-term strategic partnership agreement was signed with Brazilian carrier GOL, improving connectivity in South America.

RESPONSIBLE & SUSTAINABLE TOURISM

Through its longstanding partnerships with a number of NGOs, including Acting for Life and Gawad Kalinga, Air France-KLM supports initiatives for sustainable tourism. Acting for Life promotes responsible tourism, as a virtuous circle that minimizes negative social, economic and environmental impacts and generates greater economic benefits for local people. For example, in Djibouti, the NGO and the Djibouti National Tourism Office partnered to build eco-bungalows to welcome travelers.

For a period of five years, KLM supported the Sustainable Tourism chair at Wageningen University. The research focused on the role of tourism in conservation and development in Eastern and Southern Africa. The project budget was €2 million, and various studies were published on this topic.

In 2014, Air France conducted a study on social tourism to assess how to best support this kind of tourism. The rise in passenger demand for inspiring and experiential travel is driving the Group to develop a more personalized offer, attuned to local culture. In 2014, Transavia launched "Travel Solid'air", an online guide listing more than 200 ecotourism initiatives located in or nearby the cities served by the airline, in Europe and around the Mediterranean. Following their trip, customers have the opportunity to recommend new initiatives to the online community.



Gawad Kalinga & Air France-KLM, a sustainable partnership

For many years, the Group has supported the NGO Gawad Kalinga (GK), a Philippine-based NGO that aims to end poverty for 5 million families in the Philippines by 2024.

GK employs a holistic model for development, relying on various initiatives, such as building homes for the homeless with the help of thousands of volunteers: 2,400 organized communities have been created and an Air France-KLM village consisting of 47 houses has been built thanks to sponsorship from the Regional Establishment of Air France-KLM.

The Air France Foundation supported the School for Experiential and Entrepreneurial Development (SEED) in 2014, sponsoring 30 students.

GK is also supported through tickets. GK develops social tourism programs, through a social enterprise, MAD (Make a Difference) Travel. Travelers are welcomed in eco-B&Bs, one of them financed by the Group.



LOCAL ENTREPRENEURSHIP

Local entrepreneurship drives development and economic growth. Therefore, in Ivory Coast, Air France and Chronopost have jointly placed their expertise and logistical capacity at the disposal of local artisans, enabling them to increase their revenues. The initiative aims to cut out intermediaries and to create a direct link between artisans and end customers, for example by providing them with a workshop. Thanks to the involvement of the local authorities, the project aims to expand to other craft centers.

KLM works with social enterprise "ShareBusiness", offering a program in which managers can work in emerging countries for a limited period of time, to share knowledge with local entrepreneurs. As such, these entrepreneurs benefit from fresh insights for developing their business and KLM's managers gain experience and develop their skills. In 2014, 4 employees were assigned to cases in Ethiopia, Kenya and India. For example, in Kenya, the goal was to provide recommendations for logistic processes for a company organizing smallholder farmers to produce and market fruits and vegetables.



ENVIRONMENTAL PARTNERS

The forest conservation project in Madagascar, supported by Air France since 2008 and co-funded by AFD, FFEM and Madagascar authorities since 2014, contributes to the development of local communities while protecting the unique biodiversity of the island (see also p.39). The project has already reached 34,000 households, 17% of which have adopted alternative agricultural techniques to "slash and burn" (such as beekeeping, poultry, fish farming, cash crops), increasing crop, crop diversification and income. ●



KLM & WWF-NL

KLM has provided financial support to a number of WWF-NL projects that work to protect nature reserves since 2007. A 2014 milestone in the Living Amazon Initiative in South America was the funding by the Brazilian government, WWF and partners for the Amazon Protected Areas (APRA) Program, a 215 million dollar project to take care of the largest protected area in the Amazon over a ten-year period. The project covers 15 percent of the Brazilian rainforest and aims to protect 50 million hectares,

containing around 15 billion tons of carbon dioxide.



Social partnerships

LONGSTANDING PARTNERSHIPS

Air France-KLM has always played an active role in international development through social, humanitarian and nature conservation projects, with many projects focusing in particular on future generations. Air France helps disadvantaged children through its Corporate Foundation, which was involved in 110 projects in 2014. In addition, Air France has had a partnership with the NGO Acting for Life for over 30 years. It promotes economic development and sustainable tourism: in 2014, Acting for Life supported 37 projects. Air France and KLM support the French and Dutch Aviation Without Borders. This emergency aid organization carries out air transport missions, transports cargo shipments with medical supplies to remote areas and arranges transport for sick children, who are accompanied by Air France and KLM volunteers. KLM works with 5 other long term partners including its strategic partners UNICEF and WWF-NL, as well as Doctor2Doctor, Wings of Support, Get it Done, and Close the Gap. KLM has provided strong support to Close the Gap since it was founded. It aims to "bridge the digital divide" by obtaining high quality, used computers from companies and distributing them to local educational, healthcare and entrepreneurial projects in emerging countries. In 2014, KLM sent 25 cargo shipments to various projects and provided nearly 1,000 reconditioned computers and printers.

EMPLOYEE INITIATIVES

The Wings of Support foundation, founded in 1998, supports local projects at destinations. Both KLM flight crew and ground staff are actively involved in the work of the foundation. Wings of Support also organizes an annual 'BushCamp' for orphaned children from all over Kenya. In 2014, €633,000 were invested in 73 projects, helping 10,750 children.

Working on children's rights

The supply chain can have a major impact on people and communities. This is why Air France and KLM pay particular attention to human and children's rights in their procurement processes. Through a workshop, buyers and product managers from Inflight Services learned more about human and labor rights risks, health and safety aspects and environmental impacts that may occur in the supply chain. KLM's partner UNICEF advises in this process. The goal is to further embody, safeguard and promote the rights of children within the industry. As such, the partnership centers in part on supply chain sustainability, by applying the Children's Rights and Business Principles.



The "Friends of Air France Foundation" network gets more than 2,200 employees involved in various voluntary, childhood-focused projects in France.

