

Governance

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 destinations.

OUR LONGSTANDING CSR COMMITMENT

4 CSR PILLARS

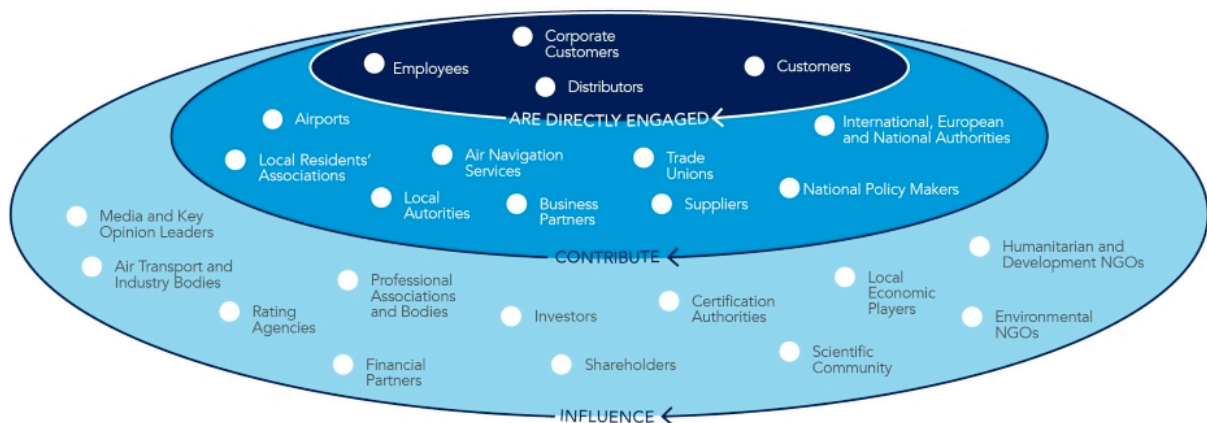


CSR approach

Engaging with stakeholders plays a major part in our CSR strategy. Stakeholders are people and groups that are significantly involved in our activities, and who could impact our ability to successfully implement our strategy.

As a worldwide operator, we interact with different stakeholder groups.

Stakeholder map



[Click to enlarge image](#)

STAKEHOLDER ENGAGEMENT

We identify and engage with our major stakeholders through various channels, for example in 2015, we:

- set up internal barometers and events to monitor staff perception and collect suggestions for improvement
- held external stakeholder sessions
- carried out customer satisfaction and perception surveys
- engaged in dialogue and evaluated supplier CSR performance

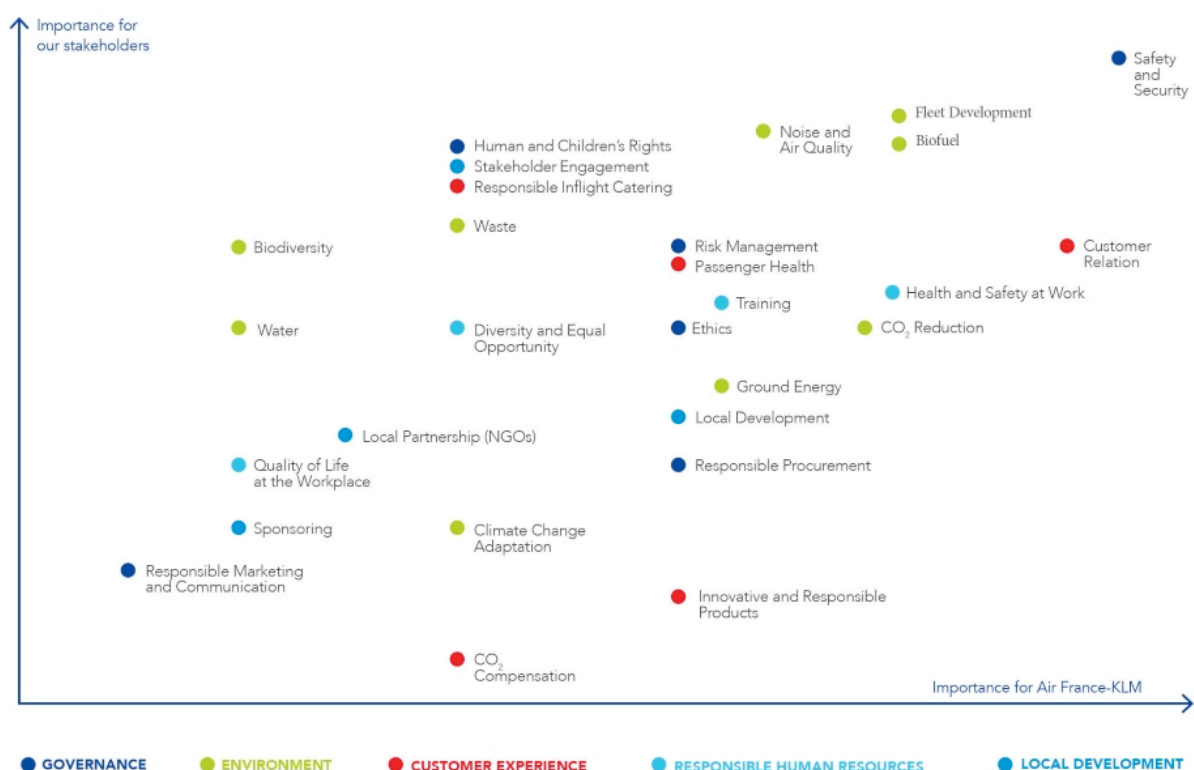
- exchanged best practices, benchmarks and contributed to working groups within the industry and with other large companies
- held dialogue with shareholders and investors, received recommendations from non-financial ratings agencies
- collected reviews and comments via dedicated email addresses, websites and social media
- opened up various engagement pathways to enable stakeholders to express grievances

MATERIALITY ASSESSMENT

An external study was carried out to seek the views of different stakeholder groups, as part of this, input from internal and external stakeholders was used to prioritize and rank topics. Surveys were conducted amongst employees, customers, corporates and NGOs, mainly in France and The Netherlands.

Following the recommendation of the Global Reporting Initiative 4 (GRI4) guidelines, a materiality matrix was developed showing the most material aspects for the Group. 28 material aspects were identified including safety, risk management, CO₂ emissions reduction, biofuels, sustainable procurement, ethics and human rights.

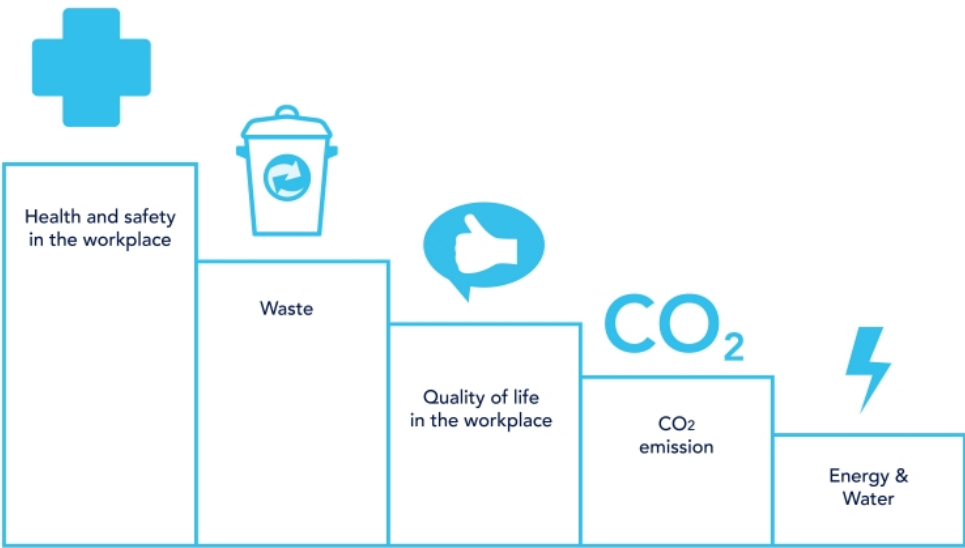
MATERIALITY MATRIX



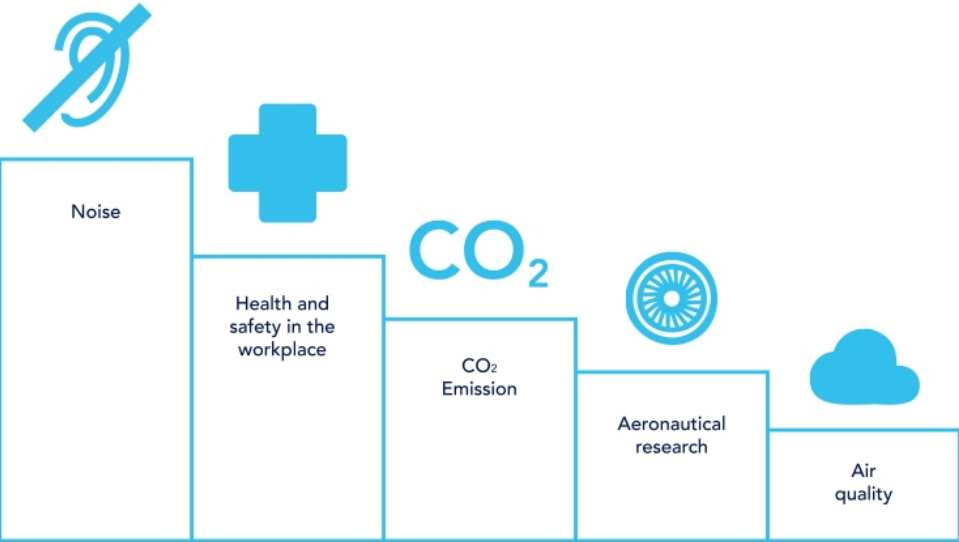
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In 2015, two perception surveys on material CSR topics were conducted among two stakeholder groups. The final scores of the top five material topics were close, but the ones that came out on top were:

Air France employees
CSR perception survey realized in April 2015



Paris-CDG area residents
Survey realized in January 2016



CSR strategy

We integrate Corporate Social Responsibility in business and operations. Our CSR strategy is centered around four pillars: Environment, Customer experience, Human resources, Local development.

The Group's commitment to CSR is laid out in our Corporate Social Responsibility Statement, [Social Rights and Ethics Charter](#) and Climate Action Plan.

Our four CSR pillars:



NATIONAL AND INTERNATIONAL COMMITMENTS

We respect fundamental rights:

- The Universal Declaration of Human Rights
- The Charter of Fundamental Rights of the European Union
- The International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work
- The Organization for Economic Cooperation and Development's (OECD) guiding principles



Since 2003 and 2006, Air France and KLM have been signatories of the United Nations (UN) Global Compact. They are committed to respecting and promoting its [ten principles](#). The Group promotes this path and we encourage our partners and suppliers to commit. In 2015, the UN's Sustainable Development Goals were integrated into the Group's CSR commitments.

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



In 2014, Air France signed the Paris Climate Action Charter.



In 2015, Air France-KLM was a partner of the COP21 Climate Change Conference, demonstrating its commitment to environmental issues at global level.

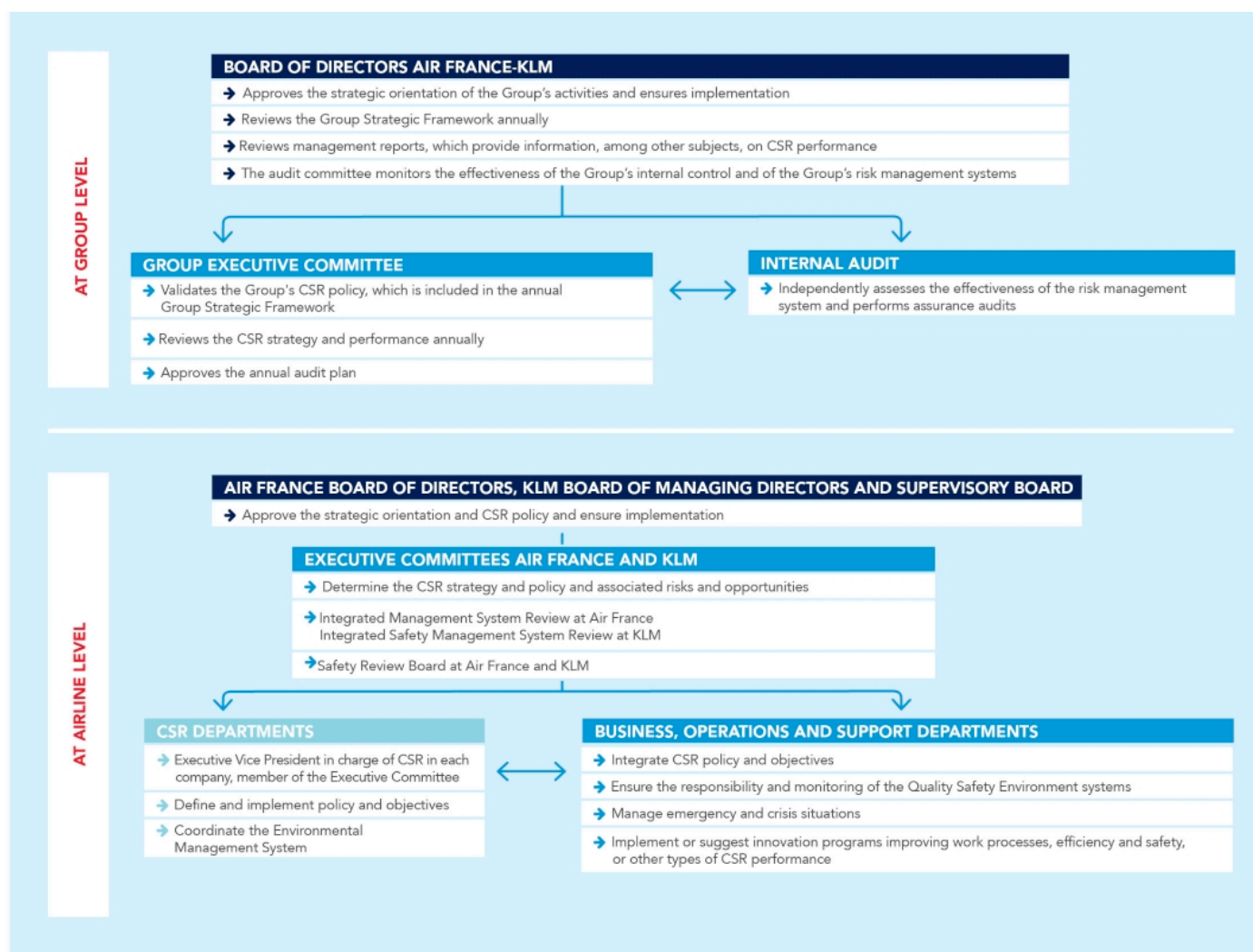


KLM and UNICEF The Netherlands have worked on applying the Children's Rights and Business Principles (CRBP).

Commitments to sustainable procurement:

- Air France signed the Charter for Public Companies in Favor of Innovative SMEs.
- KLM signed the Sustainable Supply and Corporate Responsibility Manifesto that aims to support the market for sustainable products and services.

SUSTAINABILITY IN BUSINESS AND OPERATIONS



[Click to enlarge image](#)

OBJECTIVES AND MANAGEMENT INDICATORS

Airlines of Air France-KLM Group adopted the same “Takes Care” motto for their CSR actions.

In 2015, Air France and KLM evaluated and refocused their CSR ambitions in line with the Group strategic plan, Perform 2020, and taking the UN Sustainable Development Goals into account.

CSR is one of the designated Transformation Projects as part of the Perform 2020 strategic plan. The Transformation Projects are viewed as strategic levers needed to establish Perform 2020.

CSR objectives and annual action plans are set and progress is monitored annually. Each year, senior executives formalize their commitment to CSR, through action plans with specific targets relevant for their activity scope.

PERFORM 2020



Build sustainable
and profitable growth

Be competitive

Be customer minded

Change the way we work



4 CSR pillars



ENVIRONMENT



CUSTOMER
EXPERIENCE



HUMAN RESOURCES



LOCAL
DEVELOPMENT

Air France CSR strategy, Air France Takes Care, is centered on four pillars: environment, customer experience, human resources and local development. Progress on objectives and annual action plans is monitored yearly within the Integrated Management System. Environmental objectives for 2020 are:

- Aircraft energy efficiency: 20% CO₂ emissions reduction compared with 2011 (g. CO₂ / passenger / km).
- Ground energy efficiency: 20% reduction in overall energy consumption compared with 2011 (MWh/m²).
- Waste recycling and recovery: 100% of non-hazardous waste and 60% of hazardous waste recovered.

Other annual Integrated Management System objectives:

- Occupational Health and Safety
- Customer Services
- Food Safety

At KLM, ambitions for 2020 were set in 2013, as part of the KLM Takes Care strategy. In 2015, these ambitions were evaluated and refocused:

- Aircraft energy efficiency: 20% CO₂ emissions reduction compared with 2011 (g. CO₂ / passenger / km).
- Ground energy efficiency: 20% reduction in overall energy consumption compared with 2011.
- Waste: No waste of resources and materials, 100% of waste recycled and recovered.
- Catering: Ensure a sustainable catering experience by making responsible product choices (on flights from Amsterdam, and outstations where possible).
- Community Involvement: A meaningful community program that is recognized and rewarded by our passengers.

The energy efficiency targets are common Air France and KLM objectives for 2020. The other, more local CSR aspects are specified and targeted for each airline group separately, due to the specific local influence factors.

Safety

Safety is our absolute priority. It is essential 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 aircraft, employees and passengers.

INTERNATIONAL STANDARDS

All of the Group's businesses are subject to extensive safety controls and certification. They meet extremely strict standards and the highest level of regulations in the industry:

- at European level with the European Aviation Safety Agency (EASA)
- globally with the International Air Transport Association (IATA), whose IOSA operational safety audit is a standard for the industry. In September 2014 and January 2015, Air France and KLM were audited by the IOSA and re-certified for a further two years.

In 2015, the Line Operation Safety Audit (LOSA), the safety audits for flight operations and maintenance, were conducted at Air France involving:

- 420 representative flights
- 41 specially-trained volunteer Air France pilot observers in the cockpits
- 1,500 aircraft mechanics and ground operations staff at Paris-CDG

The findings on practice and performance is compared to the findings of the audit carried out in 2011, and with those of other airlines. This analysis helps identify projects needed to improve flight safety.

SAFETY MANAGEMENT

To achieve the highest possible standard of flight safety, both airlines are upgrading and updating their respective Safety Management Systems (SMS). The SMS deals specifically with risk management in aviation. It is fully integrated into the organization, processes and culture of the company and is approved at the highest level of Group management, and through training and awareness-building initiatives among staff members.

Air France's Integrated Management System (IMS) covers the following domains: flight safety, health and occupational safety, quality of service, operational performance, environment, food safety and security. It analyzes and manages risks in an orchestrated approach. The IMS ensures safe performance, transverse consistency, continuous improvement, global management, for all

processes within these domains.

The KLM Integrated Safety Management System (ISMS) enables and oversees a framework for continuously reducing and mitigating safety risks in the domains of:

- operational safety
- occupational safety
- operational security
- environmental safety

KLM's ISMS was successfully audited by the Dutch Civil Aviation Authority (CAA).

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. To maintain the highest level of staff skills, we constantly improve our training programs and implement crisis prevention plans.

Air France and KLM promote a culture of trust and transparency, encouraging employees to report possible unsafe situations, incidents or accidents. We make sure no action is taken against employees who report, or who are involved in a safety occurrence or hazard.

Communication and promotion are key to building a safety culture, as well as specific safety-related trainings. In 2015:

- 1,300 employees from all Air France divisions came together for Flight Safety workshops, based on the re-enactment of real events.
- 30,000 KLM-employees and contractor ground staff successfully completed a new ISMS e-learning module.

Working groups are continuously improving the performance of processes, while updates and e-newsletters are distributed to inform managers and employees on safety-related topics and safety principles.

The Group-wide social network, Yammer, is used to share all necessary information. In groups such as KLM Safety Yammer instructions and documentation on safety expertise are exchanged, to create awareness and inspire safe employee behavior in all divisions.

DATA PROTECTION

Passenger booking, flight program management, baggage check, ticket prices, aircraft maintenance, crew information: IT is at the heart of all our activities.

Data protection constitutes a major economic and professional challenge for our business and our customers' trust.

We have set up Information Protection Plans (IPP) deployed in each division to ensure the appropriate sensitive data is protected. The IPP program is proactive, well-supported, and closely-managed. Each line manager, along with her or his team identifies the data “families” they wish to protect, then staff choose the appropriate protective measures and acquire “cyberskill” on data protection.

In 2015, Air France contributed to a national campaign to build awareness on cyber safety, a discussion network on digital issues.

[To see the videos of CIGREF awareness campaign.](#)

SECURITY

Group security procedures are in place to protect customers, employees and assets (aircraft, facilities and IT systems). These include 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 are subject to strict regulation and are carried out with a constant concern for the privacy of passengers and employees.

To ensure the highest level of protection for customers and employees in over 100 countries and 200 cities, our security departments constantly monitor international geopolitical developments. Dedicated teams are responsible for ensuring continuous flight operations and where necessary, for implementing additional security measures.

In 2015, following the terrorist attacks that took place in France, and in the context of a growing threat from terrorism, safety and security measures were strengthened at airports. This included improved monitoring of aircraft on the ground, maintenance, cargo and catering, along with closer inspection and screening of staff, cargo and vehicles. At higher-risk destinations, additional measures have been put in place for crew.

