By bringing together people, economies and cultures, aviation opens the way to travel and trade. It is a tremendous driver of growth in the areas where we operate and which we serve.

As with all transportation methods which depend on fossil energy, our environmental footprint is significant. We are aware of our responsibilities and, to continue to ensure our mission and achieve ever-higher levels of customer satisfaction, we actively seek to reconcile economic performance with social progress and respect for the environment.

Imagination and innovation were behind the emergence of aviation. Today, the most advanced technologies support the growth of air transportation by enabling the reduction or mitigation of some of its impacts, particularly CO₂ emissions and noise disturbance. Tomorrow, we plan to do even better. All of the players in the sector are aware of the major challenge represented by environment protection.

Sustainable development is both a requirement to secure our sector’s long-term future and an opportunity to envision our activity in another way. For several years, our social and environmental commitment has been at the heart of our corporate strategy. This commitment is enshrined in our Corporate Social Responsibility Statement and Social Rights and Ethics Charter and re-affirmed each year as a signatory of the United Nations Global Compact.

Thanks to everyone across the Group, everywhere in the world, Air France-KLM is recognized for its sustainable development performance. Conscious of the leadership role that we play with our customers, partners, suppliers and the industry as a whole, we are mobilized around the goal of making sustainable development an everyday reality in all our activities.

As a driver of economic growth, aviation’s future will be shaped by innovation and respect for the environment. This is the exciting challenge facing our Group and every one of us.

Alexandre de Juniac
Chairman and Chief Executive Officer
Air France-KLM Group
A LOOK BACK AT 2013 AND THE OUTLOOK FOR THE NEXT YEARS

Frédéric Gagey
Chairman and Chief Executive Officer
Air France-KLM Group

Alexandre de Juniac
Chairman and Chief Executive Officer
Air France

Camiel Eurlings
Chairman and Chief Executive Officer
KLM

The success of Transform 2015 will underpin the Group’s ability to again be one of the Top 3 global airline groups in terms of customer experience and be a major player in sector consolidation.

AIR FRANCE AND KLM HAVE DEVELOPED NEW PRODUCTS AND SERVICES FOR THEIR CUSTOMERS. WHAT ARE THE KEY FACTORS FOR A SUSTAINABLE AIRLINE?

Frédéric Gagey

Thanks to more than €500 million of investment, our goal is to offer the best standards of inflight comfort and to differentiate ourselves through exemplary standards of customer service. These new products and services will constitute significant competitive advantages in our commercial strategy. A company which makes a difference for its customers is also a responsible company. This Corporate Social Responsibility commitment is mobilising all our staff and is an integral part of all our projects. Wherever possible, we aim to support initiatives which include both the environmental and the social and citizenship dimensions. We also believe that research and innovation are key to a sustainable development approach. In 2013, the initiatives we supported included the Joining Our Energies program to back the development of a French biofuel production industry and the IAGOS project with the loading on board one of our aircraft of measuring instruments which will enable a better understanding of the impact of aviation on climate change. Another example in 2013 which is, perhaps, a little closer to ourselves and our customers, the design of new long-haul crockery in the Premium Economy and Economy classes. This project mobilised a number of divisions around an approach based on innovation and improvement in our offering aimed at making it the world’s best-in-class.

A LOOK BACK AT 2013

Two years after the launch of the Transform 2015 plan, what are the results for the Air France-KLM Group?

Interview:

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

Frédéric Gagey
Chairman and Chief Executive Officer
Air France

Camiel Eurlings
Chairman and Chief Executive Officer
KLM

2013 marked an important stage in the turnaround of Air France-KLM. We benefited from the implementation of new working conditions adopted by all our staff and the industrial plans launched across our businesses. Despite the persistently challenging environment, the Group returned to a positive operating result and reduced its debt by more than the initial targets.

The additional measures announced in October 2013 are already being implemented in medium-haul and cargo to accelerate their recovery and will start to bear fruit during the second half of 2014.

AND AT AIR FRANCE AND KLM?

Frédéric Gagey

Transform 2015 is functioning and the positive effects are tangible. In 2013, Air France maintained its transformation momentum thanks to its staff who are mobilising all their efforts around customer service and the company’s successful turnaround.

The short and medium-haul operations have been restructured and the company’s successful turnaround. Its staff who are mobilizing all their efforts around customer service and the launch of HOP! is an integral part of this dynamic. The new regional company constitutes an advantage for customers’ needs and the launch of HOP! is an integral part of this transformation.

The measures implemented in 2013 will be reflected in a very concrete improvement in our offering aimed at making it the world’s best-in-class. A company which makes a difference for its customers is also a successful company. This Corporate Social Responsibility commitment is mobilising all our staff and is an integral part of all our projects. Wherever possible, we aim to support initiatives which include both the environmental and the social and citizenship dimensions. We also believe that research and innovation are key to a sustainable development approach. The Group is experiencing a real commercial revolution. We are preparing for the future by launching significant investment to improve our service offer at both Air France and KLM.

The success of Transform 2015 will underpin the Group’s ability to again be one of the Top 3 global airline groups in terms of customer experience and be a major player in sector consolidation.

CAN YOU OUTLINE THE MAIN FOCUS AREAS IN 2014?

Alexandre de Juniac

The Group is experiencing a real commercial revolution. We are preparing for the future by launching significant investment to improve our service offer at both Air France and KLM. The measures implemented in 2013 will be reflected in a very concrete improvement in our offering aimed at making it the world’s best-in-class.

We have invested in cabin equipment to ensure that our customers enjoy the best-possible standard of comfort. We have also increased the number of destinations and our Summer 2014 schedule reflects this aim with an expanded long-haul proposition. It is vital to pursue our expansion on growth markets, which are the Group’s future.

The Group is experiencing a real commercial revolution. We are preparing for the future by launching significant investment to improve our service offer at both Air France and KLM. The measures implemented in 2013 will be reflected in a very concrete improvement in our offering aimed at making it the world’s best-in-class.

The success of Transform 2015 will underpin the Group’s ability to again be one of the Top 3 global airline groups in terms of customer experience and be a major player in sector consolidation.

AIR FRANCE AND KLM HAVE DEVELOPED NEW PRODUCTS AND SERVICES FOR THEIR CUSTOMERS. WHAT ARE THE KEY FACTORS FOR A SUSTAINABLE AIRLINE?

Frédéric Gagey

Thanks to more than €500 million of investment, our goal is to offer the best standards of inflight comfort and to differentiate ourselves through exemplary standards of customer service. These new products and services will constitute significant competitive advantages in our commercial strategy. A company which makes a difference for its customers is also a responsible company. This Corporate Social Responsibility commitment is mobilising all our staff and is an integral part of all our projects. Wherever possible, we aim to support initiatives which include both the environmental and the social and citizenship dimensions. We also believe that research and innovation are key to a sustainable development approach. In 2013, the initiatives we supported included the Joining Our Energies program to back the development of a French biofuel production industry and the IAGOS project with the loading on board one of our aircraft of measuring instruments which will enable a better understanding of the impact of aviation on climate change. Another example in 2013 which is, perhaps, a little closer to ourselves and our customers, the design of new long-haul crockery in the Premium Economy and Economy classes. This project mobilised a number of divisions around an approach based on innovation and improvement in our offering aimed at making it the world’s best-in-class.

Frédéric Gagey
Chairman and Chief Executive Officer
Air France-KLM Group

Alexandre de Juniac,
Chairman and Chief Executive Officer
Air France

Camiel Eurlings,
Chairman and Chief Executive Officer
KLM
At the end of 2013, KLM and the Ministry of Infrastructure & the Environment, the Ministry of Economic Affairs, Schiphol Group, SkyNRG, Neste Oil and the Port of Rotterdam signed a letter of intent for BiePort Holland, aimed at the large-scale use of sustainable biofuels. This initiative shows that cooperation with different stakeholders is key.

**AVIATION INDUSTRY DEVELOPMENTS**

**AIRLINE BUSINESS**

The airline industry is a facilitator of international trade and business, operating in a competitive environment, concerning a highly cyclical business and standing out in the value chain as earning the lowest returns and bearing virtually the highest risk. European companies are engaged in restructuring plans to restore profitability, particularly relative to competitors who benefit from a more dynamic context.

**LIBERALIZATION AND CONSOLIDATION**

Liberalization progresses slowly around the world with certain regions moving faster than others. The consolidation trend continues through mergers, alliances and partnership agreements. Airlines can improve their position in the air transport industry as shown by consolidation of airlines in the US. Middle Eastern airlines have entered into alliances, are continuing to expand and make conditions challenging for European airlines.

**STRUCTURAL GROWTH**

The air transport industry is growing by about 5% annually, which should be maintained 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.

**CUSTOMER BEHAVIOR**

Customers are well informed and sensitive to the value of the service offered. They expect transparency in product, service, price and company policies. In addition, customers demand to be online at any place and any time. Their needs are increasingly personalized and, through social media, they expect a quick response.

**CLIMATE CHANGE**

Mitigating climate change remains an important challenge in a context of resource scarcity and volatility of oil prices; a shift towards sustainable biofuels is crucial. Collaboration is needed to reduce CO2 by focusing on new technologies, operational efficiency and improved infrastructure. Economic measures can fill the remaining emissions gap.

**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 security and safety costs.

**AIR FRANCE-KLM NETWORK (SUMMER 2014)**

- **Europe**: 111 destinations
- **North America**: 19 destinations
- **Caribbean**: 12 destinations
- **South America**: 12 destinations
- **Africa and Middle East**: 51 destinations
- **Asia Pacific**: 23 destinations
- **India/Oceanian**: 3 destinations

**AIR FRANCE-KLM Corporate Social Responsibility Report 2013**

**SkyTeam**

- **95,961** employees (FTE)
- **552** aircraft in operation
- **2nd largest alliance**
- more than 1,000 destinations
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, 2013, consolidated revenues amounted to €25.52 billion, up by 2.32% on the previous financial year. The 2013 financial year was marked by a positive result from current operations of €130 million versus a loss of €336 million at December 31, 2012.

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

AMBITION
Our ambition is to set the standard in CSR and to remain the frontrunner in the air transport industry.
As a global business, Air France-KLM connects people, economies and cultures, driving economic growth and social progress. Air France-KLM assumes its responsibilities and acts to reconcile growth with environmental protection, social value and local development at its hubs and destinations.

The Group's commitment is laid out in its Corporate Social Responsibility Statement, Social Rights and Ethics Charter and Climate Action Plan.

To integrate sustainability in its business and operations, Air France-KLM works alongside all of its stakeholder groups on four key priorities: environment, customer experience, responsible human resources and local development.

National and International Commitments

- It also works in line with the principles of the Organisation for Economic Cooperation and Development’s (OECD) Principles of Corporate Governance.
- Air France-KLM has signed several charters and guidelines:
  - Air France and KLM are signatories to national charters and the EU’s Business Principles.
  - Air France and KLM support initiatives such as those of the Compact and Save the Children.

Global Compact and Save the Children.

The key priorities set by the Group are addressed by the two airlines in line with the objectives of the industry.

Sustainability in Business and Operations

Air France-KLM published its CSR at the heart of its strategy. This commitment is spearheaded by management and shared by all employees who are encouraged to participate in the development of innovation projects.

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 Group Board of Directors during the annual Group strategy meeting.

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 a member of the Executive Committee. Each airline has committees in place to promote the integration of CSR and its associated risks and opportunities.

At KLM these are the quarterly CSR Council and the Safety and Quality Board, which meets six times per year. Air France has two Board Meetings per year dedicated to reviewing CSR "Quality, Safety, Environment" objectives.

The key priorities set by the Group are addressed by the two airlines in line with the objectives of the industry:

1. Environment: Reduce our environmental footprint by innovating in the supply chain and by mobilizing our entire staff and the industry.
2. Customer experience: Integrate sustainability within the entire value chain to offer customers sustainable and innovative products and services.
3. Local development: Create economic and social value at our hubs and destinations.
4. Responsible human resources: Maintain a responsible social policy and encourage personal development to ensure the motivation and professionalism of our employees.

Career Development: Air France-KLM is committed to the professional development of its employees and encourages its partners and suppliers to commit to this path.

Air France is a signatory of the Caring for Climate Initiative led by the UN Global Compact and the UN Environment Program.

KLM has been working in partnership with WWF-NL since 2007 to develop a more sustainable air transport industry.

In 2013, KLM also became partner of UNICEF the Netherlands to develop guidelines for the industry, based on the ten Children’s Rights and Business Principles developed in 2012 by UNICEF, the UN Global Compact and Save the Children.

Air France and KLM have been signatories to several national charters and agreements. In 2013, Air France signed the Charter for Public Companies in Favor of Innovative SMEs and the Gender Equality Convention.

KLM has signed the Sustainable Supply and Corporate Responsibility Manifesto, which aims to support the market for sustainable products and services.

The key priorities set by the Group are addressed by the two airlines based on stakeholder dialogue. Every year, Air France and KLM senior executives formalize their commitment on CSR issues such as environment and health and safety, through action plans with specific targets.

In 2013, environmental objectives were set for all Air France entities:
- Improving CO2 efficiency: -1.5% per year;
- Reducing the energy consumption of buildings: -8% at the end of 2014, compared with 2011;
- Increasing the proportion of waste recycled to 50%.

In 2013, the KLM Executive Committee developed a long term vision and ambitions for 2020:
- Energy: 20% CO2 reduction;
- Sustainable catering: 100% sustainable inflight catering products (from Amsterdam);
- Waste: 100% recycling and recovery;
- Communities: All areas have a program in place positively impacting future generations.

These objectives are translated into annual programs and roadmaps.

Air France and KLM’s ISO 14001 certification was renewed for a period of three years in 2011 for Air France and in 2012 for KLM.

Objectives and management indicators

- Improve the strategic alignment of the CSR policy and encourage implementation.
- Receive management reports, which provide information, among other subjects, on CSR performance.
- Approve the annual CSR plan.
- Independently assess the effectiveness of the risk management system and performance assurance audits.
- Approve the strategic alignment and CSR policy of the Group's business divisions.
- Approve the strategic orientation of the Group's activities and ensure implementation.
- Approve the annual CSR plan.
- Independently assess the effectiveness of the risk management system and performance assurance audits.
- Approve the strategic orientation of the Group's activities and ensure implementation.
- Approve the annual CSR plan.
STAKEHOLDERS

Takeholder engagement plays a major part in Air France-KLM’s CSR strategy. As a worldwide operator, the Group interacts with various stakeholder groups.

ONGOING DIALOGUE
To determine material issues and priorities, Air France-KLM engages with various stakeholder groups including employees, suppliers, local communities, associations, local authorities and NGOs.

This dialogue helps the Group to better understand the societal changes, challenges and questions it is faced with, and the issues and projects that it should focus on. This feedback also helps to improve the Group’s reporting.

The 2013 report includes more detailed information on employee involvement in CSR strategy, observance of human rights, as well as impact in the supply chain.

STAKEHOLDER IDENTIFICATION AND COMMITMENT
In 2013, stakeholder engagement included:
- Internal barometers and events to collect staff suggestions;
- 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 stakeholders 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.

For more information about stakeholder dialogue, see p. 72.

Employees
- Annual study on staff perceptions of CSR: 4,500 Air France employees surveyed, 75% of staff members feel that their division is involved in the airline’s CSR policy, while 66% feel they are personally involved; 250 suggestions have been submitted, in particular concerning the recycling of waste.
- Annual “Biousole” survey on home-work travel in the Paris region: 3,030 Air France employees participated. Thanks to the suggestions submitted, telecommuting will be rolled out more widely in the company in 2014 (see p. 33).
- KLM Takes Care Café: in the process of shaping the KLM CSR strategy towards ambitions for 2020 over 100 KLM experts and managers, as well as the KLM Works Council, were involved through interviews, dialogue meetings and workshops.
- Quarterly “CSR Cafés”: guest speakers are invited to inspire and inform KLM employees on various current and future sustainability initiatives. In 2013, 4 CSR Cafés took place and over 200 employees attended.

Customers
- Flying Blue customers CSR perception survey: the survey enables to better understand customer expectations and to identify those issues they consider a priority. Main issues identified in 2013: investing in a modern fleet, reducing water and energy consumption and waste, supporting aviation research and renewable energy (see p. 43).
- KLM Takes Care online platform: website provides articles and videos and gives customers the opportunity to share their ideas on sustainability topics (see p. 43).
- Social media: 7.7 million fans on Facebook and 1.2 million followers via Twitter.

Local stakeholders
- Dialogue with residents: Air France and KLM are members of local committees around the airports which constitute the main forum for dialogue between the air transport professionals and local communities, thereby helping to orient the environmental measures accompanying airport development. Air France participates in the Environmental Advisory Committees (CEC and Advisory Committees for Resident Assistance (ECAF) in the main French airports. KLM continues with its commitment to pursuing dialogue through Albany Tables and CROCS (Ethiopian Regional Consultative Committee).
- Grand Roi area: Air France is contributing to the extensive discussions on projects set to shape the areas surrounding Paris-CDG airport. Air France is also a member of local development associations to reinforce the international attractiveness of Paris-CDG airport area.
- Visits and meetings: Air France and KLM regularly organize visits to their facilities for stakeholders and government officials giving them an impression of the airline business and exchanging views on a variety of issues such as CSR and innovation.

