

# Air France-KLM takes care

Sustainability report

## 2018

At a glance



**AIRFRANCEKLM**  
GROUP

# AIR FRANCE-KLM TAKES CARE AT A GLANCE

Our global business brings people, economies and cultures together, and drives economic growth and social progress.

We assume our responsibilities and take action to reconcile growth with environmental protection, social value and local development at our hubs and our destinations. Through our operational activities, we aim to create sustainable long-term value for all our stakeholders.

Our sustainability strategy is built on 4 pillars.



**Discover our Sustainability Report 2018:** <http://csrreport2018.airfranceklm.com/en/>

By integrating sustainability into our business and operations, we strive to contribute to the UN Sustainable Development Goals. The 2030 agenda sets 17 Sustainable Development Goals (SDGs) which are a universal call to action to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity.

Air France-KLM significantly contributes to the realization of SDG 7 Affordable and Clean Energy, SDG 8 Decent Work and Economic Growth, SDG 9 Industry, Innovation and Infrastructure, SDG 12 Responsible Consumption and Production and SDG 13 Climate Action.





**318** destinations in  
**118** countries

# OUR OPERATIONS

**101.4**  
MILLION CUSTOMERS

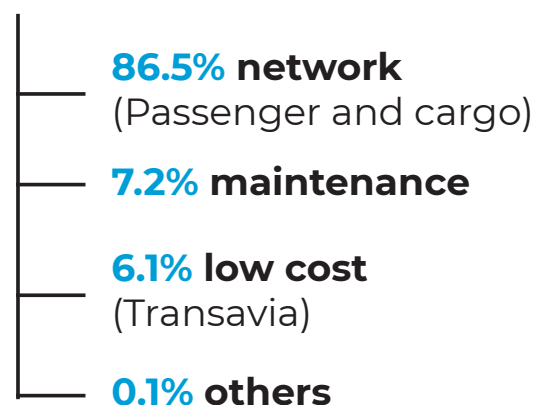
**1.14**  
MILLION TONS OF  
CARGO CARRIED

**81,527**  
EMPLOYEES (FTE)

**TRANS-ATLANTIC  
& ASIAN**  
JOINT-VENTURES

**SKYTEAM**  
FOUNDING MEMBER

**€ 26,512 MILLION**  
REVENUES





**3.21** LITERS

fuel per passenger / 100 km

**21.6%**

**CO<sub>2</sub> emissions reduction since 2011**

incl. economic measures  
(g CO<sub>2</sub> / passenger / km)

## IN THE AIR

**548**

**AIRCRAFT**

**11.3** YEARS

fleet average age

**35%**

**NOISE REDUCTION**

since 2000

**4.3 MILLION**

**tons of CO<sub>2</sub> avoided**

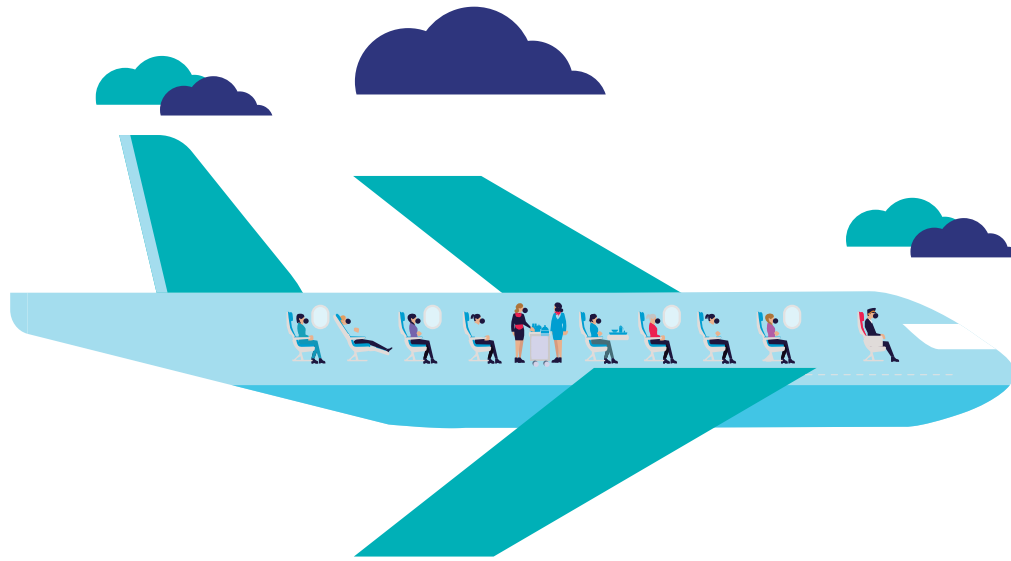
(energy efficiency  
conditions of 2011)