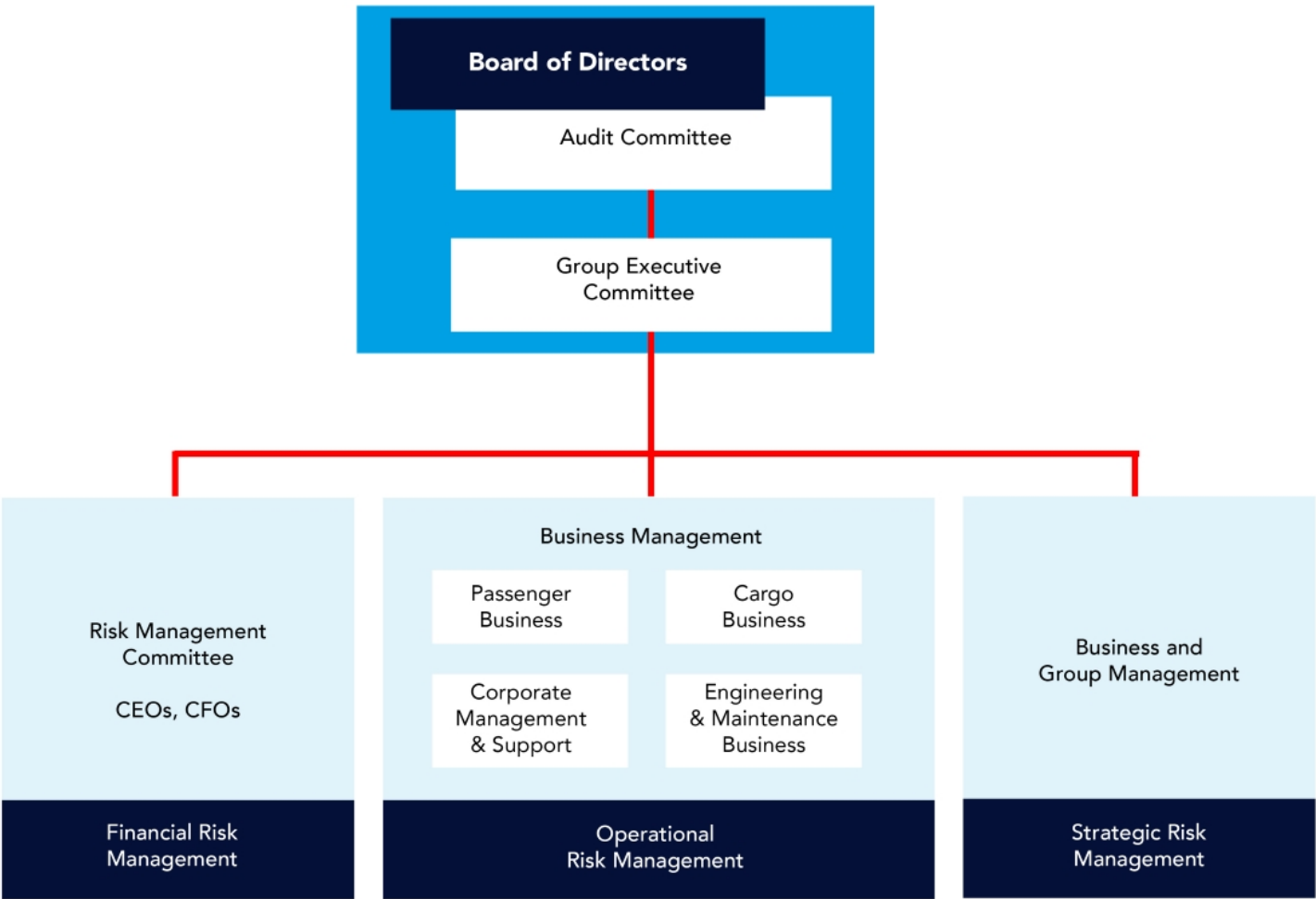
Risk management

Air France-KLM is exposed to general risks associated with our business and we have consequently implemented a system to identify, analyze, monitor, manage and control these risks.

IDENTIFYING, ANALYSING AND MONITORING RISKS

All relevant entities have established strategic risk mapping and operational risk mapping processes, these are supervised by senior management and facilitated 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.

Air France - KLM Risk Management System



Examples are risks specifically linked to air transport, such as the cyclical and seasonal nature of the business, flight 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, occupational risks or risks to IT systems. Other risks are linked to the airlines' activity, such as the impact of competition with other carriers, or the negotiation of collective agreements and industrial disputes. Market risks (fuel, currencies and interest rates) are managed by the Risk Management Committee.

On a quarterly basis each Group entity updates the content of its operational risks by indicating the risk itself, the probability it will occur and its potential impact. These risks are discussed within the management teams with ownership of the risks.

Both specific risks to each entity and transverse risk potentially affecting the whole Group are the subject of reporting. For each of the reported risks, members of the Air France-KLM's Executive Committee are responsible for reviewing the measures implemented to control these risks.

A presentation on the most significant operational and financial risks is made and presented to the Air France-KLM Group Executive Committee and to the Audit Committee, together with the measures in place for their management.

The Air France-KLM Group Strategic Framework determines strategic risk (competition, economic growth, etc.) as well as related action plans within the context of its work to establish the Group's strategy. These risks and action plans are also reviewed by the Board of Directors.

INDEPENDENT MANAGING AND CONTROLLING

In addition to this enterprise risk management system, Air France-KLM has put in place internal control and audit departments.

Internal control allows top and senior management to ensure that good governance principles, as defined by them, are applied throughout the Group. It ensures the required reliability of the financial and accounting information, compliant with applicable laws and regulations.

Internal audits contribute to improving the operational processes, and help in achieving objectives at Group level or specific objectives in the business.

MANAGING ENVIRONMENTAL RISKS

Environmental analysis produces an accurate picture of the environmental aspects of the Group's activities, products and services and their impact on the environment.

Activities and emergency situations that represent a significant risk to the environment are described and preventive measures and mitigating actions are identified and implemented. Emergency situation exercises are organized by the relevant divisions.

Environmental risk management also involves the inventory and analysis of any in-field incidents and malfunctions. All Air France and KLM operational divisions have implemented a reporting system to report operational, occupational and environmental safety incidents.

For further information on risk management, see [Registration Document 2015, chapters 3 and 4](#).

Ethics

We strive to respect and support human rights, to combat corruption, and to oppose all forms of child and forced labor. Air France and KLM are signatories of the United Nations Global Compact.

HUMAN RIGHTS AND CHILDREN'S RIGHTS

We aim to protect our employees, customers, workers in our supply chain and communities, based on international standards on fundamental human rights, rights at work and children's rights.

We assess human rights risk factors within our businesses, covering areas including health and safety, equal opportunities, work-life balance and systems to protect the personal data of customers and staff.



- [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. It applies to Air France, KLM and employees of all European subsidiaries.
- To manage respect for human rights in the supply chain, suppliers are asked to sign a Sustainable Development Charter.
- In 2015, the Sustainable Development Charter for suppliers was supplemented with additional supplier guidelines.

These charters are based on the ten principles of the UN Global Compact and related international standards. These include:

- The Universal Declaration of Human Rights
- The UN Guiding Principles on Business and Human Rights
- Children's Rights and Business Principles
- The Core Conventions of the International Labor Organization (ILO)
- The OECD Guidelines for Multinational Enterprises

Particular attention is paid to Children's Rights. Since 2013, KLM has worked with UNICEF the

Netherlands on applying the Children's Rights and Business Principles (CRBP) in the organization.

BUSINESS CONDUCT RULES

As a framework for doing business ethically, the Group has several rules of conduct. Some of these rules apply to all staff members, while others are more specific:

- Codes of Ethics signed by the staff members of the procurement and HR departments.
- Compliance Charter and Financial Code of Ethics adopted by the Board of Directors.
- KLM Code of Conduct concerning financial and business integrity, confidentiality, compliance and commitment to CSR.

Anti-corruption program to raise employee awareness of the international legislation and regulations in force, governing business, ethics and compliance:

- Air France and KLM Anti-Corruption Manual: available to all employees in French and English. It is currently being deployed with the Air France Group subsidiaries.
- E-learning module on the prevention of corrupt practices, enabling everyone to ensure a high degree of integrity in their business relationships: more than 13,300 employees were offered this training module in 2015.

Anti-competitive practices:

- Air France and KLM Competition Law Compliance Manual: available to all employees in French and English.
- Several other means of prevention are available to employees, such as two e-learning modules on competition law, a dedicated competition law hotline and specific training courses delivered by the legal staff.

Whistleblowing procedures:

- At Air France, the procedure enable staff members to signal serious matters that they may be aware of, such as accountancy and financial fraud or corruption. Moreover the Anti-Harassment Charter includes provisions for flagging up and dealing with situations where employees are in difficulty.
- At KLM this procedure is broadly applicable, enabling 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.

Public positions

Air France-KLM is a member of international and national bodies that represent the air transport sector and advocate its public positions.

We aim to provide government representatives with information necessary to understand the issues facing the airline industry, to drive the changes that we believe are necessary, and to advocate the effective implementation and application of national, European and international regulations to avoid any competitive distortion.

An Air France representative works directly with the French Parliament and Government, and complies with codes of conduct in force in both Chambers. Air France and KLM each have a Public Affairs Delegate, declared on Interest Representative Registers in the French and Dutch parliaments. Both Air France and KLM have a representative registered in the transparency register of the European Union.

COMPETITIVENESS OF EUROPEAN AVIATION

Air France-KLM supports the European Commission's aviation strategy to ensure that the European aviation industry remains competitive. The Group welcomes the Commission's focus on the indispensable contribution of aviation to Europe's economy. The new European strategy is made up of three elements: identification of the challenges and opportunities of aviation, revision of regulation on aviation safety, mandates to negotiate comprehensive air transport agreements between the EU and third countries, including Gulf States.

Air France-KLM regrets that the strategy proposed by the Commission at this point lacks more concrete initiatives and legislative proposals to improve the competitiveness of European airlines.

Furthermore Air France-KLM welcomes the initiative of the European Commission that has brought attention to practices implemented by some airlines, with the intention of exempting their aircrew from the usual application of social taxes and laws. The intended publication of guidelines to clarify applicable labor law is a positive first step.

AIRLINES FOR EUROPE: A NEW AIRLINE ASSOCIATION

Air France-KLM with easyJet, International Airlines Group, Lufthansa Group and Ryanair, is a founding member of Airlines for Europe (A4E), the new airline association launched in January 2016 to represent the interests of its members when dealing with the EU institutions, international organizations and national governments on European aviation issues.

A4E will campaign on at least three important issues:

- Lowering the cost of the EU's airports by ensuring that monopoly airports are effectively regulated.
- Delivering a reliable and efficient airspace by reducing the cost of Air Traffic Control provision through completion of the Single European Sky.
- Stimulating economic activity and jobs by creating the right regulatory environment, removing unreasonable taxes which damage the economy and jobs.

SUPPORT FOR A GLOBAL CARBON OFFSETTING SCHEME FROM 2020

Air France-KLM supports the development of a global carbon offsetting scheme allowing aviation to meet its climate obligations, whilst continuing to meet the increasing demand for mobility and economic growth around the world.

The successful COP21 Paris Agreement on Climate Change provided positive momentum for discussions at the International Civil Aviation Organization (ICAO), which has its own mandate for addressing aviation and climate change.

The industry supports the ICAO process to design a Global Market-Based Measure (GMBM) system, and looks forward to a positive outcome at the ICAO Assembly in September 2016. The GMBM should allow stabilizing net CO₂ emissions from international aviation at 2020 levels and establishing a roadmap for an effective implementation from 2020.

Air France-KLM supports the implementation of a GMBM system as a key complementary measure to infrastructure and technology to address aviation's climate impact, provided the mechanism ensures simplicity, environmental integrity, cost-effectiveness and the need to avoid market distortion.

The Group considers that beyond 2020, the EU Emissions Trading Scheme (EU ETS) should be replaced by a global carbon emissions offsetting scheme. This would ensure a fair competition between airlines and would ensure that the climate impact by global aviation is tackled in the most effective way possible. It would also avoid having a patchwork of local or regional regulations, whose environmental and cost efficiency might be challenged.

SUSTAINABLE BIOFUELS

Air France-KLM provides support for research and contributes to the emergence of an international market for sustainable aviation biofuels that are environmentally friendly and which positively impact economic and social development. The Group supports the European Commission's Biofuel FlightPath 2020 initiative, which is conducted in partnership with Airbus, other European airlines and European biofuel producers.

The Dutch Government, KLM and other Dutch partners launched 'BioPort Holland', a 7-year initiative to create the first real bio jet fuel hub in Europe. This initiative aims at working towards a continuous supply of sustainable biofuels through increasing demand, coherent regulations and incentives, involving all value chain stakeholders. It builds on objectives of a Green Deal between the Dutch Government and KLM.

The French Government, under the initiative of Air France, launched a study on aviation biofuel in France during the Paris Air Show in June 2015. While recalling the importance of an international system of Global Market-Based Measures (GMBM), it encourages the pursuit of research efforts and demonstration of industrial projects, such as the Air France initiative Lab'line for the future.

CONSUMER RIGHTS

Customer service, punctuality and service reliability are at the heart of the Group's business. In this regard, Air France and KLM do their utmost to prevent any inconvenience to passengers. In the undesirable event that disruption occurs, the Group does everything within its scope to limit the delay and hindrance for the passengers, by providing care and assistance, information and where possible rerouting. Air France and KLM have all necessary arrangements in place to ensure that all operational hazards are dealt with as quickly as possible. The Group contributes to the European institutions' work on consumer rights. It remains vigilant that rules are proportionate and are applied equally to all airlines operating to and from the European Union.

Non-financial assessments

Our CSR approach is recognized by the main international non-financial ratings agencies. Each year we publish our social and environmental indicators.

INTERNATIONAL STANDARDS

Certifications

The Environmental Management Systems of Air France and KLM have been ISO 14001 certified, respectively since 2008 and 1999, for all air and ground operations in metropolitan France and the Netherlands. This certification was renewed for a three-year period in 2014 for Air France and in 2015 for KLM.



In 2014, within the framework of the Single & Global Certification, Air France have been also certified for a three year period for ISO 22000 (Food Hygiene) and OHSAS 18001 (Occupational Health and Safety) standards across all its activities.



Reporting guidelines

As a roadmap, our CSR report follows the GRI4 (Global Reporting Initiative) guidelines, the Global Compact Advanced COP criteria and the French Grenelle 2 law on CSR reporting.

We have published social and environmental indicators since 2005. Pursuant to article 225 of the application decree for the French Grenelle 2 legislation of July 12, 2010, we present every year our social, societal and environmental information in the annual Group Management report. This information is reviewed by an independent third party.

For further information on:

- our social, societal and environmental policy in 2015
- our social and environmental indicators in 2015

- table of concordance Grenelle 2, GRI4 indicators, Global Compact Advanced Criteria
- assurance report by one of the statutory auditors appointed as independent third party

please refer to the [Registration Document 2015](#).

A RECOGNIZED COMMITMENT

Air France-KLM is assessed annually by the major international non-financial rating agencies: RobecoSAM, Carbon Disclosure Project, Vigeo, Eiris and Oekom Research.

In 2015, for the 11th year running, the Group has been included in the Dow Jones Sustainability Indexes (DJSI World and DJSI Europe) and is ranked leader of the “Airlines” category by RobecoSAM. Furthermore, for the 7th year, Air France-KLM was named leader of the broader “Transportation” category, grouping air, rail, sea and road transportation, together with airport activities. The Group thus ranks amongst the 24 most sustainable companies in the world, each in their own sector of activity.

Thanks to this performance the Group retained its listing on FTSE4Good Index Series, on the Vigeo indexes (Europe 120, Eurozone 120 and France 20) and on the Ethibel Sustainable Index (ESI Excellence Europe). Oekom Research classifies Air France-KLM as “Prime”.



Environment

We aim to reduce our environmental footprint by improving our operations and processes, partnering and innovating in the supply chain and by mobilizing our staff and the industry.



FLIGHT OPERATIONS




534 AIRCRAFT IN OPERATION

11 YEARS AVERAGE AGE OF THE FLEET



-7% CO₂ EMISSIONS SINCE 2011 (g. CO₂/passenger/km)



-32% NOISE SINCE 2000 (global noise energy)




GROUND OPERATIONS



-15% TOTAL ENERGY SINCE 2011 (MWh)



-7% TOTAL WASTE SINCE 2011 (tons)



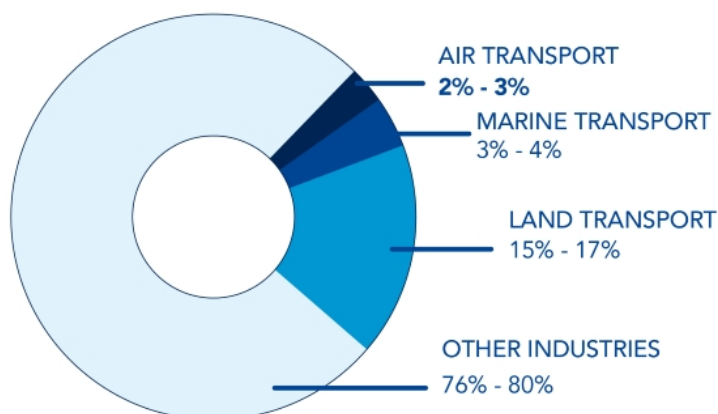
-9% WATER SINCE 2011 (m³)

Climate change policy

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.

SHARE OF TRANSPORT IN GLOBAL MAN-MADE CO₂ EMISSIONS

SOURCE: GIEC, STERN REVIEW



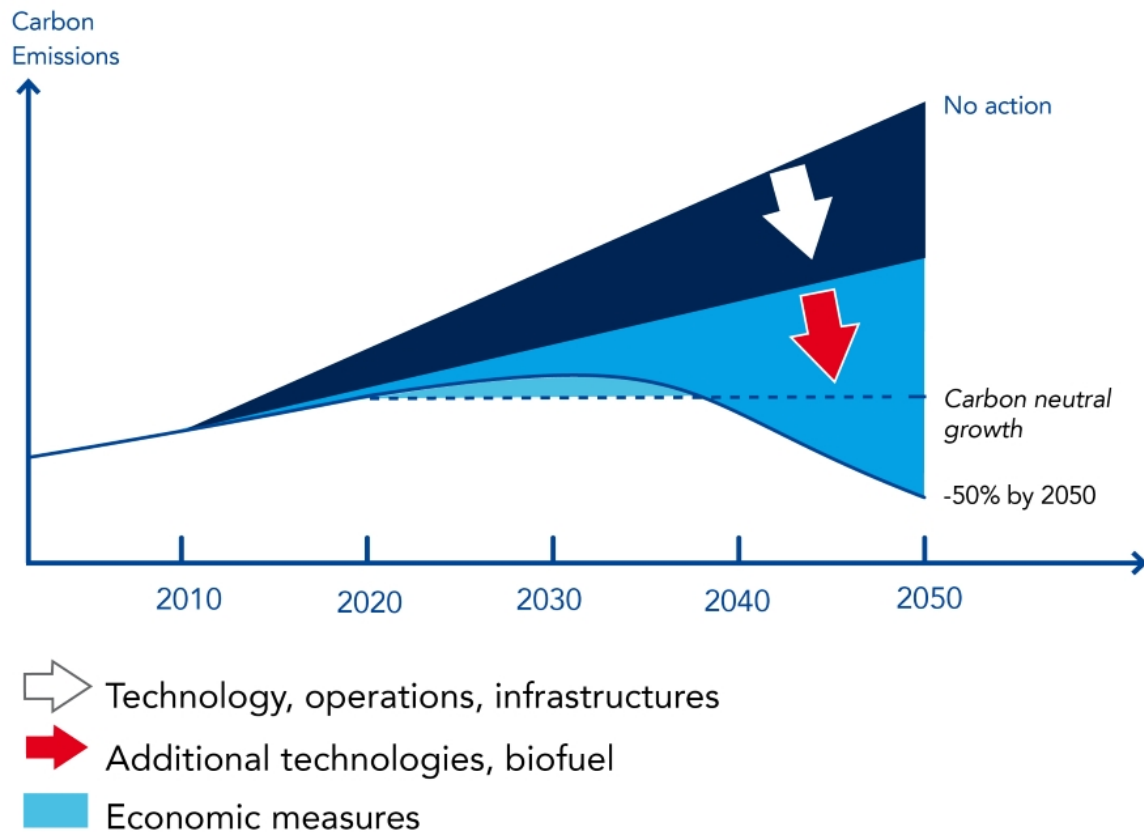
INDUSTRY COMMITMENT TO CO₂-NEUTRAL GROWTH FROM 2020

We support the sector's global commitment to make a fair contribution in the collective effort to reduce CO₂ emissions related to air transport. In 2009, the International Air Transport Association (IATA) set an ambitious worldwide commitment :

- 1.5% average annual fuel efficiency improvement until 2020
- carbon neutral growth from 2020 onwards
- a reduction in net aviation CO₂ emissions of 50% by 2050, relative to 2005 levels

To achieve these targets, Air France-KLM supports the implementation of a Global Market-Based Measure (GMBM) for CO₂ emissions in 2020, as one of the pillars of climate action which also include new technologies, better operational practices and improved infrastructure.

MAPPING OUT THE INDUSTRY COMMITMENTS



OUR CONTRIBUTION TO COMBATING CLIMATE CHANGE

Air France-KLM's Climate Action Plan embodies our strategy for further reducing our impact on climate change. The Plan is composed of six main mitigating priorities, on which basis targets are identified and action plans established.

Our Climate Action Plan

- Pursuing fleet modernization and contributing to aeronautics research.
- Mobilizing all the Group's internal and external players around ambitious action plans enshrining eco-design principles.
- Stimulating the emergence of sustainable biofuels for aviation and research into renewables.
- Supporting NGO-led environmental programs.
- Providing customers with information on their travel related CO₂ emissions and the opportunity to offset these.
- Supporting international efforts to reach a global climate agreement in which the aviation sector would make a just and equitable contribution.

In June 2015, as part of the "The COP21 from above" event at Paris Air Show at Le Bourget, in the run-up to the COP 21 conference, Air France-KLM together with Aéroports de Paris and the GIFAS association (Groupement des Industries Françaises Aéronautiques et Spatiales), two other major

players in French air transport, signed a joint declaration, committing ourselves to reducing our greenhouse gas emissions, improving our energy consumption and developing biofuels.

To read the [Declaration](#)

CLIMATE CHANGE ADAPTATION MEASURES

In its 2014 report, the Intergovernmental Panel on Climate Change (IPCC) evaluated the impacts of climate change. These impacts, including precipitation changes, wind changes, and more extreme weather events, pose potential risks to flight operations.


Due to the Group's large network and diverse fleet composition, Air France and KLM are already accustomed to operating under different weather conditions and are relatively flexible in adapting flight schedules when necessary. Both airlines work together with airports to ensure safe operational and passenger handling conditions. When necessary, they deploy commercial measures to enable customers to defer their travel if they so wish, or change their destination.

Moreover, the Group regularly conducts comprehensive risk analyses to improve and optimize existing policies. Air France and KLM have developed special programs in which employees are trained to manage emergency situations.

Carbon footprint

We aim to minimize our impact on the environment, and have set the target to further reduce CO₂ emissions by 20% by 2020. To achieve this ambition, we focus on fleet renewal, operational efficiency, sustainable biofuels and carbon offsetting.


