

# AIR FRANCE-KLM

## Sustainability in the Air

A global player with a strong European base, the Air France-KLM Group's main areas of business are passenger transport, cargo transport and aeronautical maintenance. Air France-KLM is a leading airline Group in terms of international traffic on departure from Europe. It offers its customers access to a worldwide network, covering over 310 destinations thanks to Air France, KLM Royal Dutch Airlines and Transavia, mainly from its hubs at Paris-Charles de Gaulle and Amsterdam-Schiphol. Its Flying Blue frequent flyer programme is one of the leaders in Europe with over 17 million members. Together with its partners Delta Air Lines and Virgin Atlantic, Air France-KLM operates the largest transatlantic joint venture, with more than 340 daily flights.



### DECARBONISATION STRATEGIES AND GOALS

The decarbonisation of activities is no longer a choice, but an absolute necessity. The Air France-KLM Group is committed to working with all stakeholders and the relevant public authorities in order to achieve net zero CO2 emissions by 2050.

The group's new decarbonisation trajectory targets a 30% reduction in CO2 emissions per passenger/km by 2030 compared to 2019. This objective excludes so-called "offsetting" actions to consider measures that exclusively reduce direct and indirect emissions. It corresponds to a 12% reduction in the company's total emissions between 2019 and 2030, in line with expected changes in activity, after a



6% reduction achieved between 2005 and 2019.

Notably, Air France-KLM's key performance indicators and targets for sustainability are based on a scientific assessment method developed by the independent reference organisation SBTi (Science-Based Target initiative). Founded by the CDP (Carbon Disclosure Project), the United Nations Global Compact and the World Wildlife Fund, the SBTi has set CO2 emission reduction targets for the air transport sector, compatible with the Paris Agreement, which aims to limit global warming to below +2°C.

### NURTURING A SUSTAINABILITY-LED WORKFORCE

The Group uses a number of measures to identify the expectations and perception of its customers, employees, shareholders, suppliers, associations, local authorities and players in civil society like NGO's of its action on sustainability

Every two years, the Group carries out materiality analyses with corporate clients, national and international individual customers, employees of the Group, shareholders, investors, suppliers, NGOs, governmental organizations, MPs, CSR experts (extra-financial rating agencies, certification agencies, etc.), enabling the priorities key to the Group's activity to be re-evaluated and the results compared with those from previous materiality analyses. This new materiality analysis reveals that the issues considered most important for the Group in 2021 were mainly related to environmental aspects, whether it be fleet modernization, CO2 emissions or sustainable aviation fuels.

In line with the Global Reporting Initiative reference framework, the company updates its materiality matrix to confirm the priorities that are the most material for the Group.

Additionally, the Group has a number of different channels for in-house communication with employees on sustainability matters:

- On the Air France-KLM Yammer social network, the Air France Takes Care and KLM CSR communities have been created to facilitate communication and interaction between employees
- My Learning online training platform has an entire section dedicated to Sustainability, containing a substantial amount of content, videos and articles
- The KLM CEO Mailbox, where employees can suggest innovative ideas
- Internal forums and meetings on various sustainability themes are regularly organized at Air France and KLM, in particular during Sustainable Development Week.

## SAF-LED OPERATIONS REDUCE CO2 EMISSIONS

The use of Sustainable Aviation Fuel (SAF) is one of the most impactful measures for reducing the Air France-KLM Group's CO2 emissions. As a pioneer, the goal is to go beyond the targets set by the regulation with the use of a more than 10% blend of SAF by 2030.

In 2021, the European Commission approved a new regulation, RefuelEU, making it mandatory for fuel suppliers to include sustainable aviation fuel in the aviation fuel supplied to airlines. Thus, as of 2025, the fuel available in Europe must include a minimum 2% average volume of SAF, rising to 5% in 2025, 10% in 2030 and, ultimately, 45% in 2050.

In 2021, KLM operated the world's first commercial passenger flight with a blend of 500 litres of sustainably-produced synthetic kerosene. Shell produced this synthetic kerosene at its research centre in Amsterdam based on CO2, water and renewable energy from sun and wind in the Dutch territory.



On May 18, 2021, Air France operated the first long-haul flight from Paris to Montreal powered by SAF manufactured in France. This was the first time that fuel with this level of sustainability has been used on this type of flight, since it enabled a 91% reduction in CO2 across the whole of its life cycle.

## PRIORITISING SUSTAINABILITY ACROSS SUPPLY CHAINS

The overarching ambition of the Air France-KLM Group is to become an aviation champion in Europe, while fulfilling its role as a pioneer in sustainable aviation. The Group assumed its responsibilities as an employer, airline group and corporate citizen. Air France-KLM thus recently established and published its corporate purpose in the company's Articles of Incorporation. It designates a general interest ambition that it intends to pursue.

By working together with stakeholders, Air France-KLM is hoping to achieve more responsible aviation. This includes suppliers, partners, customers, employees, communities, shareholders, public policy makers and influencers.

The Group uses a number of measures to identify the expectations and perception of its customers, employees, shareholders,

suppliers, associations, local authorities and players in civil society like NGOs in relation to action on sustainability. These measures include:

- Dialogue with stakeholders
- Dialogue and evaluation of supplier CSR performance
- Exchange of best practices and working groups with industry players and other large companies
- Discussions with shareholders and SRI (Socially Responsible Investment) investors, recommendations of extra-financial rating agencies
- Feedback channels are in place to enable stakeholders (particularly employees, customers and local residents around airports) to communicate any comments and complaints.

When it comes to sustainability the airline industry should collectively work together. Air France-KLM wants to enable future generations to continue to board aircraft, to travel and discover new places and cultures. The Air France-KLM group has a responsibility to accelerate its environmental transition and ensure its place as a leader in a more sustainable aviation industry.