Partnerships and NGOs
- WWF-NL: In 2013 the joint partnership targets were evaluated and focused on biodiversity and food impacts. In the process of reshaping the KLM CSR strategy towards 2020, WWF-NL was involved to reflect on the choices and ambitions for KLM’s climate action plan and catering.
- Associations dedicated to CSR: as a member of associations such as ORSE, Comité 21, Global Compact France, Air France pursues a dialogue with experts and other French companies on CSR issues.
- UNICEF the Netherlands: Strategic collaboration focused on Children’s Rights impacts by the airline sector.
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. For further information, see the Registration Document 2013 at www.airfranceklm-finance.com.

On appointment, they receive all the information required to fulfill their mandates. They are also required to fulfill their mandates.

On December 31, 2013, Air France-KLM was 57.5% owned by French interests (compared with 61.6% on December 31, 2012) and more than 75% by European institutions.

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, 2013, Air France-KLM was 57.5% owned by French interests (compared with 61.6% on December 31, 2012) and more than 75% by European institutions.

The Group pursues a policy of active dialogue with its shareholders. Air France-KLM pursues regular investor relations with institutional investors and SRI. Beyond meetings organized to communicate financial results, senior executives regularly take part in conferences on air transport in Europe and the US. The Group organizes Investor Days which are an opportunity to discuss its strategic decisions. In December 2013, the Group was awarded the “Best Investor Relations by a CEO” for the clarity of communication and the transparency of management techniques at the “Investor Relations and Financial Communication” Forum.

INVESTORS

Air France-KLM pursues regular dialogue with financial analysts, institutional investors and SRI. Beyond meetings organized to communicate financial results, senior executives regularly take part in conferences on air transport in Europe and the US. The Group organizes Investor Days which are an opportunity to discuss its strategic decisions. In December 2013, the Group was awarded the “Best Investor Relations by a CEO” for the clarity of communication and the transparency of management techniques at the “Investor Relations and Financial Communication” Forum.

INDIVIDUAL SHAREHOLDERS

The Group pursues a policy of active dialogue with its shareholders. Air France-KLM pursues regular investor relations with institutional investors and SRI. Beyond meetings organized to communicate financial results, senior executives regularly take part in conferences on air transport in Europe and the US. The Group organizes Investor Days which are an opportunity to discuss its strategic decisions. In December 2013, the Group was awarded the “Best Investor Relations by a CEO” for the clarity of communication and the transparency of management techniques at the “Investor Relations and Financial Communication” Forum.


In accordance with Arts L. 242-2 and 242-2-1 of the French Civil Code governing the appointment of a number of independent directors, the specific rules governing the appointment of a number of independent directors in listed companies are set forth in the AFEP-MEDEF Corporate Governance Code.

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

B O A R D  O F  D I R E C T O R S

14 BOARD DIRECTORS

11 DIRECTORS appointed by the General Shareholders’ Meeting (of whom two are representatives of the employee shareholders).

3 DIRECTORS representatives of the French State appointed by ministerial decree.

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

A U D I T  C O M M I T T E E

6 members 75% independent directors* 5 meetings; 100% attendance rate

A U T H O R I Z A T I O N S  C O M M I T T E E

4 members 65% independent directors* 2 meetings; 100% attendance rate

A U D I T I O N S  C O M M I T T E E

5 members 75% independent directors* 5 meetings; 100% attendance rate

D E V E R S I T Y  O F  D I R E C T O R S’  P R O F I L E S

- 5 female members on December 31, 2013, 35.7% of total Board members
- 6 independent directors, in view of the Group’s ownership structure (notably the French State and employees).

The Combined functions of Chairman and Chief Executive Officer of the Board of Directors of Air France-KLM has been separate between January 2000 and October 2011 (expiration date of the term of office of the former CEO). The combined function was therefore resumed in October 2011.

E T H I C S  A N D  I N T E R N A L  R E G U L A T I O N S

Two documents adopted by the Board and regularly updated:
- internal regulation (regularly updated and available online)
- code of ethics

A V E R A G E  A T T E N D A N C E  R A T E

12 MEETINGS

Average attendance rate: 91%
Safely is the absolute priority for Air France-KLM. It is imperative for both customers and staff and imperative for the sustainability of air transport. Safety covers all measures taken to reduce the risks associated with aviation. Aviation security aims to combat criminal and terrorist acts against air-craft and passengers.

**INTERNATIONAL STANDARDS**
All of the Group’s businesses are subject to extensive controls and certification, and 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 its IOSA safety audit in October 2012, both Air France and KLM were awarded renewed certification, without qualification issues. Following its IOSA safety audit in October 2012, both Air France and KLM were awarded renewed certification, without qualification issues for a further two years. Almost a thousand points were checked.

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 the management of risks in aviation, is comprehensively integrated into the organisation, processes and culture of the company and is supported by a commitment at the highest level of management within the Group and by training and awareness building initiatives across all members of staff.

**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. The responsibility of all employees in ensuring flight safety was reinforced at Air France by a new awareness campaign launched in July 2013. By reporting issues, staff members help and facilitate the prevention of incidents.

Since the end of 2012, Air France employees have used a single platform for reporting situations they think may present a risk. In 2013, the system for managing operational incidents was extended to customer service, the environment, health and safety in the workplace, food safety and hygiene. The system is being progressively rolled out across all businesses and enables the sharing of data in order to facilitate the implementation of consistent, comprehensive action plans.

**ONGOING VIGILANCE**
The Group’s security procedures aim to ensure the protection of its 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. In this area, the Group is working directly with airports, government agencies, national civil aviation authorities, the European Commission, the Association of European Airlines, IATA and the International Civil Aviation Organization (ICAO).

In order to ensure the highest level of protection for their customers and employees in more than 100 countries and 200 cities, Air France and KLM’s security departments constantly monitor international geopolitical developments. These dedicated teams are responsible for ensuring continuous flight operations and where necessary, for implementing additional security measures.

**IDENTIFYING AND MONITORING RISK**

**Strategic risk mapping and operational risk mapping processes have been established by all the relevant entities, supervised 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, 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 or risks to IT systems. Other risks are linked to the Group’s 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 financial 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 Air France-KLM’s Executive Committee are responsible for reviewing the measures implemented to control these risks.
A s signatories of the United Nations Global Compact, Air France and KLM are committed to respecting fundamental human rights principles and the fight against corruption.

RESPECTING HUMAN RIGHTS

In its CSR Statement, Air France-KLM undertakes to respect human rights and to oppose all forms of child and forced labor. 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. In 2013, an updated version of the Charter was signed by the Group’s CEO and by representatives of the Group European Works Council. The Group identifies and assesses risk factors related to human rights within its businesses which cover various areas: health and safety, equal opportunities, work-life balance, systems to protect the personal data of customers and staff.

The Group is committed to ensuring that suppliers and subcontractors throughout the world respect fundamental social rights. Suppliers are requested to sign a Sustainable Development Charter that includes social, environmental and ethical principles based on the UN Global Compact. In 2013, the Group restated its commitment to children, in particular with regards to the Children’s Rights and Business Principles co-devised by UNICEF. Air France contributed to the Vigeo-UNICEF study on the integration of these principles by large companies. KLM signed a code of conduct by making its “Air France and KLM Anti-Bribbery Manual” available to all employees. In addition to this publication, it provides training for all employees working for KLM and its subsidiaries in The Netherlands and abroad.

APPLYING BUSINESS CONDUCT RULES

Air France-KLM ensures that ethical principles are met in the way it does business. As a framework for its operations, the Group has several rules of conduct. Some of these rules apply to all staff members, while others are more specific. 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. Air France and KLM comply with legislation on lobbying and defense of economic interests. Air France has a representative working with the French National Assembly and Le Sénat, and who is committed to respect the relevant codes of conduct.

KLM has a public affairs representative who is registered in the Dutch Parliament lobby register. KLM public affairs representatives are member of the Dutch Association for Public Affairs Professionals and have signed up to its Code of Conduct. Both Air France and KLM have lobbyists working with European Institutions and who are registered in the EU Transparency register.

Air France-KLM does not tolerate any form of corruption. In line with the evolving international legislative and regulatory context, an “Air France and KLM Anti-Bribery Manual” was made available at the end of 2013. This manual is accessible to all employees and will be supported by an e-learning module in 2014.

To enable staff members to signal serious matters which they may be aware of, such as accountability and financial fraud or corruption, both Air France and KLM have set up a whistleblower procedure. In 2013, KLM replaced its financial whistleblowers procedure by a broadly applicable procedure which enables 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.

COMPLYING WITH COMPETITION LAW

Air France-KLM pursues a policy of preventing anti-competitive practices by making its “Air France and KLM Competition Law Compliance Manual” available to all employees. In addition to this publication, several anti-measures of prevention have been made available to employees, such as a telephone hotline dedicated to competition law and training delivered by the Group’s legal staff.

An e-learning module on competition regulations has been made compulsory for all Air France and KLM employees holding posts that require such knowledge. In 2013, commercial and procurement managers completed an e-learning module.

INCLUSION OF AIRLINES IN THE EU GREENHOUSE GAS EMISSIONS TRADING SCHEME (EU-ETS)

The EU Directive establishing the EU emissions trading scheme (EU ETS) has applied to aviation since 1 January 2012. Air France-KLM has always supported the implementation of a market-based measures mechanism that benefits the environment far more than a straightforward tax, provided the mechanism is non-discriminatory, workable and cost efficient. EU ETS, linked to intra-European flights, should be considered as a first step towards a worldwide system that should be defined at ICAO level.

In 2013, Air France and KLM have set up a compliance procedure which enables 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.

To enable staff members to signal serious matters which they may be aware of, such as accountability and financial fraud or corruption, both Air France and KLM have set up a whistleblowing procedure. In 2013, KLM replaced its financial whistleblowers procedure by a broadly applicable procedure which enables 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.

Air France-KLM pursues a policy of preventing anti-competitive practices by making its “Air France and KLM Competition Law Compliance Manual” available to all employees. In addition to this publication, several anti-measures of prevention have been made available to employees, such as a telephone hotline dedicated to competition law and training delivered by the Group’s legal staff.

An e-learning module on competition regulations has been made compulsory for all Air France and KLM employees holding posts that require such knowledge. In 2013, commercial and procurement managers completed an e-learning module.

INCLUSION OF AIRLINES IN THE EU GREENHOUSE GAS EMISSIONS TRADING SCHEME (EU-ETS)

The EU Directive establishing the EU emissions trading scheme (EU ETS) has applied to aviation since 1 January 2012. Air France-KLM has always supported the implementation of a market-based measures mechanism that benefits the environment far more than a straightforward tax, provided the mechanism is non-discriminatory, workable and cost efficient. EU ETS, linked to intra-European flights, should be considered as a first step towards a worldwide system that should be defined at ICAO level.

In 2013, Air France and KLM have set up a compliance procedure which enables 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.
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 entire staff and the industry.
## Environment

### Objectives

<table>
<thead>
<tr>
<th>CO₂</th>
<th>SCHEDULE</th>
<th>MAIN ACHIEVEMENTS 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air France: 1.5% improvement to energy efficiency per year</td>
<td>2020</td>
<td>3.57 liters/passenger/100km or 89 g/passenger/km 1.9% reduction compared to 2012</td>
</tr>
<tr>
<td>KLM: 20% reduction of CO₂ emissions per km/kilometer in 2020 (baseline 2003: 91.5 g CO₂/passenger/km)</td>
<td>2020</td>
<td>86 g CO₂/passenger/km 6% reduction compared to 2009</td>
</tr>
<tr>
<td>Air France: “New fuel Plan” resulting in a 1% reduction in fuel consumption by 2015 (compared to 2011)</td>
<td>2015</td>
<td>Fuel saving: 44 million liters (110,220 tons of CO₂ emissions saved)</td>
</tr>
<tr>
<td>KLM: 8 million liters fuel saving</td>
<td>2013</td>
<td>Fuel saving: 9 million liters (20,000 tons of CO₂ emissions saved)</td>
</tr>
<tr>
<td>KLM: Aim for operational target of 1% sustainable biofuel in the context of WWF-AB partnership</td>
<td>2015</td>
<td>26 flights with biofuel from New York to Amsterdam Increased participation in KLM BioFuel program for corporate customers</td>
</tr>
</tbody>
</table>

### Schedule

<table>
<thead>
<tr>
<th>Objectives</th>
<th>SCHEDULE</th>
<th>MAIN ACHIEVEMENTS 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOISE</td>
<td>2005 levels (10 major French airports)</td>
<td>33.3% reduction in noise energy compared to 2005</td>
</tr>
<tr>
<td>Air France: Expand activity while keeping noise emissions below</td>
<td>2013</td>
<td>Results of First Phase (2000-13): 34,000 households informed about alternative agriculture (25% of these have already adopted at least one of the techniques suggested); 22,000 hectares of forest restored; 7,000 hectares reforested; 470,000 hectares of new protected areas created to conserve forests and biodiversity; 115 transfers of natural resource management (TGRN) to populations covering 332,900 hectares</td>
</tr>
<tr>
<td>KLM: Reduce noise at Schiphol in partnership with the aviation sector</td>
<td>2013</td>
<td>16 new products added to sustainable inflight catering offer Roadmap established to phase-out non-sustainable soy and palm oil</td>
</tr>
</tbody>
</table>

### Local Air Quality

<table>
<thead>
<tr>
<th>Objectives</th>
<th>SCHEDULE</th>
<th>MAIN ACHIEVEMENTS 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air France: Electrically powered vehicles and ground equipment</td>
<td>2013</td>
<td>10% reduction of vehicles fleet 6 new electric vehicles</td>
</tr>
<tr>
<td>Air France: Contribute to the reduction of polluting emissions caused by Air France staff work-home commuting in the Paris region with a 5% shift in transport modes</td>
<td>2013</td>
<td>Rate of car use: 79% (81% in 2012) Rate of public transportation use: 14% (12% in 2012)</td>
</tr>
<tr>
<td>Air France: Implementation of fuel efficient taxiing solutions</td>
<td>2013</td>
<td>Partnership with Sabra and Honeywell in the development of the Electric Green Taxiing System</td>
</tr>
<tr>
<td>KLM: Minimize the use of APU by towing with external power</td>
<td>2013</td>
<td>Non-emission reduction due to 4,300 hours less APU use</td>
</tr>
<tr>
<td>KLM: Electrically powered ground equipment</td>
<td>2013</td>
<td>11 new electric conveyor belts 40% electric ground equipment (36% in 2012)</td>
</tr>
</tbody>
</table>

### Waste

<table>
<thead>
<tr>
<th>Objectives</th>
<th>SCHEDULE</th>
<th>MAIN ACHIEVEMENTS 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air France: Increase proportion of waste recycled to 50%</td>
<td>2014</td>
<td>Rate of recycled waste (hazardous and non hazardous): 38%</td>
</tr>
<tr>
<td>KLM: 100% waste recycling and recovery</td>
<td>2020</td>
<td>17% increase of separated and recycled catering waste to 25%</td>
</tr>
</tbody>
</table>

### Energy

<table>
<thead>
<tr>
<th>Objectives</th>
<th>SCHEDULE</th>
<th>MAIN ACHIEVEMENTS 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air France: Improve the energy efficiency of buildings through an 8% reduction in their energy consumption (baseline 2011)</td>
<td>2014</td>
<td>Energy efficiency of buildings improvement: 8.7% Objective exceeded in 2013 and will be updated in 2014</td>
</tr>
<tr>
<td>KLM: 2% annual improvement in the energy efficiency of buildings 20% CO₂ reduction in buildings and ground processes (baseline 2011)</td>
<td>2016</td>
<td>2% energy efficiency improvement 100% green energy from water power</td>
</tr>
</tbody>
</table>
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 transport was the first sector to take global action on CO2 emissions. In 2009, the International Air Transport Association (IATA) set an ambitious worldwide commitment with 3 targets for the short and long term:

- 1.5% per year energy efficiency until 2020 (excluding economic measures)
- Carbon neutral growth from 2020 onwards
- 50% reduction in CO2 emissions by 2050, compared with 2005 levels

Regulations at a global, sectoral level are required to effectively manage CO2 emissions. In October 2013, the Organization of International Civil Aviation Organization (ICAO) stated its commitment to putting in place a single, global, market-based measure for carbon emissions in 2020. A road map should be set out for the 2016 ICAO Assembly (see Public position p.21).

**Air France-KLM’s Climate Action Plan**

- The Group pursues fleet modernization and contributes to aeronautical research.
- The Group involves its entire staff and external stakeholders around ambitious environmental action plans, from saving fuel in flight operations to cutting emissions on the ground, and applying eco-design principles.
- The Group actively stimulates the implementation of sustainable aviation biofuels and is involved in research for renewable energy.
- The Group supports environmental protection programs led by NGOs.
- The Group provides customers with information on their travel-related CO2 emissions and opportunities to offset these.
- The Group supports efforts towards achieving a global climate agreement, with a fair contribution for aviation.