OUR AMBITION 2020




AIR FRANCE AND KLM
REDUCE CO₂ EMISSIONS BY 20%

compared to 2011
including market-based measures
(g. CO₂ / passenger / km)

OUR RESULTS 2015




3.42 LITERS
/ PASSENGER / 100 KM




85 G. CO₂
/ PASSENGER / KM

COMPARED TO 2011

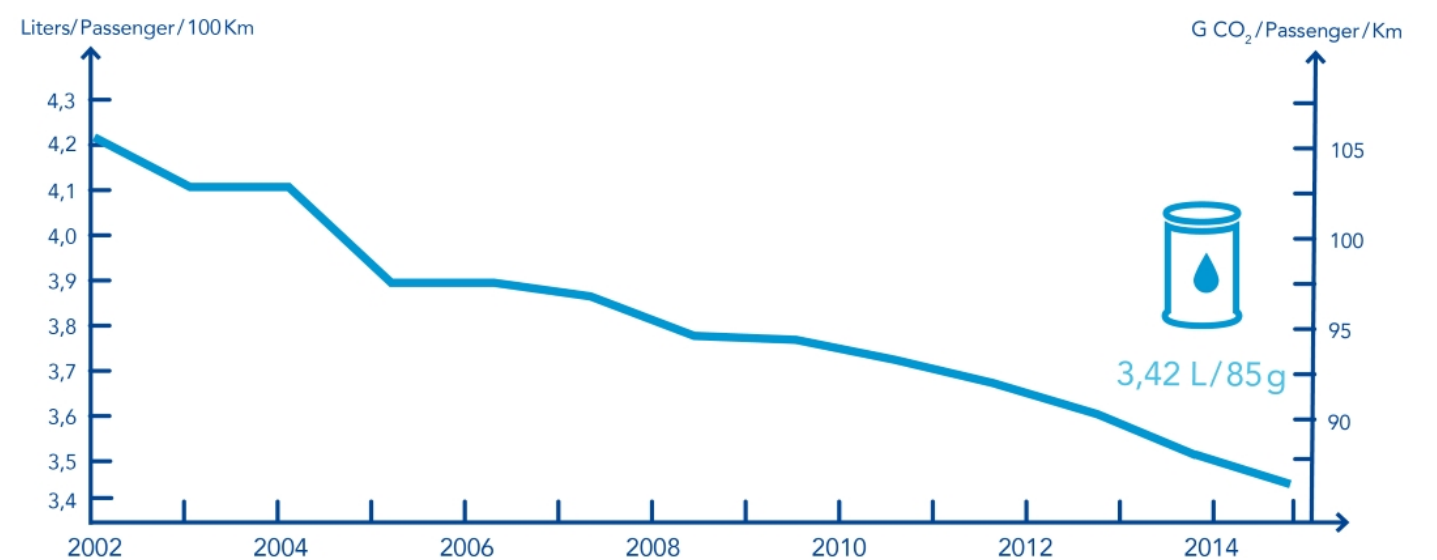


7.2% REDUCTION
(OPERATIONAL IMPROVEMENT)



13.5% REDUCTION
(INCLUDING MARKET-BASED MEASURES)

GROUP SPECIFIC FUEL CONSUMPTION



CO₂ EMISSIONS AND TRAFFIC



Data Air France and KLM without subsidiaries

BREAKDOWN OF CO₂ EMISSIONS FOR FLIGHT AND GROUND OPERATIONS



0.3%

GROUND
OPERATIONS



19.7%

SHORT AND
MEDIUM HAUL



80%

LONG HAUL

By investing in a modern, more energy and fuel efficient fleet, we are improving both our economic and environmental performance. In 2015, the Group continued to modernize the long and medium-haul fleet:

- The first two [B787-9s](#) joined the KLM fleet at the end of the year. This aircraft consumes up to 20% less fuel than other aircraft of similar size.
- Five new B777-300ER aircraft (three for Air France and two for KLM) were added to the B777 fleet which now numbers 90 aircraft.
- The remaining three Air France B747-400s were retired in January 2016.
- To strengthen the Group's presence in the low-cost business, nine B737-800 aircraft entered the Transavia fleet (one B737-700 was returned to the lessor), while Air France's medium-haul fleet was reduced by seven aircraft over the same period.
- The cargo fleet was reduced by four aircraft, leaving nine freighters in operational service at the end of 2015.
- In 2015, the regional fleet began its renewal process with five ATR72-500s replaced by five new ATR72-600s. The last CRJ100s and Embraer 135s were withdrawn from service while the Fokker 70 entered the phasing out process.



For more information on Air France-KLM's fleet, see [Registration Document 2015, chapter 2.8.](#)

Our fleet

Aircraft in operation: 534

Average age : 11.0 years

	Air France Group			KLM Group		
	Average age (years)	Aircraft types	Number of aircrafts	Average age (years)	Aircraft types	Number of aircrafts
Short and medium-haul	11.6	A318, A319, A320, A321	116	9.3	737-700 800-900	48
Long-haul	11.5	A380, A330-200 A340-300 777-200/-300 747-400	105	12.6	A330-200/-300 777-200/-300 747-400 787-9	64
Cargo	6.9	777F	2	17.2	747-400ERF/BCF MD11-F	7
HOP! KLM Cityhopper	11.0	ATR, Embraer, Bombardier	93	9.9	F70, EMB190	46
Transavia France Transavia NL	5.6	737-800	21	10.1	737-700/-800	32
Total	11.0		337	10.9		197

[Click to enlarge image](#)

OPERATIONAL EFFICIENCY

Reducing weight carried on board

The lighter an aircraft is, the less fuel it consumes. Some examples:

- Twenty-four B777 cabins had been refurbished in the “Best” version at Air France at the end of 2015. Economy class seats were made 24% lighter (from 21 kg to 16 kg).
- In 2015, Air France’s medium-haul fleet was fitted with new, lighter seats: in total, 7,800 seats have been installed. The total reduction in CO₂ emissions amounts to 1,400 tons for the A319 fleet and 2,300 tons for the A320 fleet per year.
- KLM Inflight's efforts to reduce the weight of inflight products enabled a CO₂ reduction of around 3,000 tons in 2015.
- All 15 KLM Boeing 777-200s have a new interior for World Business Class and Economy Class: more than 4,700 seats have been renewed. Each aircraft contains 500 kilograms less weight. This renovation program will also be implemented on the 777-300 fleet.
- Air France, KLM and KLM Cityhopper have been digitizing onboard paperwork for Cabin and Cockpit crew. KLM Cityhopper was the first European airline to have digitized all of its onboard documentation.



Optimizing the use of airspace

Improvements in fuel efficiency are made through the optimization of routes and flight paths, the reduction of aircraft waiting times and optimized altitudes.

- Air Traffic Control (ATC)'s impact on Air France Group's fuel consumption has been estimated at 6% or around 70,000 tons per year. In 2015, Air France extended its WE-Free program between France and Italy to other destinations, flights on these routes are operated on more direct routes, thus achieving fuel savings.
- Route optimization resulted in a CO₂ reduction of approximately 8,000 tons for KLM in 2015.

Eco-flying

Pilots are trained to apply the most fuel efficient procedures possible: flight plan precision, speed adjustments and optimized procedures, taxiing with one engine, and using electric aircraft Ground Power Units.

- Air France is taking part in the implementation of continuous descent on flights to several destinations in Germany, Switzerland and Austria. The Engage program ensures that speed and altitude are optimized for flights between Paris-CDG and North America.
- Transavia is a test airline for Opticlimb, a new tool that uses information on the type of aircraft and current conditions to calculate an optimal climb pattern (mass and aircraft registration details, cruising altitude, temperature, wind speed, etc.) in order to optimize fuel consumption. The 4-month test phase of the project, during which the model was trailed and savings were measured took place between June and October 2015.
- In 2015, KLM implemented on top of the new route optimizations other fuel policies such as NADP2 which saved more than 4,000 tons of CO₂ emissions throughout the year.

MANDATORY OFFSETTING OBLIGATIONS

The Air France-KLM Group is submitted to the European Emissions Trading System (EU ETS) since 2012.

Till end of 2016, the scope of the EU ETS is limited to the intra-European flights (so called "stop the clock" provision) and should secure that the aviation emissions within Europe do not exceed the ETS CAP (95% of the average 2005 emission levels).

In 2015, Air France, KLM, Transavia, HOP! and KLM Cityhopper purchased quotas equivalent to 2,470,350 tons of CO₂. Of this, we estimate that just 1,860,060 tons will contribute to actually reducing emissions beyond the ETS threshold. Of the remainder, 15% was used in additional bidding as part of the EU's ETS system and 3% was allocated to a reserve.

Therefore, if we take into account these economic measures above the ETS CAP, in addition to the operational improvement measures of 7.2%, our total efficiency improved by 13.5% in 2015 (g/passenger/km) compared with 2011, working towards our 20% target for 2020.

As not all our quotas to buy are used to comply with the collective CAP, the environmental integrity of EU ETS could therefore be considered limited, as it does not lower our carbon footprint in the most cost effective way.

VOLUNTARY OFFSETTING

We offer a CO₂ offsetting service for our customers on a voluntary basis.

[Air France](#) and [KLM](#) provide CO₂ emission calculators on their websites, which can determine CO₂ emissions of a passenger based on the distance flown and fuel-efficiency data of aircraft. These emissions can then be offset via certified sustainable carbon reduction credits.

Air France works with the GoodPlanet Foundation's Solidarity Action Carbon Program for the financing of carbon offsetting projects aimed at promoting renewables to replace non-renewable energies in Peru, Bolivia and India, and implementing waste recycling projects in Madagascar.

KLM's CO₂ZERO program invests in Gold Standard projects, such as cooking stoves programs in Mali and Ghana. The number of passengers taking part in the CO₂zero program is small, but growing. In 2015, KLM reached in total almost 220,000 tons of total CO₂ savings by voluntary offsetting, since the start of the program in 2008, on top of our operational improvements and mandatory offsetting.



OUR FUEL SAVINGS PLANS

Air France, HOP!, Transavia and KLM identify and implement all possible fuel saving measures, subject to strict respect for flight safety.

Thanks to the commitment of Air France pilots, eco-piloting initiatives have been in place since 2013 at Air France. These include departure taxiing using just one engine for medium-haul aircraft. Other initiatives that will help to reduce fuel consumption are being trialed by pilots.

- The descent pattern for medium-haul aircraft has been changed, enabling fuel savings during the descent.
- On long-haul Airbus aircraft, fuel consumption related to cooling baggage holds for transporting refrigerated cargo has been optimized.
- The rollout of the Optima project has led to the optimization of flight plans, and so has enabled fuel savings on all flights.



KLM's Fuel Plan aims to reduce fuel use through various projects, focusing on: fuel policies, fuel standards, accurate planning information, route optimization, and weight reduction. A total of 15,400 tons of CO₂ were saved by KLM in 2015 through this Fuel Savings Plan. The largest fuel savings project consisted of implementing various route improvements in China. Other fuel saving projects include reducing the weight of onboard products, such as cargo and cockpit paperwork, spare magazines, galley equipment and carrying less liquid stock.



HOP!'s KéroZen fuel management plan, which is a part of HOP!'s carbon footprint, aims to reduce the environmental and economic impacts. Five areas for progress have been identified, from flight paths planned directly with air traffic control, to flight procedures which enable fuel reduction without compromising on safety.



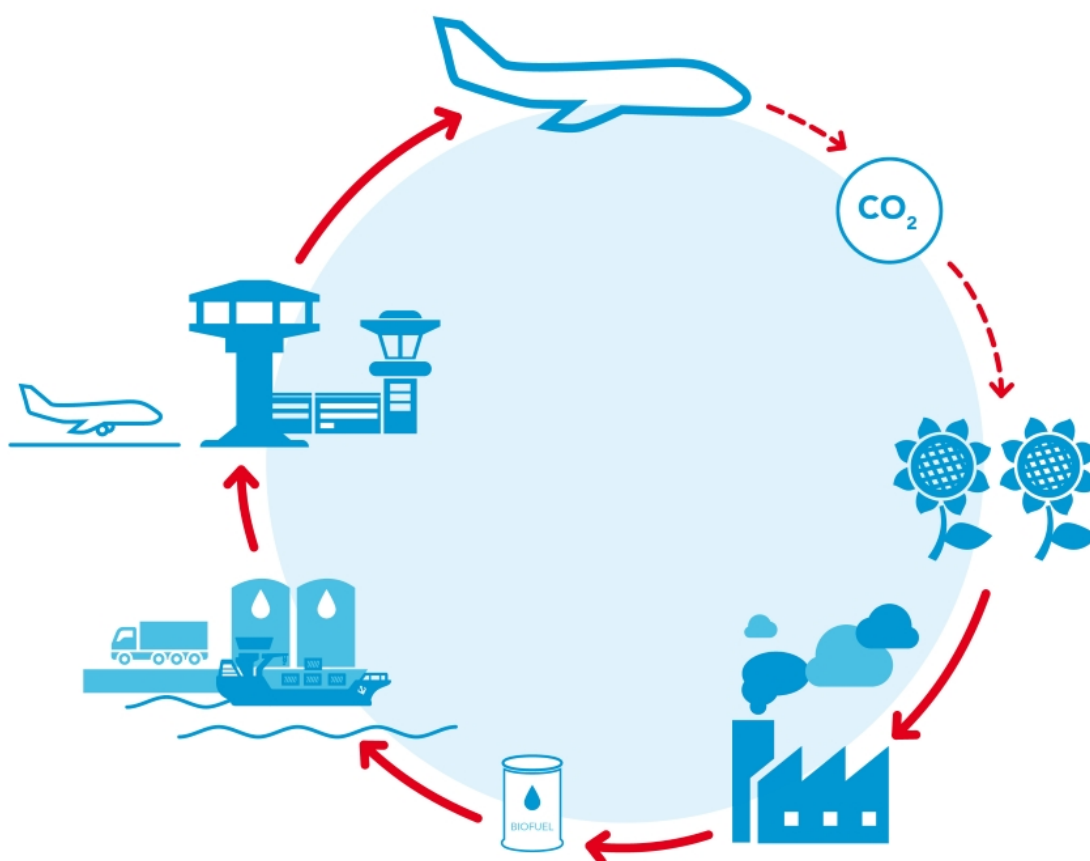
Transavia has worked with the young, innovative company Open Airlines since 2013 in order to optimize its fuel savings plan. In particular, this work has involved the use of the SkyBreath tool. This software monitors fuel consumption in real time and in detail for every flight, and determines the best practice to be applied systematically.

Sustainable biofuels

Air France and KLM have shown that flying on biofuel can be done both safely and sustainably. Using biofuel on a large scale can mean up to 80% less CO₂ emissions, compared with conventional fuel.

The ambition is to stimulate the biofuel market, whilst taking strict environmental, social and economic criteria into account. Air France and KLM will continue to support partnerships both with corporate clients as well as suppliers, airports and logistic partners to increase supply volumes for bio-jet fuel.

54 flights Toulouse-Paris partly operated with biofuel
KLM Corporate BioFuel Program: 13 members



SECURING STRICT SUSTAINABILITY CRITERIA

The use of different types of renewable feedstock is encouraged, provided they meet stringent

sustainability criteria. These include 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.

To ensure sustainability of the feedstock, Air France and KLM joined the Roundtable on Sustainable Biomaterials (RSB) in 2008 as one of the founding members of the Sustainable Aviation Fuel Users Group (SAFUG):

- More than 30 major airlines have come together to align sustainability policies for biofuels.
- The RSB standard is included in the European Commission's Regulation (RED) and was recognized by, amongst others, WWF, IUCN, and NRDC as best in class.

KLM uses SkyNRG's independent Sustainability Board, which includes WWF-NL, Solidaridad, and the scientific Energy academy, as an advisory platform for sustainability issues pertaining to the supply of biofuel.



SUPPORT REGULATORY INCENTIVES AND RESEARCH

Air France and KLM support regulatory incentives stimulating the biofuel market.

KLM collaborates with the Dutch Government, Neste Oil, Port of Rotterdam, SkyNRG and Schiphol Airport to scale up production of sustainable jet fuels in The Netherlands in the joint initiative BioPort Holland. The Dutch government is still committed to join the KLM Corporate BioFuel Program, to incentivize the biofuel market.

On the initiative of Air France's sustainable development division, the government has carried out an inter-ministerial study on biofuels for aviation in France. The main conclusions of the study are: the importance of implementing a worldwide market-based system based on compensation measures with biofuels counted as "carbon credits" at international level, the importance of continuing research, and of demonstration projects, such as the Air France Lab'line for the future.

Both airlines supported the UN Sustainable Energy for All (SE4All) and European Commission Biofuel FlightPath 2020.

Air France is a member of CORAC council and participates in the Ini-FCA (Future Alternative Fuels Initiative) led by the French Civil Aviation Authority, which is working towards the production of 200,000 tons of biofuel in France by 2020.

KLM participated in various projects that aspire to create a market for renewable aviation biofuel such as the ITAKA project and the RENJet project funded by the Climate KIC.

BIOFUEL FLIGHTS: A YEAR OF EXPERIMENTATION

Throughout 2015, Air France operated a weekly flight powered by biofuel between Toulouse and Paris-Orly:

- The 54 flights operated by an Airbus A321 equipped with CFM56 were fuelled with Farnesane, with a blend of 10% biofuel.
- This biofuel, whose production facility has been certified by the RSB, is made from sugarcane and is produced by Total-Amyris in 2014.
- Thanks to the support of 14 partners involved in this project, this year-long trial has showed the full viability of a logistic supply chain.





KLM could not source any new sustainable biofuels in 2015, because there was a worldwide lack of sustainable feedstock (RSB-certified). Also planned production facilities in Europe and United States encountered setbacks and were not able to start bio jet fuel production until the first quarter of 2016.

PUTTING CUSTOMERS AT THE HEART OF THE INITIATIVE

In 2015, Air France launched a survey in which it asked more than 6,500 customers how much they know about CSR and their opinions on the use of biofuels in aviation.

- For the majority of customers, reducing CO₂ emissions is perceived as having a central role in terms of sustainable development.
- Although the level of awareness surrounding these is relatively low, people are genuinely interested in the use of biofuels, with 75% of respondents saying that they could help to reduce CO₂ emissions.

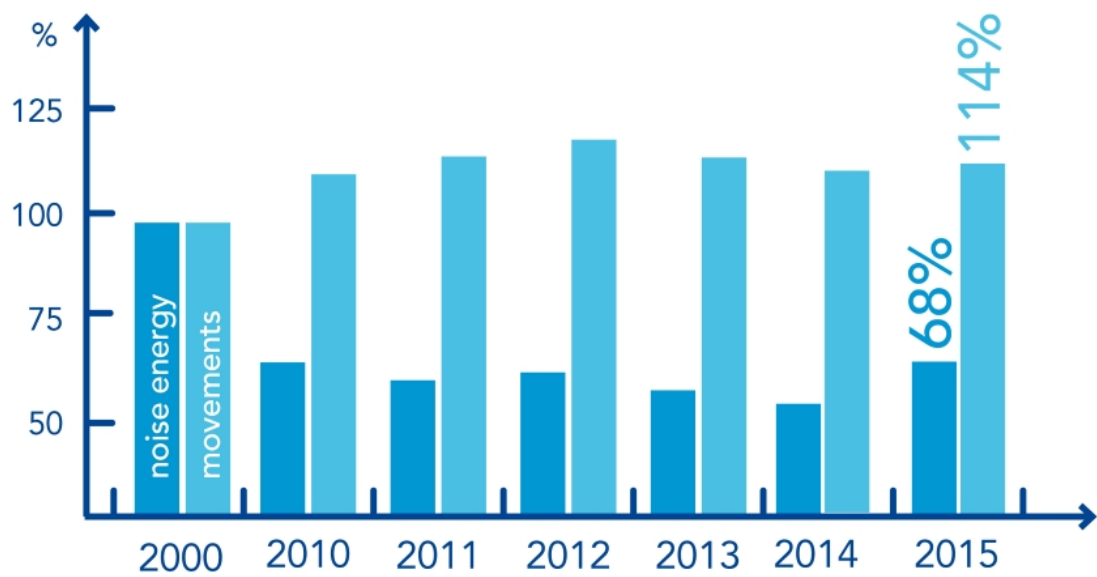
Noise

Noise is one of the main themes of Air France-KLM's environmental policy. We strive to reduce our impact by taking the necessary measures in dialogue with our local communities.

While accommodating the increasing customer demand for mobility, one challenge for the aviation industry is to maintain noise hindrance at an acceptable level for those living near airports.

32% noise reduction compared to 2000
despite a 14% increase in movements of the Group.

GLOBAL NOISE ENERGY



REDUCING NOISE AT SOURCE




Fleet modernization and procedural improvements are the two pillars of our noise abatement

strategy.

Fleet Renewal

All our aircraft meet the criteria established by the ICAO Chapter 4 Noise standard, the most demanding norm covering the acoustic quality of civil aircraft. In 2015, Air France significantly reduced its noise footprint by withdrawing seven Boeing 747s from operational service. The last three aircraft of this type were retired in January 2016. The introduction of KLM's Boeing 787-9 reduced the operational noise footprint with approximately 60% compared to similarly sized aircraft.

NOISE MAPS PER AIRCRAFT

YEAR OF ENTRY INTO SERVICE	AIRCRAFT WEIGHT	TAKE-OFF NOISE FOOTPRINT (85 DB)
2008	Airbus 380 510 tons	 4 km ²
1988	Boeing 747-400 366 tons	 7.4 km ²
1978	Boeing 747-200 300 tons	 12 km ²

Noise abatement procedures

We are working to improve departure and approach procedures, along with the French and Dutch civil aviation authorities, which are assessing environmental benefits.

KLM implemented the new Noise Abatement Departure Procedure 2, which significantly reduces noise pollution and emissions in areas close by as well as further away from the airport.

With respect to the local noise regulations at Schiphol Airport, all reduction targets for 2020 have already been achieved due to KLM's active strategy on fleet renewal and operational measures. The number of exposed households above 58 dB(a) during day time has been reduced by 55% over the past 15 years, despite a 46% increase in KLM movements at Schiphol Airport.

DIALOGUE WITH RESIDENTS, AN OPPORTUNITY TO MITIGATE NOISE

Air France and KLM engage in ongoing dialogue at local level to strengthen their relationships with stakeholders.

For example: local residents' associations at Paris-CDG identified a specific issue with noise coming from the A320 in the approach phase. As soon as a technical solution was available, although there was no regulation requiring this, Air France decided to fit it on all the aircraft in its medium-haul fleet (A318, A319, A320, A321).

In 2015, Air France equipped 65 of its 115 aircraft with 'Air Flow Deflector' noise-reduction kits. A number of residents' associations have already reported the positive impacts coming from this measure: reduction in overall noise energy, faster emergence from noise as the aircraft passes over, disappearance of the characteristic whistling sound. Air France is mobilizing to equip the rest of the fleet by the end of 2016.

DIALOGUE WITH RESIDENTS, AN OPPORTUNITY TO SHARE THE FRAMEWORK FOR SUSTAINABLE DEVELOPMENT

Air France and KLM meet with the representatives of local communities, airport authorities and air traffic control to identify measures and solutions to reduce noise hindrance that could affect people living near airports.

In the Netherlands, KLM participates in the Alders Table, which addresses issues surrounding noise. The Alders Agreement stated a hindrance target of 5% reduction in the number of severely annoyed people in the airport vicinity in 2020. KLM is proud to announce that this target is achieved well above the set goal, with a 20% margin. This achievement can be attributed to the fleet renewal and the variety of noise reduction measures taken by KLM. For the region around Schiphol, KLM is a member of the Regional Consultative Committee (CROS) that has been succeeded in 2015 by the regional council called 'Omgevings Raad Schiphol' (ORS).

In France, this dialogue is mainly conducted within the context of the CCEs (Environmental Consultative Commissions) and CCARs (Advisory Residents' Assistance Commissions) in which Air France participates at all the French airports where it has operations.

In 2015, Air France was actively involved in a "Night Flights" working group, overseen by the Prefect of the region for Paris-Charles de Gaulle. This working group notably noted the positive improvements done by Air France through:

- A voluntary withdrawal of the Air France's Boeing 747s, the noisiest aircrafts of our fleet.
- A rescheduling of the flights to Pointe-Noire (Republic of Congo) from 23h30 to the middle of the day from 2014.
- The punctuality improvement of the flights scheduled for late at night or early in the morning in the scope of the Air France company-wide "D0 punctuality project".

The monitoring of the flights scheduled for late at night or early in the morning at Paris-CDG,

whatever the operating airline, will be the subject of a specific review by the "Night Flights" working group monitoring procedure. It suggested testing new 'night' continuous descent procedures, where Air France could be pilot airline.

French and Dutch government policies include exposure to aircraft noise in urban planning considerations, and include financial help for soundproofing homes. Air transport is the only industry that fully finances such a comprehensive noise hindrance reduction system. In 2015, Air France-KLM paid 30.2 million euros towards soundproofing.

Air quality

Aviation has an impact on the air quality in areas surrounding airports, as a result of emissions and particles from movements, ground operations and maintenance activities.

At our airports a majority of gases emitted is caused by aircraft movements (taxiing, takeoff and landing). The remainder is produced by ground activities, logistics and road access to the airport for passengers, employees and suppliers.

