

AIR FRANCE KLM

Social Rights and Ethics Charter



Editorial

par Jean-Cyril Spinetta



The epitome of the values and rights underpinning the AF/KL 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 union and management representatives within the AF/KL Group 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 favourable 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 profitable growth goes hand in hand with the promotion of social values and environmental quality. To this end, and to guarantee safe and reliable passenger and cargo transportation, the participation and personal involvement of each employee is crucial.

This statement fits in with and extends the application of the present AIR FRANCE Ethics and Social Rights 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.

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 Organization* 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.

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.

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 3. 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 March 1st, 2008 in all companies of the AIR FRANCE KLM Group (see Appendix 2) after being signed by:

- the Chairman of the AIR FRANCE KLM Group, Chairman and CEO of AIR FRANCE,
- the President and CEO of KLM,
- the Secretary General and members of the Select Committee of the EWC AFKL,
- the European Transport Federation.

As of this date, the Charter will come into effect and replace the Social Rights and Ethics Charter for the AIR FRANCE Group adopted on June 25, 2001, which will be nullified.

This Charter will be the result of the completion of the social dialogue process as mentioned in the preamble of the protocol for the European Works Council within the Air France KLM Group signed on February 13, 2006.

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

This Charter is applicable for a fixed duration of 5 years. Six months before the end of this period, negotiations will be held to define a new Charter.

If necessary, a revision of this text can be initiated within the duration period of the Charter on the approval of the signatories of the present document.

The signatories:

AIR FRANCE
KLM
COMITE DE GROUPE EUROPEEN AIR FRANCE KLM
E.T.F.
A.C.N.A.
AEROFORM
AEROSUR
A.F.S.L.
AIR FRANCE CONSULTING
BASE HANDLING
BLUE CROWN BV
BRIT AIR
BRUNEAU PEGORIER CATERING
C.A.P. (Culin'Air Paris)
C.P.A.
CATERING PTP
CITYJET
CRIMEE VOYAGES
C.R.M.A.
CYGNIFIC BV
E.C.S. INC
EUROPEAN PNEUMATIC COMPONENT OVERHAULL
AND REPAIR (EPCOR)
FRANCE AVIATION
FREQUENCE PLUS SERVICES S.A.
ICARE

INTERNATIONAL AIRLINE SERVICES LIMITED
JET CHEF
KLM CATERING SERVICES SCHIPOL BV
KLM CITYHOPPER BV
KLM CITYHOPPER UK LTD
KLM EQUIPMENT SERVICES BV
KLM GROUND SERVICES LTD
KLM HEALTH SERVICES BV
KLM LUCHTVAARSTCHOOL BV
KLM UK ENGINEERING LTD
KLM UK LTD
LYON AIR TRAITEUR
LYON MAINTENANCE
MARTINIQUE CATERING
O.A.T. (ORLY AIR TRAITEUR)
PASSERELLE
PMAIR
PRESTAIR
REGIONAL C.A.E.
ROAD FEEDER MANAGEMENT
SERVAIR S.A.
SERVANTAGE
SERVCLEANING
S.I.A.
SODESI
SODEXI
S.O.G.R.I. (GUYANE)
S.O.R.I. (GUADELOUPE)
SKYLOGISTIC
SPECIAL MEALS CATERING
TOULOUSE AIR TRAITEUR
TRANSAVIA AIRLINES CV
TRANSAVIA FRANCE

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 AF, 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.

Paris & Amsterdam, July 4, 2006

Jean-Cyril Spinetta

Chairman and Chief Executive
Officer of Air France
and Air France-KLM

Leo van Wijk

President and CEO of KLM
Vice-Chairman of the Board
of Directors of Air France-KLM

APPENDIX 2

LIST OF FIRMS IN THE AIR FRANCE KLM GROUP WHICH SIGNED THE CHARTER ON FEBRUARY 20, 2008

- Air France
- C.R.M.A.
- A.F.S.L.
- (via Air France Finance)
 - Cityjet
 - Brit Air
 - Icare
 - Lyon Maintenance
 - Régional C.A.E.
(Cie Aérienne Européenne)
 - France Aviation
 - Fréquence Plus Services S.A.
 - Sodesi
- (via Sodecom)
 - Crimée Voyages
- Air France Consulting
- Sodexi
- Transavia France
- Servair S.A.
 - A.C.N.A.
 - PMAIR
 - Aerosur
 - Prestair
 - Special Meals Catering
 - C.P.A.
 - E.C.S. Inc
 - Jet chef

- S.I.A.
 - Base Handling
 - Servcleaning
 - Catering PTP
 - Toulouse Air Traiteur
- Lyon Air Traiteur
- Aeroform
- Passerelle
- Servantage
- Skylogistic
- Bruneau Pegorier Catering
- C.A.P. (Culin' Air Paris)
- Martinique Catering
- O.A.T. (Orly Air Traiteur)
- S.O.G.R.I. (Guyane)
- S.O.R.I. (Guadeloupe)
- KLM
- Blue Crown BV
- Cygnific BV
- European Pneumatic Component Overhaul and Repair (EPCOR)
- International Airline Services Limited
- KLM Health Services BV
- KLM Catering Services Schipol BV
- KLM Cityhopper BV
- KLM Cityhopper UK Ltd
- KLM UK Ltd
- KLM Equipment Services BV
- KLM Ground Services Ltd
- KLM Luchtvaartschool BV
- KLM UK Engineering Ltd
- Transavia Airlines CV
- Road Feeder Management

APPENDIX 3

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 contact person appointed by AIR FRANCE for France and the contact person appointed by KLM for the Netherlands shall play the role of coordinator within their respective groups. For European countries other than France and the Netherlands, AIR FRANCE and KLM appoint a joint contact person. The names of the contact persons shall be published in order to inform all employees and the Select Committee of the European Works Council.

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 (the subsidiaries' contact person must forward it to the AF or KL contact person),
- Represent the company (or group) in order to present and promote the AIR FRANCE-KLM Social Rights and Ethics Charter.

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 local 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. If there is no local representation or in exceptional cases, claims may be filed with the local contact person via the Select Committee of the European Works Council. In cases where a claim is filed via the Select Committee, the latter will investigate why the claim has been directed to them and if there was valid reason to do so.

In any case, as described in paragraph 2.2, a copy of the claim shall be sent to the local management and EWC Select Committee.

2.3 After the examination of the request, the local management team shall take any appropriate steps to resolve the situation and inform the contact person as well the European Works Council of the measures which they have taken.

3. Monitoring the application of the Charter

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

The Select Committee will present a report concerning the application of the Charter. The three contact persons appointed by Air France and KLM will be invited to the meeting to review and discuss the application of the Charter with the EWC.