**Carbon Disclosure Project**

Air France-KLM received the Climate Performance Leader prize in 2013, awarded after an analysis of the Carbon Disclosure Project (CDP). This award places the Group among the nine French leaders distinguished among the top 250 French stock market capitalizations. It is in recognition of the actions carried out by the Group to reduce its carbon footprint and the transparency of its actions.
Through its Climate Action Plan, which focuses on fleet renewal, improving operational efficiency, use of sustainable biofuel and offsetting, Air France-KLM aims to reduce its carbon footprint. In all departments, staff members are invited to optimize operations.

Air France’s Fuel Plan

The Fuel Plan aims to identify and implement all possible means of saving fuel, in strict compliance with flight safety. 150 measures have been identified and more than 30 have already been implemented. New initiatives were put into practice in 2013, with new cruise climb and approach procedures tested on the 777 fleet. A project to optimize the amount of water carried on board is being developed on the 777 and 380 fleets. Air France is working on “eco-responsible” changes to aircraft and systems, such as green taxiing which enables taxiing with engines stopped, and fitting shuttles to A320s; these wingtip devices reduce fuel use by 2-4% on medium-haul flights. The combined effect of these actions has resulted in a 110,000 ton reduction in CO2 emissions, and a 36,000 ton reduction in fuel consumed in 2013, compared to 2012, a saving of 28 million euros.

Fleet Modernization

A modern, more energy efficient fleet has a better economic and environmental performance.  
- Air France and KLM joint acquisition contracts for twenty-five Boeing 787s and twenty-five A350s: Deliveries starting in 2015.  
- Air France and KLM joint acquisition contracts for twenty-five Boeing 787s and twenty-five A350s: Deliveries starting in 2015.  
- Air France: 1.5% per year. Improve energy efficiency by 1.5% per year (liters fuel/passenger/100km).

KLM: 20% by 2020: Reduce CO2 emissions by 20% by 2020 compared to 2009 (tons/km).

Ambitions 2020

Air France: 1.5% per year. Improve energy efficiency by 1.5% per year (liters fuel/passenger/100km).

KLM: 20% by 2020: Reduce CO2 emissions by 20% by 2020 compared to 2009 (tons/km).

Operational Efficiency

Reducing weight carried on board

The heavier an aircraft is, the more fuel it consumes. Significant weight savings have been achieved through numerous improvements: Pilots’ technical documentation, trolleys, carpets and seats. Since 2008, Air France has reduced the weight of cabin equipment by 15%. One kilo in weight reduction on board all Air France aircraft saves 73 tons of CO2 per year. Some examples:

- Air France: With WeFree Program, Air France operates flights between Paris-CDG and Rome-Fiumicino with a 1.5% CO2 reduction.  
- KLM: Various operational efficiency measures were combined in the Optimal Flight Program, resulting in a CO2 reduction of around 7,000 tons in 2013.

Using Sustainable Biofuels

Air France-KLM considers conversion from fossil fuels to renewables as a priority to ensure the future of commercial aviation. The Group’s strategy is to explore 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 pages 21 and 30.

Offsetting Emissions

Offsetting is a good option to reduce CO2 emissions. Air France and KLM provide their customers with CO2 emissions calculators, based on actual emissions for each flight. These are available on the Air France and KLM websites and include the option to offset emissions. The Group offers certified sustainable carbon reduction credits through Air France’s partnership with GoodPlanet and KLM’s CO2ZERO program. In past years 170,000 tons of CO2 have been offset through KLM’s CO2ZERO program.
In recent years, Air France and KLM have shown that flying on biofuel can be done safely and sustainably. The ambition is to create a market for bio-jet fuel that complies with strict environmental, social and economic criteria. This should lead to a significant increase of available bio-jet fuel in the years to come.

Air France and KLM have entered into new and innovative partnerships both with corporate clients as well as suppliers, airports and logistic partners to achieve more volume and new markets for sustainable biofuels.

The Group supports the use of different types of renewable feedstock, provided its production meets stringent sustainability criteria, including: 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.

**SECUING STRICT SUSTAINABILITY CRITERIA**
- Roundtable on Sustainable Biomaterials (RSB): Air France and KLM have been members of the RSB since 2008. This standard is included in the European Commission’s Regulation (RED) and was recently recognized by the WWF as best in class.
- SkyNRG Independent Sustainability Board: To ensure the sustainability of biofuels supplied by SkyNRG, WWF-NL, Solidaridad and the Science Institute Copernicus in The Netherlands are represented in the Sustainability Board.

**STIMULATING THE INDUSTRY**
- SYDINSE project of CEA: Air France is taking part in the SYDINSE project to produce biofuel from forestry waste, conducted by the CEA (Atomic and Alternative Energies Commission), aiming to demonstrate the feasibility of a complete production line for sustainable biofuels, using thermochemical processes. Annual production could eventually reach 22,000 tons of biofuel (diesel/kerosene/naphtha), minimum 65% kerosene, produced from 75,000 tons of dry biomass sourced from local forests.
- ITAKA (Initiative Towards sustainable Kerosene for Aviation): ITAKA is an European founded collaborative project, aimed to produce sustainable aviation biofuel and to test its logistics and use in normal flight operations on board KLM aircraft.
- CAER (Aeronautical Alternative Fuels) initiative: Identifying breakthrough industrial technologies for sustainable biofuel production from 2020. The project has a budget of 8.5 million and is supported by the French Ministry for Transport.

**INNOVATION IN THE SUPPLY CHAIN**
- SkyNRG: Supplier for sustainable jet fuel established by KLM in cooperation with Argos and Spring Associates to develop a range of sustainable fuels from purchase to delivery. In 2013, SkyNRG became the first sustainable jet biofuel supplier to achieve industry approved RSB certification.
- Climate-KIC: Europe’s largest public-private innovation partnership, working together to address the challenge of climate change. KLM Climate-KIC collaboration is the development of bio-economy.
- Bioport Holland: Joint initiative with KLM, Dutch Government, Neste Oil, Port of Rotterdam, SkyNRG and Schiphol Airport. These parties recently signed a declaration of intent aimed at the large-scale use of sustainable biofuels.

**SUPPORT REGULATORY INCENTIVES**
- F-PCA (Future Alternative Fuels Initiative) led by the DGAC: Production of 200,000 tons of biofuel in France by 2020.
- Green Deal Biodiesel: Deal between KLM and the Dutch government from 2011 to incentivize the market of biofuels.
NOISE

NOISE IS ONE OF THE MAIN ISSUES OF AIR FRANCE-KLM’S ENVIRONMENTAL POLICY. THE GROUP AIMS TO SUPPORT THE INCREASING DEMAND FOR MOBILITY, WHILE MAINTAINING NOISE HINDRANCE AT AN ACCEPTABLE LEVEL FOR PEOPLE LIVING NEAR AIRPORTS. THE GROUP MANAGES NOISE IN TWO MAIN WAYS: BY OPERATING A MODERN FLotte AND BY IMPLEMENTING NOISE ABATEMENT PROCEDURES.

REDUCING NOISE
Renewal and modernization of the fleet have a major impact on the noise reduction at source. The Group pursues 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 will finish phasing out its MD11 fleet, which is replaced by quieter aircraft to structurally improve noise impact.

In addition to these investments, 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. Night traffic is governed by strict rules on the number of allocated slots and the respect of scheduled times. In addition, aircraft must comply with noise criteria.

DIALOgue WITH RESIDENts
As members of dialogue platforms that bring airlines, airports and local residents’ representatives together in dialogue, Air France and KLM contribute to discussions on the development of air traffic and noise laws.

After two years of testing, the parties at the Alterstalbten jointly advised the Dutch government to implement the new regulatory and enforcement system. Given the successful cooperation in the Schiphol area, the dialogue with Schiphol Regional Consultative Committee (CRoD) and various working groups will be continued in the “vicinity council”.

French and Dutch government policies include exposure to aircraft noise in urban planning considerations. They reduce the impact of noise through financial help for soundproofing houses. Air transport is the only industry that fully finances such a comprehensive noise hindrance reduction system. In 2013, Air France-KLM paid 32.5 million euros towards soundproofing.

In France, rules on soundproofing apply to housing exposed to noise levels above 55 dB, located in the airport noise impact area (“Plan de gêne sonore”).

Air France and KLM: in the vicinity of Schiphol, 75% of the residents live in soundproofed homes and 40% of the KLM gSe at Schiphol airport are electric.

In 2014, KLM will finish phasing out its MD11 fleet, which is replaced by quieter aircraft to structurally improve noise impact.

Air France and KLM use electric gPu (ground Power Units) when possible to power aircraft and aCu (air Conditioning Units) to maintain conditioned air (PCa) units of KLM are electric.

VOC

Ground and At Low Altitude

Air Quality

Air France mobility plan for employees
Since 2008, Air France has been involved in a protection plan for air in the Paris area through its business travel plan for Air France employees based in the Paris region. The plan aims to reduce emissions caused by commuting thanks to measures to promote public transport use, by creating open, shared offices and by setting up a car pooling website. Of the 44,000 employees concerned, 70% travel to work by car and have an estimated average daily commute of 1 hour and 30 minutes. This issue is important for the company 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.

For example, in 2013, a study on the accessibility of a maintenance site at Villebon-sur-Yvette should lead to the opening of a new bus route with a timetable designed around the working hours of employees at the site, as well as a development study into eco-friendly transport.

In 2014, Air France will gradually fit all of its A320 family aircraft (A318, A319, A320 and A321) with noise reduction kits. This decision is the result of a dialogue with local residents concerning a particular noise produced by A320s. Following complaints from residents living close to the airports, cooperation with Airbus and the French aviation authorities (DGAC) led to the development of solutions for new and in-service aircraft reducing substantially the noise hindrance during descent.

CLEANER VEHICLES AND EQUIPMENT

On the ground, Air France and KLM have chosen to prioritize electric vehicles when renewing their fleet. 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.

In 2013, KLM replaced eleven fossil fuel powered conveyor belts with electric ones, resulting in a reduction of emissions in the direct surrounding of the handled aircraft. The objective of KLM is to increase the percentage of electric GSe equipment to 60% in the coming years. Air France has contributed to the design of prototypes and new equipment, including an electric vehicle to transport technicians, their equipment and aircraft parts around Air France Industries maintenance sites at Paris-Cdg and Orly.

OPERATIONAL PROCEDURES

Together with Paris-Cdg and Schiphol Airport, Air France and KLM have taken measures to lower emissions of NOx and CO2 of ground handling of aircraft.

Rather than using kerosene-powered APU (Auxiliary Power Units), Air France and KLM use electric GPU (Ground Power Units) when possible to power aircraft and ACU (air Conditioning Units) to maintain an acceptable temperature on board the aircraft. The GPU, as well as an increasing number of aircraft towing trucks have been equipped with automatic power shut down systems. Currently 70% of the Pre Conditioned Air (PCA) units of KLM are electric.

Towing of aircraft with the use of external power (not using APUs) resulted in a prevention of more than 2,000 tons CO2 emissions in 2013 at Schiphol.
Subsidiary KLM Engineering opened a new facility dedicated to recycling and reprocessing throughout the supply chain. Waste 1. is also identified by customers as one of the main environmental issues the Group should take care of.

To limit waste impact, Air France and KLM work with the four principles of redesign, reduce, reuse, recycle.

Main targets:
- 85% of all recycled waste in 2014 at Air France.
- 100% of waste recycling and recovery in 2020 at KLM.

ONBOARD WASTE

The majority (70%) of the Group’s non-hazardous waste is related to onboard catering.

At Air France 85% of items used for service on board, including coffee servers, metal cutlery, trays, drawers, blankets, trolleys and reusable headsets are recycled every year. Items designed with eco-design approaches that take into account the entire life cycle of products are favored.

Four families of materials are recycled: Plastics, metals, textiles, papers. Textiles are largely recycled in the manufacture of insulating materials for cars; plastics are mostly reused in the production of new materials such as Air France drawers and serving trays.

KLM Catering Services added the recycling of various types of waste: Cardboard, plastic, polystyrene. On KLM European flights the coffee cups of 10.4 tons of used uniform fibers of old KLM uniforms were used for the carpets. In 2013 KLM received Cradle-to-Cradle gold certification for its World Business Class seat belts. A sheltered workshop for the disabled maximizes the use or sell of its non-incinerated waste for several years. For example, non-reusable wooden pallets are repurposed for heating, while used cooking oils are used to produce biodiesel or recycled fuel.

METAL AND AIRCRAFT RECYCLING

As part of aircraft maintenance operations, Air France and KLM have introduced a program for recycling aviation scrap metal, part of which is used to manufacture new parts. A total of 60 tons of aircraft parts and 160 tons of metal were recycled in 2013.

This Scrap program has been extended to recycle materials from four other types of wastes: Carpets, equipment, pallets and blankets. Subsidiary KLM UK Engineering opened a new facility dedicated to dismantling and recycling aircraft at the end of 2013. Located in Norwich (United Kingdom), it is one of the largest recycling centers in Europe. Recovered equipment is refurbished for reuse or sold. Fuel, lubricants and other potentially polluting products are collected and processed safely, while the frame of the aircraft is cut into smaller parts before being recycled.

12 aircraft will be dismantled in the facility in 2014, with the goal of doubling that number next year.

GOING WASTE A NEW LIFE

At Air France the reuse of 10.4 tons of used uniform fibers and clothing resulted in insulating fiber for car manufacturing (365 cars equipped). Additionally, in 2013 Air France out-of-date lifejackets were upcycled into travel bags, while a collection of bags was made using a giant advertising tarpaulin displayed at Paris-Orly. The handles for the bags were made from recycled seat belts. A sheltered sector company manufactures the shoes these items in France.

For KLM’s New World Business Class, fibers of old KLM uniforms were used for the carpets. In 2013 KLM received cradle-to-cradle take-back certificates for 9 tons of office carpets. The separated materials will subsequently be re-used as a high-energy fuel for the cement industry or as raw material for new carpet (see P49).

WASTE AND ENERGY

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

Main targets:
- 8% energy efficiency improvement by 2014 at Air France.
- 2% energy efficiency improvement (2020 baseline) at KLM.

ENERGY CONSUMPTION AND EFFICIENCY

Saving energy is an ongoing challenge and action plans raise awareness among employees. New buildings are designed to take into account environmental criteria, along with ergonomic and the well-being of users.

KLM has insulated a large part of all the boiler houses that operate at high temperatures, with a flexible material that can be removed for maintenance reasons. The first results indicate that on average up to 8% of natural gas is saved.

Since 2013, Air France buildings in Toulouse have been heated by a new system of heat recovery from refrigeration units used for cooling the data center. This system has resulted in a 58% decline of the consumption of natural gas. Due to the implementation of energy savings measures in partnership with suppliers, energy consumption of Air France buildings is expected to decline by 5% to 12.5% in 2014, notably to heat aircraft maintenance hangars at Paris-CDG.

KLM Catering Services has started a pilot in their warehouse untesting six types of lighting compared to conventional ones. A combination of Eco-efficiency lighting, High Frequency and Lighting with Presence and Day-light detection is being tested. Energy consumption is measured every hour. Questionnaires devised together with KLM Health Services gather information from the employees to test well-being and performance. This way energy saving and employee well-being go hand in hand.

SUSTAINABLE ENERGY

KLM increased the percentage of sustainable electricity consumption from 83% in 2012 to 100% in 2013 by means of green energy in the form of hydro-energy. In addition, KLM operates aquifers with heat pumps. These are underground water-baking layers from which water can be extracted. Five buildings are heated and cooled by using aquifers. The amount of sustainable energy generated by these five aquifers in 2013 was an equivalent of 180,000 m³ natural gas and 800,000 kWh electricity.

SAVING WATER

Air France and KLM make continuous efforts to reduce water consumption through better management of its processes, making its teams more accountable and by factoring environmental criteria into the design and realization of its tools and work stations. The two water consuming businesses are catering, which represents around 45% of total consumption, and maintenance activities (around 25%), including engines and aircraft cleaning. Servair continues to deploy tools enabling the consumption of its industrial washing machines, which use a lot of water, to be monitored closely. This has led to 20% reduction in water use, a saving of around 60 million liters of water since 2009. Reducing water consumption requires innovation. Since 2012, Air France has followed a new process to clean the exterior of aircraft. 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 2013, KLM implemented a new aircraft exterior cleaning system, resulting in 40% water savings.
A IAGOS (In-service Aircraft for a Global Observing System) aims to monitor the climate and atmospheric pollution on a global scale. EASA-certified, onboard instruments are used to measure the levels of several types of greenhouse gas, cloud particles, etc. The Air France A340 equipped with these instruments serves destinations including the Caribbean and West Africa. Air France is a member of the steering committee of CORaC, the French ACARE national council. For six years, CORaC has brought together all stakeholders in French aeronautics research — large corporations, small and medium sized companies and research organizations — to develop the aircraft of 2050. Six demonstration platforms have been launched to move from basic research to the development of a prototype. Research areas range from the engines to energy systems.


Since July 2013, Air France-KLM has chaired ACARE, the Advisory Council for Aviation Research and Innovation in Europe. ACARE maintains an European network for strategic research into aeronautical and aviation policy. Through its recommendations to the European Commission, ACARE contributes to the development of more environmentally friendly aviation, while maintaining the competitiveness of European airlines. This includes innovation in the field of biofuels, aircraft design, passenger perceptions at airports and European certification processes for aircraft components and systems.