We reduce the local emissions of our activities in four ways:

- Investing in a young fleet of aircraft, that is more energy and fuel efficient
- Improving operational ground procedures
- Environmental friendly ground handling equipment and vehicles
- Eco-mobility solutions for employees

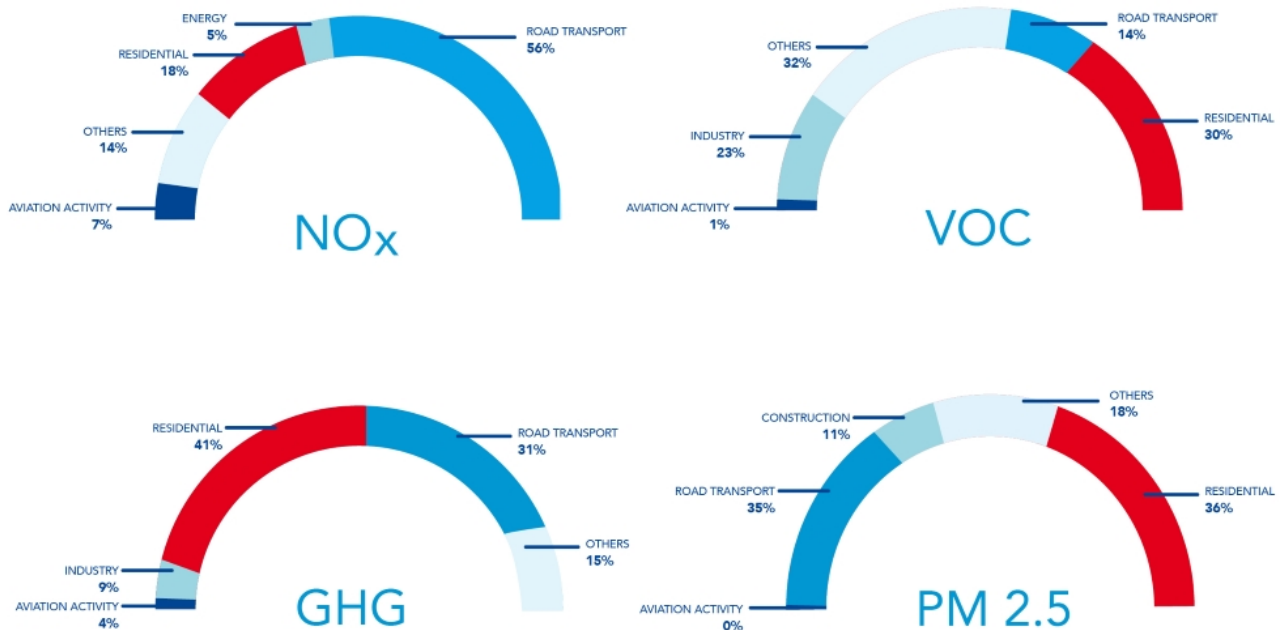
MEASURING EMISSIONS ON THE GROUND AND AT LOW ALTITUDE

Air quality is measured at Amsterdam Schiphol and Paris airports and in airports areas:

- Over the past ten years, aviation's contribution to emissions in the Paris region, which includes accessing and operating the airport, has remained stable.
- According to Schiphol Airport, the yearly measurements on particulate matter (PM) indicated that the local air quality has remained stable, in spite of increased traffic.

BREAKDOWN OF EMISSIONS PER SECTOR IN PARIS REGION AREA

Source : Airparif 2015



[Click to enlarge image](#)

OPERATIONAL PROCEDURES

At Paris-CDG and Schiphol Airport, we aim to lower emissions of NO_x and CO₂ of aircraft by optimizing our ground operations procedures such as taxiing time and single-engine taxiing. 40% of the medium-haul Air France fleet operate the single-engine taxi, and the A380s use only two out of the four engines.

Rather than using kerosene-powered Auxiliary Power Units (APUs), we use:

- Electric Fixed Power Units (FPUs) where possible to power aircraft.
- Pre-Conditioned Air (PCA) units that maintain an acceptable temperature on board aircraft.
- Ground Power Units (GPUs), as well as an increasing number of aircraft towing trucks, equipped with automatic power shut down systems.

At Air France, the aim of reducing the use of APUs involves the Maintenance, Ground Operations and Flight Operations Divisions: this initiative has meant a 11% decrease in fuel used by APUs compared to 2014.

At KLM, 70% of the PCA units are electric. Towing aircraft using external power (not using APU) resulted in a saving of more than 1,800 tons CO₂ emissions in 2015 at Schiphol. The old diesel fueled units which used environmentally unfriendly coolants have been replaced with more efficient units which have less of an impact on the environment. In 2015, eight PCA and six GPUs were replaced by new units that meet the latest emission requirements.

CLEANER VEHICLES AND EQUIPMENT

We prioritize electric vehicles for airport ground transportation.

Almost 50% of Ground Support Equipment (GSE) used at Paris-CDG and Schiphol Airport are electric. To reduce emissions in the immediate environment of aircraft handling areas, Air France and KLM aim to further increase the percentage of electric GSE equipment in the coming years.



ECOMOBILITY SOLUTIONS FOR EMPLOYEES

Air France is involved in the air protection plan in the Paris area, through its employee business travel plan. The plan aims to reduce emissions caused by commuting through measures promoting public transport use and a car pooling website. Of the 40,500 employees concerned, 82% travel to work by car. This issue is important both in terms of the environment as well as health and safety at work.

The action plan is built around four key areas:

- Promoting public transport and providing on-demand transport.
- Training and awareness.
- Working differently, for example, working from home regularly and on occasion.
- Communication, in particular during Mobility week.

In 2015, a new car-sharing site was studied, in partnership with Aeroports de Paris, in order to attain the highest number of shared journeys possible through the creation of an airport car-sharing community.

To encourage the use of electric vehicles, 30 electric charging points have been installed in several staff car parks. As part of this initiative, an electric car testing event was held at Air France's headquarters, where participants were able to try out the latest models of electric and hybrid cars.



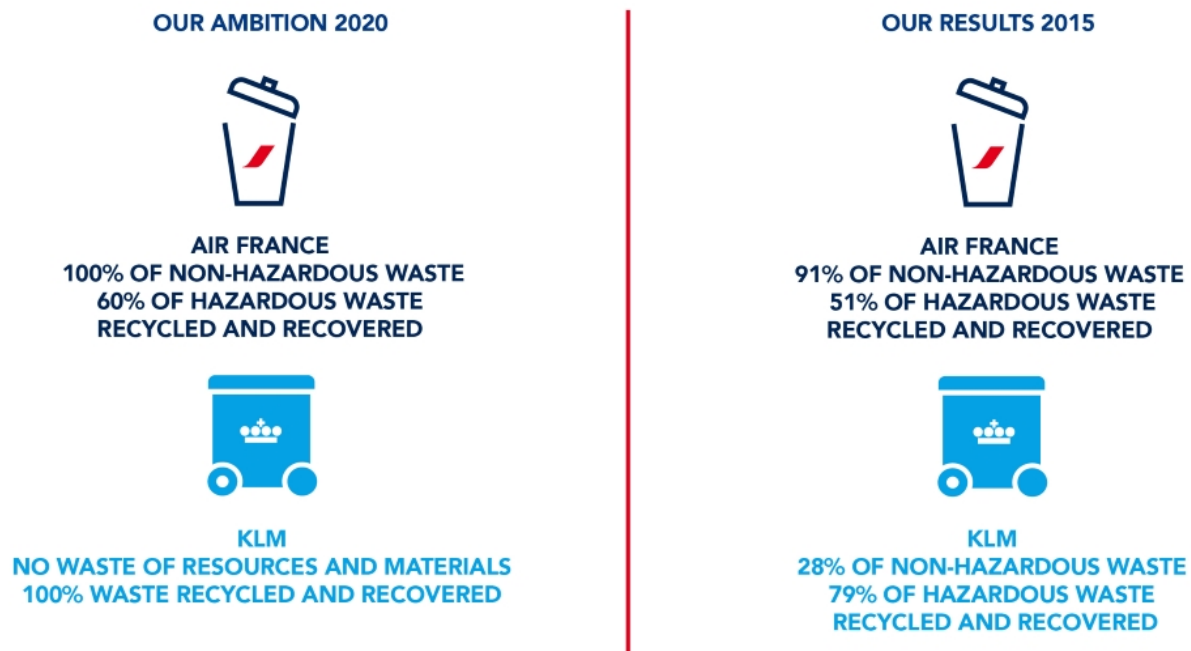
Air France is a partner in inter-company travel plans at Paris-CDG and Paris-Orly airports, and a founding member of the R'PRO'Mobilité organization for inter-company travel plans at Paris-CDG airport, in order to take effective joint action on responsible transport.



KLM promotes the use of public transport by providing free access to transport around Schiphol and KLM's offices to its employees.

Waste and circular economy

Our business produces a variety of waste: from the sheet of paper used in an office, to aircraft engine parts, staff uniforms and the cups our passengers use onboard. We aim to minimize waste and to recycle and reprocess whenever possible throughout the supply chain.



At the heart of this commitment are the “Four Rs” of the circular economy: Rethink, Reduce, Reuse and Recycle. Our ambition is to take sustainability into consideration at every phase of the lifecycle of more of our products and services. This begins with design, and goes on to cover every other process along the way.

WORKING TOGETHER TO ACHIEVE A KEY GOAL

As a transport provider, we can be a catalyst in the value chain through procuring more sustainable and circularly produced goods.

We handle a variety of different types of waste, particularly waste originating from flight and maintenance activities, both of which are subject to strict regulations. These regulations can vary between destinations but can also be highly specific, such as the regulations on food waste from intercontinental flights, which has to be incinerated within 24 hours. Reducing waste also provides also a financial opportunity: several initiatives have demonstrated considerable economic benefits.

We work closely with our suppliers and other parties to contribute towards the use of sustainable materials and resources throughout the value chain.

Everyone can recycle, produce less waste and adopt good practices. The results of the CSR survey among the Air France employees showed that the handling of waste was their main environmental consideration.

BREAKDOWN OF RECOVERED NON-HAZARDOUS WASTE AT AIR FRANCE-KLM



4R EXAMPLES

Redesign

Onboard catering produces about 70% of all non-hazardous waste. The key to managing this onboard waste sustainably is through preventing waste by redesign and by separating the waste correctly.

- KLM has been separating onboard waste with cup-collecting compartments in trolleys on all European flights since 2013. This not only makes recycling easier, it also saves space by stacking the cups. Glass, cans, aluminum lids and PET bottles are also separated when collected, and recycled.
- Since the introduction of new crockery in Business Class at Air France, a significant number

of glasses have been broken. In order to reduce this, dividers have been introduced to separate the glasses when they are stacked, thus reducing impacts and breakage.

- Half of the 700 tons of waste produced by Air France's Headquarters comes from its restaurants. To ensure better handling of this bio-waste, employees are asked to sort waste.

Reduce

Suppliers are also key to reducing waste. For example they can reduce the amount of packaging they use. Less packaging means less weight on-board and less CO₂ generated.

- Waste has been reduced by decreasing the amount of packaging of KLM catering products. The redesign of cardboard packaging for sandwiches led to a 50,000 kg reduction in the use of cardboard.
- On late night flights, customers do not consume all of the catering products carried on-board. At Air France and KLM, the amount of products carried is adjusted on a regular basis to reduce waste, on-board weight, production costs and transport.
- At KLM's Ground Services division, manuals are no longer available in hard copy, but instead are provided digitally. Which gives us the opportunity to constantly update the information provided. This has resulted in a paper saving of over 375,000 sheets of paper annually. Crew briefings (40,000 per year) are now available digitally as well.



- At Air France, 4,000 pilots have been equipped with iPads instead of hard copy manuals: this has resulted in a paper saving of over 20 million sheets of paper annually and a 25 kg weight reduction on every flight, amounting at 1,800 tons of CO₂ saving.



- Air France and KLM have implemented Follow Print on all workstations. Using Follow Print, print jobs are printed only on request of the user at the printer, with an identification code and confirmation of the jobs to be printed. Through the implementation of this system, print quantity was reduced at Air France by 8% in 2015 compared to 2014 (including a 25% reduction of color printing). A 15% reduction of prints are expected at KLM in 2016.

Reuse

Air France and KLM have programs for aircraft maintenance waste. Where possible the principle of cradle-to-cradle is applied to bring waste back into a new production cycle with the goal of streamlining and controlling all technical waste flows. The process includes procedures to reuse and recover spare parts.

- 130 tons of aircraft parts and metal were recycled in 2015 through the KLM's ScrapPlaza program. Each year, KLM assesses which waste streams can be re-used or recycled. In 2015, the program focused on the plastics waste stream and investigated reuse opportunities for plastic cabin components. Orange waste bins (iconic for separating plastics in the Netherlands) were placed in all maintenance buildings.
- In October 2015 KLM opened the plastic repair shop, where aircraft components that were previously replaced immediately, are repaired and given a new life. Additionally, the repairs can be carried out quickly. The shop managed to repair 70 back rests within one shift during a Boeing 777 FC check.
- A re-use campaign has been organized as part of improvements to Air France's mid and long haul cabins. 250 Business Class chairs and 572 Economy chairs were recovered, and sold on to third parties. 7,000 onboard entertainment system items were also recovered.

Recycle

Air France and KLM are also working on initiatives to recycle and upcycle waste into new uses.

- Air France recycles a significant proportion of reusable equipment, like trays, drawers, blankets and trolleys. Items designed with eco-design approaches, which take the entire life cycle of products into account, are favored. Four families of materials are recycled: Plastic, metal, textiles and paper. Most textiles are recycled and used in the manufacturing of insulation materials for cars; plastics are mostly reused in the production of new materials

such as Air France's drawers and serving trays.

- Air France is reconditioning certain items under a range of non-aeronautical products, marked in company colors. For example, old life vests have been used to make purses; these are available to buy onboard Air France flights.



- Since 2013, used KLM uniforms and old Business class carpeting were recycled into fibers used to manufacture the carpets for the New World Business Class. All used carpets are recycled in collaboration with carpet manufacturer Desso, as part of the Take Back™ program. In 2015, 43 tons of used carpet was given a new life.



- KLM and the Design Academy Eindhoven commissioned a challenge for students to upcycle elements from the interior of a KLM World Business Class aircraft into new products. The assignment was to design a prototype of a product that would be useful for travelling, and would consist for at least 70 percent of recycled materials. The eight winning designs were exhibited in a spectacular display in the Bijenkorf department store in Amsterdam.

PARTNERS IN THE CIRCULAR ECONOMY

We work with various partners to promote the circular economy in closing loops and to identify wider potential scope for recycling. In 2015, we continued contribution to feasibility studies to set up circular economy initiatives in the area surrounding Paris-CDG and Schiphol airports.

We aim to integrate the circular economy in our operations to optimize environmental and financial performance regarding waste treatment. Actions such as reducing the amount of minerals used (such as Titanium and Nickel) in producing aircraft parts, or by giving a new lease of life to used products have an impact on the environment, generate both savings and additional revenue.

KLM separates 19 waste flows, paper, wood and glass being the main ones after residual waste. A few other flows may be smaller but represent considerable financial value. For instance, good progress has been made in closing the loops of materials in aircraft components, packages with polystyrene and carpets by reusing and recycling them.

As a member of the aviation industry's Strategic Committee on the circular economy, Air France Industries has contributed to the industry's roadmap, which was presented to the French government in May 2015. At Air France Industries' Engines, Equipment and Services department, the Reverse project means that used equipment has now five possible destinations: re-use, dismantling and re-certification, being sold as seen, reconditioning as a non-aeronautical product, treatment as waste.

Air France supports the [Circular Economy World Tour project](#), which aims at identifying 100 initiatives in 20 countries, and promoting circular economy best practices.

Energy and water

We aim to reduce energy consumption, improve energy efficiency and increase the use of sustainable energy for our buildings, offices and warehouses.

OUR AMBITION 2020



AIR FRANCE AND KLM
20% ENERGY EFFICIENCY IMPROVEMENT
COMPARED TO 2011

OUR RESULTS 2015



AIR FRANCE
18.6% ENERGY EFFICIENCY IMPROVEMENT
COMPARED TO 2011 (KWH/M²)



KLM
10.5% ENERGY EFFICIENCY
IMPROVEMENT COMPARED TO 2011

ENERGY CONSUMPTION AND EFFICIENCY

At Air France, the targets apply to all divisions through annual objective contracts. In order to achieve this objective we involve our employees, partners and suppliers.

The KLM Energy Efficiency Plan 2013-2016 targeting at an annually 2% energy efficiency improvement, resulted in 2.6% energy saving in 2015 compared to 2014.

In 2015, the KLM datacenter succeeded in reducing its energy consumption by 20% compared to 2014 by altering the cooling system and phasing out older ICT equipment. This saves 146,000 kWh of electricity, which is equal to the amount used by 48 families (the average household uses around 3,000 kWh per year). This generates savings of €125,000.

In 2015, KLM Engineering & Maintenance increased the energy efficiency of the maintenance process. For processing metal sheets, instead of using a salt bath oven that requires energy 24/7 an air oven was employed which can be switched off when not in use.



Servair aims to improve energy efficiency by 3% per year between 2016 and 2018. In 2015, an energy audit at Servair found that most energy was used for refrigeration (17%), washing machines (15%), and heating (13%). Solutions put in place include: more efficient washing machines, cleaner refrigeration equipment and LED lighting.

RENEWABLE ENERGY SOLUTIONS

We invest in sustainable energy for our ground facilities.

Hélios, Air France Industries' new dedicated Aerostructures facility at Paris-CDG opened in September 2015. The facility provides maintenance services for new aircraft, such as the Boeing 787 and the A350.

From the outset, the building was designed to respect the principles of low environmental impact construction, to ensure the comfort, health and safety of the people who will use it and to effectively manage energy use:

- Lighting: the building is lit using high performance lighting. Innovative multi-layer ETFE cushions draw a maximum amount of natural light into the building.
- Air quality: natural floor covering and labeled washable paints that preserve indoor air quality.
- Renewable energy: thermal solar panels on the roof produce hot water.
- Relationship with the building and its environment: terraced planted roofs and green spaces.

Since 2002, KLM has been operating heat pumps with aquifers. Aquifers are underground water-bearing reservoirs in which thermal energy can be stored. Currently, KLM uses 5 heat pumps with aquifers, which generate enough energy to heat and cool 5 buildings. The amount of sustainable energy generated by these heat pumps in 2015 was an equivalent of 1,646,570 kWh electricity, and 86,775 m³ of natural gas.

SAVING WATER

As an airline group, the most significant water consuming divisions are catering (accounting for about 45% of total water usage), and engineering and maintenance (25%).

Servair has implemented several measures to better control water consumption to preserve water resources, such as regular monitoring and by including water efficiency in its workshop processes. Since 2010 in France, an 18% reduction in water use has been achieved (Continental France and overseas territories). Servair is also committed to reducing water pollution by adjusting the concentration of detergent used in washing machines and for cleaning buildings, and by implementing recycling systems for edible oils. In addition, major investments have been made in advanced wastewater pre-treatment facilities.

KLM Catering Services has reduced the amount of water used for dishwashing through a series of preventive measures including installing water meters and eliminating the least water-efficient machines.

Reducing water consumption requires innovation:

Air France Industries uses the “EcoShine” method 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 per year, reducing the need to treat wastewater. In 2015, KLM E&M executed a pilot with this process successfully and implementation in 2016 is being considered.

Research and innovation

We support research and innovation to better understand the environmental impacts of our businesses and to act on this effectively.

PROGRESS ON CLIMATE CHANGE, NOISE AND AIR QUALITY

We are a member of ACARE (Advisory Council for Aviation Research and Innovation in Europe), which aims to advise the European Commission on many aviation topics, such as:

- research
- policy and regulatory framework development
- working towards a more environmentally friendly aviation sector
- competitiveness of European airlines
- innovation in biofuel, aircraft design, passenger perceptions at airports and European certification processes for aircraft components and systems

KLM is member of the ACARE NL steering board, chaired by the Dutch Ministry of Economic Affairs and including members from other Ministries, the aeronautic industry, universities and Schiphol Airport.

Air France is a member of the steering committee of CORAC, the French ACARE national council. CORAC brings together all stakeholders in French aeronautics research to develop the aircraft of 2050. To move from basic research to the development of a prototype, research areas range from the airframe and engines to energy systems. Air France also participates in various working groups, such as IROQUA which aims to reduce aircraft noise.

CLIMATE RESEARCH

Air France has participated in the European project IAGOS (In-service Aircraft for a Global Observing System) by carrying atmospheric measuring equipment on board an Airbus A340.

IAGOS is a European Research Infrastructure conducting long term observations of atmospheric composition, aerosol and cloud particles on a global scale from commercial aircraft of internationally operating airlines. The data collected is made available to international meteorological centers and scientists worldwide, which is particularly useful for studying the carbon cycle and verifying CO₂ emissions. Equipment will probably to be installed on a second Air France aircraft in 2016.

MRO LAB: MAINTENANCE INNOVATION

As an airline Maintenance, Repair and Overhaul (MRO), Air France Industries (AFI) and KLM Engineering & Maintenance (KLM E&M) 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 grouping 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 proven on the Air France and KLM fleets, these innovations benefit AFI and KLM E&M customers by optimizing fleet performance.

[The MRO Lab Singapore](#), a new, joint R&D center with its partner Ramco, aims to encourage the rapid emergence and sharing of innovative solutions. Among the priority topics identified by their strategic character: wearable technology (to enhance technician mobility), Big Data predictive maintenance, maintenance process optimization, customer experience, and the Internet of Things.

LEADING THE INDUSTRY, TODAY AND TOMORROW

Through the expertise of our staff, we contribute to new programs, procedures and solutions, which will become the industry-wide standard in the future.

Paperless cockpit

Air France took part in the development of Thalès new flight Electronic Flight Bag (EFB) application on its Airbus fleet, for optimal take off and landing calculations. Thanks to EFB, Air France and KLM are now among the first “paperless cockpit” airlines.

New materials

Air France has fitted an engine (model: CFM56-5B) with a ceramic matrix composite (CMC) exhaust cone, this material is lighter, so reduces weight, while retaining thermal and mechanical performance. This is the first time in the world that a CMC part has flown on a jetliner in commercial service. In 2015 and 2016, the A320 will fly for a total of 5,000 hours, the equivalent of 18 months of operation. The program is led by Herakles (Safran Group) and is concerned with developments to engines that could be fitted to aircraft from 2020 onwards.

Biodiversity

Air transport affects biodiversity indirectly through CO₂ emissions, as well as through impact related to inflight food production. Our catering policy focuses on responsible products and we support nature preservation programs.

SUSTAINABLE CATERING

We serve a total of 85 million meals and snacks per year. Given the amount of products needed to produce these meals, our choices made regarding catering products can significantly impact biodiversity.

For their catering procurement, Air France prioritizes local, seasonal products that are also sustainable, and particularly products sourced from organic agriculture or of certifiable origin. Babies and children are offered organic meals.

KLM strives to increase the percentage of responsible catering products, starting with flights from Amsterdam: at least 15 responsible catering products are introduced on board each year. This means selecting products that are produced responsibly, come with less packaging, have a smaller energy footprint, and respect animal welfare. The focus is on preservation of biodiversity by paying particular attention to fish, palm oil and soy.

