Air France-KLM takes care
Sustainability report
2018

At a glance
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.


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.

Picture: Marine Le Touzé, Operations Research and Datascience Team Leader at Air France-KLM – Photo credits: Aglaé Bory
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

86.5% network (Passenger and cargo)

7.2% maintenance

6.1% low cost (Transavia)

0.1% others
IN THE AIR

548 AIRCRAFT

11.3 YEARS fleet average age

35% NOISE REDUCTION since 2000

4.3 MILLION tons of CO₂ avoided (energy efficiency conditions of 2011)

3.21 LITERS fuel per passenger / 100 km

21.6% CO₂ emissions reduction since 2011 incl. economic measures (g CO₂ / passenger / km)

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

LIGTHTER AIRCRAFT
Digital press, 4,600 tons of CO₂ saved

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

CIRCULAR ECONOMY
13 million headphones reconditioned, reused & recycled at Air France
23% energy reduction since 2011

50% electric ground support equipment

ON THE GROUND

WASTE
4% reduction since 2011

SUPPLY CHAIN
3,900 suppliers

WATER
6% reduction since 2011

67% signed the CSR charter

€ 19 million spending in sheltered sector
85,500 trees
planted thanks to Trip and Tree Air France program

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

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

<table>
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<tr>
<th>NETWORK</th>
<th>PASSENGER NETWORK</th>
<th>CARGO</th>
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<tr>
<td>European leader for long-haul traffic</td>
<td>• 85.6m passengers&lt;br&gt;• 468 aircraft&lt;br&gt;• Expanded network organized around two major European hubs&lt;br&gt;• 54,700 employees</td>
<td>Belly-dominant business model</td>
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### AIRFRANCE / KLM

#### LOW COST

No.1 Low Cost in the Netherlands and at Paris-Orly | • 15.8m passengers carried<br>• 74 aircraft<br>• 3,030 employees |

#### MAINTENANCE

2nd largest global MRO (Maintenance, Repair, Overhaul) | • Undisputed excellence in the maintenance of large aircraft fleets<br>• Support on over 2,000 aircraft, for more than 200 clients<br>• 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 3rd 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...