## BIOFUEL

**Strong involvement in the development of a sustainable market**

**MORE THAN 1,300** tons of sustainable aviation fuel used by KLM

Air France partner of the French biojet **Green Deal**



Caring for  
all passengers

EVERY **20** SECONDS  
A new Flying Blue member

# ON BOARD

## PERSONALIZED SERVICES

### RESPONSIBLE CATERING

Organic products in children offers on Air France flights  
9.4 million sustainably produced sandwiches served on board KLM flights

### CIRCULAR ECONOMY

13 million headphones reconditioned, reused & recycled at Air France

## LIGHTER AIRCRAFT

Digital press, 4,600 tons of CO<sub>2</sub> saved

## DIGITAL

More than 9 million Air France, KLM and Transavia app downloaded



**23%**

energy reduction  
since 2011

**50%**

electric ground  
support equipment

## ON THE GROUND

### WASTE

**4%**

REDUCTION  
since 2011

### WATER

**6%**

REDUCTION  
since 2011

### SUPPLY CHAIN

**3,900**

SUPPLIERS

**67%**

SIGNED THE CSR CHARTER

**€ 19 MILLION**

SPENDING IN  
SHELTERED SECTOR



**312**

**hectares of tropical forest**  
planted in Panama by KLM CO2ZERO service

**85,500 trees**

planted thanks to Trip and Tree  
Air France program

## IN THE WORLD

### AIR FRANCE FOUNDATION

**76 PROJECTS IN 57 COUNTRIES**  
in favor of disadvantaged children

### WINGS OF SUPPORT

**85 PROJECTS SUPPORTED**  
**IN 16 COUNTRIES**

### GROUP CONTRIBUTIONS

**€ 15 MILLION FINANCIAL SUPPORT**  
to community projects

**3,552 FLIGHT TICKETS**  
donated by Flying Blue members to NGOs

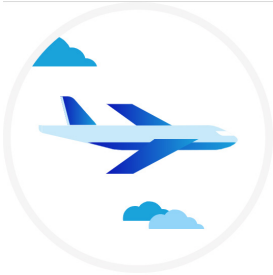
# TURNING OUR RESOURCES INTO ASSETS...



## **SOCIAL AND RELATIONSHIP CAPITAL**

A diversified customer portfolio and a network of suppliers, favoring local and sustainable players.

— The European pillar of the leading global airline partnership and commercial integration within the SkyTeam alliance.



## **INDUSTRIAL CAPITAL**

Continuous modernization of our fleet, slots and traffic rights enabling an extensive network in all major markets.

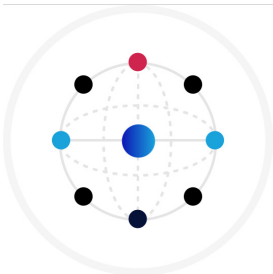
— An optimized fleet and network reinforcing our operational and environmental performances.



## **HUMAN CAPITAL**

81,527 innovative and fully committed employees (full-time equivalent) with a diverse culture nurtured by more than 110 nationalities.