Since June 2013, Air France-KLM has been carrying atmospheric measuring equipment on board an Airbus A340. The European project iagOS (In-service Aircraft for a Global Observing System) aims to monitor the climate and atmospheric pollution on a global scale. EASA-certified, onboard instruments are used to measure the levels of several types of greenhouse gas, cloud particles, etc. The Air France A340 equipped with these instruments serves destinations including the Caribbean and West Africa. Air France is a member of the steering committee of CORaC, the French ACARE national council. For six years, CORaC has brought together all stakeholders in French aeronautics research — large corporations, small and medium sized companies and research organizations — to develop the aircraft of 2050. Six demonstration platforms have been launched to move from basic research to the development of a prototype. Research areas range from the engines to energy systems.

A R I F R A N C E I N V O L V E D I N C L I M A T E R E S E A R C H

Since June 2013, Air France has been carrying atmospheric measuring equipment on board an Airbus A340. The European project iagOS (In-service Aircraft for a Global Observing System) aims to monitor the climate and atmospheric pollution on a global scale. EASA-certified, onboard instruments are used to measure the levels of several types of greenhouse gas, cloud particles, etc. The Air France A340 equipped with these instruments serves destinations including the Caribbean and West Africa. Air France is a member of the steering committee of CORaC, the French ACARE national council. For six years, CORaC has brought together all stakeholders in French aeronautics research — large corporations, small and medium sized companies and research organizations — to develop the aircraft of 2050. Six demonstration platforms have been launched to move from basic research to the development of a prototype. Research areas range from the engines to energy systems.

A R I F R A N C E - K L M  s u p p o r t s t h e d e v e l o p m e n t o f R e D D

Air France and KLM support the development of the REDD system (Reducing Emissions from Deforestation and forest Degradation), which aims to reduce carbon emissions and protect species, while at the same time improving the living conditions of local people.

The aim of the program is to reduce deforestation and forest degradation, to participate in the development of local communities while protecting Madagascar’s unique biodiversity. The program also aims to contribute to further progress in scientific measurement of forest carbon stocks. All project objectives set in 2008 have been met. This program now includes new partners (French Agency for Development – AFD), also involving Madagascar authorities. According to scientific studies, the maximum potential reduction of CO2 emissions is estimated at 35 million tons of CO2 over 20 years (see also p.67). Air France-KLM supports the development of the REDD system (Reducing Emissions from Deforestation and forest Degradation), which aims to reduce carbon emissions and protect species, while at the same time improving the living conditions of local people.

In 2013, KLM continued its participation in the International Union for Conservation of Nature (IUCN) and took part in “bio-based Ecotourism” workshops and contributed to the work of REDD. As part of its strategic partnership with WWF-NL, KLM also supports three conservation programs: The Coral Triangle in Indonesia, projects concerning sea turtle conservation and green economy on Bonaire and a reforestation program in Brazil. The aim of the program is to reduce deforestation and forest degradation, to participate in the development of local communities while protecting Madagascar’s unique biodiversity. The program also aims to contribute to further progress in scientific measurement of forest carbon stocks. All project objectives set in 2008 have been met. This program now includes new partners (French Agency for Development – AFD), also involving Madagascar authorities. According to scientific studies, the maximum potential reduction of CO2 emissions is estimated at 35 million tons of CO2 over 20 years (see also p.67). Air France-KLM supports the development of the REDD system (Reducing Emissions from Deforestation and forest Degradation), which aims to reduce carbon emissions and protect species, while at the same time improving the living conditions of local people.

In 2013, KLM continued its participation in the International Union for Conservation of Nature (IUCN) and took part in “bio-based Ecotourism” workshops and contributed to the work of REDD. As part of its strategic partnership with WWF-NL, KLM also supports three conservation programs: The Coral Triangle in Indonesia, projects concerning sea turtle conservation and green economy on Bonaire and a reforestation program in Brazil. The aim of the program is to reduce deforestation and forest degradation, to participate in the development of local communities while protecting Madagascar’s unique biodiversity. The program also aims to contribute to further progress in scientific measurement of forest carbon stocks. All project objectives set in 2008 have been met. This program now includes new partners (French Agency for Development – AFD), also involving Madagascar authorities. According to scientific studies, the maximum potential reduction of CO2 emissions is estimated at 35 million tons of CO2 over 20 years (see also p.67).
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.
**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 our products and services;
- Based on customer dialogue, taking into account environmental and social criteria in specifications;
- With an integrated responsible procurement policy, collaborating with suppliers and partners.

**CUSTOMER DIALOGUE**
- 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 pp. 42-43

**OBJECTIVES**

<table>
<thead>
<tr>
<th>CUSTOMER DIALOGUE</th>
<th>MAIN ACHIEVEMENTS 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reinforce programs supporting customer dialogue</td>
<td>Deployment of e-Score 574,000 customer satisfaction surveys from July to December 2013 (+70%)</td>
</tr>
<tr>
<td>Further involve customers in CSR initiatives</td>
<td>Launch of Quality Observer program</td>
</tr>
<tr>
<td></td>
<td>Update of CSR monitor study</td>
</tr>
<tr>
<td></td>
<td>Further development of KLM Takes Care online platform</td>
</tr>
</tbody>
</table>

**SUSTAINABILITY IN THE PRODUCTS AND SERVICES DEVELOPMENT**

- Eco-design
  - Applying eco-design principles in the product specification process.
  - Integrating environmental and social criteria into the product specifications.
  - Involving all stakeholders throughout the design process (branding, marketing, technical divisions, procurement, etc.).

- Rolling out a responsible procurement strategy
  - At all stages of the procurement process, from the tender, to the signature of the contract and supplier monitoring.
  - A five-fold approach: charters and norms, supply chain risk assessment, supply chain improvement, managing non-compliance and researching new CSR opportunities.
  - Building a high level of awareness of CSR issues among buyers and businesses.

For further information see pp. 44-45

**OBJECTIVES**

<table>
<thead>
<tr>
<th>MAIN ACHIEVEMENTS 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eco-design of Air France’s new Economy and Premium Economy meal tray on long-haul flights</td>
</tr>
<tr>
<td>KLM new World Business Class configuration with sustainably upcycled carpeting</td>
</tr>
<tr>
<td>7 new partners in KLM BioFuel Program</td>
</tr>
<tr>
<td>16 new sustainable products onboard KLM flights</td>
</tr>
</tbody>
</table>

**RESPONSIBLE PROCUREMENT**

<table>
<thead>
<tr>
<th>RESPONSIBLE PROCUREMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengthen the responsible procurement strategy</td>
</tr>
<tr>
<td>Implementation of supplier CSR assessment platform in Air France-KLM</td>
</tr>
<tr>
<td>75% supplier sign-up rate for Sustainable Development Charter in 2013</td>
</tr>
</tbody>
</table>
Customer dialogue is key to providing high quality and sustainable products and services.

**Customer Insight**
Air France-KLM Customer Insight department is dedicated to customer surveys, measuring customer satisfaction and benchmarking.

Co-creation
The customer is placed at the heart of product and service development. For example in 2013:
- Air France carried out several customer tests of new long-haul seats.
- Customer feedback was integrated into the development process;
- A satisfaction study of the Flying Blue loyalty scheme was carried out among Air France-KLM customers;
- KLM organized a study on customer expectations about the “New World Business Class”.

Customer analysis
Air France-KLM carries out surveys, measuring customer satisfaction. Among Air France-KLM customers:
- Blue loyalty scheme was carried out among 22,000 FB @ home customers.
- A satisfaction study of the Flying Blue loyalty scheme was carried out among 22,000 FB @ home customers and 500 Intouch customers.

**Social Media**
A commentary of Air France and KLM customer dialogue.
112% increase to 7,708,370 FANS
64% increase to 1,208,527 FOLLOWERS

**Benchmarking**
Market research and industry-wide studies (such as Airs@t) enrich the development process; a satisfaction study of the Flying Blue loyalty scheme was carried out among Air France-KLM customers; KLM launched its innovative “Quality Observer study Air France-KLM”.

**Customer analysis**
Market research and industry-wide studies (such as Airs@t) enrich the development process; a satisfaction study of the Flying Blue loyalty scheme was carried out among Air France-KLM customers; KLM organized a study on customer expectations about the “New World Business Class”.

**Customer insight**
Air France-KLM carries out surveys, measuring customer satisfaction. Among Air France-KLM customers:
- Blue loyalty scheme was carried out among 22,000 FB @ home customers.
- A satisfaction study of the Flying Blue loyalty scheme was carried out among 22,000 FB @ home customers and 500 Intouch customers.

**Quality observer study Air France-KLM**
KLM launched its innovative “Quality Observer” program in October 2013. Flying Blue customers who are members of this community can respond to questionnaires on the quality of products and services, and their perception of the overall travel experience, via a dedicated website and a mobile application.

**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 above (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**
KLM launched its KLM Takes Care online platform in June 2012. The site is dedicated to providing information, engaging in dialogue and providing a forum for discussion on sustainability topics. Over the course of 2013, more than 50 articles related to CSR were published on the site, focusing on themes such as sustainable biofuels and sustainable catering.

**Our CSR Priorities Viewed by Our Customers**

**The quality of service we offer to our customers depends on the quality of the relationship between the company and its employees.**

Nathalie Simmenauer
Customer Culture Project VP, Air France

**Striving for excellence in customer service**
In 2013, Air France-KLM has undertaken numerous initiatives designed to achieve excellence in customer service:
- Joint trials between Air France and KLM in Customer Experience Management and employee rewarding, to strengthen the commitment all staff, managers and employees, have to customers and to the company;
- “Signatures of Service”: a further 15,000 front-line employees (30% of all Air France staff) completed training in 2013. Training in the five core values of service has been rolled out across all divisions. This training forms the foundation of the company’s integrated approach to customer service;
- Customer Workshops gave 2,000 Air France staff members from all divisions an additional insight into projects which benefit customers.

**Involving customers in our CSR initiatives**
CSR monitor study
This 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 above (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.

**CSR perceptions 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 above (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.

**Our CSR Priorities Viewed by Our Customers**

**The quality of service we offer to our customers depends on the quality of the relationship between the company and its employees.**

Nathalie Simmenauer
Customer Culture Project VP, Air France

**Striving for excellence in customer service**
In 2013, Air France-KLM has undertaken numerous initiatives designed to achieve excellence in customer service:
- Joint trials between Air France and KLM in Customer Experience Management and employee rewarding, to strengthen the commitment all staff, managers and employees, have to customers and to the company;
- “Signatures of Service”: a further 15,000 front-line employees (30% of all Air France staff) completed training in 2013. Training in the five core values of service has been rolled out across all divisions. This training forms the foundation of the company’s integrated approach to customer service;
- Customer Workshops gave 2,000 Air France staff members from all divisions an additional insight into projects which benefit customers.

**Involving customers in our CSR initiatives**
CSR monitor study
This 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 above (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.

**CSR perceptions 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 above (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.
A proactive role of procurement is essential to remain frontrunner in sustainability. As a service company, Air France-KLM’s business is a large extent related to the purchases it makes and the way it works together with around 4,200 suppliers. The most significant purchases are fuel, fleet, air and navigation fees, onboard products and Engineering & Maintenance. Given the significant amount of spending made outside the Group, optimization, innovation and the integration of CSR in the supply chain are priorities and contribute to improve profitability.

Procurement has finalized in 2013 a CSR strategy paper, the orientations of which are presented below.

**INTEGRATING SUSTAINABILITY IN THE GROUP’S PURCHASING POLICY**

The Group integrates sustainability within the supply chain to provide customers with responsible and innovative products and services, and offers reliability with a proactive focus on sustainability. This creates a value for customers and improves the social and environmental footprint of services. Suppliers play a crucial role in reaching the above objectives.

**CSR Charters and norms**

Every buyer at Air France-KLM signs a code of ethics. Prior to launch and/or during the tender, suppliers are asked to sign the Air France-KLM Sustainable Development Charter, which is based on the principles of the UN Global Compact. At the end of 2013, 75% of Group’s suppliers have signed this charter.

**Supply Chain Risk Assessment**

To ensure that suppliers comply with the Sustainable Development Charter, Procurement has begun assessing its suppliers on a wide range of CSR criteria. The objective is to prioritize the assessment of suppliers with most relevant risks and opportunities (see focus EcoVadis p.45).

**Managing non-commitment/non-compliance**

Businesses and Procurement focus together on including CSR compliant suppliers in the tender process.

**CSR opportunities**

Together with the business and suppliers, Procurement continuously identifies CSR opportunities in order to purchase sustainable products and initiatives that create value for customers and stakeholders. Environmental and social criteria are integrated into specifications and contracts where relevant.

**THE PROCUREMENT STRATEGY CENTERS AROUND FIVE FOCUS AREAS**

- **Customer experience**
- **Sustainable catering**
- **Lightweight cargo nets**
- **Cleaning and recycling crew uniforms**
- **Managing non-commitment/non-compliance**

**SUSTAINABLE CATERING**

KLM enjoys a leading position in the aviation industry in the field of sustainable catering and aims to remain a frontrunner in this area.

Air France-KLM Procurement has had a sustainable purchasing approach in place for a number of years. This approach incorporates CSR principles into relations with suppliers and strengthens the management of ethical, social and environmental risks.

Each year the inflight offer is expanded with certified or organic products. In the sourcing process particular consideration is given to biodiversity (through responsible fish, soy and palm oil), animal welfare, environmental impact, social aspects and waste.

In 2013, Air France-KLM sustainable procurement program was supplemented with CSR supplier assessments in order to create a better insight on the CSR performance and the best practices of its suppliers. To do this the EcoVadis Sustainability Monitoring platform has been used, allowing the Group to assess the CSR performance of its suppliers on a global basis.

In 2013, 3,000 nets introduced in 2013
2.5 tons
50% lighter than standard nets

In 2013, Air France-KLM sustainable procurement program was supplemented with CSR supplier assessments in order to create a better insight on the CSR performance and the best practices of its suppliers. To do this the EcoVadis Sustainability Monitoring platform has been used, allowing the Group to assess the CSR performance of its suppliers on a global basis. Each supplier is assessed using a customised model adapted to suppliers’ industry sector, size and its countries of operations.

EcoVadis has already shown its added value and approximately 150 suppliers have been assessed. In addition, all buyers were trained on the EcoVadis platform.

The three following examples illustrate areas and projects where the Procurement department actively searched for CSR opportunities and strong partnerships with suppliers.

**In 2013, Air France-KLM’s sustainable catering**

- **Lightweight Cargo nets**
  - In 2013, 3,000 lightweight cargo nets in its operation. Developed in collaboration with the suppliers, these nets weight around 9 kg, half the weight of a traditional net. This weight reduction is expected to save over 55,000 tons of CO₂ emissions annually. In addition, they are more easily and safely handled by employees and have an extended lifetime of 5 years, compared to the current standard of 3 years.
  - In 2013, 16 products were added. For example, wine in 187 ml PET bottles was introduced. The reduced weight of this material contributes to fuel saving. In addition, UTZ certified coffee which has been served on board to passengers since 2012 has now also been introduced at KLM offices.

**CLEANING AND RECYCLING CREW UNIFORMS**

The collaboration between Procurement and suppliers has improved the CSR performance of Air France uniforms life cycle management:
- A trial recycling scheme was carried out in 2013. 10 tons of uniforms were collected from staff based in the Paris region and were recycled into fibres for use in vehicle insulation;
- Uniforms are now cleaned by a sheltered sector company, using an innovative and more environmental friendly process.

**Responsibility Procurement**

Assessing our suppliers on CSR criteria enables us to address and mitigate CSR risks. These assessments will result in a better CSR performance in our whole supply chain.

Peter Schelvis
Air France-KLM Group Chief Procurement Officer
During their flight, passengers can choose a variety of videos on sustainability. In addition, Air France offers reusable headphones in its Economy class. In addition to generating less waste, these are refurbished by a sheltered sector company and offer improved sound quality.

Since 2012, 100% of Air France economy class and crew blankets are cleaned by a sheltered sector enterprise in the Paris region.

Air France’s “Saphir” and KLM’s “Route Dedicated Service” programs are especially geared towards the culture and needs of passengers.

Air France serves local and seasonal products on its flights. Babies and children are offered organic meals.

Since 2012, KLM offers the world’s first biofuel proposition for contracted corporate accounts (see p.49).

Corporate customers are offered CO₂ emission reporting as well.

E-press: Digital newspapers and magazines are progressively made available onboard Air France flights in close cooperation with all stakeholders. Newspapers and magazines are collected at the gateway upon arrival at Paris-CDG and at regional airports.

Passengers are given the opportunity to calculate and offset their flight’s CO₂ emissions.

KLM 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 environmentally friendly with leather cut-offs.

Air France-KLM-Martinair Cargo introduced innovative light weight nets to save weight and reduce CO₂ emissions (see p.45). Light weight baggage containers are used in Air France long haul fleet.

Light weight baggage containers are used in Air France long haul fleet.

Air France and KLM recycle disposed onboard equipment (such as trays, drawers, blankets and trolleys).

KLM 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 environmentally friendly with leather cut-offs.

Air France-KLM recycle disposed onboard equipment (such as trays, drawers, blankets and trolleys).