ENGAGING CUSTOMERS

Air France and KLM engage passengers on social and humanitarian programs they support. The Air France inflight magazine devotes a monthly article to a project supported by the Air France Foundation and Acting for Life. Air France informs passengers about the damage caused by child sex tourism by financing and broadcasting ECPAT International's prevention campaign, and by providing support to 9 other ECPAT projects on child protection around the world. In its Holland Herald magazine, KLM focuses on various CSR initiatives and highlights the work of its partners. Flying Blue

passengers can support NGO projects by donating Flying Blue miles. Since 2014, the donation tool has been updated to provide members with the opportunity of donating any amount of miles they wish, in real time. A total of 112.7 million miles were donated by Flying Blue members to NGO partners in 2014. ●

CONTRIBUTION OF AIR FRANCE-KLM

€ 14 million  79,6

 Financial support and donations

tons sponsored by KLM Cargo

 739 Air France tickets donated to more than 30 NGOs

DISTRIBUTION OF GROUP'S CONTRIBUTION BY PROJECT CATEGORY



8%

Environment



58%

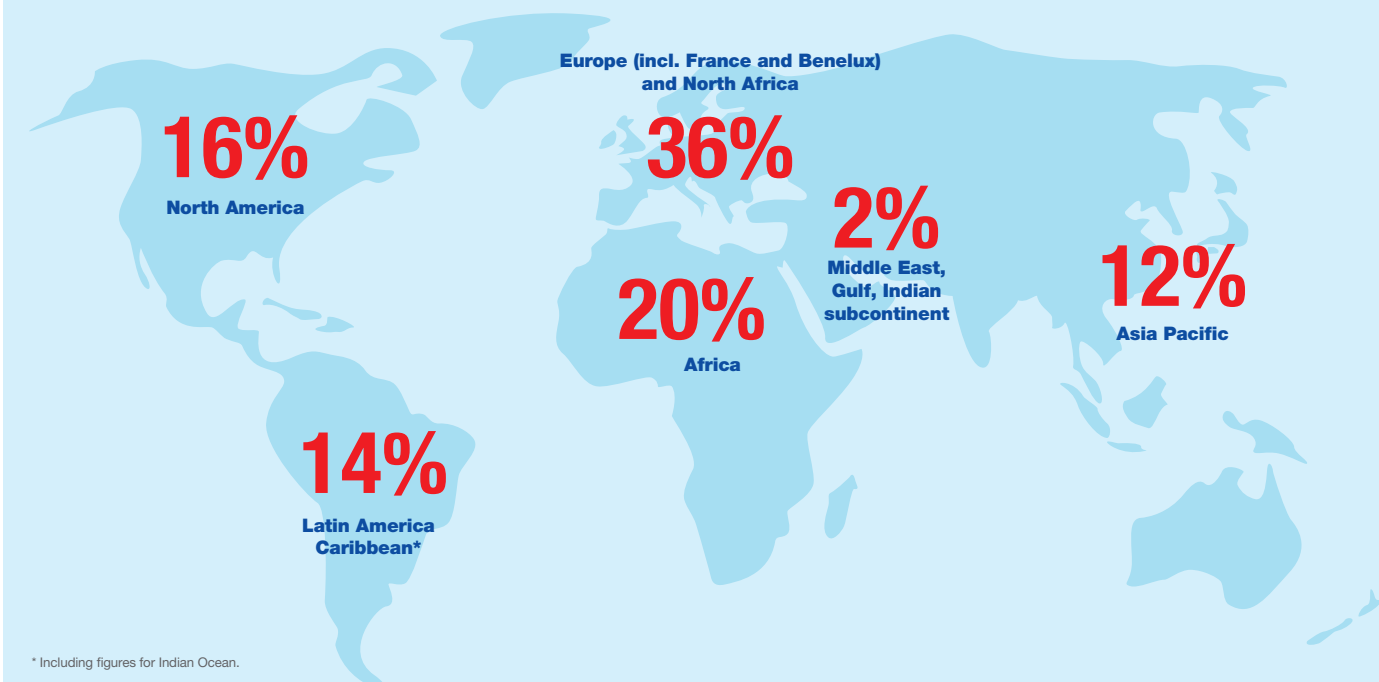
Sports, culture, miscellaneous



34%

Humanitarian & education

GEOGRAPHICAL DISTRIBUTION OF PROJECTS AND SOME EXAMPLES



* Including figures for Indian Ocean.

KENYA

KLM Kenya - Northern Suburbs Clubs Rugby Program: a two-year partnership to improve the lives of children aged 8-18 from informal settlements in Nairobi, by promoting the sport among talented youth.

AFRICA

Close the Gap: Since 2004 KLM has donated over 12,000 computers, giving 300,000 students in countries like Kenya, Tanzania and Congo access to knowledge and training.

PAKISTAN

ECPAT - Imtizaj II: Prevention, awareness and support for local organizations to fight child sexual exploitation.

CENTRAL AFRICAN REPUBLIC

Air France Foundation - Triangle Génération Humanaire: Support for 8 centers for children living on the streets.

MADAGASCAR

Air France Foundation - Audition Solidarité: Providing hearing aids to deaf children and training for teachers.

CHILE, PERU AND COLUMBIA

Acting for Life: Poverty reduction program and support for disabled workers in the tourism industry.

FRANCE

Air France - Ordyslexie: 2,000 reconditioned computers donated to dyslexic students. Provided with touch screens and intuitive technology, they ease their work at school and make them more independent.



- DIALOGUE WITH OUR STAKEHOLDERS**
- SOCIAL INDICATORS**
- ENVIRONMENTAL INDICATORS**
- AIR FRANCE-KLM GROUP'S FLEET**
- NOTES ON THE METHODOLOGY**
- GROUP'S MAIN SUBSIDIARIES**
- GRENELLE II INFORMATION**
- STATUTORY AUDITOR'S ASSURANCE REPORT**
- GLOBAL COMPACT AND GRI4 CORRESPONDENCE TABLE**
- INTERNATIONAL NON-FINANCIAL INDEXES AND RATING 2014**
- CONTACTS**

