



CORPORATE SOCIAL RESPONSIBILITY REPORT 2018

Diversity and inclusion

DIVERSITY AND INCLUSION

In line with our Social Rights and Ethics Charter, we pursue a social policy based on integration through work and respect for equal opportunities, combating discrimination and promoting diversity.



FOSTERING EQUAL OPPORTUNITY

We pursue our policy of promoting and raising awareness of diversity and the need to combat discrimination. We continue to support all forms of action to encourage equal opportunity, equality between men and women, vocational integration of young people, employment of seniors and the transmission of knowledge and skills, as well as maintained employment and recruitment of persons with disabilities.

The commitment to fostering equal opportunity applies to all recruitment and internal selection processes, as well as to professional development.

- At Air France, this commitment is part of the annual target-based contracts that are signed between the division's Executive Vice-President and the CEO, within the Integrated Management System whose monitoring takes place twice a year. The same system is used for the setting of collective and individual targets. Results and action plans are monitored on a regular basis.
- In 2018, KLM implemented the Diversity Circle which includes Board members that are meant to lead the way in the realization of the diversity objectives. Diversity and inclusion themes are also present in internal communication, recruitment and team composition.

GENDER EQUALITY

The Group has long been committed to gender diversity and equality between women and men. Aware of our role, we are committed to promoting professional equality within our teams, and strive to boost a positive dynamic in the areas where we operate.

Gender diversity within teams ensures a better balance on the individual level and has a positive effect on the performance of the organizations. More inclusive businesses are known to attract more talent, be more customer driven, have higher levels of employee satisfaction, make better decisions and be more innovative and creative.

In 2018, we monitored a new key performance indicator at Air France-KLM: “% of women in managerial positions”:

- Women represent 32% in the top 10% management level positions for ground staff,
- Women represent 5% of flight deck crew managerial functions,
- Women represent 65% of cabin crew managerial functions.

Air France

Professional and wage gender equality between women and men is a major business priority and an area in which the company would like to make progress in terms of human resources management:

- In 2018, this undertaking was reflected in the signing of a fifth Agreement on Professional Equality between Women and Men, with the unions.
- To ensure equal treatment, a series of male-female comparative indicators are tracked annually within the framework of an audit carried out within each division of the company (training, careers, vocational safety, remuneration). Special wage equalization and equitable salary management measures are in place, together with an annual audit of male and female comparative remuneration.
- Air France published its index on professional equality between women and men (March 2019). With the score of 89/100, Air France clearly exceeds the minimum threshold of 75/100 set by the government. This result reflects the commitment and work carried out by all Air France teams to achieve professional equality and is an encouragement to continue with their efforts in that direction.

Feminization of the profession is a fundamental axis of professional equality:

- Promotion of women’s access to all business activities
- Support to women’s access to the highest levels of responsibility, through mentoring and coaching actions to promote their professional development.
- Air France’s women’s network: Created in March 2018, the Women for Tomorrow (WoTo) was born out of the ambition of several women in the company to create a place of exchange, with meetings, debates and workshops in order to further promote presence of women in the company and reinforce diversity within Air France.
- Air France is a member of the “Elles Bougent” external network, composed of female business mentors who encourage young girls to join engineering or technical professions.



To promote inclusivity within the company and put an end to everyday sexism in the workplace, several actions have been taken:

- An internal campaign “#Osonsledire” (#Let’ssayit) encouraged the employees to speak up and share the sexist remarks heard on daily basis.
- Air France is a signatory of the [Diversity Charter](#) and is a member of 30 leading French companies under the #StOpE initiative, supported by the French government.

KLM

At KLM, an integral plan based on best practices in the corporate world and connected to KLM’s growth ambitions, was drawn up by the D&I Kick Start Team. The Board of Directors fully supports this plan and has given a mandate to find ways to promote gender diversity. A Diversity Circle, consisting of both Executive Committee and Women on Board members has taken the responsibility for executing this plan.

From 2019 onward, KLM Flight Plan 2019 sets a target for 16% of women at “Top management” level, 26% of women at “Senior management” level, and 31% of women at “Junior management” level.

This means coordinated action is needed across a range of fields, from talent management and leadership development, to coaching, sponsorship and mentoring. This will create a strong talent pipeline for women in managerial and executive positions.

Women on Board, the KLM network for female employees, was set up with three goals in mind:

- to encourage concrete steps towards gender diversity,
- to connect and inspire women from different divisions,
- to encourage personal development.

Women on Board organizes events, featuring speakers and workshops. The events themselves have been diverse and inspiring.