Air France and KLM recycle disposed onboard equipment (such as trays, drawers, blankets and trolleys).

KLM 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 environmentally friendly with leather cut-offs.

Air France and KLM recycle disposed onboard equipment (such as trays, drawers, blankets and trolleys).

KLM 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 environmentally friendly with leather cut-offs.

Air France and KLM recycle disposed onboard equipment (such as trays, drawers, blankets and trolleys).

KLM 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 environmentally friendly with leather cut-offs.

Air France and KLM recycle disposed onboard equipment (such as trays, drawers, blankets and trolleys).

KLM 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 environmentally friendly with leather cut-offs.

Air France and KLM recycle disposed onboard equipment (such as trays, drawers, blankets and trolleys).

KLM 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 environmentally friendly with leather cut-offs.

Air France and KLM recycle disposed onboard equipment (such as trays, drawers, blankets and trolleys).

KLM 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 environmentally friendly with leather cut-offs.

Air France and KLM recycle disposed onboard equipment (such as trays, drawers, blankets and trolleys).

KLM 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 environmentally friendly with leather cut-offs.

Air France and KLM recycle disposed onboard equipment (such as trays, drawers, blankets and trolleys).

KLM 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 environmentally friendly with leather cut-offs.

Air France and KLM recycle disposed onboard equipment (such as trays, drawers, blankets and trolleys).

KLM 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 environmentally friendly with leather cut-offs.

Air France and KLM recycle disposed onboard equipment (such as trays, drawers, blankets and trolleys).

KLM 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 environmentally friendly with leather cut-offs.

Air France and KLM recycle disposed onboard equipment (such as trays, drawers, blankets and trolleys).

KLM 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 environmentally friendly with leather cut-offs.

Air France and KLM recycle disposed onboard equipment (such as trays, drawers, blankets and trolleys).

KLM 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 environmentally friendly with leather cut-offs.

Air France and KLM recycle disposed onboard equipment (such as trays, drawers, blankets and trolleys).

KLM 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 environmentally friendly with leather cut-offs.

Air France and KLM recycle disposed onboard equipment (such as trays, drawers, blankets and trolleys).

KLM 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 environmentally friendly with leather cut-offs.

Air France and KLM recycle disposed onboard equipment (such as trays, drawers, blankets and trolleys).

KLM 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 environmentally friendly with leather cut-offs.

Air France and KLM recycle disposed onboard equipment (such as trays, drawers, blankets and trolleys).

KLM 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 environmentally friendly with leather cut-offs.

Air France and KLM recycle disposed onboard equipment (such as trays, drawers, blankets and trolleys).

KLM 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 environmentally friendly with leather cut-offs.

Air France and KLM recycle disposed onboard equipment (such as trays, drawers, blankets and trolleys).

KLM 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 environmentally friendly with leather cut-offs.

Air France and KLM recycle disposed onboard equipment (such as trays, drawers, blankets and trolleys).

KLM 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 environmentally friendly with leather cut-offs.

Air France and KLM recycle disposed onboard equipment (such as trays, drawers, blankets and trolleys).

KLM 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 environmentally friendly with leather cut-offs.

Air France and KLM recycle disposed onboard equipment (such as trays, drawers, blankets and trolleys).

KLM 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 environmentally friendly with leather cut-offs.

Air France and KLM recycle disposed onboard equipment (such as trays, drawers, blankets and trolleys).

KLM 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 environmentally friendly with leather cut-offs.
Since September 2013, Air France has offered a new eco-designed meal tray in long-haul economy and premium economy cabins. This innovative approach has improved quality for the customer and has reduced the impact of trays on the environment.

**Key points**
- Improved design. By replacing round serving dishes with rectangular shapes to improve organization and layout, and reducing size, trays are now both lighter and easier to use.
- Reduced weight. By replacing washable equipment with disposable items.
- Reduced impacts. The eco-design approach has helped to reduce all categories of environmental impacts studied, including 30% for CO₂ emissions.

**Method**
Air France used the Life Cycle Assessment (LCA) method to measure the environmental impact of the old meal tray (comprising reusable and disposable elements) and compare it with the new all-disposable tray. A specialized consultant firm in eco-design was appointed to drive the study.

**Environmental impacts reductions per category:** no impact transfert

**Results**
- 33% weight reduction applied to 14 million meal trays served annually onboard Air France flights
- 26% reductions in CO₂ emissions throughout life cycle
- 2,742 TONS of CO₂ emissions from Paris to New York per passenger
- 14 MILLION meal trays served annually onboard Air France flights
- 3,585 return flights from Paris to New York per person

**BIOFUEL PROGRAM**
Since June 2012, KLM has been the first airline in the world to enable its corporate customers to become partners in the Biofuel Program and to meet part of their travel needs with biofuel-powered flights. Through these partnerships, members contribute to the development of a market for sustainable aviation biofuels and demonstrate their commitment to CSR.

In 2013, the number of partners in the program doubled to reach 14. City of Amsterdam, Loyens & Loeff, PGGM, FMO, Delta Air Lines, Siemens, TomTom and CBRE Global Investors joined existing partners Ahold, Accenture, DSM, Heineken, Nike, Philips and Schiphol Group, who have supported the scheme since its launch.

**NEW WORLD BUSINESS CLASS**
In 2013 KLM began a complete overhaul of the World Business Class. In addition to new 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. Combined with recycled Norwegian wool, these uniforms were used to spin new yarn and are visible in the blue details of the carpets. The carpets meet the highest sustainability standard and fulfill stringent requirements regarding fire safety, lifespan and comfort. KLM recycles all of its discarded carpets in collaboration with a carpet manufacturer based on the cradle-to-cradle principle. In 2013, 38 tons of used carpet were recycled into new carpet.
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 linked to our overall business goals.
AIR FRANCE

OBJECTIVES

SOCIAL POLICY

Promote effective dialogue with employees and their representatives
Enhance mobility
Develop the way we welcome work-study students

MAIN ACHIEVEMENTS 2013

TRAINING

Train staff members to develop their employability
Train crew: Collective agreement signed in March 2013
Ground staff: Agreement signed in November 2013
Central Works Committee and European Group Committee: respectively 19 meetings and 4 meetings for information and consultation
Launch of Mobility kiosks at Paris-CDG, Orly and regions
1,300 jobs posted in the internal Job Exchange
1,700 employees received individual support to change jobs
90% of ground staff and 100% of flight deck and cabin crew completed training
28 training hours per employee
€192 million spent on staff training
Personal training entitlements (DIF): 12.3% of overall training

HEALTH AND SAFETY

Reduce the number of workplace accidents
1,300 apprentices (700 FTE, i.e. 1.4% of total staff), representing a 40% increase (in FTE) relative to 2012
4.95% disabled employees (4.42% in 2012), 38 new employees with disabilities hired within the Group

DIVERSITY

Pursue commitments to promote diversity
A diversity section in the new Air France Jobs website
Signature of a framework agreement with the French Ministry of Women’s Rights promoting professional gender equality
Disabled employees: employment rate: 4.95% (4.42% in 2012), 38 new employees with disabilities hired within the Group

KLM

OBJECTIVES

SOCIAL POLICY

Stimulate employability through mobility

MAIN ACHIEVEMENTS 2013

TRAINING

Facilitate training and personal development
334 employees took part in a career program and 485 employees in a workshop
158 employees had the opportunity to be coached for skills improvement
Total training costs per FTE: €2,638 euros (+4% increase relative to 2012)
Validation of Prior Learning (VPL): 133 new participants in 2013
In the past two years 269 employees successfully finished intermediate vocational education through VPL
Partnership with Schiphol Aviation College started

HEALTH AND SAFETY

Health and safety in the workplace: Ambition to reach zero accidents
New integrated health policy and three-year activity plan implemented in close collaboration with the Works Council
7 serious accidents involving hospitalization
Frequency rate: 4.8 accidents involving time off per million hours worked
Decrease absenteeism rate
Absenteeism levels: percentage remained stable at 5.3% in 2013 versus 5.24% in 2012
Various preventative health and lifestyle programs, such as ‘Fit on the ramp’ within the Ground Services division, implemented
Increase flexibility
Official launch (IT department) and further roll-out (Marketing) of New World of Work

DIVERSITY

Support diversity
CSR café on Diversity
Establishment of a Diversity Council aiming to develop specific action plans
MEETING ECONOMIC CHALLENGES
As part of the Transform 2015 plan, Air France-KLM reviewed all collective labor agreements related to payroll and working hours. Structural measures, notably based on mobility and on staff reduction on a voluntary basis, were pursued in 2013 to improve productivity and ensure a sustainable return to competitiveness.

The transparency of social dialogue has been key since the Transform 2015 Plan was launched. Many agreements for all categories of staff and regarding all the themes of the HR policy signed, in order to achieve the Group’s economic targets in 2014.

TRAINING AND MOBILITY
Air France-KLM maintained a high level of access to training in 2013. 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 employees to improve their employability.

Mobility enables employees to grow professionally and is key to the success of the Transform 2015 Plan. At Air France in 2013:
- launch of “Mobility kiosks” where employees can meet career mobility guidance specialists;
- 1,300 jobs posted in the internal Job Exchange received 7,000 applications;
- 1,700 employees received individual support to change jobs;
- 920 people took part in themed conferences presenting the airline’s different businesses.

At KLM, several training programs are on offer to employees to help people familiarize themselves with the tools at their disposal and to facilitate mobility. Internal job fairs and events on mobility have been organized; these events were focused on certain types of positions or targeted at specific opportunities.

KLM’s Sales division has run the “Room for Growth” program for a fourth year. This program supports employees in their career development by offering training or skills assessment: in 2013, 33 employees learned more about networking in Go and Get Linked workshops and 28 participated in the Mindfulness training.

INTERNSHIP DEVELOPMENT
As part of the sixth Internship charter, Air France is continuing to fulfill its responsibilities towards young people entering the labor market:
- 1,300 new apprentices welcomed in 2013, 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.

KLM welcomed 867 interns in 2013 and continues to live up to its responsibilities to students by offering them the opportunity to gain quality work experience. Both long and short internships are open to students from vocational and academic educational backgrounds. The high number of applications for internships illustrates the attractiveness of KLM as an employer.

Talent attraction
Air France and KLM regularly feature in rankings of the best employer to work for. In 2013, Universum ranked Air France in the top ten ideal employers in a survey carried out among 34,000 French students. A survey carried out by LinkedIn ranks KLM in the top 5 favourite Dutch employers. The findings of the survey were backed up by KLM employees, as was found by the “Best Employer” survey by Effectory & Intermediair, which placed the airline in first place in the “Best Employer for companies with more than 1,500 employees” category.
A.

ir France-KLM is aware of its responsibilities for health and safety at work, as well as maintaining quality of work life for all employees.

OUT KEY ISSUES
Ensuring health and safety at work is both a social, as well as a financial issue, and has a direct impact on business. Therefore, combating risks, occupational diseases, and both serious and frequent accidents is a high priority. As part of the integrated management system at Air France, specific annual performance target contracts are signed with the CEOs of each of the businesses. These contracts formalize quantified commitments to reduce accidents at work through action plans. Since 2013, Air France has been in the process of obtaining OHSAS18001 certification to verify its management system of health and security deployed at all levels of the company.

At KLM, occupational safety management will be part of the integrated safety management system, which includes operational safety as well as environment and security.

RISKS PREVENTION
Being vigilant and acting proactively are now more of a priority than ever. To place accident prevention 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 processes;
- 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 new 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 Air France registered a deterioration in terms of workplace accidents in some divisions. However, there was a decline in the severity rate of accidents. KLM’s occupational safety objectives were not met in 2013. A fatal road accident happened on the Schiphol Airport ramp. The number of lost time injuries remained stable for KLM staff, but five were serious accidents, leading to hospitalization or permanent injury.

In close collaboration with the Works Council. A three-year prevention program is in place. In 2013, the agreement was extended for a further year. The agreement provides for:

- A multidisciplinary approach: HR managers, doctors, social workers, managers and health and safety committees;
- A network of contacts in all divisions to ensure proximity to employees;
- Specific training for managers;
- Factsheets accessible to all.

Two tools for monitoring safety in the workplace have been implemented by KLM to prevent the risk of accidents, including a self-assessment tool. Subcontractors have to abide by safety regulations.

With the “New World of Work” program launched in 2012 and further developed in 2013, KLM provides employees with the opportunity to reconcile efficiency with comfort by prioritizing the workplace environment and safety.

SOCIAL POLICY FOR ALL EMPLOYEES
Air France-KLM employs around 11,000 people at its destinations around the world on local contracts. The Group applies local collective labor agreements, elaborated with unions or other relevant parties, according to local standards. The majority of the Group’s local staff benefit from social security, including a decent standard of living during their retirement. In addition, the Group offers complimentary insurance where public provision does not meet the required standards. Tools for monitoring safety in the workplace have been implemented by KLM to prevent the risk of accidents, including a self-assessment tool. Subcontractors have to abide by safety regulations. An alert mechanism, which can be used to flag up issues related to working conditions, is available for employees.

MAIN TYPES OF ACCIDENTS AT WORK AT AIR FRANCE IN 2013

<table>
<thead>
<tr>
<th>Accident Type</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Falls</td>
<td>37%</td>
<td>27%</td>
<td>26%</td>
<td>28%</td>
<td>32%</td>
</tr>
<tr>
<td>Barometric cuts</td>
<td>14%</td>
<td>12%</td>
<td>13%</td>
<td>13%</td>
<td>12%</td>
</tr>
<tr>
<td>Physical constraints, handling, manual handling</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

GLOBAL FREQUENCY RATE, AIR FRANCE

<table>
<thead>
<tr>
<th>Year</th>
<th>Frequency Rate</th>
<th>Severity Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>12%</td>
<td>14%</td>
</tr>
<tr>
<td>2006</td>
<td>13%</td>
<td>14%</td>
</tr>
<tr>
<td>2007</td>
<td>14%</td>
<td>15%</td>
</tr>
<tr>
<td>2008</td>
<td>15%</td>
<td>16%</td>
</tr>
<tr>
<td>2009</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>2010</td>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td>2011</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>2012</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>2013</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>2014</td>
<td>14%</td>
<td>14%</td>
</tr>
</tbody>
</table>

QUALITY OF LIFE IN THE WORKPLACE

Through the “New World of Work” program launched in 2012 and further developed in 2013, KLM provides employees with complimentary insurance where public provision does not meet the required standards. Tools for monitoring safety in the workplace have been implemented by KLM to prevent the risk of accidents, including a self-assessment tool.

A questionnaire evaluating occupational stress. The questionnaire has become a key tool for managing and preventing psychosocial risks in the company.

KLM launched a new approach to all health-related matters in 2013, in close collaboration with the Works Council. A three-year prevention program was established for the longer term and for 2014, a detailed action plan presenting a common vision across all business units on the company’s wide goals for health and safety has been developed. The implementation of this policy will be reviewed annually and, if necessary, the long-term plan will be updated. Particular attention will be paid to the new Health Dashboard.

MORE Energy app

More than half of the 26,000 KLM employees work outside regular working hours. Pilots for example are exposed to sight flights and time zone changes. Therefore, the VU University Medical Centre designed a mobile application to help pilots cope with their irregular working hours. The MORE Energy app provides pilots with tailored advice on light exposure, sleep, nutrition and physical activity. The app was well received by 500 participating pilots and the results are positive.
DIVERSITY
In line with its Social Rights and Ethics Charter, Air France-KLM is pursuing 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 Preventing Discrimination”.

Air France is a signatory of national charters: the Diversity Charter, the Good Parenting Charter and the Charter for Corporate Commitment to Equal Opportunities in the State Education System. In 2013, 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.

In 2013, KLM organized a presentation by members of the European Parliament on diversity and equal rights. An important step forward was the establishment of a Diversity Council within KLM. Four meetings had been planned for 2013.

KLM became a partner of Schiphol Aviation College in 2013. One of the main objectives of this organization is to offer work experience and vocational training opportunities to people with limited access to the labor market.

DISABLED PEOPLE
Air France-KLM is committed to a proactive approach to helping people with disabilities into work.

Air France’s three-year agreement covers implementation and the achievement of objectives. In 2013:
- The share of workers with disabilities within the total workforce continued to grow: 4.95%, 4.42% in 2012.
- All people with disabilities were recruited in the Air France Group. Workers with disabilities were kept in employment thanks to support initiatives and adapting jobs.
- Increased use of companies and organizations in the sheltered sector: 16 million euros of purchases from this sector.

In the Netherlands, a person is considered legally disabled when, after a period of sick leave, he or she is permanently unable to fulfill their contractual duties. KLM actively supports disabled employees returning to work, by offering them a position compatible with their disability, or where this is not possible, supports them in finding another job. In 2013, KLM Group employed 809 employees with disabilities.

GENDER EQUALITY
Professional equality between men and women remains a key issue and progress area in HR management.

Air France Diversity Officer Patricia Chambaudrie-Bercy, in April 2013, 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 42.3% in 2013, from 40.1% in 2012. This increase also translated to the senior management and executive level, where the percentage of female staff went from 20% in 2012 to 20.2% in 2013.