Performance indicators

Dialogue with our stakeholders

| GROUP'S STAKEHOLDERS | MAIN ENGAGEMENT TOPICS | MAIN ENGAGEMENT PATHWAYS | OUTCOMES 2014 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> Shareholders Investors Financial partners Non-financial rating agencies | <ul style="list-style-type: none"> Financial information CSR performance | <ul style="list-style-type: none"> Quarterly presentations to analysts Dedicated financial website Annual publications Shareholder Club Advisory Committee for individual shareholders Yearly General Shareholders' Meeting VBDO - Dutch Association of Investors for Sustainable Development (VBDO) UN Global Compact (France & NL) COP Peer Review Sessions | <ul style="list-style-type: none"> Reporting improvement based on feedback (i.e. Vigeo, SAM, EIRIS, CDP) Reporting with GRI4 guidelines. Dutch Association of Investors for Sustainable Development (VBDO) awarded Air France-KLM "overall best score" based on 7 sustainability themes Other outcomes: see chapter Governance |
| <ul style="list-style-type: none"> Passengers and distributors (Maintenance customers) Cargo customers Business partners | <ul style="list-style-type: none"> Customer satisfaction and service quality Health and safety Flight related information Accessibility Innovative products Reduction CO₂ emissions Responsible Catering | <ul style="list-style-type: none"> E-Score Survey and Quality Observer program Customer assistance desks, web care KLM Health Services and KLM Travel Clinics websites (e.g. www.klmhealthservices.nl/nl/fit-to-travel.html) Health and onboard comfort pages on Air France website and international vaccination center CO₂ calculation and compensation offers on Air France and KLM websites Lab'line for the future program KLM Corporate BioFuel Program KLM participation in Dutch Sustainable Growth Coalition (DSGC) | <ul style="list-style-type: none"> Near 1 million answers to e-Score surveys, crew reports, customer feedback analysis Quality Observer program: over 25,000 customer quality reports Feedback through KLM Takes Care platform Launch of Lab'line: 14 partners, a survey conducted among customers, collaborative working groups, launch of a call for innovative projects from start-ups and SMEs 4 new partners in KLM Corporate BioFuel Program DSGC publication on Sustainable Innovation KLM stakeholder session Dec. 2014 : Feedback Takes Care strategy Other outcomes: chapters Customer experience and Environment |
| <ul style="list-style-type: none"> Employees Trade unions Professional associations and bodies | <ul style="list-style-type: none"> Working Conditions and workplace quality of life Health & Occupational safety Non-discrimination Diversity Training & mobility Social dialogue | <ul style="list-style-type: none"> Staff surveys CSR trainings Intranet and internal newsletters Staff Innovation program Air France Boussole mobility plan Air France and KLM CSR Week Negotiation and collective labour agreement Work Council committees focused on working conditions, CSR and HR policies Inter-company working groups (Global Compact, ORSE, Comité 21, AFEP...) Partnerships with universities | <ul style="list-style-type: none"> 88 collective agreements signed (Air France Group) Surveys to measure employee satisfaction Safety Culture program further implemented Air France Safety at work annual meeting Participative innovation program: 6,700 suggestions (Air France) Air France member of R'PRO'Mobilité (employee mobility and access to employment in Paris-CDG area) Other outcomes: chapters Governance and Responsible human resources |
| <ul style="list-style-type: none"> International, European and national authorities National Policy makers | <ul style="list-style-type: none"> Climate change and CO₂ reduction Safety and security Passenger rights Taxation European aviation competitiveness Energy transition | <ul style="list-style-type: none"> Dialogue and joint actions with national air transport authorities, airports and air traffic services Working group on new European regulations Air France and KLM public affairs representatives working with national and European institutions Parliamentary hearings of the Group's representatives Proposal for amendments Attendance at seminars, conferences and thematic working groups | <ul style="list-style-type: none"> Regular working visits of government officials Adopted amendment about civil aviation tax exemption for transit passengers, in the examination of the finance act Launch of the Lab'line with the French Minister of Ecology and Sustainable Development KLM Green Deal Biofuels 2011-2015 Other outcomes: chapters Governance and Environment |
| <ul style="list-style-type: none"> Certification and verification authorities | <ul style="list-style-type: none"> Flight safety Health and safety at work Quality process Environmental management | <ul style="list-style-type: none"> External follow-up and renewal audits Verification of CSR published information | <ul style="list-style-type: none"> Renewal audit ISO 14001 and ISO 22000, and obtaining of the OHSAS 18001 certification (Air France) Annual follow-up audit ISO 14001 (KLM) IOSA renewal audits (Air France et KLM) CSR reporting in the Group's management report, according to the French Grenelle II legislation |

| GROUP'S STAKEHOLDERS | MAIN ENGAGEMENT TOPICS | MAIN ENGAGEMENT PATHWAYS | OUTCOMES 2014 |
|------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> Suppliers | <ul style="list-style-type: none"> Environmental and social performance Supply chain CSR risk Eco-design Sheltered sector collaboration Biofuel | <ul style="list-style-type: none"> Sustainable Development Charter and sustainability clauses in contracts Assessment of suppliers CSR performance CSR in Supplier relationship Management Air France committee to identify and follow contacts with sheltered sector suppliers | <ul style="list-style-type: none"> 75% of suppliers signed the sustainable development charter Supplier guidelines developed 179 suppliers assessed via EcoVadis platform €18 m in purchases from sheltered sector Participations in consortia for biofuel supply Other outcomes: chapters Environment and Customer Experience |
| <ul style="list-style-type: none"> Airports Air transport and industry bodies Air Traffic Control | <ul style="list-style-type: none"> Safety and security Airport accessibility Ground handling services Fleet development Sustainable biofuels for aviation Climate change Single European Sky | <ul style="list-style-type: none"> Member of international (IATA), European (AEA) and national bodies (European Regions Airline Association, FNAM, GIFAS, BAF) SkyTeam CSR working group Involvement in SESAR JU, ACARE, CORAC and SAFUG Member of Roundtable on Sustainable Biomaterials Member of the Biofuel Flightpath's Core Team of the European Commission Air France partner of Ini-FCA | <ul style="list-style-type: none"> Green Deal Biofuels Lab'line partnership stimulating a biofuel market in France CSR best practices of SkyTeam partners ACARE chaired by Vice Chairman Air France-KLM Other outcomes: chapters Governance and Environment |
| <ul style="list-style-type: none"> Local authorities Resident associations Local economic players | <ul style="list-style-type: none"> Noise Air quality Local dialogue Social and economic development Better knowledge of air transport issues | <ul style="list-style-type: none"> KLM involvement in Alders Table and CROS Air France member of the CCE and CCAR of the 10 biggest French airports Air France member of associations for the local development and the international promotion of Paris-CDG area 2 Air France staff dedicated to Pays de Roissy-CDG association Working visits and tours at Air France and KLM facilities Cooperation KLM, Amsterdam, Schiphol (ASK) | <ul style="list-style-type: none"> Implementation NADP2 Noise reduction kits on Air France A320s ASK collaboration resulted, amongst others, in the introduction of e-taxi's at Schiphol Airport. Feedback on KLM Takes Care Roadmaps PLATO programme in Paris-CDG airport area: Air France coach for 70 local SMEs managers Air France founding member of the Welcome City Lab business incubator aiming to promote innovation and tourism in Paris area Other outcomes: chapter Environment and Local Development |
| <ul style="list-style-type: none"> Scientific community Universities Research experts | <ul style="list-style-type: none"> Climate change Operational procedures Technological performance | <ul style="list-style-type: none"> IAGOS Program (Air France) Research Technical University Delft (KLM) Membership in IDUT and supporting the chair Sustainable Tourism of Wageningen University Participation in independent Sustainability Board SkyNRG | <ul style="list-style-type: none"> Daily IAGOS records available to international scientists for studying the carbon cycle Advice on selected pathways feedstock for sustainable biofuels Other outcomes: chapter Environment |
| <ul style="list-style-type: none"> Environmental NGOs | <ul style="list-style-type: none"> Climate change Fight against deforestation Preservation of biodiversity Partnerships to challenge CSR improvements | <ul style="list-style-type: none"> KLM partnership with WWF-NL Air France reforestation project in partnership with ADF and FFEM in Madagascar KLM partner of Landscape North Holland to support conservation work in the Schiphol region Engagement with various NGOs on animal welfare, sustainable resources and climate policies | <ul style="list-style-type: none"> WWF-NL advise on biofuels and responsible catering Launch of the second phase (2014-17) of the Madagascar project Financial support for specific Nature Conservation projects of WWF-NL Other outcomes: see chapter Environment and Local Development |
| <ul style="list-style-type: none"> Humanitarian and development NGOs | <ul style="list-style-type: none"> Human rights and children's Rights Education Responsible Tourism | <ul style="list-style-type: none"> Air France Foundation, Acting for Life, KLM Takes Care partners Employee engagement: Friends of the Air France Foundation, Wings of Support, Aviation without borders (France and NL) Flying Blue Miles donation tool Strategic partnership KLM - UNICEF the Netherlands, principally on Children's Rights and Business Principles (CRBP) | <ul style="list-style-type: none"> €14 million provided in funding for social and environmental projects UNICEF NL/Children's Rights & Business Principles: Supplier Guidelines developed and Inflight Services Human Rights Workshop Air France Foundation involvement in 110 projects, Acting for life support to 37 programs Donation of tickets and Cargo capacity Donation of Flying Blue Miles Other outcomes: chapter Local development |

