



2024

UNIVERSAL
REGISTRATION
DOCUMENT

—
INCLUDING THE ANNUAL
FINANCIAL REPORT

AIRFRANCEKLM
GROUP

Contents

Messages from the leadership	2
Key figures	4
Our strategy	8
Strategic levers	10
Sustainability	12
Governance	14
Highlights of the 2024 financial year 	16
Highlights of the beginning of the 2025 financial year	28

1.

PRESENTATION OF THE AIR FRANCE-KLM GROUP 	31
1.1 Market and environment	32
1.2 Strategy	36
1.3 Activities in 2024	40
1.4 Fleet	55
1.5 Customer experience	59

2.

CORPORATE GOVERNANCE REPORT 	75
2.1 Composition of the Board of Directors	76
2.2 Organization and functioning of the Board of Directors	102
2.3 Activities and functioning of the Board of Directors and its Committees	117
2.4 Summary table of the AFEP-MEDEF Code's comply or explain recommendations not applied	126
2.5 Compensation of corporate officers	127
2.6 Group management bodies: Group Executive Committee and CEO Committee	157
2.7 Share capital and shareholder structure	159

3.

RISKS AND RISK MANAGEMENT 	177
3.1 Risk factors	178
3.2 Enterprise risk management	196
3.3 Organization and functioning of internal control	198

 The components of the Annual Financial Report are identified in the index by the following pictogram.

4.

CORPORATE SOCIAL RESPONSIBILITY: SUSTAINABILITY STATEMENT	207
4.1 General information	208
4.2 Environmental information	232
4.3 Social Information	287
4.4 Governance information	333
4.5 Appendix	347
4.6 Auditors report on the certification of sustainability information	368
4.7 Monitoring of Act No. 2017-399 known as the Duty of Vigilance Law	372

5.

FINANCIAL REPORT 	377
5.1 Comments on the financial situation	378
5.2 Consolidated financial statements	388
5.3 Notes to the consolidated financial statements	395
5.4 Statutory Auditors' report on the consolidated financial statements	476
5.5 Statutory financial statements	482
5.6 Five-year results summary	497
5.7 Statutory Auditors' report on the financial statements	498
5.8 Statutory Auditors' special report on Related-Party Agreements	502

6.

OTHER INFORMATION	507
6.1 History	508
6.2 General information	511
6.3 Information on the agreements concluded in connection with the business combination between Air France and KLM	512
6.4 Legislative and regulatory environment for the air transport industry	514
6.5 Information and control	518

GLOSSARIES AND TABLES OF CONCORDANCE	521
Air transport glossary	522
Financial glossary	524
Table of concordance for the Universal Registration Document	526
Information included by reference	528
Table of concordance for the Annual Financial Report	528

UNIVERSAL REGISTRATION DOCUMENT 2024 AIR FRANCE-KLM

INCLUDING THE ANNUAL
FINANCIAL REPORT

In its principal businesses of passenger and cargo transportation, low-cost operations and aircraft maintenance, Air France-KLM is a leading global player.



The universal registration document was filed on April 03, 2025 with the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of said Regulation. The universal registration document may be used for the purposes of an offer to the public of financial securities or the admission of financial securities to trading on a regulated market if it is supplemented by a securities note and, where applicable, a summary and all amendments made to the universal registration document. The whole document is approved by the AMF in accordance with Regulation (EU) 2017/1129.

This Document d'enregistrement universel including the Rapport financier annuel is a reproduction of the official version of the Document d'enregistrement universel including the Rapport financier annuel which was established in xHTML and filed with the Autorité des Marchés Financiers on April 03, 2025.

This is a translation in English of the official version of the universal registration document of the Company issued in French, filed with the AMF on April 03, 2025 and it is available on the website of the Issuer. In the event of any ambiguity or discrepancy between this unofficial translation and the Document d'enregistrement universel, the French version shall prevail.



MESSAGES FROM THE LEADERSHIP

2024: a promising dynamic for the future



ANNE-MARIE COUDERC

Chair of the Air France-KLM
Board of Directors

**Dear Sir or Madam,
Dear Shareholder,**

In 2024, the Air France-KLM Group recorded a 5% increase in revenue compared to the previous year, with contributions from all our businesses: passenger transport, cargo transport, and aircraft maintenance.

This performance is all the more remarkable given that we continue to operate in a complex operational and geopolitical environment, marked by the conflicts in Ukraine and the Middle East, as well as airspace restrictions over certain areas such as Russia and Niger. These external challenges have weighed on our costs, but they have not derailed our ambitious financial trajectory. Despite this particular context and the negative impact of the Olympic Games on our Summer revenues, Air France-KLM achieved an operating margin of 5.1% in 2024, demonstrating the strength of our strategy.

With agility and resilience, Air France-KLM – which has celebrated its 20th anniversary – has overcome countless challenges and navigated successive crises. Year after year, our Group continues to showcase its ability to transform, innovate, and drive the necessary decarbonization of its activities, all while strengthening its position as a leader in global air transport.

Today, the airline industry is entering a new phase of consolidation in Europe. Air France-KLM recently seized the opportunity to acquire a stake in SAS and is determined to play a key role in shaping European skies.

Across the globe, the Group's 78,000 talented employees share a common ambition: to make Air France-KLM stronger than ever. Together, let us continue this momentum and build a sustainable and promising future for aviation while reaffirming our social and environmental commitments.

With my utmost respect.

What are your main takeaways from 2024?

— **B.S.:** By continuing to implement our strategic roadmap, last year the Air France-KLM Group made important strides toward strengthening its long-term financial position.

Thanks to our teams' commitment to operational excellence, Air France, KLM, and Transavia transported nearly 98 million passengers, up 4.7% compared to the previous year. Meanwhile, our Cargo and our Engineering & Maintenance divisions showed revenue growth and boosted the Group's unit revenue. And Flying Blue registered a strong and steady operating margin of 24.7%. I would like to commend our teams on these remarkable achievements, especially given the ongoing logistical, staffing and geopolitical challenges we face.

2024 was also a year of achievements and milestones. The Group successfully acquired a 19.9% stake in the share capital of SAS and began extensive commercial cooperation with the airline. In doing so, we demonstrated our commitment to playing an active role in the consolidation of European aviation and to providing our customers with new and exciting travel opportunities. We also rose to the unique challenge of the Paris 2024 Olympic and Paralympic Games, during which the Group shone brightly on the world stage. At the same time, we pursued our ambitious transformation efforts to rein in costs and drive profitability.

Thanks to all these operations, the commitment of our staff, and the confidence of customers and stakeholders, Air France-KLM ended the year on a high note, with €31.5 billion in revenue – up 4.8% compared to 2023 – and an operating result of €1.6 billion.

What are the Group's near-term priorities?

— **B.S.:** We are committed to securing Air France-KLM's financial health, and our aim is to reach an operating margin of at least 8% for the 2026-2028 period. Going forward, we will continue to drive revenue, improve free cash flow, and drive down unit cost.

In parallel, we will pursue our ambitious transformation efforts to reduce costs and streamline operations across all brands and business units. This process is already yielding results. Over the course of 2024, the Group's transformation projects generated more than €0.7 billion in profits, either through cost reduction or revenue generation.

Another priority is ensuring a regulatory environment that fosters fair competition. The Group is actively pushing for this "level playing field", which is absolutely essential for our future success vis à vis our peers that are not bound by the same national and European regulations.



BENJAMIN SMITH

Chief Executive Officer, Air France-KLM

Where does the Group stand in terms of sustainability?

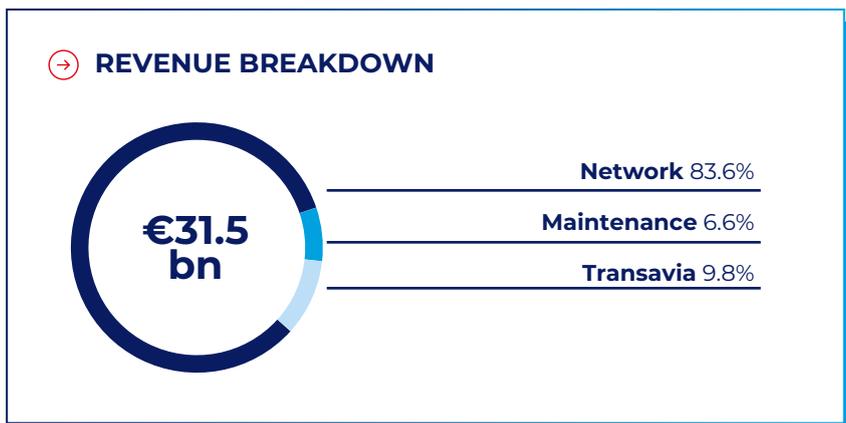
— **B.S.:** Despite a challenging context, the Group remains committed to its socio-economic and environmental responsibility. Air France-KLM already contributes 1.9% to French GDP and 2.3% to Dutch GDP and supports more than 820,000 direct and indirect jobs in both countries. Our future competitiveness and growth are thereby an asset for sovereignty, as well as for national and European economies.

The Group also believes in a collective approach to solving global environmental challenges, advocating for industry-wide ambitions and rules. Every year, the Group invests more than €2 billion in fleet modernization, and in 2024 the Group welcomed more than 40 new-generation aircraft that reduce CO₂ emissions per passenger-kilometer by up to 25% and produce 50% less noise. The Group has also ramped up SAF offtake agreements, signing major new contracts with providers like TotalEnergies.

We can be proud of these efforts and in our vision for the future of aviation.

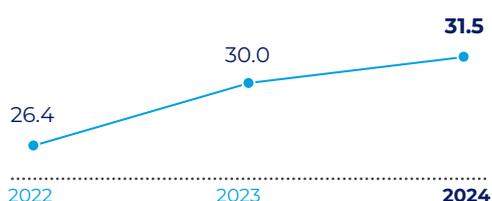
→ KEY FIGURES

Air France-KLM, a major player in global aviation



→ Financial figures

→ REVENUES (in € billion)



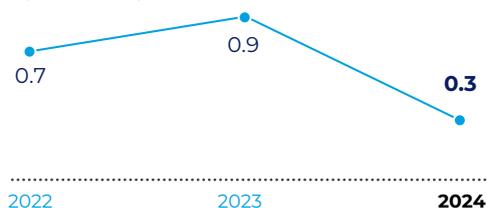
Revenues stood at €31.5 billion in 2024, up by 5% compared to 2023.

→ OPERATING RESULT (in € billion)



The operating result (corrected for currency) of €1.6 billion in 2024 was down by €0.1 billion compared to 2023.

→ NET RESULT, GROUP PART (in € billion)



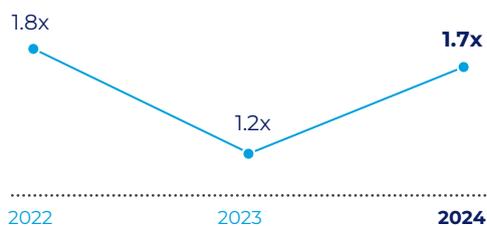
The net result, Group part stood at €0.3 billion in 2024, down by €0.6 billion compared to 2023 due to currency impact.

→ NET DEBT (in € billion)



At December 31, 2024, net debt stood at €7.3 billion, up by €2.3 billion compared to 2023. This increase is primarily due to a higher new and modified lease debt amount, largely driven by the fleet renewal and extension of current lease to cover delays in deliveries.

→ LEVERAGE RATIO (net debt/EBITDA ratio)



The leverage ratio stood at 1.7x in 2024 in line with Group's medium term ambition of 1.5x to 2x.

→ RECURRING ADJUSTED OPERATING FREE CASH-FLOW (in € billion)



In 2024, the recurring adjusted operating free cash flow amounted to €0.3 billion, an increase of €0.4 billion compared to 2023 (see Note 37.1 of the consolidated financial statements).

→ Social indicators



circa
78,000
employees⁽¹⁾



27.3%
women in the GEC⁽³⁾
in 2024



**Strong employer
brand appeal⁽²⁾**
#1 on the transport sector



36.0%
of women in the top 10%
of managerial positions
for ground staff

(1) Average number of employees over the period, in full-time equivalent, only on permanent contract
(2) 2023-2024 ranking of preferred companies by L'Étudiant.
(3) Group Executive Committee.

→ Environmental indicators

→ GREENHOUSE GAS EMISSIONS INTENSITY

(GHG) gCO₂eq/RTK (Revenue Ton-Kilometer)⁽⁴⁾

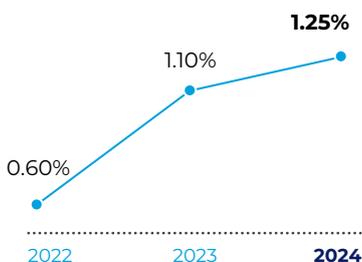
→ 2030 Target: -30%



In 2024, GHG intensity improved (-1%) compared to 2023 in the context of delays in fleet renewal due to constraints in the supply chain; engine issues with part of the new-generation aircraft fleet not allowing the Group to operate them to their maximum capacity; and higher fuel consumption due to longer flight time on certain routes caused by different geopolitical circumstances.

→ SHARE OF SAF

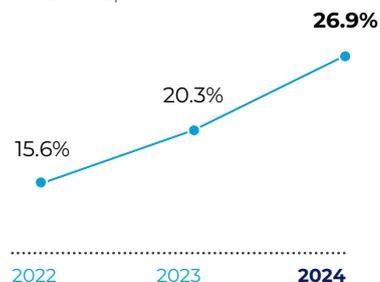
→ 2030 Target: at least 10%



Air France-KLM has identified SAF as a crucial component of its transition plan and has initiated a gradual process aiming at incorporating at least 10% SAF by 2030. As of 2024, the company had successfully integrated 103 thousands metric tons of SAF, representing 1.25% of its fuel consumption.

→ SHARE OF NEW-GENERATION AIRCRAFT

→ 2030: up to 80%



Acceleration of its fleet renewal in 2024. The Group projects the renewal of up to 80% of its fleet by 2030.



-30%
GHG emissions per revenue ton-kilometer (RTK) by 2030 compared with 2019

(4) Revenue ton-kilometer (RTK): total number of tons of paid cargo multiplied by the number of kilometers that this cargo is carried

→ OUR STRATEGY

→ OUR RESOURCES



→ STAFF

Circa 78,000 engaged and professional employees and a diverse culture



→ BRANDS

Portfolio of attractive, strong brands and a common loyalty program "Flying Blue"



→ PARTNERSHIPS

A powerful network of suppliers and partnerships



→ FLEET AND NETWORK

An extensive network operated with an optimized fleet



→ FINANCE

A stable shareholding structure with the French and Dutch States, China Eastern Airlines and Delta Air Lines



→ ENVIRONMENTAL

An experienced and knowledgeable player in the industry striving for a positive change

→ OUR BUSINESS MODEL

AIRFRANCEKLM GROUP

With a European base and a global network of around 320 destinations, the Air France-KLM Group is a global aviation player in the **passenger, cargo** and **maintenance** businesses, represented by three strong brands, being at the forefront of **a more sustainable aviation**.

AIRFRANCE

ELEGANCE IS A JOURNEY

KLM

TRAVEL WELL

transavia

- Secure customer trust and preference
- Optimize our operating model
- Develop customer data, Flying Blue, Cargo and E&M
- Pursue our commitment to global sustainability

• Contributing to UN Sustainable Development Goals



→ OUR VALUE CREATION

→ 2024 PERFORMANCE



→ **STAFF**
Be the best place to work for our employees



→ **CUSTOMERS**
Exceed customer expectations



→ **SHAREHOLDERS**
Reach top financial performance



→ **SUSTAINABILITY**
Contribute to the UN Sustainability Goals

EMPLOYEE PROMOTER SCORE

EPS



35 hours of training per employee



NET PROMOTER SCORE

NPS



98M passengers



For the 2026-28 period, the Group expects:

- further unit cost⁽¹⁾ reduction, thanks in particular to the acceleration of the transformation program;
- a continued improvement in cash generation, to deliver a significantly positive adjusted operating free cash-flow;
- a continued optimization of the Group's financial profile, with the long-term credit ratings at investment grade level;
- a further profitability increase, with an operating margin above 8%.

CDP

Score B



ECOVADIS

Gold Medal 97th Percentile



MSCI

Score BBB (Improvement from BB)



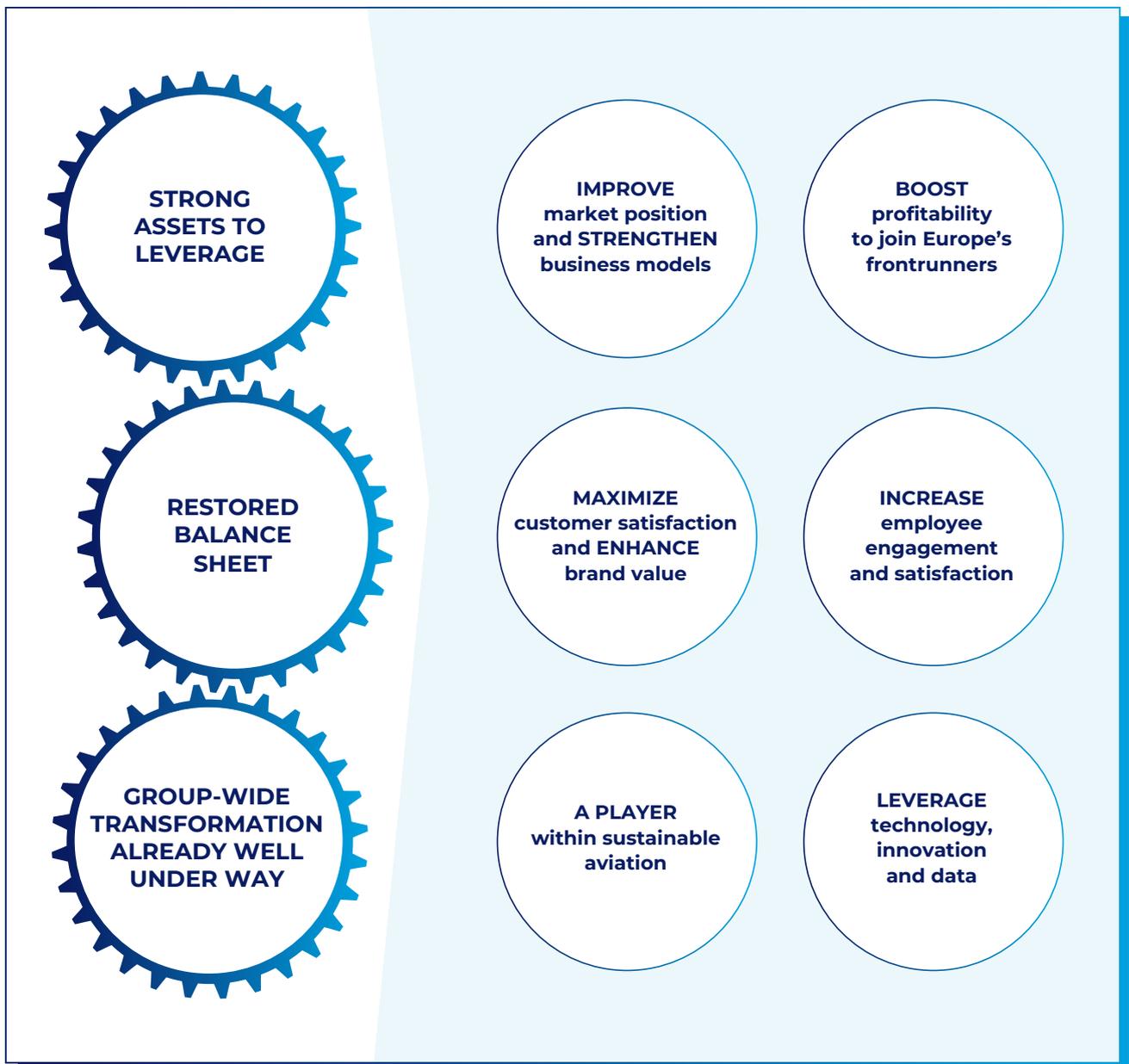
(1) At constant fuel price including SAF, constant currency and excluding Emission Trading Scheme cost (ETS).

→ STRATEGIC LEVERS

Air France-KLM Group's ambition is to become a European aviation champion and one of the most powerful in the world

→ Our foundations

→ Our Strategic Roadmap





IMPROVE MARKET POSITION AND STRENGTHEN BUSINESS MODELS

With a clearer positioning of its brands and changes to its network, the Air France-KLM Group is strengthening its business model. Air France plans to concentrate its Paris operations at Roissy-Charles de Gaulle Airport by 2026⁽¹⁾, thereby solidifying its role as a network airline. KLM is reducing its noise and environmental footprint at its global hub in Amsterdam. Transavia offers low-cost carrier services for the medium-haul leisure passenger.



BOOST PROFITABILITY TO JOIN EUROPE'S FRONTRUNNERS

Air France-KLM Group has an ambitious transformation roadmap across all businesses to deliver sustained results. Over 700 transformation initiatives have been initiated to simplify processes, achieve synergies, reduce costs and generate more revenue. The Group is targeting an operating margin of above 8% for the 2027-2028 period.



MAXIMIZE CUSTOMER SATISFACTION AND ENHANCE BRAND VALUE

Air France confirms its commitment to continuing to offer its most exclusive and elegant unique travel experience, which regularly wins awards for its quality and excellence. KLM continues to strengthen its offer with its new Premium Comfort class on its long-haul fleet⁽²⁾. Also on the ground, the Air France-KLM Group continues to invest in a better product for the customer, for example by upgrading lounges. Transavia enhances its customer experience with new aircraft received in 2024.



INCREASE EMPLOYEE ENGAGEMENT AND SATISFACTION

The Air France-KLM Group aims to provide one of the best places to work, by creating a safe and motivating environment for employees. The Group continues to invest in human capital development by developing the skills of employees and empowering them, enabling them to exceed customer expectations.



A PLAYER WITHIN SUSTAINABLE AVIATION

Air France-KLM has the ambition of reducing its GHG emissions per revenue ton-kilometer (gCO₂e/RTK) by 30% by 2030 compared to 2019. The Group has put in place a Transition Plan to achieve this reduction, with levers including the renewal of its fleet, the use of SAF, the continuous improvement of its operational measures and inter-modality.



LEVERAGE TECHNOLOGY, INNOVATION AND DATA

Air France-KLM fosters innovation and embraces new technologies as long as these add (future) value, such as artificial intelligence (AI). Leveraging vast datasets, AI enhances the customer journey by offering relevant services and delivering timely and personalized suggestions. AI will also be one of the levers to reduce the Group's CO₂ emissions, e.g. by optimizing stages of flight or the amount of drinking water on board.

(1) Air France will continue to operate services to/from Corsica from Paris-Orly. As such, Air France will honor its commitments. Air France has won a joint bid with Air Corsica for the renewal of its Public Service Obligation (PSO) operating contract from 2024, demonstrating its commitment to a long-term service to Corsica.

(2) Only on the Boeing wide-body fleet.

→ SUSTAINABILITY

At the forefront of a more responsible European aviation, we unite people for the world of tomorrow.

The Air France-KLM Group contributes significantly to the United Nations Sustainable Development Goals (“SDGs”).



.3 **HEALTH AND WELL-BEING**

Support emergency action and aid associations by transporting medical equipment, medicines and vaccines around the world.

.5 **GENDER EQUALITY**

Work to further professional equality between men and women, foster diversity and inclusion in the workplace, and in our value chain. Support initiatives aimed at informing young girls about job opportunities in the technical and digital fields.

.7 **RENEWABLE ENERGY**

Reduce the energy consumption of our ground operations, improve our energy efficiency and increase the proportion of renewable energy used to power our buildings. Further, the procurement of SAF enables us to reduce the use of fossil fuels.

.8 **DECENT WORK**

Offer skilled, high-value-added jobs, and promote the employability and personal development of our employees through training. Stimulate indirect employment and activity throughout our supply chain.

.9 **INDUSTRY, INNOVATION AND INFRASTRUCTURE**

Contribute to aviation industry sustainability ambitions, by supporting research and innovation projects and actively mobilizing the sector to develop an international market for SAF.

.10 **TACKLING INEQUALITY**

Implement processes ensuring equal opportunity, pay special attention to the needs of disadvantaged and marginalized communities and combat all forms of discrimination.

.12 **RESPONSIBLE CONSUMPTION AND PRODUCTION**

Support responsible consumption and production through our waste reduction and responsible catering actions, by working closely with our suppliers around the world. Apply the principles of the circular economy by reducing, repurposing and recycling waste.

.13 **COMBATING CLIMATE CHANGE**

Our Transition Plan aims at decreasing our GHG emissions and reducing our impact on climate change thanks to different levers including the renewal of our fleet, the use of SAF, the continuous improvement of operational measures and inter-modality.

.17 **PARTNERSHIPS TO ATTAIN OUR GOALS**

We notably offer customers solutions to reduce their carbon footprints and to support environmental projects to develop innovative solutions. We also implement a responsible procurement policy that incorporates the principles of corporate social responsibility into relations with suppliers.

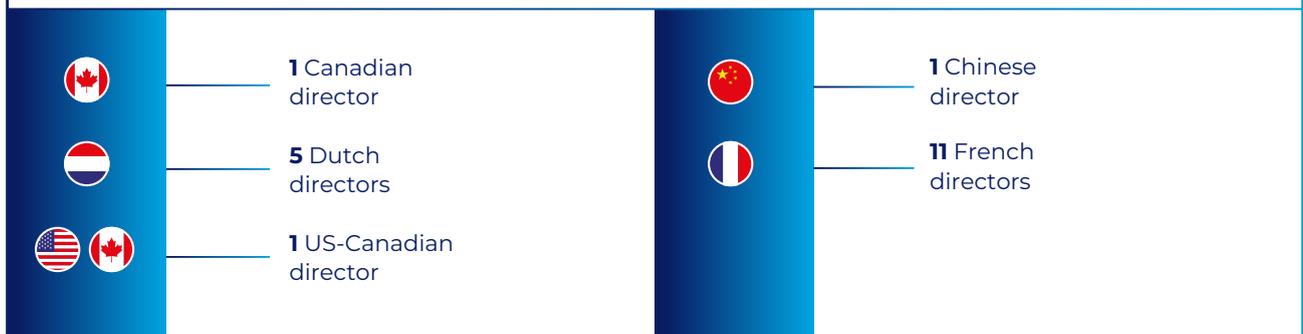
We contribute more indirectly to other Sustainable Development Goals like SDG 1 "No poverty" and SDG 2 "Zero hunger" through our support for emergency initiatives and self-help associations, and also to SDG 4 "Quality education" through our education-focused partnerships.

→ GOVERNANCE

(Per December 31, 2024)



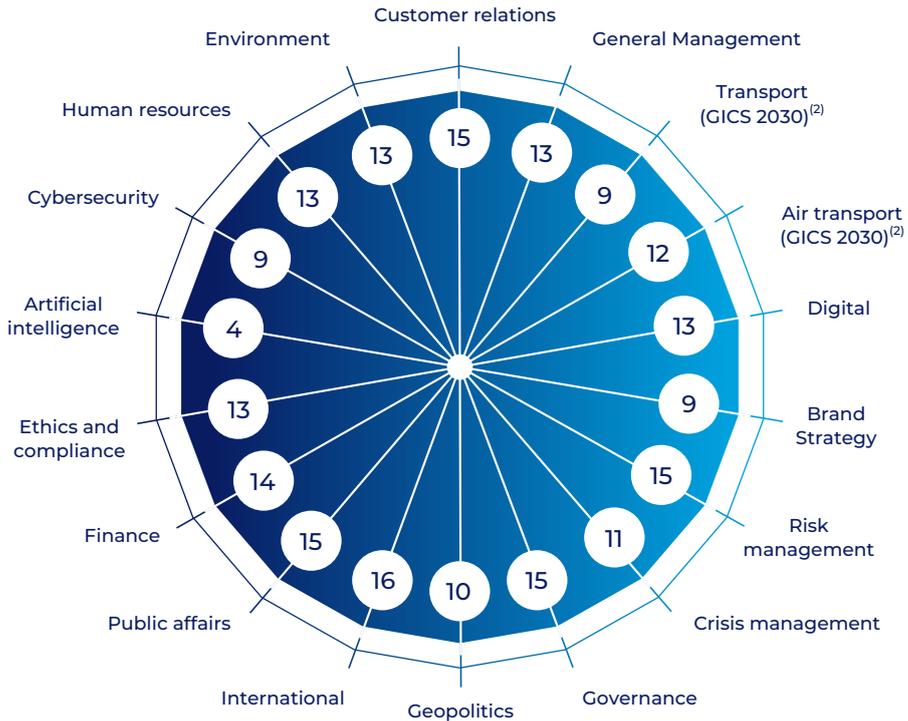
→ Balanced nationalities and international openness



(1) As of December 31, 2024, the percentage of independent Board directors is 47%. This exceptional situation is linked to the composition of the shareholder base following the latest capital transactions (see section 2.2.4 "Independence of the Board directors" and section 2.4 "Summary table of the AFEP-MEDEF Code's Comply or Explain Recommendations not applied"). In accordance with Article 10.3 of the AFEP-MEDEF Code, the Board directors representing the employee shareholders and the Board directors representing the employees are not included in the calculation of this percentage.

▼ For more information, see pages 106 and following of the URD. 

→ 18 areas of expertise and skills contributed by the 19 Board directors



→ Diversity to support the work of the different Committees



5
nationalities



47%
women⁽³⁾



56 years
old average age
of the directors

(2) Global Industry Classification Standard (GICS®), code levels 2 and 3.

(3) The Board directors representing the employees and the employee shareholders, appointed in accordance with Articles L. 225-23 and L. 225-27-1 of the French Code of Commerce, are not taken into account when calculating the parity pursuant to the provisions of the aforementioned Articles.

→ HIGHLIGHTS OF THE 2024 FINANCIAL YEAR

On January 10, 2024

Air France-KLM takes delivery of its first Airbus A320neo, to be operated by Transavia France.

Following the delivery of a first Airbus A321neo to Transavia Netherlands on December 19, 2023, Air France-KLM continues the introduction of the A320neo aircraft family into its fleet.

On January 10, 2024, the Group took delivery of a first Airbus A320neo aircraft (registration number F-GNEO), to be operated by Transavia France. Powered by CFM International LEAP-1A engines and fitted with 186 seats in a single-class configuration, the aircraft will be based at Paris-Orly airport, Transavia France's main base.

The aircraft's first commercial flight is scheduled on January 15, 2024, with service to Porto Airport (Portugal), Transavia France's inaugural destination when the airline began operations in 2007. Going forward, the A320neo will serve the airline's entire network, covering over 200 routes to 120 destinations.

"The delivery of this first Airbus A320neo is a key step in the history of Transavia France. It marks the transition to all-Airbus fleet at Transavia and embodies our commitment to further developing the operations of our low-cost brand. It is part of our large, long-term fleet investments, designed to improve our Group's economic and environmental performance," stated Benjamin Smith, CEO of Air France-KLM. "We have strong ambitions for Transavia France, which is already the leading low-cost carrier on departure from Paris area airports. The growth of its fleet is one of the cornerstones of our strategy, hence our decision to bring these quieter, less polluting and more fuel-efficient aircraft, perfectly suited to our network needs. Our customers can also look forward to a new and improved on-board experience, in line with our commitment to 'making low cost feel good'."

This delivery follows the evolutionary order placed by Air France-KLM in 2021 for 100 Airbus A320neo family aircraft – with purchase rights for an additional 60 aircraft – to renew the fleets of KLM and Transavia Netherlands, and to renew and expand the fleet of Transavia France.

By the end of 2024, Transavia France expects to operate 13 Airbus A320neo aircraft, alongside its fleet of close to 70 Boeing 737-800.

Benefiting from the latest technological innovations, the A320neo family aircraft offer the best performance in their

category for the network needs of the Group's airlines. Compared to previous generation aircraft, they offer a 50% noise reduction as well as a 15% reduction in fuel consumption and CO₂ emissions per passenger km. They also enable to a unit cost reduction of more than 10%.

Fleet renewal is the first lever to reduce CO₂ and noise emissions, with immediate effect. Alongside the use of SAF and operational measures such as eco-piloting, it is one of the pillars of the Group's decarbonization trajectory, which aims for a 30% reduction of its GHG emissions per passenger km by 2030 compared to 2019. Since the 2000s, Air France-KLM has already reduced its noise footprint by 40%.

By 2030, the share of new-generation aircraft in the Group's fleet is expected to reach 81%, compared to 21% in 2023.

On January 16, 2024

Evolution in the commercial cooperation in air cargo between Air France-KLM and CMA CGM.

In May 2022, Air France-KLM and CMA CGM announced their intention to enter into a cargo commercial cooperation, which became effective in April 2023.

The tight regulatory environment in certain important markets has prevented the cooperation from working in an optimal way.

As a consequence, Air France-KLM and CMA CGM today announce their decision to withdraw from their existing agreements from March 31, 2024. Air France-KLM and CMA CGM have begun discussions on new terms and conditions of a commercial relation to operate independently from March 31, 2024 onwards.

Both groups remain committed to work collaboratively, to ensure cargo customers can continue to benefit from their respective networks.

CMA CGM remains a core shareholder in Air France-KLM. The parties have agreed to amend the existing lockup on CMA CGM shares in Air France-KLM's capital, which will now be effective until February 28, 2025⁽¹⁾. The parties have agreed that CMA CGM will step down from the Air France-KLM Board of Directors on March 31, 2024.

⁽¹⁾ The initial lock-up undertaking of CMA CGM (initial lock-up on all the Company's shares subscribed by CMA CGM in the rights issues announced on May 24, 2022 expiring on June 15, 2025, and subsequent lock-up period on 50% of such shares expiring on June 15, 2028) is modified to provide that the initial lock-up period ends on February 28, 2025, without any subsequent lock-up period.

On March 13, 2024

Air France-KLM and Air France confirm having lodged two appeals before the Court of Justice of the European Union of two judgments of the General Court of the European Union rendered in December 2023, annulling a 2020 European Commission decision and a 2021 European Commission decision which approved various French State aid measures during the Covid-19 crisis.

Air France-KLM reminds that Air France-KLM and Air France have fully refunded all State aid received, in accordance with the applicable legal framework.

On March 25, 2024

Air France-KLM repaid €452 million of OCEANE 2026 bonds.

Today Air France-KLM announces that it has repaid, at the request of the bondholders, c. €452 million of the outstanding €500 million of the bonds convertible into new shares and/or exchangeable for existing shares due March 25, 2026 (the "**OCEANE 2026**", ISIN FR0013410628). This amount is equivalent of c. 25 million of bonds. This early redemption option on March 25, 2024 was part of the terms and conditions of the bonds.

Under definitive terms and conditions prevailing, unless previously exchanged, redeemed, or purchased and cancelled, the remaining outstanding bonds will be redeemed at par on March 25, 2026, or they may also be redeemed prior to maturity at the discretion of the Company under certain conditions.

The number of potential dilutive shares linked to the outstanding OCEANE 2026 has therefore been decreased from 4,966,518 shares to 472,580 shares.

On April 8, 2024

Air France-KLM (the "**Company**") hereby informs OCEANE 2026 holders that, following the exercise of the put option by bondholders in accordance with the provisions of the OCEANE 2026's Terms and Conditions (the "**Terms and Conditions**"), the total number of outstanding OCEANE 2026 represents, to date, less than 15% of the initially issued OCEANE 2026.

Consequently, the Company informs the holders of the outstanding OCEANE 2026 that it will proceed with the early redemption of the said OCEANE 2026 under the conditions set out in Article 1.9.1.3, § 2 "Early redemption at the Company's option" of the Terms and Conditions, for cancellation in accordance with the applicable law.

The early redemption date for the OCEANE 2026 has been set at May 10, 2024 (the "**Early Redemption Date**"), at a price per OCEANE 2026 equal to par value (i.e., €17.92) with accrued interest of €0.00282 (the "**Redemption Price**").

OCEANE 2026 holders are reminded that they may exercise their right to convert their bonds into new and/or existing shares of the Company until the seventh business day prior to the Early Redemption Date, i.e., April 26, 2024, pursuant to the provisions of Article 2.3 of the Terms and Conditions. In accordance with and subject to the provisions of the Terms and Conditions, in order to exercise their right to conversion, OCEANE 2026 holders must submit a request to their financial intermediaries, which shall then instruct the centralizing agent, Société Générale Securities Services.

OCEANE 2026 holders who have not validly exercised their right to conversion prior to the Early Redemption Date will be redeemed as per the above-mentioned conditions.

It is also specified that, in accordance with Article 2.6 of the Terms and Conditions, the conversion/exchange ratio of the OCEANE 2026 has been adjusted following several transactions relating to the Company's share capital. As a result, one OCEANE 2026 currently entitles its holder to 0.178 ordinary share in the Company (ISIN FR001400J770).

On April 17, 2024

Air France-KLM, Air France and KLM have executed the first one-year extension option of their Revolving Credit Facilities linked to ESG KPIs.

Last year April, Air France-KLM, Air France and KLM executed two Revolving Credit Facilities ("RCF") linked to ESG KPIs with a large pool of international financial institutions, for a total amount of €2.2 billion.

Air France-KLM and Air France executed the accordion option in the facility to increase the RCF with an amount of €90 million bringing the amount of the two RCFs to approximately €2.3 billion.

Air France-KLM and Air France

Air France-KLM and Air France, combined borrower signed last year April a €1.2 billion Sustainability-Linked RCF. This facility had an initial 2026 maturity, included two one-year extension options and an accordion increase option. Today Air France-KLM and Air France announced having executed the extension option for one year, extending to a 2027 maturity and the accordion increase option of €90 million, bringing the total size to approximately €1.3 billion.

Crédit Agricole Corporate and Investment Bank (CACIB) and Natixis were jointly acting as Global Coordinators, ESG Coordinators and Documentation Agents for RCFs concluded with a syndicate of now 16 international banks.

KLM

Last year April, KLM signed a €1.0 billion RCF including ESG Key Performance Indicators.

This RCF had an initial 2027 maturity and included two one-year extension options and an accordion option. Today KLM announced having executed the extension option for one year, extending to a 2028 maturity.

ABN AMRO, ING and Rabobank (document agent) were the RCF coordinators, with Crédit Agricole Corporate and Investment Bank (CACIB) acting as coordinator for the ESG targets. KLM's RCF was concluded with a syndicate of 14 international banks.

On May 13, 2024

Air France-KLM repaid remaining €48 million of OCEANE 2026 bonds

Air France-KLM announces today that it has fully repaid in cash c. €48 million of nominal value of the remaining outstanding convertible bonds due March 25, 2026 (the "OCEANE 2026", ISIN FR0013410628), using the company's option for early redemption ("Clean Up Call Option", part of the terms and conditions of the bonds).

This residual redemption amount is equivalent to 2,654,942 of bonds and the number of potential dilutive shares linked to these outstanding bonds OCEANE 2026 will therefore been reduced from 472,580 shares to zero.

On May 13, 2024

Air France-KLM announces the launch of a tender offer to repurchase two series of existing notes and its intention to issue new notes

Air France-KLM (the "Company") (Euronext Paris: FR0000031122) rated BBB- by Fitch and BB+ by S&P, announces today the launch of a tender offer to repurchase the following two series of existing notes in cash:

- €750,000,000 1.875 per cent notes due 16 January 2025 (ISIN: FR0013477254) (of which €750,000,000 is currently outstanding) (the "2025 Notes"); and
- €500,000,000 3.875 per cent notes due July 1, 2026 (ISIN: FR0014004AF5) (of which €500,000,000 is currently outstanding) (the "2026 Notes" and, together with the 2025 Notes, the "Existing Notes") (the "Tender Offer").

The Company invites Qualifying Holders (as defined in the Tender Offer Memorandum) of the Existing Notes to tender for cash some or all of their notes, up to a maximum acceptance amount of €350,000,000 in aggregate principal amount subject to the right of the Company to increase or decrease such amount.

In parallel, the Company announces its intention to issue, subject to market conditions, Euro denominated unsecured fixed rate benchmark notes expected to be rated BBB- by Fitch and BB+ by S&P (the "New Notes") under its €4,500,000,000 Euro Medium Term Note Programme, the proceeds of which will be used to refinance part of the existing debt of the Company by purchasing all or part of the Existing Notes and for general corporate purpose.

This transaction is part of the Company's ongoing dynamic management of its debt profile making use of its corporate credit ratings released in December 2023.

The Tender Offer, combined with the rated issuance of the New Notes, will extend the Company's average maturity profile.

The Tender Offer is conditional upon the pricing of the issue of the New Notes in the sole determination and satisfaction of the Company (or the waiver of this condition by the Company).

The acceptance of any Existing Notes validly tendered for purchase is at the sole and absolute discretion of the Company.

The indicative date for the expiration of the Tender Offer is scheduled for May 21, 2024, unless extended, withdrawn, re-opened or terminated at the sole and absolute discretion of the Company. The final results are expected to be announced on May 22, 2024.

On May 14, 2024

Air France-KLM announces the successful issuance of new bonds for a total aggregate amount of €650 million

Air France-KLM (the "Company") has successfully placed new bonds today, for a total nominal amount of €650 million with a five-year maturity and a coupon of 4.625% (the "New Notes") under its €4,500,000,000 Euro Medium Term Note Programme. The New Notes are expected to be rated BBB- by Fitch and BB+ by S&P.

Strong investor demand, with an orderbook above €2.8 billion that covered c.4.3x the size of the bonds, is a testament to investors' confidence in Air France-KLM.

The Company announced on May 13, 2024 the launch of a tender offer to repurchase the following two series of existing notes in cash:

- €750,000,000 1.875 per cent notes due January 16, 2025 (ISIN: FR0013477254) (of which €750,000,000 is currently outstanding) (the “2025 Notes”); and
- €500,000,000 3.875 per cent notes due July 1, 2026 (ISIN: FR0014004AF5) (of which €500,000,000 is currently outstanding) (the “2026 Notes” and, together with the 2025 Notes, the “Existing Notes”).

The proceeds of the New Notes will be used to refinance part of the existing debt of the Company by purchasing all or part of the Existing Notes and for general corporate purpose.

An application will be made for the New Notes to be admitted to trading on Euronext Paris.

On May 15, 2024

Air France-KLM announces an increase of the Maximum Acceptance Amount of its current Tender Offer following the success of the concurrent issue of new bonds

On May 13, 2024, Air France-KLM (the “Company”) (Euronext Paris: FR0000031122) rated BBB- by Fitch and BB+ by S&P, invited Qualifying Holders (as defined in the Tender Offer Memorandum) to tender for cash some or all of its (i) €750,000,000 1.875 per cent notes due January 16, 2025 (ISIN: FR0013477254) (of which €750,000,000 is currently outstanding) (the “2025 Notes”); and/or (ii) €500,000,000 3.875 per cent notes due July 1, 2026 (ISIN: FR0014004AF5) (of which €500,000,000 is currently outstanding) (the “2026 Notes” and, together with the 2025 Notes, the “Existing Notes”) (the “Tender Offer”), up to a maximum acceptance amount of €350,000,000 in aggregate principal amount (the “Maximum Acceptance Amount”), subject to the right of the Company to increase or decrease such amount, subject to the pricing of a new bond issuance and the conditions set out in the Tender Offer Memorandum.

On May 14, 2024, Air France-KLM has successfully placed new bonds, for a total nominal amount of €650 million with a 5-year maturity and a coupon of 4.625% under its Euro 4,500,000,000 Euro Medium Term Note Programme (the “New Notes”) benefiting from a strong investor demand, with an orderbook above €2.8 billion that covered c.4.3x the size of the New Notes.

As a result of the successful issuance of the New Notes, Air France-KLM hereby announces an increase of the Maximum Acceptance Amount relating to its current Tender Offer from €350,000,000 to €450,000,000, subject to the right of the Company in its sole and absolute discretion to increase or decrease such amount.

On May 22, 2024

Air France-KLM announces the final results of its tender offer on two series of existing notes

Air France-KLM (the “Company”) (Euronext Paris: FR0000031122) rated BBB- by Fitch and BB+ by S&P announces today the final results of its tender offer launched on May 13, 2024 on the following two series of existing notes in cash:

- €750,000,000 1.875 per cent notes due January 16, 2025 (ISIN: FR0013477254) (of which €750,000,000 is currently outstanding) (the “2025 Notes”); and
- €500,000,000 3.875 per cent notes due July 1, 2026 (ISIN: FR0014004AF5) (of which €500,000,000 is currently outstanding) (the “2026 Notes” and, together with the 2025 Notes, the “Existing Notes”) (the “Tender Offer”).

Existing Notes for a total principal amount of €452.7 million, representing 36.2% of the outstanding Existing Notes, have been tendered for purchase in the Tender Offer and €452.7 million have been accepted, of which €234.8 million of 2025 Notes and €217.9 million of 2026 Notes. As a result, the principal amount of outstanding Existing Notes after completion of the Tender Offer will be €797.3 million, of which €515.2 million of 2025 Notes and €282.1 million of 2026 Notes.

The Tender Offer will be funded in whole by the net proceeds of the issue of new notes of a total principal amount of €650 million with a five-year maturity and bearing coupon at an annual rate of 4.625% (the “New Notes”) by the Company under its €4,500,000,000 Euro Medium Term Note Programme, the successful placement of which was announced by the Company on 14 May 2024.

This transaction is part of the Company's ongoing dynamic management of its debt profile making use of its corporate credit ratings released in December 2023.

The Tender Offer, combined with the rated issuance of the New Notes, will extend the Company's average maturity profile.

On June 19, 2024

Study: The Air France-KLM Group contributes over €70 billion to the French and Dutch economies every year, supporting more than 820,000 jobs in both countries

The Group generates 1.9% of French GDP and 2.3% of Dutch GDP.

An estimated 552,570 jobs in France and 267,996 jobs in the Netherlands depend directly or indirectly on Air France-KLM.

For each job created by Air France-KLM in France, 11 jobs are created in the French economy. For each job created in the Netherlands, 9.2 jobs are created in the Dutch economy.

On the occasion of its twentieth anniversary, the Air France-KLM Group unveiled the results of an impact study designed to quantify and analyze the socio-economic benefits generated by its activity in France and the Netherlands. Commissioned by Air France-KLM, the study was carried out by Professor Herbert Castéran, Professor and Director of the *Institut Mines Télécom Business School*. It covers the Group's three core businesses: passenger transport, cargo and aircraft maintenance.

A major economic impact for national economies

The study's findings highlight the major role played by the Air France-KLM Group in the economic dynamics of France – Air France's home country – and the Netherlands – KLM's home country. While in fiscal year 2023, the Air France-KLM Group generated a net income of €0.9 billion, its total economic impact is estimated at €48.9 billion in France and €21.9 billion in the Netherlands (or €723 per year per inhabitant in France and €1,228 per year per inhabitant in the Netherlands). The study concludes that for every euro invested, the Air France-KLM Group generates €3.6 in the French economy, and €3.4 in the Dutch economy.

These economic benefits take the form of direct investment, direct and indirect job creation, and spending with local suppliers and service providers.

A driving force for employment in France and the Netherlands

In addition to its economic and financial impact, the Air France-KLM Group also contributes significantly to the creation of skilled jobs that cannot be relocated. In 2022 and 2023, respectively, the various entities of the Air France-KLM Group recruited 4,000 and 5,000 permanent staff, namely pilots, flight attendants and mechanics. This dynamic will continue in 2024, particularly for pilots and

aircraft maintenance activities. The Group is also particularly active in supporting access to employment for young people, through work-study programs and support for associations that promote inclusion.

The impact study estimated that 552,570 jobs in France and 267,996 jobs in the Netherlands depended on Air France-KLM's activity, equivalent to the population of Lyon in France and Eindhoven in the Netherlands. These numbers include direct jobs (employees working directly for the Air France-KLM Group – around 46,000 in France and 26,000 in the Netherlands); indirect jobs (in related sectors such as suppliers, subcontractors, and service providers); as well as jobs induced by the Group's activity, for example in tourism. These jobs support the local economies of France and the Netherlands.

Furthermore, the study highlights that each direct job created by the Group generates 11 additional jobs in France. In the Netherlands, the impact is also very positive: for every job created by the Group, 9.2 additional jobs are created in the Dutch economy.

In France, shared benefits across all regions

The socio-economic impact study shows that Air France-KLM's activity benefits all French regions, without exception.

By way of example, in addition to strong air transport activity, the Occitanie region benefits from significant direct injections related to Air France-KLM's purchasing of aircraft and aeronautical spare parts from Airbus, its subcontractors and service providers. Since 2018, Air France-KLM has ordered over 230 aircraft from Airbus, most of which are assembled in the Toulouse region. Air France also has a maintenance site in Toulouse.

In the Bourgogne-Franche-Comté and Grand Est regions, Air France-KLM's contribution can be seen in its support for the wine industry, through purchases of wines, champagnes and spirits served on board Air France. In 2023, over 2.4 million bottles of wine and 1.3 million bottles of champagne were served on board Air France flights.

The Île-de-France region remains the main beneficiary of the Group's impact. Thanks to the Paris-Charles de Gaulle hub and Paris-Orly airport, as well as the location of Air France's and Transavia France's headquarters, the Air France-KLM Group is a natural socio-economic catalyst for the Île-de-France region. Long the region's leading private sector employer, the Group contributes 3.2% of Île-de-France's total GDP, for a total economic impact of nearly €25 billion. Representing 50% of the traffic at Paris-Charles de Gaulle and Paris-Orly airports, the Air France-KLM Group is a driving force behind the region's connectivity and national and international appeal, supporting all links across the local economy, industry, and tourism.

In the Netherlands, a global hub supporting all sectors of the economy

Air France-KLM's contribution to the Dutch economy mainly takes the form of connecting the country to the world. KLM has built one of the world's most effective transit hubs at Amsterdam-Schiphol Airport, connecting the Dutch capital to 160 destinations, far exceeding the natural potential of its home market.

This makes the Netherlands one of the best-connected economic centres in the world, creating a favorable business climate for international organizations and corporations to establish or maintain their headquarters.

Air France-KLM's operations in the Netherlands also support Dutch exports, from flowers to medicines, notably via the Group's cargo division, Air France-KLM Martinair Cargo.

Note on methodology

The data in the impact study reflect the assessment of the socio-economic benefits of the Air France-KLM Group's activity, which distinguishes four types of economic impact:

Direct impacts, including the remuneration of Air France-KLM Group staff working in their home region, as well as the Group's consumption of goods and services.

Indirect impacts resulting from the Air France-KLM Group's activities, notably spending by passengers traveling on Group aircraft, as well as the economic activity of airports associated with the Group's activities.

Induced impacts, which are determined by the spending of the beneficiaries of direct and indirect impacts, including public bodies that benefit from tax revenue induced by the Air France-KLM Group's activity.

Catalytic impacts, which represent the attractiveness of a given region for businesses, thanks to the Air France-KLM Group's air traffic to the area.

On June 21, 2024

Air France-KLM: key decisions approved by the Shareholders' Meeting of June 5, 2024

The Air France-KLM Annual General Shareholders' Meeting was held on Wednesday June 5, 2024 at 14:30 at the Hilton Paris Charles de Gaulle Hotel, 8, rue de Rome, 93290 Tremblay-en-France. It was broadcast live via webcast on the Air France-KLM website. It is also possible to watch it at any time on replay via the following link: <https://www.yuca.tv/fr/air-france-klm/ag-2024-air-france-klm>.

During this Combined Ordinary and Extraordinary Shareholders' Meeting, where more than 7,909 shareholders were present or represented, all of the proposed resolutions were adopted. In addition to approving the financial statements for the year ended December 31, 2023 and allocating the net result, the Shareholders' Meeting adopted the following resolutions:

Appointments/Re-appointments

- Mrs. Anne-Marie Couderc, Chairman of the Board of Directors of Air France-KLM, was re-appointed as a Board director for a one-year term of office (resolution 8);
- Mrs. Florence Parly, whose co-optation has been ratified, as Board director for a two-year term of office (resolution 9);
- Mr. Alexander Wynaendts was re-appointed as a Board director for a four-year term of office (resolution 10);
- As proposed by the Dutch government, Mr. Dirk Jan van den Berg was re-appointed as a Board director for a four-year term of office (resolution 11);
- Mr. Wiebe Draijer, Chairman of the Supervisory Board of KLM, was appointed as a Board director for a four-year term of office (resolution 12);
- KPMG SA and PricewaterhouseCoopers were appointed as Statutory Auditors to certify sustainability information (resolutions 13 and 14).

Approval of related party agreements and commitments relating to

- The partial redemption of the Undated Deeply Subordinated Notes and subscription to new Undated Deeply Subordinated Notes (resolution 4);
- The commercial cooperation between Air France-KLM and CMA CGM (resolution 5);
- The financing operation raised by Flying Blue Miles (resolution 6);
- The termination of the waiver of the financial mechanism relating to the joint-venture agreement with China Eastern Airlines Co. Ltd (resolution 7).

Compensation

- Approval of the information on the compensation of 2023 of each of the corporate officers required by Article L. 22-10-9-1 of the French Commercial Code (resolution 15);
- Approval of the elements of compensation paid in the financial year 2023 or granted in respect of that financial year to the Chair of the Board of Directors and the Chief Executive Officer (resolutions 16 and 17);
- Approval of the 2024 compensation policy of the non-executive corporate officers, the Chair of the Board of Directors and the Chief Executive Officer (resolutions 18 to 20).

Financial authorizations/delegations

- Authorization granted to the Board of Directors, with powers to subdelegate, to implement the share buyback program in accordance with the limits and conditions set out in the relevant resolution (resolution 21);
- Approval of resolutions authorizing capital increase reserved for employees limited to 3% of the share capital (resolutions 22 and 23);
- Authorization granted to the Board of Directors to reduce capital by canceling treasury shares (resolution 24).

Amendment of the Article of Incorporation

- Amendment of Article 26 of the Articles of Incorporation relating to the age limit for Company officers, to extend the age limit for the Chairman of the Board of Directors to 75 years, and to specify that when the Chairman of the Board of Directors reaches this age limit during his term of office as director, his term of office ends at the close of the General Meeting called to approve the financial statements for the year in which the age limit is reached (resolution 25).

The detailed results of the voting and all the documentation relating to the Shareholders' Meeting are available on the Air France-KLM website (<https://www.airfranceklm.com/en/finance/shareholders/shareholders-meeting>).

On July 1, 2024

Update on Summer bookings

Air France and Transavia France are currently experiencing pressure on projected unit revenues for the Summer season due to the upcoming Olympic Games in Paris, with traffic to and from the French capital lagging behind other major European cities.

International markets show a significant avoidance of Paris. Travel between the city and other destinations is also below the usual June-August average as residents in France seem to be postponing their holidays until after the Olympic Games or considering alternative travel plans.

As a result, Air France-KLM currently estimates a negative impact on its forthcoming unit revenues in an order of magnitude, from €160 million-€180 million for the period June until August 2024. This event has no impact on our guided capacity at this stage. More details will be provided during the Group's half year results, on July 25.

Travel to and from France is expected to normalize after the Olympic Games, with encouraging demand levels projected for the end of August and the month of September.

On July 10, 2024

Air France-KLM welcomes today's decision by the European Commission confirming anew that the liquidity support measures granted to its airlines by the French and Dutch States during the Covid-19 crisis were compliant with EU State aid rules. As a reminder, these liquidity measures granted in 2020 took the form of State guaranteed loans and State loans. The Dutch and French aid measures were repaid in full by June 2022 and April 2023 respectively.

This new decision has no impact on the appeals lodged by the European Commission, Air France, KLM and Air France-KLM against the judgments of the General Court of the EU, which annulled the European Commission's initial decisions only because they were based, for the General Court, on an incorrect determination of the beneficiary of said State aid. The Court of Justice of the European Union has still to decide on these appeals.

On July 11, 2024

Air France-KLM and SAS sign codeshare and interline agreements

Starting September 1, 2024, Air France and KLM customers will gain access to 33 destinations in Northern Europe beyond SAS's hubs in Copenhagen, Oslo and Stockholm.

SAS customers will gain access to 33 European destinations beyond Air France and KLM's hubs at Paris-Charles de Gaulle airport and Amsterdam Schiphol airport.

The interline agreement covers the European network of Air France, KLM and SAS.

Air France, KLM and SAS customers will be able to earn and spend Miles/Points through the Flying Blue and EuroBonus loyalty programmes.

Air France-KLM and SAS today announced that they have signed codeshare and interline agreements applicable to Air France, KLM and SAS. These agreements also cover reciprocal loyalty program benefits. They will enter into force on September 1, 2024, when SAS officially joins the SkyTeam alliance, of which Air France-KLM is a founding member.

The codeshare agreement will cover a wide range of European destinations. Air France and KLM customers will gain access to 33 destinations in Northern Europe beyond SAS's hubs in Copenhagen, Oslo and Stockholm. SAS customers will gain access to 33 destinations in Europe beyond Air France and KLM's hubs at Paris-Charles de Gaulle airport and Amsterdam-Schiphol airport. Additionally, intercontinental destinations will be added to the agreement in the near future.

The interline agreement will cover the European network of Air France, KLM and SAS, providing customers with extended travel options.

Members of Flying Blue and EuroBonus, the respective loyalty programmes of Air France-KLM and SAS, will be able to earn and spend Miles/Points on all flights operating as of September 1, 2024. Eligible EuroBonus members will also be able to enjoy SkyTeam services and benefits including SkyPriority and lounge access.

"These agreements mark an important step towards a close commercial cooperation between Air France, KLM and SAS," said Angus Clarke, Chief Commercial Officer, Air France-KLM. "By connecting our networks and hubs, our customers will benefit from a broad range of European destinations and high-quality services. We look forward to further developing this relationship and to strengthening our position in the Scandinavian region."

"We are proud to launch codeshare flights with our future SkyTeam partner Air France-KLM today, enhancing our connectivity and offering greater benefits to our loyal customers. The collaboration with Air France-KLM holds great opportunities. It will not only attract new passengers to SAS, but also elevate the SAS' global visibility and connectivity. We are looking forward to a successful, long-standing collaboration together", said Paul Verhagen, Chief Commercial Officer at SAS.

Air France and KLM operate up to 200 weekly flights between their hubs – at Paris-Charles de Gaulle airport and Amsterdam-Schiphol airport – and SAS's hubs in Copenhagen, Oslo and Stockholm.

SAS currently operates up to 44 weekly flights to Paris-Charles de Gaulle from Copenhagen, Oslo and Stockholm, and 65 to Amsterdam-Schiphol airport.

Reservations are now open on [airfrance.com](https://www.airfrance.com), [klm.com](https://www.klm.com), [flysas.com](https://www.flysas.com), and via all distribution channels for flights departing as of September 1, 2024.

On July 16, 2024

Flying Blue and Uber announce partnership offering Flying Blue miles on rides

Flying Blue, the loyalty programme of the Air France-KLM Group, and Uber, the world's largest ridesharing company, today announced a new strategic partnership to allow Flying Blue members to earn Miles when using Uber in France and the Netherlands.

Starting today, Uber will become the official ride-hailing partner of Flying Blue. Members who link their account in the Uber app, will now be eligible to collect 1 mile for every €1 spent on Uber rides, rising to 2 miles for every €1 spent for Uber customers who take four or more trips each month.

The partnership will be available to local residents and visitors alike who connect their Flying Blue account in the Uber app, and book rides in any city across France and the Netherlands.

This new partnership adds to Flying Blue's wide-ranging list of member benefits, including the ability to earn and redeem Miles with 40+ airlines and 100+ commercial partners. Flying Blue Miles can be used to purchase alternative aviation fuel (SAF), reserve or upgrade flights, book hotel rooms, shop with participating brands or donate to charitable organizations.

Air France-KLM Group is one of the leading airline groups in Europe and counts more than 24 million Flying Blue members who will be eligible to take advantage of the tie up with Uber.

"We are thrilled to join forces with Uber to offer our members additional ways to earn Miles in their daily lives" said Benjamin Lipsey, SVP Customer Loyalty and President of Flying Blue at Air France and KLM. "At Flying Blue, our goal is to provide tangible benefits that fit the lifestyle of our 24 million members worldwide. With Uber as our exclusive ride-hailing partner, we are reinforcing our commitment to accompany Air France and KLM customers before, during, and after they travel with us."

"We're excited to be able to help our customers collect Flying Blue Miles on their Uber trips," said Anabel Diaz, Vice President of Uber Mobility, EMEA. "So, whether you're a local resident taking trips to work or visiting from overseas, every trip you take with Uber is helping you get somewhere a little more exotic with Air France and KLM."

All Flying Blue members will be able to collect Miles through Uber app as of July 16, 2024.

For more information look at flyingblue.com for France and the Netherlands.

On July 18, 2024**Air France-KLM and Air France announce the successful renegotiation of their Sustainability Linked Revolving Credit Facility, resulting in an increase to €1.4 billion and extension of its maturity to July 2028**

- Financial conditions optimization following Air France-KLM's credit rating;
- Maturity extended to July 2028, associated with a one-year extension option;
- Increase of the facility from €1,290 million to €1,405 million;
- Increase in the RCF lenders' pool from 16 to 17 relationship banks, among which 12 Tier 1 banks, and 5 Tier 2 banks.

In March 2023 Air France-KLM and Air France as combined borrowers signed a €1.2 billion Sustainability-Linked RCF. This facility had an initial 2026 maturity, included two one-year extension options, at lenders' discretion, and provided for a €100 million accordion increase option at the lenders' discretion. The first extension option and accordion option were activated in April 2024.

The amended agreement provides for an extension of the maturity to July 2028 with a one-year extension option at lenders' discretion, as well as an increase in the size of the facility to €1.4 billion with optimized financial conditions. This facility is currently undrawn. Through this transaction, Air France-KLM and Air France are extending the average maturity of available resources, in line with the Group's policy of careful liquidity management. The facility has been successfully syndicated and oversubscribed, by a pool of widely diversified international banks, which demonstrates the confidence in the Group's solidity. This transaction was coordinated by Crédit Agricole Corporate and Investment Bank (CACIB) and Natixis CIB, jointly acting as Coordinators and Natixis CIB acting as Facility Agent.

KLM's €1.0 billion ESG-linked revolving credit facility signed in March 2023 with an initial 2027 maturity, and two one-year extension options of which one option was exercised in April 2024, remains unchanged, with a 2028 maturity.

The total amount of the Group Revolving Credit Facilities is therefore increased to €2.4 billion, from €2.3 billion previously.

On August 28, 2024**The Air France-KLM Group completes acquisition of a non-controlling stake in the share capital of SAS AB. Extensive commercial cooperation to begin September 1, 2024**

The Air France-KLM Group today announced that it has successfully completed the acquisition of a 19.9% non-controlling stake in the share capital of SAS AB. This operation follows the receipt of regulatory approvals in Europe and the United States.

In parallel to the financial transaction and as previously announced, Air France-KLM and SAS have signed far-reaching interline and codeshare agreements to connect their hubs and networks. These agreements, which cover reciprocal loyalty program benefits, will enter into force as early as September 1, 2024. On the same day, SAS will join the SkyTeam alliance, of which Air France and KLM are founding members.

Benjamin Smith, The Air France-KLM Group CEO said: "We are pleased to have completed this strategic transaction. SAS will enhance the Group's footprint in the Scandinavian markets. SAS, Air France and KLM customers will now have a larger number of destinations via codeshares. SkyTeam will immediately gain a new strategic member."

This transaction was concluded by the Air France-KLM Group as part of a consortium of investors which also includes Castlake L.P. on behalf of certain funds or affiliates, Lind Invest ApS, and the Danish State.

The members of the Consortium now effectively hold an aggregate 86.4% stake in the share capital of the reorganized SAS AB (exclusive of the recovery by the Danish State in its capacity as a creditor of SAS and pursuant to SAS's restructuring plans), having invested \$1.2 billion USD in the company, by subscribing for \$475.0 million USD of common shares and by purchasing \$725.0 million USD of senior secured convertible notes.

The Air France-KLM Group itself invested a total of \$144.5 million USD in SAS AB, by subscribing for \$109.5 million USD of common shares and by purchasing \$35.0 million USD of senior secured convertible notes.

Specific provisions have been agreed upon between the members of the Consortium, whereby Air France-KLM's stake could be increased such that Air France-KLM may become a controlling shareholder, after a minimum of two years, subject to among other things, certain regulatory conditions and financial performance.

This investment is a component of Air France-KLM's strategic roadmap. It was already considered in the Group's financial trajectory for the year 2024 and has no impact on its medium-term outlook.

Commercial cooperation already well underway

As announced by the Air France-KLM Group on July 11, 2024, Air France, KLM and SAS have signed codeshare and interline agreements with the aim of providing their respective customers with extended travel options.

Beginning September 1, 2024, Air France and KLM customers will gain access to 33 destinations in Northern Europe beyond SAS's hubs in Copenhagen, Oslo and Stockholm. SAS customers will gain access to 33 destinations in Europe beyond Air France and KLM's hubs at Paris Charles de Gaulle airport and Amsterdam Schiphol airport.

These agreements also cover reciprocal loyalty program benefits for Flying Blue and EuroBonus, thereby enabling members to earn and spend Miles/Points on flights operated by SAS and the Air France-KLM Group's airlines.

In addition, on September 1, 2024, SAS will join the SkyTeam alliance, of which Air France and KLM are founding members. From that date, eligible EuroBonus members will be able to enjoy SkyTeam services and benefits, including SkyPriority and lounge access around the world.

On September 23, 2024

Air France-KLM ramps up its SAF offtake agreement with TotalEnergies, which will supply up to 1.5 million tons of more SAF over a 10-year period

Paris, September 23, 2024 –TotalEnergies and Air France-KLM have signed an agreement for TotalEnergies to supply up to 1.5 million tons of more SAF to Air France-KLM Group airlines over a 10-year period, until 2035.

This agreement marks one of the largest SAF purchase contracts signed by Air France-KLM to date. In 2022 and 2023, Air France-KLM was the world's leading SAF user, representing 17% and 16% of total global production respectively.

Accelerating the decarbonization of air transport in Europe

This contract builds on a memorandum of understanding (MoU) signed in 2022 for the supply of 800,000 tons of SAF. By re-evaluating this agreement today, the two groups are reaffirming their objective to curb the environmental impact of the air transport sector as quickly as possible by reducing CO₂ emissions.

By 2030, Air France-KLM aims to reduce its GHG emissions per passenger/km by 30% compared with 2019 levels. The Group aims to achieve this goal through a

combination of fleet renewal, operational measures such as eco-piloting, and the incorporation of at least 10% of more SAF on all its flights. These ambitious targets go beyond regulatory obligations.

The SAF supplied to Air France-KLM will be made from waste and residues from the circular economy. It will be produced in TotalEnergies' French and European biorefineries and refineries by coprocessing. This SAF will be used to fuel flights operated by Air France-KLM's airlines on departure from France, the Netherlands, and other European countries. The development of SAF is at the heart of TotalEnergies' transition strategy to meet demand from the aviation sector.

Air France-KLM has implemented a strict sourcing policy, purchasing only second-generation SAF that does not compete with global food production, and that is RSB or ISCC+ certified for its sustainability.

SAF allows for a reduction in CO₂ emissions of at least 75% and up to 90% over the entire fuel life cycle, compared with fossil fuel equivalents.

"Securing the volumes of more SAF needed to decarbonize our activity is a major challenge. This agreement with TotalEnergies is a further step in this direction, and a testament to our long-standing support for the development of SAF production in France and Europe. A solid SAF sector capable of meeting our industry's needs is a key factor in Europe's sovereignty and energy independence," said **Benjamin Smith, Chief Executive Officer of Air France-KLM Group.**

"SAF contributes both to the energy transition of our customers in the aviation sector and to the industrial transition of our refineries. It therefore represents a real 'win-win' for the future of industry and aviation", said **Patrick Pouyanné, Chairman and CEO of TotalEnergies.** *"For the past 10 years, we have been pioneers in the field, investing in biorefineries and SAF production facilities in France as well as developing coprocessing technologies in our refineries. Building on these industrial successes, we intend to continue this momentum in Europe and worldwide."*

A long-standing partnership between TotalEnergies and Air France-KLM

For the past 10 years, TotalEnergies and the Air France-KLM Group have been working together to test and incorporate SAF. This partnership began in 2014 with "Lab'line for the Future", a two-year experiment during which 78 Air France flights between Paris-Orly and Toulouse, and between Paris-Orly and Nice were fueled with 10% SAF supplied by TotalEnergies.

In January 2020, TotalEnergies and Air France took part, alongside Safran and Suez, in the Call for Expressions of Interest launched by the French government to encourage the emergence of a French SAF production industry.

Since 2022, TotalEnergies has been supplying SAF to Air France-KLM Group airlines in France, as part of the French incorporation mandate.

French and European SAF production

TotalEnergies is investing heavily in projects to produce more sustainable aviation fuel in France and Europe:

- **In Grandpuits:** TotalEnergies is transforming the site into a zero-oil platform with an investment of €400 million. Mainly focused on the production of SAF from the circular economy, Grandpuits will be able to produce 210,000 tons of SAF by 2025, and an additional 75,000 tons by 2027.
- **In Normandy:** TotalEnergies has started producing SAF at its Gonfreville refinery. The company plans to increase production to 160,000 tons of SAF per year by 2025.
- **At La Mède:** TotalEnergies has invested €340 million to transform its refinery into a biorefinery. In 2024, TotalEnergies has invested an additional €70 million to process up to 100% waste from the circular economy and produce SAF by 2025. Since 2021, biodiesel produced at La Mède has been used to produce SAF at TotalEnergies' Oudalle plant near Le Havre.
- TotalEnergies is studying the production of SAF through co-processing **in its other European refineries** by 2025.

About Air France-KLM

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 320 destinations thanks to Air France, KLM Royal Dutch Airlines and Transavia, mainly from its bases at Paris-Charles de Gaulle, Paris-Orly and Amsterdam-Schiphol.

Flying Blue is the loyalty programme of the Air France-KLM Group with more than 24 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. Air France-KLM is also a member of the SkyTeam, the alliance dedicated to providing passengers with a more seamless travel experience at every step of their journey 19 member airlines working together across an extensive global network.

Recognized for 20 years as an industry leader in sustainable development, the Air France-KLM Group is determined to accelerate the transition to more sustainable aviation.

About TotalEnergies

TotalEnergies is a global integrated energy company that produces and markets energies: oil and biofuels, natural gas and green gases, renewables and electricity. Our more than 100,000 employees are committed to provide as many people as possible with energy that is more reliable, more affordable and more sustainable. Active in about 120 countries, TotalEnergies places sustainability at the heart of its strategy, its projects and its operations.

On December 3, 2024

Air France-KLM to expand footprint in Saudi Arabia, with the support of the Saudi Air Connectivity Program

On the sidelines of the Saudi-French Investment Forum in Riyadh (Kingdom of Saudi Arabia), Air France-KLM today announced its plan to expand its footprint in Saudi Arabia, with the upcoming launch of a new service between Paris-Charles de Gaulle and Riyadh, operated by Air France, during the Summer of 2025.

This announcement was made in the presence of Deputy Minister of Tourism for International Affairs Sultan AlMusallam. It comes a few days before Transavia, the low-cost arm of Air France-KLM launches services to Jeddah from Paris-Orly and Lyon.

With these new services, all three airlines of the Air France-KLM Group (Air France, KLM and Transavia) will be serving the Kingdom of Saudi Arabia, as KLM already flies to Riyadh and Dammam on departure from its hub at Amsterdam Schiphol airport.

Air France-KLM is supported in these developments by the Saudi Air Connectivity Program, a program of the Saudi government.

Benjamin Smith, CEO of Air France-KLM stated: *"Saudi Arabia is rapidly emerging as a world-class destination and a key gateway. We are delighted to support the Kingdom in this new chapter by expanding our connections and strengthening our existing ones, and thank the Saudi Air Connectivity Program for its valuable support."*

Majid Khan, CEO of Air Connectivity Program stated: *"We are delighted to welcome Air France to the Kingdom, as part of our wider efforts to increase air connectivity to key destinations and ensure travel to the Kingdom is a seamless experience. Air connectivity holds immense potential to boost tourism development. The commencement of direct flights from Air France-KLM between King Khalid International Airport, Riyadh and Charles de Gaulle, Paris from Summer 2025, will enable the two-way flow of thousands more tourists between our two great countries."*

On December 3, 2024

Air France-KLM Group and Saudia to reinforce cooperation in the fields of passenger transport and aircraft maintenance

The Air France-KLM Group and Saudia, the flag carrier of Saudi Arabia, today signed a strategic memorandum of understanding (MoU) that lays the foundation for a strengthened cooperation in the fields of passenger transport and aircraft maintenance.

The signing took place at the Saudi-French Investment Forum in Riyadh, (Kingdom of Saudi Arabia), in the presence of Emmanuel Macron, President of the French Republic.

Already partners within the SkyTeam alliance, Air France-KLM and Saudia aim to foster stronger ties in order to:

- **Improve connectivity between their home markets of France, the Netherlands and Saudi Arabia.** Under this agreement, Air France-KLM and Saudia will significantly expand their existing codeshare and interline commercial agreements, thereby providing customers with more travel options between and beyond their respective hubs. The agreement also includes initiatives to optimize operations and improve customer experience, notably through terminal co-location at key airports.
- **Enhanced MRO (Maintenance, Repair and Overhaul) cooperation,** with Air France Industries-KLM Engineering and Maintenance (AFIKLM E&M) being awarded a firm minimum of 50% of the maintenance work on Saudia's GE90 engines (used on Boeing 777 aircraft), including the localization of the process of module assembly and disassembly for these engines.

Saudia will also consider AFIKLM E&M for all future key MRO sourcing processes. Going forward, Air France Industries-KLM Engineering and Maintenance and Saudia Technic will jointly explore the opportunity of establishing a joint-venture for GENx engines (used on Boeing 787 aircraft). The agreement is intended to expand and localize Saudia's Maintenance, Repair, and Overhaul (MRO) capabilities, in line with Saudia's ongoing effort to foster local talent and capabilities.

The various initiatives listed remain subject to approvals by the relevant authorities.

"Saudia is a historic partner of Air France-KLM", said Benjamin Smith, CEO of Air France-KLM. "In the context of Saudi Arabia's fast-paced development, we see a mutual interest in expanding our commercial cooperation and pooling our expertise, notably in the strategic MRO activity. Air France Industries-KLM Engineering and Maintenance is already a leader in the field, and further cooperation with Saudia will unlock additional opportunities in the country and in the region".

"This agreement reflects the visionary leadership of the Saudia Group Board, led by its Chairman, H.E. Engr. Saleh Al-Jasser, Minister of Transport and Logistics" stated H.E. Engr. Ibrahim Al-Omar, Director General of Saudia Group. "It aligns with the Saudi Aviation Strategy, spearheaded by the General Authority of Civil Aviation, and demonstrates our commitment to advancing the Kingdom's aviation sector."

This Winter, Air France-KLM will operate up to 10 weekly flights to/from Saudi Arabia, with the notable introduction of direct service to Jeddah from Paris-Orly and Lyon, operated by Transavia France. Air France Industries-KLM Engineering and Maintenance currently provides MRO services to over 200 airline customers worldwide – including Saudia, and supports over 3,000 aircraft worldwide thanks to a team of 12,800 experts.

→ HIGHLIGHTS OF THE BEGINNING OF THE 2025 FINANCIAL YEAR

February 18, 2025

Air France-KLM partners with Amadeus to accelerate modern airline retailing transformation

- **Air France-KLM has selected Amadeus as its technology partner for native order capabilities. With Nevio, Amadeus' next-generation solution, the Group aims to pursue the broader transformation of its retailing capabilities.**
- **Air France-KLM will work closely with Amadeus to define the needs for modern airline retailing transformation. Customers stand to benefit from a best-in-class traveller-centric retailing and servicing experience.**

Air France-KLM and Amadeus have signed a landmark agreement to bring airline retailing into a new era through Nevio, Amadeus' next-generation solution for "Offer and Order" native capabilities. At the heart of this transformation is the adoption of the IATA "ONE Order" standard, which will elevate the customer experience to meet the evolving needs of digitally savvy consumers.

Today, customers typically need to juggle multiple documents such as the Passenger Name Record (PNR), the Electronic Ticket (ETK), and Electronic Miscellaneous Documents (EMDs) for each booking. The partnership with Amadeus, based on Modern Airline Retailing principles, will simplify operations and the customer experience by putting in place a single, streamlined source of truth – the Order – much like how e-commerce operates today.

This partnership advances Air France-KLM's ambition to update its current systems and move to a modern, "Offer and Order" native system. This multi-year effort will be orchestrated by the Air France-KLM MOON (Moving to Offer and Order Native) program, in close collaboration with Amadeus.

A seamless and personalized travel experience

With this transformation, Air France-KLM customers will benefit from:

- **A single unified travel record:** Customers will have a single order that contains all their travel details, including services provided by third parties.
- **Enhanced servicing:** Customers will be able to make modifications to their travel and ancillary services more easily.
- **More personalized offers:** Customers will benefit from more tailored options that better match their preferences and needs.

Angus Clarke, Executive Vice President and Chief Commercial Officer, Air France-KLM Group said, "Our move to Modern Airline Retailing, is a key pillar in our commercial strategy, as reflected in our broad commitment to MOON program. By leveraging the power of next-generation retailing systems, we will continue to elevate the customer experience. This partnership with Amadeus will allow our customers to track the entirety of their travel in one, accessible order, receive more personalized offers that reflect their diverse needs, and do more self-servicing. I am confident that we will be able to deliver this vision in the years ahead in close collaboration with Amadeus, a long-trusted technology partner."

Pierre Olivier Bandet, Executive Vice President, Air France-KLM Information Systems added, "System transitions of this magnitude only happen so often, and I am excited to embark on this journey with Amadeus, the MOON team, and the entire Air France-KLM IT organization. This transformation will not only bring us a best-in-class Order Management System, but also simplify our IT ecosystem through the phase out of several legacy applications. This will provide the Group with a modern, flexible technical foundation that will drive value for years to come."

Decius Valmorbida, President of Travel, Amadeus said, "Amadeus Nevio has been specifically designed to offer exceptional flexibility, allowing Air France-KLM to select the modules that align with its unique needs, creating a perfect fit for their operations. The partnership illustrates our ongoing commitment to supporting industry transformation and our dedication to actively driving this change. This is the future of customer-centric retailing."

Maher Koubaa, Executive Vice President Travel Unit and Managing Director EMEA, Amadeus said, "We are pleased to welcome Air France-KLM as the latest customer to subscribe to Amadeus Nevio. This new generation of airline technology helps airlines deliver the best possible retailing experience to customers across all their operations, and at every touchpoint. We are dedicated to supporting Air France-KLM in its retail transformation and, more generally, to accelerating the pace of the industry's move to customer-centric retailing."

March 21, 2025

Air France-KLM at Top Afep 2025: A Strong Commitment to Employment and Regional Development

On March 15, Air France-KLM took part in the seventh edition of Le Top, an event organized by Afep (French Association of Private Companies) at the Palais d'Iéna in Paris. This initiative aims to strengthen the commitment of major corporations to employment and economic development, generating over 1,600 meetings between 50 top executives from large companies and 300 SMEs, mid-sized businesses, and startups.

A strategic dialogue for business growth

Throughout the day, discussions revolved around key topics such as strategy, innovation, international expansion, industrialization, and more.

Anne Brachet, Executive Vice President of Air France-KLM Engineering & Maintenance, represented the Group alongside other major corporate leaders, emphasizing the importance of direct dialogue to support the economic players of tomorrow.

"Through these direct and concrete exchanges, the Air France-KLM Group is very proud to support SMEs and mid-sized businesses in their strategic development and growth, fostering a positive impact on the local economy and regional development," stated Anne Brachet.

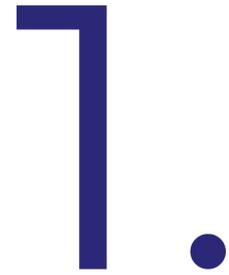
A strong commitment to regional development

Events like Top Afep are a priority for the Air France-KLM Group. With an annual contribution of over €70 billion to the French and Dutch economies and 820,000 direct and indirect jobs supported, Air France-KLM is a key driver of local, national, and European economic growth. The Group is also the largest private employer in the Île-de-France region, making it a crucial asset for regional economic vitality. (Learn more about our socio-economic impact: [full study here](#))

Top Jeunes: Bridging the gap between companies and schools

In addition to Top Afep, Air France's employer brand teams also participated in the *Top Jeunes* event on March 14, an initiative co-organized with the French Ministry of National Education. The goal: to strengthen ties between businesses and schools to better prepare young people for the jobs of the future.

Through its active participation in Top Afep and *Top Jeunes*, Air France-KLM Group reaffirms, year after year, its commitment to employment, economic development, and innovation, alongside SMEs and young talent.



Presentation of the Air France-KLM group

1.1	Market and environment	32	1.4	Fleet	55
1.1.1	Economic environment	32	1.4.1	The Air France group fleet	57
1.1.2	The industry context and competition	33	1.4.2	The KLM group fleet	58
1.2	Strategy	36	1.5	Customer experience	59
1.2.1	The Air France-KLM group's ambitions	36	1.5.1	Air France and KLM are maintaining their investment for customers	59
1.2.2	Air France-KLM: core assets and unique competitive advantages	36	1.5.2	Air France and KLM pursue their move up-market	62
1.2.3	Value creation model	38	1.5.3	Air France and KLM are taking action for more responsible travel	69
1.2.4	Strategic orientations	38	1.5.4	Air France celebrated the Paris 2024 Olympic and Paralympic Games	71
1.3	Activities in 2024	40	1.5.5	Air France and KLM recognized and rewarded	73
1.3.1	Network business (passenger and cargo)	40			
1.3.2	Low-cost business (Transavia)	47			
1.3.3	Maintenance business	49			

1.1 MARKET AND ENVIRONMENT

1.1.1 Economic environment

ECONOMIC GROWTH

Real GDP growth (%)	2023	2024
World	3.3	3.2
Euro zone	0.4	0.8
Of which France	1.1	1.1
Of which Netherlands	0.1	0.9
Latin America and Caribbean	2.4	2.4
United States	2.9	2.8
China	5.2	4.8
Japan	1.5	-0.2
Sub-Saharan Africa	3.6	3.8

Source⁽¹⁾

In 2024, global economic growth remained steady compared to 2023. Inflation gradually declined, partly due to a decline in energy prices. After its growth reached its lowest point in 2023, Eurozone's GDP growth rose to a modest 0.8% in 2024, driven by improved export performance, particularly in goods. In the United States, growth slightly decreased from 2.9% in 2023 to 2.8% in 2024. Japan experienced a significant slowdown in growth in 2024, attributed to temporary supply disruptions and the waning of factors that had boosted activity in 2023,

such as a surge in tourism. In China, the slowdown has been more gradual. Despite ongoing challenges in the real estate sector and low consumer confidence, growth only slightly decreased to 4.8% in 2024. Despite ongoing geopolitical tensions, global trade volume as a share of world GDP remained stable. However, signs of fragmentation of the global economy have started to emerge, with increasingly more trade occurring within geopolitical blocs rather than between them⁽²⁾.

OIL PRICE

Brent (US\$/bbl)	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4
Average Brent price	86.7	83.7	83.0	84.6	79.8	74.6
Average jet fuel price	120.4	112.0	110.1	103.3	92.1	87.2

Source⁽³⁾

After a steady first half of 2024, oil prices decreased by almost US\$5 per barrel of Brent in Q3 2024. In Q4 2024, oil prices continued to decrease, reaching US\$74.6 per barrel of Brent. Jet fuel prices followed the same pattern as crude oil: after a stable price between Q4 2023 and Q1 2024, the jet fuel price per barrel fell to US\$103.3 in the second semester of 2024. In Q4 2024, the jet fuel price reached US\$87.2, posting a 28% decrease year-on-year.

Putting these two trends together, it is observed that refinery margin was in a continuous decreasing trend from the end of 2023 to the end of 2024, which presented its return to normal level in history.

With a stable global GDP, these oil price trends resulted from oversupply and shifting demand to other energy sources⁽⁴⁾.

⁽¹⁾ Source: World Economic Outlook, IMF, January 2025.

⁽²⁾ Source: World Economic Outlook, IMF, January 2025.

⁽³⁾ Source: Brent and jet fuel prices, EIA, January 29, 2025 (<https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=RBRT&f=M> - and - https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EER_EPJK_PF4_RGC_DPG&f=M)

⁽⁴⁾ Source: "Global Outlook for Air Transport," IATA, December 2024 (<https://www.iata.org/en/publications/economics/fuel-monitor/>)

CURRENCY EXCHANGE RATES**For one Euro**

(average)	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4
USD	1.09	1.08	1.09	1.08	1.10	1.07
GBP	0.86	0.87	0.86	0.85	0.85	0.83
CHF	0.96	0.95	0.95	0.97	0.95	0.94
CNY	7.89	7.77	7.80	7.80	7.87	7.68
JPY	157.3	159.1	161.2	167.8	164.0	162.6

Source⁽¹⁾

Worldwide currency exchange rates remained globally stable for the past year and a half. Only EUR/JPY showed slight variations, ending 2024 at a similar rate to Q4 2023. The average EUR/USD rate remained stable, oscillating between 1.07 and 1.10 EUR/USD.

Compared to Q4 2023 and based on the average quarterly exchange rates in Q4 2024, the euro weakened slightly against all the currencies cited above (USD, GBP, CHF, CNY), except the Japanese yen⁽²⁾.

1.1.2 The industry context and competition

Throughout the year, the global economy has exhibited notable stability. Unemployment rates remained below historical norms, global inflation rates persistently declined, and ticket prices were on a downward trend, stimulating air travel demand to unprecedented levels⁽³⁾, achieving 103.8% of 2019 passenger traffic (measured in revenue passenger kilometers or RPK)⁽⁴⁾. Worldwide air passenger capacity saw a 3.7% increase compared to 2019, and a 9.2% rise compared to 2023⁽⁵⁾.

On the other hand, the 2024 year was marked by several events impacting the airline industry. Geopolitical instability persisted. Sustainability-related legislation and taxation continue to affect the level playing field of the airline industry, while the still ongoing supply chain disruptions have been putting pressure on aircraft deliveries and maintenance activities.

In addition, the industry has been experiencing a consolidation trend with various merger attempts.

Geopolitical events

The aviation industry has always been sensitive to geopolitical events, requiring airlines to adjust their operations accordingly, which could cause inconveniences for customers.

The current worldwide situation is unstable with several conflicts affecting the air transport industry. The still ongoing Russian-Ukrainian war and the various conflicts in the Middle East and the Red Sea have been impacting aviation.

Certain airspace can no longer be used, which implies longer routings as well as route closures. Longer routings add inconvenience to customers, as flights take more time and add costs and complexity for airlines. As airspace bans affect airlines unequally, customers will be inclined to choose less affected airlines.

Taxation of air transport

The industry is subject to a large variety of taxes depending on the region of the world. In several European countries, plans have been or will be made to increase air ticket taxes.

In May 2024, the German government increased its air travel tax⁽⁶⁾. And the French government also announced its plan to increase the tax related to airplane tickets (TSBA) in 2025⁽⁷⁾.

⁽¹⁾ Source: ECB Data Portal, ECB, January 2025.

⁽²⁾ Source: ECB Data Portal, ECB, January 2025.

⁽³⁾ Source: "Global Outlook for Air Transport," IATA, December 2024 (<https://www.iata.org/en/iata-repository/publications/economic-reports/global-outlook-for-air-transport-december-2024/>).

⁽⁴⁾ Source: "Global Air Passenger Demand Reaches Record High in 2024," IATA, January 30, 2025 (<https://www.iata.org/en/pressroom/2025-releases/2025-01-30-01/>).

⁽⁵⁾ Source: OAG Analyzer, snapshot of January 9, 2025.

⁽⁶⁾ Source: <https://www.dw.com/en/german-aviation-sector-calls-for-air-travel-taxes-to-be-cut/a-70546254#:~:text=Germany%20increases%20air%20travel%20tax,ticket%2C%20depending%20on%20the%20distance>

⁽⁷⁾ Source: <https://www.air-journal.fr/2024-10-30-tsba-un-surcout-estime-jusqua-950-euros-pour-un-vol-en-europe-en-classe-affaires-de-plus-de-6-euros-en-classe-eco-5258850.html>

Supply chain

In 2024, 1,260 aircraft were delivered, slightly less than in 2023 (1,365) and 2019 (1,385), and far less than in peak year 2018 (1,800)^(1,2). The backlog of new aircraft has reached 17,000 planes at the end of 2024, a record high for the industry⁽³⁾.

As a result, the average age of the global fleet in 2024 has risen to a record 14.8 years, a significant increase from the 13.6-year average for the period 1990-2024. An older fleet translates into higher maintenance costs and higher fuel burn⁽⁴⁾.

In addition, the aviation industry is struggling with a shortage of spare parts, driven by supply chain issues, increased demand and manufacturing delays, leading to grounded aircraft and disruptions in maintenance operations. Indeed, the share of parked fleet is 4 points higher than in 2019, of which 50% is related to engine inspections. Engine-related issues have impacted the whole industry in 2024, resulting in an increasing number of grounded aircraft⁽⁵⁾.

Climate change

At the 41st Assembly of the International Civil Aviation Organization (ICAO) in October 2022, the Member States have adopted the Long-Term Aspirational Goal (LTAG) of net-zero carbon emissions for international aviation by 2050⁽⁶⁾.

Since 2022, the decarbonization efforts of EU airlines have faced some headwinds:

- The Russia overfly ban on EU carriers led to a longer itinerary for EU carriers when they fly to certain Asian destinations, such as China, resulting in increased emissions.
- In 2024, there were higher restrictions for SAF certification in the EU than in the US⁽⁷⁾, an accelerated withdrawal of free EU-ETS allowances⁽⁸⁾, and a higher market price for SAF in Europe than forecasted⁽⁹⁾.

The policy measures that have been implemented by the EU with regard to decarbonization result in an increasingly uneven playing field for EU-based airlines.

More information related to climate change can be found in Chapter 4.2.

Consolidation

Active attempts to consolidate were observed all over the world: in Asia-Pacific with Korean Air and Asiana; in the Indian subcontinent with Air India, Air Asia India, and Vistara; in North America with the Spirit-Jet Blue merger attempt; and in Latin America with the creation of Abra resulting from the merger of Avianca, Gol, and Spanish Wamos Air.

Consolidation attempts have occurred in Europe as well:

- Following discussions with the European Commission, IAG decided not to extend its 20% share in Air Europa in 2024⁽¹⁰⁾.
- In January 2025, Lufthansa Group acquired a 41% share in ITA Airways through their deal at the end of 2024.

Air passenger market

In 2024, following the traffic trend that showed an all time high (10.3% increase in global passenger kilometers⁽¹¹⁾ compared to 2023), global capacity, measured in available seat kilometers (ASKs), increased by 8.7% compared to 2023⁽¹²⁾.

- On departure from Europe, capacity increased by 9% compared to 2023, surpassing the 2019 level by 6%. In terms of flows, despite a 30% capacity increase year-on-year, the Europe-Asia flow still recorded a lower level than in 2019 (88% of 2019 capacity)⁽¹³⁾.
- On departure from the US, capacity reached 105% of the 2019 level in 2024. Only the US-Asia flow is lagging at 81% of capacity compared to pre-Covid level, despite a 21% increase in capacity compared to 2023⁽¹⁴⁾.

⁽¹⁾ As the base year for comparison, 2018 was chosen due to its representativeness of pre-COVID worldwide delivery number, instead of 2019, which saw an unusual reduction in delivery due to the Boeing restriction of sale in that year.

⁽²⁾ Source: Cirium, extraction on January 25, 2025.

⁽³⁾ Source: "Global Outlook for Air Transport," IATA, December 2024 (<https://www.iata.org/en/iata-repository/publications/economic-reports/global-outlook-for-air-transport-december-2024/>).

⁽⁴⁾ Source: "IATA Supply chain issues continue to impact the Industry in 2025," IATA, December 14, 2024 (<https://www.iata.org/en/iata-repository/publications/economic-reports/global-outlook-for-air-transport-december-2024/>).

⁽⁵⁾ Source: "Global Outlook for Air Transport," IATA, December 2024 (<https://www.iata.org/en/iata-repository/publications/economic-reports/global-outlook-for-air-transport-december-2024/>).

⁽⁶⁾ Source: "Long-term global aspirational goal (LTAG) for international aviation," ICAO (<https://www.icao.int/environmental-protection/Pages/LTAG.aspx>).

⁽⁷⁾ Source: "Understanding SAF Sustainability Certification," June 2024 (https://www.iata.org/contentassets/Obf212bfc0548f2b6ad4c1e229f7e94/guidance-document-on-saf-sustainability-certification-v0.41_rm-indepth.pdf).

⁽⁸⁾ Source: European Parliament (https://climate.ec.europa.eu/news-your-voice/news/commission-decides-2024-allowances-aircraft-operators-2023-10-31_en-and-https://www.eraa.org/european-parliament-approves-emissions-trading-system-reform).

⁽⁹⁾ "The difference between production cost and market prices (the market premium) in Europe reached as high as around 1,000 USD/tonne of HEFA SAF," IATA, December 11, 2024 (<https://www.iata.org/en/programs/sustainability/reports/saf-procurement-pricing-options-for-different-strategies/>).

⁽¹⁰⁾ Source: <https://www.air-journal.fr/2024-08-02-le-groupe-iag-proprietaire-de-british-airways-renonce-a-lacquisition-dair-europa-5257224.html>.

⁽¹¹⁾ Revenue Passenger Kilometers (RPKs); source: "Global Air Passenger Demand Reaches Record High in 2024," January 30, 2025 (<https://www.iata.org/en/pressroom/2025-releases/2025-01-30-01/>).

⁽¹²⁾ Source: "Global Air Passenger Demand Reaches Record High in 2024," January 30, 2025 (<https://www.iata.org/en/pressroom/2025-releases/2025-01-30-01/>).

⁽¹³⁾ Source: OAG Analyzer, snapshot on January 9, 2025.

⁽¹⁴⁾ Source: OAG Analyzer, snapshot on January 9, 2025.

- Regarding China⁽¹⁾, the reopening of borders in early 2023 continued to have a great impact in 2024 with international capacity increasing by 79% compared to 2023. Although regional flows (China-Asia)⁽²⁾ are still lagging at 76% of the 2019 level, European flows recovered well at 96%. From a domestic perspective, capacity increased by nearly 3% compared to 2023 (and increased by 22% compared to 2019). Global capacity on departure from China is back at 108% of 2019 level⁽³⁾.

Air cargo market⁽⁴⁾

Despite geopolitical tensions and impaired supply chains, decreasing inflation has allowed central banks in advanced economies to start cutting interest rates, which boosted consumption and investment in the second half of 2024, leading to a gradual recovery of goods trade.

The air cargo demand surged, thanks to growing cross-border e-commerce and capacity limitations in ocean shipping. Global yields for air cargo stopped declining in 2023 and increased in 2024, arriving at around 30% above pre-pandemic levels by the end of 2024.

However, the current air cargo capacity is not following the projection on demand. In fact, the air cargo industry posted a 11.3% increase year-on-year in cargo ton-kilometers (CTKs), mainly driven by the continuous demand growth in Asia, while the available cargo ton-kilometers (ACTKs)⁽⁵⁾ only increased by 7.4% year-on-year, mainly due to supply chain issues affecting additional cargo aircraft deliveries.

Maintenance, Repair, and Overhaul (MRO) market⁽⁶⁾

The aeronautics maintenance market is mostly driven by age, flight cycles, and flight hours of the global fleet. Trends in this business closely follow those of the commercial airline fleets globally and their utilization.

MRO spending for 2024 is expected to hit US\$104 billion. In real terms, that is 1% above the peak set at the beginning of 2020 before COVID.

In 2024, the MRO market amounted to approximately US\$125 billion and is expected to rise to US\$163 billion in 2034⁽⁷⁾.

As we look ahead, the worldwide fleet's compound annual growth rate is expected to be 2.5% between 2024 and 2034. Reflecting slower expansion and an increase in the overall average age of the worldwide fleet, demand in the Maintenance, Repair, and Overhaul (MRO) sector is expected to grow by 1.8% annually on average through 2034.

The MRO market is currently facing multiple challenges, notably with respect to labor shortages, supply chain disruption, and the solidity of the latest engines. Furthermore, manufacturers of aircraft, engines, and parts are reinforcing their market position by placing more limitations on newer aircraft, thus limiting airlines' options and increasing their expense.

As a result, despite significant investment made in MRO, the MRO industry must contend with production delays, which can sometimes exceed one year, and with suppliers who are unable to fulfill orders or provide products or services in a timely manner.

⁽¹⁾ "China" mentioned in this paragraph refers to mainland China.

⁽²⁾ China domestic flights excluded.

⁽³⁾ Source: OAG Analyzer, snapshot on January 9, 2025.

⁽⁴⁾ Source: "Global Outlook for Air Transport," IATA, December 2024 (<https://www.iata.org/en/iata-repository/publications/economic-reports/global-outlook-for-air-transport-december-2024/>).

⁽⁵⁾ Source: "Global Air Cargo Demand Achieves Record Growth in 2024," IATA, January 29, 2025 (<https://www.iata.org/en/pressroom/2025-releases/2025-01-29-02/>).

⁽⁶⁾ Source: Global fleet and MRO market forecast 2024-2034, Oliver Wyman, February 2024 (<https://www.oliverwyman.com/our-expertise/insights/2024/feb/global-fleet-and-mro-market-forecast-2024-2034.html>).

⁽⁷⁾ Source: Aviation Week MRO demand forecast, February 2025.

1.2 STRATEGY

1.2.1 The Air France-KLM group's ambitions

Air France-KLM's purpose is: **"At the forefront of a more responsible European aviation, we unite people for the world of tomorrow."**

The Group's business brings people, economies, and cultures together and drives economic growth and social progress. The overarching ambition of the Air France-KLM

group is to become a leading aviation company in Europe and one of the most powerful in the world, while supporting the ongoing industry wide transformation.

To this end, flight safety is both an absolute imperative that the Group owes to its customers and staff, as well as a daily commitment.

1.2.2 Air France-KLM: core assets and unique competitive advantages

As one of the European leaders in intercontinental traffic departing from Europe, Air France-KLM is a major global air transport player. Its main businesses is passenger and cargo transportation through its network activities, low-cost business, and aeronautical maintenance.

The Group takes action to align growth with environmental responsibility, social value, and local development at its hubs and destinations. By leveraging state-of-the-art technologies, investing in research and development (R&D) and innovation, partnering with diverse stakeholders, and taking care of its people, the Group strives to optimize the use of its different forms of capital and resources. This approach gives Air France-KLM a strong position in the aviation industry's competitive landscape.

People: approximately 78,000 engaged and professional employees, and a diverse culture

Air France-KLM is committed to the value of its workforce worldwide. Driven by our employees' collective dedication, professionalism, and accomplishments, Air France-KLM is able to provide premium services and caring airline experiences, fostering lasting relationships with customers while maintaining the highest standards of safety and efficiency.

Material impacts, risks, and opportunities (IROs) related to staff are described in section 4.3.1. under ESRS standard S1 (own workforce).

Brands: a portfolio of strong, desirable brands and a powerful loyalty program

Air France-KLM has a portfolio of strong brands positioned in complementary markets to fulfill and exceed its customer expectations and offer a memorable journey:

- Air France: Elegance is a journey;
- KLM: Travel well;
- Transavia: A smart choice for an enjoyable journey.

In 2024, Flying Blue, the loyalty program of the Air France-KLM Group, has been recognized as the best worldwide loyalty program⁽¹⁾, providing various opportunities to its 27 million members⁽²⁾ (+17% compared to 2023) with its extensive network of partners (airlines, financial institutions, and consumer businesses).

An extensive network operated with an optimized fleet

The Air France-KLM Group currently operates one of the most diversified networks between Europe and the rest of the world, organized around its dual hubs of Paris-Charles de Gaulle and Amsterdam-Schiphol, which are two of the four largest connecting platforms in Western Europe (the other two being London Heathrow and Frankfurt am Main)⁽³⁾. In 2024, Air France and KLM served more than 240 cities in over 90 countries from these two connecting platforms⁽⁴⁾.

In 2024, Transavia offered its network through two low-cost carriers, Transavia France and Transavia Netherlands, together serving over 150 destinations in over 40 countries⁽⁵⁾.

Air France-KLM confirmed its commitment and aspiration to maintain a leading position in terms of traffic with 98.0 million passengers carried worldwide in 2024 (versus 93.6 million in 2023).

⁽¹⁾ Source: "The World's Best Airline Rewards Programs," point.me, September 2024 (<https://www.point.me/c/insights/worlds-best-airline-rewards-programs>).

⁽²⁾ As of December 2024.

⁽³⁾ The ranking of the largest connecting platforms in Western Europe is based on the calculation of the number of connecting passengers at each airport in 2024, local traffic excluded. Source: Direct Data Solutions, extraction on January 28, 2025.

⁽⁴⁾ Source: OAG Analyzer, snapshot on January 30, 2025.

⁽⁵⁾ Source: OAG Analyzer, snapshot on January 30, 2025.

The Air France-KLM Group has confirmed its strategy of continuing to modernize its fleet. It has ordered new-generation narrow-body and wide-body aircraft that will deliver a strong contribution to the Group's environmental roadmap and generate substantial financial benefits. By 2030, the Group's fleet should be composed of new-generation aircraft up to 80 %. More information related to the environment can be found in section 4.2 of this document.

Air France itself has announced plans to operate all its flights departing from Paris out of Paris-Charles de Gaulle (CDG) airport, except Corsica flights under public service contract, as of 2026. Transavia will take charge of Air France's activities at Paris-Orly (ORY) airport.

Partnership: a solid network of partners

Air France-KLM is pursuing its commercial integration strategy with its principal partners worldwide, including Delta Air Lines, Inc., China Eastern Airlines, and through the SkyTeam alliance, to offer value-added services and innovation while reinforcing its network and building mutual trust.

In September 2024, Air France-KLM completed the acquisition of a 19.9% non-controlling stake in the share capital of SAS AB. In parallel to the financial transaction, Air France-KLM and SAS have signed far-reaching interline and codeshare agreements to connect their hubs and networks, enhancing the Group's footprint in Scandinavia.

Lastly, in December 2024, Air France-KLM and Saudia reinforced their cooperation in the fields of passenger transport and aircraft maintenance. This partnership agreement aims to:

- improve connectivity between France, the Netherlands, and Saudi Arabia;
- enhance Maintenance, Repair, and Overhaul cooperation between AFI/KLM E&M and Saudia Technic.

Capital structure: a shareholding structure with the French and Dutch states, CMA CGM, China Eastern, and Delta Air Lines

Financial capital not only ensures Air France-KLM's financial sustainability, it also accelerates its ability to transform while enabling value creation. Through the combined use of share capital, cash reserves, and debt, the Group is able to fund its infrastructure, optimize its fleet, develop its resources,

innovate in digital, enforce its supply chain, improve community relationships, and engage in sector consolidation. During the first half of 2023, the CMA CGM group became a new shareholder in Air France-KLM with 9% of the share capital and agreed to a lock-up effective until at least February 28, 2025⁽¹⁾.

In accordance with the French Commercial Code, shareholders whose shares are held in registered form for two consecutive years are granted double voting rights. CMA CGM, who subscribed to the capital increase with preferential subscription rights on June 16, 2022, meets this condition. On June 30, 2024, CMA CGM declared that it had exceeded the threshold of 10% of voting rights and held 8.80% of the capital and 12.83% of the voting rights of Air France-KLM. It should also be noted that the company's other main shareholders participated in the transaction, namely the French and Dutch governments, China Eastern Airlines, and Delta Air Lines, all of which benefited from double voting rights.

Changes in Air France-KLM's shareholder structure are described in section 2.7 of this document.

Environment: Air France-KLM, a committed player with ambitious targets, advocating for an industrywide transformation

As its ground and flight operations have an impact on the environment, particularly on climate change, noise, air pollution, and waste, the Group permanently strives to optimize its activities to reduce its environmental footprint.

Sustainability is a collective responsibility, and Air France-KLM is committed to play its role. The Group's ambition is to reduce greenhouse gas (GHG) emissions and limit the increase in the global average temperature in line with the Paris Agreement. This ambition is fully aligned with the long-term global aspirational goal of the International Civil Aviation Organization (ICAO) of net-zero carbon emissions by 2050.

To achieve this goal, the Group has worked out a Transition Plan for climate mitigation and adaptation. To monitor the progress toward the achievement of this plan, the Group has set the ambition of reducing 30% of its GHG emissions per RTK (revenue ton-kilometer) by 2030 compared to 2019.

More information related to the environment can be found in section 4.2 of this document.

⁽¹⁾ CMA CGM's initial lock-up undertaking (initial lock-up on all the company's shares subscribed for by CMA CGM in the rights issue announced on May 24, 2022, and expiring on June 15, 2025, and a subsequent lock-up period on 50% of these shares, expiring on June 15, 2028) was modified in January 2024, reducing the initial lock-up period, which now ends on February 28, 2025, with no subsequent lock-up period.

1.2.3 Value creation model

The Air France-KLM value creation model addresses all of the Group's stakeholders, namely employees, shareholders, customers, suppliers, authorities, institutional and non-governmental organizations, and other local partners. As part of its day-to-day activities, the Group interacts with diverse stakeholders, while its business and operations have a variety of qualitative and quantitative impacts on society. The value-creation model delineates the impact areas where the Air France-KLM Group adds value, thanks to its fundamental strengths and unique competitive advantages that allow it to address societal and sustainability challenges.

The Air France-KLM Group is committed to implementing its development strategy and to upholding its corporate purpose. The Group's achievements and ongoing dynamism demonstrate its capacity for excellence, with the support of its people and shareholders.

People: be the best place to work

Air France-KLM wants to position itself as an employer of choice and is targeting a leading Employee Promoter Score ("EPS"). The Group's 78,000 people (approximately) are its primary asset, as they are the face of the Company to its customers and represent its brands across the world. The Group invests in training to ensure their skills are top notch and further empowers them through the use of digital tools, enabling them to surpass customer expectations.

The relationship linking the companies in the Group to their employees is based on the underlying values of trust, respect, transparency, and confidentiality.

Material impacts, risks, and opportunities (IROs) related to staff are described in section 4.3.1. under ESRS standard S1 (own workforce).

Customers: exceed customer expectations

Air France-KLM is committed to ensuring an unrivaled end-to-end customer experience, aiming to exceed customer expectations at every touchpoint and across its products and services. The Group is targeting a leading Net Promoter Score (NPS) by improving the customer experience through personalized and digitalized offers and best-in-class operational performance. Thanks to the professionalism of their frontline staff, the quality of their products and services, and improved operational performance, Air France, KLM, and Transavia maintain a daily focus on customers.

Customer satisfaction regarding the quality of services promised by the Air France-KLM airlines has a strong impact on the Group's performance. Indeed, it is a key driver of revenue growth and enables greater customer loyalty.

Material impacts, risks, and opportunities (IROs) related to customers are described in section 4.1.4.3 under ESRS standard S4 (consumers and end users).

Planet and society: the ambition towards a more sustainable aviation

Air France-KLM is making its best efforts to move toward more sustainable aviation at the level of both flight and ground operations. The Group continues its efforts to reduce its environmental footprint by improving its operations and processes, partnering and innovating in the supply chain, and mobilizing its staff and the industry.

Material impacts, risks, and opportunities (IROs) related to sustainability are described in section 4.1.4.3 under ESRS standards E1 (climate change), E2 (pollution), and E5 (circular economy).

1.2.4 Strategic orientations

The Air France-KLM Group faced a difficult start of the year followed by a strong recovery in operating result

Air France-KLM experienced a difficult start of the year, followed by a strong recovery in operating result after Summer.

The Group revenues stood at €31.5 billion, up 4.8% compared to last year, driven by an increase in capacity of 3.6%, a stable unit revenue development, and increased third-party maintenance revenues. The unit cost was up 3.2% compared to 2023 due to "premiumization", haul mix, and salary increases.

The Group experienced some disruptions throughout the year (operations, Olympic Games, implementation of cargo IT tool), which weighed on the profitability and resulted in a limited reduction of the operating result. Overall, the operating result was €1,601 million, with an operating margin at 5.1%.

The Group reiterated its 2026-2028 medium-term outlook provided during the 2023 Investor Day, which is as follows:

- operating margin above 8% (unchanged);
- adjusted operating free cash flow significantly positive (unchanged);
- unit cost reduction (unchanged);
- leverage: Investment grade (unchanged).

The Air France-KLM Group's activity continues to recover and materialize in strong performance and profitability

In 2024, Air France-KLM continued its normalization, with the Group's total revenue reaching €31.5 billion. An agile approach to capacity deployment enabled strong load factors to be maintained throughout the year and improved the operating margin.

In 2024, the Air France-KLM Group's performance was also recognized by the industry with the following awards:

- Air France was named Best Airline in Western Europe and France at the Skytrax World Airline Awards 2024. It was also recognized as the ninth Best Airline in the World. Air France's Business Class and *La Première* were both named Best in Europe, and Air France *La Première* catering was named Best First-Class Onboard Catering in the World and therefore in Europe⁽¹⁾.
- KLM received the 2024 APEX World Class Award as best airline for passengers, along with seven other airlines (Singapore Airlines, Japan Airlines, Emirates, Saudia, Qatar Airways, Xiamen Airlines, and Turkish Airlines)⁽²⁾.
- Transavia was recognized this year again as the second Best Low-Cost Airline in Europe in 2024 by SkyTrax⁽³⁾. For its customer service, Transavia won an award from ESCDA⁽⁴⁾ and, for online customer relations, it received the Qualiweb 2024 award.

Air France-KLM decarbonization roadmap

The Air France-KLM Group needs to balance its medium-term focus on managing liquidity risk and optimizing capex with a long-term focus on achieving increased competitiveness and its decarbonization ambitions.

The Air France-KLM Group and its airlines are continuing their efforts to reduce their environmental footprint as a part of a transparent and responsible approach to the challenges related to global warming.

The Air France-KLM Transition Plan aims to reduce GHG emissions by:

- putting in place strategic partnerships with railway operators and offering customers intermodal products to increase options of combining alternative modes of transportation with lower GHG emissions;
- accelerating the renewal of its fleet with more fuel-efficient aircraft;
- introducing operational measures aiming to decrease fuel consumption and replace fossil fuel with alternatives with lower GHG emissions.

In addition, Air France-KLM is working with the broader aviation sector to accelerate the development of innovative solutions for aircraft design and maintenance, engines, and synthetic fuels, which will be required to achieve net-zero carbon emissions in aviation.

⁽¹⁾ Source: World Airline Awards 2024, Skytrax, 2024 (<https://www.worldairlineawards.com/a-z-airline-awards-winners-2024/>).

⁽²⁾ Source: "The World Class 2024 – 8 airlines recognized," Apex World Class, October 31, 2023.

⁽³⁾ Source: World Airline Awards 2024, Skytrax, 2024 (<https://www.worldairlineawards.com/worlds-best-low-cost-airlines-2024/>).

⁽⁴⁾ Source: Élection du service client de l'année (<https://www.escda.fr/palmares>).

1.3 ACTIVITIES IN 2024

1.3.1 Network business (passenger and cargo)

2024: demand recovery confirmed despite the Paris Olympic Games and geopolitical crisis

The Network business corresponds to passenger and cargo transportation services on the scheduled flights of the network airlines, Air France, and KLM. It is the Group's principal activity, contributing more than 83.6% of Air France-KLM's revenues.

The year 2024 was an exceptional year for Air France, marked by the Paris Olympic Games. This event, while posing significant operational challenges, also had a notable impact on demand, with a decrease during the games and an increase in the following months.

The year was also marked by an unstable geopolitical context, with the continuation of the conflict between Russia and Ukraine, as well as persistent tensions in the Sahel and the Middle East. Despite these challenges, Air France-KLM continued to invest in its network, with a 3% increase in capacity compared to 2023. Thanks to the agility and responsiveness of its teams, the network has been adjusted throughout the year to adapt to fluctuations in demand and international events.

1.3.1.1 Short- and medium-haul operations

Ongoing fleet renewal; a slight increase in capacity at the Charles de Gaulle hub and a decrease in Orly operations to prepare for the exit by Summer 2026; excepted routes to Corsica under the public service contract granted in March 2024, further to a tender process.

The first quarter was marked by air traffic control limitations due to the implementation of the new 4-Flight air control tool. The Paris Olympic Games in the second quarter negatively impacted the demand, but it increased significantly in the third and fourth quarters, with higher capacity to accommodate it.

The short- and medium-haul fleet also continued to be renewed with the steady arrival of the A220 aircraft in this network.

On the French short-haul network, activity remained significantly lower relative to 2019 due to the implementation of the new restructuring plan for the domestic network, which was announced in October 2023. This plan aims to adapt to the increased structural impact of remote working, the growth of video conferencing, and strong competition from the rail network, which is prioritized for short journeys for environmental reasons. Consequently, point-to-point network activity decreased with an average annual capacity index of 93% compared to 2023.

This reduction of activity to cope with the lower traffic on the domestic network constitutes the first steps in the decision to concentrate all of Air France short- and medium-haul operations at CDG airport starting in the Summer of 2026, **with the exception of routes to Corsica, which will continue to be served from Orly airport under the public service contract awarded to Air France and Air Corsica in March 2024.** Until Summer 2026, the three La Navette shuttle routes (Orly-Nice, Orly-Marseille, and Orly-Toulouse) will continue to operate from Orly, with activity being progressively transferred to CDG airport. The Air France Group also intends, after consultation with the relevant authorities, to position Transavia on the Toulouse, Marseille, and Nice routes from Paris-Orly airport as of the Summer 2026.

In 2024, **Air France's medium-haul network** maintained a capacity slightly lower than its 2019 level but quite stable compared to 2023, with an average annual capacity index of 99%.

Although still marked by the closure of the routes to Russia and Ukraine, Summer demand remained robust on the seasonal leisure destinations, and business traffic was up in 2024 on the structural network. Compared to 2023, the main growth regions in medium haul were Benelux, Italy, Spain, and North Africa.

Built around the Paris-CDG and Amsterdam-Schiphol hubs, the medium-haul network was also supported by the recovery in the long-haul network.

KLM's medium-haul network significantly grew in 2024.

Demand followed the capacity increase. The main increase in traffic volumes was on point-to-point and intra-European traffic. From an operational perspective, KLM had to deal with a shortage of manpower in various operational units, mainly flight deck crew and maintenance. To cope with the shortage of flight deck crew, various wet lease aircraft were hired. Compared to 2023, much fewer operational cancellations occurred. However, arrival punctuality was still under strong pressure, also due to severe ATC delays.

In 2024, compared to 2023, KLM's European network was at an index of 110% in ASK and the long-haul network at an index of 100%, with the following breakdown by quarter:

	Q1	Q2	Q3	Q4
	122%	111%	103%	105%

1.3.1.2 Long-haul operations

KLM long-haul operations

In long-haul, KLM's average 2024 capacity stood at 100%, with differences between the quarters at 103%, 98%, 99%, and 101% for the first to the fourth quarters, respectively. In the second half of the year, Cargo performance significantly improved versus 2023. From a passenger perspective, Business Class and Premium Comfort were performing especially well.

Q1	Q2	Q3	Q4
103%	98%	99%	101%

Air France long-haul operations

In 2024, Air France expanded its long-haul network by 5% in available seat kilometers (ASKs) compared to 2023, nearly reaching pre-COVID activity levels (-1% ASKs compared to 2019). The majority of this growth occurred during the Summer peak season.

Q1	Q2	Q3	Q4
+5%	+6%	+7%	+2%

Different dynamics were observed depending on the region.

Africa: Capacity remained stable compared to 2023 (-1% in ASKs), largely due to the ongoing geopolitical situation in the Sahel region. Routes to Bamako, Niamey, and Ouagadougou were suspended for the entire year of 2024. As of the Winter of 2024, Kilimanjaro replaced Dar es Salaam in Tanzania. Operations to Accra (Ghana) were also suspended as of the Winter of 2024 to optimize network profitability.

Asia: Asia experienced the most significant growth compared to 2023 (+25% in ASKs). This growth was primarily driven by a 47% increase in capacity to China, due to a low reference point in 2023, when travel to and from China was still restricted during the first half of 2023. Capacity to Bangkok also grew by 50% with additional frequencies. Operations to Tokyo were restructured, with growth focused on Haneda and the suspension of operations to Narita. Additionally, Air France launched a new service to Manila (Philippines) starting in the Winter of 2024.

North America: +6% growth in capacity compared to 2023. This increase was mainly due to the annualization of services launched in 2023, including Ottawa and Raleigh-Durham. Air France also introduced a year-round direct flight to Phoenix and extended Winter operations to Denver, which was previously only operated during the Summer.

Caribbean/Indian Ocean: Capacity decreased by 5% compared to 2023, primarily due to the annualization of the suspension of routes to Punta Cana (PUJ) and Santo Domingo (SDQ). The rest of the network remained relatively stable.

Central/South America: +3% growth in capacity compared to 2023. Air France expanded its operations in Brazil, adding capacity to Fortaleza and launching a new route to Salvador de Bahia in the Winter of 2024. Additional capacity was also added to San Jose (Costa Rica).

India/Middle East: Capacity decreased by 4% compared to the previous year. This reduction was due to the unstable situation in the Middle East, leading to the suspension of routes to Tel Aviv and Beirut during Q4. Service to Chennai (Madras) was also suspended from Summer 2024. After one year of operations, the flight to Abu Dhabi was discontinued.

1.3.1.3 Shaping the Future of Digital Travel – Innovation, Personalization, and Seamless Connectivity

The digital landscape continues to evolve at an unprecedented pace, reshaping how travelers interact with airlines before, during, and after their journeys. With customers increasingly relying on digital touchpoints – from booking their flights to engaging with onboard services – Air France-KLM is at the forefront of this transformation, ensuring that every interaction is seamless, intuitive, and highly personalized.

By integrating cutting-edge technologies such as Generative AI, Large Language Models (LLMs), and advanced analytics, Air France-KLM is redefining the way customers experience travel. Digital channels are no longer just points of transaction; they are dynamic ecosystems that anticipate customer needs, optimize engagement, and deliver tailored experiences in real time. Whether through AI-powered destination recommendations, intelligent self-service solutions, or enhanced marketing personalization, the goal is clear: to provide the right offer to the right customer at the right time.

Continuous experimentation and marketing type “A/B” testings play a crucial role in refining and improving these digital experiences. By rigorously testing new features, optimizing key customer journeys, and leveraging real-time data insights, Air France-KLM ensures that its digital platforms not only meet but exceed customer expectations. With a strong emphasis on revenue growth and customer satisfaction, these efforts have led to significant improvements in conversion rates, upselling opportunities, and engagement across multiple digital channels.

Beyond digital interactions, Air France-KLM is also revolutionizing in-flight connectivity, offering seamless Wi-Fi experiences across its fleet to ensure passengers remain connected throughout their journey. At the same time, sustainability remains a core focus, with digital innovations reducing waste and promoting more eco-conscious travel choices.

By continuously pushing the boundaries of digital excellence, Air France-KLM is shaping the future of air travel – where personalization, innovation, and efficiency come together to create a seamless and engaging experience from inspiration to arrival.

Digital mission statement and key figures in 2024

The aim of Air France-KLM Digital is to be the channel of choice for travelers by providing spot-on offers and services at every step of the journey. Here are some key figures for the January to December 2024 period:

- 17 engaged sessions per second (549 million in total) at digital touchpoints (Air France and KLM websites and apps);
- 50% of all tickets sold directly online, +3 points versus 2023 ;
- 83% of check-in is done at the digital touchpoints (web, app, kiosk), i.e., +3 points versus 2023 ;
- 75% of the customers are satisfied with the interaction through the digital touchpoints (web and app).

Focus of Air France Digital Marketing in 2024 (campaigns, emails, and social media)

- More than 1,400 cross-channel campaigns executed worldwide (with at least three channels activated), including 450 with paid media;
- 267 million commercial emails sent and 84 million commercial notifications sent and 21 million in-app banners displayed;
- 13 million fans and followers worldwide on various social media platforms (483 thousands followers on TikTok, 9.7 million on Meta);
- 1,946 posts (central and local) activated worldwide on various social media platforms with 1.2 billion impressions (organic and paid) and 3.7 million interactions;
- At least 163 thousands comments monitored by community managers (with a response rate of 86%).

Focus of KLM Digital Marketing in 2024 (campaigns, emails, and social media)

- More than 1,000 cross-channel campaigns executed worldwide;
- 174 million commercial emails sent;
- 19.5 million fans and subscribers worldwide on various social media platforms;
- TikTok account growing rapidly with more than 400 thousands at the end of the year;
- 9.5 million commercial subscriptions in the database;
- 23 million automated commercial emails;
- 30 million commercial "push" mobile notifications.

Harnessing the power of big data and analytics to effectively serve customer needs

Digital channels play a crucial role in engaging with customers, but to serve them effectively, we must understand their preferences, behaviors, and travel patterns. Data-driven insights are now at the heart of both commercial strategy and service excellence, allowing Air France-KLM to deliver more relevant and meaningful interactions at every touchpoint. By leveraging big data

and advanced analytics, we refine our marketing initiatives to ensure they resonate with the right audience. The objective is clear: to present the right products to the right customers, at the right time, and in the right way.

Artificial intelligence (AI) is taking this personalization to the next level. Enhanced recommendation engines analyze vast datasets to predict customer needs, from tailored travel packages to ancillary service suggestions. By delivering relevant and timely offers, AI not only improves the customer experience but also strengthens engagement and loyalty.

By turning data into action, Air France-KLM continues to shape a seamless and personalized digital journey, ensuring every interaction is valuable, intuitive, and built around the needs of the traveler.

Seamless connectivity above the clouds

Air France-KLM continues to elevate the in-flight experience by expanding onboard Wi-Fi, ensuring passengers stay connected from takeoff to landing. Today, all Air France aircraft and KLM's intercontinental fleet are fully Wi-Fi-equipped, with upgrades to the KLM medium-haul fleet well underway. Whether for streaming, real-time communication, or remote work, passengers can now enjoy uninterrupted connectivity throughout their journey.

Powered by satellite connections from multiple data providers and integrated with our in-house connectivity platform and onboard portal, this service ensures a seamless digital experience. Customers can transition effortlessly between in-flight self-service options, personalized content, and commercial offers – creating a connected travel ecosystem that extends beyond the aircraft.

To meet diverse passenger needs, Air France-KLM offers three Wi-Fi packages: the Messaging Pass (free of charge), the Surf Pass, and the Stream Pass. Additionally, for Air France La Première and Hippocampe customers, as well as Flying Blue Ultimate members, Wi-Fi is unlimited and complimentary.

By continuously enhancing in-flight connectivity, Air France-KLM is redefining what it means to travel in the digital age, ensuring passengers remain as connected in the sky as they are on the ground.

The digital frontier of sustainability

Digital technology and e-commerce platforms have emerged as essential drivers for change and enablers of sustainability.

In 2024, Air France-KLM continued leveraging digital solutions to engage customers, for example, by transparently displaying the associated flight emissions that can be seen in MyTrip or when a flight is booked.

To empower customers who wish to help Air France-KLM lower its environmental footprint, ExtraSAF is offered. SAF is an alternative to regular aviation fuel and has a reduced environmental impact.

Three contribution levels are offered based on the estimated amount of fuel needed per passenger for a flight and the price of SAF at the time of booking.

Transforming travel and creativity with Generative AI

In 2024, Air France-KLM embraced Generative AI to revolutionize customer experiences, enhance creativity, and improve operational efficiency. By integrating Large Language Models (LLMs) into its digital ecosystem, Air France-KLM identified opportunities to deliver immediate value while building innovative solutions across its touchpoints.

A major highlight was the development of the **GenAI Destination Recommender**, seamlessly integrated into our Travel Guide pages. This tool enables customers to input prompts and receive personalized destination recommendations within the Air France-KLM network, making the journey from inspiration to booking effortless. This feature has significantly enhanced engagement on those pages.

Air France-KLM also piloted conversational interfaces powered by LLMs, such as AI Chatbots deployed at Schiphol kiosks and the MyTrip page, where customers can receive instant answers to service-related queries. Internally, Generative AI tools like Microsoft Copilot improved developer efficiency, streamlining workflows and boosting productivity.

Generative AI also transformed the way we approach creative marketing. Ask Atlas now provides customers with personalized travel inspiration, collecting valuable insights while increasing email subscriptions. Meanwhile, Airmail offers a scalable solution for producing high-quality, personalized newsletters, ensuring Air France-KLM delivers engaging communications efficiently.

Generative AI was more than an experiment—it became a transformative force. By integrating LLM technology into both customer-facing and internal operations, we advanced our vision of digital innovation, offering personalized travel experiences while optimizing ways of working. Air France-KLM continues to push boundaries, blending creativity and technology to inspire customers and reshape aviation.

Experimentation at scale: driving growth and personalization

In the past year, Air France-KLM significantly scaled up its experimentation capabilities, leveraging data-driven insights to enhance revenue generation and improve customer experiences across digital touchpoints and marketing channels. By optimizing key journeys and implementing targeted testing strategies, Air France-KLM has successfully created more personalized and seamless interactions, ultimately boosting both business growth and customer satisfaction.

Through focused experimentation, Air France-KLM passed a total of 83 tests aimed at generating additional revenue. These tests included optimizing critical areas such as flight selection, cabin upsell, seat selection, and other ancillary services. Campaign emails, booking flows, and post-booking interactions were also refined, ensuring we present the right offers to customers at the right time.

This approach has improved conversion rates, unlocked new upsell opportunities, and ensured that every customer interaction is relevant and meaningful. By aligning experimentation with its business objectives, Air France-KLM has reinforced its position as a leader in digital innovation, delivering results that benefit both customers and the company alike.

1.3.1.4 Cargo

Cargo Business	Fourth Quarter			Full Year		
	2024	Change	Change at constant currency	2024	Change	Change at constant currency
Tons (thousands)	250	+6.2%		911	+4.1%	
Capacity (ATK m)	3,605	0.8%		14,330	+1.8%	
Traffic (RTK m)	1,893	+6.8%		6,829	+4.2%	
Load factor	52.5%	+3.0pt		47.7%	+1.1pt	
TOTAL CARGO REVENUES (€ m)	722	+10.9%	+11.5%	2,391	(3.9)%	(3.1)%
Scheduled Cargo revenues (€ m)	620	+21.7%	+22.3%	1,994	(0.9)%	(0.1)%
Unit revenue per RTK (€ cts)	17.13	+20.4%	+20.9%	13.92	(2.6)%	(1.9)%

In 2024, the air cargo industry experienced significant growth in demand after a slower start of the year. Growth was mainly driven by e-commerce, combined with relatively tight capacity. Geopolitical tensions around the Red Sea and ocean shipping disruptions further elevated demand, particularly in Asia. The Group was, to a limited extent, able to benefit in the first half year from this

tailwind due to relatively low capacity in China and payload restrictions on Asian flights due to the Russian airspace closure. To respond to this market and customer dynamic, full freighter capacity has been redeployed to Asia as of the second half of the year and to Mumbai and Beijing earlier in the year.

In 2024, the Group's Cargo business carried 911 million kilograms, a figure 4.1% higher than in 2023, of which 83% was in the bellies of passenger aircraft and 17% in the full freighter fleet. The fourth quarter shows a good recovery of the unit revenues (+20.9% at constant currency compared to 2023) due to both better load factor (+3.0 points) and higher rates. The recovery in the last half year compensated for the slow start in the first half; the scheduled cargo revenues ended at -1.9% at constant currency, slightly lower than in 2023. The Group's capacity in 2024 is still 1.9% below the 2019 level. Total scheduled revenues were 8.2% higher than in 2019 due to higher yields while the load factor remained below its 2019 level.

The operational performance at Schiphol Airport Hub remained relatively stable despite the volume increase toward the end of the year. However, significant challenges in the first half of 2024 at the cargo Paris hub, where the warehouse legacy system was replaced by iCargo, led to the postponement of its rollout at Schiphol to 2025. Excluding the substantial revenue loss for iCargo and the reduced full freighter capacity during 2024, total cargo revenues would surpass the 2023 level by +3.9%.

Early in the year, a mutual decision was made to terminate the commercial agreement with CMA CGM, while our partnership with China Cargo Airlines was strengthened through a new Block space agreement. Furthermore, Air France-KLM partnered with SkyCell to enhance tracking and visibility for our unit load devices (ULDs), an innovation that received international recognition by winning a Global Innovation Award.

Significant digital milestones were also achieved, including the successful rollout of a robust customer relationship management tool across 30% of our stations worldwide, representing 70% of end users, with full rollout planned for 2025. An industry-leading rate of 80% of bookings were conducted online through digital channels, in which the AFKL self service platform myCargo was enhanced with new features such as automated allotment booking, introduction of a booking fee, and simplified dangerous goods (DGR) bookings.

The year also marked the passing of Martin Schröder on October 2 at the remarkable age of 93. As the founder of Martinair and its President & CEO for 40 years, he was a true pioneer in Dutch aviation. His vision, entrepreneurial spirit, and leadership have left an enduring legacy that continues to shape our industry. We honor his contributions and the profound impact he had on aviation, both in the Netherlands and beyond.

1.3.1.5 Airline partnerships and alliances: expanding the Group's commercial presence to respond to global air transport demand

Air transport demand is global and, to respond to this demand, Air France-KLM is pursuing an ambitious strategy aimed at expanding its commercial presence in every region of the world.

Airline alliances and partnerships are an integral part of this strategy. They contribute to meeting customer expectations and therefore creating value for both the Group and its customers. They reinforce the Group's market positioning thanks to an expanded and more

diversified network, which supplements the Group's own offer. They may also enable the generation of operational synergies.

The year 2024 was marked by a modernization in joint-ventures (particularly financial settlement agreements) and a stimulation of partnership activity in general.

Strategic partnerships

In July 2017, Air France-KLM had announced a further major step in the reinforcement of its strategic partnerships with, on one hand, the creation of a single global joint-venture between Air France-KLM, Delta Air Lines, Inc., and Virgin Atlantic and, on the other hand, the intensification of its partnership with China Eastern Airlines. These two commercial alliances were then consolidated through equity links where Delta Air Lines, Inc., and China Eastern Airlines each acquired an 8.8% equity interest in Air France-KLM within the framework of reserved capital increases carried out during 2017, for a total of €751 million.

The strategic, commercial, and capitalistic reinforcement of these partnerships positions Air France-KLM as the European pillar of the leading global airline network.

Transatlantic joint-venture with Delta Air Lines and Virgin Atlantic

On January 1, 2020, following approval by the US authorities on November 21, 2019, the Group launched a new transatlantic joint-venture ("JV") with Delta and Virgin Atlantic. As a result, as of December 31, 2019, a decade after its creation, the Group ended the existing joint-venture between Air France-KLM, Delta, and Alitalia. As with most joint-ventures in the industry, it did not lead to the creation of a common company but rather the signature of a contract defining both the mechanism of a common income statement as well as governance and organizations to manage all aspects of the partnership. The existence of an internal common income statement ensures that the partners implement all the actions contributing to an improved operating result for the activity, to their mutual benefit. Each company member of the joint-venture recognizes the revenues and costs relating to the joint-venture scope in their respective income statements. If necessary, a settlement mechanism between joint-venture members will compensate the imbalances in value creation based on a mechanism agreed upon between the parties. This mechanism contributes to "metal neutrality," enabling the different members to jointly manage capacity and look for an overall benefit rather than the individual interests of each airline, ultimately increasing value for both the partners and customers.

The governance bodies comprise a CEO Committee, a monthly JV Leadership Team meeting, and multiple working groups.

The scope of this joint-venture is very wide, covering all the flights between North America (including Canada and Mexico) and Europe through integrated cooperation and all the flights between North America and Africa, the Middle East, and India, together with the flights between Europe and Central America, Colombia, Venezuela, Peru, and Ecuador, through close coordination.

This joint-venture is a major player in the transatlantic network, the leading market for international air transportation. Revenues exceed US\$15 billion with a JV market share of 23%. Pricing and revenue management are centralized within a team of 60 strong based in Amsterdam.

The coordination of the network is reflected in the strengthening of the hub-to-hub services, the optimization of aircraft types assigned to each route, and an increase in the number of destinations served by non-stop flights on both sides of the Atlantic and the English Channel. The sales forces have been regrouped in each region.

The extended JV is one of the most advanced partnership models in the airline industry.

Partnership in China – a consolidated presence in the Chinese market

Air France and KLM benefit from a historic presence in China, bolstered by a strong partnership with one of the three largest Chinese carriers through a joint-venture agreement concluded ten years ago. In 2012, Air France had signed a joint-venture agreement involving the Paris and Shanghai routes with China Eastern Airlines, a major player in Chinese air transportation, which operates a vast domestic and international network mainly out of its base in Shanghai, China's economic lung. This agreement was extended to KLM in 2016, when China Eastern Airlines inaugurated the Shanghai-Amsterdam service. The partnership was further reinforced in 2017, when China Eastern Airlines acquired an 8.8% equity interest in Air France-KLM via a reserved capital increase. In November 2018, Air France-KLM and China Eastern Airlines signed an agreement extending their joint-venture to two additional routes, Paris-Wuhan and Paris-Kunming, as of January 1, 2019, thereby offering their respective customers new routes under codeshare and new connecting opportunities between Europe and China. In April 2021, China Eastern Airlines participated in the Air France-KLM share capital increase. Within this context, both airline groups decided to extend the scope of their partnership through an intensified commercial cooperation and an increased footprint on the Beijing market, with the Paris-Beijing and Amsterdam-Beijing routes joining the existing joint-venture between Air France-KLM and China Eastern Airlines once the conditions had been satisfied. In addition, in May 2022, China Eastern Airlines participated, through a neutral operation, in the rights issue launched by Air France-KLM, taking its equity interest to 4.6% of the Air France-KLM share capital.

In July 2023, Air France-KLM and China Eastern Airlines reactivated their joint-venture agreement, which had been suspended during the Covid pandemic. Finally, both airline groups renewed this joint-venture agreement in June 2024 for a further five-year period, thereby consolidating their alliance thanks in particular to an increase in the scope of cooperation and a strengthening of joint commercial actions. Thanks to this partnership, Air France-KLM can offer its customers access to more than thirty destinations in China.

Strategic partnership with GOL

In 2014, Air France-KLM and GOL Linhas Aéreas Inteligentes signed an exclusive five-year strategic partnership, reinforcing their commercial cooperation between Brazil and Europe. This partnership notably foresees the optimization of synergies between the two groups and, in particular, connecting opportunities out of the major Brazilian cities served by the Group. This partnership has proven to be a great success, with almost 20% of Air France passengers flying to Brazil transferring to GOL flights. Since April 2015, GOL has used its code on Air France-KLM flights between Europe and Brazil, and on European destinations beyond Paris and Amsterdam. The two partners cooperate in promoting sales in their home markets.

In October 2019, Air France-KLM and GOL had renewed this strategic partnership agreement for a five-year period. In October 2023, Air France-KLM and GOL again renewed this strategic partnership for an additional ten years. Air France-KLM and GOL remain exclusive partners on the Europe-Brazil corridor. In 2024, the partnership continued to be the Group's second largest value-generating partnership in spite of the difficulties faced by GOL⁽¹⁾.

Other joint-ventures and codeshares

Air France-KLM implements various forms of partnership agreements, the choice depending on the balance between value creation for its customers and the Group and the necessary level of interaction between the offers of the partners, together with the regulatory requirements framing the scope of each agreement.

The first levels of interline cooperation are traffic and special prorate agreements (SPAs) between the partner airlines, enabling the combination of their networks while they maintain their respective IATA codes and set their own fares.

Cooperating further within the framework of a code-sharing agreement, two partner airlines sell tickets on the same flight, each under their own code and while setting their own fares. The operating carrier has operational control over the aircraft while the marketing partner, for sales purposes, uses its own flight number on its partner's flights. Any such agreement must comply with the safety and regulatory requirements set forth by the competent authorities.

There are two types of codesharing. In the first, under a block seat agreement, the marketing partner purchases a fixed amount of capacity from the operating carrier. The marketing partner has inventory control over the seat block. In the second, known as free flow, no division of capacity is set. The two partners potentially sell all the seats on the relevant flights, although inventory control remains the prerogative of the operating carrier. Access to capacity on the relevant flights is through negotiated fares for each booking class.

⁽¹⁾ In January 2024, GOL filed for Chapter 11 bankruptcy protection in the United States. Under Chapter 11, GOL continues its operations, and the strategic partnership with Air France-KLM remains in effect.

Joint-ventures are the next level in alliances and participate in the trend toward consolidation when the partners are seeking a higher level of joint optimization on a sub-scope of their network without, however, considering a merger.

A joint-venture enables value creation for customers in the markets where it is implemented and, as a result, for the partners who organize the coordination of the commercial activities:

- for customers, it enables access to an expanded offer of flights and improved connectivity, loyalty program benefits across a wider perimeter, a harmonized travel experience, and integrated commercial propositions;
- the partners thus improve their market positioning, serving a higher number of customers and enabling them to capture market growth.

The partners define the governance principles and financial sharing mechanisms, enabling decision-making and execution across the whole value chain, thus responding to the commercial objectives of the joint-venture.

The final stages of cooperation – consolidation and integration – are mergers or equity interests, anchoring the development of a common strategy over the long term.

Joint-ventures, equity interests, and mergers must be approved in the light of the regulations in force in the jurisdictions covering the scopes of the agreements, particularly with respect to competition rules (e.g., anti-trust immunity).

1.3.1.6 SkyTeam alliance

The three large alliances, SkyTeam (to which Air France and KLM belong), Star Alliance, and Oneworld, represent some 55% of worldwide airline traffic. Around two-thirds of the top 50 airline carriers in the world belong to a global alliance.

Since the inception of the global alliances, their capacity in terms of the available seats offered by member airlines has grown by more than the industry average, with SkyTeam now being the second largest global alliance, behind Star Alliance and ahead of Oneworld.

SkyTeam: a global alliance

SkyTeam, created in 2000, is a global alliance which numbered 20 airline members as of December 31, 2024: Aerolineas Argentinas, Aeromexico, Air Europa, Air France, China Airlines, China Eastern Airlines, Delta Air Lines, Garuda Indonesia, ITA Airways, Kenya Airways, KLM, Korean Air, Middle East Airlines, SAS (which joined the alliance in 2024), Saudia, TAROM, Vietnam Airlines, Virgin Atlantic, XiamenAir, and Aeroflot (suspended).

By belonging to SkyTeam, members can strengthen their brand awareness and extend their offer around the globe, thereby bolstering their commercial presence. As

members of the SkyTeam alliance, Air France and KLM thus have access to a global network of more than 13,600 daily flights to 1,000 destinations in 160 countries.

In 2024, its 624 million passengers benefited from a seamless travel experience on the flights of member airlines and had access to more than 750 airport lounges around the world. The passengers who are members of frequent flyer programs can earn and burn air miles on all SkyTeam partner flights.

To become a SkyTeam alliance member, airlines need to fulfill a series of specific membership requirements relating to operations, technologies, and products. Members must be linked by bilateral agreements covering codesharing, their loyalty programs, and access to airport lounges.

While retaining their separate identities and brands, the airlines combine their networks to offer their customers a more extensive range of travel solutions and related global services, more rapid earning of miles, and access to numerous airport lounges, as well as a more seamless customer service experience during the different stages of their journeys thanks to the SkyPriority and SkyTransfer programs.

SkyTeam also provides an environment and tools enabling members to generate operational cost synergies (e.g., co-located facilities, better use of airport lounges and notably the seven SkyTeam lounges, a joint IT platform, etc.).

Airlines must also be able to offer the products and services exclusive to the SkyTeam alliance. SkyTeam has notably developed proprietary products such as passes enabling travel at competitive fares, global contracts reserved for large companies or international events, and a product dedicated to marine and offshore personnel.

SkyTeam's main governance body is the Alliance Board, composed of the Chairs and Chief Executive Officers of the 20 member airlines. The Alliance Board meets twice a year to define the strategic orientations of the Alliance, such as the introduction of new members, the definition of the customer experience, and the positioning of the SkyTeam brand along with its related investment and operational budget.

The Executive Board, consisting of senior executives with direct commercial and operational roles, is appointed by the Alliance Board and translates the approved strategic orientations into action plans in a wide range of disciplines ranging from marketing, airport synergies, the interface between information systems, the transfer product between the member airlines, cargo, and advertising of the brand.

In parallel with their proprietary development projects, the member airlines commit to implementing the SkyTeam action plans by earmarking the required internal resources and respecting the timelines set.

1.3.1.7 Key figures

NETWORK

Network	Year		Change at constant currency
	2024	Change	
TOTAL REVENUES (in €m)	26,297	2.5%	
Scheduled revenues (in €m)	25,166	2.5%	
Income/(loss) from current operations (in €m)	1,422	-271	-153

Passenger network	Year		Change at constant currency
	2024	Change	
Number of passengers (in thousands)	74,751	3.7%	
Capacity (in ASK million)	274,675	2.9%	
Traffic (in RPK million)	240,627	3.6%	
Load factor	87.6%	0.6pt	
TOTAL PASSENGER REVENUES (in €m)	23,881	3.2%	3.6%
Scheduled passenger revenues (in €m)	23,172	2.8%	3.3%
Unit revenue per ASK (in € cents)	8.43	(0.1)%	0.4%

1.3.2 Low-cost business (Transavia)

Transavia France and Transavia Netherlands (collectively "Transavia"), the Air France-KLM Group's low-cost business, operate point-to-point flights to/from the Netherlands, Belgium, and France. Transavia's cost structure is strictly aligned with the low-cost business model: optimization of aircraft utilization, simple products and fares, a strong focus on ancillary revenues, light organizational setup, and the outsourcing of a significant portion of the activities.

Transavia France is the leading low-cost carrier departing from Paris (CDG, Orly, and Beauvais). Transavia Netherlands is the leading low-cost carrier in the Netherlands with a focus on leisure destinations across Europe, operating from its bases in the Netherlands (Amsterdam, Rotterdam, and Eindhoven) and Belgium (Brussels). Transavia Netherlands will celebrate its 60th anniversary in December 2025.

Growth trajectory

In 2024, Transavia Netherlands surpassed €1.3 billion in revenues, while the yield level on tickets increased by 7%. Spain was the main market. Transavia realized high yields and revenues per available seat, while bookings with Transavia Holidays (through which Transavia Netherlands offers complete holiday packages) doubled compared to 2023.

In the Summer of 2024 Transavia Netherlands was impacted by operational capacity challenges due to a shortage of spare parts for the fleet. In July, the operation was impacted by the CrowdStrike outage. These measures impacted the results. Operational performance was restored after August. Despite these challenges, progress on the strategic priorities, including fleet renewal and sustainability initiatives, was made.

In 2024, Transavia France accelerated its growth within the framework of the Air France-KLM transformation plan. The airline now has 78 aircraft in its fleet and will have 87 aircraft by the end of June 2025.

To respond to the demand and satisfy customer expectations, capacity was added in Transavia's main markets in the Mediterranean basin. In total, Transavia France launched 34 new routes in 2024 to various destinations in Europe and beyond, departing from several French airports (Orly, Nantes, Lyon, Marseille, Montpellier, Bordeaux, Nice, Toulouse, and Lille) to Senegal, Saudi Arabia, Algeria, Morocco, Dubai, and many European destinations.

During the Summer of 2024, the airline operated flights departing from Paris-Orly to more than 120 destinations and more than 200 routes in its entire network. It proved to be a record Summer in terms of activity for Transavia France, which operated up to 1,700 flights a week. With 3.1 million passengers carried during the Summer peak (July and August), Transavia France achieved a load factor of more than 90%.

Transavia Netherlands added four new destinations departing from the Netherlands (Granada, Tbilisi, Oslo, and Tirana), increasing the network to a total of 113 destinations and 166 routes. Preparations were made to start operating flights to Trieste, London, Agadir, and Skopje in 2025. The network from Brussels grew from 11 to 15 destinations in 2024. Due to the geopolitical situation in the Middle East, Transavia Netherlands suspended all its flights to Tel Aviv, Beirut, and Amman. Transavia realized an overall load factor of 91%, welcoming close to 9.5 million passengers on board in 2024, exceeding pre-Covid levels.

During 2024, Transavia France and Netherlands worked closely with their partners in the Air France-KLM Group, and launched a new revenue management system in order to improve sales and generate more income.

ASK INCREASE OVER THE 2024 YEAR

	Q1	Q2	Q3	Q4	FY
Transavia	11%	11%	4%	7%	8%
Transavia France	8%	16%	7%	5%	9%
Transavia Netherlands	15%	6%	1%	9%	7%

Renewal of the fleet

After flying Boeing aircraft for 58 years, in 2022, the decision was made to replace the Boeing 737s with the Airbus 320neo family, an aircraft type more suited to the changing playing field. The Airbus 320/321 will allow Transavia to offer a better product with less CO₂ emissions per passenger per kilometer and less noise emissions per aircraft, increase its capacity, and operate more cost efficiently. A pivotal part of the airline's sustainability strategy, the new aircraft aims to reduce CO₂ emissions by more than 15%, lower nitrogen emissions, and halve the noise footprint.

Transavia Netherlands took delivery of its first Airbus A321neo at the end of 2023 and, thus far, phased in a total of seven A321s and phased out four Boeing 737-700s, which will be carefully dismantled and (where possible) reused in the aviation sector.

For Transavia France, fleet renewal is a totally unique event and a major challenge. The first A320neo for Transavia France arrived in early 2024, and the airline has received a total of 10 Airbus aircraft by now.

The Airbus A321 and A320neo will be the drivers of Transavia's growth and of its economic (10% reduction in unit costs) and environmental competitiveness (15% reduction in CO₂ emissions per passenger km and a 50% reduction in the noise footprint). It will give the company the ability to attain the ambitious targets that have been set for it.

Customer experience

With some 5,590 employees, 3,000 of whom work for Transavia France and 2,590 for Transavia Netherlands, service quality, operational stability, and innovation are Transavia's core commitments. This stance has led to the company regularly winning awards. For the fifth time, Transavia France was awarded "Customer Service of the Year 2025" in the Collective Passenger Transport (ESCDA) category. In the Skytrax – Best Low-Cost Airline 2024 ranking, Transavia France was named the second Best European Low-Cost Airline, and number five at the global level. The company was also awarded the Qualiweb 2024 trophy for the quality of its online service in the Tourism and Transport category.

In April 2024, Transavia launched a new hand luggage policy. In addition to a carry-on bag, which remains included in all fares, customers can now choose to travel with a large cabin bag and benefit from priority boarding. In concrete terms, for every booking, each passenger benefits from a carry-on bag, to be placed under the seat in front of them. Customers wishing to travel with large cabin baggage will have to subscribe to the new fee-based option. This option starts at €23. The amount varies according to the destination chosen and the booking date.

This decision is part of the company's commercial strategy to meet financial and competitive challenges in a competitive low-cost sector. The new policy enables the company to be more aggressive with its premium fares, while generating additional revenue through the sale of pay-as-you-go options.

In March, Transavia France launched its new partnership with Newrest, one of the world's leading catering companies, with a new catering menu. Selected with the help of the company's cabin crew, the products are made in France through short distribution channels, in line with new consumer trends. They are produced in Newrest's new, fully automated and robotized factory dedicated to Transavia.

In July, Transavia France strengthened the Flying Blue loyalty program for its customers. Flying Blue members can now earn Miles on all fares (Basic, Plus, and Max) and earn XPs (or Experience Points) when booking a flight operated by Transavia. Until now, only Plus and Max fares were available. In addition, Transavia customers can now pay all fares in Flying Blue Miles. Until now, only the Basic fare was payable in Miles.

Transavia Netherlands was awarded the Dutch Holiday Award for "Best Short-Haul Airline" for the second year in a row. It was also nominated for the Greatest Branding category of the TikTok Ad Awards.

Transavia Netherlands took actions to make customer data more robust and meaningful in order to capture more valid insights and outcomes. Based on these gathered insights, the hand luggage proposition, its customer journey, and Transavia Netherlands' operations have been optimized successfully. A new mobile app was launched to meet and exceed customer expectations. Transavia Netherlands offers many new personalized use cases to tailor customer service to various specific demands. The impact of disrupted flights during the Summer period had its impact on the NPS results, but the most outstanding and consistently highest driver for NPS is the continuous friendliness of the crew on board during the flight.

Staff

In 2024, Transavia France hired new staff to contend with the increase in production.

To accompany its strong growth, both airlines are recruiting and offer a wide range of opportunities in various fields: airline operations, engineering and maintenance, sales, information technology, finance, human resources, etc.

In 2024, Transavia Netherlands took steps to promote employee experience through good employership. Collective labor agreements were reached for all colleagues.

Sustainability

Air France-KLM, including Transavia, has the ambition to reduce its GHG emissions per revenue ton-kilometer by 30% in 2030 compared to 2019. Transavia France and Netherlands put in place different actions to contribute to the achievement of this ambition.

For Transavia Netherlands, fleet renewal constitutes an important pillar in the trajectory to achieve the Group's ambition.

As far as Transavia France is concerned, the Airbus A320neo emits 15% less CO₂ per passenger kilometer than the current Boeing 737-800. It also reduces the noise footprint by 50%.

In January 2024, on the occasion of the arrival of its first A320neo, Transavia France operated its delivery flight from Toulouse to Orly, powered by a 30% blend of SAF, which reduces CO₂ emissions by at least 65% over their entire lifecycle—from production to combustion—compared to fossil kerosene.

Transavia Netherlands recently launched a B2C SAF initiative, which allows passengers to contribute to the reduction of CO₂ emissions by opting for an SAF contribution. It plans to introduce an innovation route between Rotterdam and Faro in 2025. In collaboration with Rotterdam The Hague Innovation Airport, research on innovative ways to reduce fuel and waste will be conducted, both before, during, and after flight.

Transavia France is a pioneer in the implementation of eco-pilot programs, which is part of the levers in the Group Transition Plan. The pursuit of its partnerships with start-ups Safety Line (SITA) and OpenAirlines has enabled a 3% to 5% reduction in CO₂ emissions per flight. The three OptiFlight solutions (combined) of its partner Safety Line can save more than 80 tons of fuel per aircraft per year, i.e., the equivalent of one aircraft flying neutrally in the Transavia France fleet.

Corporate social responsibility

In 2024 Transavia France again reinforced its commitment to associations like *Magie à Bord*, *Personn'ailles*, *Les Hommes de l'Air*, and the Carlesimo association, with awareness-raising initiatives for passengers and ground staff. In 2024, the airline launched a new partnership with the *Empire des Enfants* association based in Dakar in order to promote solidarity tourism.

Transavia Netherlands continues to take steps to promote diversity and inclusion and empower colleagues to make a greater social impact, for example, through the Peter J. Legro Award, which earmarks financial support for employees who contribute to and further a good cause.

1.3.3 Maintenance business

Aircraft maintenance is the Air France-KLM Group's third business, with third-party revenues of €2.1 billion. These revenues generated with external clients thus represented 41% of the total revenues in this business. In 2024, despite significant supply chain challenges in the industry, the AFI KLM E&M order book remained at a high level with a total value of US\$8.7 billion.

In the aircraft maintenance or "MRO" (Maintenance, Repair, and Overhaul) market, Air France Industries KLM Engineering & Maintenance (AFI KLM E&M) ranks number two globally among the multi-product players. AFI KLM E&M's mission is to supply competitive support for the Group's fleet, while consolidating its position as a leader in the MRO market.

The Group operates in three major maintenance segments: airframe maintenance, engine maintenance, and component support (electronic, mechanical, pneumatic, hydraulic, etc.).

Airframe maintenance covers three sub-segments: line operations support, which aims to verify the proper day-to-day functioning of systems and the integrity of the aircraft structure; heavy maintenance for in-depth checks involving the disassembly of cabins, equipment, and some structural elements; and the realization of modification programs, particularly the retrofitting of cabins.

1.3.3.1 Business environment

An attractive market despite the growing constraints

The aeronautics maintenance or "MRO" (Maintenance, Repair, and Overhaul) market is mostly driven by the age, cycles and flight hours of the worldwide fleet. According

to estimates, the global MRO market, which comprises the maintenance and modification spending by aircraft operators either directly or through sub-contractors, first collapsed in 2020 before recovering in 2021 and 2022.

In 2024, the MRO market amounted to approximately US\$125 billion and is expected to rise to US\$163 billion in 2034⁽¹⁾.

The trends in this business closely follow those of the commercial airline fleets globally and their utilization. Firstly, the recovery following the public health crisis and an increased emphasis on sustainability have accelerated fleet adjustment decisions for airlines worldwide for greater efficiency and the reduction of CO₂ emissions. This explains why the maintenance of new-generation aircraft represents an increasingly significant part of the market. This benefits MRO providers like AFI KLM E&M, which are well positioned on the new-generation segments. Another trend strongly apparent in the MRO business is the digitalization of engineering and support services, which are expected to be increasingly used by airlines in an effort to optimize their ground time and operations. Lastly, high inflation, combined with disrupted and heavily pressurized supply chains, means that the availability and cost of spare parts are being scrutinized. This is challenging performance levels worldwide and putting upward pressure on maintenance costs.

Competitive landscape

Competition in the MRO market is fierce, with several players competing over business with airlines, which are becoming ever more demanding. Ensuring fair competition in the after-sales market thus means helping airline operators secure their budgets and performance over the long term.

⁽¹⁾ Source: Aviation Week, MRO demand forecast, February 2025.

The ability to sustain balanced competitive conditions while containing Air France's and KLM's maintenance costs is a priority objective for AFI KLM E&M's commercial activity.

At the same time, this business is experiencing a technological change impacting the products, processes, methods, and competencies within the maintenance activities. This is notably the case with new-generation aircraft whose avionics dimension is playing an increasingly important role relative to the mechanical systems (digital tools, composite structures, connectivity, etc.). Innovation is an integral part of all the business processes.

Difficulties linked to the supply chain

One of the main challenges for AFI KLM E&M consists of the effective and efficient management of the supply chain within a complex and dynamic market environment. The MRO supply chain is composed of numerous stakeholders, particularly aircraft manufacturers, Original Equipment Manufacturers (OEMs), tier-two suppliers, customers, and regulatory authorities. Furthermore, the supply chain is subject to a number of uncertainties (demand fluctuations, interruptions, quality control issues, delivery periods, etc.), which are currently having a considerable impact on the availability, reliability, and cost of services.

To contend with these difficulties, AFI KLM E&M relies on a combination of strategies such as:

- developing strategic partnerships with OEMs and suppliers to guarantee access to spare parts, technical support, and innovation;
- adopting a flexible and agile approach to meet the changing needs of customers and the market conditions;
- using digital technologies (such as Big Data, artificial intelligence, and blockchain) to optimize inventory management, forecasting, planning, and the decision-making process;
- implementing continuous improvement initiatives to increase the quality, efficiency, and sustainability of the processes linked to the supply chain.

1.3.3.2 AFI KLM E&M's position as a world leader

On the strength of its solid position as the number two global multi-product MRO by total revenue, AFI KLM E&M is pursuing its targeted development strategy based on its own specific features and the Group's objectives.

This strategy has two pillars: 1) cutting costs and maintaining high standards of quality and performance and 2) growing the customer portfolio in high value-added products and services.

In the past decade, this ambition has been reflected in substantial investment in modernizing AFI KLM E&M's IT system and industrial infrastructure at its principal

maintenance sites: Toulouse, Amsterdam, Villeneuve-le-Roi, Roissy, and Orly. The company has also significantly expanded its worldwide footprint with a growing customer portfolio, which is well-balanced across the globe, as well as with a growing network of businesses, which are either fully owned (or in the form of joint-ventures).

A maintained ambition

Despite the huge changes in customer expectations and the heavy supply chain constraints, AFI KLM E&M has successfully adapted its services for the Air France-KLM Group airlines and for its worldwide customer portfolio.

As part of its continuous improvement efforts, AFI KLM E&M affirms its ambition of making AFI KLM E&M a benchmark brand in its market as an airline MRO supported by a powerful global network.

In 2024, AFI KLM E&M continued to strengthen its global position on new-generation aircraft, with strong growth for the A350, Boeing 787, A220, A320neo, and Boeing 737MAX products.

This market success is supported by The MRO Lab[®] innovation program, which focuses on strategic areas of the MRO sector, ranging from technician mobility and the customer experience to the Internet of Things, Big Data applications, predictive maintenance, digitalization, additive manufacturing, and artificial intelligence.

In the digital field, PROGNOS[®] constitutes a major building block. Launched in 2016, it regroups a range of predictive maintenance solutions based on the exploitation of data from aircraft systems for the purpose of improving maintenance models and processes. The PROGNOS[®] range of solutions now includes PROGNOS[®] for Aircraft, PROGNOS[®] for APUs, PROGNOS[®] for Inventory, and PROGNOS[®] for Engines. AFI KLM E&M is capitalizing on the vast amount of data generated by the Air France and KLM fleets to develop its PROGNOS[®] solutions and verify their operational relevance and performance before sharing such innovations with its customers.

AFI KLM E&M has also developed several cost-saving projects, along with transformation and restructuring plans, to enhance its competitiveness and adapt its organization to the market environment.

In aircraft maintenance, the implementation of adaptation projects has also continued to reinforce AFI KLM E&M's competitiveness. Cost-saving initiatives have been implemented to optimize activity on a site-by-site basis, strengthen external partnerships, and deploy more efficient work organizations. All this has been accompanied by efforts to match resources to the level of business activity and build new career paths.

In the Engines and Components segments, AFI KLM E&M has managed to strengthen its positioning on products and services aligned with market cycles and expectations, and secure its global MRO network.

Contributing to the flight safety and operational efficiency programs

AFI KLM E&M's primary task is to guarantee the airworthiness of the Group's fleet and ensure regulatory compliance. To this end, AFI KLM E&M manages technical data, implements the maintenance policies, and ensures the permanent availability of the required skilled staff and technical resources.

Aircraft maintenance at the service of airlines

Line Operations support

AFI KLM E&M continues to market its services to customers in the line maintenance segment and to develop its business in its main bases as well as internationally.

Light Maintenance operations

Within the framework of AFI KLM E&M's continuous improvement efforts, the Light Maintenance operations, which are mostly executed in Amsterdam, Paris-CDG, and Paris-Orly, have continued to implement new processes to further reduce turnaround times and increase aircraft utilization to the benefit of Air France and KLM.

At the same time, AFI KLM E&M continues its iGO Solutions joint-venture operations by delivering high-performance support to its customers, including support to Transavia for its Boeing 737/A320 fleets and to Air Caraïbes/French Blue for their A330 and A350 fleets.

Heavy-aircraft maintenance

In 2024, a maintenance master plan was implemented, designed to rationalize the aircraft maintenance operations by optimizing activity on a site-by-site basis (Paris-CDG, Amsterdam-Schiphol, Paris-Orly, Toulouse-Blagnac). The Group's new fleet plans will enable this optimization to be continued in the coming years.

From engineering to maintenance, AFI KLM E&M provides continuous support for the Group's airlines, as well as for an ever-growing number of customers, by designing and deploying new cabin products in both the short- and medium haul offerings and across the long-haul offering.

In 2024, AFI KLM E&M continued to work with external partners to cut maintenance costs for the Group's fleets and obtain, in return, additional work in the high-growth Engine and Components segments.

Military products

In recent years, AFI KLM E&M has been responsible for the operational maintenance of the French AWACS fleet and for component support with IAMCO for NATO's AWACS fleet. AFI KLM E&M is also supporting Components for the A330MRTT aircraft, providing a fully customized operational support package.

Component support: managing a global supply chain

Component support covers the repair of a broad technological spectrum of aircraft parts, the management of technical and reliability standards, and the management of component shipments to/from customers' operating bases. The number one request expressed by airlines is to gain flexibility and assistance in managing the uncertainty overhanging the market as best they can. In the short term, this has led to the offer of a wide range of made-to-measure solutions, as well as the opportunity to work with operators to think about the post-crisis period and how to get back to the more stable contractual frameworks, which are essential for the industrialization of maintenance operations and the achievement of optimum performance levels.

In 2024, AFI KLM E&M continued to develop its new-generation customer base by signing, for example, a contract with Air Canada to support its Boeing 787 aircraft and with Croatia Airlines for its A220s. At the same time, existing clients are regularly renewing their confidence in AFI KLM E&M, recognizing its global added value and attractiveness. Providing component support on over 3,000 aircraft across the world, AFI KLM E&M is a leader in all the new-generation aircraft segments.

Engines: managing the soaring demand

The latest generations of aircraft, like the A350, Boeing 787, and A320neo, are equipped with new efficient engines, burning less fuel and emitting significantly less CO₂ per passenger/km. In 2022, AFI KLM E&M joined the Pratt & Whitney GTF™ engine network providing support for new-generation engines designed for A220 fleets. AFI KLM E&M also signed a CFM Branded Service Agreement (CBSA) for the LEAP-1A and LEAP-1B engines. Under the terms of this CBSA, AFI KLM E&M will provide the full scope of LEAP MRO services for operators worldwide.

To reinforce its industrial capacity, increase its efficiency, and offer an even-better service to airlines benefiting from AFI KLM E&M technical support, a new engine shop was opened at Orly in September 2023.

The Group thus provides engine support on the following engines:

- **CFM56:** the Group's workshops support one of the world's largest fleets of CFM56 engines, handling some 400 engines operated by various airlines. AFI KLM E&M is using its Amsterdam engine shop to position itself to meet the growing need for CFM56-7B support, as well as the Orly engine shop to meet the need for CFM56-5 support;
- **CF6-80:** by offering full-service maintenance at its Amsterdam engine shop, AFI KLM E&M is well positioned to support the CF6-80E1 equipping the A330s and the final phase in the life of the CF6-80C2s. AFI KLM E&M's long maintenance track record with these engines means that it currently offers the most suitable maintenance solutions;

- **GE90:** with the strength of its state-of-the-art infrastructure, AFI KLM E&M serves as the main alternative to the engine manufacturer for overhauls to this engine. Since 2012, AFI KLM E&M has had a new engine test cell at Paris-CDG. This test facility can test 300 engines per year, reducing processing time and offering a more cost-effective service for customers. This test facility, combined with AFI KLM E&M's extensive expertise and proven experience, has attracted the interest of a growing number of airlines. In addition to building its infrastructure, AFI KLM E&M continued to build its know-how and can offer customers the benefit of its GE90 operating experience with, for example, on-site/on-wing support enabling remedial as well as preventive actions anywhere in the world. This support can be accompanied by GE90 engine monitoring, designed to detect technical problems upstream, thereby limiting potential engine damage;
- **GENx:** at the launch in 2015, AFI KLM E&M was the first non-OEM supplier to carry out quick-turn checks on this engine. Since 2017, the AFI KLM E&M Zephyr test cell has successfully passed the GENx correlation test, enabling AFI KLM E&M to also perform engine test runs for its ten GENx airline customers;
- **LEAP:** in 2022, AFI KLM E&M signed a CFM Branded Service Agreement (CBSA) for the LEAP-1A and LEAP-1B engines. Under the terms of this CBSA, AFI KLM E&M will provide the full scope of LEAP MRO services for operators worldwide.

Given the commercial success the LEAP engine has enjoyed, demand for LEAP MRO services will grow rapidly in the coming years. In offering LEAP MRO services, AFI KLM E&M capitalizes on its capabilities and expertise in both the operation and maintenance of its extensive portfolio of engines. As the world's largest independent engine MRO service provider, AFI KLM E&M is industrializing the LEAP engine at both of its state-of-the-art MRO facilities in Paris and Amsterdam, giving it both the capacity and the flexibility to answer the needs of this rapidly growing, competitive market. As an airline-MRO, AFI KLM E&M provides MRO solutions that, in addition to optimizing maintenance costs, also drive sustainability and maximize operator value.

Thanks to the EASA/FAA approvals, AFI KLM E&M is also able to assist LEAP operators worldwide during the entry into operational service phase. AFI KLM E&M can meet the needs of its customers in carrying out the on-wing/on-site work on LEAP-1A and LEAP-1B engines. The scope of these interventions is tailored to the requirements of airline operators, and may include, for example, activities like power plant build-up, borescope inspection, and line replaceable unit (LRU) replacement services. Thanks to its CAAC approval, AFI KLM E&M can also carry out an extensive set of activities for all its customers in China (airlines and MROs).

In 2024, AFI KLM E&M performed quick turns on LEAP-1A and LEAP-1B.

- **Pratt & Whitney:** AFI KLM E&M has joined the Pratt & Whitney GTF™ engine network providing support for new-generation engines designed for A220 fleets. In 2022, AFI KLM E&M and Pratt & Whitney announced the conclusion of an agreement regarding the maintenance and repair of the PW1500G engines used to power Airbus A220 aircraft. This collaboration saw AFI KLM E&M join the North American-based engine manufacturer's global support network for GTF engines and position itself as a key player in the PW1500G aftermarket, with the ability to perform full overhauls for this type of engine, from dismantling/assembly operations to the repair and testing of certain parts. In 2024, AFI KLM E&M performed its first quick turns on PW1500.
- **Rolls-Royce:** AFI KLM E&M and Rolls-Royce have announced the conclusion of an incremental agreement for the maintenance and repair of Trent XWB engines powering A350 aircraft. This new agreement reinforces the position of AFI KLM E&M as a key player in the British engine manufacturer's global support network, as well as the Trent XWB after-sales market. Based on its airline-MRO DNA, AFI KLM E&M is setting up full maintenance capabilities for the engine type covering its entire life cycle. This partnership follows an initial agreement signed between the two groups in 2014 and authorizing AFI KLM E&M to provide maintenance on engines powering A350 aircraft, as part of the Air France-KLM Group's acquisition of the aircraft type.

AFI KLM E&M: an international network tailored to local requirements

AFI KLM E&M is pursuing its growth strategy on profitable markets and segments by deploying its network of subsidiaries (EPCOR, CRMA, KLM UK Engineering, Barfield, AFI KLM E&M Components China, and Beijing LMI) and partnerships (ATI, Spairliners, Max MRO Services, iGO Solutions, Airfoils Advanced Solutions, Singapore Component Solutions, AMES, Bonus Tech, and xCelle Americas), and leveraging the power of its global logistics network. The development of this MRO network guarantees AFI KLM E&M customers local access to the Group's full array of services, tailored solutions, and local spare parts inventories.

AFI KLM E&M subsidiaries and joint-ventures

Engines

Located in the Greater Paris area, CRMA specializes in repairs to engine parts and, in particular, combustion chambers, for which it has second-to-none expertise and technology. Its positioning on next-generation products has enabled CRMA to pursue strong growth in its third-party customer activity.

Airfoils Advanced Solutions is jointly owned by Safran Aircraft Engines and the Air France-KLM Group. This joint-venture helps the two parent companies bolster their competitiveness and also reflects the major role they play in the global aircraft maintenance market. It also supports job creation and industrial development in the joint-venture partners' home bases.

AFI KLM E&M is optimizing and developing its US engine teardown unit Bonus Tech. Since 2013, this joint-venture has operated as part of the MRO global network. Based in Miami, the partnership combines the know-how and the skills of Bonus Tech, a major player in the global engine teardown market, with the industrial assets of AFI KLM E&M in the United States (equipment, tooling, and support).

Components

Barfield is a wholly owned subsidiary of AFI KLM E&M based in Miami, Phoenix, Louisville, and Atlanta. With its cutting-edge facilities, Barfield can satisfy the needs of customers operating commercial or regional fleets in North, Central, and South America. From MRO services to distribution and ground support test equipment (GSTE), Barfield provides complete adaptive support for the aircraft in the A320, Boeing 737 and 767, Bombardier, Dash 8, ATR42, and ATR72 families and for the Embraer 170 and 190 aircraft. Since 2021, Barfield has been introducing cutting-edge, competitive UASs, UAVs, and drones to the American continent as well as maintenance support adapted to these new technologies.

Shanghai-based AFI KLM E&M Components China is a wholly owned subsidiary initially specializing in A320 and Boeing 737 avionics systems dedicated to offering solutions to Chinese operators.

EPCOR, based at Amsterdam-Schiphol, provides MRO support for the APUs and pneumatic systems of a wide range of commercial aircraft. EPCOR maintains the APUs on the Boeing 737NG/MAX, 777 and 787, A220, A320neo/family, A330neo, A340, and Embraer 170/190 aircraft. EPCOR is a licensed and OEM warranty-approved Honeywell and Pratt & Whitney Canada (former HSPS) Auxiliary Power Unit (APU) repair center. Besides the APU capability, EPCOR also maintains and overhauls air cycle machines on the Boeing 737, 777, 787, and Emb170/190, in addition to the Boeing 787 cabin air compressor (CAC), environmental control systems, starters, leading-edge flap drive units, and many other pneumatic and nitrogen components installed on large commercial aircraft.

Located in a high-growth aviation hub in Mumbai, India, Max MRO Services Pvt. Ltd. is a leader in the component MRO business for customers operating commercial aircraft fleets in India and the neighboring regions. Max MRO Services Pvt. is able to provide a wide range of adaptive component solutions for the A320ceo/neo, Boeing 737NG/MAX, and ATR aircraft.

Singapore Component Solutions is a joint-venture between AFI KLM E&M and Sabena Technics. Ideally located in Singapore and approved by ten authorities in Europe, the USA, and the Asia-Pacific region, the company combines the skills and expertise of two leading aircraft maintenance specialists that already support customers in the region. Singapore Component Solutions brings its comprehensive portfolio of customizable, reliable mix-and-match solutions for A320, A330, Boeing 737, and ATR aircraft operators.

Hamburg-based Spairliners is a joint-venture set up by Air France and Lufthansa Technik to provide end-to-end component support for airlines operating Embraer E-Jets.

A joint-venture set up by AFI KLM E&M and Safran Nacelles in 2010, AMES is a key player in the MRO market, specializing in overhaul and repair services for nacelles, radomes, engine fan stator modules, and all the metallic and composite parts of an aircraft. Located in Dubai, at the operational crossroads of the key Middle East airlines and close to operators on the Indian subcontinent, AMES offers the MRO expertise of a leading OEM, delivering highly effective, rapid-response aircraft maintenance and repair solutions for nacelles, aerostructures, and composite parts.

xCelle Americas is a joint-venture between AFI KLM E&M and AAR dedicated to servicing new-generation aircraft nacelles on the American continent. Solving logistics issues for components and providing fully licensed repair, xCelle Americas is a unique Maintenance, Repair, and Overhaul (MRO) solutions provider, combining the expertise of an airline with that of a third-party MRO. xCelle Americas provides complete adaptive support for the Boeing 787, 737MAX, A320neo, and A350 aircraft.

In 2023, Air France-KLM and Airbus entered into exclusive negotiations aimed at the creation of a joint-venture dedicated to Airbus A350 component support. The objective is for this joint-venture to be operational in 2025, in line with all the compliance requirements and subject to approval by the relevant authorities.

Airframe maintenance

Based in Beijing, Beijing LMI, a wholly owned entity of AFI KLM E&M, is providing line maintenance support at the Beijing airport.

In Morocco, Aerotechnic Industries (ATI) is a joint-venture between Royal Air Maroc (RAM) and Air France. Based at Casablanca airport, ATI operates three bays for heavy maintenance on the A320 and Boeing 737 aircraft.

Based at Norwich International Airport in the United Kingdom, KLM UK Engineering Limited is a leading regional aircraft and narrow-body MRO, wholly owned by KLM and a member of the AFI KLM E&M network. Its services include base maintenance, UK line maintenance, technical training, and the component repair center for the Boeing 737, Fokker 70/100, BAe146/Avro RJ, and Embraer E170/190. KLM UK Engineering has been based at Norwich Airport for over 40 years and employs an experienced and skilled workforce, delivering superior service and a high-quality product at a competitive price.

The iGO Solutions joint-venture provides light maintenance services for AFI KLM E&M customers (including Transavia France) at Paris-Orly airport.

Corporate social responsibility as a lever in achieving sustainable levels of performance

AFI KLM E&M analyzes and implements technologies to reduce environmental impact wherever possible. This entails the eco-responsible design of infrastructures, as well as the energy savings that this generates for the circular economy. One example is the recycling of plastics to feed 3D printing.

The constant adjustment of these processes is part of AFI KLM E&M's DNA, as the company has long been repairing and maintaining aircraft components, including engine parts, in order to extend their life cycle.

Innovative products like PROGNOS[®], the AFI KLM E&M predictive maintenance suite, which has been awarded the Solar Impulse label, also have a positive impact in this area. This predictive analysis program is based on the harnessing of big data technologies to offer an effective and innovative aeronautics maintenance service. The

environmental benefits of PROGNOS[®] stem from the reduction of flight cancellations, which lead to extra flights to recover grounded passengers, as well as the reduction of the number of quick-return flights (return of the aircraft to its departure airport) following technical alerts, which require fuel tanks to be emptied prior to landing. PROGNOS[®] also optimizes overall aircraft fuel consumption by monitoring the status of equipment more precisely.

KEY FIGURES

Maintenance	Year	
	2024	Change
TOTAL REVENUES (in €m)	5,085	19.9%
Third-party revenues (in €m)	2,086	21.9%
Income/(loss) from current operations (in €m)	170	13.0%
Operating margin (%)	3.3%	(0.2)pt

During 2024, external revenues strongly increased by 22.3% despite a supply chain still under disruption. These supply chain disruptions have impacted all the businesses (component costs, engine lease costs, inventory and pool increase). The maintenance order book was evaluated at US\$8.7 billion at December 31, 2024.

The Air France-KLM Group's maintenance activity is well positioned on new-generation aircraft maintenance and foresees solid opportunities in the future.

1.4 FLEET

At December 31, 2024, the Air France-KLM Group's fleet comprised 574 aircraft, of which 564 were in revenue service, compared to 551 and 541 aircraft, respectively, at December 31, 2023.

The main operational fleet consisted of 467 aircraft (443 aircraft at December 31, 2023), of which 183 were long-haul aircraft (177 at December 31, 2023), six were cargo aircraft (six aircraft at December 31, 2023), and 278 were medium-haul aircraft (260 at December 31, 2023), including 125 aircraft in the Transavia fleet (115 aircraft at December 31, 2023).

The regional fleet in operation comprised 97 aircraft (98 at December 31, 2023).

At December 31, 2024, the average age of the aircraft in the operational fleet was 12.1 years, which takes into account 12.7 years for the long-haul fleet, 12.1 years for the medium-haul fleet, 21.8 years for the cargo fleet, and

10.3 years for the regional fleet. This is in comparison to 12.2 years at December 31, 2023, which takes into account 12.6 years for the long-haul fleet, 12.8 years for the medium-haul fleet, 20.8 years for the cargo fleet, and 9.5 years for the regional fleet.

At December 31, 2024, 34.7% of the total Group's fleet was wholly owned (36.5% at December 31, 2023), 13.8% was under finance lease (12.7% at December 31, 2023), and 51.6% was under operating lease (50.8% at December 31, 2023).

There were firm orders outstanding for 191 aircraft at December 31, 2024, operational lease excluded, after deliveries of 19 owned aircraft. Options stood at 156 aircraft (168 at December 31, 2023).

The operational fleet comprises 153 new-generation aircraft, 26.9% of the fleet.

Change in the Air France-KLM group's order book ⁽¹⁾	December 31, 2023	Deliveries during the period	New orders	Option conversions	December 31, 2024
Main fleet	210	19	–	–	191
Regional fleet	–	–	–	–	–
TOTAL	210	19	–	–	191

(1) Excluding operating leases.

Change in the Air France-KLM group's option portfolio ⁽¹⁾	December 31, 2023	Exercise during the period	Options cancelled or expired	New options	December 31, 2024
Main fleet	168	–	12	–	156
Regional fleet	–	–	–	–	–
TOTAL	168	–	12	–	156

(1) Excluding operating leases. Purchase Rights included.

Fleet management

Air France-KLM is pursuing an active policy of renewal and modernization of its fleet, thus contributing to the improvement of its energy efficiency and the reduction of its environmental footprint.

During the 2024 financial year, the Air France Group proceeded with the following transactions:

- for Air France: the delivery of eight new A350-900s and nine A220-300s. Four Airbus A320 family were sold or returned to their owners, as well as three A330s and two A380s;
- for HOP!: the sale of two CRJ1000s and the delivery of two Embraer E1;
- for Transavia France: the delivery of nine A320neos and the removal of two Boeing 737-800s.

In 2024, KLM welcomed a Boeing 787-10 and four additional new A321neos. Cityhopper welcomed four additional new Embraer 195 E2s, and Transavia Netherlands welcomed six additional new A321neos. The KLM Group removed four Boeing 737-700s and three E190s.

The year 2024 was highlighted by the deliveries of forty-one new-generation aircraft for the entire Air France-KLM Group. This ambitious fleet modernization will continue in 2025 and the following years with the receipt of the Airbus A321neo, A320neo, and A220 to renew the medium-haul fleet, the Embraer 195 E2 to renew the regional fleet, and the Airbus A350 to renew the long-haul fleet.

The Air France-KLM fleet at December 31, 2024

	AF (incl. HOP!)	KL (incl. KLC & Martinair)	Transavia France	Transavia Netherlands	Total	Fully owned	Finance lease	Operating lease
Long-haul	120	66	-	-	186	71	44	71
B777-300	43	16	-	-	59	21	14	24
B777-200	18	15	-	-	33	28	2	3
A350-900	35	-	-	-	35	3	12	20
B787-10	-	11	-	-	11	2	9	-
B787-9	10	13	-	-	23	4	7	12
A380-800	2	-	-	-	2	1	-	1
A330-300	-	5	-	-	5	-	-	5
A330-200	12	6	-	-	18	12	-	6
Medium-haul	108	46	79	47	280	94	17	169
B737-900	-	5	-	-	5	5	-	-
B737-800	-	31	69	40	140	36	8	96
B737-700	-	6	-	-	6	6	-	-
A321	15	-	-	-	15	8	-	7
A320	36	-	-	-	36	4	3	29
A319	10	-	-	-	10	6	-	4
A318	6	-	-	-	6	4	-	2
A220-300	41	-	-	-	41	22	5	14
A320neo	-	-	10	-	10	-	-	10
A321neo	-	4	-	7	11	3	1	7
Regional	36	66	-	-	102	30	18	54
Canadair Jet 1000	-	-	-	-	-	-	-	-
Embraer 190	23	27	-	-	50	17	4	29
Embraer 175	-	17	-	-	17	3	14	-
Embraer 170	13	-	-	-	13	10	-	3
Embraer 195 E2	-	22	-	-	22	-	-	22
Cargo	2	4	-	-	6	4	-	2
B747-400BCF	-	1	-	-	1	1	-	-
B747-400ERF	-	3	-	-	3	3	-	-
B777-F	2	-	-	-	2	-	-	2
TOTAL AF-KLM	266	182	79	47	574	199	79	296

1.4.1 The Air France group fleet

At December 31, 2024, the Air France Group fleet comprised 345 aircraft, including 309 aircraft in the main fleet and 36 in the regional fleet. The average age of the aircraft in the operational fleet is 12.1 years (12.4 years at December 31, 2023).

Firm orders amounted to 122 aircraft. The fleet comprises 96 new-generation aircraft, 28.2% of its fleet.

Air France Group fleet	Fleet at December 31, 2023	Aircraft entering the fleet ⁽¹⁾ during the period	Aircraft withdrawn from the fleet ⁽¹⁾ during the period	Fleet at December 31, 2024
Long-haul fleet	117	8	5	120
Medium-haul fleet (including Transavia France)	175	18	6	187
Cargo	2	–	–	2
Regional fleet	36	2	2	36
TOTAL	330	28	13	345

(1) Owned or leased.

The Air France fleet

At December 31, 2024, the Air France fleet comprised 230 aircraft with 226 in operation (222 and 217 respectively at December 31, 2023). The fleet includes 120 long-haul aircraft, 108 medium-haul aircraft, and two freighters.

At December 31, 2024, the average age of the fleet was 12.5 years, with 13.1 years for the long-haul fleet, 11.7 years for the medium-haul fleet, and 15.9 years for the cargo fleet. At December 31, 2023, the average age of the fleet was 12.9 years, with 13.4 years for the long-haul fleet, 12.3 years for the medium-haul fleet, and 14.9 years for the cargo fleet.

Within the fleet, 92 aircraft are fully owned (40.0%), 30 are under finance lease (13.0%), and 108 are under operating lease (47.0%).

In 2024, the Company took delivery of eight A350-900s and nine A220-300s and parted with four A320-family aircraft, three A330s, and two A380s.

The regional fleet, Air France HOP!

At December 31, 2024, the regional fleet comprised 36 aircraft with a seat capacity of up to 110, of which 36 were in operation.

The average age of the fleet was 13.8 years. Within the fleet, 38.9% are fully owned, 0.0% are under finance lease, and 61.1% are under operating lease.

During 2024, two EMB190s entered the fleet while two CRJ1000s were sold.

The Transavia France fleet

The Transavia France fleet comprises 79 aircraft including 78 in operation (72 aircraft at December 31, 2023). The average age of this fleet is 10.0 years. Within the fleet, 11.4% are fully owned, 5.1% are under finance lease, and 83.5% are under operating lease.

During 2024, nine A320neos entered the Transavia France fleet, and two Boeing 737-800s were returned to their owner.

1.4.2 The KLM group fleet

At December 31, 2024, the KLM Group fleet comprised 229 aircraft, including 163 in the main fleet and 66 in the regional fleet.

The average age of the aircraft in the operational fleet was 12.2 years (12.0 years at December 31, 2023).

Firm orders stood at 97 aircraft.

The fleet comprises 57 new-generation aircraft, 25.0% of its fleet.

KLM group fleet	Fleet at December 31, 2023	Aircraft entering the fleet ⁽¹⁾ during the period	Aircraft withdrawn from the fleet ⁽¹⁾ during the period	Fleet at December 31, 2024
Long-haul fleet	65	1	–	66
Medium-haul fleet (including Transavia Netherlands)	87	10	4	93
Cargo (including Martinair)	4	–	–	4
Regional fleet	65	4	3	66
TOTAL	221	15	7	229

(1) Owned or leased.

The KLM fleet

At December 31, 2024, the KLM fleet comprised 112 aircraft (107 at December 31, 2023), including 66 long-haul aircraft and 46 medium-haul aircraft. Of these aircraft, 48 are fully owned (42.9%), 25 are under finance lease (22.3%), and 39 are under operating lease (34.8%). In this fleet, 112 aircraft are operational.

At December 31, 2024, the aircraft in the fleet had an average age of 13.9 years, with 12.0 years for the long-haul fleet and 16.6 years for the medium-haul fleet. At December 31, 2023, the aircraft in the fleet had an average age of 13.5 years, with 11.1 years for the long-haul fleet and 17.1 years for the medium-haul fleet.

In 2024, the fleet was modernized with the entry of one Boeing 787-10 and four A321neos.

The KLM Cityhopper regional fleet

At December 31, 2024, the KLM Cityhopper fleet comprised 66 aircraft, of which 61 were operational. The average age of the aircraft in operation in this regional fleet was 8.3 years. Of this fleet, 24.2% is fully owned, 27.3% is under finance lease, and 48.5% is under operating lease.

In 2024, four E195-E2s entered the fleet, and three E190s exited.

The Transavia Netherlands fleet

At December 31, 2024, the Transavia Netherlands fleet comprised 47 aircraft, of which 47 were operational.

The average age of the aircraft in operation in this regional fleet was 12.1 years. Of this fleet, 4.3% is fully owned, 61.7% is under finance lease, and 34.0% is under operating lease.

During 2024, six A321neos entered the fleet, and four Boeing 737-800s exited.

The Martinair fleet

At December 31, 2024, the Martinair fleet comprised four aircraft, of which all were operational.

The average age of the aircraft in operation in this fleet was 24.7 years, and all the aircraft are fully owned.

1.5 CUSTOMER EXPERIENCE

The year 2024 was marked by the Paris 2024 Olympic and Paralympic Games, a world-class event that put Paris and all of France in the spotlight. As an official partner of the Paris 2024 Olympic and Paralympic Games, Air France mobilized to welcome athletes, sports delegations, media, and supporters from around the world, paying particular attention to people with disabilities.

In 2024, Air France continued to strengthen its upmarket strategy by investing in improving the quality of its products and services, both on board and on the ground, to improve the travel experience of its customers with even more comfortable travel cabins, an offering of French gastronomy on menus signed by renowned chefs, airport lounges designed by world-renowned designers and architects, and the deployment of onboard connectivity, among other things. At every stage of the journey, Air France intends to offer the best of France to its customers. Among the major initiatives, Air France is continuing to roll out the new Business, Premium, and Economy cabins, equipped with more comfortable seats and numerous features, which constitute the new Air France standard, available on a selection of Airbus A350-900s as well as on its Boeing 777-300ERs. In the regional fleet, the Embraer 190s are also equipped with new lighter and more comfortable seats. Since last July, customers traveling in the La Première cabin have taken a new exceptional route on the ground at Paris-Charles de Gaulle. They benefit from a completely private and confidential journey, from arrival at the airport to when they settle in on board the aircraft, and have the option of booking private suites adjoining the La Première lounge. A new Air France lounge in Los Angeles, inaugurated on June 21, 2024, offers Air France La Première, Business, and Flying Blue Elite Plus customers a calm and cozy space and high-quality services. This intimate place was

designed to recharge customers' batteries, restore their strength, and have them enjoy the art of French travel offered by Air France at the airport, before boarding or during a connection. In September 2024, the "Premium Economy" was renamed "Premium," further highlighting the uniqueness of a trip in this dedicated, spacious, and comfortable cabin with its new "recliner" seat. Customers benefit from a redesigned catering offer whose dishes are now signed by a Michelin-starred chef.

The Company is also taking action for more responsible travel, in particular by continuing to invest in the renewal of its fleet through an ambitious investment plan of €1 billion per year. The renewal of its fleet with less fuel-consuming aircraft is currently the first lever for decarbonization. It aims to reduce CO₂ emissions by 20% to 25% and the noise footprint thanks to new-generation aircraft that are more fuel-efficient and more environmentally friendly. By 2030, the latest-generation Airbus A220 and Airbus A350 aircraft will represent 70% of the Air France fleet. Thanks to these initiatives, Air France continues to make elegance fly higher while actively committing to more sustainable aviation.

KLM continued to create memorable experiences for its customers through, for example, the Premium Comfort class and the re-envisioned World Business class. KLM is committed to investing several billion euros in renewing its fleet and, in 2024, welcomed the new A321neos. Furthermore, in the coming years, the A320neos and the Airbus 350 will be introduced in KLM's fleet. KLM is heavily investing in a state-of-the-art fleet, giving a new impetus to cleaner, quieter, and more fuel-efficient flying, and offering customers more comfort in terms of seats, space, air quality, and lighting.

1.5.1 Air France and KLM are maintaining their investment for customers

41 Airbus A220-300 in the Air France fleet

At the end of 2024, Air France had 41 Airbus A220-300s in its fleet, including nine delivered in 2024 out of the 60 Airbus A220-300s ordered in 2019 to gradually replace its Airbus A318s and A319s, as well as several Airbus A320s. Economically and environmentally efficient, the Airbus A220-300 is perfectly suited to Air France's short- and medium-haul network. It offers a 10% reduction in seat costs compared to the Airbus A318s and A319s and stands out for its energy performance: it consumes 20% less fuel than the aircraft it replaces, and its CO₂ emissions are also reduced by 20% (per passenger-km). Its noise footprint is also 34% lower. These features play a key role in reducing Air France's environmental footprint and achieving its sustainable development objectives.

The Air France Airbus A220-300 offers the highest level of comfort on board. Equipped with 148 seats in a 3-2 configuration (i.e., five seats per row), allowing 80% of customers to benefit from a window or aisle seat, it offers two travel cabins, Business and Economy, and access to the company's connectivity offering. The seat is the widest on the market (48 cm). Reclining to 118 degrees and equipped with an adjustable headrest, it is covered in leather and has ergonomic foam for greater comfort.

Adorned with symmetrical stitching and a martingale embroidered in gray thread, it evokes the idea of quilting, synonymous with comfort. The accent, the Company's brand symbol, can be seen on the walls at the front and rear of the aircraft. Also embroidered on each seat, it clearly anchors the cabin in the company's universe. The cabin, the most spacious and brightest in its category, is available in Air France's identity colors: shades of blue; a strong presence of white, providing light and contrast; and touches of red embodying the company's excellence and know-how. The carpet on the floor revisits the traditional herringbone ornamental pattern, symbolizing the emblematic "Hausmannian" universe of Parisian apartments. It also plays a strong signage role by welcoming customers and giving perspective to the whole. Large panoramic windows promote natural light throughout the journey. From boarding to landing, eight lighting moods dedicated to the aircraft energize the reception and disembarkation phases or soften the lighting, promoting an atmosphere of tranquility in the air. The spacious luggage compartments allow easy loading of suitcases. The particularly wide central aisle facilitates movement.

35 Airbus A350-900s in the Air France fleet

At the end of 2024, Air France had 35 Airbus A350-900s in its fleet out of the 69 ordered. A latest-generation aircraft, the Airbus A350 is Air France's flagship on long-haul flights. With CO₂ emissions reduced by 25% per passenger-km compared to previous-generation aircraft, it is a major lever for reducing the Company's environmental footprint. Its noise footprint is also reduced by 40%.

New cabins installed on board the Airbus A350-900s joining the Air France fleet

The 21st A350, named *Aix-en-Provence*, inaugurated in July 2023, was equipped with the new cabin configuration. The Company is now equipping the Airbus A350s joining its long-haul fleet with this new version. In 2024, 15 aircraft will be equipped with it.

In this configuration, the Airbus A350 has new cabins in all travel classes: 48 seats in Business, 32 seats in Premium, and 212 in Economy. Thanks to this new step in its move upmarket, Air France is continuing to deploy its most advanced travel standard in terms of on-board comfort. This Business seat offered on the Airbus A350 has the same standards as those installed on the 12 Boeing 777-300ERs equipped with the latest cabins. Featuring the highest industry standards in terms of comfort and on-board technology, the new Business seat, a seat developed exclusively for Air France, has a sliding door that allows you to privatize your space and transforms into a perfectly flat bed of almost 2 meters. For greater proximity when traveling as a couple, the seats located in the middle of the cabin have a central wall that can be simply lowered and thus free up a vast space for conviviality. The 48 seats take up the "3F" concept: Full Flat, they are available as real beds 53 cm wide and almost 2 meters long; Full Access, each with direct access to the aisle; and Full Privacy, for more privacy. A sliding door allows you to completely privatize your own space, thus protected from the rest of the cabin. The seats located in the middle have a central wall that can be simply lowered and thus create a vast space for conviviality. The cabin's large portholes are equipped with an electronic light-blocking system that allows you to choose your lighting ambiance.