KLM is committed to equality and respect for sexual orientations. The “Over the rainbow” LGBT social network was launched in 2010 by KLM. The network brings together gay, bisexual and transgender employees, and provides advice to ensure they are treated fairly, regardless of their sexual orientation. The network had over 300 members in 2013 and holds regular meetings, particularly on the subjects of gender equality and diversity.

We have had a policy to promote gender equality for more than ten years. It is a dimension that we integrate in actual practice in all our human resources processes.

Patricia Chambaudrie-Bercy, Air France Diversity Officer, 2013

TRAINING ON CSR
The “Economic Impact and Managers” training program raises awareness among Air France managers on the company’s economic fundamentals. Around 225 employees underwent training in 2013.

Air France-KLM offers e-learning training on CSR to all employees. In 2013, more than 1,100 employees successfully completed the CSR program. Specific training is also available to the sales teams at Air France and KLM, to enable them to engage with their customers on CSR and to highlight the Group’s initiatives.

Cabin crews are regularly informed on progress achieved in optimizing flight procedures, reducing onboard weight, responsible catering and waste reduction. Through regular training, flight operations staff are made aware of fuel consumption.

CONNECTING PASSENGERS AND STAFF
In December 2013, for the second time, Air France brought together ten “Grands Voyageurs” customers, and around twenty employees (cabin crew from the Europe Division, A320 pilots and airport staff), to discuss Air France’s products and services. This sharing of experience between customers and staff helps to improve the products already available, as well as to develop new products and services.

SUSTAINABILITY ACROSS THE BUSINESS

We have had a policy to promote gender equality for more than ten years. It is a dimension that we integrate in actual practice in all our human resources processes.

Patricia Chambaudrie-Bercy, Air France Diversity Officer

The “Economic Impact and Managers” training program raises awareness among Air France managers on the company’s economic fundamentals. Around 225 employees underwent training in 2013.

Air France-KLM offers e-learning training on CSR to all employees. In 2013, more than 1,100 employees successfully completed the CSR program. Specific training is also available to the sales teams at Air France and KLM, to enable them to engage with their customers on CSR and to highlight the Group’s initiatives.

Cabin crews are regularly informed on progress achieved in optimizing flight procedures, reducing onboard weight, responsible catering and waste reduction. Through regular training, flight operations staff are made aware of fuel consumption.

CONNECTING PASSENGERS AND STAFF
In December 2013, for the second time, Air France brought together ten “Grands Voyageurs” customers, and around twenty employees (cabin crew from the Europe Division, A320 pilots and airport staff), to discuss Air France’s products and services. This sharing of experience between customers and staff helps to improve the products already available, as well as to develop new products and services.

100 actions to improve customer service
Air France has launched the 100 Actions Program, with the aim of providing a better long haul service and improved working conditions. 500 employees, both ground staff and cabin crew, are taking part in the program by sharing their experiences and their concrete observations. Suggestions such as adapting the wine offered on board according to the time of the flight, ensuring the cleanliness of cabins and improving work clothing for ground staff were all implemented in 2013.

100 actions to improve customer service
Air France has launched the 100 Actions Program, with the aim of providing a better long haul service and improved working conditions. 500 employees, both ground staff and cabin crew, are taking part in the program by sharing their experiences and their concrete observations. Suggestions such as adapting the wine offered on board according to the time of the flight, ensuring the cleanliness of cabins and improving work clothing for ground staff were all implemented in 2013.

An incubator for co-creation at Schiphol airport
To kick off the JFK initiative series, KLM opened a “pop-up” Service Design Studio at Schiphol Airport in March 2013 in collaboration with Schiphol Group. During 8 weeks, the studio acted as incubator for co-creation and innovation between KLM and Schiphol staff, passengers and partners and offered KLM staff the possibility to personally engage in dialogue on ideas around sustainable products and services.

The cultural diversity of participants gave additional insight in the needs of travelers, which is valuable for improving the customer experience. Themes for discussion included sustainability, kids, carefree travel (“peace of mind”), culture and being connected.

The business
KLM Engineering and Maintenance runs an employee involvemnt Innovation Program called Moonshine. The program aims to improve work processes, using ergonomics and lean as the generic starting points for the design process. Moonshine combines data analysis and process observa-
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 the future generations and local communities.
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 and job creation.

**DRIVING THE LOCAL ECONOMY**

The hubs at Paris-CDG, Paris-Orly and Amsterdam Schiphol provide highly attractive business environments. With 89% of the Group’s employees based in France and The Netherlands, Air France and KLM contribute significantly to job creation. With 44,000 employees in Île-de-France, Air France is the largest private sector employer in the Paris region. With 26,000 FTEs, KLM Group is the third-largest employer in the Netherlands.

Connections to French regions provided by HOPI contribute to development at national level, ensuring wealth creation that enhances regional attractiveness. For example, thanks to international connections with numerous other European cities operated by HOPI, the city of Lyon provides an attractive business environment for large and small companies alike. The Dutch government continued the implementation of its air transport policy ("Luchthavennota"), adopted in 2011, and reassessed the major importance of the aviation sector and Schiphol airport for the Dutch economy. This policy aims to achieve an innovative and competitive economy and sustainable environment. Optimum international accessibility by air is a key condition for achieving those goals. Moreover, the government has identified 9 sectors that are key to the economy and has brought together business, scientists and government agencies to work together on boosting the international competitiveness of these sectors. KLM is involved in the logistics and Bio-Based Economy sectors.

KLM continued collaboration with Schiphol Airport and the City of Amsterdam to strengthen the competitiveness and sustainable development in the region. In 2013, the City of Amsterdam became a partner in KLM’s BioFuel Program. Schiphol Group has been participating in this program since 2012.

**SUPPORT TO INNOVATION**

The Group supports innovation through collaboration with SMEs and start-ups. In 2012, KLM and its partners, Schiphol Airport, Rabobank and Technology University of Delft jointly created the Mainport Innovation Fund which aims to accelerate innovation in the aviation sector by investing in start-ups that contribute to sustainable, safe and efficient air transport. The fund has invested in six innovative start-ups.

Studies reveal Air France’s Economic Impact

A study carried out in 2013 by the Pays de Roissy-CDG association has underlined the significant impact airline operations based at Paris-CDG have on local businesses, even businesses not related to aviation. Another academic study* drew similar conclusions at a national level:

“The economic impact of Air France goes far beyond the transport of passengers (...). The Group makes purchases from a number of local industries and suppliers (...). This impact on the economy and on jobs in the French regions is not given due recognition.”

*An academic study is not given due recognition.”

Air France signed the “Charter for Public Companies in favour of Innovative SMEs” and is committed to supporting SMEs in achieving their innovation projects, such as Pl, a French SME which incorporates eco-design in Air France’s rear-crocher. In 2009, KLM and its partners, Schiphol Airport, Rabobank and Technology University of Delft jointly created the Mainport Innovation Fund which aims to accelerate innovation in the aviation sector by investing in start-ups that contribute to sustainable, safe and efficient air transport. The fund has invested in six innovative start-ups.

**FOOTPRINT**

On boosting the international competitiveness of these sectors, KLM is involved in the logistics and Bio-Based Economy sectors. KLM continued collaboration with Schiphol Airport and the City of Amsterdam to strengthen the competitiveness and sustainable development in the region. In 2013, the City of Amsterdam became a partner in KLM’s BioFuel Program. Schiphol Group has been participating in this program since 2012.

**ECONOMIC DEVELOPMENT**

- By providing infrastructure, jobs and investment
  - Air France: 40 million euros invested in a new excellence centre dedicated to aerostructures at Roissy-CDG
  - KLM: Joint Venture with Kenya Airways extended to 6 routes
- Contributing to the improvement of ground transportation in airport areas
- Air France-KLM over 4,200 suppliers worldwide, around 2,500 of which are located at destinations
- By participating in and encouraging innovation projects
- Air France: Signature of a charter and commitment in favour of innovation SMEs
- KLM: Investment in 6 start-ups through the Mainport Innovation Fund
- Through dialogue and long term cooperation with local stakeholders
- Air France: Air France’s headquarter hosted local and government officials working on local governance in April 2013
- KLM: Continued cooperation between KLM, Schiphol and City of Amsterdam to strengthen the competitiveness and sustainable development in the region

**EDUCATION**

- Business and aviation discovery programs for elementary and high school children
  - Air France: 3,990 students involved in aviation careers discovery program with Amapolo
  - In collaboration with local schools and partners, offering work placement schemes and internships
  - KLM: 87 interns and higher education trainees
  - Air France: 314 young people trained or provided with guidance by JEREMY (including 150 at Air France) and 455 young apprentices at APMA (25% of whom are at Air France)
  - Providing support to young people who have dropped out of school and people with limited access to the labour market
  - Air France: 16 million euros in purchases from sheltered sector companies

**SOCIAL AND ENVIRONMENTAL PARTNERSHIPS**

- Contribute to future generations through strong commitment to humanitarian development projects
  - KLM: KLM AirCargo (5 NGOs supported with miles donated by Flying Blue members, 19,000 euros in cash donations), partnership with Close the Gap (In 2013, 1,500 used ICT assets provided to 327 projects reaching 5,500,000 people), partnership with UNICEF-The Netherlands
  - Air France and KLM invest in forest conservation projects through collaboration with GoodPlanet/Etc Terra/WWF Madagascar and WWF-NL

**LOCAL DEVELOPMENT**

- Impacting local economies at hubs and destinations
  - Air France: 16 million euros in purchases from a number of local airlines (56% of whom are at Air France)
  - Air France: Air France Foundation (Nouveau Grand Paris)
  - KLM: Investment in 6 start-ups through the Mainport Innovation Fund
  - Through dialogue and long term cooperation with local stakeholders
  - Air France: Air France’s headquarter hosted local and government officials working on local governance in April 2013
  - KLM: Continued cooperation between KLM, Schiphol and City of Amsterdam to strengthen the competitiveness and sustainable development in the region

- Contributing to the improvement of ground transportation in airport areas
  - KLM: 356,000 employees by Air France activity in France
  - KLM: 2nd private sector employer in The Netherlands
  - 1st private sector employer in the Paris region

- Contributing to the improvement of ground transportation in airport areas
  - KLM: 356,000 employees by Air France activity in France
  - KLM: 2nd private sector employer in The Netherlands
  - 1st private sector employer in the Paris region

- Contributing to the improvement of ground transportation in airport areas
  - KLM: 356,000 employees by Air France activity in France
  - KLM: 2nd private sector employer in The Netherlands
  - 1st private sector employer in the Paris region

- Contributing to the improvement of ground transportation in airport areas
  - KLM: 356,000 employees by Air France activity in France
  - KLM: 2nd private sector employer in The Netherlands
  - 1st private sector employer in the Paris region

- Contributing to the improvement of ground transportation in airport areas
  - KLM: 356,000 employees by Air France activity in France
  - KLM: 2nd private sector employer in The Netherlands
  - 1st private sector employer in the Paris region

- Contributing to the improvement of ground transportation in airport areas
  - KLM: 356,000 employees by Air France activity in France
  - KLM: 2nd private sector employer in The Netherlands
  - 1st private sector employer in the Paris region

- Contributing to the improvement of ground transportation in airport areas
  - KLM: 356,000 employees by Air France activity in France
  - KLM: 2nd private sector employer in The Netherlands
  - 1st private sector employer in the Paris region

- Contributing to the improvement of ground transportation in airport areas
  - KLM: 356,000 employees by Air France activity in France
  - KLM: 2nd private sector employer in The Netherlands
  - 1st private sector employer in the Paris region

- Contributing to the improvement of ground transportation in airport areas
  - KLM: 356,000 employees by Air France activity in France
  - KLM: 2nd private sector employer in The Netherlands
  - 1st private sector employer in the Paris region
LOCAL DEVELOPMENT

AROUND OUR HUBS

"Pays de Roissy-CDG" association celebrates its 10th anniversary
Through the association, of which Air France was a founding member in 2003, the airline works alongside local stakeholders to play a part in local development. The economic and social development of the Paris-CDG area is a strategic challenge for Air France and the Paris region. Projects carried out over 10 years have established links between elected officials, residents and companies. The association is recognized for its commitment to the area, its dynamism and innovative projects. Among them, construction of housing, implementation of innovative ground transportation solutions for residents, apprenticeship promotion, support to employment for people living in neighboring districts, enhancement of the cultural richness of the area.

KNOWLEDGE AND SKILLS FOR FUTURE GENERATIONS
To ensure a match between the labour needs of the industry and the qualifications held by job seekers, Air France and KLM have been investing in various associations and education programs for many years. Air France is a founding member and partner of four associations involved in information and training programs on aviation careers: Airemploi, Jeremy, AFMAÉ, Engineers for Schools.

As part of its commitment to equal opportunities, the Group led various initiatives in 2013 for middle and high school students: the OPEN internship enables around 200 students from ten local middle schools to be interned on the aviation industry and for a selected number of them to discover the airline; initiatives to promote careers in aviation maintenance and engineering among women were organized by Airemploi; a partnership with the JHC foundation in Amsterdam offers young people the opportunity to carry out a mini-internship at KLM.

KLM participated in the project “ICT in the Clouds”, initiated by the Montessori School of Amsterdam, which aims to develop ICT talent in children at an early stage in order to anticipate the shortage of highly educated ICT experts in the labour market. In 2013, 15 pupils developed a mobile application for KLM airline crew.

KLM’s Engineering and Maintenance Division is partner to 5 Regional Community Colleges (ROC) across the country and provides students with aircraft mechanics apprenticeships. In 2013, 40 ROC students followed apprenticeships at KLM.

JOBS AND TRAINING

KLM EDUCATION PROGRAMS to attract future talent through collaborations with ROC’s, Schiphol Aviation College, JINC and pilot project “ICT in the Clouds”. AIREMPLOI provides information about jobs and training in aviation. JEREMY promotes the integration of young local people who do not hold formal qualifications. AFMAÉ trains apprentices for careers in aviation at its training center representing 20% of French aviation training market.

ENGINEERS FOR SCHOOLS 8 Air France executives are made available to the national education authorities, with the objective of bridging the gap between education and business.

LOCAL STRUCTURAL INITIATIVES
The Group is involved in various initiatives to strengthen the economic attractiveness, reputation, international competitiveness, and sustainable development of its hubs. Examples are visualized on this page.

LOCAL ECONOMIC DEVELOPMENT

PAYS DE ROISSY-CDG ASSOCIATION
Promoting socio-economic development of Paris-CDG area.
Air France, founding member. More than 340 members (elected representatives, businesses, institutions, local residents) participate in five themed working groups (on jobs, housing, economic development, transport and culture).
HUBSTART AND AEROTROPOLIS
Promoting the hub region at an international level, facilitating companies moving to Paris-CDG.
COLLABORATION AMSTERDAM/SCHIPHOL/KLM (ASK)
The three parties have cooperated since 2011 to improve international competitiveness, promote destination Amsterdam, improve accessibility, education and sustainability.

ENVIRONMENT

BOISSOLE
Business Travel Plan to contribute to the reduction of emissions caused by employee commuting in the Paris region.
LANDSCAPE NORTH HOLLAND
A nature conservation organization in the Schiphol area. Continued partnership, support for projects that protect vulnerable nature reserve in the North Holland Province.

LONG TERM COOPERATION ON MAJOR PROJECTS
Air France-KLM participates in projects set to shape the areas around its hubs over the coming twenty years, such as the Grand Roissy project, the Paris Region Masterplan (Schéma Directeur d’î le-de-France), the Nouveau Grand Paris. KLM participates in the national government SMASH programme which aims to optimise spatial planning and infrastructure around Schiphol.
The Group takes particular interest in ground transportation, as efficient ground transportation is vital to a leading global air transport network. The accessibility of our airports is also an important factor in the development and attractiveness of the areas where Air France and KLM’s main hubs are located, for the airlines, passengers and employees. Via the Inter-Business Travel Plans (FIDE) at Paris-CDG and Paris-Orly, Air France works alongside other large companies based in the local area to take effective joint actions on transport and to support public transport infrastructure projects.

AIR FRANCE-KLM Corporate Social Responsibility Report 2013
In 2013, Air France-KLM expanded its network with the inauguration of 27 new destinations. The Group offers 44 destinations in Africa, connecting the continent to Air France-KLM’s network. Partnerships were developed with local air transport operators which contribute to the development of the countries served. Through the KLM-Kenya Airways joint venture the Group offers more frequent flights between Europe and Africa. This long-standing and successful cooperation between KLM and Kenya Airways was expanded effective January 1, 2014, by adding four new routes, bringing the total number to six. This doubled the number of weekly intercontinental services between Amsterdam, London-Heathrow and Paris-Charles de Gaulle airports to East Africa.

Air France-KLM supports local economies by offering employment, participating in the transfer of skills, sourcing local products on onboard catering and through investment. Air France Industries KLM Engineering & Maintenance develops its network Repair and Overall world-wide with local presence in distant markets, through new partnerships and has an industrial presence in China, Morocco, Germany, the Gulf countries and in the United States.