Environmental indicators

Air Operations

| | | AIR FRANCE-KLM GROUP | | | | AIR FRANCE GROUP ¹ | | | | KLM GROUP ² | | | | |
|--------------------------------------------------------------------------|---------------------------------------------|----------------------|--------|--------|---------------|-------------------------------|--------|--------|---------------|------------------------|--------|--------|---------------|-------|
| | | Unit | 2012 | 2013 | 2014 | 14/13 | 2012 | 2013 | 2014 | 14/13 | 2012 | 2013 | 2014 | 14/13 |
| CONSUMPTION | | | | | | | | | | | | | | |
| Consumption of raw materials: fuel ✓✓ | | ktons | 8,956 | 8,755 | 8,755 | 0.0% | 5,078 | 4,918 | 4,903 | -0.3% | 3,878 | 3,837 | 3,852 | 0.4% |
| EMISSIONS | | | | | | | | | | | | | | |
| Greenhouse gas emissions | CO ₂ ✓✓ | ktons | 28,210 | 27,576 | 27,577 | 0.0% | 15,997 | 15,491 | 15,443 | -0.3% | 12,213 | 12,085 | 12,134 | 0.4% |
| Emissions of substances contributing to acidification and eutrophication | NO _x low altitude (< 3,000 ft) ✓ | ktons | 9.2 | 9.5 | 9.9 | 4.2% | 6.3 | 6.2 | 6.0 | -3.2% | 2.9 | 3.3 | 3.9 | 18.2% |
| | SO ₂ | ktons | 9.9 | 11.8 | 11.8 | 0.0% | 6.4 | 6.8 | 6.9 | 1.5% | 3.5 | 5.0 | 4.9 | -2.0% |
| | SO _x low altitude (< 3,000 ft) ✓ | ktons | 0.7 | 0.8 | 0.9 | 12.5% | 0.5 | 0.5 | 0.6 | 20.0% | 0.2 | 0.3 | 0.3 | 0.0% |
| In-flight fuel jettison | Occurrences of fuel jettison ✓ | number | 41 | 33 | 36 | 9.1% | 27 | 23 | 20 | -13.0% | 14 | 10 | 16 | 60.0% |
| | Fuel jettisoned ✓ | tons | 1,839 | 1,104 | 1,283 | 16.2% | 1,210 | 758 | 671 | -11.5% | 629 | 346 | 612 | 76.9% |
| Other emissions | HC low altitude (< 3,000 ft) ✓ | ktons | 0.8 | 0.8 | 0.8 | 0.0% | 0.6 | 0.6 | 0.6 | 0.0% | 0.2 | 0.2 | 0.2 | 0.0% |
| NOISE IMPACT | | | | | | | | | | | | | | |
| Global noise energy indicator ✓ | | 10 ¹² kJ | 1.69 | 1.62 | 1.54 | -4.9% | 1.16 | 1.12 | 1.03 | -0.8% | 0.53 | 0.50 | 0.51 | 2% |

✓ Figures verified by KPMG Audit, department of KPMG SA, for 2014 (limited level of assurance).

✓✓ Figures verified by KPMG Audit, department of KPMG SA, for 2014 (reasonable level of assurance).

1. Air France Group scope: all flights under AF code operated by Air France and HOP!, flights operated by Transavia France.

2. KLM Group scope: all flights operated by KLM, KLM Cityhopper, Martinair and Transavia. Martinair and Transavia are excluded for the global noise energy indicator.

Air France-KLM Group's fleet

Aircraft in operation as of December 31, 2014: 546

Average fleet age: 10.7 years

| | AIR FRANCE GROUP | | | KLM GROUP | | |
|-----------------------------------------------------------------|---------------------|-----------------------------------------------------|--------------------|---------------------|------------------------------------------|--------------------|
| | AVERAGE AGE (years) | AIRCRAFT TYPE | NUMBER OF AIRCRAFT | AVERAGE AGE (years) | AIRCRAFT TYPE | NUMBER OF AIRCRAFT |
| SHORT AND MEDIUM-HAUL | 10.8 | A318, A319 A320, A321 | 128 | 8.3 | 737-700 /-800 /-900 | 48 |
| LONG-HAUL | 11.0 | A380, A330-200 A340-300 777-200/-300, 747-400 | 106 | 12.2 | A330-200/-300 777-200/-300 747-400 | 62 |
| CARGO* | 9.0 | 747-400ERF 777F | 4 | 17.6 | 47-400ERF/BCF MD11-F | 10 |
| REGIONAL FLEET AIR FRANCE: HOP! KLM: CITYHOPPER | 11.0 | ATR, EMBRAER, BOMBARDIER | 96 | 9.9 | F70, EMB190 | 47 |
| OTHER FLEET AIR FRANCE: TRANSVIA FRANCE KLM: TRANSVIA.COM | 6.5 | 737-800 | 14 | 9.8 | 737-700/-800 | 31 |
| TOTAL | 10.7 | | 348 | 10.6 | | 198 |

*KLM Group cargo aircraft are operated by Martinair.