Sourcing certified foods is challenging in certain areas of the world. However, success was achieved with MSC certified fish on flights from Singapore and MSC certified fish from Ecuador. KLM is also a member of the Round Tables for Responsible Soy (RTRS) and Sustainable Palm Oil (RSPO). Through these channels KLM aims to stimulate the supply chain to develop sustainable catering products.

In order to further develop the responsible catering policy, in 2015, KLM and WWF-NL co-operated in a supply chain risk assessment for products for which sustainability labeling is not available yet. The assessment takes into account biodiversity and social risks as well as the impact of GHG emissions, water and land use.

PARTNERING FOR BIODIVERSITY

During the UN COP 21 Conference on Climate Change, the Air France Group presented two of its projects: the Madagascar forest conservation program and the HOP ! Biodiversity project.



The forest conservation project in Madagascar

Supported by Air France since 2008 and co-funded by the French Development Agency (AFD) and the French Global Environment Facility (FFEM) since 2014, the project has contributed to the development of local communities while protecting the biodiversity of the island. The second phase of the project (2014- 2017) aims to strengthen conservation activities, expand and improve the propagation of sustainable alternatives to deforestation, and validate the project under one of the existing REDD+ international label.

HOP! Biodiversity project



With a usual 60 to 70% vegetation cover, an airport is not the plain concrete industrial structure all expect. Moreover, it can play a role in the preservation of the most threatened natural habitat of Western Europe: grasslands.

For HOP!, finding out what lives (i.e. the biodiversity) in these grounds is a responsible way of building awareness within the company and with its partners, respecting the environment, identifying best practices and promoting conservation measures, all within the safety procedures of the industry.

The project HOP! Biodiversity was launched under the guidance of an independent scientific committee (Muséum national d'Histoire naturelle, CNRS, conservatoire botanique) with habitat and

species evaluation achieved by scientists together with airport staff citizen science protocols (Vigie Nature Program primarily).

Within two years, HOP! Biodiversity became an NGO in June 2015, joining today two airlines, 12 airports and the French civil aviation authority (DGAC), all now involved in the National Strategy for Biodiversity (SNB), recognized by the French Ministry of Environment, and important part of the CSR policy of each partner. As such, it is unique.



www.hopbiodiversite.com (FR)

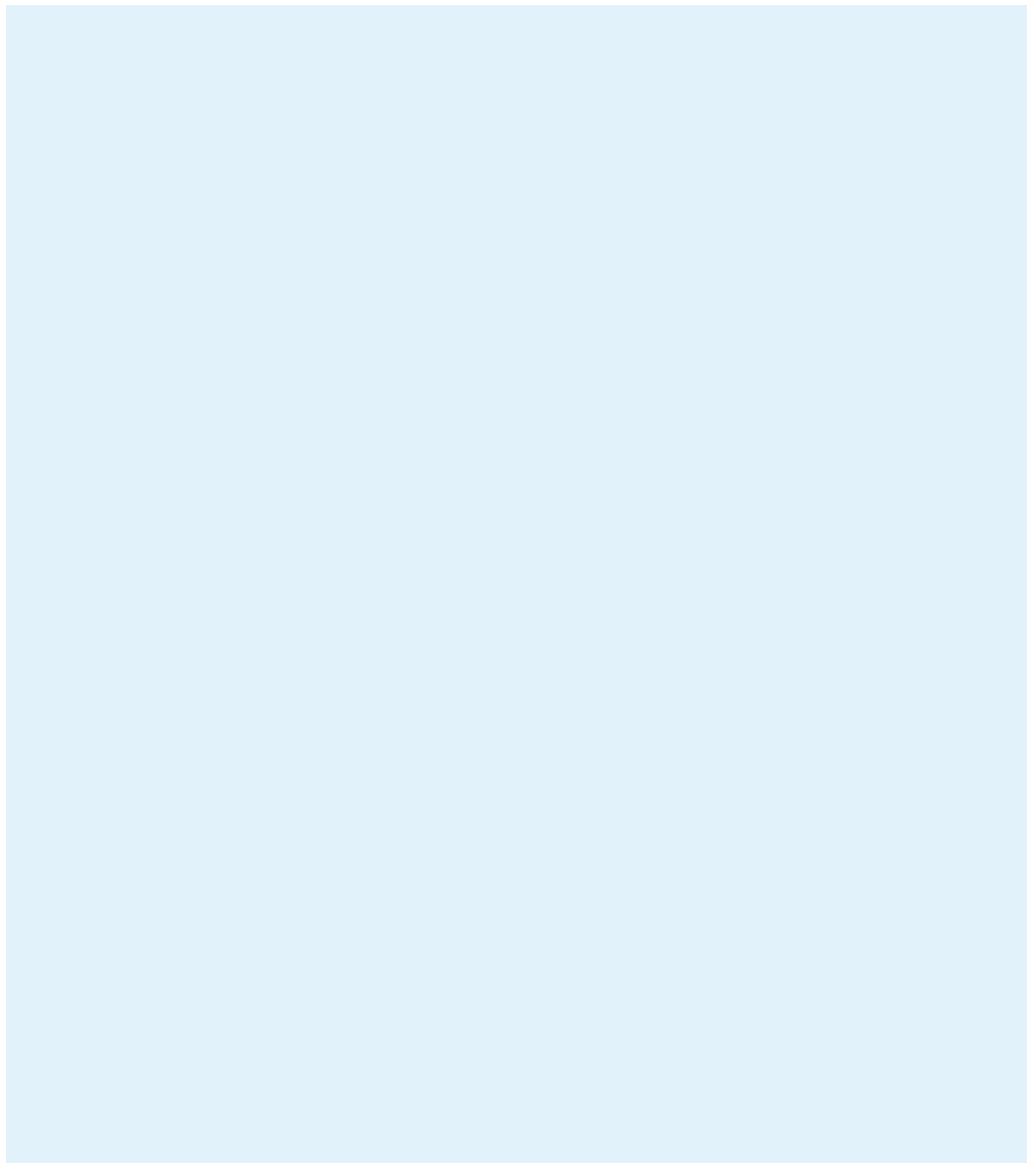
Conservation programs

Through its partnership with WWF-NL, KLM has provided financial support to three conservation programs:

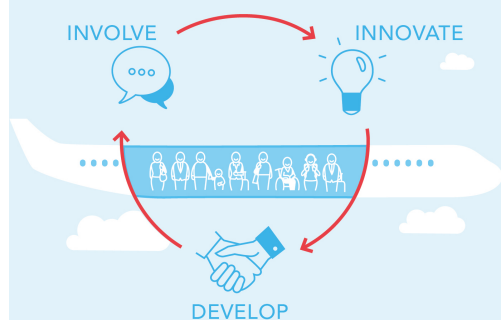
- the Coral Triangle in Indonesia
- the Bonaire Marine Park
- the APRA program in the Amazon, which supports biodiversity programs across a vast tract of the Amazon region (around 15% of the surface area and 60 million hectares) to protect and enforce the recovery and conservation of biodiversity

Customer experience

We incorporate our CSR commitments into the customer experience by offering high quality products and services. Together with our suppliers and partners, we aim to take sustainability into account to create memorable experiences for our customers.



89.8 MILLION PASSENGERS IN 2015



INVOLVE



50,000 QUALITY
OBSERVERS

1 MILLION CUSTOMERS
FEEDBACK
COLLECTED
VIA eSCORE

SOCIAL MEDIA

+98% INCREASE OF THE
NUMBER OF FOLLOWERS
COMPARED TO 2014
(FACEBOOK, TWITTER & INSTAGRAM)

AVAILABLE REPLY WITHIN
24/7 1 HOUR

INNOVATE



LAB'LINE FOR THE FUTURE

54 BIOFUEL
FLIGHTS

4 START-UP PROJECTS
EXPERIMENTED

7 START-UPS SUPPORTED
BY FLYING BLUE MILES
CROWDFUNDING

13 PARTNERS IN THE
CORPORATE BIOFUEL
PROGRAM

ROBOT SPENCER TESTED
TO SUPPORT PASSENGERS

DEVELOP



4,000 SUPPLIERS

73% OF THEM SIGNED
THE SUSTAINABLE
DEVELOPMENT
CHARTER

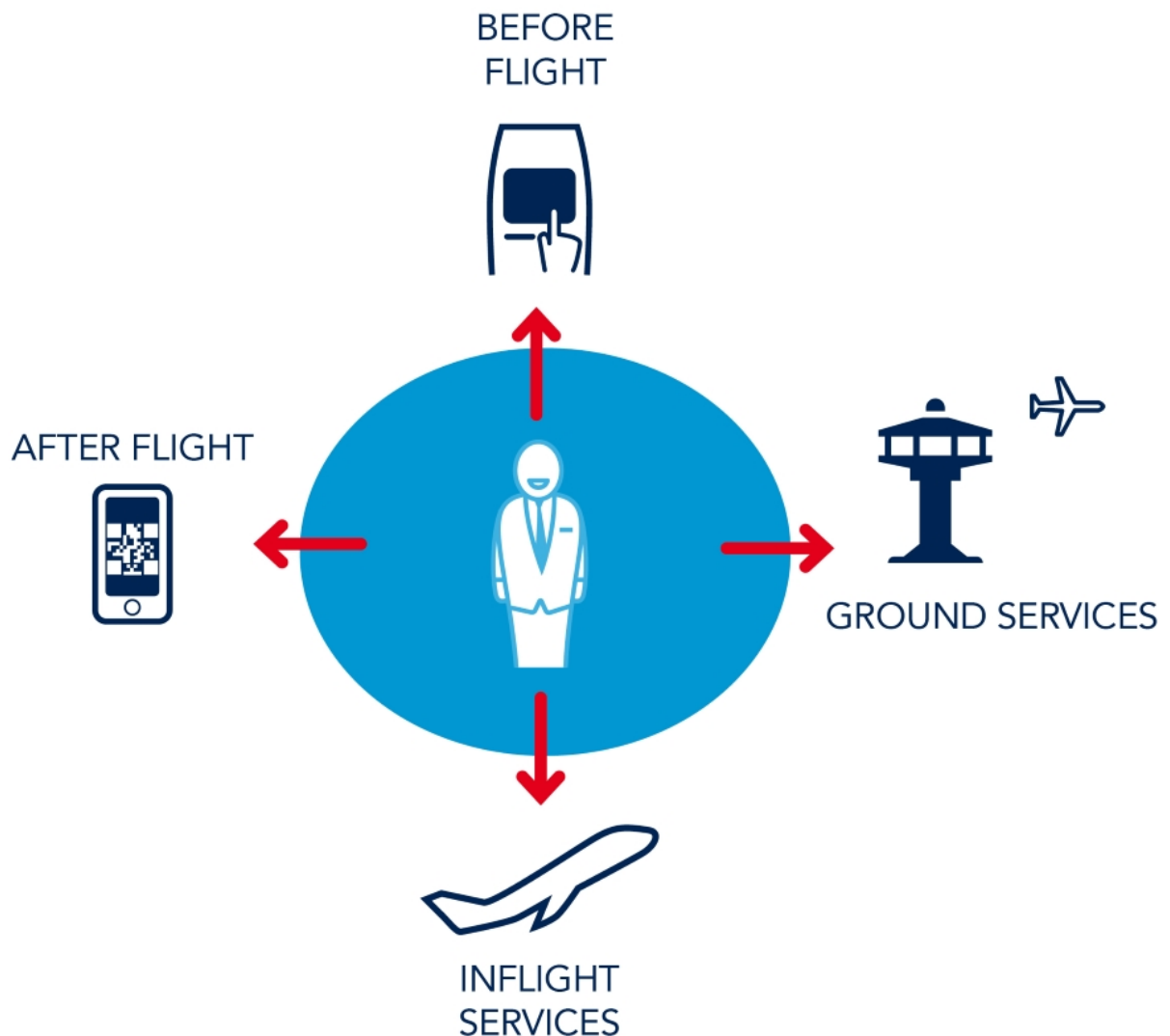
15 RESPONSIBLE CATERING
PRODUCTS ON BOARD
KLM FLIGHTS

Dialogue with customers

We enter into dialogue with our customers to understand their needs and expectations. With this knowledge we can develop a distinctive customer experience by offering high quality and sustainable products and services.

CUSTOMER INSIGHT

Our Customer Insight department conducts research on customer understanding and customer satisfaction. It also carries out benchmarking, specific customer research and data analysis, with a constant respect for the privacy of customer data.



Co-creation

The customer is placed at the center of product and service development. For example in 2015:

- Air France carried out several customer tests on long-haul catering for its Business cabin and on "Menu à la carte" for Premium Economy and Economy cabins. Customer feedback was integrated into the development process.
- Co-creation programs are running with top-members of the Flying Blue program and with travelers on Medium Haul flights. KLM discussed the pros and cons of several websites with community members to obtain their input into continuous development.

Customer analysis

We carry out surveys, inflight trials and focus groups to ensure that customer feedback is systematically taken into account during the development of new products and services:

- More than 40 tailored studies are carried out per year among our customers and potential customers to understand their needs.
- Customer complaints are analyzed and reported monthly, to understand key product and service challenges, and define possibilities for improvement.
- Since 2014, the Net Promoter Score (NPS) indicator has been deployed as the standard indicator used to monitor customer recommendation.
- In 2015 we renewed a large-scale market study to deeply understand the needs of our various customers, including differences per travel occasion.
- Frequent flyers were asked for their feedback, for example via focus group sessions, about topics like ticket pricing, lounge concepts and financial products.

Benchmarking

Market research and industry-wide studies (such as Airs@t and the IATA Frequent Flyer Program benchmark) enrich analysis of the competitive environment. Part of this information is shared within the Group via a dedicated intranet. Benchmarking and collaboration are also carried out with other companies with similar customers, such as the Accor hotel group, with whom a joint project was completed on dedicated services for hotel and airline bookers.

Monitor customer satisfaction

- 2015 was the second full year for the "Quality Observer" program. Flying Blue customers who are members of this community can perform quality audits, to check if services are delivered according to standards. Around 50,000 frequent customers have now signed up to this program, using an app and a dedicated website to provide over 28,000 quality observations annually.
- eSCORE has now been fully in place since 2014. This online program measures passenger satisfaction on all Air France and KLM flights, with specific and tailored questions. The information gathered contains passenger profiles and choices, as well as satisfaction scores covering the entire customer experience. Over 1 million responses a year are received and permanently analyzed to constantly improve and customize products and services.
- Customer satisfaction is also measured through dedicated monitors at different touchpoints before travel (Call centers, websites, etc).

SOCIAL MEDIA

A cornerstone of Air France and KLM customer dialogue.



97% increase to 25,850,000 fans



96% increase to 4,240,000 followers



218% increase to 502,070 followers

STRIVING FOR EXCELLENCE IN CUSTOMER SERVICE

We undertake numerous initiatives designed to achieve excellence in customer service:

- The Signatures of Service is an overall standard of conduct for the entire organization, dedicated to a “caring attitude” in customer service: they have been further deployed to reach 90% of Air France-KLM outstations.
- In 2015, Air France created a Customer Culture and Experience Department in order to deeply anchor the spirit of the “caring attitude” in the organization.
- KLM proudly tested Robot Spencer. Spencer, a socially skilled robot, will support KLM passengers at Schiphol airport. Spencer will approach our passengers proactively and help them find their way to and from the gate, but also act as a mobile information point.
- iPad for crew: Air France and KLM embrace the customer intimacy strategy by providing iPads to the crew. The iPad enables staff to offer passengers even more personal service and can, for instance, be used to update them more quickly on last-minute operational changes.
- KLM Lost & Found: a dedicated service returns items found by cabin crew or by KLM airport staff to their owners as soon as possible, using all available information like seat and phone numbers and social media details. The service was launched with the successful ‘Sherlock’ campaign, and initial results show that around 80% of found items are now returned.

INVOLVING CUSTOMER IN OUR CSR INITIATIVES

Takes care

In order to better flag initiatives related to CSR, the Group embedded CSR actions under the label Takes Care.

In particular, KLM launched its KLM Takes Care online platform and logo in June 2012. KLM Takes Care brings together all of KLM's corporate social responsibility activities under a single name. The platform klmtakescare.com is dedicated to providing information on all relevant topics, engaging in dialogue and providing a forum for discussion on sustainability. The KLM Takes Care platform and logo make it easy to identify CSR initiatives both online and offline.



Sustainable procurement

As a large purchaser of various products and services we take ownership. We aim to integrate sustainability in our supply chain by sourcing products and services that minimize our environmental footprint and have a positive social impact.

Working together with around 4,000 suppliers, a proactive role for procurement is essential. The most significant purchases are aircraft, fuel, airport and navigation fees, onboard products and Engineering & Maintenance. Given the significant amounts spent, optimization, innovation and the integration of CSR in the supply chain are priorities.

SUSTAINABLE PROCUREMENT STRATEGY

Code compliance

In 2015, buyers renewed their involvement by renewing the signature of our code of ethics.

Suppliers are asked to sign the Air France-KLM Sustainable Development Charter, which is based on the UN Global Compact principles, or to send an equivalent document to be approved by Air France-KLM.

In 2015, this charter was reinforced with the Supplier code of Conduct: additional guidelines based on international standards including the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the Children's Rights and Business Principles, the Core Conventions of the International Labour Organization (ILO) and the OECD Guidelines for Multinational Enterprises.

KLM's partner UNICEF the Netherlands provided feedback on child-related aspects.

Supply chain risk assessment

CSR performance assessment

Air France-KLM uses the EcoVadis online platform for assessing supplier CSR performance. Suppliers are scored on social, environmental, ethical and supply chain management criteria through different sources such as a customized questionnaire. Depending on their score they are given a bronze, silver or gold "medal" in recognition of their performance (see "Key figures").

A risk-approach was developed in 2014, focusing on suppliers in higher risk sectors and countries, this forms the basis of current assessments.

Supplier Relations Management System (SRM)

Based on building long-term relationships between buyers and strategic suppliers, SRM has been

deployed since 2013. SRM suppliers are those suppliers who qualify after being segmented: in 2015, 15 suppliers were approached in an “SRM” way in different domains, varying from Airplane interior cleaning companies, like Asito and Kluh to facility management companies like Atalian and Sodexo. The SRM system enables issues like corporate social responsibility to be central to their discussions and to move forward together on these points. In 2015, the SRM was deployed in the procurement domains and established in close relation with our businesses.

Managing non-commitment/non-compliance

In 2014, a non-compliance policy was formalized and is being rolled-out progressively. All suppliers are asked to sign the Sustainable Development Charter, and those identified as high risk take part in a CSR assessment conducted by Ecovadis. If a supplier does not obtain a global score of at least 30, it is asked to provide a corrective action plan. The policy focuses on continuous improvement.

CSR opportunities

Engaging suppliers on their CSR performance and challenges helps to identify CSR opportunities.

- Environmental, social and ethical criteria were integrated in product/service specifications and contracts where relevant.
- Air France-KLM also contributes to supply chain sustainability by closely collaborating with suppliers to develop innovative and sustainable solutions.
- Procurement also cooperates with organizations and companies in the sheltered sector on multiple projects, representing a total expenditure of around €20 million.
- Air France also focuses on the development of small and medium-sized companies and startups, the creation of an innovation counter, participation in business incubators and on specific themes such as the Lab’line for the future project. In 2015, for the third time, the Group obtained the “label SME” through the actions led in the framework of “innovative SME Charter” and won an award for its strong SME supplier relationship commitment during the “Trophée des Achats 2015”.

KEY FIGURES

ECOVADIS ASSESSMENT RESULTS



SOME EXAMPLES

Helios building

This building is Air France's new maintenance building located at Paris-CDG.

The creation of this building has followed all steps of sustainable construction from conception to construction and usage. It takes into account:

- strongest principles of low environmental impact constructions
- comfort and health of employees
- reduction of energy consumption

Several axes:

Noise: Noise reduction was taken into account in the choice of products, such as soundproofed electrical compressors.

Air quality: Ecolabel and NF environment paints were chosen, these reduce environmental impact and respect workplace health of staff.

Water consumption: The objective of reducing water consumption by 40% was achieved by using specific water reduction materials.

Energy consumption: Hot water is partly produced by solar panels. Lighting is also optimized by LED usage, presence detectors, or heating programmers.

Disinsectisation

Air France deployed a new process for cabin disinsectization on long haul flights. The former process involving aerosol cans sprayed when cabin doors are closed and all passengers are on board has been replaced by a new method, carried out every 45 days. The new method involves pulverizing insecticide inside the cabin. It has several advantages:

- No chemical usage by crews.
- Improved customer comfort.
- It makes the transportation of organic products possible.

180,000 aerosols have been saved.

Electrification of all transport vehicles

An ongoing process at KLM. Ground Services lowered its carbon footprint in 2015 by:

- More electric cars instead of cars running on petrol on airside.
- Electrical fixed power units instead of diesel run ground power units (GPU).
- Introduction of the first new water truck operating an electrical heating system instead of a diesel driven system.



ScrapPlaza

Engineering & Maintenance's initiative ScrapPlaza was initiated to recycle and/or reuse old aircraft materials. Based on an employee idea, ScrapPlaza introduced a model based on E-bay in order to exchange used KLM equipment such as chairs, desks etc.



Deo liquids used in the toilets on board

KLM introduced gel based deo liquid for use in the toilets on board. Water is added at Schiphol. The process of using this concentrated gel based deo liquid saves water and weight during transport, which results in a lower carbon footprint.

Reducing printing

In June 2015 KLM installed Follow Print. The main goal is to significantly reduce the number of prints. Follow Print is a printer setting which makes sure that a print task is only printed when using identification at the printer. This prevents printing documents that are not collected. Another advantage is that confidential documents are only printed when the owner is present. As a result of Follow Print, paper use is expected to fall by 15%.

Air France is already fully Follow Print deployed.

At the same time, the total number of printers is continuously being reduced. More employees share multi-functional printers.

New Sandwich drawers

Together with its supplier, KLM redesigned the cardboard sandwich drawers to save weight and

reduce costs. This resulted in a weight saving of 25%, which is 20,000 kilos/year and reduced cost by €20k per year.



Innovation

Today's world is changing, and it's changing fast. Innovation and technology are strong pillars for Air France-KLM to integrate sustainability in the customer experience.

DIGITIZING

Air France-KLM focuses on digitization. This way we can provide our customers and employees with the right information at the right time. 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, Twitter, helps to inform our passengers in real-time in the passenger's channel of choice. Our staff are provided with digital tools, in most cases an app on their tablet computer, which empower them to offer the best service to our passengers.

Operational staff also benefit from this digital trend. In "turn-around" many people and departments work together to ensure aircraft depart 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 means guidance and troubleshooting options for onsite support and thirdly it will allow a paperless debrief.

INTERNET OF THINGS

With the Internet of Things technologies we connect a variety of 'things' to the internet. Many 'things' in the Air France-KLM world are either already connected or will be in the longer term. For our passengers, checked in baggage can be a source of stress, we aim to take care by offering connected baggage solutions.

In daily operations at the airport, vehicles and equipment are also connected to internet. We can find the nearest vehicles and equipment without effort and decrease 'searching time'. It helps us to work more efficiently and to fine-tune and learn how many of the vehicles and equipment we specifically need. In the long term this will help to reduce the amount of superfluous equipment and avoid the waste and footprint caused by production.

BIG DATA

We use Big data to know what maintenance is needed now, to learn from the past and to predict which maintenance can be anticipated in order to avoid future delays. Big data can also help us personalize the offer we make to our customers. We aim to help our customers find the information they are looking for faster. We always do this with the highest regards for privacy.

