

AIRFRANCE KLM

Social Rights and Ethics Charter



Editorial

By Alexandre De Juniac



The epitome of the values and rights underpinning the AIR FRANCE KLM Group's identity and cohesion, the Social Rights and Ethics Charter applies to all employees of the two companies and their subsidiaries.

An ambitious action plan spanning the Group as a whole, this Charter tackles various issues such as labour relations, ethics requirements and the respect for the environment and sustainable development principles. It highlights our vision of an open, united world, based on both economic responsibility and social and environmental progress.

Negotiated with and signed by the staff representatives within the AIR FRANCE KLM European Works Council, this Charter is a prime example of how successful our contractual policy proves to be when it comes to achieving fair, balanced development.

Every employee is now encouraged to become acquainted with this Charter and proactively endorse it.

Preamble

The AIR FRANCE KLM Group and the AIR FRANCE KLM European Works Council (AFKL EWC) have jointly set out in this document the values and fundamental rights which underpin the identity of these two companies, and guide their social and ethics policy. These values and rights are the foundation for social, economic and cultural cohesion within each company and within the Group, which is essential to be able to share in the benefits of growth.

The purpose of this Charter is to foster a climate of enhanced mutual trust and respect in a work environment in which no form of discrimination or harassment may be tolerated. The development of a work environment favorable to the good economic and commercial performance of the Group and each of its companies, to progress in labour relations and personnel advancement requires continuous and extensive cooperation on the part of all.

Annexed to this Charter is the “AIR FRANCE KLM Corporate Social Responsibility Statement” which, in line with the United Nations Global Compact signed by the Group, identifies the commitments entered into by AIR FRANCE KLM to ensure that its activity goes hand in hand with the promotion of social values and environmental quality. To this end, and to guarantee safe and reliable passenger personal involvement of each employee is crucial. This statement fits in with and extends the application of the present Social Rights and Ethics Charter (see Appendix 1).

All the provisions of this Charter are drafted in compliance with the provisions and laws of each country as well as with individual and collective labour agreements.

1. Scope

The present Charter applies to AIR FRANCE and KLM and all their subsidiaries and sub subsidiaries in which they exercise dominant influence, as defined by French Law, and which have signed the Charter and are based in Europe (according to the “Protocol for European Works Council in the AIR FRANCE KLM Group”).

A list has been drawn up in Appendix 2, which will be updated every year conformed to the Protocol for the EWC and communicated to the Select Committee members of the European Works Council AIR FRANCE KLM.

When a change in shareholding or shareholders leads to the withdrawal of a company from the scope of this agreement, the Charter no longer automatically applies. On the other hand, when a new company enters this scope, its management shall be requested to sign the Charter.

The present Charter applies to all employees of these companies in Europe. Beyond this geographical scope, the present Charter must be a source of inspiration to in actions by local management.

2. Fundamental rights

Companies of the AIR FRANCE KLM Group endorse the core principles and rights set forth in the United Nations Declaration of Human Rights and the Charter of Fundamental Rights of the European Union. These are the universal and indivisible values of human dignity, freedom, equality and solidarity.

3. Social rights

Companies of the AIR FRANCE KLM Group are committed to promoting and complying with the Conventions of the International Labour Organization¹ and its Declaration concerning Fundamental Principles and Rights at the workplace as well as the Social Charters adopted by the European Union and the Council of Europe.

These companies consider these rights to be essential to the improvement of individual and collective labour conditions.

To this end, they undertake:

- to oppose child labour and the exploitation of children,
- to facilitate employment for the disabled,
- at the very least to apply the labour legislation of the European Union and its Member States and all national collective agreements,
- to respect the trade unions right in all the countries concerned.

(1) In particular The freedom of association and the recognition of the rights to collective negotiation (Conventions 87 and 98). The elimination of discrimination in terms of employment and profession (Conventions 100 and 111). The abolition of child labour (Conventions 138 and 182). The elimination of all forms of forced or compulsory labour (Conventions 29 and 105).

4. Health, safety and dignity at the workplace

Every employee of the companies of the AIR FRANCE KLM Group is entitled to labour conditions which respect his/her health, safety and dignity.

All measures relating to the improvement of health, safety and dignity at the workplace are deemed priorities and shall be actively pursued and reinforced.