The Company has chosen noble, soft, and natural materials for the manufacture of its seats. The fabric padding provides a soft feeling for greater comfort. Each seat is also embroidered with the red accent, the company's brand symbol. On the storage side, an individual box holds noise-canceling headphones, a vanity mirror, and customers' personal belongings. A second storage area appears at the foot of the chair and can hold a small travel accessory. The seats in the first rows of the Business cabin have additional

space in front of them for increased comfort. For the first time, an individual wardrobe with a high mirror and additional storage space is also available on each seat in this first row. Each seat has a large 20-inch 4K ultra-high definition anti-glare screen – the largest in Air France's long-haul fleet in Business – to provide more than 1,500 hours of entertainment from a latest-generation graphic interface. Equipped with a Bluetooth connection, the screen allows you to use your personal headset easily. A new touch pad also allows you to navigate through the different programs and simply control your entire environment, from the position of your seat to the light intensity of your space. A "Do not disturb" function is also available on this screen and informs the crew that the customer wishes to rest. Ultra-connected, the seat includes USB A and C ports and an induction charger. The Premium cabin, with 32 seats, has a brand new recliner seat model, in line with those offered on its first Airbus A350s and on the 12 Boeing 777-300ERs. Each passenger has 94 cm of space to stretch out their legs and a 48-cm wide seat. The backrest reclines up to 121 degrees and has been further widened to provide greater privacy and comfort. The seat foams have been reworked and extend up to the shoulders to improve the soft feeling. They are covered in a navy blue herringbone fabric with particularly neat finishes. The headrest is adjustable in four positions to adapt to everyone. A noise-reducing headset, numerous storage spaces, an individual reading light, and USB A and C ports complete the package. In the Economy cabin, the seat offers a wide 46-cm seat, a 119-degree recline, and 79 cm of legroom. The ergonomic seat back is equipped with foam for greater comfort and provides enhanced lateral support. On the back of the large tablet, a support can be used to hold your smartphone or personal tablet. A USB C port is also available in addition to the USB A port. These two cabins offer large 13.3-inch anti-glare 4K ultra-high-definition screens equipped with a Bluetooth connection to provide on-demand entertainment programs through your own headphones and the option of connecting your personal device to the on-board screen so that you can use it as a remote control or browse through the programs available in parallel with those broadcast on the main screen.

12 Air France Boeing 777-300ERs equipped with the latest cabins as of Summer 2024

Air France's 12 Boeing 777-300ERs are now equipped with the latest long-haul Business, Premium, and Economy cabins, the company's new standard in terms of on-board comfort. Thanks to the deployment on the Boeing 777-300ER, all of Air France's long-haul Business cabins have benefited from fully flat beds since Summer 2024.

In the Business cabin, customers will discover a new seat that is also a real flat bed almost 2 meters long. A sliding door allows you to completely privatize your own space, thus preserving it from the rest of the cabin. In addition, there is a central wall that can be removed for more conviviality for traveling couples. The relax position can be activated with the single press of a button and, for more peace and quiet, you can use the "Do not disturb" function. Each seat is equipped with a 17.3-inch HD 4K Bluetooth anti-glare screen. In Premium, customers benefit from a preserved cabin located at the front of the aircraft, and the maximum number of seats is set at 48. Of the "recliner" type, these seats recline to 124 degrees with an enlarged backrest for more privacy. New seat foams have been reworked, and the navy blue herringbone fabric provides more softness. In Economy, the cabin is equipped with 273 latest-generation seats made in Europe. These seats, among the highest standards of comfort on the market, offer a 119-degree recline and an ergonomic backrest for reinforced lateral support. Each seat is equipped with a 13.3-inch 4K screen.

First Airbus A321neos in the KLM fleet

In the Summer of 2024, KLM started replacing its Boeing 737 fleet with the Airbus A321neo from the Airbus A320neo family. According to the current schedule, our fleet will have around 13 Airbus A321neos by the end of 2025. The slightly smaller Airbus A320neo will also join the KLM fleet, alongside the A321neo. These more fuel-efficient and quieter aircraft are an important step in the large-scale fleet renewal through which KLM is giving a new impetus to cleaner, quieter, and more fuel-efficient flying. They also offer KLM passengers even more comfort and convenience.

The names of the first four A321neo aircraft are Swallowtail, Peach Blossom, Common Brimstone, and Clouded Magpie. The "butterflies" theme was chosen by KLM employees, and it ties in nicely with the transformation KLM is embarking on with the new fleet.

KLM is further improving the customer experience

KLM aims to enhance traveler comfort and satisfaction by introducing next-generation aircraft and offering more comfort and spacious seating. In 2024, we invested significantly in delivering an exceptional customer experience, most notably with the arrival of the A321 in our fleet and with the finalization of the program to install Premium Comfort Class and Direct Aisle World Business Class seats on our full Boeing wide-body fleet. All KLM aircraft, except Airbus, can now offer the Premium Comfort Class to their passengers. KLM also started partnering with Marie Stella Maris and Envisions to provide customers in the lounges and World Business Class with a renewed and innovative product.

These improvements contributed to KLM's receipt of the APEX World Class Award for the fourth year in a row. This award, which is based on professional audits and passenger reviews, recognizes performance in areas like safety and customer well-being.

KLM completes biggest product change in years with successful introduction of Premium Comfort Class

In two years, KLM Royal Dutch Airlines completed the conversion to a new class, Premium Comfort Class. The addition of a new class is the biggest product change in years. All Boeing 777 and 787 aircraft – a total of 54 aircraft – are now equipped with this class. The intermediate class is available on flights to long-haul destinations and offers more space, luxury, and privacy than Economy Class, at a more affordable fare than World Business Class. With the Premium Comfort class, KLM meets the needs and desires of both leisure and business travelers.

Premium Comfort is an entirely new class on board with its own cabin equipped with new seats and its own service and catering. Depending on the aircraft type, there are 21 to 28 seats in the Premium Comfort section, which, in comparison to Economy Class, features wider seats with more legroom, a larger screen, and a footrest. The seats in Premium Comfort can also be reclined back more than the Economy Class seats.

New seats in World Business Class

During the conversion of the Boeing 777 aircraft, KLM also replaced the seats in World Business Class. These seats feature a sliding door for more comfort and privacy. In addition, all passengers in World Business Class have direct aisle access.

Ordering meals in advance in KLM World Business Class

KLM passengers traveling in World Business Class can now order their main course up to 45 days before departure through a new service. The meal choice can be made during the booking process on the KLM website, in the KLM app, or after booking via MyTrip.

The service is available on most of KLM's intercontinental destinations departing from Amsterdam, including flights to various destinations in Asia, Africa, North America, South America, and the Caribbean.

Since the testing phase in the Summer of 2024, over 10,000 Business Class passengers have already ordered their meals in advance of their flight. Due to its success, the service is being expanded further.

KLM launches "Travel Well" brand platform

KLM launched the new "Travel Well" brand platform in combination with a new visual identity in March 2024. In addition, the new "Your ticket to..." brand campaign went live in the fourth quarter of 2024. Through the Travel Well platform, KLM seeks to redefine travel by emphasizing quality over quantity, fostering meaningful connections, and enhancing the overall travel experience for KLM's passengers. The aim is to inspire travelers to create more meaningful connections during their journeys.

1.5.2 Air France and KLM pursue their move up-market

Air France lounge news

Air France lounges are first and foremost places for expressing the brand, as well as for relaxing and breathing, offering customers a moment of comfort during their travels. In Air France lounges, we cultivate the "French art of living" around Air France's values: Excellence, Elegance, Pleasure, Respect. Before the trip or during a connection, Air France offers its Business customers – with the exception of Business Light fares – and Flying Blue Elite Plus dedicated areas in the airport throughout the stopovers it serves. These bubbles of serenity allow you to relax, rest, eat, or work in complete peace. The lounges promote French cuisine with an offer that changes throughout the day. Savory and sweet dishes, as well as healthy meals and vegetarian options inviting you to discover seasonal flavors, are offered, accompanied by a range of drinks with or without alcohol. In its lounges located at Paris-Charles de Gaulle and Paris-Orly airports, Air France also provides a gastronomic offer signed by renowned chefs.

An exceptional journey at Paris-Charles de Gaulle (France) for La Première customers

On July 23, 2024, Air France inaugurated for its La Première customers, and as a paid option for Business customers, a new exceptional journey at Paris-Charles de Gaulle. Upon arrival at the airport, each La Première guest is greeted by a porter for immediate handling of their baggage. Customers are then accompanied to a new vestibule, the first step of an exceptional journey. Dedicated to completing departure formalities, this 570 m² space has fifteen seats as well as two private lounges - reserved for customers who have subscribed for the "suites" option of the La Première lounge – for even more privacy. The vestibule also welcomes customers upon arrival of their flight, offering the options of eating, showering, and collecting their baggage. A true bubble of comfort preserved from the rest of the airport, this vestibule is a convergence of French elegance and refinement. Decorative and functional, the interior architecture, custom-designed by the Air France teams and the SGK Brandimage agency, delineates different intimate spaces while preserving the feeling of volume. Once the formalities have been completed, each guest is accompanied to the La Première lounge via a dedicated private route, including passage through security checks out of sight. Designed by architect Didier Lefort, the Air France La Première lounge is an exclusive 1,000 m² space offering a moment of calm, serenity, and the promise of an exceptional experience. Gastronomy is naturally given pride of place thanks to a menu and a wine and champagne list designed by Alain Ducasse and his teams. At the heart of the lounge, Air France also offers its customers a Sisley treatment area, for relaxation with a French pioneer in phyto-cosmetology. For complete privacy before the trip or during a connection, La Première customers can optionally book real suites of nearly 45 m² each adjoining the lounge. Three suites are available and two can be connected upon request at the reservation of the two suites. As soon as customers arrive, a butler will introduce them to the different spaces and services offered. Each suite includes a large lounge, a bedroom with a double bed, a bathroom, and an outdoor patio. Designed as real

cocoons with absolute comfort, the suites allow everyone to eat or easily reach the Sisley spa. They also offer fresh flowers, exceptional bedding and bed linen, haute couture finishes, and more. It is the whole palace spirit that is invited to the Air France hub at Paris-Charles de Gaulle. Created in harmony with the vestibule and the La Première lounge, the suites reflect the architectural concept of intimate bubbles while developing their own personality through touches of decor designed down to the smallest details. In terms of furniture, Air France has selected iconic pieces of French design, such as the Charlotte Perriand signature table, the Pierre Paulin Ribbon armchair, and the Philippe Starck Privé sofa. Each suite is also decorated with a work of art by a French artist. This new private experience and access to the La Première lounge are included in the Air France La Première offer. Access to the airport suites is available as an option, starting at €800.

A new lounge at Los Angeles International Airport (United States)

On June 21, 2024, Air France inaugurated its new lounge at Los Angeles International Airport, Tom Bradley Terminal. Close to the boarding gates for the company's flights, this calm and cozy space is ideal for recharging your batteries, eating, and enjoying the French art of travel offered by Air France upon arrival at the airport, before boarding, or during a connection. This lounge is dedicated to Air France's La Première, Business, and Flying Blue Elite Plus customers. It also welcomes eligible customers of KLM and Skyteam partner airlines. It has a surface area of over 1,100 m² and 172 seats. Imagined and designed by Air France teams, in collaboration with the SGK Brandimage agency, this elegant and refined lounge has different comfortable spaces to adapt to everyone's needs. A true invitation to discover the Company's universe, it shows its identifying colors – shades of blue, bright whites, touches of red – for a refined and chic design. Carefully chosen, the furniture integrates the creations of famous French designers, such as the Ester high chairs by Patrick Jouin, the Ribbon armchairs by Pierre Paulin, the coffee table by Charlotte Perriand, and the luminous creations of Margaux Keller. At the heart of the lounge, a dining area highlights French dishes. Designed like a Parisian brasserie, it has individual seats, a large table for sharing friendly moments, and more intimate alcoves. Evolving throughout the day, the gastronomic offer is based around hot or cold dishes, savory or sweet, and offers vegetarian menus. A chef also prepares dishes to order in an open kitchen, such as pan-fried prawns or a *cassoulet* with duck *confit*, thus delighting the eyes and taste buds. A bar offers a wide selection of French champagnes and wines, spirits and local beers, as well as a range of cocktails and mocktails prepared by a bartender. It is decorated with numerous comfortable high chairs and more intimate areas, composed of benches and armchairs. To develop its catering offer based on a more sustainable approach, Air France favors local and seasonal products. In addition, the Company pays particular attention to the limiting of food waste, selective sorting, and the recycling of its catering services.

Finally, water fountains and drink dispensers are available to limit the consumption of single-use plastic. This new lounge has a Clarins treatment area. Clarins has been a partner of the company for almost 20 years. Clarins teams welcome the Company's customers in two welcoming cabins, offering a choice of three free facial treatments: "anti-jet lag," "detox moment" and "focus on the eyes." These mixed beauty rituals focus on relaxing and releasing tension. With each treatment, the Clarins art of touch, combined with products rich in plant extracts, transports travelers to a world of absolute well-being. In the lounge, customers traveling in the La Première cabin have a confidential and intimate space. It offers a particularly comfortable, neat, and tailor-made layout. Bathed in soft light and with a privileged view of the runways, it has twelve seats and its own catering offer. In the Clarins area, La Première customers also benefit from a "destination relaxation" treatment designed exclusively for them.

A reinvented lounge at Cayenne Airport (French Guiana)

On June 28, 2024, Air France reopened the doors of its completely renovated lounge at Cayenne-Félix Éboué International Airport. This redesigned space allows everyone to relax, eat, or work in a serene, elegant, and comfortable setting before boarding or during a connection. This lounge is dedicated to Air France Business and Flying Blue Ultimate, Platinum, and Gold customers, whether they are traveling to Paris-Charles de Gaulle or on the company's Caribbean Regional Network. It also welcomes eligible customers of KLM and SkyTeam partner airlines.

It has 41 seats on a surface area of more than 100 m². Nearly 70% of the seats have been renovated and reupholstered locally through a more sustainable approach. Air France teams welcome customers in a soothing and warm place. The company's universe is reflected from the entrance to the lounge, through its identifying colors – shades of blue, bright whites, and touches of red – as well as the presence of the winged seahorse, the Company's historic symbol. At the heart of the lounge, a dining area showcases French cuisine. It has individual red leather seats to provide warmth and conviviality. Evolving throughout the day, the self-service gastronomic offer is based around hot or cold dishes, savory or sweet, and offers vegetarian menus. Air France pays particular attention to the limitation of food waste, selective sorting, and the recycling of its catering services. Water fountains are also available to limit the consumption of single-use plastic. The lounge also consists of three areas with comfortable armchairs, separated from each other for more privacy and calm. Facing the bay window, a high table allows you to work while benefiting from daylight. Flying Blue Ultimate customers also have an area entirely reserved for them. The space also offers free Wi-Fi and numerous electrical and USB sockets near the seats. A digital press offer is available from the Air France Play application.

Air France Conciergerie, new services at Paris-Charles de Gaulle

Since June 2024, Air France has been offering new concierge services at Paris-Charles de Gaulle to welcome and support its customers at every stage of their journey through the airport. These offers are available for all bookings for flights operated by Air France. Air France Conciergerie offers customers traveling in Economy, Premium, and Business cabins a privileged, smooth, and peaceful journey through the airport. When departing from a flight, customers can benefit from a complete offer including a private transfer – for journeys within a 40 km radius of Paris-Charles de Gaulle airport. When arriving at the airport, customers can benefit from a welcome at the "departures" area, baggage handling, transport to a dedicated check-in counter, assistance through the airport's priority lines, and transport to the lounge for eligible customers and then to the boarding gate. Upon arrival of a flight, a concierge greets customers at the aircraft door and accompanies them through the airport's priority route. After the concierge takes care of their luggage, customers are accompanied to the vehicle reserved for their private transfer. During a connection, this service offers a welcome and accompaniment from the jet bridge of the feeder flight to the lounge for eligible customers, then to the boarding gate of the next flight via the airport's priority lines. Upon departure or during a connection, the concierge also offers to non-eligible customers, as an additional option, access to one of the airline's lounges at Paris-Charles de Gaulle. At the time of their flight, they are then accompanied from the lounge to their boarding gate.

Air France and Alltheway are expanding their services in Paris and the Paris region

Since June 2023, Air France has been offering its customers the opportunity to entrust their baggage⁽¹⁾ check-in to its partner Alltheway, even before they arrive at the airport. Customers can drop off their baggage at one of the baggage drop-off points or directly at the address of their choice in the heart of Paris or in the Paris region – departments 75, 92, 93, and 94 – to allow them to move around more freely and peacefully. To date, six baggage drop-off points are available in ACCOR hotels: Novotel Tour Eiffel, Mercure Tour Eiffel, Novotel Les Halles, Pullman La Défense, Pullman Bercy, and Novotel Paris-Est, as well as at the Gare du Nord, at the Wojo coworking space near the Gare Saint-Lazare, and at the Hotel New York at Disneyland. Baggage drop-off is also offered at major exhibition sites during major trade fairs, such as Paris Expo Porte de Versailles, the Parc des Expositions Villepinte, and the Palais des Congrès. Since the Summer of 2024, Air France has been offering a baggage delivery service upon the arrival of flights at Paris-Charles de Gaulle. Baggage is collected directly by Alltheway from the belts in the "baggage arrival" room and delivered to the home or address of the customers' choice, in Paris or in the Paris region – departments 75, 92, 93, and 94. These optional services are carried out by Alltheway, which secures and transports the baggage to the airport, guaranteeing that it is handled in accordance with all the authorities' security requirements. From their personal Alltheway space, customers can track the journey of their baggage until it is dropped off at the airport facilities and the drop-off is recorded on the Air France application.

⁽¹⁾ Depending on the customer's baggage allowance and excluding special-sized baggage (strollers, golf bags, etc.) and animal transport cages traveling in the hold.

Air France's high-flying signatures

Air France continues its quest for culinary excellence by partnering with world-renowned chefs, offering its customers unique gastronomic experiences through a series of new, exceptional menus that are constantly being renewed. The Company continues to promote French cuisine on board its flights and in its Parisian lounges, with the ambition of offering recipes that combine tradition and innovation, while adopting more environmentally friendly practices.

Air France is innovating by launching, for the first time, in November 2023, menus signed by a chef in the Premium cabin (formerly the Premium Economy cabin) on departure from Paris. Frédéric Simonin, Michelin-starred chef and *Meilleur Ouvrier de France*, offers two dishes to choose from, prepared with local and seasonal products, in collaboration with Servair. Since June 2024, this signature has been extended to departures from Fort-de-France, Pointe-à-Pitre, Cayenne, and Saint-Denis de La Réunion.

In May 2024, the Company announced the arrival of Xavier Thuizat, Head *Sommelier* of the Hôtel de Crillon, for the signing of its wine, champagne, and spirits menu, as well as an offer of new French beers in all its travel cabins and Parisian lounges. Best *Sommelier* of France 2022, Best Craftsman of France in *Sommellerie* 2023, and winner of the 2024 Michelin Guide *Sommellerie* Grand Prize, Xavier Thuizat highlights the best French grape varieties – Champagne, Bordeaux, Burgundy, Rhône Valley, Languedoc-Roussillon, Loire Valley, and Alsace, among others – offering a refined tasting experience. Since February 2023, the offer of *digestifs* and spirits has been 100% French. And champagne is still offered in all Air France travel cabins.

Collaborations with starred chefs continue and follow one another throughout the year. After Emmanuel Renaut, Anne Sophie Pic, Angelo Musa, and Philippe Rigolot, chefs Glenn Viel, Arnaud Lallement, Jérôme Banctel, and Claire Heitzler will have their turn to create exceptional dishes in the long-haul La Première and Business cabins. In 2024, Air France introduced the signature of a pastry chef to the Business menu. Nina Métayer, World's Best Pastry Chef 2023, is joining the brigade and bringing her sweet touch with innovative and light desserts. Since February 2024, a new catering offer has been available for Business customers traveling on the short-haul network. Air France offers a menu that changes throughout the day and is renewed each month and presented in an elegant tailor-made box. Signed at its launch by François Adamski, *Bocuse d'Or* and *Meilleur Ouvrier de France*, the sandwich recipes are renewed during the year with the signature of Michel Roth, starred chef and *Bocuse d'Or*. The latter is partnering with Josselin Marie to also offer varied and responsible menus in the Terminal 2F lounge at Paris-Charles de Gaulle.

Exceptional gastronomy is also found in the long-haul lounges. Alain Ducasse and his teams continue to create prestigious dishes in the La Première lounge at Paris-Charles de Gaulle. In the Terminal 2E lounge (halls K, L, and M), customers can enjoy the "Burgal" by Ducasse Paris, a 100% plant-based and locavore offering.

In 2024, Air France will continue to expand its exceptional culinary collaborations on its international stopovers.

Menus will be created by renowned chefs such as Julien Royer in Singapore, Olivier Perret in Canada, Jofrane Dailly on Reunion Island, and Jean-Charles Brédas in the Antilles. Since February 2024, Air France has been working with Dominique Crenn, a three-star chef, who is designing the dishes intended for departures from the United States. A new signature is also being launched for departures from Japan with Olivier Chaignon, a three-star chef, who has been developing the menus for the La Première and Business cabins since January 2025.

Faced with a growing demand for more responsible catering and fair consumption, Air France and its partner chefs are working with Servair to offer menus made from fresh, local, and seasonal products. On all its flights and in its lounges departing from Paris, Air France offers 100% French meat, poultry, dairy products, eggs, bread and pastries, and fish from sustainable fishing. These French-inspired recipes systematically include a vegetarian option available in all travel cabins. Customers traveling in the Business cabin are invited to preselect their hot dish before the flight, which guarantees the availability of their choice and limits food waste.

"Premium" to highlight Air France's move upmarket in this travel cabin

In September 2024, the "Premium Economy" cabin was renamed "Premium," further highlighting the uniqueness of a trip in this dedicated, spacious, and comfortable cabin, as well as the quality of its product and service offering. Designed to provide a particularly preserved journey, Premium is available across the entire Air France long-haul network fleet. On board, the latest "recliner" seat model, praised by our customers and presented at the IFTM Top Resa 2024 show, equips a selection of Boeing 777s and Airbus A350s. It reclines up to 124 degrees and offers legroom of 94 to 97 cm, an adjustable footrest, a 13.3-inch 4K ultra-HD touchscreen with Bluetooth connection, and more than 1,500 hours of entertainment. Each customer has a Premium comfort kit, noise-reducing headphones, a blanket, and a pillow to rest and enjoy the journey. As soon as customers settle in, a glass of champagne is offered to them by the crew members to welcome them (depending on the flight schedule). The cabin harmony has also been revised and is available in navy blue, Air France's identifying color, and horizon blue, a shade specific to this travel cabin. The accent, the company's brand symbol, is illustrated on the seat headrests, cushions, blankets, comfort kits, and the meal tray. Air France offers everyone a complete "French-style" meal consisting of aperitif biscuits, a renewed starter, a choice of two hot dishes, a cheese, and a dessert, the recipes of which have been reworked, to be enjoyed on eco-designed tableware and with stainless steel cutlery. On departure from Paris, Pointe-à-Pitre, Fort-de-France, Cayenne, and Saint-Denis de La Réunion, the menus are designed by Frédéric Simonin, Michelin-starred chef and *Meilleur Ouvrier de France*, consisting of two hot dishes to choose from that are regularly updated, including a vegetarian option. The chef works in collaboration with Servair, the world leader in airline catering, and favors fresh, local, and seasonal products, 100% French meat, poultry, dairy products and eggs, and fish from sustainable fishing, in accordance with the Company's standards.

And on daytime flights of more than 9 hours departing from Paris, a new French ice cream offering is offered between the different meal services on board. Xavier Thuizat, Air France's new Head *Sommelier*, offers a completely revised list of French wines, champagnes, and spirits as well as French beers dedicated to this cabin. In addition to a champagne offer, a wide selection of hot or cold drinks, with or without alcohol, is also available during the trip. Premium cabin customers benefit from SkyPriority, a smooth and priority journey through the airport. With these improvements, Air France aims to offer a quality Premium travel experience, combining comfort, elegance, and gastronomy, while promoting the French art of living.

Air France unveils the new cabins of its Embraer 190s

On May 28, 2024, at the Aircraft Interiors Expo in Hamburg (Germany), Air France unveiled a preview of the new cabins that will soon be installed on all Embraer 190s operated by its regional subsidiary HOP!. The first aircraft thus refitted will take off in the Spring of 2025. The Company is thus continuing to move upmarket and standardize its product and service offering on its short- and medium-haul network. With the renewal of its cabins, the Embraer 190 will have 110 new, more comfortable and innovative seats in a 2-2 configuration. Each seat will be upholstered in leather and equipped with ergonomic foams, for greater comfort and durability. Reclining up to three inches, the chair will offer a seat width of 46 cm, a tablet, optimized storage spaces, comfortable lifting armrests, and a jacket rack. The headrest will be adjustable by height and on the sides. At eye level, everyone will have a retractable support with a ribbed surface so that they can position their smartphone or tablet stably. USB A and C ports will make it possible to recharge personal devices, including a laptop. A double cup holder will be integrated for greater practicality. On board, Business customers will be able to sit in the first rows of the aircraft. For greater comfort and privacy, a movable curtain will isolate this cabin. And since January 2025, each customer has had a seat left free next to them.

Renewal of the baggage racks of the 24 Airbus A320 EURO

On its medium-haul network, Air France continues to improve the travel experience of its customers by offering them more space to store their baggage in the cabin. On board the Airbus A320 EURO, new Efficient Cabin Open Space (ECOS) baggage racks are currently being installed. They provide up to 60% more storage capacity than current baggage bins, and the threshold is lower, facilitating visibility and loading of baggage. This makes boarding smoother and improves customer satisfaction. Air France is the first airline in the world to have selected Safran Cabin ECOS baggage bins to equip its medium-haul Airbus A320s. In 2024, 22 out of 24 Airbus A320 EURO will be equipped with them, and the remaining two will be equipped by the end of March 2025.

Attentions for young travelers

Every year, Air France transports more than a million children on its long-haul routes. In all its long-haul cabins, all children between the ages of 2 and 6 receive, with their children's menu, a game box filled with games and activities to enjoy during the trip. Children between the ages of 7 and 11 are also given this box, provided they have opted for a children's menu (to be reserved up to 24 hours before the flight). Families traveling with a baby between the ages of 0 and 23 months receive a pretty kraft paper box containing a comforter made from recyclable, soft and reusable materials. In La Première, Business, and Premium cabins, this kit is complemented by a pretty pouch in the colors of Air France and thermal water. During the Summer of 2024, a new box of sports-themed games was offered on board, in resonance with the Paris 2024 Olympic and Paralympic Games. Designed with materials such as FSC wood and recycled and recyclable paper and cardboard, this 100% eco-responsible box contains two wooden figurines and transforms into a scenic decoration featuring different sports modeled by sportsmen and women, including those representing athletes with disabilities. Eight sports were selected for two series of kits. One was put on board in July 2024, and the other will be put on board in the Spring of 2025 in order to create a collection. This box of games offered to young passengers on long-haul flights anchors Air France's positioning as a "Family friendly" airline. It echoes the brand's values, with a quality offer proposed in all cabins. Air France also welcomes children traveling alone aged 4 to 17 on board its aircraft. With the Kids Solo service, Air France staff accompany them and ensure their safety and well-being. With the Air France application, parents can follow each step of their journey, from pick-up at the airport to landing and arrival at their destination.

Entertainment on board long-haul flights

The Air France entertainment offer, completely redesigned in July 2023, provides 1,500 hours of enriched programming adapted to everyone's tastes and cultures. This offer is accessible on nearly 38,000 screens available on board the Company's aircraft, in the original version and in many languages. Air France provides its customers with more than 340 films of all genres, from the most classic to the most recent, a wide selection promoting French cinematographic creation and a "world cinema" category. The award-winning films at the Cannes Film Festival (of which Air France has been a partner for 44 years), the biggest recent American blockbusters, and a selection of Disney titles, along with those of its Pixar, Marvel, Star Wars, and National Geographic franchises, are also available. To make it easier to choose the program, new thematic categories are offered according to the season or events (Christmas holidays, gastronomy, etc.). In addition to the titles from TFI and France TV, the series offering is increasing with the arrival of Canal+ and HBO productions. Many seasons of series are available in their entirety. As a partner of CANNESERIES, Air France also showcases the talents of tomorrow by broadcasting episodes of certain television series presented at the festival. An exclusive selection of new podcasts from Podcast Story, Majelan, and France 24 can also be discovered on board. The Air France Travel Guide is updated regularly. An interactive map and an onboard camera allow you to follow the trajectory of your flight in real time and enjoy takeoff and landing regardless of your seat. For young travelers, in addition to the Disney catalog, Air France offers new content specially selected and adapted to their age: films and cartoons, music playlists

(Playzer), and educational and fun content (Bayard Jeunesse). Air France has also selected ten of the most popular game programs such as Angry Birds, Monopoly, and Tetris, including one dedicated to children under six. Since August 2024, Air France, in partnership with Mediawan, has been offering young travelers and their parents the chance to discover a new episode of the famous French animated series Miraculous™, available exclusively on board its long-haul flights. Air France and Mediawan, the European leader in independent production and distribution, have joined forces for Summer travel around the iconic French brand Miraculous™. Broadcast exclusively on board the Company's long-haul flights, this episode of the phenomenal series, tailor-made for its customers, invites you to discover Paris. As a nod to the Company, the characters invite the whole world to discover Paris thanks to Air France flights and the Airbus A350, the flagship of its long-haul fleet, appears several times during the adventure. On the occasion of the Olympic and Paralympic Games, a specific offer has been designed to celebrate this major event. Between June 1 and September 30, customers were able to enjoy exclusive content on board: content on the Air France exhibition at the Palais de Tokyo and Spot24, a promotional video highlighting the Île-de-France region upon arrival in Paris, an exclusive interactive map of Olympic sites, and a special selection of sports-themed content including French, American, and international films, as well as dedicated documentaries and podcasts.

Air France amenity kits

On board its long-haul flights, in the La Première, Business or Premium cabins, Air France offers carefully designed amenity kits to meet everyone's needs. Refined, elegant, and functional, they contain many thoughtful touches to help you relax and enjoy your flight. On board the La Première cabin, Air France offers its guests an elegant box with a timeless design, awarded a first "gold" prize at the last "TravelPlus Airlines Amenity Awards" ceremony in 2024. It comes in the two signature colors of this exceptional cabin, Air France red and pearl gray, and reveals an embossed winged seahorse, the company's historic symbol highlighting its rich history. Its careful finishing makes this box a true leather goods accessory. To create this box, Air France has partnered with the French brand Sisley, also present in the La Première lounge at Paris-Charles de Gaulle, to offer a real moment of beauty in flight. Thanks to a personalized approach and a tailor-made offer, the box unveils a range of four products carefully selected by the pioneering house of phyto-cosmetology: a moisturizing repair cream for hands and nails, an effective eye contour balm, an intense "Hydra-Global" anti-aging moisturizing treatment, and an "All Day All Year" anti-aging treatment. An Air France La Première pen, a wooden comb, earplugs, and a night mask complete the box. In the Business cabin, the complimentary kit comes in two models and features patterns highlighting the Company's identifying colors in different shades of navy blue and white, embellished with a touch of red. It is also adorned with the Company's winged seahorse and is made of more than 90% recycled material. Particular attention is also paid to its contents: a pair of earplugs; a night mask made entirely from recycled materials; a bamboo toothbrush and a tube of organic toothpaste made in France; and two products from Air France's partner Clarins, namely a Baume Beauté

Éclair and a Moisturizing and Mattifying Face Gel Cream (travel size); a kraft pen; and a pair of socks made from recycled materials. In the Premium cabin, the distributed comfort kit features the Air France accent, the Company's brand symbol, delicately embroidered with thread. It comes in two colors: Air France blue and horizon blue, a shade specific to this travel cabin. A discreet touch of red on the closure enhances the refined style of this kit, which is made from more than 90% recycled materials. Each kit contains the following items: earplugs, toothbrush and tube of toothpaste, a pair of socks made from recycled materials, and a night mask.

Air France launches very high-speed Wi-Fi

Announced in September 2024, Air France will gradually offer a very high-speed connectivity quality of service starting in 2025 for a "like home" experience. You can access this new service, completely free on board all aircraft, in all cabins, including the regional fleet, by logging into your Flying Blue account, the Air France-KLM Group's loyalty program. Customers who do not have a Flying Blue account will be able to create one directly on board for free in just a few clicks. La Première customers will continue to benefit from dedicated access to Wi-Fi on board. To launch this exceptional service, Air France has chosen Starlink, the world leader in connectivity. Based on the world's largest constellation of satellites using low Earth orbit, Starlink offers very high-speed Internet access covering the entire planet, including the most isolated areas (restrictions may apply when flying over certain countries). The user experience is therefore stable, fast, and secure. During the flight, it will then be easy to stay in touch with loved ones, to work, to follow all the news from around the world, to play online video games and of course to watch television, films and series in streaming. This service will be accessible from smartphones, digital tablets and laptops. Everyone will be able to connect several devices at the same time. During the transitional period, the Company will continue to offer a connectivity offer on board aircraft not yet equipped with this new Wi-Fi offer: a free "messaging" pass for Flying Blue members and a paid offer covering other uses – a free offer for all Flying Blue Ultimate and La Première customers.

Air France Press, a fully digital offering

In September 2024, the Air France Play application was renamed Air France Press, a new name and a new visual signature more consistent with the product. Air France Press, available in 11 languages, offers a rich and varied catalog of more than 200 French and international newspaper and magazine titles, i.e., more than 150 French titles and more than 60 international ones. In 2024, the application was enhanced with a new, more efficient reader and new features to ensure greater comfort and accessibility for users: audio playback of titles with "article" mode, adaptation of screen brightness, choice of character size, etc. Customers can download their favorite press titles free of charge as early as 30 hours before the flight's departure by identifying themselves with their booking reference or their Flying Blue membership number. Once downloaded, these titles are available at any time: before, during, and after the flight, including offline. In 2024, more than 4.5 million titles were downloaded.

Air France unveils new background music on board

Since March 2024, Air France has been broadcasting a new music playlist on board, before takeoff and after landing. In line with the brand's positioning, this selection embodies French elegance, with modernity. It offers our customers a musical interlude to discover or rediscover 14 pieces by French artists.

Community of Doctors on Board

Air France and KLM have set up the "Community of Doctors on Board" program: a community of volunteer doctors who can be called upon on board in the event of a medical need.

Flight crew are informed of the presence on the flight of doctors who are members of this community, as well as the medical specialty and language spoken.

Created in July 2022, this community had more than 5,000 Air France and KLM members in 2024.

Air France Shopping

Air France Shopping, the online sales site for Air France branded items, offers a wide selection of luggage and travel essentials, models, toys, and other items, including those from the "LEGEND" collection that have helped shape the company's heritage. Throughout the year, Air France Shopping has expanded its offering by paying particular attention to the creation of objects made in France. Air France Shopping regularly partners with French brands that share its values of elegance, excellence, respect, and pleasure. In July 2024, the Company unveiled its collection of objects, branded Air France "Welcome to all fans" on the occasion of the Paris 2024 Olympic and Paralympic Games, on sale during the Air France exhibition at the Palais de Tokyo in Paris and on its website shopping.airfrance.com. This Summer, the Company also offered for sale new "Avant, j'étais un siège d'avion Air France" ("Before, I was an Air France airplane seat") sneakers, upcycled and made in a limited edition in the colors of the Company. This is a unique pair on the market, created from new fabrics, initially intended for the renewal of the seat covers of the Air France Airbus A380. Since last Summer, Air France Shopping has been located on the sixth floor of the Galeries Lafayette Paris-Haussmann, an exceptional opportunity to elegantly promote the brand to French and international visitors. To celebrate the end-of-year holidays, Air France Shopping has unveiled a new collection of exclusive products: festive objects "made in France" (snow globe, stuffed animals in the Company's colors, etc.), as well as new models and exclusive editions of travel bags, such as the Vanessa Bruno sequined tote bag, in collaboration with Air France, and the luggage range called "Allure" by Air France, in collaboration with Delsey, both combining French know-how and elegance. Air France is continuing its upcycling approach, particularly with a limited edition of "Cruise" "Avant, j'étais un toboggan Air France" ("Before, I was an Air France toboggan") tote bags, made from material from the Company's old airplane slides, and a collection of travel accessories designed by the company Bilum from life jackets. And with Air Art, Air France is also continuing to give a second life to its airplane parts to transform them into design objects.

EnVols, Air France's editorial offering

EnVols, the escape media, is available in print and digital versions. Both a source of inspiration and practicality, Air France's editorial offering brings together a wide variety of content (articles, photographs, videos, podcasts) around the art of living and escape, including culture, travel, fashion, and gastronomy. Travel guides offering more than 120 destinations reveal cutting-edge addresses selected by the editorial team. Air France news and its vast heritage are also highlighted. Enriched daily, the EnVols site allows recognized French and international authors, photographers, and artists to express themselves in the tradition of the writer-traveler. All content is available in French and English. In 2024, Air France's print editorial offering was presented in six issues in the form of *EnVols magazine*, 150,000 copies of which were published. Sold at newsstands, this bimonthly is made available free of charge in the boarding lounges and Air France lounges at Orly and Paris-Charles de Gaulle. It is also available in digital format on the Air France Press application. On the digital side, the en-vols.com website has totaled more than 14 million sessions, 27 million page views, and 12 million unique visitors. At the end of December 2024, the EnVols newsletter had 159,000 subscribers and 182,000 followers on social networks. To develop EnVols, Air France is relying on the expertise of Reworld Media, particularly in technological innovation, digital, brand magazines, and marketing of advertising space, as well as that of Michelin Éditions for its travel and destination content.

Air France launches "Air France holidays," its new flight + hotel package

Open in the test phase as of the Summer of 2024, Air France holidays is a new offer of complete packages, constantly being enhanced. Since January 6, 2025, the site has been offering modular "dynamic packages" for stays at more than 400 destinations at very attractive prices, accessible all year round. From the holidays.airfrance.fr website, everyone can access a wide selection of travel offers combining flights operated by Air France or its partners with hotel nights – at hotels selected from three stars and above – and activities. From relaxation stays to customizable tours, the site meets all desires for escape and allows you to pay for your trips in several installments. Everyone can put together their own trip and select exclusive activities (concerts, sporting events, etc.) based on their vacation dates, interests, and budget. Members of Flying Blue, the Air France-KLM Group's loyalty program, can also earn Miles for each stay booked, which can be applied to flights, hotels, and activities. By registering for free on the Air France holidays website, each visitor can become a member and enjoy exclusive benefits. Indeed, Air France holidays members benefit from access to special flight + hotel sales of up to -70%. They are also guaranteed to receive the latest news by email every week. To promote this new offer throughout France, Air France has unveiled a unique advertising campaign created by Aura by Omnicom: "Air France holidays, you deserve a good holiday." Highlighting the need to disconnect from a hectic daily life punctuated by alarms, calls, meetings, and notifications, the campaign invites you to reward yourself for everything you have accomplished during the year by enjoying a good holiday at the best price. A nod to the French artistic movement of pointillism, the icons of applications used daily in professional and personal life come together in a multitude of colored dots to create the ideal holiday destination. Four visuals thus end up appearing, illustrating different types of holidays such as heavenly

beaches, city breaks, tropical stays, and even relaxation in a hotel with a swimming pool. Intentionally different from the communication of the Air France company, this campaign intends to target a new clientele through the creation of a dedicated brand.

Air France, official partner of CANNESERIES

From April 5 to 10, 2024, Air France was set up on the Croisette for CANNESERIES. Official partner of this seventh edition, the Company perpetuates its role as ambassador of French culture by highlighting the captivating world of television series. On board, a refined television series selection is available in the Air France entertainment offer. CANNESERIES brings together the biggest international stars, many screenwriters, the majority actors from the television series world, around a wide audience of television series fans. This initiative also highlights the inseparable link between travel and television series. And it relies on the growing trend of "set-jetting," where travelers take inspiration from the filming locations of television series or films to choose their next vacation destination.

The Air France beach in Cannes

For the 44th consecutive year, Air France was a partner and official carrier of the Cannes Film Festival, the 77th edition of which was held from May 14 to 25, 2024. During the Festival, the company unveiled for the first time a beach open to all, an unmissable address located on the Croisette in Cannes. Adjacent to the beach of the Martinez Cannes hotel, the Air France beach had a bar and a restaurant whose menu was designed by Michelin-starred chef Jean Imbert, thus promoting the French culinary art that the company strives to enhance through its travel experience. Deckchairs were also available so that everyone could relax in an exclusive space. Embodying French elegance, the Air France beach featured the colors of the "beach" collection, available on Air France Shopping, the company's online sales site offering a wide range of suitcases and travel accessories. For the occasion, Air France offered two special flights operated by Airbus A350, equipped with the company's latest cabins, to connect Los Angeles (United States) and the city of Nice (France) directly, on May 13 and 27, 2024. These additional flights responded to the strong demand from customers on the American West Coast who wanted to enjoy the Côte d'Azur and the Festival, as well as the Monaco FI Grand Prix.

KLM joins forces with Dutch brands Marie-Stella-Maris and Envisions

As of July 1, 2024, KLM World Business Class passengers and KLM Crown Lounge visitors at Amsterdam Airport Schiphol are able to indulge in Marie-Stella-Maris premium personal care products. These products are also packaged in new comfort bags distributed in KLM's World Business Class.

The design of the new comfort bags is the result of a collaboration between KLM and the creative talents at Envisions design agency in Eindhoven, founded by a collective of young graduates from Design Academy Eindhoven. The designers drew inspiration for the four new Envisions comfort bags from different moments of the day.

Customers in the KLM Crown Lounge and on board in KLM World Business Class will be able to treat themselves to hand soap, hand gel, hand lotion, and a face mist. The comfort bag will also contain a face moisturizer and lip balm.

Marie-Stella-Maris products are made in the Netherlands and consist of a minimum of 96% natural ingredients, including shea butter, almond oil, and hazelnut oil. In addition, the social-impact brand structurally donates 2.5% of its sales to sustainable water projects.

KLM: a front-runner in digitization of the customer journey

KLM has long been a front-runner in the digitization of the customer journey. In close cooperation with Air France and in line with the strategic goal of creating technological advances, outdated e-commerce systems have been replaced with a modern infrastructure. This allows for the rapid development of digital services. In recent years, data have become a focal point, for example, to train chatbots and personalize customer offerings.

KLM's approach to digitization is relatively mature compared to the rest of the industry. It goes without saying that digital interaction does not come at the expense of personal contact with customers. Services that can be provided via the digital platforms allow frontline staff time to tailor their personal contact with passengers to their specific needs.

Transatlantic pilot project launched with Digital Travel Credential

The Digital Travel Credential (DTC) can be used to guide passengers through border checks quickly and efficiently with Tap & Go. At the request of the European Commission (EC), a DTC1 pilot project was conducted in 2024 by the Ministry of Justice and Security, the Ministry of the Interior and Kingdom Relations, and the National Office for Identity Data in cooperation with the Royal Netherlands *Maréchaussée*, Amsterdam Airport Schiphol, KLM, and technology provider IDEMIA.

The pilot aimed to test how the DTC1 (a copy of the digital information contained on the chip of the passport) works in combination with facial recognition at border checks.

The European Commission issued the request to test the use of the DTC in practice in the border process. The European Union is developing policies for the use of a digital travel document, which could possibly enable the use of the DTC for boarding and border control in the future.

Passenger numbers are increasing, and airports are getting busier. As a logical continuation of online check-in at home, the pilot project examined how airport checks can be further innovated for boarding and border control. For these checks too, travelers can prepare at home, and the process at the airport can be faster and contactless.

As an airline, KLM is responsible for passport checks as well as check-in and boarding. Digitization provides an

opportunity to make these checks faster and more efficient for our customers, starting from home. To do so properly, legislation and regulations are needed. That's why KLM was happy to be participating in the trial conducted by the Dutch government so that expertise can be shared and KLM services can be improved in future.

The DTC1 technology standard was issued by ICAO. Combining DTC1 with the application of biometrics, travelers can cross borders quickly and more easily. The DTC1 contains information from the biographical page of the passport (name, first names, etc.), supplemented by some technical elements to establish that the information was indeed obtained from an authentic passport. A key feature of the DTC1 is that this information should always be used in conjunction with a physical passport. Travelers only need to tap their passport on a reader and walk through.

1.5.3 Air France and KLM are taking action for more responsible travel

After flight safety and protection of health, our customers' third priority is sustainable development

Sustainability is a collective responsibility, and Air France-KLM is committed to play its role. The Group's ambition is to reduce greenhouse gas (GHG) emissions and limit the increase in the global average temperature. As a result, Air France-KLM continuously strives to optimize its operations and propose a more responsible travel experience for our customers, for example, through:

a) More responsible catering

On all our flights departing from Paris and in all our travel cabins and lounges at Paris airports, with Servair, we offer meals prepared in France with meat, poultry, dairy products, and eggs of French origin, as well as fish from sustainable fishing. A vegetarian choice is systematically offered to our customers in all classes. The menus for children and babies, available on board our long-haul flights, are 100% organic from Paris.

b) The reduction of food waste

In order to ensure fairer consumption and thus limit food waste, customers in long-haul Business cabins can preselect their hot meal up to 24 hours before their departure. This also guarantees their choice on board. In 2024, this service made it possible to avoid boarding more than 52,000 hot meals (i.e., 11 tons of food waste avoided).

c) The elimination of single-use plastics

In 2024, Air France eliminated 90% of single-use plastics on board its flights, i.e., 2,233 tons of plastic avoided. After having introduced wooden cutlery and cardboard cups, the company is now rolling out containers made from bio-sourced materials, such as wood cellulose bowls and bagasse casseroles.

d) The sorting and recycling of packaging

The sorting and recycling of packaging is being gradually rolled out on board. In 2024, Air France recycled approximately 72 tons of plastic bottles, cartons and cans (30 tons in 2023) and approximately 675 tons of glass bottles (585 tons in 2023).

e) Products and services

The comfort kits offered in the La Première, Business, and Premium Eco cabins are made from recycled materials, the contents are made from bio-sourced materials, and the packaging has been removed. For babies, the comforters are made from recycled velvet and come in a 100% FSC kraft box. On departure from Paris, water bottles are made from recycled and recyclable PET (La Première, Business, and Premium). As of December 1, 2023, Air France will recycle all paper menus in La Première and Business cabins on all its flights to Paris.

Air France regularly informs its customers about the actions taken to reduce its environmental impact and raises awareness of the actions we can take together: easier access to combined train and plane travel, support for our investments in SAF reduction in the weight of baggage on board, etc.

KLM's improvements on board

KLM is constantly working on improvements for the future, and small changes can also contribute to achieving this goal.

KLM is thus making small changes to its onboard experience, for example, by reducing the weight of onboard items, making conscious meal choices, and recycling as much as possible. The airline is also reducing its emissions by decreasing the weight of seats, trolleys, and other items loaded on board.

Air France, member of the *Union des marques* and participant in the "FAIRe" program

Air France joined the "FAIRe" program in February 2021. FAIRe, focused on more responsible communication actions, is a voluntary commitment program created by the Union des marques in 2018. This program is structured around five pillars, which go beyond compliance with regulations and ethical rules. Its objective is to support brand teams by giving them the right tools to go further in their responsible marketing and communication approach. Since joining this program, Air France has continuously integrated environmental and societal issues into its communications. As a signatory of the program, Air France has adhered to an approach covering 15 mandatory commitments, supplemented today by 10 bonus commitments. The mandatory commitments specifically include three aspects of self-regulation in its marketing communications (advertising), which concern the content, the broadcast environment, and the limitation of the environmental impact of its advertising production. As part of this approach, Air France has repeatedly implemented measures such as:

- a) the elimination of gender or ethnic stereotypes, the incentive to avoid excessive consumption patterns, and the promotion of alternative transport (train + air);
- b) the eco-socio-design of communication media, which has made it possible to obtain certifications (such as EcoVadis Gold); to control carbon emissions by managing filming projects with a reduced team or with a limited duration, by committing to recycling set elements and/or donating styling elements to associations; and to select digital partners who are committed to their environmental responsibility.

The current cycle covers the 2024-2026 period. Beyond these concrete actions, Air France integrates the awareness message "Let's act for a more responsible journey" into all its communications with its customers, all markets combined, when the size of the broadcast media allows it. Its objective is to give consumers clear and educational information on its commitments (SAF; new, less polluting aircraft; eco-piloting; etc.). All these commitments are available on airfranceact.airfrance.com.

New Air France and KLM Air&Rail Terminal inaugurated at Brussels-Midi/Zuid

In 2024, the fully refurbished Air&Rail Terminal of Air France and KLM was opened. The lounge is located at the Brussels-Midi/Zuid train station and offers new spaces in an elegant atmosphere. Air France and KLM are continuing to invest in their Air&Rail offer between Belgium, France, and the Netherlands, having offered over 4,500,000 seats on 93,000 high-speed trains since the introduction of the service in March 2001.

For over 20 years, Air France and KLM have provided their customers to and from Belgium with a fully integrated service, allowing them to combine train and air travel in the same booking. With the Air&Rail offer, customers have one single booking for their entire journey, and a guaranteed seat on the next available flight or train if their flight or train is delayed. Dedicated teams assist customers in stations.

Members of Flying Blue, the loyalty program of Air France and KLM, enjoy all the benefits associated with their status, including accumulation of Miles, priority access to check-in counters thanks to the SkyPriority service, access to the Eurostar Lounge at Brussels-Midi/Zuid train station, additional baggage allowance, and free access to seat options on board their flight. Air France customers connecting in Paris-Charles de Gaulle also benefit from the through check-in of their baggage from Brussels-Midi/Zuid train station to their destination. KLM customers benefit from SkyPriority at Amsterdam-Schiphol Airport, giving them priority at check-in, boarding, and baggage handling, as well as priority lanes at security and immigration.

Since 2022, KLM customers transferring in Amsterdam-Schiphol Airport have been able to check in online as early as 30 hours before departure for their entire journey. This includes train travel on Eurostar. This is a time saver with a last check-in time of up to 30 minutes before departure. Air France customers travel in 1st class on board TGV INOUI. KLM customers traveling in Business Class travel in Premium on Eurostar trains.

KLM deploys artificial intelligence to combat food waste

KLM is wasting less food on board aircraft thanks to artificial intelligence. AI programs enable the company to better predict how many passengers who have booked will actually board a flight. Depending on the class, between 3% and 5% of booked passengers do not show up (on time) for the flight. This allows the exact number of required meals to be calculated, and KLM achieves up to 63% less food waste based on the expected number of passengers per flight. On an annual basis, this amounts to savings of more than 100,000 kg of meals.

The latest AI model (TRAYS) is the first model specifically developed for KLM's catering activities. The AI model predicts the number of passengers on board based on historical data. The Meals On Board System (MOBS) receives the expected passenger numbers per flight with separate forecasts for Business, Premium Comfort, and Economy classes. The prediction using the AI model starts 17 days before departure and continues until 20 minutes before the flight departs. This means the most accurate possible number of passengers is predicted for the entire catering process from purchasing to loading, thus preventing a surplus of meals.

The AI model TRAYS was launched by Kickstart AI. The initiative assembled talent from leading companies, including KLM, bol, Ahold Delhaize, NS, and ING, to work on the development of this model.

A three-month analysis shows that 63% less food is wasted compared to catering for every booked passenger. The largest improvement can be seen on intercontinental KLM flights from Schiphol, where 2.5 fewer meals (1.3 kg)

need to be thrown away per flight. On an annual basis, this amounts to savings of 111,000 kg in meals across all KLM flights that are catered from Schiphol.

KLM is also working on the application of artificial intelligence in other parts of its business operations. For instance, AI also helps customers by giving personalized travel tips after they book a flight.

1.5.4 Air France celebrated the Paris 2024 Olympic and Paralympic Games

On July 20, 2023, Air France announced the signing of a partnership agreement with the Paris 2024⁽¹⁾ Organizing Committee for the Olympic and Paralympic Games (COJOP), becoming an official partner of the 33rd modern-day Olympics. The airline reiterated its support for the organization of this major sporting event, after having been a partner of the Paris 2024 bid since 2016. This partnership has allowed Air France to offer the best of France to its customers and to promote the brand around the world.

In 2024, France hosted the Paris 2024 Olympic and Paralympic Games, the largest event in the world, a symbol of openness, diversity, and universality. As an official partner and leading accredited air carrier, Air France worked throughout the year to welcome athletes, sports delegations, media, and supporters from around the world, paying particular attention to people with disabilities. The Company also ensured the transport of Olympic equipment and materials on board its aircraft and those of partner airlines.

Air France distinguished itself through its know-how, the quality of its services, and the exceptional arrangements put in place for the occasion. The commitment and expertise of Air France staff helped make the Paris 2024 Olympic and Paralympic Games an unforgettable moment and a true international success, demonstrating once again the Company's essential role in travel and hospitality on a global scale. Air France made an impression with an innovative and original advertising campaign, proudly celebrating the arrival of representatives from all nations in France.

The Company imagined a creative concept "in all elegance" to convey the values of the Air France brand. It was an invitation to discover the journey with Air France and to live a unique experience in a setting recreating the elegant universe of its Business cabin. Throughout this festive period, Air France celebrated the Paris 2024 Olympic and Paralympic Games alongside its customers, its employees, and the general public through various events and marketing operations.

Air France exhibits at the Palais de Tokyo (Paris) during the Paris 2024 Olympic Games

From July 27 to August 11, 2024, Air France took up residence at the Palais de Tokyo, a famous Parisian cultural institution located in the heart of Paris, close to the venues hosting numerous sporting events, such as the Grand Palais Éphémère, the Eiffel Tower, and the Esplanade des Invalides.

The Company transformed the site into an immersive, interactive 850 m² space dedicated to the world of Air France, with a free exhibition open to all. It was a unique opportunity for visitors from all over the world to immerse themselves in the Company's universe through an exhibition combining travel, gastronomy, and art, and to discover its travel experience. The entrance to the iconic red dress featured in the Air France brand film "*S'envoler en toute élégance*," with its infinite train, was transformed into an unmissable place for souvenir photos and contact with the Air France brand.

The Air France experiential space

The Air France pop-up restaurant

To experience "Like in an airplane," Air France opened the doors of its restaurant at the Palais de Tokyo throughout the Paris 2024 Olympic Games, recreating the elegant world of its airport lounges to introduce guests to the exceptional menus served on board its long-haul Business cabin, an exceptional culinary journey featuring recipes from the biggest names in French gastronomy. On the menu were the contemporary cuisine of Arnaud Lallement, a three-star French chef, and desserts by chef Nina Métayer, voted "best pastry chef in the world 2023." To the delight of customers, the menus offered during the games varied in July and August. With 80 seats, the Air France restaurant offered everyone a unique gastronomic experience and access to a private terrace with a breathtaking view of the Eiffel Tower. The proposed menu included a champagne welcome, an appetizer, a starter, a main course, a cheese selection, a dessert, and a selection of wines and champagne, complemented by a wide selection of alcoholic and non-alcoholic beverages. Each "French-style" meal was served with the tableware specially created for Air France by designer Jean-Marie Massaud, in an aerial setting incorporating the Company's Business meal tray. The "Like in an airplane" lunch concept, in the Air France colors, was a great success with a 100% occupancy rate.

The Business cabin travel experience

Visitors were able to discover the comfort and elegance of Air France's latest long-haul Business cabin, settle into the seats (model), equipped with a new sliding door for greater privacy, test the many features, and learn about the entire Business offering, particularly in terms of gastronomy and entertainment. These new Business cabins are now available on 12 Boeing 777-300ERs and on a selection of Airbus A350s.

⁽¹⁾ The Olympic Games were held from July 26 to August 10 and the Paralympic Games from August 28 to September 8, 2024.

Cockpit immersion

Air France offered visitors a unique immersive experience on board an Airbus A350 cockpit through a fun virtual reality experience.

Air France Act

Through an educational tour, the public was able to learn about the Company's commitments to sustainable development to understand how it is working to decarbonize its activities, in particular through the increased use of more SAF, the renewal of its fleet, the development of eco-piloting practices, and intermodality.

Air France Shopping

For the occasion, an Air France Shopping boutique presented the new collection of Air France branded items, including a range of items dedicated to Paris 2024, under Air France's "Welcome to all fans" advertising campaign created to proudly welcome representatives of all nations to Paris and France. Air France also offered a pair of new "before, I was an Air France plane seat" sneakers – sold in a limited edition exclusively available at the Palais de Tokyo – in the Company's colors. These sneakers were made from new fabrics, initially intended for the renewal of the seat covers of the Airbus A380 operated by Air France until 2020. Air France has partnered with Weturn, the French leader in textile recycling, and Lynx Studios, a specialist in circular and sustainable fashion, for this original creation

Air France present at SPOT24 (Paris) during the Paris 2024 Paralympic Games

During the Paralympic Games period, Air France also held a stand in the heart of the capital, at SPOT24, the reception center of "Paris je t'aime," the capital's tourist office located at the foot of the Eiffel Tower. Visitors were able to test the comfort of Air France's latest Business seat (model) and talk to staff about Air France products and services. The company took advantage of this space to promote SAPHIR, its free assistance service for customers with disabilities and reduced mobility. On September 4, Air France welcomed nearly 40 representatives of companies from the sheltered and adapted sector to SPOT 24, in the presence of Anne Rigail, CEO of Air France, who was able to thank the directors of ESAT as well as the heads of associations (Goéland, Agefiph) who work for the employment of people with disabilities.

Air France unveils its advertising campaign for the Paris 2024 Olympic and Paralympic Games

Under the inspiring slogans "Proud to welcome the whole world" and "Welcome to supporters from all over the world!" Air France has created a warm and inclusive welcoming atmosphere, reflecting the values of openness and sharing of the Olympic and Paralympic Games. The Company honored a young woman made up in the colors of France, accompanied by a welcome message carried by the 39,000 Air France employees: "Proud to welcome the whole world." The unique makeup that enhanced her gaze was by Carole Lasnier, a famous French makeup artist who works with the biggest names in fashion. More than four hours of work were needed to bring this revisited version of the tricolor flag to life, represented on the occasion in a drape with an aerial movement. The portrait was captured by the talented French photographer Olivier Rose, known for his attention to detail. Through this feminine face, it is France and Air France that the Company wanted to embody. A nod to the allegories of Marianne and the Republic, this young woman welcomed the world and visitors at each stage of their journey, addressing them in French and English, as well as in their own language, with catchphrases translated into Chinese, Japanese, Brazilian Portuguese, Spanish, and Italian. The goal: to be the first contact for visitors upon their arrival in the French capital, and to follow them during the festivities. This campaign was visible upon arrival at the airport, with monumental displays in the passenger terminals of Paris-Charles de Gaulle and Paris-Orly, in the airline's lounges in France, and on display near the competition venues, in Paris and in the main cities hosting sporting events such as Marseille, Lyon, and Nantes. This visual also adorned the main façade of the Air France headquarters at Paris-Charles de Gaulle airport (France) during the Summer, with an event banner of over 1,000 m² visible from road accesses, passenger terminals, and directly from taxiing aircraft. This campaign was rolled out in the press and on the Internet, with a focus on editions dedicated to the highlights of the Olympic Games and international publications intended for visitors, such as the English-language guide "Special Olympic Games," published by *L'Équipe*. Social media capsules were created to enrich the system and promote its virality. Created by the Air France marketing agency, this campaign was also deployed internally, among employees, at the Company's various sites.

Air France doubles its customers' voluntary contributions to the purchase of SAF during the period of the Paris 2024 Olympic and Paralympic Games

As an official partner of the Paris 2024 Olympic and Paralympic Games, Air France announced in March 2024 that it would exceptionally double the amount of each subscription by its customers to the "Environment-SAF" option during the period of the Paris 2024 Games. This doubling automatically applied to any booking for a trip made between July 18 and September 9, 2024, to mainland France and French Polynesia. Since 2022, the "Environment-SAF" option has been available during purchase of an Air France flight ticket on the airfrance.fr website or via the Air France app. All funds raised are fully invested in the purchase of SAF.

The Air France Airbus A350 named *Paris*

On July 18, 2024, Air France named its Airbus A350 *Paris*, embodying the influence of the French capital, host of the Paris 2024 Olympic and Paralympic Games, of which Air France was an official partner. Fresh off the assembly line in Toulouse, this latest-generation aircraft, registered F-HUVJ, displays the name of the capital and the official logo of the Paris 2024 Olympic and Paralympic Games on the front of its fuselage. In 2019, the Company decided to renew the tradition of naming its aircraft after French cities, a way for the company to promote France throughout the world. *Paris* thus follows *Lyon*, *Saint-Denis de La Réunion*, and *Grasse*, which already adorn other aircraft currently in service. By naming this aircraft *Paris*, Air France pays tribute to the French capital, which is both its main base and its first destination. In January 2025, 162 French cities will be honored in the Air France fleet.

1.5.5 Air France and KLM recognized and rewarded

Air France is number one in customer relations in the "transport" sector

On April 2, 2024, during the awards ceremony for the 21st edition of the *Podium de la Relation Client*[®], Air France was once again a winner in the "Transport" sector for the ninth consecutive year. The Company continues to stand out, particularly thanks to its relationship with its customers and its ability to generate positive emotions, contributing to a high-quality travel experience.

Air France thus sees its results confirmed. Of its customers surveyed, 91% say they feel that the Company's teams enjoy serving them. In addition, 87% of them feel that Air France is a company committed to supporting them regardless of their situation. This first place is also the result of consistency between promise and customer experience, as 91% of customers say they know what to expect in terms of offers and services. For each organization, respondents are asked to comment on 15 structuring criteria of Customer Relations. These criteria are examined from three angles: execution, connection, and emotion.

The survey was conducted by BearingPoint and Kantar in December 2023 among customers and users of companies and administrations, from a representative sample of 4,000 people.

Air France wins the 2024 Skytrax World Airline Awards

On June 24, 2024, at the Skytrax World Airline Awards ceremony held in London (United Kingdom), Air France was awarded three first prizes recognizing the excellence of its product and service offering. For the fourth consecutive year, Air France was voted best airline for the Western Europe region. The Company also won first place in two categories related to its La Première offer: best gastronomic offer in a first class lounge and best on-board catering in this travel cabin. Thanks to its La Première offer, Air France offers a unique and tailor-made travel experience to customers who are sensitive to the smallest details.

Air France once again five-star certified in the APEX ranking of the best airlines

On October 30, 2024, during the APEX/IFSA Global Expo 2024 ceremony held in Long Beach (United States), Air France was named a "five-star airline" for the third consecutive year. This ranking of the best airlines is produced each year by APEX (Airline Passenger Experience Association), a world-renowned research and evaluation organization in the field of customer travel experience. It is based on the evaluation of more than one million flights rated by passengers from more than 600 airlines around the world, with ratings ranging from one to five stars. For this new edition, the evaluation criteria were even more demanding, limiting access to the five-star category to the 40 best airlines in the world, or less than 7% of the companies evaluated overall. This distinction is further proof of the excellent travel experience that Air France offers its customers in all its cabins. From the attention paid to each person to the comfort of the seat, to the rich and varied catering offer and the quality of the entertainment programs, everything is designed to make each trip a memorable experience.

Air France ranked 16th "Most Valuable Brand" among airlines according to Brand Finance

Each year, Brand Finance, a brand valuation consulting firm, puts 5,000 of the biggest brands to the test and publishes more than 100 reports, ranking brands in all sectors and all countries. In the 2024 Brand Finance report, the Air France brand shows a nice progression of three places compared to 2023, with 16th place worldwide and third place in Europe for the valuation of its brand.

Air France awarded for the excellence of its La Première journey at Paris-Charles de Gaulle

On December 4, 2024, during the 19th edition of the *Grand Prix Stratégies du Luxe*, Air France received the Gold award in the "Commercial Architecture" category for its new La Première journey. In July 2024, Air France inaugurated an exceptional journey at Paris-Charles de Gaulle for its La Première customers, including a completely private and confidential path. The first step of this journey is a new 570 m² vestibule, elegant and refined, whose interior architecture was custom-designed by Air France and SGK Brandimage. Customers then access the La Première lounge, an exclusive space of 1,000 m² and can book, as an option, one of the new adjoining suites, created in harmony with the vestibule. Each suite, measuring nearly 45 m², includes a large living room, a bedroom with a double bed, a shower room, and an outdoor patio, combining absolute comfort and careful decoration. In terms of furniture, Air France has selected iconic pieces of French design, such as Charlotte Perriand's signature table, Pierre Paulin's Ribbon armchair, and

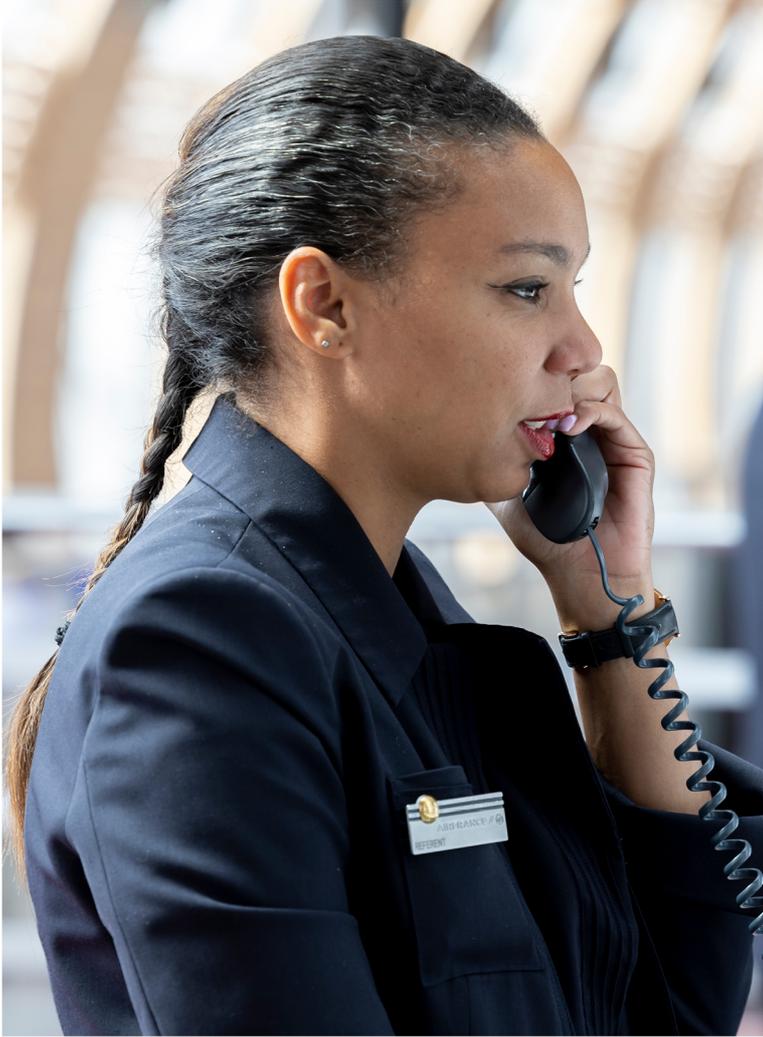
Philippe Starck's Privé sofa. Each suite is also decorated with a work of art by a French artist.

With the *Grand Prix du Luxe*, the *Stratégies* media promotes the know-how, creativity, and originality of luxury brands.

KLM wins the APEX World Class Award

For the fourth consecutive year, KLM has again won the APEX World Class Award. This special recognition is granted by customers and the industry for achievements in customer experience, sustainability, and safety. The prestigious award is presented annually by the international Airline Passenger Experience Association (APEX), which evaluates passenger experiences. Winners are chosen based on worldwide audits and consumer reviews.

The World Class Award reflects performance in service, customer experiences, sustainability, and safety. KLM aims to shine in relation to all these aspects: at the airport, in its lounges and, of course, on board.



2.

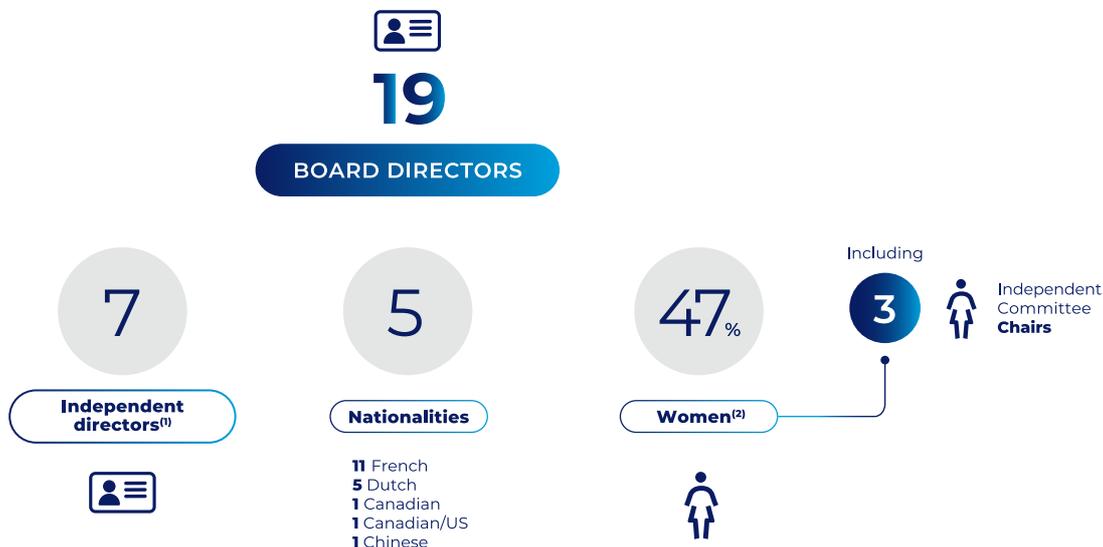
Corporate governance report

This section constitutes the corporate governance report foreseen in the final paragraph of Article L. 225-37 of the French Code of Commerce (Code de commerce) and includes the information referred to in Articles L. 22-10-8 to L. 22-10-11 of the Code of Commerce. Pursuant to the provisions of Article L. 225-37 of the Code of Commerce, a presentation on this report will be made to shareholders during the forthcoming Annual General Shareholders' Meeting on June 4, 2025.

2.1	Composition of the Board of Directors	76	2.5	Compensation of corporate officers	127
2.1.1	Composition of the Board of Directors at December 31, 2024	76	2.5.1	General principles	127
2.1.2	Presentation of the Board directors at December 31, 2024	81	2.5.2	Compensation of the Company officers in 2024	127
2.2	Organization and functioning of the Board of Directors	102	2.5.3	Compensation policy for the Company officers in respect of 2025	147
2.2.1	Functioning of the Board of Directors	102	2.6	Group management bodies: Group Executive Committee and CEO Committee	157
2.2.2	Separation of the functions of Chair of the Board of Directors and Chief Executive Officer	102	2.6.1	Group Executive Committee	157
2.2.3	Diversity policy applicable to the Board directors	104	2.6.2	CEO Committee	158
2.2.4	Independence of the Board directors	108	2.7	Share capital and shareholder structure	159
2.2.5	Other rules applicable to Board directors	111	2.7.1	Share capital	159
2.3	Activities and functioning of the Board of Directors and its Committees	117	2.7.2	Securities conferring entitlement to shares	165
2.3.1	Activities and functioning of the Board of Directors	117	2.7.3	Authorization to buy back Air France-KLM's own shares	167
2.3.2	Activities and functioning of the Committees	120	2.7.4	Partnerships with Air France-KLM	168
2.4	Summary table of the AFEP-MEDEF Code's comply or explain recommendations not applied	126	2.7.5	Air France-KLM shareholder structure	171
			2.7.6	A regular dialogue with individual shareholders and investors	173
			2.7.7	Legal and statutory investment thresholds	173
			2.7.8	Identification of shareholders and statutory provisions concerning shareholders	174
			2.7.9	Information on trading in the stock	175

2.1 COMPOSITION OF THE BOARD OF DIRECTORS

2.1.1 Composition of the Board of Directors at December 31, 2024



(1) At December 31, 2024, the percentage of independent directors stood at 47%. This situation is linked to the composition of the shareholder base following the latest transactions in the share capital (see section 2.2.4 “Independence of the Board directors” and section 2.4 “Summary table of the AFEP-MEDEF’s recommendations not applied”). Pursuant to the provisions of Article 10.3 of the AFEP-MEDEF Code, the Board directors representing the employee shareholders and the Board directors representing the employees are not taken into account for the calculation of this percentage.

(2) The Board directors representing the employees and the Board directors representing the employee shareholders, appointed pursuant to Articles L. 225-23 and L. 225-27-1 of the French Code of Commerce, are not taken into account for the gender parity calculation in accordance with the provisions of the aforementioned Articles.

The Board of Directors is composed of between three and eighteen members, excluding the Board directors representing the employee shareholders and the Board directors representing the employees. The Air France-KLM Board directors are appointed by the Ordinary General Shareholders’ Meeting with the exception of the Board director representing the French State (appointed by ministerial decree)⁽¹⁾ and the two Board directors representing the employees (appointed, depending on the case, by the *Comité de Groupe français* or the Air France-KLM European Works Council)⁽²⁾.

As proposed by the Appointments and Governance Committee, the Board of Directors submits, for approval by the Shareholders’ Meeting, the appointment, ratification of the co-optation and re-appointment of Board directors. The proposed appointments, co-optations and re-appointments of Board directors formulated by the Board of Directors comply with the legal and regulatory provisions (including, in particular, the rules on parity) and the recommendations formulated by the AFEP-MEDEF Code (including, in particular, the rules on the independence of the Board directors)⁽³⁾.

Pursuant to Article 8.2 of the Internal Rules of the Board of Directors referring to the provisions of the agreements signed on October 16, 2003 (Framework Agreement) within the framework of the business combination between Air France and KLM, the Appointments and Governance Committee submits to the Board of Directors proposals regarding:

- the appointment as a Board director of the Chair of the KLM Supervisory Board;
- the appointment or re-appointment as Board directors of two high-profile individuals residing in the Netherlands, chosen after consultation and on the recommendation of the KLM Supervisory Board; and
- the appointment or re-appointment as a Board director of a high-profile individual residing in the Netherlands, chosen after consultation and on the recommendation of the Dutch State.

⁽¹⁾ Pursuant to Article 4 of Ordinance No. 2014-948 of August 20, 2014 relating to governance and to transactions involving the share capital of State-owned companies and Article 2 of the decree-law No. 2014-949 of August 20, 2014 in application of Ordinance No. 2014-948.

⁽²⁾ Board directors appointed pursuant to Articles L. 225-27-1 and L. 22-10-7 of the Code of Commerce, in accordance with the modalities foreseen by Article 17-3 of Air France-KLM’s Articles of Incorporation.

⁽³⁾ Article 10.3 of the AFEP-MEDEF Code notably provides that half the members of the Board of Directors must be independent directors (see section 2.2.4 “Independence of the Board directors”).

In addition, two Board directors are appointed by the Shareholders' Meeting as proposed by the French State, in application of Ordinance No. 2014-948 of August 20, 2014.

Pursuant to the stipulations of the Subscription Agreements signed on July 27, 2017 (outlined in section 2.7.4 "Partnerships with Air France-KLM") since October 2017 Delta Air Lines, Inc. and China Eastern Airlines have each had one representative on the Company's Board of Directors⁽¹⁾.

Furthermore, pursuant to Articles L. 225-23 and L. 22-10-5 of the *Code de commerce* (French Code of Commerce), L. 6411-9 of the *Code des transports* (French Code of Transport) and Article 17-2 of the Air France-KLM Articles of Incorporation, two Board directors representing the employee and former employee shareholders are appointed by the Shareholders' Meeting as proposed by the employee (and former employee) shareholders referred to in Article L. 225-102 of the *Code de commerce*:

- one representative belonging to the Flight Deck Crew category of staff; and
- one representative belonging to the Other Employee category of staff.

The employee and former employee shareholders are invited to select their candidates for each of the two colleges (Flight Deck Crew and Other Employees), with the appointments taking place based on a majority vote in two rounds of balloting. The candidate having obtained the absolute majority of the votes cast in each college, in either the first or second round, is then proposed to the Shareholders' Meeting⁽²⁾.

Lastly, as the Air France-KLM Board of Directors is composed of more than eight Board directors, there are two directors representing the employees on the Board of Directors, pursuant to Articles L. 225-27-1 and L. 22-10-7 of the *Code de commerce*⁽³⁾.

Pursuant to Article 17-3 of the Air France-KLM Articles of Incorporation, the first Board director representing the employees is appointed by the *Comité de Groupe français* as stipulated in Article L. 2331-1 of the *Code du travail* (French Employment Code), while the second is appointed by the European Works Council of Air France-KLM. Each Board director representing the employees is appointed for a two-year term of office, expiring at the end of the Annual General Shareholders' Meeting taking place during the year in which their mandates expire⁽⁴⁾.

Pursuant to the corporate governance principles as stipulated by the AFEP-MEDEF Corporate Governance Code and to Article 18 of the Air France-KLM Articles of Incorporation, Board directors are elected to four-year terms⁽⁵⁾. Exceptionally, a term may be one, two or three years to enable the phased renewal of the mandates.

⁽¹⁾ Delta Air Lines, Inc. is a Board director of Air France-KLM with Mr. Alain Bellemare as its permanent representative. Mr. Jian Wang is a Board director appointed by the Shareholders' Meeting, as proposed by China Eastern Airlines.

⁽²⁾ The Shareholders' Meeting of May 24, 2022 renewed the term of office of François Robardet and appointed Michel Delli-Zotti as director representing employee and former employee shareholders. After Mr. François Robardet stepped down as a Board director representing the employee shareholders effective July 27, 2023, Mr. Nicolas Foretz, deputy to Mr. François Robardet, was appointed as the latter's replacement for the remainder of his predecessor's term of office, i.e., until the end of the 2026 Shareholders' Meeting convened to approve the financial statements for the financial year ending December 31, 2025.

⁽³⁾ On April 7, 2023, Mr. Didier Dague, a negotiator within Air France, was appointed by the Comité de Groupe français as the first Board director representing the employees and also assumed his functions on April 7, 2023. On October 5, 2021, Mr. Terence Tilgenkamp, Chief Purser at KLM Flight Operations, was appointed by the European Works Council as the second Board director representing the employees. He took up his functions on December 3, 2021.

⁽⁴⁾ The mandates of Mr. Dague and Mr. Tilgenkamp will expire at the end of the 2025 Annual Shareholders' Meeting convened to approve the financial statements for the financial year ending December 31, 2024.

⁽⁵⁾ With the exception of the Board directors representing the employees, whose term of office is two years pursuant to Article 17-3 of the Air France-KLM Articles of Incorporation.

Composition of the Board of Directors at December 31, 2024

Board directors	Personal information			
	Gender	Nationality	Age	Number of shares
BOARD DIRECTORS APPOINTED BY THE SHAREHOLDERS' MEETING				
◉ Anne-Marie Couderc	Female	French	74	400
Benjamin Smith	Male	Canadian	53	73,331
◉ Gwenaëlle Avice-Huet	Female	French	45	350
◉ Leni M.T. Boeren	Female	Dutch	61	1,600
◉ Isabelle Bouillot	Female	French	75	102
Delta Air Lines, Inc. (represented by Alain Bellemare)		US		7,340,118
Wiebe Draijer	Male	Dutch	59	110
Dirk Jan van den Berg	Male	Dutch	71	400
◉ Anne-Marie Idrac	Female	French	73	100
◉ Florence Parly	Female	French	61	110
Jian Wang	Male	Chinese	51	800
◉ Alexander R. Wynaendts	Male	Dutch	63	100
BOARD DIRECTORS APPOINTED BY THE SHAREHOLDERS' MEETING AS PROPOSED BY THE STATE				
Yann Leriche	Male	French	51	N/A
Pascal Bouchiat	Male	French	64	N/A
BOARD DIRECTORS ELECTED BY THE SHAREHOLDERS' MEETING REPRESENTING THE EMPLOYEE SHAREHOLDERS				
Nicolas Foretz	Male	French	45	319
Michel Delli-Zotti	Male	French	61	777
BOARD DIRECTOR REPRESENTING THE STATE APPOINTED BY MINISTERIAL DECREE				
Céline Fornaro	Female	French	48	N/A
BOARD DIRECTOR REPRESENTING THE EMPLOYEES APPOINTED BY THE COMITÉ DE GROUPE FRANÇAIS				
Didier Dague	Male	French	65	N/A
BOARD DIRECTOR REPRESENTING THE EMPLOYEES APPOINTED BY THE EUROPEAN WORKS COUNCIL				
Terence Tilgenkamp	Male	Dutch	41	N/A

◉ Independent Board directors.

Experience		Position within the Board			Participation in Committees		
Directorships in listed companies	Date appointed	Expiry of term of office	Board experience	Audit Committee	Remuneration Committee	Appointments & Governance Committee	Sustainable Development & Compliance Committee
3	19/05/2016	2025 AGM	8 years			▲ (Chair)	
1	05/12/2018	2027 AGM	6 years				
2	26/05/2021	2025 AGM	3 years	▲	▲		
1	16/05/2017	2025 AGM	7 years	▲			▲
1	16/05/2013	2025 AGM	11 years	▲ (Chair)	▲		
2	03/10/2017	2025 AGM	7 years		▲		
1	05/06/2024	2028 AGM	6 months				▲
1	26/05/2020	2028 AGM	4 years				▲
1	02/11/2017	2025 AGM	7 years				▲ (Chair)
3	07/12/2023	2026 AGM	1 year	▲			
2	30/07/2019	2025 AGM	5 years				▲
2	19/05/2016	2028 AGM	8 years		▲ (Chair)	▲	
2	07/06/2023	2027 AGM	1 year				
2	03/10/2022	2027 AGM	2 years				▲
1	27/07/2023	2026 AGM	1 year	▲			
1	24/05/2022	2026 AGM	2 years	▲			
4	09/10/2023	2027 AGM	1 year	▲	▲	▲	
1	07/04/2023	2025 AGM	1 year				▲
1	03/12/2021	2025 AGM	3 years		▲		

Changes in the composition of the Board of Directors during the 2024 financial year

	Departure	Appointment	Re-appointment	Ratification of co-optation(s)
Board of Directors	CMA CGM March 31, 2024	Wiebe Draijer⁽¹⁾ June 5, 2024	Anne-Marie Couderc⁽²⁾ June 5, 2024	Florence Parly June 5, 2024
	Cees 't Hart June 5, 2024		Alexander Wynaendts⁽³⁾ June 5, 2024	
			Dirk Jan van den Berg⁽⁴⁾ June 5, 2024	
Audit Committee	N/A	Florence Parly April 29, 2024	N/A	N/A
Remuneration Committee	N/A	N/A	N/A	N/A
Appointments & Governance Committee	N/A	N/A	N/A	N/A
Sustainable Development & Compliance Committee	N/A	Wiebe Draijer November 6, 2024	N/A	N/A

(1) Mr. Wiebe Draijer, Chair of the Supervisory Board of KLM, was appointed as a Board director by the Shareholders' Meeting of June 5, 2024 for a four-year term, i.e., until the end of the Shareholders' Meeting convened to approve the financial statements for the financial year ending December 31, 2027. He replaced Mr. Cees 't Hart whose term as a Board director expired at the end of the Shareholders' Meeting of June 5, 2024.

(2) Ms. Anne-Marie Couderc was re-appointed as a Board director by the Shareholders' Meeting of June 5, 2024 for a one-year term of office, i.e., until the end of the Shareholders' Meeting convened to approve the financial statements for the financial year ending December 31, 2024.

(3) Mr. Alexander Wynaendts was re-appointed as a Board director by the Shareholders' Meeting of June 5, 2024 for a four-year term of office, i.e., until the end of the Shareholders' Meeting convened to approve the financial statements for the financial year ending December 31, 2027.

(4) Mr. Dirk Jan van den Berg was re-appointed as a Board director by the Shareholders' Meeting of June 5, 2024 for a four-year term of office, i.e., until the end of the Shareholders' Meeting convened to approve the financial statements for the financial year ending December 31, 2027.

2.1.2 Presentation of the Board directors at December 31, 2024

Board directors appointed by the Shareholders' Meeting



Anne-Marie Couderc

Chair of the Board of Directors
Independent Board director
Chair of the Appointments and Governance Committee

Age: 74 years

Nationality: French

First appointed as a Board director
May 19, 2016

Current term expires on
2025 Shareholders' Meeting

Number of shares held in the Company's stock
400

Professional address

Air France-KLM
7, rue du Cirque
75008 Paris

OTHER DIRECTORSHIPS AND OFFICES

FRENCH COMPANIES

- Board director of Ramsay Générale de Santé⁽¹⁾ since 2014, Chair of the Appointments and Remuneration Committee. Member of the Audit Committee and of the Risks Committee;
- Board director of Transdev since 2012, Chair of the ESG Committee and member of the Audit Committee of Transdev;
- Board director of Plastic Omnium⁽¹⁾ since 2010, Chair of the Appointments and Sustainability Committee and member of the Remuneration Committee;
- Board director of the Veolia Foundation;
- Member of the ESEC Council since 2015;
- Member of the HCGE Committee since 2024.

DIRECTORSHIPS AND OFFICES HELD IN THE LAST FIVE YEARS AND HAVING EXPIRED

FRENCH COMPANIES

- Chair of the Société Air France^(G) Board of directors and Board director until 2024;
- Member of the AYMING Supervisory Board until 2021.

BIOGRAPHY

Expertise and professional experience

Born February 13, 1950, Anne-Marie Couderc is a graduate in private law and holds a French Professional Lawyer's Certificate (*certificat d'aptitude à la profession d'avocat*).

Ms. Couderc began her career in 1972 as a lawyer with the Paris Bar. From 1979 to 1995, she held various management positions within Hachette and Lagardère Group.

In parallel, Anne-Marie Couderc has pursued a political career: having been elected to the Paris Council in 1983, until 2001 she successively served as Advisor then Deputy to the Mayor of Paris between 1989 and 2001. Having been elected as a member of Parliament in 1993, she subsequently joined the government in 1995 where she was appointed Secretary of State to the Prime Minister, responsible for Employment, then Minister for Employment and Social Affairs, responsible for Employment, until 1997.

At the end of 1997, she was named Chief Executive Officer of Hachette Filipacchi Associés followed, from 2006 to 2010, by Secretary-General of Lagardère Active (press and audiovisual). From 2011 to 2017, she was Chair of Presstalis group (press distribution). Since June 30, 2017, Ms. Couderc has been a company director.

She has been Chair of the Air France-KLM Board of Directors since May 15, 2018.

(G) Company in the Air France-KLM Group.

(1) Listed company.



Benjamin Smith

Chief Executive Officer
Board director

Age: 53 years

Nationality: Canadian

First appointed as a Board director
December 5, 2018

Current term expires on
2027 Shareholders' Meeting

Number of shares held in the Company's stock
73,331

Professional address

Air France-KLM
7, rue du Cirque
75008 Paris

OTHER DIRECTORSHIPS AND OFFICES

FRENCH COMPANIES

- Chair of the Supervisory Board of Transavia France^(G) since July 16, 2024;
- Chair of the Board of Directors of Société Air France^(G) since July 8, 2024.

NON-FRENCH COMPANIES

- Member of the Board of Directors of WestJet Airlines Ltd since October 2021 and non-executive Vice Chair of the Board of Directors of WestJet Airlines Ltd. since September 2023;
- Member of the Supervisory Board of KLM^(G) since April 2019.

OTHERS

- Member of the International Air Transport Association's (IATA) Board of Governors since 2018.

DIRECTORSHIPS AND OFFICES HELD IN THE LAST FIVE YEARS AND HAVING EXPIRED

NON-FRENCH COMPANIES

- Chair of the Airlines for Europe Association (A4E) until March 2020.

BIOGRAPHY

Expertise and professional experience

Born August 27, 1971, Benjamin Smith is a reputed senior airline industry executive at international level, having spent twenty years at Air Canada where he was President Airlines and Chief Operating Officer.

In 1990, in parallel with his studies, he started out as a customer service agent at Air Ontario before taking an entrepreneurial path in 1992 when he set up his own retail corporate travel agency, which he ran successfully for eight years.

In 1999, he also simultaneously took on a consultancy role for Air Canada before finally joining the Group in 2002.

As of his 2002 arrival, Benjamin Smith fulfilled a number of high-ranking positions at Air Canada including Head of Network Planning before joining the executive management team as Executive Vice President and Chief Commercial Officer in 2007.

In 2014, he was appointed President Airlines (Air Canada, Rouge, Express, Cargo) and Chief Operating Officer of Air Canada with overall responsibility for commercial affairs, operations and customer relations for the Group. He was also responsible for Air Canada's commercial growth strategy.

On August 16, 2018, Benjamin Smith was appointed Chief Executive Officer of Air France-KLM. On December 5, 2018, he was appointed as a member of the Air France-KLM Board of Directors.

On March 31, 2022, the Air France-KLM Group renewed Benjamin Smith's mandate as Chief

(G) Company in the Air France-KLM Group.



Gwenaëlle Avice-Huet

Independent Board director

Member of the Audit Committee and of the Remuneration Committee

Age: 45 years

Nationality: French

First appointed as a Board director

May 26, 2021

Current term expires on

2025 Shareholders' Meeting

Number of shares held in the Company's stock

350

Professional address

Air France-KLM

7, rue du Cirque

75008 Paris

OTHER DIRECTORSHIPS AND OFFICES

FRENCH COMPANIES

- Executive Vice President, Europe Operations, of Schneider Electric⁽¹⁾ since September 4, 2023 and member of the Executive Committee;
- Member of the Board of Directors of the ANSA (*Association nationale des sociétés par actions*).

DIRECTORSHIPS AND OFFICES HELD IN THE LAST FIVE YEARS AND HAVING EXPIRED

FRENCH COMPANIES

- Chief Strategy & Sustainability Officer of Schneider Electric⁽¹⁾ until September 2023;
- SVP of Schneider Electric until April 2022;
- Deputy CEO of Engie North America until March 2021;
- CEO of Engie North America until March 2021;
- CEO of Engie France Renouvelables until January 2021;
- Member of the Board of Directors of the Hydrogen Council until March 2021;
- Member of the Board of Directors of the WindEurope association until March 2021;
- Member of the Board of Directors of the Franco-American Chamber of Commerce of Houston until March 2021.

BIOGRAPHY

Expertise and professional experience

Born on November 16, 1979, Ms. Avice-Huet is a graduate of the *École normale supérieure de Cachan* (*agrégation* in physics and chemistry), an engineer of the *Corps des ponts et chaussées* and a graduate of the *École Polytechnique* (DEA in molecular chemistry).

She began her career in 2006 with the Saint-Gobain group in the United States, as a project manager in the energy field, before working as an analyst at the World Bank in Washington D.C., where she co-published a book dedicated to urban infrastructure.

From 2007 to 2010, she started working in the administration, first at the General Secretariat for European Affairs (Prime Minister's department) and then as an advisor in various Ministerial cabinets where she notably took part in international climate negotiations.

In 2010, she joined the Engie Group (formerly GDF-Suez), where she held the position of Director of European and Regulatory Affairs and advised the Group's General Management until 2015. In 2016, she was appointed CEO of Engie France Renouvelables and contributed to the industrial transformation that was to position Engie as the leader in wind and solar energy in France.

As of 2019, she held the positions of Deputy Chief Executive Officer of the Engie Group in charge of renewable energies and CEO of Engie North America (Houston, USA). She is a member of the Engie Group Executive Committee.

In March 2021, she joined the Schneider Electric group (Boston, USA), where she was Head of Global Corporate Strategy for the group. On April 1, 2022, she was appointed Chief Strategy & Sustainability Officer of Schneider Electric⁽¹⁾ and a member of the Executive Committee. Since September 4, 2023 she has been Executive Vice-President, Europe Operations (Paris, France) of Schneider Electric⁽¹⁾.

Gwenaëlle Avice-Huet is a Young Global Leader of the World Economic Forum and a Knight of the National Order of Merit.

(1) Listed company.



Leni M.T. Boeren⁽¹⁾

Independent Board director
Member of the Audit Committee and of the Sustainable Development and Compliance Committee

Age: 61 years

Nationality: Dutch

First appointed as a Board director

May 16, 2017

Current term expires on

2025 Shareholders' Meeting

Number of shares held in the Company's stock

1,600

Professional address

Air France-KLM

7, rue du Cirque

75008 Paris

OTHER DIRECTORSHIPS AND OFFICES

NON-FRENCH COMPANIES

- Vice Chair of the Supervisory Board, member of the Audit Committee and member of the Remuneration Committee of Mollie B.V. and Mollie Holding B.V. (Netherlands) since 2023;
- Member of the AFM Capital Markets Committee (Dutch Financial Markets Authority, Netherlands) since January 2022;
- Member of the Supervisory Board, of the Audit Committee, of the Sustainability & Technology Committee and of the Remuneration & Nomination Committee of NIBC Holding N.V. and of NIBC Bank N.V. (Netherlands) since October 2021;
- Member of the Advisory Board of Keyser & Mackay (Netherlands) since September 2021;
- Chair of the Supervisory Board of Ohpen Expeditions B.V. (Netherlands) since March 2021;
- Board director of Stichting Administratiekantoor Koninklijke Brill (Netherlands) since 2020.

DIRECTORSHIPS AND OFFICES HELD IN THE LAST FIVE YEARS AND HAVING EXPIRED

NON-FRENCH COMPANIES

- Board director of Renovaro Biosciences, Inc.⁽²⁾ (USA) until June 2024;
- Member of the Supervisory Board of Tata Steel Nederland B.V. (Netherlands) until October 2023;
- Board director of FCLT Global (USA) until 2020;
- Chair of the Management Board of Kempen & Co N.V. (Netherlands), until 2020;
- Chair of the Board of Directors and CEO of Kempen Capital Management N.V. (Netherlands), until 2020;
- Member of the Executive Board of Van Lanschot, Kempen N.V.⁽²⁾ (Netherlands) until 2020.

BIOGRAPHY

Expertise and professional experience

Born December 23, 1963, Leni M.T. Boeren holds a Master's degree in Business Management from Erasmus University in Rotterdam (the Netherlands).

Ms. Boeren started her career in the financial sector at Paribas in 1983. She went on to work for Rabobank, where she held various positions through to 1992. She then moved to Robeco as head of the marketing and product management department from 1992 to 1997. She subsequently became a member of the Board of Directors of Amsterdam Exchanges followed, in 2000, by her appointment as a member of the Executive Committee of Euronext N.V.⁽²⁾ as a result of the merger of the Paris (ParisBourse), Brussels (Brussels Exchanges) and Amsterdam (Amsterdam Exchanges) stock exchanges.

In 2005 she joined the Robeco Group, an international asset management firm, where she was successively a member, Vice-Chair and Chair of the Management Board. She was also responsible for Robeco Group's subsidiaries and held several Board positions in the US and Switzerland until December 2016. She also served as a member and Chair of the Board of DUFAS, the Dutch Fund and Asset Management Association (2009-16) and as a member of the Board of FCLTGlobal (2019-2020).

Ms. Boeren has served as Chair and CEO of the Management Board of Kempen Capital Management N.V. and been a member of the Executive Board of Van Lanschot Kempen N.V.⁽²⁾ (from February 2018 until March 2020).

(1) Ms. Boeren was appointed by the Shareholders' Meeting as proposed by the KLM Supervisory Board pursuant to the agreements concluded on October 16, 2003 (Framework Agreement) within the framework of the business combination between Air France and KLM (see section 2.1.1 "Composition of the Board of Directors").

(2) Listed company.



Isabelle Bouillot

Independent Board director
Chair of the Audit Committee and member of the Remuneration Committee

Age: 75 years

Nationality: French

First appointed as a Board director

May 16, 2013

Current term expires on

2025 Shareholders' Meeting

Number of shares held in the Company's stock

102

Professional address

China Equity Links
12, impasse de Guittard
85100 Les Sables-d'Olonne

OTHER DIRECTORSHIPS AND OFFICES

FRENCH COMPANIES

- Member of the Supervisory Board of Gimar & Cie. since 2015;
- President of China Equity Links. since 2006;
- President of IB Finance since 2004.

NON-FRENCH COMPANIES

- Board director of Saint-Gobain China;
- President of CELPartners Ltd, Hong Kong;
- Board director of Yafei Dendistry Limited⁽¹⁾.

DIRECTORSHIPS AND OFFICES HELD IN THE LAST FIVE YEARS AND HAVING EXPIRED

N/A

BIOGRAPHY

Expertise and professional experience

Born May 5, 1949, Isabelle Bouillot holds an advanced degree in Public Law and is a graduate of the *Institut des études politiques de Paris* and of the *École nationale d'administration*.

Having occupied various positions in the French Public Administration, including Economic Advisor to the President of the Republic between 1989 and 1991 and Budget Director at the Ministry of Economy and Finance between 1991 and 1995, Ms. Bouillot was Deputy Chief Executive Officer in charge of the financial and banking activities at the Caisse des Dépôts et Consignations between 1995 and 2000, then Chair of the Management Board of the Investment Bank of the CDC IXIS Group from 2000 to 2003. Since 2006, Ms. Bouillot has been President of China Equity Links (SAS).

(1) Unlisted company registered outside France in which China Equity Links holds or held an equity interest.



Delta Air Lines, Inc.

Board director/Member of the Remuneration Committee

Incorporated in the State of Delaware (USA) with its registered office at Delta Bld, Atlanta, GA, USA 30354.

Nationality: US
First appointed as a Board director
October 3, 2017
Current term expires on
2025 Shareholders' Meeting

Number of shares held in the Company's stock
7,340,118
Professional address
1030 Delta Boulevard
Atlanta, GA, USA 30354



Alain Bellemare

Permanent representative of Delta Air Lines, Inc.

Member of the Remuneration Committee

Age: 63 years
Nationality: US and Canadian

Professional address
1030 Delta Boulevard
Atlanta, GA, USA 30354

OTHER DIRECTORSHIPS AND OFFICES

OTHER

- Executive Vice President and President-International of Delta Air Lines, Inc.⁽¹⁾ since January 2021;
- Member of the International Advisory Board of McGill University's Desautels Faculty of Management;
- Member of the Wings Club Foundation.

DIRECTORSHIPS AND OFFICES HELD IN THE LAST FIVE YEARS AND HAVING EXPIRED

NON-FRENCH COMPANIES

- Operating Executive of The Carlyle Group until January 2021;
- President-CEO and Board director of Bombardier Inc.⁽¹⁾ until March 2020.

BIOGRAPHY

Expertise and professional experience

Born June 14, 1961, Alain Bellemare is the permanent representative on Air France-KLM's Board of Directors of Delta Air Lines, Inc.⁽¹⁾, a corporation formed under the laws of the State of Delaware having its registered office at 1030 Delta Blvd. Atlanta, GA, USA 30354.

Alain Bellemare is a highly accomplished business executive with extensive experience in leading multi-billion dollar organizations across the aerospace, aviation, transportation, and industrial sectors. He has a proven track record of creating substantial value by developing innovative business strategies, leading large-scale operations, building enduring customer and partner relationships, and inspiring people to excel and perform. Throughout his career, he has successfully managed complex restructurings and transformations, game-changing mergers and acquisitions, and leading-edge engineering programs.

Since 2021, he has held the position of EVP and President -International at Delta Air Lines (\$55 billion in revenue in 2023), overseeing the \$17 billion international business. Central to Delta's international strategy, he leads a portfolio of global airline partners, through equity investments and joint ventures. He navigated the pandemic by working closely with the partners, supporting them through restructuring and refinancing processes, re-investing in equity, developing financial plans, restoring operations, and emerging with a stronger international network. Along with Delta's cross-divisional teams, he spearheads the development and execution of long-term growth strategies, expanding the international network, launching new alliances, optimizing profitability, deepening ties with partners, and delivering the best customer experience. Prior to joining Delta Air Lines, Mr. Bellemare served as President and Chief Executive Officer of Bombardier, a \$16 billion global aerospace and rail transport company. During his five-year tenure, he successfully led the company through a pivotal transformation.

He repositioned Bombardier as a focused and profitable business aircraft company by divesting non-core and underperforming assets, streamlining operations, and completing development of two new advanced aircraft: the C-Series (now the Airbus A220) and the Global 7500 business aircraft. Before joining Bombardier, Mr. Bellemare spent 18 years with United Technologies Corporation. From 2011 to 2015, he served as President and Chief Executive Officer of Pratt & Whitney & UTC Aerospace Systems, a \$30 billion business. His strategic decisions, including the acquisition and integration of Goodrich Corporation, significantly enhanced value through synergies and organic growth. Mr. Bellemare's tenure at UTC was also marked by the successful execution of multiple complex aerospace programs, including advanced aircraft systems for the Boeing 787, the Pratt & Whitney's Geared Turbofan (GTF) engine, and the F135 engine for the Lockheed Martin Joint Strike Fighter.

He also serves on various boards, including Air France-KLM SA, Virgin Atlantic Ltd, and Wheels Up, bringing valuable insights and leadership to these roles. Previously, he served as a senior advisor with the Carlyle Group, focused on the aerospace, defense and government services sectors.

Mr. Bellemare earned his bachelor's degree in mechanical engineering from the University of Sherbrooke, and an MBA from McGill University. He holds dual citizenship in the United States and Canada.

(1) Listed company.



Anne-Marie Idrac

Independent Board director
Chair of the Sustainable Development and Compliance Committee

Age: 73 years

Nationality: French

First appointed as a Board director
November 2, 2017

Current term expires on
2025 Shareholders' Meeting

Number of shares held in the Company's stock
100

Professional address
Air France-KLM
7, rue du Cirque
75008 Paris

OTHER DIRECTORSHIPS AND OFFICES

FRENCH COMPANIES

- Chair of the Board of Directors of SANEF since December 2023.

OTHER

- Board director of the Fondation Robert Schuman;
- Senior representative of the French government for the development of autonomous vehicles since October 2017;
- President of the France Logistics Association since January 2020;
- President of the Alliance for International Medical Action (ALIMA Foundation) since 2020.

DIRECTORSHIPS AND OFFICES HELD IN THE LAST FIVE YEARS AND HAVING EXPIRED

FRENCH COMPANIES

- Board director of TotalEnergies⁽¹⁾ until May 2024;
- Board director of Bouygues⁽¹⁾ until May 2021;
- Board director of Saint-Gobain⁽¹⁾ until May 2020.

BIOGRAPHY

Expertise and professional experience

Born July 27, 1951. Anne-Marie Idrac is a graduate of the *Institut d'études politiques*, the *École nationale d'administration* and the *Institut des hautes études de défense nationale*. Ms. Idrac has spent most of her career in the fields of the environment, housing, urban development and transport.

She was Chief Executive Officer at the Public Development Agency of Cergy-Pontoise, Director of Land Transportation at the Ministry of Equipment and Transport and subsequently Secretary of State for Transport. She occupied the positions of Chair and CEO of the RATP (Paris Public Transport Authority) from 2002 to 2006, and Chair and CEO of the SNCF (French State Railways) from 2006 to 2008. She was a member of Parliament from 1997 to 2002 and Secretary of State for Foreign Trade from 2008 to 2010.

Anne-Marie Idrac is a company director and consultant.

(1) Listed company.



Florence Parly

Independent Board director
Member of the Audit Committee

Age: 61 years

Nationality: French

First appointed as a Board director
December 7, 2023

Current term expires on
2026 Shareholders' Meeting

Number of shares held in the Company's stock
110

Professional address

Air France-KLM
7, rue du Cirque
75008 Paris

OTHER DIRECTORSHIPS AND OFFICES

FRENCH COMPANIES

- Board director of Ipsos⁽¹⁾ since May 15, 2023;
- Board director of Eutelsat Communications⁽¹⁾ since July 2023;
- Board director of Pierre Fabre S.A. since November 2023;
- Member of the Senior Advisory Committee of Jolt Capital since July 2023.

NON-FRENCH COMPANIES

- Board director of CIC Banque (SA) Switzerland since late November 2023;
- Board director of Newcleo since 2023.

OTHERS

- Chair of the Board of Directors of the *Conservatoire national des arts et métiers* since May 2, 2023;
- Board director and member of the International Institute for Strategic Studies, United Kingdom, since 2023.

DIRECTORSHIPS AND OFFICES HELD IN THE LAST FIVE YEARS AND HAVING EXPIRED

FRENCH COMPANIES

- Member of the Supervisory Board of the Caisse des Dépôts until February 28, 2024.

OTHERS

- Minister of the French Armed Forces until May 2022.

BIOGRAPHY

Expertise and professional experience

Born in Paris on May 8, 1963, Florence Parly is a graduate of *Sciences-Po* and ENA (Fernand Braudel alumnus).

In 1997, she joined the Prime Minister's cabinet as advisor on budgetary affairs. In 2000, she was appointed Secretary of State for the Budget, a position she held until 2002.

From 2003 to 2004, Florence Parly was a Project Manager at *Agence France Trésor*, then Chairman of the Executive Board of the *Agence régionale de développement de l'Île-de-France* until 2006.

In 2006, she joined the Air France-KLM Group, where she held the positions of Investment Strategy Director (2006-08), Executive Vice President, Cargo (2008-12) and Executive Vice President, Short-Haul (2013).

In 2014, Florence Parly joined SNCF as Deputy CEO before becoming CEO of SNCF Voyageurs in 2016.

In June 2017, Florence Parly was appointed Minister of the French Armed Forces, an office she held until May 2022.

(1) Listed company.



Wiebe Draijer

Board director

Member of the Sustainable Development and Compliance Committee

Age: 59 years

Nationality: Dutch

First appointed as a Board director

June 5, 2024

Current term expires on

2028 Shareholders' Meeting

Number of shares held in the Company's stock

110

Professional address

Nieuw-Loosdrechtsedijk 285

1231KW Loosdrecht

The Netherlands

OTHER DIRECTORSHIPS AND OFFICES

NON-FRENCH COMPANY

- Chair of the Supervisory Board of KLM^(G) since 2024.

OTHER

- Chair of the Supervisory Board of the Dutch Cancer Society (KWF);
- Member of the Royal Palace Committee of the Netherlands.

DIRECTORSHIPS AND OFFICES HELD IN THE LAST FIVE YEARS AND HAVING EXPIRED

NON-FRENCH COMPANY

- Chair of the Managing Board of Rabobank until September 2022.

OTHER

- Member of the Supervisory Board of the Dutch Forestry - Staatsbosbeheer until 2024;
- Co-Founder and Board member of NL2025 of the Netherlands until 2024;
- Member of the Executive Committee of the World Business Council for Sustainable Development (WBCSD) until 2022;
- Member of the Dutch Cyber Security Council (CSR) until 2022;
- Member of the Board of the Dutch Council for Cooperatives (NCR) until 2022;
- Member of the Board of the Dutch Banking Association until 2022.

BIOGRAPHY

Expertise and professional experience

Born on August 27, 1965, Wiebe Draijer is an experienced professional in both the public and private sectors, who holds an MBA from INSEAD Business School and a Master's in mechanical engineering from Delft University of Technology.

In 1989, he started his career as a consultant at McKinsey & Company before being appointed, in 2004, as Managing Partner for The Netherlands and for the Benelux countries, in 2006. On September 1, 2012, he was appointed as President of the Social and Economic Council of The Netherlands (SER). From October 2014 to September 2022, he served as Chairman of Rabobank's Managing Board.

Until 2022, he was a Member of the Dutch Cyber Security Council (CSR) and Board Member of the Dutch Banking Association. He currently sits on the Royal Palace Committee.

Wiebe Draijer is also Chair of the Supervisory Board of the Dutch Cancer Society (KWF) and formerly a Member of the Supervisory Board of Staatsbosbeheer ("State Forest Management"). He is the co-founder of NL2025, aiming to enhance the Netherlands. Wiebe Draijer is currently the Chair of the Supervisory Board of KLM.

(G) Company in the Air France-KLM Group.



Dirk Jan van den Berg

Board director appointed by the Shareholders' Meeting as proposed by the Dutch State

Member of the Sustainable Development and Compliance Committee

Age: 71 years

Nationality: Dutch

First appointed as a Board director

May 26, 2020

Current term expires on

2028 Shareholders' Meeting

Number of shares held in the Company's stock

400

Professional address

Zorgverzekeraars Nederland

Sparrenheuvel 16

3708 JE Zeist, The Netherlands

OTHER DIRECTORSHIPS AND OFFICES

NON-FRENCH COMPANIES

- Chair of the Dutch Association of Health Insurance Companies (Zorgverzekeraars Nederland) since 2020;
- Chair of the Supervisory Board of the National Science Organization in the Netherlands (NWO);
- Member of the General Governance Council of the Employer's Organization in the Netherlands (VNO-NCW);
- Chair (non-executive) of the Board of Directors of StrasQ B.V.;
- Chair of the Supervisory Board of the Dutch Entrepreneurial Development Bank (FMO).

DIRECTORSHIPS AND OFFICES HELD IN THE LAST FIVE YEARS AND HAVING EXPIRED

NON-FRENCH COMPANIES

- Member of the Academic Council for Technology and Innovation in the Netherlands (AcTI) until 2023;
- Vice Chair of the Supervisory Board of the N.V. Nederlandse Gasunie until 2023;
- President of the Atlantic Committee of the Netherlands until 2023;
- Chair of the Governing Board of the European Institute of Technology and Innovation until 2020;
- Member of the *Centrale Plancommissie* (CPC) until 2019;
- Member of the Advisory Committee on International Affairs to the Minister of Foreign Affairs, working Group on European Affairs, until 2019.

BIOGRAPHY

Expertise and professional experience

Born December 18, 1953. Dirk Jan van den Berg is a graduate of Groningen State University (Netherlands), the *École nationale d'administration* (Paris) and the *Academie voor Bank en Verzekeringen* (Amsterdam). He began his career as a Research Assistant in the Faculty of Economics (Groningen State University). He joined the Ministry of Economic Affairs (Netherlands) in 1980 where he was appointed Policy Advisor on macroeconomics before becoming the Head of the Medium Term Bureau of the Macro Economic Policy Directorate and Director Industrial Policy in the Directorate General for Industry at the Ministry of Economic Affairs from 1987 to 1989. During those two years, he was also Director of the "BOFEB" (Netherlands), a one-year professional training program for young economists aspiring for government jobs. In 1989 he was appointed as Deputy Director General for Foreign Economic Relations at the Ministry of Economic Affairs (Netherlands).

In 1992 he was appointed Deputy Director General for Industry at the Ministry of Economic Affairs and, from 1992 to 2001, he was appointed Secretary General of the Ministry of Foreign Affairs. From 2001 until 2005, he was the Permanent Representative of the Netherlands to the United Nations in New York. From 2005 to 2008, he was Ambassador of the Kingdom of the Netherlands to the People's Republic of China and Mongolia, before becoming President of the Executive Board of Delft University of Technology (Netherlands) in 2008. From 2015 until 2020, he was Chairman of the Executive Board of Sanquin Blood Supply. Since 2020, Mr. van den Berg has been President of the Association of Health Insurance Companies in the Netherlands (ZN, *Zorgverzekeraars Nederland*).



Jian Wang

Board director appointed as proposed by China Eastern Airlines
Member of the Sustainable Development and Compliance Committee

Age: 51 years

Nationality: Chinese

First appointed as a Board director

July 30, 2019

Current term expires on

2025 Shareholders' Meeting

Number of shares held in the Company's stock

800

Professional address

China Eastern Airlines

36 Hongxiangsan Road

Shanghai, 200335 P.R. China

OTHER DIRECTORSHIPS AND OFFICES

NON-FRENCH COMPANIES

- CEO of Sichuan Branch of China Eastern Airlines Corporation Limited^{(1)(G)}.

DIRECTORSHIPS AND OFFICES HELD IN THE LAST FIVE YEARS AND HAVING EXPIRED

NON-FRENCH COMPANIES

- Corporate Secretary of China Eastern Airlines Corporation Limited^(G);
- Director of the Board Office of China Eastern Air Holding Company Limited;
- Chair of Eastern Airlines Industry Investment Company Limited^(G);
- Board director of Eastern Air Logistics Corporation Limited^(G).

BIOGRAPHY

Expertise and professional experience

Born August 18 1973, Jian Wang graduated from Shanghai Jiao Tong University with a Bachelor degree in Engineering. He also holds an MBA from East China University of Science and Technology and an EMBA from Tsinghua University.

Jian Wang began his career in the aviation industry in 1995 and has extensive experience in corporate governance, strategic investment, capital operations and management. He has designed and facilitated a number of strategic projects within China Eastern.

In April 2012, Jian Wang was appointed Corporate Secretary of China Eastern Airlines⁽¹⁾, a subsidiary of China Eastern Air Holding Company Limited. Between November 2016 and February 2024, he was a Board director and President of Eastern Airlines Industry Investment Company Limited, a wholly-owned subsidiary of China Eastern Air Holding Company Limited. Since June 2017, Mr. Wang has also been Board director of Eastern Air Logistics Corporation Limited⁽¹⁾.

Jian Wang is currently the Chief Executive of the Sichuan Branch of China Eastern Airlines Corporation Limited⁽¹⁾.

(1) Listed company.

(G) Company in the China Eastern Air Holding Company Limited Group.



Alexander R. Wynaendts⁽¹⁾

Independent Board director
Chair of the Remuneration Committee and member of the Appointments and Governance Committee

Age: 64 years

Nationality: Dutch

First appointed as a Board director

May 19, 2016

Current term expires on

2028 Shareholders' Meeting

Number of shares held in the Company's stock

100

Professional address

Air France-KLM

7, rue du Cirque

75008 Paris

OTHER DIRECTORSHIPS AND OFFICES

NON-FRENCH COMPANIES

- Chair of the Supervisory Board of Deutsche Bank AG since May 2022;
- Board director of Uber Inc.⁽²⁾ (United States) since 2021;
- Chair of the Supervisory Board of Puissance B.V., The Netherlands, since 2017.

OTHERS

- Member of the Supervisory Board of the Het Nationale Park de Hoge Veluwe, Netherlands, since January 2021;
- Chair of the Supervisory Board of the Rijks museum in Amsterdam, The Netherlands.

DIRECTORSHIPS AND OFFICES HELD IN THE LAST FIVE YEARS AND HAVING EXPIRED

NON-FRENCH COMPANIES

- Member of the Salesforce⁽²⁾ Advisory Board in Europe, the Middle East and Africa until May 2023;
- Board director of Citigroup, Inc.⁽²⁾, United States, until 2022;
- Chair and CEO of Aegon N.V.⁽²⁾ (The Netherlands) until 2020.

OTHERS

- Member of the Advisory Board of the Vumc Cancer Center in Amsterdam, The Netherlands, until December 2022;
- Board director of the Geneva Association, Switzerland.

BIOGRAPHY

Expertise and professional experience

Born August 1, 1960. Alexander Wynaendts holds an electrical engineering degree from the *École supérieure d'électricité* (1984) and an economics degree from the Université Paris-Sorbonne (1983). He has more than thirty years' experience in insurance and international finance.

Mr. Wynaendts began his career in banking with ABN AMRO in 1984, where he was responsible for commercial and investment banking operations in Amsterdam and London. Between 1992 and 1997, he held various positions with ABN AMRO in London. In 1997 he joined Aegon within the Group Business Development division. He joined Aegon's Executive Board in 2003 and was appointed Aegon's Chief Operating Officer in 2007.

Mr. Wynaendts was subsequently elected Chair and Chief Executive Officer of Aegon N.V.⁽²⁾ and held that office from April 2008 until May 2020.

Since 2022 he has been Chair of the Supervisory Board of Deutsche Bank Aktiengesellschaft.

(1) Mr. Wynaendts was appointed by the Shareholders' Meeting as proposed by the KLM Supervisory Board pursuant to the agreements concluded on October 16, 2003 (Framework Agreement) within the framework of the business combination between Air France and KLM (see section 2.1.1 "Composition of the Board of Directors").

(2) Listed company.

Board directors appointed by the Shareholders' Meeting as proposed by the French State

Pursuant to Article 6 of French Ordinance No. 2014-948 of August 20, 2014 on governance and transactions involving the share capital of public sector companies, and as the French State has a direct holding of between 10% and 50%

in the Air France-KLM share capital, one or several seats are reserved within the Board of Directors for members potentially proposed by the French State.



Yann Leriche

Board director appointed by the Shareholders' Meeting as proposed by the French State

Age: 51 years

Nationality: French

First appointed as a Board director
June 7, 2023

Current term expires on
2027 Shareholders' Meeting

Professional address

Getlink
39, rue de la Bienfaisance
75008 Paris

OTHER DIRECTORSHIPS AND OFFICES

FRENCH COMPANIES

- Chief Executive Officer and Board director of Getlink⁽¹⁾ since July 2020;
- Offices in companies belonging to the Getlink Group since 2020: Chair and CEO of France Manche, President of Eurotunnel Holding, President of Get Finances, Director of CTG and ESL.

DIRECTORSHIPS AND OFFICES HELD DURING THE LAST FIVE YEARS AND HAVING EXPIRED

N/A

BIOGRAPHY

Expertise and professional experience

Born on June 18, 1973, Yann Leriche is a graduate of the *École polytechnique* and an engineering graduate of the *Corps des ponts et chaussées*. He is also a graduate of the *Collège des ingénieurs* and ESCP.

He began his career in 2000 in the public sector as Director of road infrastructure projects, then Director responsible for the construction and operation of public transport networks. He was then appointed Head of the Light Guided Transportation Systems Division at Bombardier Transportation.

In 2008, he joined the Transdev Group and held a number of management positions before becoming Managing Director of Transdev North America in 2017. Since 2020, he has been Chief Executive Officer of Getlink, a group specializing in the carriage of people, goods and energy, which notably holds the Channel Tunnel concession.

(1) Listed company.



Pascal Bouchiat

Board director appointed by the Shareholders' Meeting as proposed by the French State
Member of the Sustainable Development and Compliance Committee

Age: 64 years

Nationality: French

First appointed as a Board director
October 3, 2022

Current term expires on
2027 Shareholders' Meeting

Professional address

Thales, Campus Meudon
4, rue de la Verrerie
92190 Meudon

OTHER DIRECTORSHIPS AND OFFICES

FRENCH COMPANIES

- Member of the Executive Committee of the Thales group⁽¹⁾;
- Offices in the companies belonging to the Thales group:
 - Board director of Thales Corporate Ventures SAS since July 2017,
 - Member of the Supervisory Board of Thales Alenia Space since May 2012;
- Board director of Naval Group since May 2012.

DIRECTORSHIPS AND OFFICES HELD IN THE LAST FIVE YEARS AND HAVING EXPIRED

N/A

BIOGRAPHY

Expertise and professional experience

Born May 30, 1960, Pascal Bouchiat is a graduate of the *Ecole supérieure de chimie industrielle de Lyon* (1983), holds an MBA from EM Lyon (1985) and an Executive MBA Trium from NYU Stern School of Business, the London School of Economics and HEC Paris (2004).

Pascal Bouchiat began his career in 1985 with Rhône-Poulenc as a research and development engineer, then as an industrial supervisor before being named Head of Management Control of the Specialty Chemicals Sector.

From 1998 to 2012, he worked for the Rhodia group, which was to become Solvay. He occupied various functions in the finance divisions between 1998 and 2005 before being appointed Group Financial Controller in charge of Finance and Information Systems, and Supervisor of the Acetow and Eco Services from 2005 to 2011. From 2011 to 2012, he was Head of Integration for the Rhodia and Solvay Groups.

Since April 2012, he has been Senior Executive Vice President, Chief Financial Officer at Thales Group⁽¹⁾ where he is General Director of Finance and Information Systems. In this role he is in charge of management control, international financing, tax, risk and insurance, investor relations, treasury and information systems.

(1) Listed company.

Board director representing the French State appointed by ministerial decree

Pursuant to Article 4 of Ordinance No. 2014-948 of August 20, 2014 on governance and transactions involving the share capital of public sector companies and Article 2 of the decree-law No. 2014-949 of August 20, 2014 enforcing

Ordinance No. 2014-948, and as the French State holds more than 10% of Air France-KLM's share capital, a seat may be reserved for the State within the Board of Directors.



Céline Fornaro

Board director appointed by the French State
Member of the Audit Committee, of the Appointments and Governance Committee and of the Remuneration Committee

Age: 48 years

Nationality: French

First appointed as a Board director
October 9, 2023

Current term expires on
2027 Shareholders' Meeting

Professional address

Agence des Participations de l'État,
Ministère de l'Économie, des Finances
et de la Souveraineté industrielle et numérique
139, rue de Bercy
75572 Paris Cedex 12

OTHER DIRECTORSHIPS AND OFFICES

FRENCH COMPANIES

- Representative of the State on the Safran⁽¹⁾ Board of Directors and member of Safran's Audit and Risks Committee and Appointments and Remuneration Committee since February 2023;
- Representative of the State on the Orange⁽¹⁾ Board of Directors and member of Orange's Audit Committee since March 2023;
- Representative of the State in the Engie⁽¹⁾ Board of Directors and member of Engie's Audit Committee, Strategy, Investment and Technologies Committee and Appointments, Remuneration and Governance Committee since March 2023.

NON-FRENCH COMPANIES AND OTHERS

- Member of Chatham House, The Royal Institute of International Affairs;
- Member of The Royal Aeronautical Society;
- Member of Women on Boards.

DIRECTORSHIPS AND OFFICES HELD DURING THE LAST FIVE YEARS AND HAVING EXPIRED

FRENCH COMPANIES

- Board director representing the State on the EDF Board of Directors;
- Board director representing the State on the RATP Board of Directors.

BIOGRAPHY

Expertise and professional experience

Céline Fornaro holds a Master's of Science from the College of Aeronautics at Cranfield University (UK) and is a graduate engineer from the *École nationale de l'aviation civile*.

Céline Fornaro began her career as a marketing and product manager in aircraft sales at Embraer in 2000. She joined Bank of America Merrill Lynch in 2004, in the equity research team, specializing in strategic and financial analysis of the aerospace, defense and satellite sectors. In 2010, she was promoted to Managing Director of the Aerospace, Defense and Satellite team.

From 2016 to 2022, Céline Fornaro was Head of Equity Market Research for the industrial sector (aerospace, capital goods, renewable energy suppliers and transportation) at UBS.

On June 1, 2022, she joined the *Agence des participations de l'État* as Head of the Finance division, in charge of strategic and financial operations for the State shareholding portfolio and dialog with the various debt and equity stakeholders (rating agencies, advisors, investment funds, etc.).

Céline Fornaro was promoted to Deputy Managing Director of the *Agence des participations de l'État* on October 1, 2023.

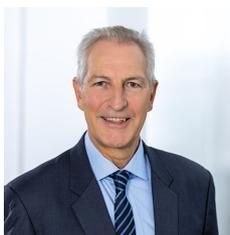
(1) Listed company.

Board directors representing the employee shareholders

Pursuant to Articles L. 22-10-5 of the French Code of Commerce (*Code de commerce*), L. 6411-9 of the French Transport Code (*Code des transports*) and 17-2 of the Air France-KLM Articles of Incorporation, and as the employees of Air France-KLM subsidiaries hold more than 3% of Air France-KLM's share capital, there are two representatives of the employee shareholders within the Board of Directors:

- one representative belonging to the Flight Deck Crew category of staff; and
- one representative belonging to the Other Employee category of staff.

These Board directors representing the employee shareholders are elected by the Shareholders' Meeting having been proposed by the shareholders referred to in Article L. 225-102 of the *Code de commerce*. The employee and former employee shareholders are invited to choose their candidates for each of the two colleges (Flight Deck Crew and Other Employees). The appointment is based on a majority vote in two rounds of balloting. The candidate who obtains the absolute majority of the votes cast in each college, in either the first or second round, is then proposed to the Shareholders' Meeting.



Michel Delli-Zotti

Board director representing the Flight Deck Crew employee and former employee shareholders
Member of the Audit Committee

Age: 61 years
Nationality: French
First appointed as a Board director
May 24, 2022
Current term expires on
2026 Shareholders' Meeting

Number of shares held in the Company's stock
777
Professional address
Air France
45, rue de Paris
95747 Roissy Charles-de-Gaulle Cedex

OTHER DIRECTORSHIPS AND OFFICES

FRENCH COMPANIES

- Chair of the Supervisory Board of the Concorde employee shareholding FCPE;
- Chair of the Supervisory Board of the Majoraction employee shareholding FCPE.

DIRECTORSHIPS AND OFFICES HELD IN THE LAST FIVE YEARS AND HAVING EXPIRED

FRENCH COMPANIES

- Full member (elected) of the Air Operations Social & Economic Committee until 2022;
- Deputy Treasurer (elected) of the Air Operations Social & Economic Committee until May 2022;
- Full member (elected) of the Central Social & Economic Committee until May 2022.

BIOGRAPHY

Expertise and professional experience

Born August 30, 1963, Michel Delli-Zotti graduated as a professional pilot in 1987.

After a period in business aviation and then in regional transportation, he joined Air France in 1989 as an Airline Pilot Officer. He initially flew B727s before moving to the B747 400. Promoted to Flight Captain on the A320 in 2003, he has been operating long-haul flights on the B777 since 2007.



Nicolas Foretz

Board director representing the ground staff and cabin crew employee and former employee shareholders
Member of the Audit Committee

Age: 45 years

Nationality: French

First appointed as a Board director
July 27, 2023

Current term expires on
2026 Shareholders' Meeting

Number of shares held in the Company's stock
319

Professional address
Air France
5, avenue Maxwell
31109 Toulouse Cedex

OTHER DIRECTORSHIPS AND OFFICES

FRENCH COMPANIES

- Full member (elected) of the Supervisory Board of the HET (Horizon Épargne Taux) employee shareholder FCPE;
- Alternate member of the Supervisory Board of the HET (Horizon Épargne Action) and the HEM ((Horizon Épargne Mixte), employee shareholder FCPEs;
- Elected member to the General Meeting of the MNPAF.

DIRECTORSHIPS AND OFFICES HELD IN THE LAST FIVE YEAR AND HAVING EXPIRED

FRENCH COMPANIES

- Full member (elected) of the Supervisory Board of the Economy, Employment and Training Commission within the Air France CSEC and CSE OA;
- Full member (elected) of the Board of the Central Market Commission for the supervision of the common fund accommodation for Flight Deck Crews;
- Investment representative for the Air France Air Operations CSE.

BIOGRAPHY

Expertise and professional experience

Born on March 21, 1979, Nicolas Foretz began his career in 1999 as a member of the Air Liberté ground staff. In 2004, he joined Régional as a flight attendant, before moving to Air France in 2005.

An Air France staff representative since 2017, he has participated in several commissions, including the central economic, employment and training commission.

Board directors representing the employees

Pursuant to Article 17-3 of the Air France-KLM Articles of Incorporation and Article L. 22-10-7 of the French Code of Commerce (*Code de commerce*), there are two Board directors representing the employees within the Air France-KLM Board of Directors:

- on April 7, 2023, as stipulated in Article L. 2331-1 of the French Employment Code (*Code du travail*), the *Comité de Groupe français* appointed Mr. Didier Dague, a negotiator within Air France, as a Board director representing the employees, replacing Mr. Karim Belabbas whose mandate had expired on March 11, 2023 due to his election as an alternate member of the Social and Economic Committee in the Air France professional elections. Mr. Dague replaced Mr. Belabbas as a Board director representing the employees for his predecessor's remaining term of office, i.e., until the end of the 2023 Shareholders'

Meeting on June 7, 2023. He was subsequently appointed by the *Comité de Groupe français* on April 7, 2023 for a two-year term of office, i.e., until the end of the 2025 Shareholders' Meeting;

- on October 5, 2021, Air France-KLM's European Works Council appointed Mr. Terence Tilgenkamp, a Chief Purser KLM Flight Operations, as a second Board director representing the employees. He was reappointed by the European Works Council at its meeting of April 4, 2023, for a two-year term of office, i.e., until the end of the 2025 Shareholders' Meeting.

Board directors representing the employees are appointed for a two-year term of office expiring at the end of the Air France-KLM Annual Shareholders' Meeting taking place during the year in which their mandates expire.



Didier Dague

Board director representing the employees
Member of the Sustainable Development and Compliance Committee

Age: 65 years

Nationality: French

First appointed as a Board director
April 7, 2023

Current term expires on
2025 Shareholders' Meeting

Professional address

Air France
45, rue de Paris
95747 Roissy Charles-de-Gaulle Cedex

OTHER DIRECTORSHIPS AND OFFICES

N/A

DIRECTORSHIPS AND OFFICES HELD IN THE LAST FIVE YEARS AND HAVING EXPIRED

FRENCH COMPANIES

- Board director representing the employees within the Air France Board of Directors until May 2022.

BIOGRAPHY

Expertise and professional experience

Born on May 12, 1959, Didier Dague joined Air France in 1987, as a commercial services agent in Commercial France, now known as *Pilotage Économique*.

In the mid-1990s, he became involved in trade union activities, holding a number of union positions within his entity and then at head office. He represents his organization at the European Transport Federation. He served three terms as an Air France Board director representing the employees through to May 2022. Since April 2023, having been appointed by the *Comité de Groupe français*, he has been a Board director representing the employees within the Air France-KLM Board of Directors.



Terence Tilgenkamp

Board director representing the employees
Member of the Remuneration Committee

Age: 41 years

Nationality: Dutch

First appointed as a Board director
December 3, 2021

Current term expires on
2025 Shareholders' Meeting

Professional address

KLM, AMS/AF
PO Box 7700
1117 ZL Schiphol Airport
The Netherlands

OTHER DIRECTORSHIPS AND OFFICES

N/A

DIRECTORSHIPS AND OFFICES HELD IN THE LAST FIVE YEARS AND HAVING EXPIRED

OTHER

- Member of the KLM Works Council until November 2021;
- President of the KLM Works Council until September 2021;
- Non-executive director of the KLM Cabin Crew Pension Fund until October 2019;
- Member of the KLM section of the parliament of the Union of Dutch Cabin Crew until May 2019.

BIOGRAPHY

Expertise and professional experience

Born on January 30, 1983, Terence Tilgenkamp is an experienced non-executive director with expertise in corporate governance, financial oversight, and stakeholder engagement. With nearly two decades in aviation, he combines operational leadership as a purser with strategic boardroom decision-making.

Since joining KLM in 2006, he has developed deep sector knowledge, advancing to purser in 2018, where he leads crew operations, passenger experience, and in-flight safety. He has served on the KLM Works Council (2010–2021), including as president (2019–2021), contributing to financial, IT, and strategic advisory committees.

His financial governance expertise includes a decade as a non-executive director of the KLM Cabin Crew Pension Fund (2010–2019), overseeing risk management, asset liability strategies, and regulatory compliance. As part of the Communication Committee, he worked to enhance transparency and stakeholder trust.

As a Board member and member of the Remuneration Committee, Terence Tilgenkamp helps shape executive compensation strategies that align with performance, governance best practices, and stakeholder interests. With expertise in corporate finance, risk management, and digital transformation, he ensures that governance structures remain resilient, future-proof, and financially sound.

A strong advocate of collaborative leadership, he bridges perspectives between employees, management, and institutional stakeholders, ensuring long-term value creation in a complex global environment.

Board director whose mandate ended during the 2024 financial year



Cees 't Hart

Board director

Age: 66 years
Nationality: Dutch
First appointed as a Board director
May 28, 2019
Expiry of term of office
2024 Shareholders' Meeting
Term ended
June 5, 2024

Number of shares held in the Company's stock
350
Professional address
Air France-KLM
7, rue du Cirque
75008 Paris

OTHER DIRECTORSHIPS AND OFFICES

NON-FRENCH COMPANIES

- Board director of Mondelez International⁽¹⁾ since July 2023;
- Chair of the Supervisory Board of Randstad⁽¹⁾;
- Member of the Advisory Board of Metyis.

OTHER

- Chair of the Board of Trustees of Children Villages;
- Member of the Board of Trustees of the Amsterdam Concert Hall Fund.

DIRECTORSHIPS AND OFFICES HELD IN THE LAST FIVE YEARS AND HAVING EXPIRED

- Chief Executive Officer of Carlsberg Group⁽¹⁾ until August 2023;
- Chair of the Supervisory Board of KLM until 2024^(G).

BIOGRAPHY

Expertise and professional experience

Born on August 8, 1958, Mr. 't Hart holds an MA in Social Science from Leiden University (Netherlands). He worked for 24 years with Unilever, starting his career as a management trainee before holding a range of international management positions in the Netherlands, Hungary, Singapore, Poland and Italy. His last position in Unilever was as a member of the Unilever Europe Board as Senior Vice President, Marketing Operations.

In 2015, after seven years as Chief Executive Officer of the Dutch dairy cooperative Royal Friesland Campina, he joined the Carlsberg Group as Chief Executive Officer until August 2023. He was the Chair of the Supervisory Board of KLM until 2024.

(1) Listed company.

(G) Company in the Air France-KLM Group.

Board director whose mandate ended during the 2024 financial year

**CMA CGM**

Board director
Société anonyme (limited liability company)
 with its registered office in France (Marseille 13002)

Nationality: French

First appointed as a Board director

April 19, 2023

Expiry of term of office

2026 Shareholders' Meeting

Term ended

March 31, 2024

Number of shares held in the Company's stock

23,134,825

Professional address

Boulevard Jacques-Saadé
 4, quai d'Arenc
 13002 Marseille

**Ramon Fernandez**

Permanent representative of CMA CGM

Age: 57 years

Nationality: French

Professional address

Boulevard Jacques-Saadé
 4, quai d'Arenc
 13002 Marseille

OTHER DIRECTORSHIPS AND OFFICES**FRENCH COMPANIES**

- Chief Financial Officer of the CMA-CGM Group since April 2023;
- Board director of AXA⁽¹⁾ since April 29, 2021, Chair of the AXA Finance and Risks Committee and member of the AXA Audit Committee⁽¹⁾;
- Board director of the *Fondation nationale des sciences politiques*.

DIRECTORSHIPS AND OFFICES HELD IN THE PAST FIVE YEARS AND HAVING EXPIRED**FRENCH COMPANIES**

- Executive Vice President responsible for Finance and Performance at Orange⁽¹⁾ until March 2023;
- Chair of the Board of Directors of Compagnie Financière d'Orange Bank, Orange Bank and Orange Ventures until March 2023;
- Board director of Orange Middle East and Africa until March 2023;
- Chair of the Board of Directors of BuyIn.

BIOGRAPHY**Expertise and professional experience**

Born June 25, 1967, Mr. Fernandez is a graduate of Sciences Po and of the *École nationale d'administration* (Léon Gambetta alumnus). He began his career in 1993 at the French Treasury before joining the International Monetary Fund as an alternate director in 1997. He occupied various functions at the French Treasury such as Chief of Staff and Deputy Director for International Financial Affairs and Development, then as Director General. He also served as an Advisor to the French Ministry of Economy and Finance and as Chief of Staff at the French Employment Ministry. From 2009 to 2014 he was Alternate Governor for France at the World Bank and Governor at the African Development Bank.

As of 2014, he joined the Orange group where he was successively EVP then Deputy CEO in charge of Finance and Strategy.

Since April 2023, he has been CFO of the CMA CGM group.

He is CMA CGM's permanent representative on the Air France-KLM Board of Directors.

(1) Listed company.

2.2 ORGANIZATION AND FUNCTIONING OF THE BOARD OF DIRECTORS

2.2.1 Functioning of the Board of Directors

Corporate Governance Code

The Board of Directors functions according to the corporate governance principles in force in France as set forth in the AFEP-MEDEF Corporate Governance Code (hereinafter the "AFEP-MEDEF Code"), updated on December, 20 2022 and available on the AFEP (www.afep.com) and MEDEF (www.medef.com) websites.

In application of Article L. 22-10-10, of the *Code de commerce* (French Code of Commerce) and in line with the recommendations of the AFEP-MEDEF Code, this section identifies in a summary table the recommendations of the AFEP-MEDEF Code that have not been adopted and explains the reasons for this choice (see section 2.4 "Summary table of the AFEP-MEDEF's Comply or Explain recommendations not applied").

Internal Rules of the Board of Directors

On June 17, 2004, the Air France-KLM Board of Directors adopted a set of Internal Rules based on the corporate governance principles established by the AFEP-MEDEF Code.

In addition to the respective missions and powers of the Board of Directors, of the Chair of the Board of Directors and of the Chief Executive Officer, these Internal Rules specify the modalities for the organization and functioning of the Board of Directors and establish the prerogatives and duties of Board directors as regards the rules on reporting, disclosure, confidentiality and conflicts of interest. They also determine the powers of each of the advisory Committees established within the Board.

The last update of the internal regulations took place on March 5, 2025 and concerns the incorporation of new provisions resulting from Law No. 2024-537 of June 13, 2024, known as the "*loi Attractivité*", which aims to simplify the procedures for holding Board meetings.

As a reminder, the previous update of the internal regulations, dated February 28, 2024, notably focused on clarifying the role and missions of the Board regarding social and environmental strategy and on extending the missions of the Audit Committee in terms of monitoring issues related to the elaboration, control, and publication of sustainability information, following the transposition of the CSRD Directive (EU) 2022/2464 into French law.

The Internal Rules of the Board of Directors are available on the Air France-KLM website at <http://www.airfranceklm.com> (Governance section).

2.2.2 Separation of the functions of Chair of the Board of Directors and Chief Executive Officer

At its meeting of May 15, 2018, the Air France-KLM Board of Directors decided to separate the functions of Chair of the Board of Directors and Chief Executive Officer. This decision followed Mr. Jean-Marc Janaillac stepping down as Chair and Chief Executive Officer of Air France-KLM, and the implementation of a transitional governance to, notably, enable the Chair of the Board of Directors, Ms. Anne-Marie Couderc, to focus on the effective functioning of the Board and on the search for candidates for the position of Air France-KLM's Chief Executive Officer.

On August 16, 2018, the Board of Directors confirmed the separation of the functions of Chair of the Board of Directors and Chief Executive Officer within the framework of the implementation of long-term governance with the appointment of Mr. Benjamin Smith as the new Chief Executive Officer of Air France-KLM. The Board of Directors considered that this was the best governance option for the Company at this stage in its development in that it enables the Company to benefit from a new dynamic with a Chair of the Board of Directors who is dedicated to governance matters and a Chief Executive Officer with recognized expertise in the air transport industry who is focused on the Group's operations. The complementarity of their profiles and roles optimizes the Group's governance and ensures a balanced and respectful division of their respective missions. It also enables the effective coordination of the Board of Directors thanks to the presence of a Chair who is exclusively devoted to its functioning, and guarantees a

more effective separation between the control and management functions.

On March 30, 2022, as recommended by the Appointments and Governance Committee, the Board of Directors decided on the early renewal of Mr. Benjamin Smith's mandate as Chief Executive Officer for a further five-year term of office, effective from the Shareholders' Meeting of May 24, 2022 and expiring at the end of the Shareholders' Meeting convened to approve the financial statements for the financial year ending December 31, 2026.

On December 7, 2023, the Board decided to submit to the Shareholders' Meeting of June 5, 2024 a resolution aimed at amending the Articles of Incorporation to extend the age limit for the Chair of the Board of Directors. The Board also decided that, subject to the approval of the aforementioned resolution and the renewal of her Board director mandate for a one-year term of office, Ms. Anne-Marie Couderc's functions as Chair of the Air France-KLM Board of Directors will continue until the end of her term of office as a Board director, i.e., until the end of the Shareholders' Meeting convened to approve the financial statements for the financial year ending December 31, 2024. The Shareholders' Meeting of June 5, 2024, approved the amendment of the Articles of Incorporation as well as the renewal of Ms. Anne-Marie Couderc's mandate, thereby extending her functions as Chair of the Board of Directors.

The role and duties of the Chair of the Board of Directors remain unchanged and in accordance with the provisions of the Articles of Incorporation and the Internal Rules of the Air France-KLM Board of Directors.

Lastly, as recommended by the Appointments and Governance Committee, the Board of Directors of Air France-KLM co-opted Ms. Florence Parly as a director during its meeting on December 7, 2023, replacing Ms. Isabelle Parize. This co-optation was ratified by the Shareholders' Meeting of June 5, 2024.

This appointment is part of the plan for the succession of Ms. Anne-Marie Couderc as Chair of the Board of Directors, following the Shareholders' Meeting convened to approve the financial statements for the financial year ending December 31, 2024.

Powers and missions of the Chair of the Board of Directors

The Chair of the Board of Directors organizes and steers the work of the Board of Directors and ensures the preservation of the corporate interests and the effective functioning of the corporate bodies (Board of Directors, advisory Committees and Shareholders' Meetings) in the respect of the principles of good governance. She also ensures that the Board of Directors devotes the time required to issues of interest to the Group's future and, in particular, its strategy.

She has no executive responsibility but may represent the Group in its high-level relations, notably with the public authorities, major customers and partners, at both national and international level, in close collaboration with the Chief Executive Officer. She devotes her best efforts to promoting the values and image of the Group in all circumstances. Lastly, the Chief Executive Officer keeps her regularly informed of any significant events and situations relating to the life of the Group and she may ask him for any information relevant to the understanding of the Board and its advisory Committees⁽¹⁾. Ms. Couderc, Chair of the Board of Directors and independent Board director, also retains her role as Chair of the Appointments and Governance Committee.

Powers and missions of the Chief Executive Officer

In his capacity as Chief Executive Officer of Air France-KLM, Mr. Smith is invested with the broadest powers to act in the Company's name in all circumstances within the limits of the corporate purpose and subject to those expressly attributed by law to the Shareholders' Meeting and the Board of Directors.

Furthermore, without prejudice to the legal provisions relating to the authorizations that must be granted by the Board of Directors (regulated agreements, securities, agreements and guarantees, divestment of equity interests and real estate, etc.), the provisions of the Internal Rules of the Board of Directors require prior approval from the Board for operations by the Company and its Principal Subsidiaries whose amount is equal to or exceeds €150 million as outlined in points (i), (ii) and (iii) of paragraph (d) on the powers and missions of the Board of Directors hereinafter.

The Chief Executive Officer of Air France-KLM also chairs both the CEO Committee and the Group Executive Committee (see section 2.6 "Group management bodies: Group Executive Committee and CEO Committee").

Powers and missions of the Board of Directors

The Board of Directors deliberates on any matters falling within the powers devolved to it by law and those stipulated by the Internal Rules of the Board of Directors or in application of the AFEP-MEDEF Code.

In particular, prior to any decision or deployment by the Company or principal subsidiary (Air France, KLM, and any other subsidiary, as may be decided by the Board of Directors, hereinafter known as the "Principal Subsidiaries" or individually "Principal Subsidiary"), the Board of Directors:

- a) approves the Group's strategic directions, including its social and environmental policies, and reviews them as a whole at least once a year;
- b) approves the budget including the capex plan;
- c) without prejudice to the provisions of paragraph (d) below, approves any significant operations that are liable to affect the Group's strategy or modify its financial structure or scope of activity; the Chief Executive Officer being responsible for determining whether or not an operation is significant in nature;
- d) approves the following operations by the Company and its Principal Subsidiaries when their amount is equal to or exceeds €150 million:
 - i) operating lease contracts, investments, the acquisition or sale of any assets including, specifically, the fleet, interests in companies formed or to be formed, participation in the formation of all companies, groups or organizations, subscriptions to all issues of shares, units or bonds,
 - ii) borrowings, issues of bonds and aircraft financing,
 - iii) granting of all exchanges with or without balancing cash adjustments involving the Company's assets, stocks or securities;
- e) as recommended by the Appointments and Governance Committee (as provided in Article 8 of the Internal Rules of the Board of Directors), approves the appointment of the Chair and Chief Executive Officer or Chief Executive Officer of any of the Principal Subsidiaries; and
- f) as recommended by the Remuneration Committee (as provided in Article 9 of the Internal Rules of the Board of Directors), approves the compensation of the Chair and Chief Executive Officer or Chief Executive Officer of any of the Principal Subsidiaries.

The Board of Directors is informed of the proper running of the company and its Principal Subsidiaries, and of the main acquisitions or disposals of any equity interests when their amount is inferior to €150 million.

⁽¹⁾ Article 1.2 of the Internal Rules of the Board of Directors.

2.2.3 Diversity policy applicable to the Board directors

As a reminder, as recommended by the Appointments and Governance Committee at its meeting of February 28, 2024, the Board of Directors reviewed the criteria of the diversity policy applicable to the composition of the Board of Directors, taking into account the results of the evaluation of the Board of Directors and the updated skills matrix following this evaluation. On February 28, 2024, the Board of Directors decided (i) to maintain the diversity policy applied in 2023, considering it still relevant in view of the results of the evaluation of the Board of Directors conducted in January 2024, and (ii) specified that the Board of Directors also strives to promote appropriate and varied representation in terms of experience, age, and nationality of its members.

On March 5, 2025, the Board of Directors confirmed this policy which remains relevant in view of the results of the evaluation of the Board of Directors carried out early in 2025. However, the skills matrix has evolved to integrate competencies that consider the current challenges faced by Air France-KLM (geopolitics, crisis management, artificial intelligence).

Selection criteria for Board directors

In the context of the appointment and re-appointment of Board directors and to preserve the balance of its composition, the Board of Directors gives preference to the following selection criteria:

- openness to the world, international professional experience and the diversity of nationalities: Air France-KLM was created through the merger of two companies of different nationalities with global reach leading to numerous international challenges;
- general management experience acquired within major French and international companies; the Group numbers around 78,000 employees across three main types of activity: the Passenger business, the Cargo business and the Maintenance business operating in 117 countries;
- knowledge and experience of the transportation and airline sectors, as well as of tourism: these are the businesses in which the Group is primarily active; and
- the Board of Directors also ensures that expertise related to the Group's strategic priorities is represented within the Board of Directors, particularly in the areas of brand strategy, digital and customer relations, human resources, and social and environmental responsibility (CSR).

Implementation of the diversity policy

With the implementation of this diversity policy, the Board of Directors has set itself clear objectives:

- maintain the balance between the Company's various stakeholders and the balanced representation of men and women;
- seek a diverse and appropriate representation in terms of experience, age and nationality;
- prioritize the independence of spirit of the Board directors;
- promote adherence to the Group's fundamental values; and
- ensure the availability of the Board directors.

Changes in the composition of the Board of Directors during the 2024 financial year

The changes in the composition of the Board during the financial year ended December 31, 2024 were an integral part of the ongoing implementation of this diversity policy of the Board of Directors, notably by maintaining the Board's international outlook, representation of skills in the general management, digital, customer relations, human resources and CSR domains.

Balance of nationalities and international openness

Five Board directors, namely Ms. Boeren and Mssrs. Tilgenkamp, Draijer, Wynaendts and Van den Berg, are Dutch nationals. Mr. Wang, a Board director appointed as proposed by China Eastern Airlines, is a Chinese national. Lastly, Mr. Smith, Chief Executive Officer and a Board director of the Company, holds Canadian citizenship while the US company Delta Air Lines, Inc. is represented by Mr. Bellemare who holds dual Canadian and US citizenship.

Five different nationalities are thus represented on the Board of Directors which, in addition to French nationals, numbered eight non-French Board directors (a Canadian Board director, five Dutch Board directors, one Canadian-American Board director and one Chinese Board director) at December 31, 2024. These Board directors bring to the Board of Directors an in-depth knowledge of their respective markets.

An adapted and varied representation in terms of gender parity, age and experience

By applying criteria like balanced representation of men and women, professional qualifications and experience, age and nationality, the Board of Directors ensures that there is a balance conducive to the fulfillment of the tasks of the Board and of the individual Committees.

At December 31, 2024, the composition of the Board of Directors is balanced in terms of age. The Board directors are between 41 and 75 years old, with an average age of 56 and only four Board directors over 70⁽¹⁾.

The representation of men and women is also balanced at December 31, 2024, with seven of the 15 Board directors⁽²⁾ being women, i.e., a percentage of 47%. Furthermore, three of the four advisory Committees within the Board of Directors are chaired by women.

The appointment of Mr. Wiebe Draijer alongside the re-appointment as Board directors of Ms. Anne-Marie Couderc, Mr. Alexander Wynaendts and Mr. Dirk Jan van den Berg, reinforced the Board in terms of general management experience acquired within large French and international companies.

Balance of competencies within the Board of Directors at December 31, 2024

The following table shows, for each Board director, the areas of expertise that are essential to ensuring the effective functioning of the Board of Directors in relation to the issues it addresses.

Each year, Board directors are invited to declare the areas in which they possess particular competencies as part of the preparation of the Universal Registration Document. The review of these areas of expertise is also the subject of a specific point during the evaluation of the Board of Directors as part of the analysis of the contributions of the individual Board directors to the work of the Board.

Furthermore, the appointment of Mr. Wiebe Draijer, alongside the re-appointment as a Board director of Ms. Anne-Marie Couderc, Mr. Alexander Wynaendts and Mr. Dirk Jan van den Berg, reinforced the Board's knowledge of and experience in crisis management and governance. Additionally, these appointment and re-appointments strengthened the skills representation in terms of geopolitics, human resources, CSR, and customer relations.

⁽¹⁾ Pursuant to Article L. 225-19 of the Code of Commerce, the number of Board directors having reached 70 years of age may not be more than one-third of the Board directors in office.

⁽²⁾ The Board directors representing the employees and the Board directors representing the employee shareholders are not included in this calculation.

Competencies of the Board of Directors at December 31, 2024

Board director	Current main function	General management	Transport (GICS 2030) ⁽¹⁾	Air transport (GICS 2030) ⁽¹⁾	Digital	Brand Strategy
Anne-Marie Couderc	Chair of the Air France-KLM Board of Directors, and a Company Board director	✓	✓	✓	✓	✓
Benjamin Smith	Chief Executive Officer of Air France-KLM	✓	✓	✓	✓	✓
Gwenaëlle Avice-Huet	Schneider Electric Executive Vice-President Europe Operations and Executive Committee Member	✓			✓	
Leni M.T. Boeren	Chair and Vice Chair of Supervisory Board, member of Supervisory Board and Company director	✓			✓	✓
Isabelle Bouillot	Company director	✓	✓	✓		
Delta Air Lines, Inc. (represented by Alain Bellemare)	Airline company	✓	✓	✓	✓	✓
Wiebe Draijer	Chair of the KLM Supervisory Board (Netherlands)				✓	✓
Dirk Jan van den Berg	Chair of the Association of Health Insurance Companies in the Netherlands (ZN, Zorgverzekeraars Netherlands)	✓			✓	
Anne-Marie Idrac	Company director and consultant	✓	✓	✓	✓	
Florence Parly	Independent Board director of companies	✓	✓	✓		
Jian Wang	Director of China Eastern Airlines Sichuan Branch	✓	✓	✓	✓	✓
Alexander R. Wynaendts	Chair of the Supervisory Board of Deutsche Bank	✓			✓	
Céline Fornaro	Deputy CEO of the <i>Agence des participations de l'État</i> (APE)		✓	✓		
Yann Leriche	Chief Executive Officer of Getlink	✓	✓		✓	✓
Pascal Bouchiat	Senior Executive Vice President, Chief Financial Officer at Thales group	✓			✓	
Nicolas Foretz	Air France cabin crew			✓		
Michel Delli-Zotti	Flight Captain			✓		
Dider Dague	Employee director			✓		✓
Terence Tilgenkamp	Chief Purser, KLM Flight Operations			✓	✓	✓
TOTAL NUMBER OF BOARD DIRECTORS		13	9	12	13	9

(1) Global Industry Classification Standard (GICS) developed by S&P Dow Jones Indices and MSCI, code levels 2 and 3.

Risk management	Crisis management	Governance	Geopolitics	International	Public affairs	Finance	Ethics and compliance	Artificial intelligence	Cybersecurity	Human resources	Environment	Customer relations
✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓
✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓
		✓		✓	✓			✓	✓		✓	✓
✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
✓	✓	✓	✓	✓	✓	✓	✓			✓		✓
✓				✓	✓	✓	✓			✓	✓	✓
✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	
✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	
✓		✓		✓	✓	✓			✓			✓
		✓		✓		✓					✓	✓
✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓
		✓		✓	✓	✓						
✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
✓		✓		✓		✓	✓		✓			✓
						✓				✓	✓	✓
✓			✓	✓	✓		✓		✓		✓	✓
✓	✓	✓			✓		✓			✓	✓	✓
15	11	15	10	16	15	14	13	4	9	13	13	15

2.2.4 Independence of the Board directors

At its meeting on March 5, 2025, the Board of Directors conducted the annual review of the situation of each Board director as at December 31, 2024 in light of all the criteria stipulated by the AFEP-MEDEF Code, and as proposed by the Appointments and Governance Committee, the Board adopted the following position:

- Seven Board directors (Ms. Avice-Huet, Ms. Boeren, Ms. Bouillot, Ms. Couderc, Ms. Idrac, Ms. Parly and Mr. Wynaendts) are independent in that:
 - none of these seven Board directors has a direct or indirect relationship, either with the Company, its Group or its management, that is such as to color their judgement;
 - in her capacity as Chair of the Board of Directors, Ms. Anne-Marie Couderc receives only a fixed compensation and no variable compensation in the form of either cash or shares.
- Although they were appointed as proposed by the Supervisory Board of KLM in accordance with the 2003 agreements relating to the business combination between Air France and KLM, Ms. Boeren and Mr. Wynaendts are independent with respect to §10.2 of the AFEP-MEDEF Code insofar as they have no direct or indirect relationship of any kind whatsoever with KLM, the Company, its Group or its management⁽¹⁾ that could compromise the exercise of their freedom of judgement. Ms. Boeren and Mr. Wynaendts have no special interest (significant shareholder, employee, or other) in the Company or its Group. Ms. Boeren and Mr. Wynaendts have been independent directors of Air France-KLM since, respectively, May 2017 and May 2016.
- Furthermore, the Board of Directors reviewed the situation of Ms. Anne-Marie Couderc in light of the AFEP-MEDEF Code criterion relating to holding a position within a consolidated company, considering her role as non-executive Chair of the Board of Directors of Air France until July 2024. When she was appointed to the Board of Directors of Air France-KLM in 2016, Ms. Anne-Marie Couderc did not hold a position at Air France. Her appointment as a director and non-executive Chair of the Board of Directors of Air France was concurrent with her appointment as non-executive Chair of the Board of Directors of Air France-KLM in 2018. This was part of a transitional governance following the early resignation of Jean-Marc Janaillac, who was the Chairman and CEO of Air France-KLM and non-executive Chair of the Board of Directors of Air France. Therefore, this appointment did not question her independence. Subsequently, while Ms. Couderc was maintained in her positions, this qualification of independence was confirmed, as her role at Air France was a non-executive position that did not involve any relationship with the company that could color her judgement. Additionally, as Chair of the Board of Directors, Ms. Anne-Marie Couderc receives only a fixed compensation, excluding any variable compensation whether in cash or in shares.

- Based on the work conducted by the Appointments and Governance Committee, the Board also analyzed the presence of business relationships between the directors qualified as independent and the Group. Business relationships are identified based on the financial flows that occurred during the financial year between Air France-KLM and the entity or Group in which the director holds a position. In accordance with the recommendations of the AFEP-MEDEF Code and the AMF, the Board of Directors conducted a quantitative and qualitative analysis to identify the significance of the business relationship. This included a quantitative criterion relating to the business flows between Air France-KLM and each entity or Group in which a director holds a position, as well as qualitative criteria relating to the duration and continuity of the business relationship, the importance of the business relationship for the Group, the position of the concerned director in the contracting company, the director's direct decision-making power over the contract(s) constituting the business relationship, or the director's receipt of compensation related to the contract.

Mr. Alexander Wynaendts was appointed Chair of the Supervisory Board of Deutsche Bank AG in 2022, a bank occasionally involved in certain financial operations of the Group. In accordance with the recommendations of the AMF, the Board of Directors conducted a quantitative and qualitative analysis of the business relationships between Air France-KLM and Deutsche Bank AG. The Board dismissed the significance of these relationships due to the occasional and discontinuous nature of the bank's involvement in Air France-KLM's financial operations, the absence of economic dependency, as well as Mr. Alexander Wynaendts' lack of direct decision-making power over the contracts constituting the business relationship and the non-receipt of compensation related to these contracts.

Following this analysis, the Board of Directors concluded that there are no significant business relationships between Air France-KLM and the entities or Groups in which these independent directors hold positions.

The other non-independent Board directors are:

- a representative of the French State appointed by ministerial decree: Ms. Fornaro;
- Board directors appointed by the Shareholders' Meeting as proposed by the French State: Mr. Leriche and Mr. Bouchiat;
- a Board director appointed by the Shareholders' Meeting as proposed by the Dutch State: Mr. Dirk Jan van den Berg⁽²⁾;
- Delta Air Lines, Inc⁽³⁾, whose permanent representative is Mr. Bellemare;

⁽¹⁾ Regarding Mr. Alexander Wynaendts, the analysis of the significance of the business relationships between Deutsche Bank AG, where he serves as Chair of the Supervisory Board, and Air France-KLM is detailed below.

⁽²⁾ Pursuant to the agreements of October 16, 2003 concluded between the Dutch State, Air France and KLM.

⁽³⁾ Pursuant to the provisions of the Memoranda of Understanding concluded, inter alia, between Delta Air Lines Inc. and Air France-KLM on July 27, 2017.

- a Board director whose candidature was proposed by China Eastern Airlines: Mr. Wang⁽¹⁾;
- representatives of the employee shareholders: Mr. Delli-Zotti and Mr. Foretz;
- representatives of the employees: Mr. Dague and Mr. Tilgenkamp; and
- executive officers of the Air France-KLM Group: Mr. Smith, Chief Executive Officer of Air France-KLM, Chair of the Air France Board of Directors and Chair of the Transavia France Supervisory Board, and Mr. Draijer, Chair of the KLM Supervisory Board.

Given the above and in application of the provision of the AFEP-MEDEF Code by which Board directors representing employee shareholders and Board directors representing the employees are not counted in the calculation of the percentages of independent shareholders within the Board of Directors and its Committees (§10.3 and 16.1 of the AFEP-MEDEF Code), the percentages of independent directors as of December 31, 2024 are:

- 47% in the Board of Directors;
- 80% in the Audit Committee (chaired by an independent director);
- 67% in the Appointments and Governance Committee (chaired by an independent director);
- 60% in the Remuneration Committee (chaired by an independent director); and
- 33.33% in the Sustainable Development and Compliance Committee (chaired by an independent director).

The proportion of independent directors at December 31, 2024 (47%) is thus below the 50% threshold recommended by the AFEP-MEDEF Code for non-controlled companies.

This divergence is due to the specificity of Air France-KLM's shareholder structure, which notably includes the French State (28%) and the Dutch State (9.1%) as well as its contractual relationships, particularly with its commercial partners China Eastern Airlines and Delta Air Lines. The Board directors appointed as proposed by these shareholders and commercial partners may not be considered to be independent.

Furthermore, the 28% shareholding held by the French State enables the latter, pursuant to the provisions of Ordinance No. 2014-948 of August 20, 2014, to have a seat on the Board reserved for a Board director representing the French State and to propose Board directors to the Shareholders' Meeting.

Two Board directors have been proposed by the French State. They represent the interests of the French State in its capacity as a shareholder (Article 6-III of the aforementioned decree).

In that it is aware of the interest of having a significant proportion of independent Board directors, Air France-KLM is steadily increasing the proportion of independent directors within its Board of Directors, particularly in the context of term renewals and appointments submitted to the Shareholders' Meeting.

⁽¹⁾ Pursuant to the provisions of the Marketing Agreement concluded between China Eastern Airlines and Air France-KLM on July 27, 2017.

Independence of the Board directors

Criteria to be evaluated pursuant to paragraphs 10.5 to 10.7 of the AFEF-MEDEF Code

Criteria to be evaluated pursuant to paragraphs 10.5 to 10.7 of the AFEF-MEDEF Code	Criterion 1 ⁽¹⁾	Criterion 2 ⁽²⁾	Criterion 3 ⁽³⁾	Criterion 4 ⁽⁴⁾	Criterion 5 ⁽⁵⁾	Criterion 6 ⁽⁶⁾	Criterion 7 ⁽⁷⁾	Criterion 8 ⁽⁸⁾	Independent director
Gwenaëlle AVICE-HUET	✓	✓	✓	✓	✓	✓	✓	✓	Yes
Leni M.T. BOEREN	✓	✓	✓	✓	✓	✓	✓	✓	Yes
Pascal BOUCHIAT	✓	✓	✓	✓	✓	✓	✓	X	No
Isabelle BOUILLLOT	✓	✓	✓	✓	✓	✓	✓	✓	Yes
Anne-Marie COUDERC	X ⁽⁹⁾	✓	✓	✓	✓	✓	✓	✓	Yes
Didier DAGUE	X	✓	✓	✓	✓	✓	✓	✓	No
Michel DELLI-ZOTTI	X	✓	✓	✓	✓	✓	✓	✓	No
Wiebe DRAIJER	X	✓	✓	✓	✓	✓	✓	✓	No
Nicolas FORETZ	X	✓	✓	✓	✓	✓	✓	✓	No
Céline FORNARO	✓	✓	✓	✓	✓	✓	✓	X	No
Dirk Jan VAN DEN BERG	✓	✓	✓	✓	✓	✓	✓	X	No
Delta Air Lines, Inc.	✓	✓	X	✓	✓	✓	✓	X	No
Anne-Marie IDRAC	✓	✓	✓	✓	✓	✓	✓	✓	Yes
Yann LERICHE	✓	✓	✓	✓	✓	✓	✓	X	No
Florence PARLY	✓	✓	✓	✓	✓	✓	✓	✓	Yes
Benjamin SMITH	X	✓	✓	✓	✓	✓	✓	✓	No
Terence TILGENKAMP	X	✓	✓	✓	✓	✓	✓	✓	No
Jian WANG	✓	✓	X	✓	✓	✓	✓	X	No
Alexander R. WYNAENDTS	✓	✓	✓	✓	✓	✓	✓	✓	Yes

(1) Employee, executive officer or Board director of a consolidated company within the past five years.

(2) Cross-directorships.

(3) Significant business relationships.

(4) Family ties.

(5) Statutory Auditors.

(6) Term of office exceeding 12 years.

(7) Non-executive officer status.

(8) Significant shareholder status.

(9) Anne-Marie Couderc was non-executive Chair of the Société Air France Board of Directors until July, 2024.

Training for Board directors

Newly-appointed Board directors are encouraged to meet with the Company's principal executives and are offered site visits to increase their understanding of the Group's business environment and activities. On their appointment, they are also sent a dossier including, notably, the Air France-KLM Articles of Incorporation, the Internal Rules of the Board of Directors, the Universal Registration Document, the latest press releases issued by the Company and a reminder of the stock market compliance rules.

Pursuant to Article 4 of the Internal Rules of the Board of Directors, on their appointment and throughout their terms of office, every Board director (including the Board directors representing the employees and the employee shareholders) can receive the training that they deem necessary for the exercise of their mandate. This training is proposed and organized by the Company.

This training, which is paid for by the Company, is mostly carried out via a program designed by a professional body, supplemented by in-house training offered by the Company, and is aimed at gaining a better understanding of the functioning of the Board of Directors and their roles as Board directors. Accounting and financing modules are

also proposed to enable them to improve their financial know-how. A portion of this training time is carried out within the Company. Pursuant to the applicable regulation, at its April 19, 2023 and February 28, 2024 meetings, the Board of Directors decided to terminate and update the training program in French and English offered to the Board directors representing the employee shareholders and the employees.

Specific modules related to climate issues or, in connection with the deployment of the anti-bribery plan, are also offered to the Board directors.

In October 2024, a workshop dedicated to the CSRD Directive was organized for the members of the Audit Committee and the Sustainable Development and Compliance Committee. The aim of this meeting was to train the directors on the issues related to sustainability information. Additionally, a collective information session on SAF for the members of the Audit Committee and the Sustainable Development and Compliance Committee will also be organized in the Spring of 2025. These details are provided in section 4.1.3.1 "Roles of the administrative, management, and supervisory bodies."

2.2.5 Other rules applicable to Board directors

Situation of conflict of interests

Pursuant to the recommendations of the AFEP-MEDEF Code and Article 11 of the Internal Rules of the Board of Directors (as amended by a decision of the Board of directors of March 5, 2025), Board directors are bound to report to the Board of Directors any situation of a conflict of interests, whether actual or potential, owing to positions they hold in another company, and must abstain from taking part in the deliberation and voting on the related resolution. Every year, the Company sends the Board directors a questionnaire enabling both confirmation that there are no conflicts of interest and the Company to be informed of any potential conflicts.

With the exception of Ms. Florence Parly who has declared that she is a member of the Board of the French international solidarity organization Acting for Life, of which Air France is one of the main financial partners, to the Company's knowledge there are no conflicts of interest between the duties of the Board directors with regard to the Company and their private interests and other duties, nor any family relationships among the directors.

With the exception of the agreements listed below, there are no arrangements or agreements between the main shareholders, customers, suppliers or other parties, in accordance with which a member of the Board of Directors has been selected:

i) the agreements signed on October 16, 2003 between Air France, KLM and the Dutch government pursuant to which four Board directors are appointed to the Board of Directors as proposed by KLM and the Dutch government (see section 2.1 "Composition of the Board of Directors");

- ii) the agreements signed on July 27, 2017 between, firstly, Air France-KLM and Delta Air Lines, Inc. and, secondly, between Air France-KLM and China Eastern Airlines pursuant to which Delta Air Lines, Inc. and Mr. Wang were appointed to the Board of Directors (see section 2.7.4 "Partnerships with Air France-KLM"; and
- iii) the subscription agreement entered into on May 22, 2022 between Air France-KLM and CMA CGM pursuant to which CMA CGM was appointed as a Board director and the commercial cooperation agreement in air freight entered into on December 9, 2022 between Air France-KLM, Air France, KLM, CMA CGM and CMA CGM Air Cargo, ended on March 31, 2024.

Furthermore, pursuant to the provisions of Ordinance No. 2014-948 of August 20, 2014 on governance and transactions involving the share capital of public sector companies and to application decree-law No. 2014-949 of August 20, 2014, a Board director representing the French State is appointed by ministerial decree and two Board directors are appointed by the Shareholders' Meeting as proposed by the French State. In addition, pursuant to Articles L. 225-23 and L. 22-10.5 of the *Code de commerce* (French Code of Commerce), L. 6411-9 of the *Code des transports* (French Transport Code) and 17.2 of the Air France-KLM Articles of Incorporation, as proposed by the employee (and former employee) shareholders referred to in Article L. 225-102 of the *Code de commerce*, two Board directors representing the employee and former-employee shareholders are appointed by the Shareholders' Meeting. Lastly, in that the Board of Directors is composed of more than eight directors, two Board directors representing the employees have seats on the Board of Directors pursuant to the provisions of Article L. 22-10-7 of the *Code de commerce* and Article 17-3 of the Air France-KLM Articles of Incorporation (see section 2.1 "Composition of the Board of Directors").

As at December 31, 2024, there were no service level contracts binding any member of the Board of Directors to Air France-KLM or to one of its subsidiaries and foreseeing the granting of benefits under the terms of the contract.

With the exception of Delta Air Lines, Inc. (see the subscription agreement entered into on July 27, 2017, detailed in section 2.7.4 "Partnerships with Air France-KLM"), subject to compliance with the rules relating to the prevention of insider trading and the obligation foreseen in the Internal Rules of the Board of Directors (as amended by a decision of the Board of Directors of March 5, 2025), Board directors are required to own at least one hundred shares in the Company for the duration of their terms of office⁽¹⁾; none of the Board directors have accepted restrictions on the sale of their holdings in the share capital of Air France-KLM.

Compliance code regarding securities trading

The Compliance Code regarding securities trading, adopted by the Board of Directors on March 25, 2004 and as amended on November 17, 2017, notably remains Company officers, senior Company executives, anyone with close personal ties with the latter and certain employees with access to inside information that, owing to their positions within Air France-KLM, requires them to refrain from trading in Company shares for a minimum of (i) thirty calendar days prior to the publication of the full annual and half-year financial statements and (ii) a minimum of fifteen calendar days prior to the publication of the full quarterly financial statements, the day of their publication being included in these periods. The Code also reiterates the specific obligations (particularly relating to access to inside information) applying to senior executives, Board directors and anyone with access to inside information relating to Air France-KLM concerning the use of this information and their trading in the shares of Air France-KLM pursuant to the applicable laws and regulations relating to market abuse.

In the past five years, to the Company's knowledge, no Board director has been the subject of a fraud conviction or official public sanction by the statutory or regulatory authorities, associated with a bankruptcy, sequestration of goods or a placing of a company under administrative receivership nor has, lastly, been prevented by a court from acting as a member of a management or supervisory body of an issuer or from involvement in managing the business of an issuer. This information is confirmed every year via a questionnaire sent to the Board directors.

Regulated agreements and commitments

Agreements referred to in Articles L. 225-37-4 paragraph 2 of the Code de commerce

An agreement falling within the scope of paragraph 2 of article L. 225-37-4 of the French Commercial Code was concluded between Société Air France and the French State on December 12, 2024, for the payment of aid on the basis of European Commission decision SA.104957 of February 16, 2023.

Agreements referred to in Article L. 225-38 of the Code de commerce

Agreements and commitments authorized and signed during the 2024 financial year

Conclusion of a Term Sheet between Air France-KLM, Air France, KLM, CMA CGM, CMA CGM Air Cargo and CMA CGM Air Cargo 9

On January 15, 2024, Air France-KLM (the "Company"), Air France, KLM, CMA CGM, CMA CGM Air Cargo ("CCAC"), and CMA CGM Air Cargo 9 ("CCAC 9") together with the Company, Air France, KLM, CMA CGM and CCAC (the "Parties") entered into a term sheet providing for the terms and conditions of the termination of the commercial cooperation between the entities of the Air France-KLM Group and the entities of the CMA CGM group relating to their cargo activities, effective as of March 30, 2024. The Term Sheet provides in particular for the termination of the commercial cooperation entered into on December 9, 2022 between the Parties (the "Cooperation Agreement") and the ancillary agreements relating to their cooperation in air cargo activities (the "Ancillary Agreements").

The Term Sheet sets out the terms and conditions of the termination of the Cooperation Agreement and the Ancillary Agreements and in particular:

- i) the termination of the Cooperation Agreement, effective March 30, 2024;
- ii) the termination of the dry and wet lease agreements, effective January 16, 2024;
- iii) the termination of the Ancillary Agreements, effective March 30, 2024;
- iv) the payment of the various amounts due by each of the Parties to the other under all the agreements relating to the cooperation in the air freight activities (with the exception of certain operational costs) resulting in a global final payment by the Company to CMA CGM of €20,000,000;
- v) the waiver by the Parties of any recourse against each other in respect of the commercial cooperation in the air freight activities; and
- vi) the terms and conditions of the transition period commencing on January 16, 2024 (inclusive) and ending with the termination of the commercial cooperation, effective March 30, 2024 (inclusive).

⁽¹⁾ This obligation to hold at least one hundred shares in the Company for the duration of their terms of office is not applicable to Board directors representing the employee shareholders, Board directors elected by the employees and Board directors representing the employees (Article L. 225-25 paragraph 3 of the Code de Commerce), nor to Board directors appointed by the State or appointed by the Shareholders' Meeting as proposed by the State (Articles 5 paragraphs 5 and 6 VI of Ordinance No. 2014-948 of August 20, 2014).

Mr. Benjamin Smith, Chief Executive Officer of the Company and joint board member of the Company and KLM, could be deemed to be indirectly interested in the conclusion of the Term Sheet, as he is (i) Chief Executive Officer and member of the Board of Directors of the Company and (ii) member of the Supervisory Board of KLM.

CMA CGM, represented by Mr. Ramon Fernandez as director, appointed by co-optation on April 19, 2023 by the Company's Board of Directors and whose co-optation was ratified by the Shareholders' Meeting held on June 7, 2023, is considered to have a direct interest in the conclusion of the Term Sheet, in particular because of its position as director of the Company and its status as a party to the Term Sheet.

Pursuant to Article L. 225-3 of the *Code de commerce*, the Company's Board of Directors authorized the conclusion of the Term Sheet at its meeting of January 15, 2024. Mr. Benjamin Smith and Mr. Ramon Fernandez in his capacity as permanent representative of CMA CGM did not take part in the deliberation or in the vote with respect to the Term Sheet.

The signature of the Term Sheet enabled the Company to terminate, by mutual agreement with CMA CGM, their commercial cooperation in the air freight sector, which had been unable to function optimally given the tight regulatory environment in certain important markets, while clarifying the terms and conditions of the transition period commencing on January 16, 2024 (inclusive) and ending with the termination of the commercial cooperation effective March 30, 2024 and the settlement of the various financial flows under this cooperation.

Amendment to the Subscription Agreement entered into on May 22, 2022 between Air France-KLM and CMA CGM

On May 22, 2022, Air France-KLM entered into a subscription agreement in the context of a long-term strategic air freight partnership with CMA CGM, a shareholder of the Company with 9% of its share capital (as modified by the Amendments of November 28, 2022 and April 19, 2023 (the "Subscription Agreement")).

On January 15, 2024, and as outlined in Section I above, the Company entered into a term sheet with Air France, KLM, CMA CGM, CMA CGM Air Cargo and CMA CGM Air Cargo 9, setting forth the terms and conditions for the termination of the commercial cooperation agreement entered into on December 9, 2022 and the ancillary agreements relating to their air freight activities. This termination became effective March 30, 2024.

In the context of the termination of the commercial cooperation, on January 15, 2024, the parties also agreed on an Amendment to the Subscription Agreement which henceforth provides that CMA CGM's lock-up undertaking to retain all the shares in the Company subscribed by CMA CGM in the rights issue by the Company announced on May 24, 2022, which was initially due to expire upon termination of the commercial cooperation agreement or on June 15, 2025 (in the case of all the Company's shares subscribed by CMA CGM in the rights issue and on June 15, 2028 in the case of 50% of such shares), will be a, will expire on February 28, 2025, and will no longer be conditional on the existence of the commercial cooperation agreement between the Company and CMA CGM.

Furthermore, the Amendment to the Subscription Agreement provides that CMA CGM will no longer have a representative on the Company's Board of Directors from March 31, 2024 under the Subscription Agreement as amended by the Amendment to the Subscription Agreement.

However, the Amendment to the Subscription Agreement will not change the standstill commitment provided for under the Subscription Agreement, which thus continues to apply.

CMA CGM, represented by Mr. Ramon Fernandez in the capacity of Board director, appointed by co-optation on April 19, 2023 by the Company's Board of Directors and whose co-optation was ratified by the Shareholders' Meeting of June 7, 2023, is considered to be directly interested in the conclusion of the Amendment to the Subscription Agreement due, in particular, to its position as a member of the Company's Board of Directors and its status as a party to the Amendment to the Subscription Agreement.

Pursuant to Article L. 225-38 of the *Code de commerce*, the Company's Board of Directors authorized the conclusion of the Amendment to the Subscription Agreement at its meeting on January 15, 2024. Mr. Ramon Fernandez did not take part in the deliberation or in the vote with respect to the Amendment to the Subscription Agreement.

Apart from the impact on the composition of the Company's Board of Directors, the conclusion of the Amendment to the Subscription Agreement makes it possible to continue, until February 28, 2025, CMA CGM's lock-up undertaking on the Company's shares subscribed by CMA CGM in the rights issue announced by the Company on May 24, 2022.

Conclusion of a new joint-venture agreement between Air France-KLM, Air France, KLM and China Eastern Airlines

On June 1, 2024, the Board of Directors of Air France-KLM (the "Company") entered into a new joint-venture agreement for air transport services between Europe and China (the "Agreement") with Air France, KLM and China Eastern Airlines ("CEA"). It is recalled that CEA is a shareholder in the Company for 4.6% of its share capital and has a representative on the Board in accordance with the Company's undertakings of June 23, 2021 in connection with the transactions to strengthen its shareholders' equity.

The main purpose of the Agreement is to strengthen the existing cooperation between the Company and CEA with respect to air transport services between Europe and China. The Agreement is concluded for an initial period until December 31, 2028. It follows on from a previous joint-venture agreement between the Company, Air France, KLM and CEA signed on November 26, 2018. This agreement was concluded for a period of five (5) years, initially ending on December 31, 2023. Pending the finalization of the discussions relating to the Agreement, the Company, Air France, KLM and CEA extended the term of the previous joint-venture agreement on two occasions, first for a period of three (3) months and then for a further two (2) months: the term of the previous joint-venture agreement was thus extended to March 31, 2024 and then to May 31, 2024.

M. Jian Wang, a Board director appointed upon the proposal of CEA, could be directly interested in the conclusion of the Agreement, due to (i) his position as a director of the Company, (ii) his position as General Secretary of CEA and (iii) his being a shareholder of CEA.

Pursuant to article L. 225-38 of the French Commercial Code, the Company's Board of Directors authorized the conclusion of the Agreement at its meeting on April 29, 2024. Mr. Jian Wang did not take part in the deliberation or in the vote with respect to the Agreement.

The Agreement will make it possible to maximize synergies between the parties, especially by extending the scope of the joint-venture, developing joint commercial initiatives (with, for instance, stimulation of connecting traffic in China) and, more generally, implementing certain commitments made by the Company on June 23, 2021 in the context of its capital reinforcement operations. The agreement also confirms CEA's exclusivity commitments between Europe and China. The financial mechanism for sharing the joint-venture's revenues between the parties has also been modernized and should in particular incentivize network connectivity.

Conclusion of an amendment to the transatlantic joint-venture agreement with Delta Air Lines Inc. and Virgin Atlantic Airways Ltd, and ancillary agreements

i) The Amendment

On December 6, 2024, Air France-KLM (the "Company"), Société Air France, Koninklijke Luchtvaart Maatschappij ("KLM"), Delta Air Lines Inc. ("Delta") and Virgin Atlantic Ltd. ("Virgin") (the "Parties") entered into an amendment (the "Amendment") to the Transatlantic joint-venture agreement entered into by the Parties on May 15, 2018 (as amended by a first amendment between the Parties on January 1, 2020) (the "Transatlantic Agreement") governing their commercial cooperation on transatlantic routes (the "Joint-Venture").

The Amendment is intended to modernize the Joint-Venture, subject to obtaining the applicable regulatory clearances, including (i) some elements of governance, in particular with respect to the network planning process and additional flexibility granted to the Parties to open new routes, and (ii) the financial settlement mechanism for sharing revenues and costs generated by the Joint-Venture between the Parties.

Mr. Benjamin Smith could be deemed to be directly interested in the conclusion of the Amendment, as Mr. Benjamin Smith is (i) Chief Executive Officer and member of the Board of Directors of the Company, (ii) Chairman of the Board of Directors of Société Air France and (iii) member of the Supervisory Board of KLM.

Mr. Alain Bellemare could be deemed to be directly interested in the conclusion of the Amendment, as (i) Mr. Alain Bellemare is (x) member of the Board of Directors of the Company and (y) President of Delta and (ii) Delta is a shareholder of the Company and of Virgin.

Mr. Wiebe Draijer could be deemed to be directly interested in the conclusion of the Amendment, as Mr. Wiebe Draijer is (i) member of the Board of Directors of the Company and (ii) Chairman of the Supervisory Board of KLM.

Pursuant to Article L. 225-38 of the French Commercial Code, the Board of Directors of the Company authorized the conclusion of the Amendment at its meeting on November 6, 2024. Mssrs. Benjamin Smith, Alain Bellemare and Wiebe Draijer did not take part in the deliberation or in the vote with respect to the Amendment.

The Amendment will not introduce any changes to the scope of the Joint-Venture. This cooperation will continue to generate customer benefits and synergies. In addition, the Amendment will rebalance the Company's future exposure through a revision of the financial mechanism.

ii) The Financial Settlement

On November 6, 2024, the Board of Directors of the Company approved the main terms and conditions of the Financial Settlement, whereby the Company and Virgin settle their claims with respect to any amount payable by the Company to Virgin in relation to the financial settlement of the Transatlantic Agreement prior to the date of signature of the Financial Settlement, for a total amount of US\$125,000,000, as already disclosed in the Company's H1 consolidated financial statements, to be paid by the Company to Virgin in two installments. The Financial Settlement will only enter into force, *inter alia*, upon (and subject to) the effectiveness of the Amendment.

Mr. Alain Bellemare could be deemed to be directly interested in the conclusion of the Financial Settlement, as (i) Mr. Alain Bellemare is (x) member of the Board of directors of the Company and (y) President of Delta, (ii) Delta is a shareholder of the Company and of Virgin and (iii) a Delta representative has a seat on Virgin's Board of Directors.

Pursuant to Article L. 225-38 of the French Commercial Code, the Board of Directors of the Company authorized the conclusion of the Financial Settlement at its meeting of November 6, 2024. Mr. Alain Bellemare did not take part in the deliberation or in the vote with respect to the Financial Settlement.

The Company agrees to pay an exceptional compensation of US\$125,000,000 to be paid by the Company to Virgin in two installments, thereby settling their claims with respect to any amount payable by the Company to Virgin under the financial settlement mechanism of the Transatlantic Agreement prior to the date of signature of the Financial Settlement.

iii) The Amendment to the Supplemental Agreement

On November 6, 2024, the Board of Directors of the Company approved the main terms and conditions of the Amendment to the Supplemental Agreement, whereby the Company, Société Air France, KLM and Delta (i) modify the distribution surcharges in respect of the tickets sold via a global distribution system for travel on flights using the relevant Party's applicable codes and (ii) set a new amount for the interline service charges. The Amendment to the Supplemental Agreement will only enter into force, *inter alia*, upon (and subject to) the effectiveness of the Amendment.

Mr. Benjamin Smith could be deemed to be directly interested in the conclusion of the Amendment to the Supplemental Agreement, as Mr. Benjamin Smith is (i) Chief Executive Officer and member of the Board of Directors of the Company, (ii) Chair of the Board of Directors of Société Air France and (iii) member of the Supervisory Board of KLM.

Mr. Alain Bellemare could be deemed to be directly interested in the conclusion of the Amendment to the Supplemental Agreement, as (i) Mr. Alain Bellemare is (x) member of the Board of Directors of the Company and (y) President of Delta and (ii) Delta is a shareholder of the Company.

Mr. Wiebe Draijer could be deemed to be directly interested in the conclusion of the Amendment to the Supplemental Agreement, as Mr. Wiebe Draijer is (i) member of the Board of Directors of the Company and (ii) member of the Supervisory Board of KLM.

Pursuant to Article L. 225-38 of the French Commercial Code, the Board of Directors of the Company authorized the conclusion of the Amendment to the Supplemental Agreement at its meeting on November 6, 2024. Mr. Benjamin Smith, Alain Bellemare and Wiebe Draijer did not take part in the deliberation or in the vote with respect to the Amendment to the Supplemental Agreement.

The Amendment to the Supplement Agreement will adjust the interline sales commission of the Company and parties.

Agreements and commitments concluded and signed in previous financial years and which remained in force in 2024

Commitments relating to the severance pay for Mr. Benjamin Smith, Chief Executive Officer of Air France-KLM

On August 16, 2018, pursuant to the provisions of the former Article L. 225-42-1 of the *Code de commerce* (repealed by Ordinance No. 2019-1234 of November 27, 2019), the Air France-KLM Board of Directors authorized the granting of severance pay for Mr. Benjamin Smith, Chief Executive Officer of Air France-KLM, in some instances of forced termination and, namely, dismissal, non-renewal of his term as Chief Executive Officer or forced resignation in connection with a change of control.

It is stipulated that the instances of forced termination enabling the implementation of this severance pay exclude any occurrence of serious misconduct on the part of the Chief Executive Officer.

In accordance with the recommendations of the AFEP-MEDEF Code, the basis for the severance pay is equivalent to two years of his annual fixed and variable compensation (according to specific calculation modalities based, as applicable, on the target variable compensation in the event of a termination within the first 24 months).

A coefficient (between 0 and 100% inclusive) will be applied to the basis of the severance pay based on the performance criteria achieved in relation to the annual variable component of his compensation over the last two financial years of his term of office. The Board will assess the extent to which these performance criteria were achieved.

Transatlantic partnership between Air France-KLM, Delta Air Lines, Inc. and Virgin Atlantic

On October 30, 2019, the Board of Directors mandated the Air France-KLM management to finalize discussions and negotiate amendments to the agreements authorized at the Board meetings of March 14 and May 15, 2018, so as not to proceed with the scheduled acquisition by Air France-KLM of a 31% equity interest in Virgin Atlantic Limited as initially planned, in that this impacts the position of Air France-KLM in the commercial joint-venture between Delta, Virgin Atlantic and Air France-KLM.

As a result, the agreements entered into on March 14 and May 15, 2018 were amended and an agreement was signed between Air France-KLM, Delta and Virgin Group (signed and effective as of January 30, 2020) granting Air France-KLM, subject to specific conditions, a right to acquire shares in Virgin Atlantic Limited in the event of a sale by Virgin Group of shares in Virgin Atlantic Limited to a third party.

Conclusion of a Framework Agreement between Air France-KLM, KLM and the Dutch State

On August 7, 2020, within the framework of the financial support package granted by the Dutch State to KLM, a subsidiary of Air France-KLM, Air France-KLM entered into a Framework Agreement with KLM and the Dutch State, a shareholder in the Company with 14% of its share capital, to enable KLM to meet its urgent need for liquidity following the crisis linked to the Covid-19 pandemic and prepare for the future.

This financial support package, approved on June 25, 2020 by the Company's Board of Directors in the total amount of €3.4 billion, was structured as follows:

- a revolving credit facility in the amount of €2.4 billion, granted to KLM by eleven banks and up to 90% guaranteed by the Dutch State; and
- a direct loan in the amount of €1 billion, granted by the Dutch State to KLM, with subordination to the revolving credit facility.

A number of conditions were associated with the granting of these loans, including respect by the Company of the commitments on sustainability and the restored performance and competitiveness of KLM, including a comprehensive restructuring plan and a contribution made by employees. KLM also undertook to suspend dividend payments to its shareholders until such time as these two loans had been repaid in full.

During the first half of 2022, KLM repaid amounts made available with the framework of the revolving credit line (€665 million) and the subordinated loan (€277 million), without, however, terminating the framework agreement.

KLM also cancelled the revolving credit facility guaranteed by the Dutch State and the direct loan granted by the Dutch State.

Following this cancellation, the conditions attached to this aid were no longer applicable.

The framework agreement nevertheless remains applicable mainly as concerns the stipulations relating to the assurances given to the Dutch State which provide, in particular, for the extension from nine months to five years of the notice period to terminate these assurances (see section 6.3.2 "Agreements with the Dutch State").

Conclusion of a Shareholders' Agreement relating to Flying Blue Miles, between Air France-KLM, Air France, KLM, AP Fides Holdings I LLC and AP Fides Holdings II LLC, in the presence of Flying Blue Miles

On November 30, 2023, Air France-KLM ("AFKLM") entered into a shareholders' agreement (the "Shareholders' Agreement") with Air France, KLM, AP Fides Holdings I LLC (the "Bond Investor") and AP Fides Holdings II LLC (the "Share Investor"), in the presence of Flying Blue Miles S.A.S. (formerly known as BlueTeam VII), a *société par actions simplifiée* (simplified joint stock company) incorporated under French Law, with its registered office located at 45, rue de Paris, 95747 Roissy Charles-de-Gaulle Cedex 93290 Tremblay-en-France, and registered with the Bobigny Trade and Companies Registry under number 921,540,258 ("Flying Blue Miles"), in the context of the financing of €1.5 billion raised by Flying Blue Miles, to which have been transferred certain assets of the Flying Blue loyalty program relating to the Miles-issuing business on an exclusive basis with the program's third-party partners (the "Transaction").

It is recalled that (i) on July 27, 2023, the Board of Directors authorized the entry into exclusive discussions with Apollo Capital Management, L.P. to negotiate and finalize the transaction documents relating to the Transaction and (ii) on October 26, 2023, the Board of Directors approved the signature of a definitive agreement on the Transaction and the corresponding contractual documentation, including the signature of the Shareholders' Agreement.

The Shareholders' Agreement defines the terms and conditions, *inter alia*, of the governance of Flying Blue Miles, the covenants of Air France-KLM as majority shareholder of Flying Blue Miles, certain covenants of Air France and KLM, the rights attached to the preferred shares issued by Flying Blue Miles and subscribed by the Share Investor, the terms and conditions of AFKLM's call option on the preferred shares held by the Share Investor in Flying Blue Miles, and the Share Investor's contractual remedies in the event of a breach by Air France-KLM, Air France and/or KLM of certain material obligations under the agreements (including, in this case, (i) the right of the Share Investor to appoint the President of Flying Blue Miles and of the SPVs, and to terminate the operational agreements relating to the Transaction, and (ii) the right of Flying Blue Miles to claim for liquidated damages for a total amount of €1.5 billion upon such termination).

The Shareholders' Agreement also includes specific provisions whereby:

- i) AFKLM will be jointly and severally liable with Air France and KLM with respect to the payment of any liquidated damages owed, as the case may be, by them in the event of a breach of their material obligations, to Flying Blue Miles for the total amount of €1.5 billion;
- ii) Air France-KLM will undertake that neither Air France nor KLM will take any action that would result in a breach of their material covenants in the Shareholders' Agreement; and
- iii) AFKLM will indemnify Flying Blue Miles for any liability it may incur, if applicable, in respect of the processing of personal data in accordance with the Joint Controller Agreement, an agreement entered into on November 30, 2023 between Air France, KLM and Flying Blue Miles, the purpose of which is to set out the respective rights, obligations and liabilities of Air France, KLM and Flying Blue Miles as joint controllers in respect of the processing of personal data within the framework of Flying Blue.

Procedure for the qualification and regular evaluation of the current agreements signed in normal conditions

At its meeting of December 11, 2019, as recommended by the Audit Committee, the Board of Directors established a procedure enabling the qualification and regular evaluation of the agreements relating to current operations entered into under normal terms and conditions pursuant to the provisions of Article L. 22-10-12 of the *Code de commerce*. The current and normal nature of an agreement is evaluated on a case-by-case basis during the signature, renewal or amendment of the said agreement, on the basis of objective criteria defined in the procedure.

Within the framework of this annual evaluation procedure, the Company:

- compiles an inventory of all the agreements referred to in Article L. 22-10-12 of the *Code de commerce*;
- reviews all the elements and documents having enabled the qualification of the agreements; and
- as necessary, reviews the qualification of any agreements with interested parties (regulated agreement or free agreement, depending on the case).

Anyone who has an interest in one of these agreements, entered into either directly or through an intermediary, does not participate in their evaluation.

A presentation on the results of the inventory of the agreements referred to in Article L. 22-10-12 of the *Code de commerce*, in respect of the financial year ended December 31, 2024, was made to the Audit Committee on March 3, 2025 and was reviewed by the Board of Directors within the framework of the corporate governance report.

2.3 ACTIVITIES AND FUNCTIONING OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

2.3.1 Activities and functioning of the Board of Directors

Board activity during the 2024 financial year

Board activity during the 2024 financial year



9 MEETINGS

including 2 extraordinary meetings



95%

average attendance
of Board directors (93% en 2023)



3H19 AVERAGE DURATION PER MEETING*

* The annual strategic seminar of the Board of Directors, which takes place over two days, has not been taken into account in the calculation.