ROBOTICS

In areas where heavy labor is required, we seek to take the best possible care of our colleagues. We see robotics as a solution to avoid heavy labor and work related sickness. At the same time, robotics can help us to standardize and replace repetitive tasks, allowing our staff to focus on offering a more personal service for those tasks that require human, interpersonal skills.

We believe robots will not replace humans but will actually help us to focus on those situations where the human touch can provide added value and our staff are able to enjoy providing servicing to those customers that are in need of the human touch.

Air France Lab'line for the future

Since September 2014, Air France has showcased innovation for sustainable development. Reflecting its commitments to CSR and innovation, it is involving its customers in the challenges and solutions on the path to more sustainable travel.

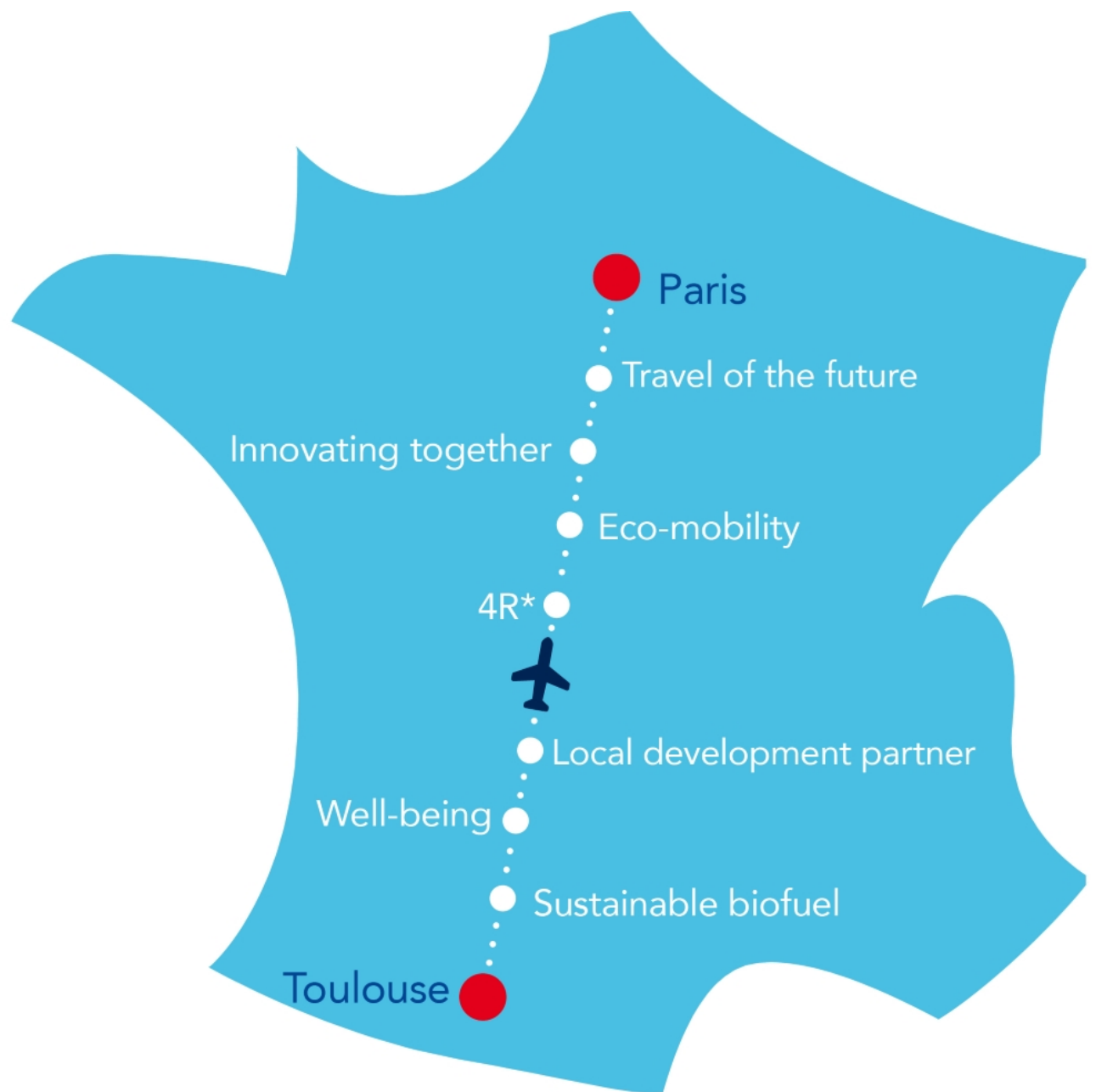
INVENTING THE TRANSPORT OF THE FUTURE: MORE RESPONSIBLE, MORE SUSTAINABLE

Once per week, over the course of more than a year, an Air France Toulouse-Paris-Orly flight has been powered using 10% sustainable biofuel, to showcase responsible travel. The initiative aims to shape the responsible customer experience of the future, with a commitment to reducing environmental impact and increasing societal value.



ONE YEAR TO MAKE A DIFFERENCE

Over the course of the year, various themes of responsible travel have been addressed, ranging from local development to the aircraft of the future. The initiative enables Air France and its partners to showcase their best practices, and to trial innovation for more sustainable travel.



4R: Rethink, Reduce, Re-use, Recycle*

RAISING AWARENESS ABOUT RESPONSIBLE TRAVEL

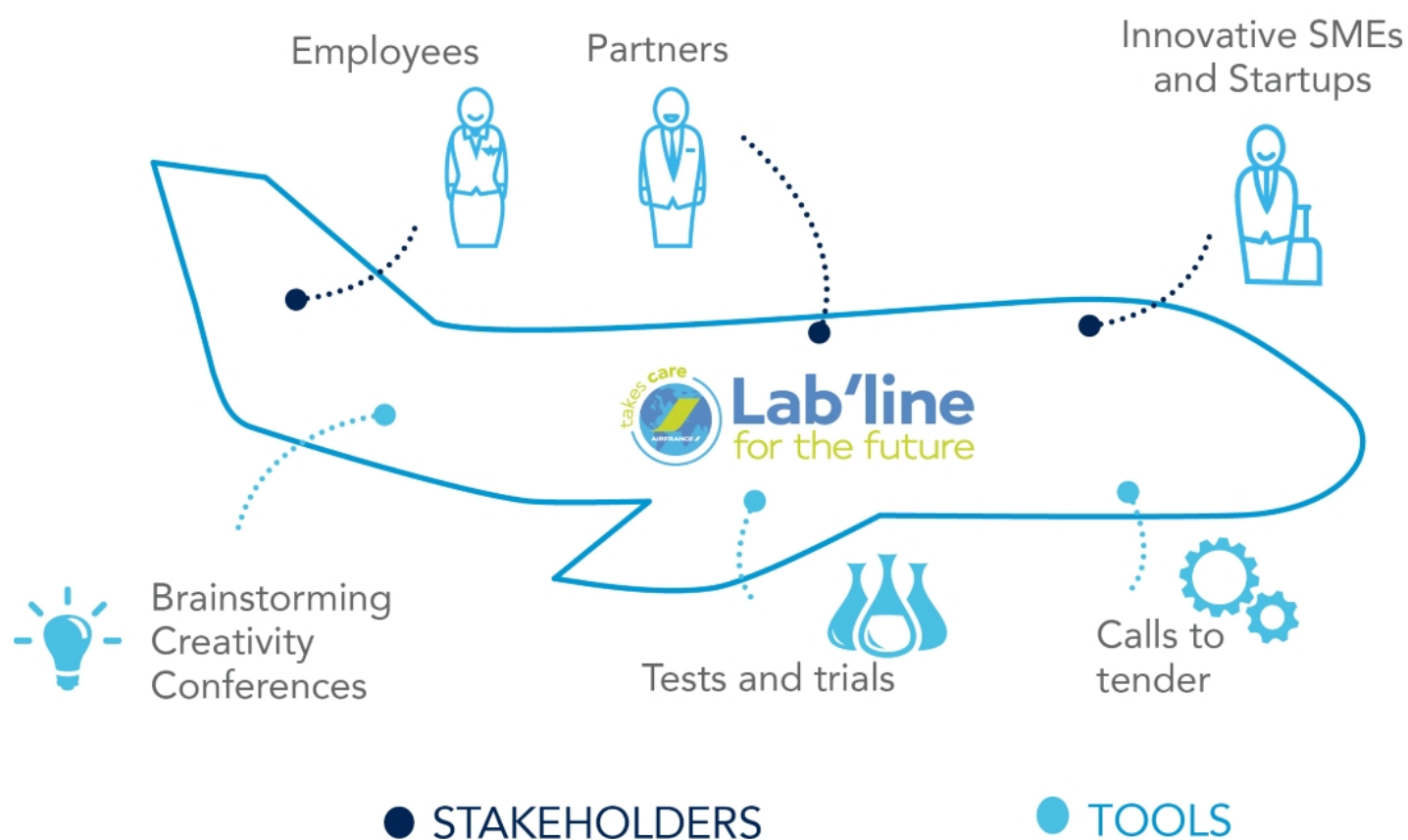
The initiative is supported by an awareness-building campaign, including a web series. The series is available on the internet via social media and at the airport, it takes an informative approach to exploring Air France's positions on sustainability and solutions for a responsible travel.

CO-INNOVATION

To maximize innovation, Air France is working together with other stakeholders who share the same values:

- 14 financial partners to the Lab'line project.
- Employees, customers and startups.

All stakeholders have been invited to contribute, through challenges, project tenders and innovation seminars.



LIVE OPEN INNOVATION

Resulting from a call for projects addressed to French start-ups on the topic “responsible air travel”, four projects were developed and tested on the Lab'line flights for 6 months, starting September 2015.

Air France took this opportunity to launch a Flying Blue Miles crowdfunding innovative operation to allow passengers to offer their miles to the 7 start-ups supported by the Lab'line for the future.

KLM best practices

We aim to become the most customer-centric, innovative and efficient European network carrier by creating memorable experiences. We are for KLM for you!

AWARD WINNING SOCIAL MEDIA

Since 2009 KLM has gained a reputation as an initiator and pioneer in the area of social media services and campaigns in the social landscape. Every week, KLM receives over 100,000 mentions on social media, 10,000 of which are questions or remarks. These are personally replied to by our 200 service agents, forming the world's largest dedicated social media team. KLM offers customers a 24/7 one-stop service in 13 different languages: Dutch, English, German, Spanish, Portuguese, Italian, French, Norwegian, Russian, Japanese, Chinese, Korean and Thai.

KLM has received various awards for its social media activities. A jury and 3,000 voters via debestesocialmedia.nl (nederlands) awarded KLM with three awards: best brand, best visual and best response to another company. KLM was also one of the winners of the Skifties Social Media Awards for Travel Brands. KLM was rewarded the smartest travel brand on social media.

NEW BOEING 787 DREAMLINER

On 23 November 2015, KLM added the first Boeing 787 Dreamliner to its fleet. In total twenty-one Dreamliners will enter the fleet before 2025.

Arriving well rested

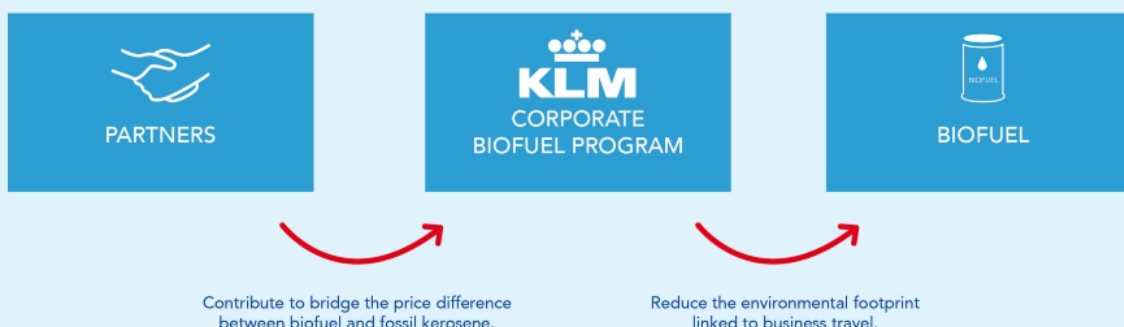
This new aircraft is beneficial to our passengers. The air humidity is higher than in other aircraft, thereby reducing problems such as dry eyes. In addition, the air pressure on-board is higher, as a result, passengers arrive at their destination well rested.



- **Consumption:** 20% less fuel than other aircraft of similar size (46% compared with KLM's B747-combi).
- **Noise:** new technical features to ensure that the emission of 85 decibels (similar to the amount of noise generated by heavy car traffic) does not reach the ground. In fact, the Boeing 787 Dreamliner's noise emissions are up to 40% less than that of comparable aircraft. The new technologies include acoustically treated engine inlets and chevrons (the distinctive serrated edges at the back of the engines) and other special treatments for the engines and engine casings.
- **Engines:** more lightweight composite materials, and the latest developments in aerodynamics all contribute to the Dreamliner's overall performance.
- **Waste:** the B787 consists mainly of carbon fiber composite that can be cut easily, so the manufacturing process creates less waste. Most aircraft are built of aluminum, which must be processed from large plates or blocks leaving a great deal of material over. The entire B787 production process produces less waste and uses fewer hazardous chemicals and materials.

KLM CORPORATE BIOFUEL PROGRAM

Since June 2012, KLM has been the first airline in the world to enable corporate customers to become partners in the KLM Corporate BioFuel Program, and to meet part of their travel needs powered with biofuel.



[Click to enlarge image](#)



[Click to enlarge image](#)

RESPONSIBLE CATERING

KLM is the first airline with polypropylene meal trays. These meal trays are used in the Economy class. This material is lightweight, and has a less negative effect on the environment.

All of KLM's sustainable-catering efforts have not gone unnoticed. In 2013, Compassion in World Farming gave KLM its 'Good Chicken Award', because we are serving chicken meat bearing the 'Beter Leven' one- or three-star seal of approval from homebase Schiphol, and in 2015, KLM received the Good Egg Award. In addition to this, Qizini, one of KLM's long-term suppliers of sandwiches, was also awarded with the Good Chicken Award and the Good Egg Award in 2015.

Where to find sustainable products?

Throughout the entire customer journey we offer various sustainable products and services.

Human resources

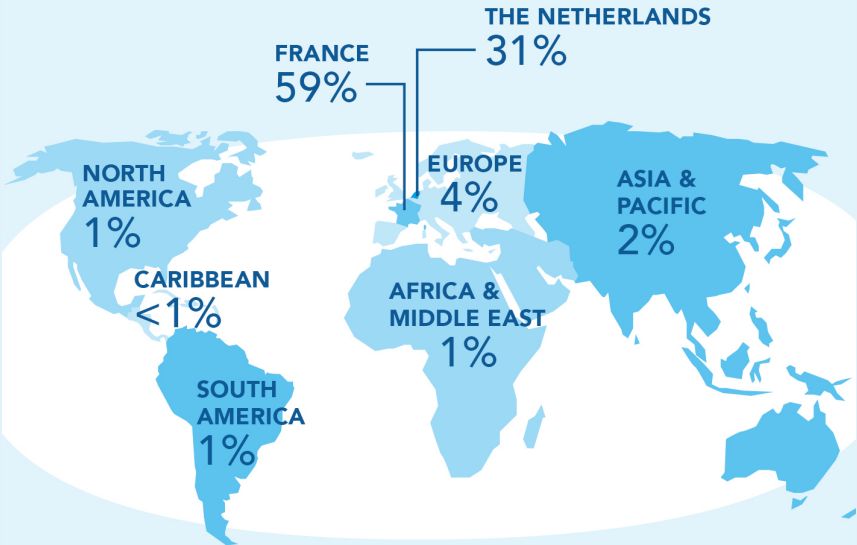
We aim to create a safe and motivating environment for our employees. We continue developing skills to ensure the professionalism and employability of our staff, to achieve the best results for our business.

TOTAL STAFF (FTE)

93,300



GEOGRAPHICAL DISTRIBUTION



Group social policy

The Corporate Social Responsibility Statement and the Social Rights and Ethics Charter form the foundation of the Group's commitments by reaffirming the values and fundamental rights that guide our social and ethical policy.

MEETING ECONOMIC CHALLENGES

Within a context of the on-going turnaround and return to profitability, Air France and KLM are committed to maintaining high-quality workplace dialogue. This workplace dialogue has been transformed into a series of strategic plans over a five-year timeframe. These are being rolled-out across individual divisions, based on a "bottom-up" process, which takes into account market realities.

For further information on our social policy and indicators, please refer to the [Registration Document 2015](#).

TRAINING AND MOBILITY

We maintained a high level of access to training. Mobility enables employees to grow professionally.

- 29h and 31h: number of training hours per employee at Air France and KLM
- 95% of ground staff and 100% of flight crew received training in 2015 at Air France
- 870,155: Total number of training hours at KLM

Focus Air France



The new Air France digital platform is accessible using all types of device, from anywhere, at any time. This platform helps achieve strategic objectives by developing managers' skills, and by making learning fun. The tool is being made available to 8,000 managers to meet their needs and focus on new managerial practices. My Learning has been awarded the *Prix des Nouvelles Pratiques Numériques*.

Internal mobility is considered to be one of the key factors in the success of the employment policy.

Air France Employment Strategy Committee: Once a year the committee plans ahead for occupational change and to understand what could impact these occupations within the next three to five years and what changes needed to prepare for. There are technological factors, with the ever-growing impact of the digital universe, and there are also economic impacts, linked to changes in the behaviour of customers or competitors.

One of the key challenges for job mobility is communication. A large number of systems were rolled out to advertise the company's needs to employees. In 2015:

- Mobility Centers offer specialist career mobility guidance.
- 1,100 employees received individual support to change jobs.
- 1,500 participants in the mobility workshops: interview preparation, job transfer planning.
- 800 people attended the thematic conferences and job-dating events, showcasing the professions in the company.

Focus KLM

KLM is continuing to focus on training and development, while containing costs. Several training programs were offered in 2015:



TalentCenter development tool: this online platform focuses on discovering, developing and deploying employee talents. The platform includes tools to assess skills, and a self-assessment career game. So far 3,506 employees have visited the online TalentCenter website.

Divisional programs: Flight Operations, Inflight Services and Engineering & Maintenance Divisions have focused training on the introduction of the new Boeing 787 in the KLM fleet. At Engineering & Maintenance a simulation tool under construction that will enable Engineering & Maintenance staff to simulate parts of their practical training. This way of training is safer and more efficient. By using simulation, high risk scenarios can be practiced in training for the first time.



Continuation of KLM's partnership with Luchtvaart College Schiphol (Schiphol Aviation College). This foundation connects aviation businesses, vocational education institutions and the regional authorities to stimulate the Schiphol region employment market in the long term.

INTERNATIONAL STAFF

9,579 employees, accounting for 10% of Air France-KLM staff, are located at international establishments, which are the local Air France-KLM offices.

Guided by the Social Rights and Ethics Charter, the Group applies local collective labor agreements, agreed with unions or other relevant parties, according to local standards. Various local management and talent development initiatives are in place.

The “Africa's Got Talent” program

This program has been boosting the development of local talents since 2014. It includes:

- Managerial and project management training,
- Presentations on Group's strategy,
- The creation of a company-wide network.

"Africa's Got Talent" opens professional opportunities in African markets. Each African regional division has selected 2 participants according to their potential for development. These 12 talents will follow 4 training sessions of 11 days in total at Paris-CDG, Nairobi, Dakar and Amsterdam.

YOUNG PROFESSIONAL AND INTERN DEVELOPMENT

We continue to fulfill our responsibilities towards young people entering the labor market.

As part of the sixth Air France Internship Charter, Air France offers to young professional the opportunity to gain quality work experience:

- 1,650 new interns welcomed in 2015 (2.48% of total staff) 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 has welcomed 16 young professionals via various programs (while maintaining its principle of limited external hiring, in place since 2008): Management Trainees, IT Management, Development Finance and MRO Talent.

The high number of applications for the traineeships and internships illustrates the attractiveness of KLM as an employer. In 2015 there were 2,677 applications for the traineeships and 2,487 applicants for the internships. Some 450 interns joined KLM in 2015.

Health and safety at work

Health and safety of staff in the workplace and maintaining a good quality of life are our key priorities.

OUR KEY ISSUES

Ensuring health and safety at work is a topic with social and financial aspects that has a direct impact on business. Therefore, reducing risks, occupational illnesses, and workplace accidents are high priority areas.



In 2014, Air France obtained OHSAS 18001 certification for its health and safety management system, in force at all levels of the company. As part of the Integrated Management System at Air France, specific annual health and safety performance target contracts are signed by the senior executive of each entity. These contracts formalize quantified commitments to reduce accidents at work through action plans.

KLM's ambition is to become a world leader in aviation safety. The company aims to reduce the number of workplace incidents to the absolute minimum.

RISK PREVENTION

Being vigilant and taking action are now more of a priority than ever. To place accident avoidance and a culture of risk prevention at the heart of our business, we reaffirm our long-term commitment to the following four priority themes:

- Preventing serious accidents: the physical and mental well-being of employees and partners must be a primary concern.
- Developing ergonomic approaches: reducing the incidence of musculoskeletal disorders.
- Improving quality of life: preventing psychosocial risks in the workplace because the well-being of everyone contributes to the company's levels of performance and customer satisfaction.
- Consolidating our management system: continuous improvement-based approach to Health and Safety in the Workplace.



RESULTS AND OBJECTIVES

At Air France, 2015 ended with stable results on the frequency of accidents in the workplace. The main types of accidents at work are:

MAIN TYPES OF ACCIDENTS AT WORK AT AIR FRANCE IN 2015



41%

Physical constraints,
handling



25%

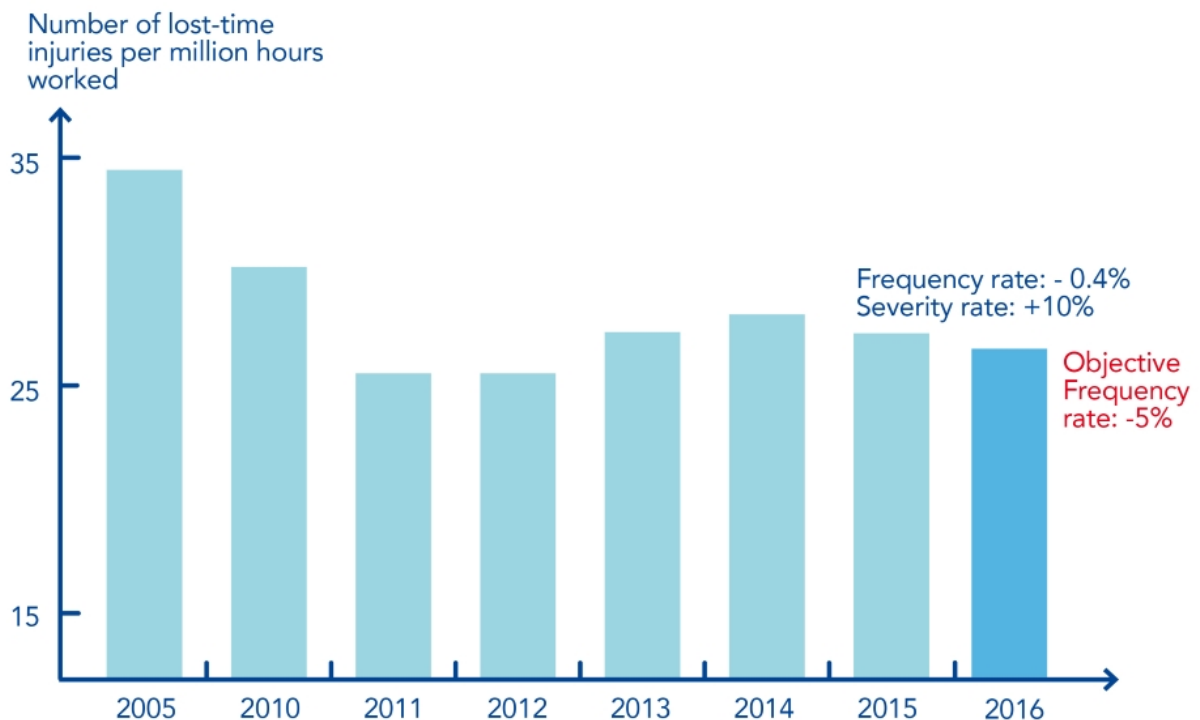
Barometric otitis



19%

Falls

GLOBAL FREQUENCY RATE, AIR FRANCE



At KLM, ground occupational safety, the risk of injury caused by collisions or by slips and trips, is classified as “high” and is ranked amongst the Top 5 safety risks for the company. Approximately 50% of all lost-time accidents and over 50% of all accident-related time off work are caused by these two types of incidents.