WOMEN IN THE GROUP (%)

BOARD OF DIRECTORS AIR FRANCE-KLM		41.2%	
EXECUTIVE COMMITTEES	Air France-KLM	27.3%	
	Air France	28.6%	
	KLM	13.9%	
SENIOR MANAGERS / EXECUTIVES	Air France	34.0%	
	KLM	24.2%	
GROUND STAFF MANAGERIAL	Air France	35.1%	
	KLM	29.3%	
FLIGHT CREW MANAGERIAL	Air France	Cabin crew	51.6%
		Pilots	4.8%
	KLM	Cabin crew	70.4%
		Pilots	3.8%
GROUND STAFF NON MANAGERIAL	Air France	41.7%	
	KLM	28.7%	
FLIGHT CREW NON MANAGERIAL	Air France	Cabin crew	66.4%
		Pilots	8.0%
	KLM	Cabin crew	86.5%
		Pilots	6.7%

DISABLED PEOPLE

We have a proactive approach to helping people with disabilities into work. In 2018, the Group employed 2,992 people with disabilities, which represents a 5% rise compared to 2017.

Air France implements the provisions of the 2018-20 agreement on the employment and retention of persons with disabilities. In 2018:

- The share of employees with disabilities within the total workforce continued to grow to 6.68%. The objective is to exceed, in the long-term, the legal threshold of 6% for the employment rate of people with disabilities, integrating direct employment and purchases from the sheltered sector.
- With over 200 actions taken, employees with disabilities were aided in retaining their jobs through support and adaptation initiatives.
- Increased use of companies and organizations in the sheltered sector: more than €19 million of purchases from this sector.

KLM continues to offer an employment guarantee to individuals whose disability rate is assessed at below 35%, meaning that they either remain employed by KLM or receive support in securing employment outside the company. KLM offers protection from layoffs to employees whose disabilities render them incapable of work and who are within five years of the legal retirement age.

Thanks to the dedicated support of KLM's Reintegration officers and a better program with various providers for a better match on the external labor market, KLM has been increasingly successful in

finding alternative employment inside and outside KLM for people who have been unable to return to their original jobs due to disability.

In addition, KLM has continued its work on Inclusive Aviation, a program initiated in 2015 with Schiphol Airport and 35 other companies in the wider Schiphol community. The program aims to create more sustainable jobs for people with work limitations, such as illness or disability. As part of this Inclusive Aviation Program, this year KLM introduced a dedicated job coach to raise awareness and streamline processes within KLM. In this way KLM continues to show its commitment to the vocational integration of disabled persons. The Inclusive Aviation Program is targeting the recruitment of more than 100 individuals in total by mid-2019.

INCLUSIVE CORPORATE CULTURE

Air France and KLM are committed to equality and respect for sexual orientation and therefore have a number of networks and initiatives in place, such as “Personn’Ailes” and “Over the Rainbow” LGBT networks.

Air France

The company supports Personn’ailles, a network of the company’s LGBT and Gay Friendly staff. It financed the association’s float at the Paris Pride March in June 2018. Parallel to this event, a photo exhibition was organized, honoring employees through ten artistic portraits and, for the first time, giving visibility to the LGBT Air France staff.

In addition, Air France is involved in the fight against AIDS and participates, through the “Red Ribbon” initiative, in the World AIDS Day which takes place every year on December 1st. Staff are encouraged to wear the red ribbon pin on their uniforms. In 2018, on this day, employees had the opportunity to make donations for the fight against AIDS, all of which were donated to the association Sidaction.

These commitments demonstrate Air France’s attention to a policy of inclusion, both internally and in relation to their customers.

KLM

To become a High Performance Organization, KLM needs to have an inclusive corporate culture that values and appreciates a diversity of talents. To build such a culture, the Over the Rainbow LGBT network has recently been reorganized to become more aligned with KLM’s overall diversity program and the KLM Compass, creating synergy between the needs of employees and customers belonging to the LGBT community, and the KLM strategy.

On October 11th 2018, KLM took part in Coming Out Day to underline the importance of diversity and the inclusion of LGBT colleagues. KLM expressed its support by raising a rainbow flag at several offices. Alongside this event, a meeting was organized by the Over the Rainbow network, with around sixty attendees, among them KLM’s Chief Executive Officer Pieter Elbers and Aart Slagt, Executive HR Vice-President. This interactive session provided insight into what KLM needs to work on in order to create an optimal working climate for everyone. The importance of diverse teams and an atmosphere and culture where everyone can be themselves is high up on the management’s agenda. This initiative saw the emergence of numerous ideas to give diversity and inclusion at KLM more substance.