The minimum number of Board of Directors meetings is set at seven per year. Prior to Board meetings, a dossier is circulated containing the agenda for the meeting together with any summaries or, where appropriate, full documentation on any issues requiring special analysis and/or prior consideration. The matters raised in meetings are usually the subject of presentations, followed by discussion.

Board of Directors meetings are conducted in French and English; however, individual directors may speak in French and in English with simultaneous interpretation. During these meetings, the following matters were notably addressed:

- annual, half-year and quarterly results;
- regular status reports on the Group's activity, financial situation and outlook;
- budget including the capex plan and the financial trajectory;
- financing plan and debt management;
- strategic projects including, in particular, consolidation transactions (particularly the acquisition of an equity interest and a commercial cooperation with SAS AB);
- regular information on significant financing operations (bank financing, including in particular the signing of an amendment to the revolving credit facility, or in the financial markets);
- presentation of the financial, legal, operational, social and environmental risks;
- approval of material topics and their IROs within the framework of the double materiality assessment (see Chapter 4 of the 2024 Universal Registration Document below);
- report on compliance;
- regular information on the activity and development of Air France and KLM, including on the situation of the Group's employees and employee relations within the Group;
- the Air France and KLM transformation plans;
- Air France and KLM fleet plans and monitoring of the investments;
- flight safety;
- regular updates and approval of the alliance and partnership projects;
- governance of the Group and, in particular: changes in the Group's governance, independence of the Board directors, the diversity policy for the Board of Directors, the diversity targets for the management bodies, the evaluation of the Board of Directors, appointment and training of the new Board directors, composition of the Board of Directors and its Committees, compensation of the top executives and the succession plan for the executive officers and company officers.

Furthermore, every year, a two-day meeting of the Board of Directors is devoted to Air France-KLM's strategic objectives and a presentation of the plans for its businesses and airlines. In 2024, the strategic meeting of the Board of Directors was organized around the six new pillars of the Group's strategy, presented at the Investor Day in December 2023, and the related priorities in the different businesses. This meeting also provided an opportunity to present to the directors the use of artificial intelligence by various businesses in the Group in the performance of their duties, as well as to review cybersecurity, particularly the Group's achievements in the field of information security.

Board directors attendance

The attendance records for individual Board directors at meetings of the Board of Directors in 2024 are presented below:

Board director	Board meeting attendance
Anne-Marie Couderc Chair of the Board of Directors and of the Appointments and Governance Committee	100%
Gwenaëlle Avice-Huet	89%
Leni M.T. Boeren	100%
Pascal Bouchiat	100%
Isabelle Bouillot Chair of the Audit Committee	100%
Florence Parly	89%
CMA CGM⁽¹⁾ (represented by Ramon Fernandez)	100%
Michel Delli-Zotti	100%
Dirk Jan van den Berg	89%
Cees 't Hart⁽²⁾	100%
Wiebe Draijer⁽³⁾	100%
Delta Air Lines, Inc. (represented by Alain Bellemare)	100%
Céline Fornaro	100%
Nicolas Foretz	100%
Anne-Marie Idrac Chair of the Sustainable Development and Compliance Committee	100%
Yann Leriche	89%
Benjamin Smith	100%
Terence Tilgenkamp	100%
Didier Dague	100%
Jian Wang	56%
Alexander R. Wynaendts Chair of the Remuneration Committee	100%
AVERAGE ATTENDANCE	95%

(1) As indicated in the press release of January 16, 2024, CMA CGM ceased to have a representative on the Company's Board of Directors as of March 31, 2024 in respect of the Subscription Agreement as amended by the Amendment to the Subscription Agreement signed on January 15, 2024.

(2) Board director until June 5, 2024.

(3) Board director since June 5, 2024.

Evaluation of the functioning of the Board of Directors and its Committees

At least once a year, pursuant to the provisions of Article 11 of the AFEP-MEDEF Code and Article 2 of the Internal Rules of the Board of Directors, the Board of Directors discusses its functioning and organization. To inform this discussion, a formalized evaluation is conducted via a questionnaire. This evaluation is steered by the Appointments and Governance Committee. Furthermore, a formal evaluation with the help of an external consultant is realized every three years.

In respect of the 2024 financial year, the Board of Directors realized a self-evaluation in the form of a questionnaire submitted to each Board director. The following topics were addressed through the evaluation questionnaire:

- the composition, organization, functioning and dynamic of the Board of Directors and its Committees;
- the relationship between the Board of Directors and the General Management;
- the effectiveness of the Board of Directors and its Committees;
- the individual contributions of the Board directors to the work of the Board of Directors and the areas of expertise to be developed within the Board;
- the integration of the new Board directors and the proposed training;
- the main changes and areas requiring improvement.

The results of the evaluation were handled under the seal of anonymity and gave rise to a presentation and discussion during the Board of Directors meeting on March 5, 2025.

In 2024, the Board of Directors was again very active (9 meetings of which two were extraordinary). It focused notably on the implementation of the CSRD Directive (EU) 2022/2464, strategic projects including consolidation operations, as well as the financial trajectory and CSR challenges of the Group for the coming years.

As a general rule, the Board directors considered that the functioning of the Board of Directors had improved over the course of 2024 since the last evaluation. The evaluation revealed the following positive points:

- good performance level of the Board in terms of its functioning and organization, fostering quality exchanges between the Board directors;
- composition of the Board and its Committees meets the needs of the Board, with a good complementarity in terms of the skills profiles of the Board directors and the high quality of the new members;
- quality of the information provided to the directors (consistency, fluidity, relevance, etc.);
- quality of the relationship between the Board and the Chair whose involvement is widely recognized, as well as the separation of roles established with the CEO;
- General Management is accessible and open when responding to requests for information and to questions, and the Chair leads discussions in an open manner without trying to influence the Board directors.

The results of the 2024 evaluation made it possible to pinpoint a number of areas for improvement to be monitored during 2025, notably:

- try to reduce meeting times, increase the time allocated for discussions, and continue the effort to anticipate by better distributing agendas throughout the year;
- continue the efforts to circulate information earlier so that directors have time to assimilate it, thus allowing only a summary to be presented at the meeting, leaving more time for discussion;
- organize one or two meetings per year without the presence of management;
- allocate more time to discussing topics related to human resources and Group strategy, as well as develop certain subjects such as the challenges of artificial intelligence for the Group; and
- reinforce the Board's portfolio of competencies in the industrial and digital areas as well as executive profiles with international experience and knowledge in the aviation sector.

2.3.2 Activities and functioning of the Committees

Audit Committee



6 MEETINGS

7 MEMBERS

80%

independent directors, including an independent Chair⁽¹⁾

98%

average Board director attendance



3H38 AVERAGE DURATION PER MEETING

(1) Pursuant to the provisions of Article 10.3 of the AFEP-MEDEF Code, the Board directors representing the employee shareholders and the Board directors representing the employees are not taken into account for the calculation of this percentage.



Composition

At December 31, 2024, the Audit Committee was composed of the following seven members: Ms. Isabelle Bouillot (Chair of the Committee), Ms. Gwenaëlle Avice-Huet, Ms. Leni M.T. Boeren, Ms. Florence Parly, Mr. Michel Delli-Zotti, Mr. Nicolas Foretz and Ms. Céline Fornaro.

The members of the Audit Committee benefit from financial and accounting competencies as well as sustainability competencies, enabling them to exercise their functions.

At its meeting on November 9, 2011, the Board of Directors adopted the position whereby, pursuant to the provisions of Article L. 821-67 of the *Code de commerce*, the Company's Audit Committee includes at least one independent member with specific financing and accounting skills. On July 1, 2021, the Board of Directors decided to appoint Ms. Bouillot as Chair of the Audit Committee, in that she has the academic background and professional experience to fulfill this requirement for specific financial competence, and she has no relationships with the Company, its Group or management that are such as to color her judgment. The six other Committee members also have financial and/or accounting skills.

The principal executives responsible for accounting, legal affairs, finance, internal control and internal audit at Air France-KLM also attend meetings in an advisory capacity.

The Statutory Auditors attended all the meetings of the Audit Committee. At the request of the Chair of the Committee and pursuant to Article 17.3 of the AFEP-MEDEF Code, they were able to consult with Committee members outside the presence of the Group's senior executives on the occasion of the review of the annual financial statements.



Missions

The Audit Committee reviews the interim and annual consolidated financial statements and when required quarterly earnings, and reviews the sustainability information to be published, in order to provide explanations to the Board of Directors as to their content and to ensure the completeness, reliability and quality of the information, including forecasts, that is provided to shareholders and the markets. The Committee also oversees the auditing of the annual financial statements and the certification of sustainability information. In particular, the Audit Committee reviews:

- the consolidation scope;
- relevance and consistency of the accounting methods used to draw up the financial statements;
- principal estimates made by the General Management of Air France-KLM;
- principal financial risks with the General Management of Air France-KLM and the material off-balance-sheet commitments;
- comments and recommendations made by the Statutory Auditors and, if applicable, any significant adjustments resulting from audits;
- the reliability of the information system that contributes to the process of developing sustainability information.

As necessary, the Audit Committee makes recommendations to guarantee the integrity of the financial and sustainability reporting process.

The Audit Committee monitors the effectiveness of the Internal Control and risk management procedures and, as necessary, the Internal Audit, in terms of the processes relating to the establishment and treatment of the accounting and financial information and sustainability information, with no compromise to its independence. In this capacity, it reviews in particular the program and results of Internal Audit to ensure, notably, that, in the event of any malfunction, the appropriate action plans and follow-up monitoring have been implemented. The Committee discusses with the Statutory Auditors and reviews their conclusions on the half-year and annual financial statements. It also exchanges views with the experts responsible for auditing the sustainability information and examines their conclusions on the sustainability statement. The Committee pays particular attention to the audit points identified by the Statutory Auditors or by the Sustainability Auditors and ensures compliance with the legal and regulatory requirements for financial and accounting information and sustainability information.

The Audit Committee is responsible for steering the procedure to select the Statutory Auditors and the Sustainability Auditors. It submits a recommendation to the Board of Directors when their appointment or re-appointment by the Shareholders' Meeting is envisaged pursuant to Article L. 821-45 of the *Code de commerce*. It proposes the selection procedure to the Board of Directors and, in particular, considers whether a call to tender is appropriate. It verifies the independence and quality of the Statutory Auditors' and the Sustainability Auditors' work, examines issues relating to their amount of fees for the execution of statutory audit assignments, reviews and approves the fees submitted by each of the Statutory Auditors and by each of the Sustainability Auditors on an annual basis. The Committee ascertains whether the joint system of Statutory Auditors and the control carried out by the Sustainability Auditors are effective.

The Committee also oversees the realization by the Statutory Auditors and by the Sustainability Auditors of their assignments and notes the comments and conclusions of the High Audit Authority (*Haute Autorité de l'audit*) following the verification carried out pursuant to Articles L. 820-14 and L. 820-15 of the *Code de commerce*.

The Committee approves the supply of services other than the certification of the financial statements and the sustainability information pursuant to the applicable regulation. It rules on this point having first analyzed the risks of any compromise to the independence of the Statutory Auditors and the safeguarding measures applied by the latter.

The Committee is also responsible for reviewing the Group's overall financial, accounting and fiscal policy and its implementation. It issues an opinion on the Group's significant financial operations.

The Audit Committee has access to the resources required to fulfill its mission and may, in particular, be assisted by persons from outside the Company. Lastly, the Committee regularly reports to the Board of Directors on the execution of its missions. It also reports back on events subsequent to the certification of the financial statements, on the manner in which this certification process contributed to the integrity of the financial information and on the role it has played in this process.

Activity

Board director	Audit Committee attendance
Isabelle Bouillot Chair of the Audit Committee	100%
Gwenaëlle Avice-Huet	83%
Leni M.T. Boeren	100%
Michel Delli-Zotti	100%
Nicolas Foretz	100%
Céline Fornaro	100%
Florence Parly ⁽¹⁾	100%
AVERAGE ATTENDANCE	98%

(1) Member of the Audit Committee since April 29, 2024.

During the 2024 financial year, the Audit Committee met six times (like in 2023) with an attendance record for its members of 98% (93% in 2023). The duration of the meetings averaged three hours and thirty-eight minutes.

The following matters were notably reviewed by the Audit Committee during the 2024 financial year:

■ Review of the financial statements

The Committee reviewed the quarterly, half-year and annual financial statements, and the budget, prior to their presentation to the Board of Directors. It conducted a detailed examination of the Statutory Auditors' summary reports on the half-year and annual financial statements as well as the significant points noted in audits. The main accounting options adopted were the subject of a special presentation every quarter.

The review of the financial statements by the Audit Committee usually takes place a day or two before their review by the Board of Directors.

■ Review and monitoring of the budget

The Audit Committee reviewed the budget prior to its presentation to the Board of Directors and oversaw its tracking on a quarterly basis. This year the Audit Committee examined the major points in the 2025 budget prior to the review of the detailed budget.

■ Sustainability information

The Audit Committee examines the issues relating to the preparation, control and publication of extra-financial information and, in particular, to the preparation of the sustainability statement, in accordance with the new provisions of the French Commercial Code resulting from the transposition of the CSRD Directive (EU) 2022/2464 into French law.

In this context, joint meetings between the Audit Committee and the Sustainable Development and Compliance Committee were organized to review sustainability information prior to the approval of the sustainability statement.

Internal control, risk management and internal audit

During the Audit Committee meetings, Internal Audit gave a presentation of its half-year activity report.

The Company applies high standards of financial disclosure and corporate governance, and maintains a rigorous level of internal control across the Group.

The Audit Committee reviewed the summary sheet of the main operational and/or strategic risks on a half-yearly basis. The Audit Committee also reviewed the financial risks (fuel, currency exchange rates, financing, transformation plan). The ESG certified extra-financial risks were submitted by internal audit to the Sustainable Development and Compliance Committee and to the Audit Committee for review.

Statutory Auditors

The Audit Committee approved the budget for the Statutory Auditors' fees prior to the opening of the financial year together with their final amount as of the closing date.

The Committee also oversaw the selection process for a new Statutory Auditor.

Approval of non-audit services

To execute this mission, the Audit Committee relies on an internal procedure deployed within the Group in 2004 and updated in 2016, pursuant to the provisions of Ordinance No. 2016-315 of March 17, 2016 relating to Statutory Auditors, which came into force on June 17, 2016.

As foreseen by its annual work schedule, the Audit Committee also reviewed the following matters in 2024:

- tracking of the cash and financing situation;
- review of the financing and capex plan;
- review of the principal litigation, fiscal risks and financial risks;
- regular information on significant financing operations (bank financing, including in particular the signing of an amendment to the revolving credit facility, or in the financial markets);
- fraud detection and prevention;
- review of the Group's cybersecurity strategy;
- monitoring of activity in the Group's subsidiaries;
- review of the financing strategy; and
- review of matters linked to the fleet (ongoing fleet renewal, operating leases, engines).

The Committee is also responsible for reviewing the Group's overall financing, accounting and fiscal strategy and its implementation. It comments on the Group's material financial transactions.

Remuneration Committee

5 MEETINGS

6 MEMBERS

60%

independent directors, including an independent Chair⁽¹⁾

97%

average Board director attendance

(1) Pursuant to the provisions of Article 10.3 of the AFEP-MEDEF Code, the Board directors representing the employee shareholders and the Board directors representing the employees are not taken into account for the calculation of this percentage.

Composition

At December 31, 2024, the Remuneration Committee was composed of the following six members: Mr. Alexander Wynaendts (Chair of the Committee), Ms. Isabelle Bouillot, Ms. Gwenaëlle Avice-Huet, Ms. Céline Fornaro, Mr. Terence Tilgenkamp and Delta Air Lines, Inc. represented by Mr. Alain Bellemare.

Mr. Alexander Wynaendts, an independent Board director, has been Chair of the Remuneration Committee since July 1, 2021.

Mr. Cees 't Hart was invited to attend meetings of the Remuneration Committee until June 5, 2024. As of this date, Mr. Wiebe Draijer is invited to attend meetings of the Remuneration Committee.

Missions

The Remuneration Committee is primarily responsible for making recommendations to the Board of Directors on the level of/changes to the compensation of the Company's executive officers, as well as those of the principal subsidiaries as recommended by the competent body of the relevant principal subsidiary. It may also be asked to comment on the compensation of the Group's senior executives who are members of the Executive Committee and on the level of remuneration granted to individuals recruited for fixed terms, when the level of this remuneration is exceptionally high. The Remuneration Committee reviews and expresses an opinion on the policy governing any stock subscription and share purchase option schemes or any other long-term incentive programs.

Activity

The Remuneration Committee met five times during the 2024 financial year (six in 2023) and the attendance rate for members was 97% (95% in 2023).

Board director	Remuneration Committee attendance
Alexander R. Wynaendts Chair of the Remuneration Committee	100%
Gwenaëlle Avice-Huet	100%
Isabelle Bouillot	100%
Delta Air Lines, Inc. (represented by M. Alain Bellemare)	100%
Céline Fornaro	80%
Terence Tilgenkamp	100%
AVERAGE ATTENDANCE	97%

During the 2024 financial year, the Remuneration Committee made a number of recommendations for the Board of Directors concerning:

- Board director compensation;
- the 2023 compensation and the 2024 compensation policy for the Chief Executive Officer of Air France-KLM;
- the 2023 compensation and the 2024 compensation policy for the Chief Executive Officer of Air France and the President & Chief Executive Officer of KLM;
- the 2023 compensation and the 2024 compensation policy for AFKLM's Chief Financial Officer;
- the 2024 compensation for the Chair of the Air France-KLM Board of Directors; and
- analysis of feedback provided by proxy advisors.

Appointments and Governance Committee



6 MEETINGS

3 MEMBERS

67%

independent directors, including an independent Chair⁽¹⁾

100%

average Board director attendance

(1) Pursuant to the provisions of Article 10.3 of the AFEP-MEDEF Code, the Board directors representing the employee shareholders and the Board directors representing the employees are not taken into account for the calculation of this percentage.

Composition

At December 31, 2024, the Appointments and Governance Committee was composed of the following three members: Ms. Anne-Marie Couderc (Chair of the Committee), Ms. Céline Fornaro and Mr. Alexander R. Wynaendts.

Missions

The Appointments and Governance Committee is responsible for proposing candidates to the Board of Directors for the appointment and replacement of the Chair of the Board of Directors, the other Board directors and the executive officers of Air France-KLM, and for the succession plans for the executive officers, particularly in the event of unforeseen vacancies. Having initiated, when necessary, the relevant searches, the Committee may submit any proposals it deems fit to the Board of Directors regarding the latter's composition. The Appointments and Governance Committee also makes recommendations for the Board of Directors on the appointment of the Chief Executive Officers (CEOs) of the Principal Subsidiaries. Furthermore, it is consulted by Air France-KLM's Chief Executive Officer on the appointment of the other executive officers (Executive Vice Presidents and members of the Management Board) and members of the Boards of Directors and Supervisory Boards of the Principal Subsidiaries.

It establishes the succession plan for the executive officers and also makes proposals to the Board of Directors concerning the diversity and appointment policy for Board directors together with the diversity targets within the management bodies.

The Appointments and Governance Committee makes recommendations regarding the governance principles for the Air France-KLM Group and reviews the consistency of the governance between the Company and its Principal Subsidiaries.

The Appointments and Governance Committee steers the annual evaluation of the functioning of the Board of Directors.

Lastly, prior to review by the Board of Directors, the Appointments and Governance Committee makes proposals on the independence of the Board directors in the light of the criteria in the AFEP-MEDEF Code.

The Chief Executive Officer may be involved in the work of the Appointments and Governance Committee.

Activity

During the 2024 financial year, the Appointments and Governance Committee met six times (nine in 2023) with an attendance record for members of 100% (as in 2023).

Board director	Appointments and Governance Committee attendance
Anne-Marie Couderc Chair of the Appointments and Governance Committee	100%
Céline Fornaro	100%
Alexander R. Wynaendts	100%
AVERAGE ATTENDANCE	100%

During the 2024 financial year, the Appointments and Governance Committee notably addressed the following matters:

- proposals relating to changes in the composition of the Board of Directors submitted to the Shareholders' Meeting of June 5, 2024 and of June 4, 2025;
- the succession of the Chair of the Board of Directors;
- composition of the advisory Committees;
- review and updating of the succession plan for the Group's principal executive officers;
- recommendations on the appointment and re-appointment of members of the Air France Board of Directors and the KLM Supervisory Board;
- independence of the Air France-KLM Board directors;
- diversity and non-discrimination policy within the Group's management bodies;
- setting of diversity targets within the Group's management bodies;
- preparation and monitoring of an action plan addressing the areas of concern identified during the most recent evaluations of the functioning of the Board of Directors and its committees;
- evaluation of the functioning of the Board of Directors and its Committees, carried out between December 2024 and January 2025 (for more details, see section 2.3.1 "Activities and functioning of the Board of Directors").

Sustainable Development and Compliance Committee

3 MEETINGS

7 MEMBERS

33%

independent directors, including an independent Chair⁽¹⁾

83%

average Board director attendance

(1) Pursuant to the provisions of Article 10.3 of the AFEP-MEDEF Code, the Board directors representing the employee shareholders and the Board directors representing the employees are not taken into account for the calculation of this percentage.

Composition

At December 31, 2024, the Sustainable Development and Compliance Committee was composed of the following seven members: Ms. Anne-Marie Idrac (Chair of the Committee), Ms. Leni Boeren, Mr. Pascal Bouchiat, Mr. Didier Dague, Mr. Wiebe Draijer, Mr. Dirk Jan van den Berg and Mr. Jian Wang.

Missions

The Sustainable Development and Compliance Committee assists the Board of Directors in reviewing the Group's policies on compliance and sustainable development. It ensures that the Group promotes long-term value creation and takes the social and environmental issues involved in its activities into account in the establishment of the Group's strategy by submitting recommendations to the Board of Directors.

The Sustainable Development and Compliance Committee's mission is thus to:

- review the Group's CSR policy and its implementation;
- examine the extra-financial risks and specifically those relating to environmental, social and societal matters;
- review the Group's compliance program and monitor its implementation pursuant to the AFEP-MEDEF Code.

The Sustainable Development and Compliance Committee may also deal with any matters deemed appropriate by the Board of Directors.

Activity

During the 2024 financial year, the Sustainable Development and Compliance Committee met three times with an attendance record for members of 83% (94% in 2023).

Board director	Sustainable Development and Compliance Committee attendance
Anne-Marie Idrac Chair of the Sustainable Development and Compliance Committee	100%
Wiebe Draijer ⁽¹⁾	N/A
Leni M.T. Boeren	100%
Pascal Bouchiat	100%
Didier Dague	100%
Dirk Jan van den Berg	100%
Jian Wang	-%
AVERAGE ATTENDANCE	83%

(1) Member of the Sustainable Development and Compliance Committee since November 6, 2024.

The Sustainable Development and Compliance Committee notably addressed the following subjects during the 2024 financial year:

- the Group's sustainable development strategy (targets in compliance with the Science-Based Targets initiative (SBTi), SAF program, development of the diversity program);
- monitoring of diversity objectives and the measures implemented to achieve them;
- the Group's corporate, social and environmental ambitions;
- monitoring of the implementation of the CSRD Directive (EU) 2022/2464 within the Group;
- review of the Group's compliance program (in particular, the Group's anti-bribery plan);
- review of the ESG certified extra-financial risks.

2.4 SUMMARY TABLE OF THE AFEP-MEDEF CODE'S COMPLY OR EXPLAIN RECOMMENDATIONS NOT APPLIED

The following table shows the recommendations of the AFEP-MEDEF Code which have not been applied and the reasons for this:

Provisions of the AFEP-MEDEF Code not applied	Reasons
MEETING OF THE NON-EXECUTIVE DIRECTORS OUTSIDE THE PRESENCE OF THE EXECUTIVE OR IN-HOUSE OFFICERS	
<p><i>"It is recommended that a meeting not attended by the executive officers be organized each year."</i></p> <p>(paragraph 12.3 of the AFEP-MEDEF Code)</p>	<p>The current practice is that the main matters concerning the executive officers (such as their appointment, performance and compensation) are discussed by the Board of Directors outside the presence of the interested parties, after consulting the opinion of, as required, the Appointments and Governance Committee or the Remuneration Committee.</p> <p>A first meeting, without the presence of executive corporate officers, was organized on March 5, 2025, in accordance with the recommendations of the AFEP-MEDEF Code.</p>
PROPORTION OF INDEPENDENT DIRECTORS WITHIN THE BOARD OF DIRECTORS	
<p><i>"The independent directors should account for half the members of the Board in widely held corporations without controlling shareholders."</i></p> <p>(paragraph 10.3 of the AFEP-MEDEF Code)</p>	<p>At December 31, 2024, the percentage of independent directors stood at 47%, i.e., below the 50% threshold recommended by the AFEP-MEDEF Code for non-controlled listed companies.</p> <p>This divergence is due to the specificity of Air France-KLM's shareholder structure. The latter notably includes the French State (28%) and the Dutch State (9.1%) as well as its contractual relationships, particularly with its commercial partners China Eastern Airlines and Delta Air Lines. The Board directors appointed as proposed by these shareholders and commercial partners may not be considered to be independent.</p> <p>Furthermore, the 28% shareholding held by the French State enables the latter, pursuant to the provisions of Ordinance No. 2014-948 of August 20, 2014, to have a seat on the Board reserved for a Board director representing the French State and to propose Board directors to the Shareholders' Meeting. Two Board directors have been proposed by the French State. They represent the interests of the French State in its capacity as a shareholder (Article 6-III of the aforementioned decree).</p> <p>As it is aware of the interest of having a significant proportion of independent Board directors, Air France-KLM is steadily increasing the proportion of independent directors within its Board of Directors, particularly in the context of term renewals and appointments submitted to the Shareholders' Meeting.</p>
INDEPENDENCE CRITERIA FOR BOARD DIRECTORS	
<p><i>"The criteria that the committee and the Board must review in order to qualify a director as independent and to prevent conflicts of interest between the director and the management, the Company, or its Group, are as follows: [...] not to be or not to have been in the previous five years [...] an employee, executive officer, or director of a consolidated company."</i></p> <p>(paragraph 10.5 of the AFEP-MEDEF Code)</p>	<p>At its meeting on March 5, 2025, the Board of Directors reviewed the situation of Ms. Anne-Marie Couderc in light of the AFEP-MEDEF Code criterion relating to holding a position within a consolidated company, considering her role as non-executive Chair of the Board of Directors of Air France until July 2024.</p> <p>When she was appointed to the Board of Directors of Air France-KLM in 2016, Ms. Anne-Marie Couderc did not hold a position at Air France. Her appointment as a director and non-executive Chair of the Board of Directors of Air France was concurrent with her appointment as non-executive Chair of the Board of Directors of Air France-KLM in 2018. This was part of a transitional governance following the early resignation of Jean-Marc Janaillac, who was the Chairman and CEO of Air France-KLM and non-executive Chair of the Board of Directors of Air France. Therefore, this appointment did not call her independence into question.</p> <p>Subsequently, while Ms. Couderc was maintained in her positions, this qualification of independence was confirmed, as her role at Air France was a non-executive position that did not involve any relationship with the Company that could color her judgement.</p> <p>Additionally, as Chair of the Board of Directors, Ms. Anne-Marie Couderc receives only a fixed compensation, excluding any variable compensation whether in cash or in shares.</p>

2.5 COMPENSATION OF CORPORATE OFFICERS

2.5.1 General principles

Pursuant to Article L. 22-10-8 of the *Code de commerce* (French Code of Commerce), the compensation of Air France-KLM's corporate officers is set by the Board of Directors, as recommended by the Remuneration Committee in accordance with the provisions of the AFEP-MEDEF Code. The Company's Board of Directors thus establishes a compensation policy in line with the Company's corporate interest, which is aligned with its commercial strategy and contributes to its sustainability. It describes all components of the fixed and variable compensation of corporate officers and explains the decision-making process followed for the determination, revision and implementation thereof. This compensation policy is the subject of a draft resolution submitted for approval at the Shareholders' Meeting on an annual basis and upon any significant change in the compensation policy, under the conditions provided for in Article L. 22-10-32 of the *Code de commerce*.

Pursuant to Articles L. 22-10-9 and L. 22-10-34 of the *Code de commerce*, the Shareholders' Meeting must also vote on an annual basis, firstly, on the information mentioned in Article L. 22-10-9 of the *Code de commerce*, including in particular the total compensation and benefits of any kind paid in respect of their mandate during the past financial year or awarded in respect of their mandate in the same financial year to all corporate officers, and, secondly, the total compensation and benefits of any kind paid during the past financial year or awarded for the same financial year to each executive officer.

The Shareholders' Meeting of June 4, 2025 is thus called upon to approve:

- the information relating to the compensation of each of the Company's corporate officers, pursuant to Articles L. 22-10-9 and L. 22-10-34 of the *Code de commerce*. This information is presented hereinafter in section 2.5.2 ("Compensation of corporate officers in 2024");
- the fixed and variable elements comprising the total compensation and benefits of any kind paid during the 2024 financial year or awarded in respect of this financial year to Ms. Anne-Marie Couderc, Chair of the Board of Directors, and Mr. Benjamin Smith, Chief Executive Officer, pursuant to Article L. 22-10-34 of the

Code de commerce. This information is presented hereinafter in section 2.5.2 ("Compensation elements paid or awarded during the 2024 financial year to the executive officers and submitted for approval at the Shareholders' Meeting of June 4, 2025"); and

- the compensation policy for corporate officers for 2025, i.e., the directors, the Chair of the Board of Directors and the Company's Chief Executive Officer, as established by the Board of Directors, pursuant to Article L. 22-10-8 of the *Code de commerce*. This policy is presented hereinafter in section 2.5.3 ("2025 Corporate Officer Compensation Policy").

It is specified, pursuant to Article L. 22-10-8 of the *Code de commerce* that under penalty of nullity, no compensation element, of any nature whatsoever, may be determined, awarded or paid by the Company, nor any commitment corresponding to compensation elements, indemnification or benefits due or likely to be due as a result of the assumption, cessation or change of their functions or subsequent to the exercise of these functions, may be made by the Company if it does not comply with the approved compensation policy or, in its absence, with previous compensation or practices.

Furthermore, if the Shareholders' Meeting of June 4, 2025 does not approve the draft resolution mentioned in Article L. 22-10-34-I of the *Code de commerce*, the Board of Directors must submit a revised compensation policy, taking into account the shareholders' vote, for approval by the next Shareholders' Meeting. In such a situation, payment of the sum awarded for the 2025 financial year to the directors would be suspended until approval of the revised compensation policy. Once reinstated, it would include the arrears incurred since the Shareholders' Meeting of June 4, 2025.

In addition, the variable or extraordinary compensation elements awarded for the 2024 financial year to the Chief Executive Officer may only be paid after approval, by the June 4, 2025 Shareholders' Meeting, of these compensation elements under the conditions provided for in the first paragraph of Article L. 22-10-34-II of the *Code de commerce*.

2.5.2 Compensation of the Company officers in 2024

The information mentioned in Article L. 22-10-9 of the *Code de commerce* and the compensation elements and benefits of any kind paid during the 2024 financial year or awarded for this financial year to the various corporate officers of Air France-KLM, which will be submitted to shareholder vote at the Shareholders' Meeting of June 4, 2025 pursuant to Article L. 22-10-34 of the *Code de commerce*, are detailed hereinafter and concern:

- the directors of the Company (section 2.5.2.1);
- the Chair of the Company's Board of Directors (section 2.5.2.2 a); and
- the Company's Chief Executive Officer (section 2.5.2.2 b).

2.5.2.1 Compensation elements paid or awarded during the 2024 financial year to the directors and submitted for approval by the Shareholders' Meeting of June 4, 2025

The compensation elements paid during the 2024 financial year or awarded for this financial year to the directors of Air France-KLM comply with the compensation policy adopted by the Board of Directors after recommendation by the Remuneration Committee, and were approved by the Shareholders' Meeting of June 5, 2024. These compensation elements, which will be submitted to shareholder vote at the Shareholders' Meeting of June 4, 2025 pursuant to Article L. 22-10-34 of the *Code de commerce*, are detailed hereinafter.

	Attendance record at Board and Committee meetings and at the Shareholders' Meeting (2024 financial year)(*)	Compensation for the 2024 financial year (in €)	Compensation for the 2023 financial year (in €)
MEMBERS OF THE BOARD OF DIRECTORS IN OFFICE AS OF THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT			
Anne-Marie Couderc ⁽¹⁾	100%	N/A	N/A
Benjamin Smith ⁽²⁾	100%	N/A	N/A
Gwenaëlle Avice-Huet	90%	49,667	54,758
Leni M.T. Boeren	100%	60,000	60,000
Pascal Bouchiat	100%	45,000	41,977
Isabelle Bouillot	100%	57,000	56,500
Didier Dague ⁽³⁾⁽⁴⁾	100%	45,000	35,227
Michel Delli-Zotti ⁽⁵⁾	94%	45,500	48,000
Mr. Alain Bellemare)	93%	49,500	51,000
Nicola Foretz ⁽³⁾⁽⁵⁾	100%	48,000	14,909
Céline Fornaro ⁽⁶⁾	96%	53,000	9,717
Anne-Marie Idrac	92%	45,000	40,682
Yann Leriche ⁽⁷⁾	90%	37,500	15,909
Terence Tilgenkamp ⁽⁸⁾	100%	52,000	52,000
Florence Parly ⁽⁹⁾	93%	42,833	N/A
Wiebe Draijer ⁽¹⁰⁾	100%	27,000	N/A
Dirk Jan van den Berg	92%	49,500	52,000
Jian Wang	38%	36,500	46,705
Alexander R. Wynaendts	100%	59,500	57,227
FORMER MEMBERS OF THE BOARD OF DIRECTORS DURING THE 2023 AND 2024 FINANCIAL YEARS NO LONGER SERVING AS DIRECTOR AS OF THE DATE OF THE UNIVERSAL REGISTRATION DOCUMENT			
Isabelle Parize ⁽¹¹⁾	N/A	N/A	33,152
May Giquel ⁽¹²⁾	N/A	N/A	32,763
Karim Belabbas ⁽³⁾⁽¹³⁾	N/A	N/A	4,886
François Robardet ⁽³⁾⁽¹⁴⁾	N/A	N/A	35,591
Rodolphe Saade ⁽¹⁵⁾	N/A	N/A	5,000
Jean-Dominique Comolli ⁽¹⁶⁾	N/A	N/A	27,096
Stéphanie Besnier ⁽¹⁷⁾	N/A	N/A	4,970
Mr. Ramon Fernandez ⁽¹⁸⁾	100 %	8,000	32,727
Cees 't Hart ⁽¹⁹⁾	100%	27,000	35,636
TOTAL	94%	837,500	848,432

(*) Attendance record calculated over the term of each director pro rata temporis.

(1) Mrs. Anne-Marie Couderc, Chair of the Board of Directors of Air France-KLM does not receive compensation for her duties on the Board.

(2) Mr. Benjamin Smith, Chief Executive Officer of Air France-KLM does not receive compensation for his duties on the Board.

(3) Directors representing employee shareholders and the director representing French employees appointed by the French Group Committee receive compensation under their employment contract with Air France, unrelated to their corporate mandate within Air France-KLM. Their compensation in respect of their duties as directors is also paid to their union, with the exception of the compensation of Mr. François Robardet, as of May 24, 2022, which was paid into his personal account.

(4) Director since April 7, 2023.

(5) Director since July 27, 2023.

(6) Director since October 9, 2023.

(7) Director since June 7, 2023.

(8) Mr. Terence Tilgenkamp receives compensation under his employment contract with KLM, unrelated to his status on the Air France-KLM Board.

(9) Director since December 7, 2023

(10) Director since June 5, 2024

(11) Director until June 30, 2023.

(12) Director until October 9, 2023.

(13) Director until March 11, 2023.

(14) Director until July 27, 2023.

(15) Director until April 19, 2023.

(16) Director until June 7, 2023.

(17) Director until March 15, 2023.

(18) Director until March 31, 2024. As indicated in the press release of January 16, 2024, CMA CGM no longer has a representative on the Company's Board of Directors as of March 31, 2024, under the Investment Agreement as amended by the Addendum to the Investment Agreement signed on January 15, 2024.

(19) Director until June 5, 2024.

The directors were awarded for the 2024 financial year and paid during this financial year, compensation in the total amount of €837,500 as part of the annual budget of €950,000 voted on at the Shareholders' Meeting of May 15, 2018.

Pursuant to the decision of the Board of Directors of December 11, 2019, the compensation of the directors consists of a fixed compensation to which is added compensation based on the respective attendance of the directors, the terms of distribution and award of which are decided by the Board of Directors, as proposed by the Remuneration Committee. Additional compensation is also allocated to non-resident directors. The number of meetings of the Board of Directors and its Committees held during the 2024 financial year and the attendance record of each director at said meetings are provided in section 2.3 of this Universal Registration Document.

The distribution rules have remained unchanged since the decision of the Board of Directors of February 19, 2014. The distribution rules are as follows:

- €15,000 in fixed compensation;
- €25,000 in compensation based on attendance at Board meetings and General Shareholders' Meetings; and
- €7,000 of additional compensation is allocated to non-resident directors.

On December 11, 2019, the Board of Directors also decided that part of the compensation of the directors, for the functions performed within the Committees, would be based on their attendance;

For the Audit Committee:

- the Chair receives a fixed compensation of €4,500, plus compensation in the maximum amount of €7,500 based on their attendance at Committee meetings; and
- the members each receive a fixed compensation of €3,000, to which is added, for each, compensation in the maximum amount of €5,000 based on their attendance at Committee meetings.

For the other Committees:

- the Chair receives a fixed compensation of €3,000, plus compensation in the maximum amount of €4,500 based on their attendance at Committee meetings; and
- the members each receive a fixed compensation of €2,000, to which is added, for each, compensation in the maximum amount of €3,000 based on their attendance at Committee meetings.

2.5.2.2 Compensation items paid or awarded during the 2024 financial year to executive officers and subject to approval by the Shareholders' Meeting of June 4, 2025

a) Compensation of the Chair of the Board of Directors for the period from January 1 to December 31, 2024

Presentation of the 2024 compensation structure for the Chair of the Board of Directors

Pursuant to the decision of the Board of Directors of February 28, 2024, the gross annual fixed compensation of the Chair of the Board of Directors was set at €350,000.

As a reminder, this change, introduced in 2024, to the amount of the Chair's fixed compensation (originally set at €200,000) aimed to align with the market practices of a panel of comparable companies from the CAC 40 and the Next 20, notably with the State as a minority shareholder.

While acknowledging the need to set the compensation level at €350,000 for her position, the Chair of the Board of Directors nonetheless indicated to the Board of Directors on March 28, 2024 her willingness to maintain the gross annual fixed compensation level of recent years for the 2024 financial year.

Thus, for the 2024 financial year, the Chair of the Board of Directors received an annual fixed compensation of €200,000.

It is specified that the Chair of the Board of Directors will not benefit from variable or multi-year compensation. She receives no additional compensation related to her mandate as director. However, she receives in-kind benefits and a mandatory retirement plan with defined contributions (PERO) available to all employees located in France.

The compensation policy for the Chair of the Board of Directors for the 2024 financial year was approved by the Shareholders' Meeting of June 5, 2024.

For more details on the Chair's compensation policy for the 2024 financial year, see section 2.5.3.2 of the 2023 Universal Registration Document.

Compensation elements paid during or awarded for the 2024 financial year

The compensation elements paid during the 2024 financial year or awarded for this financial year to the Chair of the Board of Directors, for the period from January 1 to December 31, 2024, are in accordance with the compensation policy adopted by the Board of Directors after consultation with the Remuneration Committee, and approved by the Shareholders' Meeting of June 5, 2024. These compensation elements are detailed hereinafter:

Compensation elements subject to voting	Amounts paid during the 2024 financial year	Amounts awarded for the 2024 financial year	Presentation
Fixed compensation	€200,000	€200,000	The gross annual fixed compensation of the Chair of the Board of Directors for the 2024 financial year was set at €350,000 by the Board of Directors at its meeting on February 28, 2024. However, the Chair notified the Board of Directors on March 28, 2024 of her desire to maintain the level of annual gross fixed compensation at €200,000 for the 2024 financial year.
Annual variable compensation	N/A	N/A	The Chair does not receive any annual variable compensation.
Multi-year variable compensation	N/A	N/A	The Chair does not receive any multi-year variable compensation.
Extraordinary compensation	N/A	N/A	The Chair does not receive any extraordinary compensation.
Stock options, performance shares or any other long-term benefit (stock subscription warrants, etc.)	N/A	N/A	No such award occurred during the 2024 financial year. The Chair does not receive any long-term compensation.
Compensation in respect of director mandate	N/A	N/A	The Chair does not receive compensation due to her mandate as director.
Benefits of any kind	€12,208	€12,208	The Chair has a company car with driver.
Severance benefit	N/A	N/A	The Chair does not benefit from any severance compensation.
Non-competition compensation	N/A	N/A	The Chair does not benefit from any non-competition compensation.
Supplementary pension plan	€6,642	€6,642	The Chair benefits from a mandatory defined contribution pension plan (PERO) set up as of January 1, 2024 and the contributions represent a maximum of 5% of gross compensation within the limit of 8 annual social security ceilings, covered 100% by the Company.

b) Compensation of the Chief Executive Officer for the period from January 1 to December 31, 2024

Presentation of the 2024 compensation structure for the Chief Executive Officer

On the recommendation of the Remuneration Committee, the Board of Directors decided to change certain components of the Chief Executive Officer's compensation in 2024. For the 2024 financial year, the compensation of the Chief Executive Officer is mainly composed of the following elements:

- a fixed annual compensation;
- a variable annual compensation related to the performance of the past financial year of up to 150% of the fixed compensation with objectives achieved and up to 180% in the event of exceeding the objectives;
- a long-term variable compensation;
- a supplemental retirement plan: after analyzing the compensation practices of comparable companies in terms of the pension plan, the Board of Directors decided, with regard to the 2024 compensation policy, to implement a supplemental pension plan for the benefit of the Chief Executive Officer, composed of a share of the mandatory pension plan with defined contributions in accordance with Article 83 of the General Tax Code (Mandatory Retirement Savings Plan known as PERO) and an optional pension plan with defined contributions pursuant to Article 82 of the General Tax Code implemented as of January 1, 2024.

As part of this policy and as in previous years, the Chief Executive Officer also receives in-kind benefits and severance compensation.

The Chief Executive Officer's compensation policy for the 2024 financial year was approved by the Shareholders' Meeting of June 5, 2024.

It should be noted that on February 28, 2024, the Board of Directors had taken into consideration many parameters justifying this evolution, namely:

- **Mr. Benjamin Smith's profile, experience and expertise:** Mr. Benjamin Smith is an internationally recognized leader in air travel, having spent twenty years with Air Canada. He has been able to utilize his expertise for the Group's benefit since his arrival in 2018 thanks to his strategic vision of the market and having in particular been able to anticipate the end of the health crisis. Mr. Smith was also instrumental in maintaining the Group's social stability. Mr. Smith has also distinguished himself by placing the deployment of sustainable development at the heart of his strategy;
- **analysis of the compensation practices of comparable companies:** the study conducted by an independent external board (Heidrick & Struggles) on compensation practices for similar functions in a panel of CAC 40 and Next 20 companies with the State as minority shareholder as well as in the main European and international companies competing with Air France-KLM demonstrated that Mr. Benjamin Smith's total target and maximum compensation was lower than market practices.

- **the evolution of the Group profile and its transformation to generate operational performance and the creation of value:** since joining the Group in 2018, Mr. Benjamin Smith has contributed significantly to the Group's transformation plan, based on an ambitious strategy that allows Air-France-KLM to move closer to the profitability of its competitors. Despite the global pandemic having strongly impacted the Group for three consecutive years, it managed to reach the highest revenues in its history in 2023. The Group's transformation has also made it possible, again in 2023, to position unit costs at levels lower than those of the competition while maintaining similar unit revenue levels despite an inflationary context;
- **the average increase in compensation (only on the basis of the general increases applied) of Air France Group employees by 16% between 2019 and 2024 established according to the geographic regions in which Air France operates and annual negotiations with the unions.**

Considering this information, the Board of Directors, on the recommendation of the Remuneration Committee, decided to increase some components of the Chief Executive Officer's compensation as follows:

- increase in annual fixed compensation to €1,044,000, corresponding to a 16% increase;
- increase in annual variable compensation target from 122% to 150% of the annual fixed compensation;
- increase in annual variable compensation maximum from 150% to 180% of the annual fixed compensation;
- long-term variable compensation under condition of performance actions remains unchanged.

This represented a change in overall compensation (fixed, annual variable and long-term variable) at a target of +15.3% and +15.8% maximum.

Additionally, a supplementary pension plan was implemented, composed of a mandatory pension plan with defined contributions (Article 83 of the General Tax Code) known as PERO and an optional pension plan with defined contributions (Article 82 of the General Tax Code).

At the Shareholders' Meeting on June 5, 2024, the resolution on the fixed, variable and exceptional elements comprising the total compensation and benefits of any kind paid during the 2023 financial year to the Chief Executive Officer (17th resolution) was approved at 82.9% (compared to 80.5% the previous year) while the 2024 compensation policy for the Chief Executive Officer (20th resolution) was approved at 80.2% (compared to 83.5% the previous year).

For more details on the Chief Executive Officer's compensation policy for the 2024 financial year, see section 2.5.3.2 of the 2024 Universal Registration Document.

Compensation elements paid during or awarded for the 2024 financial year

The compensation elements paid during the 2024 financial year or awarded for this financial year to the Chief Executive Officer were decided by the Board of Directors on February 28, 2024 on the recommendation of the Remuneration Committee.

All of these compensation elements, for the period from January 1 to December 31, 2024 comply with the compensation policy adopted by the Board of Directors after consultation with the Remuneration Committee, and were approved by the Shareholders' Meeting of June 5, 2024. These compensation elements are detailed hereinafter:

Compensation elements subject to voting	Amounts paid during the 2024 financial year	Amounts awarded for the 2024 financial year	Presentation
Fixed compensation	€1,044,000	€1,044,000	The gross annual fixed compensation of the Chief Executive Officer was set at €1,044,000 by the Board of Directors at its meeting of February 28, 2024. The ratio between the fixed compensation and the variable compensation awarded to Mr. Benjamin Smith for the 2024 financial year, as required pursuant to Article L. 22-10-9-1-2° of the <i>Code de commerce</i> , is 337.57%.
Annual variable compensation	€985,880	€1,524,760	For the 2024 financial year At its meeting of March 5, 2025, the Board of Directors, at the suggestion of the Remuneration Committee, decided to award the Chief Executive Officer for the 2024 financial year, in accordance with the 2024 compensation policy adopted by the Board of Directors on February 28, 2024 and approved by the Shareholders' Meeting of June 5, 2024, an annual variable compensation which, as a reminder, may vary from 0% to 150% of the annual fixed compensation in the case of partially or fully achieved objectives, and from 150% to 180% of the annual fixed compensation in the event of exceeding the objectives (calculated on a linear basis). The amount of the Chief Executive Officer's annual variable compensation for the 2024 financial year was set by the Board of Directors at its meeting on February 28, 2024, on recommendation by the Remuneration Committee, at 146.05% of the annual fixed compensation, i.e. €1,524,760.

RATE OF ACHIEVEMENT OF THE PERFORMANCE CRITERIA FOR THE ANNUAL VARIABLE PORTION FOR THE 2024 FINANCIAL YEAR

expressed as a percentage of the annual fixed compensation:

	Weight %	Target % of fixed compensation	Maximum % of fixed compensation	2024 performance compared to the target	Achievement rate as % of fixed compensation
Financial criteria	60%	90%	108%	90%	81%
Absolute Current Operating Income (COI)	40%	60%	72%	85%	51%
Adjusted Operating Free Cash Flow (FCF)	20%	30%	36%	100%	30%
Non-financial criteria	40%	60%	72%	108.42%	65.05%
Decarbonization	10%	15%	18%	89.10%	13.37%
Fleet renewal	5%	7.5%	9%	89.10%	6.68%
Initiatives	5%	7.5%	9%	Maximum	9%
Leadership and individual performance	20%	30%	36%	Maximum	36%
TOTAL	100%	150%	180%	97 %	146.05%

The amount of the Chief Executive Officer's annual variable compensation was set by the Board of Directors at its meeting of March 5, 2025, on the recommendation of the Remuneration Committee, at 146.05% of the annual fixed compensation, i.e., €1,524,760. This amount consists of:

■ **Quantitative criteria related to the Group's financial objectives:** i.e., an achievement of 81% of its gross annual fixed compensation determined according to the following distribution:

- Absolute COI:
 - 51% (on a target at 60% and a maximum at 72%) of the fixed remuneration, i.e., an achievement rate of 85% of the target. This percentage takes into account the level of COI achieved by the Group as of December 31, 2024 (taking into account the adjustment clause described below) compared with the level of COI as figuring in the 2024 budget;
- Adjusted Operating FCF:
 - 30% (on a target at 30% and a maximum at 36%) of the fixed remuneration, i.e., an achievement rate of 100% of the target. This percentage takes into account the level of Adjusted Operating Free Cash-Flow achieved by the Group as of December 31, 2024 (taking into account the adjustment clause described below) compared with the level of Adjusted Operating Free Cash-Flow as figuring in the budget 2024.

■ **Criteria related to the Group's non-financial objectives:** i.e., achievement of 65.05% of its gross annual fixed compensation determined according to the following distribution:

- SAF:
 - 13.37% (on a target at 15% and a maximum at 18%) of the fixed remuneration, i.e., an achievement rate of 89.10% of the target.

The quantitative performance relating to the SAF criterion is evaluated on the basis of the following rules: 0% if < threshold; between 0% and 14.99% = lower limit of the target; at 15% = on target; between 15% and 17.99% = upper limit of the target; 18% maximum;
- Fleet renewal:
 - 6.68% (on a target at 7.5% and a maximum at 9%) of the fixed remuneration, i.e., an achievement rate of 89.10% of the target. 41 new aircraft were delivered in 2024 out of planned 46.

The quantitative performance on the fleet renewal criterion is assessed on the basis of the following rules: 0% if < threshold; between 0% and 7.49% = lower limit; at 7.5% = on target; between 7.5% and 8.99% = upper limit; 9% maximum;
- Initiatives to contribute to the decarbonization plan:
 - 9% (on a target at 7.5% and a maximum at 9%) of the fixed remuneration for initiatives, i.e., 100% of the target. The Group achieved a maximum result for the initiatives contributing to the decarbonization plan roadmap. In its assessment, the Board of Directors took into account the contract with Total Energies to supply 1.5 million tons of SAF over more than 10 years;
- Individual performance and leadership:
 - 36% (on a target at 30% and a maximum at 36%) of the fixed remuneration for individual

performance and leadership. The achievement is assessed at the maximum of the target. This percentage takes into account the main priorities defined in section 2.5.3.2 b) of the 2022 Universal Registration Document. In its assessment, the Board took into account the fluidity and efficiency of relations within the Group and subsidiaries, the continuity of social stability, and for the Air France-KLM Group.

Pursuant to Article L. 22-10-34 of the *Code de commerce*, payment in the amount of €1,524,760 corresponding to 146.05% of the fixed compensation (on a target of 150%) is subject to prior approval at the Shareholders' Meeting of June 4, 2025.

In the event of a positive vote by the shareholders at the Shareholders' Meeting of June 4, 2025 authorizing payment of the variable compensation to Mr. Benjamin Smith, the Company will not have the possibility of requesting it be returned.

Use of the adjustment clause:

As a reminder, the compensation policy set by the Board of Directors on February 28, 2024 and approved by the Shareholders on June 5, 2024 provided an adjustment clause aiming to ensure that, in the event of exceptional circumstances such as a change in accounting standards, a significant change in scope related to the consolidation or completion of a transformative operation, a substantial change in market conditions or a change in the competitive context with significant and unforeseeable consequences for the Group at the time of approval of the compensation policy, the Board of Directors reserves the right to exercise its discretion to adjust, both upwards and downwards, one or more of the parameters attached to the performance criteria (weight, trigger thresholds, objectives, targets, etc.) for the variable annual or long-term compensation of the Chief Executive Officer.

The Board of Directors, meeting on March 5, 2025, decided to activate the adjustment clause as approved by the Board of Directors on June 5, 2024 as part of the 2024 compensation policy, in order to take into account in particular the negative effects of the Olympic and Paralympic Games on the COI and on the Adjusted Operating Free Cash Flow, amounting to €250 million.

The Olympic Games weighed on the Group's operations and financial performance, generating negative effects linked in particular to the choice by certain customers to temporarily avoid the destination of Paris. As a reminder, the Group had communicated this negative impact as of July 1, 2024 in a dedicated press release. This avoidance phenomenon was not offset in the fourth quarter of 2024.

This exceptional and unpredictable avoidance phenomenon had the effect of significantly reducing the rates achieved on the financial criteria of the COI and Adjusted operating Free Cash-Flow.

The fulfillment levels were adjusted as follows by a decision of the Board of Directors of March 5, 2025:

- COI + €250 million (+25 points in comparison to target) no change of limits;
- Adjusted Free Cash Flow + €250 million (+35.7 points in comparison to target) allowing the target to be reached.

Compensation elements subject to voting	Amounts paid during the 2024 financial year	Amounts awarded for the 2024 financial year	Presentation
			<p>For the 2023 financial year</p> <p>As a reminder, the amount of the Chief Executive Officer's annual variable compensation for the 2023 financial year was set at 109.5% of his annual fixed compensation, i.e., €985,880 by the Board of Directors at its meeting of February 28, 2024. This amount was approved at the Shareholders' Meeting of June 5, 2024 and was paid to the Chief Executive Officer during the 2023 financial year (for more details, see section 2.5.2.2 of the 2023 Universal Registration Document).</p> <p>For the 2022 financial year</p> <p>As a reminder, the amount of the Chief Executive Officer's annual variable compensation for the 2022 financial year was set at 117.8% of his annual fixed compensation, i.e., €1,059,769, by the Board of Directors at its meeting of February 16, 2023. This amount was approved at the Shareholders' Meeting of June 7, 2023 and was paid to the Chief Executive Officer during the 2023 financial year (for more details, see section 2.5.2.2 of the 2022 Universal Registration Document).</p>

Compensation elements subject to voting	Amounts paid during the 2024 financial year	Amounts awarded for the 2024 financial year	Presentation
Multi-year variable compensation	N/A	N/A	The Chief Executive Officer does not receive any multi-year variable compensation.
Extraordinary compensation	N/A	N/A	The Chief Executive Officer does not receive any extraordinary compensation.

Compensation elements subject to voting	Amounts paid during the 2024 financial year	Amounts awarded for the 2024 financial year	Presentation
Long-term variable compensation (performance shares)	<p>9,178 units of the 2018–2021 Phantom Shares plan for a value of €99,122.40</p> <p>21,306 units of the 2019–2021 Phantom Shares plan for a value of €230,104.80</p> <p>29,709 units of the 2020–2022 Phantom Shares plan for a value of €320,857.20</p> <p>19,294 x 10.5 units of the Specific LTI 2019-2021 plan, i.e. €202,587</p> <p>23,437 x 10.8 units of the Specific LTI 2021-2023 plan, i.e. €252,182.12</p>	<p>196,078 performance units payable in shares, valued at €2,000,000 and calculated in relation to the opening stock price of the Air France-KLM share as of April 2, 2024.</p>	<p>For the 2024 financial year</p> <p>The Board of Directors has, at the recommendation of the Remuneration Committee, decided to award the Chief Executive Officer for the 2024 financial year, in accordance with the 2024 compensation policy adopted by the Board of Directors of February 28, 2024 and approved at the Shareholders' Meeting of June 5, 2024, a long-term variable compensation composed of 196,078 units relating to performance, payable in Air France-KLM shares at the stock price as of April 2, 2024, i.e. €10.20 (one performance unit conferring entitlement to one share) in 2027 subject to the achievement of financial and extra-financial performance conditions and a three-year presence condition.</p> <p>It is also specified that the Chief Executive Officer did not use and has committed not to use risk hedging operations under this plan until the performance units are paid.</p> <p>The main terms and conditions of this long-term compensation plan are specified in section 2.5.3.2 c) of the 2023 Universal Registration Document.</p>

Compensation elements subject to voting	Amounts paid during the 2024 financial year	Amounts awarded for the 2024 financial year	Presentation
Compensation in respect of director mandate	N/A	N/A	The Chief Executive Officer does not receive compensation due to his mandate as director.
Supplementary pension plan (PERO)	€18,547	€18,547	The Chief Executive Officer benefits from an additional mandatory collective defined contribution pension plan (PERO) set up as of January 1, 2024 and the contributions represent a maximum of 5% of gross compensation within the limit of 8 annual social security ceilings, covered 100% by the Company. For the 2024 financial year, the amount of the Company's shareholding amounted to €18,547.
		€22,000	Additionally, an exceptional specific net contribution of €22,000 was allocated in the case of this supplementary retirement plan to take into account the seniority of the Chief Executive Officer, who has been part of the Group since September 2018. This exceptional contribution, which consists of an exceptional compensation element, may only be paid upon approval of this compensation element by the Shareholders' Meeting of June 4, 2025 (vote ex-post), in accordance with Article L. 22-10-34-II of the Code de Commerce.
Optional defined contribution pension plan (Article 82) ⁽¹⁾	€213,137	€274,050	The Chief Executive Officer benefits from an additional pension system in which the company pays an annual contribution half composed of contributions paid to a third-party organization under an optional defined contribution pension plan (Article 82 of the General Tax Code) and half of a sum in cash, taking into account the immediate taxation at the initiation of this system. The total contribution corresponds to a coefficient of 21% of the sum of the fixed compensation and the actual variable compensation due for the year in question. It also depends on the performance of the company since the calculation base includes the variable portion related to the Group's results. For the 2024 financial year, the amount of contributions by Air France-KLM to the insurer on behalf of the executive officer amounts to €213,137.40.
		€213,137	As indicated above, the Chief Executive Officer receives a cash payment to compensate the fiscal impact and related charges for 2024 contributions in an amount equal to that of the contribution paid on his behalf to the insurer. The cash payment is made at the same time as the contribution to the insurer and amounts to €213,137.40 for the 2024 financial year.
Benefits of any kind	€291,226	€291,226	The Chief Executive Officer benefits from a company car with driver, a health plan, and a pension plan. Due to his need to travel in France, he also benefits from housing compensation, air tickets, tuition, and agent fees.
Severance compensation	N/A	N/A	Pursuant to 2024 compensation policy approved by the Shareholders' Meeting of June 5, 2024, the Chief Executive Officer continues to benefit from severance compensation awarded to him by the Board of Directors of August 16, 2018 in certain cases of forced departure, in particular in the event of dismissal, non-renewal of his term as Chief Executive Officer, or departure following a change of control (excluding any situation of serious misconduct by the Chief Executive Officer). Pursuant to the recommendations of the AFEP-MEDEF Code, the basis of the severance compensation is equivalent to two years of annual fixed and variable compensation (according to specific calculation methods referring to the target variable in the case of departure in the first 24 months, as applicable). The basis of the compensation will be affected by a coefficient (between 0 and 100%) based on the performance of the person in question, measured by reference to the rate of achievement of the performance criteria relating to the annual variable portion of their compensation during the last two financial years of their term of office (or since their appointment, in the event of a departure occurring during the first two years). It will be the responsibility of the Board of Directors of Air France-KLM to verify the achievement of these performance criteria.
Non-competition compensation	N/A	N/A	The Chief Executive Officer does not benefit from any non-competition compensation.

(1) See section supplementary pension plan.

Long-term compensation elements awarded for years prior to 2024 and no longer paid

Regarding the 2021–2023 “Phantom Shares” Plan

For the 2021 financial year: 195,313 performance units were awarded to the Chief Executive Officer, valued at €1,000,000, payable in 2024 shares subject to performance conditions and a three-year presence condition, unless the Chief Executive Officer exercises his right to postpone payment by three years maximum. It is specified that pursuant to the decision of the Board of Directors of October 27, 2022, the number of performance units awarded in 2021 was multiplied by 2.5. Pursuant to the decision of the Chief Executive Officer dated August 31, 2023 confirming the consolidation of the Air France-KLM shares, the number of performance shares allocated in 2021 was then divided by 10. As a result, the number of performance units acquired for the 2021 financial year is 48,828.

Consequently, on February 28, 2024, the Board of Directors, on the recommendation of the Remuneration Committee, set the number of performance units acquired by the Chief Executive Officer related to this plan for the 2021 financial year to 25,795 units.

It is specified that, in accordance with the option that was offered to him with regard to this plan, the Chief Executive Officer exercised his right to postpone payment by three years maximum.

Regarding the 2022–2024 Long-Term Performance Shares Plan

For the 2022 financial year, 490,196 performance units were awarded to the Chief Executive Officer, valued at €2,000,000, payable in shares in 2025 subject to performance conditions and a three-year presence condition. It is specified that pursuant to the decision of the Board of Directors of October 27, 2022, the number of performance units awarded in 2021 was multiplied by 2.5. Pursuant to the decision of the Chief Executive Officer dated August 31, 2023 confirming the consolidation of the Air France-KLM shares, the number of shares was then divided by 10.

It should be specified that the number of performance units allocated for 2022 is 122,549. The Board of Directors, at its meeting of March 5, 2025, at the recommendation of the Remuneration Committee, noted the level of achievement of the plan's performance conditions, which overall stands at 59.5%, broken down as follows:

Criteria	Weight %	Criterion achievement rate	Payment rate pursuant to the conditions of the performance plan (in % of allocation)
Financial criteria	Net debt/EBITDA	25%	130%
	Relative TSR	20%	0%
	Relative COI margin	25%	58%
Non-financial criteria	Environment	10%	100%
	Human capital (EPS)	5%	0%
	Customer relationship (NPS)	10%	0%
	Diversity	5%	50%
TOTAL	100 %		59.5 %

Pursuant to Article L. 22-10-34 of the *Code de commerce*, the payment of these 72,922 performance units is subject to prior approval by the Shareholders' Meeting of June 4, 2025.

■ **Quantitative criteria related to the Group's financial objectives:**

47% achievement rate determined as follows:

- Net debt/EBITDA: for this criterion, the Group has a performance of 130% of the target, i.e., a 32.5% achievement rate. This percentage takes into account the level of Net debt/EBITDA achieved by the Group as of December 31, 2024 compared to the Net debt/EBITDA level provided for in the budget for the period 2022–2024.

The Group achieved a result of 130% with a Net debt/EBITDA ratio of 1.73 in 2024 compared to the original budget set at 2.6 in 2022 for the 2022–2024 period.

- Relative TSR: for this criterion (relative TSR position compared to Lufthansa Group and Easy Jet), the Group has a result of 0% of the target, i.e., a 0% achievement rate.
- Relative COI Margin: the Group reduced the COI Margin gap with Lufthansa and IAG between 2024 and 2019 and a resulting COI Margin higher than that of Lufthansa, which corresponds to a performance of 58% of the target, i.e., a 14.5% achievement rate.

■ **Criteria related to the Group's non-financial objectives:**

The 12.5% achievement rate determined according to the following distribution:

- Environment: for this criterion, the Group has a result of 100% of the target, i.e., a 10% achievement rate.

For 2024, performance is 928 gCO₂eq Ton-Kilometer-Transported (TKT) and 72.3 gCO₂eq by Passenger-Ton-Kilometer (PKT). This represents a significant reduction compared to the starting point of the plan in 2021, when emissions were 1,042 Revenue-Ton-Kilometer (TKT) and 95.5 for kerosene-related greenhouse gas emissions by Revenue-Ton-Kilometer (PKT).

- EPS and NPS: with regard to the Employer Promoter Score (EPS) and Net Promoter Score (NPS) criteria, the Group has a result of 0% of the target, i.e., a 0% achievement rate for 2024. Performance is assessed in comparison to 2021.
- Diversity: for the diversity criterion, the Group has a result of 50% of the target, i.e., a 2.5% achievement rate.

The Group has achieved the target, with a rate of 28% of women on the Group's Executive Committee for 2024.

Regarding the 2023–2025 Long-Term Performance Shares Plan

For the 2023 financial year, the Board of Directors has decided, at the suggestion of the Remuneration Committee, to award the Chief Executive Officer, in accordance with the 2023 compensation policy adopted by the Board of Directors on March 16, 2023 and approved at the Shareholders' Meeting of June 7, 2023, a long-term variable compensation composed of 1,178,550 performance-related units, payable in Air France-KLM shares at the stock price as of April 1, 2023, i.e., €1.697 (one performance unit conferring entitlement to one share) in 2026 subject to the achievement of financial and extra-financial performance conditions and a three-year presence condition.

In accordance with the terms and conditions of the regulations of the long-term compensation plans, and pursuant to the decision of the Chief Executive Officer dated August 31, 2023 recording the consolidation of the Air France-KLM shares, this 2023–2025 Long-term "Performance Shares" plan has been adjusted to take into account the consolidation of the number of shares comprising the share capital of 10 old shares for 1 new share, effective as of August 31, 2023, by dividing by 10 the number of shares to which the said plans are entitled.

It is also specified that the Chief Executive Officer did not use and has committed not to use risk hedging operations under this plan until the performance units are paid.

The main terms and conditions of this long-term compensation plan are specified in section 2.5.3.2 c) of the 2022 Universal Registration Document.

The table below summarizes the characteristics of the long-term compensation elements awarded to the Chief Executive Officer for prior financial years and no longer paid:

	2021	2022	2023	2024
Summary table of long-term variable compensation plans	2021 Phantom Shares Plan ⁽¹⁾	2022 Performance Share Plan ⁽²⁾	2023 Performance Share Plan ⁽²⁾	2024 Performance Share Plan
Plan characteristics	Payable in cash	Payable in shares	Payable in shares	Payable in shares
Date of the Board of Directors meeting which awarded the performance units	March 17, 2021	February 16, 2023	March 16, 2023	February 28, 2024
Date of the Shareholders' Meeting that approved these awards	May 24, 2022 (14 th resolution)	June 7, 2023 (14 th resolution)	June 7, 2023 (14 th resolution)	June 5, 2024 (20 th resolution)
Number of performance units awarded	195,313	490,196	1,178,550	196,078
Valuation on award date	€1,000,000	€2,000,000	€2,000,000	€2,000,000
Year from which payment may occur ⁽²⁾	2024	2025	2026	2027
Presence conditions	3 years	3 years	3 years	3 years
Number of performance units awarded after application of the coefficient of 2.5 linked to neutralization of the recapitalization effect then divided by 10 following the consolidation of shares	48,828	122,549	117,855	196,078
Overall plan performance	52.8% ⁽³⁾	59.5% ⁽³⁾	N/A	N/A
Number of performance units acquired	25,795	72,922	N/A	N/A
Valuation of long-term variable compensation based on a stock market price of €7.854 (closing on February 3, 2025)	€311,552	€572,729	Plan in the vesting phase	Plan in the vesting phase

(1) The 2021 "Phantom Shares" plan offers the option to postpone payment of performance units by up to three years. The Chief Executive Officer will use this option of postponement.

(2) The Board of Directors, at its meeting of February 16, 2022, decided, upon expiry of the Specific Long-Term Plan at the end of 2021, to replace the two long-term compensation plans (one payable in cash and one payable in shares) with a single long-term compensation plan (payable in shares), without changing the overall amount of the long-term compensation of the Chief Executive Officer. The objective of this change is to simplify the long-term compensation policy and to add consistency, in accordance with market practices, as well as to strengthen the alignment of the beneficiary's interests with the interests of the shareholders. This change makes it possible to strengthen the beneficiaries' equity interests. It contributes to talent retention and shows alignment with Air France-KLM Group strategy and transformation (for more details, see section 2.5.3.2 b) of the 2021 Universal Registration Document).

(3) Given the challenges faced by the airline industry in the wake of the Covid crisis, the Phantom Shares 2021, Specific Long Term 2021 and Performance Shares 2022 plans reflected low achievement rates (52.8%, 48% and 59.5% respectively, in overall performance). Since the Chief Executive Officer's appointment in 2018, his total compensation per year of grant has always been significantly below the target value.

Supplementary pension plan

The 2024 compensation policy adopted by the Board of Directors on February 28, 2024 provides that the Chief Executive Officer benefits from a supplemental pension plan composed of a share of the mandatory pension plan with defined contributions in accordance with Article 83 of the General Tax Code (Mandatory Retirement Savings Plan known as PERO), as well as the optional pension plan with defined contributions in accordance with Article 82 of the General Tax Code implemented as of January 1, 2024.

- PERO: mandatory pension plan with defined contributions (Article 83 of the General Tax Code):

The Chief Executive Officer benefits from the defined contribution pension plan (Article 83 of the General Tax Code) implemented as of January 1, 2024 for executive officers and members of the Group Executive Committee.

Contributions represent:

- an annual component as described hereinafter:
 - within 5% of the gross annual compensation, limited to eight annual Social Security caps, which is 100% covered by the Company;

- for the 2024 financial year, the amount of the Company's shareholding amounted to €18,547.20.

- Optional defined contribution pension plan (Article 82 of the General Tax Code):

The Chief Executive Officer benefits from an additional pension system in which the company pays an annual contribution half composed of contributions paid to a third-party organization under an optional defined contribution pension plan (Article 82 of the General Tax Code) and half of a sum in cash, taking into account the immediate taxation at the initiation of this system. The total contribution corresponds to 21% of the sum of the fixed compensation and the actual variable compensation due for the year in question. It also depends on the performance of the company since the calculation base includes the variable portion related to the Group's results.

For the 2024 financial year, the amount of contributions by Air France-KLM to the insurer on behalf of the executive officer amounts to €213,137.40.

Contributions paid in this respect do not benefit from any preferential social and tax regime. For this reason, the Chief Executive Officer receives a cash payment to

compensate the fiscal impact and related charges for 2024 contributions in an amount equal to that of the contribution paid on his behalf to the insurer. Payment of this compensation is made at the same time as the contribution to the insurer and amounts to €213,137.40 for the 2024 financial year.

2.5.2.3 Ratios on the multiples of compensation paid to the executive officers in 2024

This section was prepared pursuant to the provisions of Article L. 22-10-9-I-6° of the *Code de commerce* and in accordance with the AFEP guidelines updated in February 2021. It presents, for the Company's past five financial years, the ratios between executive officer compensation and, on one hand, the average compensation of non-officer employees of the Company on a full-time equivalent basis, and on the other hand, the median compensation of non-officer employees of the Company on a full-time equivalent basis.

The ratios below were calculated on the basis of the annualized fixed and variable compensation paid during the stated financial years.

As Air France-KLM did not include a representative number of employees during the observed period (less than 20% of the workforce in France), a wider scope was retained ("relevant scope"), including permanent Air France employees in France (excluding expatriates and seconded employees), present and paid full-time throughout the year, representing more than 80% of the workforce in France.

	2020 Financial Year	2021 Financial Year	2022 Financial Year	2023 Financial Year	2024 Financial Year
CHAIR OF THE BOARD OF DIRECTORS (ANNE-MARIE COUDERC)					
Ratio with average employee compensation in the relevant scope	3.22	3.68	3.36	2.99	2.83
Ratio with median employee compensation in the relevant scope	4.18	4.72	4.35	3.95	4.26
CHIEF EXECUTIVE OFFICER (BENJAMIN SMITH)					
Gross data					
Ratio with average employee compensation in the relevant scope	30.61	20.24	18.31	56.12	45.68
Ratio with median employee compensation in the relevant scope	39.63	25.96	23.69	74.23	68.76

As a reminder, the ratio with the average and median compensation of employees in the relevant scope is significantly higher for the 2023 financial year, given the lifting of restrictions associated with the repayment of State aid that occurred on March 17, 2023, which allowed the payment of the compensation allocated for previous financial years (see section 2.5.2.2 of this Universal Registration Document).

Clarifications on the elements used to calculate the ratios presented above:

■ 2020 financial year:

- As a reminder, on March 19, 2020 the Chair of the Board of Directors declined to accept, for the 2020 financial year, the increase to her new fixed annual compensation decided by the Board of Directors on February 19, 2020. Thus, her gross annual fixed compensation was €200,000 for her 2020 duties. In addition, the Chair of the Board of Directors submitted her fixed compensation paid during the 2020 financial year to the same salary terms as those applied to all Air France and Air France-KLM employees (specifically the reduction of the payment pro rata temporis of the partial activity periods applied to all employees).

- As a reminder, on March 19, 2020, the Chief Executive Officer informed the Board of Directors of his decision to submit his fixed compensation, paid for the year 2020, to the same terms as those applied to all Air France and Air France-KLM employees (notably the reduction of the payment pro rata temporis of the partial activity periods applied to all employees). In practice, his annual fixed compensation was reduced by 25% between March 23 and December 31, 2020;

■ 2021 financial year:

- As a reminder, on February 17, 2021, the Chair of the Board of Directors repeated her decision to decline her new fixed annual compensation decided by the Board of Directors on February 19, 2020. Thus, her fixed annual compensation related to her duties for 2021, decided by the Board of Directors on February 17, 2021, was €200,000.
- As a reminder, on April 23, 2020, the Chief Executive Officer announced that he would decline his annual variable compensation for the 2020 financial year, due to the effect of the crisis caused by the Covid-19 pandemic on the Air France-KLM Group.

- 2022 financial year:

- As a reminder, the gross annual fixed compensation of the Chair of the Board of Directors for the 2022 financial year was set at €200,000 by the Board of Directors at their meeting on February 16, 2022, in accordance with European Commission decision SA.59913 of April 5, 2021 relating to the recapitalization of Air France and Air France-KLM which provided that the compensation of the Chair of the Board of Directors could not exceed the fixed portion of her compensation as of December 31, 2019.
- As a reminder, pursuant to European Commission decision SA.59913 of April 5, 2021 related to the recapitalization of Air France and Air France-KLM, no variable compensation could be paid to the Chief Executive Officer until at least 75% of the recapitalization measures had been repaid.

- 2023 financial year:

- As a reminder, the gross annual fixed compensation of the Chair of the Board of Directors for the 2023 financial year was set at €200,000 by the Board of Directors at its meeting on February 16, 2023. At the request of the Chair of the Board of Directors, this amount does not include the increase to her gross annual fixed compensation (from €200,000 to €220,000) which had been decided by the Board of Directors on February 19, 2020;
- As a reminder, pursuant to European Commission decision SA.59913 of April 5, 2021 related to the recapitalization of Air France and Air France-KLM, no variable compensation could be paid to the Chief

Executive Officer until at least 75% of the recapitalization measures had been repaid. As the repayment of 75% of State aid occurred on March 17, 2023, the Chief Executive Officer's annual variable compensation for the 2021 financial year as well as the long-term variable compensation for the 2020 financial year for the Specific Long Term 2020–2022 plan were paid to the Chief Executive Officer during the 2023 financial year.

- 2024 financial year:

- The gross annual fixed compensation of the Chair of the Board of Directors for the 2024 financial year was set at €350,000 by the Board of Directors at its meeting on February 28, 2024 and approved at the Shareholders' Meeting on June 5, 2024. However, it should be noted that the Chair of the Board of Directors notified the Board of Directors of her decision to decline this increase for the 2024 financial year. Thus, her gross annual fixed compensation was €200,000 for the year 2024.
- As a reminder, the Board of Directors decided to change certain components of the Chief Executive Officer's compensation, on the recommendation of the Remuneration Committee.

Given these elements, the gross annual fixed compensation amounted to €1,044,000 for the year 2024.

The 2024 compensation policy for the Chief Executive Officer can be found in section 2.5.3.2 of the 2023 Universal Registration Document.

2.5.2.4 Change in the compensation policy

This section was prepared pursuant to the provisions of Article L. 22-10-9-I-7° of the *Code de commerce* and in accordance with the AFEP guidelines updated in February 2021. It presents the annual evolution of compensation, the performance of Air France-KLM, the average compensation on an equivalent full-time basis of non-executive employees of Air France-KLM, as well as the ratios presented in section 2.5.2.3, during the past five financial years.

Note that as Air France-KLM did not include a representative number of employees during the observed period (less than 20% of the workforce in France), a wider scope was retained ("relevant scope"), including permanent Air France employees (excluding expatriates and seconded employees), present and paid full-time throughout the year, representing more than 80% of the workforce in France:

Annual compensation	2020 financial year	2021 financial year	2022 financial year	2023 financial year	2024 financial year
CHAIR OF THE BOARD OF DIRECTORS (ANNE-MARIE COUDERC)⁽¹⁾					
Compensation	€190,835 ⁽²⁾	€215,984	€215,984	€215,984	€212,208
Change/N-1	(11.64)%	13.18%	0%	0%	(1.75)%
Ratio with average compensation	3.22	3.68	3.36	2.99	2.83
Change/N-1	(0.17)	0.46	(0.32)	(0.38)	(0.16)
Ratio with median compensation	4.18	4.72	4.35	3.95	4.26
Change/N-1	(0.24)	(0.54)	(0.37)	(0.40)	0.31
CHIEF EXECUTIVE OFFICER (BENJAMIN SMITH) GROSS DATA⁽²⁾					
Compensation	€1,808,253 ⁽³⁾	€1,187,113 ⁽⁵⁾	€1,175,380 ⁽⁵⁾	€ 4,058,968 ⁽⁶⁾	€3,425,959
Change/N-1	(26.80)%	(34.35)%	(1.00)%	245.33%	(15.60)%
Ratio with average compensation	30.51	20.24	18.31	56.12	45.68
Change/N-1	(8.27)	(10.27)	(1.93)	37.81	(10.45)
Ratio with median compensation	39.63	25.96	23.69	74.23	68.76
Change/N-1	(10.93)	(13.68)	(2.27)	50.54	(5.47)
BOARD DIRECTORS⁽⁸⁾					
Compensation (formerly directors' fees)	€706,133 ⁽⁸⁾	€637,772 ⁽⁹⁾	€836,321 ⁽¹⁰⁾	€848,432	€837,500
Change/N-1	(14.55)%	(9.68)%	+31.13%	+1.45%	(1.29)%
EMPLOYEES IN THE RELEVANT SCOPE⁽¹²⁾					
Average compensation	€59,261	€58,656	€64,206	€72,331	€75,007
Change/N-1	(6.96)%	(1.02)%	+9.46% ⁽¹²⁾	+12.65%	+3.70%

(1) The compensation of the Chair of the Board of Directors and Chief Executive Officer presented above were calculated based on the fixed and variable compensation over the financial years specified. These elements have been annualized to allow their comparison.

(2) As a reminder, the Chair of the Board of Directors submitted her fixed compensation of €200,000 paid during the 2020 financial year to the same terms as those applied to all Air France and Air France-KLM employees (specifically to reduce the payment pro rata temporis of the partial activity periods applied to all employees).

(3) As a reminder, the Chief Executive Officer informed the Board of Directors of his decision to submit his fixed compensation paid for the financial year 2020 to the same terms as those applied to all Air France and Air France-KLM employees (specifically, a reduction of the payment pro rata temporis of the partial activity periods applied to all employees).

(4) As a reminder, on April 23, 2020, the Chief Executive Officer announced that he would decline his annual variable compensation for the 2020 financial year, due to the effect of the crisis caused by the Covid-19 pandemic on the Air France-KLM Group.

(5) The amount of the Chief Executive Officer's annual variable compensation for the 2021 financial year was set at 121.1% of his annual fixed compensation, i.e., €1,089,984, by the Board of Directors at its meeting of February 16, 2022. This amount may be paid to the Chief Executive Officer once 75% of the recapitalization measures have been repaid.

(6) It is specified that pursuant to European Commission decision SA.59913 of April 5, 2021 on the recapitalization of Air France and Air France KLM, no variable compensation could be paid to the Chief Executive Officer until at least 75% of the recapitalization measures had been repaid. As the repayment of 75% of State aid occurred on March 17, 2023, the Chief Executive Officer's annual variable compensation for the 2021 financial year as well as the long-term variable compensation for the 2020 financial year (for the Specific Long Term) were paid to the Chief Executive Officer during the 2023 financial year.

(7) It is specified that the Board of Directors, at their meeting on December 11, 2019, decided to introduce a variable portion based on attendance to the compensation allocated to the directors for their duties carried out within Committees.

Audit Committee:

- the Chair now receives a fixed portion of €4,500, as well as a variable portion of €7,500 based on their attendance at Committee meetings; and
- members now receive €3,000 of fixed portion and €5,000 of variable portion based on attendance at Committee meetings.

Other Committees:

- the Chair now receives a fixed portion of €3,000, as well as a variable portion of €4,500 based on their attendance at Committee meetings; and
- members now receive €2,000 of fixed portion and €3,000 of variable portion based on attendance at Committee meetings.

(8) The directors of Air France-KLM decided, on April 3, 2020, to reduce their compensation paid in 2020 by 25% on a pro rata temporis bases, for the partial activity periods applied to all employees, i.e., from April 1 to December 31, 2020.

(9) The directors of Air France-KLM decided, on February 17, 2021, to reduce their compensation paid in 2021 by 25%, as long as the Group's operating income (Current Operating Income) has not returned to a positive amount, given the context of the crisis related to the Covid-19 pandemic.

(10) Under the terms of the deliberations of the Board of Directors on December 8, 2022, after noting that the half-yearly accounts as of June 30, 2022 and the third quarter accounts showed that the annual operating income (Current Operating Income) of the Group would be positive as of December 31, 2022, it was decided to lift the 25% reduction in the compensation of directors paid for the 2022 financial year.

(11) The increase in the compensation of employees in the relevant scope is explained by the resumption of Air France's activity, including the decrease in partial activity.

(12) The retired numbers include the change in accounting principles for pensions (interpretation of IAS 19).

	2020 Financial Year	2021 Financial Year	2022 Financial Year	2023 Financial Year	2024 Financial Year
PERFORMANCE OF THE COMPANY BASED ON THE REPORTED FIGURES					
Net Results (in € million)	(7,100)	(3,292)	728	934	317
Change/N-1 (in € million)	(7,390)	3,808	4,020	+206	(617)
Current Operating Income (COI) (in € million)	(4,554)	(1,626)	1,193	1,712	1,601
Change/N-1 (in € million)	(5,695)	2,928	2,819	519	(111)
Net debt/EBITDA ratio	-6.5x	11.03x	1.75x	1.20x	1.73x
Change/N-1	(8)	17.5	(9.28)	(0.56)	0.53

2.5.2.5 Additional information concerning the compensation paid or granted to all the Company officers in 2024

During the 2024 financial year, the overall amount of compensation paid to directors did not exceed the maximum budget of €950,000 approved by the shareholders at the Shareholders' Meeting on May 15, 2018.

Compensation elements for executive officers in accordance with AMF position-recommendation DOC-2021-02:

SUMMARY TABLE OF THE COMPENSATION OF EACH EXECUTIVE OFFICER (TABLE 2 – AMF POSITION-RECOMMENDATION – DOC-2021-02 (APPENDIX 2))

Ms. Anne-Marie Couderc, Chair of the Board of Directors	2024 Financial Year		2023 Financial Year		2022 Financial Year	
	Amounts granted	Amounts paid	Amounts granted	Amounts paid	Amounts granted	Amounts paid
Fixed compensation	200,000 ⁽¹⁾	200,000 ⁽¹⁾	200,000 ⁽²⁾	200,000 ⁽²⁾	200,000 ⁽³⁾	200,000 ⁽³⁾
Annual variable compensation	N/A	N/A	N/A	N/A	N/A	N/A
Extraordinary compensation	N/A	N/A	N/A	N/A	N/A	N/A
Compensation granted in respect of a Board director's mandate	N/A	N/A	N/A	N/A	N/A	N/A
Benefits in kind	12,208 ⁽⁴⁾	12,208 ⁽⁴⁾	15,984 ⁽⁴⁾	15,984 ⁽⁴⁾	15,984 ⁽⁴⁾	15,984 ⁽⁴⁾
TOTAL	212,208	212,208	215,984	215,984	215,984	215,984

(1) The gross annual fixed compensation of the Chair of the Board of Directors for the 2024 financial year was set at €200,000 by the Board of Directors at its meeting on February 28, 2024 upon request of the Chair of the Board of Directors. This amount does not include the increase to her gross annual fixed compensation (from €200,000 to €350,000) which had been decided by the Board of Directors on February 28, 2024.

(2) The gross annual fixed compensation of the Chair of the Board of Directors for the 2023 financial year was set at €200,000 by the Board of Directors at its meeting on February 16, 2023 upon request of the Chair of the Board of Directors. This amount does not include the increase to her gross annual fixed compensation (from €200,000 to €220,000) which had been decided by the Board of Directors on February 19, 2020.

(3) The gross annual fixed compensation of the Chair of the Board of Directors for the 2022 financial year was set at €200,000 by the Board of Directors at their meeting on February 16, 2022, in accordance with European Commission decision SA.59913 of April 5, 2021 relating to the recapitalization of Air France and Air France-KLM which provides that the compensation of the Chair of the Board of Directors may not exceed the fixed portion of her compensation as of December 31, 2019. Thus, her gross annual fixed compensation was €200,000 for her 2022 duties.

(4) Mrs. Anne-Marie Couderc has a company car with driver.

	2024 Financial Year		2023 Financial Year		2022 Financial Year	
	Amounts granted	Amounts paid	Amounts granted	Amounts paid	Amounts granted	Amounts paid
Mr. Benjamin Smith, Chief Executive Officer						
Fixed compensation	1,044,000	1,044,000	900,000	900,000	900,000	900,000
Annual variable compensation	1,524,760	985,880	985,880 ⁽¹⁾	1,059,769 ⁽²⁾ 1,089,984 ⁽¹⁾ in respect of 2021	1,059,769 ⁽²⁾	0 ⁽³⁾
Extraordinary compensation	N/A	N/A	N/A	N/A	N/A	N/A
Compensation granted in respect of a Board director's mandate	N/A	N/A	N/A	N/A	N/A	N/A
Benefits in kind	291,226 ⁽⁴⁾	291,226 ⁽⁴⁾	284,074 ⁽⁴⁾	284,074 ⁽⁴⁾	275,380 ⁽⁴⁾	275,380 ⁽⁴⁾
TOTAL	2,859,986	2,321,106	2,169,954	3,333,827	2,235,149	1,175,380

(1) It is specified that, pursuant to the European Commission's decision of April 5, 2021 on case No. SA.59913 relating to the recapitalization of Air France and Air France-KLM, no long-term variable compensation could be paid to the Chief Executive Officer until such time as at least 75% of the recapitalization measures had been repaid. As the repayment of 75 % of the State Aid took place on March 17, 2023, the annual variable compensation for the Chief Executive Officer in respect of the 2021 financial year and the long-term variable compensation in respect of 2020 (for the Specific Long-Term Incentive Plan 2020-2022) was paid to the Chief Executive Officer during the 2023 financial year.

(2) The details concerning the annual variable compensation of the Chief Executive Officer for 2022 are outlined in section 2.5.5.2.b of the 2022 Universal Registration Document.

(3) It is specified that, pursuant to the European Commission's decision of April 5, 2021 on case No. SA.59913 relating to the recapitalization of Air France and Air France-KLM, no long-term variable compensation could be paid to the Chief Executive Officer until such time as at least 75% of the recapitalization measures had been repaid.

(4) The Chief Executive Officer benefits from a chauffeur-driven company car and a supplementary health and disability scheme. Given his relocation to France, he also benefits from an accommodation allowance, free airline tickets, school fees and advisory services.

SUMMARY TABLE OF THE COMPENSATION, OPTIONS AND SHARES GRANTED TO EACH EXECUTIVE OFFICER (TABLE 1 – AMF POSITION-RECOMMENDATION – DOC-2021-02 (APPENDIX 2))

(in euros)	2024 Financial Year	2023 Financial Year	2022 Financial Year
MS. ANNE-MARIE COUDERC, CHAIR OF THE BOARD OF DIRECTORS			
Compensation granted in respect of the financial year (table 2)	212,208 ⁽¹⁾	215,984 ⁽²⁾	215,984 ⁽³⁾
Valuation of multi-year variable compensation granted during the financial year	N/A	N/A	N/A
Valuation of the options granted during the financial year	N/A	N/A	N/A
Valuation of free shares granted during the financial year	N/A	N/A	N/A
Valuation of other long-term compensation plans	N/A	N/A	N/A
Valuation of performance shares granted during the year	N/A	N/A	N/A
TOTAL	212,208	215,984	215,984

(1) The gross annual fixed compensation of the Chair of the Board of Directors for the 2024 financial year was set at €200,000 by the Board of Directors at its meeting on February 28, 2024 upon request of the Chair of the Board of Directors. This amount does not include the increase to her gross annual fixed compensation (from €200,000 to €350,000) which had been decided by the Board of Directors on February 28, 2024 (table 2).

(2) The gross annual fixed compensation of the Chair of the Board of Directors for the 2023 financial year was set at €200,000 by the Board of Directors at its meeting on February 16, 2023 upon request of the Chair of the Board of Directors. This amount does not include the increase to her gross annual fixed compensation (from €200,000 to €220,000) which had been decided by the Board of Directors on February 19, 2020.

(3) The gross annual fixed compensation of the Chair of the Board of Directors for the 2022 financial year was set at €200,000 by the Board of Directors at their meeting on February 16, 2022, in accordance with European Commission decision SA.59913 of April 5, 2021 relating to the recapitalization of Air France and Air France-KLM which provides that the compensation of the Chair of the Board of Directors may not exceed the fixed portion of her compensation as of December 31, 2019.

(in euros)	2024 Financial Year	2023 Financial Year	2022 Financial Year
MR. BENJAMIN SMITH, CHIEF EXECUTIVE OFFICER			
Compensation granted in respect of the financial year (table 2)	2,859,986 ⁽¹⁾	2,169,954 ⁽³⁾	2,235,149 ⁽⁴⁾
Valuation of multi-year variable compensation granted during the financial year	N/A	N/A	N/A
Valuation of stock options granted during the financial year	N/A	N/A	N/A
Valuation of free shares granted during the financial year	N/A	N/A	N/A
Valuation of other long-term compensation plans	N/A	N/A	N/A
Valuation of performance shares granted during the year (table 6)	2,000,000 ⁽²⁾	2,000,000	2,000,000
TOTAL	4,859,986	4,169,954	4,235,149

(1) This amount is detailed in the summary table of the Chief Executive Officer's compensation in section 2.5.2.5 of the present Universal Registration Document (table 2).

(2) For more details on the long-term compensation granted for the 2024 financial year, see section 2.5.2.5 of the present Universal Registration Document (table 6).

(3) This amount is detailed in the summary table of the Chief Executive Officer's compensation in section 2.5.2.5 of the 2023 Universal Registration Document.

(4) This amount is detailed in the summary table of the Chief Executive Officer's compensation in section 2.5.2.5 of the 2022 Universal Registration Document.

SUMMARY TABLE OF PERFORMANCE SHARES ATTRIBUTED TO EACH EXECUTIVE OFFICER (TABLE 6 – AMF POSITION-RECOMMENDATION DOC-2021-02 (APPENDIX 2))

	Plan date	Number of shares awarded	Valuation of shares	Acquisition date	Availability date	Performance conditions
Mr. Benjamin Smith, Chief Executive Officer	5/05/2024 2024 Performance Shares Plan	196,078	€2,000,000	Shareholders' Meeting 2027	Shareholders' meeting 2027	The final acquisition of these performance shares will depend on the achievement of the following performance criteria: <ul style="list-style-type: none"> ■ Net debt/EBITDA by 30%; ■ Relative TSR by 30%; ■ RSE performance target by 20%; and ■ Improved airline brand image by 20%. (For more details, see Chapter 2.5.3.2 of the 2023 Universal Registration Document)

SUMMARY TABLE OF PERFORMANCE SHARES ATTRIBUTED TO EACH EXECUTIVE OFFICER AND BECOMING AVAILABLE DURING THE 2024 FINANCIAL YEAR (TABLE 7 – AMF POSITION-RECOMMENDATION DOC-2021-02 (APPENDIX 2))

	Plans	Total number of shares to become available
Mr. Benjamin Smith, Chief Executive Officer	Specific Long Term 2019-2021 Date : March 12, 2019	19,294
	Specific Long Term 2021-2023 Date : March 17, 2021	23,437

A summary of the long-term variable compensation is presented in section 2.5.2.2 of the present Universal Registration Document.

SUMMARY TABLE OF THE SITUATION OF THE EXECUTIVE OFFICERS (TABLE 11 – AFEP-MEDEF CODE)

	Employment contract		Supplementary pension scheme (see above)		Indemnities or benefits due or potentially due on a cessation or change of function		Indemnity relating to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Executive officers								
Ms. Anne-Marie Couderc Chair of the Board of Directors Start date of mandate: May 15, 2018 Expiry date of mandate: 2025 Ordinary Shareholders' Meeting ⁽¹⁾		√	√ ⁽²⁾			√		√
Mr. Benjamin Smith Chief Executive Officer Start date of mandate: September 17, 2018 Expiry date of mandate: 2027 Ordinary Shareholders' Meeting ⁽³⁾		√	√ ⁽⁴⁾		√ ⁽⁵⁾			√

(1) Mrs. Anne-Marie Couderc was appointed Chair of the Board of Directors starting May 15, 2018 until the end of the 2023 Ordinary Shareholders' Meeting. Her term as Chair of the Board of Directors was renewed for an additional year by the 2023 and 2024 Annual Shareholders' Meetings.

(2) The Board of Directors, at their meeting on February 28, 2024, decided to implement a supplementary pension plan for the chair of the Board of Directors. For more details on the supplementary pension plan for the Chair of the Board of Directors, see section 2.5.2.2.

(3) The Chief Executive Officer has also been an executive of Air France-KLM since December 5, 2018. His term as executive was renewed, for a period of 4 years, i.e., until the end of the 2027 Ordinary Shareholders' Meeting by decision of the shareholders at the Shareholders' Meeting on June 7, 2023. Chief Executive Officer Benjamin Smith's term was renewed early on March 30, 2022, for a new period of five years, with effect from the Shareholders' Meeting on May 24, 2022, and expiring at the end of the Shareholders' Meeting ruling on the accounts for the financial year ending December 31, 2026.

(4) The Board of Directors, at their meeting on February 28, 2024, decided to implement a supplementary pension plan for the Chief Executive Officer. For more details on the supplementary pension plan for the Chief Executive Officer, see section 2.5.2.2.

(5) For more details on the Chief Executive Officer's severance compensation, see section 2.5.2.2.

Loans and guarantees granted in favor of the Company's corporate officers

None.

Options to subscribe or purchase shares granted to Air France-KLM's corporate officers

Air France-KLM has not implemented a plan for options to subscribe or purchase shares for the benefit of its corporate officers during this financial year or during previous financial years.

Options to subscribe or purchase shares granted to Air France-KLM corporate officers and employees of the Air France-KLM Group by subsidiaries

Air France and KLM have not recently implemented a stock option plan for the benefit of their employees and no stock option plan is currently in force.

Information on the options to subscribe or purchase shares granted to employees of the Air France-KLM Group and exercised by them during the financial year

None.

2.5.3 Compensation policy for the Company officers in respect of 2025

The present section was prepared pursuant to Articles L. 22-10-8 and R. 22-10-14 of the *Code de commerce*, and presents the elements composing the 2025 compensation policy for corporate officers.

According to the recommendation by the Remuneration Committee, the Board of Directors has taken into account the vote at the Shareholders' Meeting on June 4, 2025 concerning compensation of executive officers for the 2025 financial year to determine the 2025 compensation policy for corporate officers.

Established by the Board of Directors according to the recommendation by the Remuneration Committee and in accordance with AFEP-MEDEF code, the compensation policy for Air France-KLM corporate officers for the 2024 financial year:

- is in line with the corporate interest in that it makes it possible to attract competent corporate officers and to retain them while being suited to the responsibilities of the beneficiary and in line with the practices of comparable companies;
- is in line with its commercial strategy in that it is composed of a long-term variable portion to corporate officers, investing them in the Company's results and adapted according to strategic priorities; and
- contributes to its sustainability in that it is always aligned with the interests of shareholders.

This policy is reviewed annually by the Remuneration Committee. The work of the Remuneration Committee takes into account the benchmark study carried out with the help of external consultants in order to compare this policy with the practices of comparable companies. The Committee also ensures the appropriateness of the compensation policy to the Company's strategy. On the basis of this work, the Committee makes recommendations to the Board of Directors, which adopts the compensation policy each year.

When drawing up the compensation policy for corporate officers, the Board of Directors, on the recommendation of the Remuneration Committee, takes into account the conditions of compensation and employment of Air France-KLM employees. In fact, just like all Air France-KLM employees, the Board of Directors ensures that a simple, understandable and consistent compensation policy for corporate officers is implemented in the interest of fairness. The Board of Directors is particularly careful that all employees and corporate officers have the appropriate level of material resources necessary for the performance of their respective duties.

The rules of procedure of the Board of Directors provide that any director in a situation of even potential conflict of interest must inform the Board of Directors and must refrain from attending the debate and from participating in the vote of the corresponding deliberation. Thus, the executive officers are not present during the discussions about their own compensation by the Board of Directors and the Remuneration Committee.

In the event that a new Chair of the Board of Directors or a new Chief Executive Officer are appointed, the compensation elements provided for in the compensation policy for corporate officers would also be applicable to them. The Board of Directors, on the recommendation of the Remuneration Committee, will then determine, by adapting them to the situation of the interested parties, the objectives, performance levels, parameters, structure and maximum percentages in relation to their fixed annual compensation, which cannot be greater than those approved by the shareholders.

The corporate officers' compensation policy for 2025 describes all components of fixed compensation and, where applicable, variable compensation, for directors (section 2.5.3.1 below); for the Chair of the Board of Directors (section 2.5.3.2 a. below); for the Chief Executive Officer (section 2.5.3.2 b. below), and explains the decision-making process followed for its determination, revision and implementation.

This 2025 compensation policy for corporate officers will be the subject of a draft resolution submitted for approval at the Shareholders' Meeting on June 4, 2025 under the conditions provided for in Article L. 22-10-8 of the *Code de commerce* and upon any significant change in the compensation policy.

2.5.3.1 Compensation for the Board directors in respect of 2025

Subject to the approval of the 2025 compensation policy for corporate officers at the Shareholders' Meeting on June 4, 2025, the Board of Directors is seeking to change the compensation policy of Air France-KLM's directors.

Compensation of the directors consists of a fixed compensation to which is added compensation based on the respective attendance of the directors, the terms of distribution and award of which are decided by the Board of Directors, as proposed by the Remuneration Committee.

Update to the structure of director compensation

The Board of Directors has noted that the structure of director compensation has remained unchanged since the Board of Directors decision on February 19, 2014. The compensation policy for directors within the Group has therefore not been reassessed for 10 years, leading to a significant discrepancy with market practices.

The analysis of market practices has shown that the compensation received by the Group's directors is particularly below the compensation received by directors serving terms in companies comparable to SBF 120.

Thus, on the recommendation of the Remuneration Committee, on March 5, 2025, the Board of Directors decided to update the compensation policy for directors. This new structure is intended to apply for the 2025 financial year.

This evolution of compensation for the directors on the Board of Directors and its Committees, both for the fixed portion and the variable portion based on attendance, aims to:

- align with market practices with a positioning close to the market median;
- reflect the increase and level of responsibilities of directors on the Board of Directors and its Committees. In particular, it was decided to increase the compensation allocated to the members of the Audit Committee in view of recent developments in the Committee's tasks, particularly with regard to the monitoring and control of sustainability information, and in particular, the preparation of the sustainability statement in accordance with the CSRD Directive (see section 2.3.2. "Activities and functioning of Committees"); and
- enhance attractiveness to attract new director profiles and retain them on the Board and Committees;
- it is specified that as part of this evolution, it was also decided to adjust the compensation structure of the Committee Chairs to compensate them only on a fixed basis contingent on their mandatory presence at Committee meetings.

Consequently, on March 5, 2025, the Board of Directors decided to allocate the compensation of directors according to the following new distribution rules:

- Related to their term on the Board of Directors:
 - €25,000 in fixed compensation;
 - €35,000 in compensation based on attendance at Board meetings and General Shareholders' Meetings; and
 - €7,000 of additional compensation is allocated to non-resident directors.
- If applicable, during their term on the Audit Committee:
 - the Chair will receive a fixed compensation of €35,000;
 - the members each receive a fixed compensation of €5,000, to which is added, for each, compensation in the maximum amount of €15,000 based on their attendance at Committee meetings.
- Related to their term on the other Committees:
 - the Chair will receive a fixed compensation of €30,000;
 - the members each receive a fixed compensation of €5,000, to which is added, for each, compensation in the maximum amount of €10,000 based on their attendance at Committee meetings.

As a result, it is requested to change the overall compensation budget for directors from €950,000 to €1,550,000.

Update to the structure of director compensation		Members of the Board ⁽¹⁾		Audit Committee		Remuneration Committee		Nomination and Governance Committee		Sustainability and Compliance Committee	
		Chair	Members	Chair	Members	Chair	Members	Chair	Members	Chair	Members
Air France-KLM Compensation Policy 2024	Fixed portion	€15,000	€4,500	€3,000	€3,000	€2,000	€3,000	€2,000	€3,000	€2,000	
	Variable portion related to presence	€25,000	€7,500	€5,000	€4,500	€3,000	€4,500	€3,000	€4,500	€3,000	
	Total compensation	€40,000	€12,000	€8,000	€7,500	€5,000	€7,500	€5,000	€7,500	€5,000	
Air France-KLM: Evolution of the Compensation Policy 2025	Fixed portion	€25,000	€35,000	€5,000	€30,000	€5,000	€30,000	€5,000	€30,000	€5,000	
	Variable portion related to presence	35 000 €		€15,000		€10,000		€10,000		€10,000	
	Total compensation	€60,000	€35,000	€20,000	€30,000	€15,000	€30,000	€15,000	€30,000	€15,000	

(1) Board: Board of Directors.

For any director entering or leaving during the financial year: the amount of compensation is calculated *pro rata* to the number of meetings of the Board of Directors, Committees and Shareholders' Meetings held over the period during which the director was in office.

Related to the aforementioned distribution, all directors, with the exception of the Chair of the Board of Directors and Chief Executive Officer, will receive compensation conforming to the allocation methods set by the Board of Directors.

It is also specified that in the event of a significant number of extraordinary meetings of the Board of Directors, the Board of Directors may decide on an exceptional and additional allocation, within the limit of the budget allocated by the shareholders. The additional amount allocated will be calculated in proportion to the presence of each director at these extraordinary meetings.

Directors (non-executive corporate officers) may not benefit from:

- any long-term compensation plan;
- any benefits in kind that would not be related to their function;
- any employment contract;
- any non-competition compensation;
- any stock-option or free share allocation.

Methods of awarding and paying compensation to representatives of the State and directors appointed on the proposal of the French State

The rules for the distribution of compensation paid to directors presented above are applicable to representatives of the State and directors appointed on the proposal of the French State.

Pursuant to Order No. 2014-948 of August 20, 2014 and Article 1 of the Ministerial Order of December 18, 2014, as amended by the Ministerial Order of January 5, 2018, the following rules apply:

- for directors appointed directly by the French State, 100% of compensation is paid to the French State (Article 5 of the Order);
- for directors appointed at the Shareholders' Meeting on the proposal of the French State (Article 6 of the Order), two cases must be distinguished:
 - for public officials of the French State, 100% of compensation is paid to the State,
 - for those who do not have the capacity of public officials of the State, the payment of compensation is divided as follows:
 - 15% paid to the State, and
 - 85% paid directly to the director (with application of social security and tax charges).

2.5.3.2 Compensation of the executive officers in respect of 2025

Compensation for the Chair of the Board of Directors and the Chief Executive Officer are set by the Board of Directors on the recommendation of the Remuneration Committee, in accordance with AFEP-MEDEF Code.

In accordance with internal rules, the Board of Directors also approves the compensation of the directors of subsidiaries (Air France and KLM) on the recommendation of the Remuneration Committee. The Remuneration Committee also makes recommendations to the Chief Executive Officer on the compensation of the Chief Financial Officer and reviews the compensation of the members of the KLM Board of Directors.

The compensation policies define the principles and criteria of determination, distribution and allocation of fixed, variable and exceptional elements composing the total compensation and benefits in kind, allocated to the Chair of the Board of Directors, and to the Chief Executive Officer. Each of these elements are detailed in this section, in point a, covering the term of the Chair of the Board of Directors, and in point b, covering the term of the Chief Executive Officer, in accordance with Articles L. 22-10-8 and R. 22-10-14 of the *Code de commerce*.

a) 2025 compensation policy for the Chair of the Board of Directors

Ms. Anne-Marie Couderc has been a member of the Board of Directors of Air France-KLM since May 19, 2016. Her term as director was renewed at the Shareholders' Meeting on May 26, 2020 for a period of four years, i.e., until the end of the Shareholders' Meeting called to rule on the accounts for the financial year ending December 31, 2023. The renewal of her term as director for a duration of one year, until the Shareholders' Meeting called to rule on the accounts for the financial year closing December 31, 2024, was approved at the Shareholders' Meeting of June 5, 2024. Her mandate as Chairman of the Board of Directors was renewed for an additional year by decision of the Board of Directors of December 7, 2023, subject to approval by the shareholders, during the Shareholders' Meeting of June 5, 2024, the amendment of Article 26 of the Company's articles of association specifying that when the age limit of the Chair of the Board of Directors is reached during the term of office, the latter will continue to exercise her duties as Chair of the Board of Directors until the end of her mandate as director. The mandate of Ms. Anne-Marie Couderc will thus come to an end at the end of the Shareholders' Meeting of June 4, 2025. However, the Chair of the Board of Directors may be dismissed at any time by the Board of Directors. Ms. Anne-Marie Couderc is not bound by any employment contract with the Company or any other Group company.

The Board of Directors defined, at its meeting on March 5, 2025, on the recommendation of the Remuneration Committee, the compensation policy of the Chair of the Board of Directors of Air France-KLM for financial year 2025.

Annual compensation (fixed and variable)

Description of the annual fixed and variable elements

After analysis of the compensation practices of a panel of comparable companies of the CAC 40 and Next 20 having mainly the State as minority shareholder, which demonstrated that the applicable compensation for the Chair was markedly lower than market practices, the Board of Directors, at its meeting on February 28, 2024, decided to increase the annual gross fixed compensation to €350,000, recognizing the necessity to set this level of compensation for this position.

On the recommendation of the Remuneration Committee, the Board of Directors decided on March 5, 2025 to restate its compensation policy and allocate to the Chair of the Board of Directors an annual gross fixed compensation of €350,000 for her 2025 duties.

Extraordinary annual compensation

The Chair of the Board of Directors will not benefit from extraordinary annual compensation.

Long-term compensation plan

The Chair of the Board of Directors will not benefit from any long-term compensation plan.

Compensation as director

The Chair of the Board of Directors will not receive compensation for her duties as director.

Severance compensation

The Chair of the Board of Directors does not benefit from any severance compensation.

Benefits in kind

The Chair of the Board of Directors will have material resources (car with driver) that are not, in practice, dissociable from the performance of her duties.

Supplementary pension plan

The Chair of the Board of Directors will benefit from a plan with defined contributions (Mandatory Retirement Savings Plan known as PERO) available to all employees located in France, but will not benefit from the new optional pension plan with defined contributions (Article 82 of the General Tax Code).

Mandatory pension plan with defined contributions (Article 83) known as PERO (plan d'épargne retraite obligatoire [Mandatory Retirement Savings Plan])

The Chair of the Board of Directors benefits from the defined contribution pension plan (PERO) implemented as of January 1, 2024 for executive officers and members of the Group Executive Committee:

- maximum 5% of gross compensation, limited to eight annual Social Security caps, which is 100% covered by the Company;
- the Chair of the Board of Directors benefits from this plan under the same conditions as other executive officers and members of the Group's Executive Committee.

Other

The Chair of the Board of Directors will not benefit from any employment contract, top hat pension, non-competition compensation, or stock option or free action.

Future Chair of the Board of Directors

As a reminder, Ms. Anne-Marie Couderc's mandate will come to an end at the end of the Shareholders' Meeting of June 4, 2025.

The Board of Directors decided, at its meeting on March 5, 2025, that the present compensation policy will also be applicable to the future Chair of the Board of Directors, pro rata temporis.

b) 2025 Compensation policy for the Chief Executive Officer

Mr. Benjamin Smith was appointed Chief Executive Officer effective September 17, 2018 and Director on December 5, 2018. His term as director was renewed at the Shareholders' Meeting on June 5, 2024 for a period of four years, i.e., until the end of the Shareholders' Meeting called to rule on the accounts for the financial year ending December 31, 2026. The duration of his term as Chief Executive Officer is five years. It was renewed early on March 30, 2022, i.e., until the end of the Shareholders' Meeting ruling on the accounts for the financial year ending December 31, 2026. However, the Chief Executive Officer may be dismissed at any time by the Board of Directors. Mr. Benjamin Smith is not bound by any employment contract with the Company or any other Group company.

It is specified that, to determine the compensation elements of the Chief Executive Officer, the Board of Directors of Air France-KLM relies on a sample of compensation packages offered by comparable international groups.

As a reminder, the compensation structure for the Chief Executive Officer, having remained unchanged since 2018, was modified for the 2024 financial year.

This compensation structure, as amended during the 2024 financial year, remains the same for the 2025 financial year. It is detailed in section 2.5.2.2 b).

The Board of Directors also defined, at its meeting on March 5, 2025, on the recommendation of the Remuneration Committee, the compensation structure applicable to the Chief Executive Officer of Air France-KLM for financial year 2025. This compensation structure consists of fixed compensation representing 22.6% of Mr. Benjamin Smith's total compensation, annual variable compensation representing 34% of his total compensation and long-term variable compensation representing 43.4% of his total compensation. More than 75% of Mr. Benjamin Smith's total annual compensation depends on achieving demanding performance expectations.

The performance criteria related to variable compensation in the context of 2025 compensation, as well as the performance levels and percentages for achievement of these criteria, were determined in accordance with the Board decisions on March 5, 2025 on the recommendation of the Remuneration Committee.

COMPENSATION STRUCTURE FOR THE CHIEF EXECUTIVE OFFICER OF AIR FRANCE-KLM FOR FINANCIAL YEAR 2025



(1) 150% of the fixed compensation on achievement of the targets potentially rising to 180% should the targets be exceeded.

(2) A long-term incentive plan conferring the right to the granting of performance units corresponding to an amount of €2,000,000.

(3) Amount of €1,044,000.

Annual compensation (fixed and variable)

Description of annual fixed and variable elements

The Chief Executive Officer will benefit from an annual gross fixed compensation of €1,044,000 and an annual gross variable compensation of 0% to 150% of the annual gross fixed compensation depending on objectives being partially met (calculated linearly) and may achieve a maximum of 180% of annual fixed compensation in the event of exceeding objectives (calculated linearly).

The performance criteria, which were decided by the Board of Directors at its meeting on March 5, 2025, are 60% criteria linked to the Group's performance and

financial objectives and 40% criteria linked to non-financial objectives, of which half are quantitative. The Board of Directors decided on ambitious performance levels and percentages for the 2025 financial year.

The performance criteria for the annual variable compensation were ordered by the Board of Directors at its meeting on March 5, 2025 with the objective of limiting their number, simplifying the structure and presenting quantitative objectives for one of the non-financial criteria. It is nevertheless specified that the criterion "Individual performance and Leadership" will be subject to a qualitative assessment, in addition to a quantitative evaluation.

Breakdown of the variable portion

Target: 150% of the fixed compensation

Maximum: 180% of the fixed compensation

QUANTITATIVE FINANCIAL PERFORMANCE

COI (Current Operating Income) in absolute value (40%)

Air France-KLM COI on December 31, 2025 compared to the COI as provided for in the 2025 budget

60%

72%

Recurring Adjusted Operating Free Cash Flow (20%)

Recurring Adjusted Operating Free Cash Flow of Air France-KLM as of December 31, 2025 compared to the Recurring adjusted operating Free Cash Flow as provided for in the 2025 budget

30%

36%

NON-FINANCIAL QUANTITATIVE PERFORMANCE

Decarbonization (decarbonization action plan) (20%)

Use of the SAF and measures taken at the initiative of the airlines

30%

36%

Individual performance & Leadership (20%)⁽¹⁾

30%

36%

(1) Individual performance and leadership will be assessed partly on a qualitative assessment and partly on a quantitative assessment.

Assessment of 2025 performance criteria**Financial quantitative performance**

The quantitative performance relative to the financial criteria (COI in absolute value, the cash flow available to Air France-KLM) will be evaluated on the basis of the following rules:

Air France-KLM COI in absolute value	Performance	% attainment of the criterion
Air France-KLM COI on December 31, 2025 compared to the COI as provided for in the 2025 budget	Level 1 Result between trigger threshold and target	From 0% to the target proportionally
	Level 2 On target	100%
	Level 3 Between target and max limit	100% to maximum proportionally
	Level 4 Max limit	Maximum

RECURRING ADJUSTED OPERATING FREE CASH FLOW**Recurring Air France-KLM Adjusted Operating Free Cash Flow as of December 31, 2025 compared to the Recurring Adjusted Operating Free Cash Flow as shown in the 2025 budget**

	% attainment of the criterion
Level 1. Result between trigger threshold and target	From 0% to the target proportionally
Level 2. On target	100%
Level 3. Between target and max limit	100% to maximum proportionally
Level 4. Max limit	Maximum

Non-financial performance

Use of the SAF	% attainment of the criterion
Level 1. Below target	0%
Level 2. Target result	50% of the target
Level 3. Between target and max limit	50% of the target to maximum proportionally
Level 4. Max limit	Max

Measures taken at the airline initiative	% attainment of the criterion
Level 1. Below target	0%
Level 2. On target	100% of the target
Level 3. Max limit	Max

Individual & Leadership	<p>The evaluation will examine actions and outcomes, in light of the following core priorities:</p> <ol style="list-style-type: none"> 1) Maintained social stability; 2) Strategic vision of the market; 3) Transformation breakthrough; 4) Inspirational external communication; 5) Management of the management teams; 6) Assessment of the Employee Promoter Score (EPS) and of the Net Employer Score (NPS). <p>The performance will be evaluated by the Board of Directors (percentage attainment of between 0 and the maximum).</p>
------------------------------------	--

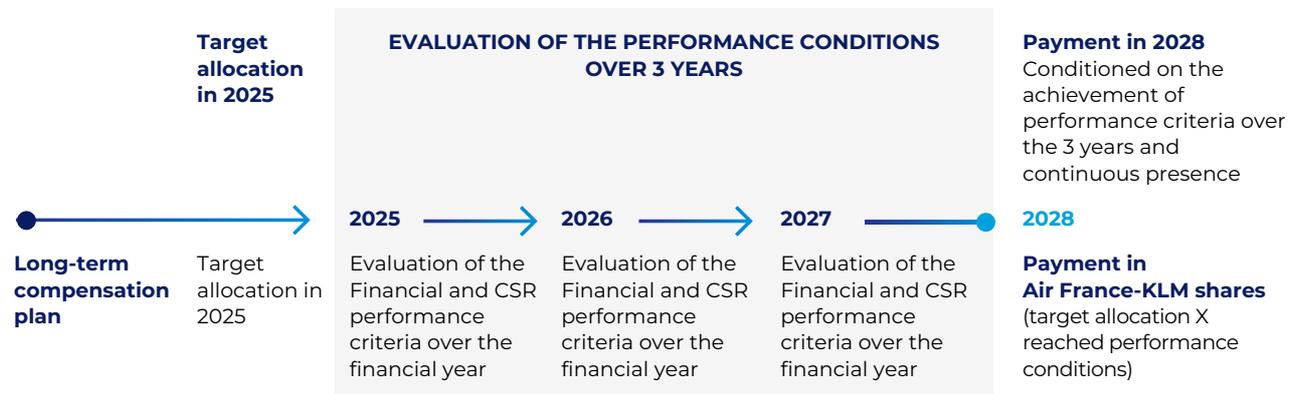
In any event, this annual variable compensation would be approved at the Shareholders' Meeting in the year in which the Board of Directors decided to allocate it, pursuant to Article L. 22-10-8 of the Code de Commerce (*ex ante* vote), and the year in which it was paid, pursuant to Article L. 22-10-34 of the Code de Commerce (*ex post* vote).

Long-term compensation

The Chief Executive Officer's compensation policy consists in a major part of long-term variable compensation elements in order to align the Group's performance and compensation from a long-term perspective, thus contributing to the Company's strategy and sustainability.

These compensation elements correspond to a Long-Term Plan subject to the achievement of demanding performance conditions assessed over a period of three years and covering the interests of the Group, its employees and its shareholders. It is recalled that the payment and acquisition of these elements of compensation will only be collected at the end of this three-year period.

LONG-TERM COMPENSATION SYSTEM FOR AIR FRANCE-KLM



c) Long-term compensation plan 2025-2027

The Group intends to initiate targeted strategic actions aimed at improving operational performance in the medium and long term to match the best practices of major international airlines, while taking into account the environmental and societal challenges of its development. In this context, a new long-term compensation plan applicable to the Chief Executive Officer has been implemented in accordance with the Board of Directors' decision of March 5, 2025, including other Group managers and employees. The long-term compensation plan applicable to the Chief Executive Officer has the same main characteristics as the long-term compensation plan implemented in 2022. As a reminder, the Board of Directors decided, at the meeting on February 28, 2024, to modify and simplify the performance criteria while strengthening the proportion of CSR criteria, in particular climate criteria, and providing for more quantitative criteria.

Thus, the Chief Executive Officer will annually allocate performance units related to this plan corresponding to an amount of €2 million, payable in shares for the term of a period of three years following allocation, subject to realization of specific performance conditions, evaluated over this entire period, and with a maximum of 100% over three years.

The payment of performance units is also subject to a three-year condition of presence, except (i) in the event of death or disability (if applicable, without performance condition), or (ii) in the event of dismissal, non-renewal of term or even retirement (if applicable, associated with the performance conditions), it being specified that in these exceptional cases the payment will be made *pro rata temporis*.

The number of performance units allocated each year is calculated in relation to the opening stock price of the Air France-KLM share on April 1 of the year of allocation (i.e., April 1, 2025 for the 2025–2027 plan). Payment of these performance units, contingent on performance and attendance conditions, will be made in Air France-KLM shares. It is specified that one performance unit will give entitlement to one Air France-KLM share.

Consequently, the Board of Directors decided, at its meeting on March 5, 2025, on demanding performance conditions in order to assess, where applicable, the long-term performance of the Chief Executive Officer, for the possible allocation of this long-term variable compensation described below as well as the performance levels and percentages of achievement of these criteria.

	Performance	Final acquisition (vesting) of a % of the allocation with a maximum of 100% over 3 years
1. Net debt/EBITDA (30%)⁽¹⁾ Comparison of the net debt/EBITDA ratio with that of the budget at the end of the 2025-2027 period	Level 1. Below target	0%
	Level 2. Between target and max limit	0% to 130% proportionally
	Level 3. Max limit	130%
2. Relative TSR position (30%) Relative TSR position (Total Shareholder Return) compared to IAG, Lufthansa and Easy Jet (2025, 2026, 2027)	Position 4	0%
	Position 3	50%
	Position 2	100%
	Position 1	130%
3. CSR performance targets (20%) (Environment, Employees, Compliance)		See the evaluation rules below
4. Improved image of the airline company's brand (20%)	Level 1. Significant decrease	0%
	Level 2. Decrease	50% - 100% proportionate
	Level 3. Stable	100%
	Level 4. Increase	100% to 130% proportionally

(1) Net debt not calculated in IFRS (including hybrid securities)

The RSE performance criterion will be evaluated in the following manner:

Assessment of the Environment criterion	Performance	Allocation percentage
Intensity of greenhouse gas emissions in tonnes of CO ₂ (per ton-km transported (TKT)gCO ₂ eq/TKT)	Between 2024 performance and target	0%-100% proportionally
	On target	100%
	Between the target and the max	100%-130% proportionally

The employee and compliance criteria will be evaluated as follows:

Evaluation of employee criteria and compliance	Performance	Allocation percentage
	Low performance	0%
	Stability or improvement but below target	50% to 100% proportionally
	Objective achieved	100%
	Much higher than the objective	100% to 130% proportionally

It is specified that the Chief Executive Officer did not use and has committed not to use risk hedging operations under this plan until the performance units are paid.

d) Long-term compensation plans in force

In 2025, the Chief Executive Officer will continue to benefit from the long-term compensation plans awarded in 2022, 2023 and 2024 as well as from the 2021 "Phantom Shares" plan, which offers the option to postpone the payment of these performance units by up to three years.

For more details on the long-term compensation plans, see section 2.5.2.2 b of this Universal Registration Document.

e) Severance compensation and benefits in kind

The Chief Executive Officer will continue to benefit from the severance compensation awarded to him by the Board of Directors on August 16, 2018 and as approved by the Shareholders' Meeting on May 28, 2019.

The Board of Directors on August 16, 2018 authorized granting the Chief Executive Officer severance compensation in certain cases of forced departure, in particular in the event of dismissal, non-renewal of his term as Chief Executive Officer, or departure following a change of control. It is specified that, in the case of forced departure, claiming this severance compensation is excluded by any instance of serious misconduct by the Chief Executive Officer.

Pursuant to the recommendations of the AFEP-MEDEF Code, the basis of the severance compensation is equivalent to two years of annual fixed and variable compensation (according to specific calculation methods referring to the target variable in case of departure in the first 24 months, as applicable).

The basis of the compensation will be affected by a coefficient (between 0 and 100%) based on the performance of the person in question, measured by reference to the rate of achievement of the performance criteria relating to the annual variable portion of their compensation during the last two financial years of their term of office (or since their appointment, in the event of a departure occurring during the first two years). It will be the responsibility of the Board of Directors of Air France-KLM to verify the achievement of these performance criteria.

The Chief Executive Officer also enjoys the usual benefits (car with driver, additional health and disability pension, provision of air tickets, manager's civil liability insurance) as well as benefits related to the policy in force within the Group in terms of expatriation and mobility of its executive officers.

f) Supplemental pension plan

The Chief Executive Officer will continue to benefit from a supplemental retirement benefit. It is specified that, since taking up his duties in the Group in 2018, the Chief Executive Officer has only benefited from a mandatory pension plan.

After analyzing the compensation practices of comparable companies in terms of the pension plan, the Board of Directors decided on February 28, 2024 for the 2024 compensation policy that the Chief Executive Officer would benefit from a supplemental pension plan composed of a share of the mandatory pension plan with defined contributions in accordance with Article 83 of the General Tax Code (Mandatory Retirement Savings Plan known as PERO) and an optional pension plan with defined contributions pursuant to Article 82 of the General Tax Code implemented as of January 1, 2024. The application of this pension plan is unchanged for the 2025 financial year.

■ PERO: mandatory pension plan with defined contributions

The Chief Executive Officer will continue to benefit from the defined contribution pension plan (Article 83 of the General Tax Code) implemented January 1, 2024 for executive officers and members of the Group Executive Committee.

Contributions represent:

- a maximum of 5% of the gross annual compensation, limited to eight annual Social Security caps, which is 100% covered by the Company.

The Chief Executive Officer benefits from this plan under the same conditions as other executive officers and members of the Group's Executive Committee.

■ Optional defined-contribution pension plan

The Chief Executive Officer will continue to benefit from an additional pension system in which the company pays an annual contribution half composed of contributions paid to a third-party organization under an optional defined contribution pension plan (Article 82 of the General Tax Code) and half of a sum in cash, taking into account the immediate taxation at the initiation of this system. The total contribution corresponds to a coefficient of 21% of the sum of the fixed compensation and the actual variable compensation due for the year in question. It also depends on the performance of the company since the calculation base includes the variable portion related to the Group's results.

Contributions paid in this respect do not benefit from any preferential social and tax regime. For this reason, the Chief Executive Officer receives a cash payment to compensate the fiscal impact and related charges for 2024 contributions in an amount equal to that of the contribution paid on his behalf to the insurer.

The Chief Executive Officer benefits from this plan under the same conditions as the members of the Group Executive Committee with a French employment contract.

g) Adjustment clause in case of exceptional circumstances

In the event of exceptional circumstances such as a change in accounting standards, a significant change in scope related to the consolidation or completion of a transformative operation, a substantial change in market conditions or a change in the competitive context with significant and unforeseeable consequences for the Group when this compensation policy is approved by the Board of Directors for presentation at the Shareholders' Meeting, the Board of Directors reserves the right to exercise its discretion to adjust, both upwards and downwards, one or more of the parameters attached to the performance criteria (weight, trigger thresholds, objectives, targets, etc.) for the variable annual or long-term compensation of the Chief Executive Officer.

This adjustment clause allows for ensuring that the results of the application of said criteria reflect both the performance of the Chief Executive Officer and that of the Group.

These adjustments will be decided by the Board of Directors on the recommendation by the Remuneration Committee, then will be made public on the Company's website.

It should be noted that this option differs from that provided for in Article L. 22-10-8-III paragraph 2 of the *Code de commerce*.

It is not anticipated that the Board of Directors will be able to derogate from this compensation policy in the event of exceptional events other than those mentioned above.

h) Other

The Chief Executive Officer does not benefit from any employment contract, any top hat pension, any non-competition compensation, or any stock-option or free shares.

2.6 GROUP MANAGEMENT BODIES: GROUP EXECUTIVE COMMITTEE AND CEO COMMITTEE

2.6.1 Group Executive Committee

Chaired by the Chief Executive Officer of Air France-KLM, the Group Executive Committee is composed of eleven (11) members and a secretary of the Executive Committee.

Members at December 31, 2024	Age at	Relevant professional experience	
	December 31, 2024	Sector	Experience
Benjamin Smith <i>Chief Executive Officer, Air France-KLM</i>	53 years	Air Transport	34 years
Marjan Rintel <i>President & Chief Executive Officer, KLM</i>	58 years	Air Transport	25 years
Anne Rigail <i>Chief Executive Officer, Air France</i>	55 years	Air Transport	33 years
Steven Zaat <i>Chief Financial Officer, Air France-KLM</i>	55 years	Air Transport	22 years
Alexandre Boissy <i>Corporate Secretary of Air France-KLM</i>	48 years	Air Transport	25 years
Anne Brachet <i>Executive Vice President Engineering & Maintenance, Air France-KLM</i>	61 years	Air Transport	29 years
Oltion Carkaxhija⁽¹⁾ <i>Executive Vice President Strategy & Transformation, Air France-KLM</i>	48 years	Air Transport	17 years
Angus Clarke <i>Executive Vice President & Chief Commercial Officer, Air France-KLM</i>	50 years	Air Transport	23 years
Adriaan den Heijer <i>Executive Vice President Cargo, Air France-KLM</i>	54 years	Air Transport	29 years
Pierre-Olivier Bandet⁽²⁾ <i>Executive Vice President Information Systems, Air France-KLM</i>	56 years	IT Services, Air Transport	6 years 28 years
Henri de Peyrelongue <i>Executive Vice President Commercial Sales, Air France-KLM</i>	59 years	Air Transport	34 years

(1) Mr. Oltion Carkaxhija was appointed Executive Vice President Strategy & Transformation of Air France-KLM, effective January 1, 2024. This appointment is an expansion of the position of Executive Vice President Transformation that he had occupied since October 2020. In addition to his original functions, he is responsible for the implementation of the Air France-KLM strategy and for driving innovation.

Secretarial services to the Group Executive Committee are provided by the Air France-KLM Chief Executive Officer's Chief of Staff.

Information on the diversity targets within the management bodies

At its March 5, 2025 meeting, the Board of Directors set targets for diversity within the management bodies and reviewed the action plan on the way in which the Company is seeking to achieve a balanced representation between men and women.

Within this framework, Air France-KLM has set itself a long-term target of reaching parity between men and women within the Group Executive Committee and the top 10% of the positions with the highest level of responsibility. Furthermore, medium-term targets of a minimum of 40% women within the Group Executive Committee and 40% women within the top 10% of the positions with the highest level of responsibility by 2030

have been set by the Board of Directors, it being understood that the Group's French entities will attain their diversity targets in respect of the time limits set by French legislation.

Concretely, when recruiting and/or appointing new members and considering candidates with equal skills, expertise and management qualities, preference is given to female candidates. An action plan has been deployed to accelerate the consideration of female profiles at all levels of management.

At its March 5, 2025 meeting, the Board of Directors was informed of the results achieved during the 2024 financial year. This information is detailed in section 4.3.1.5. "Diversity, equity and inclusion".

2.6.2 CEO Committee

The CEO Committee is chaired by Mr. Benjamin Smith, Chief Executive Officer of Air France-KLM, and has three other members: Ms. Anne Rigail (Chief Executive Officer of Air France), Ms. Marjan Rintel (President & Chief Executive Officer of KLM) and Mr. Steven Zaat, Chief Financial Officer of Air France-KLM.

The CEO Committee defines the strategic direction of all of the Group's airlines and operational entities.

2.7 SHARE CAPITAL AND SHAREHOLDER STRUCTURE

2.7.1 Share capital

At December 31, 2024, the Air France-KLM share capital comprised 262,769,869 fully paid-up shares with a nominal value of one euro, held in registered or bearer form according to shareholder preference. Until April 2, 2016, each share had one voting right attached. In application of the Florange Act⁽¹⁾ as from April 3, 2016, in

the absence of a provision to the contrary in the Air France-KLM Articles of Incorporation, all fully paid-up shares held in registered form in the name of the same shareholder for at least two years automatically benefit from a double voting right. There are no other specific rights attached to the shares.

Changes in the share capital over the last three financial years

The change in the share capital over the last three financial years is as follows:

Financial year ended	Amount of capital (in €)	Number of shares
December 31, 2022	2,570,536,136	2,570,536,136
December 31, 2023	262,769,869	262,769,869
December 31, 2024	262,769,869	262,769,869

Capital increase during the financial year ended December 31, 2022

On May 24, 2022, Air France-KLM announced the launch of a capital increase with maintained preferential subscription rights ("DPS") to raise a gross amount of €2.256 billion through the issuance of 1,928 million new Air France-KLM shares. This transaction, aimed at reinforcing the Company's equity and balance sheet, followed the announcement of new recapitalization measures on February 17, 2022. The capital increase, decided pursuant to the Combined Ordinary and Extraordinary Shareholders' Meeting of May 26, 2021 was the subject of a prospectus filed with the AMF under number D. 22-0236-A01 on May 23, 2022. The trading period for the preferential subscription rights (DPS) was between May 25, 2022 and June 7, 2022 and the subscription period for the capital increase closed on June 9, 2022.

On June 14, 2022, Air France-KLM announced the final results of the capital increase, namely 1,928 million new shares at a unit subscription price of €1.17, representing €2.256 billion. The capital increase attracted strong demand from both the existing shareholders and new investors.

On June 9, 2022, at the end of the subscription period, the total demand stood at approaching €2,240 million shares, i.e., close to €2.261 billion. The transaction was thus oversubscribed with a subscription rate of around 116%:

- 1,831,278,510 new shares were subscribed on an irreducible basis (*à titre irréductible*), representing approximately 95% of the new shares to be issued;
- orders submitted on a reducible basis (*à titre réductible*) represented 409,004,428 new shares and were therefore only partially allocated for a number of 96,623,592 new shares.

The gross proceeds of the capital increase, including the issue premium, amounted to €2,256 million (of which €1,611 million subscribed in cash) corresponding to the issuance of 1,928 million new shares (the "New Shares") at a unit subscription price of €1.17 per share.

Impact of the capital increase on the breakdown of the share capital

Following the settlement and delivery for the capital increase, Air France-KLM's share capital amounted to 2,570,536,136 shares, each with a nominal value of €1.

Rationale for the capital increase

This transaction concerned the implementation of new recapitalization measures, following the capital increase realized in 2021.

- To free itself from the conditions set by the European Commission's Covid-19 temporary framework, the Company allocated around €1.7 billion from the net proceeds of the issue to the repayment of the "Covid-19 recapitalization aid" granted in the form of undated deeply subordinated notes to the benefit of the French State (the "*TSS État*") issued in April 2021, through offset and repayment. The remainder (about €0.6 billion) enabled a reduction in net debt.
- This operation marked a significant step in the execution of the equity and quasi-equity issuance program for a maximum of €4 billion destined to strengthen the balance sheet.

⁽¹⁾ Furthermore, there are no securities not representing the share capital. Article 7 of Act No.2014-384 of March 29, 2014 for the Reconquest of the Real Economy.

Subscription by the main shareholders and partners

The French State, Air France-KLM's largest shareholder, participated on an irreducible basis to the full extent of its DPS rights, corresponding to a subscription to 551,404,728 New Shares. After the completion of the capital increase, its shareholding remained unchanged. This subscription was carried out by offsetting a portion of the deeply subordinated notes (*TSS État*) issued in April 2021.

The Dutch State participated on an irreducible basis to the full extent of its DPS rights, corresponding to a subscription to 180,000,000 New Shares. After the completion of the capital increase, its shareholding remained unchanged.

CMA CGM, had also participated in the context of the implementation of the business cooperation for cargo, with a total shareholding amounting to 231,348,252 New Shares, subscribed on an irreducible basis (via the exercise of the preferential subscription rights acquired from China Eastern Airlines, Delta Air Lines, Inc. and the FCPE employee mutual funds as well as in the market) and corresponding to 9.0% of the Company's share capital after the rights issue.

China Eastern Airlines⁽¹⁾ and Delta Air Lines participated in the capital increase on a cash-neutral basis, for an aggregate amount of approximately €110.7 million by subscribing to a respective 58,763,343 and 35,873,772 New Shares by using the net proceeds from selling a portion of their preferential subscription rights to CMA CGM. Their respective shareholdings thus stood at 4.7% and 2.9% of the Company's share capital after the capital increase.

The FCPEs ("*Fonds communs de placement d'entreprise*") participated in the capital increase on a cash-neutral basis through the sale of a portion of their preferential subscription rights to the benefit of CMA CGM, in a proportion allowing them to partially finance the exercise of the balance of their DPS rights by using the net proceeds of this sale.

The SPAAK (*Stichting Piloten Aandelen Air France-KLM*) participated in the capital increase on a cash-neutral basis by subscribing to new shares through the sale of a portion of its DPS rights.

Lock-up commitments

CMA CGM had agreed with the Company on a lock-up undertaking as from the settlement-delivery of the new shares until the expiry of a three-year period following this date, it being specified that CMA CGM could then sell a maximum of 50% of the shares acquired within the context of the capital increase during an additional three-year period. In January 2024, these undertakings were modified in the context of the change in the commercial partnership with CMA CGM to provide that the initial lock-up period would end on February 28, 2025 with no additional lock-up period.

In addition, CMA CGM had committed to a 10-year period during which it would not acquire or subscribe to any shares issued by the Company, unless such an acquisition did not lead to an increase of its equity interest in the share capital of the Company, subject to certain exceptions. The undertaking specifies that, at the end of a period of five years as of the settlement-delivery of the new shares, the Board of Directors of the Company may modify this undertaking in order to allow CMA CGM to increase its shareholding in the Company.

In accordance with the provisions of the French *Code de commerce*, shareholders who subscribed to the capital increase with maintained preferential subscription rights (DPS) achieved on June 16, 2022, and who held their shares in registered form for more than two years, benefited from a double voting right. Thus, on June 30, 2024, CMA CGM declared that it had exceeded the 10% voting rights threshold and held 8.80% of the share capital and 12.83% of the voting rights of Air France-KLM. Furthermore, it is noted that the other main shareholders of the Company who participated in the operation, namely the French State, the Dutch State, China Eastern Airlines, and Delta Air Lines, have all benefited from a double voting right.

Change in the share capital during the financial year ended December 31, 2023

Reverse share split and simultaneous reduction in the share capital

On August 31, 2023, the Air France-KLM Group announced the realization of the reverse split in all the outstanding shares in the Company and the simultaneous capital reduction by decreasing the nominal value of each share, as decided by the Board of Directors at its meeting on July 4, 2023 and pursuant to the extraordinary 36th and 37th resolutions of the Combined Ordinary and Extraordinary Shareholders' Meeting of June 7, 2023. The realization of these operations was reflected in:

- the exchange of 10 ordinary shares in the Company each with a nominal value of €1 for one new share with a nominal value of €1 (taking into account the simultaneous capital reduction reducing the nominal value of each new share from €10 to €1, i.e., a reduction of €9 per share allocated to the "share premium" account);
- the Company's new share capital of €257,053,613 divided into 257,053,613 shares (ISIN code FR001400J770) each with a nominal value of €1.

Shareholders who did not hold a number of shares making a multiple of ten were compensated for their remaining fractional shares by their financial intermediaries within a maximum 30-day period, i.e., before October 2, 2023.

⁽¹⁾ Through Eastern Airlines Industry Investment (Luxembourg) Company Limited.

Following the reverse share split, and as decided by the Chief Executive Officer on August 31, 2023, the conversion ratios (i) for the undated deeply subordinated unsecured bonds convertible into new shares and/or exchangeable for existing shares in a nominal amount of €305.3 million by way of a placement with qualified investors on November 16, 2022 (the "Hybrid Convertible Bonds") and (ii) the bonds convertible into and/or exchangeable for new or existing shares (OCEANEs) issued in the amount of €500 million in March 2019 and maturing in 2026 (the "OCEANEs 2026"), were adjusted in accordance with the following terms, which were set out in a notice of adjustment published in the *Bulletin des annonces légales obligatoires*:

- adjustment in the conversion ratio for the Hybrid Convertible Bonds: the new conversion ratio is 6,549.6463 new shares per Hybrid Convertible Bond;
- adjustment in the exercise parity for the OCEANEs 2026: the new ratio is 0.178 new shares for each Océane 2026, it being specified that they were all reimbursed on May 13, 2024 (see section 2.7.2 of the 2024 Universal Registration Document).

Capital increase reserved to the Group's employees

On December 12, 2023, the Air France-KLM Group finalized the "Partners for the Future" share offer, a capital increase reserved to around 75,000 eligible employees of the Group⁽¹⁾, launched in November 2023.

Within the framework of this transaction, around 17,000 employees from 19 countries, representing nearly 22% of the relevant employees, subscribed to the "Partners for the Future" offer, enabling them to invest in Air France-KLM shares under preferential conditions.

The total amount subscribed stood at €46,073,029 corresponding to the issuance of 5,716,256 new shares each with a nominal value of one euro. The Company's share capital was thus de facto increased by €5,716,256 from €257,053,613 to €262,769,869.

At the end of this issue, the employee shareholding in the Air France-KLM share capital within the meaning of Article L. 225-102 of the French *Code de commerce* amounted to 3.2%. Employee shareholding is a strong sign of employee confidence in the Group's future and strategy. By becoming a shareholder, employees benefit from a unique status: they are both contributors to and beneficiaries of the Company's value creation. As of December 31, 2024, the employee shareholding in the Air France-KLM share capital within the meaning of Article L. 225-102 of the French *Code de commerce* amounted to 3.1%.

Share capital as of December 31, 2024

In 2024, the share capital remained unchanged with 262,769,869 shares with a par value of €1.

Authorizations granted to the Board of Directors to increase the share capital

To give the Air France-KLM Group the flexibility and agility required for the Group's financial management while taking into account the diversity of interests and expectations of Air France-KLM's shareholders, a number of financial resolutions were adopted by the Annual Shareholders' Meeting of June 7, 2023 (resolutions 19 to 35) and by the Annual Shareholders' Meeting of June 5, 2024 (resolutions 22 and 23).

No authorization given to the Board of Directors to increase the share capital was used in 2024.

In 2023, within the framework of its "Partners for the Future" employee shareholder offer, the Company had used the authorizations for a capital increase reserved for members of a company or Group savings scheme and for a capital increase reserved to employees not resident in France that were granted in resolutions 34 and 35 of the Annual Shareholders' Meeting of June 7, 2023. These were renewed by the Annual Shareholders' Meeting of June 5, 2024 (resolutions 22 and 23).

Two other authorizations aimed at restructuring the Air France-KLM share capital through a reverse share split (resolution 36) and a simultaneous reduction in the capital (resolution 37) so as to return to a situation more in line with that of its stock market peers, in terms of the number of shares in circulation and the ratio between the share price in the stock market and the nominal value of the shares, were also adopted by the Shareholders' Meeting of June 7, 2023 and implemented by the Board of Directors. These operations came into effect on August 31, 2023. As a result of the definitive realization of the capital reduction, the nominal cap amounts in resolutions 19 to 22, 25, 26 to 29 and 32 were divided by a factor of 10.

These authorizations enable the Board of Directors, in compliance with the legal and regulatory provisions and under certain conditions, to increase the capital of Air France-KLM by various means (issuance of shares and/or securities conferring access to the capital and/or giving the right to the allocation of debt securities, with or without shareholders' preferential subscription rights, as the case may be, with or without a priority subscription period, outside the period of a public offering with specific caps) and depending on the market opportunities at the time of the issue and the financing needs of the Air France-KLM Group. The authorizations currently in force are summarized in the following table.

⁽¹⁾ Conditions of employee eligibility for this offer (i) all employees benefiting from an employment contract with an Air France-KLM company participating in the offer with at least 3 months' seniority, consecutive or not, between January 1, November 24, 2023 and still present on the last day of the subscription period, November 24, 2023, and (ii) retired Air France Group employees still holding assets in the PEE.

Resolution	Delegation	Maximum amount of issuance in nominal	Balance available at December 31, 2024	Term of validity
AUTHORIZATIONS GRANTED BY THE COMBINED ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF JUNE 7, 2023				
Outside the context of a public tender offer				
No. 19	Capital increase (outside the context of a public tender offer) maintaining preferential subscription rights	€128.5 million in nominal (i.e. c.49% of the current share capital)	€122,783,744 in nominal (following the capital increase realized on December 21, 2023 to the benefit of eligible employees within the framework of the "Partners for the Future" offer for a nominal amount of €5,716,256)	26 months (i.e. until August 7, 2025)
No. 20	Capital increase (outside the context of a public tender offer) without preferential subscription rights but with a mandatory priority subscription period	€128.5 million in nominal (i.e. c.49% of the current share capital) [charged against the cap in the 19 th resolution]	€122,783,744 in nominal (following the capital increase realized on December 21, 2023 to the benefit of eligible employees within the framework of the "Partners for the Future" offer for a nominal amount of €5,716,256)	26 months (i.e. until August 7, 2025)
No. 21	Capital increase (outside the context of a public tender offer) without preferential subscription rights but with an optional priority subscription period (authorization also enabling the issuance by the Company's subsidiaries of securities conferring access to the Company's share capital)	€51.4 million in nominal (i.e. c.20% of the current share capital) [charged against the cap in the 19 th resolution]	Available in full	26 months (i.e. until August 7, 2025)
No. 22	Capital increase (outside the context of a public tender offer) through a private placement with qualified investors/limited circle of investors	€51.4 million in nominal (i.e. c.20% of the current share capital) [charged against the cap in the 19 th and 21 st resolutions]	Available in full	26 months (i.e. until August 7, 2025))
No. 23	Increase in the number of securities to be issued in the event of a capital increase (outside the context of a public tender offer) with or without preferential subscription rights ("greenshoe")	15% of the initial issue (not to exceed the cap amounts set under resolutions 19, 20, 21 and 22)	Available in full	26 months (i.e. until August 7, 2025)
No. 24	Capital increase (outside the context of a public tender offer) to compensate contributions in kind granted to the Company	10% of the share capital (i.e. c.€26.2 million based on the current share capital) [charged against the cap of the 19 th and 21 st resolutions]	Available in full	26 months (i.e. until August 7, 2025)

Resolution	Delegation	Maximum amount of issuance in nominal	Balance available at December 31, 2024	Term of validity
No. 25	Capital increase (outside the context of a public tender offer) by capitalization of reserves, profits, issuance premiums, or other amounts eligible for capitalization	€128.5 million in nominal (i.e. c.49% of the current share capital) [charged against the cap in the 19 th resolution]	€122,783,744 in nominal (following the capital increase realized on December 21, 2023 to the benefit of eligible employees within the framework of the "Partners for the future" offer for a nominal amount of €5,716,256)	26 months (i.e. until August 7, 2025)
Within the context of a public tender offer				
No. 26	Capital increase (within the context of a public tender offer) maintaining preferential subscription rights for shareholders	€64.3 million in nominal (i.e. c.24,5% of the current share capital) [charged against the cap amount of the 19 th resolution, usable outside the context of a public tender offer]	Available in full	26 months (i.e. until August 7, 2025)
No. 27	Capital increase (within the context of a public tender offer) without preferential subscription rights for shareholders but with a mandatory priority subscription period	€64.3 million in nominal (i.e. c.24,5% of the current share capital) [charged against the cap amount of the 19 th and 26 th resolutions, usable outside the context of a public tender offer]	Available in full	26 months (i.e. until August 7, 2025)
No. 28	Capital increase (within the context of a public tender offer) without preferential subscription rights for shareholders but with an optional priority subscription period (authorization also enabling the issuance by the Company's subsidiaries of securities conferring access to the Company's share capital)	€25.7 million in nominal (i.e. c.9.8% of the current share capital) [charged against the cap amount of the 19 th , 21 st , and 27 th resolutions, usable outside the context of a public tender offer]	Available in full	26 months (i.e. until August 7, 2025)
No. 29	Capital increase (within the context of a public tender offer) through a private placement with qualified investors/restricted group of investors	€25.7 million in nominal (i.e. c.9.8% of the current share capital) [charged against the cap amount of the 19 th , 21 st , 22 nd , 26 th and 28 th resolutions, usable outside the context of a public tender offer]	Available in full	26 months (i.e. until August 7, 2025)
No. 30	Increase in the number of securities to be issued in the event of a capital increase (within the context of a public tender offer) with or without preferential subscription rights ("greenshoe")	15% of the initial issuance (not to exceed the cap amounts indicated under resolutions 19, 26, 27, 28 and 29)	Available in full	26 months (i.e. until August 7, 2025)
No. 31	Capital increase (within the context of a public tender offer) to compensate contributions in kind granted to the Company	5% of the share capital i.e. c.€13.1 million based on the current share capital [charged against the cap amount of the 19 th , 21 st , 24 th , 26 th and 28 th resolutions, usable outside the context of a public tender offer]	Available in full	26 months (i.e. until August 7, 2025)

Resolution	Delegation	Maximum amount of issuance in nominal	Balance available at December 31, 2024	Term of validity
No. 32	Capital increase (within the context of a public tender offer) by capitalization of reserves, profits, issuance premiums, or other amounts eligible for capitalization	€64.3 million in nominal (i.e. c.25% of the current share capital)[charged against the cap amount of the 19 th , 26 th and 27 th resolutions, usable outside the context of a public tender offer]	Available in full	26 months (i.e. until August 7, 2025)

OTHER AUTHORIZATIONS IN RESPECT OF THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF JUNE 7, 2023

No. 33	Delegation of authority granted to the Board of Directors, for the purpose of determining the issue price, within a limit not to exceed 10% of the share capital per year in the event of a capital increase without shareholders' pre-emptive subscription rights	10% of the share capital (not to exceed the cap amounts set under resolutions 20, 21, 22, 27, 28 and 29)	Available in full	26 months (i.e. until August 7, 2025)
--------	--	--	-------------------	---------------------------------------

AUTHORIZATIONS GRANTED BY THE COMBINED ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF JUNE 5, 2024

No. 22	Capital increases reserved for members of a company or Group savings scheme	3% of the share capital at the time of each issuance [charged against the cap amount indicated under resolution 19 of the Annual Shareholders' Meeting of June 7, 2023]	Available in full	26 months (i.e. until August 5, 2026)
No. 23	Capital increase reserved to employees not resident in France	3% of the share capital at the time of each issue [charged against the cap amount indicated under resolution 19 of the Annual Shareholders' Meeting of June 7, 2023]	Available in full	18 months (i.e. until December 5, 2025)

A common cap of €128.5 million, of which €122,783,744 is currently available, applies to resolutions 19 to 32 of the Combined Ordinary and Extraordinary Shareholders' Meeting of June 7, 2023 and to resolutions 22 and 23 of the Combined Ordinary and Extraordinary Shareholders' Meeting of June 5, 2024. A common sub-cap of €51.4 million applies to resolutions 21 to 24 of the Combined Ordinary and Extraordinary Shareholders' Meeting of June 7, 2023.

A common sub-cap of €64.3 million applies to resolutions 26 to 32 of the Combined Ordinary and Extraordinary Shareholders' Meeting of June 7, 2023. A common sub-cap of €25.7 million applies to resolutions 28 to 31 of the Combined Ordinary and Extraordinary Shareholders' Meeting of June 7, 2023.

Amendment to Air France-KLM's Articles of Incorporation

The Extraordinary Shareholders' Meeting, deliberating with a majority of two-thirds of the votes held by the shareholders present or represented, is the only entity authorized to amend the Articles of Incorporation in all their provisions pursuant to Article L. 22-10-31 of the *Code de commerce*.

The Air France-KLM Articles of Incorporation can be found on the website at <http://www.airfranceklm.com> (The Group/governance).

Modalities for shareholders wishing to participate in the Shareholders' Meeting

The modalities for shareholders wishing to participate in Shareholders' Meetings are those stipulated by the regulation in force. They are set out in Article 30 of the Air France-KLM Articles of Incorporation and the detailed conditions can be found in the documentation made available to shareholders ahead of the Shareholders' Meeting.

2.7.2 Securities conferring entitlement to shares

Bonds convertible and/or exchangeable into new or existing shares (OCEANEs) maturing in 2026

In March 2019, Air France-KLM issued bonds convertible and/or exchangeable into new or existing shares (OCEANEs), maturing in 2026, for an amount of €500 million, initially representing 27,901,785 underlying shares. The initial conversion ratio was one share for one OCEANE. However, pursuant to the legal and regulatory provisions, the conversion ratio was adjusted to 1.783 Air France-KLM shares for one OCEANE following the realization of the capital increase with maintained preferential subscription rights of June 14, 2022 (see edition No. 72 of the *Bulletin des annonces légales obligatoires* dated June 17, 2022). Following the reverse stock-split on August 31, 2023, the conversion ratio for the OCEANE bonds was also adjusted to 0.178 shares for one OCEANE 2026 as from August 31, 2023 (see the notice published in the *Bulletin des annonces légales obligatoires* No. 107 of September 6, 2023).

The nominal unit value of the bonds is €17.92. The bonds bear a coupon of 0.125%, payable annually on March 25.

The conversation period runs from May 4, 2019 until the seventh business day preceding the early redemption date or the maturity date.

Redemption at par increased by the corresponding accrued interest may be requested by the bond holders on March 25, 2024.

The bonds may be redeemed early at the Company's discretion, subject to certain conditions, and at the discretion of the bond holders, in particular in the event of a change of control for the Company (as this expression is defined in the terms and conditions for the bonds).

Air France-KLM has had the option to impose the early redemption in cash of these securities since April 15, 2022 if the arithmetic average, calculated over any period of ten consecutive trading days chosen by the Company falling within the 20-day period preceding the publication of the early redemption notice, of the daily products of the average weighted Air France-KLM share prices recorded on Euronext Paris on each trading day and of the conversion/exchange ratio in effect on this same day exceeds 130% of the nominal value of the bonds.

These OCEANEs were redeemed in full on May 13, 2024 following the exercise of the early redemption option by the bondholders, then by the exercise of the early redemption at the option of the Company at par (i.e., €17.92) plus accrued interest of €0.00282.

Issue of undated deeply subordinated unsecured bonds convertible into new shares and/or exchangeable for existing shares in the nominal amount of €305.3 million

On November 16, 2022, the Company issued undated deeply subordinated unsecured bonds convertible into new shares and/or exchangeable for existing shares (the "Hybrid Convertible Bonds"), for a nominal amount of €305.3 million representing around 20 million underlying shares by way of a placement limited to qualified investors (the "Offering"), after updating the conversion/exchange ratio following the reverse stock-split on August 31, 2023.

The net proceeds of the Offering were allocated in full to the redemption of the deeply subordinated bonds held by the French State that were issued in April 2021. The Hybrid Convertible Bonds will be accounted as quasi-equity under IFRS.

The Hybrid Convertible Bonds were issued at par and have a nominal value per Hybrid Convertible Bond of €100,000 with a conversion/exchange premium of 22.5% over the Company's reference share price, i.e., €1.2464 (corresponding to the Company's average volume-weighted share price on the Euronext Paris regulated market ("Euronext Paris") on November 16, 2022).

From the issue date until November 23, 2025 (exclusive), the Hybrid Convertible Bonds will bear interest at a nominal annual rate of 6.5% payable quarterly in arrears on November 23, February 23, May 23 and August 23 of each year (or the next business day if any of these dates are not business days) (each an "Interest Payment Date"), subject to any interest payment suspension by the Company.

From November 23, 2025, the Hybrid Convertible Bonds will bear interest at a rate equal to 1,300 basis points above the applicable three-year Mid-Swap Rate in Euro as a reference rate. The reference rate will be subject to a reset every three years thereafter. Interest will be payable quarterly in arrears on each Interest Payment Date and, as the case may be, for the first time on February 23, 2026, subject to any interest payment suspension.

In the event of a change of control, the annual rate for the fixed coupon or the reset reference rate coupon, as the case may be, will be increased by 500 basis points.

On each Interest Payment Date, the Company may decide, subject to certain conditions, to suspend payment of interest in respect of the Hybrid Convertible Bonds for the relevant interest period, subject to having notified the holders of the Hybrid Convertible Bonds at least 15 business days prior to the relevant Interest Payment Date. All interest in respect of the Hybrid Convertible Bonds that is not paid at an optional Interest Payment Date will constitute "Deferred Interest." Any amount of Deferred Interest will bear interest (to the full extent permitted by law) from the interest payment suspension date for any period exceeding 12 months at the interest rate applicable to the Hybrid Convertible Bonds over the relevant period. The amount of accrued interest (the "Additional Interest") in respect of Deferred Interest will become due and payable in the same manner as Deferred Interest. Deferred Interest (as well as the corresponding amount of Additional Interest) may be paid in full or in part at any time at the Company's discretion, but all Deferred Interest (as well as the corresponding amount of Additional Interest) in respect of all the Hybrid Convertible Bonds will become payable in full in specific cases, particularly if the Company decides to pay a dividend or an interim dividend or on the repurchase of any equity securities or upon redemption of all the outstanding Bonds.

The Hybrid Convertible Bonds are undated, subject to cases of early redemption at the Company's option and will only be repayable in the event of the liquidation of the Company or upon the expiry of the term indicated in the Company's Articles of Incorporation (unless extended in accordance with the applicable legislation).

The Company may, at its discretion, proceed with the early redemption of all, but not a portion, of the Hybrid Convertible Bonds at par plus accrued interest, Deferred Interest and, as the case may be, Additional Interest (the "Early Redemption Price"):

- a) for the first time on November 23, 2025, then on each Interest Payment Date;
- b) in the event of a change of control;
- c) from December 14, 2024 until November 23, 2025 (exclusive), if the arithmetic average, calculated over any period of ten consecutive trading days falling within any period of 20 consecutive trading days preceding the publication of the early redemption notice, of the daily products of the Company's closing share price on Euronext Paris and the conversion/exchange ratio in effect on each trading day during such period exceeds 130% of the principal amount of the Bonds; and
- d) if the total number of the Hybrid Convertible Bonds outstanding is less than 15% of the number of Bonds originally issued.

Conversion/Exchange rights

Holders of Hybrid Convertible Bonds may exercise their conversion/exchange rights at any time from 40 calendar days after the issue date (inclusive) until the tenth business day (exclusive) preceding the earlier of the two following dates: November 23, 2025, or, as the case may be, the date set for any early redemption.

The conversion/exchange ratio was initially set at the principal amount divided by the prevailing initial conversion/exchange price, i.e., 65,496.4632 shares per Hybrid Convertible Bond, subject to subsequent adjustments. Following the reverse stock-split on August 31, 2023, the conversion and/or exchange ratio has been adjusted to 6,549.6463 shares for one Hybrid Convertible Bond.

2.7.3 Authorization to buy back Air France-KLM's own shares

Every year, the Air France-KLM Board of Directors asks the Shareholders' Meeting for the authorization to buy back the company's own shares on the stock market, subject to a number of conditions. This authorization was again proposed at the 2024 Shareholders' Meeting.

Accordingly, the Company initiated a share buyback program during the 2024 financial year, making use of the 21st resolution adopted at the Shareholders' Meeting of June 5, 2024.

Pursuant to Article 241-2 of the General Regulations of the *Autorité des marchés financiers* (AMF), the description of the Air France-KLM share buyback program, published on July 26, 2024 on the Group's website, presented the objectives as well as the terms and conditions of the share buyback program authorized by the Ordinary Shareholders' Meeting of June 5, 2024 and contained the following information:

- **securities concerned:** ordinary shares issued by Air France-KLM;
- **maximum amount of the share capital that may be acquired by the Company:** 10%;
- **maximum number of shares that may be acquired by the Company, based on the number of shares composing the share capital as of June 30, 2024:** 26,276,986, but taking into account the 17,352 treasury shares, only 26,259,634 shares may be purchased;
- **allocation of the treasury shares as of June 30, 2024:** the 17,352 treasury shares as of June 30, 2024 will be allocated to meet the obligations arising from share allotment plans in respect of the remuneration of Company officers;
- **maximum purchase price per share:** €40 (excluding fees);
- **objective:** The objectives of the share buyback program under the terms of the 21st resolution of the Shareholders' Meeting of June 5, 2024 are as follow:
 - a) to cancel them by way of a capital reduction,
 - b) to allow an investment firm to coordinate stock liquidity within the framework of a liquidity contract in accordance with the Compliance Charter recognized by the AMF,

- c) to allocate shares upon exercise of the rights to shares attached to securities issued by the Company or by companies in which it holds, either directly or indirectly, more than half of the share capital and that grant the right to allocation of Company shares via conversion, exercise, repayment, exchange, presentation of a warrant or any other means,
 - d) to carry out any allocation or sale of shares to employees and/or corporate officers of the Company and companies, located in France or internationally, related to it under the conditions set forth in Article L. 225-180 of French Commercial Code, any allocation of free shares, any employee shareholding scheme, any Company compensation scheme, within the context of, in particular, the relevant provisions set forth under the French Commercial Code and/or French Labor Code or French or foreign legal and regulatory provisions and the execution of any hedging transaction associated with these related party transactions and commitments of the Company, under the conditions provided for by the market authorities and at the times at which the Board of Directors or the person acting pursuant to a delegation of power granted by the Board of Directors takes action,
 - e) to hold or remit shares in order to use them as payment or in an exchange offer within the framework of external growth transactions,
 - f) and, more generally, to engage in any market practice that may be admissible by law or by the AMF and to execute any transaction in compliance with the applicable regulations, it being specified that, in such a case, the Company would inform its shareholders by means of a press release;
- **duration of the program:** 18 months as of the Shareholders' Meeting of June 5, 2024.

The share buybacks were carried out on a single day in 2024, i.e., July 26, 2024:

Issuer	Issuer Identifier code	Transaction date	Financial instrument identifier code	Total daily volume (in number of shares)	Weighted average daily acquisition price of shares	Market
AIR FRANCE-KLM	969500AQW31GYO8JZD66	26 July 2024	FR001400J770	958	8.3998	XPAR
AIR FRANCE-KLM	969500AQW31GYO8JZD66	26 July 2024	FR001400J770	859	8.3893	DXE

At December 31, 2024, 111,642 shares were held by KLM in respect of its various stock option plans. The valuation of the portfolio stood at €906,533 at December 31, 2024.

2.7.4 Partnerships with Air France-KLM

Strategic partnerships with, firstly, Delta Air Lines, Inc. and Virgin Atlantic Airways Limited and, secondly, with China Eastern Airlines Co. Ltd

Throughout the 2023 financial year, Air France-KLM continued to execute its strategic partnerships entered into in 2017, firstly, Delta Air Lines, Inc. (Delta) and Virgin Atlantic Airways Ltd (Virgin Atlantic) and, secondly, China Eastern Airlines (CEA).

By way of reminder, on July 27, 2017, Air France-KLM had announced, firstly, the planned creation of a joint-venture between Air France-KLM, Delta and Virgin Atlantic and, secondly, the intensification of its partnership with CEA. These two commercial alliances were consolidated, in 2017, by equity links: on October 3, 2017, Delta and CEA each acquired equity interests in Air France-KLM within the framework of reserved capital increases authorized by the Combined Ordinary and Extraordinary Shareholders' Meeting of September 4, 2017 for a total of €751 million.

Within this framework, on July 27, 2017, Air France-KLM and CEA on one hand, and Air France-KLM, Delta and Virgin Atlantic on the other, signed partnership agreements aimed at defining the principles of their closer cooperation:

- On July 27, 2017, Air France-KLM, Delta and Virgin Atlantic signed Memoranda of Understanding laying the foundations for a future integration of the existing joint-ventures between Air France-KLM, Delta and Alitalia, and between Delta and Virgin Atlantic, within a single joint-venture. These agreements foresaw specific conditions intended to protect the interests of Air France-KLM in the event of any deterioration in the joint-venture's operating conditions linked to the United Kingdom's exit from the European Union).
- Air France-KLM and CEA also stepped up their commercial cooperation and reinforced their partnership within the framework of the existing joint-venture, through the signature on July 27, 2017, of a Marketing Agreement aimed at defining the principles of their closer cooperation. A new joint-venture agreement (the CEA Joint-Venture Agreement) incorporating these principles, was concluded on November 26, 2018 between Air France-KLM and CEA.

Furthermore, to proceed with the reserved capital increases, on July 27, 2017 CEA and Delta signed two Subscription Agreements with Air France-KLM, wherein both investors agreed to subscribe to the reserved capital increases. These subscription agreements include an approval clause under which CEA and Delta undertake,

for the term of the subscription agreement, to obtain the formal approval of the Company's Board of Directors if they wish to sell their Air France-KLM shares to another airline company. These subscription agreements initially included, for CEA and Delta, lock-up undertakings each covering 37,527 Air France-KLM shares (as adjusted for any stock splits or reverse stock splits), as well as standstill commitments, which, however, expired on October 3, 2022. In the event of the sale of Air France-KLM shares over the counter to a third party, CEA and Delta have undertaken to offer Air France-KLM priority to acquire these shares at the same price conditions.

On October 3, 2017, Eastern Airlines Industry Investment (Luxembourg) Company Limited, a wholly-owned subsidiary of CEA Global Holdings (Hong Kong) Limited, and Delta subscribed in cash to capital increases without shareholders' preferential subscription rights, each for a total (including issue premium) of €375,274,100, at a subscription price of €10 per share (including issue premium). The acquisition of these shareholdings was accompanied by the appointment of two Board directors to the Air France-KLM Board of Directors designated, firstly, by CEA and secondly, by Delta.

On March 14 and May 15, 2018, within the framework of the implementation of the future single joint-venture between Air France-KLM, Delta and Virgin Atlantic, and following authorization by the Air France-KLM Board of Directors (see section 2.3.1 "Activities and functioning of the Board of Directors"), several agreements were signed:

- agreements aimed at enabling Air France-KLM to acquire 31% of Virgin Atlantic);
- a joint-venture agreement (Blue Skies Joint-Venture Agreement) aimed at the implementation of a commercial joint-venture between Air France-KLM, Delta, Virgin, Air France and KLM together with the related bilateral Transition Agreement signed with Delta; and
- an Implementation Agreement between Air France-KLM, Air France-KLM Finance SAS, Air France, KLM, Delta, Virgin Atlantic Limited, Virgin Atlantic and Sir Richard Branson, concerning the realization of the transaction.

On November 21, 2019, the US Department of Transportation granted Anti-Trust Immunity (ATI) within the framework of the extension of the transatlantic joint-venture between Air France-KLM, Delta and Virgin Atlantic. This regulatory step enabled the airlines to move forward with their transatlantic partnership.

In parallel, the partners finalized the governance of the commercial joint-venture between Air France-KLM, Delta and Virgin Atlantic, agreeing on simplified decision-making processes enabling the joint-venture to deliver its full synergy potential. As a result, Air France-KLM and Virgin Atlantic finally considered that the acquisition of a 31% equity interest in Virgin Atlantic as initially foreseen (Delta already holding 49% since 2013 and the historic shareholder Sir Richard Branson retaining 20%) was no longer necessary and negotiated an agreement wherein Air France-KLM would not acquire an equity interest in Virgin Atlantic with no impact on Air France-KLM's position in the commercial joint-venture between Delta, Virgin Atlantic and Air France-KLM. As a result, the agreements concluded between March 14 and May 15, 2018 were amended and, following the mandate given to the Air France-KLM management by the Board of Directors on October 30, 2019, an agreement was signed between Air France-KLM, Delta and Virgin Group (concluded and entering into force on January 30, 2020), giving Air France-KLM, subject to certain conditions, the right to acquire Virgin Atlantic Limited shares in the event of a sale by Virgin Group of Virgin Atlantic Limited shares to a third party. This partnership is considered key to reinforcing the Group's leadership position between Europe and North America and will offer customers a seamless travel experience across the Atlantic.

The overall joint-venture between Air France, KLM, Delta and Virgin Atlantic was launched in early February 2020, offering customers a wider choice of routes and loyalty options for travel between Europe, the United Kingdom and North America.

Within the context of the Covid-19 pandemic, restrictive border regulations and health measures led to a drastic reduction in airline capacity and created a highly uncertain environment regarding the management of networks by the joint-venture partners. In view of the impact on the implementation of the Air France-KLM Group's existing joint-ventures, in December 2020 the partners reviewed the financial conditions of their agreements and amended the provisions relating to the financial "settlement" mechanisms provided in the Group's joint-venture agreements signed, on one hand, with Delta and Virgin Atlantic and, on the other, with CEA.

On December 4, 2020, pursuant to the provisions of Article L. 225-38 of the *Code de commerce*, the Air France-KLM Board of Directors thus authorized the adjustment of the provisions concerning the financial settlement mechanism (to share the revenues and costs generated by the joint-venture) in the Blue Skies Joint-Venture Agreement for the 2020 calendar year. In this respect, the parties waived all rights they may have had with respect to the amounts due to them under the joint-venture agreement for the 2020 calendar year, and agreed to waive them permanently. This waiver avoided uncertain and potentially material financial exposure for all the partners given the context linked to the public health crisis. The duration of this waiver was extended to the 2021 and 2022 financial years by mutual agreement of the parties due to the duration of the impacts of the Covid-19 pandemic on the Blue Skies joint-venture operations. On

December 31, 2023, an agreement was reached between the parties providing for new "settlement" caps applicable solely in respect of the 2023 calendar year.

On November 6, 2024, the Board of Directors of Air France-KLM authorized the modernization of the Blue Skies Joint-Venture Agreement. Following this decision, several agreements were concluded on December 6, 2024:

- an amendment to the Blue Skies Joint-Venture Agreement, aimed at modernizing the cooperation, particularly its governance aspects and the "settlement" mechanism, subject to obtaining the necessary regulatory approvals;
- a financial settlement agreement with Virgin Atlantic, settling claims regarding amounts owed under the Blue Skies Joint-Venture Agreement; and
- an amendment to the supplemental agreement with Delta, modifying the amounts of (i) distribution surcharges for tickets sold through indirect distribution systems, and (ii) the interline service fee.

On December 4, 2020, the Air France-KLM Board of Directors also authorized the suspension of the provisions concerning the financial settlement mechanism (to share the revenues generated by the joint-venture) foreseen in the CEA Joint-Venture Agreement. In this respect, the parties waived all payments under the CEA Joint-Venture Agreement as of February 1, 2020 for a period that was to be mutually agreed between the parties depending on the duration of the effects of the Covid-19 pandemic on the joint-venture. This waiver avoided uncertain and potentially material financial exposure for both parties linked to the impacts of the public health crisis on the joint-venture. The other provisions of the CEA Joint-Venture Agreement remained unchanged. The parties entered into a new agreement, effective July 1, 2023, terminating the parties' waivers of all payments in respect of the CEA Joint-Venture (decided in 2020) and providing for a new transitional settlement cap applicable solely for the period from July 1, 2023 until December 31, 2023. In December 2023, the parties extended the term (initially due to expire on December 31, 2023) of the CEA Joint-Venture Agreement until March 31 to enable the parties to continue their cooperation while actively negotiating the terms of a new joint-venture agreement in 2024. By a first agreement dated January 1, 2024, followed by a second agreement dated April 1, 2024, the term of the CEA Joint-Venture Agreement was extended until March 31, 2024, and then until May 31, 2024.

On June 1, 2024, Air France-KLM entered into a new joint-venture agreement with CEA regarding air transport services between Europe and China. This new CEA Joint-Venture Agreement, approved by the Air France-KLM Board of Directors on April 29, 2024, replaces the previous agreement and runs until December 31, 2028. Its objectives are to strengthen existing cooperation, modernize the financial revenue-sharing mechanism, and optimize synergies, notably by expanding the scope of the joint-venture and developing joint commercial initiatives.

Lastly, within the framework of the Group's recapitalization plan announced on April 6, 2021, on June 23, 2021, Air France-KLM entered into an agreement with CEA aimed at accelerating their efforts to deepen and expand the existing and future cooperation and further reinforce their partnership for air transport services between China and Europe. This agreement enables the Group to reinforce its commercial cooperation with CEA and its position in the Chinese market (see section 2.3.1 "Activities and functioning of the Board of Directors"; "Agreements referred to in Article L. 225-38 of the *Code de commerce*"). CEA also subscribed to the Company's capital increase realized on April 19, 2021 and, following this participation, held 9.6% of the Company's share capital.

CEA and Delta also participated in the capital increase with maintained preferential subscription rights realized on June 14, 2022 on a cash-neutral basis, for an aggregate amount of approximately €110.7 million, by subscribing to a respective 58,763,343 and 35,873,772 new shares using the net proceeds from selling part of their DPS Rights to CMA CGM (see hereinafter). This brought their respective shareholdings to 4.7% and 2.9% of the Company's share capital.

Conclusion of a strategic air cargo partnership with CMA CGM on May 18, 2022, terminated March 31, 2024

As announced in a press release dated May 18, 2022, the Air France-KLM and CMA CGM groups entered into a long-term strategic partnership in the air freight sector aimed, notably, at pooling their cargo networks, all-cargo aircraft capacities and dedicated services.

The agreement had initially been established for a period of ten years and provided that Air France-KLM and CMA CGM would pool and exclusively operate the full freighter capacity of their respective companies, i.e., 10 full-freighter aircraft in revenue service and 12 more aircraft on order by the two groups.

This commercial agreement also covered the belly capacity in Air France-KLM passenger aircraft, including more than 160 long-haul aircraft.

Within the framework of this partnership, and in accordance with the subscription agreement entered into on May 22, 2022 between the Company and CMA AGM (the "Subscription Agreement"), CMA CGM acquired an equity interest in Air France-KLM amounting to 231,348,252 new shares on an irreducible basis (via the exercise of preferential subscription rights acquired from China Eastern Airlines, Delta Airlines and the FCPEs, as well as on the market, corresponding to 9.0% of Air France-KLM's share capital following the capital increase with preferential subscription rights carried out on June 14, 2022.

In respect of the Subscription Agreement:

- a) at the Shareholders' Meeting of May 24, 2022, Mr. Rodolphe Saadé was appointed as a Board director for a four-year term of office, effective July 15, 2022;
- b) CMA CGM had agreed to a lock-up undertaking as of the settlement-delivery of the new shares and

until the expiry of a three-year period following that date, it being specified that CMA CGM could sell a maximum of 50% of the shares acquired within the framework of the capital increase during an additional period of three years; and

- c) CMA CGM undertook, for a ten-year period, not to purchase or sell any shares issued by Air France-KLM except if this acquisition did not lead to an increase of the percentage held in Air France-KLM's share capital, subject to certain exceptions (the "Standstill Commitment"). The Standstill Commitment stipulates that, at the end of a five-year period as of the settlement-delivery of the new shares issued by Air France-KLM, the Air France-KLM Board of Directors can modify this Standstill Commitment to enable CMA AGM to increase its shareholding in Air France-KLM.

Furthermore, within the framework of the issue of undated subordinated unsecured bonds convertible into new and/or exchangeable into existing shares realized on November 16, 2022 by the Company for the nominal amount of €305.3 million through a placing limited to qualified investors (representing around 200 million underlying shares), CMA CGM, which holds 9.0% of Air France-KLM, subscribed in proportion to its holding in the Company's share capital, corresponding to a nominal amount of around €27 million.

On December 9, 2022, the Company entered into a commercial cooperation agreement in air freight on the basis of the principal terms set in May 2022 with Air France, KLM, CMA CGM Air Cargo and CMA CGM (the "Cooperation Agreement"). The initial aim of the parties was to be able to launch business cooperation in the 2023 second quarter, subject to obtaining the required authorizations from the relevant legal and regulatory authorities.

In February 2023, Mr. Rodolphe Saadé announced his intention to be replaced as a Board director by the company CMA CGM. As the Subscription Agreement signed on March 22, 2022 between the Company and CMA CGM had initially stipulated that the person proposed by CMA AGM for appointment as a Board director of the Company should be a natural person, it was decided to amend the Subscription Agreement to enable the nomination of a legal person. As a result, on April 19, 2023, the Board of Directors authorized the signature by the Company of an amendment to the Subscription Agreement enabling the nomination by CMA CGM of a legal person. The other stipulations of the Subscription Agreement remained unchanged.

However, owing to the tight regulatory environment in certain important markets, the cooperation was unable to function optimally.

As a result, in a press release dated January 16, 2024, Air France-KLM and CMA CGM announced their decision to terminate the existing agreements effective March 31, 2024. Air France-KLM and CMA CGM opened discussions covering the new terms and conditions of a commercial relationship in which each group would operate independently as of March 31, 2024.

Within this framework, on January 15, 2024, the Company entered into a term sheet agreement (the "Term Sheet") with Air France, KLM, CMA CGM, CMA CGM Air Cargo ("CCAC") and CMA CGM Air Cargo 9 ("CCAC 9") and, together with the Company, Air France, KLM, CMA CGM and CCAC (the "Parties"), providing for the terms and conditions of the termination of the commercial cooperation between the entities of the Air France-KLM Group and the entities of the CMA CGM group concerning their air freight activities, effective March 30, 2024. The Term Sheet provides notably for the termination of the commercial cooperation agreement between the parties and the ancillary agreements relating to their cooperation in the air freight sector.

CMA CGM remains a reference shareholder in Air France-KLM. In the context of the termination of the Commercial Agreement, on January 15, 2024, the parties also concluded an Amendment to the Subscription Agreement (the

"Amendment to the Subscription Agreement") henceforth providing that the period of the lock-up undertaking on all the shares in the Company held by CMA CGM having been subscribed by the latter in the Company's capital increase announced on May 24, 2022, which was initially due to expire on June 15, 2025 (for all the shares in the Company subscribed by CMA CGM and on June 15, 2028 for 50% of these shares), would be reduced and will now expire on February 28, 2025, and will no longer be conditional on the existence of the commercial relationship between the Company and CMA CGM. The Standstill Commitment has not been changed by this amendment.

Furthermore, the Amendment to the Subscription Agreement stipulates that CMA CGM will no longer have a representative on the Company's Board of Directors as of March 31, 2024 pursuant to the Subscription Agreement as amended by the Amendment to the Subscription Agreement.

2.7.5 Air France-KLM shareholder structure

Changes in the shareholder structure

The following table shows the changes in the Company's shareholder structure at December 31, 2024 relative to December 31, 2023 and December 31, 2022.

	% of the capital			% of exercisable voting rights ⁽¹⁾			% of theoretical voting rights ⁽²⁾		
	Dec 31, 2024	Dec 31, 2023	Dec 31, 2022	Dec 31, 2024	Dec 31, 2023	Dec 31, 2022	Dec 31, 2024	Dec 31, 2023	Dec 31, 2022
Number of shares or voting rights	262,769,869	262,769,869	2,570,536,136	360,705,547	289,980,447	2,790,242,836	360,482,263	290,241,859	2,792,628,890
French State	28.0%	28.0%	28.6%	27.5%	28.5%	28.5%	27.5%	28.4%	28.5%
Dutch State	9.1%	9.1%	9.3%	13.3%	10.3%	10.8%	13.3%	10.3%	10.7%
CMA CGM	8.8%	8.8%	9.0%	12.8%	8.0%	8.3%	12.8%	8.0%	8.3%
China Eastern Airlines ⁽³⁾	4.6%	4.6%	4.7%	6.7%	6.3%	5.7%	6.7%	6.3%	5.6%
Employees (FCPE)	3.1%	3.2%	1.2%	3.0%	3.4%	1.6%	3.0%	3.4%	1.6%
Delta Air Lines, Inc. ⁽⁴⁾	2.8%	2.8%	2.9%	4.1%	3.8%	4.0%	4.1%	3.8%	4.0%
Spaak	0.9%	0.9%	0.9%	1.2%	1.0%	1.0%	1.2%	1.0%	1.0%
Treasury stock	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
Other	42.7%	42.6%	43.4%	31.4%	38.8%	40.2%	31.4%	38.8%	40.2%

(1) The exercisable voting rights do not include the voting rights on treasury shares or shares that have been stripped of their voting rights due, in particular, to late notification of exceeding a threshold.

(2) The theoretical voting rights calculation takes into account all of the voting rights including double voting rights.

(3) Through Eastern Airlines Industry Investment (Luxembourg) Company Limited.

(4) Acting in the capacity of general partner of the partnership under Dutch law, DAL Foreign Holdings C.V. The company Delta Air Lines, Inc. controls DAL Foreign Holdings C.V. and, as general partner of DAL Foreign Holdings C.V. is the legal owner of the Air France-KLM shares.

Since April 3, 2016, in application of French law, shareholders holding registered shares for more than two years have benefited from a double voting right.

In accordance with the provisions of the French *Code de commerce*, shareholders who subscribed to the capital increase with maintained preferential subscription rights (DPS) achieved on June 16, 2022 and who held their shares in registered form for more than two years benefited from a double voting right. Thus, on June 30, 2024, CMA CGM declared that it had exceeded the 10% voting rights threshold and held 8.80% of the share capital and 12.83% of the voting rights of Air France-KLM. Furthermore, it should be noted that the other main Company shareholders who participated in the operation, namely the French State, the Dutch State, China Eastern Airlines, and Delta Air Lines, have all benefited from a double voting right.

Shareholder analysis

Pursuant to the obligation for air transport companies to monitor and control their shareholders, Air France-KLM has implemented a procedure for their identification on a quarterly basis.

The TPI (identifiable bearer shares) analysis was carried out on December 31, 2024. Based on the responses obtained under the SRD II regime, as of December 31, 2024, Air France-KLM is more than 85.1% owned by nationals of Member States of the European Union or of States party to the Agreement on the European Economic Area.

	Number of shares			% of the share capital		
	Dec 31, 2024	Dec 31, 2023	Dec 31, 2022	Dec 31, 2024	Dec 31, 2023	Dec 31, 2022
French State	73,520,630	73,520,630	735,206,304	28.0%	28.0%	28.6%
Dutch State	24,000,000	24,000,000	240,000,000	9.1%	9.1%	9.3%
CMA CGM	23,134,825	23,134,825	231,348,252	8.8%	8.8%	9.0%
China Eastern Airlines ⁽¹⁾	12,023,544	12,023,544	120,235,442	4.6%	4.6%	4.7%
Employees (FCPE)	8,101,493	8,461,524	30,024,610	3.1%	3.2%	1.2%
Delta Air Lines, Inc ⁽²⁾	7,340,118	7,340,118	73,401,182	2.8%	2.8%	2.9%
Spaak	2,241,065	2,241,065	22,410,656	0.9%	0.9%	0.9%
Treasury stock	111,642	143,608	1,208,005	0.0%	0.1%	0.1%
Other European shareholders ⁽³⁾	92,425,019	83,310,755	811,963,368	35.2%	31.7%	32.5%
Other non-European shareholders	19,871,533	28,593,800	304,738,317	7.6%	10.9%	11.9%
TOTAL NUMBER OF SHARES	262,769,869	262,769,869	2,570,536,136	100.0%	100.0%	100.0%

(1) Held through Eastern Airlines Industry Investment (Luxembourg) Company Limited.

(2) Acting in the capacity of general partner of the partnership under Dutch law, DAL Foreign Holdings C.V. The company Delta Air Lines, Inc. controls DAL Foreign Holdings C.V. and, as general partner of DAL Foreign Holdings C.V. is the legal owner of the Air France-KLM shares.

(3) The shares held by UK nationals have been included in "Other European shareholders".

Shareholder pacts

Air France-KLM is not aware of the existence of any shareholder pacts or agreements whose implementation could lead to a change of control.

Dividend policy

In the past three financial years, Air France-KLM distributed no dividends.

Financial year	Earnings per share (in euros)	Dividend paid (in euros)
2022	0.35	–
2023	0.43	–
2024	0.93	–

The stipulations of the loan guaranteed by the French State and the loan granted by the French State, implemented in May 2020 and whose maturity was extended for a further two-year period in December 2021 (the "PGE"), notably prohibited dividend payments by the Company until the repayment of the relevant loans. Furthermore, the Group's undertakings vis-à-vis the European Commission within the framework of the prior approval of the Group's recapitalization measures notably prohibited any dividend payments until the aid granted has been repaid.

However, this prohibition was lifted following (i) the full reimbursement of the PGE on March 15, 2023 and (ii) the full exit from the Covid-19 recapitalization State Aid as well as its related restrictions on April 19, 2023.

2.7.6 A regular dialogue with individual shareholders and investors

According to the TPI shareholder analysis of December 31, 2024, Air France-KLM is more than 85.1% owned by citizens of the European Union Member States and States party to the European Economic Area Agreement. The Air France-KLM Group keeps the market informed of its activity through monthly traffic figures and quarterly updates on the trend in its results and strategic orientations. All its regulated information is available on the www.airfranceklm.com website in French and English.

Relations with investors

The Investor Relations department maintains a dialogue with financial analysts and institutional investors. In addition to conference calls and information meetings scheduled to coincide with results announcements, the Group's management regularly meets with financial analysts and institutional investors during roadshows and conferences in Europe, the United States and Asia.

Relations with individual shareholders

The Individual Shareholder Relations Department has a pro-active policy on engaging with individual shareholders. The website dedicated to the Shareholders' Club was redesigned in January 2023 and the shareholders' newsletter, with updates on the Group's business activity and objectives, is circulated by email and is available on the website in French and English.

The Shareholder Relations department is always ready to listen to shareholders and can be reached by e-mail at mail.actionnaire@airfranceklm.com.

Lastly, since 2000, the Individual Shareholders' Consultative Committee has set up a forum for work, discussion and suggestions on Air France-KLM's communication aimed at individual shareholders. Composed of twelve members, the Committee meets several times a year including a meeting devoted to planning the Shareholders' Meeting. It also participates in major company events. Its members were renewed in March 2023 for a term of three (3) years.

2.7.7 Legal and statutory investment thresholds

Pursuant to the option provided in Article L. 233-7 of the *Code de commerce* (French Code of Commerce), Article 13 of the Air France-KLM Articles of Incorporation stipulates that any private individual or corporate body, acting alone or in concert, acquiring directly or indirectly at least 0.5% of Air France-KLM's capital or voting rights or any multiple thereof, must notify Air France-KLM by certified return receipt mail no later than four stock market trading days from the date on which this threshold is exceeded. The declaration must include all the information required to be submitted to the French Financial Market Authority (*Autorité des marchés financiers*) if a legal threshold is exceeded, as well the information referred to in Article 10 of the Air France-KLM Articles of Incorporation.

Notice must again be given under the same conditions each time the capital or voting rights threshold is exceeded by a further 0.5%, up to 50%.

These declarations are made whenever the above thresholds are exceeded, whether this involves an increase or a decrease in the shareholding.

To determine these thresholds, the shares and voting rights defined by the provisions of Article L. 233-9 of the *Code de commerce* and those of the relevant AMF General Regulation are assimilated in the share capital and voting rights.

In the event of failure to comply with this notification obligation and at the request of one or more shareholders holding at least 0.5% of the Air France-KLM capital or voting rights, shares exceeding the reporting thresholds will be stripped of their voting rights at all Shareholders' Meetings for a period of two years following compliance with the notification procedures.

Furthermore, any shareholder, whether acting alone or in concert, acquiring more than 5% of Air France-KLM's share capital or voting rights is required to register these securities within the legal limit of no more than four stock market trading days from the date on which the threshold is exceeded (Article 9.2 of the Articles of Incorporation).

The above requirements under the Articles of Incorporation do not preclude the legal obligation to inform Air France-KLM and the AMF within four stock market trading days of exceeding the legal thresholds of 5%, 10%, 15%, 20%, 25%, 33^{1/3}%, 50%, 66^{2/3}%, 90% and 95% of the share capital or voting rights.

Furthermore, if the 10%, 15%, 20% and 25% thresholds of the share capital or voting rights are exceeded, the shareholder must notify Air France-KLM and the AMF within five stock market trading days thereof of their intentions for the next six months. Any failure to comply with this declaration requirement will incur the sanctions set forth in Article L. 233-14 of the *Code de commerce*.

SUMMARY OF THE LEGAL THRESHOLDS EXCEEDED DURING THE 2024 FINANCIAL YEAR AND AT THE BEGINNING OF THE 2025 FINANCIAL YEAR

Shareholders	Declaration date	Number of shares ⁽¹⁾	% of the capital ⁽²⁾	Number of voting rights	% of theoretical voting rights	Increase or Reduction
The Goldman Sachs Group Inc.	May 30, 2024	15,358,027	5.84%	15,358,027	5.29%	Increase
The Goldman Sachs Group Inc.	July 02, 2024	495,839	0.19%	495,839	0.17%	Reduction
CMA CGM	July 05, 2024	23,134,825	8.80%	4,626,965	12.83%	Increase

(1) "Number of shares" represents the total number of shares held by the declaring shareholder following the declaration.

(2) "% of the capital" represents the percentage of the share capital held by the declaring shareholder following the declaration.

2.7.8 Identification of shareholders and statutory provisions concerning shareholders

Identification of holders of bearer shares

Pursuant to Articles L. 6411-2 to L6411-5 and L. 6411-8 of the *Code des transports* (French Transport Code), from Ordinance No. 2010-1307 of October 28, 2010, listed French air transport companies are authorized to include a provision in their Articles of Incorporation allowing them to monitor and control their shareholders and to require certain shareholders to sell all or part of their interests in the event of a risk relating to their nationality. This is because, over time, changes in the shareholder structure of an air transport company whose shares are listed for trading on a regulated market could jeopardize its operating license as an EU air transport carrier, the retention thereof being conditional on EU interests holding a majority of the shares and maintaining effective control, or the traffic rights held by the Company as a French air transport company, pursuant to bilateral international agreements concluded between France and other States outside the European Union.

Shareholder identification and monitoring

Articles 9 *et seq.* of the Air France-KLM Articles of Incorporation set the conditions under which the Board of Directors can or must decide either to reduce the 5% threshold above which shares held must be registered to 10,000 shares, or to require all shares in Air France-KLM to be held in registered form. Thus, when the 40% share capital or voting right threshold has been exceeded by non-French shareholders, the Board of Directors can decide to reduce this 5% threshold to 10,000 shares.

Air France-KLM publishes a notice informing the shareholders and the public that non-French shareholders as defined by Article 14 of the Articles of Incorporation own, directly or indirectly, 45% of Air France-KLM's share capital or voting rights. If it appears that non-French shareholders as defined by Article 14 of the Articles

of Incorporation represent, directly or indirectly, more than 45% of Air France-KLM's capital or voting rights on a long-term basis, the Board of Directors must decide to make it mandatory for all Air France-KLM shares to be registered. Pursuant to a 2014 amendment to the Articles of Incorporation, within the meaning of Article 14 of Air France-KLM's Articles of Incorporation, citizens of the European Union Member States and States party to the European Economic Area Agreement are considered to be French nationals.

Article 10 of the Air France-KLM Articles of Incorporation specifies the information that must be provided to Air France-KLM by shareholders, whether private individuals or corporate bodies, who are required to register their shares. This information includes the shareholder's nationality. Article 11 of the Articles of Incorporation specifies the conditions under which the Board of Directors may exercise its right to approve new shareholders.

Formal notice to sell and mandatory sale of shares

Article 14 of the Air France-KLM Articles of Incorporation stipulates the information that Air France-KLM must publish and circulate to inform the public that over 45% of the capital or voting rights is held by shareholders who are not French nationals. Based on this threshold, Air France-KLM will be entitled to undertake procedures requiring the sale of shares in order to safeguard its nationality. Articles 15 and 16 of the Articles of Incorporation, respectively, relate to formal notices to sell and the mandatory sale of shares held in breach of regulations pursuant to the *Code de l'aviation civile* (French Civil Aviation Code) and the *Code des transports* (French Transport Code). The terms for setting the sale price (market price) are outlined in the *Code des transports*.

2.7.9 Information on trading in the stock

2.7.9.1 Air France-KLM in the stock market

Air France-KLM shares are listed for trading on the Paris and Amsterdam Stock Markets (Euronext Paris and Amsterdam) under ISIN code FR001400J770. The stock is a component of the SBF 120.

Since February 2008, Air France-KLM's ADR program (American Depositary Receipt) has been traded on the OTC Pink Marketplace under the ticker AFLYY.

The Reuters code for the stock is AIRF.PA or AIRF.AS and the Bloomberg code is AF FP.

Pursuant to Article 222-1 of the *Autorité des marchés financiers* (AMF) General Regulation, since the registered office for Air France-KLM SA is located in France, its Home Member State, as defined by Directive 2004/109/EC of December 15, 2004, as amended (Transparency Directive), is France. The AMF is consequently its competent market authority as regards ensuring compliance with its regulated information obligations.

2.7.9.2 Stock market performance

Over the 2024 financial year, the Air France-KLM share price decreased by 40.2% (based on the share price of €8.12 on December 31, 2024).

Note: The values listed below are those of the closing price.

	January-December 2024	January-December 2023
Share price high (in euros)	13.48	18.49
Share price low (in euros)	7.19	10.65
Number of shares in circulation	262,769,869	262,769,869
Market capitalization at December 31 (in billions of euros)	2.1	3.6

2.7.9.3 Transactions in Air France-KLM shares in the last 12 months

AIR FRANCE-KLM SHARES

Euronext volumes 2024	Trading days	Closing prices			Volumes	Amount (in € m)
		Average (in €)	High (in €)	Low (in €)		
January	22	12.30	13.48	11.49	30,387,580	374
February	21	11.33	11.96	10.43	34,475,588	385
March	20	9.84	10.33	9.50	41,580,105	417
April	21	9.80	10.32	9.21	41,430,896	406
May	22	10.48	11.29	9.97	35,157,070	369
June	20	9.79	10.80	8.23	29,053,020	279
July	23	8.21	8.55	7.92	34,252,727	283
August	22	7.74	8.22	7.52	22,026,161	173
September	21	8.48	9.32	8.05	28,660,462	249
October	23	8.72	9.48	7.94	32,009,541	276
November	21	7.79	8.89	7.26	31,351,876	244
December	20	7.85	8.43	7.19	25,132,630	197

Note: The values listed above are those of the closing price.

Transactions in the Company's shares realized by the company officers

Summary of the transactions referred to in Article L. 621-18-2 of the *Code monétaire et financier* (French Monetary and Financial Code) realized during the 2024 financial year.