KLM has reached its goal of fewer than four serious accidents; however the number of workplace accidents leading to time off work rose to above target.

KLM's 737, a consecutive risk assessment

Measurements on board KLM's 737 and a consecutive risk assessment have confirmed that during normal operation there is no health risk for passengers or crew associated with chemical substance leakage from aircraft engine oil into the air conditioning system. KLM and KLM Health Services (KHS) experts organized several meetings with the Works Councils Working Group Aircraft Related Dangerous Oil and Fumes (ARDOF) to share information on this topic. In 2015 an independent body carried out measurements of the ramp, around the aircraft, upon arrival of the aircraft, of engine oil fumes. Results will be expected soon.

QUALITY OF LIFE IN THE WORKPLACE

The Group pays particular attention to quality of life in the workplace. Various initiatives help employees with their work-life balance, which also improves performance.

At Air France, the 2015-2017 agreement aims to ensure improvements to organization, working conditions, quality of life in the workplace, risk prevention and to physically demanding jobs.

The measures include the prevention of psychosocial risks:

- Deployment of managerial actions to foster the quality of working relationships:
 - development of employee spaces for discussion and dialogue
 - establishment of a common “How to Live Better Together With Mutual Respect and Trust” support system
 - development of organizational working methods (remote working, hot-desking, job sharing, etc.)
- Additional support measures to support staff facing temporary or long-term personal difficulties (for example help for family carers).
- Deployment of appropriate training: “Managing by Quality of Life In the Workplace”, “Preventing and Managing Violence and Incivilities”, “Preventing the Risks Linked to Alcohol Consumption”, “Awareness-raising on the Prevention of Suicidal Behavior”.

Since 2013, KLM has had an integrated approach to all health-related matters to pursue a more concrete and efficient policy. A three-year plan and a detailed action plan for 2015 present a common vision on company-wide goals for health and safety. The implementation of this policy is reviewed annually and updated if necessary.

This new policy pursues the positive and effective initiatives that are underway, but also introduces a shift in focus with increasing investments in preventive health care, to improve working conditions and promote healthy employee lifestyles.

HEALTH PROTECTION

At Air France, 28 vocational physicians and 60 nurses ensured the clinical and psychological screening of the company’s employees, advised on healthy lifestyles and the prevention of vocational risks, and provided emergency medical care. This advice was dispensed both individually and during group information sessions and awareness-raising initiatives within the framework of forums, information campaigns and visits to workshops, offices and flight crew rosters.

In 2015, KLM improved health protection in many different ways. With help of the works council, a policy for dealing with heavy air pollution all over the world has been introduced:

- Information and if necessary protection of all employees who stay for short or longer times in polluted areas: they are protected by personal mouth masks, by filtered sleeping rooms or in extreme cases by shortened layovers or layovers at a different location.
- Introduction of a new location-specific training for all our company first aid assistants (BHV’ers): Each year all these assistants check local emergency procedures, local fire extinguishers and local communication methods, to ensure there is an adequate emergency response in case of an accident.

KLM invests in improving health promotion:

- A dedicated team has produced a blueprint on how to further promote health within the different KLM divisions. They also produced an overview of effective initiatives.
- Three Health Theme Events have been organized, focusing on “E-health”, “Stop smoking”

and “Resilience”. Managers and professionals from inside and outside the company shared knowledge and best practices.

KLM has also tested a number of innovations that are now being trialed on a small scale. “Hello Physio” delivers online physiotherapy, irrespective of time and place introduced by the Flight Operations division. “Healthy Work” gives employees insight into their own health and employability and provides concrete personal action plans.

SOME TESTIMONIES

“Safety is important. We have the SMS, the Safety Management System. People are working very hard on it to make it a success. Safety is well regulated at KLM. It is of course everybody's responsibility, for yourself and for others. I always try to work safe, although the conditions on the ramp sometimes make it hard. Occasionally I challenge people on unsafe behavior.”

> KLM Ground Engineer at Schiphol

“I work alongside my colleagues on a daily basis to help them reduce the risks of workplace accidents and illnesses. From the outset of projects involving both organizational and equipment issues, I help to flag-up, steer and offer suggestions to reduce risks at their source, and also to reduce the impact of these risks.”

> Air France Cargo - Risk Preventer

“As part of the ‘Change the way we work’ project, I have the option of working from home one day per week. This solution makes a big difference to me: it improves my working conditions by reducing transport-related stress. I benefit from being able to better manage my work-life balance, and I am able to handle my work-load more independently.”

> Executive at Air France Purchasing

Equal opportunities

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



DIVERSITY

At Air France and KLM, internal recruitment and selection processes are governed by a code of ethics.

Air France is a signatory of national charters such as the Diversity Charter, the Good Parenting Charter, and the 2013-2015 "Generation Contract". "Generation Contract" is the French government agreement for sustainable employment for young and older people, and the passing on of knowledge and skills.

The airline uses a range of information tools including training modules for managers, a practical guide to Religious Diversity in the Workplace. A Diversity e-learning module is also available to build employee awareness.

KLM's Diversity Council examines ways of promoting diversity in the organization and increasing awareness. Diversity has become one of the themes featured in the divisional plans on Management Development. In 2015, a Diversity Manager was appointed. Particular attention is paid to diversity

within teams, skills management and ensuring the diversity and inclusion policy is an integral part of the company's culture. In order to gain insight into the relation between job satisfaction and diversity, a research was conducted in collaboration with the University of Leiden.

In The Netherlands in 2015, new legislation on leave and working hours came into effect, aimed at reconciling working hours with the personal lives of staff (e.g. healthcare and education). KLM aligned its internal regulation with this new legislation in terms, for example, of parental leave or time off to nurse family members. In January 2016, new laws relating to working hours will come into force.

DISABLED PEOPLE

We have a proactive approach to helping people with disabilities into work. In 2015, the Group employed 2,986 employees with disabilities.

Air France signed the 2015-2017 Disability Agreement, which aims to pursue and strengthen initiatives to promote improved, career-long support for employees with disabilities. In 2015:

- The share of employees with disabilities within the total workforce continued to grow to 5.59% compared to 5.22% in 2014.
- 12 people with disabilities were recruited by Air France.
- Staff with disabilities were aided in retaining their jobs, through support and adaptation initiatives.
- Increased use of companies and organizations in the sheltered sector: 20 million euros of purchases from this sector.

KLM is fully committed to actively furthering the vocational integration of disabled persons and to optimize their economic contribution:

- In cooperation with specialists, consultants and employees, adjustments are made to working hours, types of work and work station adaptation.
- The return to work for employees with disabilities is proactively supported. When employees are unable to return to their jobs, they are automatically offered an appropriate position without having to undergo a new application process.
- In 2015, KLM joined Aviation Included (Luchtvaart Inclusief), an aviation industry initiative in the Schiphol region, which aims to create more jobs for persons with disabilities. This co-operation, coordinated by the Schiphol Aviation College, is a concrete response to the new Dutch Participation Act.

GENDER EQUALITY

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

To ensure respect of equal treatment between men and women, a series of male-female comparative indicators have been included at Air France in the steering of human resources policies and

management processes (training, careers, vocational safety, remuneration, etc.). These indicators are monitored annually within the framework of an audit carried out with each division. In 2015, the percentage of female staff among senior management and executive level rose to 29.8%.

As a result of an internal survey conducted in 2015: 71% of women and 67% of men would like to have a better work-life balance.

Air France wants to change mentalities and provide the possibility, for men and women alike, of taking advantage of their family environment at the same time as they enjoy the same professional development opportunities. Two pilot initiatives were launched in 2015:

- A coaching scheme was established for high-potential women, alternating collective with individual coaching sessions to promote access for women to positions of responsibility at the highest level within the company and the Group.
- A special training module was established to support employees returning to work after maternity and / or parental leave, aimed at enabling a smooth transition back into working life within the framework of a positive work / life balance.

Women in the Group (%)

Board of Directors			28.6%
Executive Committees	Air France-KLM		7%
	Air France		15.4%
	KLM		12.4%
Senior managers / executives	Air France		29.8%
	KLM		22.3%
Ground staff managerial	Air France		32.7%
	KLM		26.1%
Flight crew managerial	Air France	Cabin crew	51.5%
		Cockpit crew	6.4%
	KLM	Cabin crew	71.0%
		Cockpit crew	3.5%
Ground staff non managerial	Air France		40.6%
	KLM		30.3%
Flight crew non managerial	Air France	Cabin crew	66.1%
		Cockpit crew	7.6%
	KLM	Cabin crew	85.8%
		Cockpit crew	5.8%

[Click to enlarge image](#)

At KLM Group, the percentage of female staff grew to 42.7% in 2015, from 42.6 % in 2014. This increase also translated to the senior management and executive level, where the percentage of female staff rose from 20.5% in 2014 to 21.2% in 2015.

Air France Industries participates in the "Féminisons les métiers de l'Aéronautique" operation, in partnership with the association Airemploi, aimed at promoting women's access to the Aeronautics profession and the technical aeronautics professions which are traditionally seen as a male preserve to school girls (nomination of female sponsors including ten at

Air France, site visits, etc.).



Air France and KLM are committed to equality and respect for sexual orientation. The “Personn’Ailes” and the “Over the Rainbow” LGBT networks bring together gay, bisexual and transgender employees. It provides advice to ensure fair treatment, regardless of sexual orientation. KLM's network has steadily grown to around 375 members. Together with Leiden University, KLM Over the Rainbow conducted a survey aimed to establish whether workplace experiences, treatment, and well-being were different for heterosexual and LGBT staff within KLM.

KLM Over the Rainbow



Innovating and involving employees

Our employees are encouraged to contribute to the Group strategy by putting forward ideas and suggestions.

Getting teams involved in planning and implementing the projects is intended to be a long-term approach, illustrating our ambition to bring about deep changes in the way we work.

INVOLVING STAFF

Perform²⁰²⁰ strategic areas



The Perform 2020 strategic plan's scope and objectives have been cascaded down into the divisions of Air France and KLM, each of which implemented 'bottom-up' initiatives: discussion forums with members of staff of all levels of seniority, participatory workshops, discussion via internal social networks, surveys, ideas sharing via various channels (DIP, email), World Café, etc.

20,000 ideas were collected through these bottom-up initiatives. Many of these ideas have given rise to action at a local level, while others have led to the identification of company-wide initiatives that make up Perform 2020.

KLM employees were encouraged to contribute, and numerous staff from across the organization mobilized around the process to determine the company's purpose. Some 2,000 suggestions and

ideas were submitted to the CEO's mailbox, generating cost-savings in excess of €11 million. Others contributed by proposing and implementing innovative bottom-up ideas.

LISTENING TO STAFF

Improving communication and interpersonal relations among staff is imperative, as the quality of service for the end-customers depends on the quality of relations "backstage". The Caring Attitude comes from a core Air France brand value. The idea is to be simultaneously attentive and caring, creating value for the Company and the customer in all we do, and being truly proud of the business.

This new mindset is spreading to every level, helping staff members to innovate, improve and personally commit themselves. For example, Customer Culture Cafés and Customer Culture Circles are opportunities for business sectors to share and create new initiatives to go even further. A new climate of trust is developing, with the granting of increased room for manoeuvre and hence more empowerment. Small-scale initiatives taken among Air France staff and customers add new value to customer relations.

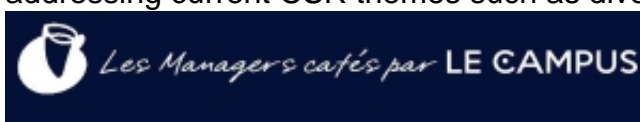
Transavia has set up an original experiment, the TO Lab, an in-house think tank gathering a team of ten people from various departments around the airline. The job of the Lab is to spark new ideas that will improve the Transavia business model and simplify the everyday experience of employees and passengers. It has already put a number of reports and recommendations into practice, on topics as diverse as the people involved in it. Among these are the airline's digitization and the airline's cabin luggage policy.

KLM seeks a direct dialogue with employees, who are encouraged to share their opinions and ideas. In 2015, KLM conducted a short survey on employee engagement. The results show that, after a fall in the level of confidence in management during 2014, there was a modest recovery in 2015 and employees are better informed of the KLM strategy. Furthermore, the survey revealed an increase in the level of employee buy-in to the need for rapid change. In 2016, the survey on employee engagement will again be conducted.

CSR AWARENESS

The Group has a number of different channels for the in-house communication of CSR information:

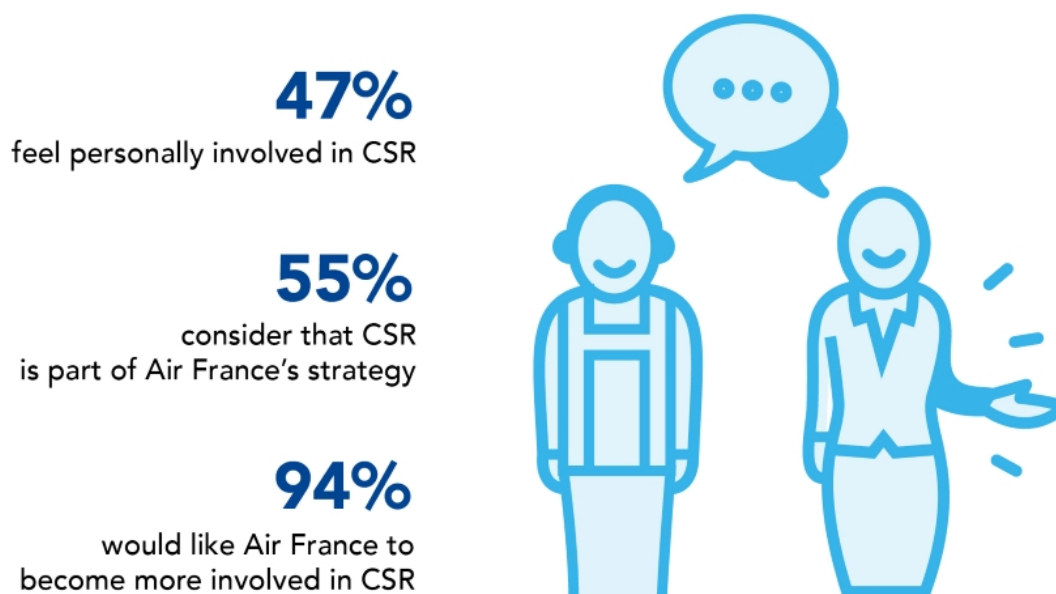
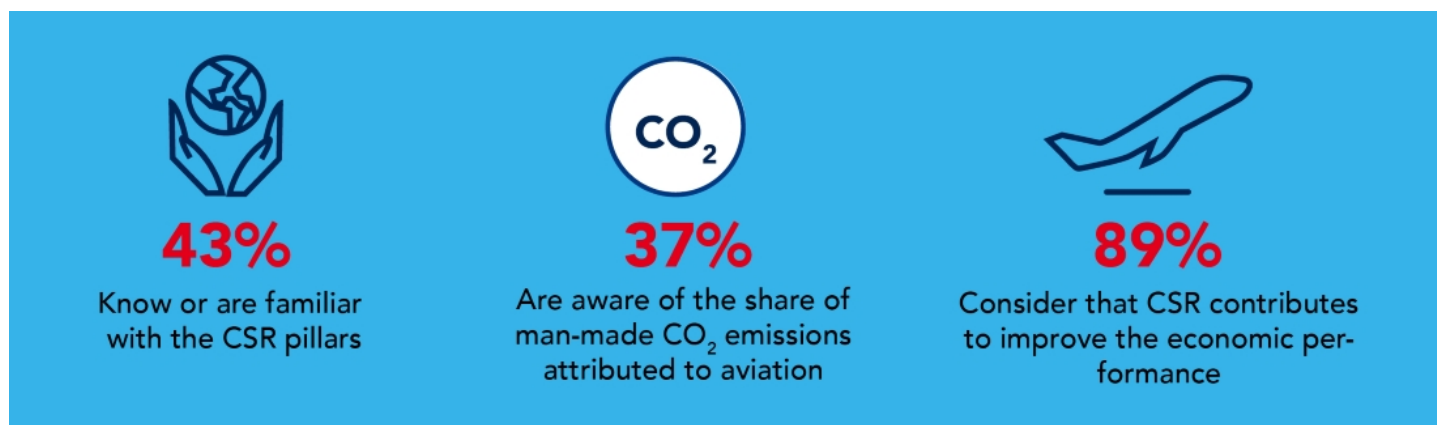
- CSR Yammer platform at KLM to facilitate employee communication and interaction: 220 members.
- The KLM CEO mailbox, where employees can suggest innovative ideas, is made up of around 10% of CSR related ideas.
- "Managers Cafés" at Air France: 40 internal conferences in 2015 out of which subjects addressing current CSR themes such as diversity, COP 21 UN conference.



- Meetings on various CSR themes are regularly organized at Air France and KLM, notably

during Sustainable Development Week. Some forums dedicated to Environment have been also organized at entity-level.

Awareness-raising initiatives for employees are run through in-house surveys, enabling their perceptions and suggestions to be gathered. In 2015, a perception survey was carried out at Air France on CSR, which met with response rate of 25%. Some results:



KLM conducts an employee satisfaction survey periodically. The latest results, from 2014, show that KLM employees feel that KLM shows indeed a corporate social responsibility and that sufficient efforts are made to counteract its environmental impact.

INNOVATION PROGRAMS

Air France and KLM involve employees in progress and innovation initiatives.



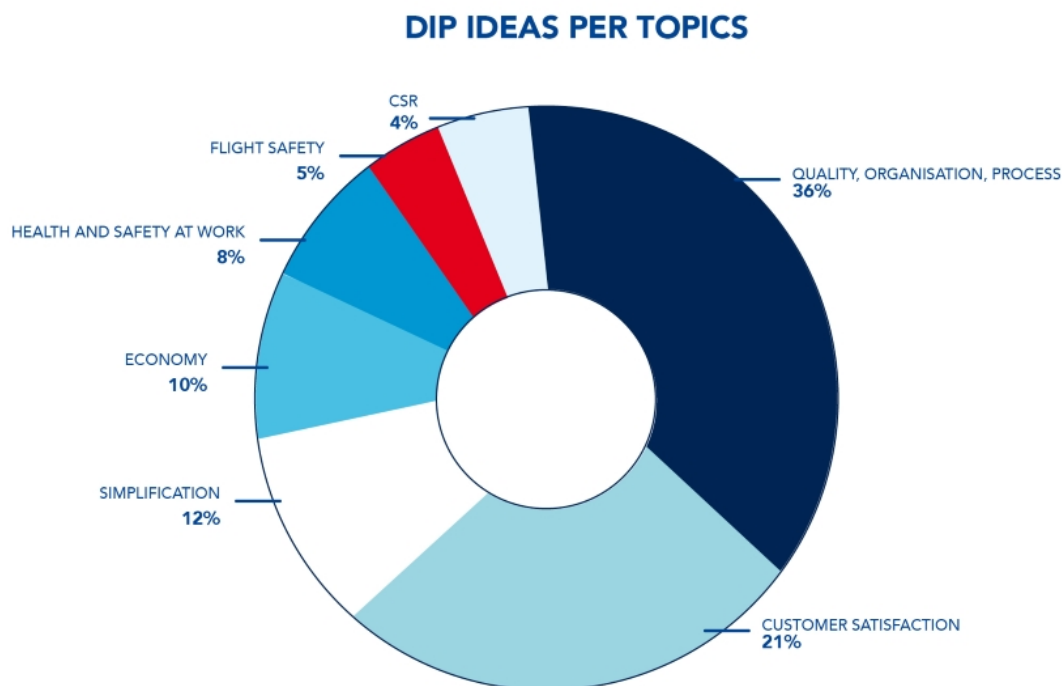
The Air France Developing Innovation Program (DIP) is a system allowing everyone to drive change in the Company. Any staff member can suggest an innovation idea or an idea to improve a process in their area of activity and become an agent of innovation. The DIP program has seen further deployment with the aim of covering 100% of the Company. DIP is a positive way to

contribute to the Company's performance.

10,794 suggestions were submitted in 2015 (+61% vs. 2014). Ideas reflect the Group's strategic priorities:

- Two domains are up sharply: Quality-Organization-Process and ideas focusing on the Customer Satisfaction. There is also a lot of interest in the Simplification category.
- Ideas about Occupational Health and Safety are key for prevention purposes.
- In all, the ideas implemented in 2014 have led to estimated savings of 25 million euros but their impact is not always quantifiable or financial.

The grass-roots approach is central to Perform 2020 thinking and DIP is a key part of the transformation mechanism.



[Click to enlarge image](#)

In 2015, a cabin crew won the DIP CSR Trophy for streamlining the use of boilers on board. Previously, two boilers remained switched on even after in-flight catering service had been completed, despite the fact that passengers requests for coffee did not justify this. The solution was to systematically switch off one of the boilers after the service. A simple idea that enables electricity generated by the aircraft to be saved, while at the same time reducing the number of equipment breakdowns caused by the intensive use of boilers.

KLM CEO mailbox

€11 million cost-savings were generated by some 2,000 suggestions and ideas to the KLM CEO's mailbox. KLM employees were encouraged to contribute, and numerous staff from across the organization mobilized around the process to determine the company's purpose. Others contributed by suggesting and implementing innovative bottom-up ideas. KLM's Board of Directors is giving its full support to this process and is investing time to talk to contributors at various moments, such as special breakfast sessions.

Innovation Awards

2015 was KLM's 10th year of handing out the Innovation Awards to KLM colleagues who managed to successfully implement innovations. The theme of 2015 was Innovate to Transform.

- 9 categories (including CSR)
- 71 nominations made
- 1,700 votes counted

The special award for the innovation of the decade was handed out to KLM social media hub, being a frontrunner in the airline industry to have proven the strength of social media as a powerful asset to empower the KLM brand.

Local development

We strive to add economic and social value in the areas where we operate. By working together with local partners, the Group creates new business opportunities and supports projects that contribute to future generations and local communities.