Ground Operations

| | | AIR FRANCE-KLM GROUP | | | | AIR FRANCE GROUP ¹ | | | | KLM GROUP ² | | | | |
|--------------------------------------------------------------------------|-----------------------------------------------|--------------------------|---------|---------|----------------|-------------------------------|---------|---------|----------------|------------------------|---------|---------|----------------|---------|
| | | Unit | 2012 | 2013 | 2014 | 14/13 | 2012 | 2013 | 2014 | 14/13 | 2012 | 2013 | 2014 | 14/13 |
| CONSUMPTION | | | | | | | | | | | | | | |
| Water consumption ✓ | | Thousands m ³ | 812 | 825 | 793 | -3.9% | 624 | 640 | 641 | 0.2% | 188 | 185 | 152 | -17.8% |
| Electricity consumption ✓ | | MWh | 392,233 | 383,605 | 374,064 | -2.5% | 293,406 | 288,218 | 279,945 | -2.9% | 98,817 | 95,387 | 94,119 | -1.3% |
| Other energies consumption ✓ | | MWh | 513,562 | 534,375 | 451,626 | -15.5% | 295,757 | 304,890 | 260,891 | -14.4% | 217,805 | 229,485 | 190,735 | -16.9% |
| EMISSIONS | | | | | | | | | | | | | | |
| Greenhouse gas emissions | CO ₂ ✓ | tons | 85,680 | 88,885 | 78,842 | -11.3% | 36,841 | 37,782 | 36,704 | -2.9% | 48,839 | 51,103 | 42,138 | -17.5% |
| Emissions of substances contributing to photochemical pollution | Emissions of volatile organic compounds VOC ✓ | tons | 146 | 135 | 107 | -20.7% | 102 | 87 | 55 | -36.8% | 44 | 48 | 52 | 8.3% |
| | Emissions of HC | tons | 145 | 137 | 158 | 15.3% | 86 | 76 | 100 | 31.6% | 59 | 61 | 58 | -4.9% |
| Emissions of substances contributing to acidification and eutrophication | NO _x ✓ | tons | 773 | 675 | 638 | -5.5% | 508 | 409 | 387 | -5.4% | 265 | 266 | 251 | -5.6% |
| | SO ₂ ✓ | tons | 16.1 | 15.8 | 14.5 | -8.2% | 12.9 | 11.4 | 11.1 | -2.6% | 3.2 | 4.4 | 3.4 | -22.7% |
| WASTE | | | | | | | | | | | | | | |
| Waste production | Quantity of non-hazardous industrial waste ✓ | tons | 57,060 | 54,966 | 57,895 | 5.3% | 40,236 | 38,185 | 40,269 | 5.4% | 16,824 | 16,781 | 17,626 | 5.0% |
| | Quantity of hazardous industrial waste ✓ | tons | 7,009 | 7,073 | 5,808 | -17.9% | 4,474 | 4,420 | 4,280 | -3.2% | 2,535 | 2,653 | 1,528 | -42.4% |
| | % of hazardous industrial waste recovered ✓ | % | 58% | 61% | 51% | -10 PTS | 43% | 44% | 43% | -1 PT | 85% | 89% | 75% | -14 PTS |
| EFFLUENTS | | | | | | | | | | | | | | |
| Compliance rate of effluents with regulatory limits | Nitrogen compounds ✓ | % | 100% | 98% | 100% | +2 PTS | 100% | 90% | 94% | +4 PTS | 100% | 100% | 100% | 0 PT |
| | Phosphorus compounds ✓ | % | 99% | 97% | 98% | +1 PT | 98% | 93% | 97% | +4 PTS | 100% | 100% | 100% | 0 PT |
| | Metals ³ ✓ | % | 98% | 99% | 100% | +1 PT | 98% | 99% | 100% | +1 PT | 100% | 100% | 100% | 0 PT |

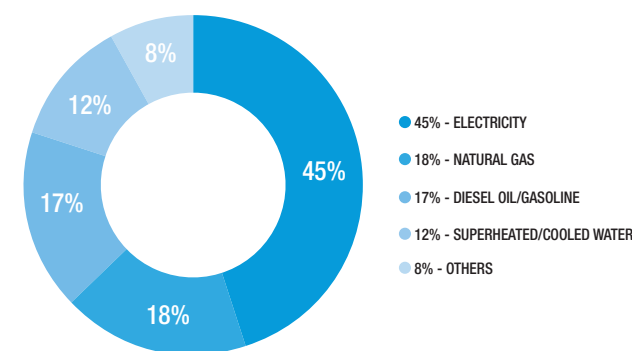
1. Air France and subsidiaries: HOP!, Servair and its subsidiaries (France only), Sodexi, CRMA, BlueLink and Transavia France.

2. KLM and its subsidiaries: KLM CityHopper (KLC), KLM Equipment Services (KES), KLM Catering Services (KCS), KLM Health Services (KHS), Martinair and Transavia. EPCOR is included for waste in 2014.

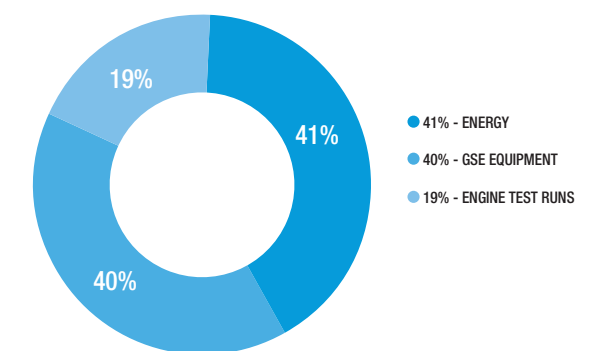
3. Cr, Cd, Ni, Cu, Pb, Sn and Zn.

✓ Figures verified by KPMG Audit, department of KPMG SA, for 2014 (limited level of assurance).