5. Employment, wages, working time and working conditions

5.1 Each Company of the AIR FRANCE KLM Group undertakes to promote the employability and mobility of their employees, in the framework of a management style which anticipates economic, technological, competitive and organizational changes in order to maintain security and stability of employment and promote diversity in both companies to reflect society at large.

In this framework, employee training is an important, ongoing investment. It is essential that the resources are reviewed regularly to reinforce the employability of employees.

5.2 Wages and benefits shall at least be on a level that complies with the legal and contractual standards of the country concerned or local labour conditions (individual and collective agreements).

Employees who individually and/or collectively and extensively contribute to the development and the success of their company, should be able to benefit from this through any kind of compensation and/or benefits.

5.3 Working times and conditions shall comply with relevant national legislation and with individual and collective agreements in effect in each country concerned.

6. Social dialogue

Companies of the AIR FRANCE KLM Group (see Appendix 2) undertake to promote the development of responsible social dialogue and a relationship based on trust at all level. The aim is to consolidate and improve contractual processes wherever needed, in full respect of the institutions representing employees in each country. In this context, these companies also agree to ensure that their employees and/or their representatives are always informed and consulted in due course.

7. Equality

Equal opportunity will be promoted. In this context, companies of the AIR FRANCE KLM Group (see Appendix 2) will avoid any form of discrimination including race, colour, ethnic or social origin, religion or beliefs, political or trade union preferences, national origin, disability, age or sexual orientation.

Equality must be guaranteed between men and women in terms of employment, working conditions, career opportunities and remuneration.

8. Subcontracting

Companies of the AIR FRANCE KLM Group (see Appendix 2) will be particularly attentive to ensuring that these principles and fundamental social rights are respected by all subcontractors with whom they maintain relations anywhere in the world, in the respect of the Procurement principles defined in the Sustainable Development Charter, described in Appendix 3. The contact person at the Procurement Division will attentively monitor the situation, particularly in case of specific problems.

9. Circulation

Each company will ensure that each of its employees is made aware of the present Charter, at the time of its entry into effect, through appropriate channels. After that the Charter will be made available in accordance with the practices of each company. It will be published in French, English and Dutch.

10. Application of the Charter

The General Management of each company of the AIR FRANCE KLM Group (see Appendix 2) and the AIR FRANCE KLM European Works Council (AFKL EWC) shall oversee the application of this social Charter. Monitoring its effective application will be the responsibility of the AFKL EWC, consulting with but not substituting itself for the representative bodies in the countries concerned. In this way, the Select Committee of AIR FRANCE KLM European Works Council will be in a position to alert the appropriate personnel representatives and divisions so as to ensure application of the Charter. All procedures which could guarantee the monitoring of the Charter application are described in Appendix 4. Once a year, the agenda of the AFKL EWC will include a report on the application of the Charter.

11. Entry into effect

This Charter will come into effect on July 10, 2013 in all companies of the AIR FRANCE KLM Group (see Appendix 2) after being signed by:

- the CEO of the AIR FRANCE KLM Group,
- the CEO of AIR FRANCE,
- the CEO of KLM,
- the General Secretary and the Deputy General Secretaries of the AFKL EWC.

This Charter is applicable for an unlimited duration and replaces the former Social Rights and Ethics Charter, effective as of March 1st, 2008.

This Charter will be registered with the competent authorities as stipulated by French Law, applicable to the present text.

If necessary, a revision of this text can be initiated by agreement of the signatories of the present document.

The member companies

- AIR FRANCE KLM
 - Air France
 - C.R.M.A.
 - (via Air France Finance)
 - Air France Consulting
 - Quali Audit
 - Cityjet
 - VLM Airlines
 - VLM Netherlands BV
 - France Aviation
 - Bluelink S.A.
 - Bluelink International S.A.
 - Bluelink International CZ
 - (via Sodecom)
 - Crimée Voyages
 - Sodesi
 - HOP!
 - HOP!-Brit Air
 - Icare
 - Lyon Maintenance
 - HOP!-Regional
 - HOP!-Airlinair
 - Sodexi
 - Transavia France
 - Servair S.A.
 - A.C.N.A.
 - Prestair
 - Special Meals Catering
 - P.A.C. (Paris Air Catering)
 - (via S.I.A.)
 - Catering PTP
 - Servair Solution Italia
 - SRFF (Servair Retail Fort-de-France)