316

DESTINATIONS
IN 115 COUNTRIES



NUMBER OF DESTINATIONS

Driving the economy

With hubs in Paris and Amsterdam, Air France and KLM contribute to economic development, both locally and nationally, through direct and indirect activities.

FRENCH AND DUTCH ECONOMY

Air transport contributes significantly to national economies:

- € 81 billion to French GDP and some 1,140,000 jobs (including catalytic effects): aviation's contribution to French economy.
- € 27 billion to Dutch GDP and some 300,000 jobs (including catalytic effects): aviation's contribution to Dutch economy.

(source: Airports Council International Europe, "Economic impact of European airports", January 2015)

With 90% of the Group's employees based in France and The Netherlands, we are among the largest private sector employers at national level.

KLM Group

KLM and 8 other multinationals make up the Dutch Sustainable Growth Coalition (DSGC) which has the following objectives:

- Pro-actively drive sustainable growth business models along three lines:
 - Connect economic profitability with environmental and social progress on the basis of integrated sustainable growth business models.
 - Joint advocacy of sustainable growth business models both internationally and nationally.
 - Enable sustainable growth with solutions for the environmental and social challenges.

Air France Group

The Air France Group is an asset for France competitiveness:

- 55% of passengers carried by Air France are non-French citizens. These Air France customers generate business and enable job creation, benefiting the airline, airports, their suppliers and related businesses.
- The Air France worldwide network, structured around its hub, is essential for connecting French regions with the world, encouraging foreign investment and the setting up of foreign companies in France. It also facilitates business travel for French exporters, supports export activities of all French industry through cargo activities.
- The routes operated by HOP! Air France play a part in French regional development, foster

wealth creation and strengthen the attractiveness of the regions they serve.

PROMOTING LOCAL BUSINESS THROUGH PURCHASES

- Air France purchases in France: € 2 billion, out of which 74% in the Paris region (excluding fuel)
- KLM purchases in the Netherlands : € 1.1 billion

We make significant contributions to regional and national economies, through the purchases we make and the trickle-down impact on other sectors:

- Air France is a main customer of the French food supply chain and promotes French products through its catering. For example, we purchased more than 800,000 bottles of Champagne in 2015.
- KLM together with Amsterdam Airport Schiphol are drivers of the local economy, for example over € 60 million is spend on flexible employment at KLM and Schiphol and its surroundings by employment agencies and € 8.5 million on employment in the sheltered sector.

Subcontracting by Air France-KLM creates a significant number of jobs, more than three quarters of these are located in Europe.

SUPPORTING SMES

- 35% of the total amount of Air France's procurement was sourced from French SMEs and Mid-Caps.
- 10 innovative startups have beneficiated of KLM investment through the "Mainport Innovation Fund I".

Through a formalized action plan, we promote the development of small and medium firms (SMEs) and startups in initiatives such as the creation of a window of innovation, participation in business incubators and specific projects such as the Lab'line for the future.

In 2015, for the third time, we were awarded the SMEs Label for innovative actions with SMEs, and were rewarded at the 2015 Purchasing Trophy for our strong commitment to the SME/supplier relationship.

Air France is one of some 54 major corporations that belongs to the Pacte PME industry grouping, which was set up to foster strong relations among its different members. The Company is ranked with the Top 5 SBF 120 groups for its relationship with the SMEs (55 000 SME requested).

Air France also supports SMEs through its participation in a coaching program (PLATO) involving 70 SMEs in the Paris-CDG area, and through the creation of a business association in the city of Orly, the "Club Orly Business".

Since 2015, HOP! Air France and Réseau Entreprendre®, organization which aims to support entrepreneurs, have joined forces to help boost regional economic development, by responding to businesses' mobility needs. HOP ! has facilitated the roll out of the Réseau across the French

regions and the partnership has already enabled a company, member of Réseau Entreprendre® to benefit from a unique accompaniment to support its development.

SUPPORTING INNOVATION

Air France supports promising startups by participating, as a founder member, in the business incubator [Welcome City Lab](#) dedicated to tourism, and in the "Starburst Accelerator" program, aircraft business oriented. Air France is committed to become the godfather of startups helping them for experimentations in its [Lab](#) and for their development on foreign markets. Through this approach, Air France reaffirms its commitment to innovative young companies and their development, consistent with the Charter "innovative SMEs" that the Company has signed in December 2012, and the "Alliance for Open Innovation" signed in december 2015.



Air France joined the "French Tech", initiative taken in 2013 by the French government, in Paris and the "Paris French Tech Ticket program" which aims to encourage the development of foreign startups in Paris.



Between Paris and New York, Air France is the Official Airline of the exchange program between startups belonging to Paris & Co and New York City Economic Development Corporation.

KLM, Schiphol Airport, NS Dutch Railways, Port of Amsterdam and Technology University of Delft work together through the "Mainport Innovation Fund II" (MIF II). It aims to accelerate innovation in the mobility industry by investing in startups that contribute to sustainable, safe and efficient transport. The MIF I fund has invested in 10 innovative startups. An example of those startups is called Undagrid. This Dutch 'internet of things' startup has developed a track and trace solution for ground support equipment at airports. This results in a costs and waste saving due to lowering maintenance costs, reducing the need for and optimizing the use of equipment.

TOURISM ATTRACTIVENESS

We transport 34% of non-European tourists visiting France and we contribute to promoting France and The Netherlands as a destination:

- In Air France advertising campaigns, in-flight magazine, and [website](#).
- Through innovative events organized throughout the year by Air France and KLM local teams

in the cities we serve.

- By supporting Atout France, France tourism development agency.
- Through Air France's partnership agreement designed to promote the French Riviera.
- Through the Escales Culture partnership signed with the French Ministry of Culture to promote some of the lesser-known French cultural heritage sites.

In 2015, KLM and Amsterdam Marketing continued their partnership to make Amsterdam a more competitive destination, and to attract more international visitors. KLM supported the attraction of MICE business (Meetings, Incentives, Conferencing and Exhibitions) to Amsterdam and developed partnerships with cultural institutions (Frans Hals Museum, Van Gogh Museum, Rijksmuseum, Concertgebouworkest). KLM has also formed longer term "Holland Alliances" with Amsterdam Marketing, Amsterdam Airport Schiphol and NBTC Holland to develop and execute marketing programs in other European countries and to invest in emerging markets such as Russia, Brazil and China.



LONG TERM COOPERATION ON MAJOR PROJECTS

We work with national and local stakeholders together to shape sustainable areas.

Strategic plan

- The Dutch government is continuing to implement its air transport policy ("Luchtvaartnota"), adopted in 2011, which reasserts the major importance of the aviation sector and Schiphol Airport for an innovative and competitive Dutch economy. The government has identified 9 sectors that are key to the economy and has brought together business, scientists and

government agencies to collaborate on boosting the international competitiveness of these sectors.

- KLM is working in partnership with Schiphol Airport and the City of Amsterdam to strengthen the competitiveness and development of the region, by working on sustainability themes, including the circular economy. In 2014, it led to the introduction of 168 Tesla "e-taxis" at Schiphol Airport. This has improved air quality and raised awareness of electric transport. Both organizations are also partners in the KLM Corporate BioFuel Program. In 2015 a survey was conducted to gain insight in the various waste streams in the Amsterdam Metropole area.

Space city planning

- Air France supports projects set to shape the areas around its hubs over the coming twenty years, such as the Grand Roissy project and the Nouveau Grand Paris.
- KLM participates in the Dutch government's SMASH program (Structuurvisie Mainport Amsterdam Schiphol Haarlemmermeer) which aims to optimize spatial planning and infrastructure around Schiphol Airport.

AROUND OUR HUBS

- Air France is the largest private sector employer in the Paris region with more than 39,200 employees in Ile-de-France.
- KLM Group is the third largest private sector employer in the Netherlands with 30,219 FTEs.

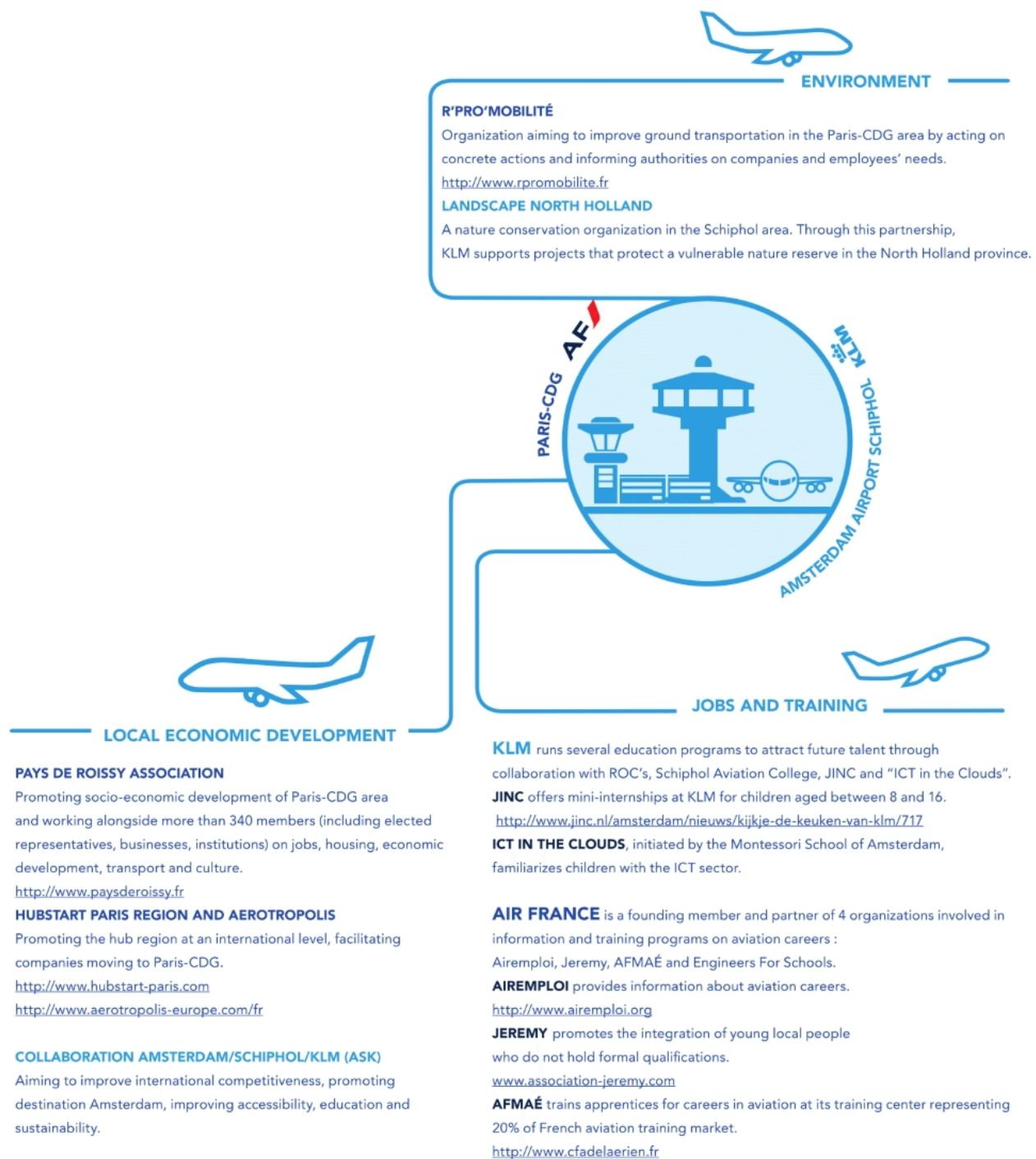
We have numerous locations around our hubs, and we are committed to the dynamism of the aviation industry. The Paris region has received a €45 million investment in a new Air France maintenance facility at Paris-CDG, which opened in 2015.

Our activities also generate numerous indirect and induced jobs around our hubs: assistance and catering, groundhandling cleaning, subcontracting required for the operation of an aircraft. The hubs provide highly attractive business environments and proximity to the airport generates the development of other activities: hotels and conference facilities, show-rooms, sales and marketing, innovative activities, business services, catering and retail.

The accessibility of airports is an important factor in the development and attractiveness of the local area surrounding Air France and KLM's hubs. 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: at Paris-CDG, 7 leading companies came together to form the [R'PRO'Mobilité organization](#) (FR), while at Orly, Air France signed a PDIE (intercompany travel plan) with 5 other businesses. Air France supports the urban cable car project that will connect surrounding cities to Paris-CDG based companies through the [Pays de Roissy-CDG association](#) (FR).

Social value around our hubs

We are involved in various initiatives to strengthen the economic attractiveness, reputation, international competitiveness, and sustainable development of our hubs.



[Click to enlarge image](#)

KNOWLEDGE AND SKILLS FOR FUTURE GENERATIONS

As part of our commitment to equal opportunities, we led various initiatives to bridge the gap between education and business:

Air France:

- More than 1,650 apprentices from various backgrounds are welcomed in all Air France careers, and guided in their professional integration.
- Each year, more than 500 middle-school children are welcomed into the company for a discovery internship. Initiated in 2010, a specific program, named OPEN, enables students from local disadvantaged neighborhoods to discover Air France careers and to reflect on their educational and professional goals through an orientation game.
- 50 Air France staff members volunteer to provide support to young people from underprivileged backgrounds up until their graduation from a business school or university, through a partnership with the "[Passeport Avenir](#)" association.
- 5 Air France executives, Engineers For Schools, are made available to the national education authorities, with the objective of bridging the gap between education and business.

KLM Engineering & Maintenance (E&M) works with 5 Regional Community Colleges (ROC). To anticipate retirements in the coming years, Avionics and Accessories collaborates with ROC Flevoland to train new engineering talents. Electrical engineering students can follow a KLM Minor on aviation electronics, with courses given by KLM employees, to better match the education program with work practice. Students who excel can intern at KLM in their 3rd and 4th year. This year the first students will be welcomed by KLM E&M for their internship.

COMMITTED TO THE EMPLOYEMENT OF VULNERABLE PEOPLE

Air France signed the Businesses and Neighborhoods Charter, signaling its willingness to make a real contribution to priority neighborhoods. Trainees from Second Chance Schools gained experience of the workplace by participating in maintenance activities.

Air France also supports workers with disabilities by working with sheltered sector companies:

- €20 million spending in the sheltered sector by Air France in 2015.
- The airline is expanding its partnership with the sheltered sector year on year: the proportion of onboard blankets cleaned by sheltered sector companies rose from 15% in 2009, to 85% in 2015.

KLM pursued its partnership with Schiphol Aviation College. This foundation brings together aviation businesses, vocational education institutions and the regional authorities to stimulate the Schiphol region employment market. In 2015, 9 individuals with limited access to the labor market were offered an assignment within KLM to gain valuable work experience and vocational training. In 2015, Schiphol Aviation College organized two Mobility Days aimed at promoting mobility amongst employees within the aviation sector. In total, 121 employees coming from 21 different companies within the aviation industry participated in these events, including 41 KLM employees.

Air France supports the social and professional integration association Papa Charlie, which provides mobility to vulnerable people who need to travel to Paris CDG to work. The association, which has a fleet of 109 vehicles, is also recognized for its best practice by the UN.

Since 2014, Air France has provided a boost to job seekers by signing a partnership with the Toulouse Employment Agency. Air France offers reduced rates for job seekers to help them in their mobility related to their search for work. Toulouse Business School fraternities have joined the Air France-KLM BlueBiz loyalty program, allowing scholarship students to use earned Blue Credits for airline tickets.

Local development at destination

With 316 destinations in 115 countries, we are a driver of economic and social development and we support initiatives for sustainable tourism.

STIMULATING ECONOMIC DEVELOPMENT

With a strong presence in Africa, we promote regional economic and social development :

- In 2015, a strategic partnership was signed between Air France and Air Côte d'Ivoire, whose development will enable Abidjan to become the West African hub.
- A partnership with the Ministry of Tourism of Senegal was signed to revive and sustain the tourist destination of Senegal.
- In Kenya Air France-KLM holds a strong position via its local partner Kenya Airways, and numerous African destinations are connected via its Nairobi hub.

We also contribute to Latin American and Caribbean growth through our large long-haul network from Europe to these destinations. We serve 25 destinations in the region and offer over 200 weekly flights from Paris-CDG and Amsterdam Schiphol. In 2014, a long-term strategic partnership agreement was signed with Brazilian carrier GOL, improving connectivity in South America.

In 2015, Air France's subsidiary Servair strengthened its presence in the Indian Ocean region with new facilities in Mayotte, enabling growth in the catering sector for schools and hospitals. Ranking a strong fourth in airline catering and logistics worldwide, Servair is present in 44 airports and supplies 120 airlines all over the world.

RESPONSIBLE AND SUSTAINABLE TOURISM

Through our longstanding partnerships with a number of NGOs, social enterprises and universities, we support initiatives for sustainable tourism:

- [MAD \(Make a Difference\) Travel](#), a Filipino social enterprise linked to Gawad Kalinga, welcomes travelers in eco-B&Bs, one of them financed by the Air France-KLM Group.
- Wageningen University, KLM is now taking part in the leisure, tourism and environment committee.



Air France is a partner of ATR (Agir pour un Tourisme Responsable), an association of tour operators, which aims to develop and promote sustainable tourism.



"La vie, pas la survie" —



[Acting for Life](#), an Air France NGO partner, promotes responsible tourism, as a virtuous circle that minimizes negative social, economic and environmental impacts and generates greater economic benefits for local people.

The rise in passenger demand for inspiring and experiential travel is driving us to develop a more personalized offer, attuned to local culture. Transavia offers "[Travel Solid'air](#)" (FR), an online guide listing more than 200 ecotourism initiatives located in or nearby the cities served by the airline, in Europe and around the Mediterranean. Following their trip, customers have the opportunity to recommend new initiatives to the online community.

LOCAL ENTREPRENEURSHIP AND SKILLS DEVELOPMENT

Local entrepreneurship and suitable skills drive development and economic growth. Air France participates in the "Africa HR Excellence" program, which aims to certify African training institutions offering educational projects that meet the economic realities of the continent and thus business needs. Air France offers both technical (business days, internships and apprenticeships, research funding advices) and financial support.

In Africa, in partnership with Myafricanstartup, Air France encourages the establishment of a genuine Hub of incubators in Abidjan, in cooperation with the African Development Bank.

Social partnerships

We have always played an active role in international development through social, humanitarian and nature conservation projects, with many projects focusing in particular on future generations.

Some projects supported in 2015

CONTRIBUTION OF AIR FRANCE-KLM



€ 14 Million

Financial support/donations



504

Air France tickets donated
to more than 30 NGOs

DISTRIBUTION OF GROUP'S CONTRIBUTIONS BY PROJECT CATEGORY



8%

Environment



55%

Sports, culture, miscellaneous



37%

Humanitarian & education

LONGSTANDING PARTNERSHIPS

Air France Foundation helps disadvantaged children: since it was created in 1992, the Air France Foundation has supported more than 1,150 projects, large and small, all working to help children. The Foundation was involved in 82 projects and 31 countries in 2015.

Air France Humanitarian Aid Department: 504 tickets donated to more than 30 NGOs helping children in need of medical care; 72 NGOs received assistance for medical equipment transport.

[Air France Corporate Foundation and Air France Humanitarian Aid Department](#)



[Acting for Life](#)



"La vie, pas la survie" —

Air France partner for over 30 years. It promotes economic development and sustainable tourism.

In 2015, Acting for Life supported 40 projects in Africa, Asia and Latin America.

[Aviation Without Borders](#)

Air France and KLM support the Dutch Aviation Without Borders and French Aviation Sans Frontières.

This emergency aid organization carries out air transport missions, transports cargo shipments with medical supplies to remote areas and arranges transport for sick children, who are accompanied by Air France and KLM volunteers.

[Gawad Kalinga](#)

In 2015, Air France-KLM shared GK's innovative vision signing the first Air France-KLM corporate partnership with the NGO and offering Flying Blue members to give miles to GK.

[UNICEF](#)



KLM and UNICEF the Netherlands have worked on applying the Children's Rights and Business Principles (CRBP).

The supply chain can have a major impact on people and communities. KLM's partner UNICEF has advised on how to integrate child rights in the Air France-KLM suppliers code. KLM and UNICEF introduced the Children's Rights and Business Principles to the other SkyTeam airline members to make them aware of these tools.

KLM works with 7 long term partners including its strategic partners UNICEF and WWF-NL, as well as [Doctor2Doctor](#), [Wings of Support](#), Get it Done, Samenwerkende Hulporganisaties (SHO) and

Close the Gap.

KLM has provided strong support to Close the Gap since it was founded. It aims to “bridge the digital divide” by obtaining high quality, used computers from companies and distributing them to local educational, healthcare and entrepreneurial projects in emerging countries. 25 cargo shipments and nearly 1,000 reconditioned computers and printers were sent by KLM in 2015 for various projects.

ENVIRONMENTAL PARTNERS

The forest conservation project in Madagascar, supported by Air France since 2008 and co-funded by AFD, FFEM and Madagascan authorities since 2014 and conducted by ETC Terra, contributes to the development of local communities while 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” (such as beekeeping, poultry, fish farming, cash crops), increasing crop diversification and income.

As part of the partnership, KLM provided financial support to three of WWF NL’s conservation projects, located on Bonaire, in the Coral Triangle and in the Amazon region:

- WWF has worked for more than 25 years on Bonaire to protect sea turtles and coral reefs. Projects in the Coral Triangle range from exerting political pressure on Indonesia and Malaysia to better protect more sea areas, to setting up public campaigns to stop the trade in and consumption of shark products.
- In the Amazon region, WWF works closely with nine South American countries participating in the Living Amazon Initiative to protect this wonderful nature area and preserve it for future generations.



EMPLOYEE INITIATIVES

The Wings of Support foundation, founded in 1998, supports local projects at destinations. Both KLM flight crew and ground staff are actively involved in the work of the foundation. Wings of Support also organizes an annual ‘BushCamp’ for orphaned children from all over Kenya. In 2015, €705,000 was

invested in 75 projects, helping 16,000 children.



A KLM employee initiative was started: Cycling Blue for UNICEF. During the year 2015 a group of KLM colleagues joined a series of 4 different race biking tours to raise funds for UNICEF. One of those tours, followed the Tour de France that started in The Netherlands, many KLM and Air France colleagues joined the team.

The "Friends of Air France Foundation": 2,500 employees are involved in various voluntary, childhood-focused projects in France. Their involvement can take different forms, including volunteer work, skill-sharing or donations. In 2015, the Foundation drew on the generosity and time of the airline staff on 12 occasions.

Air France highlighted this year the involvement of flight attendants, involved in numerous humanitarian and social organizations and projects, at a dedicated forum.

Transavia has implemented "[Support'air your initiatives](#)" (FR) that supports community projects lead by employees.

ENGAGING OUR CUSTOMERS

To engage our customers on social and humanitarian programs we support:

- The Air France inflight [magazine](#) devotes a monthly article to a project supported by the Air France Foundation and Acting for Life.
- Air France informs passengers about the damage caused by child sex tourism by financing and broadcasting [ECPAT France](#)'s prevention campaign, and by providing support to 11 other [ECPAT](#) projects on child protection around the world.



- In the KLM Takes Care pages of its monthly magazine, the [Holland Herald](#), KLM focuses on various CSR initiatives and highlights the work of its partners.
- Flying Blue passengers can support NGO projects [by donating Flying Blue miles](#). A total of 219 million miles were donated by Flying Blue members to NGO partners in 2015.