BREAKDOWN OF TYPE OF ENERGY



CO₂ EMISSIONS OF GROUND ACTIVITIES



Group's main subsidiaries

The table presents the Air France-KLM structure and main subsidiaries over which the Group has at least 50% control, whose acquisition dates back at least one full year and which have a significant number of employees.

| AIR FRANCE | | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|--|
| Passenger transport, Maintenance, Cargo    | HOP I |  | BRIT AIR  | |
| | TRANSavia |  | REGIONAL  | |
| | BLUELINK |  | AIRLINAIR  | |
| | CRMA |  | SERVAIR SA  | |
| | SERVAIR |  | ACNA  | |
| | SODEXI |  | PAC SA  | |
| | AERO MAINTENANCE GROUP |  | OAT  | |
| | | | PASSERELLE  | |
| | KLM | | | |
| | Passenger transport, Maintenance, Cargo    | KLM CITYHOPPER B.V. |  | |
| TRANSavia AIRLINES C.V. | |  | | |
| KLM CATERING SERVICES SCHIPHOL B.V. | |  | | |
| CYGNIFIC B.V. | |  | | |
| COBALT GROUND SOLUTIONS LTD. | |  | | |
| KLM EQUIPMENT SERVICES B.V. | |  | | |
| KLM HEALTH SERVICES B.V. | |  | | |
| KLM UK ENGINEERING LTD. | |  | | |
| MARTINAIR HOLLAND N.V. | |  | | |
| EPCOR B.V. | |  | | |
| INTERNATIONAL AVIATION SERVICES LTD. |  | | | |
| KLM LUCHTVAART SCHOOL B.V. |  | | | |

 Passenger transport

 Maintenance

 Cargo (logistic or freight transport)

 Ground services

 Catering

 Aircraft cleaning

 Call center

 Medical services

 Assistance to passengers having limited mobility

 Training

Grenelle II social, corporate citizenship and environmental information

Pursuant to article 225 of the application decree of the French Grenelle II Legislation of July 12, 2010, the social, societal and environmental reporting found in the 2014 Management Report of Air France-KLM Group that has been approved by the Board of Directors on the 18th of February 2015. This information can also be found in the 2014 Registration Document of Air France-KLM Group.

| Social, societal and environmental reporting | Air France-KLM Registration document 2014 |
|--------------------------------------------------------------|-------------------------------------------|
| Social Information | |
| Employment, work organization, training, labor relations | Pages 113 to 118 |
| Health and safety | Pages 118 to 122 |
| Equal opportunities | Pages 122 to 124 |
| Social indicators | Pages 128 to 131 |
| Corporate citizenship information | |
| Territorial, economic and social impact and sponsorship | Pages 134 to 137 |
| Relations with stakeholders | Pages 132 to 133 |
| Subcontractors and suppliers | Pages 137 to 138 |
| Fair business practices, human rights | Page 133 |
| Environmental information | |
| Environmental policy | Pages 139 to 141 |
| Pollution, waste management and sustainable use of resources | Pages 141 to 143 |
| Climate change and biodiversity | Pages 143 to 146 |
| Environmental indicators | Pages 150 to 153 |

Assurance report by one of the Statutory Auditors on a selection of environmental and social indicators of Air France-KLM group for the year ended December 31, 2014

The text below is a free translation into English of the Statutory Auditor's report issued in French and it is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with French law and professional auditing standards applicable in France.

As requested and in our capacity as Statutory Auditor of Air France-KLM S.A., we have performed a review in order to provide:

→ a limited level of assurance the environmental and social indicators for the year ended December 31, 2014 selected by Air France - KLM Group and identified by the symbol √,

→ a reasonable level of assurance on the indicators 'Fuel consumption' and 'CO₂ emissions' relating to air operations for the year ended December 31, 2014, identified by the symbol √√.

This selection of indicators ('the Data') is presented in the tables 'Environmental indicators' and 'Social indicators' of the 2014 Corporate Social Responsibility Report of Air France-KLM Group ("the Group").

Responsibility of the company

The Data were prepared under the responsibility of Air France's Environment and Sustainable Development division, in accordance with internal performance reporting procedures (hereinafter 'the Protocol'), which may be consulted upon request to the Environment and Sustainable Development division of Air France-KLM. The method used to collect the data and calculate the social and environmental indicators is explained in the notes accompanying the tables 'Environmental indicators' and 'Social indicators'.

Independence and quality control

Our independence is defined by regulations, the French code of ethics governing the audit profession and the provisions of Article L.822-11 of the French Commercial Code. We have also implemented a quality control system comprising documented policies and procedures for ensuring compliance with the codes of ethics, professional auditing standards and applicable law and regulations.

Statutory auditor's responsibility

Our responsibility is to issue conclusions on the Data, based on our work. The conclusions given below relate solely to the Data and not to Air France-KLM Group's 2014 Corporate Social Responsibility Report as a whole.

The work has been performed by our corporate re-

1. ISAE 3000 – Assurance engagements other than audits or reviews of historical information

2. **Environment:** Air France Industrial Division (Orly and Roissy), Air France and KLM ground vehicles & equipment, Servair 1, Acna Roissy, KLM Schiphol for ground operations.

Air France, HOP, KLM & KLM CityHopper for air operations.

Social: Air France in France, Servair S.A. in France, KLM in the Netherlands and Transavia in the Netherlands.

sponsibility experts.

We conducted the procedures below in accordance with International Standards on Assurance Engagements ISAE 3000' and in compliance with the professional guidelines applicable in France.

Limited assurance

Nature and scope of our procedures

We conducted interviews with the people responsible for preparing the Data in departments in charge of data collection processes and, where appropriate, those responsible for internal control procedures and risk management, to:

→ assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, impartiality and understandability, taking into account best practice, where appropriate;

→ verify that a data collection, compilation, processing and quality control process has been implemented to ensure the completeness and consistency of the Data selected and review the internal control and risk management procedures used to prepare the Data.

We determined the nature and scope of tests and quality control processes, based on the type and importance of the Data with respect to the characteristics of the company, the social and environmental impacts of its business activities, its sustainable development strategy, and industry best practices.

At parent entity level, we performed analytical procedures and verified, using sampling techniques, the calculations and consolidation of the Data.

At the entity level, for a representative sample of entities selected² on the basis of their activity, their contribution to the consolidated indicators, their location and risk analysis, we conducted interviews to verify that the procedures were followed correctly and to identify any undisclosed data, and we performed tests of details, using sampling techniques, in order to verify the calculations made and reconcile the data with the supporting documents. The selected sample represents 83% of headcount, between 31% and 100% of quantitative environmental information.