Relevant individual	Function	Date of the transaction	Nature of the transaction	Number of securities	Unit price (in €)
Anne Rigail	CEO Air France	April 10, 2024	Free acquisition of shares ⁽¹⁾	1,082	–
Benjamin Smith	CEO Air France-KLM	April 10, 2024	Free acquisition of shares ⁽²⁾	13,532	–
Anne Rigail	CEO Air France	May 27, 2024	Sale of shares ⁽³⁾	6,000	10.39
French State Shareholdings Agency	Board director	June 7, 2024	Loan of shares	38,605,272	–
French State Shareholdings Agency	Board director	June 12, 2024	Return of loaned shares	38,605,272	–
Anne Rigail	CEO Air France	July 31, 2024	Free acquisition of shares ⁽⁴⁾	2,729	–
Benjamin Smith	CEO Air France-KLM	July 31, 2024	Free acquisition of shares ⁽⁵⁾	16,440	–
Anne Rigail	CEO Air France	September 30, 2024	Sale of shares ⁽⁶⁾	3,000	9.25
Angus Clarke	Executive Vice President and Chief Commercial Officer	December 3, 2024	CFD	28,256	7.25

(1) Shares acquired under the 2019-2021 Specific Long-Term Incentive Plan as of May 24, 2022, with an effective delivery date of April 10, 2024, could not be allocated in 2022 due to the conditions set by the temporary framework of the European Commission following Covid-19. These conditions were lifted upon the repayment of these aids on April 19, 2023.

(2) Shares acquired under the 2019-2021 Specific Long-Term Incentive Plan as of May 24, 2022, with an effective delivery date of April 10, 2024, could not be allocated in 2022 due to the conditions set by the temporary framework of the European Commission following Covid-19. These conditions were lifted upon the repayment of these aids on April 19, 2023.

(3) Sale of free shares from the 2019-2021 LTI plan granted on March 12, 2019 and acquired on April 10, 2024, and from the 2020-2022 LTI plan granted on April 4, 2020 and acquired on June 26, 2023.

(4) Shares acquired under the 2021-2023 Specific Long-Term Incentive Plan as of June 5, 2024, with an effective delivery date of July 31, 2024.

(5) Shares acquired under the 2021-2023 Specific Long-Term Incentive Plan as of June 5, 2024, with an effective delivery date of July 31, 2024.

(6) Sale of free shares from the 2019-2021 LTI plan granted on March 12, 2019 and acquired on April 10, 2024, and from the 2021-2023 LTI plan granted on February 17, 2021 and acquired on July 31, 2024.



3.

Risks and risk management

3.1	Risk factors	178	3.3	Organization and functioning of internal control	198
3.1.1	Geopolitical and macro-economic risks	180	3.3.1	Internal Control organization and tools	198
3.1.2	Risks relating to air transportation activity	183	3.3.2	Fundamental components of internal control established within the Group	202
3.1.3	Risks relating to the Group's processes	189	3.3.3	Internal control relating to the establishment and processing of financial and accounting information	204
3.1.4	Legal risks related to litigation	192			
3.1.5	Financial market risks	193			
3.2	Enterprise risk management	196			
3.2.1	Risk management process: players and overall organization	196			
3.2.2	Identification and evaluation of the risks	197			

3.1 RISK FACTORS

This section outlines the main risks to which Air France-KLM considers itself exposed – macroeconomic and geopolitical risks, risks linked to air transportation activity, risks linked to the Group's processes, and legal and market risks – together with the management procedures implemented to mitigate these risks. Other risks of which the Group is currently not aware, or risks that as of the date of this document are not considered to be among the most material, could also negatively affect its activities.

This section includes the main risks that, as of the date of this document, could potentially impact the Group's activity, financial situation, reputation, results, and outlook, as notably identified within the framework of the Group's risk mapping, which evaluates their criticality (i.e., their gravity and probability of occurrence) as well as the mitigation plans in place. In accordance with the provisions of Article 16 of Regulation (EU) No. 2017-1129 of the European Parliament and the European Council, within each of the risk categories mentioned below, the risk factors considered to be the most significant (indicated by an asterisk) are presented first.

Description of the risk	Most significant risks	Section
🌐 Geopolitical and macro-economic risks		
International tensions: closed borders, wars, terrorist attacks, political and social unrest, health crises, etc.	*	3.1.1
Economic uncertainty	*	3.1.2
Risks relating to changes in oil and fuel prices	*	3.1.3
Competition and trends in the aeronautics maintenance market		3.1.4
Changes in the competitive landscape for the air travel business		3.1.5
✈️ Risks relating to the air transportation activity		
Risks related to airline safety	*	3.1.2.1
Climate-related risks	*	3.1.2.2
Noise management	*	3.1.2.3
Loss of flight slots or lack of access to flight slots		3.1.2.4
Carbon credit risk		3.1.2.5
Air pollution		3.1.2.6
Reinforcement of passenger compensation rights		3.1.2.7
Regulatory authorities' inquiry into the commercial cooperation agreements between carriers		3.1.2.8
Commitments vis-à-vis the European Commission		3.1.2.9

Description of the risk	Most significant risks	Section
⚙️ Risks relating to the Group's processes 3.1.3		
Operational performance and customer risks	*	3.1.3.1
Failure of a critical IT system, IT risks and cyber criminality		3.1.3.2
Cyber criminality	*	
Data security		
Business continuity and regulatory compliance		
Working conditions and human capital development		3.1.3.3
Social stability and employee engagement	*	
Key competencies and attractivity		
Non-compliance with regulations, including competition, data protection, trade compliance and export control, anti-corruption and duty of vigilance laws		3.1.3.4
⚖️ Legal risks related to litigation 3.1.4		
Legal risks related to litigation		3.1.4
🏠 Financial market risks 3.1.5		
Balance sheet risk	*	3.1.5.1
Foreign exchange risks on operating flows		3.1.5.2
Foreign exchange risk on tangible investments		3.1.5.3
Foreign exchange risk on debt valuation		3.1.5.4
Interest rate exposure		3.1.5.5
Liquidity investment risk		3.1.5.6

3.1.1 Geopolitical and macro-economic risks

3.1.1.1 International tensions: closed borders, wars, terrorist attacks, political and social unrest, health crises...*

Description of the risk

Multiple geopolitical factors can affect airspace access/closure and border controls: wars, including trade wars; crisis responses, including those to public health; protectionism and nationalism; terrorist attacks; and regional instability. For example, tensions on trade have increased and may result in (more) tariffs affecting global trade.

In addition, a flagship carrier representing a nation can also experience specific tensions with worldwide and local communities and authorities.

Impact

Airspace/border closures could have a direct impact on airline operations and networks. Operations may need to be ceased or modified as a result of rapidly changing rules and conditions, causing inconveniences for passengers and additional operational complexity.

In some areas, this risk has materialized: the Russian airspace is closed to carriers from the European Union, forcing them to fly longer routes to Asian destinations. Instability in Africa and the Middle East is also impacting operations.

Such closures and *ad hoc* changes could create additional complexity for operations and processes, which would be needed to ensure safe operations, thus leading to higher operating costs, a reduction in purchasing power and demand for travel, and a risk to the overall perception and brand image.

Mitigation plan

Our mitigation plan includes capacity and network adjustments; an internal coordination working group; crisis management; resource reallocation; the securing of internal processes and procedures for cash management (capex, internal and external costs) in response to liquidity issues; internal tools and procedures; and the notification, securing, and protection of employees in the event of an emergency. The Group has no coverage in place for air transportation operating losses, but Air France and KLM are insured for the consequences of an attack on aircraft and have taken out war and assimilated risks insurance.

3.1.1.2 Economic uncertainty*

Description of the risk

Several factors are weighing on global economic activity: monetary policy aimed at controlling public debt, volatility compounded by the different market dynamics in the key economic regions (North America, Europe, Asia), and the international tensions described in the preceding risk.

As a result, the economic trajectory at a global and regional level is uncertain.

Impact

One direct impact could be lower government spending and higher taxation, putting company profitability and household budgets under pressure and, as a consequence, reducing demand for air transportation, both for leisure and business purposes.

Internal procurement could be faced with increasing pressure from external stakeholders and suppliers, resulting in the renegotiation of contracts and rates.

These factors could lead to higher operational and infrastructure costs, coupled with lower revenue and profitability for air transportation and air freight.

Mitigation plan

Our mitigation plan includes maintaining the agility to adapt our capacity, fleet, network, and resource allocation; reviewing our prices and marketing offer; strengthening procurement policies; and focusing on customers in economically thriving regions.

3.1.1.3 Risks relating to changes in oil and fuel prices*

Description of the risk

The fuel bill is one of the largest cost items for airlines, making oil price volatility a significant risk for the air transportation industry:

- a sharp increase in the oil price can have a very material negative impact on the profitability of airlines, particularly if the economic environment does not enable them to adjust their pricing strategies;
- similarly, a sharp decline in fuel prices is generally favorable for airline profitability. However, the ability of airlines to pass on a sharp fall in the fuel price in their fares is a factor of significant uncertainty.

The adoption of SAF is a key solution in the aviation sector's decarbonization roadmap, and SAF mandates are gradually being introduced throughout Europe. SAF availability will become a critical risk in the coming years as it affects the ability to reduce carbon emissions and meet sustainability goals.

Impact

For the financial year ended December 31, 2024, the fuel bill amounted to €(6,737) million, representing a slight decrease of (5.6)% compared to the previous year due, in particular, to:

- the drop in fuel prices in 2024 compared to 2023;
- and despite the growth in traffic observed in 2024.

The Air France-KLM Group has hedged its exposure to fuel price risk. As of January 10, 2025, the Air France-KLM Group's fuel price exposure for 2025 amounted to US\$7,109 million, based on futures prices at January 10, 2025 (US\$76 a barrel for 2025).

Based on the forward curve at January 10, 2025:

- an increase of US\$10 per barrel over 2025 would give an average price of US\$86 per barrel and would lead to a US\$487 million increase in the fuel bill after hedging, i.e., a total fuel bill of US\$7,596 million for the Air France-KLM Group in 2025;
- symmetrically, a fall of US\$10 per barrel over 2025 would give an average price of US\$66 per barrel and would lead to a US\$432 million reduction in the fuel bill after hedging, i.e. a total expense of US\$6,677 million in 2025.

A large-scale shortfall in production and distribution of SAF between 2025 and 2030, along with competition from other sectors that are also undergoing energy transitions, could result in higher costs. In addition, a shortage of SAF can impact an airline's reputation, undermine customer confidence in its commitment to sustainability, and threaten the realization of the sustainability ambitions. The availability of SAF is therefore key to supporting the growth of the aviation industry while reducing its impact on the environment.

Mitigation plan

Insofar as possible, the Group seeks to protect itself from any further increases in oil prices, while remaining protected against downwards risks, and adapts its fares when necessary to reduce the impact of rising fuel prices.

In addition to fare adjustments and permanent efforts to reduce fuel consumption, the Group has implemented a policy of systematically hedging the fuel price risk defined by the Risk Management Committee (the "RMC"). The policy has been presented to the Audit Committee and the Board of Directors of the Company.

The hedging strategy:

- sets the time span of the hedges;
- sets the target hedging ratios to be reached for the coming quarters; and
- defines the instruments (swaps, forwards, or options) eligible for hedging pursuant to the accounting standards in force.

In respect of the application of IFRS 9, hedging by component has been applied since January 1, 2018. Since the Group's fuel procurement is strongly correlated to the Jet Kerosene Cargoes CIF NWE Index, components specific to this fuel risk are used (Brent ICE, Gasoil ICE, Jet CIF NWE) to align the fuel hedging accounting and the Group's risk management policy more effectively. Within the framework of a dynamic risk monitoring approach, the Group tracks the following indicators:

- maximum loss: capping of the potential maximum loss; and
- maximum gain: value of the portfolio prompting its restructuring;
- Value at Risk: which enables the measurement and monitoring of extreme risk scenarios. The level of this indicator is calculated and regularly analyzed, and may also trigger a restructuring of the portfolio.

In order to better cover the risk associated with the decoupling between indices reflecting the price of crude oil (Brent ICE) and indices reflecting the price of refined products (Gasoil ICE and Jet CIF NWE), the Air France-KLM Group has incorporated new hedging instruments on crack spreads.

As a reminder, the fuel hedging policy, in force since February 2021, has been updated and became effective during the first quarter of 2024. The hedging strategy, previously based on a rolling 12-month period, has been extended to cover 18 months. The hedging portfolio will represent 68% of annual consumption. This extension in the portfolio's maturity will give the Air France-KLM Group greater visibility of the trend in its fuel bill.

<i>(in US\$ million)</i>	2024	2025	2026
Gross expenditure before hedging	7,239	7,103	7,043
Hedge percentage	70%	58%	9%
Gain/(loss) on hedging	(71)	(6)	(2)
Net expenditure after hedging	7,310	7,109	7,045

To address the risk of difficulty in accessing a SAF supply, Air France-KLM proactively initiated a collaboration with potential suppliers at an early stage, signing its first contract (not related to a test flight) in 2015.

The Group manages a portfolio of consortia, projects, and initiatives, including long-term offtake agreements with various optional conditions to secure the volumes of SAF needed to meet its 2030 ambition.

Air France-KLM works with governments and industry organizations to increase the availability and stability of the SAF supply chain.

Finally, the Group supports the development of industry-wide standards and certification processes for SAF to increase confidence and help this new industry to emerge. To ensure that the SAF projects selected directly have a minimal impact on the environment, Air France-KLM maintains a strict due diligence on the sustainability of SAF sources and ensures that SAF is RSB- or ISCC-certified.

3.1.1.4 Competition and trends in the aeronautics maintenance market

Description of the risk

In terms of competition and trends in the aeronautics maintenance market (Maintenance, Repair, and Overhaul (MRO)):

- airframers, engine manufacturers and aircraft component manufacturers (OEMs) are rapidly expanding their after-sales services based on a long-term strategy, leveraging intellectual property and licensing mechanisms;
- there is more aggressive competition and pressure on the revenues of the maintenance business.

On the cost side:

- OEMs are leading an aggressive price escalation policy;
- the maintenance industry is facing a labor scarcity, notably leading to wage inflation;
- the supply chain is still under significant pressure and will remain so for the coming period due to several troubles this industry is facing, namely the lack of mechanics and the poor performance of OEMs.
- technical design issues and poor reliability are increasing maintenance costs on several aircraft types (e.g., GTF engines and Boeing 787 components).

This trend is accelerating, especially with the arrival of new aircraft (A220, A350, Boeing 787, E2-195, etc.), for which OEMs often demand significant license costs to perform aircraft maintenance. Ultimately, if it were to result in reduced competition in the aeronautics maintenance market, this trend could have a material adverse impact on airline maintenance costs.

Impact

Revenues in the maintenance business represented 7% of the Group's revenues for the financial year ended December 31, 2024, versus 6% in 2023.

The margin in the maintenance business was 3.3% for the financial year ended December 31, 2024, versus 3.5% in 2023.

Currently:

- the MRO market is growing and is expected to continue expanding at a rate of 3.6%⁽¹⁾ per year over the next decade. The MRO market related to new generations of aircraft, on which Air France-KLM is focusing its development efforts, is expected to see its growth double;
- in fast-growing markets, such as India and the Middle East, with growth forecasts of 10.4% and 6% per annum, respectively, AFI KLM E&M has significant activity with strong customer portfolios and regional industrial footprints.

Mitigation plan

Air France-KLM is working on several initiatives to limit the impacts inherent to these risks:

- close coordination through fleet renewal campaigns: procurement of licenses and the securing of industrial cooperation with OEMs as well as with Original Aircraft Manufacturers;
- a partnership strategy leveraging AFI KLM E&M's current strong market position and its technological expertise;
- repair solutions and the use of Used Serviceable Materials, thereby reducing the dependence on certain OEMs;
- supply chain optimization leveraging digital initiatives, the worldwide industrial footprint, and alternative sourcing;
- structural and anticipatory management of recruitment and labor availability;
- strict receivables management.

3.1.1.5 Changes in the competitive landscape for the air travel business

Description of the risk

The competitive landscape for air transportation is and will remain dynamic. For example:

- Possible mergers and acquisitions could result in larger airline companies that can optimize networks, achieve economies of scale, and propose more routes and frequencies to customers.
- EU decarbonization legislation (ReFuelEU and EU ETS) implies a significant cost increase for airlines with the majority of their operations in the European Economic Area, such as Air France-KLM. With decarbonization legislation less ambitious in most jurisdictions outside the EU, there is now an uneven playing field on energy costs.

⁽¹⁾ 2023 Commercial Aviation Fleet & MRO Forecast, Aviation Week Network.

- The aviation sector may be incentivized in certain countries or subject to different laws and regulations between jurisdictions, causing an uneven playing field.
- Whereas many hub airports in Europe are seeing their growth limited, several hub airports outside Europe have room to accommodate growth for their hub carriers.

Impact

Airlines not partaking in M&A face the risk of being marginalized because they are not reaping the economies of scale that their consolidated counterparts are reaping.

Compared to non-European airlines, European airlines face the risk of being marginalized due to cost inequality arising from an uneven playing field, and due to limited growth opportunities at their hubs.

Mitigation plan

Air France-KLM ensures that its services continue to correspond to the market needs and adapt to their evolution through initiatives in R&D and innovation, commercial partnerships, its involvement in professional air transport organizations, and consolidation.

3.1.2 Risks relating to air transportation activity

3.1.2.1 Risks related to airline safety*

Description of the risk

Accident risk, with the possibility of damage to people and property, is inherent to air transportation. This is why airline activities – passenger and cargo transportation and aircraft maintenance – are regulated by a series of European regulatory provisions that are directly applicable or, in some cases, transposed into French and Dutch law. Compliance with these regulations is governed by whether an airline is awarded an AOC (Air Operator Certificate).

The national Civil Aviation Authority carries out a series of checks on the proper application of these rules with respect to the following in particular:

- designation of a senior executive and managers responsible for the principal operational functions;
- appropriate organization of the flight, ground, cargo, and maintenance operations;
- deployment of a Safety Management System (SMS); and
- implementation of a quality assurance system.

Impact

The materialization of this risk could have a significant negative impact on the Group's reputation and legal or financial consequences.

Mitigation plan

For the Air France-KLM Group, flight safety is the absolute priority. Safety is fundamental to maintaining the confidence of customers and staff and is a day-to-day imperative that determines the Group's activity and the long-term future of the air transportation industry.

All of the Group's businesses are subject to numerous checks and certifications and meet extremely strict standards and the highest level of regulations in the industry, both at European level with the European Aviation Safety Agency (EASA) and globally with the International Air Transport Association (IATA), whose Operational Safety Audit (IOSA) is a benchmark within the industry and leads to certification, which must be renewed every two years.

The Air France and KLM IOSA audits were carried out between October and November 2024, and the IOSA renewal audits will take place at the end of 2026.

To reach the highest possible level of flight safety, each airline updates and reinforces its SMS, which defines in concrete terms the conditions for the implementation of its risk management system. Through the SMS, the risks related to operations are constantly monitored through lessons learned from occurrences, the observation of trends, and predictive risk analyses of proposed changes to operations. The SMS, which is an integral part of the organization, procedures, and corporate culture, is supported by a commitment made at the highest level of management, and by training and awareness-raising programs for all staff (see section 4.4.1 "Operational safety for stakeholders").

This risk is covered by the aviation insurance policies.

3.1.2.2 Climate-related risks*

Description of the risk

Air France-KLM is aware of the physical and transition risks associated with climate change, which are a major concern. Failure to anticipate and adapt to these risks voluntarily could have negative consequences for the company's financial performance, reputation, and future operations.

In 2023, Air France-KLM conducted a climate risk assessment to gain a better understanding of the risks associated with climate change and their impact on its own operations. In 2024, this assessment was updated to include the company's upstream and downstream value chain. The assessment followed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and focused on identifying the physical and transition risks Air France-KLM will be facing and on assessing their impacts on Air France-KLM activities over short-, medium- and long-term time horizons (2030, 2040, and 2050 for physical risks and 2025, 2030, and 2050 for transition risks, respectively).

To conduct the climate risk assessment, Air France-KLM combined three of the IPCC⁽¹⁾ Representative Concentration Pathway (RCP) scenarios to analyze the physical risks and three of the IPCC's shared Socio-Economic Pathways (SSP) to analyze the transition risks.

As a result, the following scenarios were used for the assessment:

Climate Scenario	RCP	SSP
Orderly	RCP 2.6 – 1.5°C	SSP 1 Sustainability
Disorderly	RCP 4.5 – 2 to 2.5°C	SSP 2 Middle of the Road
Hot-House World	RCP 8.5 – 3.6 to 4.4°C	SSP 5 Fossil-Fueled Development

Impact

The climate risk assessment led to the establishment of the following risk universe:

PHYSICAL RISKS

ACUTE

- Degradation/destruction of assets (airports, offices, warehouses, aircraft) due to more frequent and severe extreme weather events:
 - Flooding (tidal, fluvial, pluvial)**
 - Cyclones**
 - Wildfires**
- Disruption of activity and increase in delays/ rerouting due to more frequent **storms and turbulence**
- Degradation of working conditions for on-ground operations due to **extreme temperatures and heatwaves**
- Interruption of operations due to **extreme temperatures** causing heat buckling on runways
- Disruption of activity and increase in delays/ rerouting due to **increased snowfall and more frequent snow storms**
- Disruption of aircraft supply activities

CHRONIC

- Degradation of infrastructure (airports, offices, etc.) due to **rising sea levels**
- Restrictions on aircraft take-off weight due to **increasing temperatures**
- Disruption of take-off and landing schedule due to loss of visibility linked with **changing humidity patterns**
- Increased fuel consumption due to changing wind patterns
- Disruption of activity and increase in delays/ rerouting due to more frequent **icing risk**
- Increase in air conditioning usage due to **sustained rise in temperatures**
- Low flows** in the canals and **acute climate events** are the main drivers for a disruption in fuel and SAF supply
- Certain destinations attractiveness may be impacted by **very high risks of water stress**

TRANSITION RISKS

POLICY AND LEGAL

General

- Increased pricing of GHG emissions
- Enhanced emission-reporting obligations
- (EU-ETS, CORSIA)
- Limits on license to operate and ban on short-haul flights

SAF-related

- New carbon taxes or SAF mandates could increase the price of fuel
- Insufficient support from governments regarding SAF and synthetic fuel deployment

Aircraft-related

- Delayed regulations could slow the pace of development of new technologies (electric planes)
- Insufficient support regarding investments in fleet renewal

REPUTATIONAL

General

- Increased pressure from stakeholders and investors to achieve sustainability goals in a shorter period of time
- Increased exposure to greenwashing claims
- Increase in passenger injury risk

SAF-related

- Exposure to litigation linked with low credibility of SAF for decarbonization or use of feedstocks causing adverse environmental outcomes

Aircraft-related

- Limited social license to consume renewable energy if not demonstrably additional

MARKET

General

- Lower demand due to modal shifts and sector stigmatization
- Decrease in demand for short haul flights due to increased remote working
- Increased cost of raw materials

SAF-related

- Inability to secure sufficient volumes and/or competitive prices for SAF to meet public targets
- Inability to secure synthetic fuels volumes

Aircraft-related

- Inability to access enough energy due to limited green hydrogen availability
- Inability to secure enough electric planes

TECHNOLOGY

General

- Substitution of existing products and services with lower emissions options
- Unsuccessful investment in new technologies
- Costs to transition to lower emissions technology

SAF-related

- Power-to-Liquid SAF and other SAF technology pathways could not deliver expected emissions reductions
- Synthetic fuels technology pathway could not scale as expected

Aircraft-related

- Network limitations due to lack of required infrastructure
- Limited talent availability for maintenance and operation of next generation aircraft

Mitigation plan

In order to mitigate the risks of climate change, Air France-KLM has reviewed its strategy and is adapting its business model to limit its impact on climate change and adapt to the different climate risks identified. As a result, the Group has elaborated a Transition Plan focusing on its decarbonization. The Transition Plan is divided in two axes: A. Flight Operations and B. Ground Operations.

The Flight Operations axis is composed of six levers aiming to avoid emissions by decreasing the shortest routes in the Group haul mix while deploying inter-modality alternatives; reducing emissions through fleet renewal, operational efficiency measures, and jet fuel upstream efficiency; replacing fossil fuel with alternatives with lower GHG emissions; and finally removing CO₂ through offsetting. As for Group Operations, the objective is to reduce emissions by using electrically powered ground equipment and launching a program of energy efficiency measures to reduce growing energy consumption.

⁽¹⁾ The Intergovernmental Panel on Climate Change (IPCC) is the United Nations body for assessing the science related to climate change. For more information on the IPCC's scenarios, visit: <https://www.ipcc.ch/report/emissions-scenarios/>

3.1.2.3 Noise management*

Description of the risk

In Europe, there are calls to implement activity restrictions at airports in response to increasing sensitivity to airport noise nuisance. Campaigns for a cap on the number of flights and regulatory restrictions, including curfews, have been launched by residents' associations at Amsterdam Schiphol airport, as well as at Orly and Roissy-CDG airports in the Paris region.

To address these concerns, the Dutch and French governments have launched impact assessment procedures using a balanced approach developed by the ICAO and adopted by European Union regulation. This approach involves a scientific assessment of the noise pollution levels at airports, followed by an analysis of various reduction measures that can be taken, prioritizing the best combination of cost-effective measures before introducing any restrictions on aircraft operations as a last resort.

The Dutch government has also been considering a noise ceiling to restrict flight movements. Such legislation could lead to competitive distortions between airlines, especially if only applied to specific geographic areas, and may lead to retaliation.

Impact

Flight limitations present a significant risk to the Group's operations and revenue. Any changes to noise-related LTO (Landing and Take-Off) charges could increase operational costs. Additionally, offering fewer flights can negatively impact the relationship with our customers.

Mitigation plan

Air France-KLM actively collaborates with Member States and stakeholders to ensure compliance with the EU's Balanced Approach regulation, which aims to improve the noise environment around EU airports and promote greater compatibility between aviation activities and residential areas.

In the Netherlands, on January 11, 2024, KLM and 30 other parties called for a common action program called "Together towards cleaner, quieter, stronger." KLM committed to reducing noise for residents near Schiphol and other airports. Two briefings were held with the Ministry of Infrastructure, which announced adjustments to the measures on September 20, 2024.

In France, noise restrictions already apply to Paris-Orly and Paris-Charles de Gaulle airports, including curfew and annual slot caps at Paris-Orly; a nighttime slot cap at Paris-Charles de Gaulle; and limited access at nighttime for the noisiest aircraft at both airports. Two balanced approaches were launched in the summer of 2023 for the two Parisian airports and are still ongoing.

Thanks to its fleet renewal plans, Air France-KLM is not only reducing CO₂ emissions but also reducing noise pollution. In 2023, 100% of its fleet was eligible for certification under the stringent noise level criteria of ICAO Chapters 4 and 14. Therefore, in 2024, Air France-KLM has decided to focus on Chapter 14, the strictest ICAO noise level criteria. In terms of noise reduction capacity, new aircraft types are estimated to reduce noise by the following: A350-900, 40% less noisy; Airbus A320neo, 50% less noisy; and Embraer 195-E2, 63% less noisy compared to the aircraft they replace.

The Group is committed to supporting governments and air traffic control organizations in the rapid and widespread implementation of continuous descent procedures at all airports. The Group's airlines optimize flight routes and implement continuous descent procedures, which significantly reduce noise pollution.

The Group contributes to airport noise taxes and levies in France and the Netherlands, which fund soundproofing for homes located around airports and compensation for the loss of property value around the airport.

For each of these procedures, the Group's experts are in constant dialogue with residents, airport community representatives, and the authorities as part of dedicated working groups. In each case, the Group's approach aims to implement efficient solutions that are both sustainable for the Group's airlines and satisfactory for residents.

3.1.2.4 Loss of flight slots or lack of access to flight slots

Description of the risk

The service of major airports, given their saturation, is subject to the procurement of slots allocated under the conditions defined by EU Regulation No. 95/93. In application of this regulation and by virtue of a historic precedent, the series of slots held by an aircraft operator is reserved for it from one season to the next if the latter operates at least 80% of the relevant slots over the period in question. Below this threshold, unused slots are lost by the carrier and placed in a pool. Each year, the coordinator in charge of slot management is assigned the task of allocating the released slots to operators who request them.

Impact

The loss of slots or the non-access to slots due to volume limitations or saturation could have an impact on the companies' results, in particular the ability to generate future profit. Because a slot lost to a competitor is inherently difficult to recover, the lack of anticipation and adaptation could lead to a reduction in market share over time, and therefore poses a threat to earning capabilities.

Mitigation plan

The Group takes care to implement the provisions of the European regulation on the allocation of slots, which guarantees that a carrier will be able to retain the use of these slots from one season to the next once they have been used 80% of the time, except in exceptional circumstances. To this end, a special effort is made to monitor changes in demand and to anticipate new customer expectations. The Group is thus able to adapt its offer flexibly to the variables specific to each airport, thanks to the diversity of the brands in its portfolio. In addition, all airlines work with their national authorities to ensure that the capacity they need for growth is regularly available at their main hubs. Moreover, slot experts continuously monitor and optimize the Group's slot portfolio to safeguard its position.

3.1.2.5 Carbon credit risk

Description of the risk

As an air transport operator, the Air France-KLM Group emits carbon dioxide. It therefore fully complies with the regulatory measures to reduce carbon emissions (see section 4.2.1 "Climate change (ESRS E1)"). These include the EU Emissions Trading System (EU ETS), which has been in force at the European level since 2012 for aviation. In December 2022, the European institutions defined the modalities for the reform of the EU ETS through the revision of Directive 2003/87/EC. They confirmed the intra-European scope of the EU ETS, thus reinforcing CORSIA's future role in defining clearing solutions for international flights. They also programmed the gradual end of allowances allocated free of charge to air operators. From 2026 onward, this new measure will require the Air France-KLM Group to purchase emission rights (credits) for all its flights to and from the European Union (intra-European flights). The clarification of the reduction trajectory for the allocation of free allowances nevertheless makes it possible to anticipate and control the risk associated with this regulatory change.

Impact

For the year ending December 31, 2024, the Air France-KLM Group's direct CO₂ emissions reached 26 million tons, of which 6 million tons were subject to the EU ETS requirement.

Mitigation plan

To minimize the consequences of the necessary strengthening of the European carbon market and to protect itself against a potential increase in the price of credits, Air France-KLM has implemented two types of measures.

On the one hand, the Group is responding through a proactive financial policy based on the purchase of forward credits. This carbon risk hedging measure is subject to regular review and validation by the Risk Management Committee. In this respect and considering the quotas allocated in recent years, Air France-KLM acquired ETS credits in 2024 for a volume corresponding to 3.6 million tons of CO₂.

On the other hand, the Group takes every opportunity to reduce its fuel consumption and carbon emissions: on its own initiative within the framework of the Climate Plan, or in conjunction with the authorities (SESAR project, Single European Sky, air traffic control optimization).

In addition, the Group uses an internal carbon price (price range) in its investment and project decision-making to consider the carbon risk in its decision-making scenarios (see section 4.2.1.4.4 "Internal carbon pricing (E1-8)").

In view of these developments, the Group would also like to draw attention to the need to design a mechanism to adjust carbon emissions at the European Union's borders. This measure is essential to ensure that carbon emissions are not simply displaced, or even amplified, by diverting traffic away from European borders. Such avoidance, via neighboring hubs, for example, runs counter to the environmental objectives pursued by European carbon regulations. The mechanism would also guarantee the preservation of fair competition rules between the different air transport players.

As of December 31, 2024, the Group had a stock of 10 million carbon credits (EU ETS, CH ETS, UK ETS) on its balance-sheet, for a book value of €470 million.

3.1.2.6 Air pollution

Description of the risk

Air pollution is a health and environmental concern related to the emissions of oxides of nitrogen (NO_x) sulfur dioxide (SO_x) and particulate matter (PM).

In the Netherlands, Schiphol Airport has secured a temporary nitrogen permit until 2025. The Dutch government has set a target of reducing nitrogen emissions by 50% by 2035, while Schiphol is aiming to be an emissions-free airport by 2030, including with respect to NO_x.

Impact

Air France-KLM may face increased airport charges based on its nitrogen emissions in the Netherlands, as in other airports that may follow.

Mitigation plan

The Air France-KLM Group monitors its atmospheric emissions for both ground operations and flights at low-altitude that impact air quality around airports. The indicators cover emissions of SO_x and NO_x, with most of these emissions coming from aircraft movements.

The Group is increasing the usage of SAF, which reduces particulate matter, NO_x, and SO_x emissions. For its ground operations, the Group uses electric and more efficient vehicles and equipment powered by cleaner fuels and optimizes its operational procedures for ground operations, for example, by minimizing taxiing time, taxiing with only one engine, and replacing APUs with electrical GPUs. As of 2024, 69% of Air France-KLM ground equipment at CDG, ORY, and SPL is electrically powered.

Moreover, Air France-KLM is actively involved in research on pollutants. Together with Schiphol, KLM is conducting an exploratory study into exposure to ultrafine particulates (UFPs) to gain more insight into the exposure of employees and the sources of this exposure.

3.1.2.7 Reinforcement of passenger compensation rights

Description of the risk

The European Union implements a Community regulation (Regulation 261/2004) on passenger protection in the event of flight cancellations, delays, and denied boarding. It applies to all flights departing from an airport located within its territory, regardless of the nationality of the airline operating the flight. It also applies to flights arriving in its territory, only when they are operated by an airline from one of its Member States. At the end of 2023, the European Commission issued a series of proposals aiming to improve the experience of passengers by strengthening their rights. Airlines could thus face rising costs of compliance and additional costs pertaining to passenger rights and accessibility requirements. Numerous rulings by the European Court of Justice have been handed down since 2004, for example, to reduce air carriers' ability to invoke "extraordinary circumstances" to exempt themselves from paying the compensation provided for in Regulation 261/2004.

Impact

Passenger rights requirements help shape the Group's operational and commercial policy. Increasing the number of rules for compensation could have a significant impact on its costs. The increase in costs will then add to the already existing distortions of competition with companies from third-party countries, most of whose activities are not subject to the same obligations in their markets. In addition, the use of specialized companies to collect passenger compensation has become almost systematic, making the processing of claims more complex and time-consuming. Such specialized companies also take a significant share of the amount paid out by the airline if the claim is justified.

Mitigation plan

The Group has adapted its organization and procedures to improve its ability to handle passenger complaints. The aim is to prevent disputes and be able to comply with the regulatory deadlines in all circumstances, including in the event of major disruption. This overhaul of operational processes has ensured optimized decision-making. This has resulted in more intensive communication and priority processing of requests to the benefit of our customers and partners. At the same time, access to databases updated by the IATA enables us to take into account the constant changes in regulations worldwide and to adopt the necessary measures to comply with them. On the regulatory front, the Group supports the revision of European Regulation EU 261/2004, which aims to define precise exonerating circumstances to balance the obligations of airlines in cases where they are not responsible for cancellations or delays. To this end, it participates in the studies regularly carried out by the authorities.

3.1.2.8 Regulatory authorities' inquiry into the commercial cooperation agreements between carriers

Description of the risk

Alliance operations and commercial cooperation are required to comply with the competition laws in force. In certain jurisdictions, the implementation of such agreements is subject to prior review and clearance by the competition authorities. In other jurisdictions, particularly in Europe, airlines are required to ensure that their operations are compliant with the applicable competition rules. At any time, the European Commission has the right to open investigations into any cases of cooperation it considers of interest to the European Community (following a complaint or self-referrals).

Impact

Any infringement of competition law could have a negative effect on the Group's results, business, reputation, financial position, and outlook.

Mitigation plan

Alliance and commercial cooperation projects are reviewed by in-house competition counsel to assess their feasibility and the potential remedies required for their implementation.

For example, in May 2015, the Directorate General for Competition (DG COMP) issued a positive decision based on Article 101 of the Treaty on the Functioning of the European Union regarding the former transatlantic joint-venture (between Air France, KLM, Delta Air Lines, and Alitalia). The European Commission accepted the final undertakings offered by the parties and closed the case. This joint-venture has since been terminated with the launch of the current joint-venture between Air France-KLM, Air France, KLM, Delta Air Lines, and Virgin Atlantic.

The US and other worldwide authorities had already published their conclusions, acknowledging the benefits for consumers generated by the cooperation. In this regard, every joint-venture between Air France, KLM, Delta Air Lines, and their transatlantic partners has benefited from antitrust immunity (ATI) on departure from the United States since 2008.

3.1.2.9 Commitments vis-à-vis the European Commission

Description of the risk

a) Merger regulation and cooperation agreements

In 2004, a number of commitments were made by Air France and KLM to ensure compliance with the European Commission's decision to authorize the merger of Air France and KLM, notably with regard to the possibility of making landing and takeoff slots available to competitors at certain airports.

b) State aid

In 2020, the implementation of the measures to reinforce the Group's liquidity (i.e., (i) a loan guaranteed by the French State (PGE) in the amount of €4 billion and a €3 billion loan from the French State, as well as (ii) a revolving credit facility of €2.4 billion guaranteed by the Dutch State and a €1 billion loan from the Dutch State) were approved by the European Commission under the Covid-19 state aid rules (decisions dated May 4, 2020, and July 13, 2020, respectively).

On April 6, 2021, the Group announced the first part of its overall recapitalization plan. Certain measures in this plan contained state aid (the so-called "Covid-19 recapitalization" program) and were accordingly notified by the French authorities to the European Commission, the latter approving them in its decision dated April 5, 2021. This decision made the approval of the measures subject to a number of commitments undertaken by the French state and led notably to the allocation by Air France of landing and takeoff slots to a designated third-party carrier at Orly airport.

Like most of the decisions with respect to airlines receiving state aid in the context of the Covid-19 crisis, the European Commission's decisions granting support measures to Air France and KLM have been subject to annulment proceedings brought by Ryanair. On December 20, 2023, and February 7, 2024, the General Court of the European Union annulled the decisions of the European Commission that had approved the support measures mentioned above, respectively in the amount of (i) €7 billion of liquidity measures granted by the French state to Air France in May 2020 and €3.6 billion of recapitalization measures granted by the French state to Air France and Air France-KLM S.A. in 2021, and (ii) €0.9 billion of liquidity measures granted to KLM by the Dutch State in 2020. These annulments were made solely on the grounds of an incorrect determination of the beneficiary of these aid measures, which, according to the court, should have been the Group itself.

As explained below, Air France-KLM, Air France, and KLM, as well as the European Commission, have challenged these three annulment rulings before the Court of Justice of the European Union. However, without waiting for the outcome of these appeals, the European Commission has already reapproved the French and Dutch measures aimed at strengthening the Group's liquidity in a single decision dated July 10, 2024, confirming their compatibility with European Union law (even when the Court's determination of the beneficiary is applied).

In January 2025, the Group was informed that Ryanair had filed an appeal before the Paris Administrative Court against the French state after the aforementioned annulment rulings by the General Court of the European Union. Ryanair's appeal requests that the State recover any State aid allegedly not yet reimbursed. The Group will intervene in support of the State's defense.

If the Court of Justice overturns the aforementioned rulings of the General Court of the European Union, Ryanair's appeal would become moot.

Impact

a) Merger regulation and cooperation agreements

Failure to comply with merger control or anti-trust commitments entails financial, reputational, and structural risk for the Group.

b) State aid

Uncertainty remains as to the legal and financial consequences of cancelling the decisions concerning the approval of the State aid until a final decision is obtained from European jurisdictions.

However, all the aid granted was already repaid in 2023, in full compliance with the associated constraints (commitments, behavioral measures, application of interest) to the applicable legal framework. Nevertheless, the annulment of the decisions approving these aid measures could (pending the ruling of the Court of Justice) lead to the payment of only "illegality interest" on the liquidity measures that have already been reapproved, as well as the recovery of an amount to be determined on the recapitalization measures, which would be in addition to the amounts that have already been recovered.

Mitigation plan

a) Merger regulation and cooperation agreements

The Air France-KLM Group has ascertained that the possible consequences of slot availability under the 2004 remedies remain admissible and do not affect the economics of the lines in question. Air France-KLM also regularly contacts the European Commission to discuss the need to maintain these commitments adopted more than sixteen years ago. In this respect, on February 24, 2023, the European Commission lifted the commitments made by Air France and KLM in 2004 on the Paris-Amsterdam route.

b) State aid

Over the course of 2022 and 2023, the Group repaid in full the aforementioned state aid for Covid-19 liquidity and recapitalization, which were subject to the aforementioned commitments and constraints. As a result, the Air France-KLM holding company, Air France, and KLM have since been fully released from the aforementioned commitments and constraints related to Covid-19 recapitalization aid measures.

Air France-KLM and Air France lodged three appeals for annulment with the Court of Justice of the European Union against the three judgments of the General Court annulling the above-mentioned decisions handed down in December 2023 and February 2024, on the sole ground of incorrect determination of the beneficiary of these aid measures. The Court of Justice of the European Union has yet to rule on these appeals.

If the Court of Justice were to annul the General Court's rulings, the 2020 and 2021 approval decisions would once again be fully effective, as if they had

never been annulled. In this case, the risks related to the payment of the "illegality interest" or a recovery would no longer materialize.

Finally, as it has done in similar cases, the European Commission may also decide, if necessary, to initiate a formal examination procedure on the recapitalization measures, during which the Group will defend its interests to the best of its ability. Such a formal review procedure may result in a new formal approval of these measures, rendering any request for the recovery of their nominal amount moot.

3.1.3 Risks relating to the Group's processes

3.1.3.1 Operational performance and customer risks*

Description of the risk

For customers, operational performance is a cornerstone of the product. Growing congestion in airports, increasingly complex regulations (e.g., security and safety), potential labor unrest or staff shortages within the airline industry or externally (air traffic control and ground handler strikes), fleet unavailability (due to delays in deliveries or technical quality issues, for example), and weather-related disturbances incur a risk of sub-optimal operational performance or a lower standard of customer service.

Impact

This risk could lead to an increase in operational performance costs and a reduction in levels of customer satisfaction, which could result in a negative impact on the Group's reputation and turnover.

Mitigation plan

For both Air France and KLM, the Operations Control Center is at the heart of operations, and any disruption is managed in an integrated manner. Numerous action plans are deployed for operational excellence; service disruption management and recovery; security; network agility; fleet management; the compensation procedure (EU 261); the management of crew and other critical internal and external resources; and coordination with key stakeholders, including the authorities and airports. The goal is to reduce the number of service disruptions, reduce the impact on customers, improve customer satisfaction, and reduce the costs of sub-optimal performance, notably with projects aimed at continuous improvement at the hubs.

If a major incident occurs, a crisis or emergency response organization can also be activated to handle the emergency.

3.1.3.2 Failure of a critical IT system, IT risks and cybercrime*

Cybercrime*

Description of the risk

As with any business making extensive use of modern communication and IT data processing technologies, including revenue management systems and booking systems, the Group is exposed to threats of cybercrime.

Airlines' heavy dependence on IT and communication technologies makes them vulnerable to cybercrime.

Impact

Cybercrime and cyberespionage refer to a wide range of different activities related to the improper use of data and interference with the integrity of the Air France-KLM information system for personal, financial, psychological, and political ends.

Should Air France-KLM fail to counter such incidents of cybercrime, this could have a negative impact on the Group's activity, reputation, revenues and costs, and, thus, its results.

Mitigation plan

To protect itself against this risk, the Group deploys substantial resources aimed at ensuring business continuity, data protection, the security of personal information pursuant to law, and the safeguarding of at-risk tangible and intangible assets.

The Group has taken out a cyber insurance policy to transfer a part of this risk.

Independent audits of IT security were successfully performed to fine-tune the action plans. In 2024, the Group obtained the AirCyber certificate at the Gold (highest) level from BoostAeroSpace and successfully managed the high-risk period of Paris Olympic Games, averting all attempts to disrupt its activities. New processes and tools were deployed to detect, protect against, and fix any potential deviations or system vulnerabilities more rapidly. The IT staff dedicated to cybersecurity are constantly trained to adapt to new threats. The Group participates in the new French initiatives to launch CERT Aviation in France, with daily coordination around cyber threats. The Executive Committee monitors the level of the staff's cyber awareness and takes appropriate measures when needed.

Data security

Description of the risk

As airline companies, Air France and KLM collect personal data from their customers and employees. Management of the Group's assets is supported by rigorous management of the required data, whose consistency and integrity present an ongoing challenge for IT projects and the operation of digital services. Frequent changes to applications and processes call for the ongoing adaptation of IT management tools and methods, in coordination with the businesses and third parties, to ensure compliance with our regulatory and operational requirements.

Impact

If the Group fails to implement such frequently occurring changes or to protect data of a personal nature pursuant to the relevant laws and regulations, this could have a negative impact on:

- the Group's activities;
- its reputation;
- its revenues and costs;
- and thus its results.

Mitigation plan

The Group's IT division implements security rules aimed at reducing the risks related to new technologies, particularly mobile data terminals. The access controls to IT applications and to the computer files at each workstation, together with controls over the data exchanged outside the Company, all comply with rules pursuant to national, European, and international standards. Campaigns to raise all staff's awareness of the potential threats and to encourage best practices are regularly carried out. Specialized companies and Internal Audit regularly evaluate the effectiveness of the solutions in place.

Business continuity and regulatory compliance

Description of the risk

The IT systems, including the revenue management systems and booking systems used by the Group, and the information they contain may be exposed to risks concerning continuity of functioning, data security, and regulatory compliance. These risks have diverse origins both inside and outside the Group.

Impact

The materialization of one of these risks could have an impact on the Group's activity, reputation, revenues and costs, and thus its results.

Mitigation plan

Air France-KLM monitors the secure functioning of the IT systems on an ongoing basis. Dedicated help centers and redundant networks guarantee the availability and accessibility of data and IT processing in the event of major incidents.

The infrastructures of the backup operating centers and business continuity plans are tested regularly. The access controls to the IT systems and to the data exchanged within the company are governed by rules that comply with international laws and standards.

IT security companies, Internal Audit, and Internal Control all regularly evaluate the relevance and effectiveness of the solutions in place.

The risk of damage to IT facilities is covered by insurance policies.

3.1.3.3 Working conditions and human capital development

Labor stability and employee engagement *

Description of the risk

The airline industry has seen a surge in air traffic as of mid-2022 and, since then, Air France, KLM, and their subsidiaries have had to contend with a high level of activity. Tight labor conditions in operations and the pursuit of the company's transformation plans within an inflationary economic context could challenge employee engagement, motivation, and commitment at work, resulting in some categories of staff feeling uncertain about the financial recognition of their efforts. In the past, and potentially in future, the Group's operations could be disrupted by labor disputes such as strikes, walkouts, industrial action, or other forms of labor unrest.

Impact

The Group recognizes the constraints and risks to which it is exposed: labor unrest and action could have a negative impact on the Group's operations, profitability, and image.

Mitigation plan

The Group seeks to preserve cohesion by fostering a constructive and transparent workplace dialogue and by pursuing a policy based on respect and responsibility. Regarding the inflationary context, since 2022, the Group has maintained its openness and transparency with the unions through negotiations based on relationships of trust.

The Group is focused on optimizing and transforming its work methods by reviewing organizational structures and workloads. At the Group level, coordination takes place between the different entities, specifically for transverse matters concerning categories of staff across several entities. Significant changes to the HR policies and collective labor agreements are approved at the highest level of management within the airlines and the Group.

Narrowing the divide between the management and staff is key to understanding the needs and concerns of staff, tackling any issues in a proactive manner, and avoiding any escalation. Specific attention is paid to remote work, which can result in reduced contact with colleagues and management.

Key competencies and attractiveness

Description of the risk

Employees are Air France-KLM's strength. And, within a context of digitalization, major priorities for the Group are the use of artificial intelligence, adaptation, the acquisition of new and specific skill sets, the maintenance of internal employability through the acceleration of talent development, and the fostering of attractiveness.

Mainly among the younger generation and staff working in the airports, Air France-KLM is witnessing the emergence of new motivations like meaningful work, flexibility at work, and work-life balance. Given its goal of differentiating itself from the competition and reaching a high level of performance, Air France-KLM is subject to the tightness of the labor market and, in some areas, skills shortages.

Impact

Lack of available skills in areas like engineering, maintenance, or IT could slow down transformation plans or increase transformation costs while, for operational staff, tight labor conditions could create workforce planning-related issues, given our plans to increase the volume of activity.

Mitigation plan

Air France-KLM has developed an ambitious HR policy to reinforce its attractiveness and employer brand, while continuing to develop its talents and the competencies and skills required to meet its strategic and operational needs. To ensure the recruitment and retention of specific profiles, the Group is supported by its employer values, including diversity and inclusion, while high-level management teams are involved in the reinforced identification of talent and succession planning.

The Group continues to invest in training and employee development thanks to dedicated interviews and individual development plans aiming to support and open up career path opportunities.

The Group's entities have invested in predictive models to support improved workforce planning, specifically for critical categories of staff.

The Air France-KLM Group has reinforced its partnerships with third-party education players and external companies to be able to support the development of new professions and outsource some services when required.

3.1.3.4 Non compliance with regulations, including competition, data protection, trade compliance and export controls, anti-corruption, duty of vigilance and tax

Description of the risk

Multiple and increasingly-complex laws and regulations are applicable to our business because the Air France-KLM Group operates worldwide.

Some laws require specific programs to be designed with mandatory measures to be implemented and monitored. Such laws include the French Duty of Vigilance Act or the French Anti-Corruption Act (also known as the "Sapin 2 Law"). The existence and efficiency of anti-corruption programs are subject to monitoring by the regulatory authorities.

At the EU level, the Corporate Sustainability Due Diligence Directive ("CSDDD") was adopted in May 2024 to be enforceable as of 2027 and will strengthen the legal requirements of existing laws regarding the duty of vigilance.

There is increasing scrutiny by local authorities and NGOs, associations, and rating agencies toward the organizations required to comply with these regulations internally as well as within their value chain.

Since Air France-KLM is a listed company, it is also required to comply with the rules imposing mandatory notifications and registrations to prevent insider trading and market manipulation.

Impact

Non-compliance with such laws and regulations may lead to significant fines, damages, legal proceedings, jail sentences, reputational damage, the inability to participate in public tenders or to gain or renew approvals or licenses from the authorities to conduct business, among other consequences.

The Air France-KLM Group has been involved in investigations in relation to antitrust matters in the air-freight industry, initiated before the European Commission in December 2005 and in the passenger sector (see Note 31.1.4 to the consolidated financial statements).

Mitigation plan

The Air France-KLM Group issues policies dedicated to each compliance domain (competition, anti-corruption, securities trading compliance), setting forth the prohibited practices, sanctions, and rules to be followed by all employees to ensure compliance with the applicable laws. This documentation is regularly reviewed and updated.

It also launches e-learning campaigns covering each domain of compliance for a wide range of employees and offering specific training geared toward categories of staff with high-risk exposure.

A team of experts provides advice and guidance on contracts and projects.

The Air France-KLM Group has also implemented tools for the screening of contracting partners with respect to (i) ethics, (ii) trade sanctions, and (iii) the monitoring of transactions involving sensitive materials (military, dual use).

An internal tool compiles insider lists, publishes any ad hoc announcements relating to privileged information and black-out periods, and shares information on the relevant policies and projects, as well as the applicable processes, via information letters relating to corporate matters.

The Air France KLM Group adopts sustainable long-term tax positions to support its business activities, only using real and substantial structures without resorting to abusive tax schemes. The Group thus minimizes tax risks by making every effort to strictly comply with local and international tax rules as well as the anti-tax avoidance rules of the European Directives 2016/1164, 2017/952, and 2018/822. The tax departments of Air France and KLM meticulously manage their risks through control procedures and with the support of external advisors.

3.1.4 Legal risks related to litigation

Description of the risk

During their ordinary course of business, the Group's companies may be involved in legal, administrative, criminal, or arbitration proceedings, especially concerning civil liability, competition, compliance (ethics, data privacy, export control), industrial, fiscal, social, or intellectual property claims, or claims relating to the environment and discrimination. In some of these proceedings, significant monetary claims have been made or may be made against one or more Group companies. The relevant provisions, if any, that the Group may have to record in its financial statements may not be sufficient, which could have a material adverse effect on its business, financial position, results, and outlook. As of December 31, 2024, the Group's total provisions for litigation amounted to €464 million (see Note 30 in section 5.3 "Notes to the consolidated financial statements"). With the exception of the proceedings and litigation outlined in Notes 30.1 and 30.2 in section 5.3 "Notes to the consolidated financial statements," there are no other administrative, legal, or arbitration proceedings (including, to the Group's knowledge, any proceedings underway or threats of proceedings) that could have or have recently had a material effect on the Group's financial position or profitability in the past twelve months.

New proceedings, stemming from existing proceedings or otherwise, related to risks already identified by the Group or to new risks, could be initiated against a Group entity.

Impact

Should these proceedings result in an unfavorable outcome, there could be a significant adverse reputational effect on the Group's business, as well as on its financial position, results, and outlook.

Mitigation plan

The legal department provides training and guidelines to the relevant teams to enable them to anticipate any risks of litigation based on experience and changes in legislation. Ongoing proceedings are regularly monitored and analyzed by the legal department, with the support of external legal counsel where necessary.

If necessary, provisions may be recorded in the Group's financial statements in respect of these disputes. The Group's estimate of its financial exposure to pending proceedings is regularly reassessed in light of changes in such proceedings, and the amount of the corresponding provisions is adjusted accordingly to the best of the Group's knowledge. These amounts are also reviewed and validated by the Statutory Auditors.

Certain risks relating to these proceedings are also covered, under certain conditions, by the insurance policies taken out by the companies and outlined in section 3.2.1.

See also "Highlights of the 2024 financial year."

3.1.5 Financial market risks

3.1.5.1 Balance sheet risk*

Description of the risk

The Air France-KLM Group has restored its equity, erasing the losses due to the Covid-19 crisis. However, equity (€799 million at the end of 2024) remains lower than its 2019 level.

Impact

As a consequence, in the context of a potential severe crisis that would incur material losses, Air France-KLM's equity could be negatively impacted, leading to a deterioration in its balance sheet and credit profile, and limiting its access to the capital markets at an optimal financing cost.

Mitigation plan

In recent years and following the Covid crisis, the Air France-KLM Group has implemented a major recapitalization plan in several stages, including a first and then a second capital increase and hybrid issuances, in order to fully restore its equity in combination with strong net results. The latest equity-building operation was the issue by the Group's new subsidiary, Flying Blue Miles, amounting to €1,500 million of perpetual notes, which qualify as equity.

In addition, the Group reported a robust liquidity position of €9.4 billion of available cash at the end of 2024 (including €2.5 billion of undrawn and unsecured RCFs at Air France-KLM, Air France, and KLM) and a net debt/EBITDA ratio reduced to 1.7x at the end of 2024.

In December 2023, strong financial metrics enabled the Air France-KLM Group to publish inaugural credit ratings, which are BBB-/Stable Outlook ("Investment Grade") at Fitch Ratings and BB+/Stable Outlook at S&P Global. These ratings reflect the credit agencies' full recognition of and strong confidence in Air France-KLM's credit profile. The ratings will also support diversified access to the financial markets.

Operational exposure

(in millions of currencies at December 31, 2024)

	US Dollar	GB Sterling	Yen
Net position before hedging	(3,205)	762	21,611
Currency hedge	1,347	(339)	(12,600)
Net position after hedging	(1,858)	422	9,011

Mitigation plan

The currency risk management for the Group's airline subsidiaries is centralized within each airline company while the currency risks incurred in investments by the Group's holding company are managed at the holding company level.

The risk management of the Group's overall currency exposure is carried out on the basis of a forecast net exposure for each currency. Currencies highly correlated to the US dollar are usually aggregated with the US dollar exposure.

To further strengthen its balance sheet, the Air France-KLM Group is pursuing its operational transformation launched in 2019 to further improve its profitability. This profitability turnaround will enable the Group to see its equity grow significantly in the coming years.

3.1.5.2 Foreign exchange risk on operating flows

Description of the risk

Most of Air France-KLM's revenues are generated in euros. However, due to its international activities, the Group incurs currency exchange risks:

- the Group's main exposure relates to the US dollar. Since expenditures on items such as fuel and maintenance exceed the amount of overall revenues in US dollars, the Group is a net buyer of US dollars, representing a residual structural risk;
- the Group is a net seller of other currencies. The level of its revenues in currencies other than the US dollar exceeds its expenditures in the same currencies. This exposure is, however, much lower than with the US dollar.

Impact

The currency exchange volatility implies volatility in the Group's financial results:

- any significant appreciation in the US dollar against the euro could result in a negative impact on the Group's financial results;
- a significant decline in the other currencies against the euro could also have a negative effect on the Group's financial results.

For each currency hedged, the time span of the hedging is a rolling 12- to 24-month period, the first four quarters being relatively more hedged than the following four. The RMC sets hedging targets for the US dollar, UK sterling, and the Japanese yen on a quarterly basis.

3.1.5.3 Foreign exchange risk on tangible investments

Description of the risk

Aircraft are generally purchased in US dollars, meaning that the Group is exposed to an appreciation in the US dollar relative to the euro in terms of its investment in aircraft and flight equipment.

Impact

The investment exposure could generate volatility in the Group's capital expenditures in euro.

Mitigation plan

The hedging strategy provides for the implementation of a gradual level of hedging between the order and delivery dates of the aircraft or flight equipment.

The net investments in US dollars appearing in the table below reflect the contractual commitments as of December 31, 2024:

<i>(in US\$ million)</i>	2025	2026	2027	2028	2029
Investments	(3,028)	(3,126)	(4,308)	(3,143)	(1,739)
Currency hedge	3,023	2,982	3,664	2,960	1,573
Hedge ratio	100%	95%	85%	94%	90%

3.1.5.4 Foreign exchange risk on debt valuation

Description of the risk

A portion of Air France-KLM's debt is denominated in foreign currencies, mainly as a result of the recognition of aircraft operating leases, most of which are denominated in USD, in the Group's debt (IFRS 16 lease debt). The book value of this foreign currency debt is sensitive to changes in exchange rates.

Impact

Significant changes in exchange rates could have a material impact on the book value of Air France-KLM's debt.

Mitigation plan

At the accounting level, the US dollar lease debt is recognized as a natural hedge of a fraction of the Group's US dollar revenues.

For airlines in the Group not generating US dollar revenues, US dollar-denominated assets and currency hedges are in place to mitigate the exchange rate risk.

The foreign exchange risk on the debt is limited due to the fact that, at December 31, 2024, aside from the debt relating to the operating leases, the debt denominated in currencies other than the euro mostly concerns the yen (10%), the US dollar (7%), and the Swiss franc (5%).

Note that the natural hedging relationship, which was temporarily suspended due to the Covid-19 crisis, was reinstated during the 2022 financial year.

To reduce the currency risk on the debt, a portion of KLM's liquid assets is invested in bonds in foreign currencies.

3.1.5.5 Interest rate exposure

Description of the risk

A portion of the overall gross debt is raised at floating rates (aircraft financing notably).

Impact

Interest rate variations could generate volatility in financial expenses.

Mitigation plan

The Group uses interest rate swaps or options to convert a portion of this floating-rate debt into fixed-rate debt on the different tenors.

After hedging, the exposure to floating rates represents 20% of the Group's consolidated debt (excluding lease debt) at December 31, 2024.

The interest rate on the Group's gross debt (excluding lease debt) after swaps stood at 3.76% at December 31, 2024 (versus 3.63% at December 31, 2023), excluding guarantee fees (if any).

This risk is treated with a cost-of-carry approach, netting the financial products earned on the cash invested.

3.1.5.6 Liquidity investment risk

Description of the risk

The cash resources of Air France-KLM, Air France, and KLM are invested so as to maximize the return for a very low level of risk. They are invested mainly in money market mutual funds and, secondarily, in debt securities and term deposits with highly rated banks.

Impact

The investment risk is considered to be low in that the investments in debt securities and term deposits are managed within the framework of the overall counterparty management (see paragraph 3.1.5.7).

Mitigation plan

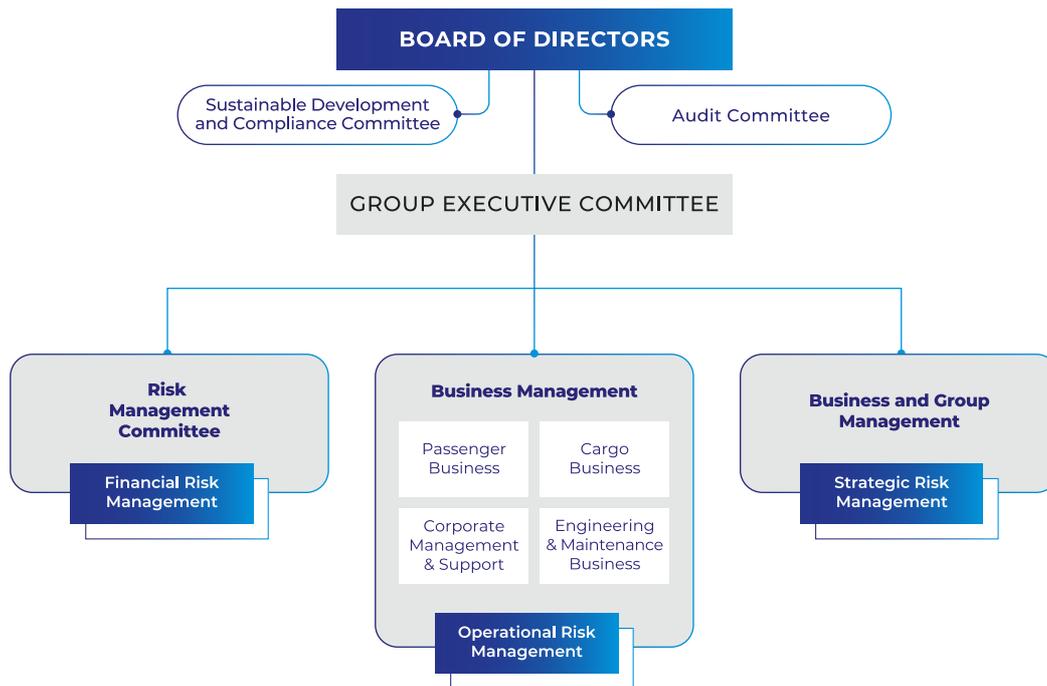
Air France-KLM only invests in money market funds that are managed by reputable asset managers, which have been selected according to strict criteria. With respect to investments in debt securities or term deposits, the latter have to be issued by highly rated banks. The eligible banks are monitored on a quarterly basis by the RMC.

3.2 ENTERPRISE RISK MANAGEMENT

The Air France-KLM Group is exposed to the general risks associated with the air transport industry and with airline operations, and has consequently implemented a system to identify, analyze, monitor, manage, and control its risks.

3.2.1 Risk management process: players and overall organization

AIR FRANCE-KLM: THE PLAYERS AND GOVERNANCE BODIES INVOLVED IN THE RISK MANAGEMENT PROCESS



Risk management process

The risk management process aims to determine the events that could potentially impact the Group and prevent it from achieving its objectives, and to implement a risk management and reporting system.

The risk management process enables, on one hand, the different divisions and principal subsidiaries and, on the other hand, the Group Executive Committee, the Audit Committee, and the Sustainable Development and Compliance Committee to monitor the principal strategic and operational risks, their evolution over time, and the measures in place to manage these risks. It thus aims to create and preserve value and to safeguard the Group's assets and reputation.

Each Group entity is responsible for managing its risks and for producing regular reports.

The overall risk management process also serves as a basis for the Universal Registration Document and makes a major contribution to establishing the annual audit program.

As a facilitator of risk management, Group Internal Audit regularly evaluates the risk management process. Its conclusions are the subject of presentations to the Group

Executive Committee and the Audit Committee, as well as to the Sustainable Development and Compliance Committee with respect to sustainability risks. The conclusions of the Sustainable Development and Compliance Committee are considered by Group Internal Audit in the risk presentations made to the Audit Committee.

The Risk Management Committee monitors the management of financial market risks that could have an impact on the financial statements (fuel price, currency exposure, interest rate risks) on a quarterly basis.

The risk management process complies with international regulatory standards, including the European Union 8th Directive.

In addition to the usual insurance policies covering the industrial sites, the real estate assets, and the ancillary activities, the Group's subsidiaries take out specific airline insurance policies covering accidental or incidental damage to aircraft and the resulting costs, liability in relation to their passengers, and general liability to third parties in connection with their activities.

3.2.2 Identification and evaluation of the risks

Risk mapping and risk universe procedures have been established and are regularly updated by Group Internal Audit.

The principal risks are ranked by nature and characterized with respect to their probability of occurrence and potential impact. The risk management procedures are outlined for each risk, together with the residual risk that is likely to result after taking the implemented internal control measures into account.

Risk monitoring and reporting

Group Internal Audit produces a biannual report for the Group Executive Committee and the Audit Committee on the Group's operational risks. The Audit Committee may decide to draw specific points to the attention of the Board of Directors. Reporting on strategic risks is part of the strategic process.

The operational risk reporting process follows a bottom-up process starting in the different Air France and KLM divisions and the principal subsidiaries. Every half year, the Enterprise Risk Coordinators, who have been designated by the different businesses, entities, and subsidiaries, establish the risk sheets and send them to Group Internal Audit, the latter being responsible for their consolidation at the airline and Group level.

The risk sheets indicate and describe the inherent material risks and the action plans implemented for their mitigation or neutralization, together with an evaluation of their probability of occurrence and the resulting impact. The risk owners and those responsible for the procedures to control risks are specifically named. To ensure the reliability of the process, the risk sheets for

each entity are systematically reviewed during regular meetings between Group Internal Audit and the relevant Executive Vice Presidents.

The Group's operational risk sheets (summarizing the operational risks of the entities), which detail any new risks or those which have been withdrawn, and the main changes are approved by the Group Executive Committee prior to their presentation and review by the Audit Committee.

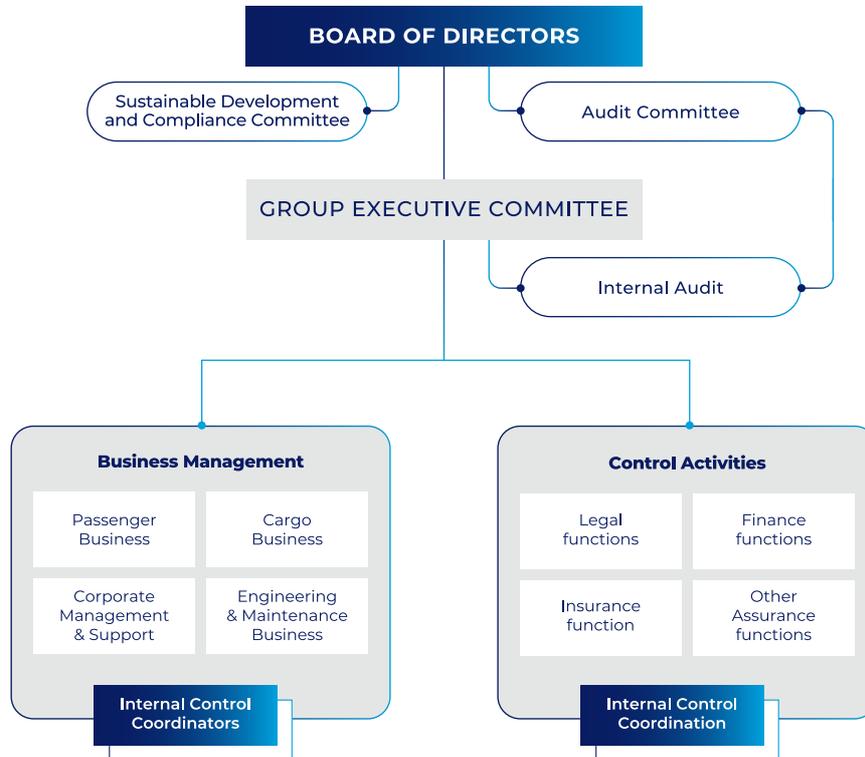
To be able to complete the sustainability statement (see section 4.1.4 "Impacts, risks and opportunity management"), the main environmental, social, and societal impacts, risks, and opportunities linked to the Group's activities across the entire value chain are reviewed and assessed regularly. The material sustainability risks are an integral part of the Group's operational risk sheet and are submitted to the Sustainable Development and Compliance Committee. The conclusions of this committee are taken into account in the Group's operational risk sheet presented to the Audit Committee.

Management of risks by the Risks – Insurance departments

Within Air France and KLM, each of the Risks-Insurance departments identify the insurable risks at the level of each company and their subsidiaries. They focus on risks that can be transferred to insurance companies or risks that can be managed by reducing both their likelihood and impact. They draw up the insurance policies and contribute to the prevention recommendations.

3.3 ORGANIZATION AND FUNCTIONING OF INTERNAL CONTROL

3.3.1 Internal Control organization and tools



Internal Control network

An Air France-KLM Internal Control network has been established, supported by Internal Control Coordinators embedded in the business units.

The organization within the Group, covering its principal businesses, can be summarized as follows: Passenger, Cargo, and Maintenance. Due to the interdependence of each of the businesses, this organization involves numerous cross-functional processes (sale of passenger aircraft belly space to the cargo business, Engineering and Maintenance services relating to both Passenger and Cargo aircraft, IT services, etc.):

- the Board of Directors is the corporate body that determines the direction of the Group's activities. To this end, the Board acts to ensure the successful performance of the Air France-KLM Group, supported by advice from the advisory committees mentioned in Chapter 2.2 "Organization and functioning of the Board of Directors" of the universal document registration;
- the Group Executive Committee (GEC) is Air France-KLM's primary senior management decision-making platform that sets the strategic direction for the Group and for its airlines within the framework of the strategy defined by the Board of Directors. Except when Air France-KLM Board's approval is required, it has final management rights and accountability on all strategic decisions pertaining to both the Group and its airlines' functions and performance. At December 31, 2024, the GEC was composed of 11 members: the Air France-KLM CEO, the Air France CEO, the KLM CEO, the Air France-KLM CFO, the Chief Commercial Officer, the EVP Marketing, the EVP Cargo, the EVP Engineering & Maintenance, the EVP Strategy & Transformation, the EVP IT, and the EVP Corporate Secretary. The GEC meets every week and covers all areas of the Group and its airlines, from business activities to the support functions.

Finance functions

A Group Finance division has been constituted around the Group's Chief Financial Officer, staffed by some thirty people (Investor Relations, Consolidation & Accounting, Corporate Control, and Mergers-Acquisitions & Financial Operations). This division submits to the Group Executive Committee and the Board the Group's overall financial policy and orientations (the latter being applied at the level of the Group's two principal companies, which each have their own financial functions) and tracks the Group's financial performance.

In addition, some operations relating to the Air France-KLM holding company are entrusted to Air France via a management mandate (notably treasury management).

Insurance functions

The insurance functions are responsible for identifying at-risk sectors of the Group that might impact the operations and financial results, so as to reduce their potential impact or transfer them either to insurers through insurance policies, particularly aviation policies, or to third parties under contractual mechanisms.

They also manage the claims and advise the Group's entities on reducing and controlling their risks.

There are aviation insurance policies in place for the Air France Group and the KLM Group to cover civil liability, damage to aircraft, and risks of war, which constitute the major financial and legal risks of any airline.

Legal functions

The legal departments of Air France-KLM, Air France, and KLM perform a consulting mission for their management and decentralized organizations, notably in the areas of corporate law, competition law, transportation law, contract law, and insurance law. They cooperate to establish the Group's legal policy.

Legal Affairs draws up a systematic inventory of the disputes in process to be able to assess the risks and constitute the corresponding provisions booked as liabilities.

Compliance functions

The Air France-KLM Group has deployed an organization dedicated to compliance.

The Air France-KLM Compliance department, which reports to the Air France-KLM Corporate Secretary's office, and is headed by the VP Group Compliance Officer, is in charge of anti-corruption and business ethics, personal data protection, and trade compliance. In coordination with the airlines' and subsidiaries' compliance teams, the Air France-KLM Compliance department is notably responsible for defining the compliance programs for the Air France-KLM Group, assisting the businesses in deploying them, and monitoring their effectiveness as part of a continuous improvement process.

Air France-KLM provides training on the Anti-Corruption Code of Conduct through e-learning campaigns on a regular basis. It also provides annual in-class training sessions on business ethics issues and the operating guidelines for day-to-day activities.

Air France-KLM conducts risk assessments on human rights/sustainability issues internally, and on its suppliers and service providers as part of its vigilance plan (including evaluation and corrective measures).

All business ethics incidents raised through the reporting lines are investigated by the dedicated teams, and corrective actions are then implemented in response.

The compliance teams are supported by a network of compliance coordinators appointed in the business divisions and main subsidiaries. Depending on the type of business transaction envisaged and the complexity of the activities exercised within the departments and entities, compliance experts and coordinators facilitate compliance with specific legislation and ensure the roll-out of the relevant elements of the compliance program.

The VP Group Compliance Officer reports to the relevant governance bodies, including the Sustainable Development and Compliance Committee of Air France-KLM. In addition, the Air France Compliance Committee and the KLM Compliance Committee monitor the respective compliance programs of the airlines. Various legal experts also provide advice on compliance with laws and regulations.

Internal Audit

Air France-KLM's Internal Audit is an independent function whose role is to provide independent and objective assurance and consulting services designed to add business value and improve the organization's operations. It helps the Group to achieve its stated objectives by providing a systematic and disciplined approach to evaluate and improve the effectiveness and efficiency of the risk management, Internal Control, and governance processes. The Internal Audit function objectively reviews the reliability of the overall Internal Control procedures implemented by the Group, as well as the controls in place for the processes specific to each business.

Given the Group's governance rules, each company has maintained its own Internal Audit department working in a coordinated mode; the coordination of Internal Audit has nonetheless been in effect since the 2005-06 financial year. The Group's Head of Internal Audit function, which is fulfilled by a Senior Vice President from within the airlines' Internal Audit departments, is responsible for overall coordination and has a functional reporting line into the Group's Chief Financial Officer. The Internal Audit departments of the two sub-groups work in a coordinated manner, using a common audit plan, methodology, planning, and reporting.

The Internal Audit function carries out audits at the level of the Group and its subsidiaries (Air France and KLM). Audits are conducted in collaboration with the internal auditors of the two airlines.

The number of auditors' positions averaged 19 in FTEs (excluding management) in 2024.

The Group Internal Audit function reports on its work to the Group Executive Committee and to Air France-KLM's Audit Committee in an activity report presented twice a year. Since 2020, Internal Audit has also been reporting on its work on extra-financial risks to Air France-KLM's Sustainable Development and Compliance Committee. The conclusions of the Sustainable Development and Compliance Committee regarding the review of the extra-financial risks are then taken into account by Internal Audit in the risk presentations made to the Group Audit Committee.

To execute its mission, Internal Audit, which operates within the framework of the Internal Audit Charter established by the Audit Committee of the Air France-KLM Group, either acts on its own initiative or intervenes at the request of the Group Executive Committee, the Audit Committee, the Sustainable Development and Compliance Committee, or the Board of Directors.

An annual audit program is established and submitted to the Group Executive Committee and to the Audit Committee of Air France-KLM for approval.

The Internal Audit function performs the following activities:

- 1) assurance engagements:
 - Operational Audit: to review the effectiveness, efficiency, and general control over processes,
 - Information and Communication Technologies or Electronic Data Processing (EDP) Audit: to assess the effectiveness and efficiency of internal controls related to information and communication systems,
 - Compliance Audit: to check compliance with laws and regulations and/or standards, procedures and/or policies issued by the Group, and
 - Post audit: to check follow-up on findings in previous assurance engagements;
- 2) consulting engagements: advisory services performed at the specific request of the business management. When performing advisory services, the Group Internal Audit function must maintain its objectivity and not take management responsibility;
- 3) other activities:
 - fraud investigations: to prevent, detect, and investigate significant suspected internal or external fraudulent activities,
 - Enterprise Risk Management: to facilitate and improve the process of risk management,
 - other activities related to audit work.

Once completed, the conclusions of the assurance engagements are summarized in a report highlighting the findings, the risks, and the corresponding recommendations. For consulting engagements or other activities, a report is issued in which the main recommendations and/or observations are included.

The audited entities are required to establish remedial action plans. Internal Audit provides follow-up on the implementation of the action plans by the action holder(s).

In 2023, the Internal Audit department successfully concluded its recertification, which was performed by the IFACI Certification Team. This external quality assessment concluded that Air France-KLM's Internal Audit generally conformed with all the 10 Core Principles for the Professional Practices of Internal Auditing.

Organization of responsibilities

The organization of the individual companies has been defined to ensure compliance with the principles of secure and effective operations. It specifically takes into account the regulatory requirements governing air transportation, notably with regard to air operations (see section 3.2.2 "Identification and evaluation of the risks"), ground operations, and engineering and maintenance, as well as airline catering and security.

The managers of the relevant entities and subsidiaries are required to apply these principles and organization at their level, and to ensure that the organizational charts, job descriptions, and procedures defined by business process are up to date. They must ensure their consistency and adequacy and verify that they are taken into account in the main information systems and appropriately integrated within the organization.

Internal Control tools

Charters and manuals

Air France, KLM, and their respective subsidiaries have a Social Rights and Ethics Charter entitled the "Air France-KLM Principles," which enshrines their individual commitments to Corporate Social Responsibility by orienting their corporate and ethical policy toward respect for individuals at the professional, social, and citizenship levels.

The Air France Group deploys a charter for the prevention of harassment in the workplace, which complies with French legislation and is part of a contractual approach through agreements signed for the benefit of employees. The legal purpose of this charter is to set forth the principles of prevention, define actions, stress everyone's individual legal and human responsibilities, and establish internal prevention procedures.

The KLM Group has published a Code of Conduct addressing the following principal matters: compliance with laws and regulations, conflicts of interest, confidentiality, the safeguarding of assets, environmental protection, Corporate Social Responsibility, and intellectual property.

Air France and KLM have a Code of Ethics intended primarily for employees in the finance function (see also section 4.5.3 "Business ethics").

Manuals to prevent non-compliance

The Air France-KLM Group employees have access to a series of manuals and policies on the intranet sites. With regard to the prevention of corruption, the Anti-Corruption Code of Conduct and its associated policies affirm the Air France-KLM Group's commitment to conducting business with loyalty, fairness, transparency, honesty, and integrity, and in strict compliance with anti-corruption laws wherever the Group or its subsidiaries are registered and exercise their activities. The Anti-Corruption Code of Conduct establishes the guidelines for preventing corruption and for identifying and handling at-risk situations in light of anti-corruption legislation, with examples derived from risk mapping or reported dilemmas. These documents are subject to regular reviews for updates and improvements whenever needed.

The Competition Law Compliance Manual emphasizes the objectives of integrity and transparency and contains instructions on the prevention of anti-competitive agreements and the abuse of market power. For more details, see section 4.5.2 "Organization and key elements of the ethics and compliance programs."

Internal Audit Charter

In 2023, the Air France-KLM Group's Internal Audit Charter was signed by the Group's Chief Executive Officer, the Chair of the Group Audit Committee, and the Head of the Group Internal Audit function.

The Internal Audit Charter defines the mission of the Group Internal Audit function and guarantees its independence as well as the conditions under which the function operates.

In accordance with the International Professional Practices Framework (IPPF), issued by the Institute of Internal Auditors (IIA), the Charter formalizes the position of audit within the company and defines its mandates.

Internal Control Charter

The Internal Control Charter defines the commitments of the three top executives of Air France-KLM, Air France, and KLM, and stipulates the main components of internal control within the Group: governance and the most important tools enabling its exercise, an outline of the overall Internal Control process, and the different Internal Control activities (verification of the entity's environment, transactional controls, and overall IT control).

Procurement Manual

The organization of the Procurement function common to Air France and KLM is outlined in the Procurement Manual.

The Procurement function regularly updates the Quality reference system. This reference system comprises, notably, the Purchasing Code of Ethics for Employees, which stipulates the rules of conduct for Air France-KLM buyers when they deal with suppliers or service providers, and informs all those involved in the process of the limits that must not be exceeded.

Quality reference system

The Air France and KLM quality management systems are based on the following principal external and internal standards:

■ External standards

Operations: European regulations and the applicable general laws, international standards (ICAO, IATA, etc.), and those specific to aeronautics maintenance (Part 145, etc.).

Passenger service: European and US regulations (Special Care Passengers), service commitments of those involved in air transportation (airports).

Management, the environment, documentation, food safety, health and safety in the workplace: ISO series 9001, 14001, 15489, 22000, and ISO 45001.

■ Internal standards

These represent the application of the external standards, adapted to the processes of each company.

Regulatory level: operating, maintenance, and safety manuals, etc., and the related general procedures, which are mostly subject to formal approval by the administrative authorities issuing the authorizations (DGAC, IVW-DL, FAA, etc.).

Management systems: the Air France Integrated Management System/IMS Manual and the KLM Safety Management System/Manual, together with the related general procedures like the Quality-Safety-Environment manuals of the entities, the manuals on health and safety in the workplace, Flight Safety management, environmental management, and management of the Company's food hygiene, together with the related general procedures.

Passenger service: standards, service signatures, the five attitudes, the PAMs (Passenger Airport Manuals), and the general sale and after-sales conditions, together with the other procedures associated with customer service common to Air France and KLM.

3.3.2 Fundamental components of internal control established within the Group

Based on analysis of the potential major risks, taking into account the changes inside and outside its operations, the Group has established and implemented the fundamental components of Internal Control, aimed at preventing and controlling, insofar as possible, risks that are both financial and sustainability-related in nature, and evaluating its ability to implement the appropriate remedial measures.

Operational procedures and processes

Management of the quality system

Both the Air France Integrated Management System/IMS Manual and KLM Safety Management System/SMS Manual outline all the general provisions of the quality assurance system applied in the two companies, i.e., the overall organization, management processes, and the procedures and resources required to implement quality management and meet the expectations of customers and other stakeholders.

In each division of the two companies, an ISM/ISMS review takes stock of the operation of the ISM/ISMS management systems and measures the performance of the main steering processes.

In addition to the regulatory approvals enabling each company to carry out its activities, progress is recognized in the achievement of certification from independent bodies, notably, for example:

- for Air France:
 - IOSA certification (IATA Operational Safety Audit) since September 2005, medium-term audit October 2025 and renewal audit scheduled for the end of 2026,
 - Air France global IMS certification based on the ISO 14001 (environment) and ISO 22000 (food safety) renewal audit in April 2023. The certification is valid until September 2026;
- for KLM:
 - the ISO 14001/Environment and ISO 50001/Energy certifications were renewed in 2024 and remain valid until 2027,
 - IOSA certification (IATA Operational Safety Audit): The audit was performed in November 2024 and is valid until March 2027; it will be renewed in the fall of 2026.

Quality assurance

Control over the operational processes is based primarily on two monitoring methods:

- a) internal monitoring is carried out by the quality assurance departments and is articulated around:
 - an audit and inspection program (covering, in particular, organization and management, flight operations, in-flight service, flight planning, ground handling and freight, hazardous merchandise, and engineering and maintenance),
 - regular monitoring of operations with incident analysis and routine use of debriefing,
 - proactive prevention processes;

- b) external monitoring is carried out by the Civil Aviation Authorities (IVW-DL, DGAC, FAA, etc.) and specialized certification bodies, and takes the form of audits of the operating principles and of the Group's proprietary internal monitoring system. Air France and KLM are also regularly audited by their customers and partners.

Monitoring of partners

Control over sub-contractors and suppliers is undertaken within the framework of the regulatory monitoring program approved by the Civil Aviation Authorities.

Codeshare partnerships are subject to an additional requirement to comply with IOSA standards that are recognized by the profession as the ultimate reference in flight safety and security. The general rule is that partners are IOSA-certified except in the specific case when, for example, the size of aircraft excludes the airline from the IOSA scope. In this case, the partner airline is not IOSA-certified, and Air France and KLM implement a special technical monitoring process aimed at providing a reasonable assurance of an equivalent level.

In terms of control over the monitoring process, the supervision of the effective implementation of preventive/remedial actions resulting from this overall monitoring is ensured by the quality assurance departments, coordinated within each airline.

More generally, the sub-contractor control procedure addresses all the areas of risk. It is reflected in the realization of monitoring activities like audits, inspections, and checks, sometimes carried out by the sub-contractors themselves. Monitoring is ensured on a quarterly basis. An expanded transverse action plan is in place, taking into consideration the new legislation on the duty of vigilance. More globally, an action plan covering the monitoring of sub-contractor activity is deployed in the different Air France-KLM entities and coordinated at the corporate transverse level in dedicated steering committees.

Information systems

The control procedures cover the information and telecommunication systems.

These procedures aim to ensure the:

- reliability of the IT and telecommunications systems;
- integrity of data through the appropriate resources, infrastructure, and checks;
- continuity of IT services and the availability of data at the production sites through a local contingency strategy, secure architecture, and a security system covering external access points;
- confidentiality of information within the framework of national laws and the security of IT infrastructures through the establishment of secure, monitored, and effective accesses.

The managements of the Air France Group and the KLM Group ensure that the resources and expertise required by the information systems are developed within the framework of defined strategic objectives.

Project management and software application development tools are also deployed. Air France-KLM has adopted an “Agile” development process based on the SCRUM and DEVOPS methodologies. The main aims are to generate business line added value more rapidly, accelerate “Time to Market,” and align IT and business line objectives by prioritizing value, avoiding the development of rarely used functionalities, reducing the risks at the earliest-possible opportunity, streamlining the development and maintenance processes, and increasing the effectiveness of the teams.

The work carried out in connection with Internal Control projects and the ongoing project to gradually establish a coordinated and optimized organization are leading to the launch of action plans designed to strengthen Internal Control, particularly with regard to risks related to business continuity and personal data protection.

The Group’s Information Technology division defines the policies establishing the framework for the functioning, security, and consistency of the information systems deployed and has published an Information Security Manual (ISM – ISO 27001 standard), establishing a common security policy for information systems.

Procurement

The common Air France-KLM Procurement organization has been operational since September 1, 2008, and is headed by a Group Chief Procurement Officer from KLM, seconded by an Air France Senior Vice President, Procurement. It is structured around seven procurement teams. These procurement teams act in a transverse and coordinated manner for each of the Air France-KLM Group, Air France, and KLM as well as for, when required, a number of the Group’s airline subsidiaries.

The activity of the Procurement function aims to supply the entities with suitable products and services at the required time, at the best possible cost of ownership, and at the lowest possible risks.

This is achieved by applying a procurement policy focused on the expertise of the buyers through separate responsibilities (buyer, prescriber, and supplier), the establishment of contracts, and the use of various (electronic) tools.

The CPO Board, comprising the Group Chief Procurement Officer from KLM and Air France’s Senior Vice President, Procurement, coordinates the Procurement teams through regular meetings and presents the procurement performance and developments to the CFOs on a quarterly basis.

The Heads of Procurement meet on a regular basis in the different structures (e.g., the Quarterly Air France-KLM DPO Meeting, a Quarterly Performance Meeting, direct meetings between Heads, etc.) to develop joint programs and share best practices.

To assess the risks related to sustainability (environmental, ethics, procurement, social), vendors are analyzed and evaluated by EcoVadis, a company mandated by Air France-KLM, with the emphasis on high-risk segments such as production in low-cost countries, and with a minimum score requirement. In addition, all procurement-managed vendors are required to commit to a Code of Conduct, reflecting Air France-KLM’s sustainability requirements. In addition, high-emitting suppliers are required to conduct a CDP (Carbon Disclosure Project) Assessment providing clear insight into the environmental impact of these suppliers.

All new vendors are assessed for their level of financial risk on the basis of the Dun & Bradstreet evaluation. Risk reduction strategies are required for vendors with a high level of financial risk.

New and existing vendors are also screened for any possible trade regulation-related risks through a dedicated application known as “Accuity.”

Aeronautical suppliers in the Engineering & Maintenance area are required to re-register and re-qualify every three years. During the registration and qualification process, they are required to share extensive documentation (including certificates as proof of their compliance with external regulations) to secure full qualifications as a vendor for Air France-KLM.

Additionally, to reduce the risks at the Air France-KLM level, all contracts with vendors include clauses on anti-bribery, personal data handling, and other relevant risk areas.

Lastly, in 2022, Air France-KLM Procurement Strategy & Services (PSS) established a holistic Risk Management Framework to describe all the risks related to procurement activities, along with their mitigation processes and supporting tools.

Prevention of ticketing fraud

A fraud prevention organization is responsible for preventing, insofar as possible, risks relating to:

- the fraudulent issuance and use of illegally purchased tickets (credit cards and other means of payment);
- the protection of loyalty programs (individual and corporate clients) in terms of both earn and burn;
- external ticketing fraud other than the two items above;
- internal fraud.

A fraud prevention activity report was submitted to the Audit Committee in November 2024.

Both Air France and KLM have put in place whistle-blower procedures.

Prevention of financial fraud

Due to the proliferation of cases of attempted fraud, the Group has strengthened its internal control processes with detailed anti-fraud prevention policies with instructional notes. Both Air France and KLM carry out an annual Fraud Risk Assessment.

Evaluation and monitoring of Internal Control

When establishing its internal control framework (financial and sustainability information) and risk management process, Air France-KLM chose the COSO (Committee of Sponsoring Organizations of the Treadway Commission) 2013 standard and the COBIT (Control Objectives for Information and Related Technology) 5 as its starting point.

3.3.3 Internal control relating to the establishment and processing of financial and accounting information

Based on an analysis of the significant entries in the consolidated financial statements and an assessment of the risks, including compliance and reputational risks, the airlines have identified the most significant divisions and subsidiaries and, within these divisions, the processes that make a predominant contribution to the establishment of the financial statements.

The Group's major divisions and subsidiaries had thus evaluated the effectiveness of their Internal Control relating to financial information as at December 31, 2024.

Pursuant to Article L. 823-19 of the *Code de commerce*, the Audit Committee oversees the process of preparing the financial information and, when necessary, formulates recommendations to guarantee the integrity of the financial information preparation process, the effectiveness of the Internal Control and risk management procedures and, as necessary, of Internal Audit, with respect to the procedures required to prepare and process the accounting and financial information, with no compromise to its independence. It also ensures that the Statutory Auditors perform their engagement and comply with the conditions for their independence.

Financial procedures and processes and the accounting year-end

Finance processes

Investments are managed at the level of each company, and the decision-making process is coordinated by the Group Investment Committee (GIC) through decision-making platforms (above €0.5 million) bringing together all the stakeholders (business line and management controllers at the Company and Group level). This Group Investment Committee is composed of Air France-KLM's Chief Financial Officer and the Chief Financial Officers of Air France and KLM.

All investments of more than €5 million, together with transactions relating to the fleet and shareholding and divestment transactions, are submitted for approval to the Group Executive Committee by the Group's Chief Financial Officer. In addition, all investments, acquisitions, or disposals of assets (in particular the fleet or shareholdings in any company) or the conclusion of operating leases representing a total amount of more than €150 million, carried out at the level of Air France-KLM, Air France, or KLM, must be authorized in advance by the Board of Directors of Air France-KLM.

The management of Air France-KLM's financial market risks is overseen by the Risk Management Committee (RMC), which meets at least each quarter to define the risk management strategy of the Group. After examining the various Group risk reports, the RMC determines the hedges to be set up during the coming quarters with, notably, the hedging ratios to be achieved, the time period for adhering to these targets and, potentially, the preferred type of hedging instrument.

These decisions are then implemented in each company by the respective Treasury Management departments, pursuant to the procedures for the delegation of powers.

Regular meetings are organized between the Treasury Management departments of the two companies to optimize the coordination of recommendations made to the RMC and subsequent decision implementation (hedging instruments, the strategies planned, and counterparties).

The fuel hedges are covered in a weekly report forwarded to the General Managements of the Air France-KLM Group, Air France, and KLM. A summary of the cash positions of Air France, KLM, and Air France-KLM is communicated weekly to the Air France-KLM Group's General Management.

The Air France-KLM, Air France, and KLM cash positions are the subject of monthly reports to the Finance departments. These reports include the interest rate and currency positions, the portfolio of hedging operations, a summary of investments and financing by currency, and a tracking statement of the risk exposure by counterparty. The Risk Management Committee sets the minimum thresholds in terms of the financial quality of counterparties, determines the maximum amount to be allocated to a single counterparty, and is responsible for monitoring the quarterly positions.

The hedge strategies aim to reduce the exposure of Air France-KLM and therefore to preserve budgeted margins. The instruments used are futures, swaps, and options. The internal risk management procedures prohibit instruments characterized as trading instruments unless expressly authorized by the Chief Financial Officer of Air France-KLM. All the instruments used must qualify as hedging instruments pursuant to the IFRS accounting rules. Generally speaking, no trading or speculation is authorized.

Any substantive change in the hedging strategy is the subject of a systematic presentation to the Group Audit Committee.

Accounting and financial statements process

The consolidated financial statements of the Air France-KLM Group are prepared on the basis of the data provided by the finance departments of all companies controlled by the Group.

The Group is primarily composed of the two operational sub-groups, Air France and KLM, which prepare their own consolidated financial statements prior to their consolidation within the Air France-KLM financial statements.

The accounting information reported by the various companies follows the Group's accounting format, rules, and methods described in the Accounting Procedures Manual, based on IFRS.

The consolidated financial statements are submitted to the General Management and then presented to the Audit Committee every quarter. Furthermore, the half-year and annual financial statements are also audited by the Statutory Auditors prior to their formal closure.

The financial statements of the holding company Air France-KLM are presented annually to the General Management and the Audit Committee, are approved by the Board of Directors, and are audited by the Statutory Auditors.

Process for reporting passenger and cargo revenues

This process is performed in each of the companies and enables monthly revenue figures to be communicated to the management. Furthermore, Air France and KLM have established a procedure known as the "progressive daily revenue" process, making it possible to know the estimated amount of passenger revenues for the previous day.

In addition, departments of the Group, Air France, and KLM analyze the results by market and by route (unit revenues per revenue passenger-kilometer, per available seat-kilometer, per revenue ton-kilometer etc.) at the level of the passenger and cargo businesses.

A monthly presentation on the level of transportation revenues (passenger and cargo) is also made to the Group Executive Committee by the senior managers of these entities.

The Shared Services Center (SSC) in Toulouse is in charge of commercial Passenger revenues for the companies Air France and KLM, while the Shared Services Center at Amsterdam-Schiphol is responsible for commercial Cargo revenues for the Group (Air France, KLM, and Martinair).

For these two activities, service level agreements have been signed between Air France, KLM, and Air France-KLM.

Management Control reporting process

The Group Corporate Control department coordinates the reporting process with the Corporate Controllers of Air France and KLM.

In liaison with the Group's principal divisions and subsidiaries, these three teams of controllers then analyze the past month's financial results and estimate the results for the coming months (forecast adjustment process) through to the end of the current financial year.

Once the accounting result for the month is known, Group Corporate Control produces a monthly document (known as the Group management report) that summarizes the monthly key business, employee-related, and financial data, both actual and for the coming months, in order to determine the forecasted outcome for the current financial year for the Group, Air France, KLM, and each business line. The same applies to the figures related to cash flow and the cash and debt positions.

This monthly Group management report is distributed and presented to the Group Executive Committee by the Group Corporate controller.

In addition, management review meetings take place on at least a quarterly basis between the CEOs, CFOs, and Executive Vice Presidents of the Passenger, Cargo, Engineering & Maintenance, and Transavia businesses.

3 RISKS AND RISK MANAGEMENT



4.

Corporate social responsibility: Sustainability statement

4.1	General information	208	4.4	Governance information	333
4.1.1	Basis for preparation	208	4.4.1	Business conduct (ESRS G1-1, G1-3, G1-4)	333
4.1.2	Strategy	209	4.4.2	Political Engagement & Lobbying Activities, Economic & Social Value of Air Transportation (G1-5)	343
4.1.3	Governance	218	4.5	Appendix	347
4.1.4	Impacts, risks and opportunity management	227	4.6	Auditors report on the certification of sustainability information	368
4.2	Environmental information	232	4.7	Monitoring of Act No. 2017-399 known as the Duty of Vigilance Law	372
4.2.1	Climate change (ESRS E1)	232			
4.2.1.5	National Low-Carbon Strategy (SNBC)	253			
4.2.2	Air pollution (ESRS E2)	260			
4.2.3	Resources use and circular economy (ESRS E5)	264			
4.2.4	The European Taxonomy	268			
4.3	Social Information	287			
4.3.1	Own workforce (ESRS S1)	287			
4.3.2	Workers in the value chain (ESRS S2)	314			
4.3.3	Affected communities – Noise management (ESRS S3)	318			
4.3.4	Consumers and end-users (ESRS S4)	323			

4.1 GENERAL INFORMATION

4.1.1 Basis for preparation

4.1.1.1 General basis for the preparation of the sustainability statement (BP-1)

The sustainability statement for the 2024 financial year has been prepared in accordance with European Union Directive 2022/2464 on Corporate Sustainability Reporting (the CSRD Directive) as transposed in France according to transposition order No. 2023-1143 of December 6, 2023 and presents the annual sustainability information for Air France-KLM as of December 31, 2024 in compliance with the applicable European Sustainability Reporting Standards (the "ESRS standards"), Article L. 233-28-4 of the French Commercial Code and the Taxonomy regulation.

Air France-KLM's sustainability statement has been prepared on a consolidated basis, on the same scope as the financial statements, and includes its subsidiaries that are exempted from individual or consolidated sustainability reporting, notably Air France SA and Koninklijke Luchtvaart Maatschappij N.V. (KLM).

This sustainability statement covers the Air France-KLM value chain, and specifically:

- the materiality assessment of impacts, risks and opportunities was conducted over the upstream and downstream value chain, in the boundaries described in section 4.1.2.1, "Strategy, business model and value chain (ESRS2 SBM-1)";
- policies, actions and targets do not extend to the value chain, except when stated otherwise (see in particular section 4.3.2 "Workers in the value chain (ESRS S2)");
- metrics do not include value chain data, except when stated otherwise (see in particular section 4.2.3.3 "Metrics – Waste management and circularity (E5-5)").

4.1.1.2 Disclosures in relation to specific circumstances (BP-2)

This sustainability statement was prepared in the context of the first year of application of the CSRD provisions. Air France-KLM has endeavored to apply the normative requirements set by the ESRS standards, as applicable on the date of preparation of the sustainability statement, on the basis of the information available within the timeframe for the preparation of this report.

In this context, Air France-KLM is committed to continuously improving its sustainability reporting processes. Based on the best practices observed and any future market recommendations, as well as future developments in regulatory and normative provisions, Air France-KLM may be required to review its reporting and communication practices in its next sustainability statements. These developments, if they were to arise, will be explained and justified with all the required transparency.

Time horizons

In accordance with the Air France-KLM risk assessment framework, the time horizons used in the assessment of its impacts, risks and opportunities (see section 4.1.4.1 "Process to identify and assess material impacts, risks and opportunities (IRO-1)") are as follows, unless stated otherwise:

- short term: up to 18 months
- medium term: up to 5 years
- long term: more than 5 years

Sources of estimation and outcome uncertainty

This first sustainability statement is characterized by contextual specificities linked to the first year of application of the ESRS standards:

- a lack of established practices, in particular with regard to an in-depth analysis of impacts, risks and opportunities or the definition of materiality thresholds (see section 4.1.4 "Impacts, risks and opportunity management");

- the use of scope limitations and proxies on a case-by-case basis on certain data, especially whenever the Group was unable to collect the necessary data for reporting, as specified in the methodology notes attached to the metrics disclosed in the thematic sections of the sustainability statement

Disclosures stemming from other legislation

Pursuant to Article 66 of the Amending Finance Act for 2020, law No. 2020-935 of July 30, 2020 and its decree of November 2, 2021 on the National Low-Carbon Strategy ("SNBC"), specific disclosures have been prepared in the Air France-KLM sustainability statement (see section 4.2.1.5 "National Low-Carbon Strategy (SNBC)").

Incorporation by reference

Information disclosed in other sections of the management report is incorporated by reference and identified as such in the sustainability statement.

Use of phase-in provisions

Air France-KLM has made use of all relevant the phase-in provisions set in Appendix C of ESRS 1 ("List of phased-in Disclosure Requirements"), except for the following information that is already included in this sustainability statement:

- Average number of training hours (see section 4.3.1.6.7 "Metrics – Training and skills development (S1-13)").

4.1.2 Strategy

4.1.2.1 Strategy, business model and value chain (ESRS2 SBM-1)

Air France-KLM's Strategy, Business model and Value Chain will be described in accordance with the Group's main activity: air transport of passengers and cargo and maintenance activities.

Sustainability strategy

Sustainability is a collective responsibility, and Air France-KLM is committed to playing its role. The Group supports the adoption of ambitious environmental targets, advocating for an industry-wide transformation that ensures a global level playing field.

The Group is aware of the impact of the aviation sector on climate change and has developed a climate policy that outlines the principles that inform decision making within Air France-KLM, proposes levers for a Transition Plan and sets targets for progressively reducing the Company's climate-related impact.

The Group Transition Plan⁽¹⁾ reflects the ambition to reduce its emissions by:

- adapting its products, services and operations;
- accelerating the renewal of its fleet with more fuel-efficient aircraft;
- progressively replacing fossil fuel by alternatives with lower GHG emissions.

Air France-KLM is committed to its social responsibility, caring for people and cultures by:

- taking action to reduce noise pollution, investing in less noisy aircraft, developing and implementing noise abatement operational procedures, and working with airports and air traffic control to reduce noise exposure for communities;
- aiming to create a safe and motivating environment for its employees by promoting social dialogue, leading diversity and inclusion programs and continually developing employee skills to ensure professionalism and employability;
- striving to add economic and social value in the areas in which it operates, working together with local partners and supporting projects that contribute to future generations and local communities through its procurement.

Business model: description of products, services, markets, customers

The Group's business brings together people, economies, and cultures and drives economic growth and social progress.

The overarching ambition of Air France-KLM is to become a leading aviation company in Europe, supporting the ongoing industry-wide transformation through a Transition Plan structured with levers including the renewal of its fleet renewal, the use of SAF, the continuous improvement of its operational measures and inter-modality.

The Group's activity portfolio (see Chapter 1 of the 2024 Universal Registration Document, section 1.3 "Activities in 2024") is composed of a large range of services, products and partnerships aiming at fostering the Group's economic performance and social contribution.

The value creation model (see Chapter 1 of the 2024 Universal Registration Document, section 1.2.3 "Value creation model") shows the impact areas where Air France-KLM adds value and which, thanks to its fundamental strengths and unique competitive advantages, enables a response to societal and environmental challenges. As part of its day-to-day activities, the Group interacts with its stakeholders (employees, shareholders, customers, suppliers, authorities, local communities, and players in civil society such as NGOs, etc.), while its activities and operations have multiple impacts on society at large.

Value chain

A detailed description of the Group's value chain, covering both upstream and downstream aspects, is provided below:

Main features of the upstream value chain

The upstream value chain of Air France-KLM is composed of many suppliers involved in the Group's main activity: transport of passengers and cargo by air (including network business – passenger and cargo – and low-cost business – Transavia) and maintenance activities.

The operation of Air France-KLM's air transport services is supported by a robust upstream value chain comprising a network of dedicated suppliers and partners.

Central to the Air France-KLM operations is its fleet, supplied by aircraft manufacturers and aircraft lessors. These aircraft form the cornerstone of its passenger and cargo transport services. To maintain the highest safety standards, aircraft are revised and repaired by Maintenance, Repair and Overhaul (MRO) providers. This service is partly internalized as the Group has a maintenance business called Air France Industries & KLM Engineering & Maintenance ("AFI KLM E&M"). Therefore, to run this activity, the Group relies on spare part manufacturers, also known as OEMs (Original Equipment Manufacturers).

Fuel and SAF supply is a critical component for airlines. Air France-KLM work closely with fuel and SAF suppliers to ensure a steady and sufficient fuel supply for its fleet. The use of SAF is one of the main levers of Air France-KLM's carbon reduction strategy.

⁽¹⁾ For more details on the Transition Plan, refer to section 4.2.1.3.1 "Transition plan for climate change mitigation (E1-1)".

Passengers access Air France-KLM's services through various transport options, including other airlines via code-sharing, interlining and hybrid mobility solutions such as train services. Airports are part of the upstream value chain of the Group. Airport facilities and infrastructures allow Air France-KLM to welcome passengers, cargo and aircraft. Airports are the meeting point of the Group's upstream and downstream value chain, bringing operations and customers at the same place.

From a Cargo perspective, freight forwarders provide the Group with goods to be transported from origin to destination.

At the airports, aircraft preparation for subsequent flights involves several suppliers. Ground handlers manage operations ranging from refueling to luggage handling, while catering suppliers deliver meals directly to the aircraft. IT services providers ensure smooth operations with advanced software and hardware solutions. Air Navigation Service Providers are crucial for the safety of the Group's flight operations.

It is noteworthy that Air France-KLM partly internalizes other services, including ground handling and catering.

Main features of the downstream value chain

The downstream value chain of Air France-KLM is focused on delivering services to our customers and end users of the Group's services.

In passenger transport, the Group's clientele includes a diverse range of customers and end users. Individual passengers travel for leisure or to visit friends and family, while corporate passengers travel for work-related purposes. Air France-KLM caters to their needs through direct sales channels, including Air France-KLM agencies, mobile apps, and websites, as well as indirect channels via travel and corporate agencies, available both online and offline.

For cargo transport services, freight forwarders are Air France-KLM's primary customers and end users. These services are marketed through different distribution channels, providing flexibility and accessibility. Sales occur directly through Air France-KLM agencies, mobile apps, and websites, and indirectly through corporate agencies, both online and offline.

Air France-KLM's commitment to excellence extends to its Maintenance, Repair, and Overhaul (MRO) services. Through AFI KLM E&M, we provide these services to other airlines that are therefore part of the downstream value chain of the Group.

Main value chain actors

KEY SUPPLIERS

Key suppliers	Description / Relationship to AFKL
Airport facilities	Airport infrastructures and their managing organizations are responsible for providing and overseeing all equipment, runways, and facilities dedicated to aircraft, passengers, and cargo. These facilities enable Air France-KLM to accommodate planes and passengers, utilizing the infrastructure to conduct its operations effectively.
Fuel and SAF suppliers	Fuel and SAF suppliers deliver the fuel essential for Air France-KLM to operate its aircraft, enabling the transportation of passengers and cargo from one location to another.
Ground handlers	This encompasses a variety of services related to an aircraft while it is on the ground, including repositioning, pre- and post-flight preparation (such as refueling, marshaling, parking, towing, and luggage handling). Ground handlers support Air France-KLM in all ground operations, ensuring the aircraft is properly managed between flights. This allows Air France-KLM to transport passengers and cargo safely, on time and efficiently.
Catering providers	This pertains to the production and supply of food for each flight. Catering providers handle the provision of all in-flight meals for Air France-KLM flights, managing the production and delivery of food to the aircraft and waste disposal after each flight.
Aircraft OEMs or Lessors	Aircraft manufacturers or aircraft leasing companies. They provide aircraft and/or engines to Air France-KLM.
Spare parts manufacturers	This pertains to manufacturers of spare parts. They supply the essential components required to maintain and repair aircraft, ensuring compliance with security and safety regulations.
Air Navigation Service providers (ANSP)	Organizations that provide navigation services to aircraft within airspace to ensure the safe and efficient passage of aircraft globally. ANSPs assist Air France-KLM pilots in navigation, ensuring the Group transports passengers from point A to point B without encountering any issues while being in the sky.

Key suppliers	Description / Relationship to AFKL
MRO providers	Aeronautical Maintenance, Repair and Overhaul (MRO) covers all the activities that keep the fleet and equipment in good operating order. This includes routine maintenance tasks and major overhauls and repair. MRO providers ensure Air France-KLM's fleet airworthiness with the highest safety standards.
Airlines – Train companies	Other airlines or train companies that transport Air France-KLM passengers from/to the airports where Air France-KLM operates through train transportation (hybrid mobility), interline, or codeshare agreements with other airlines
IT services providers	IT services provide equipment (software and hardware) and services that help the Group run its activities.
Freight forwarders	Entities that coordinate and organize the transportation of shipments on behalf of shippers. Freight forwarders act as intermediaries for the Group, generating revenue for Air France-KLM. The Group is responsible for ensuring the proper delivery of the entrusted products from one airport to the other.

KEY CUSTOMERS AND/OR END-USERS

Key customers	Description / Relationship to AFKL
Individual passengers	Individuals traveling for leisure or personal reasons. Passengers pay Air France-KLM for their journey, and in return, Air France-KLM guarantees their transportation.
Corporate passengers	Individuals traveling for work-related purposes. A company pays Air France-KLM for an employee's travel, and in return, Air France-KLM ensures their transportation.
Freight forwarders	Entities that coordinate and organize the transportation of shipments on behalf of shippers. Freight forwarders act as intermediaries for the Group, generating revenue for Air France-KLM. The Group is responsible for ensuring the proper delivery of the entrusted products.

DISTRIBUTION CHANNELS

Key Distribution channels	Description / Relationship to AFKL
Air France-KLM	The Group's sales department, mobile applications and websites allow individuals, corporate passengers, and cargo customers to book their flights directly from Air France-KLM.
Travel/corporate agents	Agencies assist individuals and corporate passengers in booking their trips, including flights and hotels. They serve as one of the initial points of contact for the Group's potential customers, acting as both a source of revenue and a key element of the Air France-KLM customer experience.
E-travel agents (online travel agencies)	Online platforms that act as intermediaries between travel inventory suppliers, such as airlines, hotels, and tour operators. These online agencies contribute to the Group's revenue, showcasing Air France-KLM's products and serving as a distribution channel for the Group.

Approach to gathering, developing and securing inputs

Air France-KLM has entered into various agreements and contracts with different suppliers. These agreements assist the Group in managing and securing the necessary resources to conduct its activities, despite potential challenges with some suppliers.

Expected benefits for customers and society

Air France-KLM business brings connectivity to the world by gathering people together and helping customers discover new places and new cultures. In addition, the Group's activities drive social progress and economic growth by securing the sustainability of global economic exchanges.

Air France-KLM contributes to employment in France, the Netherlands and regions where the Group operates. Air France-KLM provides qualified jobs and fosters its employees' personal development (see Chapter 1 of the 2024 Universal Registration Document, see more details in section 1.2.3 "Value creation model").

Throughout its value chain, Air France-KLM also creates indirect jobs and indirect economic activity contributing to the socio-economic dynamic of France, the Netherlands and other regions. Economic growth is also supported by the Group's large network allowing efficient transport of people and goods. For more information, see section 4.4.2 "Political Engagement & Lobbying Activities, Economic & Social Value of Air Transportation (G1-5)".

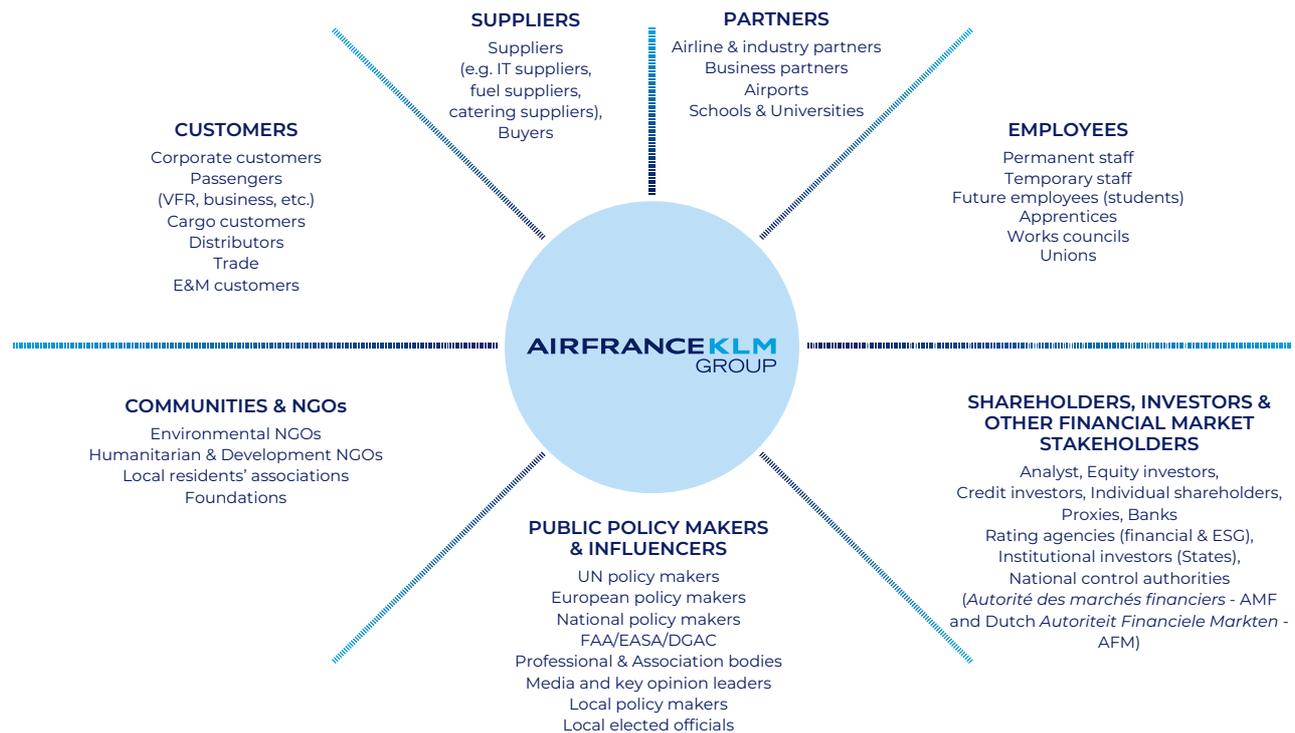
The Group supports research and innovation projects that contribute to the aviation industry's carbon footprint reduction and aim for a more efficient use of resources. The Group is actively mobilizing the sector to develop an international market for SAF through, for example, the Air France-KLM Corporate SAF Program.

4.1.2.2 Interest and views of stakeholders (ESRS2 SBM-2)

Stakeholder engagement is a key lever for achieving a successful environmental, social and governance transition for the Group. Ongoing dialogue and a mutual understanding of the challenges facing Air France-KLM and its environment are key to building long-term relationships with stakeholders and to co-constructing and developing appropriate, innovative solutions. The Group interacts closely with various stakeholders and pays great attention to their expectations. Several initiatives enable their perception to be evaluated on a regular basis through, in particular:

- internal barometers and meetings to gather employee suggestions;
- customer perception and satisfaction surveys;
- regular exchanges with institutional and individual shareholders, mainstream and Socially Responsible Investment (SRI) investors together with recommendations from extra-financial rating agencies;
- discussions during annual General Shareholders' Meetings (including prior discussions with proxy advisors and shareholders on proposed resolutions);
- dialogue with the authorities and national policy makers;
- dialogue with airports;
- dialogue with NGOs;
- dialogue with local communities on noise management;
- dialogue and evaluation of supplier sustainability performance;
- regular dialogue with financing banks (on financial and sustainability topics)
- exchange of best practices and working groups within the industry and with other large companies;
- opinions and feedback from dedicated email addresses, websites and social media;
- feedback channels deployed to enable stakeholders (particularly employees, customers and residents around airports) to communicate any comments and complaints.

STAKEHOLDER MAP



Each business unit, led by its respective EVP, is responsible for regularly reporting to governance bodies on the Group's interactions and initiatives with stakeholders. These updates are structured and provided consistently throughout the year, in particular, to the Group Executive Committee, the Decarbonization Committee, the Sustainable Development and Compliance Committee and the Board of Directors.

These reports summarize key engagements, outline progress on collaborative initiatives and highlight feedback or concerns raised by stakeholders. For additional information on the governance process, see section 4.1.3.1 "The role of the administrative, management and supervisory bodies (GOV-1)".

OVERVIEW OF THE INITIATIVES UNDERTAKEN WITH STAKEHOLDERS IN 2024**STAKEHOLDER : CUSTOMERS****Platform & other means of stakeholder engagement:**

- Regular interactions between corporate customers and commercial teams, in particular, monthly meetings etc.;
- Events on sustainability;
- Customer referral club;
- Customer focus group on specific sustainability topics.

Topics:

- Discovery of the Group's business and organization;
- Presentation of the decarbonization strategy;
- Tests and approvals of new offers including sustainability elements;
- Reflections on the evolution of commercial offers;
- Dialogue on specific sustainability topics such as the creation of a sustainable development label on Air France's advertising messages.

Outcome including amendments to strategy / business model:

- Need to strengthen the voluntary SAF corporate program;
- Strengthening competitiveness and image: an engaging approach enhances the Group's reputation and helps differentiate it from competitors as well as secure customer's trust and preference;

- Update and review of advertising campaigns;
- Evolution of commercial offers including SAF bundles and options (see section 4.2.1.3.5 "Actions and resources – Climate change policies (E1-3)").

Next steps:

- Continue to improve the quality and level of the Group's products and services, offer a unique travel experience to its customers and create memorable experiences while also moving towards travel with a lower environmental impact (see Chapter 1 of the 2024 Universal Registration Document, section 1.5 "Customer experience");
- Development and enhancement of SAF corporate program - promote the Group's B2B offers;
- Evolution of commercial SAF offers for B2C (see section 4.2.1.3.5 "Actions and resources – Climate change policies (E1-3)");
- Continue to develop catering with reduced environmental impact and involve the customers in the on-board pre-order system to reduce food waste (see Chapter 1 of the 2024 Universal Registration Document, see section 1.5.3 "Air France and KLM are taking action for more responsible travel")

STAKEHOLDER : SUPPLIERS**Platform & other means of stakeholder engagement:**

- Procurement department which works in particular on the "Air France-KLM Responsible Procurement program";
- Procurement Academy (launched in 2021);
- Bi-monthly meetings of the combined Dutch / French procurement teams;
- Foster supplier engagement through various initiatives:
 - AIRPro initiative launched in 2023: Air France-KLM Group and other airlines together with EcoVadis,
 - Carbon Disclosure Project (CDP) Climate Module Assessment,
 - Member of the Flight Challenge;
- Encourage supplier diversity through various partnerships & initiatives e.g.: I am Skyhop Global, AAB In Flight.

Topics:

- Implementation of a sourcing process that aims to select products, services and business partners that align with the Group's ambitions in terms of sustainability;
- Purchasing: strong focus on SAF, exploration of aircraft maintenance and components, airport handling, cargo trucking and onboard products;
- Supplier screening & assessment with EcoVadis to assess their sustainability performance;

- Online courses offered by the Procurement Academy to buyers and other procurement staff. The training covers various sustainability topics including onboarding modules for new buyers;
- Buyer engagement: signature of a Code of Ethics and anti-corruption/ethics training every other year on a regular basis as well as training courses and workshops on various sustainability matters (e.g. EcoVadis, Climate Fresk carbon disclosure project, circular plastics, regulatory changes, etc.);
- Flight Challenge: serves as a platform by bringing together airlines, industry partners, and environmental organizations to collaboratively develop and showcase innovative solutions for reducing the aviation industry's environmental impact.

Outcome including amendments to strategy /business model:

- The Group actively encourages all suppliers to do an assessment with EcoVadis. This assessment is a mandatory requirement for suppliers that have been identified as sustainability high risk suppliers. Find more information in the section on "Supply chain in Chapter 4.7 "Monitoring of Act No. 2017-399 known as the Duty of Vigilance Law";
- The Air France-KLM Procurement team seeks to engage with suppliers based on their EcoVadis assessment score to promote the improvement of their sustainability performance and/or discontinue suppliers that do not meet the Group's requirements;
- AIRPro sector initiative aims to introduce similar standards for procurement to further increase sustainability and supply chain transparency in the aviation industry.

Next steps:

- Promote supply chain transparency: encourage all suppliers to conduct sustainability assessments on a voluntary basis and beyond (legal) compliance;
- Procurement department to actively engage with suppliers who will align with the Air France-KLM Responsible Procurement program;
- Update the procurement policy and develop buyers' engagement and knowledge on sustainability;
- Develop the internal newsfeed: monthly newsletter on sustainability matters.

STAKEHOLDER : EMPLOYEES

Platform & other means of stakeholder engagement:

- Ongoing dialogue with key stakeholders: future employees (students), apprentices, temporary staff, permanent staff, works councils, unions;
- Compulsory training for all executives and managers in 2024 in the "My Climate School" program;
- Training for new recruits;
- Acculturation within works councils and works committees;
- Air France Prospective Committee;
- Employee promoter score (EPS) used by Air France, KLM and Transavia to measure employee satisfaction;
- Regular meetings with employee representatives and works councils at airline level;
- "Flight Plan" roadmap;
- Internal communication tools, development of social media platforms, events at schools and in Group & airlines' premises, newsletters, generic email addresses, etc.;
- Mentorship of trainees.

See for more details section 4.3.1 "Own workforce (ESRS S1)".

Topics:

- Provide a common knowledge base on the challenges and performance of environmental transition;
- Social dialogue regarding the environmental transition;
- Explain the Group's commitments, impacts, actions and results on sustainability matters ;
- Information on performance management and D&I (safe workplace for everyone);
- Attention to stakeholders' expectations: internal barometers and meetings to gather employee suggestions and deployment of feedback channels to enable stakeholders to communicate comments and complaints transition;
- Present and discuss the Flight Plan which aims to motivate employees through a defined action plan at the level of every division of the airlines and the Group including, in particular, an ongoing commitment to diversity, inclusion and interpersonal connection, staff development, support for initiative, promotion of team spirit and collaboration;
- Inform, raise awareness and train employees in the challenges of environmental transition via internal communication;
- Give guidance, evaluate and involve trainees through mentorship programs.

Outcome including amendments to strategy / business model:

- Commit the employees to participating in the environmental transition: employees are both actors and ambassadors of the transformation;
- Identify and support changes in the various business lines linked to environmental transition;
- Airlines are responsible for creating a culture and environment in which everyone feels comfortable and is supported in the right way to make a difference. Employee engagement is steered in all the teams and businesses;
- Foster employee commitment and motivation by offering employees working conditions that enable them to fulfill their professional duties effectively and thus contribute to the Group's performance;
- Creation by KLM in 2024 of a clear survey calendar to obtain insights at every stage of the employee journey and drive improvements in overall employee engagement;
- Mobilize employees to take action on environmental issues to foster innovation and business transformation.

Next steps:

- Launch of the second phase of compulsory training under the "My Climate School" program in 2025 open to all company employees with a personalized section for each business line to enable them to take action at their own level;
- Regular update of the EPS survey by Air France to poll employees on various questions that help understand their expectations;
- Once a year, KLM and Transavia to send a broad questionnaire to complement the EPS measurement;
- Focus on the Group's D&I priorities: leadership, culture and measurement;
- Creation of networks of environmental transition ambassadors in Air France and KLM in order to create a CSR channel to target employees who want to take action on leveraged positions;
- Strengthen the employer brand through partnerships with schools and universities;
- Continue dialogue with unions on transition issues.

STAKEHOLDER : PARTNERS**Platform & other means of stakeholder engagement:**

- Working groups;
- Education-focused partnerships with schools and universities: conferences, presentations, fairs, participation in advisory bodies and committees, etc.;
- Contribution to research and development via partnerships with knowledge institutes and research laboratories and patronage of various chairs such as Air France's patronage of the Novaero chair launched by ENAC to train the future players in the transformation of the transportation sector and help meet the key challenges of reducing aviation's climate and environmental impact, and Air France's contribution to the work of the IPSL chair on non-CO₂ effects. KLM is also actively involved in various initiatives, such as the Electric Flying Connection, Power Up, Heart Aerospace Advisory Board, and the Duurzame Luchtvaarttafel.

Topics:

- Accelerate the emissions reduction of air transport in Europe;
- Build a powerful network to exchange best practices and pool resources on transition issues;
- Conclude new partnerships to foster environmental cooperation;
- Partner with schools and universities: educate students on environmental transition in the airline industry and the reduction in the carbon footprint, and develop employer brand appeal.

Outcome including amendments to strategy / business model:

- Impact thanks to collaboration via sharing resources and know-how e.g., bring together public and private stakeholders around a development plan for SAF. In particular, on September 23, 2024, Air France-KLM ramped up its SAF offtake agreement with TotalEnergies, which will supply up to 1.5 million tons of SAF over a 10-year period (see 2024 Universal Registration Document, Highlights of the 2024 financial year);
- Improvement of employer brand appeal and enhanced student skills;

- Offer customers solutions to reduce their carbon footprints and support environmental projects to develop innovative solutions e.g.:
 - form stronger partnerships with railway companies: to strengthen intermodality competitiveness, create efficient customer connections, offer other travel solutions, e. g., partnership with SNCF (i.e., Air France's rail & air "Train + Air" product) and Eurostar,
 - route and flight path optimization (e.g., partnerships with Open Airlines and OptiFlight),
 - partnership between Air France and Météo France to establish weather models to adapt Air France's operations to higher temperatures,
 - research and development program for air traffic management, SESAR (Single European Sky ATM Research Program);
- Amsterdam Airport Schiphol and KLM join forces with Delft University of Technology for the future of work in baggage handling halls;
- AeroDelft and KLM Partner to Explore Hydrogen in Aviation (for additional information, see section 4.2.1.3.5 "Actions and resources – Climate change policies (E1-3)").

Next steps:

- Continue to talk with students and contribute to research work on ecological transition to create awareness, improve brand appeal, attract key talent and develop new professions (see section 4.3.1.6.6 "Action plans in place or planned – Training & skills development and talent attractiveness (S1-4)");
- Reduce the impact of waste on board the aircraft by working on recycling with partners and suppliers;
- Work with aircraft manufacturers to adapt the Group's fleet plan to reduce emissions;
- Boost the competitiveness of the intermodality product by working on connecting times;
- Work with partners to manage operational risks linked to climate-related crises;
- Sign strategic partnerships and invest in SAF production capabilities; develop innovative low-emission solutions on the ground and in the air;
- Raise awareness around the potential and the challenges associated with SAF.

STAKEHOLDER : SHAREHOLDERS, INVESTORS & OTHER FINANCIAL MARKET STAKEHOLDERS

Platform & other means of stakeholder engagement:

- Roadshows with investors;
- Capital market days;
- Individual and group calls with analysts;
- Participation in (ESG) conferences organized by brokers;
- Engagement with proxies ahead of AGM (on strategy, policies related to governance, remuneration and new issue resolutions);
- Engagement with rating agencies;
- Engagement with banks;
- Annual Shareholders' Meeting and holding of the Individual Shareholders' Consultative Committee;
- Reporting: annual report, half-year financial report, publication of quarterly results, etc.;
- Dedicated means of communication with individual shareholders (generic e-mail address, consultative committee, newsletter, dedicated website);
- Yearly visit with the AMF and specific meetings and discussions when needed with the AMF or AFM.

(For additional information, see Chapter 2 of the 2024 Universal Registration Document, section 2.7.6 "A regular dialogue with individual shareholders and investors".)

Topics:

- Financial and extra-financial results;
- ESG Strategy;
- Decarbonization roadmap;
- Any specific event that impacts the Group's activity or strategy (see also 2024 Universal Registration Document, "Highlights of the 2024 financial year" and "Highlights of the beginning of the 2025 financial year".

Outcome including amendments to strategy / business model:

- Raise awareness and knowledge about the Group in order to attract investors to buy existing financial instruments or newly issued financial instruments;
- Impact on the share price;
- Impact on the interest rate, credit rating and cost of lending capital (CSR targets included in the financing as the Group's activities impacts the bank's scope 3 carbon footprint);
- Reputational risk profile;
- Financial risk profile.

Next steps:

- Further develop relations with ESG rating agencies;
- Improve the quality of sustainability information disclosure positively impacting ESG ratings and ESG investors' interest;
- Demonstrate a more sustainable leadership to attract investors and secure financing.

STAKEHOLDER : PUBLIC POLICY MAKERS & INFLUENCERS

Platform & other means of stakeholder engagement:

- Local, European and international business, industry and employer associations, federations such as, AFEP, Medef, VNO-NCW (*Verbond van Nederlandse Ondernemingen en het Nederlands Christelijk Werkgeversverbond*), IATA, A4E, FNAM, GIFAS and ASD;
- Think tanks, such as EdEn and T&E;
- International, European, French, and Dutch public policy-makers, such as the European Commission, the Committee on Aviation Environmental Protection (CAEP) of the International Civil Aviation Organization (ICAO), ministerial offices, members of parliament, academic community, the French General Secretariat for Ecological Planning, French civil aviation authority (DGAC), Dutch Human Environment and Transport Inspectorate (ILT), French Directorate-general for energy and climate (DGEC), Dutch Ministry of Economic Affairs and Climate Policy (*Ministerie van Economische Zaken en Klimaat*), the French environmental agency, French agency for ecological transition (ADEME), Netherlands Environmental Assessment Agency (*Planbureau voor de Leefomgeving*, PBL), French airport nuisance control authority (ACNUSA)

Topics:

- Legislative and regulatory monitoring;
- Raising awareness of Air France-KLM Group's performance and challenges among public decision-makers and influencers;
- Defending the Group's interests and promoting its actions in particular, to reach a level playing field and fair conditions of competition (see section 4.4.2 "Political Engagement & Lobbying Activities, Economic & Social Value of Air Transportation (G1-5)");
- Explaining current and future initiatives to minimize environmental impact;

- The Group brings, among other things, economic activity, employment and knowledge transfer.

Outcome including amendments to strategy / business model:

- Anticipating changes in standards and policies affecting our business model;
- Alignment with societal and regulatory expectations;
- Understanding by the Group of the point of view of the main players involved in air transport, in order to adapt actions aimed at reducing the negative externalities generated by its activity;
- Explain the Group's objectives, the actions implemented to achieve them and the constraints it faces.

Next steps:

- Continue conducting the inventory and getting in touch with stakeholders on sustainability;
- Define a contact plan;
- Ensure a collaborative dialogue with the determination of messages for each target and communication channels;
- Further detailing of impact of policies under consideration to allow for well-informed decisions.

STAKEHOLDER : COMMUNITIES & NGOS**Platform & other means of stakeholder engagement:**

- Bilateral meetings with NGOs;
- Partnerships with various NGOs such as Aviation without borders, Acting for Life, Wings of Support and Air France corporate foundation (La Fondation Air France);
- Various meetings on noise management with local communities, see section 4.3.3 "Affected communities – Noise management (ESRS S3)".

Topics:

- Dialogue on the Group commitments, actions and results in terms of environmental transition;
- The Group and its airlines partner with local and global NGOs to extend its reach and impact;
- La Fondation Air France funds association projects for a more sustainable tourism;
- Discussions on noise management.

Outcome including amendments to strategy / business model:

- Enriching the Group's strategy through the development of knowledge resulting from research projects;
- Partnerships with NGOs and financial support to develop humanitarian sponsorship, bring support for children and young people, finance educational projects that help promote new behaviors and a better understanding of climate issues, as well as training and awareness-raising projects on practices that respect natural resources along with a more sustainable territorial economic and social development;
- Volunteer work by active and retired Group employees.

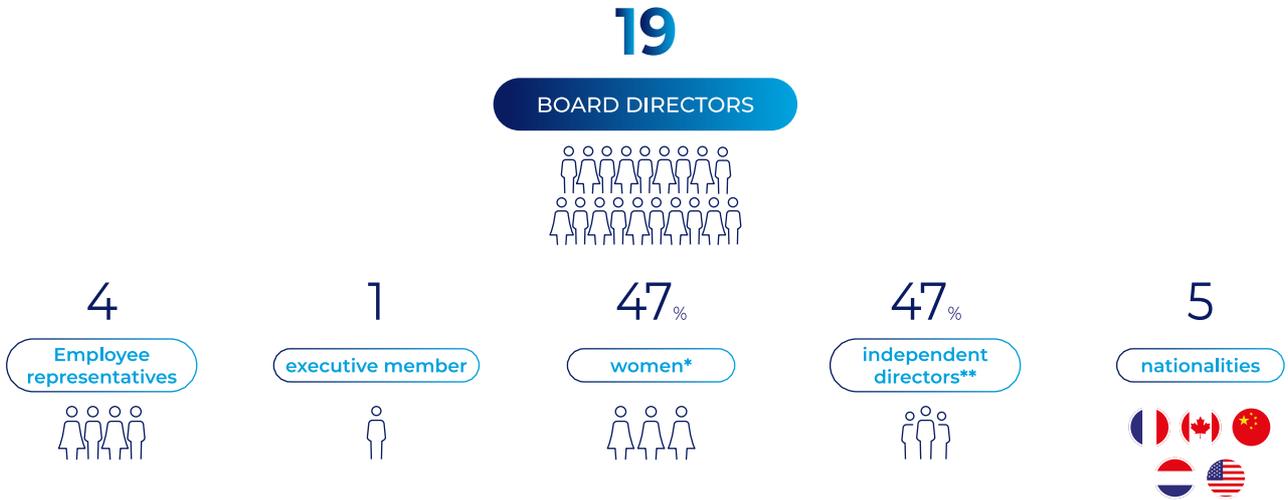
Next steps:

- Continue partnerships with NGOs to raise environmental awareness, support education and social and professional integration;
- Finance associative projects that promote awareness among children and young people and contribute to more sustainable tourism in the region;
- Create a 'critical friends committee' as a platform for dialogue with NGOs.

4.1.3 Governance

4.1.3.1 The role of the administrative, management and supervisory bodies (GOV-1)

Composition and diversity of the Board of Directors



* Board directors representing employees and directors representing employee shareholders appointed in accordance with Articles L. 225-23 and L. 225-27-1 of the French Commercial Code are not taken into account in calculating parity in accordance with the provisions of the aforementioned articles

** In accordance with article 10.3 of the AFEP-MEDEF Code, Board directors representing employee shareholders and Board directors representing employees are not included in this percentage.

Board directors' relevant experience to the Company's sectors, products and geographical areas

Air France-KLM, whose shareholders include the French and Dutch States, is a major player in international air traffic, with a worldwide network of over 320 destinations served by its French and Dutch airlines: Air France, KLM and Transavia.

Relevant business sectors: air transport, transport (GICS 2030⁽¹⁾).

Relevant geographical areas: France, Netherlands and International.

Board directors' experience and terms of office are described in Chapter 2 of the 2024 Universal Registration Document (Corporate Governance Report), section 2.1.2 "Presentation of the Board directors at December 31, 2024".



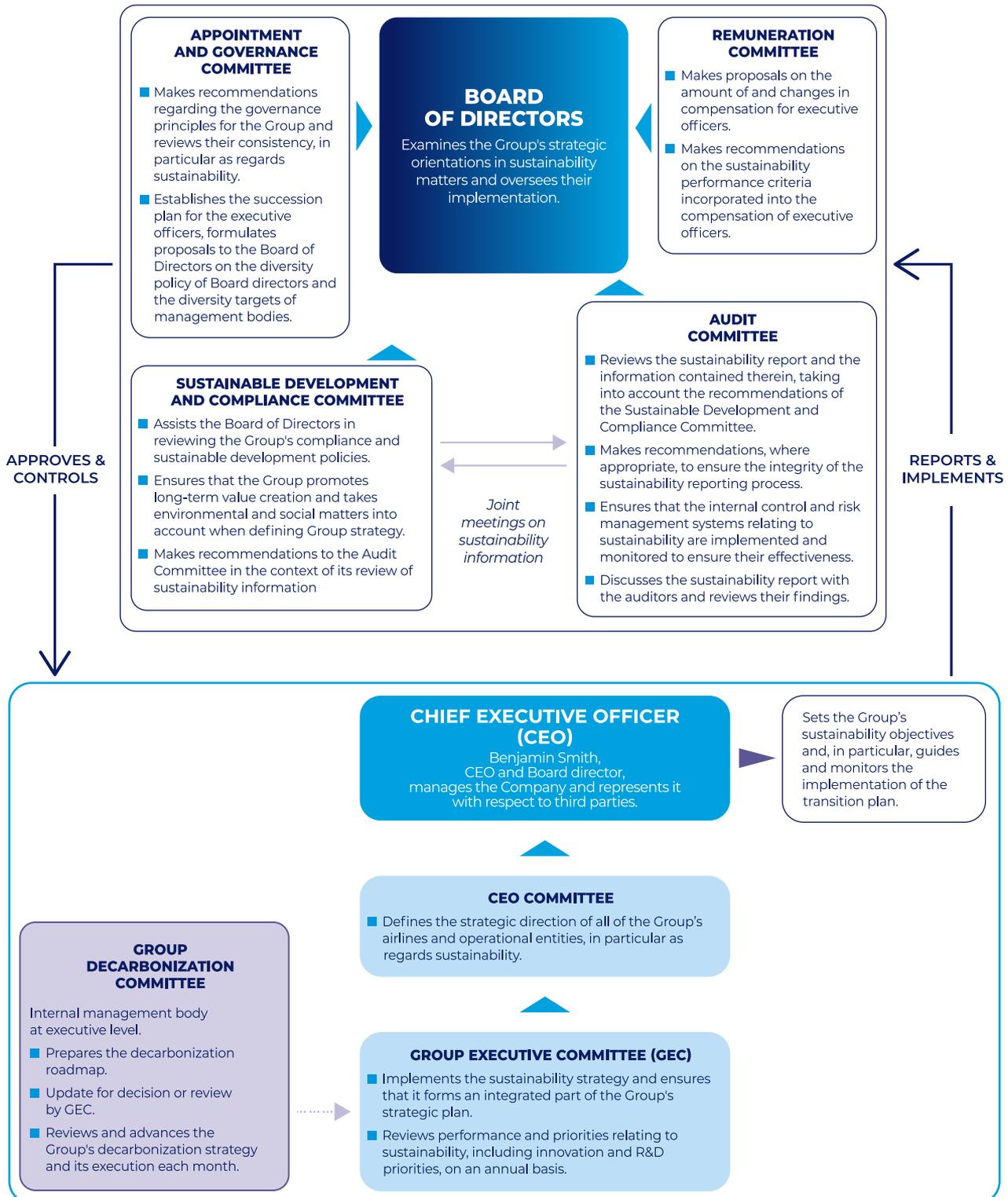
* Global Industry Classification Standard (GICS®) developed by S&P Dow Jones Indices and MSCI, levels 2 and 3

⁽¹⁾ Global Industry Classification Standard (GICS®) developed by S&P Dow Jones Indices and MSCI, levels 2 and 3.

Roles and responsibilities

Sustainable development governance is ensured by the Group's highest governing bodies. The Board of Directors, the CEO Committee and the Group Executive Committee consider sustainable development issues to be one of the Group's priorities and receive regular reports from the teams in charge of sustainable development. They ensure that sustainability decisions are relevant and taken in all the entities concerned.

The results of the Group's double materiality assessment and the resulting material impacts, risks and opportunities ("IROs", see section 4.1.4.1 "Process to identify and assess material impacts, risks and opportunities (IRO-1)") are taken into account in the context of the definition of the sustainability strategy and its implementation by the Group's governing bodies, as shown in the graph below.



Regarding climate, a Decarbonization Committee was created in 2021 given the importance of the matter. This Committee, chaired by the Group Sustainability Director, is composed of the majority of the members of the GEC, as well as the Financial and Sustainability Directors of the Group and the airlines. It is responsible for updating the decarbonization roadmap and reviewing and advancing the Group's decarbonization strategy and its implementation. In this context, the Decarbonization Committee makes recommendations to the GEC. Matters are then discussed and validated by the GEC, before a report is presented to the Sustainable Development and Compliance Committee and the Board of Directors.

In addition, since fiscal year 2024, the Audit Committee's tasks have been extended to monitoring matters relating to the preparation, control and publication of sustainability information and, in particular, the preparation of the sustainability statement (including, in particular, the preparation of the double materiality matrix and the identification of relevant IROs). In this context, joint meetings between the Audit Committee and the Sustainable Development and Compliance Committee are organized to review sustainability information prior to approval of the CSRD annual report by the Air France-KLM Board of Directors.

Board directors' competencies and expertise

1) Board directors' sustainability expertise:

The Board of Directors brings together a wide range of complementary competencies and experience, particularly in the field of sustainability, which has enabled it to carry out major projects, placing sustainability matters at the heart of the Group's strategy.

The table below sets out, for each director, the areas of sustainability expertise required to ensure that the Board of Directors operates effectively in relation to the sustainability matters it deals with (the table setting out the competencies of directors is detailed in Chapter 2 of the 2024 Universal Registration Document, section 2.2.3 "Diversity policy applicable to the Board directors"). The review of these skills is the focus of a specific item during the annual assessment of the Board of Directors, as part of the analysis of the individual contribution of Board directors to the Board's work.

Board directors	Ethics and compliance	Environment	Human resources	Governance
Anne-Marie Couderc	√	√	√	√
Benjamin Smith	√	√	√	√
Gwenaëlle Avice-Huet		√		√
Leni M.T. Boeren	√	√	√	√
Isabelle Bouillot	√		√	√
Delta Airlines Inc. (represented by Alain Bellemare)	√	√	√	
Wiebe Draijer	√	√	√	√
Dirk Jan van den Berg	√		√	√
Anne-Marie Idrac	√	√	√	√
Florence Parly				√
Alexander Wynaendts	√	√	√	√
James Wang		√		√
Céline Fornaro				√
Yann Leriche	√	√	√	√
Pascal Bouchiat	√			√
Nicolas Foretz		√	√	
Michel Delli-Zotti		√		
Didier Dague	√	√	√	
Terence Tilgenkamp	√	√	√	
TOTAL NUMBER OF BOARD DIRECTORS	13	14	13	14

Competencies	Link to Group impacts, risks & opportunities
Environment	The analysis of double materiality and impacts, risks and opportunities revealed that contributing to climate change mitigation (E1, see section 4.2.1 "Climate change (ESRS E1)") is a material issue for the Group. Climate change may have an impact on the future of the aviation sector, depending on current and future regulations and SAF costs and availability, and requires a clear focus on energy transition.
Human Resources	Social dialogue, diversity, equity and inclusion (S1, see section 4.3.1 "Own workforce (ESRS S1)") are also of significant importance to the Group and are actively managed. Conflicting negotiations, industrial disputes or strikes could have a potential impact on employee commitment, customer service quality, operations, the Group's reputation and its attractiveness as an employer. Promoting constructive and transparent dialogue to create mutual trust, following a policy based on respect for individuals and responsibility towards customers, is therefore key. The Group is committed to implementing a voluntary and proactive approach to risk prevention and to protecting the health and safety of employees in the workplace. Furthermore, increased social costs (conflicts, absenteeism, resignations), reduced capacity for innovation due to a lack of diversity, and a deterioration in the company's reputation as an employer could have a major financial impact on the Group. The Group therefore strives to maintain a transparent dialogue with its employees and also promotes diversity, implements processes to guarantee equal opportunities and fights against all forms of discrimination.
Ethics & Compliance	As a Group with an international dimension, operating throughout the world and employing a large number of people, Air France-KLM is committed to respecting ethical values and the laws applicable to it in terms of regulatory compliance (G1, see section 4.4.1 "Business conduct (ESRS G1-1, G1-3, G1-4)"). Unethical practices may arise in the course of the Group's activities and could damage its reputation and lead to legal proceedings for failure to comply with business ethics regulations.
Governance	The Board of Directors approves the Group's strategic orientations, including social and environmental issues, and reviews them at least once a year. In this context, it oversees the integration of the requirements of the CSRD Directive and the IROs into the Group's strategy and operations (GOV-1 and GOV-2, see section 4.1.3.2 "Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies"). To this end, it ensures that the internal control and risk management systems are adequate and that the sustainability data reported is reliable.

2) Developing Board directors' expertise: setting up specialized training to oversee sustainability information

In 2024, the Board of Directors placed sustainability matters at the heart of its work and integrated sustainability criteria into its decision-making process.

To ensure informed decision-making, a training program, updated each year, is made available to Board directors. In accordance with the provisions of the French Commercial Code and the AFEP-MEDEF Code, training is offered on a range of environmental, governance, and social issues. For instance, in the second half of 2024, a Board director had the opportunity to take a certification course at Dauphine University on governance, climate, and sustainable transformation.

At the Board of Directors' strategic seminar held in July 2024, the Group's Sustainability Director gave a presentation on sustainable aviation and the risks and opportunities associated with the Group's decarbonization trajectory, and presented the Group's CO₂ intensity reduction roadmap.

In addition, individual interviews on the subject of climate change were held in September 2024 between the Group Sustainability Director and the Board directors. On all the topics discussed during the interviews, the vast majority of Board directors would like to deepen their knowledge on the energy transition and the SAF industry. To this end, to continue awareness-raising initiatives, a group information session on SAF will be organized by the Sustainable Development and Compliance Committee in the Spring of 2025. In addition, several additional discussions were scheduled with Board directors following these initial interviews, for specific, targeted information needs on environmental topics.

Lastly, a first joint meeting between the Audit Committee and the Sustainable Development and Compliance Committee, in the presence of various consultants that have supported the Group in setting up sustainability reporting, was held on October 22, 2024, in the form of a workshop dedicated to CSRD. The meeting aimed to train Board directors on CSRD challenges, discuss the assessment and results of the Group's double materiality analysis, and identify how CSRD regulation can help the Group improve its sustainable development practices.

4.1.3.2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies (GOV-2)

Air France-KLM integrates sustainability issues, and particularly IROs, into the definition of its global strategy. The Group's main strategic directions and IROs are regularly discussed and reviewed by the Board of Directors, the Audit Committee and the Sustainable Development and Compliance Committee, in particular when reviewing quarterly, half-yearly and annual results and determining the budget.

A specific annual meeting of the Board of Directors is also dedicated to Group strategy. During this meeting, the Board directors review, in particular, commercial and brand strategy, maintenance, cargo, alliances and partnerships, the evolution of the fleet plan, as well as the Group's decarbonization trajectory. The main strategic directions linked to the IROs are then defined and have a particular impact on the decarbonization trajectory, the evolution of the fleet plan, SAF's purchasing policy, diversity and employee commitment and satisfaction.

In 2023, an initial assessment of IROs was carried out as part of the double materiality analysis (see section 4.1.4 "Impacts, risks and opportunity management"). This assessment was presented and discussed at a CSRD workshop in October 2024 with the Audit Committee and the Sustainable Development and Compliance Committee. The final list of IROs for fiscal year 2024, adjusted following these discussions, was approved by the GEC in November 2024 and by the Board of Directors in early December 2024. In the future, the updating of the IROs will be systematically discussed and reviewed by the GEC and submitted to the Board of Directors for approval on the recommendation of the Audit and Sustainability and Compliance Committees. The Decarbonization Committee will also review the IROs for which it is responsible prior to the GEC's review.

Material impacts, risks and opportunities addressed by the Board of Directors and management bodies in fiscal year 2024

	E1 – Climate change	E2 – Pollution	E5 – Circular economy	S1 – Employee	S2 – Value chain workers	S3 – Affected communities	S4 – Consumers and end-users	G1 – Business conduct
Board of Directors	√	√		√		√	√	√
Audit Committee	√	√	√	√	√	√	√	√
Sustainable Development and Compliance Committee	√	√	√	√	√	√	√	√
Appointment and Governance Committee				√				√
Remuneration Committee	√			√				√
CEO Committee	√			√		√		√
Group Executive Committee	√	√	√	√	√	√	√	√
Decarbonization Committee	√							

For more details on IROs, see section 4.1.4 "Impacts, risks and opportunity management".

4.1.3.3 Objectives and variable remuneration aligned with ESG (GOV-3)

The compensation of company officers is set by the Board of Directors, on the recommendation of the Remuneration Committee, in accordance with the provisions of the French Commercial Code and the AFEP-MEDEF Corporate Governance Code. The compensation policy for Company officers, established annually by the Board of Directors, sets out the principles and criteria for determining, allocating and granting the fixed, variable and exceptional components of the total compensation and benefits of all kinds attributable to the Chairman of the Board of Directors, the Chief Executive Officer and the Board directors, as well as their

relative importance. In this context, quantitative and qualitative sustainability performance criteria are included in the Chief Executive Officer's variable compensation. The Remuneration Committee has changed the distribution of quantitative sustainability performance criteria in the annual and long-term variable compensation components. All these elements are detailed in Chapter 2 of the 2024 Universal Registration Document, sections 2.5.2 "Compensation of the Company officers in 2024".

4.1.3.4 Statement on due diligence (GOV-4)

CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPHS IN THE SUSTAINABILITY STATEMENT
a) Embedding due diligence in governance, strategy and business model	<p>4.1.2 Strategy</p> <p>4.1.3 Governance</p> <p>4.1.4.3 Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS2 SBM-3)</p> <p>4.2.1.2 Climate governance (ESRS2 GOV-3)</p> <p>4.2.1.3 Climate strategy (E1-1, ESRS2 SBM-3)</p> <p>4.2.1.3.2 Material impacts, risks and interaction with strategy and business model (ESRS2 SBM-3)</p> <p>4.3.1.2 Interest and views of stakeholders (ESRS2 SBM-2)</p> <p>4.3.1.3.1 Material IROs – Social dialogue (ESRS2 SBM-3)</p> <p>4.3.1.4.1 Material IROs – Working conditions (ESRS2 SBM-3)</p> <p>4.3.1.5.1 Material IROs – Diversity, Equity and Inclusion (ESRS2 SBM-3)</p> <p>4.3.1.6.1 Material IROs – Training & skills development and talent attractiveness (ESRS2 SBM-3)</p> <p>4.3.1.7.1 Material IROs – Working rights and human rights (ESRS2 SBM-3)</p> <p>4.3.2.1 Interaction between IROs, strategy and business model (ESRS2 SBM-2, SBM-3)</p> <p>4.3.3.1 Interaction between IROs, strategy and business model (ESRS2 SBM-2, SBM-3)</p> <p>4.3.4.2 Interaction entre IRO, stratégie et modèle d'affaires (ESRS2 SBM-2)</p> <p>4.3.4.3.1 Material IROs – Customer engagement (ESRS2 SBM-3)</p> <p>4.3.4.4.1 Material IROs – Operational Safety & Security of Air Transportation (ESRS2 SBM-3)</p> <p>4.4.1.1 Corporate culture (G1-1)</p> <p>4.4.1.2 Governance – Corporate culture in business conduct (G1 - ESRS 2 GOV-1)</p> <p>4.4.1.3 Prevention of corruption and bribery, protection of whistleblowers (G1-3, G1-4)</p>
b) Engaging with affected stakeholders in all key steps of the due diligence	<p>4.1.2.2 Interest and views of stakeholders (ESRS2 SBM-2)</p> <p>4.3.1.2 Interest and views of stakeholders (ESRS2 SBM-2)</p> <p>4.3.1.3.3 Processes in place to engage with own workers and workers' representatives – Social dialogue (S1-2)</p> <p>4.3.1.3.4 Channels for own workers to raise concerns - Social dialogue (S1-3)</p> <p>4.3.1.4.3 Processes in place to engage with own workers and workers' representatives – Working conditions (S1-2)</p> <p>4.3.1.4.4 Channels for own workers to raise concerns – Working conditions (S1-3)</p> <p>4.3.1.5.3 Processes in place to engage with own workers and workers' representatives – Diversity, Equity and Inclusion (S1-2)</p> <p>4.3.1.5.4 Channels for own workers to raise concerns – Diversity, Equity and Inclusion (S1-3)</p> <p>4.3.1.6.3 Processes in place to engage with own workers and workers' representatives – Training & skills development and talent attractiveness (S1-2)</p> <p>4.3.1.6.4 Channels for own workers to raise concerns – Training & skills development and talent attractiveness (S1-3)</p> <p>4.3.1.7.3 Processes in place to engage with own workers and workers' representatives – Working rights and human rights (S1-2)</p> <p>4.3.1.7.4 Channels for own workers to raise concerns – Working rights and human rights (S1-3)</p> <p>4.3.2.1.1 Interest and views of stakeholders (ESRS2 SBM-2)</p> <p>4.3.2.2.2 Engagement process with workers in the value chain (S2-2)</p> <p>4.3.3.1.1 Interest and views of stakeholders (ESRS2 SBM-2)</p> <p>4.3.3.2.2 Engagement process – Noise management (S3-2)</p> <p>4.3.4.2.1 Interest and views of stakeholders (ESRS2 SBM-2)</p> <p>4.3.4.3.2 Information and assistance to passengers for cancellations and delays (EU261)</p> <p>4.3.4.3.3 Access to services for passengers with disabilities</p> <p>4.3.4.3.4 Data privacy and security</p> <p>4.3.4.4.2 Policies – Safety and security of passengers (S4-1)</p>

CORE ELEMENTS OF DUE DILIGENCE PARAGRAPHS IN THE SUSTAINABILITY STATEMENT

c) Identifying and assessing adverse impacts	<p>4.1.3.5 Risk management and internal controls over sustainability reporting (GOV-5)</p> <p>4.1.4.1 Process to identify and assess material impacts, risks and opportunities (IRO-1)</p> <p>4.2.1.3.1 Transition plan for climate change mitigation (E1-1)</p> <p>4.2.2.2.1 Policies – Air pollution (E2-1)</p> <p>4.2.3.2.1 Policies – Waste management and circularity (E5-1)</p> <p>4.3.1.3.2 Policies – Social dialogue (S1-1)</p> <p>4.3.1.4.2 Policies – Working conditions (S1-1)</p> <p>4.3.1.5.2 Policies – Diversity, Equity and Inclusion (S1-1)</p> <p>4.3.1.6.2 Policies – Training & skills development and talent attractiveness (S1-1)</p> <p>4.3.1.7.2 Policies – Working rights and human rights (S1-1)</p> <p>4.3.2.2.1 Policies – Value chain workers (S2-1)</p> <p>4.3.2.2.3 Processes to remediate negative impacts – Workers in the value chain (S2-3)</p> <p>4.3.3.2.1 Policies – Noise management (S3-1)</p> <p>4.3.3.2.3 Processes to remediate negative impacts – Noise management (S3-3)</p> <p>4.3.4.3.2.2 Engagement process - Information and assistance to passengers for cancellations and delays (S4-2)</p> <p>4.3.4.3.3.3 Processes to remediate negative impacts - Accessibility of services for passengers with disabilities</p> <p>4.3.4.3.4.3 Processes to remediate negative impacts - Data privacy and security (S4-3)</p> <p>4.3.4.4.4 Processes to remediate negative impacts - Safety and security of passengers(S4-3)</p> <p>4.4.1.3 Prevention of corruption and bribery, protection of whistleblowers (G1-3, G1-4)</p> <p>4.4.1.4 Prevention of anti-competitive practices</p> <p>4.4.1.5 Compliance with embargoes, trade sanctions and export controls legislation</p> <p>4.4.1.6 Personal Data Protection</p> <p>4.4.1.7 Tax strategy</p>
--	---

CORE ELEMENTS OF DUE DILIGENCE PARAGRAPHS IN THE SUSTAINABILITY STATEMENT

d) Taking actions to address those adverse impacts	<p>4.2.1.3.5 Actions and resources – Climate change policies (E1-3) 4.2.2.2.3 Actions and resources – Air pollution (E2-2) 4.2.3.2.3 Actions and resources – Waste management and circularity (E5-2) 4.3.1.3.6 Action plans in place or planned – Social dialogue (S1-4) 4.3.1.4.6 Action plans in place or planned – Working conditions (S1-4) 4.3.1.5.6 Action plans in place or planned – Diversity, Equity and Inclusion (S1-4) 4.3.1.6.6 Action plans in place or planned – Training & skills development and talent attractiveness (S1-4) 4.3.1.7.6 Action plans in place or planned – Working rights and human rights (S1-4) 4.3.2.2.5 Action plans in place or planned – Workers in the value chain (S2-4) 4.3.3.2.5 Action plans in place or planned – Noise management (S3-4) 4.3.4.3.2.5 Actions plans in place or planned - Information and assistance to consumers for cancellations and delays (S4-4) 4.3.4.3.3.5 Actions plans in place or planned - Access of services for passengers with disabilities (S4-4) 4.3.4.3.4.5 Actions plans in place or planned - Data privacy and security (S4-4) 4.3.4.4.6 Actions plans in place or planned - Safety and security of passengers (S4-4) 4.4.1.4 Prevention of anti-competitive practices 4.4.1.5 Compliance with embargoes, trade sanctions and export controls legislation 4.4.1.6 Personal Data Protection 4.4.1.7 Tax strategy</p>
e) Tracking the effectiveness of these efforts and communicating	<p>4.2.1.3.4 Targets - Climate change mitigation and adaptation (E1-4) 4.2.1.4 Metrics - Climate change (E1-5, E1-6, E1-7, E1-8) 4.2.2.2.2 Targets - Air pollution (E2-3) 4.2.2.3 Metrics - Air Pollution (E2-4) 4.2.3.2.2 Targets - Waste management and circularity (E5-3) 4.2.3.3 Metrics - Waste management and circularity (E5-5) 4.3.1.1 Characteristics of Air France-KLM employees (S1-6) 4.3.1.3.5 Targets – Social dialogue (S1-5) 4.3.1.3.7 Metrics – Social dialogue (S1-8) 4.3.1.4.5 Targets – Working conditions (S1-5) 4.3.1.4.7 Metrics – Working conditions (S1-10, S1-16, S1-14) 4.3.1.5.5 Targets – Diversity, Equity and Inclusion (S1-5) 4.3.1.5.7 Metrics – Diversity, Equity and Inclusion (S1-9, S1-12, S1-16) 4.3.1.6.5 Targets – Training & skills development and talent attractiveness (S1-5) 4.3.1.6.7 Metrics – Training and skills development (S1-13) 4.3.1.7.5 Targets – Working rights and human rights for own workforce (S1-5) 4.3.1.7.7 Metrics – Working rights and human rights impacts (S1-17) 4.3.2.2.4 Targets – Workers in the value chain (S2-5) 4.3.2.3 Entity-specific information 4.3.3.2.4 Targets – Noise management (S3-5) 4.3.3.3 Metrics – Noise management 4.3.4.3.2.4 Targets - information and assistance to consumers for cancellations and delays (S4-5) 4.3.4.3.3.4 Targets - Access of services for passengers with disabilities (S4-5) 4.3.4.3.4.4 Targets - Data privacy and security (S4-5) 4.3.4.4.5 Targets – Safety and security of passengers (S4-5) 4.3.4.5 Metrics – Net Promoter Score (NPS) 4.4.1.3.1 Metrics – Prevention of corruption and bribery (G1-4) 4.4.2.1 Metrics – Political influence and lobbying activities (G1-5)——</p>

4.1.3.5 Risk management and internal controls over sustainability reporting (GOV-5)

The overview of risk management and internal control systems implemented for the Air France KLM Group sustainability reporting are described in the in Chapter 3 of the 2024 Universal Registration Document sections “3.2 Enterprise risk management” and 3.3.2 “Fundamental components of internal control established within the Group” in the paragraph “Evaluation and monitoring of Internal Control”.

The scope, main features, and components of these processes, are detailed in the risk assessment approach

and prioritization methodology. Key risks and their mitigation strategies are identified, and an explanation of how these findings are integrated into the Group’s internal functions and processes is given.

Additionally, the periodic reporting of the findings related to sustainability to the Air France-KLM administrative, management, and supervisory bodies is detailed, underscoring the Group’s commitment to transparency and continuous improvement.

4.1.4 Impacts, risks and opportunity management

4.1.4.1 Process to identify and assess material impacts, risks and opportunities (IRO-1)

Air France-KLM has regularly conducted materiality analyses in the past, allowing the Group to assess which topics were considered key priorities by its internal and external stakeholders.

Description of the processes for identifying and rating IROs

With the introduction of the European Sustainability Reporting Standards (ESRS) applicable as of January 1, 2024, the Group has conducted a detailed analysis with the help of an advisory firm specialized in sustainability reporting. This analysis aimed to identify its impacts on people and the environment (the impact materiality), and the risks and opportunities that may arise from these impacts (the financial materiality).

This double materiality assessment was carried out following a five-step process with the goal of prioritizing Air France-KLM material impacts, risks and opportunities (IROs) that set the boundaries of its sustainability reporting:

- Step 1: Screening the relevant sustainability matters;
- Step 2: Identification of impacts, risks and opportunities;
- Step 3: Scoring each impact, risk and opportunity;
- Step 4: Engagement with stakeholders to challenge the materiality assessment;
- Step 5: Review and validation of the material impacts, risks and opportunities by the management and the governing bodies.

Step 1: Screening the relevant sustainability matters

Guided by the list of sustainability matters covered in the topical ESRS (ESRS 1, Appendix 1, AR 16), and based on its pre-existing materiality assessment, sectorial guidelines and peer benchmarks, the Group has identified the relevant sustainability matters for its activities and its sector.

In particular, the Group has paid specific attention to covering all its activities and geographies in its materiality assessment, including any sector-specific matters and taking into account the dependencies from its business relationships with the main actors in its upstream and downstream value chain.

Step 2: Identification of impacts, risks and opportunities

For each sustainability matter identified as an outcome of Step 1, the Group has defined the relevant impacts, risks and opportunities from its own activities and its upstream and downstream value chain. This was done following a cross-functional approach through interviews with internal subject-matter experts from various departments, as well as benchmarking with peers and sectorial guidelines.

Each impact identified has been classified as actual or potential and as negative or positive.

Step 3: Scoring each impact, risk and opportunity

A scoring of the impact materiality on people and the environment, as well as the financial materiality arising from risks and opportunities, has been performed by internal experts, in accordance with the existing Risk Management framework in place within Air France-KLM.

Each Impact, Risk and Opportunity has been scored on a gross scale, based on the criteria as specified below:

- impact materiality: to evaluate how severe or positive the impacts are or could be on people and/or the environment, the scale (from marginal to major), scope (from not widespread to global), for the negative impacts, irremediability (from remediable to irremediable) and for the potential impacts, likelihood (from rare to almost certain) have been scored. In the case of a potential negative human rights impact, the severity of the impact takes precedence over its likelihood;
- financial materiality: to evaluate the financial effects on the business over a short (up to 18 months, equivalent to the operational risk horizon), medium (up to five years, corresponding to the strategic risk time horizon) or long-term period (beyond five years), the magnitude (from insignificant to major) and the likelihood (from rare to almost certain) have been scored.

Step 4: Engagement with stakeholders to challenge the materiality assessment

Once each IRO was identified and scored, Air France-KLM engaged with internal and external stakeholders to discuss the preliminary results and collect feedback to adjust the pre-materiality assessment.

More than 50 interviews in total were conducted with representatives from the Group and its airlines (ranging from junior professionals to senior management), experts from the air transport industry (including key suppliers and partners), and other external stakeholders (including public authorities, investors, customer panels, research institutions, NGOs, etc.).

Following the interviews, Air France-KLM reconsidered its materiality assessment if a relevant number of stakeholders suggested that the materiality of a certain topic could be positively or negatively adjusted.

Step 5: Review and validation of the material impacts, risks and opportunities by the management and the governance

As a result of the stakeholder consultations and a thorough review by the internal experts, based on their best understanding of the available guidance on the interpretation of the ESRS requirements, the final list of sustainability matters for Air France-KLM and the

associated material impacts, risks and opportunities was established. The results were discussed and approved by the Group Executive Committee, and presented and challenged in a joint workshop with the Audit and the Sustainable Development & Compliance Committees, before being endorsed by the Board of Directors of Air France-KLM.

Decision-making process, internal control procedures and risk management process

Following the implementation of the ESRS, the pre-existing extra-financial risks identified through the risk management process in place within Air France-KLM will be further aligned and combined with the IROs. Consequently, the IROs will be further integrated into the decision-making process around the Group's sustainable development strategy and monitored through the Internal audit and Internal control processes in place.

Future revision of the materiality assessment

Air France-KLM is committed to updating its materiality assessment on a regular basis and specifically in case specific circumstances or a significant change in its business model occur.

4.1.4.2 Disclosure Requirements in ESRS covered by the sustainability statement (IRO-2)

Please refer to the detailed information provided in section 4.5 "Appendix Mapping of ESRS Data Points with the Requirements of EU Legislative Acts (IRO-2)".

4.1.4.3 Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS2 SBM-3)

The table below outlines the key disclosure requirements under ESRS 2, covering material impacts, risks, and opportunities. It provides a structured overview of the topics identified through the double materiality assessment, along with their scope, associated risks and opportunities, and relevant time horizons.

ESRS standard	Topic	Material impact (N: negative; P: positive)	Own Operations (OO) / Value Chain (VC)	Material Risks (R) or Opportunities (O)	Time horizon (short, medium, long term)
E1 – Climate change	Climate change mitigation	N: CO ₂ emissions generated by air transport activities and the upstream value chain (fuel production) contributes to climate change	OO/VC	R: Transition risk leading to financial risks as a result of fleet renewal, use of alternative fuels, CO ₂ pricing or compensation mechanisms and activity restriction	short/medium/long
	Climate change adaptation		OO/VC	R: Physical risks leading to financial risks as a result of activity disruptions, flight procedures and routes adaptation, in some areas exposed to climate hazards	long
	Energy (Fuel, SAF)	N: High level consumption of fuel, contributing to the reduction of fossil stock N: Usage of SAF can conflict with other usage as feedstocks	OO/VC	R: Financial risks as a result of fuel dependency, sensitivity to price fluctuations, forecasted scarcity of fossil fuels and SAF due to sectorial ambitions in terms of emissions reduction	Medium/long
E2 – Pollution	Air quality management	N: Emission of air pollutants related to air transport activities (NO _x , SO ₂)	OO	R: Financial risks due to activity constraints or new regulations related to air pollution	medium/long
E5 – Circular economy	Waste management & circularity	N: Waste generated in operations related to air transport and maintenance activities	OO/VC	R: Financial risk due to regulations related to waste treatment O: Waste reduction can lead to a decrease in costs	short/medium

ESRS standard	Topic	Material impact (N: negative; P: positive)	Own Operations (OO) / Value Chain (VC)	Material Risks (R) or Opportunities (O)	Time horizon (short, medium, long term)
S1 – Own workforce	Social dialogue with Air France-KLM staff	P: Social dialogue through workers' representatives has a positive impact on working conditions for Air France-KLM workers	OO	R: Financial risks as a result of negotiations on labor agreements, social conflicts or strikes	short/medium
	Working conditions for Air France-KLM staff	P: Well-positioned and protective employment conditions positively impact Air France-KLM workers' living conditions N: Air France-KLM workers work-life balance could be negatively impacted by working hours outside regular business hours (staggered shifts) N: Air France-KLM workers could be exposed to physical harm in the workplace	OO	R: Financial risks as a result of low employee satisfaction leading to increase in staff costs, absenteeism or turnover	short/medium
	Diversity, Equity & Inclusion	N: Air France-KLM workers could be impacted by discrimination of all forms in hiring and career development	OO	R: Financial risks as a result of deterioration in the company's reputation due to discrimination and increase in staff costs O: Financial opportunity as a result of diversity and inclusion leading to innovation and diverse management practices	short/medium/long
	Training & skills development and talent attractiveness	P: Employability of Air France-KLM workers could be impacted by training and continuous development of their skills	OO	R: Financial risks as a result of lack of skills development and attractiveness leading to difficulties in finding relevant skills or shortage of people with specific qualifications O: Financial opportunity as a result of attractiveness and skilled employees leading to more efficiency	short/medium
	Working rights & human rights	N: Working rights and human rights in the Air France-KLM workplace could be harmed by management practices	OO	R: Financial risk as a result of a damage to Air France-KLM reputation in case of failure to respect human rights and working rights in the workplace	short/medium

ESRS standard	Topic	Material impact (N: negative; P: positive)	Own Operations (OO) / Value Chain (VC)	Material Risks (R) or Opportunities (O)	Time horizon (short, medium, long term)
S2 – Workers in the value chain	Working conditions & social dialogue for value chain staff	N: Workers in the Air France-KLM value chain could be negatively impacted by working conditions & social dialogue (including working & human rights)	VC	R: Financial risk as a result of disruptions in the supply chain due to conflictual working conditions & social dialogue and damages to Group's reputation	short/medium
S3 – Affected communities	Noise management	N: Noise hindrance of Air France-KLM activities can have negative impact on living conditions of communities close to Air France-KLM hubs	OO	R: Financial risk as a result of noise regulations leading to activity constraints (loss of airport slots) or increase in costs	short/medium
S4 – Consumers and end-users	Customer engagement	N: Passengers can be impacted by lack of transparent information and assistance in case of flight disruptions or lack of accessibility of services (passengers with disabilities)	OO	O: Gain of reputation and customer loyalty for Air France-KLM by providing transparent information and assistance to its passengers	short/medium
		N: Passengers' right to privacy can be impacted in the event of personal data misuse or leakage	OO/VC	R: Financial risk as a result of damages to Air France-KLM reputation or fines related to lack of assistance, accessibility or data leakage	short/medium
	Operational safety & security of air transportation	N: Passengers and goods transported can be harmed in the event of incidents or accidents	OO	R: Financial risk as a result of potential damages to people and goods and Air France-KLM reputation in the event of incidents or accidents	short/medium
G1 – Business conduct	Business conduct, anti-corruption, protection of whistleblowers	N: Unethical practices can arise within Air France-KLM activities and its value chain	OO/VC	R: Financial risk as a result of damages to AFKL reputation and legal proceedings related to non-compliance with regulations on business ethics	short/medium
	Political engagement & lobbying activities, economic & social value of air transportation	P: Positive contribution to social welfare and economic development at both local and global level, through direct and indirect economic activities and employment opportunities	OO/VC	O: Air France-KLM lobbying activities to promote the importance of air transport industry could contribute to fair competition and level playing field to secure AFKL market position or seize business opportunities	short/medium/long

4.2 ENVIRONMENTAL INFORMATION

4.2.1 Climate change (ESRS EI)

4.2.1.1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities (ESRS2 IRO-1)

Please refer to the detailed information provided in section 4.1.4.1 "Process to identify and assess material impacts, risks and opportunities (IRO-1)".

4.2.1.2 Climate governance (ESRS2 GOV-3)

For environmental governance (including climate change), please refer to the 2024 Universal Registration Document Chapter 2 "Corporate governance report" and sections 4.1.3.1 "The role of the administrative, management and supervisory bodies (GOV-1)" and 4.1.3.2 "Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies (GOV-2)".

For disclosure requirement related to ESRS2 GOV-3 Integration of sustainability performance in incentive schemes, please refer to Chapter 2 of the 2024 Universal Registration Document, sections 2.5 "Compensation of corporate officers" and 4.1.3.3 "Objectives and variable remuneration aligned with ESG (GOV-3)".

4.2.1.3 Climate strategy (EI-1, ESRS2 SBM-3)

The table below presents the material impacts, risk and opportunities identified for this section:

Topic	Material impact (N: negative; P: positive)	Own Operations (OO) / Value Chain (VC)	Material Risks (R) or Opportunities (O)	Time horizon (short, medium, long term)
Climate change mitigation	N: CO ₂ emissions generated by air transport activities and the upstream value chain (fuel production) contributes to climate change	OO/VC	R: Transition risk leading to financial risks as a result of fleet renewal, use of alternative fuels, CO ₂ pricing or compensation mechanisms and activity restriction	short/medium/long
Climate change adaptation		OO/VC	R: Physical risks leading to financial risks as a result of activity disruptions, flight procedures and routes adaptation, in some areas exposed to climate hazards	long
Energy (Fuel, SAF)	N: High level consumption of fuel, contributing to the reduction of fossil stock N: Usage of SAF can conflict with other usage as feedstocks	OO/VC	R: Financial risks as a result of fuel dependency, sensitivity to price fluctuations, forecasted scarcity of fossil fuels and SAF due to sectorial ambitions in terms of emissions reduction	Medium/long

For more information regarding the double materiality analysis and the identification of material IROs, please refer to section 4.1.4.1 "Process to identify and assess material impacts, risks and opportunities (IRO-1)".

4.2.1.3.1 Transition plan for climate change mitigation (E1-1)

Air France-KLM's ambition is to reduce its greenhouse gas (GHG) emissions and contribute to limiting the increase in the global average temperature to 1.5°C above pre-industrial levels, in line with the Paris Agreement. This ambition is aligned with the International Civil Aviation Association's (ICAO) long-term global aspirational goal of net-zero carbon emissions by 2050. To achieve this ambition, the Group has developed a Transition Plan for climate mitigation and adaptation.

As of 2024, Air France-KLM's scope 1 emissions represent 70% of total GHG emissions, scope 2 emissions represent 0.02% and scope 3 emissions represent 30% of total GHG emissions - with around 13% arising from non-jet fuel related activities. In order to efficiently use the Group's resources, Air France-KLM's Transition Plan is focused on reducing its scope 1 emissions as well as its scope 3.3 (fuel- and energy-related emissions).

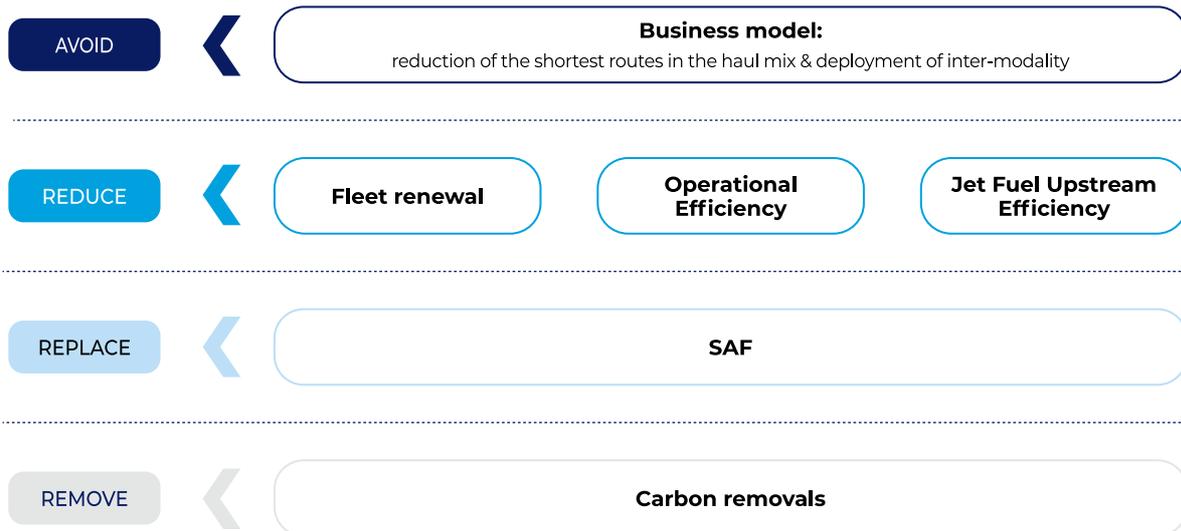
The Transition Plan is applicable to the airline business units of Air France-KLM, namely Air France, KLM Royal Dutch Airlines, Transavia France, Transavia Netherlands, and Air France KLM Martinair Cargo, including their

upstream and downstream value chains. The Transition Plan was approved by the Air France-KLM Board of Directors. It is embedded in Air France-KLM's five-year Strategic Business Plan and is reviewed annually. Moreover, the Transition Plan is regularly monitored through a specific body called the Decarbonization Committee. See section 4.1.3.1 "The role of the administrative, management and supervisory bodies (GOV-1)" for more details on these governance bodies.

The Transition Plan is divided into two axes to be progressively implemented: *A. Flight operations* and *B. Ground operations*.

A. Flight operations

The Flight Operations axis is composed of six levers aimed at *avoiding* emissions by decreasing the shortest routes in the Group haul mix while deploying intermodality alternatives; *reducing* emissions by fleet renewal, operational efficiency measures and jet fuel upstream efficiency; progressively *replacing* fossil fuel by alternatives with lower GHG emissions and finally *removing* CO₂ through offsetting for residual emissions that cannot be avoided or reduced.



- 1) Business model:** structural reduction of the shortest routes in the Group haul mix (e.g., reducing the offer on the French domestic market) while, thanks to strategic partnerships with railway operators, offering customers intermodality products to increase the possibilities of combining lower GHG emissions through alternative modes of transportation.
- 2) Fleet renewal:** investing in fleet renewal with the latest technology aircraft that consume up to 25% less fuel than an equivalent-sized, previous-generation aircraft, based on the aircraft manufacturers' information. For fleet renewal, a yearly average of €3.000-3.500 million up to 2030 will be needed. This is

a gross investment amount and includes the right-of-use assets of new operating leases, calculated before sale and leaseback operations.

- 3) Operational efficiency measures:** putting in place programs for CO₂ reduction across all the divisions. The focus areas of the programs are related to flight trajectory optimization, fuel policy, ecopiloting, aircraft performance and onboard weight reduction.
- 4) Jet Fuel Upstream Efficiency:** working in close cooperation with energy producers on jet fuel production efficiency (scope 3).

5) SAF: progressively replacing fossil fuel by SAF which refers to an alternative to regular aviation fuel (fossil-based kerosene) and includes synthetic aviation fuels from renewable hydrogen and captured carbon, advanced and other aviation biofuels, as well as recycled carbon aviation fuels. The Group adheres to a strict sourcing policy for voluntary SAF, aimed at purchasing second generation SAF that do not compete with the human or animal food chain, are RSB or ISCC+ certified, are not produced from palm oil, and reduce CO₂ emissions by at least 65% over their entire lifecycle – from production to combustion – compared to fossil kerosene⁽¹⁾. For SAF mandates, the Group complies with local regulations.

6) Carbon removals: for residual emissions that cannot be avoided or reduced and once all other levers have been deployed to reduce the Group's emissions, yield benefits from high quality carbon offset such as projects that extract CO₂ from the atmosphere and store it securely as well as the development of natural carbon sinks for residual emissions. This lever will not contribute to the 2030 target.

A quantitative summary of the contribution of each lever under consideration to achieve the Air France-KLM Group's decarbonization ambition is presented in section 4.2.1.3.4 "Targets – Climate change mitigation and adaptation (E1-4)".

B. Ground operations

This entails reducing emissions from ground operations by using electrically powered ground equipment and launching a program of energy efficiency measures to reduce building energy consumption – including investment in electrically powered heating systems (heat exchange systems) for the Group buildings whenever possible.

The airline sector's pathway to Net Zero

The airline sector's pathway to Net Zero will require robust collaboration and substantial investment from all stakeholders (airlines, aircraft manufacturers, energy producers, etc.) as well as continuous advancements in technology and the adoption of more sustainable practices throughout the entire value chain. As a result, the success of Air France-KLM's Transition Plan is dependent on factors that are beyond the Group's direct control. Addressing these factors will require adequate public policies and incentives, dedicated research and development, transformation of some of the world's largest industries, and significant capital allocation across the public and private sectors.

Additional information on the Transition Plan

Potential locked-in GHG emissions

Potential locked-in GHG emissions are mostly related to aircraft emissions since the Group emissions are approximately 90% jet fuel related. The mitigation strategy for potential locked-in GHG emissions is part of the Group Transition Plan and is reflected in three of the decarbonization levers: fleet renewal, operational efficiency measures and SAF incorporation. Through fleet renewal, new-generation aircraft that consume less fuel (and therefore emit fewer greenhouse gases) are incorporated in the fleet and replace old planes. Operational efficiency measures decrease the consumption of fuel and therefore the emission of greenhouse gases. SAF volumes used by the Group can decrease fuel-related CO₂ emissions on a life cycle basis by at least 65% compared to the use of conventional jet fuel using the same type of aircraft. In 2024, the Group used 1.25% of SAF on its flights.

EU Paris-aligned Benchmarks

The Air France-KLM Group is not excluded from the EU Paris-aligned Benchmarks⁽²⁾.

4.2.1.3.2 Material impacts, risks and interaction with strategy and business model (ESRS2 SBM-3)

The aviation sector, representing 2-3% of global GHG emissions⁽³⁾, is one of the most challenging sectors of the global economy to decarbonize. Air France-KLM's double materiality analysis confirmed that the contribution to climate change mitigation is a material topic for the Group, with a broad consensus on its importance. For the detailed process related to the overall assessment of material impacts, risks and opportunities, please refer to section 4.1.4.1 "Process to identify and assess material impacts, risks and opportunities (IRO-1)".

Air France-KLM is aware of the physical and transition risks associated with climate change which constitute a major concern. Failure to anticipate and adapt to these risks could have negative consequences for the company's financial performance, reputation and future operations.

Consequently, the assessment of the climate change resilience of the Group's business model and its strategy is an integral part of the company's risk management strategy. It is monitored at the highest level of the Group and included in the Group's reviews of its five-year Strategic Business Plan.

⁽¹⁾ The quality of SAF purchased is audited by external party auditors.

⁽²⁾ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32020R1818>

⁽³⁾ Source: <https://www.ipcc.ch/site/assets/uploads/2018/03/av-en-1.pdf>

In 2023, Air France-KLM conducted a climate risk assessment to gain a better understanding of the risks associated with climate change and their impact on its own operations. In 2024, this assessment was updated to include the Company's upstream and downstream value chain. The assessment followed the recommendations of the Task Force on Climate-related Financial Disclosures

(TCFD) and focused on identifying the physical and transition risks Air France-KLM will be facing and on assessing their impacts on Group activities over short-, mid- and long-term time horizons (2030, 2040 and 2050 for physical risks and 2025, 2030 and 2050 for transition risks, respectively).

To conduct the climate risk assessment, Air France-KLM combined three of the IPCC⁽¹⁾ Representative Concentration Pathways (RCPs) scenarios to analyze the physical risks and three of the IPCC's shared Socio-Economic Pathways (SSPs) to analyze the transition risks. As a result, the following scenarios were used for the assessment:

Climate Scenario	Representative Concentration Pathways (RCP)	Socio-Economic Pathway (SSP)
Orderly	RCP 2.6 – 1.5°C	SSP 1 Sustainability
Disorderly	RCP 4.5 – 2 to 2.5°C	SSP 2 Middle of the Road
Hot-House World	RCP 8.5 – 3.6 to 4.4°C	SSP 5 Fossil-Fueled Development

The choice of scenario was made in order to have the full range of possibilities represented: one scenario in which temperature increase is kept to around 1.5°C (Paris agreement), one in which temperature increases to about 4°C (most extreme scenario) and a third scenario falling in between these two scenarios. The combination of three reference scenarios with different levels of physical and transition risks allows the Group to capture a greater number of uncertain futures. For each scenario, macroeconomic trends, energy consumption and mix, and technology deployment assumptions were considered.

The assessment of the Group's own operations included the physical risk exposure of 61 sites (top 50 Group destinations, an additional seven airports and four Group IT sites) to 15 climate hazards and the transition risk evaluation under each scenario. The value chain assessment included the exposure of seven upstream activities to physical and transition risks while the downstream assessment included the exposure of 27 destinations to physical risk, exploring geographical regions worldwide that are projected to experience greater impacts.

⁽¹⁾ The Intergovernmental Panel on Climate Change (IPCC) is the United Nations body for assessing the science related to climate change. For more information on IPCC's scenarios, see: <https://www.ipcc.ch/report/emissions-scenarios/>

The climate risk assessment led to the establishment of the following risk universe:

<h2>PHYSICAL RISKS</h2>	<h2>TRANSITION RISKS</h2>		
<h3>🌀 ACUTE</h3>	<h3>🏛️ POLICY AND LEGAL</h3>		
<ul style="list-style-type: none"> Degradation/destruction of assets (airports, offices, warehouses, aircraft) due to more frequent and severe extreme weather events: <ul style="list-style-type: none"> – Flooding (tidal, fluvial, pluvial) – Cyclones – Wildfires Disruption of activity and increase in delays/ rerouting due to more frequent storms and turbulence Degradation of working conditions for on-ground operations due to extreme temperatures and heatwaves Interruption of operations due to extreme temperatures causing heat buckling on runways Disruption of activity and increase in delays/ rerouting due to increased snowfall and more frequent snow storms Disruption of aircraft supply activities 	<p>General</p> <ul style="list-style-type: none"> Increased pricing of GHG emissions Enhanced emission-reporting obligations (EU-ETS, CORSIA) Limits on license to operate and ban on short-haul flights 	<p>SAF-related</p> <ul style="list-style-type: none"> New carbon taxes or SAF mandates could increase the price of fuel Insufficient support from governments regarding SAF and synthetic fuel deployment 	<p>Aircraft-related</p> <ul style="list-style-type: none"> Delayed regulations could slow the pace of development of new technologies (electric planes) Insufficient support regarding investments in fleet renewal
<h3>🔥 CHRONIC</h3>	<h3>📰 REPUTATIONAL</h3>		
<ul style="list-style-type: none"> Degradation of infrastructure (airports, offices, etc.) due to rising sea levels Restrictions on aircraft take-off weight due to increasing temperatures Disruption of take-off and landing schedule due to loss of visibility linked with changing humidity patterns Increased fuel consumption due to changing wind patterns Disruption of activity and increase in delays/ rerouting due to more frequent icing risk Increase in air conditioning usage due to sustained rise in temperatures Low flows in the canals and acute climate events are the main drivers for a disruption in fuel and SAF supply Certain destinations attractiveness may be impacted by very high risks of water stress 	<p>General</p> <ul style="list-style-type: none"> Increased pressure from stakeholders and investors to achieve sustainability goals in a shorter period of time Increased exposure to greenwashing claims Increase in passenger injury risk 	<p>SAF-related</p> <ul style="list-style-type: none"> Exposure to litigation linked with low credibility of SAF for decarbonization or use of feedstocks causing adverse environmental outcomes 	<p>Aircraft-related</p> <ul style="list-style-type: none"> Limited social license to consume renewable energy if not demonstrably additional
	<h3>🏪 MARKET</h3>		
	<p>General</p> <ul style="list-style-type: none"> Lower demand due to modal shifts and sector stigmatization Decrease in demand for short haul flights due to increased remote working Increased cost of raw materials 	<p>SAF-related</p> <ul style="list-style-type: none"> Inability to secure sufficient volumes and/or competitive prices for SAF to meet public targets Inability to secure synthetic fuels volumes 	<p>Aircraft-related</p> <ul style="list-style-type: none"> Inability to access enough energy due to limited green hydrogen availability Inability to secure enough electric planes
	<h3>🔬 TECHNOLOGY</h3>		
	<p>General</p> <ul style="list-style-type: none"> Substitution of existing products and services with lower emissions options Unsuccessful investment in new technologies Costs to transition to lower emissions technology 	<p>SAF-related</p> <ul style="list-style-type: none"> Power-to-Liquid SAF and other SAF technology pathways could not deliver expected emissions reductions Synthetic fuels technology pathway could not scale as expected 	<p>Aircraft-related</p> <ul style="list-style-type: none"> Network limitations due to lack of required infrastructure Limited talent availability for maintenance and operation of next generation aircraft

While the climate risk assessment has clearly identified physical and transition risks potentially influencing the Company's ability to manage and develop its activities, the Group has also identified initiatives to capitalize on, such as:

- contribute to the development of lower-carbon energies by supporting industrial production of alternative aviation fuels;
- put in place strategic partnerships to develop innovative lower-emission solutions on the ground and in the air;
- further develop the equity of the Group brands and gain market share by responding to the expectations of individual and corporate customers;
- strengthen the Group's ability to attract and retain key talents;

- modernize the Group's fleet;
- reduce financing costs.

In order to mitigate the risks of climate change and build on the initiatives identified, Air France-KLM has reviewed its strategy and is adapting its business model to limit its impact on climate change and adapt to the different climate risks identified. As a result, the Group has elaborated a Transition Plan (section 4.2.1.3.1 "Transition plan for climate change mitigation (E1-1)") focusing on its decarbonization. By implementing its Transition Plan, Air France-KLM aims to manage and reduce its GHG emissions effectively, ensuring that the Group stays on track to achieve its GHG emission reduction targets and mitigate climate-related risks.

4.2.1.3.3 Policies – Climate change mitigation and adaptation (E1-2)

Air France-KLM has developed a climate policy that aims to address the identified material impacts and risks related to climate change mitigation and adaptation. The Group's Transition Plan (see section 4.2.1.3.1) is an integral part of this policy. The policy further outlines the principles that inform decision making, sets goals for reducing the company's climate-related impacts and proposes levers for a Transition Plan aimed at climate impact mitigation, adaptation and energy efficiency. The policy also defines the responsibilities within the Group for the implementation of the policy.

The climate policy is applicable to the airline business units of Air France-KLM, namely Air France, KLM Royal Dutch Airlines, Transavia France, Transavia Netherlands, and Air France KLM Martinair Cargo, including their upstream and downstream value chains.

For its governance, please refer to section 4.1.3 "Governance" which is more specifically elaborated on in section 4.1.3.2 "Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies (GOV-2)". The policy is available internally for all the Group employees.

4.2.1.3.4 Targets – Climate change mitigation and adaptation (E1-4)

To monitor the progress towards the achievement of the Air France-KLM Transition Plan, the following mid-term target has been set in 2022, based on the conditions prevailing in 2022 for the industry and forecast for the 2030 horizon:

- a reduction of 30% in well-to-wake scopes 1 and 3 jet fuel GHG emissions per revenue ton kilometer (RTK) by 2030 from a 2019 baseline.
- baseline for Air France-KLM in 2019: 957 gCO₂e/RTK.

In view of the impact of the Covid-19 crisis on the aviation industry, the baseline year used is 2019.

Air France-KLM's main target to reduce GHG emission intensity (gCO₂e/RTK) by 30% in 2030 covers "well-to-wake" ("WTW") emissions, which are determined by accounting scope 1 and scope 3 emissions generated during jet fuel production (production, transportation and distribution) by the amount of revenue generating freight & passengers transported over a distance. This covers 87% of Air France-KLM GHG emissions in 2024.

The target excludes other scope 3, non-jet-fuel-related, emissions (13% of the Group's emissions), as well as scope 2 (0.02% of the Group's emissions), as per the SBTi target definition.

Air France-KLM had its GHG emission reduction target for 2030 verified and validated by the independent reference organization Science Based Targets initiative (SBTi) in November 2022 as being in line with a Well Below 2.0°C scenario. SBTi released a new technical report in 2023 detailing an interim 1.5°C pathway for aviation companies. The interim pathway is following the same sectorial

trajectory as Well Below 2.0°C during the 2023-2031 period and therefore also covers the Air France-KLM Group's target for 2030.

The table below indicates the relative importance of each lever of the Transition Plan in reaching this target:

	Business model	Operational efficiency	Fleet renewal	Jet fuel upstream efficiency	SAF
2030	1-2%	12-15%	40-50%	1-2%	35-45%

The Group's Transition Plan and its associated target set in 2022, in particular as regards the GHG emissions reduction target set for 2030, have been set up based on the following different critical assumptions and conditions that are necessary for its success:

- SAF:
 - enough supply available in the market at the expected price (including expected new pathway certifications),
 - same SAF eligibility standards used worldwide creating a level playing field,
 - incorporation rates realized as planned depending on strong customer demand;
- EU-ETS costs remaining stable;
- no further issues in the supply chain that could lead to significant delays in new-generation aircraft influx;
- no major lasting geopolitical situation disrupting the Group operations;
- more efficient Air Traffic Control operations supported by the Single European Sky initiative;
- level playing field with the same market conditions for SAF subsidies/CO₂ taxation all over the world and especially in Europe to avoid competitive distortion.