Air France’s subsidiary Servair is present in 20 African airports and has an industrial presence in China, Morocco, Germany, the Gulf countries and in the United States. Air France’s subsidiary Servair is present in 20 African airports and employs almost 2,500 people on the continent. Each Servair center enhances the local economy. Servair is the number one African airline caterer in terms of number of stopovers, and has inaugurated in 2013 its site in Morocco in partnership with Atlas Catering, a subsidiary of the national airline, Royal Air Maroc. Servair is a member of the AFRAA (African Airlines Association), the organization responsible for ensuring effective cooperation between airlines which also aims to accelerate the economic and social integration of African countries.

By developing tailor-made loyalty schemes for SMEs (BlueBiz program or for professionals in the oil and gas industry (Flying Blue Petroleum program), the Group facilitates trade, international expansion of SMEs and stimulates regional development.

A contribution to local development is also made by the Masterclass Security Services, regularly organized by KLM. The aim is to increase safety and security around airports at our destinations, thereby improving the overall safety at these destinations as well. In 2013, one of these destinations was Surinam.

ENVIRONMENTAL PARTNERSHIPS

The forest conservation project in Madagascar, supported by Air France since 2008 and led by the GoodPlanet Foundation, ETC Terra and WWF, contributes to the development of local communities while at the same time protecting the unique biodiversity of the island. The project has already reached 34,000 households, 17% of which have adopted alternative agricultural techniques to slash and burn, generating additional income (beekeeping, poultry, fish farming, cash crops), increasing crop yields and crop diversification.

In Brazil, KLM supports a WWF-NL forest conservation program, which contributes to sustaining the environment and habitat of the Amazon: in the Acre-Purus area 1,238 families joined the state certification scheme. In 2013, there was a reduction of 29% in deforestation as compared to the previous year and the number of the spots registered fell by 55%.

LOCAL DEVELOPMENT

AT DESTINATIONS

COMMITTED TO THE EMPLOYMENT OF VULNERABLE PEOPLE

KLM provides computers and servers to a foundation for education and jobs, helping young school dropouts and long-term unemployed people to gain training in IT and communications technology. Air France supports Second Chance Schools in various locations throughout France and has signed the Businesses and Neighborhoods Charter, signing its willingness to make a tangible contribution to priority neighborhoods.

In 2013, KLM became a partner of Schiphol Aviation College, which brings together aviation businesses, vocational education institutions and the regional authorities in initiatives to stimulate the Schiphol region employment market and act as a resource center for information on aviation jobs and training. KLM and Schiphol Aviation College joined forces with a Dutch employment agency to offer temporary assignments to individuals with limited access to the labor market. Participants are offered the opportunity to gain valuable work experience and vocational training.

50% of the Air France Group turnover is made abroad

€ 8.4 billion

ECONOMIC DEVELOPMENT

By opening new routes to Africa, Asia and Latin America, the Group stimulates regional and international economic and social development. In 2013, Air France-KLM supported its network with the inauguration of 27 new destinations.

In this program employees temporarily work in developing countries including India, Kenya and Ethiopia, where they share knowledge with local entrepreneurs. Through this sustainable initiative, local entrepreneurs benefit from new knowledge for further developing their business and employees gain valuable experience and develop their skills and competences.

INNOVATIVE SOCIAL INITIATIVE FOR CLEANING UNIFORMS

Air France crew uniforms are cleaned by an innovative SME and a sheltered company, based in the Paris region. The benefits are twofold: a social aspect which enables people with disabilities to access the labor market, and environmental because of the use of an innovative, ecological cleaning process, which eliminates the need to use perchlorethylene.

In 2013, Air France purchased 16 million euros from sheltered sector companies.
LONGSTANDING HUMANITARIAN PARTNERSHIPS

Air France-KLM has always played an active role in international development, mostly by supporting initiatives led by NGOs and projects initiated by its own employees. In 2013, the Group’s total contributions were equivalent to 14 million euros.

Air France and KLM on child protection. Air France works to help disadvantaged children through its Corporate Foundation, which was involved in 98 projects in 2013. KLM collaborates with UNICEF’s The Netherlands. Through the Children’s Rights and Business Principles, an assessment of all business processes and activities will be conducted and sector-specific guidelines on children’s rights will be developed. Additionally, through concrete actions, the aim is to increase internal and external awareness of children’s rights. Air France informs passengers about the damage caused by child sex tourism by financing ECWAT International’s prevention campaign and by providing support to 16 other ECWAT projects around the world.

Air France has had a partnership with the NGO Acting for life for over 20 years, which promotes economic development, mostly by supporting initiatives led by NGOs and projects initiated by its own employees. In 2013, the Group’s total contributions were equivalent to 14 million euros.

In 2013, KLM’s ArCares program supported 6 partners in the areas of education, health and sanitation. Close the Gap, Af taloum, Doctors2Doctor, Aviation Without Borders, Wings of Support and Get It Done. This support exists of promotional, logistical and financial assistance.

LOGISTICAL SUPPORT

In 2013, 881 Air France tickets and free transport of additional baggage were donated to 28 NGOs, principally involved in providing medical assistance. In November 2013, following the destruction caused by typhoon Haiyan in the Philippines, KLM chartered a Boeing 747 freighter free of charge to carry emergency relief supplies for the Dutch Red Cross and UNICEF.

INvolVING EMPLOYEES AND CUSTOMERS

Air France and KLM inform passengers on social and humanitarian programs they sustain. Each month, in the Air France inflight magazine, an article is devoted to a project supported by the Air France Foundation and Acting for Life. In addition, Flying Blue members are invited to donate their frequent flyer miles to NGOs selected by Air France and KLM.

Air France and KLM have always played an active role in international development, mostly by supporting initiatives led by NGOs and projects initiated by its own employees. In 2013, the Group’s total contributions were equivalent to 14 million euros.

Air France and KLM have always played an active role in international development, mostly by supporting initiatives led by NGOs and projects initiated by its own employees. In 2013, the Group’s total contributions were equivalent to 14 million euros.

In 2013, KLM’s ArCares program supported 6 partners in the areas of education, health and sanitation. Close the Gap, Af taloum, Doctors2Doctor, Aviation Without Borders, Wings of Support and Get It Done. This support exists of promotional, logistical and financial assistance.

LOGISTICAL SUPPORT

In 2013, 881 Air France tickets and free transport of additional baggage were donated to 28 NGOs, principally involved in providing medical assistance. In November 2013, following the destruction caused by typhoon Haiyan in the Philippines, KLM chartered a Boeing 747 freighter free of charge to carry emergency relief supplies for the Dutch Red Cross and UNICEF.

INvolVING EMPLOYEES AND CUSTOMERS

Air France and KLM inform passengers on social and humanitarian programs they sustain. Each month, in the Air France inflight magazine, an article is devoted to a project supported by the Air France Foundation and Acting for Life. In addition, Flying Blue members are invited to donate their frequent flyer miles to NGOs selected by Air France and KLM.

Air France and KLM have always played an active role in international development, mostly by supporting initiatives led by NGOs and projects initiated by its own employees. In 2013, the Group’s total contributions were equivalent to 14 million euros.

Air France and KLM have always played an active role in international development, mostly by supporting initiatives led by NGOs and projects initiated by its own employees. In 2013, the Group’s total contributions were equivalent to 14 million euros.

In 2013, KLM’s ArCares program supported 6 partners in the areas of education, health and sanitation. Close the Gap, Af taloum, Doctors2Doctor, Aviation Without Borders, Wings of Support and Get It Done. This support exists of promotional, logistical and financial assistance.

LOGISTICAL SUPPORT

In 2013, 881 Air France tickets and free transport of additional baggage were donated to 28 NGOs, principally involved in providing medical assistance. In November 2013, following the destruction caused by typhoon Haiyan in the Philippines, KLM chartered a Boeing 747 freighter free of charge to carry emergency relief supplies for the Dutch Red Cross and UNICEF.

INvolVING EMPLOYEES AND CUSTOMERS

Air France and KLM inform passengers on social and humanitarian programs they sustain. Each month, in the Air France inflight magazine, an article is devoted to a project supported by the Air France Foundation and Acting for Life. In addition, Flying Blue members are invited to donate their frequent flyer miles to NGOs selected by Air France and KLM.

Air France and KLM have always played an active role in international development, mostly by supporting initiatives led by NGOs and projects initiated by its own employees. In 2013, the Group’s total contributions were equivalent to 14 million euros.
PERFORMANCE INDICATORS
Dialogue with our stakeholders

Performance indicators

Groups of stakeholders

- Shareholders
- Investors
- Financial partners
- Rating agencies
- Customers
- Suppliers
- International authorities
- BODs and Synthetic BODs
- Business partners
- Employees
- Professional associations and bodies
- Providers
- Environmental NGOs
- Scientific community
- Universities
- Research experts
- International and national partners
- Certification authorities

Main engagement topics

- Financial information
- CSR performance
- Quality presentations to analysts
- Credited financial website
- Shareholder Club
- Advisory Committee for Individual Shareholders
- Yearly General Shareholders’ Meeting presentation of financial and CSR performance
- Annual publications
- Reporting improvement as a result of a quarter of non-financial rating agencies’ doubt in Air France, KLM, DQS
- CSR training
- Gatekeeper website, social media, video and information on board, anti-terrorism training
- Air France-KLM Credit real-time information service
- Recovery assistance services, customer assistance websites
- Meetings, events, partnerships informing about sustainability on the group’s media
- CO2 calculation and compensation offers
- KLM Corporate Biofuel Program
- KLM participation in Dutch Sustainable Growth Coalition (DSGc)
- STA/650 Score surveys, customer insight surveys, crew reports, customer feedback analysis
- Launch of Quality Observer Program
- ISO 26000 certification (Air France), sustainable calibrating policy with 10 new sustainable products on board (KLM)
- Dialogue and follow-up of the regulations
- Increased feedback on KLM/Tape Care platform
- Flying Blue members CSR Survey
- 14 new partners in KLM/Blue program
- GSGD publication on Corporate Governance
- Other outcomes: chapters Customer Experience and Environment
- Staff surveys
- CSR trainings
- Internet and internal newsletters and papers
- Dialogue with other partners
- Meetings with governments on HR topics, such as opportunities, cooperation safety
- Partnerships with universities
- Work council committees focused on working conditions, CSR and HR policies
- Air France Boussole mobility plan
- Innovation program for Air France staff
- Inter-company working groups Global Compact, GRI 2013, 2014, etc...
- Collaborative strategy development KLM Take Care
- COP Review Session organized by UNFCC, NL
- Collective agreements signed (Air France)
- French gender equality convention signed
- Surveys to measure employee satisfaction
- Safety, Culture program further implemented
- Launch of the new participatory innovation program (Air France)
- Air France Safety at work annual meeting
- Air France Boussole annual survey on work-home travel
- Air France and KLM CSR week for employees
- Four KLM CSR Cafés organized
- Over 150 KLM employees (agents, managers) involved in development KLM Take Care
- Feedback on reporting during COP Review Session
- Other outcomes: chapters Governance and Responsible Human resources
- 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
- Draft proposal at ICAO and VAPA in particular for a global external approach to climate change
- Regular working groups of state departments
- CSR reporting according to Article 285 of the application decree of the French Grenelle II legislation of July 12, 2010
- Other outcomes: chapters Governance and Environment
- Applying the Sustainable Development Charter and sustainability issues in contracts
- Including more suppliers inReach (Registration Evaluation, Authorization and Control of Environment monitoring
- Dialogue and cooperation with suppliers
- Innovation work session KLM and Sodexo Alloys
- 75% of suppliers signed the sustainable development charters
- Supplier assessment via EcoVadis platform
- adidas charity challenge signed
- Collaboration with suppliers resulted in light weight Cargo cart and pallets
- Participations in concerts for biofuel supply
- Other outcomes: chapters Environment and Customer experience
- Air transport sector member of major international (IATA, European) (Air France and natural bodies (European Regions Agency ARA, TANAP, GIPAS, BARI)
- SkyTeam CSR working group
- Involvement in SEARAD IU
- Involvement in ACARE and COPAC
- Involvement in SAGPAL
- Members of Roundtable on Sustainable Biomaterials
- Member of the Birdlife RightSight’s Core Team of the European Commission
- Air France partner of H-FCA
- Joint collaborative activities to Dutch government on new emission regulations
- Non reduction tax for Air France ASO
- 2 issues of the publication ‘Counter Air France’
- Association Pay de Réséau-DDG - 10th anniversary
- KLM partner of Schiphol Aviation College
- City of Amsterdam improve partner in the Corporate Biofuel program (KLM)
- BioPort Holland: Demonstration of wind energy at large-scale use of sustainable biofuels
- KLM participation in Independent Sustainability Board
- IAAGS Program
- Research Technical University Delft (KLM)
- Members in EUT and supporting the chair Sustainable Tourism at Wageningen University
- Participation in Independent Sustainability Board (SKYAIR)
- KLM partnership with WWF- NL
- Air France rebranding project in partnership with GoodPlanet, ECTS Terra and WWF in Madagascar
- KLM participation in ICN and Leaders for Nature, initiative of the world association for somoaccess services
- Dialogue with professionals to support conservation work in the Schiphol region
- Dialogue with various NGOs, environmental, sustainable resources and climate policies
- Dialogue and cooperation in human projects: Air France Foundation, Acting for Life, KLM AirCares
- Partnership through donation of bikes and free transportation of cargo
- Employee engagement with the Air France Foundation, Wings of Support, aviation without borders (France and NL)
- Strategic partnership KLM - INGO’s The Netherlands
- Contribution to organisations that collectively represent the air transport sector and advocate in public positions
- KLM Optimal flight program
- Green Deal Biofuels
- Partnership: Jointing on biofuels
- CGO test projects of SkyTeam partners
- ACARE Chartered by Vic Orammair Air France KLM Peter Normann
- Dialogue on sustainable aviation R+D including contribution to EUCO’s Clean Sky II
- Other outcomes: chapters Governance and Environment

Performance indicators

Groups of stakeholders

- Local authorities
- Local residents
- Associations
- Local economic players
- Scientific community
- Universities
- Research experts
- International and national partners
- Certification authorities
- Environmental NGOs
- Climate change
- Operational procedures
- Technological performance
- KLM partnership with WWF-NL
- Air France rebranding project in partnership with GoodPlanet, ECTS Terra and WWF in Madagascar
- KLM participation in ICN and Leaders for Nature, initiative of the world association for somoaccess services
- Dialogue with professionals to support conservation work in the Schiphol region
- Dialogue with various NGOs, environmental, sustainable resources and climate policies
- WWF-NL advice in biofuel program and sustainable aviation
- Results of the first phase (2008-15) of the Madagascar project
- Financing support for specific Nature Conservation projects in Madagascar
- Financial contribution Landscape North Holland by KLM and €SOG
- Other outcomes: chapter Environment
- €4 million provided in funding for social and environmental projects
- 4 NGOs supported through AirCares program
- Air France Foundation involvement in all projects, Acting for Life to 29 programs
- Other outcomes: chapter Environment
### Other social data for Air France Group (according to local legislation)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volunteers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total workplace accidents *</td>
<td>219</td>
<td>196</td>
</tr>
<tr>
<td>Number of total workplace accidents *</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Frequency rate for workplace accidents *</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Severity rate of workplace accidents *</td>
<td>9.5</td>
<td>8.1</td>
</tr>
<tr>
<td>Total training costs in € per full time equivalent</td>
<td>4,259</td>
<td>2,038</td>
</tr>
<tr>
<td>Total staff with disabilities</td>
<td>406</td>
<td>17</td>
</tr>
<tr>
<td>Collective agreements</td>
<td>7</td>
<td>7</td>
</tr>
</tbody>
</table>

### Other social data for KLM Group (according to local legislation)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volunteers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total workplace accidents</td>
<td>50</td>
<td>70</td>
</tr>
<tr>
<td>Number of total workplace accidents</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Frequency rate for workplace accidents</td>
<td>8.4</td>
<td>8.7</td>
</tr>
<tr>
<td>Severity rate of workplace accidents</td>
<td>8.5</td>
<td>8.6</td>
</tr>
<tr>
<td>Total training costs in € per full time equivalent</td>
<td>97.2</td>
<td>52.3</td>
</tr>
<tr>
<td>Total staff with disabilities</td>
<td>49</td>
<td>49</td>
</tr>
<tr>
<td>Collective agreements</td>
<td>7</td>
<td>7</td>
</tr>
</tbody>
</table>

### Women in the Group (in %)

<table>
<thead>
<tr>
<th>Category</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air France</td>
<td>38%</td>
<td>37%</td>
</tr>
<tr>
<td>KLM</td>
<td>36%</td>
<td>37%</td>
</tr>
</tbody>
</table>

### Women in the Group (in %)

<table>
<thead>
<tr>
<th>Category</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air France</td>
<td>38%</td>
<td>37%</td>
</tr>
<tr>
<td>KLM</td>
<td>36%</td>
<td>37%</td>
</tr>
</tbody>
</table>

### Breakdown of Staff by Age (in %)

<table>
<thead>
<tr>
<th>Age Group</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between 30 and 39 years old included</td>
<td>28%</td>
<td>27%</td>
</tr>
<tr>
<td>Between 40 and 49 years old included</td>
<td>27%</td>
<td>29%</td>
</tr>
<tr>
<td>Between 50 and 59 years old included</td>
<td>18%</td>
<td>20%</td>
</tr>
<tr>
<td>Between 60 and 69 years old included</td>
<td>10%</td>
<td>9%</td>
</tr>
<tr>
<td>70 years old and over</td>
<td>5%</td>
<td>4%</td>
</tr>
</tbody>
</table>