- SIA Afrique
- SIA International
- SIA Commerces et Services
- Lyon Air Traiteur
- Servair Formation
- Passerelle CDG
- Servantage
- Skylogistic
- Martinique Catering
- O.A.T. (Orly Air Traiteur)
- S.O.G.R.I. (Guyane)
- S.O.R.I. (Guadeloupe)
- SVRLS@LA REUNION
- KLM
 - Blue Crown BV
 - Cygnific BV
 - European Pneumatic Component Overhaul and Repair (EPCOR)
 - International Airline Services Ltd
 - KLM Health Services BV
 - KLM Catering Services Schiphol BV
 - KLM Cityhopper BV
 - KLM Cityhopper UK Ltd
 - KLM UK Ltd
 - KLM Equipment Services BV
 - ETS
 - KLM Luchtvaartschool BV
 - Martinair
 - Cobalt Ground Services Ltd

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AIR FRANCE KLM
European Works Council
Deputy General Secretary

Marta Schreiner

AIR FRANCE KLM
European Works Council
Deputy General Secretary

Roissy, July 10th 2013

APPENDIX 1

AIR FRANCE KLM CORPORATE SOCIAL RESPONSIBILITY STATEMENT

The AIR FRANCE KLM Group combines two airlines with their own identities and brands, which have a long-standing commitment both to protecting the environment and to promoting social values.

The Group is well aware of how its operations affect the environment, particularly where noise and emissions are concerned, and seeks to minimize its impact.

At the same time, our activities meet the growing demand for mobility worldwide, thus contributing to economic development by connecting regions and to social development by connecting cultures.

Following our signature of the United Nations' Global Compact and based on our long-term business management vision, our Group strives to set corporate social responsibility standards in the airline industry.

We do this by implementing a set of clearly-defined commitments to ensure that profitable growth goes hand in hand with environmental quality and social progress.

AIR FRANCE KLM is committed to developing trust with all its stakeholders.

- We act with integrity and strive to build trust with our customers and business partners.
- We proactively pursue dialogue notably with representatives of the airport community.

- We are systematically accountable for our economic, social and environmental results and guarantee transparency in the information we provide.
- We strive to contribute to regional development in areas where we operate, particularly with regard to employment and economic growth.
- We undertake to enforce Human Rights, to oppose all forms of child or forced labour, to apply the law and to request our suppliers and subcontractors to comply with these principles.
- We are actively involved in setting international standards for a responsible air transport industry.

AIR FRANCE KLM considers safety and security to be unquestionable obligations.

AIR FRANCE KLM is committed to building a socially responsible Group both on a national and international scale.

- We offer safe and motivating working conditions.
- We foster employment and mobility through personal development and by enhancing skills.
- We strive to promote diversity as reflected in society, and to ensure equal opportunities among all staff.
- We pursue social dialogue as a guiding principle and ensure that our employees and their representatives are kept informed and consulted.

AIR FRANCE KLM is committed to investing in environmental protection that goes beyond regulatory compliance.

- We endeavour to introduce the best available technologies in fleet renewal and to operate the most efficient procedures and operations to reduce noise and limit emissions.
- We adopt a responsible approach to limiting world emissions of carbon dioxide, by endorsing the participation of air transport in a fair Emissions Trading Scheme.
- We develop eco-designed services by thoroughly analyzing all sites and processes to identify opportunities where we can improve our environmental performance.
- We ensure that all premises of AIR FRANCE, KLM and their subsidiaries comply with environmental protection regulations.
- We encourage awareness and promote creativity among all our employees by supporting innovative projects that factor in environmental considerations.
- We request our suppliers and subcontractors to implement measures aimed at reducing the environmental impact of their activities.

This policy strives to ensure that the above commitments are implemented by all employees of AIR FRANCE KLM and their subsidiaries and pursued company-wide in all our day-to-day tasks. We do this by implementing dedicated action plans for each airline, where we set objectives and audit the results.

We expect our suppliers and employees as well as all others who are committed to building a responsible air transport industry, to endorse the above commitments.