These assumptions are based on the conditions prevailing in 2022 for the industry and forecast for the 2030 horizon. Meanwhile, since 2022, changes in the geopolitical, regulatory, environmental and economic landscapes have been occurring and represent headwinds potentially having an impact on the 2030 trajectory.

In association with its target to reduce GHG emissions in intensity by 30% (in gCO₂e/RTK) in 2030 compared to 2019 (scopes 1 and 3 jet fuel) and in the absence of unforeseen events disrupting the implementation of the Group's Transition Plan, Air France-KLM estimates that its GHG emissions (scopes 1 and 3 jet fuel) in absolute value in 2030 should remain below its 2019 level (36 million tons of CO₂).

For its sustainability reporting over the 2024 year, Air France-KLM has reviewed its methodology to calculate its GHG emissions per RTK to further align with the SBTi standard recommendation that requires non-commercial flights to be included, non-revenue passengers to be excluded and the use of a standard weight per passenger. Figures for 2019 (initial baseline of 948 gCO₂e/RTK) and 2023 (927 gCO₂e/RTK as published in the URD 2023) were restated according to this updated methodology.

In 2024, the GHG intensity performance was 928 gCO₂eq/RTK, which represents a 3.0% decrease compared to 2019 and a decrease of 0.9% compared to 2023.

Air France-KLM and its airlines faced some headwinds to its GHG intensity progression in 2024 due to unforeseen and external events beyond the Group's control, including delays in the fleet renewal plan due to constraints in the supply chain; engine issues with part of its new-generation aircraft fleet (such as several Airbus A220's) not allowing the Group to operate them to their maximum capacity; higher fuel consumption due to longer flight times on certain routes caused by various geopolitical circumstances. Several actors in the airline industry are facing these headwinds.

4.2.1.3.5 Actions and resources – Climate change policies (E1-3)

A. Flight operations

1. Business Model

Air France-KLM aims to lower the carbon footprint of its operations and support lower-carbon alternatives to aviation on short distances. In particular, a key part of the Group's strategy is forming stronger partnerships with railway companies. By promoting intermodal transportation, the Group is seeking to replace shorter hub-feeding flights with lower-carbon options. Air France has structurally decreased its operations on its domestic network, coinciding with changing customers behaviors regarding short distance flying.

To achieve this, the Group has partnered with SNCF and Eurostar to offer its customers the possibility of booking their entire journey, including both flights and trains, in a single ticket, with guaranteed connections. This offer connects major markets in France, the Netherlands, UK, and Belgium to the Group's hubs in Paris and Amsterdam. These partnerships offer efficient travel and present passengers with an attractive alternative to short flights. Using the SNCF and Eurostar networks, the Group is reinforcing its sustainability ambition while maintaining high standards of connectivity and convenience for travelers.

Additionally, a new collaboration with CFF/SBB, the Swiss Federal Railways, aims to offer seamless, integrated air and rail travel options. This allows passengers to easily transfer between flights and trains, reducing the need for short-haul flights within Switzerland and the nearby regions.

The Air France "Train+Air" product proposes 41 routes to customers traveling to and from the Paris-Charles de Gaulle and Paris-Orly airports. The customer journey has been totally digital since 2022, with customers able to check in online for their entire journey. Another Air France product is "Air & Rail" which is available on the CDG-Brussels route and includes in particular baggage handling from train to aircraft. The KLM Air&Rail product is available for customers connecting via Amsterdam to or from Brussels and Antwerp Central.

2. Fleet renewal

In line with its fleet renewal strategy, the Air France-KLM Group is continuing to take delivery of new-generation aircraft⁽¹⁾ such as:

- Airbus A350 which consumes 25% less fuel per passenger km and is 40% less noisy than the previous generation aircraft;
- Airbus A320neo aircraft family, which consumes 15% less fuel per passenger km and is 50% less noisy than the previous generation aircraft;
- Airbus A220 which consumes 20% less fuel per passenger km and is 34% less noisy than the previous generation aircraft;
- Embraer 195-E2 which consumes 9% less fuel per flight, emits 31% less CO₂ per passenger km and is 63% less noisy compared to the E-190 that it is replacing.

At the end of 2024, the Group had 27% of its fleet composed of new-generation aircraft. The Group plans to get up to 80% of its fleet with new-generation aircraft by 2030.

The details of the flight equipment orders can be found in the Note 38 to the financial statements.

3. Operational Efficiency Measures

All the airlines within the Air France-KLM Group have put in place programs to improve the Group's energy efficiency and reduce its GHG emissions. Different possible ways of fuel-saving measures have been identified and, when feasible, implemented, subject to strict respect for flight safety.

Weight reduction

The Group recognizes that reducing the weight of the aircraft is a significant factor in reducing CO₂ emissions, as the lighter the aircraft, the less fuel it consumes. To achieve this, the Group airlines have implemented various measures such as reducing the weight of seats, galley and service equipment, minimizing the use of heavy products, adapting potable water volume to actual needs and optimizing the onboard catering. Also, the weight of equipment required to transport payloads is being addressed, with wooden beams to support the cargo being replaced by a lightweight cardboard version and the use of lightweight cargo containers.

Aircraft performance optimization

As part of its fleet renewal, the Group has adopted fuel-efficient engines like the LEAP, P&W 1500, and GENx for its planes. Moreover, an innovative engine wash process allows on-the-gate cleaning, boosting performance and cutting fuel consumption. Collaboration with paint suppliers helps reduce paint weight, enhancing aircraft streamlining and efficiency. Winglet upgrades, such as the Split Scimitar Winglets by Transavia in partnership with GKN Fokker Techniek, also contribute to fuel savings.

⁽¹⁾ The calculations are made based on information made available by aircraft manufacturers. Decreases may vary depending on the specific aircraft it replaces.

The Group airlines are also engaged in aerodynamic studies, including the Flying V project, for further technological advancements, amongst others at the Delft University of Technology (TU Delft).

Route and flight path optimization

Air France-KLM has developed decompression and drift-down procedures to enable shorter routes around airspace closures, reducing the impact of flight disruption. Furthermore, the Group airlines' pilots apply fuel-efficient procedures wherever possible, including Flight Plan precision, speed adjustments, optimized trajectories, and taxiing with one engine shut down.

The Group is also implementing new tools based on artificial intelligence in partnership with innovative start-ups. Air France and Transavia France have joined forces with OpenAirlines to deploy the SkyBreathe tool for the precise tracking of fuel-efficiency practices. Another example is the partnership with OptiFlight Solution by SITA, which uses flight data and machine learning to determine the most-fuel-economical scenarios for all phases of a flight. In 2024, KLM Cityhopper implemented the OptiClimb system, a cutting-edge technology designed to optimize the take-off path of aircraft. This innovative system calculates the most efficient climb trajectory.

The Group's airlines work closely with French and Dutch Air Traffic Control to optimize their descents and take-offs for greater efficiency. Air France is closely associated with the Green Operation Task Force led by French Air Traffic Control, while KLM is involved in the Dutch Airspace Redesign Program (DARP) discussions, which enable the use of more efficient routes in the European and Dutch airspace. This redesign is expected to be completed in 2030, which should lead to optimized routing, reduced fuel consumption and noise pollution.

Air France-KLM is also participating in the Single European Sky ATM (Air Traffic Management) Research and Development (SESAR) program. This 10-year program (2021-2031) aims to deliver technological solutions to transform air traffic management in Europe and reduce fuel burn to contribute to the Single Europe Sky's 10% CO₂ reduction target⁽¹⁾. Through SESAR, Air France-KLM can optimize its routes and flight paths to reduce fuel burn and emissions. SESAR addresses the whole scope of aviation's environmental impact, including CO₂ and non-CO₂ emissions, noise, and air quality.

Other fuel-saving measures

To mitigate the impact of fuel tankering, which involves carrying excess fuel to destinations where it is more expensive, KLM and Transavia have stopped this practice completely, while Air France has discontinued fuel tankering on its short and medium-haul routes and considerably reduced it on its long-haul routes.

In 2024, KLM conducted tests to optimize aircraft center of gravity by adjusting cargo placement toward the rear of the aircraft, resulting in a more aerodynamic flight profile. This adjustment reduces drag and enhances fuel efficiency. Air France is also in a continuous process of optimizing center of gravity to reduce fuel consumption.

4. Jet fuel upstream efficiency

Actions on this lever will be launched in the coming years in cooperation with the Group suppliers.

5. SAF

SAF incorporation and long-term procurement

There are ongoing global initiatives to encourage and enforce the use of SAF, such as the ReFuelEU Aviation Regulation, adopted by the European Parliament in 2023 and that came into effect on January 1, 2024. This regulation mandates targets for SAF incorporation in global fuel consumption, aiming for up to 70% by 2050 for all flights within and departing from Europe⁽²⁾.

In line with its objective to reduce total GHG emissions, Air France-KLM aspires to go beyond the European mandate of 6% for flights departing from Europe as the Group is aiming to incorporate at least 10% of SAF in 2030. In 2024, the Group incorporated 103 kilotons of SAF, representing 1.25% of the total fuel consumption.

Furthermore, the Group is working on increasing SAF demand and usage, driving its growth and development worldwide. This can be achieved by forging multi-year supply agreements and actively supporting suppliers in their journey towards achieving the highest sustainability standards.

In 2023, Air-France KLM invested US\$4.7 million in DG Fuels, a producer of SAF in the United States. The capital investment will aid in the development of a new SAF refinery in the state of Louisiana. The investment should secure access to 75,000 tons of SAF annually from 2029, which is an addition to the previous uptake agreement signed in October 2022 for the sourcing 600,000 tons of SAF over the 2027 to 2036 period. These build on Air France-KLM's long-term SAF deals with Neste, SkyNRG and DG Fuels, covering a total of 1.75 million tons from 2025 to 2037.

In 2024, Air France-KLM and TotalEnergies signed an agreement for TotalEnergies to supply SAF to the Group airlines, representing up to 1.5 million tons over a 10-year period, until 2035.

Securing the quality of SAF supplies

The European Directive for Renewable Energy defines the sustainability criteria for aviation biofuel to ensure the production of SAF does not create demand for land while promoting the use of waste and residues as feedstocks.

⁽¹⁾ Air transport: Single European Sky | Fact Sheets on the European Union | European Parliament - <https://www.europarl.europa.eu/factsheets/en/sheet/133/air-transport-single-european-sky#:~:text=The%20Single%20European%20Sky%20initiative,initiative%20Open%20to%20neighbouring%20countries>.

⁽²⁾ https://transport.ec.europa.eu/transport-modes/air/environment/refueeu-aviation_en

Air France-KLM has established a strict sourcing policy aiming at ensuring that the SAF production facilities selected have a reduced impact on the environment. The SAF selection criteria includes minimizing the overall direct and indirect land use change to ensure there is no competition with human food and animal feed supply, excluding palm oil-derived materials, and requiring RSB⁽¹⁾ or ISCC⁽²⁾ certification.

Air France and KLM have been members of RSB since 2008, in their capacity as founding members of the SAF Users Group (SAFUG). This body takes into account 12 criteria ranging from food security to rural development, the quality of air, soil and water resources, and waste management.

Supporting SAF research and the development of SAF production in Europe

For almost 15 years, Air France-KLM has been involved in supporting SAF developments.

In 2011 KLM was the first airline to operate a commercial flight partially fueled by SAF, while in 2014 Air France launched the Lab Line for the Future, conducting 78 flights partially powered by SAF. In 2018, together with ATAG (Air Transport Action Group), Air France helped establish the French national roadmap on aviation biofuels. In 2021, Air France completed its first long-haul flight fueled by SAF produced entirely in France, while KLM operated the world's first commercial flight using synthetic fuel. Through the Council for Civil Aviation Research (CORAC), Air France is driving the development of an SAF strategy through technological research and innovation aimed at achieving the global ecological transition objectives.

SkyNRG, co-founded by KLM, has been instrumental in developing and supplying SAF since 2016. At Los Angeles airport, it supplies KLM with SAF produced by the local World Energy refinery. SkyNRG is currently developing an SAF production plant in the Netherlands and KLM is committed to offtaking 75% of production.

Air France-KLM participates in the Renewable Low Carbon Fuels (RLCF) Value Chain Alliance, an EU initiative that focuses on increasing production and supply of renewable and low carbon fuels in the aviation sector. As part of this alliance, Air France-KLM formally chairs roundtable 2 on "Production Pathways and Value Chain in Aviation" and is represented in the three other roundtables. The goal is to accelerate the development and production of SAF in Europe.

Air France-KLM currently supports a large number of e-fuel production projects for aviation. One example is the "Take kair" project in the French Pays de la Loire region, developed by EDF, Holcim, IFPEN, and Axens to help create the French aviation e-fuel industry. This new industrial facility is one of the first e-fuel production projects in France and will save over one hundred kilotons of CO₂ each year. The objective is to start the construction of the industrial pilot in 2026 for a first phase of production in 2028.

In 2024 Project SkyPower was launched and is co-chaired by Air France-KLM. SkyPower has made tangible progress this year in mapping the barriers and solutions to e-SAF bankability in Europe. The project has convened over 50 value chain organizations and 15 CEOs of fuel producers, technology firms, financiers and aviation stakeholders to support e-SAF project development efforts aligned with European climate goals. SkyPower developed a 10-point action plan that highlights the technical, financial, regulatory and demand measures necessary to making e-SAF a commercial reality in Europe in this decade.

In 2024, Air France hosted alongside Hynamics EDF Group, Noven and Société Générale the third edition of "SAF connect," an event bringing together key stakeholders in the SAF community to exchange ideas and promote decarbonization in the aviation industry. The event featured financial and technology experts, project leaders, public administration and off-takers, discussing the challenges and opportunities for SAF production in France.

Discussions revolved around regulation, blending operations, the development of SAF projects in France, as well as the role of financial institutions in the SAF ecosystem.

Created in 2010, the Strategic Sector Committees (or CSF: *Comité stratégique de filière*) are intended to develop industry in France. The CSF bring together manufacturers, the State and trade union organizations within the National Industry Council, chaired by the Prime Minister. The CSF New Energy Systems (CSF NSE) aim to transform the energy transition into an opportunity to reindustrialize French territories. In 2024, a new working group dedicated to SAF was launched within the CSF NSE. This SAF working group, chaired by Air France, aims to turn the decarbonization of the aviation sector into an opportunity to reindustrialize France while scaling up SAF production in France.

⁽¹⁾ Originally established in 2007 as an academic initiative to respond to the sustainability risks posed by a growing focus on biofuels, RSB was formally registered in 2013 as a not-for-profit association – expanding its mission to advance the just and sustainable transition of the bio-based and circular economy.

⁽²⁾ The International Sustainability and Carbon Certification (ISCC) is an independent multi-stakeholder initiative and leading certification system supporting sustainable, fully traceable, deforestation-free and climate-friendly supply chains. With our certification we contribute to environmentally, socially and economically sustainable production.

Engaging customers and partners

Air France and KLM were the first carriers to offer their customers a SAF program for both businesses and cargo, thereby raising awareness and knowledge around SAF and offering the opportunity for companies to reduce their duty-travel and cargo transportation-related CO₂ emissions. The SAF programs had more than 180 companies contributing in 2024. Air France-KLM Martinair Cargo runs an online platform called goSAF where Cargo customers book their shipments and proposes an option to add SAF as an ancillary to their Cargo booking. Furthermore, within the scope of the bluebiz program, members can invest their blue credits in SAF. In 2024, 206 customers participated.

Since 2022, individual customers can also voluntarily contribute to increasing the use of SAF when they make a booking or up until check-in, through the ancillary SAF option. In June 2024, Air France launched "extra SAF" Fares for La Première customers allowing them to contribute to the purchase of SAF at the beginning of the booking flow, therefore increasing SAF voluntary contribution exposure. The voluntary SAF contribution by Air France and KLM customers is at the top of the (mandatory) SAF surcharge as from 2025.

Since 2022, the Group has offered all its Flying Blue members the option to pay for SAF also with Miles. As an incentive or reward for high-value customers, their contributions count towards earning or maintaining Flying Blue Elite status.

Since 2024, Air France and KLM are the first European airlines to proactively display, in a transparent manner, CO₂ emissions for a flight in the flight selection page on their websites. This CO₂ emission display includes detailed information on the impact of air travel, calculation methods and available levers to reduce one's travel impacts.

6. Carbon removals

See section E1-7 "GHG removals and GHG mitigation projects financed through carbon credits (E1-7)".

B. Ground operations

In addition to reducing emissions from kerosene combustion, which are responsible for the majority of Air France-KLM's carbon footprint, the Group is aiming to decrease its GHG emissions for its passenger and cargo-related activities in its ground operations at Paris-Charles de Gaulle, Paris-Orly and Amsterdam-Schiphol airports through energy consumption management and operational efficiency enhancement initiatives.

Energy consumption in the ground operations, such as the kerosene used in the Engineering & Maintenance (E&M) Engine Test Bench (ETB), the fuels used by ground support equipment, electricity, heating, cooling and natural gas use in buildings (including energy for mobility, aircraft maintenance and tertiary activities), generates direct and indirect greenhouse gas emissions (scopes 1, 2 and 3). In 2024, this accounted for 13% of Air France-KLM's total scopes 1, 2 and 3 emissions.

The Group has been actively pursuing measures to reduce CO₂ emissions, including trials involving electric Ground Power Units (e-GPUs) and thermal Air Conditioning Unit (ACU) converters for air conditioning on the ground. The Aircraft Power Unit (APU) OFF concept, which minimizes APU usage during ground operations, is progressively being extended to medium-haul flights, with 100% of Charles-de-Gaulle Terminal 2F's medium-haul gates having been equipped. A study is underway to gradually extend the APU OFF process to international outstations.

In 2024, 69% of the ground equipment at the Group hubs were electrically powered. A Proof Of Concept for a Taxibot was operated at CDG Terminal 2F between December 2023 and February 2024 and in December 2024, KLM used the taxibot for the first time on a commercial flight. Analysis of the data then enabled the limits of the equipment's use to be identified and a new medium-term phase of reflection to be launched internally at Air France and in collaboration with ADP. A pilot using a hydrogen powered GPU has been conducted at Schiphol.

In May 2024, the first four electric wide-body aircraft tractors were added to the ground service equipment (GSE) at CDG. Since July 1, 2024, CDG's GSE fleet has been entirely powered by HVO (Hydrotreated Vegetable Oil), with no technical or economic consequences. HVO100 was used for all diesel powered vehicles at the Amsterdam-Schiphol hub. According to ADEME emission factors, HVO100 reduces CO₂ emissions by 77% compared with the diesel it replaces⁽¹⁾.

At Air France, in July 2023, two contracts (for a period of 20 years) were signed with "EDF Renouvelables" to contribute to the installation of two solar farms in France (La Charité – Nièvre and Grand Guéret – Creuse). The annual potential is estimated at 28 GWh which corresponds to 20% of Air France's current electricity consumption supplied by EDF.

Partnerships with suppliers allow the Group to further improve its strategy such as at Air France Cargo which has launched an electric Orly-CDG shuttle and tested an electric truck on the runway with one of its logistics providers.

Reducing the energy consumption of ground facilities

Air France-KLM Group facilities have in place different energy efficiency programs that include measures such as switching off lighting, automatic switch-off for electronic devices, thermal insulation work, and adjusting temperature settings.

As part of the French government's 2022 national plan to reduce energy consumption (starting with the signing of the "Manifeste EcoWatt", then the "Charte sobriété tertiaire – plan bâtiment durable" on November 27, 2023), Air France has tightened its temperature setpoints (19°C-26°C), stopped using hot water except in showers, closed its headquarters one extra day a week by encouraging telecommuting, improved many control systems and replaced the most energy-intensive equipment. These efforts have enabled Air France to achieve a reduction of 20.5% in 2024 compared with 2019, in excess of national targets (-10%).

⁽¹⁾ <https://base-empreinte.ademe.fr/>

In 2024, KLM began sustainability renovations starting with Hangar 10, installing an advanced heat exchange system to eliminate natural gas usage. Similar renovations will commence on Hangar 73 in 2025.

Supporting research, development and capacity building in the airline industry

To promote the advancement of low carbon and mitigation technologies, Air France-KLM is committed to research and development into innovative solutions, design, and aeronautical and engine maintenance. The Group and its airlines are part of various initiatives that contribute to the different levers of its Transition Plan:

- Air France-KLM is involved in the Clean Air Transport Initiative, which aims to accelerate the transition towards zero-emission commercial aviation technologies. This initiative involves the development of new technologies and infrastructure.
- Air France-KLM participates in the Alliance for Zero-Emissions Aviation (AZEVA), which aims to prepare the market for the entry into service of zero-emission aircraft. The objective of this Alliance is to support the development of zero-emission aircraft technologies, fuels and infrastructures and to facilitate the deployment of these technologies in the aviation industry.
- Air France-KLM Martinair Cargo has joined the Smart Freight Centre (SFC) program to increase transparency on GHG emissions and drive decarbonization measures across the air freight industry.
- Air France-KLM is a partner in the TU Delft-France Initiative and is committed to contributing an annual €150,000 over three years, starting in 2024. Launched in April 2023, the initiative aims to create innovative solutions to decarbonize the aviation industry. The financing will go towards a university fund to finance ambitious collaborative research projects between France and the Netherlands.
- Air France Industry and KLM Engineering and Maintenance have signed MoUs with start-up OEMs to prepare for aftermarket service for hybrid and hydrogen-electric aircraft and are participating in the development of educational programs for technicians to support the adoption of new technologies. This ensures that technicians are adequately trained to support the new aircraft technologies and promotes the safe and effective adoption of these technologies.
- As a founding member of the Aviation Climate Task Force (ACT), Air France-KLM is participating in the acceleration of breakthroughs in emerging decarbonization technologies, with a focus on synthetic SAF, hydrogen and direct air capture.
- Air France and KLM are partners in the HERON project, which aims to demonstrate how aviation's environmental footprint can be reduced with innovative procedures. The project receives funding from the European Union and runs from 2022 to 2025, focusing on more efficient aircraft operations and optimized air traffic management during both flight planning and real-time operations.
- Air France and KLM have participated in the launch of The Aviation Challenge (TAC). The initiative was embraced by the SkyTeam alliance with 24 airlines that operated 33 flights in 2024. Over 200 suppliers took up the challenge, providing circular on-board products, lightweight materials, SAF and IT solutions.
- Air France is a partner in the OLGA project, launched in 2021 by the Aéroports de Paris group and comprised of four international airports and 57 partners. The project thrives on demonstrating innovative environmental solutions applicable to the consortium's member airports and capable of being replicated on a European scale. The solutions are meant to lead to proven CO₂ reduction, air quality improvement, and biodiversity preservation with the involvement of the entire sector's value chain.
- Air France is co-leader of the Strategic Sector Committee – New Energy Systems (CSF NSE) which is working to transform the energy transition into an opportunity to reindustrialize French territories. The committee brings together state, industrial and trade union stakeholders around a common roadmap with two main ambitions for the energy transition: to lead a competitive energy transition and to develop industry.
- In 2024, Air France together with ENAC (Civil Aviation National School) and Airbus, have launched NovAero teaching chair aimed at developing the skills needed to reduce the environmental impact of the aviation sector. Students at ENAC will have access to a curriculum specifically dedicated to environmental and societal transitions, with the introduction of a NovAero Certificate.
- KLM has a partnership with Delft University of Technology in the Netherlands to design the Flying-V aircraft, a highly energy-efficient long-haul aircraft, and has engaged in collaborative efforts aimed at further developing the aircraft. This innovative aircraft design has the potential to significantly reduce emissions. In addition, KLM is supporting AeroDelft, a student team whose mission is to prove that emission-free aviation is possible by designing and building one of the world's first liquid hydrogen aircraft.
- KLM is also a member of the Heart Aerospace Advisory Board, which supports the design and development of the ES-30 and the program milestones on the path to aircraft type certification.
- KLM is a full member of the Electric Flying Connection (EFC) and the Power Up collective, which aims to revolutionize transportation through electric aircraft. EFC focuses on building a network of organizations dedicated to creating a value chain for electric flying, while Power Up aims to gain knowledge of the feasibility, potential and handling of electric flights.
- KLM is a partner of the *Duurzame Luchtvaarttafel*, a working group that aims to reduce CO₂ emissions from aviation. This sub-table of the mobility sector-table is facilitated by the Ministry of Infrastructure and Water Management and involves sector parties, knowledge institutes, trade organizations and social organizations.

- KLM is also a partner of TULIPS, a €25 million EU-funded consortium, which will develop innovations for airports between January 2022 and December 2025. The project aims to accelerate the roll-out of low-carbon mobility technologies, achieve zero-emission and zero-waste airports by 2030, and climate-neutral aviation by 2050.
- KLM is involved in the EU-funded research project BeCoM (Better Contrail Mitigation), which is attempting to bring about a significant reduction in or elimination of the global mean contrail radiative forcing. This is facilitated by a confident forecast of persistent contrails, reduced weather-dependent individual contrail radiative effects, and successful avoidance of strongly warming contrails via trajectory optimization.
- Since 2024, KLM has been involved in the EU-funded research project HOPE (Hydrogen Optimized multi-fuel Propulsion system for clean and silEnt aircraft). The project will deliver an integrated aircraft propulsion system comprising two multi-fuel, ultra-high bypass ratio (UHBR) turbofan engines and a fuel-cell-based auxiliary propulsion and power unit (FC-APPU) driving an aft boundary layer ingestion (BLI) propulsor based on the tube-and-wing aircraft configuration. This system will minimize the combustion and noise emissions during landing and take-off, overhaul the existing aircraft configuration and de-risk hydrogen use solely in existing tube-and-wing aircraft configurations.

Staff engagement

Air France-KLM engages employees at all levels to contribute to the collective sustainability efforts in the aviation sector, providing them with information and training.

Air France has launched "My Climate School", an online training program on environmental transition that is mandatory for all managers. This 90-minute course contains a selection of pedagogical and science-based modules from the AXA Climate school program together with insights on Air France's decarbonization strategy. In addition, all Air France staff can access the AXA Climate School's full library, which contains a whole catalog of modules to understand environmental issues and also tips on «how to act in my job».

Non-CO₂ effects

The climate impact of aviation is larger than CO₂ emissions alone. Aircraft produce other emissions such as water vapor, soot particles and nitrogen oxides that interact with the atmosphere and contribute to climate change.

The most significant non-CO₂ effect is due to contrails, the line-shaped clouds that sometimes form behind an aircraft. The exhaust soot particles emitted by engines promote their formation and they can persist for dozens

of hours under specific atmospheric conditions. Persistent contrails may have a twofold impact on the climate – a cooling effect due to the reflection of solar radiation, and a greenhouse effect, which warms the atmosphere. At night, in the absence of sunlight, all persistent contrails are warming. So not all flights have the same impact – depending on the time of day, the trajectory or the season, contrails can have a warming, cooling, or neutral effect. Additionally, NO_x emissions from aircraft engines at high altitude contribute to the formation of ozone and the destruction of methane, both greenhouse gases, such that the overall effect is estimated to be warming although this is dependent on the background surface air pollution levels.

There are still many uncertainties in assessing and quantifying the climatic impact of non-CO₂ effects but the latest scientific studies tend to demonstrate that they have a warming impact, especially in the short term, comparable to the impact of CO₂. Overall, a small number of flights are believed to account for most of the climate impact caused by contrails. In 2019, on a global scale, less than 3% of flights were responsible for 80% of the climate impact related to contrails⁽¹⁾. Detecting these flights in advance will allow for the implementation of solutions to reduce their climate impact in the future. Two potential solutions are under investigation: if possible, changes in flight trajectory and improvement in fuel quality. As of now, neither is mature enough to be deployed on a large scale.

The most promising strategy in the years to come seems to be the modification of flight paths to avoid creating warming contrails. In most cases, this solution may result in additional fuel consumption and consequently additional CO₂ emissions. These flight path changes should therefore only be implemented if they are globally beneficial for the climate. They will require a precise forecast of the areas incurring a risk for the climate, as well as a comparison of the short-term benefit of avoiding contrails, with the long-term negative effect of the additional CO₂ emissions generated by the avoidance. This solution may also pose operational challenges when implemented, particularly in an increasingly congested airspace.

An alternative solution to lowering the climate impact from contrails is to make changes to the fuel composition. Using highly concentrated blends of SAF has been shown to lower the contrail climate impact in scientific studies⁽²⁾. Currently SAF is used in relatively small and diluted quantities so it does not have a noticeable non-CO₂ effect for the moment. A second fuel option, hydrotreating fossil kerosene to remove naphthalene, results in lower soot particle emissions, which lowers the contrail climate impact as well. For now, hydrotreated kerosene is currently unavailable on the market. Work is ongoing in the European Union to explore the feasibility of a new jet fuel standard.

⁽¹⁾ Teoh et al., Imperial College.

⁽²⁾ <https://www.nasa.gov/news-release/nasa-dlr-study-finds-sustainable-aviation-fuel-can-reduce-contrails/>

Although the European Union will mandate non-CO₂ reporting under the EU-ETS (European Union Emissions Trading System) from 2025 onwards, there is no international consensus on the methodology to convert non-CO₂ effects into CO₂ equivalents, and the efficacy of different levers to mitigate non-CO₂ effects has not all been identified, nor have the trade-off they require with CO₂. The Science-Based Targets sector guidance for aviation does not incorporate non-CO₂ effects precisely for this reason. Therefore, the Group Transition Plan does not take non-CO₂ effects into account for now. Nevertheless, Air France-KLM factors them into its long-term strategy and is actively working with research facilities, policymakers and solution providers to increase the knowledge of non-CO₂ effects and speed up the implementation of mitigation measures.

- Since 2013, Air France has been involved in the research infrastructure IAGOS (In-Service Aircraft for a Global Observing System) and operates one aircraft with sensors collecting atmospheric data.
- Since 2021, Air France has been working in close collaboration with Météo France to help further improve their forecasting of the contrail risk area. Air France has collected more than 2,700 observations with its Contrail Observation Program.
- Air France-KLM participates in research through the “Conseil pour la recherche aéronautique civile” (CORAC) which supports Climaviation, a Climate Chair focusing on the non-CO₂ effects of aviation.

- Air France is involved in CICONIA, a three-year European project that aims to define and assess new procedures for airlines and air traffic control to mitigate non-CO₂ effects on a large scale. From 2023 to 2026, Air France will contribute its expertise to the project and conduct trial flights to evaluate the efficacy and operational impacts of contrail avoidance.

In 2024

- KLM is a member of the Advisory Board for the EU project that will investigate the revision of the ETS Directive to include a MRV (Measuring, Reporting and Verification) system for non-CO₂ effects in aviation.
- Air France estimated for the first time the contrail impact of its flights. Although this work will have to be refined as standardized methodologies are set, it already gives valuable insights into areas or flights to target for future mitigation trials and confirms the scientific findings relative to the small number of flights responsible for the greater part of the climate impact.
- Air France and KLM presented their work on contrail avoidance and its challenges at the first ICAO symposium on non-CO₂ effects.

4.2.1.4 Metrics – Climate change (E1-5, E1-6, E1-7, E1-8)

4.2.1.4.1 Energy consumption and mix (E1-5)

Total energy consumption and energy intensity

All energy consumption is reported in Mega-Watt-hours (MWh) in Lower Heating Value (LHV), also called net calorific value.

All quantitative energy-related information is reported as final energy consumption, referring to the amount of energy actually consumed.

In accordance with the ESRS E1-5 §38 and §40 provisions, Air France-KLM's main activity being air transport, the total energy consumption from fossil sources is broken down by source and the energy intensity is calculated based on the Group's total net revenue.

Energy Consumption		2024		
		Total	Flight Ops	Ground Ops
<i>In MWh</i>				
Renewable	Fuel	1,318,359	1,272,511	45,847
	<i>Of which: SAF</i>	1,272,511	1,272,511	–
	Electricity, heat, steam, cooling	147,867	–	147,867
	Self-generated non-fuel	1,774	–	1,774
	Total renewable consumption	1,468,000	1,272,511	195,489
	Share in total energy consumption	1.44 %	1.25 %	38.59 %
Fossil	Fuel	100,533,677	100,363,490	170,186
	– From coal and coal products	–	–	–
	– From crude oil and petroleum products	100,427,061	100,363,490	63,571
	<i>Of which: Conventional Aviation Fuel</i>	100,409,691	100,363,490	46,200
	– From natural gas	106,615	–	106,615
	– From other fossil sources	–	–	–
	Electricity, heat, steam, cooling	45,087	–	45,087
	Total fossil consumption	100,578,764	100,363,490	215,273
Share in total energy consumption	98.47 %	98.75 %	42.50 %	
Nuclear	Total nuclear consumption	95,789	–	95,789
	Share in total energy consumption	0.09 %	–	18.91 %
Total energy consumption		102,142,552	101,636,001	506,551

The energy intensity of the Air France-KLM Group, reconciled with the net revenue recognized in the financial statements, is as follows:

Energy intensity	2024
Total Net Revenue as reported in the financial statements (€ millions)	31,459
<i>of which: Revenues from fossil fuel trading activities</i> ⁽¹⁾	8
Energy intensity (in MWh/k€)	3.25

⁽¹⁾ Specific disclosure in compliance with ESRS 2 SBM-1 40d i) standard

Air France-KLM consumed 3.25 MWh of energy for each thousand euros generated in net revenue in 2024.

4.2.1.4.2 Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6)

Gross scopes 1, 2, 3 and total GHG emissions

Direct and indirect CO₂eq emissions are reported in accordance with the Green House Gas Protocol.

Scope 1 GHG emissions

The total gross scope 1 GHG emissions of Air France-KLM are the direct GHG emissions from assets that are owned or controlled by the Group and its subsidiaries.

Scope 1 GHG emissions from flight operations

The gross scope 1 GHG emissions from flight operations are the direct emissions arising from jet fuel and SAF consumption by the aircraft during flights operated by the Group and its airlines, for passenger and cargo transport. The calculations are made using an emission factor of 3.16 tons of CO₂ emitted for 1 ton of fuel consumed (corresponding to the ICAO standard). The emissions for the baseline year 2019 have been restated using this standard emission factor. Given the very low levels of CH₄ and N₂O produced by modern aircraft engines, the Group considers in this situation that the CO₂ emitted is similar to the CO₂ equivalent.

Scope 1 GHG emissions from ground operations

The gross scope 1 emissions for ground operations are the direct emissions arising from the consumption of energy used in the ground operations of Air France-KLM and its subsidiaries, and notably the natural gas and fuel use from engine test benches, vehicles and ground support equipment.

Scope 1 emissions are calculated by multiplying the activity data (energy consumption) by its associated emission factor (considering only the combustion part of the emission factor). The factors are based on national standards or are delivered by the energy suppliers.

Percentage of scope 1 from regulated Emission Trading Schemes (ETS)

The percentage of scope 1 GHG emissions from regulated emission trading schemes includes emissions covered by the EU-ETS or any other national non-EU ETS schemes over the reporting year.

Scope 2 GHG emissions

The total gross scope 2 GHG emissions of Air France-KLM are the indirect GHG emissions from the use of purchased electricity, steam, heating and cooling, and are calculated based on the consumption volume and the corresponding emission factors. The calculation of scope 2 emissions is carried out according to the two methods described by the GHG Protocol: one based on the market and the other based on geographic location:

- location-based method: this method takes into account the average emissions related to the production of electricity in the area in which it is consumed. The emission factors used are mainly taken from the ADEME and the Co₂emissiefactoren database;
- market-based method: this method takes into account the contractual agreements under which the organization sources electricity from specific sources, such as renewable energy. It is becoming mandatory to provide certificates of origin guaranteeing that the electricity has been produced from a renewable energy source and fed into the electricity grid. The CO₂ emissions reduction resulting from the purchase of these certificates for renewable electricity are subtracted from the total. The renewable energy rates are communicated by the suppliers.

Scope 3 GHG emissions

Air France-KLM has conducted a thorough review of its global carbon footprint to identify the relevant scope 3 categories given the Group's activity and value chain characteristics, in accordance with the GHG Protocol standards.

The following categories are reported:

- **Category 1 "Purchased goods and services" (spend-based):** These emissions occurred from goods and services purchased by the Group and for which the emissions are not already reported under scopes 1, 2 or any other scope 3 category. Emissions are derived from the external expenses reported in the Group's financial consolidation system, to which the corresponding monetary emission factor from the ADEME database is applied.
- **Category 2 "Capital goods" (spend-based):** These emissions occurred from the manufacturing of capital goods acquired by the Group. Emissions are derived from their accounting value in the Group's financial reporting, to which the corresponding monetary emission factor from the ADEME database is applied. For the fleet, capital goods include aircraft acquired or leased in the year, to which a specific emission factor is applied, determined based on the publicly available information from aircraft manufacturers.

- **Category 3 “fuel and energy-related activities” (activity-based):** These emissions are generated during the production, transportation and distribution of conventional aviation fuel and SAF. In line with the SBTi methodology, Air France-KLM uses a GHG emission factor of 0.80422 tons CO₂eq emitted for 1 ton of fuel consumed to calculate its scope 3 emissions, determined from the emission factor defined by the ICAO (89 gCO₂eq/MJ) for the entire life cycle of kerosene and the heating value of kerosene (44.5 MJ/kg). That is a factor of 0.2545 of the corresponding scope 1 emissions.
- **Categories 4 and 9 “Upstream and downstream transportation and distribution” (spend-based):** These categories include emissions that occurred from the transportation and distribution of products purchased (excluding fuel and energy) (category 4) and the transportation and distribution of products sold (category 9). Emissions are derived from the transport expenses paid by the Group, to which the monetary emission factor from the ADEME database is applied. Only the expenses paid by the Air France and KLM legal entities are taken into account.
- **Category 5 “Waste” (activity-based):** These emissions occurred from the disposal and treatment of waste generated in the Group’s operations. These emissions are calculated based on the waste volumes and the corresponding emission factors from the ADEME database.
- **Category 6 “Business travel” (hybrid):** These emissions occurred from the transportation and accommodation of the Group’s employees during their duty travel. Depending on the data availability, the actual distance traveled and number of hotel nights are used, or the corresponding financial expenses, to which the emissions factors from the ADEME database or the Dutch government are applied.
- **Category 7 “Employee commuting” (hybrid):** These emissions occurred from the transportation of the Group’s employees to and from the workplace. Depending on the data availability, the actual distance travelled or the financial expenses reimbursed is used, to which the relevant emissions factors for each means of transport from the ADEME database or the Dutch government are applied.
- **Category 15 “Investments” (hybrid):** This category accounts for the emissions of the entities in which Air France-KLM owns a non-controlling stake (associates and joint-ventures); the emissions are estimated based on the share of the net revenue generated by the entity corresponding to the ownership interest of Air France-KLM, to which the most relevant monetary emission factor from the ADEME database is applied. Specifically for SAS AB, the actual emissions were taken into account.

GHG emissions

The following table shows the Air France-KLM Group's total GHG emissions :

(in ktCO ₂ eq)	Base year (2019)	2023	2024	2030
Gross scope 1 GHG emissions				
Flight Ops	28,320	24,704	25,693	<i>below base year level</i>
Jet Fuel	28,317	24,681	25,656	
SAF	3	23	37	
Ground Ops		39	33	
Total gross scope 1 GHG emissions		24,743	25,727	
Percentage of gross scope 1 GHG emissions from regulated ETS			23 %	
Scope 2 GHG emissions				
Total gross scope 2 GHG emissions location-based		45	19	
Total gross scope 2 GHG emissions market-based		15	9	
Scope 3 GHG emissions				
1. Purchased goods and services		<i>not reported</i>	2,514	
2. Capital goods		<i>not reported</i>	1,271	
3. Fuel and energy-related activities	7,207	6,287	6,550	<i>below base year level</i>
Jet Fuel	7,207	6,281	6,530	
SAF	1	6	9	
Ground Ops		<i>not reported</i>	11	
4 & 9. Upstream and downstream transportation and distribution		412	426	
5. Waste generated in operations		<i>not reported</i>	18	
6. Business travel		<i>not reported</i>	77	
7. Employee commuting		<i>not reported</i>	85	
15. Investments		<i>not reported</i>	259	
Total gross scope 3 GHG emissions		6,699	11,200	
Total GHG emissions				
Total gross GHG emissions location-based		31,487	36,945	
Total gross GHG emissions market-based		31,457	36,935	

As of 2024, in line with Air France-KLM's ambition to report on all relevant GHG emissions categories, several new scope 3 categories that have an impact on the total GHG emissions have been added to the total GHG emissions reported over fiscal year 2024. The total GHG emissions reported over the 2024 year can thus not be directly compared to the total GHG emissions reported over the 2023 year.

GHG emissions intensity

GHG emissions intensity is calculated by dividing the total gross GHG emissions by the total net revenue reported in the financial statements.

GHG Intensity	2024
<i>(in tCO₂eq/k€)</i>	
Total Net Revenue (in € million)	31,459
Gross GHG emission intensity location-based	1.17
Gross GHG emission intensity market-based	1.17

Air France-KLM emitted 1.17 metric tons of GHG for every thousand euros generated in net revenue in 2024.

Specific GHG intensity indicators**CO₂ footprint for passenger transport**

This indicator represents the fuel efficiency of the passenger transport activity of Air France-KLM, expressed in grams of CO₂ emissions per Revenue Passenger Kilometer (gCO₂eq/RPK)

This indicator covers CO₂eq scope 1 (corresponding to the Group's direct fuel consumption) emissions, divided by the RPK (Revenue Passenger Kilometer). RPK distance is calculated according to the Air Flight Distance (AFD), which is a standard derivation from the Great Circle Distance (GCD) and is on average around 6% longer than the GCD, to better reflect the operational flight paths followed by the aircraft due to various restrictions (no-fly zones, local air traffic control, weather conditions, etc.).

Please note that the CO₂ savings from SAF incorporation is not included in the fuel efficiency calculation for passenger transport.

CO₂ intensity (SBTi standard)

CO₂ intensity corresponds to the SBTi standard to which Air France-KLM has adhered and corresponds to the CO₂ emissions of the Air France-KLM passenger and cargo transport activities, expressed in grams of CO₂ equivalent per Revenue Ton Kilometer (gCO₂eq/RTK).

This indicator covers CO₂eq scope 1 (corresponding to the Group's direct fuel consumption) and scope 3 category 3 (corresponding to the upstream emissions from the production of the fuel that is consumed by the Group) emissions, divided by the sum of RTK (Revenue Ton Kilometer) and RPK (Revenue Passenger Kilometer), representing all the industry segments in which the Air France-KLM Group operates. RPK is converted into RTK using the industry-standard weight of 100 kilos per passenger. RTK and RPK distance are calculated according to the Great Circle Distance (GCD), which is the industry standard.

Fuel consumption arising from non-commercial flights is included in the calculation, while non-revenue passengers are excluded from the activity data, consistent with the recommendations of the SBTi standard. Baseline and previous-year data have been restated according to this new standard methodology.

Carbon offsetting and avoided emissions are not included in the calculation of the indicator to comply with the SBTi methodology and framework.

The specific GHG intensity indicators monitored by Air France-KLM are shown in the table below, along with the details of the respective performance of the Air France and KLM sub-groups:

Key performance indicator	Target (2030)	Air France-KLM Group			Air France Group		KLM Group	
		2024	2023	Baseline (2019)	2024	2023	2024	2023
GHG footprint for passenger transport (in gCO ₂ eq/RPK)	n/a	75	76	n/a	77	78	72	73
GHG intensity (SBTi standard) ⁽¹⁾ (in gCO ₂ eq/RTK)	-30% (vs. 2019)	928	936	957	962	977	883	880

⁽¹⁾ Restated figures, see note in section 4.2.1.3.4; without changes in methodology, this would have been a performance of 920 gCO₂eq/RTK in 2024 corresponding to a decrease of 2.9% compared to 2019 baseline of 948 gCO₂eq/RTK for Air France-KLM

Air France-KLM and its airlines faced some headwinds to its GHG intensity progression in 2024 due to unforeseen and external events beyond the Group's control, including delays in the fleet renewal plan due to constraints in the supply chain; engine issues with part of its new-generation aircraft fleet (such as several Airbus A220's) not allowing the Group to operate them to their maximum capacity; higher fuel consumption due to longer flight times on certain routes caused by various geopolitical circumstances. Several actors in the airline industry are facing these headwinds.

4.2.1.4.3 GHG removals and GHG mitigation projects financed through carbon credits (E1-7)

Under Article 147 of the Climate and Resilience Act, Air France-KLM is required to offset the greenhouse gas emissions of its domestic metropolitan flights. This mandatory offsetting mechanism applies to domestic emissions emitted since January 1, 2022 and its scope has gradually increased from 50% of domestic emissions in 2022 to 70% in 2023 and 100% in 2024.

In 2023, in order to cover the mandatory offset of 518 thousand tons of CO₂ emissions, a portfolio of projects was audited and communicated to the French authorities, with 35% of the CO₂ compensation from projects located in the EU. This process was verified by third-party auditor Verifavia before restitution to the French Authority DGAC.

In 2024, the emissions to be covered should be around 700 thousand tons of CO₂, of which 50% will need to be addressed with European-based projects and the remaining 50% with international projects. European-based projects are substantially more expensive than international projects. French projects are based on the French *Label Bas Carbone* methodology developed by the French government.

Air France chose Oklima, a subsidiary of EDF which is known for its expertise in decarbonization strategy, to select the various projects which must comply with the principles of carbon offsetting (measurable, verifiable, permanent and additional). 100% of the Group projects met recognized quality standards. Together with Oklima, Air France is building a comprehensive portfolio to comply with the 2024 period.

In 2023, Air France selected the Greenfield Solar Power Mission project by Fortum India (VERRA VCS 2069) as its international project. The main purpose of this project is to generate clean electricity through renewable solar energy sources. The project involves the installation of a 250 MW solar power plant in Rajasthan, India. The project is directly contributing to India's effort to develop access to renewable energy, improving the lives and living conditions of people while also creating jobs and opportunities for education.

Among the airlines operating in France and subject to the Climate and Resilience Law mechanism, Air France was one of the rare companies to diversify its available projects with a significant share of agricultural projects in addition to forestry projects. In 2023, 23 out of the 67 projects financed by Air France Group benefited from the "biodiversity bonus" granted by the French administration.

Air France is currently working with key partners to investigate how the company can finance projects that fall within its value chain in the short term: for instance financing agricultural projects that are already integrated in the catering sources of its suppliers.

Air France-KLM takes purchase agreements for future delivery of credits and cancels the credits once used for international projects in accordance with Article 147 in France. The Group has not yet purchased carbon credits for its future CORSIA compliance.

Total amount of carbon credits outside Air France-KLM's value chain

The carbon credits reported are the ones acquired to compensate emissions from previous reporting periods that are cancelled in the reporting year.

Mandatory and voluntary carbon credits purchased by Air France-KLM are included, such as the compensations brought by the Air France Group to cover its domestic emissions (pursuant to Article 147 of the French Climate and Resilience Law), while the carbon emission allowances received or brought by the Air France-KLM Group through its airlines under ETS programs (mainly EU-ETS) are not included.

Carbon Credits (in ktons of GHG)	2024
Credits related to previous years that were cancelled in the reporting year	380
Credits planned to be cancelled in future years	1,017
Share of credits under recognized quality standard	100%
Share of projects within the EU	50%
Share of credits qualified as corresponding adjustments	– %

4.2.1.4.4 Internal carbon pricing (E1-8)

Internal carbon pricing is a tool used by Air France-KLM to factor the cost of CO₂ emissions into business decisions, such as operational trade-offs and investments. This is achieved through the assignment of a monetary value to CO₂ emissions called carbon pricing (or shadow pricing), helping the Group assess the financial impact of decisions affecting its CO₂ emissions.

Internal carbon pricing has been progressively used across Air France-KLM since 2022 and is enshrined in the Group's investments procedure, with differentiated

pricing between the emissions linked to flight operations and the emissions linked to ground operations.

For emissions linked to flight operations, the strategic price is an additional decision support tool to be displayed separately from the business decisions' economic evaluation, which already includes the regulatory price.

The internal carbon pricing schemes described below are consistent with the assumptions used by the Group when conducting the assessment of the useful life and residual value of its assets and the impairment tests.

	Flight operations		Ground operations
Scope	Business decisions directly impacting controllable jet fuel consumption		Business decisions directly impacting controllable GHG emissions other than jet fuel consumption
Type	Regulatory price	Strategic price	Ground operations price
Principle	Regulatory-linked cost of CO ₂ emissions to be factored in the economic evaluation of business decisions	Cost of CO ₂ emissions linked to achieving Air France-KLM's decarbonization target, that is more ambition than regulation	Cost of CO ₂ emissions for ground emissions, based on industry standards
Value	Up to €740 per ton of CO ₂ emissions		€120 per ton of CO ₂ emissions

For 2024, Air France-KLM estimates that the share of its total scope 1 emissions covered by the internal carbon pricing schemes corresponds to around 30% (scopes 1 and 3.3).

4.2.1.4.5 Specific metrics – Climate Change

The following environmental metrics are monitored by Air France-KLM to track its progress on its emissions reduction efforts.

Share of new-generation aircraft in the fleet

The indicator refers to the share of new-generation aircraft in the Air France-KLM Group fleet in operation.

The following aircraft are considered to be new-generation aircraft: Embraer E195-E2 (and E190-E2), Airbus A220, Airbus A320neo family (including A320neo and A321neo), Airbus A350, and Boeing 787.

Fleet in operation includes aircraft operated and temporarily out of operations (under maintenance or preparation for future operations).

As of December 31	2024	2023
Share of new-generation aircraft in Air France-KLM Group fleet	26.9 %	20.3 %

To support its emission reduction efforts, Air France-KLM is investing in its fleet renewal to introduce new-generation aircraft that are more efficient in terms of fuel consumption and therefore CO₂ emissions, while also generating less noise. In 2024, the Group had 26.9% of new-generation aircraft in its fleet, compared to 20.3% in 2023.

The details of the Air France-KLM fleet can be found in section 1.4 of this Universal Registration Document.

Electrification of ground support equipment

In order to reduce the carbon footprint of its ground operations in their main hubs, Air France and KLM are investing in the electrification of their fleet of ground support equipment:

As of December 31	2024	2023
Ground Support Equipment electrification	68.7 %	64.0 %

In 2024, the Group operated 68.7% of electrified ground support equipment in its hubs of Paris and Amsterdam, compared to 64.0% in 2023.

SAF incorporation rate

The CO₂ reduction from the use of SAF is calculated based on the weighted average of the specific percentage of CO₂ reduction for the SAF batches and their respective volumes of SAF delivered. The SAF CO₂ saving is based on the information provided by the suppliers from PTDs (Post Transfer Documents).

	Air France-KLM Group		Air France Group		KLM Group	
	2024	2023	2024	2023	2024	2023
SAF consumption (in ktons)	103	87	46	38	57	49
SAF incorporation rate	1.25 %	1.10 %	0.94 %	0.80 %	1.71 %	1.50 %
CO ₂ reduction from SAF (scope 1 & 3) (in ktons of CO ₂)	(363)	(315)	(154)	(136)	(206)	(179)

In 2024, the Group incorporated 103 kilotons of SAF, representing 1.25% of the global jet fuel consumption, compared to 87 kilotons representing 1.10% of the total jet fuel consumption in 2023. The CO₂ reduction from SAF consumption compared to conventional jet fuel amounted to (363) kilotons of CO₂ in 2024, compared to (315) kilotons of CO₂ in 2023.

4.2.1.5 National Low-Carbon Strategy (SNBC)

4.2.1.5.1 Introduction

Air France-KLM is publishing this report on its strategy for reducing greenhouse gas emissions for the scope of mainland France and the overseas territories pursuant to the provisions of Article 66 of French law No. 2020-935 of July 30, 2020 and the decree-law of November 2, 2021⁽¹⁾.

Please note that the SNBC scope under consideration represents around 6% of the Group's CO₂ emissions.

The environmental transition is part of Air France-KLM strategic priorities and the Group is recognized for its sustainability ambitions and actions.

- This is an immense challenge for the aviation sector which plays a key societal role: air transportation brings together people, cultures and economies. It contributes to developing tolerance and understanding of others through travel. It connects the territories and contributes to the development of numerous economies. For more information on Air France-KLM social and economic impacts please refer to section 4.4.2 "Political Engagement & Lobbying Activities, Economic & Social Value of Air Transportation (G1-5)".
- If it is to continue to play this role, the sector must succeed in decarbonizing: it is a high expectation of the Group's customers and employees and a requirement of society as a whole, one which engages the entire airline industry. Throughout its history, the sector has managed to keep pace with technological and operational transitions towards safer, more affordable air transportation thanks, in particular, to aircraft and engines that are more energy-efficient, less noisy and less polluting. All of the industry's abilities are mobilized to support the sector's successful transition.

4.2.1.5.2 The National Low Carbon Strategy (Stratégie Nationale Bas-Carbone – SNBC): review of the overall principles

National Low Carbon Strategy (SNBC)

The National Low Carbon Strategy (*Stratégie Nationale Bas-Carbone – SNBC*) serves as France's policy-making roadmap in terms of climate change mitigation. It provides guidelines to enable the transition to a low-carbon economy in all sectors of activity. It sets short/medium-term greenhouse gas emission reduction targets for France in the form of carbon budgets, i.e., emission ceilings not to be exceeded per 5-year period.

The carbon budgets account for the emissions recorded in mainland France, Guadeloupe, French Guiana, Martinique, La Réunion, Saint-Martin and Mayotte, as well as emissions from transportation between these geographical areas. Emissions from international air and maritime links are not included in these figures.

The AMS⁽²⁾ scenario for air transportation

The National Low Carbon Strategy is based on a baseline scenario (AMS) developed through a modeling exercise also used in Multi-Year Energy Programming. This AMS scenario details all the public policy measures, in addition to those already in place, which will allow France to adhere to its short, medium, and long-term climate and energy objectives. It outlines a possible trajectory for reducing greenhouse gas emissions by 2050, which is used as the basis for defining the carbon budgets. The air transportation AMS scenario is based on a number of hypotheses relating to traffic growth, the improved energy efficiency of air transportation and the incorporation of more SAF. The latest version of the air transportation AMS, taking into account the most recent data available on the French Ecological Transition Ministry website, provides the following figures and revisions relative to 2015:

AMS scenario (MtCO ₂)	2015	2025	2030	2050
National air transportation	4.6	4.7	4.6	1.9
Change	0%	2%	0%	-59%

<https://www.ecologie.gouv.fr/sites/default/files/documents/Guide%20art.%2066%20LFR3.pdf>

As indicated in this guide, the rates of change in emissions projected between 2015 and the target year in the AMS scenario are used as a reference for defining company trajectories and are therefore used to check the compatibility of these companies' emission reduction targets with the National Low Carbon Strategy.

The AMS emissions projections for aviation are based, among other things, on the following assumptions for the incorporation of SAF:

Incorporation rate of SAF	2015	2020	2025	2030	2050
AMS scenario	0.0%	0.5%	2.4%	4.3%	50.0%

⁽¹⁾ See section 4.2.4 The European Taxonomy; The Air France-KLM Group is not excluded from the EU Paris-aligned Benchmarks.

⁽²⁾ AMS scenario, Avec mesures supplémentaires or With Additional Measures.

4.2.1.5.3 Consistency of Air France-KLM's CO₂ emissions roadmap with the SNBC targets

Main hypotheses retained

In the definition of the Air France-KLM Group's CO₂ emissions trajectory for the SNBC scope, a number of hypotheses have been retained. Some of these assumptions are implicit in Air France-KLM's overall decarbonization roadmap at the global level while others are specific to the construction of this SNBC trajectory.

Reasoning used for the roadmap and the organizational scope covered

The construction of Air France-KLM's SNBC trajectory does not correspond to a share of Air France-KLM's overall emissions roadmap, but rather to a dedicated construction for the scope of activity in mainland France and the French overseas territories.

The model for the trajectory is based on:

- activity: expressed in ASKs (Available Seat-Kilometers), consistent with the Fleet Plan;
- the level of consumption in gFuel/ASK of the aircraft constituting the fleet, supported by the "realized" data on the aircraft currently in the fleet and the assumptions of the manufacturers and of the Air France Fleet division for the aircraft not currently operated.

Hypotheses common to the overall roadmap and the SNBC scope

- **Emissions factor relating to the combustion of kerosene:** for 1 ton of kerosene burned, 3.16 tons of CO₂ are emitted. This emission factor is in line with the ICAO's CORSIA system used within the framework of the EU ETS system.
- **Percentage incorporation of SAF** as a proportion of the total volume of fuel:
 - 2025: target of 2% SAF incorporation on the SNBC scope;
 - by 2030, the Air-France-KLM Group aspires to incorporate at least 10% SAF at global level, higher than the French and European regulatory requirement;
 - at the time of writing of this document, there is no difference in the SAF incorporation assumptions in the specific SNBC trajectory below and those in the Group's overall decarbonization roadmap.
- **Gains obtained thanks to air operations optimization:** the assumption is a gain of 4% by 2050 relative to 2019. This hypothesis is deliberately relatively conservative since it depends on exogenous factors (e.g., the implementation of the Single European Sky project).
- **Forecast rates of activity:** The forecast rates of activity underlying the Group's emission reduction trajectory are in line with the forecasts for the French air transportation sector roadmap for which the link appears above, on the aggregate national air transportation scope: namely a modest average annual growth rate of 0.8% for the 2019-50 period.

Hypotheses specific to the SNBC scope

- **The schedule of activity** expressed in Available Seat-Kilometers (ASK), defined with the following granularity, corresponding to the Group's SNBC activity scope:
 - Air France (AF) – Long Haul: French Overseas Territories: flights between Paris and Cayenne/Réunion/Pointe-à-Pitre/Fort-de-France; and flights between the French overseas territories;
 - Air France – Hub: flights in mainland France feeding the Paris-CDG Hub;
 - Air France – Point-to-Point: Domestic France flights from/to Paris-Orly and Transversal flights;
 - Transavia France – Domestic: Domestic activity of Transavia France.

This schedule is supported by activity projections per airline through to the end of 2029 as of the writing of this document, then beyond, by a projection of activity at a normative level established by Air France-KLM's Strategy Division.

- **Aircraft load factor data**, specified based on the above-mentioned business segments. The current hypothesis retained for this trajectory is a return, in 2024, to the aircraft load factors seen in 2019, on the SNBC scope.
- **The fleet plan** expressed as the number of aircraft by aircraft type and by year based on the above-mentioned business segments. Several key elements in the specific SNBC fleet plan are:
 - Air France – Long-Haul: taking into account the fact that the Long-Haul destinations on the SNBC scope are now mostly served by Boeing 777-300ER aircraft, in a densified configuration. On the current forecasts, this will be the case until at least 2029;
 - Air France – Hub and Point-to-Point activity: the Airbus A320 family fleet is being progressively replaced by new-generation Airbus A220s. These aircraft enable around a 20% reduction in CO₂ emissions and fuel consumption relative to the previous generation of aircraft;
 - Transavia France – Domestic: Transavia France has historically operated Boeing 737-800 aircraft. The fleet mix retained within the framework of the SNBC for Transavia includes the introduction of the new-generation Airbus A320Neo as of 2024. These aircraft enable around a 15% reduction in CO₂ emissions and fuel consumption per passenger km relative to the previous-generation aircraft.

For emission reduction refer to 4.2.1.3.5 "Actions and resources – Climate change policies (E1-3)".

Type of emissions

Scopes 1, 2, 3

The bulk of Air France-KLM's greenhouse gas (GHG) emissions is generated by its direct activities (scope 1) and mainly by air operations which represent 99.7% of the Group's total direct emissions. Ground operations (engine test benches, runway vehicles, etc.) represent 0.1% of the direct emissions. Tertiary activities also generate greenhouse gas emissions through energy consumption in buildings (electricity and air conditioning) (scope 2).

The indirect greenhouse gas emissions (scope 3) mostly come from the upstream phase (extraction, production, distribution, etc.) of aviation kerosene. The other main components of indirect emissions are the purchasing of goods and services, aircraft manufacturing, business travel and employee commuting.

The following Air France-KLM Group's CO₂ emission trajectory is based on scope 1 CO₂ emissions, i.e., taking account only of emissions linked to fuel combustion, so as to remain consistent with the specific targets assigned to air transportation in the SNBC, and the accounting of aviation sector emissions by CITEPA (Interprofessional Technical Centre for Studies on Air Pollution) (see OMINEA_2023.pdf (https://www.citepa.org/wp-content/uploads/publications/ominea/OMINEA_2023.pdf)). Additional emissions associated with the extraction, refining and transportation of fuels are not considered here. These additional emissions are nevertheless well accounted for in other sectors by the SNBC. For information purposes, the emissions linked to the manufacturing and transportation of fuel can be calculated by applying a factor of 0.2545 to the emissions linked to the combustion of kerosene. This multiplier factor comes from the recommendations of the Science-Based Targets initiative in its document on the airline sector.

The Air France-KLM Transition Plan appearing in this document in section 4.2.1.3.1 "Transition plan for climate change mitigation (E1-1)" includes scope 1 and scope 3.3 (upstream jet fuel emissions).

Greenhouse gas emissions and the focus on CO₂ emissions

The trajectory outlined below is based on CO₂ emissions, consistent with the AMS scenario for aviation.

The other greenhouse gas emissions (e.g., N₂O, CH₄) that are generally presented in the form of CO₂ equivalent (CO₂eq) are marginal relative to the CO₂ emissions from aircraft, with a contribution of around 1%, as shown in the CITEPA data (<https://www.citepa.org/fr/secten/>).

Air transportation industry

	2021	% of the total	% 2021/90
NO _x (Gg)	6.0	0.79	(8.9)
COVNM (Gg)	0.62	0.05	(72)
CO (Gg)	7.3	0.27	(45)
HFC (Gg CO ₂ e)	0.11	0.0	-
CO ₂ (Tg)	3.80	1.2	(8.8)
CO ₂ e (Tg CO ₂ e)	3.80	0.92	(8.8)
As (Mg)	-	-	-
Cd (Mg)	-	-	-
Cr (Mg)	-	-	-
Cu (Mg)	-	-	-
Hg (Mg)	-	-	-
Ni (Mg)	-	-	-
Pb (Mg)	2.8	3.3	(48)
Se (Mg)	-	-	0
Zn (Mg)	-	-	0
PM10 (Gg)	0.11	0.04	(34)
PM2,5 (Gg)	0.08	0.04	(41)
PM1,0 (Gg)	0.03	0.02	(61)
BC (Gg)	0.02	0.06	(54)
HAP (Mg)	-	-	-
PCDD-F (g-ITEQ)	-	-	-

Below, the volumes of GHG emissions for Air France-KLM 2024 showing the proportions between the different GHG and confirming the low proportion of greenhouse gas emissions other than CO₂.

Air France-KLM's emissions in 2024

	kTons	%
CO ₂ (scope 1)	25,727	99.96 %
NO _x (< 3,000 ft)	9	0.04 %
SO ₂ (< 3,000 ft)	1	- %
TOTAL	25,737	100.00 %

Non-CO₂ effects

The climate impact of aviation is larger than CO₂ emissions alone. Aircraft produce other emissions such as water vapor, soot particles and nitrogen oxides that interact with the atmosphere and contribute to climate change. There are still many uncertainties in assessing and quantifying the climatic impact of non-CO₂ effects, but the latest scientific studies agree that they have a significant warming impact, especially in the short term, comparable to the impact of CO₂. Although the EU will mandate non-CO₂ reporting under the EU-ETS from 2025 onwards, there is no international consensus on the methodology to convert non-CO₂ effects into CO₂ equivalents for the moment. Furthermore, the efficacy of the different levers to mitigate non-CO₂ effects have not all been identified, nor has the trade-off they require with CO₂.

For further development around non-CO₂ effects, please refer to section 4.2.1.3.5 "Actions and resources – Climate change policies (E1-3)".

Baseline

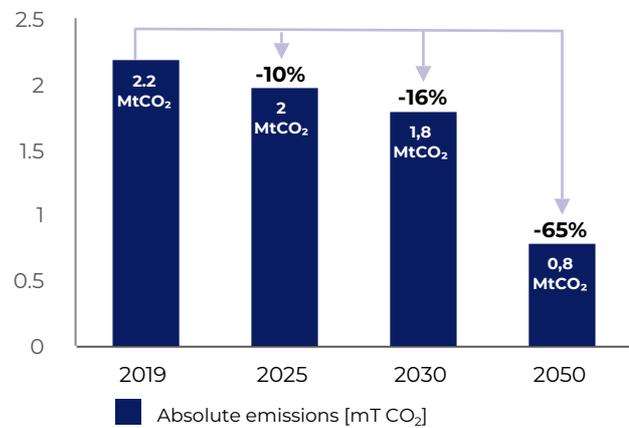
In view of the impact of the Covid-19 crisis on the aviation industry, the baseline commonly used for the decarbonization trajectory is 2019. In this document we also provide some figures based on 2015, in line with the reference year of the AMS scenario.

Air France-KLM's emission reduction targets over the short, medium and long term

The Air France-KLM Group has set itself a target reduction in the intensity of its greenhouse gases (GHG) by 30% by 2030 relative to the 2019 baseline (gCO₂eq/RTK [Revenue Ton-Kilometers]). This target was validated by the Science Based Targets initiative (SBTi) in November 2022 for the Air France-KLM Group, as well as for Air France and KLM.

On the SNBC scope, i.e., national air transportation, the Air France-KLM Group has set itself the following short, medium and long-term ambitions for reducing CO₂ emissions in absolute terms (excluding carbon offsetting):

- **in the short term (2025), a -10% reduction relative to 2019;**
- **in the medium term (2030), a -16% reduction relative to 2019;**
- **in the long term (2050), a -65% reduction relative to 2019.**



AIR FRANCE-KLM EMISSIONS TRAJECTORY ON THE SNBC SCOPE

(in absolute value and relative to the 2019 baseline)	2019	2023	2024	2025	2030	2050
Air France-KLM absolute emissions targets (MtCO ₂)	2.2			2	1.8	0.8
Air France-KLM relative emission targets (base 100 / 2019)	100			90	84	35
Air France-KLM relative emission target variation / 2019				-10%	-16%	-65%
Air France-KLM absolute emissions results (MtCO ₂) ⁽¹⁾	2.2	1.8	1.7			
Air France-KLM relative emission results variation / 2019		-24%	-28%			

(1) The figures are indicative at this stage, as they are contingent on the results of the ongoing audit of the ETS process and the final geographic allocation of SAF.

To define these targets, Air France-KLM carried out a CO₂ emissions forecasting exercise, factoring in the expected effects of the various measures that will contribute to their reduction: reduction in activity levels, fleet renewal, incorporation of more SAF, improved operational efficiency linked to the optimization of air traffic control and flight management.

It should be noted that these short and medium-term targets are based on the current forecasts for Air France-KLM's traffic growth, the Group's ambitions in terms of SAF and the current state of its market positions. For further critical assumption, please refer to section 4.2.1.3.4 "Targets – Climate change mitigation and adaptation (E1-4)".

Furthermore, the long-term target for Air France-KLM's emissions (2050) is based on assumptions that are by their very nature uncertain and concern in particular the availability of SAF at competitive prices, technological advances in the development of aircraft emitting fewer greenhouse gases, or the implementation of measures to optimize air traffic control. France's strategy for building a national SAF production chain will thus be a key condition for the successful decarbonization of Air France-KLM and of the French aviation industry as a whole – as detailed in the decarbonization roadmap for the French aviation industry: "*Proposition de feuille de route décarbonation transport aérien*⁽¹⁾".

The main factor driving the reduction in emissions on the SNBC perimeter, from 2.2 MtCO₂ in 2019 to 1.7 MtCO₂ in 2024, is the reduction in activity levels, specifically on domestic operations in France. Indeed, within the SNBC perimeter, to date, the fleet renewal and the incorporation of SAF (1.25% in 2024) have not been the main levers of emissions reduction. However, it is important to highlight that in the future, the role of renewing the fleet and incorporating SAF should become predominant in reducing carbon emissions, while the contribution from activity levels will decrease.

A quantitative summary of the contribution of each lever envisaged to achieve the Air France-KLM Group's decarbonization objectives is presented in Chapter 4.2.1.3.1 "Transition plan for climate change mitigation (E1-1)".

The various technologies underpinning Air France-KLM's Transition Plan within the SNBC perimeter concern mainly aircraft technologies contributing to improved energy performance and more SAF. Air France-KLM is not directly responsible for these technologies and does not control their degree of maturity, although the Group is involved, to some extent, in their development together with different stakeholders like Skypower, CSF NSE (*Comité stratégie de filière*). For more information, please refer to Chapter 4.2.1.3.5 "Actions and resources – Climate change policies (E1-3)". The entire aviation sector requires strong collaboration and substantial investment from all stakeholders (airlines, aircraft manufacturers, energy producers, etc.), as well as constant technological advances as explained in Chapter 4.2.1.3.1 "Transition plan for climate change mitigation (E1-1)".

Aware of the challenges linked to the availability and price of more SAF resources, Air France-KLM has integrated SAF variables into its procurement strategy in terms of SAF availability, quality and R&D. See Chapter 4.2.1.3.5 "Actions and resources – Climate change policies (E1-3)" sub-section 5 "SAF incorporation and long-term procurement", "Securing the quality of SAF supplies" and "Supporting SAF research and the development of SAF production in Europe".

The assumptions underlying the projections relating to technology, prices and availability are mentioned in Chapter 4.2.1.3.4 "Targets – Climate change mitigation and adaptation (E1-4)".

A comprehensive and detailed GHG emissions reporting table of the Air France-KLM Group's, covering all categories of emissions, is provided in section 4.2.1.4.2 "Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6)".

Regarding CO₂ emissions avoided, although such calculations are fully part of its decarbonization strategy, Air France-KLM does not yet publish detailed reporting on its achievements with regard to CO₂ emissions saved. The methodologies for measuring the amounts of CO₂ emissions avoided on a yearly basis and per lever are indeed not yet sufficiently robust or harmonized across the sector to be the subject of an annual published report.

The Air France-KLM SNBC is part of our Transition Plan, which is monitored at the highest level of the Group and included in the Group reviews of its five-year Strategic Business Plan. This ensures regular follow-up of its performance achievement as well as monitoring the effective implementation of its measures. Its results will be disclosed in future reports.

The detailed information regarding the investment planned for the implementation of decarbonization measures, can be found in Chapter 5.3 – Note 2.2 "Sustainable investments and financings".

Air France-KLM recognizes the importance of the low-carbon label in its environmental strategy. In accordance with Article 147 of the "Climate and Resilience" law, Air France-KLM has set up carbon offset projects based on the low-carbon label, ensuring that the projects Air France-KLM finances are of high quality and make a real contribution to reducing CO₂ emissions. However, the submission to the DGEC of an offset report in respect of our obligations under Article 147 of the Climate and Resilience Act is not directly linked to the SNBC. The SNBC, in its construction, does not take into account the cancellation of credits to cover the first half of this obligation (on international projects), nor the financing of European carbon contribution projects of the agriculture/forestry/transport type. These emission reductions are accounted for in the various sectors and not in the aviation sector. Our compliance with Article 147 therefore has no accounting impact on the Air France-KLM SNBC trajectory.

According to the National Low-Carbon Strategy (SNBC), carbon offsetting is not considered to be an active lever for reducing net emissions in specific sectors. In fact, the SNBC methodology does not allow sectors to use carbon offsetting as a lever of any kind. Each sector must therefore focus on the direct reduction of its own emissions. In the SNBC exercise presented, the carbon offsets undertaken by Air France-KLM are therefore not valued or taken into account.

⁽¹⁾ <https://www.ecologie.gouv.fr/sites/default/files/documents/Proposition%20de%20feuille%20de%20route%20d%C3%A9carbonation%20transport%20a%C3%A9rien.pdf>

AIR FRANCE-KLM GROUP EMISSIONS

The Air France-KLM trajectory on the SNBC scope is consistent with the reference year for the airline industry in the AMS scenario – confirming the compatibility and performance of Air France-KLM objectives, which go beyond the sectoral targets:

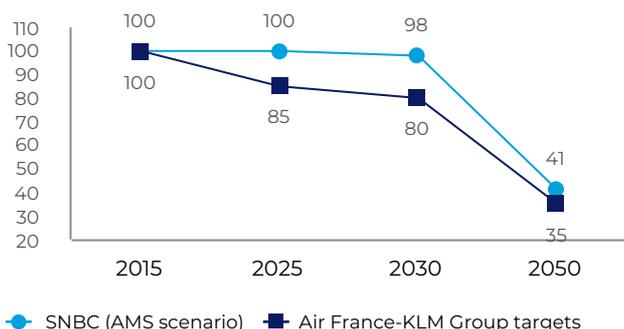
AIR FRANCE-KLM EMISSIONS TRAJECTORY RELATIVE TO THE AMS SCENARIO

(BASE 100 RELATIVE TO THE 2015 REFERENCE YEAR)	2015	2023	2024	2025	2030	2050
SNBC (AMS scenario) absolute emissions targets (MtCO ₂)	4,6	0	0	4,7	4,6	1,9
Air France-KLM absolute emissions targets (MtCO ₂)	2,3			2	1,8	0,8
Air France-KLM absolute emissions results (MtCO ₂)	2,3	1,8	1,7			

It should be noted that, within the SNBC perimeter, the Group reduced its greenhouse gas emissions by 5% in absolute terms between 2015 and 2019 (2.26 MtCO₂ in 2015 compared with 2.16 Mt in 2019).

The effectiveness of the Group's implementation plan will be assessed through the annual publication of Air France-KLM's results. The first results for 2023 and 2024 reflect a strong performance compared with the AMS scenario (26% reduction in absolute emissions in 2024 compared with 2015 for an AMS scenario of 2.2% reduction in 2025 compared with 2015).

AMS SCENARIO AND AIR FRANCE-KLM RELATIVE EMISSIONS TRAJECTORY



Air France-KLM's implication in respect of international traffic

While domestic air transportation is included in national accounting for CO₂ emissions and is governed by the SNBC targets, international air transportation is subject to the ICAO (International Civil Aviation Organization) legal framework, with which Air France-KLM complies.

The ICAO has also put in place the CORSIA program, adopted by most countries, including France. This program consists of offsetting, through certified CO₂ reduction projects, any excess – compared with the benchmark of 85% of 2019 emissions – in greenhouse gas emissions produced by commercial flights. All of Air France-KLM airlines participate in this international program.

The SBTi (Science-Based Targets initiative) specifies and validates the compatibility of a company's CO₂ emission targets with the climate objectives in the most rigorous way possible. In this case, with the validation of this target, Air France-KLM is committing itself to a decarbonization trajectory in line with a "Well Below-2°C" climate target according to the Science-Based Targets initiative⁽¹⁾.

Levers driving the Air France-KLM decarbonization trajectory

The main Air France-KLM decarbonization levers are fleet renewal, progressive incorporation of more SAF and operational efficiency measures. These levers are developed in Chapter 4.2.1.3.5 "Actions and resources – Climate change policies (E1-3)".

- On the SNBC perimeter, which is focused on domestic traffic, intermodality plays also a significant role by encouraging a modal shift towards rail, particularly among business customers, who are adapting their travel policies. Intermodality in France provides a response to the growing challenges of hub supply, regulation and the environment. To maximize this potential, strengthening the connectivity of airport hubs to the rail network is a crucial issue. To achieve these objectives, Air France, in collaboration with ADP and SNCF, has drawn up a roadmap for further intermodality development. The main challenges consist of offering alternatives to short-haul flights, extending the network to cities not served by air, and supporting the decarbonization strategy. Two main products are being offered: Air&Rail, linking CDG to BRU with 140,900 customers in 2024, and Train + Air, linking CDG and ORY to 41 routes with 111,000 customers in 2024. 41 routes are currently served, with significant growth over the past three years (+8 routes in 2021 and +8 routes in 2023). The number of passengers carried increased by about 5% in 2024 compared to 2023. The customer journey has been totally digitalized since 2022, with customers able to check in online for their entire journey.

The Air France-KLM SNBC trajectory presented includes several sobriety levers, in particular the presentation of CO₂ emissions as soon as tickets are booked, the intermodal train + plane offer giving preference to rail alternatives on short journeys, and a sobriety message mentioned at the end of effective advertising since Summer 2024: "To continue traveling tomorrow, let's rethink the way we travel today".

⁽¹⁾ <https://www.airfranceklm.com/fr/newsroom/les-objectifs-de-reduction-des-emissions-de-co2-dair-france-klm-pour-2030-ont-ete>

Comparison of Air France-KLM's CO₂ intensity with that of the sector

There is no benchmark to date against which airlines can compare themselves.

However, the independent Science-Based Targets initiative has provided airlines with a tool enabling them precisely to assess the CO₂ intensity of their operations and compare them with the sector as a whole, taking into account the types of market in which they operate (short-haul/long-haul and cargo). According to this tool⁽¹⁾ the

CO₂ intensity expressed in gCO₂eq/RTK, was 957 for the Air France-KLM Group in 2019. According to the SBTi benchmark, the Air France-KLM Group's intensity is thus lower than that of the sector as a whole (on a comparable scope of activity).

It should be noted that, within the framework of the SBTi benchmark, these CO₂ intensities are calculated on the basis of Scope 1+3 emissions from fuel, known as Well-to-Wake.

Themes	Topic	2024 URD reference
Strategy	Greenhouse gas emission reduction strategy	4.2.1.3.1 Transition plan for climate change mitigation (E1-1)
Decarbonization levers	Fleet modernization	4.2.1.3.1 Transition plan for climate change mitigation (E1-1)
	Reducing the weight on board	4.2.1.3.1 Transition plan for climate change mitigation (E1-1)
	Optimizing aircraft performance	4.2.1.3.1 Transition plan for climate change mitigation (E1-1)
	Optimizing routes and flight paths	4.2.1.3.1 Transition plan for climate change mitigation (E1-1)
	Intermodality	4.2.1.3.1 Transition plan for climate change mitigation (E1-1)
	SAF	4.2.1.3.1 Transition plan for climate change mitigation (E1-1)
	Risk analysis	3.1.2.2 Climate-related risks*
Impacts	Non-CO ₂ effects	4.2.1.3.1 Transition plan for climate change mitigation (E1-1)
	Impacts	4.2.1.3.1 Transition plan for climate change mitigation (E1-1)
	Carbon credit risk	3.1.2.5 Carbon credit risk
Investments	Link between the investment strategy and the decarbonization trajectory	Section 5.3 Note 2.2 Sustainable investments and financings
Internal engagement	Modalities for the appropriation of the emission reduction commitments in the governance and by employees	4.1.2.2 Interest and views of stakeholders (ESRS2 SBM-2)
External engagement	The company's commitments to stakeholders, upstream and downstream in the value chain, to take into account the greenhouse gas emission reduction targets	4.1.2.2 Interest and views of stakeholders (ESRS2 SBM-2)
	Sustainable Procurement	4.1.2.2 Interest and views of stakeholders (ESRS2 SBM-2) 4.3.2 Workers in the value chain (ESRS S2)
Customer's engagement	Contribution of Air France-KLM customers to its decarbonization trajectory	4.1.2.2 Interest and views of stakeholders (ESRS2 SBM-2)

⁽¹⁾ https://sciencebasedtargets.org/resources/files/SBTi_Aviation_Tool_v1.1_locked.xlsx

4.2.2 Air pollution (ESRS E2)

4.2.2.1 Material IROs - Air pollution (ESRS2 IRO-1)

The table below presents the material impacts, risk and opportunities identified for this section:

Topic	Material impact (N: negative; P: positive)	Own Operations (OO) / Value Chain (VC)	Material Risks (R) or Opportunities (O)	Time horizon (short, medium, long term)
Air quality management	N: Emission of air pollutants related to air transport activities (NO _x , SO ₂)	OO	R: Financial risks due to activity constraints or new regulations related to air pollution	medium/long

For more information regarding the double materiality analysis and the identification of material IROs, please refer to section 4.1.4.1 "Process to identify and assess material impacts, risks and opportunities (IRO-1)".

Air France-KLM's double materiality analysis confirmed that among the material issues relevant to Air France-KLM business, air quality management was material and concerns emissions of air pollutants related to air transport activities, emitted at low altitude, as well as the effects of Nitrogen Oxide (NO_x) emissions at high altitude in creating ozone and decomposing methane (included in Chapter 4.2.1.3.5 "Actions and resources – Climate change policies (E1-3) – Non-CO₂ effects").

Air France-KLM risks related to air quality are financial risks arising from regulations related to air pollution and have been assessed as medium- and long-term risks.

With regard to air pollution, the analysis was limited to Air France-KLM's own activities. Accordingly, Air France-KLM maintenance activities have been taken into account whereas fuel storage managed by suppliers was not taken into account in this analysis.

The identification of environmental material impacts (including Air Pollution) is carried out through the regulatory monitoring system and the annual environmental analyses conducted per site, supported by ISO 14001. Each business site is screened for all its environmental aspects to identify material impacts and risks and for compliance with

regulatory standards. Potential environmental risks are examined based on a list of situations, including the risks of air, soil and water pollution.

Communities affected by air pollution generated by the airport activities at Air France-KLM hubs (Roissy and Orly in Paris and Schiphol in Amsterdam) are consulted and informed through the Platforms "AirParif"⁽¹⁾ association approved by the French Ministry of Ecological and Solidarity Transition, ADP Group's "Entre voisins" website⁽²⁾, and "bezoekbas.nl" managed by "Bewoners Aanspreekpunt Schiphol"⁽³⁾. These platforms play a crucial role in facilitating communication and collaboration between airports and local residents. They allow residents of regions located near the main Air France-KLM hubs to access detailed information on air quality, emissions and actions taken to reduce the environmental impact of airports. By providing transparent data, describing regulatory and collaborative efforts, and allowing users to report complaints, ask questions and access regular reports, such platforms facilitate open and continuous communication between local communities and airport authorities, thus involving residents in environmental protection initiatives.

⁽¹⁾ <https://www.airparif.asso.fr/>

⁽²⁾ <https://entrevoisins.groupeadp.fr/donnees/mesure-de-la-qualite-de-lair/surveillance-de-la-qualite-de-l-air>

⁽³⁾ <https://bezoekbas.nl/>

4.2.2.2 Air pollution (E2-1, E2-3, E2-2)

4.2.2.2.1 Policies – Air pollution (E2-1)

Air quality is a health and environmental concern and an important aspect of Air France-KLM's sustainable development efforts. Air France-KLM aims to mitigate the negative impacts on the health of people working and living near the airport platforms, provide full transparency on air pollutants generated by its activities and comply with stringent Air Quality European regulations.

As a signatory to the United Nations Global Compact since 2003, Air France-KLM has the ambition to promote greater environmental responsibility by furthering practices that reduce harmful effects on the environment. Air France-KLM Principles⁽¹⁾ reflect the Group's ambition to balance operational efficiency with environmental responsibility, thus contributing to a more responsible air transport that respects local communities.

In addition to being a signatory to the UN Global Compact and having published the Air France-KLM Principles, the Group has developed an Air Pollution policy that addresses the identified material impacts and risks related to air pollution for its activities. The policy sets out that Air France-KLM is willing to play a role in sustainable development and improve air quality in the European aviation sector, focusing on reducing low-altitude flight emissions (NO_x and SO₂) and ground operation emissions (NO_x).

Air France-KLM refers to sector studies such as IATA for the choice of air pollutants to be reported for an Arline and ICAO for the emissions factors. The two pollutants selected by IATA to be reported are NO_x at low altitude and SO₂.

The most senior level in the Group's organization accountable for the implementation of this policy is the Air France-KLM Group's Executive Committee. The governance of environmental policies is detailed in section 4.1.3 "Governance" and then specifically GOV1-3 in ESRS 2. The policy is available internally and is applicable to the overall operations of Air France-KLM, namely Air France, KLM Royal Dutch Airlines, Transavia France, Transavia Netherlands, Air France KLM Martinair Cargo, and Air France Industries KLM Engineering & Maintenance.

Air France-KLM actively works to limit its air pollution impact by engaging dialogue with residents and other stakeholders near its operations. The Group collaborates with local communities, airport and air navigation authorities, and representatives in dedicated bodies such as Environmental Consultative Committees led by French departmental prefectures and Environmental Consultative Groups or Environmental Services for the Netherlands (Commissions *Overleggroepen of Omgevingsdiensten*).

Air France and KLM rely on their ISO 14001 environmental management systems to identify their air pollution risks and implement mitigation and protection measures in the event of abnormal thresholds, along with actions to reduce their emissions. This continuous improvement system is verified by third-party auditors. ISO 14001 is an internationally recognized standard for Environmental Management Systems (EMS), developed by the International Organization for Standardization (ISO). It provides a framework for organizations to manage their environmental impact, improve performance, and comply with legal requirements. Key elements include environmental policy, planning, implementation, monitoring, and continuous improvement.

Environmental risks are managed through steering committees that meet twice a year to examine risks and remedial action plans and the progress made and strategies implemented. Annual Corporate Environmental Management Reviews are carried out at the highest management level and at the operational and support levels to assess overall environmental system performance. This enables each department to monitor its local action plans and follow the achievement of objectives in the areas concerned. Environmental incidents are reported on a weekly basis through multi-risk event feedback committees in order to address and manage any immediate environmental risks or incidents.

To achieve this policy's objectives, action plans putting forward specific initiatives and timelines are deployed throughout Air France-KLM. The Group's executive management is engaged in driving environmental progress and their incentives are aligned with delivering on these plans.

4.2.2.2.2 Targets – Air pollution (E2-3)

Air France-KLM has been measuring its NO_x and SO₂ emissions from its flight and ground operations since 2005. This monitoring, combined with its fleet renewal commitments and the implementation of operational measures, has resulted in a reduction in NO_x and SO₂ emissions over the period. The Group has not defined separate targets for its NO_x and SO₂ emissions, since these are included in the overall greenhouse gas (GHG) reduction target (see section 4.2.1.3.4 "Targets – Climate change mitigation and adaptation (E1-4)").

⁽¹⁾ https://www.airfranceklm.com/sites/default/files/2022-12/AFKLM%20Principles_2021_EN.pdf

4.2.2.2.3 Actions and resources – Air pollution (E2-2)

Air France-KLM monitors its NO_x and SO₂ emissions for its flight and ground operations at its main airport bases (hubs in CDG, ORY, SPL) by calculating them at low altitude below 3,000 feet, in line with IATA Airlines Sustainability Reporting Handbook⁽¹⁾ recommendations. Most of these emissions come from aircraft movements, ground equipment and aircraft engine tests during maintenance activities.

NO_x and SO₂ emissions have been disclosed annually by Air France-KLM since 2005. Their emissions calculations are based on data provided by manufacturers of aeronautical equipment and industrial products (for calculation methodology, please refer to section 4.2.2.3).

Air France-KLM complies with European and local air quality regulations aimed at protecting the population, such as European Directive (EC) No. 166/2006⁽²⁾ listing the pollutants to be reported according to the defined emission thresholds listed in its Annex II, Directive 2008/50/EC⁽³⁾ setting the types of pollutants to be monitored and the limits not to be exceeded, and Directive (EU) 2016/2284 NEC-2⁽⁴⁾ on the reduction of national emissions. EU Directive 2008/50/EC was revised in April 2024.

For emissions related to the Group's industrial and maintenance activities, France and the Netherlands have a regulatory framework⁽⁵⁾ to govern these activities and prevent their environmental and safety impacts. Air France-KLM is subject to these provisions, which consist of strict analyses of its activities and monitoring of their emissions.

Air France-KLM is subject to strict air pollution standards and regulations regarding occupational health assessments and prevention, and reports its air pollutant emissions. The exposures to pollutants are assessed in accordance with the rules of the French and Dutch Labor Codes. These are monitored by audits and tests carried out by the Health Department as part of employee health and safety protocols. Remedial action and risk prevention in the workplace are the responsibility of each business unit with the support of the Risk department.

Air France-KLM's Air Pollution action plan is aligned with the Transition Plan detailed in section 4.2.1.3.1 "Transition plan for climate change mitigation (E1-1)", which specifically covers operational measures that reduce fossil

fuel consumption in order to achieve a reduction in air pollution. Besides the operational measures, the renewal of the Group fleet has in some instances contributed to the reduction of NO_x emissions in the Landing-Take Off (LTO) phase. Although a definitive direct correlation between new-generation aircraft and NO_x emission reduction cannot be established, Air France-KLM's overall fleet analysis indicates that new-generation aircraft emit slightly less NO_x in the LTO phase compared to the older models they replace. The resources put in place to support this action plan can be found in Chapter 5, Note 2.2 "Sustainable investment and financings".

In France, Air France is taking part in the "Aéroports de Paris (ADP) 2025 Pioneers"⁽⁶⁾ strategic environmental plan, which aims to reinforce ADP's commitment to social and environmental responsibility by partnering with the entire value chain. Regarding air pollution, this program focuses on reducing the use of aircraft Auxiliary Power Units (APUs) through the installation of shore-side power supply facilities, the development of single-engine taxiing ("n-1 taxiing") and the monitoring and measurement of atmospheric emissions in the airport environment, including studies on ultra-fine particles.

Exposure to air pollutants and the number of inhabitants affected around Air France's main airport hubs (CDG and ORY) are assessed by Airparif. Continuous assessments of ozone (O₃), nitrogen dioxide (NO₂), fines particles (PM2.5 and PM10) are carried out and made publicly available, as are annual maps showing the surface area and population affected by regulatory overruns. The latest atmospheric pollutant maps available for the Paris airports (CDG and ORY) show that NO₂, PM10, PM2.5, O₃ and benzene levels have not exceeded the regulatory values, with the exception of NO₂, where overruns are found along the motorway.

In the Netherlands, together with Schiphol, KLM is conducting an exploratory study into employee exposure to Ultrafine Particles (UFPs) and the sources of this exposure. In the framework of the "Minder Hinder"⁽⁷⁾ program, KLM is committed to the hindrance program and to contributing to the government and Schiphol's local emission reduction plans covering ultrafine particles and nitrogen. KLM is working with industry partners to measure Ultrafine Particles (UFPs) and find ways to reduce the use of Auxiliary Power Units (APUs) and increase n-1 taxiing.

⁽¹⁾ EU Directive NEC-2 directive (UE) 2016/2284 on the reduction of national emissions (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2016.344.01.0001.01.ENG)

⁽²⁾ <https://flyaware.iata.org/documents/airline-sustainability-reporting-handbook-edition-2>

⁽³⁾ (EC) No. 166/2006 concerning the establishment of a European Pollutant Release and Transfer Register in order to promote transparency and improve environmental protection. (<https://eur-lex.europa.eu>)

⁽⁴⁾ European Directive 2008/50/EC on air quality standards to protect human health and the environment from air pollution, listing the 12 regulated pollutants (<https://eur-lex.europa.eu/legal-content/fr/ALL/?uri=CELEX%3A32008L0050>)

⁽⁵⁾ "Code de l'environnement" (<https://www.legifrance.gouv.fr>) for France, "Wet milieubeheer" (<https://wetten.overheid.nl>) "Omgevingswet" (<https://aandeslagmetdeomgevingswet.nl>)

⁽⁶⁾ <https://www.parisaeroport.fr/groupe/strategie/2025-pioneers>

⁽⁷⁾ <https://minderhinderschiphol.nl/>

4.2.2.3 Metrics – Air Pollution (E2-4)

Air Pollution - NO_x and SO₂ emissions

NO_x emissions – Flight operations

Air France-KLM calculates its NO_x emissions for its flight operations during the Landing and Take-Off phases (LTO) for the low-altitude emission (i.e., below 3,000 feet) phases of the flights, as recommended by the IATA's airline sustainability reporting guidelines.

The methodology is based on the LTO cycle and on engine data⁽¹⁾ communicated by the ICAO (International Civil Aviation Organization), which are then applied to the fuel consumed by the engines in each aircraft.

NO_x emissions – Ground operations

Air France-KLM reports on its NO_x emissions for its ground operations. Emissions are mainly from the engine test benches (ETB) used during the engineering & maintenance activities and from the fuel combustion of its ground support equipment (GSE) and runway vehicles used during the handling activities in its hubs.

The NO_x emissions related to engine testing in the Engine Test Bench (ETB) are calculated based on a methodology similar to the one used for the flight operations (LTO phases).

For GSE and runway vehicles, the methodologies are based on European standards EURO 1 to 6 for light and heavy vehicles, and Stages I to IV for GSEs (European Directive 97/68/EC for non-road mobile machinery), setting the emission limits based on engine power for Air France, and by direct measurements from manufacturer data or external databases for KLM.

SO₂ emissions – Flight operations

Air France-KLM calculates its SO₂ emissions for its flight operations during the LTO phases. The calculation is based on the average sulfur content of the fuel loaded in its aircraft. The sulfur levels are provided by SMCA for Air France and its subsidiaries and by AFS for KLM and its subsidiaries, respectively in charge of the jet fuel logistics at Paris-Charles de Gaulle (CDG) and Amsterdam-Schiphol (SPL) airports. The average sulfur levels calculated for CDG and SPL are then applied to, respectively, the total fuel consumed during the year by Air France-KLM Group airlines during their LTO operations.

The amounts of NO_x and SO₂ emitted by Air France-KLM through its operations are shown in the table below:

<i>(in ktons)</i>	2024
NO _x emissions - Flight Ops	9.2
NO _x emissions - Ground Ops	0.2
TOTAL NO_x EMISSIONS	9.4
TOTAL SO₂ EMISSIONS	0.8

In 2024, the total NO_x emission amounted to 9.4 tons, while the total SO₂ emissions amounted to 0.8 tons.

⁽¹⁾ <https://www.easa.europa.eu/en/domains/environment/icao-aircraft-engine-emissions-databank>

4.2.3 Resources use and circular economy (ESRS E5)

4.2.3.1 Material IROs – Waste management and circularity (ESRS2 IRO-1)

The table below summarizes the material impacts, risks and opportunities identified for this section:

Topic	Material impact (N: negative; P: positive)	Own Operations (OO) / Value Chain (VC)	Material Risks (R) or Opportunities (O)	Time horizon (short, medium, long term)
Waste management & circularity	N: Waste generated in operations related to air transport and maintenance activities	OO/VC	R: Financial risk due to regulations related to waste treatment	short/medium
			O: Waste reduction can lead to a decrease in costs	

Air France-KLM’s double materiality assessment has identified wastes generated in its air transport and maintenance activities as a material topic for the Group in relation to resource use and circular economy. As a consequence, the proper management of the waste generated by the operations in these two activities are the priorities for Air France-KLM.

Please refer to the more detailed information provided in section 4.1.4.1 “Process to identify and assess material impacts, risks and opportunities (IRO-1)”.

4.2.3.2 Waste management and circularity (E5-1, E5-3, E5-2)

4.2.3.2.1 Policies – Waste management and circularity (E5-1)

Air France-KLM follows the guiding principles of ISO 14001 for its waste management actions and this standard is the basis of its waste management policy, providing a framework for the company to improve its environmental performance through more efficient use of resources and reduction of waste.

ISO 14001 is an internationally recognized standard for Environmental Management Systems (EMS), developed by the International Organization for Standardization (ISO). It provides a framework for organizations to manage their environmental impact, improve performance, and comply with legal requirements. Key elements include environmental policy, planning, implementation, monitoring, and continuous improvement.

Air France-KLM’s waste management policy is focused mainly on implementing initiatives for reducing waste and improving waste management practices. The policy includes adjusting on-board services and implementing a rigorous management of inventories as well as incorporating circular economy principles and improving recycling practices whenever possible.

The Group also has the ambition to reduce the environmental impact of Single-Use Plastic products (SUPs) in its operations via several levers: eliminating SUPs wherever possible; replacing them with other materials whenever more sustainable alternatives are available; redesigning items to decrease material use, using recycled plastic; and ensuring SUPs are recycled wherever possible.

The policy is applicable to the overall operations of Air France-KLM, namely Air France, KLM Royal Dutch Airlines, Transavia France, Transavia Netherlands, Air France-KLM Martinair Cargo, and Air France Industries KLM Engineering & Maintenance including their upstream and downstream value chains.

To achieve the policy’s objectives, action plans putting forward specific initiatives and timelines are deployed throughout Air France-KLM. The Group is continuously engaged in dialogue with local authorities and with the various suppliers in terms of the implementation of these action plans.

For the governance of the policy, please refer to the section on “Governance – “Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies (GOV-2)”. The policy is available for internal use.

4.2.3.2.2 Targets – Waste management and circularity (E5-3)

Air-France-KLM tracks the effectiveness of its policy and actions through the ISO 14001 framework with a certification audit every three years by an independent party and yearly follow-up audits of its action plans.

All entities in France implement a comprehensive waste tracking system pursuant to the Decree of March 25, 2021 on waste traceability transcribed into the French Environment Code (Articles R. 541-43 and R. 541-45). All Group entities in the Netherlands are subject to the Dutch regulation on waste (“Wet Milieubeheer”).

Air-France-KLM is currently working on the revision of its waste management target and plans on setting a new target in 2025. As waste reporting evolved in 2024, with new entities now included in the scope along with new waste categories (cabin and catering waste) and treatment types, a new target will be established in the future.

4.2.3.2.3 Actions and resources – Waste management and circularity (E5-2)

Air France-KLM handles many forms of waste arising from in-flight services and maintenance and complies with strict regulatory requirements in the various countries in which it operates. Waste is managed within each Group business unit by a representative of the sustainability team and the different business departments in which the waste is actually produced are responsible for handling it.

In-flight waste

Air France-KLM's main actions to optimize onboard catering and minimize food waste include adjusting perishable product orders and maintaining a rigorous merchandise inventory management policy to reduce wastage of unconsumed fresh products on all its flights, donating unconsumed items to charities whenever possible, preselection of hot meals (available only for Air France long-haul flights in Business class).

Air France-KLM faces a challenge in improving its waste management performance due to the strict European Union legislative framework. This is exemplified by the regulations that restrict the recycling of most catering waste from intercontinental flights entering the EU. In 2021, Air France and KLM launched an initiative and finally joined a coalition of other European airlines to raise awareness among legislators about this issue. The objective is to overcome the regulatory hurdles and improve waste management practices across the aviation industry. As a result of these efforts, in 2024, the European Commission published more guidance on what can be considered category 1 waste (catering waste from intercontinental flights entering the EU). Based on this additional guidance, all Group airlines can now recycle juice and drink containers and coffee grounds, instead of incinerating them⁽¹⁾.

Aeronautical waste

Engine parts, aircraft seats, cargo pallets and broken suitcases are just some examples of the production waste generated by the Group Engineering & Maintenance, Cargo and flight operations. Although most aeronautical waste is subject to strict regulations, Air France-KLM has implemented many initiatives to reduce non-recycled production waste.

Engineering & Maintenance avoids aeronautical component waste by developing alternative repairs. Whenever repair is no longer viable, aeronautical components are deemed to be Beyond Economical Repair (BER). These components, as well as other elements of aeronautical waste, are then sent to the in-house salvation and scrap team. This team handles procedures to reuse and recycle spare parts and other forms of waste.

Wherever the rules and regulations allow, the cradle-to-cradle principle is applied to reintegrate waste into a new production cycle. Scraps that cannot be integrated within the Group's own production cycles and components that are governed by strict regulations, and thus are not reusable, are collected by external partners and either destroyed or processed into secondary raw materials. The process provides for procedures to reuse and recycle spare parts. This program has been extended to other types of waste: furniture, equipment, pallets and blankets.

At Air France, the move up-market for the medium and long-haul cabins with the installation of new seats has been accompanied by the implementation of a recycling and dismantling process for the old seats, including the reuse and recycling of components and the recovery of foams and metals.

Hazardous waste from maintenance activities is tracked via a comprehensive tracing system and its handling is harmonized at the different maintenance sites. Air France-KLM's Engineering & Maintenance department has a specific program aimed at optimizing the inventory management of chemical substances. This initiative is designed to prevent chemicals from reaching their shelf life, thereby reducing the amount of chemical waste generated.

At Air France Industries KLM Engineering & Maintenance, the Group's expertise in MRO operations enables the life span of parts and components to be extended through innovative repair and maintenance programs. This reduces the need for new (raw) materials and energy to manufacture new parts and leads to fewer spare part shipments, resulting in cost savings.

Aircraft end-of-life

Aircraft that are at the end of their service with the Air France-KLM Group are returned to the lessors or are sold to third parties if the aircraft is owned by the Group, so as to continue their operation. Air France-KLM requires third parties to comply with EU regulations regarding the dismantling of aircraft at their end-of-life.

Engines & components used in and on "end-of-life" aircraft have their own individual life cycles. Parts that are relatively new or recently overhauled will not be treated as waste but will be removed to serve other aircraft in accordance with regulations⁽²⁾, requirements, form, fit and function, without compromising on safety or reliability. The remaining parts and hull will be dismantled and recycled, a process for which the Group's airlines have contracted specialized companies with the highest environmental standards.

⁽¹⁾ Air France already had an authorization and has recycled these items since 2019 on flights to Paris.

⁽²⁾ EASA part M and part 145 as well as FAA regulations.

4.2.3.3 Metrics – Waste management and circularity (E5-5)

Resources outflow (E5-5)

Air France-KLM reports the waste generated in its own operations, broken down into hazardous and non-hazardous waste, and by the different treatment types for these types of waste. Allocation to the different categories is based on the EURAL codes used in its waste management systems and by the waste management providers.

Waste streams and materials

The following streams have been identified within Air France-KLM operations:

- **Catering:** Catering waste typically refers to the waste generated from the food and beverage service provided to passengers during the flight. This can include items such as leftover food, disposable cutlery and dishes, cups, napkins, and other packaging materials used to serve the food and beverages. The catering waste is collected by the flight crew. Catering waste is reported based on the actual waste data for the catering waste generated or collected at the Group's main hubs. At Paris hubs, waste data are communicated by the catering suppliers based on the total waste generated by their activity and the number of meal trays loaded on board Air France-KLM flights. It is reported over a twelve-month period from October in the previous year to September in the reporting year. For catering waste collected at the outstations, waste estimates are derived from the waste collected or estimated at the hubs and based on the number of passengers transported to these destinations.
- **Cabin (Cleaning):** Cabin waste typically refers to the waste generated by passengers during their flight. This can include items such as used tissues, packaging, newspapers and magazines, and other personal items discarded by passengers. Sanitary waste is also considered cabin waste. Cabin waste is usually collected by the ground handling cleaning crew. Cabin waste is reported based on the actual waste data provided by the cleaning service providers in the Group's main hubs and is estimated for the cabin waste collected at the outstations.
- **Maintenance:** Maintenance waste typically refers to the fluids used in the aircraft and aeronautical parts maintenance activities, and also includes the aeronautical waste that is prepared for reuse or discarded. Maintenance waste is reported based on the actual weight or estimated based on the volume generated by the businesses and handled by the waste management providers.
- **Cargo:** Cargo waste typically consists of the waste generated through the preparation, handling, and transport of cargo. This mainly includes materials such as wood pallets, cardboard and plastic foils that are used to wrap the goods transported by the Group through its cargo activities. Cargo waste is reported based on the actual weight generated by the businesses and handled by the waste management providers.
- **Office:** Office waste typically consists of materials such as paper, plastic or cardboard cups, cardboard packaging or small items directed to waste by the Group's employees in the course of their professional occupations. Office waste is reported based on the actual weight reported by the waste management providers.

Total weight diverted from disposal

The following treatment types have been identified within Air France-KLM operations:

- Preparation for reuse means checking, cleaning or repair and recovery operations, by which products or components of products that have become waste are prepared so that they can be re-used without any other preprocessing.
- Recycling is defined as any recovery operation by which waste materials are reprocessed into products, materials or substances used for the original purpose or other purposes. It includes the reprocessing of organic material but does not include energy recovery or reprocessing into materials that are to be used as fuels or for backfilling operations.
- Other recovery operations are defined as any operation in which waste directly serves or is prepared to serve a useful purpose by replacing other materials which would otherwise have been used for a particular purpose within the Group's operations or in the economy at large.

Total weight directed to disposal

The following treatment types have been identified within Air France-KLM operations:

- Incineration is defined as the controlled burning of waste at high temperatures with or without energy recovery.
- Landfill is defined as a waste disposal method that consists of depositing the waste onto or into land at a dedicated site.
- Other disposal represents waste that was not diverted from disposal by recycling, reuse or other recovery operations, nor incinerated or directed to landfill.

Radioactive waste

Within its own operations, Air France-KLM does not generate radioactive waste, as defined in Article 3(7) of Council Directive 2011/70/Euratom.

Non-recycled and non-reused waste

The total amount and the rate of non-recycled and non-reused waste is the sum of the waste directed to disposal and of the waste diverted from disposal by other recovery operations.

As a conservative position, when it is not possible to know whether the waste has been recycled or incinerated with energy recovery, it is categorized as other recovery operations and accounted for in the non-recycled waste.

The waste generated by the operations of Air France-KLM is shown in the table by waste type and treatment type:

As of December 31, 2024 <i>(in Tons)</i>	2024		
	Total	Hazardous waste	Non-Hazardous waste
Waste diverted from disposal			
Preparation for reuse	301	11	289
Recycling	7,402	765	6,637
Other recovery operations	22,264	634	21,630
Total Waste diverted from disposal	29,966	1,410	28,556
Waste directed to disposal			
Incineration	13,358	576	12,782
Landfill	579	142	437
Other disposal operations	8,314	1,592	6,721
Total Waste directed to disposal	22,250	2,311	19,940
Total amount of radioactive waste	-		
Total amount of Waste generated	52,217	3,721	48,496
Total non-recycled & non-reused waste	44,514	2,944	41,570
% non-recycled & non-reused waste	85%	79%	86%

In 2024, Air France-KLM generated a total of 52 thousand tons of waste, of which 30 thousand tons were diverted from disposal and 22 thousand tons were directed to disposal. A total of 45 thousand tons of waste were not recycled or reused, representing 85% of the total waste generated in the Group's operations. It should be noted that following changes in reporting scope (mainly inclusion of catering and cabin waste), the figures reported for 2024 cannot be compared with the amounts of waste reported by the Group over the past years.

4.2.4 The European Taxonomy

4.2.4.1 General Framework of the European Taxonomy

In this section, AFKL publishes the annual information required by the Taxonomy Regulation (EU2020/852) and by the delegated acts adopted for its application. This foundational text is part of the goal of carbon neutrality by 2050 defined in the European Green Deal. As an integral part of the European sustainable finance policy, this regulation aims to direct capital flows and investments towards sustainable activities as defined by the European Commission. Thus, this classification system is intended to provide companies and investors with a common language to identify to what extent economic activities can be considered environmentally sustainable.

Review of the regulatory context

The following publication has been prepared in accordance with the texts below describing the implementing rules for Taxonomy reporting:

- Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088;
- Delegated Regulation (EU) 2021/2139 of the Commission of June 4, 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council (Climate Delegated Act);
- Commission Delegated Regulation (EU) 2021/2178 of July 6, 2021 referred to as Article 8, specifying the application modalities of the provisions of Article 8 of the Taxonomy Regulation;
- Delegated Regulation (EU) 2022/1214 of the Commission of March 9, 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors (nuclear and gas);
- Delegated Regulation (EU) 2023/2485 of the Commission of June 27, 2023 amending Delegated Regulation (EU) 2021/2139 on climate annexes (notably modifying Appendix C) and **in particular introducing air transport activities**;
- Delegated Regulation (EU) 2023/2486 of the Commission of June 27, 2023 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council introducing the four new environmental objectives.

Additionally, the following reference documents are included:

- the documents listing the various frequently-asked questions (FAQs) with their answers and the Staff Working Document published since February 2022 by the European Commission to clarify the content of the delegated acts and facilitate their implementation.

General principles

The Taxonomy Regulation lists economic activities considered environmentally sustainable. To be aligned, they must meet four cumulative conditions: be eligible (described in the delegated regulations), make a substantial contribution (SC) to one of the six environmental objectives below, do no significant harm (DNSH) to the other five, and comply with minimum safeguards regarding human rights, anti-corruption, taxation, and competition law.

The six environmental objectives are as follows:

- climate change mitigation (CCM);
- climate change adaptation (CCA);
- sustainable use and protection of water and marine resources (WTR);
- transition to a circular economy (CE);
- pollution prevention and control (PPC);
- protection and restoration of biodiversity and ecosystems (BIO).

In this context, companies must report the share of their turnover, capital expenditure (CapEx), and operational expenditure (OpEx) associated with "eligible" economic activities as well as the "aligned" share with the six environmental objectives.

Evolution of the scope for the Air France-KLM Group

Starting from the 2021 fiscal year, the progressive implementation of the Taxonomy stipulated that only climate-related objectives (CCM and CCA) needed to be reported. Then, the European Commission published the environmental delegated act on the four other environmental objectives, as well as amendments to the climate delegated act introducing, among other things, **air transport**, which came into force starting from the 2023 fiscal year.

In this context, the scope of the Taxonomy reporting has gradually and then extensively evolved for the Group between 2021 and 2024.

Link with the Group's environmental strategy

The Group's ambition is to reduce its greenhouse gas emission (GHG) intensity by 30% by 2030 relative to 2019, in RTK Revenue Ton-Kilometers. This goal aligns with the "Well Below 2°C" objective as determined by the Paris Agreement signed in 2015 and validated by SBTi in November 2022. The Group plans to achieve this reduction through three main levers: renewing its fleet, incorporating SAF, and continuously improving operational measures. The Taxonomy regulation currently does not fully account for the actions implemented by the Group as part of its decarbonization strategy. Indeed:

- the renewal of the fleet with new-generation aircraft that consume less fuel is only partially recognized by the Taxonomy regulation, particularly through the application of a replacement ratio⁽¹⁾ which limits

4.2.4.2 Results

Main activities

Starting from the 2023 fiscal year, the European Commission has expanded the scope of the Taxonomy to include, under the objective of "climate change mitigation," aeronautical activities and more specifically activities 3.21 Manufacture and Maintenance of Aircraft, 6.19 Air Passenger and Freight Transport, and 6.20 Ground Handling Services for Air Transport, which are the three main activities of the Group. In 2023, only the eligibility of these three activities for Taxonomy needed to be evaluated, based on the activity descriptions and NACE codes specified in the delegated acts. In 2024, it is mandatory to report on the alignment of these new activities with the specific technical criteria defined in the EU regulation and to verify that they do not significantly harm other environmental objectives and are conducted in accordance with minimum safeguards.

Thus, the percentages of eligibility are significant for the Group. In 2024, they are at high levels both in terms of revenue (98.0%) and CapEx (94.8%) and considered OpEx⁽²⁾ (85.1%).

Individual Measures

In addition to the Group's main activities, the regulation allows for the evaluation of expenses related to ancillary activities (or individual measures) that substantially contribute to the objectives of climate change mitigation (CCM) or climate change adaptation (CCA), more broadly aimed at reducing greenhouse gas emissions. The

the % alignment of the turnover generated by these aircraft. In addition, the new-generation aircraft that are contributing to the net growth of the fleet are not aligned with the Taxonomy;

- the purchase of SAF is only partially considered in the Taxonomy regulation. It is not considered a sustainable expenditure under the regulation and is not reported in the OpEx indicator at the numerator and denominator. However, the regulation stipulates that the use of SAF by new-generation aircraft is a substantial contribution criterion if it is possible to theoretically allocate them a minimum proportion of SAF (set at 9% in 2024) of their annual fuel consumption;
- operational efficiency measures (reducing aircraft weight, optimizing routes and flight plans, improving aircraft aerodynamics, etc.) are not or are very minimally tracked in the Taxonomy ratios.

alignment of these activities is assessed according to the specific technical criteria defined in the EU regulation; they must not significantly harm other environmental objectives, and they must be conducted in accordance with minimum safeguards. They primarily concern activities 7.2 "Renovation of existing buildings", 7.3 "Installation, maintenance, and repair of equipment promoting energy efficiency", and 7.5 "Installation, maintenance, and repair of instruments and devices for measuring, regulating, and controlling the energy performance of buildings".

In 2023, the scope was expanded to activities contributing to the other four environmental objectives, based solely on eligibility analysis. Starting from the 2024 fiscal year, it is mandatory to report on both eligibility and alignment with the six environmental objectives.

Eligibility and Alignment Results for the 2024 Fiscal Year

The summary of the Group's eligibility and alignment results for the 2024 fiscal year is presented below, along with the reconciliation with the financial data from the consolidated accounts as of December 31, 2024 (paragraph 4.2.4.3).

Note: Double counting of activities and key indicators has been avoided by associating eligible revenue, capital expenditures, and operating expenses with a single eligible activity.

⁽¹⁾ The replacement ratio is calculated based on the proportion of aircraft permanently retired from operation compared to aircraft delivered globally, averaged over the previous ten years, as evidenced by verified data available from independent data providers. For 2024, it is 0.48, published on the EASA website and calculated from the Cirium database."

⁽²⁾ Definition of taxonomic OpEx.

SUMMARY OF THE BREAKDOWN OF ELIGIBLE AND ALIGNED ACTIVITIES

Activities	Turnover (in millions €)	Share of turnover %	CapEx (in millions €)	Share of CapEx %	OpEx (in millions €)	Share of OpEx %
2024						
Eligible activities	30,837	98.0%	4,970	94.8%	3,383	85.1%
Including aligned activities	7,250	23.0%	2,549	48.6%	736	18.5%
TOTAL (eligible and non-eligible)	31,459	100%	5,241	100%	3,974	100%
2023						
Eligible activities	29,393	97.9%	3,313	93.3%	3,189	95.9%
Including aligned activities	0	— %	53	1.5%	73	2.2%
TOTAL (eligible and non-eligible)	30,017	100%	3,551	100%	3,325	100%

Evolution compared to the previous year

Alignment rates were low in 2023, given that only individual measures had been evaluated against alignment criteria, notably construction and real estate renovation activities. In 2024, the changes are mainly related to the expansion of the regulatory scope and the alignment of activities 3.21, 6.19, and 6.20. As a result, the alignment percentages significantly evolved between these two years for the three KPIs: revenue, CapEx, and OpEx. There were no other major changes during this period such as an increase in activity volume or the acquisition of new activities, nor any methodological changes for the qualification of activities and/or the identification of eligible/aligned financial aggregates.

Revenue

Eligibility result

The **eligible** share of the Group's revenue for 2024 amounts to 98.0% out of a total consolidated revenue of €31,459 billion. It remained stable between 2023 and 2024, as almost all of the Group's activities fell within the scope of the European Taxonomy as early as 2023, which explains a significant eligibility percentage.

The Group's eligibility rate is primarily driven by the air transport activity, including the **Network** business sectors (passenger and cargo transport on regular flights with Group airline codes, excluding Transavia), **Transavia** (leisure passenger transport operated by Transavia), and **Maintenance** (maintenance services provided to the Group and other airlines and clients worldwide). These activities are described in Note 6 "Segment information".

Alignment result

In 2023, the regulations did not require an alignment analysis of the revenue for activities 3.21, 6.19, and 6.20 introduced by regulation 2023/2485, resulting in a 0% ratio for 2023.

In 2024, the alignment percentage of the revenue amounts to 23%, limited regarding the eligibility (98.0%) because the alignment criteria for aeronautical activities 3.21 and 6.19 are very strict and only **new-generation aircraft** can be fully or partially aligned. (see below in 4.2.4.4 the criteria for substantial contribution, particularly the application of the replacement ratio and the required % of SAF).

CapEx

Eligibility result

The Group's eligibility ratio remained stable between 2023 and 2024 and stands at 94.8%. Since 2023, almost all of the Group's activities have fallen within the scope of the European Taxonomy, which explains a significant eligibility percentage.

Alignment result

In 2023, the regulations did not require an alignment analysis for activities 3.21, 6.19, and 6.20 introduced by regulation 2023/2485. Therefore, only the individual measures related to real estate activities generated an alignment of 1.5% of CapEx.

In 2024, the alignment percentage stands at 48.6% and is mainly driven by activities 6.19 and 3.21. According to regulation (EU) 2023/2485, only the acquisition of assets related to new-generation aircraft (not limited by the replacement ratio) can be considered aligned. The regulation, in its recital (11), specifies that the replacement ratio only applies to the calculation of revenue generated by activities that meet the substantial contribution criteria.

OpEx

Eligibility result

The Group's eligibility ratio stands at 85.1% for 2024. Since 2023, almost all of the Group's activities have fallen within the scope of the European Taxonomy, which explains a significant eligibility percentage.

Alignment result

In 2023, the regulations did not require an alignment analysis for activities 3.21, 6.19, and 6.20 introduced by regulation 2023/2485. Therefore, only the individual measures related to real estate activities generated an alignment of 2.2% of OpEx.

In 2024, the alignment percentage stands at 18.5% and is mainly driven by the aeronautical maintenance activity. According to regulation (EU) 2023/2485, only maintenance expenditures (for own and third-party companies) related to new-generation aircraft (not limited by the replacement ratio) can be considered aligned. The regulation, in its recital (11), specifies that the replacement ratio only applies to the calculation of revenue generated by activities that meet the substantial contribution criteria.

Future developments

New-generation aircraft incorporate technological advancements that reduce fuel consumption and noise. The ongoing fleet renewal program over the coming years

should contribute to the improvement of the alignment indicators in the next fiscal periods. However, in the current absence of technologically and economically feasible low-carbon alternatives (electric or hydrogen aircraft), the Group's alignment percentages will remain limited.

The European Taxonomy has set ambitious levels for the incorporation of SAF, which emits less CO₂ than conventional fuel. The Group aspires to gradually increase its SAF incorporation percentage with a target of at least 10% SAF by 2030. The Taxonomy regulation has set very ambitious alignment criteria for 2030 in terms of SAF incorporation percentages:

- a minimum of 15% SAF (and +2% per year beyond) for the latest generation aircraft certified to be in capacity to operate with 100% SAF and which do not increase the fleet. This would be equivalent, for example, to 12% for the entire fleet if it consisted of 80% new-generation aircraft certified 100% SAF;
- a minimum of 21% SAF (and +2% per year beyond) for all latest generation aircraft (old generation aircraft will not meet the DNSH criteria and cannot be aligned with 21% SAF).

Under these conditions, the Group's alignment percentages will remain limited and will only partially represent the Group's financial and operational efforts for decarbonization.

4.2.4.3 Eligibility – Methodology for the construction of Revenue, CapEx, and OpEx Indicators

Reminder of the indicators and reconciliation with financial statements

The information provided within the framework of the European Taxonomy on key indicators concerning revenue, capital expenditure, and operating expenditures is based on the Group's consolidated financial information, as presented in the consolidated financial statements and prepared on the bases described in Note 1 "Basis of preparation of the consolidated financial statements" in section 5.3 "Notes to the consolidated financial statements". The methodology for calculating revenue, capital expenditure, and operating expenditure remains consistent with the previous period. Each eligible activity has been evaluated based on a materiality threshold for capital expenditures and operating expenditures, below which economic activities are considered non-significant for reporting purposes. The thresholds have been set based on absolute figures, taking into account the average value of transactions per economic activity. The CapEx threshold was set at €100,000, which represents 0.002% of the Group's total capital expenditure, while the OpEx threshold was set at €50,000, which represents 0.001% of the Group's total taxonomic operating expenditure.

Revenue

Definition

The share of revenue referred to in Article 8 of Regulation (EU) 2020/852 is obtained by dividing the portion of net revenue derived from products or services associated with eligible and aligned economic activities to the Taxonomy (**numerator**) by the net revenue (**denominator**) as reported in the consolidated financial statements prepared in accordance with European Regulation No. 1606/2002 of July 19, 2002, in compliance with IFRS (International Financial Reporting Standards) as adopted by the European Union and applicable as of the financial year-end date. Revenue mainly covers the activities of regular or leisure passenger transport and freight transport, as well as third-party aircraft maintenance. For the air transport activity, eligible revenues exclude commissions, additional booking revenues, fuel sales, currency hedging revenues, and the sale of non-air services.

Reconciliation

The total revenue (**denominator**) amounts to €31,459 million and corresponds to the amount reported in the Group's consolidated income statement.

CapEx

Definition

The **denominator** corresponds to the gross increase in tangible assets, intangible assets, and the new lease debts IFRS 16 (on leased assets), including scope entries for the fiscal year. Aircraft acquisitions subject to a sale and-leaseback (S&LB) transaction in the same fiscal year are adjusted to avoid double counting, once as an asset acquisition and once as a new operating lease contract. Advance payments for future deliveries are included in both the denominator and the numerator and can be assimilated to a CapEx plan within the meaning of the Taxonomy.

The eligible **numerator** is based on the capital expenditures included in the denominator and meet one of the following conditions:

- these expenditures are related to assets or processes associated with eligible economic activities to the Taxonomy (type a);
- these expenditures are part of a plan aimed at expanding economic activities aligned with the Taxonomy or enabling eligible economic activities to align with it (type b);
- these expenditures are related to the purchase of production from eligible economic activities to the Taxonomy and individual measures enabling the targeted activities to become low-carbon or result in reductions in greenhouse gas emissions or contribute to the four other environmental objectives (type c).

Reconciliation

The CapEx denominator can be reconciled with the consolidated financial statements by following the indications presented below:

(in million €)	2023	2024	Reconciliation with financial statements
Tangible and intangible assets	3,551	3,728	5.2.5 Consolidated statement of cash flows
Acquisition	3,551	3,728	Note 18 "Capital expenditures"
Change in lease debt (*)	751	1,513	Note 19 "Right-of-use assets & lease debt"
New lease contracts	1,041	1,435	New contracts
Modification of lease contracts	224	490	Renewals of contracts
Restatement S&LB on aircraft acquired during the year	-514	-412	
TOTAL	4,302	5,241	

(*) Not included in the denominator in 2023.

OpEx

Definition

The denominator is equal to the non-capitalized operating costs incurred by the Group, related to research and development activities, building renovation measures and their daily maintenance, purchases of aircraft maintenance consumables, personnel expenses related to these activities, and short-term lease contracts.

The eligible **numerator** includes operating expenses included in the denominator, which are related to the main activities and individual measures eligible for the Taxonomy.

Reconciliation

These expenses are included in the expenditures listed in Note 7 to the financial statements "External expenses", particularly the line for purchases and consumption of aircraft maintenance. The personnel costs for the Aircraft Maintenance division are included in Note 8 "Salaries and number of employees" Capitalized maintenance is included in Note 9 "Other current operating income and expenses" under the item capitalized production.

4.2.4.4 Alignment - Methodology for the Evaluation of Activities and the Construction of KPIs with Regard to Substantial Contribution (SC)

This section addresses the analysis of the alignment of eligible activities and the construction of aligned numerators.

Annexes I and II of the Commission Delegated Regulation (EU) 2020/852 of June 4, 2021, and Annex III of the Commission Delegated Regulation (EU) 2023/2486 of June 27, 2023, supplementing the Taxonomy Regulation, set out the environmental technical screening criteria that must be met for each eligible activity to be considered aligned with the six objectives. These criteria serve a dual purpose: verifying the substantial contribution of activities to each environmental objective and ensuring that these activities do not significantly harm any other environmental objectives.

The analysis of all the Group's activities was conducted in detail in collaboration with the CSR, financial, and legal departments, as well as the operational teams of each business. The review of eligible activities and their alignment was carried out in accordance with the above-mentioned delegated acts. The Taxonomy ratios were based on data from the consolidated financial statements for the year ended December 31, 2024, which were prepared in accordance with International Financial Reporting Standards as adopted by the European Union. They are presented at the Group level. The Group, by the nature of its activities, is primarily concerned with the objective of "climate change mitigation," which is one of the pillars of its environmental strategy.

The technical screening criteria were presented to each contributor during workshops starting in 2023 and continuing into 2024. For individual measures, each contributor filled out a personalized data collection matrix allowing for the reporting of eligibility data and the analysis of the different criteria identified for alignment—project by project or line of CapEx by line of CapEx. These matrices were then consolidated. For the main activities, the analysis was conducted in direct collaboration with the financial and sustainability teams, particularly for the analysis of DNSH (Do No Significant Harm).

Revenue

The aligned share of revenue corresponds to the operation of transportation (6.19) and maintenance (3.21) activities on new-generation aircraft that meet the criteria for substantial contribution and are limited by the application of the replacement ratio.

Activity 6.19 Passenger and Freight Air Transport: The criteria for substantial contribution apply to the operated aircraft. The new-generation aircraft operated by the Group are identified based on their energy efficiency and greenhouse gas emission performance compared to the new type ICAO margins (NT) and are divided into three classes of aircraft based on their maximum take-off weight. This analysis of the aircraft, complying with CO₂ emission, noise, and particulate emission (NO_x and nvPM) criteria, was conducted by internal experts and also in relation to the manufacturers. The list of aircraft thus obtained was compared with the report published by ICF (a specialist consultancy for the aviation industry) at the end of December 2024 ("EU Taxonomy for aviation eligible aircraft technology").

The alignment rate of qualified aircraft depends on their acquisition date. Those acquired before December 11, 2023, are systematically subjected to the replacement ratio (0.48 for 2024). Those acquired after December 11, 2023 count for :

- 1 if they replace an old-generation aircraft that has been permanently decommissioned, meaning it has been removed from the Group's fleet to be dismantled and can no longer be used for its initial purpose,
- 0.48 if they replace an old-generation aircraft that has been removed from the fleet, meaning it can be used by another air carrier,
- 0 if they contribute to the growth of the Group's fleet.
- The regulation also provides that the use of SAF by new-generation aircraft is a criterion for substantial contribution if it is possible to allocate a minimum SAF share (set at 9% in 2024) of their annual fuel consumption. Thus, the SAF consumed in 2024 by the Group's airlines could be theoretically allocated to new-generation aircraft, whose initial rate was limited to 0.48 or 0, in a proportion of 9% of their fuel consumption for 2024.

The Group's fleet has been analyzed aircraft by aircraft to assign each one, based on its acquisition date (before or after December 11, 2023), its generation (old or new-generation), and its theoretical use of SAF, a coefficient of 1, 0.48 or 0. The percentages of aligned aircraft are consolidated by type of haul (long-haul, medium-haul, regional, leisure, full freighters) and applied to the revenues generated by short & medium-haul, long-haul, leisure, and full freighters networks.

Note: Since medium-haul aircraft types can be operated on domestic or European routes, the revenues from short- and medium-haul networks have been combined to be attributed to the alignment percentage of the medium-haul and regional fleets.

In 2024, in terms of number of aircraft, 21.9% of the Group's fleet is aligned with the substantial contribution criteria defined by the European Commission's regulation 2023/2485 of June 27, 2023. The passenger and freight air transport activity on these aircraft generated aligned revenue of 22.4%.

Activity 3.21 Aeronautical Maintenance: The substantial contribution criteria apply to aircraft that undergo servicing or maintenance. These criteria qualify the servicing and maintenance of new-generation aircraft as aligned after applying the replacement ratio to the generated revenue. The activity has been analyzed by type of aircraft and/or engine maintained for third-party companies to determine the share of aligned revenue, which is systematically subjected to the replacement ratio (0.48 for 2024). The aeronautical maintenance activity for third parties on aligned aircraft generated aligned revenue of 0.7%.

Activity 6.20 Ground Handling Services for Air Transport:

The criterion for substantial contribution is the use of ground equipment that does not emit CO₂. It was not possible to evaluate the share of revenue generated by the ground handling activity for third-party companies, conducted with zero-emission equipment, as the revenue also includes services not related to these assets.

CapEx

The aligned share of investments amounts to 48.6% and corresponds to investments made to acquire and maintain a fleet of new-generation aircraft that meet the Taxonomy criteria.

Activity 6.19: Almost all of the aeronautical investments in 2024 are focused on new-generation aircraft (balance at delivery and pre-delivery payments) in relation to the Group's fleet renewal objective. Only a few modifications or extensions of operational leases concern old-generation aircraft.

Thus the new-generation aircraft acquired in 2024 (final payment) count as:

- 1 if they replace an old generation aircraft that has been removed from the fleet (the replacement ratio of 0.48 does not apply to CapEx) or permanently removed from use;
- 1 if they are allocated 9% SAF in their annual fuel consumption;
- 0 if they contribute to the growth of the Group's fleet and are not qualified with the SAF criterion.

The amounts of the final payment are tracked by registration and directly reflected in the accounts.

The alignment of pre-delivery payments was analyzed with regard to the medium-term fleet plan. In terms of methodology, the amounts of the prepayments are tracked by aircraft type and directly reflected in the accounts. They have been associated with the future inflow/outflow of aircraft, respectively, of new and old generations. PDP paid for future deliveries intended to replace old-generation aircraft are aligned at 100% (they will replace an aircraft that will be removed from the fleet or decommissioned) or 0% (future deliveries will increase the fleet).

The alignment percentage of activity 6.19 is 38.7% of the total CapEx.

Activity 3.21 Aeronautical Maintenance primarily involves older aircraft, and therefore, most of these are of an older generation that do not meet the criteria for substantial

contribution. As a result, the CapEx incurred for both the maintenance of the Group's aircraft (including capitalized maintenance) and the maintenance of third-party aircraft is aligned at 9.3% of the total CapEx.

The acquisition of spare engines was analyzed based on the engine type associated with an aircraft type. Capitalized maintenance work was either tracked to the aircraft family, or where this was not available, the fleet alignment percentage was applied.

Activity 6.20: The criteria for substantial contribution apply to ground equipment, lifting devices, and traction equipment at airports, with only electric equipment considered as aligned. Only the Paris and Amsterdam hubs conducted an inventory of electrically powered ground assets acquired in 2024. The alignment percentage for this activity is 0.3% of the total CapEx, representing €18 million in investments in zero-emission electric ground equipment acquired in 2024.

Activity 7 relating to real estate and energy efficiency

activities: for individual measures, each contributor filled out a personalized collection matrix to enable the reporting of eligibility data and the analysis of the various identified criteria for alignment – project by project or CapEx line by CapEx line. The criteria for substantial contribution apply to buildings that are renovated and/or equipped (e.g., with electric charging stations, renewable energy production systems) according to environmental and/or energy standards aligned with the Taxonomy.

In 2024, the alignment % for all the individual measures is 0.2% of the total CapEx.

OpEx

The aligned portion of the OpEx mainly corresponds to the maintenance activity (3.21) on new-generation aircraft that meet substantial contribution criteria. At the end of 2024, the alignment % of the maintenance activity is 18.2% of total Group taxonomic Opex.

Regarding aircraft maintenance expenses, an allocation key based on in-house activity and third-party activity was applied to the eligible costs (purchases of materials and equipment, labor costs). Then, for each of these two categories, the aligned portion was determined by applying an allocation key:

- based on the % of aligned revenue, for costs incurred for third-party activity;
- based on the % of fleet alignment for in-house activity.

4.2.4.5 Alignment - Methodology for the evaluation of activities with respect to the Do No Significant Harm (DNSH) Criteria

In the context of verifying compliance with cross-cutting DNSH, it should be noted that Air France and KLM are **ISO 14001 certified**: this is an international environmental certification standard defined by the International Organization for Standardization (ISO), which is a worldwide federation of national standardization bodies representing approximately 140 countries. It provides a framework defining rules for integrating environmental concerns into the organization's activities to control environmental impacts and thus reconcile the organization's operational requirements with environmental protection.

Compliance with these requirements necessitates the implementation of an environmental management system that includes:

- an environmental analysis to assess the current state of activities, applicable regulations, and the environmental impacts they cause;
- an environmental policy that includes a commitment to continuous improvement and pollution prevention, compliance with applicable environmental laws and regulations, and other requirements to which the organization subscribes;
- the organizational structure, planning activities, responsibilities, practices, procedures, processes, and resources to develop, implement, achieve, review, and maintain the organization's environmental policy.

The implementation of an environmental management system according to the ISO 14001 standard is based on a voluntary approach that should enable:

- better knowledge of the environmental impacts generated by the organization's activities;
- regulatory compliance to be guaranteed and future regulatory developments to be anticipated;
- practices to be improved within a logic of continuous progress towards reducing environmental impacts.

The environmental management system directly contributes to embedding the company's activities within a sustainable development framework.

Certification is obtained following an audit conducted by an accredited independent body. The subsequent maintenance of the certification is subject to regular (annual) verification of the system's compliance with the standard and the renewal (every three years) of the certification by an independent body.

Adaptation to Climate Change

The Group is aware of the risks associated with climate change on its activities. Consequently, the evaluation of the Group's business model's resilience to climate change is an integral part of the company's risk assessment, is monitored at the highest level of the Group, and is included in its strategic plans. In section 4.2.1 "Climate change (ESRS E1)", the Group details its Transition Plan in response to climate change.

In 2023, Air France-KLM conducted a climate risk assessment study and evaluated its impacts on the company's operations. In 2024, this assessment was updated to include the upstream and downstream value chain of the company. The long-term physical risk analysis thus conducted details the consequences on the Group's stations worldwide due to extreme weather events, impacting operational conditions, employee working conditions, and the commercial attractiveness of destinations. A list of 50 airports was studied along with five of the Group's main sites over short (2030), medium (2040), and long-term (2050) time horizons, with different climate warming scenarios (RCP 2.6 / RCP 4.5 / RCP 8.5).

Aircraft (key elements for alignment with the Taxonomy) are not subject to the identified risks as they are mobile assets and can be relocated to other destinations in the event of significant climate impacts on a station. The Group's adaptation plan, currently under development, will focus on medium and long-term adaptation measures for its network and schedule and the choice of other served destinations.

The study also demonstrated that ground assets at our hubs (Paris and Amsterdam) are not at risk in the medium term. Additionally, these two airports have conducted their own risk analyses on their infrastructures. In particular, studies conducted by ADP in 2023 and continued in 2024 attest to its proactivity in making Paris airports resilient to climate risks and that the actions undertaken and future actions aim to transform these challenges into opportunities, enhancing the sustainability, resilience, and operational performance of airport infrastructures.

Sustainable use and protection of aquatic and marine resources

Generic DNSH: Air France and KLM have implemented a risk management and solutions system on the topic of water through an Environmental Management System (EMS) certified ISO 14001. Various actions are being taken to reduce any impact on water resources, such as those described below.

Regarding **activity 3.21**, the aeronautical maintenance of the Air France group is carried out in accordance with the regulatory requirements of the prefectural decrees (decree of February 2, 1998) related to Classified Installations for Environmental Protection (ICPE). Industrial water is treated at three wastewater treatment plants for which discharge analyses are regularly conducted and transmitted to the supervising authority. For the KLM Group, water use and discharge operations are strictly regulated by internal procedures, particularly the "Register of Environmental Aspects". Transavia Netherlands outsources its engine washing activities to a provider who recycles 80% of the wastewater, which is filtered and then reused in the process. The remaining 20% is vaporized during the cleaning process.

Specific DNSH: Aircraft De-icing Procedures at Airports – Activity 6.20. For the Air France Group, aircraft de-icing and anti-icing operations (whether performed in-house or subcontracted) are part of the rainwater treatment circuit at the Paris Airport (ADP) platforms, from the provision of used products to their collection and treatment. ADP has implemented an internal management system that ensures the use of the most environmentally friendly deicing products in terms of pollution, water resource preservation, and human health impact. ADP procedures are applied in compliance with ICPE (Classified Installations for Environmental Protection), the Water Law Committee, standards, and prefectural decrees. For the KLM Group, aircraft de-icing and anti-icing procedures meet aquatic resource preservation criteria and are integral parts of internal procedures.

Transition to a Circular Economy

Activity 3.21 Aeronautical Maintenance: Aircraft engines and components at the end of their lifecycle have their own life cycles. Relatively new or recently overhauled parts will not become waste but will be removed to serve other aircraft in compliance with regulations (EASA Part M and Part 145 as well as FAA regulations), requirements, form, fit, and function without compromising safety or reliability. The remaining parts and the airframe will be dismantled and recycled. To do this, the Group's airlines have enlisted specialized companies that comply with the strictest environmental standards, such as Tarmac Aerosave in France. Tarmac Aerosave recycles about 90% of the aircraft materials. Additionally, 8% are fluids, such as oils, which are reused to produce energy, leaving only 2% of the entire aircraft to be disposed of. Hazardous waste from maintenance activities is subject to a comprehensive tracking system and its management is harmonized across the different maintenance sites.

Thus, the requirements for waste categorization (including the isolation of hazardous waste), the treatment of hazardous waste with a particular process, the treatment of electronic waste with a specific process, and the sorting and recycling of the remaining waste are concerns throughout the operation of an aircraft and up to its end of life.

Activity 6.19 Air Transport of Passengers and Freight During the utilization phase of the aircraft, the Group has implemented measures to manage onboard waste. The Group is committed to limiting waste and increasing the proportion of waste that is recycled or incinerated with energy recovery whenever possible. The Group manages various forms of waste from aviation operations by adhering to strict regulatory requirements. For instance, all entities in France are subject to a comprehensive traceability system in accordance with the decree of March 25, 2021, on waste traceability as transcribed in the Environmental Code (Articles R. 541-43 and R. 541-45). For more details on these actions, see section ESRS E5 of the Sustainability Statement.

Aircraft at the end of their service life are returned to their lessors or sold to third parties for continued operation. Aircraft at the end of their economic life are dismantled by the lessors, buyers, or under the management of the Group itself. Sales contracts for the aircraft include a clause specifying that the aircraft must be dismantled in accordance with the regulations of the country in which it is dismantled. In practice, the vast majority of aircraft are dismantled in EU countries as well as in the UK, where the prevailing regulations meet Taxonomy requirements.

Activity 6.20 Ground Handling Services for Air Transport: For Air France, the equipment necessary for ground handling activities is subject to maintenance and overhaul throughout its operational lifecycle. End-of-life equipment (old airport ground support equipment, GSE) is decommissioned in France in compliance with regulatory requirements for waste management. The equipment can be scrapped or sold for dismantling and the recovery of spare parts for resale. Additionally, actions to retrofit thermal equipment with electric equipment, such as baggage conveyors and stairs, are encouraged.

KLM primarily operates leased ground equipment (vehicles and equipment) following the divestment of its subsidiary KES. In this context, it is the lessors who are required to have implemented circular economy measures.

Pollution prevention and control – compliance with Annex C of Regulation (EU) 2020/852

Regulation EU 2020/852 specifies in its Annex C the list of substances whose use or presence in the context of economic activity is restricted with regard to the Taxonomy."

The Group has established procedures that allow for the identification of the use or non-use of substances mentioned in Annex C and, in the case of use, to list them and justify their use either through national or European regulatory exemptions or by applying manufacturers' manuals:

- **These substances listed in paragraphs (a) to (d) of Annex C** are restricted under the Taxonomy. The substances listed in (a) to (d) are governed by European regulations, such as those on persistent organic pollutants (POPs) and the protection of the ozone layer, allowing exemptions where identified as necessary. The Taxonomy does not clearly mention the possibility of using these exemptions.
 - **Paragraph a)** The Group utilizes, under French and/or Dutch exemptions granted to civil aviation (exemption to Annex I of Regulation EU 2019/2021), two POPs (Persistent Organic Pollutants) necessary for the operation or maintenance of its aircraft, to the extent that no other solution is available under the same conditions of use and safety.
 - **Paragraph b)** The Group does not use any of the substances listed in Article 2 of Regulation (EU) 2017/852 concerning mercury and mercury compounds.

- **Paragraph c)** The Group uses a substance listed in Annexes I and II of Regulation EC 1005/2009 concerning substances that deplete the ozone layer. Its use is authorized by an exemption contained in the same regulation and is necessary for the maintenance and use of fire extinguishers on board aircraft.
- **Paragraph d)** The Group does not use any of the substances listed in Annex II of Directive (EU) 2011/65 concerning hazardous substances in electrical and electronic equipment.

In summary, despite the fact that the exemptions are not explicitly mentioned in the Taxonomy regulation, the Group considers that the alignment of its activities is not compromised by the use of these substances, which are essential to the sector's activities.

- **The substances listed in paragraph e) of Appendix C,** concerning the substances listed in Annex XVII of Regulation (EC) 1907/2006, are non-aligned with the Taxonomy unless the conditions set out in this annex are fully met. This regulation is more commonly known as REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals). The Group conducts its aeronautical maintenance activities in accordance with REACH regulations and confirms the use of substances listed in Annex XVII in compliance with the applicable restrictions.
- **The substances listed in paragraph f) of Appendix C,** concerning substances meeting the criteria of Article 57 of the REACH regulation (and identified in accordance with Article 59(1) of said regulation) and on the candidate list for authorization by ECHA (European Chemicals Agency), may be aligned if it can be demonstrated that no suitable replacement substances or technologies are available on the market and that they are used with respect for human health and the environment. These are more commonly known as SVHC (Substances of Very High Concern).
- **The substances listed in paragraph f') of Appendix C,** concerning other substances meeting the criteria of Article 57 of the REACH regulation and not yet on the candidate list for authorization by ECHA, whether on their own, in mixture or in articles, may be aligned if it can be demonstrated that their use is essential to the company, that no suitable replacement substances or technologies are available on the market and that they are used with respect for human health and the environment.

The procedures in place within the Group, which govern the conduct of maintenance, air transport, and ground handling operations, list all substances covered and not covered by the REACH regulation and their usage rules. They are regularly updated to account for substances that are candidates for authorization. The Group may use SVHCs (paragraph f) or other substances (paragraph f') in strict compliance with the requirements and recommendations of the aircraft manufacturers and in accordance with national and European air transport standards. If a compatible alternative exists with the manufacturers' guidelines, the Group will choose the least polluting substance. The Group can only replace a substance if it is authorized by the manufacturer's manual. When no alternative exists, the procedures in place provide strict guidelines for the use of the products,

particularly with regard to human health and environmental preservation.

In conclusion, Annex C of the Taxonomy regulation has been thoroughly analyzed for all the listed substances. The Group acknowledges the use of substances for which exemptions and usage conditions could be provided. The Group recognizes the uncertainties of the Taxonomy regulation regarding the use of exemptions. Under these conditions, the Group considers that the alignment of its activities is not compromised.

Pollution prevention and control – Compliance with noise and engine emission thresholds (NO_x, HC, CO)

Based on analyses conducted by internal experts and discussions with sectoral working groups, it was concluded that the new-generation aircraft comply with the noise and engine emission criteria required by regulations to be aligned, including Amendment 13 of Volume I (noise), Chapter 14 of Annex 16 of the Chicago Convention, as well as Amendment 10 of Volume II (engine emissions), Chapters 2 and 4 of Annex 16 of the Chicago Convention.

Protection and restoration of biodiversity and ecosystems (BIO)

The DNSH biodiversity concerns **activity 3.21 Aeronautical Maintenance**. Regulations require the identification of at-risk biodiversity areas and the implementation of actions to preserve, protect, or restore biodiversity and ecosystems.

The Aeronautical Maintenance activity does not belong to the categories listed in Annex II of Directive 2011/92/EU. An Environmental Impact Assessment (EIA) is not legally required.

Air France's maintenance conducts an "environmental sensitivity" assessment in accordance with its internal procedure, which describes the method of managing environmental risks as well as through the work required for ISO 14001 certification. The identification, conducted by Air France, of areas located inside or near biodiversity-sensitive areas is based on the INPN platform (National Inventory of Natural Heritage), which allows for the identification of areas concerned by Directive 2009/147 "Birds Directive" and 92/43/EEC "Habitats Directive." The evaluation work is documented in the file annexed to the internal procedure. Measures implemented to eliminate or reduce the impact of an identified environmental risk during this review are tracked in a specific tool. Measures are implemented to eliminate or reduce the impact of environmental risks identified during this review. The traceability of actions is ensured through internal tools, including the Evalutéo tool, as well as within the framework of the environmental management system certification of Air France according to the ISO 14001 standard.

KLM operates its maintenance activities at Schiphol Airport. The airport is required to obtain a permit for its activities under the Nature Conservation Act in the Netherlands. The Dutch government has issued this permit to Schiphol after analyzing the airport's activities and their impact on biodiversity-sensitive areas located nearby (Natura 2000 areas in the Netherlands). According to this report, it is concluded that the maintenance activities did not affect these areas.

4.2.4.6 Alignment - Methodology for the evaluation of activities with respect to Minimum Safeguards (MS) Criteria

The Group must comply with minimum safeguards in terms of social rights and governance, as defined by the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights. These safeguards include respect for human rights and labor standards, respect for consumer interests, combating corruption and aggressive tax practices, and compliance with competition rules. Compliance with these minimum safeguards has been assessed in relation to the criteria set out in the European Taxonomy Regulation (EU 2020/852), Articles 3 and 18, aligned with international standards.

The Group recognizes and applies international standards applicable to legal entities in terms of ethics and compliance, including the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises, the fundamental conventions of the International Labour Organization (ILO), and the UNICEF Children's Rights and Business Principles. The Group has followed the recommendations outlined in the final report of the PSF (Platform on Sustainable Finance) on the minimum safeguards concerning the recommendations of Member States. This also extends to compliance with due diligence regarding human rights. This includes the protection of human rights and the fight against all forms of child labor and forced labor, combating corruption, tax fraud, and tax evasion, as demonstrated by the implementation of due diligence on these four issues, as required by the PSF final report. The mapping of due diligence elements is presented in Chapter 3, "Risks and Risk management".

The Group has implemented a supplier evaluation policy to comply with applicable regulations in terms of business compliance and ethics. In this context, if violations are detected, an action plan is developed, if necessary, before or at the end of the contract.

With regard to the increased risk of exposure to complaints of greenwashing, the Group is doing its utmost to comply with European regulations on unfair commercial practices, particularly in the context of the application of Directive 2005/29/EC of the European Parliament and of the Council of May 11, 2005.

In terms of competition law, an annual and mandatory training program for employees has been in place for several years, particularly following the anti-trust litigation in the air freight sectors (see the chapter on financial risks for more details). The Competition Law Compliance Manual for employees emphasizes the objectives of integrity and transparency and contains instructions on preventing anti-competitive agreements and abuse of market power. Proposed alliance and commercial cooperation projects are reviewed and analyzed in advance by the legal department responsible for competition law issues to evaluate their feasibility and any potential commitments required for their implementation.

In terms of anti-corruption prevention, the Anti-Corruption Code of Conduct and its corresponding policies affirm the commitment of the Air France-KLM Group to conduct its business with loyalty, fairness, transparency, honesty, and integrity and in strict compliance with anti-corruption laws wherever its subsidiaries operate. The Anti-Corruption Code of Conduct sets out guidelines for preventing corruption, identifying and handling high-risk situations in light of anti-corruption legislation, with examples drawn from risk mapping or reported dilemmas. These documents are regularly reviewed to be updated and improved whenever deemed necessary.

Elements relating to risk mapping, the mitigation measures taken and the system for monitoring the measures deployed can be found in Chapter 3 of this Universal Registration Document. Elements relating to internal control and the prevention of these risks are also included in Chapter 3.

EU Taxonomy Results Over FY 2024

See the table below for the results of this assessment and the share of eligible and aligned activities. The full table as prescribed in Annex II of Commission Delegated Regulation 2021/2178 is presented later in this section.

	Proportion of turnover/Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	23.0%	98.0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	48.6%	94.7%
CCA	0%	0.1%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	18.5%	85.1%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering the 2024 year

Financial year 2024	2024			Substantial Contribution Criteria					
Economic Activities	Code	Turnover €m	Proportion of turnover, year 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
Manufacture & maintenance of aircraft	CCM 3.21	219	0.7%	Y	N/EL	N/EL	N/EL	N/EL	
Air passenger and freight transport	CCM 6.19	7,031	22.4%	Y	N/EL	N/EL	N/EL	N/EL	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		7,250	23.0%	23.0%	0%	0%	0%	0%	
Of which Enabling		0	0.0%	0.0%	0%	0%	0%	0%	
Of which Transitional		7,250	23.0%	23.0%					
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Manufacture & maintenance of aircraft	CCM 3.21	1,867	5.9%	EL	N/EL	N/EL	N/EL	N/EL	
Air passenger and freight transport	CCM 6.19	21,239	67.5%	EL	N/EL	N/EL	N/EL	N/EL	
Ground handling services for air transport	CCM 6.20	481	1.5%	EL	N/EL	N/EL	N/EL	N/EL	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		23,586	75.0%	75.0%	0.0%	0.0%	0.0%	0.0%	
A. Turnover of Taxonomy eligible activities (A.1+A.2)		30,837	98.0%	98.0%	0.0%	0.0%	0.0%	0.0%	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Turnover of Taxonomy-non-eligible activities		622	2.0%						
TOTAL (A. + B.)		31,459	100%						

DNHS criteria ('Does Not Significantly Harm')

Biodiversity	DNSH criteria ('Does Not Significantly Harm')							Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2023	Category enabling activity	Category transitional activity
	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards			
N/EL		Y	Y	Y	Y	Y	Y			T
N/EL		Y	Y	Y	Y	Y	Y			T
0%		Y	Y	Y	Y	Y	Y			
0%									E	
										T
N/EL								5.7%		
N/EL								90.7%		
N/EL								1.5%		
0.0%								97.9%		
0.0%								97.9%		

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024	2024		Substantial Contribution Criteria					
	Code	CapEx €m	Proportion of CapEx, year 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy
Economic Activities								
A. TAXONOMY-ELIGIBLE ACTIVITIES								
A.1. Environmentally sustainable activities (Taxonomy-aligned)								
Manufacture & maintenance of aircraft	CCM 3.21	488	9.3%	Y	N/EL	N/EL	N/EL	N/EL
Construction, extension, & operation of water collection, treatment & supply system	CCM 5.1	1	0.0%	Y	N/EL	N/EL	N/EL	N/EL
Air passenger & freight transport	CCM 6.19	2,029	38.7%	Y	N/EL	N/EL	N/EL	N/EL
Ground handling services for air transport	CCM 6.20	18	0.3%	Y	N/EL	N/EL	N/EL	N/EL
Construction of new buildings	CCM 7.1	0	0.0%	Y	N/EL	N/EL	N/EL	N/EL
Renovation of existing buildings	CCM 7.2	0.4	0.0%	Y	N/EL	N/EL	N/EL	N/EL
Installation, maintenance & repair of energy efficiency equipment	CCM 7.3	10	0.2%	Y	N/EL	N/EL	N/EL	N/EL
Installation, maintenance & repair of charging stations for electric vehicles in buildings	CCM 7.4	0.2	0.0%	Y	N/EL	N/EL	N/EL	N/EL
Installation, maintenance & repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	1	0.0%	Y	N/EL	N/EL	N/EL	N/EL
Installation, maintenance & repair of renewable energy technologies	CCM 7.6	1	0.0%	Y	N/EL	N/EL	N/EL	N/EL
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		2,549	48.6%	48.6%	0.0%	0.0%	0.0%	0.0%
Of which Enabling		12	0.2%	0.2%	0.0%	0.0%	0.0%	0.0%
Of which Transitional		2,518	48.0%	48.0%				
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)								
Demolition & wrecking of buildings & other structures	CE 3.3	0.3	0.0%	N/EL	N/EL	N/EL	N/EL	EL
Manufacture & maintenance of aircraft	CCM 3.21	1,452	27.7%	EL	N/EL	N/EL	N/EL	N/EL
District heating / cooling distribution	CCM 4.15	2	0.0%	EL	N/EL	N/EL	N/EL	N/EL
Transport by motorbikes, passenger cars & light commercial vehicles	CCM 6.5	9	0.2%	EL	N/EL	N/EL	N/EL	N/EL
Air passenger & freight transport	CCM 6.19	606	11.6%	EL	N/EL	N/EL	N/EL	N/EL
Ground handling services for air transport	CCM 6.20	58	1.1%	EL	N/EL	N/EL	N/EL	N/EL
Construction of new buildings	CCM 7.1	215	4.1%	EL	N/EL	N/EL	N/EL	N/EL
Renovation of existing buildings	CCM 7.2	65	1.2%	EL	N/EL	N/EL	N/EL	N/EL
Renovation of existing buildings	CCA 7.2	3	0.1%	N/EL	EL	N/EL	N/EL	N/EL
Installation, maintenance & repair of energy efficiency equipment	CCM7.3	1	0.0%	EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance & repair of charging stations for electric vehicles in buildings	CCM 7.4	0.3	0.0%	EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance & repair of instruments & devices for measuring, regulation & controlling energy performance of buildings	CCM7.5	0.5	0.0%					
Data processing, hosting & related activities	CCM 8.1	9	0.2%	EL	N/EL	N/EL	N/EL	N/EL
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		2,422	46.2%	46.1%	0.1%	0.0%	0.0%	0.0%
A. CapEx of Taxonomy eligible activities (A.1+A.2)		4,970	94.8%	94.7%	0.1%	0.0%	0.0%	0.0%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES								
CapEx of Taxonomy-non-eligible activities		271	5.2%					
TOTAL (A. + B.)		5,241	100%					

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024	2024		Substantial Contribution Criteria						
	Economic Activities	Code	OpEx €m	Proportion of OpEx, year 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
Manufacture & maintenance of aircraft	CCM 3.21	722	18.2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Collection & transport of non-hazardous waste in source segregated fractions	CCM 5.5	1	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Operation of personal mobility devices, cycle logistics	CCM 6.4	1	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance & repair of energy efficiency equipment	CCM 7.3	11	0.3%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance & repair of charging stations for electric vehicles in buildings	CCM 7.4	0.3	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance & repair of instruments & devices for measuring, regulation & controlling energy performance of buildings	CCM 7.5	0.3	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance & repair of renewable energy technologies	CCM 7.6	0.03	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Data driven solutions for GHG emissions reductions	CCM 8.2	0.5	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Professional services related to energy performance of buildings	CCM 9.3	1	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		736	18.5%	18.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Of which Enabling		13	0.3%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Of which Transitional		722	18.2%	18.2%					
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Manufacture & maintenance of aircraft	CCM 3.21	2550	64.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Demolition & wrecking of buildings & other structures	CE 3.3	1	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	EL
District heating/cooling distribution	CCM 4.15	1	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Transport by motorbikes, passenger cars & light commercial vehicles	CCM 6.5	1	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Air passenger & freight transport	CCM 6.19	77	1.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Ground handling services for air transport	CCM 6.20	3	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Renovation of existing buildings	CCM 7.2	12	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance & repair of energy efficient equipment	CCM 7.3	0.1	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance & repair of charging stations for electric vehicles in buildings	CCM 7.4	0.03	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance & repair of instruments & devices for measuring, regulation & controlling energy performance of buildings	CCM 7.5	0.3	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		2,646	66.6%	66.6%	0.0%	0.0%	0.0%	0.0%	0.1%
A. OpEx of Taxonomy eligible activities (A.1+A.2)		3,383	85.1%	85.1%	0.0%	0.0%	0.0%	0.0%	0.0%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
OpEx of Taxonomy-non-eligible activities		591	14.9%						
TOTAL (A. + B.)		3974	100%						

DNSh criteria ('Does Not Significantly Harm')

	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2023	Category enabling activity	Category transitional activity
	N/EL		Y	Y	Y	Y	Y	Y			T
	N/EL		Y	Y	Y	Y	Y	Y	0.02%		
	N/EL		Y	Y	Y	Y	Y	Y	0.03%		
	N/EL		Y	Y	Y	Y	Y	Y	1.3%	E	
	N/EL		Y	Y	Y	Y	Y	Y	0.1%	E	
	N/EL		Y	Y	Y	Y	Y	Y	0.3%	E	
	N/EL		Y	Y	Y	Y	Y	Y	0.2%	E	
	N/EL								0.0%	E	
	N/EL		Y	Y	Y	Y	Y	Y	0.04%	E	
	0.0%		Y	Y	Y	Y	Y	Y	1.9%		
	0.0%		Y	Y	Y	Y	Y	Y	1.9%	E	
			Y	Y	Y	Y	Y	Y	-%		T
	N/EL										
	N/EL										
	N/EL										
	N/EL										
	N/EL										
	N/EL										
	N/EL										
	N/EL										
	N/EL										
	N/EL										
	N/EL										
	0.0%								93.7%		
	0.0%								95.7%		

NUCLEAR AND FOSSIL GAS-RELATED ACTIVITIES

Line	Nuclear energy activities	
1	The Company carries out, finances or is exposed to research, development, demonstration and deployment of innovative installations for producing electricity from nuclear processes with a minimum of waste from the fuel cycle.	NO
2	The Company is involved in, finances or is exposed to the construction and safe operation of new nuclear power or process heat production facilities, including for district heating or industrial processes such as hydrogen production, including their safety upgrades, using the best available technology.	NO
3	The undertaking carries on, finances or is exposed to the safe operation of existing nuclear installations for the production of electricity or process heat, in particular for district heating purposes or for industrial processes such as the production of hydrogen, using nuclear energy, including their safety upgrades.	NO
Fossil gas activities		
4	The Company engages in, finances or is exposed to the construction or operation of facilities for the production of electricity from gaseous fossil fuels.	NO
5	The Company engages in, finances or is exposed to the construction, refurbishment and operation of combined heat/cooling and electricity production facilities using gaseous fossil fuels.	NO
6	The Company engages in, finances or is exposed to the construction, refurbishment or operation of heat production facilities that produce heat/cooling from gaseous fossil fuels.	NO

4.3 SOCIAL INFORMATION

4.3.1 Own workforce (ESRS S1)

The Air France-KLM employees, present all over the world, are the Group's main asset; they bring to life the Group's brands and are its face to customers. Thanks to their collective commitment and professionalism, the Group is able to offer its customers high-end services and a caring journey, promoting lasting relationships while operating its activities efficiently and safely. Air France-KLM aims to provide one of the best places to work, by creating a safe and motivating environment for employees and by monitoring their engagement. The Group continues to invest in human capital development, to develop the skills of employees and empower them, to foster diversity and develop inclusion, and to enable them to exceed customer expectations.

The relationship that links the Air France-KLM Group to its employees is based on four values: trust, respect, transparency, and confidentiality.

Each policy mentioned in the following sections regarding our own workforce is under the responsibility of the EVP Human Resources of each company of the Group.

The metrics related to Air France-KLM's own workforce are reported in headcounts, based on the contractual relationship with the entity under which they are reported. The metrics are analyzed at the reference date, which is the last day of the reporting period (December 31 of the year), unless specified otherwise.

4.3.1.1 Characteristics of Air France-KLM employees (S1-6)

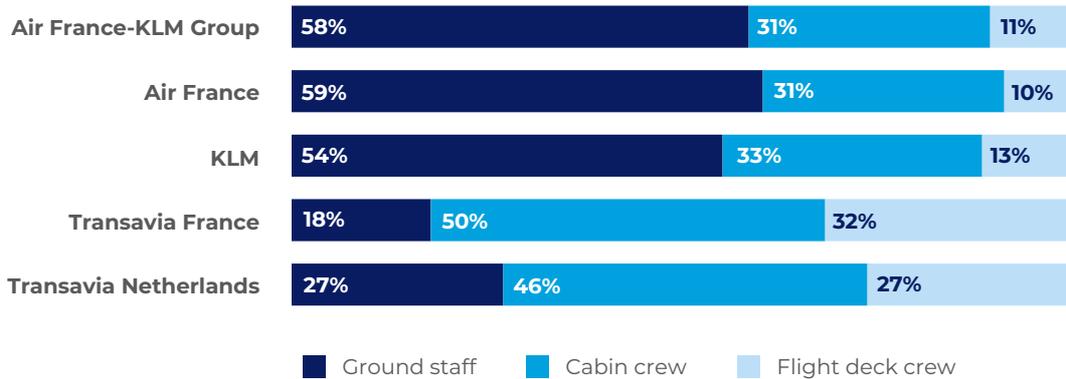
The characteristics of Air France-KLM employees are detailed in the following tables, presenting the total number of employees with the relevant breakdown, as per the ESRS requirements and the common practices for social reporting in the airline industry.

Total number of employees

Employees are the individuals in an employment relationship with one of the entities consolidated in the Air France-KLM Group, according to national law or practice. It includes all employees who perform work for any entity consolidated in the Group's sustainability statement.

This table below shows the total number of employees of the Group, split by staff category, and those of its four main airlines:

Staff Category	2024				
	Air France-KLM Group	Air France	KLM	Transavia France	Transavia Netherlands
Ground staff	51,626	26,651	15,479	564	754
Cabin crew	27,289	13,643	9,292	1,589	1,292
Flight deck crew	10,194	4,333	3,586	1,035	762
Total	89,109	44,627	28,357	3,188	2,808



Reconciliation with the financial statements

The total number of employees as reported in the sustainability statement (in headcount) is reconciled with the average number of employees reported in the financial statements (reported in full-time equivalent) in the table below:

	2024
Total number of employees at the closing date (in headcount)	89,109
Difference in scope and methodology	(8,379)
Average number of employees over the period (in FTE)	80,730

Breakdown of employees per region and country

In compliance with ESRS 2 SBM-1 40 a) iii) and S1-16 requirements, and consistently with its management practices, Air France-KLM discloses the number of employees in the six geographical regions where it operates. Detail is given at the country level where the Group has a significant employment level, defined as at least 10% of the total number of employees and a minimum of 50 employees.

Employees are reported in the country where the law managing their work contract is applicable.

As an international group with centrally managed functions, Air France-KLM only has significant employment in its two home countries, France and the Netherlands, representing over 90% of the total number of employees. The remaining 10% of the workforce is based in more than 100 countries, spread throughout the following regions:

Country	2024
France	48,131
The Netherlands	32,882
Region	
Europe (excl. France & the Netherlands)	2,495
Asia & Middle East	1,786
North America	1,224
Caribbean & Indian Ocean (incl. French & Dutch overseas territories)	1,135
Central & Latin America	813
Africa	643
Total	89,109

Breakdown of employees per employment type

For the breakdown per employment type, a distinction has been made between permanent employees, temporary employees, and non-guaranteed hours employees. As the definitions may differ by country, the national laws managing the employment contract are leading.

Employment type	2024					
	Total	Total %	Female	Male	Other	Not Disclosed
Permanent employees	82,343	92.4 %	37,195	45,146	1	1
Temporary employees	6,594	7.4 %	3,330	3,264	-	-
Non-guaranteed hours	172	0.2 %	67	105	-	-
Total	89,109	100.0 %	40,592	48,515	1	1

In 2024, Air France-KLM had more than 92% of its employees on a permanent contract, with no significant difference between female and male.

Employee turnover

Employee turnover is calculated by dividing the number of employees who have left the company during the reporting period, irrespective of the reasons, by the total number of employees at the end of the reporting year.

Employee Turnover	2024
Number of employees who have left during the reporting period	6,687
Total number of employees at the end of the period	89,109
Employee turnover rate	7.5 %

The employee turnover rate of Air France-KLM was 7.5% at the end of 2024.

4.3.1.2 Interest and views of stakeholders (ESRS2 SBM-2)

To understand how Air France-KLM engages in a dynamic dialogue with its stakeholders, considering their perspectives through multiple channels, please refer to the more detailed information provided in section 4.1.2.2 “Interest and views of stakeholders (ESRS2 SBM-2)”.

4.3.1.3 Social Dialogue

4.3.1.3.1 Material IROs – Social dialogue (ESRS2 SBM-3)

Please find in the table below the material impacts, risks, and opportunities identified for this section:

Topic	Material impact (N: negative; P: positive)	Own Operations (OO) / Value Chain (VC)	Material Risks (R) or Opportunities (O)	Time horizon (short, medium, long term)
Social dialogue with Air France- KLM staff	P: Social dialogue through workers' representatives has a positive impact on working conditions for Air France-KLM workers	OO	R: Financial risks as a result of negotiations on labor agreements, social conflicts or strikes	short/medium

For more information regarding the double materiality analysis and the identification of material IROs, please refer to section 4.1.4.1 "Process to identify and assess material impacts, risks and opportunities (IRO-1)".

4.3.1.3.2 Policies – Social dialogue (S1-1)

The Group respects freedom of association, the right to collective bargaining, and the right of all employees to form or join trade unions in accordance with local law.

The Group endeavors to comply with and promote the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work and its fundamental conventions.

The Human Resources leaders of each entity of the Group ensure the promotion of social dialogue.

In addition, the Group’s European Works Council brings together the representatives of staff whose head offices or entities are based in the European Community.

Throughout 2024, the negotiation of agreements in the different airlines of the Air France-KLM Group continued to respond to the health, inclusion, and financial performance challenges leading to the need for reactivity and flexibility.

4.3.1.3.3 Processes in place to engage with own workers and workers’ representatives – Social dialogue (S1-2)

The Group communicates and negotiates actively with employees and their representatives to continually enhance the workplace, including through the development of collective agreements.

As a sign of top management’s commitment to engage with its own workers, on regular basis, Benjamin Smith (Chief Executive Officer of Air France-KLM), Marjan Rintel (KLM’s President & Chief Executive Officer), and Anne Rigail (Air France’s Chief Executive Officer) hold regular meetings with employees at the various sites to engage in dialogue on current topics.

4.3.1.3.4 Channels for own workers to raise concerns - Social dialogue (S1-3)

All airline entities of the Group organize regular meetings with their employee representatives and works councils. Employees can reach out to worker representatives at any time to address any type of concern.

4.3.1.3.5 Targets – Social dialogue (S1-5)

The target is to maintain regular meetings of the work council during the year, in mutual trust and respect, and keep on negotiating major agreements for the companies of the Group, covering all employees.

4.3.1.3.6 Action plans in place or planned – Social dialogue (S1-4)

Instances of social dialogue

In 2024, Air France conducted two meetings with the French Group Works Council, two meetings with the European Group Works Council, 13 meetings with the Central Social and Economic Committee (CSEC), and dozens of meetings at the various establishments.

KLM convened 10 meetings with the works councils, four consultation meetings with other employee representatives, and 10 with the Health and Safety Committees.

In total, during 2024, Transavia Netherlands convened 12 meetings of the works councils and four of the Health and Safety Committees, and Transavia France convened 13 meetings of the works councils and 12 of the Health and Safety Committees.

These interactions testify to the intensive dialogue between the employer and the staff representatives, essential to adapting to the challenges the Company and the sector are facing.

Major agreements

At Air France, wage negotiations with the Air France unions led to an agreement in February on wage measures for 2024. With regard to value sharing, two agreements on profit-sharing and incentive plans were signed in June.

Following the announcement in October 2023 of the reorganization of the domestic network, an agreement was signed with the pilots' trade unions and with the ground staff trade unions to specify the support to be provided to the employees.

In addition, a three-year agreement on the forward-looking management of jobs and career paths and an agreement on categorical measures for ground staff were signed in early 2024. Agreements on working conditions were signed in February 2024 for cabin crew and in October 2024 for pilots.

At the end of 2024, discussions were launched on professional equality between men and women, career paths for ground staff representatives, quality of life at work, and working conditions for ground staff, as well as the time-savings account for cabin crew.

At KLM in 2023, three collective labor agreements were signed with the ground staff, cabin crews, and flight deck crews, which included a wage increase over the period from March 2023 to February 2025. Defining a minimum monthly increase, KLM set a high social standard in the Dutch market, enabling the operational functions with the lowest salaries to receive a salary increase of up to 12.5% for 2023, not far from the inflation rate.

In addition, these agreements further improve working conditions, with a revised senior policy, commuting facilities, compensation for working from home, and regulations regarding work and rest times. All these measures positively impact the Group's employees.

Transavia Netherlands made arrangements with labor unions about four collective agreements, three of which were renewed in the second half of 2024, for cabin, flight deck, and ground staff. These agreements improved wages and measures to address work pressure and continued to take steps toward a sustainable mobility policy and an inclusive collective agreement. Through the agreements signed, Transavia Netherlands is investing in the employment conditions of today and tomorrow.

Transavia France signed a new "life quality at work and working conditions" agreement in April 2024 for all ground and cabin crew employees. Transavia received the Social Dialogue Trophy from the ONDS (*Observatoire pour un nouveau dialogue social*) for this agreement.

4.3.1.3.7 Metrics – Social dialogue (S1-8)

Collective bargaining and social dialogue coverage

The coverage rate for collective bargaining is an indicator of the proportion of employees to whom one or more collective bargaining agreements apply.

The coverage rate for workplace representation shows the proportion of employees who are represented by trade union representatives or duly elected representatives.

The scope of the coverage rate for both collective bargaining and social dialogue covers the countries in the EEA where the Group has significant employment (see also 4.3.1.1 “Characteristics of Air France-KLM employees (S1-6) – Employees per country”).

The coverage rates are calculated by dividing the number of employees who are covered by the total number of Air France-KLM Group employees.

The following tables show the coverage rates for all employees, broken down by staff category for the Group, and coverage for collective bargaining and workplace representation specifically in France and the Netherlands:

Staff Category	Collective bargaining coverage	Social Dialogue Workplace representation
Ground Staff	98.6%	99.8%
Cabin Crew	100.0%	100.0%
Flight Deck Crew	100.0%	100.0%
Total	99.3%	99.9%

Coverage rate	Collective bargaining coverage Employees – EEA	Social Dialogue Workplace representation – EEA
80-100%	France The Netherlands	France The Netherlands

The total collective bargaining coverage is 99.3%, and the proportion of total employees represented by staff representatives is 99.9%.

4.3.1.4 Working conditions for Air France-KLM staff

4.3.1.4.1 Material IROs – Working conditions (ESRS2 SBM-3)

The following table shows the material impacts, risks, and opportunities covered in this section:

Topic	Material impact (N: negative; P: positive)	Own Operations (OO) / Value Chain (VC)	Material Risks (R) or Opportunities (O)	Time horizon (short, medium, long term)
Working conditions for Air France-KLM staff	P: Well-positioned and protective employment conditions positively impact Air France-KLM workers' living conditions	OO	R: Financial risks as a result of low employee satisfaction leading to increase in staff costs, absenteeism or turnover	short/medium
	N: Air France-KLM workers work-life balance could be negatively impacted by working hours outside regular business hours (staggered shifts)			
	N: Air France-KLM workers could be exposed to physical harm in the workplace			

For more information regarding the double materiality analysis and the identification of material IROs, please refer to section 4.1.4.1 "Process to identify and assess material impacts, risks and opportunities (IRO-1)".

4.3.1.4.2 Policies – Working conditions (SI-1)

For the Air France-KLM Group, working conditions are a major priority that cannot be compromised.

Everyone working for or with the Air France-KLM Group has the right to a healthy and safe working environment that considers their physical and mental well-being.

In addition, the employee experience is a key element of its People strategy and a pillar of its Sustainable Development strategy. "Our people deliver our customer experience," and it is through this policy that the company can outperform its competitors. The roadmap ("Flight Plan") defining the strategic priorities aims to motivate employees through defined action plans.

4.3.1.4.3 Processes in place to engage with own workers and workers' representatives – Working conditions (SI-2)

Health and safety

Within Air France, the Health and Quality of Working Life and Multi-Risk departments are responsible for steering and coordinating the Health, Safety, and Quality of Working Life networks. These departments have representatives in all the Company's business units, enabling the coordinated deployment of the policy, actions, and objectives. Accident analysis is used to adjust the policy and actions designed to protect the health and safety of individuals. The monitoring of indicators ensures that the initiatives are continuously adapted.

At Air France, a network of committed players made up of doctors, psychiatrists, nurses, social workers, prevention officers, and Health, Safety and Quality of Life in the Workplace advisors supports employees on-site and cares for their well-being and health in the workplace in all entities of the company. They are the dedicated persons to be reached when a need to express any concern regarding health and safety in general is raised by an employee. They are also competent to cope with a potential harmful situation or question related to staggered shifts.

Air France is implementing several initiatives to monitor the mental health of its employees working under pressure and/or at home. Every month, a sample of 1,000 employees is surveyed to assess their levels of stress, depression, and anxiety. This psychosocial risk observatory is managed by the occupational medicine department, and the results of the survey are shared with the Executive Committee and the Central Health Committee, leading to the implementation of specific action plans.

KLM implemented a central Health Management System in 2024. This system creates a comprehensive and coordinated strategy to promote a healthy and safe working environment, with representatives from HR, the HR Center of Expertise Health, HR Reintegration, the Safety department, and KLM Health Services working together to optimize sustainable employability, prevent sick leave, and address absenteeism at an early stage.

In 2024, KLM expanded its MyHealth portal, which offers over 110 high-quality health interventions focused on seven health themes. These themes include vitality, physical well-being, addiction, nutrition, social well-being, mental well-being, and sleep. The interventions range from fitness activities and ergonomic workspaces to (online) courses on stress management, mindfulness, and access to counselling services. With the addition of new, high-quality interventions, the portal now provides an even more comprehensive range of support for employees.

Quality of life in the workplace

The Group is committed to providing flexibility by staff category, in keeping with business constraints, with a diversified and regularly evolving offer of flexible work arrangements: additional annual leave days compared to statutory entitlement; an additional year of parental leave possible at Air France, compared to applicable laws; flexibility of working hours (during professional life and in the years ahead of retirement); and the option to work from home in eligible positions.

At Air France, on a dedicated Learning Channel launched in the Summer of 2022, training content is offered to prevent psychosocial risks, addictive behavior, incivilities, harassment, and sexist behavior; organize teleworking; manage work-life balance; and create awareness about the right to disconnect. Videos, practical information sheets, and interactive courses are available. This digital training library encourages every employee to be a player in health and quality of life at work.

Employee engagement

Throughout the year, entities and divisions of the Group held multiple employee events to foster employee engagement. The events were interactive and informative to promote interaction between the employees. The Executive Committee members frequently held webcasts to connect with staff, keep them informed of relevant developments, and be available to answer any questions. In addition, the Human Resources departments multiplied their touch points with employees and managers.

To measure the level of employee engagement, Air France, KLM, and Transavia (France and Netherlands) use the Employee Promoter Score (EPS), the in-house equivalent of the Net Promoter Score, which measures the level of customer satisfaction. In the three companies, a rotating random selection of employees is regularly polled to ascertain whether they would recommend Air France, KLM, or Transavia as employers to their friends and family. The method enables (theoretically) all employees to express themselves about twice a year, and the results are shared with all staff.

4.3.1.4.4 Channels for own workers to raise concerns – Working conditions (S1-3)

Health and safety

Since 2021, for staff facing personal or professional difficulties, Air France has offered a completely anonymous and confidential psychological support and advice program with a 24/7 number (from an external company). A digital platform is also available on a computer, tablet and cell phone for rapid contact with a psychologist or access to psychological health information. In addition, in 2024, a new Air France psychiatrist was hired (bringing the number of Air France psychiatrists from 2 to 3), specializing in addictions.

A listening program dedicated to pilots and cabin crew was implemented in 2021: the Critical Incident Response Program facilitates the return to nominal functioning of people who have experienced critical incidents as part of their work. A dedicated program relying on peer support with specifically trained employees is available for aircrew experiencing professional fragility.

The association “*Amitié Entraide d’Air France*” (AEAF) helps employees in difficult situations due to addiction (alcohol or other drugs).

Health experts in the KLM business lines play a crucial role in identifying health issues and advise on and create customized health programs specifically designed or adapted to meet the business’s needs, preferences, and specifications. They provide insights into health-related problems in different target groups, follow emerging health/absenteeism trends, and help businesses make informed decisions when it comes to sustainable employability.

Quality of life in the workplace

All employees that would like to raise concerns regarding quality of life in the workplace can reach out to their managers and/or the prevention officers and/or the Health, Safety, and Quality of Life in the Workplace advisors, who are responsible for giving support and care for well-being and health in the workplace in all entities of the companies (see section 4.4.1.3 “Prevention of corruption and bribery, protection of whistleblowers (G1-3, G1-4)”).

4.3.1.4.5 Targets – Working conditions (S1-5)

Health and safety

On an annual basis, Air France-KLM measures and reports the indicators related to health and safety at work: absenteeism, the number of workplace accidents, and the frequency rate and severity rate of workplace accidents (see section on "Health and Safety (S1-14)"). The target aims to maintain the lowest rates possible.

Quality of life in the workplace

Now more than ever, the strategy common to all the Air France-KLM Group businesses remains to foster employee commitment and motivation by offering employees working conditions that enable them to fulfill their professional duties effectively, whether they work staggered or regular shifts, and thus to contribute to the Group's performance.

Employee engagement

Everyone is responsible for creating a culture and environment in which every colleague feels comfortable and is supported in the right way to make a difference. Employee engagement is steered in all the teams and businesses.

With employee engagement being a key asset to the performance of the Group, a focus is placed on the recovery of the EPS in the long term. At the Group level, the consolidated EPS saw an overall decline between 2020 and mid-2022 and has been on a recovery trend since the Summer of 2022, albeit without yet reaching its pre-Covid-19 level.

In addition, the EPS score is taken into account in yearly assessments of a number of managers, including top management.

4.3.1.4.6 Action plans in place or planned – Working conditions (S1-4)

Health and safety

Air France-KLM continually adapts and enriches its health and safety preventive actions.

In 2024, Air France and its medical teams continued the intensification of prevention campaigns for employees' health, thanks to funding from Air France health insurance (MNPAF), and the "Prévoyance Social Action Fund." This fund, in conjunction with an AXA provident fund, has financed the purchase of devices for Air France medical departments: rebound tonometers to screen for glaucoma, tympanometers, electrocardiographs (all Air France health departments are now equipped with one), and Tremoflos to screen for chronic obstructive pulmonary disease (COPD), to name but a few. These new devices will further strengthen preventive actions.

To enhance health, prevent work-related issues, and reduce long-term absence, KLM offers regular health checkups to employees through a personal vitality survey called "My Vitality Check" and a Preventive Medical Examination (PME).

In addition, within the Group, there are many and varied initiatives to promote physical activity and/or sports.

At Air France, the promotion of sports activities is carried out by the CSEs (Social and Economic Committees).

KLM promotes sports via traditional communication channels (e.g., NewsApp, My Health) and also organizes sports events for its employees, including a boot camp on the King's Day, a soccer tournament for the Flight Operations teams, and the fifth KLM Urban Trail in Utrecht.

KLM held a KLM-wide Vitality Week in September 2024 to raise employees' awareness of their health and well-being, primarily through online activities. Workshops, webinars, and challenges focus on topics like exercise, healthy eating, relaxation, and stress management. By participating online, employees can easily engage in boosting their vitality, both at work and at home.

Transavia Netherlands raised awareness during the Vitality Week in September 2024. Additionally, members of the health team attended two crew events in June and November where Transavia's offerings related to wellness themes such as sleep, nutrition, mental health, and physical well-being are highlighted.

Quality of life in the workplace

The Group is committed to providing as much flexibility as possible by staff category, in keeping with business constraints, with a diversified and regularly evolving offer of flexible work arrangements.

Both Air France and KLM offer the option for employees to work from home, if their position makes them eligible to do so.

In June 2024, the year of the Olympic Games, Air France organized the Quality of Life at Work Week, which included workshops designed and run by occupational health nurses on a variety of themes (sleep, health checkups, cardiovascular exercises, sports, sports equipment testing, etc.), an experimental course on the effects of alcohol and illicit substances on motor skills and attention span, and healthy menus in company restaurants. Following this week, traveling forums were held throughout the year at several of the company's sites.

In 2024, Transavia Netherlands evaluated the hybrid 2-3-2 working method introduced in 2022 in the office organization for all colleagues who do not work in operational positions or rosters and who, based on the requirements of their positions, (also) work from home. The office staff highly appreciate the ability to work in the office and from home. It contributes to a healthy work-life balance.

Employee engagement

The Air France-KLM Group's "Partners for the Future" shareholding plan, rolled out at the end of 2023, was a solid step in aligning all the teams toward improved performance and long-term value creation. It attracted 17,000 participants in 19 countries, a sign of strong engagement, as it represents approximately 22% of the total workforce of the Group and a total subscription amount of over €46 million.

Moreover, in order to enhance Employee Promoter Score (EPS), a comprehensive roadmap has been developed.

The involvement of Air France employees in the “*Mon Engagement Citoyen*” initiative is still going strong. Since its launch, 5,312 Air France employees have registered on the “*Mon Engagement Citoyen*” platform, testifying to the interest generated. In all, more than 1,600 employees have taken up at least one challenge or carried out a voluntary action (done during or outside work hours).

The Olympic and Paralympic Games held in Paris during Summer of 2024 provided the opportunity for Air France to share regular communications with employees to highlight expertise and pride in its professions. These communications also focused on the promotion of Diversity and Inclusion (D&I) topics. One thousand tickets were offered to the employees so that they could attend competitions and ceremonies, proving these sports events can also bring teams together.

Air France regularly updates its EPS survey in order to poll employees on various questions that help understand their expectations. Managers are strongly encouraged to listen to local needs and circumstances. They are given resources to find solutions to the local issues raised by employees and to co-construct improvement together, by monitoring irritants on the ground (availability of IT equipment, real estate problems, etc.), improving working conditions (reducing cabin dispensations, etc.), organizing moments of conviviality or celebration, etc. A dedicated budget is available to managers to help strengthen team cohesion.

In June 2024, KLM supplemented the weekly EPS measurement with “KLM Connect.” KLM Connect is still a weekly pulse survey that measures employee engagement, while also tracking progress on the priorities identified in the 2023 Employee Survey at both the KLM and divisional levels. KLM Connect consists of around 15

questions. This makes it possible to monitor progress between the biannual surveys and ensure continuous improvements are made. The results of KLM Connect can be accessed through the KLM Connect Dashboard in Qualtrics. All HR Business Partners, Engagement Leads, and Communication Business Partners have access to this dashboard and can share divisional results within their respective teams.

In addition to the biannual Employee Engagement Survey and the weekly KLM Connect pulse survey, an onboarding survey was introduced in January 2024. This survey is sent to all new KLM employees on their 5th and 90th working day. It helps gauge how new employees perceive their onboarding experience and identify areas for improvement.

Starting in November 2024, KLM is also launching an offboarding survey. This survey will make it possible to gather insights into why employees leave KLM, helping the Company to identify opportunities to improve retention. Starting in December 2024, the Engagement Leads will receive accounts in Qualtrics to send out division-specific surveys. These surveys will help gather more in-depth insights on topics that are relevant to their division and provide a deeper understanding of their engagement drivers. A communication toolkit has been created to support each division in maintaining regular communication.

At Transavia France, the results of the employee experience index demonstrate overall employee satisfaction, particularly with regard to the corporate project (a context of growth and transformation), pride in working for Transavia, the working atmosphere, and the work and responsibilities. As a result, Transavia is pursuing its actions around quality of life and working conditions (signature of an agreement in April 2024, awarded the Social Dialogue Prize the same year), team structuring, and talent retention and development.

4.3.1.4.7 Metrics – Working conditions (S1-10, S1-16, S1-14)

Adequate wages (S1-10)

Air France-KLM complies with the minimum wage laws in all the countries it operates. This ensures that all employees receive at least the legally mandated minimum compensation.

The Company adheres to employment standards and regulations that govern working hours, overtime pay, and

other wage-related issues. Air France-KLM applies an adequate wage strategy by balancing internal equity, market competitiveness, regulatory compliance, and additional benefits.

Total remuneration ratio (S1-16)

Annual total remuneration ratio

The annual total remuneration ratio is calculated based on the medians of the annual total remuneration of the employees of Air France, KLM, and the holding company Air France-KLM who work in France and the Netherlands.

The medians are then averaged based on the relative number of employees of these entities.

The annual total remuneration ratio of Air France-KLM is presented in the table below:

	2024
Annual total remuneration ratio	56

The annual total remuneration ratio between the highest paid individual and the median pay level stands at 56 for the year 2024.

Health and Safety (S1-14)

Health and safety management system

The definition of a health and safety management system is subject to local legal requirements and/or recognized standards and guidelines.

Fatalities

Fatalities are reported when they are related to the work of the employees, within the boundaries set in the applicable national, local, and conventional rules.

Accidents

Work-related accidents are defined according to the national, local, and conventional rules applicable to employees. The rate of work-related accidents is calculated as a ratio of one accident to one million hours worked (following the guidance available in the ESRS S1-14 AR 89 standard).

The total hours worked is calculated based on the actual working time and, when data is not available, on the best estimate according to the contractual working time after deduction of paid leave or absences from work (following the guidance available in the ESRS S1-14 AR 90 standard).

Health & Safety	2024
Percentage of employees covered by health and management system	95.6%
Number of fatalities	2
Number of work-related accidents	4,146
Rate of work-related accidents (for one million hours worked)	34.6

Employee Promoter Score (EPS)

The EPS is the score given to Air France, Transavia France, and KLM in their capacity as employers by their employees. This indicator is measured on a weekly basis through a question emailed to a random group of employees: on a scale of 0 to 10, "How likely are you to recommend Air France-KLM as an employer to friends and family?" The EPS equals the difference between the percentage of employee promoters of the employer brand (who gave scores of 8 to 10) and the percentage of detractors (who gave scores of 0 to 5).
The EPS covers employees under French or Dutch contracts at Air France, Transavia France, and KLM.
The indicator measured is the annual change in the consolidated EPS.

The annual change in EPS of Air France-KLM is reported in the table below:

Employee Promoter Score (EPS)	2024
Annual change in the EPS	+27.9%

In 2024, the EPS of Air France-KLM increased by 27.9%.

4.3.1.5 Diversity, Equity and Inclusion

4.3.1.5.1 Material IROs – Diversity, Equity and Inclusion (ESRS2 SBM-3)

The following table shows the material impacts, risks, and opportunities identified for this section:

Topic	Material impact (N: negative; P: positive)	Own Operations (OO) / Value Chain (VC)	Material Risks (R) or Opportunities (O)	Time horizon (short, medium, long term)
Diversity, Equity & Inclusion	N: Air France-KLM workers could be impacted by discrimination of all forms in hiring and career development	OO	R: Financial risks as a result of deterioration in the company's reputation due to discrimination and increase in staff costs O: Financial opportunity as a result of diversity and inclusion leading to innovation and diverse management practices	short/medium/long

For more information regarding the double materiality analysis and the identification of material IROs, please refer to section 4.1.4.1 "Process to identify and assess material impacts, risks and opportunities (IRO-1)".

4.3.1.5.2 Policies – Diversity, Equity and Inclusion (S1-1)

Diversity and Inclusion (D&I) Culture

As a signatory of the United Nations Global Compact, Air France-KLM is committed to adhering to the universal principles relating to the respect of human rights.

In the Air France-KLM principles, the Group affirms its commitment to fostering a climate of trust and mutual respect in a work environment where no form of discrimination, microaggression, or harassment is tolerated. Various initiatives have been implemented in the airlines to support this commitment.

The strong engagement of Air France in numerous actions promoting diversity and inclusion is reflected in its contractual policies, i.e., the twelfth three-year agreement on employment and retention of people with disabilities and the sixth three-year professional agreement on gender equality, and in their concrete results. These actions are at the heart of our values and are the subject

of daily work by the teams and a dynamic of continuous improvement.

Air France has addressed the topic of sexism prevention since 2018 by adhering to the "Stop ordinary sexism in business" (#StOpE) initiative and signing the Stop Sexism Charter. Transavia France also joined the initiative in 2021. The same year saw the entry into force in France of the Rixain Law, which includes a number of measures aiming to achieve greater equality between men and women in companies with more than 1,000 employees. Air France complies with this law and each year calculates and publishes any gaps in representation between men and women among its senior executives and members of its management bodies.

In 2019, Air France's Chief Executive Officer, Anne Rigail, signed the association *L'Autre Cercle's* LGBT+ Commitment Charter.

In 2020, Air France and the unions signed an agreement to "act against and prevent violence and harassment in the workplace." Since then, the actions and results have been regularly monitored with professional organizations.

The "Talent to the Top" Charter, signed by KLM's President & CEO in March 2019, contains guidelines and clear agreements that help KLM to purposefully work toward durable and effective results while improving gender equality, with progress monitored around defined criteria and an inter-company cross-mentoring program for women. KLM continues to be affiliated with Talent to the Top and takes part in their annual mentoring and mentee program.

With the signature of Workplace Pride's Declaration of Amsterdam in 2021, KLM committed to developing a work environment where openness and equality are fundamental, and where there is an explicit awareness of diversity, inclusion, and the LGBTIQ+ community.

At KLM, pursuant to Dutch Law, all employees have equal rights in the workplace. Differentiating between employees on the basis of disability or chronic disease is not permitted.

At the beginning of 2022, the Gender Balance Act came into force in the Netherlands, and the Dutch Social Economic Council (SER) now monitors compliance. This Gender Balance Act provides strict guidelines for:

- a quota of at least one-third male and one-third female members on the Supervisory Boards of Dutch listed companies. This is not applicable to KLM, but KLM has decided to voluntarily comply with the Dutch Corporate Governance Code;
- a self-determined target and reporting obligation for "large" entities, applicable to KLM. An appropriate and ambitious target to promote gender diversity on KLM's Board of Managing Directors and Supervisory Board as well as for the executive population has been set. Each year, KLM must report on the implementation and progress to the SER.

4.3.1.5.3 Processes in place to engage with own workers and workers' representatives – Diversity, Equity and Inclusion (S1-2)

Improving diversity and inclusion ("D&I") is a journey on which the Group pays constant attention to the way its employees experience this cultural transformation. The evolution of their perception of their own inclusion within their teams will provide guidance on the path to follow. In our first D&I survey, 76% of the respondents agreed with the statement "I feel welcome and included within my teams."

The Group's priorities are based on stakeholder needs, improvement points, and external good practices, and they mainly touch on the dimensions of leadership, culture, and measurement. The results were analyzed in early 2022, providing deep insights into employee perception of D&I; they are now recognized components of the Group's baseline.

Air France, conscious of its social and societal responsibility as a leading private employer in the Île-de-France region, is mobilized at all levels to fight against all forms of discrimination and to promote equitable opportunities, fairness, and inclusion for all staff. The airline is supported by a centralized D&I team that defines the direction, launches actions, and interacts closely with all management levels to embody change and make it tangible in all areas of the company.

KLM also has an important social and societal responsibility as one of the largest employers in the Netherlands. The airline has a D&I Circle responsible for defining the strategy and safeguarding the overall quality and execution of the roadmap. An independent D&I Ecosystem has been established, with a central D&I Program Manager, representatives from the different businesses, D&I leads, and employee resource groups (ERGs) providing insights about underrepresented groups, increasing awareness, and enhancing discussions.

4.3.1.5.4 Channels for own workers to raise concerns – Diversity, Equity and Inclusion (S1-3)

The Group has a zero-tolerance policy with respect to any form of discrimination and inequitable treatment. It is committed to increasing the awareness of protection and improving its preventive measures.

A warning procedure is available, offering any employee of the French entities of the Group the ability to report (via a dedicated platform) any information related to violations or potential violations of applicable laws and regulations or, more generally, any situations contrary to our values and internal rules (concerning any type of discrimination, harassment, sexism, racism, ageism, or any other situation).

Since 2021, for staff facing personal or professional difficulties, Air France has offered a completely anonymous and confidential psychological support and advice program with a 24/7 number. A digital platform is also available on a computer, tablet, and cell phone for rapid contact with a psychologist or access to psychological health information.

At KLM, a procedure for complaints about inappropriate behavior (concerning any type of discrimination, harassment, sexism, racism, ageism, or any other situation) is in place with a pool of skilled confidential advisors and a Complaints Committee. They provide employees with independent consultation, advice on how to deal with inappropriate behavior, and support in filing reports or complaints.

A range of training options is available, from workshops for team development to interventions when serious issues arise in the teams. The management can also bring in external expertise or request mediation. Experts in the Corporate Social Work department remain available for all forms of mental support.