### Breakdown of Staff by Age in Geographical Area (in %)

<table>
<thead>
<tr>
<th>Region</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe (excluding France and The Netherlands)</td>
<td>27%</td>
<td>27%</td>
</tr>
<tr>
<td>North &amp; South America</td>
<td>22%</td>
<td>21%</td>
</tr>
<tr>
<td>Caribbean/Northern Europe (excluding French overseas territories)</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Africa/Middle East</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Europe (excluding France and The Netherlands)</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>North &amp; South America</td>
<td>16%</td>
<td>16%</td>
</tr>
<tr>
<td>Caribbean/Northern Europe (excluding French overseas territories)</td>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>Africa/Middle East</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>Europe (excluding France and The Netherlands)</td>
<td>8%</td>
<td>8%</td>
</tr>
</tbody>
</table>

### Breakdown of Staff by Gender (in %)

<table>
<thead>
<tr>
<th>Gender</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women in the group (in %)</td>
<td>406</td>
<td>17</td>
</tr>
<tr>
<td>Men in the group (in %)</td>
<td>671</td>
<td>340</td>
</tr>
</tbody>
</table>

### Women in the Group (in %)

<table>
<thead>
<tr>
<th>Category</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air France</td>
<td>38%</td>
<td>37%</td>
</tr>
<tr>
<td>KLM</td>
<td>36%</td>
<td>37%</td>
</tr>
</tbody>
</table>

### Corporate Social Responsibility Report 2013

**KLM Group and Air France overview**

**KLM Group**

- **Group**
  - Cash in the sheltered sector
  - Total staff with disabilities
  - Total workplace accidents
  - Frequency rate of workplace accidents
  - Severity rate of workplace accidents
  - Total training costs in € per full time equivalent
  - Total staff with disabilities recruited during year

**Air France**

- **Group**
  - Cash in the sheltered sector
  - Total staff with disabilities
  - Total workplace accidents
  - Frequency rate of workplace accidents
  - Severity rate of workplace accidents
  - Total training costs in € per full time equivalent
  - Total staff with disabilities recruited during year

---

**Voluntary Departure**

- **Group**
  - 12%
  - 12%
  - 12%
  - 12%

---

**Collective Agreements**

- **Group**
  - 7
  - 7

---

**Women in the Group (in %)**

- **Group**
  - 38%
  - 37%
  - 36%
  - 37%
### Flight Operations

**Air France-KLM Group’s Fleet**

<table>
<thead>
<tr>
<th>Aircraft Type</th>
<th>Average Age (years)</th>
<th>Number of Aircraft</th>
</tr>
</thead>
<tbody>
<tr>
<td>A340-300, A340-200</td>
<td>16.3</td>
<td>258</td>
</tr>
<tr>
<td>A350-900</td>
<td>5.3</td>
<td>118</td>
</tr>
<tr>
<td>A380</td>
<td>7.1</td>
<td>7</td>
</tr>
<tr>
<td>777-200ER</td>
<td>17.8</td>
<td>42</td>
</tr>
<tr>
<td>747-800</td>
<td>12.8</td>
<td>12</td>
</tr>
<tr>
<td>747-400</td>
<td>17.1</td>
<td>6</td>
</tr>
<tr>
<td>BOEING 777-300ER</td>
<td>7.8</td>
<td>17</td>
</tr>
<tr>
<td>BOEING 777-200ER</td>
<td>6.3</td>
<td>7</td>
</tr>
<tr>
<td>BOEING 777-100</td>
<td>19.1</td>
<td>3</td>
</tr>
<tr>
<td>BOEING 777-200ER</td>
<td>11.9</td>
<td>2</td>
</tr>
<tr>
<td>TOTAL</td>
<td>17.8</td>
<td>379</td>
</tr>
</tbody>
</table>

Air France-KLM Group’s Fleet as of December 31, 2013 including all aircraft in operation.

### Ground Operations

#### Breakdown of Type of Energy

- **Electricity**: 42%
- **Natural gas**: 20%
- **Diesel fuel**: 17%
- **_jet fuel**: 17%
- **Fuel recovery**: 7%

#### CO₂ Emissions of Ground Activities

- **Ground test runs**: 15%
- **In-plant energy**: 7%
- **Jet fuel**: 42%
- **External energy**: 19%

### Performance Indicators

**KLM Group**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Passengers carried</td>
<td>71.5</td>
<td>72.9</td>
<td>74.3</td>
<td>26.4</td>
<td>26.3</td>
<td>26.1</td>
</tr>
<tr>
<td>Revenue tonne-km</td>
<td>223,383</td>
<td>223,383</td>
<td>223,383</td>
<td>1,346,028</td>
<td>1,346,028</td>
<td>1,346,028</td>
</tr>
<tr>
<td>Passenger_km</td>
<td>337,099</td>
<td>337,099</td>
<td>337,099</td>
<td>2,061,393</td>
<td>2,061,393</td>
<td>2,061,393</td>
</tr>
<tr>
<td>Cargo_km</td>
<td>12,294</td>
<td>12,294</td>
<td>12,294</td>
<td>73,701</td>
<td>73,701</td>
<td>73,701</td>
</tr>
<tr>
<td>Cargo ton</td>
<td>27,576</td>
<td>27,576</td>
<td>27,576</td>
<td>1,104</td>
<td>1,104</td>
<td>1,104</td>
</tr>
<tr>
<td>Freight ton</td>
<td>0.8</td>
<td>0.8</td>
<td>0.8</td>
<td>0.7</td>
<td>0.7</td>
<td>0.7</td>
</tr>
<tr>
<td>Int’l enplanements</td>
<td>3,903</td>
<td>3,903</td>
<td>3,903</td>
<td>3,878</td>
<td>3,878</td>
<td>3,878</td>
</tr>
<tr>
<td>Int’l passengers</td>
<td>3,837</td>
<td>3,837</td>
<td>3,837</td>
<td>3,762</td>
<td>3,762</td>
<td>3,762</td>
</tr>
<tr>
<td>Int’l enplanements/passenger</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Int’l passengers/enplanements</td>
<td>0.9</td>
<td>0.9</td>
<td>0.9</td>
<td>0.9</td>
<td>0.9</td>
<td>0.9</td>
</tr>
<tr>
<td>Int’l enplanements/cargo ton</td>
<td>10.8</td>
<td>10.8</td>
<td>10.8</td>
<td>10.8</td>
<td>10.8</td>
<td>10.8</td>
</tr>
<tr>
<td>Int’l passengers/cargo ton</td>
<td>4.5</td>
<td>4.5</td>
<td>4.5</td>
<td>4.5</td>
<td>4.5</td>
<td>4.5</td>
</tr>
<tr>
<td>Int’l passengers/cargo ton</td>
<td>12.8</td>
<td>12.8</td>
<td>12.8</td>
<td>12.8</td>
<td>12.8</td>
<td>12.8</td>
</tr>
</tbody>
</table>

**Fleet in operation as of December 31, 2013:**

- **Airbus A340-200**: 8
- **Airbus A340-300**: 20
- **Airbus A321**: 8
- **Airbus A320**: 3
- **MD-82**: 32
- **MD-11**: 7
- **MD-11F**: 3
- **A380**: 1
- **747-400ER**: 13
- **747-400**: 6
- **777-300ER**: 2
- **777-300**: 1

### Environmental Indicators

**KLM Group**

- **Scope:** all flights operated by KLM, KLM Cityhopper and Martinair. Transavia is included for fuel consumption, but excluded for the global noise impact and emissions.
- **In-plant energy:** emissions of substances contributing to acidification, eutrophication and production of photochemical pollutants.
- **Jet fuel:** emissions of volatile organic compounds (VOC).

#### Performance Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>KLM Group</th>
<th>AIR FRANCE-KLM Group</th>
<th>TRANSAVIA France</th>
<th>REGIONAL FLEET</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>KLM Group</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Scope:</strong> all flights operated by KLM, KLM Cityhopper and Martinair. Transavia is included for fuel consumption, but excluded for the global noise impact and emissions.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>In-plant energy:</strong> emissions of substances contributing to acidification, eutrophication and production of photochemical pollutants.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Jet fuel:</strong> emissions of volatile organic compounds (VOC).</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

**AIR FRANCE-KLM Group’s Fleet**

Average fleet age: 10.2 years

**Aircraft in operation as of December 31, 2013: 552**

- **MD-11**: 7
- **MD-82**: 32
- **A380**: 1
- **A340-300**: 20
- **A340-200**: 8
- **A321**: 8
- **A320**: 3
In 2013, the Air France-KLM Group’s social reporting consolidation scope is based on the number of employees (expressed as headcount) at the end of the calendar year.

The environmental indicators are assembled at local level via two reporting methodologies:

- **ReCOPHAR** tool (involving all the subsidiaries of the Air France-KLM Group). This tool is intended to provide an overall picture of the performance of the Air France-KLM Group subsidiaries worldwide and their local impacts (pollution, waste produced, water consumption).

- **InSight** tool (involving all the branches of the Air France-KLM Group). This tool is intended to provide a detailed view of the performance of the sales branches of the Air France-KLM Group (e.g., the Aeroplex, the Air France-KLM Airlines, the Air France-KLM Group’s internal service companies).

In 2014, the KLM Group decided to discontinue the InSight tool, which was replaced by the ReCOPHAR tool. As a result, the environmental indicators for the KLM Group are not reported in this report.

**Performance indicators**

**Air France-KLM Group’s performance indicators**

- The performance indicators used in this report are in line with those for which the Air France-KLM Group is accountable under the French Commercial Code.

- The performance indicators are used as a benchmark for improving the performance of the Air France-KLM Group subsidiaries and branches worldwide.

- The indicators are defined in order to comply with the requirements of the French commercial code.

The methodology used in the calculation of performance indicators is based on the methodologies used by the Air France-KLM Group subsidiaries and branches worldwide.

- The indicators are calculated using the most recent data available, as at the end of the reporting year.

**Performance indicators**

**Air France-KLM Corporate Social Responsibility Report 2013**

**Performance indicators**

**Air France-KLM Group’s performance indicators**

- The performance indicators used in this report are in line with those for which the Air France-KLM Group is accountable under the French Commercial Code.

- The performance indicators are used as a benchmark for improving the performance of the Air France-KLM Group subsidiaries and branches worldwide.

- The indicators are defined in order to comply with the requirements of the French commercial code.

The methodology used in the calculation of performance indicators is based on the methodologies used by the Air France-KLM Group subsidiaries and branches worldwide.

- The indicators are calculated using the most recent data available, as at the end of the reporting year.

**Performance indicators**

**Air France-KLM Group’s performance indicators**

- The performance indicators used in this report are in line with those for which the Air France-KLM Group is accountable under the French Commercial Code.

- The performance indicators are used as a benchmark for improving the performance of the Air France-KLM Group subsidiaries and branches worldwide.

- The indicators are defined in order to comply with the requirements of the French commercial code.

The methodology used in the calculation of performance indicators is based on the methodologies used by the Air France-KLM Group subsidiaries and branches worldwide.

- The indicators are calculated using the most recent data available, as at the end of the reporting year.

**Performance indicators**

**Air France-KLM Group’s performance indicators**

- The performance indicators used in this report are in line with those for which the Air France-KLM Group is accountable under the French Commercial Code.

- The performance indicators are used as a benchmark for improving the performance of the Air France-KLM Group subsidiaries and branches worldwide.

- The indicators are defined in order to comply with the requirements of the French commercial code.

The methodology used in the calculation of performance indicators is based on the methodologies used by the Air France-KLM Group subsidiaries and branches worldwide.

- The indicators are calculated using the most recent data available, as at the end of the reporting year.
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.

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

- A limited level of assurance on the environmental and social indicators for the year ended December 31, 2013 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, 2013, identified by the symbol V.

This selection of indicators (“the Data”) is presented in the tables “Environmental indicators” and “Social indicators” of the 2013 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 regulatory requirements, our profession’s Code of Ethics and Article L.822-11 of the French Commercial Code. In addition, we have set up a comprehensive quality control system, including documented policies and procedures, to ensure compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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 2013 Corporate Social Responsibility Report as a whole. The work has been performed by our corporate responsibility experts.

We conducted our procedures in accordance with International Standards on Assurance Engagements (ISAE3000) and with the professional guidelines applicable in France.

Nature and scope of our procedures

Limited assurance

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

- Assess the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account best practices in the industry, if applicable;

- Verify that a data collection, compilation, processing and quality control process has been implemented to ensure the completeness and consistency of the Information and review the internal control and risk management procedures involved in the preparation of the CSR information.

We determined the nature and scope of tests and quality control processes, based on the type and importance of the CSR Information 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.

We performed consistency tests on the consolidated Data at Group level.

At the entity level, for a representational sample of entities selected1 on the basis of their business activity, contribution to consolidated indicators, where they operate and a risk analysis, we conducted interviews to verify the proper application of procedures and performed substantive tests using sampling techniques, to verify calculations and reconcile data with supporting documents. The selected sample accounted for 78% of the workforce and between 51% and 100% of the Group’s quantitative environmental information.

Conclusion

Based on the procedures performed, we did not identify any material anomaly likely to call into question the fact that the Data in the tables “Environmental indicators” and “Social indicators” of Air France-KLM Group’s 2013 Corporate Social Responsibility Report, identified by the symbol √, have been prepared, in all material respects, in accordance with the above-mentioned Protocol.

Reasonable assurance

In our opinion, the indicators “Fuel consumption” and “CO2 emissions” relating to air operations, identified by the symbol V in the 2013 Corporate Social Responsibility Report, have been prepared, in all material respects, in accordance with the above-mentioned Protocol.

Paris La Défense, April 10, 2014

KPMG Audit
Department of KPMG S.A.
Valérie Blasson
Partner

1. Group’s 2013 CSR – Assurance engagements other than audits in respect of selected Information.


3. Article L822-11 of the French Commercial Code. "Social and Environmental Information" is intended to be information that is relevant to the exercise of responsibility by the Group and is disclosed in its environment and social report. The scope of this information is explained in the notes to the financial statements.

4. At the entity level, the sample selection is based on size, activity, country of operation and risk analysis. The sample selection and procedures are described in the notes to the financial statements.

5. The sample selection was based on the company’s size, activity, risk analysis and country of operation. The sample selection and procedures are described in the notes to the financial statements.
Global compact: Communication on Progress
Air France-KLM established a Corporate Social Responsibility Statement which covers the ten principles of the United Nations Global Compact. Below an overview of where the information can be found in the report regarding these principles and where additional information can be found.

### Performance Indicators

<table>
<thead>
<tr>
<th>GLOBAL COMPACT PRINCIPLE</th>
<th>PAGES</th>
<th>EXTRA INFORMATION AVAILABLE OUTSIDE THE CSR REPORT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Rights</td>
<td>1-12</td>
<td>Performance Indicators for all major companies.</td>
</tr>
<tr>
<td>Labour Law</td>
<td>1-12</td>
<td>Performance Indicators for all major companies.</td>
</tr>
<tr>
<td>Environment</td>
<td>1-12</td>
<td>Performance Indicators for all major companies.</td>
</tr>
<tr>
<td>Sustainable Procurement</td>
<td>1-12</td>
<td>Performance Indicators for all major companies.</td>
</tr>
<tr>
<td>Sustainability in the Customer Experience</td>
<td>1-12</td>
<td>Performance Indicators for all major companies.</td>
</tr>
<tr>
<td>Our CSR approach</td>
<td>1-12</td>
<td>Performance Indicators for all major companies.</td>
</tr>
<tr>
<td>Environment</td>
<td>1-12</td>
<td>Performance Indicators for all major companies.</td>
</tr>
<tr>
<td>Responsible Natural Resources</td>
<td>1-12</td>
<td>Performance Indicators for all major companies.</td>
</tr>
<tr>
<td>Corporate Social Responsibility Report 2013</td>
<td>1-12</td>
<td>Performance Indicators for all major companies.</td>
</tr>
</tbody>
</table>

### GRI correspondence: A level

GRI principles and recommendations were taken into account for the writing of this report. GRI has performed the Application Level Check to show to which extent the GRI guidelines have been utilized in the report. The check confirmed the A level. The complete GRI indicators table can be found on the Air France and KLM websites: www.klm.com/csr and http://corporate.airfrance.com/en/sustainable-development.

---

International non-financial indexes and rating 2013

Air France-KLM is assessed annually by the major international non-financial rating agencies, including RobecoSAM, Vigeo, Eiris and Oekom. For the 9th year running, the Group is recognized by two Dow Jones Sustainability Indexes (DJSI World and DJSI Europe) and has been ranked leader in the “Airline” industry by RobecoSAM. Moreover, for the fifth 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 and on the Vigeo indexes (World 120, Europe 120, Eurozone 120, France 20 and Ethical Sustainable Index (ESI) Excellence Europe).

Air France-KLM is included in the Carbon Disclosure Leadership Index (CDLI) France 2013, which ranks the 10% companies having the best scores for transparency, among the largest companies by market capitalization in France. Moreover, the Group is included in the Climate Performance Leader Index (CPL) France 2013, which includes companies having achieved a grade A.