APPENDIX 2

LIST OF COMPANIES IN THE AIR FRANCE KLM GROUP, MEMBERS OF THE SOCIAL RIGHTS AND ETHICS CHARTER ON JULY 10TH, 2013

- AIR FRANCE KLM
 - Air France
 - C.R.M.A.
 - (via Air France Finance)
 - Air France Consulting
 - Quali Audit
 - Cityjet
 - VLM Airlines
 - VLM Netherlands BV
 - France Aviation
 - Bluelink S.A.
 - Bluelink International S.A.
 - Bluelink International CZ
 - (via Sodecom)
 - Crimée Voyages
 - Sodesi
 - HOP!
 - HOP!-Brit Air
 - Icare
 - Lyon Maintenance
 - HOP!-Regional
 - HOP!-Airlinair
 - Sodexi
 - Transavia France
 - Servair S.A.
 - A.C.N.A.
 - Prestair

- Special Meals Catering
- P.A.C. (Paris Air Catering)
- (via S.I.A.)
 - Catering PTP
 - Servair Solution Italia
 - SRFF (Servair Retail Fort-de-France)
 - SIA Afrique
 - SIA International
 - SIA Commerces et Services
- Lyon Air Traiteur
- Servair Formation
- Passerelle CDG
- Servantage
- Skylogistic
- Martinique Catering
- O.A.T. (Orly Air Traiteur)
- S.O.G.R.I. (Guyane)
- S.O.R.I. (Guadeloupe)
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- KLM
 - Blue Crown BV
 - Cygnific BV
 - European Pneumatic Component Overhaul and Repair (EPCOR)
 - International Airline Services Ltd
 - KLM Health Services BV
 - KLM Catering Services Schiphol BV
 - KLM Cityhopper BV
 - KLM Cityhopper UK Ltd
 - KLM UK Ltd
 - KLM Equipment Services BV
 - ETS
 - KLM Luchtvaartschool BV
 - Martinair
 - Cobalt Ground Services Ltd

APPENDIX 3

SUSTAINABLE DEVELOPMENT CHARTER

Both Chairmen of AIR FRANCE and KLM have made a commitment to support and promote the principles of the “UN Global Compact” which fall within the sphere of influence of the AIR FRANCE KLM Group, and to incorporate them in the Group’s strategy and day-to-day operations with its partners.

This document formalizing AIR FRANCE and KLM’s commitment to ethics and sustainable development has prompted the Procurement Organization to remind their providers of goods and services (hereafter referred to as “Suppliers” or individually as the “Supplier”) of the principles that each undertakes to defend and respect when entering into a contract with AIR FRANCE and KLM.

By entering into a contract with AIR FRANCE and/or KLM, the Supplier commits to respect specifically the principles of the following areas:

Ethics:

> TO RESPECT THE PRINCIPLES DEFENDED BY THE INTERNATIONAL LABOUR ORGANIZATION

The Supplier undertakes to respect the principles defended in the Conventions of the International Labour Organization and, in particular, the abolition of child labour and the elimination of all forms of compulsory or forced labour.

> NOT TO HAVE RECOURSE TO ILLEGAL EMPLOYMENT AND TO RESPECT CURRENT LABOUR REGULATIONS

The Supplier undertakes not to employ

unregistered workers. In particular, it undertakes to honour all obligations with respect to reporting to the administrative, labour and tax authorities as required in the country concerned.

> TO WORK AGAINST CORRUPTION

The Supplier declares it forbids the offer or payment of bribes to its customers or to the business associates of its customers. It also declares that it forbids its employees to request or accept bribes, whether for their own benefit or that of their families, friends, associates or acquaintances.

Labour Standards:

> TO RESPECT LABOUR REGULATIONS AS WELL AS ALL REGULATIONS SPECIFIC TO ITS ACTIVITIES

The Supplier undertakes in particular:

- Not to practice any form of discrimination with respect to hiring or personnel management, and to promote equality in professional treatment,
- Not to use any form of mental or physical coercion, or corporal punishment for disciplinary purposes,
- To respect current legislation with regard to working schedules, remuneration, training, collective bargaining, health and safety.