4.3.1.5.5 Targets – Diversity, Equity and Inclusion (S1-5)

Air France-KLM strongly believes that a diverse and inclusive workforce has a positive impact on the performance of the organization, enabling it to attract more talent, be more customer-driven, have higher levels of employee engagement, make better decisions, and be more innovative and creative. Thus, the Group continues to support all forms of action to encourage equitable opportunities, equality between men and women, LGBTIQ+ and underrepresented groups, the vocational integration of young people, the transmission of knowledge and skills, and the maintained employment and recruitment of persons with disabilities.

Based on the internal assessments in September 2021, the roadmap was built to further promote diversity and inclusion. The assessments were aligned. The goal was to further improve and encourage an inclusive culture and leadership; consolidate the approach to combating all forms of discrimination and inequality; and make our progress more measurable based on relevant data, insights, and good practices. The development of this inclusive culture is furthered through the main steps of the Employee Journey, including recruitment and career evolution.

Air France-KLM has set itself a long-term objective of reaching parity between men and women within the Group Executive Committee and within the top 10% highest levels of management.

In addition, in parallel with the French entities achieving their diversity targets in accordance with the deadlines set by French law, medium-term targets of a minimum of 40% women within the Group Executive Committee and 40% of the top 10% highest management level positions to be held by women by 2030 have also been set by the Board of Directors.

Air France is committed to recruiting at least 50 disabled people over the period 2024-2026 and carries out around 250 measures a year to maintain disabled people in employment.

KLM is also committed to gender diversity and providing equitable opportunities for all its employees. To achieve this, KLM has developed diversity and inclusion gender objectives and set targets. KLM achieved its gender diversity targets for 2024 in the Supervisory Board and the Board of Managing Directors, with 33.3% female representation on the Supervisory Board and 40% female representation on the Board of Managing Directors. For 2025, KLM has formulated targets and is constantly working on its policies to meet and maintain these targets for the executive population.

4.3.1.5.6 Action plans in place or planned – Diversity, Equity and Inclusion (S1-4)

As mentioned, the Group has a zero-tolerance policy with respect to any form of discrimination and inequitable treatment. Bullying, harassment, and any other harmful behavior has no place within our Group and our corporate culture. We have zero tolerance for any form of harassment, whether of a sexual, verbal, physical, or psychological nature.

To anchor diversity and inclusion in the day-to-day lives of our employees and teams within the Company, the first step in our multi-year plan was the raising of awareness around the topic, the sharing of our ambition, and the deep understanding of our starting point. Following that plan, the learning platforms now cover topics about bias and bias in recruitment (unconscious bias and the ways to remove structural barriers and systematic bias), religious diversity within the companies, discrimination, racism, psychological troubles, organizational sensitivity, and microaggressions.

Air France-KLM also combats discrimination linked to sexual orientation and gender identity in the professional context. Fostering an inclusive work environment in which all employees can be themselves is a firm commitment of the Company.

The Air France-KLM Group airlines are active in promoting airline vocations for women. Air France-KLM is a member of the “25by2025” global initiative led by the International Air Transport Association (IATA) to enhance diversity, equity, and inclusion in the aviation industry. Created in 2019, 25by2025 emphasizes the importance of adopting best practices to foster greater D&I and gender balance in the aviation sector.

An action plan has been deployed with a stronger focus on the careers and promotion of female profiles at all levels of management. In addition, in 2024, the project investigating equal pay was started by the Group and shall be continued.

Since 2021, Air France has organized diversity events such as webinars, forums, exhibitions, and challenges that reiterate the company's diversity ambitions and explore the topic. Participation in Diversity Frescoes is proposed to employees. These are collective intelligence workshops intended to raise awareness and questions about the issues of discrimination and inclusion within organizations. In 2024, 300 people participated in this fresco.

In 2023, Air France launched an e-learning course on “Preventing and combating ordinary sexism in the workplace” to foster an understanding of what ordinary sexism in the workplace is, how it manifests itself, and how one should react to it. Furthermore, at Air France, a webinar titled “Unmasking sexism at work” was organized. Since 2022, a booklet on “Preventing and Acting against Violence and Sexual and Moral Harassment at Work” has been available after the zero-tolerance principle was reaffirmed by the Air France Executive Committee.

To continue to foster our zero-tolerance policy on potential harassment and sexism, our processes and procedures will be reinforced in 2025, notably with the support from outside experts, and will be monitored through dedicated reporting at the top management level.

Because violence against women in the private sphere also has an impact on professional life (stress, absenteeism, isolation, etc.), Air France is committed to preventing domestic violence, fostering understanding about it, and providing assistance to victims of it. In 2022, Air France joined the “One in 3 Women” network, the first European network of companies committed to combating violence against women. This led to the organization of four events in 2024.

To encourage women to access the highest management positions, coaching and mentoring initiatives are in place to promote their career progression. Since 2015, 250 women have benefited from the “*Femmes de Talent*” coaching program. A new “*Defi 100 days*” program will be launched in 2025 for experienced managers, as well as a “develop your potential” program for newly promoted managers. In addition, Air France has organized lunchtime meetings with Comex members, attended by 170 women with the company in 2024. Moreover, a Wo&Men professional equality network was relaunched, with over 200 members. Air France is a member of the “*Elles Bougent*” external network, whose female mentors encourage young girls to join the engineering and technical professions.

In 2022, Air France partnered with the local associations “*Article 1*” and “*Nos Quartiers ont du Talent*” to sponsor secondary school students and young graduates from disadvantaged socioeconomic backgrounds and to help them succeed in their studies or in their professional integration. Approximately 50 managers from the company mentor these students and, in November 2024, the Company organized a mentoring meeting workshop in support of equal opportunities at its headquarters, with the help of seven partner associations.

Air France continues to take an active part in awareness-raising initiatives and has been participating for years in the European Week for the Employment of People with Disabilities through webinars and information sessions and in the DuoDays.

Through its agreement covering the 2024-2026 period, Air France reaffirms its desire to pursue an ambitious policy by maintaining the recruitment of people with disabilities and by pursuing actions for their employability, training, and professional support through coaching and co-development in particular. Changes were also made that relate to suitable career support and the implementation of measures in favor of family caregivers and, more particularly, employees who are parents of children with disabilities.

Air France was also a partner of the Paralympic Games (August-September 2024), enabling 600 students from French overseas departments to experience the games in Paris. In addition, 50 young people with disabilities were able to attend events thanks to the Air France Foundation. Such actions underscore Air France’s strong commitment to people with disabilities, whether employees, future employees, or customers.

Air France strongly supports suppliers who employ people with disabilities. Thus, about 60 external organizations have signed agreements with Air France to cover activities such as blanket laundering or bolting in aircraft maintenance. In 2024, the budget for these activities was €22.2 million, making the Company one of the most engaged in promoting the employment of persons with disabilities.

At KLM, raising awareness about diversity and inclusion (D&I) and furthering the understanding of the Company’s ambition in this area is a key starting point for its D&I journey. The focus is kept on awareness and training, which are key to combating stereotypes and preventing situations of discrimination. This continues as new staff join the companies and need to be included in D&I practices. Within KLM, the entities have set up several face-to-face or e-learning training modules, some of which are specifically aimed at leaders, recruitment, and the HR network.

The entities have also raised awareness in different ways in keeping with their countries and cultures. This is reflected in specific initiatives such as the interactive talk “Are you an inclusive colleague?”; the podcast about D&I for the whole company; speed coaching and mentoring for young individuals with difficult socioeconomic backgrounds; a fun and interactive challenge for approaching and understanding handicaps; the “intergenerational duos” photography exhibition; dedicated D&I leadership workshops to educate leaders on how to implement D&I within teams; and Personal Inclusion Scans (more than 600 this year), which are personal assessments of inclusive thinking and action based on a scientific approach developed by the University of Leiden.

KLM prioritizes a safe and welcoming work environment for all employees and has implemented measures to prevent and effectively respond to bullying, violence, harassment, and discrimination. In January 2023, KLM launched a comprehensive campaign against undesirable behavior, utilizing various communication channels and interventions to raise awareness and educate employees. This included e-learning modules for self-education and team workshops with 1,400 participants in 2024, as well as education on microaggressions, racism, and discrimination through the employee resource group Connecting Colors. Additionally, KLM established a central advice and reporting point to handle instances of unwanted behavior, expanded the team of trusted advisors, and implemented a new complaints procedure with a complaints committee. These learning journeys continued in 2024 and are not over. In the same year, the process for reporting undesirable behavior was streamlined and simplified.

KLM organizes quarterly D&I events, opportunities to learn and grow with external speakers or companies that share their best practices and policies. KLM has also built the annual D&I calendar, which was launched to celebrate cultures and religions and highlight important events such as Autism Awareness Day, International Women’s Day, Keti Koti, Diwali, International Pilots Day, etc. In 2024, KLM also celebrated Diversity Week, which coincided with Diversity Day on October 1. The week entailed three workshops on bias, a cultural diversity session, a panel discussion about allyship, a workshop on generations, and an event focused on Coming Out Day. These events were open to all colleagues.

At KLM, the recruitment teams continue to expand their manpower portals by going to different schools and approaching diverse university fraternities and recruitment agencies that employ disabled or special-needs candidates. The recruitment teams completed workshops on bias, where their knowledge of unconscious bias was sharpened and interview practices were streamlined. Recruitment has also appointed an informal D&I leader who continues to educate the recruitment team and keep them informed about D&I matters.

KLM also updated its HR systems to include the pronouns of our colleagues. It has also expanded partner leave for the birth of a child and updated HR correspondence with inclusive language. A working group was also formed in 2024 to investigate the transition process and how HR can support this process with policies. In 2024, KLM also joined the Group-initiated project investigating equal pay.

KLM has been a member of Workplace Pride for eleven years and reinforced its “Ambassador” status in 2024. For the third year in a row, the company was officially recognized as a front-runner in LGBTIQ+ diversity and inclusion. Our “Over the Rainbow” network was also nominated for Employee Resource Group of the Year and finished among the top 3.

KLM has created an Inclusive Communication document to support its frontline staff, including call centers and ground staff, with verbal and written communications to our customers.

In the third quarter of 2024, KLM fully focused on the topic of equal rights in the workplace (including the inclusion of employees with disabilities), bringing in external subject matter experts to educate and raise awareness among KLM staff. A brainstorming session was organized to work on ideas to improve in this area and find ways to ensure that we continue to be accessible and inclusive for affected employees, now and in the future.

KLM has worked closely with SkyTeam this year to share best practices and enrich each other's approach to D&I. The CEO of KLM was a sponsor of the SkyTeam RISE program, which was designed to promote gender equality. This cooperation and benchmarking will continue.

To this end, HR led a communication campaign to encourage more women to participate in leadership. The employee resource group “Women on Board” took the campaign further by creating events on the topic and providing tips and tricks concerning pain points for

women along their career paths (such as daring to apply for jobs and negotiating the salary). A dedicated Female Leadership workshop aiming to empower KLM women saw more than one hundred participants in 2024. Through Women on Board, a mentor/mentee program is facilitated annually for a period of six months.

Transavia France raises awareness and trains its employees at the time they join the company and throughout their career through compulsory modules and additional modules on the LMS platform.

In 2023, Transavia France launched an e-learning course on “Preventing and combating ordinary sexism in the workplace” to promote an understanding of what ordinary sexism in the workplace is, how it manifests itself, and how one should react to it.

In 2024, Transavia France organized a Diversity Month, with a range of initiatives including campaigns to raise awareness of sexist behavior, workshops on tolerance, and a welcome for employees with disabilities.

During its week to highlight and support people with disabilities, Transavia France proposed a sensorial journey to raise awareness about handicaps and participated in DuoDays.

At Transavia France, the prevention of behavior that could be a source of difficulty at work has been integrated into Transavia's internal regulations.

Transavia Netherlands has embedded D&I into its policies, recruitment, and campaigns. In 2024, Transavia Netherlands achieved the minimum target of 30% women in senior management positions set by Dutch law. The airline also embedded a yearly D&I measurement in its employee satisfaction survey. The outcome shows that employees feel welcome and can be themselves.

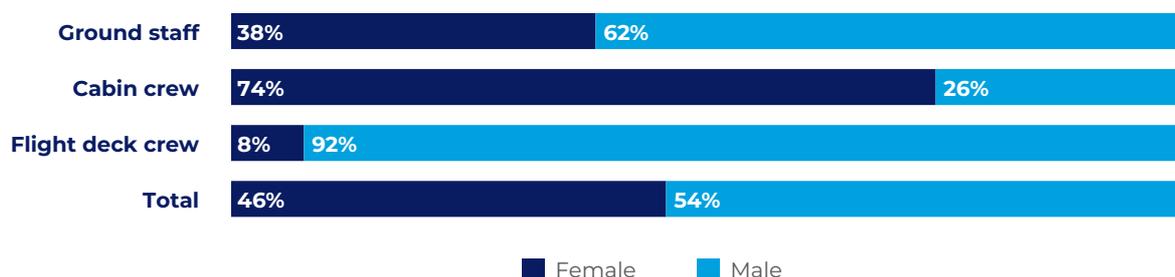
Transavia Netherlands also worked on a gender-neutral approach for recruiting applicants and developed a D&I policy for its onboarding program as well as a D&I calendar, which highlights specific topics or events every quarter to celebrate diversity and inclusion. For non-Dutch-speaking colleagues, all HR policies, newsletters, and blogs are now available in English. The online information sessions are also provided with subtitles, and non-Dutch-speaking colleagues are offered a Dutch language course. An internal campaign called “Surely, I don't judge” was also held to raise awareness and celebrate diversity and inclusion.

4.3.1.5.7 Metrics – Diversity, Equity and Inclusion (S1-9, S1-12, S1-16)

Breakdown of employees by gender (S1-9)

The following table and graph show the gender breakdown of Air France-KLM employees for each staff category, in number and percentage:

Staff Category	2024				
	Total	Female	Male	Other	Not disclosed
Ground staff	51,626	19,690	31,934	1	1
Cabin crew	27,289	20,114	7,175	–	–
Flight deck crew	10,194	788	9,406	–	–
Total	89,109	40,592	48,515	1	1



Total number of employees by age range (S1-9)

The age distribution of the Group's employees is shown by staff category in the table below:

Staff category	2024			
	Total	<30 years	30-50 years	>50 years
Ground staff	51,626	7,926	20,727	22,973
Cabin crew	27,289	3,557	13,211	10,521
Flight deck crew	10,194	952	5,654	3,588
Total	89,109	12,435	39,592	37,082

At the end of 2024, 14% of the Air France-KLM employees were 30 years old or younger, and 42% were 50 years old or older.

Gender distribution and percentage at top management level (S1-9)

In the context of Air France-KLM, top management consists of the four specific categories below:

- Group Executive Committee (GEC): number and percentage of men and women in the GEC, which is the most senior management body of Air France-KLM.
- Top 10% of highest management level (ground staff): number and percentage of men and women at the top 10% management level for ground staff. This indicator is calculated by combining all the levels of management, classified in descending hierarchical order, until the threshold of 10% of the total employees (including all staff categories) is reached. For the lowest level of management to be considered, only the share of this level needed to reach the 10% of the total employees in scope is taken into account. The entities in scope for this indicator are Air France, KLM, and the holding company Air France-KLM, including their employees seconded to entities that are out of scope.
- Cabin crew – managerial functions: number and percentage of men and women among the cabin crews exercising managerial functions. The entities in scope for this indicator are Air France and KLM.
- Flight deck crew – managerial functions: number and percentage of men and women among the flight deck crews exercising management functions. The entities in scope for this indicator are Air France and KLM.

The gender distribution within the managerial functions is disclosed in the two tables below:

Gender distribution in managerial positions		2024			
		Target	Female	%	Male
Group Executive Committee	40% of women by 2030	3	27.3%	8	72.7%
Top 10% of highest management level (Ground staff)	40% of women by 2030	2,629	36.0%	4,673	64.0%

Gender distribution in managerial positions		2024			
		Female	%	Male	%
Cabin crew – managerial functions		1,651	71.7%	651	28.3%
Flight deck crew – managerial functions		92	5.4%	1,606	94.6%

Employees with disabilities (S1-12)

The total number of employees with disabilities within Air France-KLM's own workforce is computed based on the local definition of an employee with disabilities, and may include self-declared employees with disabilities or employees with disabilities recognized as such by the local employment law, for instance, in the context of a mandatory share of employees with disabilities.

Local regulation in force in the Netherlands is unclear on authorized ways to collect data related to employees with disabilities. To ensure compliance with the regulation, the KLM Group does not collect such information. In this context, the percentage of employees with disabilities for the Air France-KLM Group is calculated by excluding the total number of employees working for KLM and its subsidiaries.

The percentage of employees with disabilities within Air France-KLM's own workforce is presented in the table below:

Employees with disabilities	2024
Percentage of employees with disabilities	4.1%

Gender pay gap (S1-16)

The gender pay gap of Air France-KLM is calculated based on the average total gross hourly pay levels of male and female employees within the most significant entities.

The gender pay gap is calculated based on the gap of each entity in scope, and averaged at the Air France-KLM Group level based on the relative number of employees of each entity.

As of December 31, 2024, the unadjusted gender pay gap of Air France-KLM is as follows:

	2024
Gender pay gap (unadjusted)	34.4%

The AFKL gender pay gap of 34.4% is unadjusted. It does not take into account the specificities of the different categories of employees in terms of gender representativity and remuneration schemes. This pay gap is mainly due to the fact that women are underrepresented in positions with higher remuneration levels, such as pilots (5.4% of pilots are women).

4.3.1.6 Training & skills development and talent attractiveness

4.3.1.6.1 Material IROs – Training & skills development and talent attractiveness (ESRS2 SBM-3)

The table below shows the material impacts, risks, and opportunities identified for this section:

Topic	Material impact (N: negative; P: positive)	Own Operations (OO) / Value Chain (VC)	Material Risks (R) or Opportunities (O)	Time horizon (short, medium, long term)
Training & skills development and talent attractiveness	P: Employability of Air France-KLM workers could be impacted by training and continuous development of their skills	OO	R: Financial risks as a result of lack of skills development and attractiveness leading to difficulties in finding relevant skills or shortage of people with specific qualifications O: Financial opportunity as a result of attractiveness and skilled employees leading to more efficiency	short/medium

For more information regarding the double materiality analysis and the identification of material IROs, please refer to section 4.1.4.1 "Process to identify and assess material impacts, risks and opportunities (IRO-1)".

4.3.1.6.2 Policies – Training & skills development and talent attractiveness (SI-1)

Resource adaptation: talent attractiveness, recruitment, and retention

Resource adaptation is a key process. It is accompanied by reorganization and transformation projects aiming to improve the Group's efficiency and restructure its French domestic network, while taking into account new environmental conditions.

Air France-KLM is deliberately shifting toward a more skills-based organization, aiming to continuously ensure that the needed skills are covered now and in the foreseeable future. The outcome of its Strategic Workforce Planning methodology is now available from a roles and skills perspective, enabling the creation of an appropriate build/buy/borrow skills strategy, for each area of the organization.

The Forward Planning of Jobs and Skills (GEPP) campaign, combined with a strategic vision and a business-focused approach, made it possible to identify future staffing needs based on a number of different scenarios, while providing solutions related to mobility, employability, research, employee loyalty, and the management of the effects of the digital transformation.

Training, performance, and skills development

Amidst a shift toward a more sustainable airline industry, internal reorganization, and the ramp-up of activity in a tight employment market, developing human capital and securing the loyalty of talented individuals are imperative to transform the companies within the Group. Our inclusive Talent Development strategy aims to enable employees to make optimal use of their talents, improve their employability, and thus add value to the organization.

In the shift from performance management to performance development, the Air France-KLM Group's approach to performance appraisal is now oriented toward a forward-looking and appreciative process based on constructive feedback to contribute to professional maturity, career development, and sustainable employability.

The Human Resources teams and the Executive Committee very rapidly pinpointed the strategic challenges that are involved in the retention and development of talent and are to be added to the succession plan for key positions. Training, which plays a key role in this development, is organized by each airline and offered to all Group employees.

4.3.1.6.3 Processes in place to engage with own workers and workers' representatives – Training & skills development and talent attractiveness (S1-2)

Resource adaptation: talent attractiveness, recruitment, and retention

Matching needs and resources remains a priority, and internal mobility is the preferred solution whenever possible. Reinforced communication about job openings; internal recruitment forums, where employees can ask questions about the advertised jobs; the publication of all openings on the internal job exchange; and the organization of internal selections have enabled nearly 2,000 internal transfers within Air France and just over 1,000 internal transfers within KLM ground in 2024.

After discussions with the pilots' representative unions, KLM adopted a variety of measures to address its temporary shortage of pilots. Thanks to a pilot-competitiveness plan introducing more flexibility and productivity over the 2023-25 period, the Company is able to hire and train its pilots faster, mitigating the risk of a shortage of flight deck crew staff in the short and long term.

As part of a data collection process, people leaving the company are offered exit interviews or the opportunity to complete an exit survey to provide insight into the reasons for their departure. These measures form the basis for further improvement in our employee value proposition.

Training, performance, and skills development

With the extensive transformation of the Company toward more sustainable aviation, helping employees transition into different roles within the Company and supporting them to be up to their jobs is more important than ever.

Air France-KLM recognizes its employees for their whole selves and strengthens their ability to build their careers around their unique talents.

The Air France-KLM Group strongly encourages its employees to learn, take responsibility for their individual and professional development, build personalized career paths, and foster their own employability. The yearly training plan, which includes regulatory, qualifying, and certification-based training courses, has been designed to support and accompany the strategy of the Group and to develop individual and collective performance.

In 2021, Human Resources assessed the current talent management approach for the Group, redefining the requirements of the business, reviewing the tools and processes used by the Human Resources departments, and sharing the needs and expectations of the talents. Priority areas for improvement were defined, and implementation has continued since 2022. This process covers the definition of leadership expectations common to all the Group entities, the development of transversal leadership training programs for the different levels of leadership maturity, and a coordinated approach to talent identification and succession planning.

The Group considers people's development through three dimensions: on-the-job experience, feedback, and formal learning. In 2024, the entities launched and continued actions covering these three dimensions, taking into account the businesses' own specificities and starting points.

The Air France-KLM Group promotes all kinds of positive and constructive feedback, seeing this as an important component of development and a contributor to a healthy working environment. On-the-spot and timely feedback, individual conversations, 360° feedback, and other forms of feedback are all encouraged throughout the Group, supplemented by internal or external coaching and mentoring, to which Air France paid specific attention in 2024.

During individual conversations related to performance, managers are asked to put the emphasis on talent and the development of the expertise and actions needed to enhance an individual's value in both their current and future roles and activities.

In terms of the content of performance, both the "what" and the "how" of performance are considered in development discussions and performance assessments.

The offer of peer-to-peer co-development sessions for managers has been reinforced within Air France. Diagnostic tools such as 360° feedback saw a wider roll-out as of 2022, and individual mentoring and coaching continued to be deployed. In 2023, more than 100 managers benefited from mentoring at Air France, and the use of the Listen Up feedback tool for managers increased as well as the use of 360° and peer feedback.

KLM is committed to fostering a culture of continuous learning among its employees. The company encourages them to take ownership of their personal and professional growth, create customized career paths, and enhance their employability now and in the future. Their annual Learning & Development plans are strategically designed to support the company's overarching goals, thereby promoting both individual and collective performance.

Employees are encouraged to think about what their work means to them now and in the future. With the "MyTalent" online platform, KLM feeds and stimulates employee thinking about the use of their interests and talents. Employees can run several scans to explore their skills, motivation, and talents and can match these against job openings within the company and in other organizations in the Netherlands. Since December 2022, MyTalent has also been available in English; with this upgrade, a wider range of employees can be reached. KLM integrated MyTalent in several career development programs, such as the Kickstart program, as a starting point to help discover the next steps an employee can take in their personal development and career.

4.3.1.6.4 Channels for own workers to raise concerns – Training & skills development and talent attractiveness (S1-3)

The management line, the training teams, and the staff representatives can all be reached if someone would like to share an issue or raise a concern related to training or skills development.

4.3.1.6.5 Targets – Training & skills development and talent attractiveness (S1-5)

Resource adaptation: talent attractiveness, recruitment, and retention

In 2022, the Air France-KLM Group reaffirmed its commitment to promoting skills-based mobility. The Group identified the connection of people, skills, and opportunities as a key factor in success and a contributor to talent management and sustainable employability.

Attractiveness is also key to facilitating the recruitment of targeted talents and ensuring the efficiency of the airlines.

The main goal is to strategically attract, develop, retain, and deploy skilled and motivated employees to ensure the airlines' sustained competitive advantage.

Training, performance, and skills development

The aim of the performance management process is to help identify employees' talents and their individual growth potential, and thus maximize everyone's contribution to the company's results.

Over the last four years, major efforts were made to further modernize and streamline the search process for the various learning programs in the modern and user-friendly MyLearning tool through the use of artificial intelligence. The MyLearning platform is accessible to all employees of Air France and KLM.

Air France and KLM aim to continue the policy launched in 2019, which is to transition from exclusive talent management (aimed at a targeted group of employees) to inclusive talent management (where every employee is a unique individual). In 2023, the common talent management approach was updated, and a common people development strategy and action plan were implemented, ensuring the efficiency and employability of our workers.

4.3.1.6.6 Action plans in place or planned – Training & skills development and talent attractiveness (S1-4)

Resource adaptation: talent attractiveness, recruitment, and retention

As a way to develop and retain key talent, airlines of the Group are also strongly encouraging internal mobility.

Here are a few Air France initiatives developed since 2023 to encourage internal mobility: a dedicated digital in-house magazine with testimonials and mobility tools; in-house recruitment forums (775 participants in 2024); trend sheets made available to employees to present the development trends of the company's main professions, their context, the skills required to perform them, and possible gateways; and a learning channel dedicated to mobility to help employees take an active role in building their career paths (with content on writing a CV, building one's career project, etc.).

To enhance its attractiveness and offer a positive candidate experience, Air France has deployed several initiatives:

- Optimization of the recruitment process: In addition to remote interviews, Air France has reviewed and simplified its assessment phase for a smoother, more responsive selection of talent, promoting a more positive experience for candidates.
- Strategic partnerships with educational institutions: The company has consolidated its relationships with a number of leading schools and universities, actively participating in recruitment forums and creating strategic partnerships to encourage young talent to consider a career in the aeronautical sector.
- Commitment to students and young graduates: The launch of "Take Off Day" enables first and second cycle university students to discover the job opportunities offered by Air France in the field of aeronautical maintenance. The event aims to raise the company's profile among the younger generation and inspire them along their career paths.

Air France has signed an Employment Pact with the City of Paris, affirming its commitment to local development and the professional integration of Parisians. The aim of this partnership is to promote access to employment for those who are farthest from the job market, while enhancing the company's attractiveness to job applicants. Working in partnership with local players, Air France actively contributes to employment and training, reinforcing its image as a responsible employer with a strong local presence.

As part of its commitment to keeping in close touch with applicants, Air France has set up a network of ambassadors to represent the Company at recruitment forums and events. Made up of committed employees, this network enables applicants to discover the Company's culture and career opportunities directly from Air France employees. This initiative demonstrates Air France's commitment to building a strong employer brand to attract diverse talent.

As part of its commitment to training and skills development, Air France has launched a master's program for students in the humanities. This innovative program aims to train future talent in the specific challenges of the aviation industry and human relations, while enhancing the attractiveness of the employer brand to young graduates interested in careers combining sector expertise and cross-disciplinary skills.

After the return to pre-Covid-19 business levels in 2023, which led to a sustained hiring plan, the slowdown seen in the last quarter of 2023 was confirmed in 2024, accentuated by the negative effect of the Paris 2024 Olympic Games, geopolitical tensions, and competitive pressure. Against this backdrop, Air France has introduced tighter control over its hiring, focusing on operational functions (pilots, cabin crew, mechanics, and aeronautical engineers) and on rare or expert skills (IT engineers, data and legal experts, etc.).

As part of its employer brand strategy, Air France has integrated the Simulation Recruitment Method (SRM) to attract diversified profiles and promote practical skills. This partnership with France Travail enables it to identify talented individuals on the basis of their aptitudes, without the need for a specific academic background, thus reinforcing the inclusiveness and accessibility of its technical professions. This innovative approach contributes to the attractiveness of the employer brand, positioning Air France as an employer who is keen to give everyone a chance, while optimizing the match between candidates' skills and job requirements.

Air France remains highly attractive to young people, having been ranked eighth out of 60 in the top places to work for recent graduates (source: Universum). Air France has also been awarded the "Employer of Choice" label, which reflects a commitment to young people in 2025 and recognizes the companies rated best by students during their work-study or internship. Air France also ranks fourth out of 500 best employers in France and first in the Transport category (Capital ranking).

KLM has managed to remain one of the strongest employer brands in the Netherlands. To strengthen and expand its attractiveness among the potential candidates, KLM has a solid presence in the labor market through targeted recruitment campaigns and opportunities to meet with talent during offline events. KLM simplified the application process, removing the requirement for a cover letter.

In the Netherlands, many new recruitment initiatives supported the ramp-up in activity. KLM launched a brand new career site, which has improved the overall candidate experience. To better reach and enthruse technical

candidates, KLM has rolled out a large-scale media campaign showcasing its diverse technical career offerings.

KLM Recruitment Flight Staff attracted and selected a large number of new colleagues, including cabin crew and pilots, interns, and management trainees. In parallel, KLM rebuilt a solid flex pool for ground staff and has started the project of external registration to provide a better overview of externals in the KLM organization and a faster onboarding process.

In order for KLM employees to expand their career horizons, internal internships were developed in the organization so that they can discover other professions. In the first half year of the rollout, 26 people have already had the opportunity to learn new skill sets and experience a different role in a safe learning environment.

In the past year, KLM Learning & Development focused on collaboration with decentralized training organizations, enhancing efficiency through process improvement and increasing the quality of learning programs through collaborative maintenance and technological innovation. The main aim is to better align vocational training with employees' work practices and reduce training time. KLM Learning & Development, in collaboration with various divisions, has completed over 30 projects contributing to these goals. These range from career development programs for cabin crew to training programs for Cargo employees learning to operate new IT systems.

Starting in 2023, KLM further enlarged the scope of the learning content distributed via a link to the "external training portal," which includes a rich and varied training offer with special attention paid to workers. It also enables KLM to suggest specific training courses to its employees and to allocate a personal development budget, called the Sustainable Employability budget.

Transavia France provides its employees with a variety of content via its LMS TO Learn platform, enabling each employee to play an active role in his or her own development and that of his or her team, thanks to the design of micro-learning activities. In 2024, the company launched an ambitious recruitment plan to support growth and transformation projects.

Training, performance, and skills development

To structure the Talent Management process, the airlines follow an annual cycle for managers and employees with a specific pathway through which they address Talent and Performance Development topics.

Within Air France and KLM, the process is supported by a tool developed internally and is positioned as a management transformation lever. It is based on two key concepts: continuous performance management and multi-evaluation. Development of the feedback process builds employee skills and, consequently, enhances individual and collective performance. Managers conduct at least one annual interview with every member of their teams to assess their performance for the year and their potential development for the following year.

Air France continues to develop its Learning Channels (LCs) to simplify the use of its training offer: LC Management & Leadership (based on a leadership model), LC Quality & Occupational Health, LC Diversity, Finance, etc. This year, Learning Channel Data has evolved to focus on generative artificial intelligence, in order to support employees as they make the most of these tools. In addition, the Company is strongly supporting its managerial transformation, notably with the “Boost Your Performance” training program, mandatory for all managers and covering the following areas: safety, sustainable development, managerial practices and leadership, business culture, and HR. Another highlight in 2024, in line with its corporate strategy, was the rollout of the My Climate School platform to train all employees in climate issues and sustainable development best practices. It offers interactive and educational modules to raise awareness and encourage concrete actions to care for the environment.

Since 2022, Air France has reinforced its performance management process with dedicated support for managers in their roles: the Management Lab enables hundreds of managers to share best practices, advertise learning and development opportunities, and connect with each other. In 2023, there was a lab focused on “managing team performance.” Managers could also attend training courses dedicated to goal setting or annual performance evaluation, which were strongly encouraged through push corporate communications. To further support individual and collective performance management, tools to formalize development actions were developed and brought to the attention of the HRBP (HR Business Partner) network. In 2024, the Management Lab, within Air France, continued to share best practices with hundreds of managers on the themes of “Management through Care” and “The Impact of AI” on the manager's posture, in order to support them in developing their managerial posture in the face of transformation challenges and to support them as they manage team performance. Finally, 11 webinars aimed at the managerial community highlighted tools and methods related to the 6 cross-functional competencies expected of managers (oral impact, activity management, feedback, potential detection, the contribution of AI to the manager's day-to-day life in relation to the Leadership Model, etc.).

At KLM, the outcome of the talent identification session is captured in the HR system (SAP Success Factors “SAP SF”). In 2023, the recording of succession planning in SAP SF started to be implemented.

KLM organized multiple sessions with the business to gather feedback on its current TOP Conversation form, which was introduced in 2021. This has led to a redesign of the form, which will be launched as of January 1, 2025. Furthermore, its communication regarding its performance processes will be sharpened based on the feedback. For all leaders in AFKL, the AFKL Leadership model has been introduced, including a set of joint leadership competencies for all executives in AFKL. In KLM, six KLM-focused behaviors to contribute to the strategic ambition are introduced. These competencies were introduced as part of the fixed income in the performance form of 2024. For its middle management, the same principle is used, focusing on the “What” and the “How” in performance through their KL competencies.

Transavia France supports the performance of its teams through appropriate appraisal processes. For example, for ground staff and cabin crew managers, an appraisal campaign is structured around two key stages, allowing for an annual review of objectives and an exchange on professional development. The online tool supports the review, updating, and co-construction of objectives throughout the year. It also encourages feedback.

Transavia France conducts reviews to anticipate and support succession plans. Specific programs are offered to talent management to develop expertise in certain areas, notably leadership.

In 2024, Transavia France deployed a cross-functional skills reference framework, as well as a managerial reference framework, to better identify employee expectations, enable self-assessment, and support skills development via appropriate training solutions.

In 2024, Transavia Netherlands revised its Talent Management strategy and action plan, adopting for an inclusive approach that enables all employees to explore, develop, and make better use of their unique talents. To that end, during the annual talent identification cycle, managers use a tool developed internally to review their team. It focuses on the exploration of employees' different talents and their potential development, which is the starting point for individual conversations with employees. Moreover, a talent platform is being built, where all learning and development tools available in the organization can be found in one place and easily accessed by employees.

Leadership model

In 2022, the Air France-KLM leadership model was defined, and the executive leadership competencies were formulated. In parallel and in addition to addressing leadership development needs transversally within the Group, with Air France-KLM training programs for leaders at both the senior and middle-management levels, several development initiatives were built to enrich the executive and managers succession plan and to anticipate the need for specific competencies in the business units.

In line with the Group's new leadership model, to support the challenges of the business and to accelerate its transformation, Air France updated the cross-functional skills reference framework for managers and rolled it out in 2022. It defines the required soft and hard skills with the levels of proficiency that executives and managers can call on to develop their teams and their own skills. To supplement the manager toolbox, the training and development offer has been enhanced accordingly, with assessment and self-assessment tools to measure skill gaps and better identify the relevant individual plans. For instance:

- knowledge of self: transversal competencies self-diagnostic, mirroring (“retour d’image”) 360°;
- individual coaching and mentoring;

- peer sharing: The Management Lab Program for managers and the Co-development and “Coup de Pouce” programs enrolled around 1,500 managers in 2024.

Air France and KLM continue to offer talent and leadership programs like the *Femmes de Talent* training and coaching program, aimed at enabling high-potential women to develop their leadership skills within the Group and occupy senior management positions.

Transavia Netherlands has made important steps to implement its vision of leadership development (launched in 2022). The main themes Transavia is building on are accountability, integrity, and mental well-being. Several leadership development initiatives were launched in 2024 touching approximately 130 managers, focusing not only on inspiring but also on developing leadership skills. The honest conversation is an important tool for leaders and their teams to give substance to accountability, mental well-being, and integrity.

4.3.1.6.7 Metrics – Training and skills development (S1-13)

Training hours

Average number of training hours

Training hours correspond to the number of hours spent on initiatives that are aimed at maintaining and/or improving skills and knowledge. Training hours include both regulatory and non-regulatory training as well as different training types (e.g., onsite, online).

Due to the very low number of employees under the gender categories “other” and “not reported,” only the average number of training hours for male and female employees is disclosed.

Average number of training hours (in hours)	2024		
	Total	Female	Male
Ground staff	23.5	20.7	25.2
Cabin crew	38.5	38.6	38.2
Flight deck crew	81.9	81.2	81.9
TOTAL	34.8	30.8	38.1

At the end of the year 2024, the global average number of training hours stood at 31 hours for female employees, compared to 38 hours for male employees. The difference can be explained by the gender representation pattern in certain activities (aircraft maintenance or ramp handling) where mandatory certification requires regular training hours.

4.3.1.7 Working rights and human rights

4.3.1.7.1 Material IROs – Working rights and human rights (ESRS2 SBM-3)

The table below shows the material impacts, risks, and opportunities identified for this section:

Topic	Material impact (N: negative; P: positive)	Own Operations (OO) / Value Chain (VC)	Material Risks (R) or Opportunities (O)	Time horizon (short, medium, long term)
Working rights & human rights	N: Working rights and human rights in the Air France-KLM workplace could be harmed by management practices	OO	R: Financial risk as a result of a damage to Air France-KLM reputation in case of failure to respect human rights and working rights in the workplace	short/medium

For more information regarding the double materiality analysis and the identification of material IROs, please refer to section 4.1.4.1 "Process to identify and assess material impacts, risks and opportunities (IRO-1)".

4.3.1.7.2 Policies – Working rights and human rights (SI-1)

As an international Group with operations all over the world and employing a large number of staff, Air France-KLM is committed to respecting both ethical values and the applicable legislation in all regulatory compliance domains.

The Group complies with all such legislation not just because it is required to do so, but also because this is an essential element of delivering on its corporate purpose and values and an imperative to be in a position to preserve competitiveness, company reputation, and the sustainability of its activities.

The Air France-KLM Group recognizes and complies with the international standards applicable to legal entities in terms of ethics and compliance, including, notably, the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises, the fundamental conventions of the International Labor Organization (ILO), and UNICEF's Rights of the Child and Business Principles.

As a signatory of the United Nations Global Compact since 2003, the Air France-KLM Group has undertaken to respect the ten principles of the Global Compact. It has incorporated these ten principles into its strategy, policies, and procedures and actively promotes them to its partners and suppliers. The last communication on progress was published on May 30, 2022.

The importance of respecting ethical principles in day-to-day business activities is reiterated in a number of documents. Some of these documents apply to all employees irrespective of their positions, locations, and activities, such as the Air France-KLM Principles and the Anti-Corruption Code of Conduct. This documentation gives rise to regular communication, awareness campaigns, and training programs.

In addition, and without prejudice to the above-mentioned documentation, other documents may be dedicated to:

- certain legal entities so as to comply with the applicable local laws or internal regulations;
- specific functions (such as the Charter for the Procurement domain or the Code of Ethics for the Finance domain).

Air France-KLM assumes its responsibilities as an employer and economic partner. It places its commitment to responsible and innovative corporate citizenship at the heart of its strategy. The Group's commitments are set forth in its Corporate Social Responsibility Statement, The Air France-KLM Principles, and its sustainability statement.

Air France-KLM's sustainable development policy enshrines the respect of fundamental rights as defined in the leading international principles: the Universal Declaration of Human Rights, the Declaration on Fundamental Principles and Rights at Work of the International Labor Organization (ILO), and the Guiding Principles of the Organization for Economic Cooperation and Development (OECD).

As part of its signature of the UN Global Compact, the Group supports the ten principles in the areas of human rights, labor, environment, and anti-corruption and is promoting this commitment to its partners. By integrating sustainability into its business and operations, the Group strives to contribute significantly to the attainment of the UN Sustainable Development Goals within its scope of influence.

In July 2020, the Air France-KLM Group published the Air France-KLM Principles, which set out the values and fundamental rights within the Group.

The Air France-KLM Principles were developed in cooperation with the European Works Council and staff representatives.

The Air France-KLM Principles apply to all employees within the Air France-KLM Group, including those working part-time and under temporary contracts.

These are regularly reviewed to ensure they are up to date. The Air France-KLM Principles reaffirm to all employees the Air France-KLM Group's commitments to fostering a climate of mutual trust, respect, transparency, and confidentiality, and to promoting a work environment where health, safety, and quality of life are key priorities without compromise.

They include commitments in respect of diversity and inclusion; health and safety; working conditions, including training and skill development, remuneration, working hours, freedom of association, social dialogue, and the combating of modern slavery, human trafficking, and child labor; protection of the environment and local communities; privacy and digital ethics; the combating of corruption, fraud, and market abuse; compliance with embargoes, trade sanctions, export control rules, and competition laws; and relations with third parties.

They serve as a shared foundation for all the companies within the Air France-KLM Group and support new initiatives, procedures, rules, and Codes of Conduct, and are used in building training material on compliance domains for the employees of the Air France-KLM Group.

These Air France-KLM Principles also apply to all Air France-KLM stakeholders, irrespective of their nature, and the Air France-KLM Group encourages all its customers, shareholders, business partners, and local communities to comply with them.

4.3.1.7.3 Processes in place to engage with own workers and workers' representatives – Working rights and human rights (S1-2)

All employees of the Air France-KLM Group may access these Air France-KLM Principles through their respective intranets and the Air France-KLM corporate website.

If employees have a question or comment related to these topics, they can reach out to their HR department or their manager.

4.3.1.7.4 Channels for own workers to raise concerns – Working rights and human rights (S1-3)

As mentioned, the Group has affirmed its commitment to fostering a climate of trust and mutual respect in a work environment where no form of discrimination, microaggression, or harassment is tolerated (see section 4.3.1.5.2). This zero-tolerance policy is supported by the commitment to increase the awareness of protection and improve preventive measures. A warning procedure is also available (see section 4.3.1.5.4).

In addition, the Principles remind employees of the speak-up policies and reporting tools to ensure that incidents can be investigated and remedied.

The steps are described as follows :

"Implementation: Reporting your concerns

- 1) *Manager – The first point of contact to make a report is your hierarchical manager.*
- 2) *Escalation point :*
 - *Responsible / Relevant Department – If reporting to a hierarchical manager is impossible or undesirable, individuals may also submit their reports to a relevant department or the Compliance Officers. Certain Principles have specific reporting mechanisms in place for which detailed information can be found in the applicable policy (e.g., Human Resources, Compliance Office, Procurement, Data Protection Office).*
 - *Company Employee Representatives in countries where they exist or, as a last resort, individuals can contact the Select Committee of the European Works Council.*
- 3) *Whistleblowing Procedures – In exceptional circumstances, a report can be made using the Whistleblowing Procedures available on the airline's online portal.*

Prior to opening a case, individuals are encouraged to follow the escalation process mentioned above.

We listen to each other openly and without prejudice. Creating an atmosphere of tolerance and transparency is our priority. We therefore encourage our colleagues to speak up about their concerns. It is important for us to have clear and easy reporting channels.

Many of our Principles are detailed in policies and documents with specific reporting mechanisms and procedures. The resources are available on our external corporate websites or internal intranet platforms. Employees are encouraged to make use of these.

Transparency and Trust are intrinsic to our corporate culture and crucial to the effectiveness of our Principles. We do not retaliate against those reporting their concerns using this structure. Any case brought forward shall be dealt with fairly and confidentially."

Extract from Air France-KLM Principles approved in July 2020 (page 10).

4.3.1.7.5 Targets – Working rights and human rights for own workforce (S1-5)

The Air France-KLM Group recognizes the importance of addressing human rights concerns within our operations. In line with our commitment to responsible business practices, we are actively working on strengthening our human rights risk assessment procedures. This includes the implementation of an adaptation plan that will further enhance our ability to identify, prevent, and mitigate any potential adverse human rights impacts associated with our business activities.

4.3.1.7.6 Action plans in place or planned – Working rights and human rights (S1-4)

Human rights are the foundation for social, economic, and cultural cohesion within each company and across the Air France-KLM Group. Every employee of Air France-KLM has the right to working conditions that protect their health, safety, and dignity and guarantee a social dialogue.

Within the framework of its activities, the Air France-KLM Group has identified the risk factors relating to human rights. The measures put in place to mitigate these risks fall into a number of different categories: health and safety of individuals, equal opportunity, achieving a better work/life balance, and data protection procedures to protect the personal data of customers and employees (see sections 4.3.4.3.4 “Data privacy and security”, 4.4.1.1 “Corporate culture (G1-1)” and 4.4.1.6 “Personal Data Protection”). The French entities of the Air France-KLM Group are required to implement all measures necessary to ensure the safety and protection of the physical and

mental health of workers in terms of instructions, training, materials and tools, protection equipment, organization of working conditions, and interactions to prevent harassment, etc. pursuant to French law (article L. 4121-1 to 5 of the French Labor Code), failing which criminal liability may be incurred. All entities of the Air France-KLM Group apply security and safety principles, which may even be reinforced by the applicable local regulations of the country of registration of such entities.

Air France has taken measures to raise employees' awareness regarding human trafficking, to help them identify at-risk situations and take action against this form of international organized crime, comparable with modern-day slavery. Whether it is trafficking for the purpose of forced labor or crime, sexual exploitation, illegal adoption or forced marriage, child soldiers, organ trafficking, or other forms of human exploitation, the ground staff and flight crews should be able to recognize behavior that may seem abnormal or concerning and, in the event of suspected human trafficking, report the event as soon as possible and in accordance with the internal instructions. These actions were initiated in 2019.

4.3.1.7.7 Metrics – Working rights and human rights impacts (S1-17)

Complaints and incidents

Complaints filed by employees

This is the number of complaints filed through channels for employees to raise concerns. This number is the sum of all complaints within the Air France-KLM Group that were received, analyzed, and confirmed through the relevant channels.

Incidents of discrimination, including harassment

The number of incidents of discrimination include work-related incidents of discrimination on the grounds of gender, racial or ethnic origin, nationality, religion or belief, disability, age, sexual orientation, or other relevant forms of discrimination involving internal and/or external stakeholders within Air France-KLM in the reporting period. Incidents of harassment as a specific form of discrimination are included in this number. The definition of cases of discrimination and harassment complies with the applicable local laws and regulations and internal definitions when applicable.

Severe human rights incidents

Severe human rights incidents involving Air France-KLM employees are reported when brought to the knowledge of Air France-KLM through any available channels (including internal mechanisms, official lawsuits, or relevant public claims).

Incidents, complaints, severe human rights impacts	2024
Complaints filed by employees	57
Complaints filed to national contact points within OECD	–
Incidents of discrimination (including harassment)	20
Severe human rights incidents	–
Severe human rights incidents (UN/ILO/OECD Framework)	–
Compensation and fines (in € millions)	
Fines, penalties, and compensation for damages as a result of severe human right incidents	–
Fines, penalties, and compensation for damages as a result of the incidents and complaints	0.2

4.3.2 Workers in the value chain (ESRS S2)

4.3.2.1 Interaction between IROs, strategy and business model (ESRS2 SBM-2, SBM-3)

The value chain of Air France-KLM (see section 4.1.2.1 “Strategy, business model and value chain (ESRS2 SBM-1)”) consists of several major upstream suppliers (OEMs and MRO providers, fuel and SAF suppliers, airports, ground handlers, catering providers), some of which also act as downstream partners (cargo shippers). For downstream distribution of its transportation services, Air France-KLM cooperates with intermediaries such as travel and corporate agents, e-agents and freight forwarders.

The policies, targets, and action plans in this chapter apply to the upstream suppliers contracted by the two largest airlines within the Air France-KLM Group, Air France and KLM. This is the vast majority of the Group’s suppliers. The Air France-KLM Procurement department leads the contracting process for these suppliers.

4.3.2.1.1 Interest and views of stakeholders (ESRS2 SBM-2)

The Air France-KLM value creation model addresses the various value chain partners as important Air France-KLM stakeholders. The Group has carried out a double

materiality assessment (DMA), enabling the priorities key to the Group’s activity to be assessed and the results to be compared with those from previous materiality analyses. The Group involves upstream suppliers in this assessment. During the double materiality assessment, a group of contracted upstream suppliers from the aeronautical sector were interviewed to identify (among other things) impacts, risks, and opportunities that the Group could generate for their workers. The involved suppliers were all contracted by the two largest airlines within the Group, Air France and KLM. Through its “Air France-KLM Procurement” website, the Air France-KLM Procurement team maintains an ongoing dialogue with these suppliers, informing them, among other things, of its policy and commitment to sustainable development.

To understand how Air France-KLM engages in a dynamic dialogue with its stakeholders, considering their perspectives through multiple channels, please refer to the more detailed information provided in section 4.1.2.2 “Interest and views of stakeholders (ESRS2 SBM-2)”.

4.3.2.1.2 Material IROs – Workers in the value chain (ESRS2 SBM-3)

The table below shows the material impacts, risks, and opportunities identified for this section:

Topic	Material impact (N: negative; P: positive)	Own Operations (OO) / Value Chain (VC)	Material Risks (R) or Opportunities (O)	Time horizon (short, medium, long term)
Working conditions & social dialogue for value chain staff	N: Workers in the Air France-KLM value chain could be negatively impacted by working conditions & social dialogue (including working & human rights)	VC	R: Financial risk as a result of disruptions in the supply chain due to conflictual working conditions & social dialogue and damages to Group’s reputation	short/medium

For more information regarding the double materiality analysis and the identification of material IROs, please refer to section 4.1.4.1 “Process to identify and assess material impacts, risks and opportunities (IRO-1)”.

The contracts with downstream value chain partners either contain references to the Air France-KLM Principles or contractual clauses referring to the application of laws and regulations pertaining to labor protection and working conditions (see section 4.3.2.2 “Working conditions for value chain staff and social dialogue with value chain staff (S2-1, S2-2, S2-3, S2-5, S2-4)”).

In the double materiality assessment, it was identified that workers (in general) in the Air France-KLM value chain could be negatively impacted by working conditions and social dialogue. No positive impacts were identified.

In addition, it was concluded that disruptions in the supply chain due to conflictual working conditions and social dialogue could have a financial risk and result in damages for the Group’s reputation.

The current procurement risk screening tool incorporates geography and industry data provided by EcoVadis and enables the Group to identify risks related to working conditions and social dialogue.

The Air France-KLM Procurement department is reassessing its procurement risk screening system to (also) better assess the nature of risks (systemic vs. individual). The implementation of category management and the reassessment of the procurement risk screening process will enable enhanced identification of specific groups of value chain workers that are most impacted/dependent or are at material risk.

During the DMA, working conditions and social dialogue were identified as two material topics for workers in the value

chain. However, in the last years, few risks and actual impacts have been detected, which is why there is no structural process in place yet to incorporate identified material impacts/risks/opportunities for value chain workers in the Air France-KLM strategy and business model.

As part of its Responsible Procurement program, Air France-KLM is looking into initiating dialogue with upstream contracted suppliers on the sustainable development priorities and implementation of innovative solutions (positive impact).

4.3.2.2 Working conditions for value chain staff and social dialogue with value chain staff (S2-1, S2-2, S2-3, S2-5, S2-4)

4.3.2.2.1 Policies – Value chain workers (S2-1)

The Air France-KLM Principles define high-level ethical standards for all companies within the Air France-KLM Group. Air France-KLM encourages all parties within the value chain – both upstream and downstream – to engage with these principles and apply them to all value chain workers. These principles are based on the United Nations (UN) Global Compact, the Universal Declaration of Human Rights, and the ILO's Conventions on Fundamental Principles & Rights at Work. The Air France-KLM principles cover topics such as working conditions and freedom of association/collective bargaining/social dialogue. The principles have been developed in cooperation with the European Works Council and staff representatives.

As explained in 4.3.2.2.1 "Policies – Value chain workers (S2-1)", a special program was developed under the leadership of Air France-KLM SVP Procurement specifically for all upstream value chain suppliers (as listed in 4.3.2.2 "Working conditions for value chain staff and social dialogue with value chain staff (S2-1, S2-2, S2-3, S2-5, S2-4)") contracted by the two largest airlines within the Group, Air France and KLM. This Air France-KLM Responsible Procurement program supports a sourcing process that aims to select more sustainable products, services, and business partners that align with Air France-KLM's sustainability ambitions. The foundation of this program is a risk-based approach identifying high-risk and critical suppliers as the Group's primary focus in its commitment to value chain due diligence. This risk mapping system is based on Air France-KLM's procurement categories and links these categories to the UN ISIC categories and their ESG risk level.

This program consists of:

- a Supplier Code of Conduct, which is mandatory for all Air France-KLM Procurement contracted upstream suppliers;
- an EcoVadis Assessment (mandatory for all Air France-KLM Procurement high-risk contracted upstream suppliers), which covers topics including working conditions and social dialogue.

At the beginning of the procurement contracting (or sourcing) process, the Air France-KLM Procurement department makes (potential) upstream suppliers of Air France and/or KLM aware of the responsible procurement policy and the suppliers' involvement. As a point of departure, the Group requires its contracted upstream suppliers to sign the Air France-KLM Supplier Code of Conduct. The development of the Air France-KLM Supplier Code of Conduct was prompted by the introduction of the French Sapin 2 "anti-corruption" law in 2016 and the French Duty of Vigilance Law on human rights abuses and environmental violations in 2017, as well as the UK Modern Slavery Act in 2015. These acts and other (pending) legislation on Corporate Supply Chain due diligence, such as EU Directives, resulted in a Supplier Code of Conduct with an explicit focus on human rights and labor conditions that suppliers and vendors to Air France-KLM are expected to carry forward in their own operations and supply chains.

In the Supplier Code of Conduct, Air France-KLM states that it promotes that any inappropriate business behavior within the company can be reported in accordance with its "Speak Up" policy. This appeal does not only apply to its own workforce but extends to anyone who comes into contact with Air France-KLM as a result of their work.

The Supplier Code of Conduct is based on the ten principles of the UN Global Compact as well as related international standards, including but not limited to the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the Children's Rights and Business Principles, the Core Convention of the International Labor Organization (ILO), the OECD Guidelines for Multinational Enterprises, and anti-bribery laws. The Code of Conduct covers social topics such as freedom of association and collective bargaining, wages and working hours, and health and safety. It is regularly updated by Compliance and Procurement domains to ensure its alignment with the applicable regulations.

Air France-KLM and its largest downstream IT supplier have contractually agreed to comply with all rules and regulations pertaining to labor protection and working conditions and allow staff to benefit from social laws and collective agreements.

For a description of the Vigilance Plan, including the French Duty of Vigilance law, please refer to section 4.7 "Monitoring of Act No. 2017-399 known as the Duty of Vigilance Law".

4.3.2.2.2 Engagement process with workers in the value chain (S2-2)

Air France-KLM buyers engage with the account manager of contracted suppliers before and after the initiation of an EcoVadis assessment (regarding Air France-KLM's expectations of suppliers and regarding the initiation of a Corrective Action Plan in the event of an insufficient score, respectively).

The ultimate responsibility for engagement with contracted Air France-KLM suppliers regarding identified risks lies with both the involved senior management (EVP/SVP/VP) as well as with the Air France-KLM Domain Procurement Officer (DPO). In the event that suppliers do not respond and/or adhere to the applicable procurement policies, these senior managers need to approve exceptions.

There is no formal process in place yet to assess the effectiveness of the engagement process.

Air France-KLM has not signed any Global Agreements on Fundamental Rights and Social Responsibility (for own workers or for value chain workers).

4.3.2.2.3 Processes to remediate negative impacts – Workers in the value chain (S2-3)

In general, Air France-KLM has incorporated the UN Global Compact principles and OECD guidelines in all policies regarding workers in the value chain.

For contracted upstream suppliers, the Air France-KLM Procurement department has a risk screening process in place, which incorporates EcoVadis risk data, which is the basis for engagement by an Air France-KLM buyer with its formal contact with a supplier. This risk screening and assessment process is a continuous process.

The current risk screening and assessment process does not yet enable identification of more vulnerable value chain workers.

If negative impacts are detected, the Air France-KLM Procurement department will request that its regular supplier contact person develop and implement a Corrective Action Plan (CAP). During the implementation of this CAP, its effectiveness is actively monitored.

In order for value chain workers to raise concerns, Air France-KLM has a number of feedback mechanisms in place: both Air France-KLM and stakeholders' staff (including contracting parties, service providers, suppliers, subcontractors), regardless of their location, can file a report via the Integrity Line (online webpage). In its Supplier Code of Conduct, which is published on its website, the Air France-KLM Procurement department explains that anyone who comes into contact with Air France-KLM can report suspicion of inappropriate business behavior as explained on the website of Air France-KLM.

Air France-KLM has designated dedicated, impartial, and trained employees internally in charge of processing the reports received with the online tool. They check that the report meets acceptability criteria, and they contact the whistleblowers. Strict confidentiality is guaranteed with regard to the identity of the whistleblowers and the targeted persons as well as to the information collected by the recipients.

There is no formal assessment process in place yet to assess awareness and trust or to protect against retaliation.

4.3.2.2.4 Targets – Workers in the value chain (S2-5)

To assess the effectiveness of the Responsible Procurement Program, Air France-KLM Procurement applies strict targets as to compliance with the Supplier Code of Conduct (2024 target: 85%; 2024 result: 84%) and the EcoVadis assessment (2024 target: 470 assessed suppliers with a score above or equal to 45; 2024 result: 596 assessed suppliers). These targets are reviewed on a yearly basis. The responsibility for realizing these targets lies with the senior management in Air France-KLM Procurement.

There is no formal process in place yet to engage value chain workers (or their representatives or credible proxies) in the target definition, performance tracking, and performance improvements.

4.3.2.2.5 Action plans in place or planned – Workers in the value chain (S2-4)

The following action plans are in place:

- empowering the buyers (buyer engagement):

- All buyers must sign a Code of Ethics, which outlines the ethical rules they must follow when dealing with suppliers. In this Code of Ethics, it is specifically stated that procurement functions must be very vigilant in ensuring that working rights and social dialogue regulations are complied with within the contracted suppliers.

- All new buyers attend a “License to Buy” training, which provides a full-day classroom training, including exercises, on ESG topics with an emphasis on context, company ambitions, and the role of the buyer. For all procurement staff (management and buyers), there is a training program that includes workshops on the Supplier Code of Conduct and the EcoVadis model. Furthermore, there is an ESG ambassador network with buyers from all purchase domains for the sharing of information and best practices. A Procurement Academy was launched, offering training on various sustainability topics. This is a mandatory e-learning program for procurement staff and includes a section on sustainability;
- mobilizing and innovating with suppliers (supplier engagement);
- participating in the Aviation Initiative for Responsible Procurement (AIRPro): members – together with EcoVadis – aim to introduce similar standards for responsible procurement, increase supply chain transparency, and support the transition of the aviation industry toward sustainability.

4.3.3 Affected communities – Noise management (ESRS S3)

4.3.3.1 Interaction between IROs, strategy and business model (ESRS2 SBM-2, SBM-3)

4.3.3.1.1 Interest and views of stakeholders (ESRS2 SBM-2)

Air France-KLM considers the interests and views of stakeholders and residents around airports regarding noise pollution as stipulated by EU Directive 2002/49/EC⁽¹⁾.

This directive ensures that the interests and views of stakeholders are considered by requiring each Member State to assess noise pollution through noise maps and action plans. It also emphasizes the active participation of the public and stakeholders at every stage of the process. This includes local authorities, infrastructure managers, representatives of civil society, and citizens themselves. These stakeholders express their concerns and suggestions through mandatory public consultations. Information on noise maps and action plans are publicly accessible to foster a shared understanding and coordinated approach to managing noise pollution⁽²⁾. This process enables Air France-KLM to gather the views of its stakeholders, people living near airports:

- In France, Environmental Noise Protection Plans (PPBEs)⁽³⁾ have been set up to prevent and reduce the effects of noise pollution from major infrastructures. PPBEs are a regulatory tool resulting from European Directive 2002/49/EC to prevent and reduce the effects of noise pollution, whose negative consequences on the health and quality of life of the population are known. For airports, they are drawn up by the prefect. They are updated every five years. The assessment and evaluation of PPBEs are based on noise maps modeled by public engineering bodies (Cerema, Bruitparif) and approved by the state. These plans are made available to the public for a period of two months so that anyone can comment on them.

- In the Netherlands⁽⁴⁾, the approach is steered by the Ministry of Infrastructure and *Rijkswaterstaat*, which manages national infrastructure. The ministry has drawn up an “Environmental Noise Schiphol 2024-2029” action plan in accordance with EU Directive 2002/49/EC on the evaluation and management of environmental noise. It describes the results of the strategic noise exposure maps (airport noise maps for Schiphol 2021⁽⁵⁾), and the evaluation of policy measures that have been and will be implemented to limit the noise from air traffic to and from Schiphol Airport. This action plan describes how the course set to limit noise pollution will be worked out for the coming planning period. For the 2024-2029 planning period, in addition to achieving the objective as laid down in the 2018-2023 action plan, a further reduction in noise exposure is envisaged to restore the balance between the use of the airport and the effects on the living environment around the airport. Within the planning period, efforts will be made to keep the number of residents and the extent of their exposure to aircraft noise (public interest in a healthy living environment from the Aviation Policy Memorandum) as low as possible and, at the same time, to consider the traffic functions (network quality, traffic, etc.) of Schiphol Airport.

In order to implement these plans to improve noise pollution, a balanced approach procedure has been launched, an approach developed by the ICAO and adopted by European regulations, aimed at improving the noise environment around European airports and promoting greater compatibility between aviation activities and residential areas.

The Air France-KLM Group is fully committed to this balanced approach.

⁽¹⁾ <https://eur-lex.europa.eu/legal-content/FR/TXT/PDF/?uri=CELEX:32014R0598>; <https://eur-lex.europa.eu/eli/reg/2014/598/oj/eng>

⁽²⁾ <https://open.overheid.nl/documenten/a88f9b20-4f7a-4730-bc29-2a65832253ba/file> - For stakeholders, see the enclosed file, Appendix H: Nota van Antwoord.

⁽³⁾ <https://outil2amenagement.cerema.fr/outils/plan-prevention-du-bruit-dans-lenvironnement-ppbe#:~:text=Le%20PPBE%20est%20un%20outil%20d%E2%80%99action%20pour%20pr%C3%A9venir,infrastructures%20ou%20ferroviaires%20ou%20constat%20dans%20certaines%20agglom%C3%A9rations>

⁽⁴⁾ <https://open.overheid.nl/documenten/a88f9b20-4f7a-4730-bc29-2a65832253ba/file>

⁽⁵⁾ <https://open.overheid.nl/documenten/ronl-f240907b258252dcc842c5c9ff8486e4e94268c0/pdf>

4.3.3.1.2 Material IROs – Noise management (ESRS2 SBM-3)

The table below shows the material impacts, risks, and opportunities identified for this section:

Topic	Material impact (N: negative; P: positive)	Own Operations (OO) / Value Chain (VC)	Material Risks (R) or Opportunities (O)	Time horizon (short, medium, long term)
Noise management	N: Noise hindrance of Air France-KLM activities can have negative impact on living conditions of communities close to Air France-KLM hubs	OO	R: Financial risk as a result of noise regulations leading to activity constraints (loss of airport slots) or increase in costs	short/medium

For more information regarding the double materiality analysis and the identification of material IROs, please refer to section 4.1.4.1 "Process to identify and assess material impacts, risks and opportunities (IRO-1)".

Air France-KLM's double materiality assessment identified noise generated by its air transport activities as a material issue for the Group. Consequently, the management of noise generated by its activities is a priority for the Air France-KLM Group. This concerns noise pollution from Air France-KLM activities, which can have a negative impact on the living conditions of communities close to Air France-KLM's main bases, Charles de Gaulle (CDG), Orly (ORY), and Schiphol (SPL).

Air France-KLM's material risks relating to noise management are impact risks (noise pollution) and financial risks arising from noise pollution regulations. These regulations may result in business constraints (risk of reduced airport accessibility or capacity due to reduced traffic) or increased costs. These risks have been assessed as short- and medium-term risks.

4.3.3.2 Noise management (ESRS S3)

4.3.3.2.1 Policies – Noise management (S3-1)

Air France-KLM recognizes its responsibility to minimize noise pollution for those living near airports. This commitment, formalized in the Air France-KLM Principles⁽¹⁾, reflects the Group's dedication to balancing operational efficiency with environmental responsibility, ensuring more sustainable air travel that respects local communities.

The most senior level in the organization accountable for the implementation of these principles is the Air France-KLM Group Executive Committee (see more information in section 4.1.3.1 "The role of the administrative, management and supervisory bodies (GOV-1)").

4.3.3.2.2 Engagement process – Noise management (S3-2)

Air France-KLM actively works to limit its noise footprint by engaging in dynamic dialogue with residents and other stakeholders near its operations. The Group collaborates with local communities, airport and air navigation authorities, and representatives in dedicated bodies such as Environmental Consultative Committees⁽²⁾ (CCEs) led by French departmental prefectures and "Klankbord groepen"⁽³⁾ working groups for the Netherlands. These committees aim to develop

sustainable, compromise-based solutions that balance operational activities with the interests of residents. They bring together all stakeholders involved in the airport environment, including aviation industry professionals, local government representatives, resident associations, and environmental protection organizations.

Air France-KLM engages with affected communities with respect to noise impacts through continuous dialogue with stakeholders in all territories, including the representatives of local communities, airport authorities, and air traffic control. By participating in commissions such as, for Air France, the Environmental Consultative Committees (CCEs), the Advisory Residents Assistance Commissions (*Commissions consultatives d'aide aux riverains* (CCARs)), and the working group on night flights, and for KLM, the national reflection group, the "cleaner, quieter, and stronger" workgroup (Minder Hinder), Air France-KLM aims to identify measures that can reduce noise hindrance and improve the quality of the local environment.

Environmental Noise Protection Plans (PPBEs), established within the framework of European Directive 2002/49/EC, are updated every five years. The mandate for the Environmental Consultative Committees (CCEs) is three years.

⁽¹⁾ https://www.airfranceklm.com/sites/default/files/2022-12/AFKLM%20Principles_2021_EN.pdf

⁽²⁾ <https://entrevoisins.groupeadp.fr/questions/quest-ce-quune-commission-consultative-de-lenvironnement-cce/>

⁽³⁾ <https://zoek.officielebekendmakingen.nl/kst-29665-496.pdf>

In France, whenever possible, for all French airports where Air France-KLM is present, Air France and Transavia France request to be an official member of the Environmental Consultative Committees (CCEs), the regulatory and preferred platform for consultation with populations living near airports. As of December 31, 2024, Air France is a member of 17 CCEs in France, including those for Paris-CDG and Paris-Orly. Furthermore, where they exist, Air France is also a member of the Advisory Residents Assistance Commissions, subcommittees of the CCEs involved in the allocation of soundproofing aid intended to mitigate the nuisance suffered by residents. Air France and Transavia France also participate in sub-commissions and working groups related to air noise pollution to help seek the best solutions to limit its environmental externalities.

In the Netherlands, KLM, together with other airlines, participates in the Minder Hinder⁽¹⁾ ("Less Hindrance") program, in collaboration with Schiphol and Dutch air traffic control, to reduce noise pollution and improve local environmental quality. This program is continuously evolving, meaning that measures are updated and new ones are introduced whenever possible. Thanks to its website, stakeholders can keep track of measures, studies, and initiatives that will be implemented over the coming years to mitigate nuisance. The website also provides updates on measures deemed unfeasible or impossible to implement, ensuring transparency about expectations. Prior to the launch of the program, approximately 1,000 responses were collected from residents and municipalities, which were used to refine and enhance the program. In addition to the noise reduction program, KLM participates in the "National Sounding Board," a working group⁽²⁾ focused on developing a new noise management system alongside various stakeholders, including residents, municipalities, and environmental organizations. Together with the other domestic carriers, Schiphol, and Dutch Air Traffic Control (LVNL), KLM also participates in the sector consultations with the Ministry of Infrastructure and Water Management, where nuisance reduction is central. In the Netherlands, the "environmental noise Schiphol 2024-2029 plan" is scheduled to run for six years.

4.3.3.2.3 Processes to remediate negative impacts – Noise management (S3-3)

Air France-KLM is committed to flying in a more environmentally and socially responsible manner, in line with governmental and societal objectives, ensuring acceptability for our customers, employees, and shareholders. In this way, the Group actively participates in environmental noise protection plans. These plans comply with European Directive 2002/49/EC and aim to reduce noise pollution around airports. For the Air France-KLM Group, the process of

remediating the negative impacts of noise on local communities is based on close collaboration with the airport ecosystem, notably through public consultations.

The Group collaborates with EU Member States and other stakeholders to ensure compliance with the Balanced Approach⁽³⁾ process, integrated into European Regulation No. 598/2014⁽⁴⁾ and designed to improve the noise environment around European airports and promote better compatibility between aviation activities and residential areas.

On the Air France-KLM platforms, i.e., Paris-Charles de Gaulle, Paris-Orly, and Amsterdam-Schiphol, the Balanced Approach procedure is applied. The Balanced Approach requires that all available options be evaluated to identify the most cost-effective measure or combination of measures to mitigate a specific noise problem. The principle of the Balanced Approach entails identifying noise mitigation measures through four pillars, and then analyzing them with the goal of addressing the noise problem in a cost-effective manner that preserves the connectivity benefits at the airport.

The four pillars of the Balanced Approach are: 1. Reduction of Noise at Source, 2. Land-use Planning and Management, 3. Noise Abatement Operational Procedures, and, 4. as a last resort, Operating Restrictions.

The noise measurement indicators used in the regulations measure the average sound level over a specific period (day, night, etc.). They make it possible to synthetically represent the accumulation of noise from the LTO (Landing and Take-Off) cycles of aircraft movements over the specific period. Therefore, pillars 1 (Reduction of Noise at the Source) and 3 (Operational Procedures) are particularly effective in limiting noise pollution around airports.

Air France-KLM actively participates in the Balanced Approach at its hubs and all other Balanced Approaches launched by the French and Dutch Ministries of Transport in other airports. These approaches provide detailed forecast planning studies and socioeconomic impact analyses and help to find the best compromise-based solution sustainable for airlines and contributing to the reduction of noise pollution.

Mechanisms for affected communities to raise their concerns, such as consultative and action-oriented platforms like the Environmental Consultative Committee (CCE), Advisory Residents Assistance Commissions for Air France, and the National Sounding Board for KLM have been detailed in the previous paragraph 4.3.3.2.2 "Engagement process – Noise management (S3-2)". The issues raised by these consultative platforms are taken into account in the Balanced Approaches and actions.

⁽¹⁾ <https://minderhinderschiphol.nl/over-dit-plan/>

⁽²⁾ <https://zoek.officielebekendmakingen.nl/kst-29665-496.pdf>

⁽³⁾ *Balanced approach*: <https://www.icao.int/environmental-protection/Pages/noise.aspx>

⁽⁴⁾ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32014R0598>

4.3.3.2.4 Targets – Noise management (S3-5)

New-generation aircraft, which are at least 30% and up to 60% less noisy, are a powerful lever for reducing the noise footprint at airports. Air France-KLM has put in place a fleet renewal plan, progressively eliminating the oldest aircraft and aiming for up to 80% of its fleet to be new-generation by 2030.

The acoustic impact of the Air France-KLM Group is measured according to the eligibility of its fleet in operation for ICAO noise chapters. The indicator evaluates the percentage of aircraft according to their margin eligible under Chapter 14, the most efficient noise level for jet aircraft to date.

4.3.3.2.5 Action plans in place or planned – Noise management (S3-4)

The material risks and impacts related to noise pollution that could affect Air France-KLM, namely the risk of a reduction in airport slots, the risk of a drop in traffic or regulatory measures, commercial constraints, and increased costs resulting from noise regulations, are mitigated by the following measures:

- actions aiming to reduce noise at the source, such as fleet renewal,
- operational procedures such as flight route optimization, continuous descent (approach procedure).

Fleet renewal with more noise-efficient aircraft is a strong lever to mitigate noise around airports. Air France-KLM is continuously investing in fleet renewal with the latest-technology aircraft, which are at least 30% and up to 60% less noisy. The Group is also progressively accelerating the phase-out of aircraft that are the least adapted to its environmental roadmap. By 2030, up to 80% of Air France-KLM fleet will be composed of new-generation aircraft compared to 5% in 2019. In terms of noise reduction, the new aircraft entering the Air France-KLM fleet are estimated to reduce noise impact by approximately 30% to 60% compared to equivalent-sized previous-generation aircraft.

The details of planes that have already been ordered can be found in note 38 "Flight equipment orders" to the financial statements.

Operational procedures such as the optimization of flight routes and continuous descent also impact noise levels. Therefore, Air France-KLM is dedicated to minimizing its environmental impact through a range of measures, including collaboration with air traffic control to optimize descents and takeoffs. Additionally, Air France-KLM actively supports the French and Dutch governments and the Civil Aviation departments in the swift and broad adoption of continuous descent procedures at all airports.

In the Netherlands, on January 11, 2024, KLM and 30 other parties called for a common action program called "Together towards cleaner, quieter, stronger"⁽¹⁾. KLM expressed its commitment to working to reduce noise for residents living near Schiphol and other airports. Two briefings were held with the Ministry of Infrastructure and Water Management.

On December 6, 2024, the Dutch ministry notified, as part of the Balanced Approach procedure, the following package of measures:

- use of quieter aircraft at night;
- rate differentiation;
- additional fleet renewal;
- exclusion of noisy aircraft at night, down to -13 EPNdB⁽²⁾;
- a maximum of 27,000 night flights;
- capacity reduction to a maximum of 477,000 to 478,000 aircraft movements per year.

In France, noise restrictions also already apply to Paris-Orly and Paris-Charles de Gaulle airports:

- curfew and annual slot caps at Paris-Orly;
- nighttime slot cap at Paris-Charles de Gaulle;
- limited access during nighttime hours for the noisiest aircraft at both airports.

⁽¹⁾ Future-proof aviation for the Netherlands: The aviation industry's commitment to the Netherlands: <https://nieuws.klm.com/download/6fd9644e-2646-4125-a398-874fe631eed/10commitmentstoekomstbestendigeluchtvaartvoornederland.pdf>

⁽²⁾ <https://nieuws.klm.com/plan-klm-groep-geeft-grotere-reductie-geluidshinder-in-de-nacht/>

Two Balanced Approaches were launched in the Summer of 2023 for these two Paris airports and are still ongoing:

- For Paris-Orly, a draft new regulation⁽¹⁾ provides for a gradual introduction, between 2026 and 2029, of a strict curfew starting at 10:00 pm for the noisiest aircraft (those whose cumulative noise margin is less than 17 EPNdB). This new restriction, if officially promulgated by the government, will make Orly the strictest airport in Europe in terms of noise pollution, with only the quietest latest-generation aircraft being authorized to land or take off after 10:00 p.m.
- The Balanced Approach is less advanced for Paris-CDG. Air France is at the disposal of the competent authority to participate in the analyses and provide all its expertise on noise pollution.

By taking local measures to reduce noise impact and fostering relations with the surrounding communities and authorities, Air France-KLM is underlining its commitment to respecting and taking into account the concerns of the communities living near its activities.

The impact of Air France-KLM operations that may affect the health of communities near airports is addressed through insulation projects. In France, this is funded by the Airport Noise Tax (TNSA). In the Netherlands, it is supported by noise levies imposed by the government. In France, the Airport Noise Tax (TNSA), has been implemented in the largest airports in the country since 2004. The funds collected from airlines are dedicated to soundproofing homes located around the airports. In the Netherlands, around Schiphol airport, the airlines have also collectively contributed to noise levies over the past two decades, which have been spent on soundproofing and compensation for the loss of property value around the airport. In 2024, the Dutch Ministry decided to launch a new phase of the noise abatement program, with the introduction in of a new €25 million tax to supplement the €577 million already charged for insulating homes in the Schiphol area.

4.3.3.3 Metrics – Noise management

Acoustic impact

The Air France-KLM Group's noise impact is measured according to the eligibility of its fleet in operation for ICAO noise chapters. The indicator measures the percentage of aircraft eligible for Chapter 14, which contains the most stringent noise levels for jet aircraft to date.

Fleet in operation includes aircraft operated and temporarily out of operations (under maintenance or in preparation for future operations).

Acoustic impact	2024
Percentage of ICAO chapter 14 eligible aircraft in the fleet in operation	36.9%

In 2023, 100% of the Air France-KLM fleet was eligible for certification under the noise level criteria of ICAO Chapters 4 and 14. Therefore, in 2024, Air France-KLM decided to focus on Chapter 14, corresponding the strictest ICAO noise level criteria.

⁽¹⁾ <https://aviationweek.com/air-transport/safety-ops-regulation/french-government-rules-out-orly-curfew-extension-limit-noise>

4.3.4 Consumers and end-users (ESRS S4)

In the context of Air France-KLM, consumers and end-users are those who directly use the airline group's services. They can be categorized as follows:

- Individual Passengers: Individuals traveling for leisure or personal reasons. Passengers pay Air France-KLM for their journey, and in return, Air France-KLM guarantees their transportation from departure to arrival.
- Corporate Passengers: Individuals traveling for work-related purposes. A company pays Air France-KLM for an employee's travel, and in return, Air France-KLM ensures their transportation from departure to arrival.

Each group interacts with Air France-KLM differently, and the company works to meet their specific needs and expectations.

For more information on consumers and end-users, see ESRS2 sections 4.1.2.1 "Strategy, business model and value chain (ESRS2 SBM-1)" and 4.1.2.2 "Interest and views of stakeholders (ESRS2 SBM-2)", which provide more details on the value chain and the stakeholders.

4.3.4.1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities (ESRS2 IRO-1)

Please refer to the more detailed information provided in section 4.1.4.1 "Process to identify and assess material impacts, risks and opportunities (IRO-1)".

4.3.4.2 Interaction between IROs, strategy and business model (ESRS2 SBM-2)

4.3.4.2.1 Interest and views of stakeholders (ESRS2 SBM-2)

Please find more information in ESRS2 section 4.1.2.2 "Interest and views of stakeholders (ESRS2 SBM-2)".

4.3.4.3 Customer engagement (S4-1, S4-2, S4-3, S4-5, S4-4, SBM-3)

4.3.4.3.1 Material IROs – Customer engagement (ESRS2 SBM-3)

The table below shows the material impacts, risks, and opportunities identified for this section:

Topic	Material impact (N: negative; P: positive)	Own Operations (OO) / Value Chain (VC)	Material Risks (R) or Opportunities (O)	Time horizon (short, medium, long term)
Customer engagement	N: Passengers can be impacted by lack of transparent information and assistance in case of flight disruptions or lack of accessibility of services (passengers with disabilities)	OO	O: Gain of reputation and customer loyalty for Air France-KLM by providing transparent information and assistance to its passengers	short/medium
	N: Passengers' right to privacy can be impacted in the event of personal data misuse or leakage	OO/VC	R: Financial risk as a result of damages to Air France-KLM reputation or fines related to lack of assistance, accessibility or data leakage	short/medium

For more information regarding the double materiality analysis and the identification of material IROs, please refer to section 4.1.4.1 "Process to identify and assess material impacts, risks and opportunities (IRO-1)".

4.3.4.3.2 Information and assistance to passengers for cancellations and delays (EU261)

In the event of flight disruptions and, specifically, cancellations or delays of flights operated by airlines of the AFKL Group, information and assistance to customers are provided according to the requirements of European Regulation (EU) 261/2004 ("EU261") as detailed below.

4.3.4.3.2.1 Policies – Information and assistance to passengers for cancellations and delays (S4-1)

Passengers' rights under (EU) Regulation 261/2004 of the European Parliament and the Council of the European Union are set forth in a comprehensive set of rules that safeguards the rights of passengers in the event of flight cancellations, delays, or denied boardings.

It mandates that airlines must provide assistance, compensation, and refunds depending on the circumstances and the length of the delay or cancellation. In terms of assistance, passengers are entitled to meals, refreshments, and accommodation, if necessary, during significant delays. Compensation varies between €250 and €600 based on the flight distance and duration of the delay.

The regulation also requires airlines to inform passengers of their rights and provide a complaint mechanism for unresolved issues.

Air France, KLM, KLM CityHopper, Transavia France, and Transavia Netherlands have adhered to this policy since its entry into force in 2005, and make sure that passengers' rights are respected in the event of flight disruptions on a daily basis.

Passengers' rights apply specifically in the following circumstances:

- the customer has a confirmed reservation on the flight;
- the customer is fully checked in at the time of the indicated check-in deadline or, if no time is indicated, no later than 45 minutes before the departure time;
- the customer is traveling at a fare available to the public or with a ticket issued under a frequent traveler program; and
- the customer is traveling on a flight departing from an airport within the European Union (EU).

If the customer is traveling on a flight departing from an airport in a third country (outside the EU), the rights to assistance and compensation apply only if he or she is traveling with a carrier from the EU and arriving at an airport located within the EU, and if no local regulation applies to departures from that third country.

If local regulations apply to departures from that third country, Air France and KLM also adhere to those regulations. Examples include the regulations implemented by the Department of Transport for US travel, the Canadian Transportation Agency for travel to and from Canada, and the *Agencia Nacional de Aviación Civil* in Brazil.

4.3.4.3.2.2 Engagement process – Information and assistance to passengers for cancellations and delays (S4-2)

All customers have access to this policy for information about their rights:

- At any time on all Air France/KLM/Transavia France/Transavia Netherlands websites.
- On these websites, customers can also contact Air France or KLM or Transavia France or Transavia Netherlands after a flight disruption and be guided to:
 - file a complaint to request what they may be entitled to: reimbursement of care and assistance costs or legal EU261 compensation;
 - or make a request for a refund if they decided not to travel due to the disruption.
- Information about passengers' rights is also pushed to any customers impacted by a disruption via emails sent to inform them of the disruption.

Within the Air France-KLM organization, the overall accountability for information and assistance to customers in the event of flight disruptions falls under the responsibility of the Executive Vice President of the Marketing Division. This responsibility covers both the steering of the digital websites enabling customers to be informed of their rights as passengers and to file a complaint or make a refund request, as well as the handling of customers complaints and refund requests by dedicated care and refund experts and assistants, among other things.

4.3.4.3.2.3 Processes to remediate negative impacts – Information and assistance to passengers for cancellations and delays (S4-3)

When flight disruptions have materialized despite all preventive measures, the approach to remediate negative impacts for customers includes compliance with Regulation 261/2004, which mandates assistance, compensation, and refunds for passengers in the event of cancellations and delays.

To achieve this, internal coordination is in place across several Air France, KLM, Transavia France, and Transavia Netherlands divisions to ensure adherence to EU regulations, with regular monitoring and adjustments based on European case law, ensuring passengers' rights are consistently upheld:

- Air France and KLM legal teams translate the content of the EU 261 obligations into compliant business guidelines to be met by Ground and Commercial operational teams, and continuously identify necessary adjustments to these obligations triggered by European case law.
- In line with these rules, on-site assistance to customers impacted by flight disruptions at the airport is delivered by Ground operations teams according to related requirements defined in the EU261 regulation. This assistance can include, for example, the provision of refreshments, meals, or accommodation in the event of a significantly delayed flight departure.

- Also, in line with the business guidelines driven by legal advice, the Customer Service Care and Refund department defines and implements operational instructions that apply to the handling of customer complaints and refund requests following flight disruptions. Furthermore, several projects have been initiated to digitize and automate the processes and further improve the claims handling.

All agents handling any Air France, KLM, Transavia France, or Transavia Netherlands customer complaints or refund requests have been trained with the same materials to apply relevant operational instructions defined to comply with this remediation policy.

These operational instructions, as well as the overall policy, are available on a shared knowledge database accessible by any agent at any time to support his or her day-to-day activity.

4.3.4.3.2.4 Targets – Information and assistance to passengers for cancellations and delays (S4-5)

To minimize the negative impacts of flight disruptions, Air France, KLM, Transavia France, and Transavia Netherlands make sure that impacted customers receive adequate information and assistance on the day of departure at the airport according to EU261 regulation.

Airlines also ensure that customers receive satisfactory replies to their complaints or refund requests after their journey, both in terms of response time and compliance with EU261 requirements relating to amounts of compensation and refunds.

Dedicated internal monitoring processes are in place to ensure these targets are continuously achieved and relevant action plans are activated if deviations are identified.

4.3.4.3.2.5 Actions plans in place or planned – Information and assistance to passengers for cancellations and delays (S4-4)

Air France, KLM, Transavia France, and Transavia Netherlands Operations departments implement structural action plans to improve the robustness of operations and thus reduce flight disruptions as much as possible:

- adaptation of the number of spare aircraft to reduce flight cancellations;
- outsourcing some maintenance activities(e.g., part of the Airbus A-check to Brussels and the Boeing 737 C-check to the UK) to increase maintenance capacities and resources and secure the availability of aircraft;
- improvement of key processes at the hub and international station, to streamline passenger, baggage, and crew flows in particular;
- optimization of the use of airport infrastructures in coordination with ADP and Schiphol Airport. This is a standard procedure to position the Group's (and partners') aircraft to optimize passenger, baggage, and crew flows;
- the Right on Time program to analyze and improve the departure process from the hub and improve D-0 (departure on time) performance;

- development of data analysis/artificial Intelligence and tools to improve operational performance (delay forecasting models, schedule design, etc.);
- common action plan with Eurocontrol and modernization of the Air Traffic Control (ATC) system in France to reduce ATC delays;
- continuous coordination with Air Traffic Control (ATC) at Amsterdam (*Luchtverkeersleiding NL (LVNL)*) to reduce the impact of ATC delays on departure and arrival punctuality.

4.3.4.3.3 Access to services for passengers with disabilities

4.3.4.3.3.1 Policies – Access to services for passengers with disabilities (S4-1)

Air France-KLM is committed to providing accessible services to all passengers, including those with disabilities. The policies of Air France and KLM regarding accessibility typically highlight their dedication to ensuring that all travelers receive the necessary assistance and accommodation to have a comfortable and safe journey, while complying with European and international accessibility regulations.

Air France and KLM are each responsible for their own accessibility policy to assist passengers with disabilities (PWDs) during their customer journey. The key points of the customer journey are booking, reservation of assistance and its communication, transportation of special (mobility) equipment in accordance with the baggage policy and baggage handling, assistance at the airport and onboard, medical equipment and mobility aids, service dogs, accessible aircraft cabin, and seating.

Air France-KLM is deploying a specific training plan for staff in contact with passengers with disabilities in accordance with European and international regulations. All staff in contact with passengers with disabilities have been trained to ensure they are particularly attentive and understanding of these passengers, and that their personal needs are met as effectively as possible.

Finally, the Air France-KLM digital accessibility policy is designed to ensure that their digital platforms are accessible to all users, including those with disabilities.

To ensure robust execution, the accessibility policy is safeguarded within the operating procedures of each business line.

Air France-KLM collaborates with its stakeholders in the development and implementation of its accessibility policy. Stakeholders include customers, association groups, regulatory bodies, internal staff, airports, and assistance service providers or accessibility consultants.

Transavia Netherlands is working on the implementation of an integral, company-wide, PWD policy on various subjects, such as the accessibility of information on the website and during booking and the assistance and information provided by the customer service centers.

4.3.4.3.3.2 Engagement process – Access to services for passengers with disabilities (S4-2)

Air France-KLM engages in dialogues with passengers with disabilities and other parties such as airports and other airlines to ensure a comprehensive understanding of their perspectives. Air France is in contact with associations in the disability sector to understand their needs and expectations for air travel. These associations also provide valuable feedback on products and services designed for passengers with disabilities. The aim is to maintain a lasting relationship with these associations by organizing regular meetings, thereby continuously improving the travel experience for all passengers.

4.3.4.3.3.3 Processes to remediate negative impacts – Access to services for passengers with disabilities (S4-3)

Air France and KLM ensure passengers with disabilities receive appropriate assistance through a comprehensive engagement process and remediation steps.

Passengers are encouraged to provide detailed information about their needs during booking and to notify the airline at least 48 hours before departure of any required assistance. The airlines offer a range of services, including mobility aids, special seating, and on-board support, while coordinating with airport authorities to facilitate smooth travel.

Air France-KLM is dedicated to enhancing the travel experience for passengers with visual and hearing impairments by providing tailored support throughout their journey. Air France-KLM ensures seamless accommodation from booking to destination.

Air France-KLM also prioritizes the careful transportation of mobility aids and service animals, recognizing their importance to passenger's independence. The goal is to ensure reliable and timely delivery, minimizing any potential disruptions.

Furthermore, Air France-KLM emphasizes continuous staff training to effectively assist passengers with special needs. This fosters empathy and proficiency for an inclusive travel experience, thus ensuring that all staff members are well-equipped with knowledge and skills to provide exceptional care and support to all customers.

In the event of negative impacts, passengers should inform airline staff immediately, and unresolved issues can be reported to customer service for investigation and resolution. Air France and KLM strive to address complaints promptly, offering apologies, refunds, or compensation as needed, and use feedback to continuously improve their services, ensuring compliance with international regulations.

4.3.4.3.3.4 Targets – Access to services for passengers with disabilities (S4-5)

Air France-KLM aims to make its services accessible to all passengers. In 2024, around 690,000 requests for assistance from Air France and 500,000 requests for assistance from KLM were processed. Air France-KLM aims to firstly ensure compliance with all local country legislation. Additionally, Air France-KLM efforts are focused on reducing the claims and damages caused in the servicing of passenger with disabilities, and on improving customer satisfaction.

To achieve this goal, Air France-KLM works with airports to provide appropriate assistance to each customer and continues to develop relationships with internal and external customers with disabilities and relationships with associations.

Regarding digital accessibility, Air France-KLM aims to offer its customers an accessible website and application, and to comply with the WCAG (Web Content Accessibility Guidelines)⁽¹⁾ requirements. The same applies to Transavia Netherlands, where the provision of information is considered key to a smooth customer journey.

These efforts are part of Air France-KLM's commitment to creating an inclusive travel experience for all.

4.3.4.3.3.5 Actions plans in place or planned – Access to services for passengers with disabilities (S4-4)

Continuously, Air France-KLM updates training materials and operating procedures, and ensures development of products and services that meet accessibility design requirements. To maintain its commitment to customers with disabilities and to facilitate their travel experience, Air France and KLM's dedicated assistance services for passengers with disabilities, SAPHIR (*Service d'assistance aux personnes handicapées pour les informations et la réservation*) and KLM Cares, provide tailored services such as facilitated booking procedures, airport assistance, baggage assistance, and special equipment on board. The information available on websites presents the different services available, enabling passengers to prepare for their journey with peace of mind. On booking, passengers with disabilities can request special seating arrangements depending on their disabilities. This may include seats with extra legroom or seats near the lavatories.

Air France-KLM works with airports to provide appropriate assistance to each customer and continues to develop relationships with internal and external customers with disabilities and associations.

⁽¹⁾ https://european-union.europa.eu/web-accessibility-policy_en

During the Olympic Games, Air France proactively offered some passengers the option to collect and deliver their mobility equipment directly at the aircraft door. After the Olympic Games, this service has been maintained on customers' request, provided that the acceptance conditions are fulfilled (Air France or HOP! operates the flight, the airport is eligible, etc.). Moreover, since the beginning of 2025, it has again been partially proposed in a proactive way for manual wheelchairs, and will be gradually extended to all stations, to KLM, and to electric wheelchairs.

Meanwhile, KLM is enhancing its procedures for handling wheelchairs in the cargo hold to prevent damage. Additionally, KLM plans to test and implement a wheelchair ramp delivery system, in alignment with Air France's approach.

Finally, Air France-KLM is implementing actions for greater autonomy for passengers with disabilities throughout their journey (digitally, at the airport, and onboard) in collaboration with its stakeholders.

Transavia Netherlands is working on various solutions to improve the customer journey of passengers with reduced mobility.

4.3.4.3.4 Data privacy and security

4.3.4.3.4.1 Policies – Data privacy and security (S4-1)

Data protection and cybersecurity constitute one of the top priorities of Air France-KLM, as any failure could impact its operational and economic performance and damage the trust of its customers.

In force since May 2018, the European General Data Protection Regulation (GDPR) has extended the rights of data subjects and strengthened the accountability and obligations of data controllers (who, for Air France-KLM, are the EVPs of each division, supported by a network of business privacy correspondents and advised by the Air France-KLM Privacy Officer and the airline Data Protection Officers (DPOs), who monitor compliance with the privacy legislation).

Since 2018, Air France-KLM has deployed and regularly enhanced internal policies and procedures to strengthen personal data protection, as well as cybersecurity programs, with particular attention to customers' personal data.

The internal privacy policies/procedures apply to all Air France-KLM staff. The responsibilities of Air France-KLM third parties are managed by means of data privacy clauses in the contracts.

For their customers, Air France, KLM, and Transavia Netherlands and France have issued privacy policies, which are published on their websites. The policies inform customers of how and why their personal data is being processed and protected and how they can exercise their rights.

The privacy policies apply to all customer personal data that is processed by Air France, KLM, and Transavia Netherlands and France, especially when customers make a booking, purchase a ticket, travel, purchase or use any services, visit the websites, use mobile applications, or interact with the airlines through the various channels available.

A specific privacy policy is also published on the Flying Blue website for the Air France-KLM loyalty program. It explains how customer personal data is collected and used in relation to the program (when customers become a member of Flying Blue, use the Flying Blue website or mobile apps, or contact Flying Blue).

4.3.4.3.4.2 Engagement process – Data privacy and security (S4-2)

Air France, KLM, Flying Blue Miles, and Transavia Netherlands and France have nominated Data Protection Officers (DPOs), as set forth in the GDPR, who are the point of contact of data subjects regarding any question relating to the processing of their personal data. When a customer wishes to exercise his/her rights regarding the processing of his/her personal data, he/she can simply send a request to the postal or email address provided to him/her on the websites or apps of Air France, KLM, Transavia Netherlands and France, and Flying Blue.

This dialogue with customers enables Air France-KLM to enhance its data protection procedures and processes while taking into consideration customers' most frequent requests. One example of process and procedural enhancements is the development of self-service so that customers can exercise their rights faster (e.g., to erase their personal data). The DPOs are also the point of contact for authorities in France and the Netherlands regarding any questions and in the event of investigations. DPOs also support the Air France-KLM teams in other countries (outside the European union) if local authorities have questions/inquiries.

4.3.4.3.4.3 Processes to remediate negative impacts – Data privacy and security (S4-3)

The Air France-KLM data privacy management system aims to prevent, mitigate, and remediate negative impacts, especially misuse/leakage of customer's personal data.

Air France and KLM DPOs have regular monthly meetings with the Air France-KLM Chief Information Security Officer (CISO) to discuss any cases that could have a negative or a positive impact on privacy, including the addition of extra security measures. The Air France-KLM CISO also has regular meetings with the Transavia CISO.

In the event of a data breach, a multidisciplinary response team is mobilized to act quickly, efficiently, and appropriately to the incident. The risks for data subjects/customers are assessed, and this triggers a notification to them when needed. Remediation plans are then quickly implemented.

An Air France-KLM Commercial Data Protection Committee regularly gathers all relevant teams to enhance data privacy compliance for our customers. Its objectives are to: manage the compliance of Air France-KLM's processing activities for customers; review/align the applicable data protection policies/procedures; manage the execution of Privacy Impact Analyses for projects/new processing activities; monitor the action plans for the implementation of customer data management procedures and, in particular, the exercise of GDPR rights; and monitor the performance of audits and the associated action plans.

The Cyber Business Continuity Plan (BCP) is tested annually and improved with long-term actions to maintain the highest cybersecurity level in the industry, including with all affiliates and suppliers. The 24/7 Security Operation Center, certified as a PDIS (security incident detection service provider) by the authorities, monitors all security events. The threat detection team ensures state-of-the-art cybersecurity for IT components. Every employee can declare a cyber event through a dedicated email or a request for support sent to the Air France and KLM Help Desk worldwide.

All Air France-KLM staff are regularly trained in data privacy and cybersecurity.

4.3.4.3.4.4 Targets – Data privacy and security (S4-5)

No specific targets have been set regarding data privacy.

For 2025, some KPIs are being discussed and should be monitored.

4.3.4.3.4.5 Actions plans in place or planned – Data privacy and security (S4-4)

In the past few months, a broad ranging program (called the "Privacy Maturity Program") has been launched with the aim to further improve the level of data privacy maturity in Air France, KLM, and the Air France-KLM joint businesses.

The Air France response to customer requests to exercise rights has been reinforced to improve the processing of requests (for example, with a self-service account deletion service).

A new mandatory Privacy Basics e-learning program has been launched in the second semester for KLM ground staff and will be extended to Air France staff in early 2025.

Actions have been taken to analyze and improve Air France-KLM compliance with some foreign privacy laws and will continue in 2025.

New tools from AMADEUS, based on AI, have started to be tested in 2024 for the Commercial domain and could be acquired in 2025 by the Air France-KLM CISO to improve business capacity and further detect and explain any potential misuse of personal data.

The customer sign-in process to access bookings and Loyalty Miles on the Air France-KLM websites is being strengthened with new two-factor authentication (2FA) features promoted by Air France-KLM CIS. These new 2FA features are progressively being introduced by Commercial Business wherever it brings added value for customers.

4.3.4.4 Operational Safety & Security of Air Transportation (S4-1, S4-2, S4-3, S4-5, S4-4)

For Air France-KLM and its airlines, operational safety and, by the virtue of its business, flight safety are paramount. They are key to retaining the trust of both customers and staff, and imperative for the long-term viability of its operations and of air transportation.

Within the context of a complex and changing environment, the Group strives to maintain the highest level of safety, thanks to its Safety Management System and its support of its safety players through specific measures.

4.3.4.4.1 Material IROs – Operational Safety & Security of Air Transportation (ESRS2 SBM-3)

The table below shows the material impacts, risks, and opportunities identified for this section:

Topic	Material impact (N: negative; P: positive)	Own Operations (OO) / Value Chain (VC)	Material Risks (R) or Opportunities (O)	Time horizon (short, medium, long term)
Operational safety & security of air transportation	N: Passengers and goods transported can be harmed in the event of incidents or accidents	OO	R: Financial risk as a result of potential damages to people and goods and Air France-KLM reputation in the event of incidents or accidents	short/medium

For more information regarding the double materiality analysis and the identification of material IROs, please refer to section 4.1.4.1 "Process to identify and assess material impacts, risks and opportunities (IRO-1)".

4.3.4.4.2 Policies – Safety and security of passengers (S4-1)

Each airline in the Group maintains and develops a Safety Management System (SMS) based on its respective Safety Policies, which hold formal approval by the Civil Aviation Authorities in each country.

Air France and Air France's HOP! Safety Policy, signed by the airlines' CEO, recognized that a high safety level is not only an obligation toward its customers and staff, but also an indispensable condition for its sustainability. It provides the guidance for achieving this goal by maintaining the highest possible safety level, considering best industry standards and compliance with regulatory requirements and company standards. The Safety Policy is also applicable to Transavia France.

The Air France Corporate Flight Safety and Risk Management Division now includes Occupational Health, Food Safety, and Environmental risks. This allows for a more comprehensive approach to the risks and the contributing factors. The HOP! Flight Safety and Risk Management Division includes Occupational Health and Security to allow for a more comprehensive approach to the risks and the contributing factors.

The KLM Safety & Security Policy gives guidance on how to maintain the highest levels of operational, occupational, and environmental safety and operational security within KLM. It is signed by the Accountable Executive (COO) of KLM and by all Accountable Managers represented in the KLM Safety Review Board (SRB), including the Accountable Manager of the subsidiary KLM Cityhopper.

Next to the general Safety and Security Policy, more specific policies exist for the following fields of safety and security interest: Contracted Activities, Fatigue Risk

Management, Occupational Safety & Health, Environment (including energy), and IT Business Continuity.

These specific fields of safety are an integral part of the KLM SMS.

The Transavia Safety, Compliance & Security Policy contains the principles that are essential to the safety and security of our operations, staff, and passengers. With this policy, Transavia commits to maintain a safe and secure operation and to continuously improve on safety and security. It applies to all employees and is signed by the Accountable Manager (Chief Operating Officer).

Each airline of the Air France-KLM Group has its own Air Operator Certificate and is therefore responsible for its own safety and security. Despite that, cooperations and regular exchanges of data and good practices are organized between those airlines of the Group.

Since Operational (Flight) Safety is an absolute priority for Air France-KLM, the Board of Directors conducts an annual review of the safety indicators (KPIs) and results and the measures in place to mitigate the impact of risks.

Within Air France, Flight Safety Committees, chaired by the Executive Vice Presidents responsible for the operational entities (Safety Action Groups), meet every quarter. Their task is to approve the action plans established to apply the orientations set by the companies, the outcomes of inquiries, and the results of supervisory acts.

These Committees are also tasked with sharing information on the emergence of new flight safety issues originating from feedback or risk analysis, by ensuring that the resources and action plans in place are adapted to the issues. These Flight Safety Committees are also applicable for Transavia France.

4.3.4.4.3 Engagement process – Safety and security of passengers (S4-2)

Air France-KLM engages with its passengers on several platforms and encourage them to share their experiences with its companies, both compliments as well as tips and suggestions for improvement. Whenever this concerns the safety of a flight, these messages are relayed to the proper operational departments for follow-up.

Furthermore, the Group's airlines engage in discussions with peers and regulators, for example, in standing committees within the IATA and the SkyTeam alliance.

4.3.4.4.4 Processes to remediate negative impacts – Safety and security of passengers (S4-3)

To achieve the highest possible standard of flight safety, each airline maintains, regularly updates, and reinforces its risk-based SMS, which defines the modalities in place within the airline.

Air France, KLM, Transavia France, Transavia Netherlands, and HOP! use the evaluation method for operational risks recommended by the European Aviation Safety Agency. They have deployed this method in all the operational entities and at all levels of the business. The management of flight safety risks, notably through systems compiling flight parameters and occurrence reports, enables threats to be identified, risks to be evaluated, the implementation of measures to prevent these risks, and the monitoring of the results obtained.

Further, it enables proactive management of the risks to maintain them below the level that is deemed acceptable to the responsible management. The management of flight safety risks is monitored by the Corporate Safety Departments of both airlines. An internal quality assurance procedure continuously evaluates the proper functioning of Flight Safety Risk Management. To this end, both Air France and KLM have decided to invest in new software tools for the management of safety data. These software tools concern the management of safety-related data, including the safety reports (dealing with flight safety, health at work, food safety, security, environmental risk, etc.) and the management of subsequent follow-up actions as required.

Air France is developing synergies between an array of progress-oriented and risk management approaches – Flight Safety, Health & Safety in the Workplace, Customer Service Quality, Operational Performance, Environmental & Sustainable Development, and Food Safety & Hygiene. This quality-based approach is the vector for the steering and management of the businesses, aimed at continuous improvement of results.

KLM deploys a similar approach. The company is building on the best safety and security practices through its Safety Management System (SMS), a working environment of continuous learning and improvement, and independent oversight of the four safety domains: operational, occupational, environmental safety, and operational security. KLM thus continuously aims to improve its industry-leading, risk- and performance-based Safety Management System, in which risk-based decisions are made by management responsible at all levels within KLM. The SMS is outlined in KLM's Safety Management System manual (SMSm) and has been approved by the Dutch Civil Aviation Authorities as part of the Air Operator Certificate.

Transavia also has a Safety Management System (SMS). This system provides an effective systematic approach that makes it possible to learn and improve continuously with respect to safety and security matters, while applying "just culture" principles. It also enables oversight of safety performance and risk-based decisions. The SMS is evaluated once a year by the Safety Review Board.

4.3.4.4.5 Targets – Safety and security of passengers (S4-5)

The safety and security goals and subsequent key performance indicators developed by Air France and KLM are meant to closely follow all safety and security events and therefore to provide a means to manage flight safety and security for passengers and staff maintaining them at the highest level.

4.3.4.4.6 Action plans in place or planned – Safety and security of passengers (S4-4)

All the Group's activities are subject to numerous checks and certifications, in particular, via the supervisory actions carried out by the Civil Aviation Authorities in each country and mandated through European Aviation Safety Agency (EASA) rules and regulations. These rules and regulations cover all aspects of operations, including maintenance activities and training of staff.

Other certifications like the Operational Safety Audit (IATA Operational Safety Audit – IOSA) and ISO certifications like ISO 14001 (environment) and ISO 50001 (Energy) are also supporting the safety ambitions of Air France and KLM.

Air France, KLM, Transavia France, Transavia Netherlands, and HOP! are EASA-approved airline operators and maintain their Airline Operator Certificates (AOCs) based on specific procedures and processes set forth by the EASA.

Air France's and KLM's IOSA certifications are continuously renewed following on-site and risk-based audits by specialist teams from IATA. For Air France, its most recent renewal audit based on the new risk-based approach was carried out in October 2024, with the next one planned for the end of 2026. KLM and KLM Cityhopper underwent this audit in November 2024; with the next one also planned for the fall of 2026. Based on the outcome, Air France, KLM, and KLM Cityhopper renewed their IOSA registration until the first quarter of 2027. At Transavia Netherlands, the risk-based audit performed by IATA is planned for early March. Based on the outcome of this audit, our registration is extended from the second quarter of 2025 to the second quarter of 2027. HOP! holds an Operational Safety Audit (IATA Operational Safety Audit – IOSA) certification (audit renewal will be carried out in June 2025).

All events and trends are analyzed, and action plans are elaborated to mitigate the risks. Regular meetings are organized to manage those events and trends, and specific action plan are launched, such as:

- Safety culture: Airlines have a safety culture program whose goal is to improve this culture for the staff. For example, Air France launched the Safety Attitude initiative for several years. It provides training, promotes safety visits, launches surveys to obtain feedback from the staff, performs specific communications, etc.
- Other actions may, for example, lead to the replacement of some equipment with new, higher-performing equipment or provide improved awareness to staff, as in the case of the Pilot Self-Debriefing, which enables each pilot to visualize his or her flights by using a specific tool based on recorded data
- Trainings are provided to staff with respect to their safety tasks. They are also meant to help them remain aware of their role in the Safety Management System. Those trainings take into account the lessons learned as provided by the SMS.

4.3.4.5 Metrics – Net Promoter Score (NPS)

For Air France-KLM, customer satisfaction is a key priority, and the Group is developing numerous initiatives to improve the customer's end-to-end travel experience. Customer satisfaction is notably measured through the Net Promoter Score (NPS), the reference indicator driving customer recommendations. Performance indicators and tools have been developed to track the results daily.

Customer satisfaction is fundamentally based on trust in the Group's airline activities. As a responsible airline

group, Air France-KLM must ensure the safety and health of its customers, employees, and partners. This commitment includes providing transparent information to passengers in the event of disruptions, ensuring service accessibility for passengers with disabilities, protecting personal data, and maintaining the highest standards of operational safety and security of air transport. Air France-KLM actively engages in these initiatives, which are crucial for enhancing consumer and end-user experiences.

The Net Promoter Score (NPS) is an indicator given by customers as to whether they would recommend the products and services of Air France, KLM, and Transavia (France and The Netherlands) in their capacity as airlines. It ranges from 0 to 10 (0 corresponding to "I will definitely not recommend" and 10 to "I will definitely recommend"). It corresponds to the difference between the percentage of promoter customers (who give scores of 9 and 10) and the percentage of customers critical of the brand (who give scores of 0 to 6). This concerns the response to the first question asked in Air France-KLM's e-Score online customer satisfaction questionnaire: "Based on your opinion and experience, how likely are you to recommend Air France/KLM/Transavia to your friends/colleagues?" For each brand, the indicator measured is the annual change in the NPS, calculated as an annual average.

Net Promoter Score (NPS)	Airline	2024
Annual change in the NPS	Air France	+2
	KLM	-
	Transavia France	-8
	Transavia Netherlands	-8

Despite the performance increase thanks to investments Air France made to further improve the customer experience, Air France's 2024 NPS target was not achieved due to several operational difficulties, including strikes, air traffic control disruptions, weather events, and fleet tension caused by a lack of spare parts. These issues significantly impacted customer satisfaction despite improvements in connecting passenger and luggage processing.

To address these challenges, Air France implemented several initiatives: a joint working group with Aéroports de Paris to enhance operational efficiency, increased luggage sorting capacity, anticipated maintenance part orders, and added reserve aircraft. Special attention was also given to communication and resolving disruptions for our customers.

Similarly, KLM's NPS target was not met due to operational disturbances early in 2024, such as baggage handling issues, fleet maintenance, and staff shortages. These issues affected the overall customer experience.

To manage these disruptions, KLM focused on seamless airport processes, improved customer assistance, and enhanced communication. Furthermore, KLM continues to invest in on-board comfort, including new World Business Class seats, a new Premium Comfort cabin, Economy Class seats, and WiFi, to further enhance the customer experience.

For both Transavia France and Netherlands, the decrease in NPS performance is mainly due to the introduction of paid hand luggage in the second half of the year and operational issues.

4.4 GOVERNANCE INFORMATION

4.4.1 Business conduct (ESRS G1-1, G1-3, G1-4)

The table below shows the material impacts, risks, and opportunities identified for this section:

Topic	Material impact (N: negative; P: positive)	Own Operations (OO) / Value Chain (VC)	Material Risks (R) or Opportunities (O)	Time horizon (short, medium, long term)
Business conduct, anti-corruption, protection of whistleblowers	N: Unethical practices can arise within Air France-KLM activities and its value chain	OO/VC	R: Financial risk as a result of damages to AFKL reputation and legal proceedings related to non-compliance with regulations on business ethics	short/medium

For more information regarding the double materiality analysis and the identification of material IROs, please refer to section 4.1.4.1 "Process to identify and assess material impacts, risks and opportunities (IRO-1)".

4.4.1.1 Corporate culture (G1-1)

Our commitments

As an international group with operations all over the world and employing a large number of staff, the Air France-KLM Group is committed to respecting both ethical values and the applicable legislation in all regulatory compliance domains.

The Air France-KLM Group recognizes and complies with the international standards applicable to legal entities in terms of ethics and compliance, including notably the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises, the fundamental conventions of the International Labor Organization, and UNICEF's Rights of the Child and Business Principles.

We comply with all such legislation not just because we are required to do so, but also because it is an essential element of delivering on our corporate purpose and values and an imperative to be in a position to preserve competitiveness, company reputation, and durability of our activities.

Promotion of corporate culture within the organization

The promotion of the corporate culture in terms of business ethics is notably achieved through regular internal communication, awareness campaigns, and training within the organization.

The Air France-KLM Group also promotes the corporate culture in terms of business conduct through the Air France KLM Principles.

In July 2020, the Air France-KLM Group published the Air France-KLM Principles, which set out the values and fundamental rights within the Group. The Air France-KLM Principles were developed in cooperation with the European Works Council and staff representatives. The Air France-KLM Principles reaffirm to all employees the Air France-KLM Group's commitment to fostering a climate of mutual trust, respect, transparency, and confidentiality.

They include the commitments in respect of diversity and inclusion; health and safety; working conditions, including remuneration, working hours, freedom of association, social dialogue, and the combating of modern slavery and human trafficking; protection of the environment and local communities; privacy and digital ethics; the combating of corruption, fraud, and market abuse; compliance with embargoes, trade sanctions, export control rules, and competition laws; and relations with third parties.

They serve as a shared foundation for all the companies within the Air France-KLM Group and support new initiatives, procedures, rules, and codes of conduct. The Air France-KLM Principles apply to all employees within the Air France-KLM Group, including those working part-time and under temporary contracts. All employees of the Air France-KLM Group may access these Air France-KLM Principles through their respective intranets and the Air France-KLM corporate website.

Promotion of ethical business values toward our business partners

The Air France-KLM Principles also apply to all Air France-KLM stakeholders, irrespective of their nature, and the Air France-KLM Group encourages all its customers, shareholders, business partners, and local communities to respect them.

To this end, the Air France-KLM Group publicly communicates about the Air France-KLM Principles on its corporate website, and the principles and commitments are embedded in specific documentation applicable to the Air France-KLM supply chain (such as in the Supplier Sustainable Code of Conduct) and in the provisions of contract templates to be used when entering into commercial relationships with business partners.

In addition, as a signatory of the United Nations Global Compact since 2003, the Air France-KLM Group has undertaken to respect the ten principles of the Global Compact. It has incorporated these ten principles into its

strategy, policies, and procedures and actively promotes them to its partners and suppliers.

In the course of its relationships with its suppliers and subcontractors, the Air France-KLM Group is committed to ensuring that the fundamental principles and social rights are properly respected, everywhere in the world. Suppliers are requested to accept and comply with a Supplier Sustainable Code of Conduct based on the ten Principles of the United Nations Global Compact or to comply with their own Code of Conduct provided that its terms and conditions are as stringent as the ones in the Air France-KLM Supplier Sustainability Code of Conduct. They are also asked to verify such commitment within their own supply chain. Before entering into any undertakings and during commercial relationships with customers, suppliers, and intermediaries, the Air France-KLM Group ensures that the compliance and fair business conduct rules are duly respected through a third-party evaluation process in accordance with the Air France-KLM policy on third party selection and management.

4.4.1.2 Governance – Corporate culture in business conduct (G1 - ESRS 2 GOV-1)

Role and expertise of Top Management in corporate culture surrounding business conduct

The Air France KLM Group Top Management is highly involved in the definition, promotion, and monitoring of corporate culture surrounding ethical business conduct and associated actions to ensure that the Air France-KLM Group conducts business in full integrity, with fairness and transparency, and in compliance with all applicable laws on corporate compliance.

For that purpose, the Air France-KLM Group Top Management (i.e., the Air France-KLM CEO and Group Executive Committee) is in charge of the following main actions:

1) Implementing an organization and governance for compliance and business ethics matters

Appointment of an Air France-KLM VP Group Compliance Officer is validated by Air France-KLM Group Top Management, which also ensures that such person has sufficient autonomy, influence over internal stakeholders involved in compliance programs, experience, adequate resources, and high positioning to get direct access to Top Management for reporting.

As part of the compliance organization, the Air France-KLM Group Top Management also appoints compliance coordinators for their respective divisions so that compliance and business ethics matters are taken into account and deployed within the whole organization.

2) Validating and monitoring compliance programs and action plans

The compliance programs and derived yearly action plans prepared by the Air France-KLM Group Compliance team are validated and monitored on a quarterly basis by the Air France-KLM Group Top Management.

The Air France-KLM Group Top Management initiates the risk map campaigns, participates in the risk map exercise, and validates and monitors the global action plan and specific action plans for their respective divisions and teams whenever needed.

The Air France KLM Group Top Management validates the control framework for the compliance programs and the reporting mechanisms (including the whistleblowing tools). In the event of incidents, they are informed of well-grounded compliance cases and validate sanctions and remediation plans defined to correct the incidents.

They also request and review audits of compliance matters to be conducted as part of the yearly audit plan.

3) Fostering a culture of fair and ethical business conduct internally and externally

The Air France-KLM Group Top Management validates the codes and policies on compliance matters and ethical business (i.e., the Air France-KLM Group Anti-Corruption Code of Conduct, the Air France-KLM Group manual on competition rules, etc.) and communicates about internal rules and policies to their teams to cascade down awareness in the whole organization.

The Air France KLM Group Top Management also ensures training and awareness through validation of e-learnings and training campaigns on compliance matters and closely monitors completion of e-learnings to ensure that we reach a high completion rate, as part of our KPI.

The Air France-KLM Group Top Management also ensures that our rules and standards are promoted in relation to third parties with which the Air France-KLM Group engages in business relationships through validation of the strategy and associated actions (i.e., Supplier Sustainable Code of Conduct, performance of screening and due diligence on third parties from a compliance standpoint, etc.).

The Air France KLM Group Top Management expertise in compliance and ethical business conduct is achieved through active communication and awareness by the Air France-KLM Group Compliance teams and the follow-up on e-learnings and dedicated training sessions (see notably the section on the functions that are most at risk in respect of corruption and bribery).

Role and expertise of supervisory bodies in corporate culture surrounding ethical business conduct

The Air France-KLM Board of Directors monitors the adequacy and efficiency of the measures adopted by the Top Management on compliance and business ethics, notably through participation in the Sustainable Development and Compliance Committee (SDCC) and the Audit Committee to review and provide feedback on the compliance programs and action plans.

The SDCC assists the Board of Directors in reviewing the Air France-KLM Group's policies on compliance and sustainability matters. It ensures that the Air France-KLM Group promotes long-term value creation and takes into

account ethical business conduct in its activities and in the establishment of the Air France-KLM Group's strategy by submitting recommendations to the Air France-KLM Board of Directors.

As part of its mission, the SDCC examines the sustainability-related risks, specifically those relating to ethical business conduct, and reviews the Group's compliance program and action plans and monitors their implementation to ensure their adequacy and efficiency.

These supervising activities are done during SDCC meetings, which should occur at least three times per year.

Workshops on sustainable business are also organized for Air France-KLM Board members.

4.4.1.3 Prevention of corruption and bribery, protection of whistleblowers (G1-3, G1-4)

Disclosure of the functions that are most at risk in respect of corruption and bribery

Although all employees of the Air France-KLM Group may be potentially exposed to corruption cases, certain categories of personnel could be subject to a greater risk of exposure to corruption due to their functions.

The functions within the Air France-KLM Group that are most at risk have been determined based on the following criteria:

- their positioning: the persons who have functions with power to make decision or influence decisions at the highest levels of the organization are most exposed to risks. These include Senior Management and Top Management;
- their location: some countries are most at risk based on our review of (i) the Corruption Perception Index published each year by the association Transparency International, which ranks around 180 countries and territories around the globe by their perceived levels of corruption, and (ii) the legal watch done on corruption cases or investigations released on the competent authorities' websites or in press articles. It implies greater vigilance for these countries where some employees are located;

- the nature of the tasks they perform: functions that belong to procurement or sales departments have frequent interactions with many third parties, thus increasing the theoretical risk of being offered or requested undue advantages. The same applies to functions that carry tasks with interactions with public officials or politically exposed persons (such as public and international affairs) or in sponsoring or patronage events;
- the outcome of the corruption risk map for the divisions/departments to which the employees belong.

Due to this increased risk exposure to corruption for the above listed functions, specific measures are dedicated to them. Such measures may consist of:

- specific documentation (i.e., code of ethics for procurement function, for financial function);
- specific in-class training (for Top Management, Senior Management, and functions at risk, in addition to e-learning opened to all employees);
- specific actions part of the action plans derived from corruption risk map;
- specific controls to be implemented on the tasks performed by such functions (controls on gifts and hospitality, for instance).

Detection and prevention of corruption

The Air France-KLM Group has set up an anti-corruption program, which includes policies, risk mapping, awareness and training, remediation and sanction mechanisms, reporting mechanisms, and a controls framework.

This anti-corruption program applies to all staff of the Air France-KLM Group, irrespective of the nature of their employment contracts (i.e., interns, apprentices, temporary workers, etc.), the work duration (full- or part-time), their position, their function (with specificities for high-risk functions), and their location worldwide (outstations, subsidiaries, etc.).

The Air France-KLM Group also promotes its anti-corruption program and zero-tolerance policy to external parties working with the Air France-KLM Group (i.e., customers, suppliers, providers, agents, consultants, partners, etc.) and requests that they commit to the same rules and standards with respect to anti-corruption.

Policies

The Air France-KLM Group is committed to conducting business with loyalty, fairness, transparency, honesty, and integrity in strict compliance with the anti-corruption laws in all the countries where its entities are registered and operate.

To this end, the Air France-KLM Group has implemented internal rules consistent with the requirements of the various anti-corruption laws, including the French Sapin 2 Act, the UK Bribery Act, and the US Foreign Corrupt Practices Act. The Air France-KLM Group regularly reviews and updates its internal documentation to take into account changes in legislation and recent case law, as well as the results of risk mapping and any reported incidents.

The Anti-Corruption Code of Conduct and its policies

Scope

The Air France-KLM Group Anti-Corruption Code of Conduct, including its six policies attached as appendices, sets out the rules that must be complied with by all employees and directors of the entities of the Air France-KLM Group as well as by any third parties with whom it does business. It applies irrespective of the nature and duration of the employment contracts and wherever the staff (full- or part-time, fixed-term or not, trainees, interns, apprentices, employees) is located and in all controlled entities of the Air France-KLM Group.

Purpose

The purpose of the Air France-KLM Group Anti-Corruption Code of Conduct is to enable employees to clearly understand the risks that relate to or may be generated from their activities within the Air France-KLM Group with external parties and how to avoid them and how to behave if they detect or witness any risk or incident.

Content

The Air France-KLM Group Anti-Corruption Code of Conduct is introduced by the Air France-KLM, Air France, and KLM CEOs, who emphasize the Group's values and ambition in terms of business ethics and clearly express the zero tolerance policy for any corruption offenses.

The Air France-KLM Group Anti-Corruption Code of Conduct provides all definitions of offenses, examples of prohibited behaviors and associated sanctions, recommendations to follow to avoid corruption risks, and useful contacts and reporting mechanisms to ensure that all deviations can be avoided and remedied.

It has been drafted to take into account main recognized international standards and regulatory requirements, such as the US Foreign Corrupt Practices Act, the UK Bribery Act, the French Sapin II Law, and French and Dutch Criminal Codes, as amended and complemented from time to time and including any relevant guidelines issued from competent authorities.

It covers all topics that can put the Air France-KLM Group's interests at risk, such as gifts and hospitality, conflicts of interest, facilitation payments, lobbying, sponsorship and patronage, and relations with third parties (with a risk-based approach, for customers, suppliers, partners, intermediaries, public officials and politically exposed persons, etc.). These topics are addressed with examples and dilemmas generated from the corruption risk map and situations reported by staff so that it is tailored to the Group's organization.

The Air France-KLM Group Anti-Corruption Code of Conduct provides general guidance for all situations, and a dedicated policy sets forth the specific rules and procedures to follow for each of the above listed topics to be addressed as part of the anti-corruption program.

It specifies sanctions for violations, as well as a reporting mechanism in the event that a violation is detected.

It reflects the values of respect, trust, transparency, and confidentiality stated in the Air France-KLM Principles.

The Air France-KLM Group Anti-Corruption Code of Conduct sets out the minimum rules to observe everywhere the Air France-KLM Group operates.

Validation process and communication

The latest version of the Air France-KLM Group Anti-Corruption Code of Conduct has been released in December 2022.

Before its release, the Air France-KLM Group Anti-Corruption Code of Conduct was validated by the Air France-KLM Group Executive Committee and Top Management of the airlines as well as the workers' councils of the airlines. It has also been presented to the Air France-KLM Sustainable Development and Compliance Committee.

It is incorporated into the Internal Rules of the French entities, in compliance with the legal requirement under French law.

It is available on the intranet websites of the airlines of the Air France-KLM Group. Each subsidiary ensures availability of this document to its personnel through intranet or share space.

Its main languages are French, Dutch, and English but the Air France-KLM Group Anti-Corruption Code of Conduct has also been translated in some other languages of the countries where the Air France-KLM Group operates.

Specific communications have been sent out regarding this Air France-KLM Group Anti-Corruption Code of Conduct, and it has been the subject of an e-learning starting in the month of its release.

Regular communications are also made during training sessions for the employees.

The Air France-KLM Group Anti-Corruption Code of Conduct is also available on the corporate website to share its values and rules with all third parties..

Whistleblowing policies

The Air France-KLM Group ensures that any employee is able to freely raise any concerns in the event of any suspicion of a violation of applicable laws and regulations or of our internal documentation, including but not limited to the Anti-Corruption Code of Conduct and its associated policies.

The Air France-KLM Group has adopted several channels to encourage employees to speak up, notably through management, HR, compliance teams (including the compliance coordinators network), and whistleblowing tools.

Management of reported incidents helps the Air France-KLM Group in (i) adopting corrective measures, (ii) improving procedures or tools, (iii) adapting the communication and training materials based on these real-life scenarios, (iv) ensuring that we maintain our operational performance, and (v) respecting our values.

The whistleblowing tools may be different between entities of the Air France-KLM Group. However, they are all subject to dedicated whistleblowing policies with the common main items described below.

Scope

The whistleblowing policies apply to all persons who can issue a report through the whistleblowing tools. These persons can be:

- staff members of the Air France-KLM Group entity (employees, former employees, and job applicants when the information was obtained during an assignment or the recruitment process; external and occasional workers, such as trainees, apprentices, and temporary workers);
- shareholders, directors, and members of the administrative, management, or supervisory bodies of the Air France-KLM Group entities;
- third parties.

These whistleblowing policies specify the nature of the violation that can be reported, such as corruption cases or serious incidents linked to the duty of vigilance (violation of human rights and fundamental freedoms, health and safety issues, environmental matters) pursuant to the regulation in force.

Purpose

The purpose of the whistleblowing policies is to enable the employees of the Air France-KLM Group entities to better understand the regulations applicable in this area, to know the channels available for the collection and processing of reports, and to understand the measures implemented to guarantee the strict confidentiality of the information communicated and the protection of whistleblowers.

They describe how reports will be managed by dedicated structures and teams.

The investigators are separated from the chain of management involved in the prevention and detection of corruption and bribery (see the section related to the roles and responsibilities of top management bodies). After the investigations are performed by dedicated teams, it is the management who decides on the adequate sanctions and remediation plans, which will be monitored by the compliance teams if the alert is well founded, and which may be subject to an internal audit as part of the yearly audit plan. Well-founded cases (including corrective actions and sanctions) are also reported to Top Management.

Content

The whistleblowing policies specify:

- who can issue a report and the scope of the information that can be reported;
- how a report can be made and what process steps apply to the collection and management of reports (including the investigations phase, and how the persons in charge of managing the case present all guarantees in terms of expertise and independence).

They state the rights and obligations of whistleblowers, including all protections regarding confidentiality and protection against retaliation measures.

Validation process and communication

Before their release, the whistleblowing policies have been validated by the Executive Committee and the workers' council of the entity concerned.

They are incorporated into the Internal Rules of the French entities, as legally required under French law. They are available on the intranet websites of the airlines of the Air France-KLM Group.

Awareness of the whistleblowing policies is raised through internal communications, e-learning sessions, and in-class training sessions for the Air France-KLM Group employees.

Conditions related to the collection and management of reports through the whistleblowing tools are set forth on the corporate websites for all third parties.

Incidents reported in accordance with the above-mentioned procedures are investigated, and appropriate corrective actions are implemented (see the section on the protection of whistleblowers).

Whistleblower protection measures

Facilitating access to and management of the incidents raised by whistleblowers

The employees of the Air France-KLM Group are made aware of the whistleblowing tools through a dedicated section in the anti-corruption e-learning, during in-class training sessions, through communication events, or during workshops done as part of the corruption risk map exercise.

External parties are made aware of the whistleblowing tools through documentation provided to them (i.e., in the Supplier Sustainable Code of Conduct, clauses in the contracts, etc.) and a dedicated section on the Air France-KLM Group entities' corporate websites.

These whistleblowing tools enable reporting in multiple languages to facilitate the issuance of reports, and reporting can be done anonymously.

Protection of whistleblowers

The whistleblowing mechanisms in place within the entities of the Air France-KLM Group offer guarantees in line with the latest applicable regulations on this matter (i.e., European Directive 2019/1937 of October 23, 2019, on the protection of persons who report violations of European Union law as implemented in national laws; French Act No. 2016-1691 of December 9, 2016, on transparency, the fight against corruption, and the modernization of economic life; and French Act No. 2022-401 of March 21, 2022, to improve the protection of whistleblowers).

Users are informed of how the reports will be managed and how the confidentiality and protection of whistleblowers (both internal and external) are guaranteed.

The whistleblowing tools guarantee strict confidentiality and secure access to reports by the persons in charge of analyzing and managing the cases.

The Air France-KLM Group entities have designated internal impartial and competent persons who are responsible for receiving and processing reports received via the whistleblower tools based on the domain of the alerts (i.e., fraud, anti-corruption, data privacy, harassment).

Such persons are personally committed and responsible for respecting confidentiality (with an enhanced confidentiality obligation) during the collection and processing phases of the cases, notably with respect to the identity of the whistleblowers, the identity of the persons targeted by the whistleblowers and of any third parties mentioned in the report, and all information collected by all the recipients of the report.

Non-disclosure commitments are executed by the persons in charge of and/or involved in internal investigations triggered by an alert through the whistleblowing tools to ensure they are informed of this obligation and aware of the consequences in the event of a breach of confidentiality.

The processing of personal data is also carried out in compliance with the applicable regulations (i.e., GDPR requirements).

In addition to the protection of the identity of whistleblowers, whistleblowers are protected against all forms of retaliation and are shielded from civil and criminal liability (provided that they act in good faith).

Such protection measures also apply to facilitators as defined by applicable law, including any natural person or any non-profit legal person governed by private law (e.g., association) who helps the whistleblowers in the issuance of a report; the persons in contact with the whistleblowers in a work context who can suffer from detrimental consequences (i.e., colleagues, relatives of the whistleblowers, etc.); and the legal entities that belong to the whistleblowers, for which the whistleblowers work, or with which the whistleblowers are in contact in a professional context.

Prohibited forms of retaliation include the following measures:

- suspension, layoff, dismissal, or equivalent actions;
- demotion or denial of promotion;
- change in scope of work, change in place of work, reduction of salary, modification of working hours;
- suspension of training;
- performance evaluation or negative work certificate;
- disciplinary measures imposed or administered, or other sanctions, including financial penalties;
- coercion, intimidation, harassment, or ostracism;
- discrimination or disadvantageous or unfair treatment;
- non-conversion of a fixed-term employment contract or a temporary contract into a permanent contract;
- non-renewal or early termination of a fixed-term employment contract or a temporary contract;
- harm, including damage to the person's reputation, or financial loss, including loss of business and loss of income;
- blacklisting on the basis of a formal or informal agreement at a sectoral or industry level;
- early termination or cancellation of a contract for goods or services;
- cancellation of a license or permit; and
- abusive referral to psychiatric or medical treatment.

Description of the antibribery management system: corruption risk assessment and controls

Corruption exposure risk assessment

Starting in 2023 and ending in 2024, a new corruption risk mapping campaign was deployed within the Air France-KLM Group. Corruption risk mapping is the cornerstone of the anti-corruption program, helping to identify, analyze, and hierarchize corruption risks that may stem from the activities of the Air France-KLM Group.

Its objective was to identify and rank the risk for all divisions by way of a new methodology set up with the assistance of an external law firm and to be aligned for the main entities on a short-term basis.

It has enabled the Air France-KLM Group to identify the most risky functions in terms of corruption (refer to section "Disclosure of the functions that are most at risk in respect of corruption and bribery" in this paragraph) as well as the third parties (by nature and location) that could present the greatest risk exposure to corruption.

The corruption risk mapping process is regularly updated and deepened to ensure that the Top Management of the Air France-KLM Group and its controlled entities adopt adequate measures to manage such risks and deploy required corrective actions. Each risk mapping exercise is based on the identification of processes involving interactions with third parties, as well as data collection/workshops with relevant Air France-KLM Group employees representing the concerned divisions and selected in a manner to ensure representativeness of the collected data and results.

The work is led by the Ethics Compliance Officers of the Air France-KLM Group entities, with the assistance of Compliance Coordinators (and sometimes other functions, such as Internal Audit) as well as with all divisions, and involves the validation of specific action plans by the Top Management of the Air France-KLM Group and/or of the relevant entities or divisions, as the case may be.

Controls

The management of risks related to corruption within the Air France-KLM Group is part of the overall risk management and compliance organization.

This organization is built around three lines of defense through the entire organization, as follows:

- The first line of defense ("Level 1 controls"):

This consists of operational and business units, Procurement, Sales, and all other divisions/departments of the Air France-KLM Group applying the rules and controls included in Air France-KLM Group's compliance policies and anti-corruption program.

The purpose of the first line of defense is to conduct preventive controls prior to implementing decisions and transactions to ensure that the tasks that are inherent in an operational or support process are performed in compliance with Air France-KLM Group's compliance policies.

This line of defense, in charge of identifying and managing risks (implementing controls) for each relevant business activity, is requested to consider compliance risk management as an integral part of its daily tasks.
- The second line of defense ("Level 2 controls"):

This consists of the relevant Ethics Compliance Officers with the support of Compliance Coordinators and/or internal control teams.

The purpose of the second line of defense is to conduct detective controls at prescribed intervals or randomly on some or all of the decisions or transactions to ensure that the first-line-of-defense controls have been properly performed and that the overall compliance policies, including the anti-corruption program, is functioning properly.

This line of defense is in charge of the continuous monitoring of the design and implementation of compliance controls in the second line of defense. It provides opinions and advice and facilitates the overall risk-management activities relevant for their activities.

- The third line of defense ("Level 3 controls"):

This is done by the Air France/KLM Internal Audit function.

This line of defense aims at ensuring independent control over the Air France-KLM Group's risk-management activities, including as part of the anti-corruption program.

The purpose of the third line of defense is to perform periodic controls to ensure that the control system complies with Air France-KLM Group's requirements and is implemented effectively and kept up to date.

The corrective measures determined as part of the controls are implemented without undue delay by the relevant stakeholders, with the support of relevant Ethics Compliance Officers, as needed.

In addition to this organization, the Air France-KLM Group has also implemented anti-corruption accounting control with the Finance teams.

Training

The Air France-KLM Group ensures that all its employees are made aware of the applicable anti-corruption laws and regulations and that they understand their scope and the associated risks in the event of non-compliance.

For that purpose, an anti-corruption e-learning is regularly deployed for a compulsory panel of employees at risk and then is opened to all employees of Air France-KLM, Air France, and KLM. The subsidiaries are urged to deploy their e-learning based on the material support available and with the assistance of the Ethics Compliance teams.

Top management validates:

- the panel of targeted employees and the contemplated completion rate;
- the e-learning objectives and content;
- the duration and frequency.

An anti-corruption e-learning campaign was launched on December 14, 2022, for a compulsory panel of employees. Anti-corruption e-learning campaigns are usually launched every two years, in addition to in-class training and specific sessions that may be done upon request and communication campaigns. The next e-learning campaign will be launched in 2025.

The current e-learning module was produced in both French and English. The content is based on examples of cases arising from alerts, cases encountered in practice, and the results of bribery risk mapping. The aim is to explain the applicable legal framework, the associated sanctions, and the rules stipulated in the updated anti-corruption documentation by means of a quiz to check that the internal rules have been properly understood.

For the completion period starting on December 14, 2022, and ending on April 14, 2023, the completion rate for the anti-corruption e-learning for the selected panel (i.e., functions with high risk of exposure) was 94.6% (10,127 of the individuals completing it were part of a compulsory panel of 10,704 persons). This e-learning was then opened to all employees, and in 2024, 11,017 employees completed it, including the high-risk functions covered in 2023 and additional employees in 2024 (newcomers or those who did it on voluntary basis).

In addition to the e-learning module, a comprehensive in-class training campaign on anti-corruption has been designed with the support of an external service provider to (i) build a dedicated training program for the Top Management and (ii) deploy a training program for employees with the highest risk of exposure (refer to the section titled “Disclosure of the functions that are most at risk in respect of corruption and bribery” in this paragraph). This training campaign involves three hours of classroom sessions based on a “train the trainers” approach with the support of the compliance and legal teams and was rolled out in 2023. At the end of 2024, 23 sessions have been held to cover a panel of 290 employees from Procurement, Cargo, Engineering and Maintenance activities, Public and International Affairs, and Flight Operations Departments.

Specific events, communications, and campaigns can be launched on a need-to-know basis (i.e., each time a revised policy is issued or a new tool is implemented, or for International Anti-Corruption Day).

Key Performance Indicators	Definition	2023 results
Completion rate of the e-learning on prevention of corruption	Number of employees with high risk exposure having completed the entire training program as of December 31 of the concerned year divided by the total number of employees invited to undertake this training	94.6%

Scope: Target group of Air France-KLM Group compulsory panel of employees (high risk employees). Training is mandatory for the target group of employees. The latter is selected based on functional level (i.e., executives or managers) or exposure to bribery risk according to the results of the bribery risk mapping performed within the organization (i.e., the Sales and Procurement teams). The indicator measured is the number of employees having completed the entire training program as of December 31, divided by the total number of employees invited to *undertake this training*. The figures presented pertain to the year 2023, as it was the designated year for the mandatory assessment panel for employees identified as being at risk.

4.4.1.3.1 Metrics – Prevention of corruption and bribery (G1-4)

Confirmed incidents of corruption or bribery

In 2024, there was no conviction issued by any competent authority against the Air France-KLM Group for the violation of anti-corruption and anti-bribery laws. Nor was the Air France-KLM Group requested to pay any fine for any such violations.

There was no confirmed incident relating to corruption for which sanctions would have been issued against employees and corrective measures undertaken with actors in the value chain.

In the event of a violation of applicable laws or the Anti-Corruption Code of Conduct, including its policies, sanctions and disciplinary measures can be applied to employees as stated in the Anti-Corruption Code of Conduct and the HR Internal Rules of the concerned entity of the Air France-KLM Group. The documentation and/or contractual clauses with external parties also state that non-compliance with anti-corruption laws is deemed to be a material breach triggering damages and/or suspension and/or termination of the contractual relationship.

	2024
Number of convictions for violation of anti-corruption and anti-bribery laws	–
Fines for violation of anti-corruption and anti-bribery laws (in € million)	–

4.4.1.4 Prevention of anti-competitive practices

The prevention of anti-competitive behavior is an important factor in honest and fair business practices.

Prevent unfair practices is crucial since unethical or inappropriate behavior can have significant detrimental consequences, both financially and in terms of reputational damage.

With respect to anti-competitive practices, the Air France-KLM Group is developing its policy aimed at the prevention of anti-competitive acts and circulating among staff a Competition Law Compliance Manual.

This manual is available in English, French, and Dutch and regularly reviewed and updated. It is available on the intranet so that employees can access it.

A competition law e-learning module based on the content of the manual on competition rules is frequently rolled out to prevent any risk of incidents.

An e-learning module was developed in-house and launched between December 2021 and March 2022 for a significant number of Air France-KLM Group employees to remind them of the competition law principles and the risks incurred. A second e-learning campaign was launched between November 2024 and January 2025 with a completion target of more than 96%. This KPI was reached with a completion rate of 97%.

In addition to this e-learning module, the competition law team carries out dedicated training sessions with certain categories of staff.

A team of competition law experts provides advice and guidelines on projects, major contracts, and alliances with the businesses.

An internal audit was performed, yielding an internal audit report on March 2024, to review the deployment and efficiency of the competition law policy within the Air France-KLM Group.

4.4.1.5 Compliance with embargoes, trade sanctions and export controls legislation

The Air France and KLM Trade Compliance departments are responsible for defining and managing the compliance program, and for ensuring and facilitating its implementation and adherence, so as to ensure maximum compliance with customs, trade sanctions, and export control legislation applicable to the Air France-KLM Group's activities.

They monitor changes in the applicable regulations, liaise with the relevant administrations and authorities in charge of control, participate in third-party screening with regard to trade sanctions and sanctions by business sectors, and follow up on the measures applied in business activities.

They review the need for the request and renewal of export licenses by product category, partner, and country (dual use goods, military goods, explosives, ozone-depleting products, etc.) and complete or review compliance questionnaires issued by Air France-KLM Group stakeholders (banks, insurers, etc.).

The Trade Compliance Officers ensure the monitoring of the existing export control framework.

Within the Engineering & Maintenance, Cargo, Procurement, and Treasury domains, customers and suppliers are screened before onboarding and on an ongoing basis. A more exhaustive third-party due diligence screening procedure was drafted with an extended compliance scope by the end of 2024.

Training and awareness-raising is a major priority for the Air France-KLM Group. Export control e-learning modules are pushed to the relevant cargo and engineering and maintenance staff on a regular basis. A trade sanctions e-learning program applicable to a broader target group has also been prepared for deployment.

4.4.1.6 Personal Data Protection

Whether for passenger bookings, flight schedule management, aircraft maintenance, or other activities, information systems are at the heart of all of Air France-KLM's activities.

For the Air France-KLM Group, the protection of personal data is a key element in the trust granted by its customers and employees.

Since the Air France-KLM Group is well aware that the protection of private lives and personal data is an increasingly sensitive subject, it places this issue at the heart of its priorities and ensures the highest level of regulatory compliance.

The Data Privacy Officers of the Air France-KLM Group entities are in charge of ensuring compliance with the European General Data Protection Regulation through the setup of processes for data privacy governance, the management of data compliance breaches, and training as part of the annual compliance program for this domain.

Since 2023, the focus has been on the compliance of personal data transfers outside the European Economic Area, after the Court of Justice of the European Union invalidated the Privacy Shield in the "Schrems II" case.

Please find more information on data privacy and security for consumers and end-users in section 4.3.4.3.4 "Data privacy and security".

4.4.1.7 Tax strategy

Compliance

Air France-KLM recognizes the importance of compliance with tax regulations in its strategy and is committed to acting with integrity and transparency while fighting tax evasion. It strictly complies with local and international tax laws and ensures that taxes are paid within the required deadlines.

Air France-KLM particularly complies with the OECD's BEPS Action Plan and implements Pillar 2 for Global Minimum Tax Reporting, with a first declaration scheduled for June 2026. Similarly, transfer pricing reports and the Country-by-Country Annual Report (CbCR) are filed in accordance with applicable requirements, with first public CbCR to be published by December 31, 2026, at the latest.

In terms operations, Air France and KLM, as international airlines, report their income primarily in France and the Netherlands, in line with the principles of taxation of international air transport services, while declaring a smaller share in other jurisdictions where they operate. Tax returns are filed, documented, and compliant with local accounting standards and local tax regulations.

Transparency

Air France-KLM values respect, transparency, and trust in its relationships with tax authorities and various stakeholders. The Group maintains an open dialogue with tax authorities, contributing to public consultations on tax policies.

Air France-KLM thus strives to proactively address tax issues to avoid unnecessary disputes and clarify its tax positions, notably through several initiatives with the French and Dutch tax authorities, such as:

- On March 14, 2019, Air France-KLM signed a tax partnership with the French tax authorities to improve their relationships and secure its tax positions in the context of its daily operations and asset restructuring operations. The Group strives to increasingly solicit the SPE, as in 2024, with a substantial increase in the number of tax rulings obtained to strengthen its legal and tax security.
- In 2024, Air France renewed its Authorized Economic Operator (AEO) certificate after an audit by the French customs authorities confirming the application of simplified tax and customs regimes.
- KLM maintains a sustainable relationship with the Dutch tax authorities, being enrolled in an Individual Monitoring Plan (ITP). This plan allows the tax authorities to evaluate and adapt their controls based on KLM's monitoring measures.
- Since 2022, KLM has published an annual report on transparency and tax contribution. This report highlights the importance of taxation as a contribution to society, advocates for the interpretation of tax rules in the spirit of the law, commits to limiting the use of Non-Cooperative States and Territories, and ensures transparency of taxes paid and collected.

4.4.2 Political Engagement & Lobbying Activities, Economic & Social Value of Air Transportation (G1-5)

The table below shows the material impacts, risks, and opportunities identified for this section:

Topic	Material impact (N: negative; P: positive)	Own Operations (OO) / Value Chain (VC)	Material Risks (R) or Opportunities (O)	Time horizon (short, medium, long term)
Political engagement & lobbying activities, economic & social value of air transportation	P: Positive contribution to social welfare and economic development at both local and global level, through direct and indirect economic activities and employment opportunities	OO/VC	O: Air France-KLM lobbying activities to promote the importance of air transport industry could contribute to fair competition and level playing field to secure AFKL market position or seize business opportunities	short/medium/long

For more information regarding the double materiality analysis and the identification of material IROs, please refer to section 4.1.4.1 "Process to identify and assess material impacts, risks and opportunities (IRO-1)".

Public affairs governance

The shareholders and board members of the Air France-KLM Group (the Group) share the concern about climate change and place the global imperative of the environmental transition of air transport at the heart of its strategy.

The Board of Directors determines the direction of the company's business and oversees its implementation, taking into account social and environmental considerations. Within this framework, it approves the Group's strategic orientations, including its social and environmental policies.

Respecting the environmental trajectory and successfully activating the levers for reducing the negative externalities of air transport are in the Group's strategic interest (see section 4.2.1.3.1 "Transition plan for climate change mitigation (E1-1)"). As such, these objectives are among the key priorities of the mandate given to those responsible for the representation of interests.

The General Secretary of the Board of Directors is responsible for implementing the company's environmental policy through institutional positioning and both direct and indirect advocacy actions.

The Deputy to the General Secretary, the Director of Public and International Affairs, oversees the organization's institutional advocacy activities in a cross-functional capacity, working closely with subject-matter experts in areas such as sustainability, operations, finance,

and legal affairs. The Director ensures that advocacy efforts directed at external authorities – local, national, European, and international – align with the material topics identified under the CSRD Directive.

The chain of responsibility within the Group and its subsidiaries complies with high standards of corporate governance and ethical rules governing the representation of interests. To prevent any conflict of interest, special care is taken when recruiting executives from the civil service. The jobs held by these employees are compatible with their former functions, without any undermining of the independence and neutrality of public services.

In addition, professional retraining is monitored in accordance with the rules of the French High Authority for Transparency in Public Life (HATVP) in the cases provided for in Article 23 of the 2013-907 law on transparency in public life, notably when recruitment within the Group takes place before the end of a three-year period following retraining.

Number of Board members with previous public service responsibilities

Before the end of the 3-year period following retraining	2
After the end of the 3-year period	5

Principles of action and transparency

As a company (i) listed on the stock exchange; (ii) with two national governments as shareholders; (iii) with an ambitious social and environmental responsibility policy; and (iv) with strong, recognized brands, the Air France-KLM Group's lobbying activities adhere to high standards of ethics, quality of expertise, and transparency.

The Air France-KLM Group and its subsidiaries Air France and KLM are registered with the French (*Haute Autorité pour la transparence de la vie publique* – HATVP), Dutch, and European authorities in charge of transparency in public life (EU Transparency Register of the European Commission / REG number Air France-KLM: 064616126640-05 / REG number KLM: 76441066192-30). They comply with declaratory obligations in terms of chain of responsibility, communication with public officials, declaration of activities and resources allocated to them, and affiliation with professional associations in charge of representing sectoral interests.

As part of its ethical principles, the Air France-KLM Group makes no direct or indirect financial contribution to any political organization or movement:

Financial commitment by the Group or one of its subsidiaries for political or similar contributions in 2024
(in € million)

Direct financial contribution to a political party or movement	–
Indirect financial contribution (through a professional association) to a political party or movement	–

The Air France-KLM Group and its subsidiaries do, however, represent their interests through industry professional associations. The associations of which the Air France-KLM Group is a member, and whose specific vocation is to develop expertise or to intervene in the challenges of the environmental transition of air transport, recognize the global challenge of climate change. They are committed to aligning their positions and actions with the Paris Agreement objective of keeping global warming below 1.5 degrees Celsius.

Through its contribution to working groups and the collegial validation of positions taken within its organizations, the Air France-KLM Group ensures that the interests defended are aligned with its own strategic objectives in environmental matters.

Group or subsidiary contributions to professional associations representing interests paid in 2024

(in € million)

Air France-KLM	
Scope HATVP: AFEP, MEDEF, Eden	less than 0.1
Scope UE : IATA, A4E, ENAA, E4FC	0.4
Société Air France	
HATVP : FNAM, MEDEF IDF, Avenir transports, Mouvement entreprises Val d'Oise	0.2
KLM	
VNO/NCW	0.2

Positions in favor of a positive transformation of air transport, framed by environmental and social considerations

The Public Affairs department represents the Air France-KLM Group in the standardization process that regulates its activities (passenger transport, cargo, maintenance). It expresses rational positions that are doubly aligned with the Group's strategic interests and the social and environmental imperatives identified as material. Its action consists of clarifying the issues involved in public decisions and contributing to the emergence of sustainable standardization solutions.

The positions defended by the Group in the representation of interest-related actions aim to create the conditions for an effective reduction in negative externalities while preserving the socioeconomic spin-offs and invaluable societal benefits that air mobility brings to people.

The objective is to promote the activation of all the levers of transformation through the establishment of optimal conditions for the exercise of operations, the sustainable development of our offer, and investment projects in compliance with policies for the management and reduction of social and environmental risks.

1) Make the decarbonization trajectory of activities more reliable by creating the conditions for the feasibility of the pillars of the climate Transition Plan [ESRS – E1]

The Air France-KLM Group's environmental strategy meets the "zero net carbon emissions" objective set by the industry as a whole for 2050, in line with the "well below 2 degrees" scenario of the Paris Climate Agreement.

In this context, the Group has contributed to and adopted the aviation sector's decarbonization roadmap. Produced under the aegis of the *Direction générale de l'aviation civile* (DGAC) in accordance with Article 301 of the law to combat climate change and strengthen resilience to its effects – known as the Climate and Resilience Law – of August 22, 2021, this roadmap defines the decarbonization trajectory for aviation in line with the degressive share of the carbon budget by 2050.

The levers and objectives identified in the Air France-KLM Group's Transition Plan are part of this roadmap at the industry level and mark out the position defended by public affairs articulated around the following two proposals:

- a) In response to the imperative of environmental transition and the associated technological challenges, it is imperative to create the industrial and regulatory conditions that will enable optimal activation of the levers of the climate Transition Plan (see section 4.2.1.3.1 "Transition Plan for climate change mitigation").
- b) The success of the industry's transformation depends on the establishment of a fair regulatory environment through the implementation of ambitious targets and mechanisms at the international level. In a global market, obligations must apply equally to all operators, so as to not distort competition and to enable the investments needed to transform the industry as a whole.

2) Contribute to preserving the social climate [ESRS – S2]

The Air France-KLM Group is committed to providing engaging working conditions for all its employees. We work to preserve the social contract by identifying undesirable sectoral provisions on the defensive side and on the preventive side by activating public policy levers favorable to our human resources objectives (recruitment, training, etc.).

3) Contribute to the reduction of airport noise pollution [ESRS – S3]

Group companies are committed to limiting the noise footprint of their activities. To this end, they participate in balanced approach study processes (see section 4.3.3.2 "Noise management (ESRS S3)") aimed at optimizing the technical levers for noise reduction. We are in constant dialogue with the authorities and representatives of the local communities affected. Our approach is to implement compromise-based solutions that are optimal, sustainable, and satisfactory for local residents.

4) Supporting the improvement of service quality [ESRS – S4]

The inestimable value of our offer lies in the unique travel experience we provide our customers. We support standard-setting initiatives and public decisions that contribute to improving the quality of our products, as well as to providing our customers with guarantees in terms of transparency of information, quality of service, and protection of personal data.

5) Strengthen the security and robustness of operations [ESRS – S4]

The robustness of our operational processes (passenger reception, baggage management, aircraft deployment) is a guarantee of performance in the execution of the Group's programs. We support standard-setting initiatives and public decisions that contribute to improving the conditions under which we carry out our operations, which include both airport services and air navigation.

Approach to promoting the acceptability of air transport

The Air France Group is a heritage and industrial asset that generates numerous positive socioeconomic spin-offs for the economy and local communities. In order to objectify these benefits and improve the acceptability of air transport, we are working to educate decision-makers and stakeholders. The aim is to promote a better understanding of the social benefits of our activities, and to highlight their positive economic impact on local communities and regions.

1) Enhancing the socioeconomic impact of the Group's activities in local areas

As the leading operator based in France and the Netherlands providing a seamless network between these countries (with the vast majority of its assets, employees, and suppliers located in these two countries), the Group makes a major economic and social contribution to national and regional areas.

In 2023, the Group contributed to 1.9% of French GDP (with around €49 billion injected into the French economy) and 2.3% of Dutch GDP (€22 billion). At the same time, it generated over €6.5 billion in tax revenues for the states (€4.595 billion in France and €1.951 billion in the Netherlands).

These considerable spin-offs can be explained by the integration of our subsidiaries' activities into the French and Dutch economic landscape, with a network of SME/SMI suppliers rooted in the territories, as well as by the specific operating models of the Air France and KLM network airlines, based on international and connecting traffic.

For example, Air France generates half of its sales abroad, even though 90% of its employees are based and consume in France. The Group is also a net contributor of €1.5 billion to the French balance of trade.

Air transport is unique in that it generates a higher socioeconomic spin-off coefficient than other sectors of the economy. Sustained air transport activity influences the level of domestic production. This correlation is due to connectivity, which improves the mobility of players, increases the exchange of goods, and boosts productivity.

It's also due to the fact that our activities cover the whole of France, including those areas where our subsidiaries are not directly located. For example, the Group contributes 1.4% of the Normandy region's GDP through its own purchases of local products and services, as well as those of the passengers it carries.

The economic impact is obviously reflected in terms of jobs. One job created at Air France generates 11 jobs in the French economy. In all, this represents more than 500,000 jobs (direct, indirect, and induced by our activities) in the French economy, essentially skilled jobs that cannot be relocated.

Because they are based in France, the activities of the Air France-KLM Group are sources of attractiveness for the regions and real levers for employment. Our ambition is to

inform decision-makers and, more broadly, all our stakeholders about these positive spin-offs. To this end, we are considering the creation of a permanent forum for dialogue with our stakeholders.

2) Initiate collaborative dialogue with stakeholders on major economic, social, and environmental issues

In the interests of mutual understanding and dialogue, the Group is currently looking into ways of strengthening and institutionalizing dialogue, in a suitable format, between the Group and civil society organizations with an interest in air transport issues.

This dialogue has two main objectives:

- to improve the Group's understanding of the points of view of the main players involved in air transport, so that it can adapt its actions to reduce the negative externalities generated by its activity;
- to explain the Group's objectives, the actions taken to achieve them, and the constraints it faces.

4.5 APPENDIX

A. Mapping of ESRS Data Points with the Requirements of EU Legislative Acts (IRO-2)

Disclosure Requirement and related datapoint	SFDR ⁽¹⁾ reference	Pillar 3 ⁽²⁾ reference	Benchmark Regulation ⁽³⁾ reference	EU Climate Law ⁽⁴⁾ reference	Reference Sustainability Statement
ESRS2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex1		Commission Delegated Regulation (EU) 2020/1816 ⁽⁵⁾ , Annex II		4.1.3.1 The role of the administrative, management and supervisory bodies (GOV-1)
ESRS2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation(EU) 2020/1816, Annex II		4.1.3.1 The role of the administrative, management and supervisory bodies (GOV-1)
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				4.1.3.4 Statement on due diligence (GOV-4)
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453 ⁽⁶⁾ Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on social risk	Delegated Regulation(EU) 2020/1816, Annex II		4.1.2.1 Strategy, business model and value chain (ESRS2 SBM-1)
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation(EU) 2020/1816, Annex II		4.1.2.1 Strategy, business model and value chain (ESRS2 SBM-1)
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 ⁽⁷⁾ , Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		4.1.2.1 Strategy, business model and value chain (ESRS2 SBM-1)

Disclosure Requirement and related datapoint	SFDR ⁽¹⁾ reference	Pillar 3 ⁽²⁾ reference	Benchmark Regulation ⁽³⁾ reference	EU Climate Law ⁽⁴⁾ reference	Reference Sustainability Statement
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		4.1.2.1 Strategy, business model and value chain (ESRS2 SBM-1)
ESRS E1-1 Transition Plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	4.2.1.3.1 Transition plan for climate change mitigation (E1-1)
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking Book - Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		4.2.1.3.1 Transition plan for climate change mitigation (E1-1)
ESRSE1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking Book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		4.2.1.3.4 Targets – Climate change mitigation and adaptation (E1-4)
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact)	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				4.2.1.4.1 Energy consumption and mix (E1-5)
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				4.2.1.4.1 Energy consumption and mix (E1-5)
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				4.2.1.4.1 Energy consumption and mix (E1-5)

Disclosure Requirement and related datapoint	SFDR ⁽¹⁾ reference	Pillar 3 ⁽²⁾ reference	Benchmark Regulation ⁽³⁾ reference	EU Climate Law ⁽⁴⁾ reference	Reference Sustainability Statement
ESRS E1-6 Gross scopes 1, 2, 3 and total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking Book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		4.2.1.4.2 Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6)
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking Book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		4.2.1.4.2 Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6)
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	4.2.1.4.3 GHG removals and GHG mitigation projects financed through carbon credits (E1-7)
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				4.2.2.3 Metrics – Air Pollution (E2-4)
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				4.2.3.3 Metrics – Waste management and circularity (E5-5)
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				4.2.3.3 Metrics – Waste management and circularity (E5-5)
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex 1				4.3.1.7.2 Policies – Working rights and human rights (S1-1)

Disclosure Requirement and related datapoint	SFDR ⁽¹⁾ reference	Pillar 3 ⁽²⁾ reference	Benchmark Regulation ⁽³⁾ reference	EU Climate Law ⁽⁴⁾ reference	Reference Sustainability Statement
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				4.3.1.7.2 Policies – Working rights and human rights (S1-1)
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				4.3.1.7.2 Policies – Working rights and human rights (S1-1)
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		4.3.1.7.2 Policies – Working rights and human rights (S1-1)
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				4.3.1.7.6 Action plans in place or planned – Working rights and human rights (S1-4)
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				4.3.1.4.2 Policies – Working conditions (S1-1)
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				4.3.1.5.4 Channels for own workers to raise concerns – Diversity, Equity and Inclusion (S1-3) ; 4.3.1.7.4 Channels for own workers to raise concerns – Working rights and human rights (S1-3)
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Health and Safety (S1-14) in 4.3.1.4.7 Metrics – Working conditions (S1-10, S1-16, S1-14)
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				Health and Safety (S1-14) in 4.3.1.4.7 Metrics – Working conditions (S1-10, S1-16, S1-14)
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		4.3.1.5.7 Metrics – Diversity, Equity and Inclusion (S1-9, S1-12, S1-16)

Disclosure Requirement and related datapoint	SFDR ⁽¹⁾ reference	Pillar 3 ⁽²⁾ reference	Benchmark Regulation ⁽³⁾ reference	EU Climate Law ⁽⁴⁾ reference	Reference Sustainability Statement
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				Total remuneration ratio (S1-16) in 4.3.1.4.7 Metrics – Working conditions (S1-10, S1-16, S1-14)
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				4.3.1.7.7 Metrics – Working rights and human rights impacts (S1-17)
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator number 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12 (1)		4.3.1.7.7 Metrics – Working rights and human rights impacts (S1-17)
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and number 4 Table #3 of Annex I				4.3.2.2.1 Policies – Value chain workers (S2-1)
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		4.3.2.2.1 Policies – Value chain workers (S2-1)
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex I and Indicator number 11 Table #1 of Annex I				4.3.3.2.1 Policies – Noise management (S3-1)
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12 (1)		4.3.3.2.1 Policies – Noise management (S3-1)
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex I				4.3.3.2.5 Action plans in place or planned – Noise management (S3-4)

Disclosure Requirement and related datapoint	SFDR ⁽¹⁾ reference	Pillar 3 ⁽²⁾ reference	Benchmark Regulation ⁽³⁾ reference	EU Climate Law ⁽⁴⁾ reference	Reference Sustainability Statement
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				4.3.4.3.2 Information and assistance to passengers for cancellations and delays (EU261); 4.3.4.3.3 Access to services for passengers with disabilities ; 4.3.4.3.4 Data privacy and security; 4.3.4.4.2 Policies – Safety and security of passengers (S4-1)
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12 (1)		4.3.4.3.2 Information and assistance to passengers for cancellations and delays (EU261); 4.3.4.3.3 Access to services for passengers with disabilities ; 4.3.4.3.4 Data privacy and security; 4.3.4.4.2 Policies – Safety and security of passengers (S4-1)
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				4.3.4.3.2 Information and assistance to passengers for cancellations and delays (EU261); 4.3.4.3.3 Access to services for passengers with disabilities ; 4.3.4.3.4 Data privacy and security; 4.3.4.4.2 Policies – Safety and security of passengers (S4-1)

Disclosure Requirement and related datapoint	SFDR ⁽¹⁾ reference	Pillar 3 ⁽²⁾ reference	Benchmark Regulation ⁽³⁾ reference	EU Climate Law ⁽⁴⁾ reference	Reference Sustainability Statement
ESRS G1-1 United Nations convention against corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				4.4.1 Business conduct (ESRS G1-1, G1-3, G1-4)
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				4.4.1 Business conduct (ESRS G1-1, G1-3, G1-4)
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		4.4.1.3 Prevention of corruption and bribery, protection of whistleblowers (G1-3, G1-4); 4.4.1.3.1 Metrics – Prevention of corruption and bribery (G1-4)
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				4.4.1.3 Prevention of corruption and bribery, protection of whistleblowers (G1-3, G1-4); 4.4.1.3.1 Metrics – Prevention of corruption and bribery (G1-4)

(1) Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosures Regulation) (OJ L 317, December 9, 2019, p. 1).

(2) Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 26, 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012 (Capital Requirements Regulation "CRR") (OJ L 176, June 27, 2013, p. 1).

(3) Regulation (EU) 2016/1011 of the European Parliament and of the Council of June 8, 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No. 596/2014 (OJ L 171, June 29, 2016, p. 1).

(4) Regulation (EU) 2021/1119 of the European Parliament and of the Council of June 30, 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No. 401/2009 and (EU) 2018/1999 ("European Climate Law") (OJ L 243, July 9, 2021, p. 1).

(5) Commission Delegated Regulation (EU) 2020/1816 of July 17, 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, December 3, 2020, p. 1).

(6) Commission Implementing Regulation (EU) 2022/2453 of November 30, 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (OJ L 324, December 19, 2022, p.1).

(7) Commission Delegated Regulation (EU) 2020/1818 of July 17, 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, December 3, 2020, p. 17).

B. Table of concordance with GRI standards

GRI Standards	GRI Disclosures and requirements	ESRS Disclosure requirements	Notes	Reference
GRI 2: General Disclosures 2021	2-1 Organizational details	See requirements of Directive 2013/34/EU		4.1.2 Strategy; 4.1.3 Governance
GRI 2: General Disclosures 2021	2-2 Entities included in the organization's sustainability reporting	ESRS 1.5.1; ESRS 2 BP-1 §5 (a) and (b) i		4.1.1 Basis for preparation
GRI 2: General Disclosures 2021	2-3 Reporting period, frequency and contact point (2-3-a and 2-3-b)	ESRS 1 §73		4.1.1 Basis for preparation
GRI 2: General Disclosures 2021	2-4 Restatements of information	ESRS 2 BP-2 §13, §14 (a) to (b)		4.1.1 Basis for preparation
GRI 2: General Disclosures 2021	2-5 External assurance	See external assurance requirements of Directive (EU) 2022/2464		4.6 Auditors report on the certification of sustainability information
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	ESRS 2 SBM-1 §40 (a) i to (a) ii, (b) to (c), §42 (c)		4.1.2 Strategy
GRI 2: General Disclosures 2021	2-7 Employees	ESRS 2 SBM-1 §40 (a) iii; ESRS S1 S1-6 §50 (a) to (b) and (d) to (e), §51 to §52		4.3.1 Own workforce (ESRS S1)
GRI 2: General Disclosures 2021	2-8 Workers who are not employees	ESRS S1 S1-7 §55	3	The undertaking may omit reporting for all S1-7 datapoints in this Disclosure Requirement for the first year of its sustainability statement
GRI 2: General Disclosures 2021	2-9 Governance structure and composition (2-9-a [for public-interest entities only], 2-9-b, 2-9-c-i, c-ii, c-v to c-viii)	ESRS 2 GOV-1 §21, §22 (a), §23; ESRS G1 §5 (b) See also corporate governance statement requirements of Directive 2013/34/EU for public-interest entities		4.1.3 Governance
GRI 2: General Disclosures 2021	2-10 Nomination and selection of the highest governance body	This topic is not covered by the list of sustainability matters in ESRS 1 AR §16.		Chapter 2 of the 2024 Universal Registration Document, section 2.1 Composition of the Board of Directors
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	This topic is not covered by the list of sustainability matters in ESRS 1 AR §16.		Chapter 2 of the 2024 Universal Registration Document, section 2.1 Composition of the Board of Directors
GRI 2: General Disclosures 2021	2-12 Role of the highest governance body in overseeing the management of impacts	ESRS 2 GOV-1 §22 (c); GOV-2 §26 (a) to (b); SBM-2 §45 (d); ESRS G1 §5 (a)		4.1.3 Governance
GRI 2: General Disclosures 2021	2-13 Delegation of responsibility for managing impacts	ESRS 2 GOV-1 §22 (c) i; GOV-2 §26 (a); ESRS G1 G1-3 §18 (c)		4.1.3 Governance
GRI 2: General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	ESRS 2 GOV-5 §36; IRO-1 §53 (d)		4.1.3 Governance

GRI Standards	GRI Disclosures and requirements	ESRS Disclosure requirements	Notes Reference
GRI 2: General Disclosures 2021	2-15 Conflicts of interest	This topic is not covered by the list of sustainability matters in ESRS 1 AR §16.	Chapter 2 of the 2024 Universal Registration Document 2.2.5 Other rules applicable to Board directors subsection "Situation of conflict of interest"
GRI 2: General Disclosures 2021	2-16 Communication of critical concerns	ESRS 2 GOV-2 §26 (a); ESRS G1 G1-1 AR1 (a); G1-3 §18 (c)	4.1.3.2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies (GOV-2) 4.4.1.1 Corporate culture (G1-1) 4.4.1.3 Prevention of corruption and bribery, protection of whistleblowers (G1-3, G1-4)
GRI 2: General Disclosures 2021	2-17 Collective knowledge of the highest governance body	ESRS 2 GOV-1 §23	4.1.3.1 The role of the administrative, management and supervisory bodies (GOV-1)
GRI 2: General Disclosures 2021	2-18 Evaluation of the performance of the highest governance body	This topic is not covered by the list of sustainability matters in ESRS 1 AR §16.	Chapter 2 of the 2024 Universal Registration Document 2.3.1 Activities and functioning of the Board of Directors subsection "Evaluation of the functioning of the Board of Directors and its Committees"
GRI 2: General Disclosures 2021	2-19 Remuneration policies (2-19-a [for listed undertakings only] and 2-19-b)	ESRS 2 GOV-3 §29 (a) to (c); ESRS E1 §13 See also remuneration report requirements of Directive (EU) 2017/828 for listed undertakings	4.1.3.3 Objectives and variable remuneration aligned with ESG (GOV-3) Chapter 2 of the 2024 Universal Registration Document 2.5.2 Compensation of the Company officers in 2024
GRI 2: General Disclosures 2021	2-20 Process to determine remuneration [for listed undertakings only]	ESRS 2 GOV-3 §29 (e) See also remuneration report requirements of Directive (EU) 2017/828 for listed undertakings	4.1.3.3 Objectives and variable remuneration aligned with ESG (GOV-3) Chapter 2 of the 2024 Universal Registration Document, section 2.5.2 "Compensation of the Company officers in 2024".
GRI 2: General Disclosures 2021	2-21 Annual total compensation ratio (2-21-a and 2-21-c)	ESRS S1 S1-16 §97 (b) to (c)	4.3.1.4.7 Metrics – Working conditions (S1-10, S1-16, S1-14)
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	ESRS 2 SBM-1 §40 (g)	4.1.2.1 Strategy, business model and value chain (ESRS2 SBM-1)

GRI Standards	GRI Disclosures and requirements	ESRS Disclosure requirements	Notes Reference
GRI 2: General Disclosures 2021	2-23 Policy commitments (2-23-a-i and a-iv, 2-23-b, 2-23-d, 2-23-e, 2-23-f)	ESRS 2 GOV-4; MDR-P §65 (b) to (c) and (f); ESRS S1 S1-1 §19 to §21, and §AR 14; ESRS S2 S2-1 §16 to §17, §19, and §AR 16; ESRS S3 S3-1 §14, §16 to §17 and §AR 11; ESRS S4 S4-1 §15 to §17, and §AR 13; ESRS G1 G1-1 §7 and §AR 1 (b)	4.1.3.4 Statement on due diligence (GOV-4) 4.3.1.3.2 Policies – Social dialogue (S1-1) 4.3.1.4.2 Policies – Working conditions (S1-1) 4.3.1.5.2 Policies – Diversity, Equity and Inclusion (S1-1) 4.3.1.6.2 Policies – Training & skills development and talent attractiveness (S1-1) 4.3.1.7.2 Policies – Working rights and human rights (S1-1) 4.3.2.2.1 Policies – Value chain workers (S2-1) 4.3.3.2.1 Policies – Noise management (S3-1) 4.3.4.3.2.1 Policies - Information and assistance to passengers for cancellations and delays (S4-1) 4.3.4.3.3.1 Policies - Access of services for passengers with disabilities (S4-1) 4.3.4.3.4.1 Policies - Data privacy and security (S4-1) 4.3.4.4.2 Policies – Safety and security of passengers (S4-1) 4.4.1.1 Corporate culture (G1-1)
GRI 2: General Disclosures 2021	2-24 Embedding policy commitments	ESRS 2 GOV-2 §26 (b); MDR-P §65 (c); ESRS S1 S1-4 §AR 35; ESRS S2 S2-4 §AR 30; ESRS S3 S3-4 §AR 27; ESRS S4 S4-4 §AR 27; ESRS G1 G1-1 §9 and §10 (g)	4.1.3.2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies (GOV-2) 4.3.1.3.6 Action plans in place or planned – Social dialogue (S1-4) 4.3.1.4.6 Action plans in place or planned – Working conditions (S1-4) 4.3.1.5.6 Action plans in place or planned – Diversity, Equity and Inclusion (S1-4) 4.3.1.6.6 Action plans in place or planned – Training & skills development and talent attractiveness (S1-4) 4.3.1.7.6 Action plans in place or planned – Working rights and human rights (S1-4) 4.3.2.2.5 Action plans in place or planned – Workers in the value chain (S2-4) 4.3.3.2.5 Action plans in place or planned – Noise management (S3-4) 4.3.4.3.2.5 Actions plans in place or planned - Information and assistance to passengers for cancellations and delays (S4-4) 4.3.4.3.3.5 Actions plans in place or planned - Access of services for passengers with disabilities (S4-4) 4.3.4.3.4.5 Actions plans in place or planned - Data privacy and security (S4-4) 4.3.4.4.6 Actions plans in place or planned - Safety and security of passengers 4.4.1.1 Corporate culture (G1-1)

GRI Standards	GRI Disclosures and requirements	ESRS Disclosure requirements	Notes	Reference
GRI 2: General Disclosures 2021	2-25 Processes to remediate negative impacts	ESRS S1 S1-1 §20 (c); S1-3 §32 (a), (b) and (e), §AR 31; ESRS S2 S2-1 §17 (c); S2-3 §27 (a), (b) and (e), §AR 26; S2-4 §33 (c); ESRS S3 S3-1 §16 (c); S3-3 §27 (a), (b) and (e), §AR 23; S3-4 §33 (c); ESRS S4 S4-1 §16 (c); S4-3 §25 (a), (b) and (e), §AR 23; S4-4 §32 (c)		4.3.1 Own workforce (ESRS S1) 4.3.2 Workers in the value chain (ESRS S2) 4.3.3 Affected communities – Noise management (ESRS S3) 4.3.4 Consumers and end-users (ESRS S4)
GRI 2: General Disclosures 2021	2-26 Mechanisms for seeking advice and raising concerns	ESRS S1 S1-3 §AR 32 (d); ESRS S2 S2-3 §AR 27 (d); ESRS S3 S3-3 §AR 24 (d); ESRS S4 S4-3 §AR 24 (d); ESRS G1 G1-1 §10 (a); G1-3 §18 (a)		4.3.1 Own workforce (ESRS S1) 4.3.2 Workers in the value chain (ESRS S2) 4.3.3 Affected communities – Noise management (ESRS S3) 4.3.4 Consumers and end-users (ESRS S4)
GRI 2: General Disclosures 2021	2-27 Compliance with laws and regulations	ESRS 2 SMB-3 §48 (d); ESRS E2 E2-4 §AR 25 (b); ESRS S1 S1-17 §103 (c) to (d) and §104 (b); ESRS G1 G1-4 §24 (a)	(1a)	4.1.4.3 Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS2 SBM-3) 4.2.2.3 Metrics – Air Pollution (E2-4) 4.3.1.7.7 Metrics – Working rights and human rights impacts (S1-17) 4.4.1.1 Corporate culture (G1-1) 4.4.1.3 Prevention of corruption and bribery, protection of whistleblowers (G1-3, G1-4)
GRI 2: General Disclosures 2021	2-28 Membership associations	“Political engagement” is a sustainability matter for G1 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	(2b)	4.4.2 Political Engagement & Lobbying Activities, Economic & Social Value of Air Transportation (G1-5)

GRI Standards	GRI Disclosures and requirements	ESRS Disclosure requirements	Notes Reference
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	ESRS 2 SMB-2 §45 (a) i to (a) iv; ESRS S1 S1-1 §20 (b); S1-2 §25, §27 (e) and §28; ESRS S2 S2-1 §17 (b); S2-2 §20, §22 (e) and §23; ESRS S3 S3-1 §16 (b); S3-2 §19, §21 (d) and §22; ESRS S4 S4-1 §16 (b); S4-2 §18, §20 (d) and §21	4.1.2.2 Interest and views of stakeholders (ESRS2 SBM-2); 4.3.1.3.3 Processes in place to engage with own workers and workers' representatives – Social dialogue (S1-2) 4.3.1.4.3 Processes in place to engage with own workers and workers' representatives – Working conditions (S1-2) 4.3.1.5.3 Processes in place to engage with own workers and workers' representatives – Diversity, Equity and Inclusion (S1-2) 4.3.1.6.3 Processes in place to engage with own workers and workers' representatives – Training & skills development and talent attractiveness (S1-2) 4.3.1.7.3 Processes in place to engage with own workers and workers' representatives – Working rights and human rights (S1-2) 4.3.2.2.2 Engagement process with workers in the value chain (S2-2); 4.3.3.2.2 Engagement process – Noise management (S3-2) 4.3.4.3.2.2 Engagement process - Information and assistance to passengers for cancellations and delays (S4-2); 4.3.4.3.3.2 Engagement process - Access of services for passengers with disabilities (S4-2) 4.3.4.3.4.2 Engagement process - Data privacy and security (S4-2); 4.3.4.4.3 Engagement process – Safety and security of passengers (S4-2)
GRI 2: General Disclosures 2021	2-30 Collective bargaining agreements	ESRS S1 S1-8 §60 (a) and §61	4.3.1.4.2 Policies – Working conditions (S1-1)
GRI 3: Material Topics 2021	3-1 Process to determine material topics	ESRS 2 BP-1 §AR 1 (a); IRO-1 §53 (b) ii to (b) iv	4.1.1.1 General basis for the preparation of the sustainability statement (BP-1) 4.1.4.1 Process to identify and assess material impacts, risks and opportunities (IRO-1)
GRI 3: Material Topics 2021	3-2 List of material topics	ESRS 2 SBM-3 §48 (a) and (g)	4.1.4.3 Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS2 SBM-3)

GRI Standards	GRI Disclosures and requirements	ESRS Disclosure requirements	Notes	Reference
GRI 3: Material Topics 2021	3-3 Management of material topics	ESRS 2 SBM-1§ 40 (e); SBM-3 §48 (c) i and (c) iv; MDR-P, MDR-A, MDR-M, and MDR-T; ESRS S1 S1-2 §27; S1-4 §39 and AR 40 (a); S1-5 §47 (b) to (c); ESRS S2 S2-2 §22; S2-4 §33, §AR 33 and §AR 36 (a); S2-5 §42 (b) to (c); ESRS S3 S3-2 §21; S3-4 §33, §AR 31, §AR 34 (a); S3-5 §42 (b) to (c); ESRS S4 S4-2 §20, S4-4 §31, §AR 30, and §AR 33 (a); S4-5 §41 (b) to (c) See below for additional linkages to specific topics.		4.1.2.1 Strategy, business model and value chain (ESRS2 SBM-1) 4.1.4.3 Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS2 SBM-3) 4.3.1 Own workforce (ESRS S1) 4.3.2 Workers in the value chain (ESRS S2) 4.3.3 Affected communities – Noise management (ESRS S3) 4.3.4 Consumers and end-users (ESRS S4)
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	This topic is not covered by the list of sustainability matters in ESRS 1 AR §16.		4.4.2 Political Engagement & Lobbying Activities, Economic & Social Value of Air Transportation (G1-5)
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	ESRS 2 SBM-3 §48 (a), and (d) to (e); ESRS E1 §18; E1-3 §26; E1-9 §64		4.1.4.3 Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS2 SBM-3) 4.2.1 Climate change (ESRS E1) 4.2.1.3.5 Actions and resources – Climate change policies (E1-3)
GRI 201: Economic Performance 2016	201-3 Defined benefit plan obligations and other retirement plans	This topic is not covered by the list of sustainability matters in ESRS 1 AR §16.		NA
GRI 201: Economic Performance 2016	201-4 Financial assistance received from government	This topic is not covered by the list of sustainability matters in ESRS 1 AR §16.		NA
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	ESRS S1 S1-10 §67-71 and §AR 72 to 73	(2b)	4.3.1.4.7 Metrics – Working conditions (S1-10, S1-16, S1-14)
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	“Communities” economic, social and cultural rights’ is a sustainability matter for S3 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.		NA
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	“Communities” economic, social and cultural rights’ is a sustainability matter for S3 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.		4.4.2 Political Engagement & Lobbying Activities, Economic & Social Value of Air Transportation (G1-5)

GRI Standards	GRI Disclosures and requirements	ESRS Disclosure requirements	Notes	Reference
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	ESRS S1 S1-4 §AR 41; ESRS S2 S2-4 §AR 37; ESRS S3 S3-4 §AR 36		4.3.1.3.6 Action plans in place or planned – Social dialogue (S1-4) 4.3.1.4.6 Action plans in place or planned – Working conditions (S1-4) 4.3.1.5.6 Action plans in place or planned – Diversity, Equity and Inclusion (S1-4) 4.3.1.6.6 Action plans in place or planned – Training & skills development and talent attractiveness (S1-4) 4.3.1.7.6 Action plans in place or planned – Working rights and human rights (S1-4) 4.3.2.2.5 Action plans in place or planned – Workers in the value chain (S2-4) 4.3.3.2.5 Action plans in place or planned – Noise management (S3-4) 4.4.2 Political Engagement & Lobbying Activities, Economic & Social Value of Air Transportation (G1-5)
GRI 204: Procurement Practices 2016	3-3 Management of material topics	ESRS G1 G1-2 §12		4.3.2 Workers in the value chain (ESRS S2)
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	"Communities" economic, social and cultural rights' is a sustainability matter for S3 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.		4.4.2 Political Engagement & Lobbying Activities, Economic & Social Value of Air Transportation (G1-5)
GRI 205: Anti-Corruption 2016	3-3 Management of material topics	ESRS G1 G1-1 §7; G1-3 §16 and §18 (a) and §24 (b)		4.4.1.1 Corporate culture (G1-1) 4.4.1.3 Prevention of corruption and bribery, protection of whistleblowers (G1-3, G1-4)
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	ESRS G1 G1-3 §AR 5	(1b)	4.4.1.1 Corporate culture (G1-1) 4.4.1.3 Prevention of corruption and bribery, protection of whistleblowers (G1-3, G1-4)
GRI 205: Anti-Corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	ESRS G1 G1-3 §20, §21 (b) and (c) and §AR 7 and 8	(1b)	4.4.1.1 Corporate culture (G1-1) 4.4.1.3 Prevention of corruption and bribery, protection of whistleblowers (G1-3, G1-4) 4.4.1.4 Prevention of anti-competitive practices
GRI 205: Anti-Corruption 2016	205-3 Confirmed incidents of corruption and actions taken	ESRS G1 G1-4 §25		4.4.1.1 Corporate culture (G1-1) 4.4.1.3 Prevention of corruption and bribery, protection of whistleblowers (G1-3, G1-4) 4.4.1.4 Prevention of anti-competitive practices
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices 207-1 Approach to tax	This topic is not covered by the list of sustainability matters in ESRS 1 AR §16.		4.4.1.4 Prevention of anti-competitive practices; 4.4.1.7 Tax strategy

GRI Standards	GRI Disclosures and requirements	ESRS Disclosure requirements	Notes	Reference
GRI 207: Tax 2019	207-2 Tax governance, control, and risk management 207-3 Stakeholder engagement and management of concerns related to tax 207-4 Country-by-country reporting	These topics are not covered by the list of sustainability matters in ESRS 1 AR §16.		4.4.1.7 Tax strategy
GRI 301: Materials 2016	3-3 Management of material topics	ESRS E5 E5-1 §12; E5-2 §17; E5-3 §21		4.2.3 Resources use and circular economy (ESRS E5)
GRI 301: Materials 2016	301-1 Materials used by weight or volume	ESRS E5 E5-4 §31 (a)	(1a)	NA
GRI 301: Materials 2016	301-2 Recycled input materials used	ESRS E5 E5-4 §31 (c)		NA
GRI 301: Materials 2016	301-3 Reclaimed products and their packaging materials	"Resource outflows related to products and services" and "Waste" are sustainability matters for E5 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	(2b)	4.2.3 Resources use and circular economy (ESRS E5)
GRI 302: Energy 2016	3-3 Management of material topics	ESRS E1 E1-2 §25 (c) to (d); E1-3 §26; E1-4 §33		4.2.1 Climate change (ESRS E1); 4.2.1.3.3 Policies – Climate change mitigation and adaptation (E1-2) 4.2.1.3.5 Actions and resources – Climate change policies (E1-3) 4.2.1.3.4 Targets – Climate change mitigation and adaptation (E1-4)
GRI 302: Energy 2016	302-1 Energy consumption within the organization (302-1-a, b, c, e and g)	ESRS E1 E1-5 §37; §38; §AR 32 (a), (c), (e) and (f)	(2b)	4.2.1.4 Indicateurs – Changement climatique (E1-5, E1-6, E1-7, E1-8)
GRI 302: Energy 2016	302-2 Energy consumption outside of the organization	"Energy" is a sustainability matter for E1 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	(2b)	4.2.1.4.2 Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6)
GRI 302: Energy 2016	302-3 Energy intensity	ESRS E1 E1-5 §40 to §42		4.2.1.4 Indicateurs – Changement climatique (E1-5, E1-6, E1-7, E1-8)
GRI 302: Energy 2016	302-4 Reduction of energy consumption	"Energy" is a sustainability matter for E1 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	(2a)	4.2.1.3.1 Transition plan for climate change mitigation (E1-1)
GRI 302: Energy 2016	302-5 Reductions in energy requirements of products and services	"Energy" is a sustainability matter for E1 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	(2a)	NA
GRI 305: Emissions 2016	3-3 Management of material topics and GRI 305 1.2	ESRS E1 E1-2 §22; E1-3 §26; E1-4 §33 and §34 (b); E1-7 §56 (b) and §61 (c); ESRS E2 §AR 9 (b); E2-1 §12; E2-2 §16 and §19; E2-3 §20	(2a)	4.2.1 Climate change (ESRS E1); 4.2.2 Air pollution (ESRS E2)

GRI Standards	GRI Disclosures and requirements	ESRS Disclosure requirements	Notes	Reference
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	ESRS E1 E1-4 §34 (c); E1-6 §44 (a); §46; §50; §AR 25 (b) and (c); §AR 39 (a) to (d); §AR 40; AR §43 (c) to (d)		4.2.1 Climate change (ESRS E1)
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	ESRS E1 E1-4 §34 (c); E1-6 §44 (b); §46; §49; §50; §AR 25 (b) and (c); §AR 39 (a) to (d); §AR 40; §AR 45 (a), (c), (d), and (f)		4.2.1 Climate change (ESRS E1)
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	ESRS E1 E1-4 §34 (c); E1-6 §44 (c); §51; §AR 25 (b) and (c); §AR 39 (a) to (d); §AR 46 (a) (i) to (k)		4.2.1 Climate change (ESRS E1)
GRI 305: Emissions 2016	305-4 GHG emissions intensity	ESRS E1 E1-6 §53; §54; §AR 39 (c); §AR 53 (a)	(1a)	4.2.1 Climate change (ESRS E1)
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions (305-5-a, c and 2.9.5)	ESRS E1 E1-3 §29 (b); E1-4 §34 (c); §AR 25 (b) and (c); E1-7 §56		4.2.1 Climate change (ESRS E1)
GRI 305: Emissions 2016	305-6 Emissions of ozone-depleting substances (ODS)	"Pollution of air" is a sustainability matter for E2 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	(2b)	NA
GRI 305: Emissions 2016	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	ESRS E2 E2-4 §28 (a); §30 (b) and (c); §31; §AR 21; §AR 26		4.2.2 Air pollution (ESRS E2)
GRI 306: Waste 2020	3-3 Management of material topics	ESRS E5 §AR 7 (a); E5-1 §12; E5-2 §17; E5-3 §21		4.2.3 Resources use and circular economy (ESRS E5)
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	ESRS 2 SBM-3 §48 (a), (c) ii and iv; ESRS E5 E5-4 §30		4.2.3 Resources use and circular economy (ESRS E5)
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts (306-2-a and c)	ESRS E5 E5-2 §17 and §20 (e) and (f); E5-5 §40 and §AR 33 (c)		4.2.3 Resources use and circular economy (ESRS E5)
GRI 306: Waste 2020	306-3 Waste generated	ESRS E5 E5-5 §37 (a), §38 to §40	(1b)	4.2.3 Resources use and circular economy (ESRS E5)
GRI 306: Waste 2020	306-4 Waste diverted from disposal (306-4-a, b, c, e)	ESRS E5 E5-5 §37 (b), §38 and §40	(1b)	4.2.3 Resources use and circular economy (ESRS E5)
GRI 306: Waste 2020	306-5 Waste directed to disposal (306-5-a, b, c, e)	ESRS E5 E5-5 §37 (c), §38 and §40	(1a) (1b)	4.2.3 Resources use and circular economy (ESRS E5)
GRI 306: Effluents and Waste 2016	306-3 Significant spills	"Pollution of air", "Pollution of water", and "Pollution of soil" are sustainability matters for E2 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.		4.2.2 Air pollution (ESRS E2)
GRI 308: Supplier Environmental Assessment 2016	3-3 Management of material topics	ESRS G1 G1-2 §12 and §15 (a)		NA
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	ESRS G1 G1-2 §15 (b)	(1b)	NA

GRI Standards	GRI Disclosures and requirements	ESRS Disclosure requirements	Notes	Reference
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken (308-2-c)	ESRS 2 SBM-3 §48 (c) i and iv		4.1.2.2 Interest and views of stakeholders (ESRS2 SBM-2) 4.1.4.3 Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS2 SBM-3)
GRI 401: Employment 2016	3-3 Management of material topics	ESRS S1 S1-1 §17; §20 (c); S1-2 §27; S1-4 §38; §39; §AR 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); S2-2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §39, §42 (b) and (c)		4.3.1 Own workforce (ESRS S1)
GRI 401: Employment 2016	401-1 New employee hires and employee turnover (401-1-b)	ESRS S1 S1-6 §50 (c)	(1a)	4.3.1 Own workforce (ESRS S1)
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees (401-2-a-ii, a-iii, a-iv, a-v and b)	ESRS S1 S1-11 §74; §75; §AR 75		4.3.1 Own workforce (ESRS S1)
GRI 401: Employment 2016	401-3 Parental leave (401-3-a and b)	ESRS S1 S1-15 §93		4.3.1 Own workforce (ESRS S1)
GRI 402: Labor/Management Relations 2016	3-3 Management of material topics	ESRS S1 S1-1 §17; §20 (c); S1-2 §27; S1-4 §38; §39; §AR 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); S2-2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §39, §42 (b) and (c)		4.3.1 Own workforce (ESRS S1)
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	“Social dialogue” and “Collective bargaining” are sustainability matters for S1 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.		NA
GRI 403: Occupational Health and Safety 2018	3-3 Management of material topics	ESRS S1 S1-1 §17; §20 (c); S1-2 §27; S1-4 §38; §39; §AR 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); S2-2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §39, §42 (b) and (c)		4.3.1.4 Working conditions for Air France-KLM staff
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system (403-1-a)	ESRS S1 S1-1 §23	(1a)	4.3.1.4 Working conditions for Air France-KLM staff
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation (403-2-b)	ESRS S1 S1-3 §32 (b) and §33		4.3.1.4 Working conditions for Air France-KLM staff
GRI 403: Occupational Health and Safety 2018	403-3 Occupational health services 403-4 Worker participation, consultation, and communication on occupational health and safety 403-5 Worker training on occupational health and safety	“Health and safety” and “Training and skills development” are sustainability matters for S1 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	(2b)	4.3.1.4 Working conditions for Air France-KLM staff

GRI Standards	GRI Disclosures and requirements	ESRS Disclosure requirements	Notes	Reference
GRI 403: Occupational Health and Safety 2018	403-6 Promotion of worker health	"Social protection" is a sustainability matter for S1 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	(2b)	4.3.1.4 Working conditions for Air France-KLM staff
GRI 403: Occupational Health and Safety 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	ESRS S2 S2-4 §32 (a)		4.3.1.4 Working conditions for Air France-KLM staff
GRI 403: Occupational Health and Safety 2018	403-8 Workers covered by an occupational health and safety management system (403-8-a and b)	ESRS S1 S1-14 §88 (a); §90	(2c)	4.3.1.4 Working conditions for Air France-KLM staff
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries (403-9-a-i, a-iii, b-i, b-iii, c-iii, d, e)	ESRS S1 S1-4, §38 (a); S1-14 §88 (b) and (c); §AR 82	(1a) (2c)	4.3.1.4 Working conditions for Air France-KLM staff
GRI 403: Occupational Health and Safety 2018	403-10 Work-related ill health (403-10-a-i, a-ii, b-i, b-ii, c-iii)	ESRS S1 S1-4, §38 (a); S1-14 §88 (b) and (d); §89; §AR 82	(1a) (2c)	4.3.1.4 Working conditions for Air France-KLM staff
GRI 404: Training and Education 2016	3-3 Management of material topics	ESRS S1 S1-1 §17; §20 (c); S1-2 §27; S1-4 §38; §39; §AR 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); S2-2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §39, §42 (b) and (c)		4.3.1.6 Training & skills development and talent attractiveness
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	ESRS S1 S1-13 §83 (b) and §84		4.3.1.6 Training & skills development and talent attractiveness
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs (404-2-a)	ESRS S1 S1-1 §AR 17 (h)		4.3.1.6 Training & skills development and talent attractiveness
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	ESRS S1 S1-13 §83 (a) and §84		4.3.1.6 Training & skills development and talent attractiveness
GRI 405: Diversity and Equal Opportunity 2016	3-3 Management of material topics	ESRS S1 S1-1 §17; §20 (c); S1-2 §27; S1-4 §38; §39; §AR 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); S2-2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §39, §42 (b) and (c)		4.3.1.5 Diversity, Equity and Inclusion
GRI 405: Diversity and Equal Opportunity 2016	3-3 Management of material topics	ESRS S1 §24 (a)		4.3.1.5 Diversity, Equity and Inclusion
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees (405-1-a-i and iii, 405-1-b)	ESRS 2 GOV-1 §21 (d); ESRS S1 S1-6 §50 (a); S1-9 §66 (a) to (b); S1-12 §79	(1a)	4.1.3.1 The role of the administrative, management and supervisory bodies (GOV-1); 4.3.1.5 Diversity, Equity and Inclusion
GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	ESRS S1 S1-16 §97 and §98		4.3.1.5 Diversity, Equity and Inclusion
GRI 406: Non-discrimination 2016	3-3 Management of material topics	ESRS S1 S1-1 §17; §20 (c); §24 (a) and (d); S1-2 §27; S1-4 §38; §39; §AR 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); S2-2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §39, §42 (b) and (c); ESRS S4 §10 (b); S4-1 §13; §16 (c); S4-2 §20; S4-4 §31; §32 (a) and (b); §35; §AR 30; §AR 33 (a); S4-5 §38; §41 (b) and (c)		4.3.1 Own workforce (ESRS S1)

GRI Standards	GRI Disclosures and requirements	ESRS Disclosure requirements	Notes	Reference
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	ESRS S1 S1-17 §97, §103 (a), §AR 103		4.3.1 Own workforce (ESRS S1) 4.3.1.5 Diversity, Equity and Inclusion
GRI 407: Freedom of Association and Collective Bargaining 2016	3-3 Management of material topics	ESRS S1 S1-1 §17; §20 (c); S1-2 §27; S1-4 §38; §39; §AR 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); S2-2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §39, §42 (b) and (c)		4.3.1 Own workforce (ESRS S1) 4.3.2 Workers in the value chain (ESRS S2)
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	“Freedom of association” and “Collective bargaining” are sustainability matters for S1 and S2 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	(2b)	4.3.1 Own workforce (ESRS S1) 4.3.2 Workers in the value chain (ESRS S2)
GRI 408: Child Labor 2016	3-3 Management of material topics	ESRS S1 S1-1 §17; §20 (c); §22; S1-2 §27; S1-4 §38; §39; §AR 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); §18; S2-2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §39, §42 (b) and (c)		4.3.1.7 Working rights and human rights 4.3.2 Workers in the value chain (ESRS S2)
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor (408-1-a-i, b, c)	ESRS S1 §14 (g); S1-1 §22 ESRS S2 §11 (b); S2-1 §18	(2a)	4.3.1.7 Working rights and human rights 4.3.2 Workers in the value chain (ESRS S2)
GRI 409: Forced or Compulsory Labor 2016	3-3 Management of material topics	ESRS S1 S1-1 §17; §20 (c); §22; S1-2 §27; S1-4 §38; §39; §AR 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); §18; S2-2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §39, §42 (b) and (c)		4.3.1.7 Working rights and human rights 4.3.2 Workers in the value chain (ESRS S2)
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	ESRS S1 §14 (f); S1-1 §22 ESRS S2 §11 (b); S2-1 §18	(2a)	4.3.1.7 Working rights and human rights 4.3.2 Workers in the value chain (ESRS S2)
GRI 410: Security Practices 2016	3-3 Management of material topics	ESRS S3 §9 (b); S3-1 §12, §15 and §16 (c); S3-2 §21; S3-4 §32 (a) to (d), §33 (a) and (b), §35, 36; §AR 31, §AR 34 (a); S3-5 §39, §43		4.3.3 Affected communities – Noise management (ESRS S3)
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	“Security-related impacts” is a sustainability matter covered for S3 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	(2b)	NA
GRI 411: Rights of Indigenous Peoples 2016	3-3 Management of material topics	ESRS S3 §9 (b); S3-1 §12, §15 and §16 (c); S3-2 §21; S3-4 §32 (a) to (d), §33 (a) and (b), §35, 36; §AR 31, §AR 34 (a); S3-5 §39, §43		NA
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	ESRS S3 S3-1 §16 (c), AR 12; S3-4 §30, §32 (b), §33 (b), §36	(1b)	NA
GRI 413: Local Communities 2016	3-3 Management of material topics	ESRS S3 §9 (b); S3-1 §12, and §16 (c); S3-2 §21; S3-4 §32 (a) to (d), §33 (a) and (b), §35, 36; §AR 31, §AR 34 (a); S3-5 §39, §43		4.3.3 Affected communities – Noise management (ESRS S3)
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	ESRS S3 S3-2 §19; S3-3 §25; S3-4 §AR 34 (c)	(1b)	4.3.3 Affected communities – Noise management (ESRS S3)

GRI Standards	GRI Disclosures and requirements	ESRS Disclosure requirements	Notes	Reference
GRI 413: Local Communities 2016	413-2 Operations with significant actual and potential negative impacts on local communities (413-2-a-ii)	ESRS 2 SBM-3 48 (c); ESRS S3 §9 (a) i and (b)		4.1.4.3 Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS2 SBM-3) 4.3.3 Affected communities – Noise management (ESRS S3)
GRI 414: Supplier Social Assessment 2016	3-3 Management of material topics	ESRS G1 G1-2 §12 and §15 (a)		NA
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	ESRS G1 G1-2 §15 (b)	(1b)	NA
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken (414-2-c)	ESRS 2 SBM-3 §48 (c) i and iv		4.1.2.2 Interest and views of stakeholders (ESRS2 SBM-2) 4.1.4.3 Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS2 SBM-3)
GRI 415: Public Policy 2016	3-3 Management of material topics	ESRS G1 G1-5 §27		4.4.2 Political Engagement & Lobbying Activities, Economic & Social Value of Air Transportation (G1-5)
GRI 415: Public Policy 2016	415-1 Political contributions	ESRS G1 G1-5 §29 (b)		4.4.2 Political Engagement & Lobbying Activities, Economic & Social Value of Air Transportation (G1-5)
GRI 416: Customer Health and Safety 2016	3-3 Management of material topics	ESRS S4 §10 (b); S4-1 §13, §16 (c); S4-2 §20; S4-4 §31; §32 (a) and (b), §35, §AR 30, §AR 33 (a); S4-5 §38, §41 (b) and (c)		4.3.4 Consumers and end-users (ESRS S4)
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	"Personal safety of consumers and end-users" is a sustainability matter for S4 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	(2b)	4.3.4 Consumers and end-users (ESRS S4)
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	ESRS S4 S4-4 §35	(1b)	NA
GRI 417: Marketing and Labeling 2016	3-3 Management of material topics	ESRS S4 §10 (b); S4-1 §13, §16 (c); S4-2 §20; S4-4 §31; §32 (a) and (b), §35, §AR 30, §AR 33 (a); S4-5 §38, §41 (b) and (c)		NA
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	"Information-related impacts for consumers and end-users" is a sustainability matter for S4 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	(2b)	NA
GRI 417: Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	ESRS S4 S4-4 §35	(1b)	NA

GRI Standards	GRI Disclosures and requirements	ESRS Disclosure requirements	Notes	Reference
GRI 417: Marketing and Labeling 2016	417-3 Incidents of non-compliance concerning marketing communications	ESRS S4 S4-4 §35	(1b)	NA
GRI 418: Customer Privacy 2016	3-3 Management of material topics	ESRS S4 §10 (b); S4-1 §13 and §16 (c); S4-2 §20; S4-4 §31, §32 (a) and (b), §35, §AR 30, §AR 33 (a); S4-5 §38, §41 (b) and (c)		4.3.4 Consumers and end-users (ESRS S4)
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	ESRS S4 S4-3 §AR 23; S4-4 §35	(1a)	4.3.4 Consumers and end-users (ESRS S4)

Notes legend

(1a) Differences in granularity: GRI requires further breakdowns or granularity.

