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| Company: | Air France KLM |
| Sector: | Transportation |
| Report Year: | 2013 |
| Headquarters: | France |
| Standard Application: | GRI 3.1 A+ |
| Format: | Listing (4 key areas) |

OUR CSR APPROACH

As a global business, Air France-KLM connects people, economies and cultures, driving economic growth and social progress. Air France-KLM assumes its responsibilities and acts to reconcile growth with environmental protection, social value and local development at its hubs and destinations. The Group's commitment is laid out in its Corporate Social Responsibility Statement, Social Rights and Ethics Charter and Climate Action Plan. To integrate sustainability in its business and operations, Air France-KLM works alongside all of its stakeholder groups on four key priorities: environment, customer experience, responsible human resources and local development.

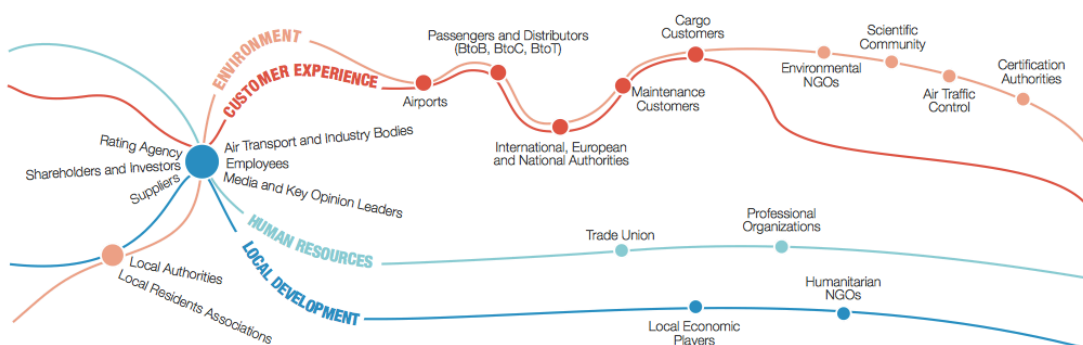
RESPONSIBLE HUMAN RESOURCES
Maintain a responsible social policy and encourage personal development to ensure the motivation and professionalism of our employees.

LOCAL DEVELOPMENT
Create economic and social value at our hubs and destinations.

CUSTOMER EXPERIENCE
Integrate sustainability within the entire value chain to offer customers sustainable and innovative products and services.

ENVIRONMENT
Reduce our environmental footprint by improving our operations, by innovating in the supply chain and by mobilizing our entire staff and the industry.

OUR STAKEHOLDERS MAP



Employees

→ Annual study on staff perceptions of CSR: 4,500 Air France employees surveyed. 75% of staff members feel that their division is involved in the airline's CSR policy, while 66% feel they are personally involved. 230 suggestions have been submitted, in particular concerning the recycling of waste.

→ Annual "Boussole" survey on home-work travel in the Paris region: 3,000 Air France employees participated. Thanks to the suggestions submitted, telecommuting will be rolled out more widely in the company in 2014 (see p.33).

→ KLM Takes Care Strategy: in the process of shaping the KLM CSR strategy towards ambitions for 2020 over 100 KLM experts and managers, as well as the KLM Works Council, were involved through interviews, dialogue meetings and workshops.

→ Quarterly "CSR Cafés": guest speakers are invited to inspire and inform KLM employees on various current and future sustainability initiatives. In 2013, 4 CSR Cafés took place and over 200 employees attended.

Local stakeholders

→ Dialogue with residents: Air France and KLM are members of local committees around the airports which constitute the main forum for dialogue between the air transport professionals and local communities, thereby helping to orientate the environmental measures accompanying airport development. Air France participates in the Environmental Advisory Committees (CCE) and Advisory Committees for Resident Assistance (CCAR) in the main French airports. KLM continues with its commitment to pursuing dialogue through Alders Table and CROS (Schiphol Regional Consultative Committee).

→ Grand Roissy area: Air France is contributing to the extensive discussions on projects set to shape the areas surrounding Paris-CDG airport. Air France is also a member of local development associations to reinforce the international attractiveness of Paris-CDG airport area.

→ Visits and meetings: Air France and KLM regularly organize visits to their facilities for stakeholders and government officials giving them an impression of the airline business and exchanging views on a variety of issues such as CSR and innovation.

Customers

→ Flying Blue customers CSR perception survey: the survey enables to better understand customer expectations and to identify those issues they consider a priority. Main issues identified in 2013: investing in a modern fleet, reducing water and energy consumption and waste, supporting aviation research and renewable energy (see p.43).

→ KLM Takes Care online platform: website provides articles and videos and gives customers the opportunity to share their ideas on sustainability topics (see p.43).

→ Social media: 7.7 million fans on Facebook and 1.2 million followers via Twitter.

Partnerships and NGOs

→ WWF-NL: In 2013 the joint partnership targets were evaluated and focused on biofuels and food impacts. In the process of reshaping the KLM CSR strategy towards 2020, WWF-NL was involved to reflect on the choices and ambitions for KLM's climate action plan and catering.

→ Associations dedicated to CSR: as a member of associations such as ORSE, Comité 21, Global Compact France, Air France pursues a dialogue with experts and other French companies on CSR issues.

→ UNICEF the Netherlands: Strategic collaboration focused on Children's Rights impacts by the airline sector.



IDENTIFYING AND MONITORING RISK

Strategic risk mapping and operational risk mapping processes have been established by all the relevant entities, supervised 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.

Examples are risks specifically linked to air transport, such as the cyclical and seasonal nature of the business, 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 or risks to IT systems. Other risks are linked

to the Group's activity, such as the impact of competition with other carriers, or negotiating collective agreements and industrial disputes. Market risks (fuel, currencies and interest rates) are managed by the Risk Management Committee.

Every three months, each Group entity updates the content of its operational risks by indicating the risk itself, the probability it will occur and its potential financial impact. These risks are discussed within the management teams with ownership of the risks.

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