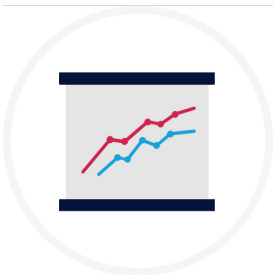
— Professional and dedicated ground staff, cabin and cockpit crews for a caring journey.



## **INTELLECTUAL CAPITAL**

Prestigious airline brands with a common frequent flyer program, “Flying Blue”, and a strong maintenance brand based on specific know-how and leading-edge technologies.

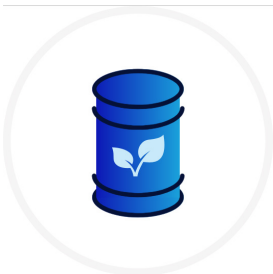
— Attractive brands offering high-quality products & services.



## **FINANCIAL CAPITAL**

A stable shareholding structure with the French State, the Dutch State and two strategic partners, Delta Air Lines and China Eastern Airlines.

— A sound financing structure to further accelerate our transformation and deliver growth, in a market growing by 5%.



## **ENVIRONMENTAL CAPITAL**

Fuel, contribution to the creation of a sustainable alternative biofuels industry for aviation.

— A player committed to contributing to positive change at industry level.



### OUR AMBITION

To become the leading airline group in Europe and one of the most powerful in the world, assuming its corporate and social responsibility as a global aviation player.

### OUR PRIORITIES

1. Invest in and empower our people.
2. Simplify our brand portfolio and embody the best of our home markets culture.
3. Modernize our fleet and products for the benefit of our customers.
4. Leverage our partnerships
5. Improve each business unit's contribution to the Group financial performance

### ONE IMPERATIVE

**FLIGHT SAFETY**

## OUR ACTIVITIES AND SERVICES

### NETWORK

European leader for long-haul traffic

**AIRFRANCE** 



**FLYING BLUE FOR ME**

### PASSENGER NETWORK

- 85.6m passengers
- 468 aircraft
- Expanded network organized around two major European hubs
- 54,700 employees

### CARGO

Belly-dominant business model

- 1.1m tons of goods transported
- 6 full-freighter aircraft
- 3,860 employees



### LOW COST

No.1 Low Cost in the Netherlands and at Paris-Orly



**FLYING BLUE FOR ME**

- 15.8m passengers carried
- 74 aircraft
- 3,030 employees

### MAINTENANCE

2<sup>nd</sup> largest global MRO (Maintenance, Repair, Overhaul)

- Undisputed excellence in the maintenance of large aircraft fleets
- Support on over 2,000 aircraft, for more than 200 clients
- 13,460 employees



## A CARING JOURNEY

- An improved offer through cabin retrofit, ground infrastructure investment, on-board connectivity
- Customer-centric approach to become the reference airline for **Customer Intimacy**
- Digital investment for ever-more personalized services

101.4 million passengers carried

## A RELIABLE JOURNEY

- **Focus on reliability and punctuality**
- Maintain **highest safety and quality standards**

318 destinations in 118 countries

## AN EMPLOYEE JOURNEY

- **Develop careers and skill sets of employees**
- **Safe and motivating environment** to improve staff **involvement** and **well-being** at work

40 training hours per employee

## A COMPETITIVE JOURNEY

- A **strong performance** across all business segments
- Operating result driven by **revenue growth and cost discipline**

Net debt / EBITDA ratio at 1.5x

## AN INCLUSIVE JOURNEY

- **Connecting people, economies and cultures**
- Contribution to **regional development** and global **economic growth** through **international trade and foreign investments**
- **Local employment**, with direct and indirect jobs around our hubs

KLM **3<sup>rd</sup>** largest private sector employer in the Netherlands  
Air France's impact on French GDP at **>1%**

## A RESPONSIBLE JOURNEY

- **Steady reduction in our environmental impact**
- **At the top** of the DJSI Europe and World indices **for 14 years running**

13.5% improvement in operational fuel efficiency  
per passenger/km between 2011 and 2018

## CONTRIBUTING TO THE UN SDGs...