(1b) Differences in data type: GRI requires quantitative disclosure and ESRS requires qualitative disclosure.

(2a) Differences in scope: GRI disclosure is broader and/or more specific than ESRS.

(2b) Differences in scope: GRI and ESRS disclosures have the same disclosure objective but differ in how data points are formulated.

(2c) Differences in scope: GRI 403 covers employees and workers who are not employees but whose work and/or workplace is controlled by the organization. ESRS S1-14 covers employees and non-employee workers (people with contracts with the undertaking to supply labour ("self-employed people") or people provided by undertakings primarily engaged in "employment activities" (NACE code N78)). For fatalities, ESRS S1-14 covers workers working on the undertaking's sites.

(3) Difference in definition of non-employees: GRI 2-8 covers workers who are not employees and whose work is controlled by the organization. ESRS S1-7 covers non-employee workers (people with contracts with the undertaking to supply labour ("self-employed people") or people provided by undertakings primarily engaged in "employment activities" (NACE code N78)).

4.6 AUDITORS REPORT ON THE CERTIFICATION OF SUSTAINABILITY INFORMATION

This is a translation into English of the Statutory Auditors report on the certification of sustainability information and verification of the disclosure requirements under Article 8 of Regulation (EU) 2020/852 of the Company issued in French and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and the H2A guidelines on "Limited assurance engagement – Certification of sustainability reporting and verification of disclosure requirements set out in Article 8 of Regulation (EU) 2020/852".

Report on the certification of sustainability information and verification of the disclosure requirements under Article 8 of Regulation (EU) 2020/852, for the year ended December 31, 2024

To the Annual General Meeting of Air France-KLM S.A.,

This report is issued in our capacity as Statutory Auditors of Air France-KLM. It covers the sustainability information and the information required by Article 8 of Regulation (EU) 2020/852, relating to the year ended December 31, 2024 and included in sections 4.1 to 4.5 of the group management report (hereinafter the "Sustainability Statement").

Pursuant to Article L. 233-28-4 of the French Commercial Code, Air France-KLM is required to include the above mentioned information in a separate section of the group management report. This information has been prepared in the context of the first time application of the aforementioned articles, a context characterized by uncertainties regarding the interpretation of the laws and regulations, the use of significant estimates, the absence of established practices and frameworks in particular for the double-materiality assessment, and an evolving internal control system. It enables an understanding of the impact of the activity of the group on sustainability matters, as well as the way in which these matters influence the development of the business of the Group, its performance and position. Sustainability matters include environmental, social and corporate governance matters.

Pursuant to Article L. 821-54 paragraph II of the aforementioned Code our responsibility is to carry out the procedures necessary to issue a conclusion, expressing limited assurance, on:

- compliance with the sustainability reporting standards adopted pursuant to Article 29 b of Directive (EU) 2013/34 of the European Parliament and of the Council of 14 December 2022 (hereinafter ESRS for European Sustainability Reporting Standards) of the process implemented by Air France-KLM to determine the information reported;
- compliance of the sustainability information included in the Sustainability Statement with the requirements of L. 233-28-4 of the French Commercial Code, including ESRS; and
- compliance with the reporting requirements set out in Article 8 of Regulation (EU) 2020/852.

This engagement is carried out in compliance with the ethical rules, including independence, and quality control rules prescribed by the French Commercial Code.

It is also governed by the H2A guidelines on "Limited assurance engagement – Certification of sustainability reporting and verification of disclosure requirements set out in Article 8 of Regulation (EU) 2020/852".

In the three separate sections of the report that follow, we present, for each of the sections of our engagement, the nature of the procedures that we carried out, the conclusions that we drew from these procedures and, in support of these conclusions, the elements to which we paid particular attention and the procedures that we carried out with regard to these elements. We draw your attention to the fact that we do not express a conclusion on any of these elements taken individually and that the procedures described should be considered in the overall context of the formation of the conclusions issued in respect of each of the three sections of our engagement.

Finally, where deemed necessary to draw your attention to one or more disclosures of sustainability information provided by Air France-KLM in the Group management report, we have included an emphasis of matter paragraph hereafter.

Limits of our engagement

As the purpose of our engagement is to express limited assurance, the nature (choice of techniques), extent (scope) and timing of the procedures are less than those required to obtain reasonable assurance.

Furthermore, this engagement does not provide guarantee regarding the viability or the quality of the management of Air France-KLM, in particular it does not provide an assessment, of the relevance of the choices made by Air France-KLM in terms of action plans, targets, policies, scenario analyses and transition plans, which would go beyond compliance with the ESRS reporting requirements.

It does, however, allow us to express conclusions regarding the entity's process for determining the sustainability information to be reported, the sustainability information itself, and the information reported pursuant to Article 8 of Regulation (EU) 2020/852, as to the absence of identification or, on the contrary, the identification of errors, omissions or inconsistencies of such importance that they would be likely to influence the decisions that readers of the information subject to this engagement might make.

Any comparative information that would be included in the Group management report are not covered by our engagement.

Compliance with the ESRS of the process implemented by Air France-KLM to determine the information reported

Nature of procedures carried out

Our procedures consisted in verifying that:

- the process defined and implemented by Air France-KLM has enabled it, in accordance with the ESRS, to identify and assess its impacts, risks and opportunities related to sustainability matters, and to identify the material impacts, risks and opportunities, that lead to the publication of information disclosed in the Sustainability Statement, and
- the information provided on this process also complies with the ESRS.

Conclusion of the procedures carried out

On the basis of the procedures we have carried out, we have not identified any material errors, omissions or inconsistencies regarding the compliance of the process implemented by Air France-KLM with the ESRS.

Elements that received particular attention

We set out below the elements that have been the subject of particular attention in relation to our assessment of compliance with the ESRS of the process implemented by Air France-KLM to determine the information reported.

- Concerning the identification of stakeholders
Information on the identification of stakeholders is set out in section 4.1.2.2. "Interest and views of stakeholders" of the Sustainability Statement.

We have inquired with management and other relevant individuals deemed appropriate and have reviewed the available documentation. Our procedures specifically included:

- assessing the consistency of the key stakeholders identified by the Group with the nature of its activities and geographical presence, taking into account its business relationships and value chain;
- exercising professional skepticism to evaluate the representativeness of the stakeholders identified by Air France-KLM;
- assessing the appropriateness of the description provided in section 4.1.2.2 "Interest and views of stakeholders (ESRS 2 SBM-2)."

- Concerning the identification of impacts, risks and opportunities

Information on the identification of impacts, risks and opportunities is provided in section 4.1.4 "Impacts, risks and opportunity management" of the Sustainability Statement.

We have reviewed the process implemented by the Group for identifying impacts (negative or positive), risks, and opportunities ("IRO"), whether actual or potential, in relation to the sustainability matters mentioned in paragraph AR 16 of the "Application Requirements" of the ESRS 1 standard, as well as, where applicable, those specific to the Group, as presented in section 4.1.4.1 "Process to identify and assess material

impacts, risks and opportunities (IRO-1)" of the Sustainability Statement.

In particular, we have assessed the approach adopted by the Group to determine its impacts and dependencies, which may give rise to risks or opportunities.

We have reviewed the table of identified IROs, which includes a description of their distribution across the Group's own activities and its value chain, as well as their time horizon (short, medium, or long term). We have also assessed the consistency of this table with our knowledge of the Group and with the risk analyses conducted by the Group.

We have:

- assessed how the Group has considered the list of sustainability topics enumerated in the ESRS 1 standard (AR16) in its analysis;
 - evaluated the consistency of the identified actual and potential impacts, risks, and opportunities with our knowledge of the Group and the available sector analyses;
 - reviewed how the Group has taken into account different time horizons, particularly regarding climate-related issues;
 - assessed whether the Group has considered risks and opportunities arising from both past and future events due to its own activities or business relationships, including the actions undertaken to manage certain impacts or risks.
- Concerning the assessment of impact materiality and financial materiality

Information on the assessment of impact materiality and financial materiality is provided in section 4.1.4.1 "Process to identify and assess material impacts, risks and opportunities (IRO-1)" of the Sustainability Statement.

We have reviewed, through interviews with management and inspection of available documentation, the process implemented by the Group for assessing impact materiality and financial materiality, and evaluated its compliance with the criteria defined by ESRS 1.

In particular, we have assessed how the Group has established and applied the materiality criteria for information as defined by the ESRS 1 standard, including those related to threshold setting, to determine the material information disclosed in relation to the indicators concerning the material IROs identified in accordance with the relevant ESRS thematic standards.

Compliance of the sustainability information included in the Sustainability Statement with the requirements of Article L.233-28-4 of the French Commercial Code, including the ESRS

Nature of procedures carried out

Our procedures consisted in verifying that, in accordance with legal and regulatory requirements, including the ESRS:

- the disclosures provided enable an understanding of the general basis for the preparation and governance of the sustainability information included in the

Sustainability Statement, including the basis for determining the information relating to the value chain and the exemptions from disclosures used;

- the presentation of this information ensures its readability and understandability;
- the scope chosen by Air France-KLM for providing this information is appropriate; and
- on the basis of a selection, based on our analysis of the risks of non-compliance of the information provided and the expectations of users, that this information does not contain any material errors, omissions or inconsistencies, i.e. that are likely to influence the judgement or decisions of users of this information.

Conclusion of the procedures carried out

Based on the procedures we have carried out, we have not identified material errors, omissions or inconsistencies regarding the compliance of the sustainability information included in the Sustainability Statement, with the requirements of Article L. 233-28-4 of the French Commercial Code, including the ESRS.

Elements that received particular attention

Information reported in relation to climate change (ESRS 1) is mentioned in section 4.2.1 "Climate change (ESRS E1) of the Sustainability Statement.

We set out below the elements that have been the subject of particular attention in relation to our assessment of the compliance of this information with the ESRS.

Our work consisted primarily of:

- assessing, through interviews conducted with management and relevant individuals, whether the description of the policies, actions, and targets implemented by the Group covers the following areas: climate change mitigation, climate change adaptation, and energy efficiency;
- evaluating the appropriateness of the information presented in section 4.2 "Environmental Information" of the Group management report and its overall consistency with our knowledge of the Group.

Regarding the information published on the greenhouse gas (GHG) emissions inventory, our work consisted of:

- reviewing the internal control and risk management procedures implemented by the Group to ensure the compliance of the published information;
- assessing the consistency of the scope considered for the greenhouse gas emissions inventory with the scope of the consolidated financial statements and the upstream and downstream value chain;
- reviewing the protocol used by the Group to establish the greenhouse gas emissions inventory and evaluating its application methods, particularly for scope 1 and scope 3 category 3, related to activities in the fuel and energy sectors;
- evaluating the appropriateness of the emission factors used and the related conversion calculations, as well as the calculation assumptions, considering the inherent uncertainty in the current state of scientific or economic knowledge and the quality of the external data used;

- reconciling, based on sampling, the physical data (such as kerosene consumption and SAF – Sustainable Aviation Fuel, an alternative to conventional fossil-based aviation fuel) with the underlying data used to prepare the greenhouse gas emissions inventory and supporting documentation;
- verifying the accuracy of the calculations used to establish the reported information.

Regarding the verifications related to the Transition Plan for climate change mitigation, our work primarily consisted of:

- assessing, with the assistance of our climate experts, whether the information published regarding the Transition Plan complies with the requirements of ESRS E1 and appropriately describes the key underlying assumptions of this plan, noting that we are not required to express an opinion on the appropriateness or ambition level of the Transition Plan's objectives;
- evaluating whether this Transition Plan reflects the commitments made by the Group and aligns with the strategic plan and the five-year plan approved by the Board of Directors;
- assessing the internal consistency of the key information provided in the Transition Plan, particularly regarding the financial information related to the Group's investments, financing, and decarbonization levers;
- evaluating the consistency of the various scenarios analyzed by management to estimate absolute CO₂ emissions for 2030 (for scope 1 and scope 3, category 3) in comparison with the 2019 CO₂ emissions baseline (for scope 1 and scope 3, category 3).

Compliance with the reporting requirements set out in Article 8 of Regulation (EU) 2020/852

Nature of procedures carried out

Our procedures consisted in verifying the process implemented by Air France-KLM to determine the eligible and aligned nature of the activities of the entities included in the consolidation.

They also involved verifying the information reported pursuant to Article 8 of Regulation (EU) 2020/852, which involves checking:

- the compliance with the rules applicable to the presentation of this information to ensure that it is readable and understandable;
- on the basis of a selection, the absence of material errors, omissions or inconsistencies in the information provided, i.e. information likely to influence the judgement or decisions of users of this information.

Conclusion of the procedures carried out

Based on the procedures we have carried out, we have not identified any material errors, omissions or inconsistencies relating to compliance with the requirements of Article 8 of Regulation (EU) 2020/852.

Emphasis of matter

Without qualifying the conclusion expressed above, we draw your attention to the information provided in the paragraph "Pollution Prevention and Control – Compliance with Annex C of Regulation (EU) 2020/852" within section 4.2.4.5 "Alignment – Methodology for the evaluation of activities with respect to the Do No Significant Harm (DNSH) Criteria" of the Sustainability Statement concerning the assessment of compliance with the DNSH Pollution, which highlights the complexity of European regulations on polluting substances and the uncertainties in Regulation (EU) 2020/852 regarding the application of exemptions that Air France-KLM benefits from for the use of some of these substances.

Elements that received particular attention

We set out below the elements that have been the subject of particular attention regarding the compliance with the requirements of Article 8 of Regulation (EU) 2020/852.

■ Concerning the alignment of eligible activities

Information on eligible activities is provided in section 4.2.4.4. "Alignment - Methodology for the Evaluation of Activities and the Construction of KPIs with Regard to Substantial Contribution (SC)" of the Sustainability Statement.

As part of our verifications, we specifically:

- assessed the choices made by the Group regarding the consideration of European Commission communications on the interpretation and implementation of certain provisions of the Taxonomy Framework;
- reviewed, on a sampling basis, the documentary sources used, including external sources where applicable, and conducted interviews with relevant individuals;

- evaluated the analyses carried out by the Group, on which management based its judgment to determine whether eligible economic activities meet the cumulative conditions set out in the Taxonomy Framework to be classified as aligned, particularly regarding the technical screening criteria;
- assessed the validity of the analysis conducted to ensure compliance with minimum safeguards, primarily based on the information gathered as part of our understanding of the entity and its environment.

■ Concerning key performance indicators

The key performance indicators are set out in the paragraph "Results" within section 4.2.4 "The European Taxonomy" of the Sustainability Statement.

- Regarding the totals for revenue, CapEx, and OpEx (the denominators) presented in the regulatory tables, we verified the reconciliations performed by the Group with the accounting data used as the basis for the preparation of the financial statements and/or accounting data, such as management accounting or internal reporting statements.
- Regarding the other amounts comprising the various indicators for eligible and/or aligned activities (the numerators), we assessed these amounts for activities 6.19 "Passenger and Freight Air Transport" and 3.21 "Aircraft Maintenance".
- Finally, we evaluated the consistency of the information presented in section 4.2.4 "The European Taxonomy" of the Sustainability Statement with the other sustainability-related information in this Statement.

The Statutory Auditors

Paris La Défense, March 7, 2025

KPMG S.A.

Valérie Besson
Partner

Éric Dupré
Partner

Philippe Vincent
Partner

Amélie Jeudi de Grissac
Partner

Neuilly-sur-Seine, March 7, 2025

PricewaterhouseCoopers Audit

The following disclosure is prepared in accordance with the Monitoring Act No. 2017-399 ("Duty of Vigilance Law") and is not part of the Sustainability Statement.

4.7 MONITORING OF ACT NO. 2017-399 KNOWN AS THE DUTY OF VIGILANCE LAW

Background and commitments

Air France-KLM is subject to the obligations introduced by the French Act No. 2017-399 of March 27, 2017, relating to the duty of vigilance for parent companies and ordering companies ("Duty of Vigilance Act").

In response to these regulatory requirements, Air France-KLM has implemented a vigilance plan, it being understood that Air France-KLM already had processes in place enabling it to comply with the main requirements of the Duty of Vigilance Act before the entry into force of such act.

Air France-KLM has been a signatory of the United Nations Global Compact since 2003 and is committed to respecting and promoting its ten Principles notably in the areas of human rights and protection of the environment. This undertaking is reaffirmed each year by Air France-KLM's Top Management and promoted toward our business partners.

The Group's policy also enshrines the respect of fundamental rights as established in the leading international principles: the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, and the OECD guiding principles, notably on due diligence.

Risk identification and regular risk evaluation procedures

Methodology

The identification and evaluation of the various risks to be addressed as part of the duty of vigilance plan are part of the overall risk management process established within the Group. Please refer to Chapter 3 "Risks and risk management".

As a facilitator of risk management, the Air France-KLM Internal Audit team regularly evaluates the risk management process, and its conclusions are the subject of presentations to the Air France-KLM Executive Committee and the Audit Committee.

Under the supervision of the Internal Audit team, twice a year, Air France-KLM conducts a review of the non-financial risks generated by its activities with representatives of all divisions involved. This includes risks to be addressed as part of the duty of vigilance.

This analysis verifies any evolution in the likelihood and impact of identified risks compared to the previous semester and the adequacy, comprehensiveness, and efficiency of the measures and action plans aimed at the effective prevention, control, and mitigation of the non-financial risks deemed to be the most material for Air France-KLM (for more information, please refer to Chapter 3 "Risks and risk management" and section 4.1.2.2 "Interest and views of stakeholders (ESRS2 SBM-2)").

In particular, having established verification processes in the areas required to be covered by the vigilance plan, the Group has ensured that it is in a position to benefit, as effectively as possible, from the contributions of its various divisions/entities involved in the deployment of the vigilance plan through the organization (i.e., compliance, procurement, HR, and sustainability teams).

As required by the Duty of Vigilance Act, Air France-KLM has also implemented measures concerning its supply chain.

The identification and assessment of risks within the supply chain are part of the Air France-KLM Group's overall sub-contracting management system, which covers all risk areas (financial and non-financial, including the environment, human and social rights, and ethical business conduct).

Risks related to the supply chain are identified, assessed, and mitigated through a due diligence process. A risk classification of suppliers and service providers is performed by the Air France-KLM Group Procurement team mainly based on geographical risk and industry sector risk known for issues and incidents in environmental, social, and human rights matters. The level of risk associated with categories of suppliers and service providers will trigger some enhanced due diligence process (see the "Supply chain" section below).

Such measures are complemented by compliance monitoring and supervisory actions such as audits, inspections, and checks carried out internally by the sub-contractors themselves, where appropriate, or with external providers (as part of the EcoVadis assessment on social and human rights, the environment, and responsible procurement).

Involvement of relevant stakeholders

The Air France-KLM Group has created a map of its relevant stakeholders for its activities, which enables it to determine the ones that are relevant for the design and performance of its vigilance plan (for more information, please see section 4.1.2.2 "Interest and views of stakeholders (ESRS2 SBM-2)").

Several processes enable the Air France-KLM Group to regularly evaluate the perception of its stakeholders in respect of risks applicable to or generated by its activities. For instance, the Air France-KLM Group updates on a regular basis a materiality matrix to identify and assess non-financial risks (including ESG-related topics) to determine and adapt its strategy and actions for these matters. This matrix is done through interviews of internal and external stakeholders, internal stakeholder workshops, and a survey of external customers to get a complete overview of the impact of activities on ESG matters (for more information, see section 4.1.4.1 "Process to identify and assess material impacts, risks and opportunities (IRO-1)").

The comparison of the results with previous analysis provided confirmation of the relevance of the Air France-KLM Group's strategic choices in light of the issues deemed to be priorities for its activities and the expectations of its stakeholders.

The Group also has several feedback channels in place enabling stakeholders (particularly employees, customers, and local residents around airports) to communicate any complaints, thus enabling the Group to identify matters of concern and risks and take them into account in its strategy and policies (for more information, see section 4.1.2.2 "Interest and views of stakeholders (ESRS2 SBM-2)").

Concerning the involvement of actors in the supply chain, the Air France-KLM Procurement department aims to work with suppliers as sustainable business partners based on mutual trust and collaboration and to promote responsible procurement standards and drive innovation and development. As an example, Air France-KLM has been part of the Carbon Disclosure Project Climate Module Assessment, where a selected group of the 108 of the highest greenhouse gas-emitting suppliers have been asked to complete a climate module assessment to help Air France-KLM better understand its suppliers' environmental impact and identify areas where the Air France-KLM Group and its suppliers can work together to reduce the carbon footprint.

Eventually, the involvement of stakeholders is not limited to the identification of risks to be addressed through the duty-of-vigilance plan, but it is also used in the development of mitigating actions. For instance, Air France-KLM has participated in initiatives launched by professional associations and public actors to release communication campaigns against violence toward women and sexual tourism before and during the 2024 Paris Olympic and Paralympic Games, as this type of event provides the right timing for a warning to a large audience about the risk of these types of human rights violations.

Measures deployed to prevent and mitigate risks; monitoring mechanisms

Social and human rights and fundamental liberties

Within the organization, the risk factors to be addressed relate notably to discrimination, harassment, working conditions, gender equality and fair remuneration, freedom of association, collective bargaining, and social dialogue. For more information, see section 4.3 "Social Information".

The Group undertakes to comply with applicable labor legislation to ensure a safe and inclusive work environment, and with national collective agreements to respect the exercise of trade union rights.

Within its organization, the Group delegates to its subsidiaries the responsibility of respecting and promoting the content of these commitments locally, in compliance with the national provisions and legislation specific to each country.

The main measures implemented internally to mitigate risks related to social and human rights include:

- communication campaigns implemented through several channels: messages to employees, articles in the internal newsletter, or videos on the intranets;
- training campaigns: based on the identified risks, e-learning are launched for a targeted panel of employees for which completion is mandatory. In 2024, e-learning on the promotion of diversity, the fight against discrimination (with a focus on the recruitment process), and the fight against harassment and the prevention of sexism were available to employees on the internal training platform;
- commitment undertaken to achieve gender equality (signature of specific internal agreements);
- network of persons dedicated to providing guidance on harassment situations in divisions;
- events organized internally to promote diversity and inclusion.

Within the supply chain, the main risks to be addressed relate notably to discrimination, harassment, working conditions, forced labor and child labor, illegal employment, and own supply chain management of Tier 1 suppliers (see 4.3.2 "Workers in the value chain (ESRS S2)").

Mitigation actions consist of promoting our values regarding social and human rights to our business partners and requesting adherence to certain standards that are subject to regular controls (see the supply chain section below for information on due diligence and mitigating measures).

In addition, Air France and KLM support initiatives enabling skills development, the vocational integration of young people, and the social inclusion of vulnerable individuals. This also includes promoting access to training that leads to professions in the airline industry, through numerous associations and educational programs for young people.

The Air France Group also promotes gender diversity externally and combats stereotypes in technical aviation careers by supporting initiatives aimed at promoting gender balance. This is demonstrated through the "Feminizing the aeronautics and space professions" charter and the "*Elles bougent*" association. For more information, please see section 4.3.1.5 "Diversity, Equity and Inclusion".

Air France and KLM continue to support workers with disabilities by using companies in the sheltered and adapted sector for multiple projects (e.g., the upkeep of green spaces at some sites, shipment of packages of uniforms, packaging of headphones used on board, laundering of on-board linens) and by entrusting them with critical services (four sheltered sector suppliers work with the Air France-KLM IT department). For more information, please see section 4.3.4.3.3 "Access to services for passengers with disabilities".

Health and safety

For Air France-KLM, the health and safety of both customers and staff is an absolute priority.

Flight safety is key to retaining the trust of customers and imperative for the long-term viability of Air France-KLM operations.

All the Group's operations are the subject of multiple checks and certifications, and comply with extremely strict norms and the highest standards in the industry. Each airline of the Group deploys a Safety Management System, which is integral to their business organizations, processes, and corporate cultures. (For more information, please refer to Chapter 3 "Risks and risk management" and sections 4.3.1.4 "Working conditions for Air France-KLM staff" and 4.3.4.4 "Operational Safety & Security of Air Transportation (S4-1, S4-2, S4-3, S4-5, S4-4)".)

Safeguarding health and safety in the workplace is also a priority to which Air France-KLM responds by preventing occupational risks and improving the quality of life in the workplace. (For more information, please refer to section 4.3.1.4 "Working conditions for Air France-KLM staff".) As part of the mitigating measures, trainings are implemented (such as e-learning on security for managers), and audits are performed.

Environment

The identified risks mainly relate to climate change, air quality, noise, and waste management (see section 4.2 "Environmental information").

Risks are addressed through the Group Transition Plan, which sets forth the Group's strategy and main priorities in terms of reducing its impact on climate change.

The Air France and KLM Environmental Management Systems (EMSs) aim to prevent and mitigate the environmental impacts of their operations. These Environmental Management Systems have ISO 14001 certification, and internal and external audits enable the verification of their effective deployment.

Awareness campaigns are launched within the Group to ensure that the employees understand and take into account the risks associated with climate change. E-learning materials as part of Climate School project within Air France have been deployed in 2024 to executives and managers and are to be opened to all employees in 2025 as a second phase. This training program is compulsory and elaborates on the specific risks and challenges for the aviation industry and the strategy implemented by the Air France-KLM Group for environmental transition. Please find more information in section 4.2.1 "Climate change (ESRS E1)".

Air France-KLM also launches initiatives with partners to mitigate the impact of the aviation sector on the environment. (For more information, please see section 4.1.2.2 "Interest and views of stakeholders (ESRS2 SBM-2)".)

Supply chain

As a major purchaser of a wide range of products and services, the Air France-KLM Group integrates ethical and sustainability criteria into its supply chain by sourcing products and services that minimize its environmental footprint and create societal value.

Concerning the business relationships with its sub-contractors and suppliers, Air France-KLM ensures that the fundamental human and social rights and environmental protection principles are properly addressed everywhere in the world, irrespective of the place of their registration and operations.

The third-party due diligence process in place within its organization has been strengthened in 2024 to apply to new suppliers and service providers entering into a business relationship and deployed for the existing portfolio at the beginning of 2025. This due diligence process includes screening and due diligence that takes into account adverse media and appearances on sanctions lists that can be related to human rights incidents.

In addition, the supplier selection process also includes an assessment to respond to the duty of vigilance requirements.

For all new contracts or contract renewals, the signature of the Supplier Sustainable Code of Conduct or an equivalent commitment covering the principles of environmental protection, social and human rights, ethical business conduct, and sustainable supply chain is mandatory.

In the event of a deviation, the Legal department or the Compliance department are involved in providing guidance on how to handle the situation.

In addition to adherence to rules and standards at least as stringent as the ones in place within its organization, Air France-KLM requests that suppliers and service providers monitor the enforcement of such rules within their supply chain and report on it upon request.

The Group may ask its suppliers and service providers to conduct a sustainability self-assessment to manage and monitor the level of sustainability performance. These assessments help to determine whether the suppliers and service providers meet the Group's sustainability requirements. If suppliers or service providers fail to comply with this requirement, the Group may request corrective actions and/or not enter into a commercial relationship or suspend or terminate the commercial relationship as provided for in the agreement executed with the concerned suppliers and service providers.

High-risk suppliers and service providers are also asked to submit an evaluation of their sustainability performance, carried out by a specialized organization (i.e., EcoVadis) or the equivalent. It is mandatory for this evaluation to address four areas: environment, social and human rights, ethics, supply chain.

Independent *in situ* audits may also be triggered. Independently of the level of risk, all suppliers are encouraged to have their CSR performance evaluated.

In 2024, 84% of suppliers signed the Supplier Sustainable Code of Conduct or equivalent, and 596 suppliers had their sustainability performance evaluated through EcoVadis or equivalent. These KPIs are reviewed each year with a target of constant improvement in the monitoring of efficiency of our actions related to sustainability within the supply chain.

In addition to the above-mentioned risk mitigating measures within the supply chain, the Air France-KLM Group Procurement function is provided with awareness-raising training on these ESG-related risks (i.e., Procurement Academy to ensure that buyers are trained on how to address risk factors with supply chain).

Whistleblowing lines

The entities of the Group have implemented whistleblowing tools with associated "speak up" policies. Reports can be made anonymously.

The scope of these whistleblowing tools makes it possible to report violations of social and human rights (such as discrimination, harassment, human trafficking, etc.), violations of laws, and matters relating to environmental damage.

Through regular communications, e-learnings, and training materials, employees of the Air France-KLM Group are informed of how reports can be made and handled through whistleblowing tools.

Third parties are informed via documentation implemented in the course of the business relationship (i.e., in the provision of the Supplier Sustainable Code of Conduct or in contract clauses).

Any incidents reported through the whistleblowing lines will be investigated by a dedicated team and will give rise to corrective actions if the reported incidents are well-founded. (For more information, please see 4.4.1.3 "Prevention of corruption and bribery, protection of whistleblowers (G1-3, G1-4)".)



5.

Financial report

5.1	Comments on the financial situation	378	5.3	Notes to the consolidated financial statements	395
5.1.1	Consolidated results at December 31, 2024	378	5.4	Statutory Auditors' report on the consolidated financial statements	476
5.1.2	Investments	381	5.5	Statutory financial statements	482
5.1.3	Financing	383	5.5.1	Income statement	482
5.1.4	Structure and profile of reimbursement of the financial debt	385	5.5.2	Balance sheet	483
5.1.5	Main financial ratios of the Group	385	5.5.3	Notes	484
5.1.6	Consolidated equity at December 31, 2024	387	5.6	Five-year results summary	497
5.1.7	Air France-KLM parent company results	387	5.7	Statutory Auditors' report on the financial statements	498
5.2	Consolidated financial statements	388	5.8	Statutory Auditors' special report on Related-Party Agreements	502
5.2.1	Consolidated income statement	388			
5.2.2	Consolidated statement of recognized income and expenses	389			
5.2.3	Consolidated balance sheet	390			
5.2.4	Consolidated statement of changes in stockholders' equity	392			
5.2.5	Consolidated statement of cash flows	394			

5.1 COMMENTS ON THE FINANCIAL SITUATION

5.1.1 Consolidated results at December 31, 2024

Scope at December 31, 2024

At December 31, 2024, the consolidation scope was composed of 87 fully consolidated companies, 21 companies consolidated using the equity method and one joint-venture. Air France-KLM and its two main subsidiaries, Air France and KLM, represent 88% of revenues and 66% of the balance sheet. The other subsidiaries are principally involved in air transportation (HOP!, KLM Cityhopper), maintenance and low-cost air transportation (Transavia).

As far as possible, the changes in the like-for-like figures have been estimated on a constant currency basis.

<i>(in € million)</i>	2024	2023	Change
Sales	31,459	30,019	1,440
EBITDA	4,244	4,208	36
Income from current operations	1,601	1,712	(111)
Income from operating activities	1,466	1,677	(211)
Net income for the period	489	990	(501)
Net income/(loss), Group part	317	934	(617)
Basic earnings/(loss) per share, Group <i>(in €)</i>	0.93	0.43	0.50

Revenues

Consolidated revenues for the period amounted to €31.5 billion, an increase of 4.8% and 5.2% on a constant currency basis. In 2024, revenue for each business increased. Revenues from Network business increased by 2.5%, Maintenance revenues by 19.9%, while third-party maintenance revenues increased by 21.9% (33.7% on a constant currency basis) and finally Transavia revenues by 16.4%.

Air France-KLM increased its overall capacity by 3.6% (ASK). Air France-KLM increased its passenger capacity by 2.8% (ASK) and its cargo capacity by 1.8% (ATK). Transavia's capacity increase stood at 8.3% (ASK).

The 2024 financial year was characterized by a unit revenue (RASK) increase of 0.6% compared to 2023 on a constant currency basis, explained by the good performance of Transavia (RASK 6.6%) and Passenger network (RASK 0.4%) despite less traffic to Paris during Summer as a consequence of the Olympic Games. Cargo unit revenue (RATK) has decreased by (1.9)% after being impacted in H1 by the challenging implementation of a new cargo IT platform.

Operating expenses

Operating expenses increased by 5.5% to €(29.9) billion, while capacity (ASK) increased by 3.6%.

External expenses increased by 5.3% to €(19.1) billion over the previous twelve months.

Excluding fuel and SAF, external expenses were up by 12.1% relative to the previous twelve months.

The breakdown of external expenses was as follows:

(in € million)	2024	2023	% ch.	% ch. at constant currency
Aircraft fuel	(6,737)	(7,133)	(5.6)%	(4.4)%
SAF	(170)	(172)	(1.2)%	
CO ₂ quotas	(249)	(203)	22.7%	
Chartering costs	(497)	(551)	(9.8)%	(9.1)%
Landing fees and air route charges	(2,048)	(1,908)	7.3%	7.8%
Catering	(919)	(829)	10.9%	11.7%
Handling charges	(2,032)	(1,856)	9.5%	10.2%
Aircraft maintenance costs	(3,320)	(2,549)	30.2%	30.7%
Commercial and distribution costs	(1,060)	(1,029)	3.0%	3.3%
Other external expenses	(2,063)	(1,909)	8.1%	8.2%
TOTAL	(19,095)	(18,139)	5.3%	5.7%

The main changes were as follows:

- aircraft fuel: the fuel expense for the year decreased by (5.6)%, compared to 2023, representing a decrease of (4.4)% at constant exchange rates. This variation is explained by the combined effect of the Group's capacity growth (ASK 3.6%) and lower fuel price compared to 2023;
- SAF: these expenses correspond to SAF purchased in particular under the French SAF incorporation mandate and the SAF contracts made to corporate customers for their passenger and cargo traffic. This amount is nearly stable compared to last year, the increase in SAF purchases being compensated by lower SAF prices;
- CO₂ quotas: these expenses correspond to purchases of CO₂ emission quotas, mostly European trading system allowances (EU-ETS). The rise of these costs by 22.7% is mostly due to the decrease in allowances allocated free of charge to airlines, as a consequence of the reform of the EU-ETS decided by the European Institutions in 2022;
- chartering costs: the costs incurred in leasing aircraft capacity from other airlines. It has decreased by (9.1)% at constant currency compared to 2023;
- landing fees and air-route charges: these costs are incurred for air navigation services and the use of airports. Their increase relative to 2023 (+7.3%) is higher than capacity produced by the Group, due to fare increases applied at certain airports;
- catering costs: these costs comprise the services supplied on board the Air France-KLM Group's own aircraft. They increased by 10.9% compared to last year, due to capacity increases and inflationary pressures;
- handling charges and other operating costs: they principally cover aircraft handling on the ground and the cost of passenger care for the Group and, to a lesser extent for third-party customers. The increase in these costs (+9.5%) is mainly explained by the increase in capacity and by inflationary pressures;
- aircraft maintenance costs: they include maintenance procurement and consumption for the Group's aircraft and for the third-party activity; their increase (30.2%) is linked to the increase in internal and third-party activities;
- commercial and distribution costs: these costs increased by 3.0%, due to higher credit card commissions linked to higher ticket prices;
- other external expenses principally comprise rental charges, telecommunications costs, insurance and fees.

Salaries and related costs were up by 9.4% to €9.5 billion versus €8.7 billion in 2023. This is mainly due to CLA increases at both Air France and KLM airlines and a one time payment of €(50) million to AF staff for successful operations during the Paris Olympic Games.

Taxes, other than income taxes, stood at €(176) million in 2024 versus €(164) million in 2023, up by 7.3%.

Other current income and expenses stood at net income of €1,517 million in 2024 versus net income of €1,142 million in 2023. They included:

- capitalized production amounting to €1,353 million in 2024 versus €1,066 million in 2023;
- a result from joint-ventures of €(2) million in 2024 versus €(32) million in 2023;
- €24 million from currency hedges in 2024 versus €71 million in 2023.

EBITDA

EBITDA amounted to €4,244 million (versus €4,208 million at December 31, 2023).

The contributions to EBITDA by business segment were as follows:

<i>(in € million)</i>	2024	2023	% ch.
Network	3,403	3,659	(7.0)%
Maintenance	508	405	25.4%
Transavia	300	153	96.1%
Other	33	(9)	nm
TOTAL	4,244	4,208	0.9%

Amortization, depreciation and provisions

Amortization, depreciation and provisions totaled €(2,643) million in 2024 versus €(2,496) million in 2023.

Income/(loss) from current operations

The result from current operations was positive to the tune of €1,601 million (versus €1,712 million at December 31, 2023).

The contributions to revenues and income/(loss) from current operations by business segment were as follows:

<i>(in € million)</i>	2024		2023	
	Segment revenues	Income from current operations	Segment revenues	Income from current operations
Network	26,296	1,421	25,661	1,693
Maintenance	5,085	170	4,242	150
Transavia	3,072	3	2,640	(97)
Other	290	7	263	(34)
TOTAL	31,457	1,601	30,017	1,712

The nominal unit cost per ASK increased by 0.8%. In addition, there was a 0.8% increase on currency variation and a fuel price decrease of (2.5%). Together this amounted to a unit cost at constant currency, constant fuel and excluding ETS of 3.2%.

Income/(loss) from operating activities

The result from operating activities amounted to €1,466 million versus €1,677 million in 2023.

Over the 2024 financial year, the result from operating activities included, notably:

- the impact of aircraft sales and leasebacks for €13 million;
- the impact of other aircraft disposals, linked to the refinancing of a Boeing 777 at KLM for €16 million;

- a €(115) million compensation to be paid to Virgin as part of the renegotiation of a contract;
- a net €(49) million provision linked with the restructuring of domestic flights departing from Orly and of call centers.

Over the 2023 financial year, the result from operating activities had included, notably:

- the impact of aircraft sales and leasebacks for €4 million;
- the impact of other aircraft disposals, linked to the refinancing of a Boeing 777 at KLM for €20 million.

These operations are detailed in Note 11 "Sales of aircraft equipment and other non-current income and expenses" in the Notes to the consolidated financial statements.

Net cost of financial debt

The net cost of financial debt decreased to €(328) million versus a net cost of €(347) million during the previous financial year mainly due to a €50 million increase in income from cash and cash equivalents. Moreover and as of December 31, 2023 the bank loan guaranteed by the French State ("PGE") was repaid in full generating a positive impact of €10 million (see Note 12 of the notes to the consolidated financial statements).

Other financial income and expenses

Other net financial income and expenses amounted to €(546) million in 2024 versus €(183) million in 2023 and corresponded mainly to foreign exchange loss of €(219) million in 2024 versus a €127 million income in 2023 as well as the impact of the rate used to discount the long term return obligation liability and provision for leased aircraft.

Net result – Group part

Income taxes stood at income of €(84) million in 2024 versus €(164) million in 2023. The expense for the period comprises current tax of €(31) million and deferred tax of €(53) million.

Share of profits/(losses) from associates contributed a loss of €(19) million in 2024 versus a €7 million gain in the previous year. This was principally the result of the contribution from SAS AB (following the acquisition of a non-controlling stake by the Group in August 2024) as well as the Servair Group and from partnerships in the maintenance business.

The net result, Group part stood at income of €317 million in 2024 versus a €934 million in 2023. The contributions to the net result by quarter were, respectively, €(521) million at March 31, 2024, €121 million at June 30, 2024, €780 million at September 30, 2024 and €(63) million at December 31, 2024.

Basic earnings per share, Group part amounted to €0.93 at December 31, 2024 versus €0.43 at December 31, 2023.

5.1.2 Investments

<i>(in € million)</i>	2024	2023 restated⁽¹⁾
Acquisition of intangible assets	(195)	(176)
Investment in flight equipment	(3,195)	(3,114)
Other tangible investments	(322)	(258)
Change in accounts payable on acquisitions	(16)	(3)
Acquisition of subsidiaries, of shares in non-controlled entities	(92)	(7)
Proceeds on disposal of subsidiaries, of shares in non-controlled entities	32	–
Proceeds on disposal of property plant and equipment and intangible assets	678	867
Dividends received	5	3
Interest received	285	223
Decrease (increase) in net investments, more than 3 months	52	(540)
Acquisitions of warrants	–	(12)
NET CASH-FLOW USED IN INVESTING ACTIVITIES	(2,768)	(3,017)

(1) See Note 3 of the notes to the financial statements.

The following significant operations have impacted the cash flow from investing activities in 2024:

Sales of KLM Equipment Services B.V.

On February 1, 2024, KLM sold its 100% owned subsidiary KLM Equipment Services B.V. to a third party, TCR international N.V., Belgium (TCR). Under the agreement, KLM will become a TCR customer for the maintenance and lease of ground operations equipment at Schiphol, while TCR will be responsible for investments in ground operations equipment.

As of December 31, 2024, the disposal had the following impact on the Group's consolidated financial statements:

- Recognition of a proceeds of €30 million within the "Cash flow used in investing activities" in the consolidated cash flow statement (including €8 million from the sale of shares and €22 million from the sale of equipment to TCR);
- Recognition of a gain on disposal of €2 million within the "Other non-current income and expenses" in the consolidated income statement (linked to the sale of the shares taking into account the net book value of KLM Equipment Service B.V. in the consolidated financial statements at the date of the disposal).

Acquisition of a non-controlling stake in the share capital of SAS AB

As of October 3, 2023, Air France-KLM had been selected by SAS AB's Board of Directors as the winning bidder in SAS's exit financing solicitation process, collectively with a consortium.

After the receipt of regulatory approvals in Europe and the United States, the Air France-KLM Group finalized as of August 28, 2024 the acquisition of a 19.9% non-controlling stake in the share capital of SAS AB.

The members of the Consortium (which also includes Castlake L.P. on behalf of certain funds or affiliates, Lind Invest ApS, and the Danish State) now effectively hold an aggregate 86.4% stake in the share capital of the reorganized SAS AB (exclusive of the recovery by the Danish State in its capacity as a creditor of SAS and pursuant to SAS's restructuring plans), having invested US\$1.2 billion in the company, by subscribing for US\$475.0 million of common shares and by purchasing US\$725.0 million of senior secured convertible notes.

The Air France-KLM Group itself invested a total of US\$144.5 million (circa €133 million) in SAS AB, by subscribing for US\$109.5 million (circa €101 million) of common shares and by purchasing US\$35.0 million (circa €32 million) of senior secured convertible notes.

As of December 31, 2024, the acquisition had the following impact on the Group's consolidated statement of cash flow:

- the acquisition of the shares of SAS AB for a total amount of €88 million within the "Cash flow used in investing activities" in the consolidated cash flow statement (and after taking into account the payment of a deposit of €13 million already made in 2023) ;
- the acquisition of the senior secured convertible notes for a total amount of €32 million within the "Cash flow used in financing activities" in the consolidated cash flow statement.

Based on the analysis of the features of the transaction including the shareholders' agreement, the Group does not have the control of SAS AB either within the meaning of EU merger regulation nor based on IFRS 10. However despite they remain business competitors, the Air France-KLM Group meets the requirements of IAS 28 to account SAS AB for using the equity method since the acquisition date.

Investments in flight equipment

Moreover Investment in flight equipment included advance payments and balances on the delivery of aircraft purchases, capitalized aircraft modifications, spare parts procurement and maintenance costs eligible for capitalization. Investment in intangible assets related to the purchase of software and capitalized IT development. Other investments in tangible assets mostly included the acquisition of industrial equipment for the flight operations, maintenance and IT.

During the 2024 financial year, the Air France-KLM Group's capital expenditure on tangible and intangible assets amounted to €(3,728) million and proceeds on disposals to €678 million.

5.1.3 Financing

<i>(in € million)</i>	2024	2023 restated⁽¹⁾
Increase of equity	–	35
Capital increase subscribed by non controlling interests	–	9
Payments to acquire treasury shares	–	(1)
Purchase of minority interest without change of control	(1)	–
Issuance of perpetual	–	2,718
Repayment of perpetual	–	(595)
Coupons on perpetual	(231)	(92)
Issuance of debt	1,609	2,094
Repayment on debt	(1,930)	(3,324)
Payments on lease debts	(891)	(833)
New loans	(187)	(335)
Repayment on loans	182	129
Dividends paid	(1)	(90)
Interest paid	(664)	(704)
NET CASH-FLOW FROM FINANCING ACTIVITIES	(2,114)	(989)

(1) See Note 3 of the notes to the financial statements.

The significant following operations have impacted the cash flow from financing activities in 2024:

Early repayment of OCEANE bonds

Early repayment of €452 million of OCEANE bonds:

As of March 25, 2024, Air France-KLM has repaid, at the request of the bondholders, €452 million of the outstanding €500 million of the bonds convertible into new shares and/or exchangeable for existing shares due March 25, 2026.

This amount is equivalent of 25,246,843 of bonds. This early redemption option on March 25, 2024 was part of the terms and conditions of the bonds.

Early repayment of the remaining €48 million of OCEANE bonds:

The remaining €48 million of bonds due March 25, 2026 have been repaid in cash on May 10, 2024 under the conditions set out in the Terms and Conditions of the said OCEANE 2026 for cancellation in accordance with the applicable law. These remaining bonds were repaid in advance. This residual redemption amount is equivalent of 2,654,942 of bonds.

There is therefore no outstanding OCEANE 2026 bonds as of December 31, 2024.

Increase and extension of revolving credit facility (“RCF”) linked to ESG KPIs

Air France-KLM and Air France:

Air France-KLM and Air France, combined borrowers, signed in April 2023 a €1.2 billion Sustainability-Linked RCF. This facility included an accordion increase option executed during the first quarter of 2024 for an amount of €90 million bringing the amount available to around €1.3 billion.

The RCF also had an initial maturity in 2026 and two one-year extension options. In April 2024, Air France and Air France-KLM executed the extension option for one year, extending to a 2027 maturity.

Moreover and as of July 18, 2024 a new amendment has been signed for Air France-KLM and Air France credit facility involving:

- an extension of the maturity to July 2028 associated with a one-year extension option;
- an increase of the facility from €1,290 million to €1,405 million.

Following this renegotiation, the RCF lenders pool is composed of 17 banks (16 previously) and the financial conditions of the credit facility have been revised.

KLM:

In April 2023, KLM signed a €1.0 billion RCF including ESG Key Performance Indicators. This RCF had an initial 2027 maturity and included two one-year extension options. A one-year extension option has been executed extending to a 2028 maturity.

Issuance of a €650 million bonds and tender offer on two series of existing notes

Issuance of a €650 million bonds

As of May 23, 2024, Air France-KLM has made the issuance of new notes of a total principal amount of €650 million with a five-year maturity and bearing coupon at an annual rate of 4.625% under its Euro Medium Term Note program.

The net proceeds has been used to finalize the tender offer launched as of May 13, 2024 as described in the paragraph below.

Tender offer on two series of exiting notes

On May 24, 2024, Air France-KLM finalized the tender offer on two series of existing notes announced on May 13, 2024:

- €750 million 1.875% notes due January 16, 2025;
- €500 million 3.875% notes due July 1, 2026.

On these two series, existing notes for a total principal amount of €452.7 million, representing 36.2% of the outstanding existing notes, have been tendered for purchase in the tender offer and €452.7 million have been accepted, of which €234.8 million of 2025 notes and €217.9 million of 2026 notes. As a result, the principal amount of outstanding existing notes after completion of the tender offer will be €797.3 million, of which €515.2 million of 2025 notes and €282.1 million of 2026 notes.

Group liquidity

Thus and as of December 31, 2024, the Group's net liquidity position amounted to €6.9 billion, including €1.0 billion of investments with maturities of above three months and €1.1 billion of bonds. In addition, the Group had credit facilities of €2.5 billion available at December 31, 2024 (see also section 3.1.5.1 "Financial structure").

Net debt

Net debt stood at €7.3 billion (€5.0 billion at December 31, 2023). The detailed net debt calculation can be found in Note 32 in the notes to the consolidated financial statements.

5.1.4 Structure and profile of reimbursement of the financial debt

Structure of the financial debt

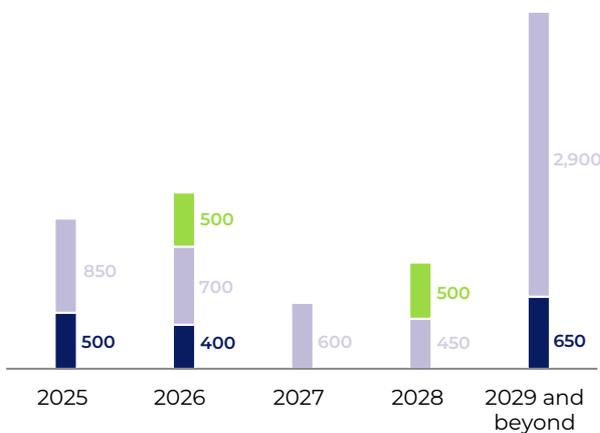
The Group's gross debt stood at €8.9 billion at December 31, 2024. €5.5 billion is guaranteed by pledged or mortgaged assets with a net book value amounting to €6.2 billion (see Note 39.1 "Commitments made" in the notes to the consolidated financial statements). After hedging, 80% of the gross debt (excluding lease debt) is at fixed rates and 78% (excluding lease debt) is denominated in euros. The interest rate on the Group's gross debt (excluding lease debt) after swaps stood at 3.76% as of December 31, 2024 (versus 3.63% as of December 31, 2023).

At December 31, 2024, the structure of the debt was as follows:

- market financing (bonds and perpetual subordinated loan stock): €3.1 billion;
- financial lease debt with bargain option: €4.2 billion;
- other borrowings including bank debt and accrued interest: €1.7 billion.

Reimbursement profile for debt and subordinated securities in € million⁽¹⁾

The debt reimbursement maturities are progressive over time.



Air France-KLM obligations senior

- January 2025: AFKL 1.875% (€515 million)⁽²⁾
- July 2026: AFKL 3.875% (€282 million)
- December 2026: AFKL 4.35% \$145 million
- May 2029 : AFKL 4.625% (€650 million)

Other long-term Debt: Air France and KLM secure Debt

Mainly "Asset-backed"

Sustainability-Linked Bonds

- May 2026: 7.250% (€500 million)
- May 2028: 8.125% (€500 million)

(1) Excluding operating lease debt payments, KLM perpetual debt, Air France perpetual quasi-equity, accrued interests and a sale and repurchase agreement for CO₂ quotas.

(2) Repaid in January 2025.

5.1.5 Main financial ratios of the Group

Financial cover ratios

Net debt/EBITDA ratio	2024	2023
Net debt	7,332	5,041
EBITDA	4,244	4,208
NET DEBT/EBITDA	1.73	1.20

EBITDA/net cost of financial debt ratio	2024	2023
EBITDA	4,244	4,208
Net cost of financial debt	328	347
EBITDA/NET COST OF FINANCIAL DEBT	12.94	12.13

Return on Capital Employed (ROCE)

Return on capital employed measures the return on invested capital by expressing a result after tax as a percentage of capital employed. The calculation methodology is as follows:

- the calculation of the capital employed is based on an additive method by identifying the relevant balance

sheet items. The capital employed for the year is obtained by taking the average of the capital employed on every quarterly balance sheet;

- the adjusted result after tax corresponds to the sum of the operating result adjusted for dividends received and the share of profits/(losses) of associates.

(in € million)	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
Goodwill and intangible assets	1,375	1,356	1,354	1,349
Flight equipment	12,347	12,607	12,197	11,646
Other property, plant and equipment	1,533	1,500	1,456	1,438
Right-of-use assets	7,592	6,652	6,479	5,902
Investments in equity associates	216	240	134	134
Other financial assets excluding shares available for sale, marketable securities and financial deposits	195	218	211	214
Provisions excluding pension, cargo litigation and restructuring	(5,224)	(4,553)	(4,700)	(4,523)
Working capital ⁽¹⁾	(7,468)	(7,422)	(8,222)	(8,284)
Capital employed	10,566	10,598	8,909	7,876
Average capital employed (A)		9,487		
Income (losses) from current operations		1,601		
Dividends received		(1)		
Share of profits/(losses) of associates		(19)		
Normative income tax		(408)		
Adjusted result from current operations after tax (B)		1,173		
ROCE (B/A)		12,4%		

(in € million)	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Goodwill and intangible assets	1,352	1,331	1,339	1,351
Flight equipment	11,501	11,296	10,957	10,954
Other property, plant and equipment	1,431	1,379	1,389	1,372
Right-of-use assets	5,956	5,596	5,480	5,304
Investments in equity associates	129	127	121	122
Other financial assets excluding shares available for sale, marketable securities and financial deposits	219	191	190	169
Provisions excluding pension, cargo litigation and restructuring	(4,346)	(4,481)	(4,248)	(4,255)
Working capital ⁽¹⁾	(6,981)	(7,804)	(8,917)	(8,696)
Capital employed	9,261	7,635	6,311	6,321
Average capital employed (A)		7,382		
Income (losses) from current operations		1,712		
Dividends received		(1)		
Share of profits/(losses) of associates		7		
Normative income tax		(444)		
Adjusted result from current operations after tax (B)		1,274		
ROCE (B/A)		17,3%		

(1) Excluding the deferral of social security and tax charges granted by Covid.

Net cost per ASK

To analyze the cost performance of each transportation activity, the Group divides the net cost of this activity by the capacity produced, expressed in ASK for the passenger business and Transavia, and in ATK for the cargo business. To analyze the Company's overall cost performance, the Group uses the net cost per ASK. This net cost is obtained by dividing the total net cost by the

capacity produced expressed in available seat-kilometers (ASK). The net cost is calculated by subtracting the revenues other than those generated by the three transportation activities (passenger, cargo and Transavia) from total operating expenses, excluding CO₂ quotas. The capacity produced by the two passenger transportation activities is calculated by adding the capacity of the passenger business (in ASK) to that of Transavia (in ASK).

		2024	2023
Revenues (in €m)	A	31,459	30,019
Income/(loss) from current operations (in €m)	B	1,601	1,712
Total operating expense (in €m)	C=A-B	29,858	28,307
CO2 quotas (in €m)	D	249	203
Other sales (in €m)	E	3,187	2,768
Other revenues (in €m)	F	2	2
Net cost (in €m)	G=C-D-E-F	26,420	25,334
Capacity produced, reported in ASK		320,678	309,563
Net cost, per ASK (in € cents)		8.24	8.18
Gross change			0.7 %
Currency effect on net costs (in €m)			(15)
Change at constant currencies			0,7%
Fuel price effect (in €m)			(624)
Change on a constant currency and fuel price basis and excluding ETS			3.2 %
NET COST PER ASK ON A CONSTANT CURRENCY AND FUEL PRICE BASIS EXCLUDING ETS		8.24	7,98

5.1.6 Consolidated equity at December 31, 2024

Equity attributable of Air France-KLM amounted to €799 million as of December 31, 2024 versus €500 million as of December 31, 2023. The €299 million increase is mainly explained by the following:

- a positive net result of €489 million;
- the impact of the coupons on perpetual subordinated bonds for €(231) million;

- the positive €41 million impact of other comprehensive income (mainly due to the remeasurements of defined benefit pension plans and the change in fair value of the hedging instruments).

5.1.7 Air France-KLM parent company results

As a holding company, Air France-KLM has no operating activity. Its revenues comprise royalties paid by the two operating subsidiaries for use of the Air France-KLM logo and the supply of services invoiced to Air France and KLM. Its expenses mostly comprise financial communication expenses, Statutory Auditors' fees, the expenses linked to the compensation of the company officers and the staff made available by Air France and KLM.

At December 31, 2024, the operating result amounted to a loss of €(1) million (versus a loss of €(29) million in 2023).

The net result was a €96 million profit, mainly due to the fiscal consolidation bonus.

Pursuant to the provisions of Article 39-5 and Article 223 *quinquies* of the French Tax Code relating to expenses in the statement of general expenses excluded from non-tax-deductible expenses, note that no amount was recognized during the financial year.

Pursuant to the provisions of Article 39-4 and Article 223 *quater* of the French tax Code no excess amortization was recognized.

Information on the maturity of accounts payable for the company Air France-KLM:

- at December 31, 2024, accounts payable stood at €29 million of which €11 million outside the Group, mostly not yet due within 45 days as of the end of the month;
- at December 31, 2023, accounts payable stood at €25 million of which €17 million outside the Group, mostly not yet due within 45 days as of the end of the month.

5.2 CONSOLIDATED FINANCIAL STATEMENTS

5.2.1 Consolidated income statement

Period from January 1 to 31 December

(in € millions)

	Notes	2024	2023
Revenues from ordinary activities	6.1	31,459	30,019
External expenses	7	(19,095)	(18,139)
Salaries and related costs	8	(9,461)	(8,650)
Taxes other than income taxes		(176)	(164)
Other current operating income and expenses	9	1,517	1,142
EBITDA	6.1	4,244	4,208
Amortization, depreciation and provisions	10	(2,643)	(2,496)
Income from current operations		1,601	1,712
Sales of aircraft equipment	11	37	32
Other non-current income and expenses	11	(172)	(67)
Income from operating activities	6.1	1,466	1,677
Interests expenses	12	(631)	(600)
Income from cash and cash equivalents	12	303	253
Net cost of financial debt	12	(328)	(347)
Other financial income and expenses	12	(546)	(183)
Income before tax of consolidated companies		592	1,147
Income taxes	13.1	(84)	(164)
Net income of consolidated companies		508	983
Share of profits (losses) of associates	20	(19)	7
Net income for the period		489	990
Net income – Non-controlling interests		172	56
Net income – Group part		317	934
Earnings per share – Equity holders of Air France-KLM (in euros)			
■ basic	14	0.93	0.43
■ diluted	14	0.93	0.41

The accompanying notes are an integral part of these consolidated financial statements.

5.2.2 Consolidated statement of recognized income and expenses

Period from January 1 to December 31

(in € millions)

	Notes	2024	2023
Net income		489	990
Effective portion of changes in fair value hedge and cost of hedging recognized directly in other comprehensive income	28.5	(103)	(44)
Change in fair value and cost of hedging transferred to profit or loss	28.5	2	(68)
Exchange difference resulting from the translation		15	(3)
Deferred tax on items of comprehensive income that will be reclassified to profit or loss	13.2	21	30
Total of other comprehensive income that will be reclassified to profit or loss		(65)	(85)
Remeasurements of defined benefit pension plans		100	4
Fair value of equity instruments revalued through OCI	22	1	-
Deferred tax on items of comprehensive income that will not be reclassified to profit or loss	13.2	1	(2)
Total of other comprehensive income that will not be reclassified to profit or loss		102	2
Items of the recognized income and expenses of equity shares, after tax	20	4	-
Total of other comprehensive income, after tax		41	(83)
RECOGNIZED INCOME AND EXPENSES		530	907
■ Equity holders of Air France-KLM		358	851
■ Non-controlling interests		172	56

The accompanying notes are an integral part of these consolidated financial statements.

5.2.3 Consolidated balance sheet

ASSETS

(in € millions)

	Notes	December 31, 2024	December 31, 2023
Goodwill	15	226	224
Intangible assets	16	1,150	1,128
Flight equipment	17	12,347	11,501
Other property, plant and equipment	17	1,533	1,431
Right-of-use assets	19	7,592	5,956
Investments in equity associates	20	216	129
Pension assets	29	66	45
Other non-current financial assets	22	1,369	1,262
Non-current derivative financial assets	35	195	148
Deferred tax assets	13.4	662	698
Other non-current assets	25	214	153
Total non-current assets		25,570	22,675
Other current financial assets	22	1,190	1,292
Current derivative financial assets	35	249	122
Inventories	23	959	853
Trade receivables	24	2,051	2,152
Other current assets	25	1,260	1,120
Cash and cash equivalents	26	4,829	6,194
Assets held for sale	27	47	82
Total current assets		10,585	11,815
TOTAL ASSETS		36,155	34,490

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated balance sheet (continuation)

LIABILITIES AND EQUITY

<i>(in € millions)</i>	Notes	December 31, 2024	December 31, 2023
Issued capital	28.1	263	263
Additional paid-in capital	28.1	7,560	7,560
Treasury shares	28.2	(27)	(25)
Perpetual	28.3	1,078	1,076
Reserves and retained earnings	28.4	(10,638)	(10,925)
Equity attributable to equity holders of Air France-KLM		(1,764)	(2,051)
Perpetual	28.3	2,530	2,524
Reserves and retained earnings	28.4	33	27
Equity attributable to non-controlling interests	28.6	2,563	2,551
Equity		799	500
Pension provisions	29	1,686	1,685
Non-current return obligation liabilities and provisions for leased aircrafts and other provisions	30	4,493	3,805
Non-current financial liabilities	31	7,254	7,538
Non-current lease debt	19	4,714	3,581
Non-current derivative financial liabilities	35	32	56
Deferred tax liabilities	13.4	2	-
Other non-current liabilities	34	904	1,376
Total non-current liabilities		19,085	18,041
Current return obligation liabilities and provisions for leased aircrafts and other provisions	30	1,181	1,079
Current financial liabilities	31	1,692	1,664
Current lease debt	19	982	848
Current derivative financial liabilities	35	137	139
Trade payables		2,608	2,447
Deferred revenue on ticket sales		4,097	3,858
Frequent flyer programs	33	906	899
Other current liabilities	34	4,668	5,002
Bank overdrafts	26	-	13
Total current liabilities		16,271	15,949
TOTAL LIABILITIES		35,356	33,990
TOTAL EQUITY AND LIABILITIES		36,155	34,490

The accompanying notes are an integral part of these consolidated financial statements.

5.2.4 Consolidated statement of changes in stockholders' equity

	Equity attributable to equity holders of Air France-KLM						Equity attributable to non-controlling interests			Total Equity	
	Number of shares	Issued capital	Additional paid-in capital	Treasury shares	Perpetual bonds	Reserves and retained earnings	Sub-Total	Perpetual bonds	Reserves and retained earnings		Sub-Total
<i>(in € millions)</i>											
December 31, 2022	2,570,536,136	2,571	5,217	(25)	933	(11,700)	(3,004)	510	14	524	(2,480)
Other comprehensive income	-	-	-	-	-	(83)	(83)	-	-	-	(83)
Net result for the period	-	-	-	-	-	934	934	-	56	56	990
Total of income and expenses recognized	-	-	-	-	-	851	851	-	56	56	907
Purchase of treasury shares	-	-	-	(1)	-	-	(1)	-	-	-	(1)
Share-based payment	-	-	-	1	-	30	31	-	-	-	31
Reverse share split and share capital reduction	(2,313,482,523)	(2,314)	2,314	-	-	-	-	-	-	-	-
Increase of capital reserved to employees	5,716,256	6	29	-	-	-	35	-	-	-	35
Capital increase subscribed by non-controlling interests	-	-	-	-	-	-	-	-	9	9	9
Dividends paid ⁽¹⁾	-	-	-	-	-	(90)	(90)	-	-	-	(90)
Perpetual	-	-	-	-	133	-	133	1,991	-	1,991	2,124
Coupons on perpetual	-	-	-	-	10	(72)	(62)	23	(53)	(30)	(92)
Tax on coupons on perpetual	-	-	-	-	-	56	56	-	-	-	56
Other	-	-	-	-	-	-	-	-	1	1	1
December 31, 2023	262,769,869	263	7,560	(25)	1,076	(10,925)	(2,051)	2,524	27	2,551	500

(1) As of December 31, 2023 and in the context of the exit of the French Recapitalization State Aid under the EU Covid-19 Temporary Framework, the Group paid a €90 million compensation to the French State required for the shares subscribed in April 2021. This payment was considered as a dividend payment and was therefore recognized in equity accordingly to IFRS principles.

	Equity attributable to equity holders of Air France-KLM						Equity attributable to non-controlling interests			Total	
	Number of shares	Issued capital	Additional paid-in capital	Treasury shares	Perpetual bonds	Reserves and retained earnings	Sub-Total	Perpetual bonds	Reserves and retained earnings		Sub-Total
<i>(in € millions)</i>											
December 31, 2023	262,769,869	263	7,560	(25)	1,076	(10,925)	(2,051)	2,524	27	2,551	500
Other comprehensive income	-	-	-	-	-	41	41	-	-	-	41
Net result for the period	-	-	-	-	-	317	317	-	172	172	489
Total of income and expenses recognized	-	-	-	-	-	358	358	-	172	172	530
Share-based payment	-	-	-	-	-	3	3	-	-	-	3
Dividends paid	-	-	-	-	-	-	-	-	(1)	(1)	(1)
Coupons on perpetual	-	-	-	-	2	(73)	(71)	6	(166)	(160)	(231)
Other	-	-	-	(2)	-	(1)	(3)	-	1	1	(2)
December 31, 2024	262,769,869	263	7,560	(27)	1,078	(10,638)	(1,764)	2,530	33	2,563	799

The accompanying notes are an integral part of these consolidated financial statements.

5.2.5 Consolidated statement of cash flows

Period from January 1 to December 31			
(in € millions)	Notes	2024	2023 restated ⁽¹⁾
Net income		489	990
Amortization, depreciation and operating provisions	10	2,643	2,496
Financial provisions	12	291	216
Cost of net debt		328	347
Loss (gain) on disposals of tangible and intangible assets		(42)	(63)
Loss (gain) on disposals of subsidiaries and associates	11	(2)	–
Derivatives – non monetary result		9	(2)
Unrealized foreign exchange gains and losses		201	(92)
Share of (profits) losses of associates	20	19	(7)
Deferred taxes	13	53	106
Impairment	37.2	–	1
Other non-monetary items	37.2	(14)	61
Cash flow from operating activities before change in working capital		3,975	4,053
Change in working capital resource	37.3	(479)	(447)
CASH-FLOW FROM OPERATING ACTIVITIES		3,496	3,606
Acquisition of subsidiaries, of shares in non-controlled entities		(92)	(7)
Acquisitions of warrants		–	(12)
Purchase of property plant and equipment and intangible assets	18	(3,728)	(3,551)
Proceeds on disposal of subsidiaries, of shares in non-controlled entities		32	–
Proceeds on disposal of property plant and equipment and intangible assets	11	678	867
Interest received		285	223
Dividends received		5	3
Decrease (increase) in net investments, more than 3 months		52	(540)
NET CASH-FLOW USED IN INVESTING ACTIVITIES		(2,768)	(3,017)
Increase of equity	28.1	–	35
Capital increase subscribed by non controlling interests	28.6	–	9
Payments to acquire treasury shares		–	(1)
Purchase of minority interest without change of control		(1)	–
Issuance of perpetual	28.3	–	2,718
Repayment of perpetual	28.3	–	(595)
Coupons on perpetual	28.3	(231)	(92)
Issuance of debt	31	1,609	2,094
Repayment on debt	31	(1,930)	(3,324)
Payments on lease debts	19	(891)	(833)
New loans		(187)	(335)
Repayment on loans		182	129
Interest paid		(664)	(704)
Dividends paid		(1)	(90)
NET CASH-FLOW FROM FINANCING ACTIVITIES		(2,114)	(989)
Effect of exchange rate on cash and cash equivalents and bank overdrafts (net of cash acquired or sold)		34	(42)
Change in cash and cash equivalents and bank overdrafts		(1,352)	(442)
Cash and cash equivalents and bank overdrafts at beginning of period	26	6,181	6,623
Cash and cash equivalents and bank overdrafts at end of period	26	4,829	6,181
Income tax (paid) / reimbursed (flow included in operating activities)		(20)	(114)

(1) See Note 3 of the notes to the financial statements.

The accompanying notes are an integral part of these consolidated financial statements.

5.3 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1	Basis of preparation of the consolidated financial statements	396	Note 22	Other financial assets	429
Note 2	Sustainable development and climate	399	Note 23	Inventories	431
Note 3	Restatement of the 2023 financial statements	402	Note 24	Trade accounts receivables	432
Note 4	Significant events	403	Note 25	Other assets	433
Note 5	Change in the consolidation scope	405	Note 26	Cash, cash equivalents and bank overdrafts	434
Note 6	Information by activity and geographical area	405	Note 27	Assets held for sale	434
Note 7	External expenses	409	Note 28	Equity attributable to equity holders of Air France-KLM SA	434
Note 8	Salaries and number of employees	410	Note 29	Pension assets and retirement benefits	439
Note 9	Other current operating income and expenses	411	Note 30	Return obligation liability and provision for leased aircraft and other provisions	445
Note 10	Amortization, depreciation and provisions	411	Note 31	Financial liabilities	449
Note 11	Sales of aircraft equipment and other non-current income and expenses	412	Note 32	Net debt	455
Note 12	Net cost of financial debt and other financial income and expenses	412	Note 33	Loyalty program	457
Note 13	Income taxes	413	Note 34	Other liabilities	457
Note 14	Earnings per share	417	Note 35	Financial risk management	458
Note 15	Goodwill	418	Note 36	Valuation methods for financial assets and liabilities at their fair value	466
Note 16	Intangible assets	419	Note 37	Consolidated statement of cash flow and operating free cash flow	467
Note 17	Tangible assets	420	Note 38	Flight equipment orders	468
Note 18	Capital expenditures	422	Note 39	Other commitments	468
Note 19	Right-of-use assets and lease debt	422	Note 40	Related parties	470
Note 20	Equity affiliates	426	Note 41	Statutory Auditors' fees	472
Note 21	Impairment	427	Note 42	Consolidation scope	473

NOTE 1 BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

As used herein, the term “Air France-KLM” refers to Air France-KLM SA, a limited liability company organized under French law. The term “Group” is represented by the economic definition of Air France-KLM and its subsidiaries. The Group is headquartered in France and is one of the largest airlines in the world.

The Group’s core business is network activities which includes passenger transportation on scheduled flights and cargo activities. The Group’s activities also include aeronautics maintenance, leisure passenger transportation (Transavia) and other air-transport-related activities.

The limited company Air France-KLM, domiciled at 7, rue du Cirque 75008 Paris – France, is the parent company of the Air France-KLM Group. Air France-KLM is listed for trading in Paris (Euronext) and Amsterdam (Euronext).

The presentation currency used in the Group’s financial statements is the Euro, which is also Air France-KLM’s functional currency.

1.1 Accounting principles

Accounting principles and policies used for the consolidated financial statements

Pursuant to the European Regulation 1606-2002 of July 19, 2002, the consolidated financial statements of the Air France-KLM Group as of December 31, 2024 were established in accordance with the International Financial Reporting Standards (“IFRS”) as adopted by the European Union on the date these consolidated financial statements were established.

The consolidated financial statements were approved by the Board of Directors on March 5, 2025 and submitted to the Annual General Meeting for its approval on June 4, 2025.

Change in accounting principles

IFRS standards which are applicable on a mandatory basis to the 2024 financial statements

Amendments to IAS1 “Presentation of Financial Statements and notes”

These amendments are related to the classification of the liabilities in current liability or non-current liability, mostly for the non-current liability with covenants.

These amendments precise that only the covenants of which an entity is required to comply with, no later than the closing date, have an incidence on the classification of a debt in current or non-current. The classification is not impacted when the right to postpone the payment of a debt for at least 12 months, depend on the respect of a covenant at a date later than the closing date.

The Group carried out a review of the terms of each significant loan, drawn or not. No loans has been reclassified following this review.

Amendments to IFRS 16 “Leases”

These amendments “Lease Liability in a Sale and Leaseback” bring clarifications on the valuation post sales and leaseback transactions, when the initial sell of the underlying asset corresponds to the criteria of IFRS 15 for being compatibilized as a sell. These amendments precise how to evaluate the lease debt, resulting of these transactions in presence of variable leases that don’t depend on an index or a rate.

The Group apply this amendment since January 1, 2024, without observing any significant retroactive impact.

The principles judgments and accounting estimates are described in the Note 1.2 “Material judgment and accounting estimates”.

OECD Pillar Two model rules

The Air France-KLM Group is subject to the OECD’s Pillar 2 rules, following their transposition into French law and enactment for fiscal years beginning on or after December 31, 2023. Under this legislation, the Group is required to pay an additional tax for the difference between its GloBE effective tax rate (TEI GloBE) in each jurisdiction and the minimum rate of 15%.

Temporary protection schemes have been introduced for a maximum of three financial years, enabling the rules to be deferred. These schemes consist of simplified tests against the Pillar Two rules, calculated by jurisdiction and at the end of each financial year.

At the closing date, the Group considered that it could benefit from the temporary protection schemes in almost all the jurisdictions in which it operates, except for France mainly due to recognition/derecognition of deferred taxes and in non-significant jurisdictions, which must therefore carry out a full calculation of TEI GloBE in accordance with the law in force and the available OECD recommendations.

The full calculation of the TEI GloBE for the French jurisdiction exceeds the minimum rate of 15%. Consequently, no additional tax expense has been recorded at December 31, 2024.

The Air France-KLM Group applies the IAS 12 exception not to measure or recognize deferred tax assets and liabilities relating to the additional Pillar 2 tax.

Other amendments or IFRS standards

The mandatory amendments or IFRS standards for the financial statements 2024, which are not mentioned in this paragraph are considered as non applicable or without significant impact on the Air France-KLM Group financial statements.

1.2 Material judgements and accounting estimates

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates based on judgements and assumptions that affect the information presented in the consolidated financial statements and their notes.

The Group's management makes these estimates and assessments continuously on the basis of its past experience and various other factors considered to be reasonable.

The consolidated financial statements for the financial year have thus been established on the basis of the financial parameters available at the closing date.

These accounting estimates are based on the most-recently available, reliable information.

The actual results could differ from these estimates depending on changes in the assumptions used or different conditions.

The main estimates, assumptions and judgements made in the preparation of the consolidated financial statements and notes are described below:

- the valuation of revenue, related to passenger tickets and freight airway bills issued and not used (see Note 6 "Information by activity and geographical area");
- hypothesis used for impairment testing of non financial assets – including assumptions about on climate issues (see Note 21 "Impairment");
- useful life of the fleet (see Note 17 "Tangible assets");
- calculation of implicit interest rate and incremental borrowing rate for the recognition of lease contracts (see Note 19 "Right-of-use assets and lease debt");
- calculation of the discount rate for the valuation of the return obligation liabilities and provision for leased aircraft (see Note 30 "Return obligation liability and provision for leased aircraft and other provisions");
- determination of the deferred tax assets recoverability (see Note 13 "Income taxes").

These principles must be reviewed at the same time with the notes to the financial statements to which it refers in each paragraphs.

1.3 Consolidation principles

Subsidiaries

In conformity with IFRS 10 "Consolidated Financial Statements", the Group's consolidated financial statements comprise the financial figures for all the entities that are controlled directly or indirectly by the Group, irrespective of its level of participation in the equity of these entities. The companies over which the Group exercises control are fully consolidated. An entity is controlled when the Group has power over it, is exposed or has rights to variable returns from its involvement in this entity, and has the ability to use its power to influence the amounts of these returns. The determination of control takes into account the existence of potential voting rights if they are substantive, meaning they can be

exercised in time when decisions about the relevant activities of the entity need to be taken.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control begins until the date this control ceases.

Non-controlling interests are presented within equity and on the income statement separately from Group stockholders' equity and the Group's net income, under the line "non-controlling interests".

The effects of a buyout of non-controlling interests in a subsidiary already controlled by the Group and divestment of a percentage interest without loss of control are recognized in equity.

In a partial disposal resulting in loss of control, the retained equity interest is re-measured at fair value at the date of loss of control. The gain or loss on the disposal will include the effect of this re-measurement and the gain or loss on the sale of the equity interest, including all the items initially recognized in other comprehensive income and reclassified to profit and loss.

Interest in associates and joint-ventures

In accordance with IFRS 11 "Joint Arrangements", the Group applies the equity method to partnerships over which it exercises control jointly with one or more partners. Control is considered to be joint when decisions about the relevant activities of the partnership require the unanimous consent of the Group and the other parties with whom control is shared.

In cases of a joint activity, the Group recognizes assets and liabilities in proportion to its rights and obligations regarding the entity.

In accordance with IAS 28 "Investments in Associates and Joint-Ventures", companies in which the Group has the ability to exercise significant influence over financial and operating policy decisions are also accounted for using the equity method. The ability to exercise significant influence is presumed to exist when the Group holds more than 20% of the voting rights.

The consolidated financial statements include the Group's share in the net result of associates and joint-ventures from the date the ability to exercise significant influence begins until the date it ceases, adjusted for any impairment loss of net investment.

The Group's share of losses of an associate exceeding the value of the Group's interest and net investment (long-term receivables for which no reimbursement is scheduled or likely) in this entity are not accounted for, unless the Group has:

- incurred contractual obligations to recover losses; or
- made payments on behalf of the associate.

Any surplus in investment cost over the Group's share in the fair value of the identifiable assets, liabilities and contingent liabilities of the associate company on the date of acquisition is accounted for as goodwill and included in the book value of the investment accounted for using the equity method.

Investments in which the Group has ceased to exercise significant influence or joint control are no longer accounted for by the equity method and are accounted at their fair value as other financial assets on the date of loss of significant influence or joint control.

Intra-Group operations

All intra-Group balances and transactions are fully eliminated. Profits and losses resulting from intra-Group transactions are also eliminated.

Gains and losses realized on internal sales with associates and jointly-controlled entities are eliminated, to the extent of the Group's interest in the entity, providing there is no impairment.

Translation of foreign companies' financial statements

The financial statements of foreign subsidiaries are translated into euros on the following basis:

- except for the equity for which historical prices are applied, balance sheet items are converted on the basis of the foreign currency exchange rates in effect at the closing date;
- the income statement and the statement of cash flows are converted on the basis of the average foreign currency exchange rates for the period;
- the resulting foreign currency exchange adjustment is recorded in the "Translation adjustments" item within equity;
- goodwill is converted into euros using the foreign exchange rate in effect at the closing date.

Translation of foreign currency transactions

Foreign currency transactions are translated using the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate in effect at the closing date.

Non-monetary assets and liabilities denominated in foreign currencies assessed on a historical cost basis are translated using the rate in effect at the transaction date or the hedging rate, when applicable.

The corresponding exchange rate differences are recorded in the income statement. Changes in fair value of the hedging instruments are recorded using the accounting treatment described in Note 35 "Financial risk management".

1.4 Alternative performance measures

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization): by excluding the main line of the income statement which does not involve cash disbursement ("Amortization, depreciation and provision") from income from current operations, EBITDA provides a simple indicator of the cash generated by the Group's current operational activities. It is thus commonly used for the calculation of the financial coverage and enterprise value ratios (see "Consolidated income statement").

Operating free cash flow: this corresponds to the net cash flow from operating activities net of the purchases of property, plant and equipment and intangible assets, plus the proceeds on the disposal of property, plant and equipment and intangible assets. It does not include the other cash flows linked to investment operations, particularly investments in subsidiaries and other financial assets and net cash flow from the operating activities of discontinued operations (see Note 37.1 "Operating free cash flow").

Recurring operating free cash flow adjusted: this corresponds to operating free cash flow net of the payment of lease debts and of the interests paid or received and paid or received exceptional payments affecting the comparability between each year (see Note 37.1 "Operating free cash flow").

Distinction between income from current operation and income from operating activities: the Group considers it relevant to the understanding of its financial performance to present in the income statement a subtotal within the "income from operating activities". This subtotal, entitled "Income from current operations", excludes unusual elements that do not have predictive value due to their nature, frequency and/or materiality, as defined in recommendation No. 2020-01 from the France's accounting standards authority.

Such elements are as follows:

- sales of aircraft equipment and significant disposals of other assets;
- accelerated aircraft phase-out;
- income from the disposal of subsidiaries and affiliates;
- restructuring costs when they are significant;
- modification of pension plans;
- significant and infrequent elements such as the recognition of badwill in the income statement, the recording of an impairment loss on goodwill and significant provisions for litigation.

Net debt: this corresponds to the amount of the Group's financial liabilities less net cash (see Note 32 "Net debt").

Financial liabilities include:

- current and non-current financial liabilities (excluding accrued interests);
- current and non-current lease debt (excluding accrued interests);
- deposits related to financial liabilities and lease debt;
- derivatives impact on debt.

Net cash include:

- cash and cash equivalents;
- marketable securities over three months;
- bonds investments;
- bank overdraft.

NOTE 2 SUSTAINABLE DEVELOPMENT AND CLIMATE

Climate change is a major concern for the air transport industry, and for the Air France-KLM Group in particular. Attitudes towards the acceptability of air transport are evolving both at the political level and in society at large. France and the Netherlands have implemented policies aimed at ensuring the transition to a carbon-neutral society by 2050, in line with the European Union's strategy in this domain, reflected in the commitments made by Air France as part of France's *Stratégie nationale bas carbone* (SNBC) and by KLM to the Dutch government.

The Air France-KLM Group and its airlines intend to be key players in the sustainable transformation of their activities, and aim to take a leading role and influence in the decarbonization of air transport.

Air France-KLM plays an active role in advancing the ambition of Net Zero emissions by 2050 as an industry, and is committed to science-based targets in line with the SBTi criteria approved in November 2022. The Group's environmental efforts are summarized in a Climate Transition Plan, with the objective of reducing the intensity of greenhouse gases (gCO₂eq/TKT on scopes 1 and 3.3) by 30% in 2030 compared to 2019, in particular by progressively incorporating SAF and investing in the renewal of the Group's fleet for new-generation aircraft emitting up to 25% less CO₂ per passenger km.

Independent agencies regularly assess the extra financial performances of the Air France-KLM Group based on ESG criteria (Environmental, Social and Governance). In 2024, the Group's performance was recognized through four ESG ratings.

In the ISS ESG Corporate Rating 2024, the Air France-KLM Group has been awarded "Prime Status" with a "C+" (issued in January 2025). Prime status refers to a company's demonstrated ability to adequately manage material ESG risks.

With a score of 77/100 from EcoVadis (Gold Status), the Air France-KLM Group is in the top 5% of all evaluated companies. The EcoVadis assessment evaluates 21 sustainability criteria across four core themes: Environment, Labor & Human Rights, Ethics and Sustainable Procurement. More than 150,000 companies globally have been rated by EcoVadis.

The US rating agency MSCI has reanalyzed the Air France-KLM Group's sustainability management and has given it a "BBB" rating (issued in February 2025). MSCI ESG Research provides MSCI ESG Ratings on global public and a few private companies on a scale of AAA (leader) to CCC (laggard), according to exposure to industry-specific ESG risks and the ability to manage those risks relative to peers.

CDP confirmed the Group a B score (issued in February 2025), corresponding to the level "Taking coordinated action on climate issues". CDP environmental disclosure serves as a one-stop shop for understanding and disclosing according to relevant market and regulatory demands.

The Group's financial statements integrate climate change and sustainability issues in various items as described below.

2.1 Valuation of assets and consideration of environmental risks and commitments

The impact of climate change has been taken into account in preparing the Group's financial statements for the year ending December 31, 2024. In order to identify the physical and transitional climate-related risks to which the Group is exposed, a climate scenario analysis was carried out. However, the physical risks identified in this way were not considered likely to have a significant impact on operational continuity, given the Group's balanced network between the different continents and the flexibility of its fleet, which minimizes the economic consequences of extreme weather events.

The impacts of expected or probable regulatory changes are included in the Air France-KLM Group's five-year plan, notably:

- the rising cost of carbon credits and CO₂ offsetting under European (EU-ETS) and international (CORISIA) mechanisms;
- the increasing trajectory of SAF incorporation;
- the Group's ability to pass on additional costs in ticket prices;
- the acceptability of air transport and its effect on demand reflected in the long term growth rate of its activity;
- the investments and depreciation linked to the fleet renewal plan, in line with the CO₂ emission reduction targets.

These elements are consequently taken into account in the assumptions used to test the recoverable value of assets (see Note 21 "Impairment").

In 2024, the environmental impacts have not led to the recognition of any impairment or accelerated depreciation of the Group's assets.

2.2 Sustainable investments and financings

2.2.1 Fleet modernization

The Air France-KLM Group has committed to reduce its GHG emissions per ton per kilometer transported (on scopes 1 and 3.3) by 30% by 2030 compared to 2019. Currently, one of the most impactful ways to reduce the carbon footprint is to invest in a more fuel-efficient fleet. The Group is focusing on simplifying and rationalizing its fleet to make it more competitive. The Group's transformation is therefore continuing with the phase in of more modern, high-performance aircraft with a significantly lower environmental impact and a reduced noise footprint.

The renewal of the Group's airline fleet for new-generation aircraft, that are up to 25% more efficient in terms of fuel consumption and therefore CO₂ emissions, and generate less noise, resulted in capital expenditures on aircraft equipment amounting to €1,419 million as of December 31, 2024 (€1,738 million as of December 31, 2023) (see Note 18 "Capital expenditures") and resulted in new lease contracts or renewal of lease contracts excluding sales and leasebacks operations of 2024 amounting to € 966 million as of December 31, 2024 (€202 million as of December 31, 2023) (see Note 19 "Right-of-use assets and lease debts").

Pursuing its fleet renewal plan, the Group will continue to receive new-generation aircraft over the next few years, with the aim of having up to 80% of its fleet composed of new-generation aircraft by 2030 (see Note 38 "Flight equipment orders").

2.2.2 Other investments

The decarbonization of the Group's activities is also reflected in investments in materials and equipment designed to reduce its environmental footprint.

In order to adapt its business to climate change and in particular reduce emissions of its ground operations, the Air France-KLM Group is pursuing a sustainable investment policy and is notably investing in fully electric ramp equipment (vehicles, tractors and loading equipment) and the energy renovation of its buildings.

These investments represented €36 million as of December 31, 2024 (€55 million as of December 31, 2023).

2.2.3 Sustainable financings

To support its investments, the Air France-KLM Group has entered into secured financing agreements integrating sustainable development issues, through which the Group and its airlines benefit from more advantageous financing conditions if it achieves targets related to the reduction of its greenhouse gas emissions, fleet renewal and the incorporation of SAF.

On January 2023, Air France-KLM issued sustainability-linked bonds for a total amount of €1 billion (see Note 31.2.2 "Sustainability-linked bonds").

On April 2023 Air France-KLM, Air France and KLM have signed two ESG ("Environmental, Social and Governance") KPI-Linked Revolving Credit Facilities ("RCF") with a pool of international financial institutions. As of December 31, 2024 these credit lines (undrawn) amount respectively to €1,405 million and €1,000 million with a maturity in 2028 (see Note 31.7 "Credit lines" and 4.1 "Significant events occurring during the period").

To support their investments in new-generation aircraft, Air France and KLM have also entered into financing or lease contracts with specific clauses linked to compliance with environmental criteria. On December 31 2024, these financings amount for:

- €581 million booked in the line "Other debt" (see Note 31 "Financial liabilities");
- €1122 million booked in the line "Debt on leases with bargain option" (see Note 31 "Financial liabilities");
- €497 million booked in the line "lease debt aircraft" (see Note 19 "Right-of-use assets and lease debt").

2.3 SAF-Greenhouse gas emission rights and CO₂ compensation

2.3.1 SAF

"SAF" refers to an alternative to regular aviation fuel, identified as "Sustainable Aviation Fuel" within the meaning of Article 3(7) of Regulation (EU) 2023/2405 of October 18, 2023 on ensuring a level playing field for sustainable air transport (ReFuelEU Aviation) and is defined as aviation fuels that are either:

- (a) synthetic aviation fuels; or
- (b) aviation biofuels; or
- (c) recycled carbon aviation fuels.

As part of its decarbonization objectives, the Air France-KLM Group has developed a progressive and proactive SAF purchasing policy, aiming to incorporate 10% SAF by 2030, above and beyond its regulatory obligations.

SAF expenses amounted for €(170) million as of December 31, 2024 (€(172) million as of December 31, 2023) (see Note 7 "External expenses").

To cover the additional costs incurred by SAF purchases, the Air France-KLM Group introduced a specific surcharge on tickets departing from France and the Netherlands on January 1, 2022. In addition, voluntary contribution mechanisms enable the Group's customers to contribute financially to the supply and use of SAF beyond the regulatory incorporation. As of December 31, 2024, the total amount collected in respect of the surcharge and voluntary contributions represented €153 million (€134 million as of December 31, 2023).

In order to secure its future purchases of SAF, Air France-KLM signed several contracts with the suppliers Nesté, DG Fuels, SkyNRG and TotalEnergies for the supply of 3.25 million tons of SAF between 2025 and 2037 (see Note 39.1 "Commitments made").

2.3.2 Greenhouse gas emission rights and CO₂ compensation

Since January 1, 2012, airlines have been subject to the Emission Trading Scheme (EU-ETS) regulations for all flights to or from the European Economic Area, as described in Note 25 "Other assets" and Note 35.4 "Carbon credit risk". As such, the Group must purchase CO₂ allowances, in addition to the free allowances, to offset its emissions.

Since January 1, 2020, Air France has also been offsetting all its customers' CO₂ emissions on French domestic routes, in line with French regulations, by purchasing credits representing carbon offsetting from approved partners.

The Group accounts for these CO₂ quotas in the line "other assets" of its balance sheet (see Note 25 "Other assets"). As of December 31, 2024, the value of the CO₂ quotas related to the EU-ETS program and to the offsetting of emissions on French domestic flights in the Group's balance sheet amounted to €470 million (€395 million as of December 31, 2023).

To meet its obligation to surrender the allowances corresponding to its emissions, the Group recorded a net expense of €(249) million as of December 31, 2024 (€(203) million as of December 31, 2023) (see Note 7 "External expenses").

The obligation to surrender allowances, valued at acquisition cost for rights acquired (including free allowances) and at market value for rights yet to be acquired, is recorded as provisions in the Group's balance sheet. These "provisions for CO₂ quota surrenders" amounted for €250 million as of December 31, 2024 (€213 million as of December 31, 2023) (see Note 30 "Return obligation liability and provision for leased aircraft and other provisions").

Finally, the Group has hedging instruments for its future purchases of CO₂ quotas for a nominal amount of €240 million as of December 31, 2024 (€12 million as of December 31, 2023) (see Note 35.4 "Carbon credit risk" and Note 28.5 "Derivatives instruments reserves").

2.4 Management compensation

The performance criteria taken into account for the calculation of both annual and long-term variable management compensation (see Note 40.1 "Transactions with the principal executives") include sustainability-related performance indicators linked related to sustainable development, notably the compliance with the decarbonization roadmap and the reduction of CO₂ emission.

NOTE 3 **RESTATEMENT OF THE 2023 FINANCIAL STATEMENTS**

The net cost of financial debt of Air France-KLM Group is detailed in Note 12 “Net cost of financial debt and other financial income and expenses” and mainly comprises income from cash and cash equivalents, interest on financial liabilities, interest on lease liabilities and capitalized interest and may be cash or non-cash related items.

Until December 31, 2023 the Group disclosed the monetary components of the net cost of financial debt within the “cash flow from operating activities” in the consolidated cash flow statement. As a result:

- the non-monetary items of the cost of net financial debt were neutralized within the “cash flow from operating activities before change in working capital” in the line “other non-monetary items”;
- the monetary items were not neutralized and therefore impacted the “cash flow from operating activities” through their contribution to the net income of the period and the change in “working capital requirement” for accrued interest not yet due.

As from January 1, 2024 and in order to have a better representation of its activities and a better comparability with other competitors in the air transport industry, the Group has decided to change its method of presentation in accordance with the option offered by IAS 7 “Statement of Cash Flow” on interest and to adjust the disclosure as described below:

- the cost of net financial debt is fully neutralized within the “cash flow from operating activities” in a dedicated line “cost of net debt” (for both monetary and non-monetary items);
- interest paid are disclosed within the “cash flow used in financing activities” in a dedicated line “interest paid”;
- interest received are disclosed within the “cash flow used in investing activities” in a dedicated line “interest received”.

This change in disclosure has been applied retrospectively to allow the comparison with comparative periods in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”.

The impacts on the cash flow statement as of December 31, 2023 is as follows:

IMPACT ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

Period from January 1 to December 31, 2023 <i>(in € millions)</i>	Published consolidated cash flow statement	Change in disclosure	Restated consolidated cash flow statement
Cost of net debt	–	347	347
Other non-monetary items	(71)	132	61
Cash flow from operating activities before change in working capital	3,574	479	4,053
Change in other assets and liabilities	(89)	2	(87)
Change in working capital requirement	(449)	2	(447)
CASH-FLOW FROM OPERATING ACTIVITIES	3,125	481	3,606
Interests received	–	223	223
CASH-FLOW USED IN INVESTING ACTIVITIES	(3,240)	223	(3,017)
Interests paid	–	(704)	(704)
CASH-FLOW USED IN FINANCING ACTIVITIES	(285)	(704)	(989)

This change in presentation has no impact on the Group's other primary financial statements.

NOTE 4 SIGNIFICANT EVENTS

4.1 Significant events occurring during the period

Evolution in the commercial cooperation in air cargo between Air France-KLM and CMA CGM

Air France-KLM and CMA CGM have decided to terminate the agreements signed in May 2022 with effect from March 31, 2024 as the tight regulatory environment in certain important markets has prevented the cooperation from working in an optimal way.

CMA CGM remains a core shareholder of Air France-KLM. The parties have agreed to amend the existing lockup on CMA CGM shares in Air France-KLM's capital until February 28, 2025. CMA CGM stepped down from the Air France-KLM Board of Directors on March 31, 2024.

Sales of KLM Equipment Services B.V.

On February 1, 2024, KLM sold its 100% owned subsidiary KLM Equipment Services B.V. to a third party, TCR International N.V., Belgium (TCR). Under the agreement, KLM will become a TCR customer for the maintenance and lease of ground operations equipment at Schiphol, while TCR will be responsible for investments in ground operations equipment.

As of December 31, 2024, the disposal had the following impact on the Group's consolidated financial statements:

- recognition of a proceeds of €30 million within the "Cash flow used in investing activities" in the consolidated cash flow statement (including €8 million from the sale of shares and €22 million from the sale of equipment to TCR);
- recognition of a gain on disposal of €2 million within the "Other non-current income and expenses" in the consolidated income statement (linked to the sale of the shares taking into account the net book value of KLM Equipment Service B.V. in the consolidated financial statements at the date of the disposal).

Early repayment of OCEANE bonds

Early repayment of €452 million of OCEANE bonds

As of March 25, 2024, Air France-KLM has repaid, at the request of the bondholders, €452 million of the outstanding €500 million of the bonds convertible into new shares and/or exchangeable for existing shares due March 25, 2026.

This amount is equivalent of 25,246,843 of bonds. This early redemption option on March 25, 2024 was part of the terms and conditions of the bonds.

Early repayment of the remaining €48 million of OCEANE bonds

The remaining €48 million of bonds due March 25, 2026 have been repaid in cash on May 10, 2024 under the conditions set out in the Terms and Conditions of the said OCEANE 2026 for cancellation in accordance with the applicable law. These remaining bonds were repaid in advance. This residual redemption amount is equivalent of 2,654,942 of bonds.

There is therefore no outstanding OCEANE 2026 bonds as of December 31, 2024.

Increase and extension of revolving credit facility ("RCF") linked to ESG KPIs

Air France-KLM and Air France

Air France-KLM and Air France, combined borrowers, signed in April 2023 a €1.2 billion Sustainability-Linked RCF. This facility included an accordion increase option executed during the first quarter of 2024 for an amount of €90 million bringing the amount available to around €1.3 billion.

The RCF also had an initial maturity in 2026 and two one-year extension options. In April 2024, Air France and Air France-KLM executed the extension option for one year, extending to a 2027 maturity.

Finally and as of July 18, 2024 a new amendment has been signed for Air France-KLM and Air France credit facility involving:

- an extension of the maturity to July 2028 associated with a one-year extension option;
- an increase of the facility from €1,290 million to €1,405 million.

Following this renegotiation, the RCF lenders pool is composed of 17 banks (16 previously) and the financial conditions of the credit facility have been revised.

KLM

In April 2023, KLM signed a €1.0 billion RCF including ESG Key Performance Indicators. This RCF had an initial 2027 maturity and included two one-year extension options. In April 2024, a one-year extension option has been executed extending to a 2028 maturity.

Issuance of a €650 million bonds and tender offer on two series of existing notes

Issuance of a €650 million bonds

As of May 23, 2024, Air France-KLM has made the issuance of new notes of a total principal amount of €650 million with a 5-year maturity and bearing coupon at an annual rate of 4.625% under its Euro Medium Term Note program.

The net proceeds has been used to finalize the tender offer launched as of May 13, 2024 as described in the paragraph below.

Tender offer on two series of exiting notes

On May 24, 2024, Air France-KLM finalized the tender offer on two series of existing notes announced on May 13, 2024:

- €750 million 1.875% notes due January 16, 2025;
- €500 million 3.875% notes due July 1, 2026.

On these two series, existing notes for a total principal amount of €452.7 million, representing 36.2% of the outstanding existing notes, have been tendered for purchase in the tender offer and €452.7 million have been accepted, of which €234.8 million of 2025 notes and €217.9 million of 2026 notes. As a result, the principal amount of outstanding existing notes after completion of the tender offer will be €797.3 million, of which €515.2 million of 2025 notes and €282.1 million of 2026 notes.

Acquisition of a non-controlling stake in the share capital of SAS AB

As of October 3, 2023, Air France-KLM had been selected by SAS AB's Board of Directors as the winning bidder in SAS's exit financing solicitation process, collectively with a consortium.

After the receipt of regulatory approvals in Europe and the United States, the Air France-KLM Group finalized as of August 28, 2024 the acquisition of a 19.9% non-controlling stake in the share capital of SAS AB.

The members of the Consortium (which also includes Castlake L.P. on behalf of certain funds or affiliates, Lind Invest ApS, and the Danish State) now effectively hold an aggregate 86.4% stake in the share capital of the reorganized SAS AB (exclusive of the recovery by the Danish State in its capacity as a creditor of SAS and pursuant to SAS's restructuring plans), having invested US\$1.2 billion in the company, by subscribing for US\$475.0 million of common shares and by purchasing US\$725.0 million of senior secured convertible notes.

The Air France-KLM Group itself invested a total of US\$144.5 million (circa €133 million) in SAS AB, by subscribing for US\$109.5 million (circa €101 million) of common shares and by purchasing US\$35.0 million (circa €32 million) of senior secured convertible notes.

As of December 31, 2024, the acquisition had the following impact on the Group's consolidated statement of cash flow:

- the acquisition of the shares of SAS AB for a total amount of €88 million within the "Cash flow used in investing activities" in the consolidated cash flow statement (and after taking into account the payment of a deposit of €13 million already made in 2023);
- the acquisition of the senior secured convertible notes for a total amount of €32 million within the "Cash flow used in financing activities" in the consolidated cash flow statement.

Based on the analysis of the features of the transaction including the shareholders' agreement, the Group does not have the control of SAS AB either within the meaning of EU merger regulation nor based on IFRS 10. However despite they remain business competitors, the Air France-KLM Group meets the requirements of IAS 28 to account SAS AB for using the equity method since the acquisition date.

Restructuring the domestic flights departing from Orly and of call centers

In order to further the transformation required to be more competitive, Air France presented a project to the employee representatives on October 18, 2023 on adapting the supply of domestic flight departing from Paris by 2026.

The purpose is to have all of Air France's domestic and international flights depart from the Roissy-Charles de Gaulle hub (except for the delegation of public services for the Air France from/to Corsica transfers which will be departing from Paris-Orly), making Transavia the main representative of the Air France Group in the Orly airport.

The Collective mutual termination agreement (RCC) containing an end of career scheme, presented by the executives to realize the project was signed by representative union organizations on February 9, 2024.

According to this agreement's calendar, application process took place in the middle of the fourth trimester of 2024. Consequently, a provision for restructuring has been booked as of December 31, 2024.

Furthermore, Air France management has presented a project to develop the call centers' activity (Customer Contact) resulting in a provision for restructuring booked as of December 31, 2024.

For these restructuring, the group has booked a net expense of €49 million as of December 31, 2024 in other non-current income and expenses including €60 million of restructuring provision and (11) million of reversal of provision for retirement commitments (see Note 11 "Sales of aircraft equipment and other non-current income and expenses").

4.2 Subsequent events

Measures to strengthen operational and financial position at KLM

On January 29, 2025 KLM announced a reduction of 250 jobs in non-operational roles. All related domains have to prepare a specific plan, which will be discussed with the Works Council. KLM will try to avoid forced layoffs, although KLM cannot rule this out in advance.

This event does not have an impact on the 2024 financial statements

NOTE 5 CHANGE IN THE CONSOLIDATION SCOPE

On February 1, 2024, KLM sold its 100%-owned subsidiary KLM Equipment Services B.V. to TCR International N.V. (TCR). The impact of the sale is detailed in Note 4.1 "Significant events occurring during the period".

As of October 3, 2023, Air France-KLM had been selected by SAS AB's Board of Directors as the winning bidder in SAS's exit financing solicitation process, collectively with a

consortium. After the receipt of regulatory approvals in Europe and the United States, the Air France-KLM Group finalized as of August 28, 2024 the acquisition of a 19.9% non-controlling stake in the share capital of SAS AB. The impact of the transaction is detailed in Note 4.1 "Significant events occurring during the period".

No significant acquisitions or disposals took place in 2023.

NOTE 6 INFORMATION BY ACTIVITY AND GEOGRAPHICAL AREA

Business segments (Note 6.1)

The segment information is prepared on the basis of internal management data communicated to the Executive Committee, the Group's principal operational decision-making body.

The Group is organized around the following segments:

- **Network:** The revenues for this segment, which includes the Passenger and Cargo network, primarily come from passenger transportation services on scheduled flights with the Group's airline code (excluding Transavia), including flights operated by other airlines under code-share agreements. They also include code-share revenues, revenues from excess baggage and airport services supplied by the Group to third-party airlines and services linked to IT systems. Network revenues also include freight carried on flights operated under the codes of the airlines within the Group and flights operated by other partner airlines under code-share agreements. Other cargo revenues are derived principally from the sale of cargo capacity to third parties and the transportation of shipments on behalf of the Group by other airlines;
- **Maintenance:** Maintenance operating revenues are generated through maintenance services provided to other airlines and customers worldwide;
- **Transavia:** The revenues from this segment come from the "leisure" activity realized by Transavia;
- **Other:** The revenues from this segment come from various services provided by the Group and not covered by the three segments mentioned above.

The results of the business segments are those that are either directly attributable or that can be allocated on a reasonable basis to these business segments. Amounts allocated to business segments mainly correspond to the EBITDA, current operating income and to the income from operating activities. Other elements of the income statement are presented in the "non-allocated" column.

Inter-segment transactions are evaluated based on normal market conditions.

Geographical segments (Note 6.2)

Activity by destination

Group Traffic sales by destination are broken down into seven geographical areas:

- Metropolitan France;
- Europe (excluding France) and North Africa;
- Caribbean, West Indies, French Guyana and Indian Ocean;
- Africa (excluding North Africa), Middle East;
- North America, Mexico;
- South America (excluding Mexico);
- Asia and New Caledonia.



ACCOUNTING PRINCIPLES

Passenger and freight transportation

Sales related to air transportation operations, which consist of passenger and freight transportation, are recognized as revenue when the transportation service is provided.

The valuation of revenue, related to passenger tickets and freight airway bills issued and not used ("ticket breakage"), is based on a calculation using statistical rates, updated regularly and adjusted for non-recurring and specific events that may impact passenger behaviour.

The transportation service is also the trigger for the recognition as external expenses of the commissions paid to agents (e.g. credit card companies and travel agencies) and the booking fees.

Both passenger tickets and freight airway bills are consequently recorded on the Balance Sheet as "Deferred revenue upon issuance date". The recognition of the revenue known as "ticket breakage" is deferred until the transportation date initially foreseen.

The Group applies the exemption provided by IFRS 15 which allows the balance of the outstanding transactions to remain unspecified as well as their planned recognition date for the performance obligations related to contracts with an initial term set at one year or less. If the tickets are not used, the performance obligations related to passenger and freight transportation effectively expire within one year.

Pursuant to the European Union's Regulation EC 261, the Group compensates passengers in the event of denied boarding and for flight cancellations or long delays. This compensation is booked as contra revenue. The Group recognizes a corresponding amount in liabilities for future refunds to passengers. The determination of this liability for future refunds relies on a statistical approach.

Passenger ticket taxes calculated on ticket sales are collected by the Group to be paid to the airport authorities. Therefore, they do not correspond to revenue. Taxes are recorded as a liability until such time as they are paid to the relevant airport authority as a function of the chargeability conditions (on ticket issuance or transportation).

The Group considers that the company that issues the airway bill acts as principal since the latter has control over the achievement of the performance obligation. When the Group issues freight airway bills for its goods carried by another carrier (airline company or road carrier), the Group acts as principal. Therefore, at the time of transportation the Group recognizes as revenue the amount invoiced to the customer in its entirety as well as the chartering costs invoiced by the other carrier for the service provision.

Maintenance

The main types of contracts with customers identified within the Group are mainly:

- **Sales of maintenance and support contracts (Power by the hour contracts)**

Some maintenance and support contracts cover the airworthiness of engines, equipment or airframes, an airframe being an aircraft without engines and equipment. The invoicing of these contracts is based on the number of flight hours or landings of the goods concerned by these contracts.

The different services included within each of these contracts consist of a unique performance obligation due to the existing interdependence between the services within the execution of these contracts.

Revenue from maintenance and support services is recognized on a percentage of completion basis, based on the costs incurred, if they can be reliably measured, plus the expected margin.

The transfer of the control of these services is performed continuously, As long as the margin on the contract cannot be measured in a reliable manner, the revenue will only be recognized at the level of the costs incurred.

Forecast margins on the contracts are assessed through the forecast future cash flows that take into account the obligations and factors inherent to the contracts as well as other internal parameters to the contract selected using historical and/or forecast data.

These forecast margins are regularly reviewed. If necessary, provisions are recorded as soon as any losses on completion of contracts are identified. Amounts invoiced to customers, and therefore mostly collected, which are not yet recognized as revenue, are recorded as liabilities on contracts (deferred revenue) at the accounting year end. Inversely, any revenue that has been recognized but not yet invoiced is recorded under assets (invoice to be issued) on the balance sheet at the accounting year end.

- **Sales of spare parts repair and labor – Time & Material contracts**

These services which relate to engines, equipment or airframes, an airframe being an aircraft without engines and equipment, are generally short term.

They consist of a unique performance obligation. The revenue is recognized as costs are incurred.

- **Third-party procurement**

When the Group serves as a broker between its suppliers and end customers, the Group acts as an agent and hence, recognizes the margin that results from this operation as revenue.

6.1 Information by business segment

Year ended December 31, 2024

(in € millions)	Notes	Network	Maintenance	Transavia	Other	Non-allocated	Consolidation adjustments	Total
Passenger traffic revenues	6.2	23,172	–	3,104	–	–	–	26,276
Cargo traffic revenues	6.2	1,994	–	–	–	–	–	1,994
Other revenues ⁽¹⁾		1,106	2,086	(35)	30	–	–	3,187
Intersegment revenues		24	2,999	3	260	–	(3,286)	–
Segment revenues		26,296	5,085	3,072	290	–	(3,286)	31,457
Other revenues		–	–	–	2	–	–	2
Revenues from ordinary activities		26,296	5,085	3,072	292	–	(3,286)	31,459
Aircraft fuel & SAF		(6,134)	(4)	(769)	–	–	–	(6,907)
Salaries and related costs		(6,747)	(1,195)	(743)	(793)	–	17	(9,461)
Others		(10,011)	(3,378)	(1,260)	534	–	3,269	(10,846)
EBITDA		3,403	508	300	33	–	–	4,244
Depreciation and amortization for the period		(1,982)	(339)	(297)	(25)	–	–	(2,643)
Income from current operations		1,421	170	3	7	–	–	1,601
Income from operating activities		1,290	169	3	4	–	–	1,466
Share of profits (losses) of associates		(34)	9	–	6	–	–	(19)
Net cost of financial debt and other financial income and expenses		–	–	–	–	(874)	–	(874)
Income taxes		–	–	–	–	(84)	–	(84)
NET INCOME		1,256	178	3	10	(958)	–	489
TOTAL ASSETS		18,276	6,118	2,902	131	8,728	–	36,155
Segment liabilities		11,330	2,083	2,139	2	5,160	–	20,714
Financial liabilities, lease debts, bank overdrafts and equity		–	–	–	–	15,441	–	15,441
TOTAL LIABILITIES		11,330	2,083	2,139	2	20,601	–	36,155
Purchase of property, plant and equipment and intangible assets		(2,848)	(527)	(353)	–	–	–	(3,728)
Other non-monetary items		9	(12)	2	(10)	(3)	–	(14)

(1) This line includes compensation paid to clients in accordance with EU261 (see Accounting Principles).

The non-allocated assets, amounting to €8.7 billion, comprise cash and cash equivalents of €4.8 billion (see Note 26), other financial assets of €2.6 billion (see Note 22), deferred tax of €0.7 billion (see Note 13.4), income taxes of €0.2 billion (see Note 25) and derivatives financial assets of €0.4 billion (see Note 35).

The non-allocated segment liabilities, amounting to €5.2 billion, mainly comprise pension provisions for €1.7 billion (see Note 29), tax and employee-related liabilities of €2.6 billion (see Note 34), other provisions litigation, restructuring and others for €0.7 billion (see Note 30) and derivatives financial liabilities of €0.2 billion (see Note 35).

Financial liabilities, lease debts, bank overdrafts and equity are not allocated.

Year ended 31 December, 2023 restated⁽¹⁾

(in € millions)	Notes	Network	Maintenance	Transavia	Other	Non-allocated	Consolidation adjustments	Total
Passenger traffic revenues	6.2	22,548	–	2,689	–	–	–	25,237
Cargo traffic revenues	6.2	2,012	–	–	–	–	–	2,012
Other revenues ⁽¹⁾		1,076	1,712	(51)	31	–	–	2,768
Intersegment revenues		25	2,530	2	232	–	(2,789)	–
Segment revenues		25,661	4,242	2,640	263	–	(2,789)	30,017
Other revenues		–	–	–	–	2	–	2
Revenues from ordinary activities		25,661	4,242	2,640	263	2	(2,789)	30,019
Aircraft fuel & SAF		(6,521)	(3)	(781)	–	–	–	(7,305)
Salaries and related costs		(6,286)	(1,096)	(625)	(661)	–	18	(8,650)
Others		(9,195)	(2,738)	(1,081)	389	(2)	2,773	(9,854)
EBITDA		3,659	405	153	(9)	–	–	4,208
Depreciation and amortization for the period		(1,966)	(255)	(250)	(25)	–	–	(2,496)
Income from current operations		1,693	150	(97)	(34)	–	–	1,712
Income from operating activities		1,681	150	(96)	(58)	–	–	1,677
Share of profits (losses) of associates		2	3	–	2	–	–	7
Net cost of financial debt and other financial income and expenses		–	–	–	–	(530)	–	(530)
Income taxes		–	–	–	–	(164)	–	(164)
NET INCOME		1,683	153	(96)	(56)	(694)	–	990
TOTAL ASSETS		17,204	5,065	2,139	161	9,921	–	34,490
Segment liabilities		10,629	1,789	1,700	3	6,224	–	20,345
Financial liabilities, lease debts, bank overdrafts and equity		–	–	–	–	14,145	–	14,145
TOTAL LIABILITIES		10,629	1,789	1,700	3	20,369	–	34,490
Purchase of property, plant and equipment and intangible assets		(2,983)	(362)	(203)	(3)	–	–	(3,551)
Other non-monetary items		74	(2)	4	(17)	2	–	61

(1) See Note 3 of the notes to the financial statements.

(2) This line includes compensation paid to clients in accordance with EU261 (see Accounting Principles).

The non-allocated assets, amounting to €9.9 billion, comprise cash and cash equivalents of €6.2 billion (see Note 26), other financial assets of €2.6 billion (see Note 22), deferred tax of €0.7 billion (see Note 13.4), income taxes of €0.1 billion (see Note 25) and derivatives financial assets of €0.3 billion (see Note 35).

The non-allocated segment liabilities, amounting to €6.2 billion, mainly comprise pension provisions for €1.7 billion (see Note 29), tax and employee-related liabilities of €3.6 billion (see Note 34), other provisions litigation, restructuring and others for €0.7 billion (see Note 30) and derivatives financial liabilities of €0.2 billion (see Note 35).

Financial liabilities, lease debts, bank overdrafts and equity are not allocated.

6.2 Information by geographical area

Activity by destination

TRAFFIC SALES BY GEOGRAPHICAL AREA OF DESTINATION

Year ended December 31, 2024

(in € millions)	Notes	Metropolitan France	Europe (excl. France) North Africa	Caribbean, French Guyana, Indian Ocean	Africa (excl. North Africa) Middle East	North America, Mexico	South America, excl. Mexico	Asia, New Caledonia	Total
Passenger	6.1	1,113	5,606	1,856	2,907	5,988	2,311	3,391	23,172
Cargo	6.1	213	332	29	321	268	291	540	1,994
Transavia	6.1	133	2,757	–	214	–	–	–	3,104
TOTAL TRANSPORTATION		1,459	8,695	1,885	3,442	6,256	2,602	3,931	28,270

Year ended December 31, 2023

(in € millions)	Notes	Metropolitan France	Europe (excl. France) North Africa	Caribbean, French Guyana, Indian Ocean	Africa (excl. North Africa) Middle East	North America, Mexico	South America, excl. Mexico	Asia, New Caledonia	Total
Passenger	6.1	1,133	5,344	1,872	2,978	5,732	2,392	3,097	22,548
Cargo	6.1	262	392	31	306	309	350	362	2,012
Transavia	6.1	140	2,352	–	197	–	–	–	2,689
TOTAL TRANSPORTATION		1,535	8,088	1,903	3,481	6,041	2,742	3,459	27,249

NOTE 7 EXTERNAL EXPENSES

Period from January 1 to December 31

(in € millions)	2024	2023
Aircraft fuel	(6,737)	(7,133)
SAF	(170)	(172)
CO ₂ quotas ⁽¹⁾	(249)	(203)
Chartering costs	(497)	(551)
Landing fees and air route charges	(2,048)	(1,908)
Catering	(919)	(829)
Handling charges	(2,032)	(1,856)
Aircraft maintenance costs	(3,320)	(2,549)
Commercial and distribution costs	(1,060)	(1,029)
Other external expenses	(2,063)	(1,909)
TOTAL	(19,095)	(18,139)

(1) Starting 2024, airlines are eligible for compensation based on their usage of SAF from and to the European Economic area. CO₂ quotas to be received in 2025 for the year 2024 under the SAF Allowances schemes (part of EU-ETS) have not been taken into account, as the European directive has not yet been published at the date of the financial statements.

A portion of external expenses, mainly aircraft fuel and maintenance, is sensitive to fluctuations in the US dollar exchange rate. The hedges covering this currency exposure are presented in Note 9 "Other current operating income and expenses".

NOTE 8 SALARIES AND NUMBER OF EMPLOYEES**ACCOUNTING PRINCIPLES**

IFRS 2 “Share-based payment” requires share-based payment services to be recognised as an employee expense. These services are measured at the fair value of the instruments granted.

The accounting policies applied by the Group to recognize its defined obligations in accordance with IAS 19 (revised) are detailed in Note 29 “Pension assets and retirement benefits”.

SALARIES AND RELATED COSTS**Period from January 1 to December 31***(in € millions)*

	2024	2023
Wages and salaries	(6,623)	(5,948)
Social contributions	(1,231)	(1,108)
Pension costs on defined contribution plans	(1,003)	(896)
Pension costs of defined benefit plans	(164)	(152)
Cost of temporary employees	(274)	(240)
Profit sharing	(78)	(192)
Payment linked with shares	(2)	(35)
Other expenses	(86)	(79)
TOTAL	(9,461)	(8,650)

Pension costs on defined contribution plans

The Group pays contributions to a multi-employer plan in France, the CRPN (public pension fund for crew). Since this multi-employer plan is assimilated with a French State plan, it is accounted for as a defined contribution plan in “pension costs on defined contribution plans”.

All major KLM pension plans in the Netherlands are qualified as defined contribution scheme.

Payment linked with shares

In 2023, The payment linked with shares amounted to €(35) million (including social charges) and related mainly to the employee share ownership plan offered to all Air France-KLM Group employees.

FULL-TIME EQUIVALENT⁽¹⁾**Period from January 1 to December 31**

	2024	2023
Flight deck crew	9,047	8,560
Cabin crew	22,547	21,844
Ground staff	46,656	45,088
Temporary employees	2,480	2,314
TOTAL	80,730	77,806

(1) Calculations are made using the double-weighting method (time present over the period and working time).

NOTE 9 OTHER CURRENT OPERATING INCOME AND EXPENSES

Period from January 1 to December 31

<i>(in € millions)</i>	2024	2023
Capitalized production	1,353	1,066
Joint operation of routes	(2)	(32)
Operations-related currency hedges	24	71
Other	142	37
TOTAL	1,517	1,142

In 2024, the line "Other" includes in particular indemnities received from suppliers to compensate operational issues supported by the Group.

NOTE 10 AMORTIZATION, DEPRECIATION AND PROVISIONS

Period from January 1 to December 31

<i>(in € millions)</i>	2024	2023
AMORTIZATION		
Intangible assets	(168)	(160)
Flight equipment	(1,215)	(1,084)
Other property, plant and equipment	(182)	(178)
Right-of-use assets	(1,257)	(1,208)
Sub-Total	(2,822)	(2,630)
DEPRECIATION AND PROVISIONS		
Inventories	(9)	(3)
Trade receivables	48	18
Risks and contingencies	140	119
Sub-Total	179	134
TOTAL	(2,643)	(2,496)

The amortization variations for intangible and tangible assets are presented in Notes 16 and 17, and for right-of-use assets in Note 19.

The variations relating to inventories and trade receivables are presented in Notes 23, 24 and 25.

The balance sheet movements in provisions for risks and charges are detailed in Note 30.

NOTE 11 SALES OF AIRCRAFT EQUIPMENT AND OTHER NON-CURRENT INCOME AND EXPENSES

Period from January 1 to December 31

<i>(in € millions)</i>	2024	2023
Sales and leaseback	8	4
Other aeronautical sales	29	28
Sales of aeronautical assets	37	32
Restructuring costs	(55)	(2)
Other	(117)	(65)
Other non-current income and expenses	(172)	(67)

Year ended December 31, 2024

Sales and leaseback

The impact of aircraft sales and leasebacks resulted in a profit of €8 million in the income statement and a result on disposal of €584 million in the cash flow statement as of December 31, 2024.

Other aeronautical sales

The impact of other aeronautical sales mainly corresponds to a Boeing 777 refinancing for KLM and has led to a gain of €16 million as of December 31, 2024.

Other non-current income and expenses

The impact of other non-current income and expenses includes a compensation of €(115) million to be paid by Air France-KLM to Virgin as part of the renegotiation of a

contract and the provision booked at Air France level in the context the restructuring of the domestic offer adaptation plan in Orly and of call centers for 49 million (see Note 4 "Significant events occurring during the period").

Year ended December 31, 2023

Sales and leaseback

The impact of aircraft sales and leasebacks resulted in a profit of €4 million in the income statement and a result on disposal of €772 million in the cash flow statement as of December 31, 2023.

Other aeronautical sales

The impact of other aeronautical sales mainly corresponded to a Boeing 777 refinancing for KLM and has led to a gain of €20 million as of December 31, 2023.

NOTE 12 NET COST OF FINANCIAL DEBT AND OTHER FINANCIAL INCOME AND EXPENSES

Period from January 1 to December 31

<i>(in € millions)</i>	2024	2023
Income from marketable securities	138	131
Other financial income	165	122
Income from cash and cash equivalents	303	253
Interest on financial liabilities	(327)	(419)
Interest on lease debt	(292)	(259)
Capitalized interests	52	40
Other non-monetary items	(23)	70
Other financial income and expenses	(41)	(32)
Interests charges	(631)	(600)
Net cost of financial debt	(328)	(347)
Foreign exchange gains (losses), net	(219)	127
Financial instruments	(9)	2
Net (charge)/release to provisions	(12)	(11)
Undiscounting of provision	(280)	(205)
Other	(26)	(96)
Other financial income and expenses	(546)	(183)
TOTAL	(874)	(530)

Net cost of financial debt

Income from cash and cash equivalents mainly comprises interest income from marketable securities and other financial assets, as well as net income on disposals of marketable securities.

In 2023, the bank loan guaranteed by the French State ("PGE") was fully repaid generating a net positive impact of €10 million in financial income, consisting of an expense of €(96) million related to the guarantee contractually due, recognized in the line "Interest on financial liabilities" and an income of €106 million, related to the application of the amortized cost at the effective interest rate methodology, recognized in the line "Other non-monetary items".

Foreign exchange gains (losses)

As of December 31, 2024, the foreign exchange result includes an unrealized currency loss of €(201) million composed of:

- an unrealized loss of €(221) million on return obligation liabilities and provisions on aircraft in US dollars;
- an unrealized gain of €24 million on the net debt, mainly composed of a loss of €(20) million on US Dollar, a gain of €26 million on Japanese Yen, a gain of €7 million on Swiss Franc and a gain of €11 million on other currencies;

- an unrealized loss of €(3) million on other assets and liabilities mainly due to US dollars on the working capital.

As of December 31, 2023, the foreign exchange result included mainly an unrealized currency gain of €92 million composed of:

- an unrealized gain of €118 million on return obligation liabilities and provisions on aircraft in US dollars;
- an unrealized gain of €9 million on the net debt mainly composed of a loss of €(11) million on US Dollar, a gain of €62 million on Japanese Yen and a loss of €(24) million on Swiss Franc;
- an unrealized loss of €(35) million on other assets and liabilities mainly due to US dollars on the working capital.

Undiscounting of provision

The rate used to undiscount the long term return obligation liability and provision for leased aircraft and other provisions non current is 7.3% in 2024 against 5.5% in 2023 (see Note 30.1.1 "Return obligation liability and provision on leased aircraft").

NOTE 13 INCOME TAXES



ACCOUNTING PRINCIPLES

The current tax expense (or income) is the estimated amount of tax due in respect of taxable income for the period.

Deferred taxes are recognized on temporary differences between the net booked value and the fiscal value of assets and liabilities recorded on the balance sheet, as well as on tax losses. They are recognized only to the extent that it is probable that a sufficiently precise future taxable profit will be generated at the level of the taxable entity. Deferred tax assets relating to tax losses are capitalized on the basis of the prospects of recoverability arising from the budget and mid-term plans prepared by the Group. The assumptions used are the same that the ones used for the impairment test.

The tax expense reported in the income statement comprises the current tax expense (or income) and the deferred tax expense (or income).

The tax rates used to measure deferred taxes are the ones enacted or substantively enacted at the balance sheet date.

Net deferred tax balances are determined on the basis of each entity's tax position.

Taxes payable and/or deferred are recognized in the income statement for the period, unless they are generated by a transaction or event recorded directly in equity. In such cases, they are recorded directly in equity.

Impact of the Contribution on Added Value of Enterprises

The CAVE (Contribution on Added Value of Enterprises/*cotisation sur la valeur ajoutée des entreprises* – CVAE) is calculated by the application of a tax rate to the added value generated by the company during the year. As the added value is a net amount of income and expenses, the CAVE meets the definition of a tax on profits as set out in IAS 12.2. Consequently, the expense relating to the CAVE is presented under the line "Income taxes".

13.1 Income tax charge

Current income tax expenses and deferred income tax are detailed as follows:

Period from January 1 to December 31

(in € millions)

	2024	2023
Current tax (expense)/income and other taxes	(31)	(58)
Change in temporary differences	(74)	(354)
(Use/de-recognition)/recognition of tax loss carry forwards	21	248
Deferred tax income/(expense)	(53)	(106)
TOTAL	(84)	(164)

The current income tax charge relates to the amounts paid or payable to the tax authorities in the short term for the period, in accordance with the regulations prevailing in various countries and any applicable treaties.

French fiscal group

In France, the corporate tax rate, including additional contribution, is 25,83% for 2024.

Tax losses can be carried forward for an unlimited period. However, the amount of fiscal loss recoverable each year is limited to 50% of the profit for the period beyond the first million euros. The Group limits its recoverability horizon on the deferred tax losses of the French fiscal group to a period of five years, consistent with its strategic plan.

In view of the medium and long-term outlook, the fiscal group has recognized deferred tax assets for an amount of €456 million as of December 31, 2024 instead of €465 million as of December 31, 2023. The deferred tax assets position for tax losses was therefore increased to €746 million (versus €707 million as of December 31, 2023).

Dutch fiscal group

In the Netherlands, the tax rate is 25.8% in 2024. Tax losses can be carried forward for an unlimited period. However, the amount of fiscal loss recoverable each year is limited to 50% of the profit for the period beyond the first million euros.

The results of the period allowed the use of deferred tax losses and deductible financial interests. The deferred tax asset position for tax losses and deductible financial interests was therefore increased to €314 million (versus €332 million as of December 31, 2023).

13.2 Tax recorded in equity (equity holders of Air France-KLM)

Period from January 1 to December 31

(in € millions)

	2024	2023
Coupons on perpetual	–	56
Other comprehensive income that will be reclassified to profit and loss	21	30
Other comprehensive income that will not be reclassified to profit and loss	1	(2)
<i>Equity instruments</i>	2	–
<i>Pensions</i>	(1)	(2)
TOTAL	22	84

13.3 Effective tax rate

The difference between the standard and effective tax rates applied in France is detailed as follows:

Period from January 1 to December 31

<i>(in € millions)</i>	2024	2023
Income before tax	592	1,147
Standard tax rate in France	25.83%	25.83%
Theoretical tax calculated based on the standard tax rate in France	(153)	(296)
Differences in French / foreign tax rates	(5)	7
Non-deductible expenses or non-taxable income	(3)	(2)
Add / (Release) f unrecognized deferred tax	94	135
CAVE impact	(4)	(1)
Other	(13)	(7)
INCOME TAX	(84)	(164)
Effective tax rate	14.2%	14.3 %

Deferred tax has been calculated on this basis of the 25,83% corporate income tax rate for the French tax group and the 25,80% corporate income tax rate for the Dutch tax group, applicable in 2024.

13.4 Variation in deferred tax recorded during the period

<i>(in € millions)</i>	December 31, 2023	Amounts recorded in income statement	Amounts recorded in OCI	Amounts recorded in equity	Reclassification and other	December 31, 2024
Flight equipment	(990)	(101)	-	-	-	(1,091)
Right-of-use assets	(1,023)	(320)	-	-	-	(1,343)
Pension assets	27	1	-	-	-	28
Financial liabilities	494	65	2	-	-	561
Lease debt	817	225	33	-	-	1,075
Deferred revenue on ticket sales	138	(63)	-	-	-	75
Other debtors and creditors	26	(39)	(14)	-	(7)	(34)
Provisions	305	71	(1)	-	-	375
Deductible financial interests	43	8	-	-	-	51
Others	(187)	80	2	-	-	(105)
Deferred tax corresponding to fiscal losses	1,048	20	-	-	-	1,068
DEFERRED TAX ASSET/ (LIABILITY) NET	698	(53)	22	-	(7)	660

<i>(in € millions)</i>	December 31, 2022	Amounts recorded in income statement	Amounts recorded in OCI	Amounts recorded in equity	Reclassification and other	December 31, 2023
Flight equipment	(733)	(257)	–	–	–	(990)
Right-of-use assets	(929)	(94)	–	–	–	(1,023)
Pension assets	26	1	–	–	–	27
Financial liabilities	515	(22)	1	–	–	494
Lease debt	758	82	(23)	–	–	817
Deferred revenue on ticket sales	137	1	–	–	–	138
Other debtors and creditors	(55)	29	52	–	–	26
Provisions	342	(35)	(2)	–	–	305
Deductible financial interest	53	(10)	–	–	–	43
Others	(145)	(49)	–	–	7	(187)
Deferred tax corresponding to fiscal losses	744	248	–	56	–	1,048
DEFERRED TAX ASSET/ (LIABILITY) NET	713	(106)	28	56	7	698

French fiscal group

The deferred taxes recognized on fiscal losses for the French fiscal group amounts to €746 million with a basis of € 2,888 million as of December 31, 2024. As of December 31, 2023, it amounted to €707 million with a basis of € 2,737 million. The deferred taxes increase on fiscal losses is explained by forecasts of future tax profits.

The total deferred-tax position of the French fiscal group stands at a net asset of €456 million (€465 million as of December 31, 2023).

Dutch fiscal group

The Dutch fiscal group recognized €314 million deferred taxes on fiscal losses with a basis of €1,217 million as of December 31, 2024. As of December 31, 2023, it amounted to €332 million with a basis of €1,287 million. This reduction is due to the consumption over the period of deferred taxes on tax losses and deductible interest.

The total deferred tax position of the Dutch fiscal group stands at a net asset of €196 million (versus a €216 million net liability as of December 31, 2023).

13.5 Unrecognized deferred tax assets

<i>(in € millions)</i>	December 31, 2024		December 31, 2023	
	Basis	Tax	Basis	Tax
Temporary differences	2,222	574	1,568	405
Tax losses	11,894	3,072	11,685	3,018
TOTAL	14,116	3,646	13,253	3,423

French fiscal group

As of December 31, 2024, the cumulative effect of the limitation of deferred tax assets results in the non-recognition of a deferred tax asset amounting to €3,572 million (corresponding to a basis of €13,829 million), of which €2,998 million relating to tax losses and €574 million relating to temporary differences.

As of December 31, 2023, the cumulative effect of the limitation of deferred tax assets resulted in the non-recognition of a deferred tax asset amounting to €3,349 million (corresponding to a basis of €12,966 million), of which €2,944 million relating to tax losses and €405 million relating to temporary differences.

Others

Other unrecognized tax assets mainly correspond to tax losses of Air France Group subsidiaries prior to tax consolidation.

NOTE 14 EARNINGS PER SHARE



ACCOUNTING PRINCIPLES

Earnings per share are calculated by dividing the net income attributable to the equity holders of Air France-KLM by the average number of shares outstanding during the period.

The average number of shares outstanding does not include treasury shares.

Diluted earnings per share are calculated by dividing the net income attributable to the equity holders of Air France-KLM, adjusted for the effects of dilutive instrument exercise, by the average number of shares outstanding during the period, adjusted for the effect of all potentially-dilutive ordinary shares.

Accordingly to IAS 33, the perpetual subordinated loan is considered to be preferred shares, the coupons are included in the basic earnings per share and diluted earning per share.

RESULTS USED FOR THE CALCULATION OF BASIC EARNINGS PER SHARE

As of December 31

(in € millions)

	2024	2023
Net income for the period – Equity holders of Air France-KLM	317	934
Coupons on perpetual	(73)	(72)
Dividend paid ⁽¹⁾	–	(90)
Basic net income for the period – Equity holders of Air France-KLM	244	772

(1) As of December 31, 2023 and in the context of the exit of the French Recapitalization State Aid under the EU Covid-19 Temporary Framework, the Group has paid a €90 million compensation to the French State required for the shares subscribed in April 2021. This payment was considered as a dividend payment and was therefore recognized in equity accordingly to IFRS principles and has been taken into consideration as a deduction from the net income to calculate the earnings per share.

RESULTS USED FOR THE CALCULATION OF DILUTED EARNINGS PER SHARE

As of December 31

(in € millions)

	2024	2023
Basic net income for the period – Equity holders of Air France-KLM	244	772
Consequence of potential ordinary shares on net income: interests paid on convertible bonds and amortization of equity component	23	31
Net income for the period – Equity holders of Air France-KLM (taken for calculation of diluted earnings per share)	267	803

RECONCILIATION OF THE NUMBER OF SHARES USED TO CALCULATE EARNINGS PER SHARE

Period from January 1 to December 31

	2024	2023
Weighted average number of:		
■ common shares issued	262,769,869	1,795,295,188
■ Treasury stock held regarding stock option plan and other treasury stock	(125,749)	(908,063)
Number of shares used to calculate basic earnings per share	262,644,120	1,794,387,125
Number of potentially dilutive shares	21,198,607	174,382,295
Number of ordinary and potential ordinary shares used to calculate diluted earnings per share	283,842,727	1,968,769,420

As a reminder, Air France-KLM carried out in August 2023 the reverse share split of all outstanding shares of the Company and the capital reduction by reduction of the nominal value of each share and in December 2023 a capital increase as part of the “Ensemble pour l’avenir” employee share plan, impacting the weight average number of share as of December 31, 2023.

Following the repayment of € 452 million of OCEANE bonds on 25 March 2024 (refer to Note 4.1 “Significant events occurring during the period”), the number of potential dilutive shares linked to the outstanding OCEANE 2026 has therefore been decreased from 4,966,518 shares to 472,580 shares.

The remaining €48 million of bonds due March 25, 2026 have been repaid in cash on May, 10, 2024 under the conditions set out in the Term and Conditions of the said OCEANE 2026 for cancellation in accordance with the applicable law. These remaining bonds were repaid in advance. This residual redemption amount is equivalent of 2,654,942 of bonds.

There is therefore no outstanding OCEANE 2026 bonds as of December 31, 2024.

The number of potential dilutive shares linked to the subordinated perpetual convertible bonds, convertible into new shares and/or exchangeable into existing shares is 19,996,070 shares.

In addition to the OCEANE transactions described above, the weighted average number of potentially dilutive shares is 21,198,607 at December 31, 2024.

The potential conversion of these two instruments and their impact on earnings have, nonetheless, not been taken into consideration as of December, 31, 2024 to determine diluted earning per share. Indeed, this would have had the effect of increasing the earning per share.

As of December 31, 2024, taking into account the above items, the basic earnings per share amounts to €0.93 and the diluted earnings per share amounts to €0.93.

NOTE 15 GOODWILL



ACCOUNTING PRINCIPLES

Goodwill corresponding, at the acquisition date, to the aggregate of the consideration transferred and the amount of any non-controlling interest of the acquired business minus the net amounts (usually at fair value) of the identifiable assets acquired and the liabilities assumed from the acquired entity.

Goodwill is measured in the functional currency of the acquired entity. It is recognized as an asset on the balance sheet.

It is not amortized and is tested for impairment test on a annual basis or whenever there is an indication that it may be impaired. As described in Note 21, the impairment loss can't be subsequently reversed.

If the fair values of the identifiable assets acquired and liabilities assumed exceed the consideration transferred, the resulting negative goodwill is recognized immediately in the income statement.

When a subsidiary or associate is sold, the amount of goodwill attributable to the sold company is included in the calculation of the gain or loss on disposal.

15.1 Detail of consolidated goodwill

As of December 31 (in € millions)	2024			2023		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Network	199	–	199	199	–	199
Maintenance	22	–	22	20	–	20
Other	5	–	5	5	–	5
TOTAL	226	–	226	224	–	224

15.2 Movement in net book value of goodwill

As of December 31 (in € millions)	2024	2023
Opening balance	224	225
Currency translation adjustment	2	(1)
CLOSING BALANCE	226	224

NOTE 16 INTANGIBLE ASSETS

ACCOUNTING PRINCIPLES

Intangible assets are recorded at initial cost less accumulated amortization and any accumulated impairment losses.

IT development costs are capitalized and amortized over their useful lives. The Group has the tools required to enable the tracking by project of all the stages of development, and, in particular, the internal and external costs directly related to each project during its development phase.

Identifiable intangible assets acquired with a finite useful life are amortized over their useful lives from the date they are available for use.

The KLM and Transavia brands and slots (takeoff and landing rights) acquired by the Group as part of the acquisition of KLM are identifiable intangible assets with an indefinite useful life. They are not amortized but tested annually for impairment or whenever there is an indication that the intangible asset may be impaired. If necessary, impairment as described in Note 21 "Impairment" is recorded.

Intangible assets with a definite useful life are amortized on a straight-line basis over the following periods:

Software	1 to 5 years
Licenses	Duration of contract
Information Technology developments	Up to 20 years ⁽¹⁾

(1) With certain exceptions, IT developments are amortized over the same useful life as the underlying software.

<i>(in € millions)</i>	Trademarks and slots	Software and capitalized IT costs	Total
GROSS VALUE			
Amount as of December 31, 2022	277	2,156	2,433
Additions / Increase	–	176	176
Disposals	(11)	(22)	(33)
Reclassification	(1)	(20)	(21)
Amount as of December 31, 2023	265	2,290	2,555
Additions / Increase	–	195	195
Disposals	(2)	(7)	(9)
Reclassification	(3)	(1)	(4)
Other	–	2	2
Amount as of December 31, 2024	260	2,479	2,739
DEPRECIATION			
Amount as of December 31, 2022	(12)	(1,294)	(1,306)
Charge to depreciation	(1)	(159)	(160)
Releases on disposals	–	20	20
Reclassification	1	18	19
Amount as of December 31, 2023	(12)	(1,415)	(1,427)
Charge to depreciation	(1)	(167)	(168)
Releases on disposals	–	2	2
Reclassification	4	–	4
Amount as of December 31, 2024	(9)	(1,580)	(1,589)
NET VALUE			
As of December 31, 2023	253	875	1,128
As of December 31, 2024	251	899	1,150

The intangible assets mainly comprise:

- the KLM and Transavia brands and slots (takeoff and landing) acquired by the Group as part of the acquisition of KLM. These intangible assets have an indefinite useful life as the nature of the assets means that they have no time limit;
- software and capitalized IT costs.

NOTE 17 TANGIBLE ASSETS



ACCOUNTING PRINCIPLES

Property, plant and equipment are recorded on the balance sheet at their acquisition or manufacturing cost, less accumulated depreciation and any accumulated impairment losses.

The cost includes financial expenses incurred, when directly attributable to the acquisition or production of a qualifying asset, until the asset is in service.

As prepayment on investments are not financed by specific borrowings, the capitalization of borrowing costs is based on the average borrowing rate for the period.

Flight equipment

The purchase price of aircraft equipment is denominated in foreign currencies. It is translated at the exchange rate at the date of the transaction or, if applicable, at the hedging price assigned to it. Manufacturers' discounts, if any, are deducted from the value of the related asset.

Aircraft are depreciated using the straight-line method over their average estimated useful life which is between 20 and 25 years for all types of aircraft except in specific cases.

During the operating cycle, and when establishing fleet replacement plans, the Group reviews whether the amortizable base or the useful life should be adjusted and, if necessary, determines whether a residual value should be recognized and the useful life adapted.

Any major aircraft airframe and engine overhaul including parts with limited useful lives are treated as a separate asset component with the cost capitalized. They are depreciated on the basis of units of work representing the consumption of economic benefits, i.e. the number of hours or flight cycles for potential engines and life limited parts, and on a straight-line basis up to the date of the next major overhaul for the airframe.

The other maintenance costs which do not extend the useful life or do not increase the value of the asset are recorded as expenses when it occurs.

Aircraft spare parts (maintenance business) which enable the use of the fleet are recorded as fixed assets and are amortized on a straight-line basis over the estimated residual lifetime of the aircraft/engine type on the world market. The useful life is limited to a maximum of 30 years.

Other property, plant and equipment

Other property, plant and equipment are depreciated using the straight-line method over their useful lives as follows:

Buildings	20 to 50 years
Fixtures and fittings	8 to 20 years
Flight simulators	10 to 20 years
Equipment and tooling	3 to 15 years

(in € millions)	Flight equipment				Other tangible assets					Total
	Owned aircraft	Assets in progress	Other	Total	Land and buildings	Equipment and machinery	Assets in progress	Other	Total	
GROSS VALUE										
January 1, 2023	16,804	1,496	2,528	20,828	2,781	1,078	132	1,033	5,024	25,852
Acquisitions	1,128	1,659	323	3,110	15	42	160	41	258	3,368
Disposals	(1,190)	–	(519)	(1,709)	(68)	(76)	–	(17)	(161)	(1,870)
Currency hedge	–	94	–	94	–	–	–	–	–	94
Reclassification	1,073	(1,587)	178	(336)	68	1	(98)	32	3	(333)
Currency translation	–	–	–	–	–	(1)	–	–	(1)	(1)
Others	(73)	70	–	(3)	3	–	(3)	–	–	(3)
Impairment	–	(1)	–	(1)	–	–	–	–	–	(1)
December 31, 2023	17,742	1,731	2,510	21,983	2,799	1,044	191	1,089	5,123	27,106
Acquisitions	798	1,943	457	3,198	33	53	215	21	322	3,520
Disposals	(1,282)	–	(241)	(1,523)	(17)	(19)	(1)	(49)	(86)	(1,609)
Currency hedge	–	(108)	–	(108)	–	–	–	–	–	(108)
Reclassification	1,237	(1,713)	173	(303)	61	12	(111)	32	(6)	(309)
Currency translation	–	–	–	–	1	2	–	–	3	3
Others	(45)	65	3	23	–	–	3	(5)	(2)	21
December 31, 2024	18,450	1,918	2,902	23,270	2,877	1,092	297	1,088	5,354	28,624
DEPRECIATION										
January 1, 2023	(9,216)	–	(998)	(10,214)	(1,970)	(858)	–	(821)	(3,649)	(13,863)
Charge to depreciation	(964)	–	(69)	(1,033)	(87)	(42)	–	(49)	(178)	(1,211)
Releases on disposal	441	–	466	907	56	66	–	15	137	1,044
Reclassification	34	–	(176)	(142)	(5)	7	–	(2)	–	(142)
Currency translation	–	–	–	–	–	1	–	–	1	1
Others	–	–	–	–	(1)	–	–	(2)	(3)	(3)
December 31, 2023	(9,705)	–	(777)	(10,482)	(2,007)	(826)	–	(859)	(3,692)	(14,174)
Charge to depreciation	(1,051)	–	(107)	(1,158)	(89)	(43)	–	(50)	(182)	(1,340)
Releases on disposal	725	–	158	883	10	18	–	28	56	939
Reclassification	(36)	–	(126)	(162)	–	–	–	–	–	(162)
Currency translation	–	–	–	–	–	(2)	–	–	(2)	(2)
Others	(4)	–	–	(4)	(1)	–	–	–	(1)	(5)
December 31, 2024	(10,071)	–	(852)	(10,923)	(2,087)	(853)	–	(881)	(3,821)	(14,744)
NET VALUE										
December 31, 2023	8,037	1,731	1,733	11,501	792	218	191	230	1,431	12,932
December 31, 2024	8,379	1,918	2,050	12,347	790	239	297	207	1,533	13,880

Aeronautical assets under construction mainly comprise advance payments, engine maintenance work in progress and aircraft modifications.

Details of fixed assets given in guarantee are provided in the Note 39.

Commitments to assets purchases are detailed in Notes 38 and 39.

NOTE 18 CAPITAL EXPENDITURES

The detail of capital expenditures on tangible and intangible assets presented in the consolidated cash flow statements is as follows:

Period from January 1 to December 31

(in € millions)

	2024	2023
Acquisition of flight equipment	3,195	3,114
Acquisition of other tangible assets	322	258
Acquisition of intangible assets	195	176
Change in fixed assets liabilities	16	3
TOTAL	3,728	3,551

The line "Acquisition of flight equipment" includes investments linked to the renewal of the fleet for new-generation aircraft, for an amount of €1,419 million as of December 31, 2024 (€1,738 million as of December 31, 2023).

NOTE 19 RIGHT-OF-USE ASSETS AND LEASE DEBT



ACCOUNTING PRINCIPLES

Lease contracts, as defined by IFRS 16 "Leases", are recorded in the balance sheet and lead to the recognition of:

- an asset representing a right of use of the asset leased during the lease term of the contract; and
- a liability related to the lease debt.

Assets (aeronautical and buildings) which are not eligible for an accounting treatment according to IFRS 16 are those:

- which were acquired by the airline or for which the airline took a major share in the acquisition process from the OEMs (Original Equipment Manufacturers);
- and which, in view of the contractual conditions, will almost certainly be purchased at the end of the lease term.

Since these financing arrangements are "in substance purchases" and not leases, the related liability is considered as a financial liability under IFRS 9 and the asset, as property, plant and equipment, according to IAS 16 (see Note 31 "Financial liabilities" – Debt on financial leases with bargain option and Note 31.4 "Other debt").

Measurement of the right-of use asset

At the commencement date, the right-of-use asset is measured at cost and comprises:

- the amount of the initial measurement of the lease debt, to which is added, if applicable, any lease payments made at or before the commencement date, less any lease incentives received;
- where relevant, any initial direct costs incurred by the lessee for the conclusion of the contract. These are incremental costs which would not have been incurred if the contract had not been concluded;
- estimated costs for the restoration and dismantling of the leased asset according to the terms of the contract in accordance with IFRIC 1. At the date of the initial recognition of the right-of-use asset, the lessee adds to these costs, the discounted amount of the restoration and dismantling costs contractually agreed through a return obligation liability or provision as described in Note 30. These costs also include maintenance obligations with regard to the engines and airframes.

Following the initial recognition, the right-of-use asset must be depreciated over the useful life of the underlying assets (lease term for the rental component, flight hours for the component relating to engine maintenance or on a straight-line basis for the component relating to the airframe until the date of the next major overhaul).

Measurement of the lease debt

At the commencement date, the lease debt is recognized for an amount equal to the present value of the lease payments over the lease term.

Amounts involved in the measurement of the lease debt are:

- fixed payments (including in-substance fixed payments; meaning that even if they are variable in form, they are in-substance unavoidable);
- variable lease payments that depend on an index or a rate, initially measured using the index or the rate in force at the lease commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease debt is subsequently measured based on a process similar to the amortized cost method using the discount rate:

- the lease debt is increased by the accrued interests resulting from the discounting of the lease debt, at the beginning of the lease period;
- less payments made.

The interest cost for the period as well as variable payments, not taken into account in the initial measurement of the lease debt and incurred over the relevant period, are recognized as costs.

The Group uses the implicit interest rate to determine the present value of the future payments and thus the lease debt for each aircraft. The “real estate” and “other assets” lease debt is measured using the debt marginal rate at the commencement date of the contract.

In addition, the lease debt may be remeasured in the following situations:

- change in the lease term;
- modification related to the assessment of the reasonably certain nature (or not) of the exercise of an option;
- remeasurement linked to the residual value guarantees;
- adjustment to the rates and indices according to which the rents are calculated when rent adjustments occur.

Types of capitalized lease contracts

“Aircraft” lease contracts

For the aircraft lease contracts fulfilling the capitalization criteria defined by IFRS 16, the lease term corresponds to the non-terminable period of each contract except in cases where the Group is reasonably certain of exercising the renewal options contractually foreseen. For example, this may be the case if substantial cabin customization has taken place whereas the residual lease term is significantly shorter than the useful life of the cabins. The accounting treatment of the maintenance obligations related to leased aircraft is outlined in Note 30.

Aircraft lease contracts concluded by the Group do not include guaranteed value clauses for leased assets.

The discount rate used to calculate the lease debt corresponds, for each aircraft, to the implicit interest rate induced by the contractual elements and residual market values. This rate is easy to calculate due to the availability of current and future data concerning the value of aircraft. It is recalculated on each contract renewal (prolongation). The implied rate of the contract is the discount rate that gives the aggregated present value of the minimum lease payments and the unguaranteed residual value. This present value should be equal to the sum of the fair value of the leased asset and any initial direct costs of the lessor.

Since most of the aircraft lease contracts are denominated in US dollars, starting from January 1, 2018 the Group put in place a cash flow hedge for its US dollar revenues via the lease debt in US dollars. Consequently, the revaluation of the Group’s debt at the closing rate is accounted for in “Other comprehensive income”.

“Real-estate” lease contracts

Based on its analysis, the Group has identified lease contracts according to the standard concerning surface areas rented in its hubs, lease contracts on buildings dedicated to the maintenance business, customized lounges in airports other than hubs and lease contracts on office buildings. The lease term corresponds to the non-terminable period, with most of the contracts not including renewal options.

The discount rate used to calculate the lease debt is determined, for each asset, according to the incremental borrowing rate at the signature date. The incremental borrowing rate is the rate that the lessee would pay to borrow the required funds to purchase the asset over a similar term, with a similar security and in a similar economic environment. This rate is achieved by the addition of the interest rate on government bonds and the credit spread. The coupon on government bonds is specific to the location, currency, period and maturity. The definition of the spread curve is based upon reference points, each point consisting of asset financing on assets other than aircraft.

“Other-assets” lease contracts

The main lease contracts identified correspond to company cars, pools of spare parts and engines. The lease term corresponds to the non-terminable period. Most of the contracts do not provide renewal options. The discount rate used to calculate the lease debt is determined, for each asset, according to the incremental borrowing rate at the signature date. The incremental borrowing rate is the rate that the lessee would pay to borrow the required funds to purchase the asset over a similar term, with a similar security and in a similar economic environment (for the method used to determine the incremental borrowing rate, see the “Real estate lease contracts” paragraph above).

Types of non-capitalized lease contracts

The Group uses the two exemptions foreseen by IFRS 16 allowing for non-recognition in the balance sheet: short-term lease contracts and lease contracts for which the underlying assets have a low value.

Short duration lease contracts

These are contracts whose duration is equal to or less than 12 months. Within the Group, they mainly relate to leases of:

- surface areas in our hubs with a reciprocal notice-period equal to or less than 12 months;
- accommodations for expatriates with a notice period equal to or less than 12 months;
- spare engines for a duration equal to or less than 12 months.

Low value lease contracts

Low-value lease contracts concern assets with a value equal to or less than US\$5,000. Within the Group, these include, notably, lease contracts on printers, tablets, laptops and mobile phones.

Sale and leaseback transactions

The Group qualifies as sale and leaseback transactions, operations which lead to a sale according to IFRS 15. More specifically, a sale is considered as such if there is no repurchase option on the goods at the end of the lease term. The results of the leaseback transactions are presented in Note 11 "Sales of aircraft equipment and other non-current income and expenses".

Transactions deemed to be a sale

If the sale by the vendor-lessee is qualified as a sale according to IFRS 15, the vendor-lessee must: (i) de-recognize the underlying asset, (ii) recognize a right-of-use asset equal to the retained portion of the net carrying amount of the asset sold.

Transaction not deemed to be a sale

If the sale by the vendor-lessee is not qualified as a sale according to IFRS 15, the vendor-lessee maintains the goods transferred on its balance sheet and recognizes a financial liability equal to the disposal price (received from the buyer-lessor).

The table below presents the right-of-use assets per category:

<i>(in € millions)</i>	Aircraft	Maintenance	Land & Real Estate	Others	Total
NET VALUE					
January 1, 2023	2,751	2,031	599	47	5,428
New contracts	834	401	86	26	1,347
Change in contracts	183	(168)	36	5	56
Reclassification	(3)	471	–	–	468
Amortization	(627)	(435)	(130)	(16)	(1,208)
Others	–	(135)	–	–	(135)
December 31, 2023	3,138	2,165	591	62	5,956
New contracts	1,223	470	103	17	1,813
Change in contracts	355	172	110	2	639
Reclassification	(3)	511	–	(1)	507
Amortization	(681)	(435)	(125)	(17)	(1,258)
Others	(1)	(64)	–	–	(65)
December 31, 2024	4,031	2,819	679	63	7,592

Excluding the sales and leasebacks operations of 2024, the line "new contracts" includes €823 million as of December 31, 2024 related to contracts for new-generation aircraft (€155 million as of December 31, 2023). The line "change in contracts" includes €143 million as of December 31, 2024 related to contracts for new-generation aircraft (€47 million as of December 31, 2023).

The line "Others" includes mainly movements of the return obligation liability following aircraft restitution (see Note 30).

The amount recognized in the income statement in respect of lease contracts not subject to IFRS 16 amounts to:

As of December 31

(in € millions)

	2024	2023
Variable rents	64	32
Short term rents	195	175
Low value rents	22	17
TOTAL	281	224

The table below presents the lease debt per category:

As of December 31

(in € millions)

	2024			2023		
	Non- current	Current	Total	Non- current	Current	Total
Lease debt – Aircraft	3,834	780	4,614	2,796	682	3,478
Lease debt – Aircraft spare parts	115	61	176	79	49	128
Lease debt – Real estate	712	103	815	655	80	735
Lease debt – Other	53	15	68	50	18	68
Accrued interest	–	23	23	1	19	20
TOTAL – LEASE DEBT	4,714	982	5,696	3,581	848	4,429

To support their investments in new-generation aircraft, Air France has also entered into lease contracts with specific clauses linked to compliance with environmental criteria. On December 31 2024, these financings amount for €497 million booked in the line “lease debt aircraft”.

The tables below present the change in lease debt:

(in € millions)	December 31, 2023	New contracts and renewals of contracts	Reimbursement	Currency translation adjustment	Others	December 31, 2024
Lease debt – Aircraft	3,478	1,607	(693)	225	(3)	4,614
Lease debt – Aircraft spare parts	128	105	(64)	6	1	176
Lease debt – Real estate	735	194	(116)	1	1	815
Lease debt – Other	68	19	(18)	–	(1)	68
Accrued interest	20	–	–	–	3	23
TOTAL	4,429	1,925	(891)	232	1	5,696

(in € millions)	December 31, 2022	New contracts and renewals of contracts	Reimbursement	Currency translation adjustment	Others	December 31, 2023
Lease debt – Aircraft	3,227	1,059	(657)	(154)	3	3,478
Lease debt – Aircraft spare parts	124	50	(44)	(3)	1	128
Lease debt – Real estate	729	125	(118)	–	(1)	735
Lease debt – Other	53	31	(14)	–	(2)	68
Accrued interest	19	–	–	–	1	20
TOTAL	4,152	1,265	(833)	(157)	2	4,429

The lease debt maturities break down as follows:

<i>(in € millions)</i>	As of December 31, 2024	As of December 31, 2023
Y+1	1,278	1,096
Y+2	1,081	898
Y+3	923	721
Y+4	736	609
Y+5	610	466
Over 5 years	2,643	2,028
TOTAL	7,271	5,818
<i>Including:</i>		
■ <i>Principal</i>	5,696	4,429
■ <i>Interest</i>	1,575	1,389

NOTE 20 EQUITY AFFILIATES



ACCOUNTING PRINCIPLES

The accounting policies applied by the Group to recognize the equity affiliates is detailed in the Note 1.3 “Consolidation principles”.

Movements over the period

The table below presents the movement in investments in associates and joint-ventures:

<i>(in € millions)</i>	Network	Maintenance	Catering	Other	Total
December 31, 2022	1	44	56	19	120
Share in net income of equity affiliates	1	3	(2)	5	7
Dividend distributions	(1)	(1)	–	–	(2)
Other variations	1	1	4	(1)	5
Currency translation adjustment	–	(1)	–	–	(1)
December 31, 2023	2	46	58	23	129
Share in net income of equity affiliates	(34)	9	(2)	8	(19)
Dividend distributions	(1)	–	–	(3)	(4)
Change in consolidation scope	101	–	1	–	102
Other variations	1	2	(1)	–	2
Fair value adjustment	4	–	–	–	4
Currency translation adjustment	–	2	–	–	2
December 31, 2024	73	59	56	28	216

Acquisition of a non-controlling stake in the share capital of SAS AB (Network)

The Air France-KLM Group finalized as of August 28, 2024, the acquisition of a 19,9% non-controlling stake in the capital of SAS AB.

The Group invested a total of US\$144.5 million (circa €133 million) in SAS AB, by subscribing for US\$109.5 million (circa €101 million) of common shares.

Based on the analysis of the features of the transaction including the shareholders' agreement, the Group does not have the control of SAS AB either within the meaning of EU merger regulation nor based on IFRS 10. However despite they remain business competitors, the Air France-KLM Group meets the requirements of IAS 28 to account SAS AB for using the equity method since the acquisition date (See Note 4.1 “Significant events occurring during the period”).

Maintenance

As of December 31, 2024 and 2023, the equity affiliates in the maintenance business mainly comprise joint-venture partnerships entered into by the Group to develop its maintenance activities worldwide. These partnerships, whose country localizations and percentages of interest are presented in Note 42.2 have been concluded either with airlines or with independent players in the maintenance market.

Servair group (Catering)

The Servair group is a French company in aviation catering.

Following the acquisition of Gategroup by HNA on December 22, 2016, Air France and Gategroup finalized the agreement for the sale to Gategroup of 49.99% of the Servair share capital. On conclusion of this transaction, the operational control of Servair was transferred to Gategroup in application of the governance planned in the agreements between Air France and Gategroup.

Early 2021, the terms under which Air France could sell a 30% shareholding in Servair to Gategroup were re-negotiated. This resulted in the sale by Air France Finance, on May 31, 2021, of 15% of Servair shares for €71 million. The second tranche of 15% is classified in assets held for sale, pending for the payment over several years.

As of December 31, 2024, the Group received €24 million related to the sale of 5% of Servair shares. The other tranche of 10% is classified in assets held for sale, pending for the payment (see Note 27 "Assets held for sale").

The remaining 20% were revalued accordingly to the IFRS 10 standard at their fair value based on the transaction value in the line "equity affiliates".

As of December 31, 2024, the Servair group remains booked according to the equity method, as it has been the case since December 31, 2016.

The net result from airline catering is mainly impacted by the Servair operating loss. However, the total fair value of the Group's 30,0% equity interest in the Servair group, including the put option recorded in the balance sheet in the lines other derivatives and assets held for sale, remains unchanged.

Other

As of December 31, 2024 and 2023, the equity affiliates linked to the Group's other businesses are mainly joint-venture partnerships entered into by the Group in the airport business. The localizations of the activities and the interest percentages in these partnerships are presented in Note 42.2.

NOTE 21 IMPAIRMENT



ACCOUNTING PRINCIPLES

In accordance with IAS 36 "Impairment of Assets", tangible fixed assets, intangible assets, right-of-use assets and goodwill are tested for depreciation if there is an indication of impairment, and those with an indefinite useful life are tested at least once a year.

For this test, the Group deems the recoverable value of the asset to be the higher of the market value less cost of disposal and its value in use. The latter is determined according to the discounted future cash-flow method, estimated based on budgetary assumptions approved by management, using an actuarial rate which corresponds to the weighted average cost of the Group's capital and a growth rate which reflects the market.

Revenues (network, leisure and maintenance), costs and investments forecasts are based on reasonable hypotheses and are the management's best estimates. They are subject to the uncertainties prevailing at the time the test is performed.

The depreciation tests are carried out individually for each asset, except for those assets to which it is not possible to attach independent cash flows. In this case, these assets are regrouped within the CGU to which they belong and it is this which is tested. The CGUs correspond to the Group's business segments: network, maintenance, leisure and others which are homogeneous asset groups whose use generates identifiable cash inflows.

When the recoverable value of an asset or CGU is inferior to its net book value, an impairment is recognized. The impairment of a CGU is charged in the first instance to goodwill, the remainder being charged to the other assets which comprise the CGU, prorated to their net book value.

No indication of impairment has been identified. Given the existence of goodwill and intangible assets with indefinite useful lives, an impairment test has been carried out, in accordance with IAS 36, in order to verify that the net assets of the cash-generating units (CGUs) do not exceed their recoverable amount. The test is performed based on the values as of September 30 for the annual closing.

The Group monitors any significant changes that could affect this calculation in the last quarter.

The Group's CGUs correspond to the Group's business segments (see Note 6.1 "Information by business segment"). Their carrying amounts break down as follows:

As of September, 30 <i>(in € millions)</i>	Network		Maintenance		Transavia		Other/Non allocated	
	2024	2023	2024	2023	2024	2023	2024	2023
Segment assets	18,108	16,912	6,020	4,986	2,551	2,095	8,220	9,855
Segment liabilities	(11,062)	(11,835)	(2,041)	(1,989)	(1,894)	(1,787)	(19,902)	(18,237)
NET SEGMENT ASSETS (LIABILITIES)	7,046	5,077	3,979	2,997	657	308	(11,682)	(8,382)

The recoverable amount of the net assets of the CGUs has been determined by reference to their value in use as of September 30, 2024, based on a five-year target plan presented by Management to the Board of Directors early December 2024. Subject to the uncertainties associated with the current situation, this plan is based on revenue, cost and investment projections that are based on reasonable assumptions and correspond to Management's best estimates, including:

- higher productivity gains that will help to mitigate the negative impact of some external factors and geopolitical tensions;
- the increase in the price of CO₂ emission allowances, the implementation of the international system for offsetting and reducing emissions (CORSIA) from 2026 and the gradual disappearance of free allowances until 2026 in the European Union Emissions Trading Scheme (ETS) as detailed in the assumptions below;

- a growing trajectory for the use of Sustainable Aviation Fuel (SAF), which should reach 10% by 2030, and the Group's ability to pass on the additional costs to passengers in the price of air tickets;
- a plan to invest in new-generation aircraft that are up to 25% more efficient in terms of fuel consumption and therefore CO₂ emissions, and generate less noise, as presented in Note 38 "Flight equipment orders". The new-generation aircraft will represent up to 80% of the fleet in 2030.

The last two elements mentioned above, combined with eco-piloting, contribute significantly to the Group's objective of reducing its GHG emissions per ton per kilometer transported (on scopes 1 and 3.3) by 30% in 2030 compared to 2019, and are consistent with the trajectory validated by SBTi in November 2022.

The hypothesis taken into account in the five year plan for Network and Transavia are as follows :

As of December 31	2025	2026	2027	2028	2029
CO ₂ quotas price (EUR/ton)	68	71	73	75	78
SAF price (EUR/metric tons)	1,672	1,970	1,815	1,773	1,742
Fuel price before hedging (USD/metric tons)	690/702	701/712	715/727	724/730	726/727

Beyond this period, the Group uses the long-term growth and current operating margin assumptions shown in the table below.

As of December 31	Network		Maintenance		Transavia	
	2024	2023	2024	2023	2024	2023
Operating margin rates	7.4%	7.4%	6.0%	6.0%	8.2%	8.2%
Long-term growth rates	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%

The long-term growth rate and the current operating margin rates used by the Group for the realization of the test, which are relatively conservative, make it possible to take account of the uncertainties that apply to the Group's three segments, in particular the acceptability of air transport.

On the other hand, the Group has not taken into account technological advances not available at the closing date, nor potential future changes in law or regulations not yet voted (kerosene taxes, limitation of the number of slots, etc.).

Furthermore, the discount rate for the impairment test is the weighted average cost of capital (WACC), identical for each business unit.

Cost of capital

	2024	2023
Cost of stockholders' equity	10,1%	12%
Marginal cost of debt, net of tax	3,3%	3,9%
PERCENTAGE OF STOCKHOLDERS' EQUITY/TARGET DEBT		
Stockholders' equity	47%	42%
Debt	53%	58%
WEIGHTED AVERAGE COST OF CAPITAL AFTER TAXATION	6,5%	7,4%

As a result of the test, no impairment was recognized on the Group's CGUs (as for the year ended December 31, 2023).

The Group has conducted the tests with the following sensitivity:

- with a WACC 50 bps higher associated with a 50 bps decrease in the long-term growth rate;
- with a 50 bps increase in WACC associated with a 50 bps decrease in target current operating margins.

The Network and Transavia activities are not sensitive to these parameters. The results associated to maintenance are more sensitive. However, for this CGU, the tested assets mainly consists in property, plant and equipment

including spare parts and spare engines, and inventories. The net booked value of these aeronautical assets would therefore not be at risk considering their market value and in particular considering the current context of persistent supply difficulties.

However, the Group does not perform sensitivity tests to capacity forecasts (seats per kilometers) as a reduction in capacity generally means higher unit revenues which balance out the negative effect of the reduction. It also does not test the sensitivity neither to fuel prices given the industry's tendency to pass the impact on to ticket prices, nor to SAF prices considering its ability demonstrated so far to include it in the selling prices.

NOTE 22 OTHER FINANCIAL ASSETS



ACCOUNTING PRINCIPLES

Investments in equity instruments

Investments in equity securities qualifying as equity instruments are recorded at fair value in the Group's balance sheet. For publicly-traded securities, the fair value is considered to be the market price at the closing date. For non-quoted securities, the valuation is made on the basis of the financial statements of the entity.

The valuation of equity instruments is either in fair value through the income statement or in fair value through other comprehensive income:

- when the instrument is deemed to be a cash investment, i.e. it is held for the purposes of monetary transactions, its revaluations are recorded in "Other financial income and expenses";
- when the instrument is deemed to be a business investment, i.e. it is held for strategic reasons (as it mainly consists of investments in companies whose activity is very close to that of the Group), its revaluations are recorded in "Other comprehensive income" non-recyclable. Dividends are recorded in the income statement.

Financial assets at fair value through profit and loss

Financial assets include financial assets at fair value through profit and loss (French mutual funds such as SICAV, FCP, certificates, etc.) that the Group intends to sell in the near term to realize a capital gain, or that are part of a portfolio of identified financial instruments managed collectively and for which there is evidence of a practice of short-term profit taking. They are classified in the balance sheet as other current financial assets.

As of December 31	2024			2023		
	Current	Non-current	Of which: pledged or secured ⁽³⁾	Current	Non-current	Of which: pledged or secured ⁽³⁾
(in € millions)						
EQUITY INSTRUMENTS⁽¹⁾						
Equity instruments ⁽²⁾	–	56	–	–	52	–
At fair value through OCI	–	40	–	–	38	–
At fair value through P&L	–	16	–	–	14	–
FINANCIAL ASSETS AT FAIR VALUE THROUGH P&L⁽¹⁾						
Marketable securities	1,046	–	260	1,097	–	207
Bonds	115	944	161	150	816	155
FINANCIAL ASSETS – AT AMORTIZED COST						
Deposits on lease contracts	8	90	–	7	93	–
Deposits on financial liabilities	1	96	–	1	106	–
Other loans and deposits	20	215	–	37	224	–
Gross value	1,190	1,401	421	1,292	1,291	362
Impairment at opening date	–	(29)	–	–	(26)	–
New impairment charge	–	(6)	–	–	(5)	–
Use/Reversal	–	2	–	–	2	–
Other	–	1	–	–	–	–
Impairment at closing date	–	(32)	–	–	(29)	–
TOTAL	1,190	1,369	421	1,292	1,262	362

(1) See Note 36 "Valuation methods for financial assets and liabilities at their fair value" for the fair value valuation method.

(2) See table change in equity instruments below.

(3) Including €365 million as of December 31, 2024 (€361 million as of December 31, 2023) in the context of the litigation concerning the anti-trust laws in the air-freight industry (See Note 30.1.4 "Litigation concerning anti-trust laws in the air-freight industry").

EQUITY INSTRUMENTS

	Fair Value (in € millions)	% interest	Stockholder's equity (in billions of currency)	Net income (in billions of currency)	Classification methodology	Stock price	Closing date
As of December 31, 2024							
GOL Linhas Aéreas ⁽¹⁾	1	1%	NA ⁽²⁾	NA ⁽²⁾	OCI	1 BRL	December 2024
Kenya Airways	13	7.8%	NA ⁽²⁾	NA ⁽²⁾	OCI	NA ⁽²⁾	December 2024
Other	42	–	–	–	–	–	–
TOTAL	56						
As of December 31, 2023							
GOL Linhas Aéreas ⁽¹⁾	7	1%	NA ⁽²⁾	NA ⁽²⁾	OCI	9 BRL	December 2023
Kenya Airways	10	7.8%	NA ⁽²⁾	NA ⁽²⁾	OCI	NA ⁽²⁾	December 2023
Other	35	–	–	–	–	–	–
TOTAL	52						

(1) Listed company.

(2) Not-available.

CHANGE IN EQUITY INSTRUMENTS

(in € millions)	Instrument revalued through OCI	Instrument revalued through P&L	Total
Amount as of December, 31, 2022	36	9	45
Additions	4	4	8
Change in fair value	–	1	1
Other	(2)	–	(2)
Amount as of December, 31, 2023	38	14	52
Additions	1	2	3
Change in fair value	1	–	1
Other	–	–	–
Amount as of December, 31, 2024	40	16	56

Transfer of non-deconsolidating financial assets

Receivables delegation agreement

The Group entered into a loan agreement secured by Air France's 1% housing loans. For each of the CILs (*Comités interprofessionnels du logement*), Air France and the bank concluded, in July 2012, a tripartite receivables delegation agreement with reference to the loan agreement. Through this agreement, the CILs commit to repaying the bank

directly on each payment date. These are imperfect delegations: in the event of non-repayment by the CILs, Air France remains liable to the bank for repayments of the loan and interest.

As of December 31, 2024, the amount of transferred receivables stood at €74 million (versus €80 million as of December 31, 2023) and is included in the line "deposits on financial liabilities". The associated loan stood at €64 million as of December 31, 2024 (versus €68 million as of December 31, 2023).

NOTE 23 INVENTORIES



ACCOUNTING PRINCIPLES

Inventories are measured at the lower of their cost and net realizable value.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present condition and location. These costs include the direct and indirect production costs incurred under normal operating conditions.

Inventories are valued on a weighted average basis.

The net realizable value of the inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

As of December 31

(in € millions)	2024	2023
Aeronautical spare parts	994	889
Other supplies	197	192
Work in progress	32	27
Gross value	1,223	1,108
Opening valuation allowance	(255)	(252)
Charge to allowance	(28)	(16)
Use of allowance	19	13
Currency translation adjustment	(1)	–
Reclassification	1	–
Closing valuation allowance	(264)	(255)
NET VALUE	959	853

NOTE 24 TRADE ACCOUNTS RECEIVABLES**ACCOUNTING PRINCIPLES**

Trade receivables are considered to be assets issued by the Group and are initially recorded at fair value. They are subsequently valued using the amortized cost method. In addition, they are written off based on the expected loss.

Regarding the impairment of trade receivables, the Group has chosen the simplified method approach in that the automated customer invoicing and settlement processes for the Network business through clearing houses significantly limit the credit risk. The Group also uses credit insurance to reduce the risk of potential default regarding trade receivables concerning the clients of the Maintenance activity.

As of December 31*(in € millions)*

	2024	2023
Airlines	212	231
Other clients:		
■ Network	886	1,032
■ Maintenance	1,010	964
■ Leisure	69	82
■ Other	37	51
Gross value	2,214	2,360
Opening valuation allowance	(208)	(231)
Charge to allowance	(14)	(10)
Use/Reversal of allowance	62	27
Currency translation adjustment	(7)	6
Reclassification	4	-
Closing valuation allowance	(163)	(208)
NET VALUE	2,051	2,152

NOTE 25 OTHER ASSETS



ACCOUNTING PRINCIPLES

CO₂ quotas

Since January 1, 2012, airlines have been subject to the Emission Trading Scheme (ETS) regulations for all flights to or from the European Economic Area.

Additionally, since January 1, 2020, Air France has been compensating all the CO₂ emissions of its customers on the French domestic routes.

As from January 1, 2023 and in the absence of IFRS standards or interpretations governing ETS accounting and considering CO₂ quotas as an operating expense linked to fuel expenses, the Group considers that the operating cash flow is the most representative of this outflow. The Group therefore decided to adjust its accounting treatment as described below:

- free CO₂ quotas allocated by the State and the ones purchased on the market recognized as intangible assets is now disclosed in the line "other assets" of the consolidated balance sheet and as an operating cash flow in the consolidated cash flow statement. These assets cannot be amortized;
- the expense corresponding to the obligation to surrender quotas of the period is integrated in the "external expenses" of the consolidated income statement;
- the obligation to surrender rights valued at acquisition cost for acquired rights – including free quotas – and at market price for rights not yet acquired remains a provision on the liability side.

When the quotas corresponding to the actual emissions are returned to the State, the provision is cleared in exchange of the returned assets.

As of December 31 <i>(in € millions)</i>	2024		2023	
	Current	Non-current	Current	Non-current
Suppliers with debit balances	231	–	223	–
State receivables (including tax credit)	173	–	162	–
CO ₂ quotas	256	214	242	153
Prepaid expenses	265	–	262	–
Other debtors	340	–	236	–
Gross value	1,265	214	1,125	153
Opening valuation allowance	(5)	–	(5)	–
Charge to allowance	(1)	–	–	–
Others	1	–	–	–
Closing valuation allowance	(5)	–	(5)	–
TOTAL	1,260	214	1,120	153

NOTE 26 CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS**ACCOUNTING PRINCIPLES**

Cash and cash equivalents are short-term, highly-liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

As of December 31	2024		2023	
	Total	Of which: pledged or secured	Total	Of which: pledged or secured
<i>(in € millions)</i>				
Liquidity funds (SICAV) (assets – debt instruments)	1,442	7	2,450	7
Bank deposits (assets – debt instruments) and term accounts	1,543	–	1,887	50
Cash in hand	1,844	–	1,857	–
Cash and cash equivalents	4,829	7	6,194	57
Bank overdrafts	–	–	(13)	–
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS	4,829	7	6,181	57

NOTE 27 ASSETS HELD FOR SALE

The line “Assets held for sale” includes the Group’s 10% equity interest in Servair shares and intended to be sold (see Note 20 “Equity affiliates”).

NOTE 28 EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF AIR FRANCE-KLM SA**28.1 Issued capital & additional paid-in capital****ACCOUNTING PRINCIPLES**

Additional paid-in capital represents the difference between the nominal value of the equity securities issued and the value of contributions in cash or in kind received by Air France-KLM.

Capital increase costs are deducted from paid-in capital if any.

As of August 31, 2023, Air France-KLM carried out a reverse stock-split of all the Company's outstanding shares, with the concomitant recognition of a capital reduction impacting share capital by €(2,314) million and additional paid-in capital by €2,314 million.

On December 21, 2023, Air France-KLM carried out a capital increase reserved for employees of 5,716,256 fully paid-up shares, with a par value of €1, increasing capital by €6 million and additional paid-in capital by €29 million.

Thus as of December 31, 2024, the issued capital of Air France-KLM comprised 262,769,869 fully paid-up shares with a par value of €1 and the share capital of the Air France-KLM Group amounts to €263 million.

Taking into account these transactions, at December 31, 2024, additional paid-in capital stands at €7,560 million.

Each share is entitled to one vote. However, since April 3, 2016, shareholders who have owned their shares for at least two years have benefited from double voting rights.

The new shares are immediately entitled to double voting rights, provided they have been held in registered form, if at the date of the reverse stock-split each of the old shares from which they were issued was entitled to double voting rights. In the event of a reverse split of existing shares that have been held in registered form since different dates, the period used to determine the double voting rights of the new shares is deemed to begin on the most recent date on which the existing shares were held in registered form.

Authorized stock

The Combined General Meeting of June 7, 2023 authorized the Board of Directors, for a period of 26 months from the date of the Meeting of June 7, 2023 (i.e. until August 7, 2025), to issue shares and/or other securities giving immediate or future access to the capital of Air France-KLM and/or to carry out capital increases by offering to qualified investors or a restricted circle of investors.

As of December 31, 2024, the available balance of these authorizations is approximately €128.5 million, following capital transactions carried out during the year 2023.

Breakdown of the share capital and voting rights

The breakdown of the share capital and voting rights is as follows:

As of December 31	Number of shares		% of capital		% of voting rights	
	2024	2023	2024	2023	2024	2023
French State	73,520,630	73,520,630	28.0	28.0	27.5	28.4
Dutch State	24,000,000	24,000,000	9.1	9.1	13.3	10.3
CMA CGM	23,134,825	23,134,825	8.8	8.8	12.8	8.0
China Eastern Airlines	12,023,544	12,023,544	4.6	4.6	6.7	6.3
Employees and former employees	8,101,493	8,461,524	3.1	3.2	3.0	3.4
Delta Air Lines	7,340,118	7,340,118	2.8	2.8	4.1	3.8
SPAAK ⁽¹⁾	2,241,065	2,241,065	0.9	0.8	1.2	1.0
Treasury shares	111,642	143,608	-	0.1	-	-
Public	112,296,552	111,904,555	42.7	42.6	31.4	38.8
TOTAL	262,769,869	262,769,869	100	100	100	100

(1) Stichting Piloten Aandelen Air France-KLM.

The line "Employees and former employees" includes the shares held by employees and former employees identified in the "Fonds communs de placement d'entreprise (FCPE)".

As of December 31, 2024, all securities have been issued and paid up.

28.2 Treasury shares



ACCOUNTING PRINCIPLES

Air-France-KLM shares held by the Group are recorded as a deduction from the Group's consolidated equity at the acquisition cost. Subsequent sales are recorded directly in equity. No gains or losses are recognized in the Group's income statement.

As of December 31, 2024, Air France-KLM Group holds 111,642 treasury shares valued at €27 million.

All of these treasury shares are classified as a reduction of equity.

28.3 Perpetual



ACCOUNTING PRINCIPLES

A financial instrument is considered as an equity instrument if it does not include a contractual obligation:

- to deliver cash or another financial asset to another entity; or
- to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the issuer.

		Notes	December 31, 2023	Repayment – Nominal	Issuance – Nominal	Monetary change – Coupons	Non- monetary change	December 31, 2024
<i>(in € millions)</i>								
2021 perpetual super-subordinated bonds	Nominal	28.3.1	–	–	–	–	–	–
	Coupons		–	–	–	–	–	–
2023 perpetual super- subordinated bonds	Nominal	28.3.2	727	–	–	–	–	727
	Coupons		42	–	–	(51)	53	44
Last-rank indefinite subordinated bond convertible into new shares and/or existing shares	Nominal	28.3.3	305	–	–	–	–	305
	Coupons		2	–	–	(20)	20	2
TOTAL PERPETUAL – ATTRIBUTABLE TO EQUITY HOLDERS OF AIR FRANCE-KLM			1,076	–	–	(71)	73	1,078
2022 perpetual super- subordinated bonds	Nominal	28.6.1	497	–	–	–	–	497
	Coupons		13	–	–	(30)	30	13
July 2023 perpetual super- subordinated bonds	Nominal	28.6.2	498	–	–	–	–	498
	Coupons		15	–	–	(34)	35	16
November 2023 perpetual super-subordinated bonds	Nominal	28.6.3	1,493	–	–	–	–	1,493
	Coupons		8	–	–	(96)	101	13
TOTAL PERPETUAL – NON-CONTROLLING INTERESTS			2,524	–	–	(160)	166	2,530
Total cash flows		5.2.5	–	–	–	(231)	–	–

		Notes	December 31, 2022	Repayment – Nominal	Issuance – Nominal	Monetary change – Coupons	Non- monetary change	December 31, 2023
<i>(in € millions)</i>								
2021 perpetual super-subordinated bonds	Nominal	28.3.1	595	(595)	–	–	–	–
	Coupons		31	–	–	(42)	11	–
2023 perpetual super- subordinated bonds	Nominal	28.3.2	–	–	727	–	–	727
	Coupons		–	–	–	–	42	42
Last-rank indefinite subordinated bond convertible into new shares and/or existing shares	Nominal	28.3.3	305	–	–	–	–	305
	Coupons		2	–	–	(20)	20	2
TOTAL PERPETUAL – ATTRIBUTABLE TO EQUITY HOLDERS OF AIR FRANCE-KLM			933	(595)	727	(62)	73	1,076
2022 perpetual super- subordinated bonds	Nominal	28.6.1	497	–	–	–	–	497
	Coupons		13	–	–	(30)	30	13
July 2023 perpetual super- subordinated bonds	Nominal	28.6.2	–	–	498	–	–	498
	Coupons		–	–	–	–	15	15
November 2023 perpetual super-subordinated bonds	Nominal	28.6.3	–	–	1,493	–	–	1,493
	Coupons		–	–	–	–	8	8
TOTAL PERPETUAL – NON-CONTROLLING INTERESTS			510	–	1,991	(30)	53	2,524
Total cash flows		5.2.5	–	(595)	2,718	(92)	–	–

28.3.1 2021 perpetual super-subordinated bonds

On April 20, 2021, the Group issued 3 billion super-subordinated notes, subscribed by the French government to offset its direct loan of the same nominal amount. The issue consisted of three perpetual tranches, each with a nominal value of €1 billion, a coupon of 7%, 7.25% and 7.5%, and a call option at 4, 5 and 6 years respectively.

This non-monetary transaction resulted in the reclassification of €3 billion from "financial liabilities" to shareholders' equity (see Note 31.3 "Financial support from the French State").

On April 20, 2022, the Group paid accrued interest on the perpetual subordinated notes held by the French government for a total of €218 million, including €151 million in respect of accrued interest to December 31, 2021 and €67 million in respect of accrued interest at the date of payment.

On June 16, 2022, following the completion of the Air France-KLM Group's capital increase, the subordinated perpetual notes held by the French State were partially redeemed for a total of €1,649 million, including €1,631 million in par value and €18 million in accrued coupons.

On July 29, 2022, the proceeds of Apollo's investment were used to redeem €487 million in par value, plus €10 million in accrued interest to that date.

On December 9, 2022, a nominal amount of €287 million plus accrued interest to that date of €14 million was repaid with the proceeds of the subordinated bond issue.

Finally, on March 17 and April 19, 2023 respectively, Air France-KLM redeemed the balance of the subordinated notes held by the French State under the temporary framework linked to Covid-19, for an amount of €320 million and €317 million (including accrued coupons). The Group also paid the French State the compensation required for the shares subscribed in April 2021, in the amount of €90 million.

This transaction enables Air France and Air France-KLM S.A. to exit the French state aid scheme.

28.3.2 2023 perpetual super-subordinated bonds

Concurrently with the redemption of the super-subordinated notes (refer to Note 28.3.1 "2021 perpetual super-subordinated bonds"), the Group refinanced €320 million on March 17, 2023 and €407 million on April 19, 2023 by issuing new perpetual subordinated notes with the French State qualified as compensatory aid, for Air France, for the damage suffered as a result of Covid-19 between March 17 and June 30, 2020.

These new unconstrained subordinated notes carry similar financial conditions to those redeemed on the same day, with a deferred call date and interest rate increase of a further two years (i.e. March 2029).

The coupon paid during the year amounted to €51 million, and at December 31, 2024, the balance of accrued interest on subordinated notes totaled €44 million.

28.3.3 Last-rank indefinite subordinated bond convertible into new shares and/or existing shares

On November 16, 2022, Air France-KLM Group issued last-rank indefinite subordinated bonds, convertible into new shares and/or existing shares, for a nominal amount of €301 million, net of issuance costs.

The bonds had been issued at par with a nominal value per bond of €100,000 and with a conversion/exchange premium of 22.5% over the reference Air France-KLM share price.

From the issue date until November 23, 2025, the bonds bear interest at a nominal rate of 6.5% per annum, payable quarterly in arrears. From November 23, 2025, the bonds will bear interest at a rate equal to 1,300 basis points above the applicable three-year Euro Mid-Swap rate as reference rate, subject to review every three years thereafter. Interest is payable quarterly in arrears.

The bonds are for an indefinite period, and the Air France-KLM Group may, at its option, redeem all the bonds early at par plus interest, for the first time on November 23, 2025, or over the period from December 14, 2024 to November 23, 2025 if certain conditions linked to the Air France-KLM share price are met.

Bondholders may exercise their conversion/exchange right at any time until November 10, 2025. The conversion/exchange ratio was initially 65,496.4632 Air France-KLM shares per bond at December 31, 2022.

However, following the reverse stock-split and by decision of the Chief Executive Officer, the conversion ratio of the last-ranking perpetual subordinated bonds, convertible into new shares and/or exchangeable for existing shares, has been adjusted and amounts to 6,549.6463 Air France-KLM shares per bond.

Lastly, the coupon paid during the year amounted to €20 million, and at December 31, 2024, the balance of accrued coupon totaled €2 million.

For details of deeply subordinated notes included in "Non-controlling interests", see Note 28.6.

28.4 Reserves and retained earnings

As of December 31

(in € millions)

	Notes	2024	2023
Legal reserve		70	70
Defined pension benefit reserves ⁽¹⁾		(430)	(529)
Derivatives reserves ⁽¹⁾	28.5	(74)	6
Equity instrument reserves ⁽¹⁾		(56)	(58)
Equity affiliates reserves		4	—
Other reserves		(10,469)	(11,348)
Net income (loss) – Group share		317	934
TOTAL		(10,638)	(10,925)

(1) After deferred tax.

As of December 31, 2024, the legal reserve of €70 million represents 27% of Air France-KLM's issued capital. French company law requires a limited company (*société anonyme*) to allocate 5% of its unconsolidated statutory net income each year to this legal reserve until it reaches 10% the Group's issued capital. The amount allocated to

this legal reserve is deducted from the distributable income for the current year.

The legal reserve of any company subject to this requirement may only be distributed to shareholders upon liquidation of the company.

