



CORPORATE SOCIAL RESPONSIBILITY REPORT 2018

Innovation

INNOVATION

Today's world is changing, and it's changing fast. At Air France-KLM, innovation and technology are two strong pillars in the integration of sustainability in the customer experience.

BUILDING THE FUTURE OF TRAVEL

In 2018, the Air France-KLM Group launched the startup studio [BigBlank](#), subsidiary of the Air France-KLM Group, whose mission is to explore all the latest trends in the travel sector. Its field of research goes beyond air travel and delves into mobility, transport or logistics related to travel.

This seed fund, a hybrid organization that draws on the expertise of Air France-KLM, will explore new trends in travel and air transport. [BigBlank](#) will help in the creation of companies with innovative projects and high growth potential, supporting 4 to 5 startups per year.

DIGITIZING

In the context of both fast evolution of the consumers' needs and the digital revolution, we focus on the digitization of our services. This way we can provide our customers and employees with the right information at the right time.

The Air France and KLM media apps allow travelers to download a variety of magazines and newspapers before departure.

With close to 6.6 million downloads, the Air France app assists customers, helps them personalize their trip and save time thanks to digital innovations that passengers can discover at different stages of their trip: faster check-in with the "Scan passport" pictogram, additional payment methods, real-time airport access indications, multi-transport itinerary with geo-localization, guided airport tour to the boarding gate, and real-time baggage tracking.

The Air France Play entertainment app offers more than 160 French and international press publications, more than 50 videos to watch during their flight, and a selection of music playlists.

Mobile phones are now the primary way customers contact the company: in this respect, the different apps the Group has developed have proved to be a real advantage, enabling us to get closer to the customer.

Our employees are provided with digital tools, in most cases an app on their tablet or computer, which allows them to offer the best service to our passengers. Operational staff also benefits from this digital trend. In a turnaround, many people and departments work together to ensure aircraft departure on time. A digital platform, accessible via phone or tablet, facilitates communication

between departments and helps them to work as a team.

Our aircraft mechanics have the possibility to access information through digital channels “on the spot”. Firstly, this means no more paper manuals to carry around, secondly, it provides guidance and troubleshooting options for onsite support, and thirdly, it allows a paperless debrief.

SOCIAL MEDIA

Social media are changing the relationship between consumers and businesses. Active consumers now demand greater transparency, responsiveness and personalization. A strong digital link with the traveler, via the Air France or KLM app, Facebook, WhatsApp or Twitter, helps to keep our passengers informed in real-time through the passenger’s channel of choice.

Air France and KLM, for example, have been reachable on Messenger, since 2017 and 2015 respectively. This channel enables them to reach younger customers, the so-called “digital natives”, and to create a personalized relationship with each customer. In addition, WhatsApp and KLM have started a unique test for a new service which makes KLM one of the first companies and the very first airline worldwide with a verified WhatsApp business account. Being on Messenger enables Air France and KLM to communicate directly with their customers, especially during activity peaks.

The Group launched 5 chatbots:

- Louis, Lucie and Lea at Air France :
 - Louis (luggage’s inquiries and tracking)
 - Lucie (destinations and inspiration),
 - Lea is the latest Air France’s. It has been designed to significantly improve the experience of customers affected by an operating irregularity. Available on Messenger in French and English, Lea is accessible via a link sent directly to customers by SMS or email. It gives up-to-date information on the flight and, depending on the irregularity, Lea directly sends them information about the proposed accommodation, flight delay or cancellation certificates and compensation vouchers (meals, accommodation, transport, etc.).
- BB (short for Blue Bot) at KLM
- Laura at Transavia.

https://csrreport2018.airfranceklm.com/wp-content/uploads/2019/03/241058__COM-V0160-2-DIGIDAYS-En-ON-AIR.mp4

The development of this service was an example of co-creation with customers, as they were able to test the different prototypes.

BIOMETRICS, CONNECTIVITY AND BLOCKCHAIN

To ensure a simpler, streamlined and personalized travel experience, we constantly improve every aspect of the customer journey by offering the latest innovation: from the biometric boarding pass to connectivity on board. To reduce waiting time at the airport, Air France is testing the biometric boarding pass solution based on facial recognition at baggage drop-off points and boarding gates, while respecting the use of personal data.

Air France has been gradually equipping its fleet with connectivity solutions to improve customer experience: Air France customers can access Wi-Fi on board the Boeing 787s and Wi-Fi is gradually

being installed on board the redesigned Airbus A330s and Boeing 777. The company has been gradually implementing connectivity solutions throughout its medium-haul fleet since the beginning of 2019 and has set a goal to have the entire Air France fleet, excluding regional aircraft, equipped by the end of 2020. The new connectivity service, called Air France CONNECT, gives access to Wi-Fi on our clients's own devices (smartphone, tablet, computer).

Air France launched a dedicated blockchain program in 2018. The blockchain offers multiple opportunities for an airline, with possible applications being invoicing (loyalty program, interline activities), traceability (luggage, spare parts maintenance and Cargo), or smart contracts. A dedicated team of ten IT employees are working on this program and developing pilot projects.

MRO LAB: MAINTENANCE INNOVATION

As an airline Maintenance, Repair and Overhaul (MRO), Air France Industries KLM Engineering & Maintenance have developed a unique portfolio of know-how reflected in the development of a wide range of value-adding innovations.

The [MRO Lab](#) is a program that regroups innovative and high value-added solutions. Specially tailored to the challenges of aircraft maintenance, the innovations are the fruit of continuous development aimed at satisfying the requirements of airline operating performance. Developed in-house, then tested and approved on Air France and KLM fleets, these innovations benefit AFI KLM E&M customers by optimizing fleet performance.

The MRO Lab program is explained in this video.

Major innovations, such as our Prognos tool, now fully operational on several aircraft, have been developed. We are now able to predict failures on some of the components of the A380, A 320 and 787 aircraft by using the big data tools available on these new generation aircraft. More developments are being done on new aircraft types and new systems.



AFI KLM E&M presented some its innovations during the Paris Air Show at Le Bourget in June 2017. Visitors were able to examine the virtual reality training suit developed for Boeing 787 maintenance, an app for tablets which reduces cabin seat inspection time, and a new repair tool developed for the GP7200 turbine center frame.

Partnerships with startups allow us to develop new solutions for our customers and our

employees. More innovations are detailed on [our website](#).

Our joint R&D centre, the MRO Lab Singapore, together with its partner Ramco, aims to encourage the rapid emergence and sharing of innovative solutions. With these additional resources that support our “Test & Learn” innovation culture, we have been able to test and to introduce the first innovative solutions such as new mobile applications, new digital solutions and chatbots.

The MRO Lab Amsterdam and the MRO Lab Paris with its creative rooms have also been set-up to further enhance our innovation network.

And finally, customer experience is being improved with new digital solutions that are being tested and implemented.