We believe that the sampling methods and sample sizes used, based on our professional judgement, were sufficient to enable us to provide limited assurance; a higher level of assurance would have required us to carry out more extensive work. Due to the use of sampling techniques and other limitations intrinsic to the operation of information and internal control systems, we cannot completely rule out the possibility that a material irregularity has not been detected in the Data selected.

Conclusion

Based on our work, we did not identify any material anomalies likely to call into question the fact that the Data in the tables "Environmental indicators" and "Social indicators" of the 2014 Corporate Social Responsibility Report, identified by the symbol √, have been prepared, in all material respects, in accordance with the above-mentioned Protocol.

Observation

Without qualifying our conclusion above, we draw your attention to the following point, which is indicated in the note on the methodology for the reporting of the social performance indicator: the indicator "Total staff with disabilities" is not calculated using the same methodology across the different entities of the Group. The various methodologies are detailed in the Note on the methodology for the reporting of the social performance indicators.

Reasonable assurance

Nature and scope of our procedures

Concerning the Data selected by the Group and identified by the sign √√, we conducted the same work as the one described on paragraph hereinabove, but in a more extensive way, particularly concerning the number of tests.

The entities selected represent 91% of the Data identified by the sign √√.

In our opinion, our work allows us to express a reasonable assurance on the Data selected by the Group and identified by the sign √√.

Conclusion

In our opinion, the indicators 'Fuel consumption' and 'CO₂ emissions' related to air operations, identified by the symbol √√ in the 2014 Corporate Social Responsibility Report, have been prepared, in all material respects, in accordance with the above-mentioned Protocol.

Paris La Défense, April 14, 2015

KPMG S.A.

Jean-Paul Vellutini, Partner
Eric Jacquet, Partner
Philippe Arnaud, Partner, Climate Change and Sustainability Services

Global Compact and GRI4 correspondence table

| GLOBAL COMPACT ADVANCED LEVEL | G4 GENERAL STANDARD DISCLOSURES | LOCATION OF DISCLOSURE |
|--------------------------------------------------------------------------------------|---------------------------------|----------------------------------------------------------------------|
| STRATEGY AND ANALYSIS | | |
| Criterion 19: CEO commitment and leadership | G4-1 | Statement from CEO about the sustainability and the group's strategy |
| | G4-2 | Key impacts, risks, and opportunities |
| ORGANIZATIONAL PROFILE | | |
| | G4-4 | Primary brands, products and services |
| | G4-5 | Organization's headquarters |
| | G4-6 | Countries where the organization operates |
| | G4-7 | Nature of ownership and legal form |
| | G4-8 | Markets served |
| | G4-9 | Scale of the organization |
| | G4-10 | Breakdown of employees |
| Criterion 8: Monitoring and evaluation mechanisms of labor principles integration | G4-11 | Coverage by collective bargaining agreements |
| Criterion 2: Integrating GC Principles into the value chain | G4-12 | Organization's supply chain |
| | G4-13 | Changes during the reporting period |
| | G4-14 | Precautionary approach |
| | G4-15 | External charters, principles or initiatives endorsed |
| Criterion 17: Advocacy and public policy engagement | G4-16 | Membership in associations or advocacy organizations |
| IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES | | |
| Criterion 1: Mainstreaming GC Principles into corporate functions and business units | G4-17 | Entities included in the financial statements |
| | G4-18 | Process for defining the report content |
| | G4-19 | Material aspects |
| | G4-20 | Boundaries within and outside the organization |
| | G4-21 | Restatement of information |
| | G4-23 | Changes from previous reporting periods |
| STAKEHOLDER ENGAGEMENT | | |
| Criterion 21: Stakeholder engagement | G4-24 | Stakeholder list |
| | G4-25 | Stakeholder identification |
| | G4-26 | Approach of stakeholder engagement |
| | G4-27 | Topics raised through stakeholder engagement |
| REPORTING PROFILE | | |
| | G4-28 | Reporting period |
| | G4-29 | Most recent previous report |
| | G4-30 | Reporting cycle |
| | G4-31 | Contact point |
| | G4-32 | In accordance option, GRI index and external assurance Report |
| | G4-33 | External assurance for the report |

| GOVERNANCE | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|---------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| Criterion 1: Mainstreaming GC Principles into corporate functions and business units Criterion 20: Board adoption and oversight | G4-34 | Governance structure | Corporate governance p.16 |
| | G4-35 | Authority delegation for sustainability | CSR strategy p.14 |
| | G4-36 | Responsibility for economic, environmental and social topics | CSR strategy p.14 |
| | G4-38 | Composition of the board and its committees | Corporate governance p.16 |
| | G4-42 | Board and executives' roles in setting the sustainability strategy | CSR strategy p.14 |
| | G4-44 | Evaluation of the board's performance regarding sustainability | Part of the Air France-KLM CEO's remuneration depends on CSR criteria, Registration Document Section 1.1.6. |
| | G4-51 | Remuneration policies for the board and senior executives | Corporate governance p.16 |
| ETHICS | | | |
| Criterion 3: Robust commitments, strategies or policies in the area of human rights Criterion 14: Effective monitoring and evaluation mechanisms for the integration of anti-corruption | G4-56 | Code of conduct | Ethics p.20 |
| | G4-57 | Helplines or advice lines for employees | Ethics p.20 |
| | G4-58 | Mechanisms for reporting concerns about unethical or unlawful behavior | Ethics p.20 |
| ECONOMIC | | | |
| | g4-dma* | ECONOMIC PERFORMANCE | FINANCIAL RESULTS P.8 |
| | EC1 | Direct economic value generated and distributed | Financial results p.8 |
| | EC2 | Risks and opportunities due to climate change | Climate change policy p.27; Sustainable biofuels p.30 |
| | EC4 | Financial Assistance received from government- Presence of the government in the shareholding structure | Corporate governance p.16; Shareholders p.17 |
| | g4-dma* | INDIRECT ECONOMIC IMPACTS | LOCAL DEVELOPMENT P.65, 66 AND 68 |
| Criterion 15: Core business contributions to GC goals | EC7 | Development and impact of infrastructure investment and services supported | Local development chapter p.65, 66 and 68. |
| Criterion 16: Strategic social investments and philanthropy | EC8 | Significant indirect impacts | Local development p. 65 to 68 |
| | g4-dma* | PROCUREMENT PRACTICES | LOCAL DEVELOPMENT P.66 |
| Criterion 2 : Integrating GC Principles into the value chain | EC9 | Spending on local suppliers | Local development around our hubs p.66 |
| ENVIRONMENT | | | |
| | g4-dma* | MATERIALS | WASTE P. 34; ENERGY AND WATER P. 36 |
| Criterion 9: Robust commitments, strategies or policies in the area of environmental stewardship Criterion 10: Effective management systems to integrate the environmental principles Criterion 11: Monitoring and evaluation mechanisms for environmental stewardship | EN1 | Material used by weight or volume | Environmental indicators p. 78 |
| | EN3 | Energy consumption | Energy and Water p.36 |
| | EN6 | Reduction of energy consumption | Objectives p. 25; Energy and Water p.36 |
| | g4-dma* | WATER | ENERGY AND WATER P.36 |
| | EN8 | Total water withdrawal by source | Energy and Water p.36; Environmental indicators p.79 |
| | g4-dma* | BIODIVERSITY | BIODIVERSITY P.39 |
| | EN12 | Significant impacts on biodiversity | Biodiversity p.39 |
| | EN13 | Habitats protected or restored | Partnering for Biodiversity p.39; WWF-NL partnership p.69 |
| | g4-dma* | EMISSIONS | CARBON FOOTPRINT P. 28 |
| | EN15 | Direct greenhouse gas emissions (GHG) | Carbon footprint p.28; Air Quality p.33 |
| | EN19 | Reduction of GHG emissions | Carbon footprint p.28; Air Quality p.33 |
| EN21 | Nox, Sox and other significant air emissions | Carbon footprint p.28; Air Quality p.33 | |