> TO PUT IN PLACE MEASURES FOR RISK PREVENTION TO ENSURE SAFETY IN THE WORK PLACE, A PRIME CONCERN IN THE CONDUCT OF ITS ACTIVITIES

> TO IMPLEMENT QUALITY MEASURES AND PROMOTE PROFESSIONAL TRAINING FOR ITS PERSONNEL.

Environmental Protection:

> TO ADHERE TO THE PRINCIPLES OF ENVIRONMENTAL PROTECTION

The Supplier declares that it supports and respects the fundamental principles of environmental protection through the implementation of an environmental policy aimed at alignment with the best practices in the profession.

> TO RESPECT CURRENT ENVIRONMENTAL REGULATIONS

The Supplier undertakes to ensure scrupulous respect of local, national and international regulations in effect as well as general environmental protection principles in the framework of its activities on behalf of the AIR FRANCE and/or KLM.

> TO CONTROL THE IMPACT OF ITS ACTIVITIES ON THE ENVIRONMENT AND TO ADOPT A POLICY OF CONTINUOUS IMPROVEMENT

The Supplier undertakes to control the impact of its activities on the environment by adopting measures to identify the environmental consequences of these activities. It undertakes to set up a process of continuous improvement in its management and control of the environmental impact of its activities.

> TO PROMOTE THE PRINCIPLES OF THIS CHARTER AMONG ITS OWN PARTNERS AND SUPPLIERS

The Supplier undertakes to promote the principles set forth above in its dealings with its own suppliers, service providers and/or sub-contractors. It also assures AIR FRANCE and KLM that it will ensure that its suppliers, service providers and/or sub-contractors respect all the principles set out in this Charter.

> TO AGREE THAT AIR FRANCE AND/OR KLM MAY CARRY OUT AUDITS TO VERIFY APPLICATION OF THE PRINCIPLES OF THIS CHARTER.

APPENDIX 4

PROCEDURE FOR MONITORING THE APPLICATION OF THE CHARTER

1. Responsibility for the application of the Charter

1.1 The management team of each signatory company is responsible for the distribution and the proper application of the Charter.

1.2 The management team of each signatory company shall appoint a contact person at the appropriate level of the hierarchy.

The names of the contact persons shall be published in order to inform all employees and the Select Committee of the AIR FRANCE KLM European Works Council.

1.3 Contact persons

The role of the contact persons is defined as below:

- Facilitate communication on the Charter to management and employees, and ensure that the Charter is available for each employee,
- Advise management on how to apply the Charter,
- Collect and report on complaints filed, make proposals, present a report each year to the management of the concerned company,
- Represent the company (or Group) in order to present and promote the AIR FRANCE KLM Social Rights and Ethics Charter

1.4 Corporate coordinating Contact Persons (CCP)

- The contact person appointed by AIR FRANCE for France and the French subsidiaries
- The contact person appointed by KLM for the Netherlands and the Dutch subsidiaries.
- The joint AIR FRANCE KLM contact person for European countries other than France and the Netherlands

shall respectively play the role of coordinator within their respective geographic perimeter.

In case of claims regarding Procurement, Corporate coordinating Contact persons (CCPs) may refer to the Procurement contact Person to analyze the claim.

2. Claims filed by an employee concerning the application of the Charter

The provisions in this paragraph have a subsidiary character. They only apply when no other contractual or legal framework exists which ensures at least an equal level of protection, as guaranteed by this Charter and concerns the same purpose.

2.1 Any employee or group of employees in one of the companies stated in Appendix 2 may ask for remedial action to be taken should they consider that the Charter is not properly applied.

2.2 In this case, the contact person is informed, by a formal claim in writing, by one of the representatives (on site or in the regional management) in compliance with national legislation and in accordance with the principle of subsidiarity, chosen by the employee or the group of employees.

2.3 The implementation and claims process are detailed in the current application Memorandum of the Charter.

3. Monitoring the application of the Charter

Each year, this issue will be on the agenda of one of the AIR FRANCE KLM European Works Council meetings.

The Select Committee of the AIR FRANCE KLM European Works Council will prepare a report concerning the application of the Charter together with the three contact persons (CCP).

The final report will be presented in the plenary meeting of the AIR FRANCE KLM European Works Council.