| | g4-dma* | EFFLUENTS AND WASTE | WASTE P. 34 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|
| Criterion 9: Robust commitments, strategies or policies in the area of environmental stewardship Criterion 10: Effective management systems to integrate the environmental principles Criterion 11: Monitoring and evaluation mechanisms for environmental stewardship | EN23 | Waste by type and disposal method | Waste p.34 |
| | EN24 | Significant spills | Environmental indicators p. 78 |
| | EN25 | Waste deemed hazardous | Environmental indicators p. 78 |
| | g4-dma* | PRODUCTS AND SERVICES | CUSTOMER EXPERIENCE APPROACH P. 42 |
| | EN27 | Impact mitigation or environmental impacts of products and services | Climate change p.27; Carbon footprint p.28; Biofuelp.30; Responsible catering p. 39; Customer experience approach.42 |
| | g4-dma* | SUPPLIER ENVIRONMENTAL ASSESSMENT | RESPONSIBLE PROCUREMENT P.46 |
| | EN32 | Environmental assessment of new suppliers | Responsible procurement p.46 |
| SOCIAL | | | |
| | g4-dma* | EMPLOYMENT | GROUP SOCIAL POLICY P.57 ; SOCIAL INDICATORS P.77 ; REGISTRATION DOCUMENT SECTIONS 4.1 AND 4.1.1 |
| | LA1 | New employees hired | Group social policy p.57 ; Social indicators p.77 |
| | g4-dma* | LABOR MANAGEMENT RELATIONS | REGISTRATION DOCUMENT SECTION 4.1.1. |
| Criterion 6: Commitments, strategies or policies in the area of labor Criterion 7: Management systems to integrate the labor principles Criterion 8: Monitoring and evaluation mechanisms of labour principles integration | LA4 | Minimum notice periods for operational changes | The Group respects national legislations where it operates |
| | g4-dma* | OCCUPATIONAL HEALTH AND SAFETY | GROUP SOCIAL POLICY P. 57 |
| | LA6 | Injury, occupational diseases, absenteeism, and fatalities | Health and safety at work p.58 |
| | LA7 | Workers with high incidence or high risk of diseases | Health and safety at work p.58 |
| | LA8 | Formal agreements with trade unions | Registration Document Section 4.1.3. |
| | g4-dma* | TRAINING AND EDUCATION | GROUP SOCIAL POLICY P.57 |
| | LA9 | Average hours of training per year | Group social policy p.57 |
| | LA10 | Skills management and lifelong learning | Group social policy p. 57 |
| | g4-dma* | DIVERSITY AND EQUAL OPPORTUNITY | EQUAL OPPORTUNITIES P. 60 |
| | LA12 | Composition of governance bodies and diversity indicators | Governance p 16; Social indicators 77 |
| Criterion 2 : Integrating GC Principles into the value chain | LA14 | New suppliers screened with labor criteria | Responsible procurement p.46 |
| | g4-dma* | NON-DISCRIMINATION | EQUAL OPPORTUNITIES P.60 |
| Criterion 4: Management systems to integrate the human rights principles Criterion 5: Effective monitoring and evaluation mechanisms of human rights integration | HR4 | Freedom of association and collective bargaining | Ethics p.20; Responsible procurement p.46 |
| | HR9 | Operations subject to human rights impact assessment | Responsible procurement p.46 |
| Criterion 16: Strategic social investments and philanthropy Criterion 18: Partnerships and collective action | g4-dma* | LOCAL COMMUNITIES | LOCAL DEVELOPMENT P.66, 69 AND 70 |
| | S01 | Operations with implemented local community engagement | Local development p.66, 69 and 70 |
| Criterion 12: Robust commitments, strategies or policies for anti-corruption Criterion 13: Effective management systems to integrate the anti-corruption principle | g4-dma* | ANTI-CORRUPTION | ETHICS P.20 |
| | S04 | Communication and training on anti-corruption policies | Ethics p.20 |
| Criterion 2: Integrating GC Principles into the value chain | S09 | New suppliers screened using criteria for impacts on society | Responsible procurement p.46 |
| | g4-dma* | PRODUCT AND SERVICE LABELING | |
| | PR5 | Results of customer satisfaction | Customer dialogue p.44 |

*DMA: Generic Disclosures on Management Approach

International non-financial indexes and rating 2014

Air France-KLM is assessed annually by the major international non-financial rating agencies, including RobecoSAM, Vigeo, Eiris and Oekom Research. For the tenth year running, the Group is recognized by two Dow Jones Sustainability Indexes (DJSI World and DJSI Europe) and has been ranked leader in the Airlines industry by RobecoSAM. Moreover, for the 6th year running, Air France-KLM is ranked leader of the broader Transportation category, covering air, rail, sea and road transport as well as airport activities. In this way Air France-KLM perpetuates the ranking at the 24 most sustainable companies in the world. Thanks to this performance the Group retained its listing on FTSE4Good Index Series, on the Vigeo indexes (World 120, Europe 120, Eurozone 120, France 20) and on the Ethibel Sustainable Index (ESI) Excellence Europe. Oekom Research classifies Air France-KLM as "Prime".



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