28.5 Derivatives instruments reserves

Derivatives instruments reserves are composed as follows (before the effect of deferred tax):

(in € millions)	December 31, 2023	Variation of fair value	Recycling in income statement	December 31, 2024	Recycling allocated by heading
Fuel	(100)	(82)	66	(116)	External expenses
Interest rate	137	26	(55)	108	Cost of financial debt
Currency exchange – Operating	(12)	118	(24)	82	Other income and expenses
Currency exchange – Financial liabilities	1	3	(7)	(3)	Other financial expenses
Currency exchange – Capital expenditures	30	(11)	–	19	
Revenues	(51)	(178)	22	(207)	Revenues
European carbon emission allowances (ETS)	(3)	21	–	18	
Deferred tax	4	–	21	25	Income tax
TOTAL	6	(103)	23	(74)	

28.6 Non-controlling interests

28.6.1 2022 perpetual super subordinated bonds

On July 13, 2022, following the €500 million investment agreement between Air France-KLM Group and Apollo, the latter subscribed to:

- a capital increase in the Air France operating subsidiary, Air France Spare Engines Management, for an amount of €3 million;
- perpetual bonds issued by the Air France operating subsidiary for an amount of €497 million.

The perpetual bonds, which meet the criteria for equity under IFRS, bear interest at 6% for the first three years, after which gradual step ups and a cap will apply.

The Group has the option to redeem the notes at any time after the third year.

The coupon paid during the year amounted to €30 million and as of December 31, 2024 the balance of accrued coupon totaled €13 million.

28.6.2 July 2023 perpetual super subordinated bonds

On July 14, 2023, following the €500 million investment agreement between the Air France-KLM Group and Apollo, the latter subscribed to:

- a capital increase in the Air France operating subsidiary, Air France Component Asset Management, for an amount of €2 million;
- perpetual bonds issued by the Air France operating subsidiary for an amount of €498 million.

The perpetual bonds, which qualify as equity under IFRS, bear interest at 6.9% for the first three years, after which gradual increases and a cap will be applied. The Group has the option of redeeming the securities at any time after the third year.

The coupon paid during the year amounted to €34 million and as of December 31, 2024, the balance of accrued coupon totaled to €16 million.

28.6.3 November 2023 perpetual super subordinated bonds

On November 30, 2023, Air France-KLM and Apollo Global Management finalized the investment transaction for an amount of €1,500 million, the latter subscribed to:

- a capital increase in the Air France operating subsidiary, Flying Blue Miles, for an amount of €7 million;
- perpetual bonds issued by the Air France operating subsidiary for an amount of €1,493 million.

The perpetual bonds carry a coupon of 6.4% for the first four years, with the option of repayment at an overall cost of financing of 6.75% up to this first call date.

The coupon paid during the year amounted to €96 million and as of December 31, 2024, the balance of accrued coupon totaled to €13 million.

NOTE 29 PENSION ASSETS AND RETIREMENT BENEFITS



ACCOUNTING PRINCIPLES

The Group's obligations in respect of defined benefit pension plans, including termination indemnities, are calculated in accordance with IAS 19 Revised "Employee Benefits", using the projected units of credit method based on actuarial assumptions and considering the specific economic conditions in each country concerned. The commitments are covered either by insurance or pension funds or by provisions recorded on the balance sheet as and when rights are acquired by employees.

The Group recognizes all its pension costs (defined contribution and defined benefit) in recurring operating income under "personnel costs". Changes in plans with a material impact are reported under "Other non current income and expenses". Plan curtailments, when linked to restructuring, are also presented under "Other non current income and expenses".

The Group recognizes in other comprehensive income all actuarial gains and losses on post employment plans, the difference between actual and expected return on pension assets, and the impact of any asset ceiling. When a defined-benefit pension plan is converted to a defined-contribution pension plan or closed, the amounts recognized in other comprehensive income are reclassified to other reserves.

Actuarial gains and losses long term benefit plans (mainly long services awards) are recognized in the income statement.

Pension Assets

As of December 31, 2024, taking into account the financial conditions, the pension plans in the United Kingdom and in Canada are in a surplus situation according to IAS 19 for an amount of €66 million (€45 million as of December 31, 2023).

Given the plan settlement, the agreement with the trustees and the application of IFRIC 14, this surplus is fully recognised in the balance sheet. The variation is as follows:

As of December 31	2024	2023
<i>(In € millions)</i>		
Opening balance	45	39
Net periodic pension (cost)/income	(1)	(1)
Payments of benefits and contributions to the funds	10	10
Reclassification	4	-
Fair value revaluation	5	(3)
Currency translation adjustment	3	-
CLOSING BALANCE	66	45

Retirement benefits

<i>(in € millions)</i>	Retirement benefits
As of December 31, 2022	1,634
<i>Of which: Non-current</i>	1,634
New provision	154
Reversal of provision	(91)
Fair value revaluation	(7)
Currency translation adjustment	(4)
Reclassification	(1)
As of December 31, 2023	1,685
<i>Of which: Non-current</i>	1,685
New provision	154
Reversal of provision	(63)
Fair value revaluation	(95)
Currency translation adjustment	2
Reclassification	3
As of December 31, 2024	1,686
<i>Of which: Non-current</i>	1,686

29.1 Characteristics of the main defined benefit plans

The Group has a large number of retirement and other long-term benefit plans for its employees, several of which are defined benefit plans. The specific characteristics of the plans (benefit formulas, funding policies and types of assets held) vary according to the regulations and laws in the particular countries in which the employees are located.

Air France pension plan (CRAF) – France

The employees covered by this plan are the Air France Ground Staff affiliated to the CRAF until December 31, 1992.

The participants receive, or will receive on retirement, an additional pension paid monthly or a lump sum based on the monthly annuity and definitively calculated based on the data known as of December 31, 1992 and expressed in the form of points. The value of each point is adjusted every year based on the weighted increases seen in the CNAV and AGIRC-ARRCO schemes over the last twelve months.

Until 2009, the CRAF had the legal form of a supplementary pension institution (pursuant to the “Code de la Sécurité sociale”). With this status, the CRAF was responsible, on behalf of the Air France ground staff employed in France, for managing the pension plan resulting from the merging of the Air France ground staff plan with the mandatory pension plan for the private sector.

Following the 2003 law on pension reform foreseeing the disappearance of supplementary pension institutions as of

December 31, 2009, the CRAF’s Board of Directors opted to transform it into an institution managing supplementary pensions. The CRAF is now responsible for the administrative functions linked to the plan. The pension rights were not amended by this reform. Air France is directly responsible for the pension obligations.

As of December 31, 2009, all the funds managed by the CRAF had been transferred to two insurance companies. On December 31, 2012, one of the insurance contracts was terminated and its funds were transferred to the other, which thus became the only insurer.

This guarantees a capital of 17% equal to the amount of capital invested in units of account in its collective fund, this percentage being automatically set to increase over time. The annual payments made by Air France to the insurance company are governed by the agreement signed with the employee representative bodies on December 14, 2009. The minimum annual payment defined by this agreement amounts to €32.5 million as long as the life annuity guaranteed by the insurer does not reach 85% of the benefits payments for this plan without future revaluations. If the value of the funds falls below 50% of the total obligations calculated for funding purposes, Air France is required to make an additional payment to achieve a minimum 50% coverage rate.

As of December 31, 2024, the coverage of liabilities by reserves is 68% in 2024 (61% in 2023).

The funds are invested in bonds, equities and general assets of the insurance company. Studies of assets/liabilities allocation are carried out regularly, to verify the relevance of the investment strategy.

Air France end of service benefit plan (ICS) – France

Pursuant to French regulations and the Company agreements, every employee receives an end of service indemnity on retirement.

In France, this indemnity depends on the number of years of service, the professional category of the employee (flight deck crew, cabin crew, ground staff, agent, technician and executive) and, in some cases, on the age of the employee at retirement. There is no mandatory minimum funding requirement for this scheme.

On retirement, employees consequently receive an end of service indemnity based on their final salaries over the last twelve-months and on their seniority. The indemnity is only payable to employees on their retirement date.

Air France has nevertheless signed contracts with three insurance companies to partly pre-finance the plan. Air France has sole responsibility for payment of the indemnities, but remains free to make payments to these insurance companies.

The relevant outsourced funds are invested in bonds and equities.

As of December 31, 2024, the two French plans presented above represented a respective 67% (67% in 2023 as well) of the Group's defined benefit obligation and 45% (46% in 2023) of the Group's pension plan assets.

29.2 Description of the actuarial assumptions and related sensitivities

Actuarial valuations of the Group's benefit obligation were made as of December 31, 2024 and 2023.

These calculations include:

- assumptions on staff turnover and the life expectancy of the plan beneficiaries;
- assumptions on salary and pension increases;
- assumptions on retirement ages varying from 50 to 68 years depending on the localization and applicable laws;
- inflation rates determined with reference to the inflation swaps applied to the Group's cash flows and based on the duration of the schemes:

As of December 31	2024	2023
Euro zone – Duration 10 to 15 years	2.00%	2.20%
United Kingdom – Duration 13 years	3.25%	3.15%

- discount rates used to determine the actuarial present value of the projected benefit obligations.

The discount rates for the different geographical areas are thus determined based on the duration of each plan, taking into account the average trend in interest rates on investment grade bonds, observed on the main available indices. In some countries, where the market in this type of bond is not sufficiently broad, the discount rate is determined with reference to government bonds. Most of the Group's benefit obligations are located in the Eurozone and in the United Kingdom, where the discount rates used are as follows:

As of December 31	2024	2023
Euro zone – Duration 10 to 15 years	3.30%	3.20%
United Kingdom – Duration 13 years	5.45%	4.60%

The duration rates presented concern mainly plans located in France and the United Kingdom:

- discount rates used to determine the actuarial present value of the service cost. Since January 1, 2017, by using adequate flows, the Group has refined its calculations on the discount rate used for the service-cost calculation for the ICS plan in France. As of December 31, 2024, in the euro zone, the discount rates used to calculate the service cost is equal to the rates used to discount the liabilities;
- on average, the main assumptions used to value the liabilities are summarized below;
 - the rate of salary increase is 2.90% for the Group as of December 31, 2024 against 3.79% as of December 31, 2023,
 - the rate of pension increase is 2.43% for the Group as of December 31, 2024 against 2.53% as of December 31, 2023.

The sensitivity of the pension obligations to a change in assumptions, based on actuarial calculations, is as follows:

OBLIGATION SENSITIVITY TO THE INFLATION RATE

<i>(in € millions)</i>	Sensitivity of the assumptions for the year ended December 31, 2024	Sensitivity of the assumptions for the year ended December 31, 2023
25 bp increase in the inflation rate	51	54
25 bp decrease in the inflation rate	(49)	(52)

OBLIGATION SENSITIVITY TO THE DISCOUNT RATE

<i>(in € millions)</i>	Sensitivity of the assumptions for the year ended December 31, 2024	Sensitivity of the assumptions for the year ended December 31, 2023
100 bp increase in the discount rate	(224)	(239)
100 bp decrease in the discount rate	257	279

OBLIGATION SENSITIVITY TO SALARY INCREASE (EXCLUDING INFLATION)

<i>(in € millions)</i>	Sensitivity of the assumptions for the year ended December 31, 2024	Sensitivity of the assumptions for the year ended December 31, 2023
25 bp increase in the salary increase rate	39	41
25 bp decrease in the salary increase rate	(37)	(38)

OBLIGATION SENSITIVITY TO PENSION INCREASE

<i>(in € millions)</i>	Sensitivity of the assumptions for the year ended December 31, 2024	Sensitivity of the assumptions for the year ended December 31, 2023
25 bp increase in the pension increase rate	16	19
25 bp decrease in the pension increase rate	(15)	(18)

29.3 Evolution of commitments

The following table details the reconciliation between the benefits obligation and the plan assets of the Group and the amounts recorded in the financial statements for the years ended December 31, 2024 and December 31, 2023:

(in € millions)	As of December 31, 2024					As of December 31, 2023				
	Nether-lands	France	UK	Others	Total	Nether-lands	France	UK	Others	Total
Benefit obligation at beginning of year	211	1,947	531	107	2,796	206	1,872	503	131	2,712
Service and administrative costs	10	84	3	3	100	6	76	3	3	88
Interest cost	8	61	24	5	98	7	69	24	6	106
Plan amendments, curtailments and settlements	-	(11)	-	-	(11)	-	(2)	-	-	(2)
Settlements	-	-	-	-	-	-	-	-	(14)	(14)
Benefits paid	(21)	(88)	(31)	(15)	(155)	(19)	(82)	(28)	(9)	(138)
Actuarial loss/(gain) demographic assumptions	(6)	(42)	(3)	-	(51)	(6)	(27)	(3)	-	(36)
Actuarial loss/(gain) financial assumptions	1	(37)	(50)	3	(83)	3	41	9	(8)	45
Actuarial loss/(gain) experience gap	15	2	3	-	20	15	-	10	2	27
Change in currency exchange rates	(1)	(3)	25	3	24	(1)	-	13	(4)	8
Benefit obligation at end of year	217	1,913	502	106	2,738	211	1,947	531	107	2,796
<i>Including benefit obligation resulting from schemes totally or partly funded</i>	-	1,836	502	69	2,407	-	1,881	531	74	2,486
<i>Including unfunded benefit obligation</i>	217	77	-	37	331	211	66	-	33	310
Fair value of plan assets at beginning of year	-	532	576	48	1,156	-	509	544	64	1,117
Actual return on plan assets	-	28	(16)	5	17	-	41	38	2	81
Employers' contributions	-	33	10	-	43	-	33	11	-	44
Settlements	-	-	-	-	-	-	-	-	(14)	(14)
Benefits paid	-	(86)	(31)	(5)	(122)	-	(52)	(28)	(6)	(86)
Change in currency exchange rates and others	-	(1)	27	(1)	25	-	1	11	2	14
Fair value of plan assets at the end of year	-	506	566	47	1,119	-	532	576	48	1,156
Pension asset	-	-	64	2	66	-	-	45	-	45
Provision for retirement benefits	(217)	(1,407)	-	(61)	(1,685)	(211)	(1,415)	-	(59)	(1,685)
Net amount recognized	(217)	(1,407)	64	(59)	(1,619)	(211)	(1,415)	45	(59)	(1,640)
Service and administrative costs	10	84	3	3	100	6	76	3	3	88
Net interest cost/(income)	8	44	(2)	2	52	6	50	(3)	1	54
Plan amendments, curtailment and settlement	-	(11)	-	-	(11)	-	(2)	-	-	(2)
Actuarial losses/ (gain) recognized in income statement	12	1	-	-	13	10	-	-	-	10
Net periodic cost	30	118	1	5	154	22	124	-	4	150

Amendments, curtailment and settlement of pension plans

As of December 31, 2024

As of December 31, 2024, a provision has been recognized for Air France's restructuring domestic offer from Paris Orly and call centers' adaptation plan (please refer to Note 4 "Significant events occurring during the period") involving a €11 million impact on the concerned defined benefits plans.

As of December 31, 2023

As of December 31, 2023, the change in the retirement age in France had no significant impact in the consolidated financial statements of the Group.

In addition, two transactions were carried out in 2023 for Air France Group plans:

- a buy-out for the Canadian plan (which remained a defined-benefit plan accounted for as of December 31, 2023);
- a partial buy-in for the pension fund in Great Britain (which remained a defined-benefit plan accounted for as of December 31, 2023).

These two transactions also had no significant impact on the Group's consolidated financial statements.

29.4 Asset allocation

The weighted average allocation of the funds invested in the Group's pension and other long-term benefit plans is as follows:

(in %)	Funds invested as of December 31, 2024		Funds invested as of December 31, 2023	
	France	Other	France	Other
Equities	18	6	22	16
Bonds	54	36	51	29
Real estate	–	2	–	4
Others	28	56	27	51
TOTAL	100	100	100	100

The equity portion is mainly invested in active markets in Europe, the United States and emerging countries.

The bonds primarily comprise government bonds, rated at least BBB, and invested in Europe, the United States and emerging countries.

The Group's pension assets do not include assets occupied or used by the Group.

29.5 Expected cash outflows and risks linked to the pension obligations

The employer contributions relating to the defined benefit pension plans amount to €37 million for the year ended December 31, 2024. The weighted average duration of the obligation is 8.92 years.

The funding, capitalization and matching strategies implemented by the Group are presented in Note 29.1.

NOTE 30 RETURN OBLIGATION LIABILITY AND PROVISION FOR LEASED AIRCRAFT AND OTHER PROVISIONS



ACCOUNTING PRINCIPLES

The Group recognizes return obligation liabilities and provisions in respect of the required maintenance obligations within the framework of the leasing of aircraft from lessors. The constitution of these return obligation liabilities and provisions depends on the type of maintenance obligations to fulfill before returning these aircraft to the lessors: overhaul and restoration work, airframe and engine potential reconstitution as well as the replacement of limited life parts.

Restitutions liabilities and provisions for leased aircraft are revalued each year to take account of changes in the discount rate. This discount rate is determined using free interest rate assumptions, plus a spread on risky debt.

The effect of undiscounting and translation of foreign currency denominated restitution liabilities and provisions are recognized in "other financial income and expenses" (see Note 12 "Cost of financial debt and other financial income and expenses").

Overhaul and restoration works (not depending on aircraft utilization)

Costs resulting from work required to be performed just before returning aircraft to the lessors, such as aircraft overhaul ("C Check") are recognized as provisions as of the inception of the contract in accordance with IFRIC1. The counterpart of these provisions is booked as a complement through the initial book value of the aircraft right-of-use assets. This complement to the right-of-use asset is depreciated over the lease term.

Airframe and engine potentials reconstitution (depending on the utilization of the aircraft and its engines)

In accordance with IFRIC1, the airframe and the engine potentials as well as the limited life parts are recognized as a complement to the right-of-use assets since they are considered as fully-fledged components, as distinct from the physical components which are the engine and the airframe. These components are the counterparts of the return obligation liability, recognized in its totality at the inception of the contract. When maintenance events aimed at reconstituting these potentials or replacing the limited life parts take place, the costs incurred are capitalized. These potentials and the limited life parts are depreciated over the period of use of the underlying assets (flight hours for the engine potentials component, straight-line for the airframe potentials component and cycles for the limited life parts).

Provisions for CO₂ quota surrenders

Please refer to the accounting principles in Note 25 "Other assets".

Others provisions

The Group recognizes a provision in the balance sheet when it has an existing legal or implicit obligation to a third party as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amounts recorded as provisions are discounted when the effect of the passage of time is material. The effect of the time value of money is presented as a component of "Other financial income and expenses".

A provision for onerous contracts is recognised when the unavoidable costs of meeting the contractual obligations exceed the expected economic benefits. Within the Group, the issue of onerous contracts is limited to the Maintenance business.

Restructuring provisions are recognized once the Group has established a detailed and formalized restructuring plan which has been announced to the parties concerned.

<i>(in € millions)</i>	Return obligation liability on leased aircraft	Maintenance on leased aircraft	Restructuring	Litigation	Provisions for CO ₂ quota surrenders	Others	Total
Amount as of January 1, 2023	3,836	161	192	426	142	132	4,889
Of which: Non-current	3,496	147	–	397	–	109	4,149
Current	340	14	192	29	142	23	740
New provision	(1)	10	14	113	205	8	349
Use of provision	(93)	(15)	(114)	(12)	(134)	(23)	(391)
Reversal of unnecessary provisions	–	–	(11)	(11)	–	(6)	(28)
New lease contract/Change in lease contract	113	5	–	–	–	(4)	114
Currency translation adjustment	(117)	(1)	–	–	–	–	(118)
Accretion impact	197	5	–	–	–	3	205
Others	(133)	(4)	1	–	–	–	(136)
Amount as of December 31, 2023	3,802	161	82	516	213	110	4,884
Of which: Non-current	3,532	148	–	36	–	89	3,805
Current	270	13	82	480	213	21	1,079
New provision	–	8	74	65	254	6	407
Use of provision	(159)	(29)	(62)	(103)	(217)	(10)	(580)
Reversal of unnecessary provisions	–	–	(7)	(16)	–	(3)	(26)
New lease contract/Change in lease contract	459	15	–	–	–	19	493
Currency translation adjustment	220	1	–	–	–	1	222
Accretion impact	267	8	–	–	–	4	279
Others	(17)	5	–	2	–	5	(5)
Amount as of December 31, 2024	4,572	169	87	464	250	132	5,674
Of which: Non-current	4,163	153	–	69	–	108	4,493
Current	409	16	87	395	250	24	1,181

The movements in provisions for litigation and other risks and charges with an impact on the income statement are booked in the lines of the income statement corresponding to the nature of the expenses.

The line "Others" mainly corresponds to reclassification with the right of use for leased aircraft following the restitution of aircraft.

30.1 Provisions

30.1.1 Return obligation liability and provision on leased aircraft

The discount rate used to calculate these restitution liabilities and provisions is 6,8% as of December 31, 2024 against 7,3% as of December 31, 2023 (see Note 12 "Net cost of financial debt and other financial income and expenses").

30.1.2 Restructuring provisions

The movements in restructuring provisions with a significant impact on the income statement are booked in "Other non-current income and expenses" (see Note 11 "Sales of aircraft equipment and other non-current income and expenses").

30.1.3 Litigation

In the normal course of its activities, the Air France-KLM Group, its subsidiaries Air France and KLM (and their subsidiaries) are involved in litigation cases, some of which may be significant.

An assessment of litigation risks with third parties has been carried out with the Group's attorneys and provisions have been recorded whenever circumstances require.

The provisions for disputes also include provisions for tax contingencies that are not covered by IAS 12. Such provisions are created when the Group estimates, in the context of tax audits, that the tax authorities may challenge a tax position taken by the Group or one of its subsidiaries.

30.1.4 Litigation concerning anti-trust laws in the air-freight industry

Air France, KLM and Martinair, a wholly-owned subsidiary of KLM since January 1, 2009, have been involved, since February 2006, with up to twenty-five other airlines in investigations initiated by the antitrust authorities in several countries, with respect to allegations of anti-competitive agreements or concerted actions in the air freight industry.

As of December 31, 2021, most of these investigations had been terminated following the entry into plea agreements between the three companies of the Group and the appropriate competition authorities, providing for the payment of settlement amounts or fines, with the exception of the proceeding initiated by the European Commission which is still pending.

In Europe, the decision of the European Commission of 2010 against eleven air cargo carriers, including the companies of the Group, Air France, KLM and Martinair, was annulled by the General Court of the European Union on December 16, 2015 because it contained a contradiction regarding the exact scope of the practices sanctioned. On March 17, 2017, the European Commission issued a new decision against the aforementioned cargo carriers, including Air France, KLM and Martinair. The total

amount of fines imposed in respect of this decision at the Air France-KLM Group level was €339 million. This amount was slightly reduced by €15.4 million as compared to the initial decision owing to a lower fine for Martinair due to technical reasons. On May 29 and 30, 2017, the Group companies filed an appeal against this decision before the General Court of the European Union. The hearings before the General Court took place on June and July 2019.

The decision from the General Court in March 2022 confirmed the fines against Air France-KLM Group companies. The Group companies appealed in June 2022 to the European Union Court of Justice and hearings were held before the European Court of Justice on April 18 and 19, 2024. Opinion of the Advocate General was issued on September 5, 2024 and proposed to the Court to dismiss the appeal and final judgement of the European Court of Justice is expected to be issued in 2025. As of December 31, 2024, the Group has maintained a provision of €365 million covering the total amount of these fines (and including interests). Financial assets of the same amount are pledged (See Note 22 "Other financial assets").

30.1.5 Case brought against KLM by (former) Martinair pilots

In 2015, a case was brought against KLM by 152 (former) Martinair airline pilots, hereafter called "*Vrachtvliegers*". In 2016 and 2018, the District Court and Court of Appeal ruled in favor of KLM and rejected all claims of plaintiffs. In November 2019, however, the Supreme Court ruled against KLM on the basis of lack of sufficient motivation and referred the case to another Court of Appeal. On June 8, 2021, this Court of Appeal rendered its judgment in favor of the plaintiffs, the former Martinair pilots, ruling that the transfer of the cargo department qualifies as a transfer of undertaking.

According to the ruling the rights and obligations under the employment contracts of 116 Martinair pilots automatically transfer to KLM as per January 1, 2014. The Court of Appeal rejected the plaintiffs' claim to also transfer the rights regarding seniority accrued at Martinair.

Vrachtvliegers filed complaints on August 8, 2021 at the Supreme Court claiming that the rights regarding seniority accrued at Martinair should transfer to KLM. On June 24, 2022, the General Attorney has given the advice to the Supreme Court that the complaints should be rejected. On January 20, 2023, the Supreme Court ruled that this claim is denied.

The pilots also started a new court case about the implementation by KLM of the "transfer of undertaking". The hearing took place on November 15, 2023. The Court rendered a decision on January 11, 2024, in which all claims have been declined except that seniority built up within Martinair should be respected in case of dismissal (which is in line with current law).

As of December 31, 2024 the provision amounted to €22 million (unchanged compared with December 31, 2023).

30.1.6 Other provisions

Other provisions relate principally to provisions for onerous contracts and provisions for the dismantling of buildings on non-freehold land.

30.2 Contingent liabilities

The Group is involved in governmental, judicial and arbitration procedures for which in some cases provisions have not been recorded in the financial statements in accordance with the applicable accounting rules.

Indeed, at this stage in these procedures, the Group is not in a position to give a reliable financial estimate of the potential loss that could be incurred in connection with these disputes.

Moreover, the Group believes that any additional disclosed information could be harmful to legal position procedures.

30.2.1 Litigations concerning anti-trust laws in the air-freight industry

Following the initiation of various investigations by the competition authorities in February 2006 and the European Commission decision in 2010, several collective and individual actions were brought by forwarders and air-freight shippers in the civil courts against Air France, KLM and Martinair, and other cargo operators, in a number of civil jurisdictions.

Under these civil lawsuits, shippers and freight forwarders are claiming for damages to compensate alleged higher prices due to alleged competition law infringement.

For Air France, KLM and Martinair, certain civil claims are still pending in the Netherlands and in Norway. The Group companies and the other airlines involved in these lawsuits continue to vigorously oppose these civil claims.

30.2.2 Other litigations

Rio-Paris AF447 flight

On March 28, 2011, Air France and Airbus were indicted for manslaughter of the 228 victims who died in the crash of the AF447 Rio-Paris flight on June 1, 2009.

The investigating judges of the Court of First Instance ruled in favor of Air France and Airbus by issuing an order dismissing the case on September 4, 2019.

The Public Prosecutor's Office and most of the civil parties (including the Pilots' associations and unions) appealed this decision. The Paris Court of Appeal ruled on May 12, 2021, referring Airbus and Air France to the Criminal Court. The criminal trial took place from October 10 to December 8, 2022 at Paris Criminal Court. After an acquittal by the Public Prosecutor's Office, the Court issued a judgment of acquittal on April 17, 2023, based on the absence of a causal link between the faults found and the accident. On April 27, 2023, the Public Prosecutor's Office appeals against the acquittal of Airbus and Air France

The appeal will be held before the Paris Court of Appeal from September 29, 2025 until November 27, 2025.

Litigations on State Aid

In 2020, the implementation of the measures to reinforce the Group's liquidity (i.e. (i) for Air France, a loan guaranteed by the French State (PGE) in the amount of €4 billion and a €3 billion loan from the French State, as well as (ii) for KLM, a revolving credit facility of €2.4 billion guaranteed by the Dutch State and a €1 billion loan from the Dutch State), were approved by the European Commission under the Covid-19 State Aid rules (decisions respectively of May 4, 2020 and July 13, 2020).

On April 6, 2021, the Group announced the first part of its overall recapitalization plan. Certain measures in this plan contained State aid (so-called "Covid-19 recapitalization" program) which were accordingly notified by the French authorities to the European Commission, the latter approving them in its decision of April 5, 2021. This decision made the approval of the measures subject to a number of commitments undertaken by the French State and leading notably to the provision by Air France of landing and take-off slots to a designated third-party carrier at Orly airport.

Like most of the decisions with respect to airlines receiving State Aid in the context of the Covid-19 crisis, the European Commission's decisions granting support measures to Air France and KLM have been subject to annulment proceedings brought by Ryanair. On December 20, 2023 and February 7, 2024, the General Court of the European Union annulled the decisions of the European Commission mentioned above. These annulments were made solely on the grounds of an incorrect determination of the beneficiary of these aids, which, according to the Tribunal, should have been the Group itself. Air France-KLM, Air France, KLM, and the European Commission have lodged appeals for annulment before the Court of Justice of the European Union against the Tribunal's rulings. The Court of Justice of the European Union has yet to rule on these appeals.

Uncertainty remains as to the legal and financial consequences of cancelling the decisions approving state aid until a final ruling is obtained from the courts of the Union.

It shall be borne in mind that, in the course of 2022 and 2023 and pursuant to the applicable legal framework, the Group repaid in full the aforementioned Covid-19 liquidity and recapitalization State aid for, which were subject to the aforementioned commitments and constraints (commitments, behavioral measures, application of interest). As a result, the Air France-KLM holding company, Air France and KLM are therefore fully released from the aforementioned undertakings and constraints which had been linked to this Covid-19 recapitalization aid. The potential indirect consequences of the annulment of the approval of state aid (subject to the possible success of the aforementioned appeals) could include a request for the recovery of unreimbursed benefits by the French authorities, in some cases limited to illegality interest only.

The European Commission, re-approved on July 10, 2024, the Group's liquidity support measures in a single decision confirming their compatibility with Union law. This new decision has no impact on the aforementioned appeals.

Finally, as it has done in similar cases, the European Commission may also decide, if necessary, to initiate a formal examination procedure on the recapitalization measures, during which the Group will defend its interests to the best of its ability.

In January 2025, Air France-KLM was informed that Ryanair had filed an appeal before the Paris Administrative Court against the French State following the aforementioned annulment rulings of the General Court of the European Union. Ryanair's request seeks to compel the State to recover any advantage granted by the State that is alleged to have not yet been reimbursed, along with illegality interest. The Group will support the State in its defense.

If the Court of Justice of the European Union were to annul the aforementioned rulings of the General Court of the European Union, Ryanair's appeal would become moot.

Except as indicated in 30.1 and 30.2, the Company is not aware of any litigation, governmental, legal or arbitration proceedings (including any proceedings of which the issuer is aware, which are pending or which it is threatened with) which may have or have recently had a material effect on the Company's financial position, results of operations, assets or profitability, for a period covering at least the last twelve months.

NOTE 31 FINANCIAL LIABILITIES



ACCOUNTING PRINCIPLES

Convertible bonds

Convertible bonds are deemed to be financial instruments comprising two components: a bond component recorded as debt and a stock component recorded in equity. The bond component is equal to the discounted value of all the coupons due on the bond at the rate of a simple bond that would have been issued at the same time as the convertible bond. The value of the stock component recorded in the Group's equity is calculated by the difference between this value and the bond's nominal value at issuance.

The difference between the financial expense recorded and the amounts effectively paid out is added, at each closing date, to the amount of the debt component so that, at maturity, the amount to be repaid if there is no conversion equals the redemption price.

Financial liabilities

Borrowings and financial liabilities are recognized initially at fair value. Subsequent to the initial measurement, they are recorded:

- at their net book value for bonds;
- based on amortized cost calculated using the effective interest rate for the other financial liabilities. Under this principle, any redemption and issue premiums, as well as issue costs, are recorded as debt in the balance sheet and amortized as financial income or expense over the life of the loans using the effective interest method.

As of December 31	Notes	2024			2023		
		Non current	Current	Total	Non current	Current	Total
<i>(in € millions)</i>							
Perpetual subordinated loan in Yen	31.1.1	123	–	123	128	–	128
Perpetual subordinated loan in Swiss francs	31.1.2	398	–	398	405	–	405
OCEANE (convertible bonds)	31.2.1	–	–	–	–	498	498
Sustainability-linked bonds	31.2.2	1,000	–	1,000	1,000	–	1,000
Plain vanilla Bonds	31.2.3	1,078	515	1,593	1,381	300	1,681
Debt on leases with bargain option		3,527	642	4,169	3,475	418	3,893
Other financial liabilities	31.4	1,127	421	1,548	1,148	330	1,478
Accrued interest		1	114	115	1	118	119
TOTAL – FINANCIAL LIABILITIES		7,254	1,692	8,946	7,538	1,664	9,202

To support their investments in new-generation aircraft, Air France and KLM have also entered into financing with specific clauses linked to compliance with environmental criteria. On December 31, 2024, these financings amount for:

- €581 million booked in the line “Other debt”;
- €1122 million booked in the line “Debt on leases with bargain option”.

CHANGE IN FINANCIAL LIABILITY

<i>(in € millions)</i>	Notes	December 31, 2023	New financial debt	Reimbursement of financial debt	Currency translation adjustment	Other	December 31, 2024
Perpetual loan in Japanese Yen and Swiss Francs	31.1.1 & 31.1.2	533	–	–	(12)	–	521
OCEANE (convertible bonds)	31.2.1	498	–	(500)	–	2	–
Sustainability-linked bonds	31.2.2	1,000	–	–	–	–	1,000
Plain vanilla Bonds	31.2.3	1,681	650	(753)	15	–	1,593
Debt on leases with bargain option		3,893	660	(441)	10	47	4,169
Other financial liabilities	31.4	1,478	299	(236)	2	5	1,548
Accrued interest		119	–	–	–	(4)	115
TOTAL		9,202	1,609	(1,930)	15	50	8,946

<i>(in € millions)</i>	Notes	December 31, 2022	New financial debt	Reimbursement of financial debt	Currency translation adjustment	Other	December 31, 2023
Perpetual loan in Japanese Yen and Swiss Francs	31.1.1 & 31.1.2	523	–	–	10	–	533
OCEANE (convertible bonds)	31.2.1	487	–	–	–	11	498
Sustainability-linked bonds	31.2.2	–	1,000	–	–	–	1,000
Plain vanilla Bonds	31.2.3	1,686	–	–	(5)	–	1,681
Debt on leases with bargain option		3,659	811	(530)	(68)	21	3,893
Loan guaranteed by the French and Dutch states	31.3	2,606	–	(2,500)	–	(106)	–
Other financial liabilities	31.4	1,484	283	(294)	(4)	9	1,478
Accrued interest		108	–	–	–	11	119
TOTAL		10,553	2,094	(3,324)	(67)	(54)	9,202

31.1 Perpetual subordinated debt

31.1.1 KLM Perpetual subordinated debt in Japanese Yen

In 1999, the KLM Group issued perpetual subordinated bonds in Japanese Yen (JPY) for a principal amount of JPY 30 billion.

Since August 28, 2019, KLM has partially redeemed an amount of JPY 10 billion, leaving the residual outstanding principal amount at JPY 20 billion, i.e. €123 million as of December 31, 2024. Since this date, the interests rate applicable on the residual nominal amount has been reset at a fixed rate of 4% per annum.

The residual nominal amount of these perpetual bonds can be redeemed at KLM's discretion on each fifth anniversary of the first interest payment date, August 28, 1999. The next option date for redemption at Par is thus August 28, 2029. Note that an indemnity is due if the JPY loan is redeemed in a currency other than the JPY.

This debt is subordinated to all other existing and future debt at KLM.

31.1.2 KLM perpetual subordinated debt in Swiss Francs

The perpetual subordinated bond debt in Swiss Francs (CHF) was issued by KLM in two tranches, one in 1985 and one in 1986. The initial nominal amount for these two perpetual bonds combined was CHF 500 million.

Over the years, KLM has proceeded with several partial buy back transactions to partially redeem the debt. As a result, the total amount now outstanding is CHF 375 million, i.e. €398 million as of December 31, 2024.

Concerning the tranche issued in 1985, KLM is entitled to early redeem at Par the then-prevailing outstanding residual amount on each tenth anniversary of the interest payment date. The next "call date" is February 12, 2025. The coupon reset date is fully aligned with the above mentioned frequency. If the call option is not exercised, the next coupon reset date is February 12, 2025. The coupon as of December 31, 2024 was 0.75% per annum.

Concerning the tranche issued in 1986, the KLM Group is entitled to early redeem the outstanding residual nominal amount at Par on each fifth anniversary of the interest payment date. The next "call date" is May 15, 2026. The call price amount in 2001 was 101.75% of the notional face value, and thereafter with a premium declining by 0.25% on each fifth anniversary of the interest payment date. From May 15, 2036, the amount of early redemption will thus be set at 100% of the residual Par. The debt is subject to the payment of a coupon of 5.75% per annum.

The two CHF perpetual bond debts are ranked "pari passu" with the JPY perpetual loan debt and are subordinated to all other existing and future debt at KLM.

31.2 Bonds

31.2.1 OCEANE

On March 20, 2019, Air France-KLM issued 27,901,785 bonds convertible and/or exchangeable for new or existing Air France-KLM shares (OCEANE) with a maturity date fixed at March 25, 2026 for a total nominal amount of €500 million. Each bond has a nominal value of €17.92. The annual coupon amounts to 0.125%. The conversion period of these bonds runs from May 4, 2019 to the seventh working day preceding the normal or early reimbursement date.

Repayment at par, plus accrued interest, has been possible on March 25, 2024 at the request of the bond holders. Air France-KLM could enforce the cash reimbursement of these bonds by exercising a call option running from April 15, 2022 if the share price exceeds 130% of the nominal, i.e. €23.29, encouraging OCEANE bond holders to convert their bonds into Air France-KLM shares.

Upon issue of these convertible bonds, Air France-KLM recorded a debt of €446 million, corresponding to the present value of future payments of interest and nominal discounted at the rate of a similar bond without a conversion option. The option value, calculated by deducting this debt value from the total nominal amount of the issue (i.e. €500 million), was recorded in equity.

Following the realization of the capital increase of Air France-KLM Group on June 16, 2022, to ensure that the rights of the OCEANE bond holders are maintained in accordance with the applicable legal and regulatory provisions and the terms and conditions of the OCEANE bonds, the conversion/exchange ratio has been adjusted as from June 16, 2022 from a parity of 1 Air France-KLM share per OCEANE bond to a parity of 1.783 Air France-KLM share per OCEANE bond.

Following the reverse share split and the simultaneous acknowledgment of the capital reduction on August 31, 2023, to ensure that the rights of the OCEANE bond holders are maintained in accordance with the applicable legal and regulatory provisions and the terms and conditions of the OCEANE bonds, the conversion/exchange ratio has been adjusted as from August 31, 2023 from a parity of 1 Air France-KLM share per OCEANE bond to a parity of 0.178 Air France-KLM share per OCEANE bond.

This operation had no impact on the value recorded under financial liabilities.

On March 25, 2024 Air France-KLM has repaid at the request of the bondholders, €452 million of the outstanding €500 million of the bonds convertible into new shares and/or exchangeable for existing shares due March 25, 2026.

This amount is equivalent of 25,246,843 of bonds. This early redemption option on March 25, 2024 was part of the terms and conditions of the bonds.

The remaining €48 million of bonds due March 25, 2026 have been repaid in cash on May 10, 2024 under the conditions set out in the Terms and Conditions of the said OCEANE 2026 for cancellation in accordance with the applicable law. The residual redemption amount is equivalent of 2,654,942 of bonds.

There is no outstanding OCEANE bonds as of December 31, 2024.

31.2.2 Sustainability-linked bonds

On January 9, 2023, Air France-KLM has placed its first sustainability-linked bonds, for a nominal amount of €1 billion, linked to the Company's target to reduce its jet fuel greenhouse gas (GHG) emission per revenue tonne kilometer (RTK) by 10% by 2025, compared to a 2019 baseline.

The emission is composed of two tranches:

- a €500 million with a maturity as of May 31, 2026 and a coupon of 7.250%; and
- a €500 million with a maturity as of May 31, 2028 and a coupon of 8.125%.

It has been accounted for in non current financial liabilities in the balance sheet as of December 31, 2024.

The following conditions apply in the event of non achievement by the Group of the target of decreasing by 10% its jet fuel greenhouse gas emission by 2025:

- Tranche 1, a €750 premium per bond to be paid at the maturity date;
- Tranche 2, a 0.375% step up on the coupon payment dates falling on 31 May 2027 and on 31 May 2028.

31.2.3 Plain vanilla bonds

Bond	Issuing date	Amount issued (in millions)	Amount issued in euros (in millions)	Amount outstanding in euros (in millions)	Maturity date	Coupon
\$ Bond issued in 2016 ⁽¹⁾	Dec. 9, 2016	\$145	€146	€146	Dec. 15, 2026	4.35%
€ Bond issued in 2020	Jan. 10, 2020	€750	€750	€515	Jan. 16, 2025	1.875%
€ Bond issued in 2021	Jul. 1, 2021	€300	€300	€0	Jul. 1, 2024	3.000%
€ Bond issued in 2021	Jul. 1, 2021	€500	€500	€282	Jul. 1, 2026	3.875%
€ Bond issued in 2024	May 23, 2024	€650	€650	€650	May 23, 2029	4.625%
Total				€1.593		

(1) Bonds issued to Asian institutional investors via an unlisted private placement.

Issuance of a €650 million bonds and tender offer on two series of existing notes

Issuance of a €650 million bonds

On May 23, 2024 Air France-KLM has made the issuance of new notes for a total principal amount of €650 million with a five-year maturity and bearing coupon at an annual rate of 4.265% under its Euro Medium Term Notes Program.

The net proceeds has been used to finalize the tender offer launched on May 13, 2024 as described in the paragraph below.

Tender offer on two series of existing notes

On May 24, 2024, Air France-KLM finalized the tender offer on two series of existing notes announced on May 13, 2024:

- €750 million notes with a 1.875% coupon due January 16, 2025;
- €500 million notes with 3.875% coupon due July 1, 2026.

On these two series of existing notes for a total principal amount of €452.7 million, representing 36.2% of the outstanding existing notes, have been tendered for purchase in the tender offer and €452.7 million have been accepted, of which €234.8 million of 2025 notes and €217.9 million of 2026 notes.

As a result, the principal amount of these outstanding existing notes after completion of the tender offer will be €797.3 million, of which €512.2 million of 2025 notes and €282.1 of 2026 notes.

Repayment of the €300 million bond issued in 2021

On July 1, 2024, Air France-KLM has repaid a €300 million matured bond issued in 2021.

Repayment of the €750 million bond issued in 2020

On January 16, 2025, Air France-KLM has repaid a the outstanding €515 million from a bond issued in 2020.

31.3 Financial support from the French State

Financial support package of €7.0 billion backed from the French State

On May 6, 2020, the Air France-KLM Group signed the legal documentation for two announced financings for a total of €7 billion including:

- a loan of €4 billion, provided by nine French and foreign financial institutions, 90% guaranteed by the French State, ("PGE") with an initial 12-month maturity and a one-year or two-year extension option exercisable at its sole discretion, by Air France-KLM.

As of November 7, 2022, the Air France-KLM Group early repaid €1 billion of the State guaranteed loan.

On March 15, 2023, Air France-KLM fully repaid the remaining €2.5 billion outstanding. This repayment generated a net positive impact of €10 million in financial income. It comprises an expense of €(96) million in respect of the guarantee contractually due, recognized in the "Interest on financial liabilities" line, and income of €106 million, linked to the application of the amortized cost methodology at the effective interest rate, recognized in the "Other non-cash items" line (see Note 12 "Cost of financial debt and other financial income and expenses").

- a €3 billion shareholder loan granted by the French State to Air France-KLM, with a four year maturity and two consecutive one year extension options exercisable by Air France-KLM.

The Company has undertaken not to pay any dividends until these loans have been fully repaid.

On April 20, 2021, the €3 billion direct loan granted by the French State to Air France via Air France-KLM at the end of May 2020, was converted into super-subordinated bonds of the same nominal amount, allowing the Group to improve its equity by €3 billion without impacting cash flow.

Movements in deeply subordinated notes are described in Note 28.3.1 "2021 perpetual super-subordinated bonds".

31.4 Other debt

Other debt breaks down as follows:

As of December 31		
(in € millions)	2024	2023
Reservation of ownership clause and mortgage debt	1,336	1,265
Other debt	212	213
TOTAL	1,548	1,478

Sales with retention of title clause (ROT) and mortgage debt are debts secured by aircraft. The mortgage is filed with the national Civil Aviation Authority (the DGAC in France) in order to be publicly available to third parties. A mortgage grants to its beneficiary a right to enforce the security (by order of a judge), the sale of the asset and a priority claim on the sale proceeds in line with the amount of the loan, the balance reverting to the other creditors.

Other debt mainly corresponds to bank borrowings. This also includes €(12) million related to issuance expenses on financial debt.

Besides, to support their investments in new-generation aircraft, Air France and KLM have also entered into financing contracts with specific clauses linked to compliance with environmental criteria, notably the incorporation of SAF and the share of new-generation aircraft in the fleet. These financings amount for €581 million as of December 31, 2024.

31.5 Maturity analysis

The financial liabilities maturities break down as follows:

As of December 31		
(in € millions)	2024	2023
Maturities in		
Y+1	2,065	2,089
Y+2	1,848	1,866
Y+3	823	2,013
Y+4	1,132	755
Y+5	1,481	1,082
Over 5 years	3,188	3,263
TOTAL	10,537	11,068
Including:		
■ Principal	8,946	9,202
■ Interests	1,591	1,866

As of December 31, 2024, the expected financial costs amount to €373 million for the 2025 financial year, €753 million for the 2026 to 2029 financial years, and €465 million thereafter.

As of December 31, 2024, the KLM perpetual subordinated notes are included in the line "Over 5 years".

The bonds issued in 2016, 2020, 2021 and 2024 will be reimbursed on their contractual maturity dates (see Note 31.2 "Bonds").

31.6 Currency analysis

The breakdown of financial liabilities by currency after the impact of derivative instruments is as follows:

As of December 31

(in € millions)	2024	2023
Euro	7,003	7,513
US Dollar	652	574
Swiss franc	409	416
Yen	882	699
TOTAL	8,946	9,202

31.7 Credit lines

On April 18, 2023 Air France-KLM, Air France and KLM have signed two ESG (“Environmental, Social and Governance”) KPI-Linked Revolving Credit Facilities (“RCF”) with a pool of international financial institutions, for a total amount of €2.2 billion.

For each facility, a set of ESG linked Key Performance Indicators are embedded in the financing cost. These indicators are in line with Air France-KLM and the two airlines’ commitment to sustainable development and a gradual decarbonization of activities. The two RCF’s include a financing cost margin adjustment mechanism (upward or downward) conditional to the independent achievement of these dedicated Indicators (reduction of the unit CO₂ emission, increase of the share of SAF, among others).

Air France-KLM and Air France

Air France-KLM and Air France as combined borrowers, signed a €1.2 billion Sustainability-Linked RCF. This facility included an accordion increase option executed during the first quarter of 2024 for an amount of €90 million bringing the amount available to €1.3 billion.

The RCF also had an initial maturity in 2026 and two one-year extension options. In April 2024, one extension option has been executed, extending the maturity to 2027.

On July 18, 2024, a new amendment has been signed for Air France-KLM and Air France credit facility involving an extension of the maturity to July 2028 associated with a one-year extension option and an increase of the facility from €1.3 to €1.4 billion.

KLM

KLM signed an ESG KPI-Linked Revolving Credit Facility for an amount of €1 billion.

This new facility has an initial 2027 maturity, includes two one-year extension options. A one-year extension option has been executed, extending the maturity to 2028.

On top of this credit line, KLM has three other credit lines amounting to €0.1 billion.

The undrawn portion as of December 31, 2024 amounts to €2.5 billion for the Group.

31.8 Market value of financial liabilities

Market values are estimated for most of the Group’s financial liabilities using a variety of methods that are theoretical in nature:

- based on market prices as of December 31, 2024 and December 31, 2023;
- by discounting future flows at market interest rates for instruments with similar characteristics.

However the estimated amounts as of December 31, 2024 and December 31, 2023 are not representative of the gains or losses that would be recorded at maturity.

The application of different methods and assumptions could therefore have a significant impact on the estimated market value.

The table below indicates the estimated market value and net book value of the financial liabilities:

As of December 31	2024		2023	
	Net book value	Estimated market value	Net book value	Estimated market value
<i>(in € millions)</i>				
Perpetual subordinated loans	521	451	533	444
OCEANE (convertible bonds)	–	–	498	492
Sustainability-linked bonds	1,000	1,090	1,000	1,104
Plain vanilla Bonds	1,593	1,602	1,681	1,654
Debt on financial leases with bargain option	4,169	5,106	3,893	4,694
Other loans	1,378	1,371	1,475	1,470
Other financial liabilities	285	285	122	122
TOTAL – FINANCIAL LIABILITIES	8,946	9,905	9,202	9,980

NOTE 32 NET DEBT

As of December 31	Notes	2024	2023
<i>(in € millions)</i>			
Current and non-current financial liabilities	31	8,946	9,202
Current and non-current lease debt	19	5,696	4,429
Accrued interest	31 & 19	(138)	(138)
Deposits related to financial liabilities	22	(97)	(107)
Deposits related to lease debt	22	(98)	(100)
Derivatives impact on debt		(45)	(1)
Gross financial liabilities (I)		14,264	13,285
Cash and cash equivalents	26	4,829	6,194
Marketable securities > 3 months	22	1,046	1,097
Bonds	22	1,057	966
Bank overdrafts	26	–	(13)
Net cash (II)		6,932	8,244
NET DEBT (I-II)		7,332	5,041

As of December 31, 2024, net cash and cash equivalents included €428 million (compared with €419 million as of December 2023) pledged or blocked (see Notes 22 “Other financial assets” and 26 “Cash, cash equivalents and bank overdrafts”).

In addition, the Group has undertaken to maintain a level of cash in some operating subsidiaries. As of December 31, 2024, this represented a total amount of €725 million (compared with €625 million as of December 2023).

As of December 31

<i>(in € millions)</i>	Notes	2024	2023 restated ⁽¹⁾
Opening net debt		5,041	6,337
Operating free cash flow	37.1	(446)	(922)
Interest paid and received	37.1	379	481
Compensation paid to the French State	28.3.1	–	90
Paid coupon on perpetual and on subordinated bonds convertible into new share and/or exchangeable for existing shares	28.3 & 28.6	231	92
Issuance of new French state perpetual hybrid bonds	28.3.2	–	(727)
Perpetual repayment to the French State	28.3.1	–	595
Purchase of SAS shares (equity affiliate)	4.1	88	–
Other various purchase of shares		5	–
Perpetual from non-controlling interests (Apollo)	28.6	–	(1,991)
Capital increase from non-controlling interests (Apollo)	28.6	–	(9)
Capital increase reserved for employees	28.1	–	(35)
Proceeds on disposal of subsidiaries, of shares in non-controlled entities	4.1	(32)	–
New lease debts (new and renewed contracts)	19	1,925	1,265
Unrealized exchange gains and losses on lease financial debts through OCI		156	(124)
Impact of derivatives on net debt		(45)	23
Impact of Effective Interest Rate methodology on French State loans		–	(106)
Currency translation adjustment in the income statement		10	(34)
Amortization of OCEANE optional part		–	11
Other non-monetary variations of the net debt		20	94
CLOSING NET DEBT		7,332	5,041

(1) See Note 3 of the financial statements.

NOTE 33 LOYALTY PROGRAM

ACCOUNTING PRINCIPLES

The airlines of the Group have a common frequent flyer program “Flying Blue”. This program enables members to acquire Miles as they fly with Air France, KLM and airline partners and from transactions with non-airline partners (credit card companies, hotels, car rental agencies). These Miles entitle members to a range of benefits such as free flights with Air France, KLM and their airline partners or other free services with non-airline partners.

Miles are considered as separate elements of a sale of a ticket with multiple elements and one part of the price of the initial sale of the ticket is allocated to these Miles and deferred until the Group’s commitments relating to these Miles have been met.

The deferred amount due in relation to the acquisition of Miles by members is estimated:

- according to the fair value of the Miles, defined as the amount for which the benefits could be sold separately;
- after taking into account the redemption rate, corresponding to the probability that the Miles will be used by members, using a statistical method.

With regard to the re-invoicing of Miles between the partners in the program, the margins realized on sales of these Miles are recorded immediately in the income statement.

Within Air-France-KLM, there are two loyalty programs: Flying Blue and BlueBiz. For those two programs, the amount recognized in liabilities is as follows:

<i>(in € millions)</i>	2024	2023
Flying Blue	831	802
BlueBiz	75	97
TOTAL	906	899

As of December 31, 2024 the deferred revenues relating to Flying Blue miles loyalty program expected to be used amount to €831 million, after taking into account a redemption rate.

The breakdown of the Flying Blue program is the following:

Flying Blue – Deferred revenues

<i>(in € millions)</i>	2024	2023
As of January 1	802	792
Accumulation	486	419
Redemption	(457)	(409)
As of December 31	831	802

NOTE 34 OTHER LIABILITIES

As of December 31	2024		2023	
	Current	Non-current	Current	Non-current
<i>(in € millions)</i>				
Tax liabilities	469	413	412	637
Airlines taxes	879	–	908	–
Employee-related liabilities	1,409	328	1,991	597
Liabilities on fixed assets	47	9	56	7
Deferred income	982	29	919	32
Prepayments received	576	–	464	–
Other	306	125	252	103
TOTAL	4,668	904	5,002	1,376

Non-current deferred income mainly relates to long-term contracts in the maintenance business (see Note 39.3 “Order book”).

NOTE 35 FINANCIAL RISK MANAGEMENT**ACCOUNTING PRINCIPLES****Derivative financial instruments**

The Group uses various derivative financial instruments to hedge its exposure to the risks incurred on shares, exchange rates, changes of interest rates or fuel prices and ETS (Emission Trading Scheme).

Forward currency contracts and options are used to hedge exposure to exchange rates.

The Group also uses interest rate swaps to manage its exposure to interest rate risk. Most of the swaps traded convert floating-rate debt to fixed-rate debt.

The exposure to fuel risk is hedged by swaps or options on jet fuel, diesel or Brent.

Finally, the risk related to the ETS is hedged by forwards.

Most of these derivatives are classified as hedging instruments if the derivative is eligible as a hedging instrument and if the hedging relationships are documented as required by IFRS 9 "Financial Instruments".

These derivative instruments are recorded on the Group's consolidated balance sheet at their fair value adjusted for the market value of the Group's credit risk (DVA) and the credit risk of the counterparty (CVA). The method of accounting for changes in fair value depends on the classification of the derivative instruments.

There are three classifications:

- **Derivatives classified as fair value hedge**

Changes in the fair value of the derivative are recorded through the income statement and offset within the limit of its effective portion against the changes in the fair value of the underlying item (asset, liability or firm commitment), which are also recognized through the income statement.

- **Derivatives classified as cash flow hedge**

Changes in fair value of the derivative are recorded in other comprehensive income for the effective portion and are reclassified as income when the hedged element affects earnings. The ineffective portion is recorded as financial income or losses until the termination of the derivative. When the termination occurs, the residual ineffective portion is recycled on the hedged item.

- **Derivatives classified as trading**

Changes in the fair value of the derivative are recorded as financial income or losses.

For options, only the intrinsic risk can be hedged. The time value is excluded as it is considered as a cost of hedging. The change in fair value of the option time value is recognized in other comprehensive income in so far as it relates to the hedged item. When the latter occurs (if the hedged item is transaction related), the change in fair value is then recycled and impacts the hedged item or is amortized over the hedging period (if the hedged item is time-related).

The difference in time value between non-aligned structured options and the related "vanilla" ("aligned") options is recognized in the profit and loss account.

Regarding forward contracts, only the spot component is considered as a hedging instrument, since the forward element is considered as a hedging cost and accounted for similarly to the option time value.

The currency swap basis spread is also excluded from the hedging instrument and considered to be a hedging cost.

Non-current derivative financial assets

The Group considers that the change in credit risk on the non-current derivative financial assets since their initial recognition is limited due to the current selection criteria (e.g. type of instrument, counterparty rating, maturity). The impairment recorded by the Group consists of the expect credit loss over the 12 months following the closing date.

Purchases and sales of financial assets are booked as of the transaction date.

The aim of the Air France-KLM Group's risk management strategy is to reduce its exposure to such risks. Market risk coordination and management is the responsibility of the Risk Management Committee (RMC) which is composed of the Chief Financial Officer of Air France-KLM, and the Deputy Chief Financial Officer, head of Financial Operations of Air France-KLM, and the Chief Financial Officers of Air France and of KLM.

The RMC decides on the derivative instruments to be implemented, the targets for hedging ratios and the periods and instrument types.

To implement the most appropriate strategy to each circumstance, any type of instrument may be used provided it qualifies as hedging within IFRS. As a general rule, no trading or speculation is allowed. Any exception to this rule must be approved by the Risk Management Committee.

As of December 31, 2024, the fair value of the Group's derivative financial assets and liabilities and their expected maturities are as follows:

(in € millions)	Notes		Total	Y+1	Y+2	Y+3	Y+4	Y+5	> Y+5
Fuel – derivative instruments	35.1	Asset	27	22	5	–	–	–	–
		Liability	(115)	(110)	(5)	–	–	–	–
Interest rate – derivative instruments	35.2	Asset	78	27	6	2	–	2	41
		Liability	(21)	–	–	(3)	–	–	(18)
Currency exchange – debt derivative instruments	35.3	Asset	36	19	11	5	1	–	–
		Liability	–	–	–	–	–	–	–
Currency exchange – operating derivative instruments	35.3	Asset	93	62	31	–	–	–	–
		Liability	(22)	(17)	(5)	–	–	–	–
Currency exchange – Capex	35.3	Asset	137	100	16	12	4	3	2
		Liability	(9)	(8)	(1)	–	–	–	–
Carbon credit – derivative instruments	35.4	Asset	19	19	–	–	–	–	–
		Liability	(2)	(2)	–	–	–	–	–
Other – derivative instruments		Asset	53	–	–	53	–	–	–
		Liability	–	–	–	–	–	–	–
TOTAL		ASSET	443	249	69	72	5	5	43
		LIABILITY	(169)	(137)	(11)	(3)	–	–	(18)

See Note 36 "Valuation methods for financial assets and liabilities at their fair value" for the fair value valuation method.

As of December 31, 2023, the fair value of the Group's derivative financial assets and liabilities and their expected maturities were as follows:

(in € millions)	Notes		Total	Y+1	Y+2	Y+3	Y+4	Y+5	> Y+5
Fuel – derivative instruments	35.1	Asset	26	26	–	–	–	–	–
		Liability	(91)	(89)	(2)	–	–	–	–
Interest rate – derivative instruments	35.2	Asset	96	11	15	9	2	–	59
		Liability	(14)	–	–	–	(3)	–	(11)
Currency exchange – derivative instruments	35.3	Asset	10	7	3	–	–	–	–
		Liability	(14)	(2)	(2)	(9)	(1)	–	–
Currency exchange – operating derivative instruments	35.3	Asset	20	19	1	–	–	–	–
		Liability	(44)	(28)	(16)	–	–	–	–
Currency exchange – Capex	35.3	Asset	58	57	1	–	–	–	–
		Liability	(26)	(14)	(11)	(1)	–	–	–
Carbon credit – derivative instruments	35.4	Asset	3	3	–	–	–	–	–
		Liability	(6)	(6)	–	–	–	–	–
Other – derivative instruments		Asset	57	–	–	16	16	16	9
		Liability	–	–	–	–	–	–	–
TOTAL		ASSET	270	123	20	25	18	16	68
		LIABILITY	(195)	(139)	(31)	(10)	(4)	–	(11)

See Note 36 "Valuation methods for financial assets and liabilities at their fair value" for the fair value valuation method.

35.1 Risk linked to fuel prices

The fuel bill is one of the largest cost items for airlines, making oil price volatility a risk for the air transport industry. A sharp increase in the oil price can have a very material negative impact on the profitability of airlines, particularly if the economic environment does not enable them to adjust their pricing strategies. Similarly, a sharp decline in fuel prices is favorable for airline profitability. However, the way in which airlines pass on a sharp fall in the fuel price in their fares is a factor of significant uncertainty.

In addition to fare adjustments and permanent efforts to reduce fuel consumption, the Group has implemented a policy of systematically hedging the fuel price risk.

The hedging strategy:

- sets the time span of the hedges;
- sets the target hedging ratios to be reached for the coming quarters;
- the hedging uses simple futures or option-based instruments, eligible for hedging pursuant to the accounting standards in force.

In respect of the application of IFRS 9, hedging by component is applied. Since the Group's fuel procurement is strongly correlated to the Jet Kerosene Cargoes CIF NWE Index, components specific to this fuel risk are used (Brent ICE, Gasoil ICE, Jet CIF NWE) to align the fuel hedging accounting and the Group's risk management policy more effectively.

In a context of high volatility and tension in the commodity market due to the geopolitical events since 2022, the Air France-KLM Group has incorporated new hedging instruments on crack spreads in order to better cover the risk associated with the decoupling between indices reflecting the price of crude oil (Brent ice) and indices reflecting the price of refined products (Gasoil ICE and Jet CIF NEW).

The fuel hedging policy, prevailing since February 2021, has been updated and became effective during the first quarter of 2024. From a rolling 12-month period, it has been extended to cover 18 months. The hedging portfolio will represent 68% of annual consumption.

The Group's commitments on Brent, Gas Oil and Jet CIF are presented below, at their nominal value:

As of December 31, 2024	Nominal	Maturity below 1 year	Maturities between 1 and 5 years					Fair value
(in € millions)			1-2 years	2-3 years	3-4 years	4-5 years	+5 years	
CASH FLOW HEDGING OPERATING FLOWS								
Forward purchases	54	54	-	-	-	-	-	1
Options	2,835	2,507	328	-	-	-	-	(71)
Others	278	241	37	-	-	-	-	-
Sub-total	3,167	2,802	365	-	-	-	-	(70)
Receivables/payables on fuel hedges	-	-	-	-	-	-	-	(18)
TOTAL	3,167	2,802	365	-	-	-	-	(88)
Price after hedge USD/Metric Tons (*)	-	797	-	-	-	-	-	-

(*) The price after hedge of the total fuel expenses is equal to the market price, to which unitary into-plane costs and hedge results have been added. The hedge results reflect the payout of the hedging strategy based on the forward curve as of December 31, 2024.

As of December 31, 2023	Nominal	Maturity below 1 year	Maturities between 1 and 5 years					Fair value
(in € millions)			1-2 years	2-3 years	3-4 years	4-5 years	+5 years	
CASH FLOW HEDGING OPERATING FLOWS								
Swap	261	251	10	-	-	-	-	(4)
Options	2,320	2,274	46	-	-	-	-	(59)
Sub-total	2,581	2,525	56	-	-	-	-	(63)
Receivables/payables on fuel hedges	-	-	-	-	-	-	-	(2)
TOTAL	2,581	2,525	56	-	-	-	-	(65)
Price after hedge USD/Metric Tons	-	858	-	-	-	-	-	-

Fuel hedge sensitivity

At closing date a +/-10 USD variation in the price of a barrel of Brent generates a variation of fair value of derivatives which has the following impact on income before tax and on "gains/(losses) taken to equity":

As of December 31 <i>(In € millions)</i>	2024		2023	
	Increase of USD 10 per barrel of Brent	Decrease of USD 10 per barrel of Brent	Increase of USD 10 per barrel of Brent	Decrease of USD 10 per barrel of Brent
Gains/(losses) taken to equity	387	(418)	220	(228)

35.2 Interest rate risk

A portion of the financial liabilities (including lease debt) is contracted at floating rates. However, to limit its volatility, Air France-KLM has used option and swap strategies involving the use of derivatives to convert a significant proportion of its floating-rate debt into fixed rates.

To manage the interest rate risk on its short and long-term borrowings, the Group uses instruments with the following nominal values:

As of December 31, 2024 <i>(In € millions)</i>	Nominal	Balance sheet item of underlying items	Maturity below 1 year	Maturities between 1 and 5 years					Fair value
				1-2 years	2-3 years	3-4 years	4-5 years	+5 years	
Operations qualified as cash flow hedging	2,539		561	230	109	31	70	1,538	53
Rate swaps	2,112	Financial liabilities	561	130	59	31	70	1,261	59
Options	427	Financial liabilities	–	100	50	–	–	277	(6)
Operations qualified as fair value hedging	34		22	12	–	–	–	–	4
Rate swaps	34	N/A	22	12	–	–	–	–	4
TOTAL	2,573		583	242	109	31	70	1,538	57

As of December 31, 2023 <i>(In € millions)</i>	Nominal	Balance sheet item of underlying items	Maturity below 1 year	Maturities between 1 and 5 years					Fair value
				1-2 years	2-3 years	3-4 years	4-5 years	+5 years	
Operations qualified as cash flow hedging	2,863		581	483	280	162	11	1,346	81
Rate swaps	2,437	Financial liabilities	581	483	180	112	11	1,070	83
Options	426	Financial liabilities	–	–	100	50	–	276	(2)
Operations qualified as fair value through profit and loss	45		12	21	12	–	–	–	1
Rate swaps	45	N/A	12	21	12	–	–	–	1
TOTAL	2,908		593	504	292	162	11	1,346	82

Due to hedging, interest rate exposure based on net debt items is shown below. This table breaks down net book value before and after hedging, according to fixed rate, floating rate and without rate:

As of December 31 <i>(in € million)</i>	2024		2023	
	Before hedge	After hedge	Before hedge	After hedge
Financial liabilities at fixed rate	10,744	12,136	9,862	11,518
Financial liabilities at variable rate	3,780	2,388	3,665	2,009
Financial liabilities without rate	(260)	(260)	(242)	(242)
Total Financial liabilities	14,264	14,264	13,285	13,285
Net liquidity at fixed rate	2,046	2,046	2,560	2,560
Net liquidity at variable rate	3,715	3,715	4,430	4,430
Net liquidity without rate	1,171	1,171	1,254	1,254
Total Net liquidity	6,932	6,932	8,244	8,244
Net debt at fixed rate	8,698	10,090	7,302	8,958
Net debt at floating rate	65	(1,327)	(765)	(2,421)
Net debt without rate	(1,431)	(1,431)	(1,496)	(1,496)
TOTAL NET DEBT	7,332	7,332	5,041	5,041

Net debt items are detailed in Note 32 "Net debt".

As of December 31, 2024, without-rate financial assets mainly include cash as in December 31, 2023.

Interest rate sensitivity

The Group is exposed to the risk of interest rate variations. A 100 basis point variation (increase or decrease) in interest rates would have an impact of €17 million on the financial income for the year ended December 31, 2024 versus €20 million for the year ended December 31, 2023.

35.3 Exchange rate risk

Most of the Air France-KLM Group's revenues are generated in euros. However, because of its international activities, the Group incurs a foreign exchange risk. The principal exposure relates to the US dollar. Since the expenditure on items such as fuel and components exceeds the amount of revenues in dollars, the Group is a net buyer of US dollars. As a result, any significant appreciation in the dollar against the euro could result in a negative impact on the Group's financial results.

On the other hand, Air France-KLM Group is a net seller of other currencies, the level of revenues in these currencies exceeding its expenditure. This exposure is far less significant than on the US dollar. As a result, any significant decline in these currencies against the euro would have a negative effect on the Group's financial results.

The management of the Group's exchange rate risk is carried out based on the forecasted net exposure for each currency. Currencies which are highly correlated to the US dollar are aggregated with the US dollar exposure.

For each currency hedged, the time span of the hedging is a rolling 12 to 24-month period, the first four quarters having more hedging than the following four.

Aircraft are mostly paid for in US dollars, meaning that the Group is exposed to an appreciation in the dollar relative to the euro in terms of its investments in flight equipment. The hedging strategy provides the gradual implementation of hedging between the aircraft order date and their delivery.

The exchange rate risk on the Group's financial debt is limited. As of December 31, 2024, 78% of the Group's financial debt, after taking into account derivative instruments, was euro-denominated, thereby significantly reducing the risk of currency fluctuation on the debt. The exchange rate risk on debt denominated in other currencies mostly concerns the Yen for 10%, the US dollar for 7% and the Swiss franc for 5% (see note 31.6).

Since the application of IFRS 16 by the Group as of January 1, 2018, the aircraft operating leases, which are mostly denominated in US dollars, have been recognized in the Group's debt. This debt is recognized as hedge of future operating revenues in USD. For airlines not generating US dollar revenues, US dollar-denominated assets and currency hedges are in place to mitigate this exchange rate risk.

The nominal amounts of forwards and options linked to exchange rates are detailed below given the nature of the hedging operations:

As of December 31, 2024 <i>(in € millions)</i>	Hedged item		Maturity below 1 year	Maturities between 1 and 5 years					Fair value
	Nominal	Balance sheet Item		1-2 years	2-3 years	3-4 years	4-5 years	+5 years	
Cash flow hedging of operating flows	3,013		1,963	1,050	-	-	-	-	71
Exchange rate options	1,656	N/A	1,043	613	-	-	-	-	31
Forward purchases	1,010	N/A	632	378	-	-	-	-	53
Forward sales	347	N/A	288	59	-	-	-	-	(13)
Fair value hedging of flight equipment acquisition	3,343		2,353	334	240	137	108	171	128
Forward purchases	2,904	Other commitments	1,945	303	240	137	108	171	137
Forward sales	439	Other commitments	408	31	-	-	-	-	(9)
Cash flow hedges on debt	177		31	-	146	-	-	-	2
Forward purchases	31	Financial liabilities	31	-	-	-	-	-	-
Cross Currency Swap	146	Financial liabilities	-	-	146	-	-	-	2
Fair value hedges on debt	453		139	133	103	78	-	-	22
Forward purchases	453	Lease debt	139	133	103	78	-	-	22
Operations on debt qualified in fair value through P&L	189		118	56	15	-	-	-	12
Forward purchases	189	Lease debt	118	56	15	-	-	-	12
TOTAL	7,175		4,604	1,573	504	215	108	171	235

As of December 31, 2023 <i>(in € millions)</i>	Hedged item		Maturity below 1 year	Maturities between 1 and 5 years					Fair value
	Nominal	Balance sheet Item		1-2 years	2-3 years	3-4 years	4-5 years	+5 years	
Cash flow hedging of operating flows	3,085		2,006	1,079	-	-	-	-	(24)
Exchange rate options	1,196	N/A	826	370	-	-	-	-	1
Forward purchases	1,460	N/A	914	546	-	-	-	-	(22)
Forward sales	429	N/A	266	163	-	-	-	-	(3)
Fair value hedging of flight equipment acquisition	3,284		2,338	894	39	13	-	-	33
Forward purchases	2,629	Other commitments	1,683	894	39	13	-	-	27
Forward sales	655	Other commitments	655	-	-	-	-	-	6
Cash flow hedges on debts	165		34	-	-	131	-	-	(6)
Forward purchases	34	Financial liabilities	34	-	-	-	-	-	(1)
Cross Currency Swap	131	Financial liabilities	-	-	-	131	-	-	(5)
Fair value hedges on debt	451		110	124	121	96	-	-	2
Forward purchases	451	Lease debt	110	124	121	96	-	-	2
Operations on debt qualified in fair value through P&L	118		82	36	-	-	-	-	-
Forward purchases	118	Lease debt	82	36	-	-	-	-	-
TOTAL	7,103		4,570	2,133	160	240	-	-	5

Currency hedge sensitivity

The value in euros of the monetary assets and liabilities is presented below:

As of December 31 <i>(in € millions)</i>	Monetary assets		Monetary liabilities	
	2024	2023	2024	2023
US dollar	1,165	1,161	5,613	4,995
Pound sterling	47	86	16	20
Yen	27	19	866	723
Swiss francs	12	11	414	425
Others	15	21	21	10

The amounts of monetary assets and liabilities disclosed above do not include the effect of the revaluation of assets and liabilities documented in fair value hedge.

The impact on "income before tax" and on "gains/(losses) taken to equity" of a 10% appreciation in foreign currencies relative to the euro is presented below:

As of December 31 <i>(in € millions)</i>	US dollar		Pound sterling		Yen	
	2024	2023	2024	2023	2024	2023
Income before tax	(178)	(148)	10	(28)	(83)	(68)
Gains/(losses) taken to equity	676	559	(79)	(42)	(12)	(8)

The impact of the change in fair value of currency derivatives on “income before tax” and on “gains/(losses) taken to equity” of a 10% depreciation in foreign currencies relative to the euro is presented below:

As of December 31 <i>(in € millions)</i>	US dollar		Pound sterling		Yen	
	2024	2023	2024	2023	2024	2023
Income before tax	174	85	3	(6)	81	74
Gains/(losses) taken to equity	(595)	(441)	40	50	11	14

35.4 Carbon credit risk

As an air transport operator, the Air France-KLM Group emits carbon dioxide. As such, it fully complies with regulatory measures to reduce carbon emissions (see Note 25). These include the EU Emissions Trading Scheme (EU ETS), which has been in force at European level since 2012 for aviation. The European institutions have confirmed the intra-European scope of the EU-ETS, thus reinforcing CORSIA's future role in defining clearing solutions for international flights.

They have also programmed the gradual end of allowances allocated free of charge to air operators. From 2026 onwards, this new measure will require the Air France-KLM Group to purchase emission rights (credits) for all its flights to and from the European Union (intra-European flights).

To minimize the consequences of the necessary strengthening of the European carbon market and the gradual increase in the price of credits, Air France-KLM is responding through a proactive financial policy based on the purchase of forward credits.

As of December 31, 2024, the Group has hedged its future purchases of CO₂ quotas as follows:

As of December 31, 2024 <i>(In € millions)</i>	Nominal	Maturity below 1 year	Maturities between 1 and 5 years					Fair value
			1-2 years	2-3 years	3-4 years	4-5 years	+5 years	
Operating flows as cash flow hedging	240	235	5	-	-	-	-	17
Forwards	240	235	5	-	-	-	-	17
TOTAL	240	235	5	-	-	-	-	17

As of December 31, 2023 <i>(In € millions)</i>	Nominal	Maturity below 1 year	Maturities between 1 and 5 years					Fair value
			1-2 years	2-3 years	3-4 years	4-5 years	+5 years	
Operating flows as cash flow hedging	12	12	-	-	-	-	-	(3)
Forwards	12	12	-	-	-	-	-	(3)
TOTAL	12	12	-	-	-	-	-	(3)

35.5 Counterparty risk

The transactions involving potential counterparty risk are as follows:

- financial investments measured at fair market value;
- derivative instruments measured at fair value;
- trade receivables: risk limited due to the large number and geographical diversity of the customers.

Counterparty risk linked to financial investments and derivative instruments is managed by the Risk Management Committee which establishes limits by counterparty based on the quality of their financial position.

In order to assess financial position of its counterparties, the Group relies on their financial data, as well as on any public information providing analysis on those. Regarding mutual funds (OPCVM) the risk is considered as negligible thanks to large diversification and regulatory provisions applicable to these supports. The RMC also monitors the trend in the respective proportion each counterparty represents of the overall hedging portfolio (fuel, currency and interest rate) and investments. The positions of both Air France and KLM, together with those of the Air France-KLM parent company, are taken into account in the assessment of the overall exposure. Any exceeding of a limit immediately results in the implementation of corrective measures.

NOTE 36 VALUATION METHODS FOR FINANCIAL ASSETS AND LIABILITIES AT THEIR FAIR VALUE



ACCOUNTING PRINCIPLES

Fair value hierarchy of the financial assets and liabilities

The table presenting a breakdown of financial assets and liabilities categorized by value meets the amended requirements of IFRS 7 “Financial Instruments: Disclosures”. The fair values are classified using a scale which reflects the nature of the market data used to make the valuations.

This scale has three levels of fair value:

- **Level 1:** Fair value calculated from the exchange rate/price quoted on an active market for identical instruments;
- **Level 2:** Fair value calculated from valuation methods based on observable data such as the prices of similar assets and liabilities or scopes quoted on an active market;
- **Level 3:** Fair value calculated from valuation methods which rely completely or partly on non observable data such as market prices from an inactive market or valuation based on multiples for non listed stocks.

The Group's financial assets and liabilities are broken down into the three classification levels as follows:

As of December 31 (In € millions)	Notes	Level 1 – quoted prices and cash		Level 2 – internal modeling using observable factors		Level 3 – internal modeling using non-observable factors		Total	
		2024	2023	2024	2023	2024	2023	2024	2023
Equity instruments	22	42	33	14	19	–	–	56	52
Debt instruments	22	1,062	1,002	1,007	1,061	34	–	2,103	2,063
Derivative instruments assets	35	–	–	443	270	–	–	443	270
Cash equivalents	26	–	–	2,985	4,337	–	–	2,985	4,337
Cash in hand	26	1,844	1,857	–	–	–	–	1,844	1,857
TOTAL ASSETS		2,948	2,892	4,449	5,687	34	–	7,431	8,579
Derivative instruments liabilities	35	–	–	(169)	(195)	–	–	(169)	(195)
Bank overdrafts	26	–	(13)	–	–	–	–	–	(13)
TOTAL LIABILITIES		–	(13)	(169)	(195)	–	–	(169)	(208)

NOTE 37 CONSOLIDATED STATEMENT OF CASH FLOW AND OPERATING FREE CASH FLOW

37.1 Operating free cash flow

Period from January 1 to December 31

(in € millions)	Notes	2024	2023 restated ⁽¹⁾
Net cash flow from operating activities		3,496	3,606
Purchase of property plant and equipment and intangible assets	18	(3,728)	(3,551)
Proceeds on disposal of property plant and equipment and intangible assets		678	867
Operating free cash flow	32	446	922
Exceptional payments made/(received) ⁽²⁾		1,095	346
Interest (paid) and received	32	(379)	(481)
Payments on lease debts	19	(891)	(833)
Recurring adjusted operating free cash flow		271	(46)

(1) See Note 3 of the financial statements.

(2) Exceptional payments made/(received), restated from operating free cash flow for the calculation of recurring adjusted operating free cash flow, correspond to the repayment of deferred social charges, pensions contributions and wage taxes granted during the Covid period, see Note 37.3 "Breakdown of the change in working capital resource".

37.2 Other non-monetary items and impairment

Other non-monetary items and impairment can be analyzed as follows:

As of December 31

(in € millions)	Notes	2024	2023 restated ⁽¹⁾
Variation of provisions relating to restructuring plan		(6)	(109)
Variation of provisions relating to pension		93	55
Variation of other provisions		(98)	77
Changes to the pension plans	29.3	(11)	(2)
Share-based payment		3	33
Other		5	7
TOTAL OTHER NON MONETARY ITEMS		(14)	61
Impairment on fleet		—	1
TOTAL - IMPAIRMENT		—	1

(1) See Note 3 of the financial statements.

37.3 Breakdown of the change in working capital resource

As of December 31

(in € millions)	Notes	2024	2023 restated ⁽¹⁾
Monetary (increase) / decrease in inventories	23	(111)	(135)
Monetary (increase) / decrease in trade receivables	24	163	(330)
Monetary increase / (decrease) in trade payables		148	(23)
Monetary increase / (decrease) in advanced ticket sales		250	130
Monetary increase / (decrease) in miles for loyalty program	33	7	(2)
Monetary change in other assets	25	(202)	(214)
Monetary change in other liabilities	34	(734)	127
CHANGE IN WORKING CAPITAL RESOURCE		(479)	(447)

(1) See Note 3 of the financial statements.

The line "Monetary change in other liabilities" is impacted by the reimbursement of deferred social charges during Covid (€1,095 million in 2024 and €346 million in 2023).

Differences between balance sheet items and monetary changes specified in the chart are mainly due to foreign exchange impact.

NOTE 38 FLIGHT EQUIPMENT ORDERS

Due dates of firm orders commitments for the purchase of aircraft equipment are as follows:

As of December 31		
(in € millions)	2024	2023
Y+1	2,505	1,496
Y+2	2,398	2,853
Y+3	3,682	2,706
Y+4	3,087	3,743
Y+5	2,064	2,612
> Year Y+5	661	1,825
TOTAL	14,397	15,235

These commitments mainly relate to amounts in US dollars, converted into euros at the closing date exchange rate. All these amounts are hedged.

The number of aircraft under firm order as of December 31, 2024 decreased by 19 units compared with December 31, 2023, due to 19 aircraft deliveries and stood at 191 aircraft.

Delivery calendar as of December 31, 2024

Aircraft type	To be delivered in						Total
	Y+1	Y+2	Y+3	Y+4	Y+5	Beyond Y+5	
LONG-HAUL FLEET - PASSENGER							
A350	6	8	13	12	14	3	56
B787	4	-	-	-	-	-	4
LONG-HAUL FLEET - CARGO							
A350F	-	-	4	3	1	-	8
MEDIUM-HAUL FLEET							
A220	13	8	6	-	-	-	27
A320 Neo / A321 Neo	9	17	33	32	5	-	96
TOTAL	32	33	56	47	20	3	191

NOTE 39 OTHER COMMITMENTS

39.1 Commitments made

As of December 31		
(in € millions)	2024	2022
Commitments to purchase / subscription of shares	-	11
Commitments to leased aircraft, not yet in operation	1,253	1,421
Put option on Servair shares	97	97
Warranties, sureties and guarantees	393	389
Secured financial liabilities	5,547	5,215
Other purchase commitments	180	248

Commitments given subject to variable conditions and not valued

In the context of the acquisition of SAS AB (see Note 4.1 "Significant events occurring during the period"), specific provisions have been agreed upon between the members of the Consortium, whereby Air France-KLM's stake could be increased such that Air France-KLM may become a controlling shareholder, after a minimum of two years, subject to among other things, certain regulatory conditions and financial performance.

As part of its decarbonization strategy, the Air France-KLM Group has entered into SAF supply contracts with the following partners:

- Neste: the contract covers 0.4 million tons of SAF over the period 2025 to 2030;
- DG Fuels: the contract covers 0.6 million tons of SAF over the period 2027 to 2036;
- SkyNRG: the contract covers 0.75 million tons of SAF over the period 2027 to 2037;
- TotalEnergies: the contract provides for up to 1.5 million tonnes over the period 2025 to 2035.

The restrictions and pledges as of December 31, 2024 are as follows:

<i>(in € millions)</i>	Amount pledged	NBV of balance sheet entry concerned	Corresponding %
Intangible assets	–	1,150	–
Tangible assets	5,602	13,880	40.4%
Other financial assets	625	2,559	24.4%
TOTAL	6,227	17,589	35.4%

39.2 Commitments received

As of December 31	2024	2022
<i>(in € millions)</i>		
Warranties, sureties and guarantees	12	97
Call option of Servair shares	97	97

In 2023, warranties, sureties and guarantees mainly corresponded to the credit line granted by Export Development Canada for the financing of A220 aircraft, ended in 2024.

39.3 Order book

Long term contracts of the maintenance business

On December 31, 2024, the future revenues from long-term contracts in the maintenance business amount to €7,526 million. The Group expects around 59% of the order book to be recognized as revenue over the next four years.

The table below presents the reconciliation between the order book according to accounting principles and the order book as described in Chapter 1 of the Universal Registration Document:

As of December 31	2024
<i>(in € millions)</i>	
Maintenance order book according to accounting definition	7,526
Contracts with no client' obligations	1,011
Cash received not recognized in revenues ⁽¹⁾	(202)
PUBLISHED ORDER BOOK IN THE URD⁽²⁾	8,335

(1) Included in the deferred income (Note 34 "Other liabilities").

(2) Representing \$8,701 million (see section 1.3.3 "Maintenance business").

Passenger and freight transportation

As indicated in Note 6 "Information by activity and geographical area", the Group applies the exemption provided by IFRS 15 considering the tickets and freight transport vouchers' validity period up to one year.

Loyalty program

Information on the loyalty program is presented in Note 33 "Loyalty program".

NOTE 40 RELATED PARTIES**40.1 Transactions with the principal executives**

The total compensation recorded as costs for the members of the Group Executive Committee in respect of their functions within the Group breaks down as follows:

Period from January 1 to December 31		
<i>(in € millions)</i>	2024	2023
Short-term employee benefits	9.8	10.3
Post-employment benefits	2.0	0.4
Share-based payment	2.8	1.8
TOTAL	14.6	12.5

The compensation of the non-executive Chair of the Board amounts to €0.2 million.

Directors' fees booked in expenses amount to €0.8 million as of December 31, 2024, versus €0,8 million as of December 31, 2023.

40.2 Transactions with the other related parties

The total amounts of transactions with related parties are as follows:

As of December 31		
<i>(in € millions)</i>	2024	2023
ASSETS		
Trade receivables	206	309
Other current assets	10	17
Other non-current assets	2	3
TOTAL	218	329
LIABILITIES AND EQUITY		
Perpetual	1,033	1,033
Trade payables	179	185
Other current liabilities	232	276
Other non-current liabilities	(1)	6
TOTAL	1,443	1,500

As of December 31		
<i>(in € millions)</i>	2024	2023
Sales	323	322
Landing fees and air route charges	(449)	(408)
Other external expenses	(10)	(22)
Passenger service	(310)	(343)
Other	(225)	(235)
TOTAL	(671)	(686)

As a part of its normal business, the Group enters into transactions with related parties including transactions with State-owned and governmental entities such as the French Defense Ministry, the Paris Airport Authority ("Aéroports de Paris", or "ADP"), Amsterdam Airport Schiphol, the Dutch and French States and the French civil aviation regulator ("DGAC"). Air France-KLM considers that such transactions are concluded on terms equivalent to those on transactions with third parties.

The most significant transactions are described below:

■ **Aéroports de Paris (ADP) ::**

- land and property rental agreements,
- airport and passenger-related fee arrangements.

In addition, ADP collects airport landing fees on behalf of the French State.

Total expenses incurred by the Group in connection with the aforementioned arrangements amounted to a respective €358 million and €335 million for the periods ended December 31, 2024 and December 31, 2023;

■ **Amsterdam Airport Schiphol (AAS):**

- land and property rental agreements,
- airport and passenger-related fee arrangements.

In addition, AAS collects airport fees on behalf of the Dutch State.

Total expenses incurred by the Group in connection with the aforementioned arrangements amounted to € 203 million for the period ended December 31, 2024 versus €176 million as of December 31, 2023;

■ **French Defense Ministry:**

Air France-KLM has entered into contracts with the French Defense Ministry concerning the maintenance of aircraft of the French Air Force. The net revenue derived from this activity amounts to €72 million for the year ended December 31, 2024 versus €82 million as of December 31, 2023;

■ **Direction générale de l'aviation civile (DGAC):**

This civil aviation regulator is under the authority of the French Ministry of Transport, which manages security and safety in the French air space and at airports. As a result, the DGAC charges fees to Air France-KLM for the use of installations and services which amounts to €87 million as of December 31, 2024 versus €81 million for the year ended December 31, 2023;

■ **CMA-CGM:**

As part of the Air France-KLM capital increase carried out on June 16, 2022, CMA-CGM became a new shareholder of the Group. The commercial partnership between CMA-CGM and the Group relating to the Cargo business has started in 2023. As of December 31, 2023, transactions with this CMA-CGM amount to €(20) million. Air France-KLM and CMA CGM have decided to terminate the agreements signed in May 2022 with effect from March 31, 2024. CMA CGM stepped down from the Air France-KLM Board of Directors on March 31, 2024;

■ **China Eastern Airlines:**

The net revenue derived by the Group in connection with the aforementioned arrangement amounted to €12 million for the periods ended December 31, 2024 compared to €8 million as of December 31, 2023;

■ **Delta Air Lines:**

The net revenue derived by the Group in connection with the aforementioned arrangement amounted to a respective €191 million and €179 million for the periods ended December 31, 2024 and December 31, 2023;

■ **French States:**

As of December 31, 2024 the line "Perpetual" corresponds to the perpetual granted by the French State (see Note 28.3.2 "2023 perpetual super-subordinated bonds");

■ **Westjet:**

The revenue with Westjet is not significant for the period ended December 31, 2024.

NOTE 41 STATUTORY AUDITORS' FEES

KPMG As of December 31 <i>(in € millions)</i>	2024				2023			
	Statutory auditor		Network		Statutory auditor		Network	
	Amount	%	Amount	%	Amount	%	Amount	%
Statutory audit, certification, review of stand-alone and consolidated accounts	2.1	78%	1.6	89%	2.1	81%	1.7	89%
■ Air France-KLM S.A.	0.6		–		0.6		–	
■ Consolidated subsidiaries	1.5		1.6		1.5		1.7	
Sustainability Statement audit fees	0.4	15%	–	– %	–	– %	–	– %
■ Air France-KLM S.A.	0.4		–		–		–	
Other ancillary services and audit services⁽¹⁾	0.2	7%	0.2	11 %	0.5	19 %	0.2	11 %
■ Air France-KLM S.A.	0.1		–		0.2		–	
■ Consolidated subsidiaries	0.1		0.2		0.3		0.2	
TOTAL – AIR FRANCE-KLM	2.7		1.8		2.6		1.9	

PwC As of December 31 <i>(in € millions)</i>	2024				2023			
	Statutory auditor		Network		Statutory auditor		Network	
	Amount	%	Amount	%	Amount	%	Amount	%
Statutory audit, certification, review of stand-alone and consolidated accounts	1.8	75%	1.4	100%	1.8	95%	1.5	100%
■ Air France-KLM S.A.	0.6		–		0.6		–	
■ Consolidated subsidiaries	1.2		1.4		1.2		1.5	
Sustainability Statement audit fees	0.4	17%	–	– %	–	– %	–	– %
■ Air France-KLM S.A.	0.4		–		–		–	
Other ancillary services and audit services⁽¹⁾	0.2	8%	–	– %	0.1	5 %	–	– %
■ Air France-KLM S.A.	0.2		–		0.1		–	
■ Consolidated subsidiaries	–		–		–		–	
TOTAL – AIR FRANCE-KLM	2.4		1.4		1.9		1.5	

(1) Other ancillary services and audit services mainly relate to issuance of attestations and in 2023, also report on extra financial performance statement.

NOTE 42 CONSOLIDATION SCOPE

As of December 31, 2024, the scope includes 87 fully consolidated entities, 21 equity affiliates and 1 joint operation.

Based on the Air France-KLM ownership in terms of both voting rights and equity interest, and on the functioning mode of the Group's Executive Committee, Air France-KLM has the power to manage the KLM Group's financial and

operational strategies and controls KLM. As a result, KLM is fully consolidated in Air France-KLM's consolidated financial statements.

The interest percentage in KLM is calculated based on the ordinary shares.

42.1 Consolidated entities

Entity	Country	Segment	% interest	% control
AIR FRANCE SA	France	Multisegment	100	100
KONINKLIJKE LUCHTVAART MAATSCHAPPIJ N.V.	Netherlands	Multisegment	100	49
AIR FRANCE BRAND HOUSE	France	Network	100	100
AIRTRADE HOLDINGS B.V.	Netherlands	Network	100	49
AIRTRADE HOLLAND B.V.	Netherlands	Network	100	49
BLUE CONNECT	Mauritius	Network	70	70
BLUE CROWN B.V.	Netherlands	Network	100	49
BLUELINK	France	Network	100	100
BLUELINK INTERNATIONAL	France	Network	100	100
BLUELINK INTERNATIONAL AUSTRALIA	Australia	Network	100	100
BLUELINK INTERNATIONAL CHILE	Chile	Network	100	100
BLUELINK INTERNATIONAL CZ S.R.O.	Czech Rep.	Network	100	100
BLUELINK INTERNATIONAL MAURITIUS	Mauritius	Network	100	100
BLUELINK INTERNATIONAL STRASBOURG	France	Network	100	100
CYGNIFIC B.V.	Netherlands	Network	100	49
CYGNIFIC CURACAO B.V.	Netherlands	Network	100	49
FLYINGBLUE MILES SAS	France	Network	98	98
HABADO SAS	France	Network	100	100
HADABA B.V.	Netherlands	Network	100	49
HOP!	France	Network	100	100
IASA INCORPORATED	Philippines	Network	100	49
INTERNATIONAL AIRLINE SERVICES LIMITED	United Kingdom	Network	100	49
KLM CITYHOPPER B.V.	Netherlands	Network	100	49
KLM CITYHOPPER UK LTD	United Kingdom	Network	100	49
KLM LUCHTVAARTSCHOOL B.V.	Netherlands	Network	100	49
MARTINAIR HOLLAND N.V.	Netherlands	Network	100	49
MEXICO CARGO HANDLING	Mexico	Network	100	100
REGIONAL JET CENTER B.V.	Netherlands	Network	100	49
SNC CAPUCINE BAIL	France	Network	100	100
SNC OTTER BAIL	France	Network	100	100
SODEXI	France	Network	65	65
STICHTING STUDENTENHUISVESTINGVLIEGVELD EELDE	Netherlands	Network	100	49
AFI KLM E&M (BEIJING) LINE MAINTENANCE CO LTD	China	Maintenance	100	100
AFI KLM E&M TEARDOWN MANAGEMENT SAS	France	Maintenance	100	100
AFI SPARE ENGINE MANAGEMENT	France	Maintenance	98	98

Entity	Country	Segment	% interest	% control
AIR FRANCE COMPONENT ASSET MANAGEMENT	France	Maintenance	98	98
AIR FRANCE INDUSTRIE US	United States	Maintenance	100	100
AIR FRANCE KLM COMPONENT SERVICES CO LTD	China	Maintenance	100	100
AIR ORIENT SERVICES	France	Maintenance	100	100
ALPHA COMPONENT SOLUTIONS	France	Maintenance	100	100
BARFIELD INC	United States	Maintenance	100	100
BARFIELD PRECISION ELECTRONICS INC	United States	Maintenance	100	100
CRMA	France	Maintenance	100	100
EUROPEAN PNEUMATIC COMPONENT	Netherlands	Maintenance	100	49
KLM E&M INDIA	India	Maintenance	100	49
KLM E&M MALAYSIA SDN BHD	Malaysia	Maintenance	100	49
KLM LINE MAINTENANCE NIGERIA LTD.	Nigeria	Maintenance	100	49
KLM UK ENGINEERING LTD.	United Kingdom	Maintenance	100	49
TRANSAVIA AIRLINES B.V.	Netherlands	Transavia	100	49
TRANSAVIA AIRLINES C.V.	Netherlands	Transavia	100	49
TRANSAVIA COMPANY SAS	France	Transavia	100	100
TRANSAVIA FRANCE SAS	France	Transavia	100	100
TRANSAVIA VENTURES B.V.	Netherlands	Transavia	100	49
AIR FRANCE FINANCE SAS	France	Other	100	100
AIR FRANCE KLM E&M PARTICIPATIONS SAS	France	Other	100	100
AIR FRANCE KLM FINANCE SAS	France	Other	100	100
AIRCRAFT CAPITAL LEASING A LTD	United Kingdom	Other	100	49
AIRCRAFT CAPITAL LTD	United Kingdom	Other	100	49
AIRPORT MEDICAL SERVICES B.V.	Netherlands	Other	80	39
AIRPORT MEDICAL SERVICES C.V.	Netherlands	Other	80	39
AMSTERDAM SCHIPHOL PIJPLEIDING C.V.	Netherlands	Other	76	49
ASP BEHEER B.V.	Netherlands	Other	60	49
B.V. KANTOORGEBOUW MARTINAIR	Netherlands	Other	100	49
BIGBLANK	France	Other	100	100
BLUE TEAM V SAS	France	Other	100	100
BLUE TEAM VIII	France	Other	100	100
BLUE TEAM XI	France	Other	100	100
BLUE TEAM XII	France	Other	100	100
BLUE TEAM XVI	France	Other	100	100
BLUE TEAM XVII	France	Other	100	100
BLUE YONDER XIV B.V.	Netherlands	Other	100	49
EXECUTIVE HEALTH MANAGEMENT B.V.	Netherlands	Other	100	49
INTERNATIONALE FINANCIERING EN MANAGEMENT	Netherlands	Other	100	49
KLM AIR CHARTER B.V.	Netherlands	Other	100	49
KLM CATERING SERVICES SCHIPHOL B.V.	Netherlands	Other	100	49
KLM HEALTH SERVICES B.V.	Netherlands	Other	100	49
KLM INTERNATIONAL CHARTER B.V.	Netherlands	Other	100	49
KLM OLIEMAATSCHAPPIJ B.V.	Netherlands	Other	100	49
MARTINAIR VliegSchool VliegVeld Lelystad BV	Netherlands	Other	100	49
ORION-STAETE B.V.	Netherlands	Other	100	49
PELICAN	Luxemburg	Other	100	100
PYRHELIO-STAETE B.V.	Netherlands	Other	100	49
RIGEL-STAETE B.V.	Netherlands	Other	100	49
STICHTING GARANTIEFONDS KLM LUCHTVAARTSCHOOL	Netherlands	Other	100	49
TRAVEL INDUSTRY SYSTEMS B.V.	Netherlands	Other	100	49
TREASURY SERVICES KLM B.V.	Netherlands	Other	100	49
WEBLOK B.V.	Netherlands	Other	100	49

42.2 Equity affiliates

Entity	Country	Segment	% interest	% control
ADM BLUE	Madagascar	Network	40	40
ADM BLUE SENEGAL SA	Senegal	Network	40	40
SAS SCANDINAVIAN AIRLINES	Sweden	Network	20	20
AAF SPARES LIMITED	Ireland	Maintenance	50	50
AEROSTRUCTURES MIDDLE EAST SERVICES	United Arab	Maintenance	50	50
AEROTECHNIC INDUSTRIES	Morocco	Maintenance	50	50
BONUS TECH SERVICES	United States	Maintenance	50	50
BONUS TECH	United States	Maintenance	50	50
IGO SOLUTIONS SAS	France	Maintenance	33	33
MAX MRO SERVICE	India	Maintenance	26	26
SHS TECHNICS	Senegal	Maintenance	49	49
SINGAPOUR COMPONENT SOLUTIONS PTE	Singapore	Maintenance	50	50
SPAIRLINERS	Germany	Maintenance	50	50
TURBINE SUPPORT INTERNATIONAL LLC	United States	Maintenance	50	50
XCELLE AMERICAS LLC	United States	Maintenance	50	50
INTERNATIONAL AEROSPACE MANAGEMENT COMPANY S.C.R.L.	Italia	Other	25	25
MAINPORT INNOVATION FUND	Netherlands	Other	25	25
MAINPORT INNOVATION FUND BV II	Netherlands	Other	24	24
SCHIPHOL LOGISTICS PARK CV	Netherlands	Other	53	45
SERVAIR	France	Other	30	30
TERMINAL ONE GROUPE ASSOCIATION	United States	Other	25	25

42.3 Joint operations

Entity	Country	Segment	% interest	% control
AIRFOILS ADVANCES SOLUTIONS SAS	France	Maintenance	49	49

5.4 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a translation into English of the Statutory Auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This Statutory Auditors' report includes information required by European regulation and French law, such as information about the appointment of the Statutory Auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended December 31, 2024

To the Annual General Meeting of Air France-KLM S.A.,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Air France-KLM S.A. for the year ended December 31, 2024.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2024 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors "Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors for the period from January 1, 2024 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Emphasis of Matter

Without qualifying our opinion, we draw your attention to the matter set out in Note 3 to the consolidated financial statements entitled "Restatement of the 2023 financial statements", which describes a change in accounting method regarding the presentation of financial elements in the cost of net financial debt in the cash flow statement.

Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Recoverability of flight equipment assets (Notes 2, 17, 19 and 21 to the consolidated financial statements)

Risk identified	Our response
<p>Flight equipment and aircraft right of use assets amounted to €12.3 billion and €6.9 billion respectively as of December 31, 2024.</p> <p>As indicated in the Note 17 to the consolidated financial statements, during the operating cycle, and when establishing fleet replacement plans, the Group reviews whether the amortizable base or the useful life of the assets should be adjusted and, if necessary, determines whether a residual value should be recognized and the useful life adapted.</p> <p>Moreover, in accordance with IAS 36 "Impairment of Assets", and as specified in Note 21 to the consolidated financial statements, property, plant and equipment, intangible assets, right-of-use assets and goodwill are tested for impairment if there is an indication of impairment, and at least once a year for goodwill and intangible assets with an indefinite useful life. Assets that cannot be directly linked to independent cash flows are grouped together into Cash Generating Units (CGU) to perform the impairment test.</p> <p>The Group concluded that the CGUs correspond to the Group's business segments -notably the Network, Maintenance and Transavia activities.</p> <p>Their value in use is determined based on particularly sensitive forward-looking assumptions, given the current context which has uncertainty due to the geopolitical and macro-economic environment and the increasing impact of ESG considerations. These assumptions include the discounted cash flows derived from the five-year budget figures prepared by Management and validated by the Board of Directors, the discount rate corresponding to the weighted average cost of capital, and the growth rates reflecting assumptions relating to mid- and long-term business development. Such cash flows also reflect the Group's environmental objectives reflected in its transition plan as well as the impacts related to expected or probable regulatory changes in terms of environment (modernization of the fleet, development of sustainable aviation fuel "SAF", CO₂ compensation and increase in the cost of carbon credits).</p> <p>As indicated in Note 2 to the consolidated financial statements, the Group's environmental objectives have not led to the recognition of any impairment or acceleration of depreciation on its assets.</p> <p>We considered the valuation of those assets to be a key audit matter in light of their significant amount and of the high degree of judgment and estimates required by Management to determine their recoverable value.</p>	<p>We assessed the procedures and controls implemented by the Group to determine and review the useful lives of flight equipment assets and assessing their consistency with the Group's environmental objectives included in the Group's transition plan.</p> <p>Also, we assessed the procedures and controls implemented to identify indicators of impairment, and for the purpose of the impairment test, calculate the book value of non-current assets by CGU and determine their recoverable amount. We tested the key controls used by the Group in the design process of the assets' impairment test.</p> <p>Our work also included:</p> <ul style="list-style-type: none"> ■ assessing whether the methodology used by Management complies with current accounting standards (IAS 36), including validating the CGU independence and consistency criteria as well as the frequency of impairment tests; ■ reconciling the book value of the non-current assets of each CGU with the accounting balances and the corresponding allocation; ■ corroborating the cash flow projections with the Management-approved 5-year plan, long-term growth rates, as well as long-term profit margin rates used; ■ assessing the consistency of discount rate calculation assumptions with external market information; ■ assessing the consistency of the assumptions with the Group's environmental objectives and the impacts related to expected or probable regulatory changes in terms of environment; ■ assessing the sensitivity scenarios retained by Management by verifying arithmetic accuracy of sensitivity calculations based on WACC, perpetual growth rate and long-term profitability; ■ verifying the calculation of the enterprise value performed by Management from Air France-KLM's market capitalization to corroborate the impairment test based on value in use. <p>We also assessed the appropriateness of the disclosures provided in Notes 2, 17, 19 and 21 to the consolidated financial statements.</p>

Recognition of deferred tax assets of the French tax group (Note 13 to the consolidated financial statements)

Risk identified	Our response
<p>Deferred tax assets relating to tax loss carryforwards are only recognized if their recovery is probable.</p> <p>As of December 31, 2024, a net deferred tax asset amounting to €660 million is recognized in the consolidated balance sheet for the Group. The amount notably comprises €746 million of deferred tax assets relating to tax loss carryforwards for the French tax consolidation group as presented in Note 13.4 to the consolidated financial statements. These deferred tax assets are recognized based on their likelihood of recovery pursuant to the medium-term budgets and plans prepared by the Group, as well as the reversal of taxable temporary differences available.</p> <p>As presented in Note 13.1 to the consolidated financial statements, the recovery period for the deferred tax assets of the French tax consolidation group is five years.</p> <p>As of December 31, 2024, unrecognized deferred tax assets relating to tax loss carryforwards of the French tax consolidation group amounts to €3 billion as presented in Note 13.5 to the consolidated financial statements.</p> <p>We identified the recognition of deferred tax assets related to French tax loss carryforwards as a key audit matter given their significant amount and the high degree of judgments and estimates made by the Group to assess the validity of the related deferred tax assets recognized.</p>	<p>Our procedures consisted in assessing the compliance of the Group's methodology with IAS 12 "Income tax" to identify the existing tax loss carryforwards that will be utilized, either through deferred tax liabilities or future taxable profits.</p> <p>We also assessed the likelihood of the Group making future use of the tax loss carryforwards generated to date by the French tax consolidation group, particularly with regards to:</p> <ul style="list-style-type: none"> ■ The existing deferred tax liabilities in the same tax jurisdiction, against which deferred tax assets related to tax loss carryforwards could be offset. and ■ the French tax consolidation group's ability to generate future taxable profits in order to use prior-year tax losses recognized as deferred tax assets. <p>To determine future taxable profits, we assessed the forecasting process by:</p> <ul style="list-style-type: none"> ■ examining the procedure for preparing the latest taxable income forecasts used as a basis for estimates; ■ verifying tax regulations application and complex tax treatments; ■ comparing income forecasts for prior years with actual results; ■ assessing the consistency of the assumptions used by Management to prepare taxable income forecasts with those adopted for non-current assets impairment tests. <p>We also assessed the appropriateness of the disclosures provided in the Note 13 to the consolidated financial statements.</p>

Revenue recognition for issued but unused passenger tickets (Note 6 to the consolidated financial statements)

Risk identified	Our response
<p>The passenger traffic revenue of the Network segment amounts to €23.2 billion.</p> <p>As shown in Note 6 to the consolidated financial statements, the revenue related to passenger transportation is recognized when the transportation service is provided and, consequently, passenger tickets recorded when issued as "Deferred revenue on ticket sales" for a liability amounting to €4.1 billion as at December 31, 2024.</p> <p>A portion of these sales, relating to tickets that have been issued but which will never be used, is recognized as revenue at the theoretical date of the transport, based on a statistical rate regularly updated. These rates are determined by the Air France–KLM Group based on historical data taken from the information systems and adjusted for non-recurring and specific events that could impact passenger behavior.</p> <p>We considered the recognition of deferred revenue on ticket sales to be a key audit matter due to the importance of the Group judgement in determining the recognition assumptions.</p>	<p>We assessed the procedures and controls implemented by the Group to determine the statistical rates of "Deferred revenue on ticket sales".</p> <p>Our procedures primarily consisted in:</p> <ul style="list-style-type: none"> ■ assessing the appropriateness of the methodology adopted by the Group; ■ corroborating the databases used with the historical databases; ■ verifying the statistical rate calculation; ■ analyzing the ageing of deferred revenue on ticket sales presented in liabilities on the consolidated balance sheet to assess the appropriateness of the revenue recognized in the period.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information given in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Report on Other Legal and Regulatory Requirements

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the Statutory Auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2-1 of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the

responsibility of Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No. 2019/815 of December 17, 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Air France-KLM S.A. by the Annual General Meetings held on September 25, 2002 for KPMG S.A. and on May 25, 2022 for PricewaterhouseCoopers Audit.

As at December 31, 2024, KPMG S.A. was in the 23rd year of total uninterrupted engagement and PricewaterhouseCoopers Audit was in the 3rd year.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.821-55 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this audit report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 821-27 to L. 821-34 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

The Statutory Auditors

Paris La Défense, March 7, 2025

KPMG S.A.

Valérie Besson
Partner

Éric Dupré
Partner

Neuilly-sur-Seine, March 7, 2025

PricewaterhouseCoopers Audit

Philippe Vincent
Partner

Amélie Jeudi de Grissac
Partner

5.5 STATUTORY FINANCIAL STATEMENTS

5.5.1 Income statement

Year ending December 31, <i>(in € millions)</i>	Notes	2024	2023
Operating income	4	83	69
External expenses	5	(59)	(75)
Salaries and related costs	6	(23)	(20)
Other operating expenses		(2)	(3)
Total operating expenses		(84)	(98)
Income from current operations		(1)	(29)
Financial income		220	370
Financial expenses		(238)	(329)
Net financial income	7	(18)	41
Earnings before tax and non-recurring items		(19)	12
Non-recurring income		—	90
Non-recurring expenses		(1)	(112)
Non-recurring income/- (loss)	8	(1)	(22)
Income tax	9	116	140
NET INCOME/(LOSS)		96	130

5.5.2 Balance sheet

Assets <i>(in € millions)</i>	Notes	December 31, 2024	December 31, 2023
Tangibles fixed assets		2	2
Equity investments	10.2	7,801	7,684
Loans & receivables related to long-term investment	10.3	2,186	2,148
Other financial long-term investments		2	15
Fixed assets		9,991	9,849
Trade receivables	15	48	38
Other receivables	15	139	152
Marketable securities	11	950	1,658
Cash and cash equivalent		652	566
Prepaid expenses		4	3
Current assets		1,793	2,417
Issue costs		6	6
Bond redemption premium		7	5
Unrealized foreign exchange loss		9	
TOTAL ASSETS		11,806	12,277

Liabilities & equity <i>(in € millions)</i>	Notes	December 31, 2024	December 31, 2023
Capital	12.1	263	263
Additional paid-in capital	12.2	7,560	7,560
Legal reserve		70	70
Retained earnings		(20)	(147)
Income for the year	12.2	96	130
Shareholder's equity	12.2	7,969	7,876
Other equity	14	1,079	1,076
Provision for risks & liabilities	13	12	-
Financial debts	14	2,671	3,255
Trade payables and related accounts	15	29	25
Tax and social debts	15	13	14
Other liabilities	15	31	25
Liabilities	15	2,744	3,319
Unrealized foreign exchange gain		2	6
TOTAL LIABILITIES & EQUITY		11,806	12,277

5.5.3 Notes

The following information constitutes the notes to the financial statements for the year ended December 31, 2024. It is an integral part of the financial statements.

Air France-KLM SA, a public limited company (*société anonyme*, SIREN n° 552 043 002) with registered office at 7, rue du Cirque, 75008 Paris, is the parent company of the Air France-KLM Group. It is listed for trading in Paris (Euronext) and Amsterdam (Euronext).

1. Change of accounting method

In order to harmonize the methods used by the Group and in accordance with ANC recommendation 2013-02, Air France-KLM has proceeded to a change in its accounting method. Provisions for post-employment benefit obligations are now booked in the statutory financial statements. Commitments existing at January 1, 2024 have been included in the financial statements, and the impact is presented in the note 12.2.

2. Accounting policies and procedures

Generally accepted accounting policies have been applied, consistent with the prudence principle and in accordance with the legal and regulatory provisions applicable in France and to the base assumptions whose aim is to provide a true and faithful representation of the company:

- going concern;
- consistent accounting methods from year to year;
- independence of financial periods;
- and in accordance with the general rules for establishing and presenting annual financial statements.

The basic method used to value items recorded in the financial statements is the historical cost method.

Value in use of its equity investments

In the current context, the Company has paid particular attention to the value in use of its equity investments.

The main accounting methods used are the following:

■ Long-term investments

Investments in equity securities are presented on the balance sheet at their acquisition cost net of impairment, if any. A provision for impairment is recorded as soon as the fair value, which corresponds to the value in use, falls below the acquisition value. The fair value of securities is determined by taking into account the share of shareholders' equity, the outlook for profitability and the stock market values that can be used as a reference.

Transfer taxes, fees or commissions and legal fees related to the acquisition of securities are expensed, according to the option offered by the regulations.

Treasury shares not allocated to employees or to a capital decrease are booked in long-term investments. They are shown at the lower of their acquisition cost or fair value. The fair value is determined based on the average market price for the last month of the financial

year. Impairment tests on future cash flows have been performed, based on assumptions that are identical to those of the consolidated financial statements.

■ Trade receivables

Trade receivables are valued at their nominal value. They are valued on a case-by-case basis and a provision is set up as required based on the assessed risks.

■ Provisions

The Company recognizes a provision when there is a legal or constructive obligation to a third party that will result in an outflow of resources and can be reliably estimated. The amounts recognized as provisions take into account the timing of disbursements and are discounted where appropriate. The effect of the passage of time is recognized in financial income or expense.

■ Marketable securities

Marketable securities are shown on the balance sheet at the lower of their acquisition cost and their market value. In the case of listed shares, this market value is determined based on the market price at the end of the financial year.

Treasury shares invested as part of a liquidity agreement are valued at the lower of their acquisition price and fair value. The fair value is determined based on the last month average market price at the end of the financial year.

Negotiable debt securities (certificates of deposits, and bills issued by financial companies) are booked at their acquisition cost. Interest is booked as financial income, on a *pro rata temporis* basis.

■ Foreign currency transactions

Operating expense and income transactions in foreign currencies are recognized at the average exchange rate for each relevant month by approximating the rate on the day of the transaction.

Trade payable and receivable in foreign currencies are valued at the exchange rate in effect at end year closing.

Unrealized losses and gains are recognized as assets and liabilities on the balance sheet. Provisions are established for unrealized losses, except for the following cases:

- transactions where the currency and the term contribute to an overall positive currency position; and
- currency hedging contracts concerning the payment of future investment deliveries;

■ Debts

Debts are valued at their nominal amount. The debt in foreign currency is valued at the closing rate euro/dollar.

■ Financial instruments

Financial derivative instruments are used to reduce exposure to interest rates risk and to foreign exchange. They are over the counter instruments with first class counterpart. Group management policy bans subscription of trading instruments.

■ **Dividends received**

Dividends are recognized as income – when they are approved by the competent bodies in the companies (i.e.: the Board of Directors or the General Shareholders' Meeting depending on the local regulations) – or according to the terms of the bylaws.

3. Significant events

3.1. Significant events occurring during the period

Evolution in the commercial cooperation in air cargo between Air France-KLM and CMA CGM

Air France-KLM and CMA CGM have decided to terminate the agreements signed in May 2022 with effect from March 31, 2024 as the tight regulatory environment in certain important markets has prevented the cooperation from working in an optimal way.

CMA CGM remains a core shareholder of Air France-KLM. The parties have agreed to amend the existing lockup on CMA CGM shares in Air France-KLM's capital until February 28, 2025. CMA CGM stepped down from the Air France-KLM Board of Directors on March 31, 2024.

Early repayment of OCEANE bonds

Early repayment of €452 million of OCEANE bonds

As of March 25, 2024, Air France-KLM has repaid, at the request of the bondholders, €452 million of the outstanding €500 million of the bonds convertible into new shares and/or exchangeable for existing shares due March 25, 2026.

This amount is equivalent of 25,246,843 of bonds. This early redemption option on March 25, 2024 was part of the terms and conditions of the bonds.

Early repayment of the remaining €48 million of OCEANE bonds

The remaining €48 million of bonds due March 25, 2026 have been repaid in cash on May 10, 2024 under the conditions set out in the Terms and Conditions of the said OCEANE 2026 for cancellation in accordance with the applicable law. These remaining bonds were repaid in advance. This residual redemption amount is equivalent of 2,654,942 of bonds.

There is therefore no outstanding OCEANE 2026 bonds as of December 31, 2024.

Increase and extension of revolving credit facility ("RCF") linked to ESG KPIs

Air France-KLM et Air France

Air France-KLM and Air France, combined borrowers, signed in April 2023 a €1.2 billion Sustainability-Linked RCF. This facility included an accordion increase option executed during the first quarter of 2024 for an amount of €90 million bringing the amount available to around €1.3 billion.

The RCF also had an initial maturity in 2026 and two one-year extension options. In April 2024, Air France and Air France-KLM executed the extension option for one year, extending to a 2027 maturity.

Finally and as of July 18, 2024 a new amendment has been signed for Air France-KLM and Air France credit facility involving:

- an extension of the maturity to July 2028 associated with a one-year extension option;
- an increase of the facility from €1,290 million to €1,405 million.

Following this renegotiation, the RCF lenders pool is composed of 17 banks (16 previously) and the financial conditions of the credit facility have been revised.

Issuance of a €650 million bonds and tender offer on two series of existing notes

Issuance of a €650 million bonds

As of May 23, 2024, Air France-KLM has made the issuance of new notes of a total principal amount of €650 million with a five-year maturity and bearing coupon at an annual rate of 4.625% under its Euro Medium Term Note program.

The net proceeds has been used to finalize the tender offer launched as of May 13, 2024 as described in the paragraph below.

Tender offer on two series of exiting notes

On May 24, 2024, Air France-KLM finalized the tender offer on two series of existing notes announced on May 13, 2024:

- €750 million 1.875% notes due January 16, 2025;
- €500 million 3.875% notes due July 1, 2026.

On these two series, existing notes for a total principal amount of €452.7 million, representing 36.2% of the outstanding existing notes, have been tendered for purchase in the tender offer and €452.7 million have been accepted, of which €234.8 million of 2025 notes and €217.9 million of 2026 notes. As a result, the principal amount of outstanding existing notes after completion of the tender offer will be €797.3 million, of which €515.2 million of 2025 notes and €282.1 million of 2026 notes.

Acquisition of a non-controlling stake in the share capital of SAS AB

As of October 3, 2023, Air France-KLM had been selected by SAS AB's Board of Directors as the winning bidder in SAS's exit financing solicitation process, collectively with a consortium.

After the receipt of regulatory approvals in Europe and the United States, the Air France-KLM Group finalized as of August 28, 2024 the acquisition of a 19.9% non-controlling stake in the share capital of SAS AB.

The members of the Consortium (which also includes Castlake L.P. on behalf of certain funds or affiliates, Lind Invest ApS, and the Danish State) now effectively hold an aggregate 86.4% stake in the share capital of the reorganized SAS AB (exclusive of the recovery by the Danish State in its capacity as a creditor of SAS and pursuant to SAS's restructuring plans), having invested US\$1.2 billion in the company, by subscribing for US\$475.0 million of common shares and by purchasing US\$725.0 million of senior secured convertible notes.

The Air France-KLM Group itself invested a total of US\$144.5 million (circa €133 million) in SAS AB, by subscribing for

US\$109.5 million (circa €101 million) of common shares and by purchasing US\$35.0 million (circa €32 million) of senior secured convertible notes.

As of December 31, 2024, the acquisition had the following impact on the balance sheet of Air France-KLM:

- the acquisition of the shares of SAS AB for a total amount of €101 million (including the deposit paid in 2023 for €13 million) ;
- the acquisition of the senior secured convertible notes for a total amount of €34 million (including unrealized currency gains)

3.2. Subsequent events

There have been no significant events since December 31, 2024.

4. Operating income

Period	2024	2023
Management fees (in € million)	55	44
Of which: Air France	34	28
Of which: KLM	21	16
Royalties (in € million)	23	21
Of which: Air France	14	13
Of which: KLM	9	8
Other operative income (in € million)	4	4
TOTAL	82	69

5. External expenses

Period	2024	2023
Fees and surveys	24	45
Insurance	2	3
Sub-Contracting and rent re-invoiced by Air France and KLM	27	22
Financial communication	1	1
Other	4	4
TOTAL	58	75

During the financial year 2024, the teams assigned to Air France-KLM holding company represent 84.3 Full Time Equivalent seconded from Air France and 25.4 full-time equivalent seconded from KLM.

6. Compensation of company's corporate officers

The remuneration recorded as period expenses for the Chief Executive Officer amounts to €3.51 million in 2024 compared to €3.22 million in 2023.

The compensation of the non-executive Chairman of the Board of Directors amounts to €0.22 million.

7. Net financial income

The Net financial Income section regroups interest paid or received, currency losses and gains, and allocations and reversal of financial provisions. The breakdown is as follows.

Period	Notes	2024	2023
Interest on loans and other financial expenses		(209)	(324)
<i>Of which: interest on OCEANE</i>	14.2	—	(1)
<i>Of which: interest on bonds</i>	14.2	(133)	(123)
<i>Of which: interest on perpetual subordinated loan</i>	14.1	(75)	(72)
<i>Of which: interest on PGE</i>		—	(122)
<i>Of which: others</i>		(1)	(6)
Interest on loans		143	281
<i>Of which: related companies</i>		143	281
Other financial income		77	89
<i>Of which: related companies</i>		—	—
<i>Of which: investment in mutual funds and certificates of deposit</i>		77	89
Allocation to provisions		(29)	(5)
<i>Of which: other provision</i>		(12)	(2)
<i>Of which: Air France-KLM Finance shares</i>		(17)	(3)
TOTAL		(18)	41

Following the repayment of the PGE and OCEANE bonds, financial income and expenses have significantly decreased.

8. Non-recurring income (loss)

During the financial year 2024, there has been no significant exceptional transactions.

During the first half of 2023 and in the context of the Group's exit from the temporary framework linked to Covid-19, the Group paid compensation to the French State, required in respect of the shares subscribed in April 2021. Air France-KLM S.A. made the payment, for an amount of €90 million. As it was a mirror transaction, Air France-KLM received an amount of €90 million from Air France S.A.

As part of the global and final settlement of all amounts owed by AFKL to CMA CGM in connection with the global cooperation agreements and of all amounts owed by the CMA group to the AFKL group in connection with the global cooperation agreements, AFKL Holding paid a final global amount of €20 million to CMA CGM, which was recognised as an exceptional expense.

9. Income tax

Air France-KLM has benefited from the tax consolidation scheme since April 1, 2002. The consolidation scope, for which Air France-KLM is the parent company, mainly includes Air France, HOP! and Transavia France Companies.

The tax consolidation agreement is based on the so-called neutrality method and puts each member company of the tax group in the situation in which it would have been in without consolidation.

Air France-KLM has a tax losses carried forward of €1,029 million. The Group's cumulative tax losses, which can be carried forward indefinitely, amount to €14,496 million.

The subsidiaries recording a net earning, generated a bonus of €118 million in 2024, compared to a bonus of €140 million in 2023.

10. Long-Term Investments

10.1. Net book value

<i>(in € million)</i>	Notes	Beginning of year	Allocation	Reversal	End of Year
Equity investments	10.2	7,684	134	17	7,801
Loans & receivables related to long term investment	10.3	2,148	258	220	2,186
Other financial long-term investments		15	0	13	2
GROSS AMOUNT		9,847	392	250	9,989

10.2. Equity investments

<i>(in € million)</i>	Notes	December 31, 2024	December 31, 2023
Gross value			
Air France		6,492	6,492
KLM		824	824
Air France-KLM Finance		52	31
Transavia Company		4	4
Flying Blue Miles		356	356
BlueTeam XII		12	-
SAS		101	-
Total gross		7,841	7,707
Impairment			
Air France-KLM Finance		(40)	(23)
Total impairment		(40)	(23)
Net			
Air France		6,492	6,492
KLM		824	824
Air France-KLM Finance		12	8
Transavia Company		4	4
Flying Blue Miles		356	356
BlueTeam XII		12	-
SAS		101	-
TOTAL NET	10.1	7,801	7,684

10.3. Loans & receivables related to long-term investment

Gross value Notes (in € million)	Notes	Beginning of year	Allocation	Reversal	End of year
Air France		2,113	221	(218)	2,116
Air France-KLM Finance		35	2	(1)	36
Bigblank		4	-	-	4
SAS		—	35	(1)	34
TOTAL GROSS		2,152	258	(220)	2,190

Impairment		Impairment beginning of year	Allocation	Reversal	Impairment end of year
Bigblank		(4)	-	-	(4)
TOTAL IMPAIRMENT		(4)	-	-	(4)

Net		Net value beginning of year	Allocation	Reversal	Net value end of year
Air France		2,113	221	(218)	2,116
Air France-KLM Finance		35	2	(1)	36
Bigblank		-	-	-	—
SAS		-	35	(1)	34
TOTAL NET	10.3	2,148	258	(220)	2,186

11. Marketable securities

(in € million)	December 31, 2024	December 31, 2023
GROSS VALUE		
Mutual funds, certificates of deposit & marketable term notes ⁽¹⁾	950	1,658
Securities Compagnia Aerea Italiana	355	355
Total Gross value	1,305	2,013
DEPRECIATION		
Securities Compagnia Aerea Italiana	(355)	(355)
Total Depreciation	(355)	(355)
TOTAL	950	1,658

(1) In 2024, all marketable securities are less than three months. In 2023, Air France-KLM owned €1,499 million of marketable securities for less than three months.

The net carrying amount for the marketable securities, mutual funds and certificates of deposit is the market value at closing date.

12. Shareholders' equity

12.1. Distribution of share capital and voting rights

The issued capital comprises 262,769,869 fully paid-up shares with a nominal value of one euro. Each share is entitled to one voting right. However, since April 3, 2016, any shareholder who has been owning registered shares for more than two years is entitled to double voting rights. The distribution is as follows:

As of December 31	Number of shares		% of capital		% of voting rights	
	2024	2023	2024	2023	2024	2023
French State	73,520,630	73,520,630	28.0	28.0	27.5	28.4
Dutch State	24,000,000	24,000,000	9.1	9.1	13.3	10.3
CMA CGM	23,134,825	23,134,825	8.8	8.8	12.8	8.0
China Eastern Airlines	12,023,544	12,023,544	4.6	4.6	6.7	6.3
Employees and former employees	8,101,493	8,461,524	3.1	3.2	3.0	3.4
Delta Air Lines	7,340,118	7,340,118	2.8	2.8	4.1	3.8
SPAAR ⁽¹⁾	2,241,065	2,241,065	0.9	0.8	1.2	1.0
Treasury shares	111,642	143,608	–	0.1	–	–
Public	112,296,552	111,904,555	42.7	42.6	31.4	38.8
TOTAL	262,769,869	262,769,869	100	100	100	100

(1) Stichting Piloten Aandelen Air France-KLM.

The line "Employees and former employees" includes the shares held by employees and former employees identified in the "Fonds communs de placement d'entreprise" (FCPE) (see Note 2).

As of December 31, 2024, all securities have been issued and paid up.

12.2. Statement of changes in shareholders' equity

(in € million)	Capital	Additional paid-in capital	Reserves	Earnings for the year	Shareholders' equity
As of December 31, 2022	2,570	5,217	(63)	(13)	7,711
Capital decrease (1)	(2,314)	2,314	–	–	–
Capital increase (2)	6	29	–	–	35
Allocation of earnings	–	–	(13)	13	–
Earnings for the period	–	–	–	130	130
As of December 31, 2023	263	7,560	(76)	130	7,876
Capital increase	–	–	–	–	–
Allocation of earnings	–	–	130	(130)	–
Change of method (3)	–	–	(3)	–	(3)
Earnings for the period	–	–	–	96	96
As of December 31, 2024	263	7,560	51	96	7,969

(1) As of August 31, 2023, Air France-KLM completed the reverse share split of all outstanding shares of the Company and the capital reduction by reduction of the nominal value of each share, as decided by the Board of Directors at its meeting on July 4, 2023 and in accordance with the 36th and 37th extraordinary resolutions of the Combined General Meeting of June 7, 2023.

(2) Within the framework of the 34th and 35th resolutions of the Annual General Meeting of June 7, 2023, on October 23, 2023, the Air France-KLM Group launched "Partners for the future", an employee share purchase plan offered to around 75,000 eligible employees in around 20 countries.

(3) Following a change in accounting method during the year, the Company's retained earnings were reduced by €3 million as a result of the recognition of provisions for pension obligations existing at the start of the year. See Note 13.

Eligible employees were able to subscribe at a 30% discounted price with the benefit of a matching contribution from the Air France-KLM Group. The proposed shares could not exceed 3% of Air France-KLM's share capital.

On December 21, 2023, following this operation, 5,716,256 new shares with a value of €1 each were issued, increasing the share capital from €257,053,613 to €262,769,869.

13. Provisions for risks and charges

(in € million)	Notes	Beginning of year	Allocation	Reversal	End of Year
Provisions for exchange loss		—	9	—	9
Pension obligations	12.2	—	3	—	3
TOTAL		—	12	—	12

Pension and similar benefit obligations

The Company's obligations in respect of termination benefits are determined using the projected unit credit method, taking into account changes in legislation affecting retirement age.

For defined-benefit plans meeting the following three conditions:

- the definitive acquisition of benefits is conditional on presence in the company at the time of retirement;
- the amount of benefits depends on length of service;

- the amount of benefits is capped at a certain number of consecutive years of service with the Company.

Provisions must be set up on a straight-line basis over the last years of the employee's career that gave rise to the acquisition of new rights.

Gains and losses arising from changes in actuarial assumptions are recognized immediately in the income statement.

14. Financial debt and other equity

(in € million)	Notes	December 31, 2024	December 31, 2023
OTHER EQUITY			
Perpetual subordinated loan	14.1	1,033	1,033
Interest on Perpetual subordinated loan	14.1	45	43
Total Other equity		1,078	1,076
NON-CURRENT FINANCIAL DEBT			
Bonds	14.2	2,078	2,381
Miscellaneous loans & debts		—	—
Total non-current debt		2,078	2,381
CURRENT FINANCIAL DEBT			
Bonds	14.2	515	800
Accrued interest		78	74
Total current debt		593	874
Total financial debt		2,671	3,255
TOTAL FINANCIAL DEBT AND OTHER EQUITY		3,749	4,331

14.1. Perpetual subordinated loan

Perpetual loan with the French State

The €3 billion direct loan granted by the French State to Air France via Air France-KLM at the end of May 2020, converted on April 20, 2021 into a Perpetual subordinated notes of the same nominal amount, consisting of three perpetual tranches with a nominal amount of €1 billion each, has been totally repaid. The tranches with a first call option at four and five years were redeemed in full. The tranche with a first redemption option at six years has been partially repaid in the amount of €405 million in 2022 and fully repaid in the amount of €595 million in 2023. The financial operations from the beginning were as follows:

The subordinated shareholder loan ("ACC"), initially granted by the French State to Air France-KLM, had the following main characteristics:

A total amount of €3 billion; a four-year term, with two consecutive one-year extension options exercisable by Air France-KLM; a coupon payable annually or capitalizable at Air France-KLM's option at a rate equal to 12-month EURIBOR (zero rate) plus a margin of 7% for the first four years, 7.5% for the fifth and 7.75% for the sixth.

On April 20, 2021, the French State subscribed to €3 billion of Subordinated Notes (TSS 2021) by way of set-off against the shareholder Loan Receivable ("ACC").

On June 16, 2022, the TSS 2021 was partially repaid in the amount of €1,630 billion following a capital increase.

On July 29, 2022, the TSS 2021 was partially repaid for an amount of €487 million following a refinancing of the maintenance spare parts inventory.

On December 9, 2022, the TSS 2021 was partially repaid in the amount of €287 million following the issue of hybrid convertible bonds ("HCB"). At the closing 2022, the outstanding amount of the TSS was €595 million.

On March 17, 2023, the TSS 2021 was partially repaid in the amount of €300 million following the issuance of a first tranche of a new subordinated notes (TSS 2023) qualified as compensatory aid for Air France for the damage suffered as a result of Covid-19 between March 17 and June 30, 2020. These new €320 million unconstrained subordinated notes carry similar financial conditions to those redeemed on the same day, with a deferred call date and interest rate increase of a further two years (i.e. March 2029).

On April 19, 2023, the TSS 2021 was fully repaid in the amount of €295 million following the issuance of the second tranche of the new subordinated notes (TSS 2023) issued for an amount of €407 million.

At the closing 2024, the outstanding amount of the TSS 2023 was €728 million.

Deeply subordinated undated bonds convertible into new shares and/or exchangeable for existing shares

On November 23, 2022, Air France-KLM launches an offering of deeply subordinated undated bonds convertible into new shares and/or exchangeable for existing shares for a nominal amount of €305 million (HCB) within the limits of a maximum number of 200 million underlying shares. The offering has been conducted by way of a placement to qualified investors only. Net Proceeds of the offering were fully allocated to the repayment of the perpetual bonds held by the French State, issued in April 2021.

At the closing 2024, the outstanding amount of the HCB was €305 million.

14.2. Bonds

Bond	Issuing date	Amount issued (in millions)	Closing outstanding in euros (in millions)	Maturity date	Coupon
\$ Bond issued in 2016 ⁽¹⁾	15 Dec 2016	\$ 145	€ 146	15 Dec 2026	4.350%
€ OCEANE Bond in 2019	25 Mar 2019	€ 500	€—	25 Mar 2026	0.125%
€ Bond in 2020	16 Jan 2020	€ 750	€ 515	16 Jan 2025	1.875%
€ Bond in 2021	01 Jul 2021	€ 300	€—	01 Jul 2024	3.000%
€ Bond in 2021	01 Jul 2021	€ 500	€ 282	01 Jul 2026	3.875%
€ Bond in 2023	16 Jan 2023	€ 500	€ 500	31 May 2026	7.250%
€ Bond in 2023	16 Jan 2023	€ 500	€ 500	31 May 2028	8.125%
€ Bond in 2024	23 May 2024	€ 650	€ 650	23 May 2029	4.625%
Total			€ 2 593		
<i>Of which current</i>			€ 515		
<i>Of which non-current</i>			€ 2 078		

(1) Issuance bonds with Asian institutional investors by way of unlisted private placement.

On December 15, 2016, Air France-KLM issued fully-hedged US\$145 million senior notes by way of unlisted private placement to Asian institutional investors. Maturity is December 15, 2026 and annual coupon arises 4.35%. This loan is the object of a complete cover (see Note 18.).

On March 25, 2019, Air France-KLM issued a bond in the form of a bonds convertible into and/or exchangeable for new or existing shares (OCEANE) of €500 million with a seven-year maturity. The coupon rate is 0.125%. Repayment at par, plus accrued interest, has been possible on March 25, 2024 at the request of the bond holders. Air France-KLM could enforce the cash reimbursement of these bonds by exercising a call option running from April 15, 2022 if the share price exceeds 130% of the nominal, i.e. €23.29, encouraging OCEANE bond holders to convert their bonds into Air France-KLM shares. On March 25, 2024, at the request of the bondholders, Air

France-KLM redeemed €452 million out of the €500 million worth of bonds convertible into new shares and/or exchangeable for existing shares which were due on March 25, 2026. The remaining bonds in circulation for an amount of €48 million were redeemed in cash on May 10, 2024 following the exercise of the early redemption option by the bond issuer in accordance with the conditions set out in the OCEANE 2026 Regulations. Following these two transactions, no OCEANE bonds were outstanding at December 31, 2024.

On January 16, 2020, Air France-KLM issued a five-year, €750 million bond. The coupon is 1.875%. A partial redemption of the bonds was carried out on May 24, 2024 for €234.8 million. At December 31, 2024, the outstanding bond to be repaid are €515.2 million.

On July 1, 2021, Air France-KLM issued an €800 million bond in two tranches, the first of €300 million with a three-year maturity and a coupon of 3%, and the second of €500 million with a 5-year maturity and a coupon of 3.875%. Of the €500 million tranche, €217.9 million were partially redeemed on May 24, 2024. At December 31, 2024, the outstanding bond to be repaid are €282.1 million on this tranche. On July 01, 2024, the €300 million tranche was fully reimbursed.

On January 16, 2023, Air France-KLM issued an €1 billion bond in two tranches, the first of €500 million with a 3.5-year maturity and a coupon of 7.25%, and the second of €500 million with a 5.5-year maturity and a coupon of 8.125%.

On May 23, 2024 Air France-KLM has made the issuance of new notes for a total principal amount of €650 million with a five-year maturity and bearing coupon at an annual rate of 4.265% under its Euro Medium Term Notes Program.

15. Maturity of receivables and debt

December 31, 2024

(in € millions)

Receivables	Gross amount	Up to one year	More than one year	Related companies
NON-CURRENT ASSETS				
Loans and receivables related to long-term investment (Note 10.3)	2,186	119	2,067	2,186
CURRENT ASSETS				
Trade receivables and related accounts	48	48	–	48
Other receivables (including tax receivables)	139	139	–	139
TOTAL	2,373	306	2,067	2,373

December 31, 2024

(in € millions)

Debt	Gross amount	Up to one year	More than one year	Related companies
Financial debt (Note 14)	2,671	78	2,593	–
Trade payables and related accounts	29	29	–	18
Tax and social debts	13	13	–	–
Other liabilities ⁽¹⁾	31	31	–	31
TOTAL	2,744	151	2,593	49

(1) Other liabilities comprise, mainly, outstanding capital payments for subsidiaries of Air France-KLM.

16. List of subsidiaries and equity investments

Companies or Groups of companies (in € millions)	Share of capital held	Carrying amount of shares held		Loans & advances granted and not reimbursed	Amount of security and guarantees given	Revenues (excl. tax) for financial year	Net profit or loss for financial year	Dividends booked during financial year
		Gross	Net					
Detailed information about individual investment whose gross value exceeds €15 million								
SUBSIDIARIES (HELD AT MORE THAN 50%)								
Société Air France (France) ⁽¹⁾	100 %	6,492	6,492	2,116	23	17,469	988	–
KLM (Netherlands) ⁽¹⁾	99.7 %	824	824	–	–	11,392	69	–
Flying Blue Miles ⁽¹⁾	98 %	356	356	–	–	815	84	–
Air France-KLM Finance ⁽¹⁾	100 %	52	12	35	–	–	(18)	–

(1) Statutory financial statements at December 31, 2024.

17. Items concerning related companies

As of December 31, 2024

(in € millions)

			Amount
Trade receivables & related accounts related to long term investment	Of which:	Air France	2,116
		Air France-KLM Finance	35
		SAS	34
Trade receivables & related accounts	Of which:	Air France	19
		KLM	27
Other receivables	Of which:	Air France	68
		Flying Blue Miles	33
		Blue Link International	2
		ACAM	8
Trade payable and related accounts	Of which:	Air France	9
		KLM	9
Other payables	Of which:	Air France- tax consolidation current account	–
		Other members of the tax group	1
		Unpaid instalments on equity - BlueTeam XII	9
		Unpaid instalments on equity - Air France-KLM Finance	21

18. Commitments

KLM shares

During the business combination of the Air France and KLM groups, the Dutch government undertook to reduce its stake in KLM proportionally to any reduction by the French government of its stake in Air France-KLM's capital. To this end, the Dutch government had to sell its cumulative preferred shares to Air France-KLM or to a Dutch foundation in the name of and on behalf of Air France-KLM, if the transfer had occurred during the first three years following the business combination.

In the latter case, the foundation would have issue, to the benefit of Air France-KLM, share certificates corresponding to the cumulative A preferred shares transferred to the foundation. These share certificates would have conferred to Air France-KLM all of the economic rights attached to the said shares, the voting rights attached to the said shares being exercised by the foundation until Air France exchanges the share certificates against the said shares.

At the end of the initial three-year period, Air France-KM had the option to exchange the share certificates against the cumulative A preferred shares, which it could hold directly. As Air France-KLM decided in 2007 to maintain SAK I and SAK II foundations, Air France-KLM did not carry out this exchange. Furthermore, Air France-KLM can decide to dissolve the foundations at any time and at its sole discretion.

Moreover, the Dutch government has the right to sell to Air France-KLM at any time as many cumulative A preferred shares as it wants.

After the sale of 5,103,885 shares to Air France-KLM in April 2005 for €11.6 million, the acquisition price of the 3,708,615 cumulative A preferred shares still held by the Dutch government amounts to €8.4 million (i.e. a unit price of €2.27 per cumulative A preferred share, which has to be paid pro rata during any sale or transfer under the conditions above).

Hedges

The December 18, 2016, \$145 million bond is fully hedged by a cross currency swap. As of December 31, 2024, the fair value of this derivative instrument is €(5) million.

Other

Since January 2009, Air France-KLM has acted as a guarantor for Air France company within the framework of its commitments to Aéroport de Paris in respect of civil leases. This guarantee has been renewed in July 2014, in September 2019 and more recently on September 27, 2024 for a period of five years. The guarantee is now expressly limited to €23 million (and, cumulatively, at a maximum of 3 months' rent per contract).

Air France-KLM guarantees the payment by Transavia Holland to a lessor, of outstanding operational leases until 2028 for an amount of \$104 million at December 31, 2023.

Commitments given subject to variable conditions and not valued

In the context of the acquisition of SAS AB (see Note 3.1 "Significant events occurring during the period"), specific provisions have been agreed upon between the members of the Consortium, whereby Air France-KLM's stake could be increased such that Air France-KLM may become a controlling shareholder, after a minimum of two years, subject to among other things, certain regulatory conditions and financial performance.

19. Litigation

Litigation concerning anti-trust laws in the air-freight industry

Air France, KLM and Martinair, a wholly-owned subsidiary of KLM since January 1, 2009, have been involved, since February 2006, with up to twenty-five other airlines in investigations initiated by the antitrust authorities in several countries, with respect to allegations of anti-competitive agreements or concerted actions in the air freight industry.

As of December 31, 2021, most of these investigations had been terminated following the entry into plea agreements between the three companies of the Group and the appropriate competition authorities, providing for the payment of settlement amounts or fines, with the exception of the proceeding initiated by the European Commission which is still pending.

In Europe, the decision of the European Commission of 2010 against eleven air cargo carriers, including the companies of the Group, Air France, KLM and Martinair, was annulled by the General Court of the European Union on December 16, 2015 because it contained a contradiction regarding the exact scope of the practices sanctioned. On March 17, 2017, the European Commission issued a new decision against the aforementioned cargo carriers, including Air France, KLM and Martinair. The total amount of fines imposed in respect of this decision at the Air France-KLM Group level was €339 million. This amount was slightly reduced by €15.4 million as compared to the initial decision owing to a lower fine for Martinair due to technical reasons. On May 29 and 30, 2017, the Group companies filed an appeal against this decision before the General Court of the European Union. The hearings before the General Court took place on June and July 2019.

The decision from the General Court in March 2022 confirmed the fines against Air France-KLM Group companies. The Group companies appealed in June 2022 to the European Union Court of Justice and hearings were held before the European Court of Justice on April 18 and 19, 2024. Opinion of the Advocate General was issued on September 5, 2024 and proposed to the Court to dismiss the appeal and final judgement of the European Court of Justice is expected to be issued in 2025. As of December 31, 2024, the Group has maintained a provision of €365 million covering the total amount of these fines (and including interests).

Those provisions are booked by each airlines and do not have any impact in the financial statements of Air France-KLM.

20. Contingent liabilities

The Group is involved in governmental, judicial and arbitration procedures for which in some cases provisions have not been recorded in the financial statements in accordance with the applicable accounting rules.

Indeed, with respect to some cases the Group is not in a position at this stage in these procedures, to give a reliable estimate of the potential loss that could be incurred in connection with these disputes.

Moreover, the group believes that any additional disclosed information could be harmful to our legal position procedures.

Litigations concerning anti-trust laws in the air-freight industry

Following the initiation of various investigations by the competition authorities in 2006 and the European Commission decision in 2010, several collective and individual actions were brought by forwarders and air-freight shippers in the civil courts against Air France, KLM and Martinair, and other cargo operators, in a number of civil jurisdictions.

Under these civil lawsuits, shippers and freight forwarders are claiming for damages to compensate alleged higher prices due to alleged competition law infringement.

For Air France, KLM and Martinair, certain civil claims are still pending in the Netherlands and in Norway. The Group companies and the other airlines involved in these lawsuits continue to vigorously oppose these civil claims.

Litigations on State Aid

In 2020, the implementation of the measures to reinforce the Group's liquidity (i.e. (i) for Air France, a loan guaranteed by the French State (PGE) in the amount of €4 billion and a €3 billion loan from the French State, as well as (ii) for KLM, a revolving credit facility of €2.4 billion guaranteed by the Dutch State and a €1 billion loan from the Dutch State), were approved by the European Commission under the Covid-19 State Aid rules (decisions respectively of May 4, 2020 and July 13, 2020).

On April 6, 2021, the Group announced the first part of its overall recapitalization plan. Certain measures in this plan contained State aid (so-called "Covid-19 recapitalization" program) which were accordingly notified by the French authorities to the European Commission, the latter approving them in its decision of April 5, 2021. This decision made the approval of the measures subject to a number of commitments undertaken by the French State and leading notably to the provision by Air France of landing and take-off slots to a designated third-party carrier at Orly airport.

Like most of the decisions with respect to airlines receiving State Aid in the context of the Covid-19 crisis, the European Commission's decisions granting support measures to Air France and KLM have been subject to annulment proceedings brought by Ryanair. On December 20, 2023 and February 7, 2024, the General Court of the European Union annulled the decisions of the European Commission mentioned above. These annulments were made solely on the grounds of an incorrect determination of the beneficiary of these aids, which, according to the Tribunal, should have been the Group itself. Air France-KLM, Air France, KLM, and the European commission have lodged appeals for annulment before the Court of Justice of the European Union against the Tribunal's rulings. The Court of Justice of the European Union has yet to rule on these appeals.

Uncertainty remains as to the legal and financial consequences of cancelling the decisions approving state aid until a final ruling is obtained from the courts of the Union.

It shall be borne in mind that, in the course of 2022 and 2023 and pursuant to the applicable legal framework, the Group repaid in full the aforementioned Covid-19 liquidity and recapitalization State aid for, which were subject to the aforementioned commitments and constraints (commitments, behavioral measures, application of interest). As a result, the Air France-KLM holding company, Air France and KLM are therefore fully released from the aforementioned undertakings and constraints which had been linked to this Covid-19 recapitalization aid. The potential indirect consequences of the annulment of the approval of state aid (subject to the possible success of the aforementioned appeals) could include a request for the recovery of unreimbursed benefits by the French authorities, in some cases limited to illegality interest only.

The European Commission, re-approved on July 10, 2024, the Group's liquidity support measures in a single decision confirming their compatibility with Union law. This new decision has no impact on the aforementioned appeals.

Finally, as it has done in similar cases, the European Commission may also decide, if necessary, to initiate a formal examination procedure on the recapitalization measures, during which the Group will defend its interests to the best of its ability.

In January 2025, Air France-KLM was informed that Ryanair had filed an appeal before the Paris Administrative Court against the French State following the aforementioned annulment rulings of the General Court of the European Union. Ryanair's request seeks to compel the State to recover any advantage granted by the State that is alleged to have not yet been reimbursed, along with illegality interest. The Group will support the State in its defense.

If the Court of Justice of the European Union were to annul the aforementioned rulings of the General Court of the European Union, Ryanair's appeal would become moot.

Except as indicated in Notes 19. and 20. the Company is not aware of any litigation, governmental, legal or arbitration proceedings (including any proceedings of which the issuer is aware, which are pending or which it is threatened with) which may have or have recently had a material effect on the company's financial position, results of operations, assets or profitability, for a period covering at least the last twelve months.

5.6 FIVE-YEAR RESULTS SUMMARY

Year ended 31	December 2024	December 2023	December 2022	December 2021	December 2020
	12 months				
1. SHARE CAPITAL AT YEAR END					
Share capital (in €)	262,769,869	262,769,869	2,570,536,136	642,634,034	428,634,035
Number of ordinary shares outstanding	262,769,869	262,769,869	2,570,536,136	642,634,034	428,634,035
Number of shares with a priority dividend	-	-	-	-	-
Maximum number of shares that may be created:					
■ by bond conversion	—	24,962,588	249,709,585	27,901,785	27,901,785
■ by exercise of subscription rights	-	-	-	-	-
2. TRANSACTIONS AND RESULTS FOR THE YEAR (in € thousand)					
Net revenues	2,901	2,026	2,255	890	-
Net income/(loss) before income tax, employee profit-sharing, net depreciation, amortization and provisions	10,415	(5,264)	(60,167)	(43,801)	(47,243)
Income tax	(115,553)	(139,836)	(23,113)	(39,155)	1,636
Employee profit-sharing for the year					
Net income/(loss) after income tax, employee profit-sharing, net depreciation, amortization and provisions	96,338	129,784	(13,243)	(4,152)	(65,851)
Distributed net income	-	-	-	-	-
3. PER SHARE DATA (in €)					
Net income/(loss) after income tax and employee profit-sharing but before net depreciation, amortization and provisions	0.48	0.51	(0.02)	(0.01)	(0.11)
Net income/(loss) after income tax, employee profit-sharing, net depreciation, amortization and provisions	0.37	0.49	(0.01)	(0.01)	(0.15)
Dividend per share	-	-	-	-	-
4. EMPLOYEES					
Average number of employees during the year	27.0	21.0	12.0	10.3	8.5
Total payroll costs (in € thousand)	10,810	9,009	3,820	4,060	3,518
Employee welfare contributions and similar charges (Social Security, employee organizations, etc.) (in € thousand)	6,232	4,310	2,004	1,990	1,207

5.7 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

This is a translation into English of the Statutory Auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This Statutory Auditors' report includes information required by European regulation and French law, such as information about the appointment of the Statutory Auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended December 31, 2024

To the Annual General Meeting of Air France-KLM S.A.,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Air France-KLM S.A. for the year ended December 31, 2024.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2024 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors for the period from January 1, 2024 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Emphasis of Matter

Without qualifying our opinion, we draw your attention to the matter set out in Notes 1 "Change of accounting method", 12.2 "Statement of changes in shareholders' equity" and 13 "Provisions for risks and charges" to the financial statements, which describe respectively a change in accounting method regarding post-employment benefit obligations and its impact on the financial statements as at December 31, 2024..

Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Valuation of equity investments and related receivables (Notes 2, 10, 15 and 16 to the financial statements)

Risk identified

As at December 31, 2024, equity investment and related receivables amounts to a net value of €10.0 billion out of total assets of €11.8 billion. Equity investments are recorded at their acquisition cost net of any impairment, based on their fair value taking into account their share of shareholders' equity, cash flow and profitability outlook or reference stock market values.

The fair value estimate of these investments in subsidiaries requires Management to exercise judgment in its choice of items considered according to the nature of the investments concerned. Such items may correspond to historical items (shareholders' equity) or forecast items (cash flows and profitability outlook) particularly sensitive given the current context which has uncertainty due to the geopolitical and macro-economic environment and the increasing impact of ESG considerations.

We considered the determination of the fair value of equity investment and related receivables to be a key audit matter in light of their significant amount and of the high degree of judgment and estimates required by Management to determine their recoverable value.

Our response

To assess the reasonableness of estimated fair values of equity investments, based on the information communicated to us, our procedures mainly consisted in verifying that the estimate of the values determined by Management were based on an appropriate justification of the valuation method and figures used, and according to the investments concerned:

- for valuations based on historical items:
 - verifying that the shareholders' equity used is consistent with the financial statements of the entities audited or subjected to analytical procedures and that any equity adjustments have been appropriately documented; and
- for valuations based on forecast items:
 - obtaining the profitability outlook based on discounted cash flows for the entities concerned,
 - assessing the consistency of the assumptions adopted with the economic environment on the reporting dates,
 - comparing the forecasts adopted for prior periods with actual outcomes in order to assess the extent of achievement of past objectives,
 - verifying that the value resulting from cash flow forecasts was adjusted for the debt of the entity considered, and
 - verifying the arithmetical accuracy of the computed recoverable values.

In addition to assessing the realizable value of equity investments, our work also consisted in assessing the recoverability of the related receivables based on analyses of the equity investments.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 441-6 of the French Commercial Code (*Code de commerce*).

Information relating to corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by or awarded to the directors and any other commitments made in their favour, we have verified the consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlled companies included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a public takeover bid or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code, we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Format of presentation of the financial statements intended to be included in the Annual Financial Report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the Statutory Auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2-1 of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No. 2019/815 of December 17, 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Air France-KLM S.A. by the Annual General Meetings held on September 25, 2002 for KPMG S.A. and on May 25, 2022 for PricewaterhouseCoopers Audit.

As at December 31, 2024, KPMG S.A. was in the 23rd year of total uninterrupted engagement and PricewaterhouseCoopers Audit was in the 3rd year.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 821-55 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such

disclosures are not provided or inadequate, to modify the opinion expressed therein;

- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 821-27 to L. 821-34 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

The Statutory Auditors

Paris La Défense, March 7, 2025

KPMG S.A.

Valérie Besson
Partner

Éric Dupré
Partner

Neuilly-sur-Seine, March 7, 2025

PricewaterhouseCoopers Audit

Philippe Vincent
Partner

Amélie Jeudi de Grissac
Partner

5.8 STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS

This is a free translation into English of the Statutory Auditors' special report on related party agreements issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Annual General Shareholders' Meeting for the approval of the financial statements for the year ended December 31, 2024

In our capacity as Statutory Auditors of Air France-KLM S.A. (hereinafter the "Company"), we hereby report to you on related party agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of the agreements that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of Article R. 225-31 of the French Commercial Code (Code de commerce), it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by Article R. 225-31 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the Annual General Shareholders' Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

Agreements to be submitted for the approval of the Annual General Shareholders' Meeting

Agreements authorized and entered into during the year

In accordance with Article L. 225-40 of the French Commercial Code, we were informed of the following agreements entered into during the year and authorized in advance by the Board of Directors during the year.

Conclusion of a new joint venture agreement between Air France – KLM, Société Air France, KLM and China Eastern Airline

Interested party

- Mr. Jian Wang, board director of the Company, General Secretary of China Eastern Airlines and shareholder of China Eastern Airlines.

Nature, purpose and conditions

The Board of Directors of Air France – KLM (the "Company") has concluded on June 1st, 2024, a new joint venture agreement for air transport services between Europe and China (the "Agreement") with Société Air France, KLM and CEA.

The main purpose of the Agreement is to strengthen the existing cooperation between the Company and CEA on air transport services between Europe and China. The Agreement is concluded for an initial period until December 31st, 2028. It follows on from a previous joint venture agreement between the Company, Société Air France, KLM and CEA on November 26th, 2018. This agreement was established for a period of five (5) years, initially ending on December 31st, 2023. Pending the finalization of the discussions relating to the Agreement, the Company, Société Air France, KLM and CEA extended the term of the previous joint venture agreement on two occasions, first for a period of three (3) months and then for a further two (2) months: the term of the previous joint venture agreement has thus been extended to March 31st, 2024, and then to May 31st, 2024.

Reasons why the agreement is beneficial for the Company

The Agreement will enable to maximizing synergies between the parties, especially by extending the scope of the joint venture, developing joint commercial initiatives (with, for instance, stimulation of connecting traffic in China) and, more generally, implementing certain commitments made by the Company on June 23rd, 2021, in the context of its capital strengthening operations. The agreement also confirms CEA's exclusivity commitments between Europe and China. The financial mechanism for sharing the joint venture revenues between the parties has also been modernized and should notably incentivizing network connectivity.

Conclusion of an amendment to the transatlantic joint-venture agreement with Delta Air Lines Inc. and Virgin Atlantic Airways Ltd., and ancillary agreements

i. The Amendment

Interested parties

- Mr. Benjamin Smith, Chief Executive Officer and board director of the Company, Board director of Société Air France, Chairman of the Board of Directors of Société Air France from July 8, 2024 and member of the Supervisory Board of KLM;
- Delta Air Lines Inc. ("Delta"), Board director of the Company, represented by Mr. Alain Bellemare, and shareholder of Virgin with a representative member at the Board of directors of Virgin;
- Mr. Wiebe Draijer, board director of the Company and Chairman of the Supervisory Board of KLM.

Nature, purpose and conditions

On December 6, 2024, the Company has entered into with Société Air France, KLM, Delta Air Lines Inc. ("Delta") and Virgin Atlantic Ltd. ("Virgin") (the "Parties") an amendment (the "Amendment") to the Transatlantic joint-venture

agreement entered into by the Parties on May 15, 2018 (as amended by a first amendment between the Parties on January 1, 2020) (the "Transatlantic Agreement") governing their commercial cooperation on transatlantic routes (the "Joint-Venture").

The Amendment is aimed to modernize the Joint-Venture, subject to obtaining the applicable regulatory clearances, including (i) some elements of governance, in particular with respect to network planning process and additional flexibility granted to the Parties to open new routes, and (ii) the financial settlement mechanism for sharing revenues and costs generated by the Joint-Venture between the Parties.

Reasons why the agreement is beneficial for the Company

The Amendment will not introduce any changes to the scope of the Joint-Venture. This cooperation will continue to generate customer benefits and synergies.

In addition, the Amendment will rebalance the Company's future exposure through a revision of the financial mechanism.

ii. The Financial Settlement

Interested party

- Delta Air Lines Inc. ("Delta"), a director of the Company, represented by Mr. Alain Bellemare, Delta being also a shareholder of Virgin and a Delta representative has a seat on Virgin's Board of directors.

Nature, purpose and conditions

On November 6, 2024, the Board of directors of the Company has approved the main terms and conditions of the Financial Settlement, whereby the Company and Virgin settle their claims with respect to any amount payable by the Company to Virgin in relation to the financial settlement of the Transatlantic Agreement prior to the date of signature of the Financial Settlement, for a total amount of U.S. \$125,000,000, to be paid by the Company to Virgin in two instalments. The Financial Settlement will only enter into force, inter alia, upon (and subject to) the effectiveness of the Amendment.

Reasons why the agreement is beneficial for the Company

The Company agrees to pay an exceptional compensation of U.S. \$125,000,000 to be paid by the Company to Virgin in two instalments, thereby settling their claims with respect to any amount payable by the Company to Virgin under the financial settlement mechanism of the Transatlantic Agreement prior to the date of signature of the Financial Settlement.

iii. The Amendment to the Supplemental Agreement

Interested parties

- Mr. Benjamin Smith, Chief Executive Officer and board director of the Company, Board director of Société Air France, Chairman of the Board of Directors of Société Air France from July 8, 2024 and member of the Supervisory Board of KLM;
- Delta Air Lines Inc. ("Delta"), a director of the Company, represented by Mr. Alain Bellemare;
- Mr. Wiebe Draijer, board director of the Company and Chairman of the Supervisory Board of KLM.

Nature, purpose and conditions

On November 6, 2024, the Board of directors of the Company has approved the main terms and conditions of the Amendment to the Supplemental Agreement, whereby the Company, Société Air France, KLM and Delta (i) modify the distribution surcharges in respect of the tickets sold via a global distribution system for travel on flight using the relevant Party's applicable codes and (ii) fix a new amount for the interline service charges. The Amendment to the Supplemental Agreement will only enter into force, inter alia, upon (and subject to) the effectiveness of the Amendment.

Reasons why the agreement is beneficial for the Company

The Amendment to the Supplemental Agreement will adjust the interline sales commission of the Company and parties.

Agreements already approved by the Annual General Shareholders' Meeting

Agreements approved in previous years that continued to be implemented during the year

In accordance with Article R. 225-30 of the French Commercial Code, we were informed of the following agreements, approved by the Annual General Shareholders' Meeting in previous years, which continued to be implemented during the year.

Commitments relating to the severance payment to the benefit of Mr. Benjamin Smith, Chief Executive Officer of Air France-KLM

Interested party

- Mr. Benjamin Smith, Chief Executive Officer of the Company

Nature, purpose and conditions

On August 16, 2018, pursuant to the provisions of the former Article L. 225-42-1 of the Code de Commerce (repealed by Ordinance No.2019-1234 of November 27, 2019), the Air France-KLM Board of Directors authorized the granting of a severance payment to the benefit of Mr. Benjamin Smith, Chief Executive Officer of Air France-KLM, in some instances of forced termination and, namely, dismissal, non-renewal of his mandate as Chief Executive Officer or forced resignation linked to a change of control.

It is stipulated that the instances of forced termination enabling the implementation of this severance payment exclude any situation of serious misconduct on the part of the Chief Executive Office.

In accordance with the recommendations of the AFEPMEDEF Code, the basis of the severance payment is equivalent to two years of his annual fixed and variable compensation (according to specific calculation modalities based, as applicable, on the target variable compensation in the event of a termination during the first 24 months).

A coefficient (between 0 and 100% inclusive) will be applied to the basis of the severance payment based on the achieved performance criteria relating to the annual variable component of his compensation over the two last financial years of his mandate. The Board will assess the achievement of these performance criteria.

Transatlantic partnership between Air France-KLM, Delta Air Lines, Inc. and Virgin Atlantic

Interested party

- Delta Air Lines Inc. ("Delta"), a director of the Company, represented by Mr. Alain Bellemare.

Nature, purpose and conditions

On October 30, 2019, the Board of Directors mandated the Air France-KLM management to finalize the discussions and negotiate amendments to the agreements authorized during the Board meetings of March 14 and May 15, 2018, so as not to proceed with the planned acquisition by Air France-KLM of a 31% equity interest in Virgin Atlantic Limited as initially provided in that this impacts the position of Air France-KLM in the commercial joint-venture between Delta, Virgin Atlantic and Air France-KLM.

As a result, the agreements entered into on March 14 and May 15, 2018 were amended and an agreement was signed between Air France-KLM, Delta and Virgin Group (signed and effective as of January 30, 2020) granting Air France-KLM, subject to specific conditions, a right to acquire shares in Virgin Atlantic Limited in the event of a sale by Virgin Group of shares in Virgin Atlantic Limited to a third party.

Conclusion of a Framework Agreement between Air France-KLM, KLM and the Dutch State

Interested parties

- The Dutch State, shareholder owning 13.3% of the voting rights;

- Mr. Dirk van den Berg, director appointed by the Annual General Shareholders' Meeting as proposed by the Dutch State; and
- Mr. Benjamin Smith, Chief Executive Officer of the Company and director of both the Company and KLM;
- Mr. Cees 't Hart up to June 5, 2024 and Mr. Wiebe Draijer from this date, directors of both the Company and KLM.

Nature, purpose and conditions

On August 7, 2020, within the framework of the financial support package granted by the Dutch State to KLM, a subsidiary of Air France-KLM, Air France-KLM entered into a Framework Agreement with KLM and the Dutch State, a shareholder in the Company with 14% of its share capital, to enable KLM to meet its urgent need for liquidity following the crisis linked to the Covid-19 pandemic and prepare for the future.

This financial support package, approved on June 25, 2020, by the Company's Board of Directors in the total amount of €3.4 billion, was structured as follows:

- a revolving credit facility in the amount of €2.4 billion, granted to KLM by eleven banks and up to 90% guaranteed by the Dutch State; and
- a direct loan in the amount of €1 billion, granted by the Dutch State to KLM, with subordination to the revolving credit facility.

A number of conditions were associated with the granting of these loans, including respect by the company of the commitments on sustainability and the restored performance and competitiveness of KLM, including a comprehensive restructuring plan and a contribution made by employees. KLM also undertook to suspend dividend payments to its shareholders until such time as these two loans had been repaid in full.

During the 2022 first half, KLM repaid amounts made available with the framework of the revolving credit line (€665 million) and the subordinated loan (€277 million), without however terminating the framework agreement.

KLM also cancelled the revolving credit facility guaranteed by the Dutch State and the direct loan granted by the Dutch State.

Following this cancellation, the conditions attached to this aid were no longer applicable.

The framework agreement remains however applicable mostly as concerns the stipulations relating to the assurances given to the Dutch State which provide, in particular, for the extension from nine months to five years of the notice period to terminate these assurances.

Conclusion of a Shareholders' Agreement relating to Flying Blue Miles, between Air France-KLM, Société Air France, KLM, AP Fides Holdings I LLC and AP Fides Holdings II LLC, in the presence of Flying Blue Miles

Interested parties

- Ms. Anne-Marie Couderc, chairman of the Board of directors of the Company and chairman of Société Air France up to July 8, 2024;
- Mr. Benjamin Smith, Chief Executive Officer of the Company, director of the Company, Société Air France

and KLM and Chairman of the board of Société Air France from July 8, 2024;

- Mr. Cees 't Hart up to June 5, 2024, director of both the Company and KLM.

Nature, purpose and conditions

On November 30 2023, the Company entered into, with Société Air France, KLM, AP Fides Holdings I LLC (the "Bond Investor") and AP Fides Holdings II LLC (the "Share Investor"), in the presence of Flying Blue Miles S.A.S. (formerly known as BlueTeam VII), a société par actions simplifiée (simplified joint stock company) incorporated under French Law, with its registered office located at 45, rue de Paris, 95747 Roissy Charles-de-Gaulle Cedex 93290 Tremblay-en-France, and registered with the Bobigny Trade and Companies Registry under number 921,540,258 ("Flying Blue Miles"), a shareholders' agreement (the "Shareholders' Agreement") in the context of the financing of €1.5 billion raised by Flying Blue Miles, to which have been transferred certain assets of the Flying Blue loyalty program relating to the Miles-issuing business on an exclusive basis with the program's third-party partners (the "Transaction").

It is recalled that (i) on July 27, 2023, the Board of Directors authorized the entry into exclusive discussions with Apollo Capital Management, L.P. to negotiate and finalize the transaction documents relating to the Transaction and (ii) on October 26, 2023, the Board of Directors approved the signature of a definitive agreement on the Transaction and the corresponding contractual documentation, including the signature of the Shareholders' Agreement.

The Shareholders' Agreement defines the terms and conditions, inter alia, of the governance of Flying Blue Miles, the covenants of the Company as majority shareholder of Flying Blue Miles, certain covenants of Société Air France and KLM, the rights attached to the preferred shares issued by Flying Blue Miles and subscribed by the Share Investor, the terms and conditions of AFKLM's call option on the preferred shares held by the Share Investor in Flying Blue Miles, and the Share Investor's contractual remedies in the event of a breach by Air France-KLM, Air France and/or KLM of certain material obligations under the agreements (including, in this case, (i) the right of the Share Investor to appoint the President of Flying Blue Miles and of the SPVs, and to terminate the operational agreements relating to the Transaction, and (ii) the right of Flying Blue Miles to claim for liquidated damages for a total amount of €1.5 billion upon such termination).

The Shareholders' Agreement also includes specific provisions whereby:

- i) The Company shall be jointly and severally liable with Société Air France and KLM with respect to the payment of any liquidated damages owed, as the case may be, by them in the event of a breach of their material obligations, to Flying Blue Miles for the total amount of €1.5 billion;
- ii) The Company shall procure that neither Société Air France nor KLM shall take any action that would result in a breach of their material covenants in the Shareholders' Agreement; and
- iii) The Company shall indemnify Flying Blue Miles for any liability it may incur, if applicable, in respect of the processing of personal data in accordance with the Joint Controller Agreement, an agreement entered into on November 30, 2023 between Société Air France, KLM and Flying Blue Miles, the purpose of

which is to set out the respective rights, obligations and liabilities of Société Air France, KLM and Flying Blue Miles as joint controllers in respect of the processing of personal data within the framework of Flying Blue.

Agreements already approved during the year

We were also informed of the implementation during the year of following agreements, approved by the Annual General Shareholders' Meeting on June 5, 2024, and presented in the statutory auditors' report on related-party agreements on March 28, 2024

Agreements entered into in the context of the termination of the commercial cooperation between Air France-KLM and CMA CGM

i. Conclusion of a term sheet between Air France-KLM, Air France, KLM, CMA CGM, CMA CGM Air Cargo and CMA CGM Air Cargo 9

Interested parties

- Ms. Anne-Marie Couderc, chairman of the Board of directors of the Company and chairman of Société Air France up to July 8, 2024;
- Mr. Benjamin Smith, Chief Executive Officer of the Company and Board director of the Company, chairman of Société Air France from July 8, 2024, and member of the supervisory board of KLM;
- Mr. Cees 't Hart, directors of both the Company and KLM up to June 5, 2024;
- CMA CGM, a shareholder of the Company with 12,8% of the voting rights; and
- Mr. Ramon Fernandez, permanent representative GMA CGM up to March 31, 2024.

Nature, purpose and conditions

On January 15, 2024, the Company entered into a term sheet called White Cargo – Term Sheet ("the Term Sheet") with Société Air France, KLM, CMA CGM, CMA CGM Air Cargo ("CCAC"), and CMA CGM Air Cargo 9 ("CCAC 9" and, together with the Company, Société Air France, KLM, CMA CGM and CCAC, the "Parties") providing for the terms and conditions of the termination of the commercial cooperation between the entities of the Air France-KLM group and the entities of the CMA CGM group relating to their cargo activities, The Term Sheet provides in particular the termination of the commercial cooperation entered into on December 9, 2022 between the Parties (the "Cooperation Agreement") and the ancillary agreements relating to their cooperation in air cargo activities (the "Ancillary Agreements").

The Term Sheet provides for the terms and conditions of the termination of the Cooperation Agreement and the Ancillary Agreements, in particular:

- i) the termination of the Cooperation Agreement, with effect on March 30, 2024;
- ii) the termination of the dry and wet lease agreements with effect on January 16, 2024;
- iii) the termination of the other Ancillary Agreements with effect on March 30, 2024;

- iv) the payment of the various amounts due by each of the Parties to the other under all the agreements relating to in air cargo activities, with the exception of certain operational costs, resulting in a global final payment by the Company to CMA CGM of 20,000,000 euros;
- v) the waiver by the Parties of any recourse against each other in respect of commercial cooperation in cargo activities; and
- vi) the terms and conditions of the transition period commencing on January 16, 2024 (included) and ending with the termination of the commercial cooperation on March 30, 2024 (included).

Reasons why the agreement is beneficial for the Company

The signing of the Term Sheet enables the Company to terminate, by way of mutual agreement with CMA CGM, their commercial cooperation in the air cargo sector, which has been unable to work in an optimal way given the tight regulatory environment in certain important markets, and also clarifies the terms and conditions of the transition period commencing on January 16, 2024 (included) and ending with the termination of the commercial cooperation on March 30, 2024, and the settlement of the various financial flows under this cooperation.

ii. Conclusion of an amendment to the subscription agreement executed on May 22, 2022, between Air France-KLM and CMA CGM

Interested parties

- CMA CGM, a shareholder of the Company with 12,8% of the voting rights; and
- Mr. Ramon Fernandez, permanent representative GMA CGM up to March 31, 2024

Nature, purpose and conditions

On May 22, 2022, the Company entered into a subscription agreement in the context of the conclusion of a long-term strategic partnership on air cargo with CMA CGM, a shareholder of the Company with 12.8% of voting rights (as modified by two amendments dated November 28, 2022, and April 19, 2023, the "Subscription Agreement").

On January 15, 2024, and as indicated in the previous agreement "Conclusion of a term sheet between Air France-KLM, Société Air France, KLM, CMA CGM, CMA CGM Air Cargo and CMA CGM Air Cargo 9", the Company entered into a termination agreement of the business cooperation agreement entered into on December 9, 2022, and ancillary agreements relating to air cargo activities with Air France, KLM, CMA CGM, CMA CGM Air Cargo and CMA CGM Air Cargo, with effect from March 30, 2024.

In the context of the termination of the commercial cooperation, the Parties entered into an amendment to the Subscription Agreement (the "Amendment to the Subscription Agreement") which provides that the CMA CGM's lockup undertaking to retain all the shares in the Company subscribed by CMA CGM in the rights issue, initially due to expire upon termination of the commercial cooperation agreement or on June 15, 2025 (in the case of all the Company's shares subscribed to by CMA CGM in the rights issues, and on June 15, 2028 in the case of 50% of such shares), will be modified and will expire on February 28, 2025, and will no longer be conditional on the existence of the commercial cooperation agreement between the Company and CMA CGM.

In addition, the Amendment to the Subscription Agreement provides that CMA CGM will no longer have a representative on the Company's Board of Directors from March 31, 2024, under the Investment Agreement.

The Amendment to the Subscription Agreement will however not change the standstill commitment provided for under the Subscription Agreement, which thus continues to apply.

Reasons why the agreement is beneficial for the Company

Apart from the impact on the composition of the Company's Board of directors, the conclusion of the Amendment to the Subscription Agreement should ensure the continuity, until February 28, 2025, of CMA CGM's lockup undertaking on the shares subscribed by CMA CGM in the rights issues announced on May 24, 2022.

The Statutory Auditors

French original signed by

Paris La Défense, March 28, 2025

KPMG S.A.

Valérie Besson
Partner

Éric Dupré
Partner

Neuilly-sur-Seine, March 28, 2025

PricewaterhouseCoopers Audit

Philippe Vincent
Partner

Amélie Jeudi de Grissac
Partner



6.

Other information

6.1	History	508	6.5	Information and control	518
6.2	General information	511	6.5.1	Person responsible for the Universal Registration Document and for the Annual Financial Report	518
6.3	Information on the agreements concluded in connection with the business combination between Air France and KLM	512	6.5.2	Certification by the person responsible for the Universal Registration Document	518
6.3.1	Agreements relating to the KLM shareholding structure	512	6.5.3	Statutory Auditors	518
6.3.2	Agreements with the Dutch State	512	6.5.4	Head of Investor Relations	518
6.3.3	Assurances given to KLM	513	6.5.5	Documents available to the public	519
6.4	Legislative and regulatory environment for the air transport industry	514			
6.4.1	Freedoms of the air and international conventions	514			
6.4.2	European legislation	515			
6.4.3	Other legal aspects of Air France-KLM's activities	517			

6.1 HISTORY

Two companies born on the same day

October 7, 1919

KLM, Koninklijke Luchtvaartmaatschappij, is founded, Royal Dutch Airline for the Netherlands and its colonies.

October 7, 1933

Air France is created from the combination of five French airlines (Air Union, Air Orient, Société Générale de Transport Aérien (SGTA), CIDNA and Aéropostale).

Air France and KLM jointly operate the Amsterdam-Rotterdam-Paris route within the framework of a commercial agreement.

1934

First KLM transatlantic flight from Amsterdam to Curaçao in a Fokker F-XVIII Snip.

Air transportation and the two companies take off

1945-46

Air France is nationalized.

KLM flights, interrupted by the war, resume service.

Introduction of scheduled flights to New York in DC-4s, from Paris with Air France and from Amsterdam with KLM. At this time, the flight takes nearly 24 hours.

Air France and KLM are equipped with Constellations and engage in mutual assistance.

1958

Air France and KLM inaugurate the polar route, flying from Paris and Amsterdam to Tokyo via the North Pole.

1959-1960

Arrival of the jet era: Air France brings the first Caravelles and B707s into service, reducing the Paris-New York flight time to eight hours. KLM brings its first DC-8 aircraft into service.

1961

Air France bases its operations and maintenance at Orly Sud.

1967

First KLM flight takes off from the new Schiphol airport.

1970-71

The Boeing 747 is first used on long-haul routes by Air France in 1970 and by KLM in 1971.

1974-1982

Air France operations move, in 1974, to the new Terminal 1 at Paris-Charles de Gaulle, then to CDG 2 in 1982.

1976

The supersonic airplane, Concorde, is brought into service, first on the Paris-Rio, Paris-Caracas and Paris-Washington routes then, in 1977, on Paris-New York, connecting the two cities in three hours 45 minutes.

Development of the two majors

1989

Conclusion of an alliance, the first in the history of air transportation, between KLM and the US company Northwest Airlines.

1990

Air France acquires UTA (Union des Transports Aériens), founded in 1963.

1991

KLM founds a regional company, KLM Cityhopper, by merging NLM Cityhopper and NetherLines, and reinforces its shareholding in Transavia from 40% to 80%.

1992

Air France and UTA merge, giving Air France a 72% stake in Air Inter after combining its own shareholding in that company with that of UTA.

KLM establishes the first European medium-haul/long-haul transfer platform at Schiphol airport.

First Open Skies agreement between the Netherlands and the United States.

1993

All KLM and Northwest Airlines flights between Europe and the United States are operated within a joint-venture.

1996

Air Inter becomes Air France Europe.

Establishment of Air France's medium-haul/long-haul transfer platform at Paris-CDG.

1997

Air France Europe is merged with Air France.

1999

Air France is listed for trading on the Monthly Settlement Market of the Paris Stock Exchange for the first time on February 22, 1999.

2000

Air France, Aeromexico, Delta Air Lines, Inc. and Korean Air found the SkyTeam and SkyTeam Cargo alliances.

Creation of the Air France regional division following the acquisition of Régional Airlines, Flandre Air, Proteus, Brit Air and CityJet.

2001

Open Sky agreement signed between France and the United States.

Alitalia and CSA Czech Airlines join SkyTeam.

Creation of Air France-KLM, the leading European air transport group

2003

September 30: Air France and KLM announce their intention to merge through a public exchange offer.

2004

May: Air France-KLM shares are listed for trading on the Euronext Paris and Amsterdam markets as well as on the New York Stock Exchange. Privatization of Air France with the transfer of the majority of its shares to the private sector involving the dilution of the French State's shareholding.

September: Finalization of the Group's organizational structure with the creation of the Air France-KLM holding company, regrouping the two airline subsidiaries, Air France and KLM. KLM and its US partners Northwest Airlines and Continental join the SkyTeam alliance.

December: The French State reduces its shareholding from 44% to 23% by selling shares in the market.

2005-06

The French State reduces its shareholding in Air France-KLM from 23% to 18.6% by selling shares within the framework of the share offer (ORS) reserved to Air France employees.

2006-07

Signature of the Open Skies agreement between Europe and the United States to come into force in March 2008.

2008-09

The US Department of Transportation grants Air France, KLM, Delta Air Lines, Inc. and Northwest anti-trust immunity with the obligation to establish a single transatlantic joint-venture between these four airlines before the end of 2009.

Air France-KLM acquires a 25% equity interest in Alitalia.

2009-10

In April, Air France-KLM and Delta Air Lines, Inc. implement the joint-venture on the North Atlantic and are joined, in July 2010, by Alitalia.

2012

Launch of the "Transform 2015" plan targeting a €2 billion reduction in net debt, the restoration of the Group's competitiveness and a turnaround in the short and medium-haul network.

2014

In early September, the Group unveils its new strategic plan, "Perform 2020", foreseeing an ongoing improvement in competitiveness and an increase in the Group's exposure to growth markets.

2015

The Boeing 787 enters the KLM fleet.

2016

Air France-KLM returns to the offensive with the launch of the new "Trust Together" strategic project.

2017

Air France-KLM takes another major step in the reinforcement of its strategic partnerships when China Eastern Airlines and Delta Air Lines, Inc. become shareholders.

2018

Anne-Marie Couderc is appointed Chair of the Air France-KLM Board of Directors. Benjamin Smith is appointed Chief Executive Officer.

2019

The longest-standing commercial airline in the world still to be flying under its original name, on October 7, 2019 KLM celebrates its 100th anniversary.

The Dutch State acquires 14% of the Air France-KLM share capital.

The Group undergoes a transformation

2020

The public health crisis linked to the Covid-19 pandemic has a major impact on the airline industry and on Air France-KLM's activity throughout 2020. Air France-KLM implements a number of strong measures to reduce its costs and preserve cash. The Group also benefits from financial support packages from the French and Dutch States.

2021

The Covid-19 crisis had a significant impact on the Group's results and financial position in the 2021 financial year and will continue to do so, in a context where visibility on the recovery of demand is limited, with travel restrictions still in place in most destinations served by the Group.

In 2021, in order to strengthen its cash position, the Group puts in place various measures which are approved by the European Commission as part of its decision to authorize an intervention by the French State of up to €4 billion to recapitalize Air France and its holding company.

2022

In 2022, in a challenging economic and geopolitical context, the Air France-KLM Group records a strong performance, with a positive net result of €738 million.

Successfully capturing the strong demand for travel, Air France and KLM repay more than €4 billion of State Aid from the French and Dutch governments and, at the same time, invest in the renewal of their fleets and SAF.

2023

Air France celebrates its 90th anniversary.

Air France-KLM records the highest revenues in its history, at €30 billion, with a net profit of €934 million, an increase of €206 million.

Air France-KLM and Air France exit in full the French State's recapitalization aid, granted under the European Union's State Aid Temporary Framework, linked to Covid-19, and the related constraints, following the final repayment of the balance of the perpetual hybrid bonds held by the French State as well as the required compensation for the shares subscribed in April 2021 by the French State, while KLM canceled both the direct loan and the existing credit facility guaranteed by the Dutch State.

2024

In 2024, France hosted the Paris 2024 Olympic and Paralympic Games, the largest event in the world, a symbol of openness, diversity and universality. As an official partner and leading accredited air carrier, Air France worked throughout the year to welcome athletes, sports delegations, media, and supporters from around the world, paying particular attention to people with disabilities. The company also ensured the transport of Olympic equipment and materials on board its aircraft and those of partner airlines.

6.2 GENERAL INFORMATION

Corporate name

Air France-KLM

Trade name

Air France-KLM Group

Registered office

7, rue du Cirque, 75008 Paris

Tel: +33 (0)1 43 17 20 20

Mailing address

7, rue du Cirque, 75008 Paris

Website

www.airfranceklm.com

The Company information figuring on the website is not an integral part of this Universal Registration Document, excepting incorporation by reference.

Legal status

French public company (*société anonyme*) with a Board of Directors

Legislation

French law

Air France-KLM is governed by the French Code of Commerce (*Code de commerce*) and the provisions of the Civil Aviation (*Code de l'aviation civile*) and Transport (*Code des transports*) Codes relating to air transport companies and notably to Air France. The Transport Code (*Code des transports*) contains a provision designed to safeguard the nationality of air transport companies whose shares are listed for trading on a regulated market.

Incorporation and expiry dates

Incorporated on: April 23, 1947.

Due to expire on: July 3, 2045 barring early liquidation or extension.

Corporate purpose (Article 2 of the Articles of Incorporation)

The primary purpose of Air France-KLM is to hold direct or indirect interests in the capital of air transport companies and, more generally, in any companies in France or elsewhere whose purpose is related to the air transport business.

Trade register

Paris Trade and Companies Register: 552,043,002

APE code: 6420Z

Legal Entity Identifier (LEI)

969500AQW31GYO8JZD66 (LEI Code)

Consultation of legal documents

The legal and corporate documents relating to Air France-KLM may be consulted at 7, rue du Cirque, 75008 Paris.

Financial year

The financial year begins on January 1 and ends on December 31.

Appropriation of income

After approving the financial statements and taking due note of the income available for distribution, the shareholders vote in the Shareholders' Meeting on the total or partial distribution of such income (with, in the latter case, the appropriation of the undistributed balance to one or more reserve accounts), or the appropriation of all distributable income to one or more reserve accounts.

Relations between Air France-KLM and its subsidiaries

Air France-KLM and its subsidiaries Air France and KLM have signed agreements whose purpose is to define the conditions under which Air France and KLM, at the request of Air France-KLM, provide technical and administrative support services to Air France-KLM (intra-group accounting, administrative, legal, financial and IT services).

6.3 INFORMATION ON THE AGREEMENTS CONCLUDED IN CONNECTION WITH THE BUSINESS COMBINATION BETWEEN AIR FRANCE AND KLM

In connection with the business combination that took place in 2004 between Air France and KLM for the creation of the Air France-KLM holding company, agreements were entered into with various stakeholders, some of whose provisions continue to apply as of the date of this Universal Registration Document.

6.3.1 Agreements relating to the KLM shareholding structure

Ownership of shareholder voting rights by two Dutch foundations

In order to continue to comply with specific regulatory requirements relating to KLM air transport operations, a system to separate the rights attached to KLM shares and the exercise of the voting rights attached to these shares by two Dutch foundations (SAK I and SAK II) was put in place in 2004.

Pursuant to this system which is still in force, Air France-KLM held, as at December 31, 2024, 93.84% of KLM's economic rights, 99.70% of KLM's dividend rights and 49% of KLM's voting rights, while the two Dutch foundations held, together, 44.84% of KLM's voting rights.

Furthermore, as at December 31, 2024, the Dutch State held 5.92% of KLM's voting rights and the remaining minority shareholders held 0.24% of KLM's voting rights and 0.30% of its dividend rights.

In KLM Shareholders' Meetings, the two Dutch foundations, SAK I and SAK II, exercise the voting rights they hold in accordance with decisions taken unilaterally by the three Board directors constituting their respective Boards of Directors, it being specified that these Board directors must act in accordance with the corporate governance principles defined in the agreements relating to the business combination between KLM and Air France, and in the best interests of

KLM, Air France-KLM and its shareholders. If a unanimous decision cannot be reached by the three Board directors in the Board of Directors for each of the Dutch Foundations, no resolution may be passed by the Board of the relevant Foundation, which consequently cannot then vote on the relevant resolutions in the KLM Shareholders' Meeting.

Among the three Board directors for each of the foundations, one member is appointed by Air France-KLM, one by KLM and the third, acting in the capacity of Chair of the Foundation, is appointed by the first two directors, it being specified that the majority of the members of the Boards of Directors of each Foundation, including the Chair, must be Dutch residents.

Unilateral termination option for Air France-KLM at any time

Initially incorporated in 2004 for a three-year period, the two SAK I and SAK II foundations were however extended for an unlimited period by a 2007 agreement. Nevertheless, this agreement provides that Air France-KLM may, at any time as of May 6, 2007 and at its sole discretion, terminate this administered shareholding structure for KLM shares through SAK I and SAK II and proceed to regroup the economic and voting rights attached to the KLM shares, thereby holding 93.84% of KLM's voting rights.

6.3.2 Agreements with the Dutch State

To enable the completion of the business combination and safeguard KLM's traffic rights, airline status and the scale of its network and operations at Schiphol, Air France and KLM entered into the following agreements with the Dutch State.

Agreement for the acquisition of cumulative preference A shares held by the Dutch State

On October 16, 2003, Air France, KLM and the Dutch State signed an agreement pursuant to which the Dutch State agreed to decrease its interest in KLM proportionately to any reduction by the French State of its stake in Air France-KLM. To this end, the Dutch State will sell its cumulative preferential A shares to Air France-KLM or to

SAK I on behalf of Air France-KLM as long as this foundation is maintained. In such case, SAK I will issue share certificates to the benefit of Air France-KLM corresponding to the cumulative preferential A shares transferred to SAK I. These share certificates confer to Air France-KLM the economic right attached to the transferred cumulative preferential A shares, i.e., a right to a dividend, the corresponding voting rights being exercised by SAK I until the share certificates have been exchanged by Air France-KLM against the said shares.

In March 2005, pursuant to the agreement, 5,103,885 cumulative preference A shares were transferred by the Dutch State to SAK I on behalf of Air France-KLM, which received, in return, SAK I share certificates.

At the end of the initial three-year period (2004 to 2007), Air France-KLM had the option to exchange the share certificates against cumulative preferential A shares, and to directly hold the cumulative preferential A shares. Having decided, in 2007, to maintain the SAK I and SAK II foundations, Air France-KLM did not proceed with this exchange but could still do so at any time, in whole or in part. In addition, Air France-KLM is free to decide to dissolve the foundations at any time and at its sole discretion.

Furthermore, the Dutch State benefits from the right to transfer, at any time, as many cumulative preferential A shares as it wishes to Air France-KLM.

These agreements relating to the cumulative preferential A shares remain in force.

Option for the Dutch State to subscribe for preferential KLM B shares

This option granted to the Dutch State lapsed in May 2010.

Assurances given to the Dutch State

Nature and duration of the assurances – unilateral termination option

Within the framework of the 2004 business combination, Air France and KLM granted the Dutch State, for an initial eight-year period starting from the completion of the business combination (i.e., expiring in 2012), various assurances as to KLM's airline status, its air services and the scale of its passenger and cargo operations at Schiphol airport with a view to maintaining the quality of KLM's network at Schiphol which, according to the Dutch State, is of public interest, while at the same time taking into account the interests of the Air France-KLM Group and its shareholders (the "Assurances").

In return for these Assurances, the Dutch State undertook to take the importance of KLM's activities at Schiphol into consideration when defining its civil aviation policy. Furthermore, the Dutch State agreed to:

- maintain the existing portfolio of traffic rights granted to KLM, other than those that have not been used by KLM over a cumulative period of twelve months;
- continue to review any future request submitted by KLM for the allocation of new traffic rights on a fair and non-discriminatory basis.

Pursuant to an agreement entered into on May 25, 2010, the Dutch State, Air France-KLM and KLM agreed to extend the Assurances given to the Dutch State, with the exclusion, however, of an assurance foreseeing that the combined growth should not negatively impact KLM's operations in the passenger and cargo segment, beyond May 5, 2012 for an indefinite period, subject to Air France-KLM's right to terminate these Assurances, at its sole

discretion, with prior notice of nine month. This agreement was confirmed by a meeting which took place on March 12, 2015 between, *inter alia*, the Minister for Transportation of the Netherlands, the Chairman and Chief Executive Officer of Air France-KLM and the President of the Management Board of KLM. The prior notice period was extended to five years under the framework agreement reached between Air France-KLM, KLM and the Dutch State on August 7, 2020.

Mechanism to ensure compliance with the Assurances

Air France and KLM set up a Dutch foundation, known as the KLM Assurances Foundation (Stichting Assurances KLM – duration extended in 2010) to facilitate the provision of binding advice (bindend advies) on the interpretation of the Assurances granted to the Dutch State (the "Advice"). This advice is issued by a KLM Assurances Foundation Committee in the event that a decision taken by the KLM Supervisory Board, KLM Management Board or Air France-KLM Board of Directors is considered to be in conflict with the Assurances given to the Dutch State.

When giving its Advice, the KLM Assurances Foundation must act in the best interests of KLM, the Air France-KLM Group and its shareholders.

The Committee is composed of three members:

- one member appointed by Air France-KLM;
- one member appointed by the Dutch State; and
- one member jointly appointed by the first two members as well as by a Board member of the KLM Assurances Foundation appointed by KLM who is not a Committee member; it being specified that the member appointed by Air France-KLM has a double voting right for the appointment of the third Committee member.

The filing of a case with the Foundation's Committee relating to a decision taken by the KLM Supervisory Board, the KLM Management Board or the Air France-KLM Board of Directors can be made by the Dutch State only in relation to the Assurances given to it.

If the KLM Assurances Foundation Committee issues Advice indicating that the decision submitted to it contravenes the Assurances given to the Dutch State, the KLM Supervisory Board, the KLM Management Board or the Air France-KLM Board of Directors will be required to cancel or amend its decision as soon as possible and nullify the effects of any measure taken in connection with the said decision, in accordance with the issued Advice. The Committee's decisions are adopted by majority vote of its members.

As at December 31, 2024, no Advice had been issued by the KLM Assurances Foundation Committee.

6.3.3 Assurances given to KLM

The assurances granted to KLM have been null and void since May 6, 2009.

6.4 LEGISLATIVE AND REGULATORY ENVIRONMENT FOR THE AIR TRANSPORT INDUSTRY

Commercial air transport is governed by eight freedoms, national and supranational legislation, and various international conventions that each State undertakes to apply in its air space after their ratification.

6.4.1 Freedoms of the air and international conventions

In addition to the eight freedoms of the air established by the Chicago Agreements relating to transit and transport (1944), three main treaties establish the legal and regulatory framework for commercial aviation: the Chicago Convention (1944), the Montreal Convention (1999) and the Tokyo Convention (1963). A fourth treaty, the Rome Convention (1952), covers damage caused to third parties on the ground.

Freedoms of the air

Under a bilateral treaty, an air carrier has freedoms that allow it to operate in the air space and the territory of a State other than its State of origin. These eight freedoms are as follows:

- 1st freedom – A carrier that leaves from its State of origin has the right to overfly the air space of a foreign State;
- 2nd freedom – A carrier that leaves from its State of origin has the right to make a technical layover without unloading or loading passengers in a foreign State. This freedom is the “transit right”;
- 3rd freedom – A carrier that leaves from its State of origin has the right to unload passengers from its State of origin in a foreign State;
- 4th freedom – A carrier that leaves from a foreign State has the right to load passengers in this foreign State and unload them in its State of origin;
- 5th freedom – A carrier that leaves from its State of origin has the right to unload and load passengers in two successive foreign States;
- 6th freedom – A carrier that leaves from a foreign State has the right to load passengers in that State and unload them in its State of origin, then in another foreign State;
- 7th freedom – A carrier that leaves from a foreign State has the right to load passengers in that State to unload them in another foreign State, without going through its State of origin;
- 8th freedom – A carrier that leaves from its State of origin has the right to load passengers in a foreign State, to unload them in another city in this same foreign State.

The Chicago Convention (1944)

The Convention relating to international civil aviation, known as the Chicago Convention, sets out the legal, regulatory and technical rules governing commercial aviation and its Member State signatories are required to implement a common legal framework governing their domestic air space and their relations with one another.

Signed on December 7, 1944, the Chicago Convention established the International Civil Aviation Organization (ICAO) as the instrument of cooperation between the 193 signatory States in all areas of civil aviation.

The Montreal Convention (1999)

The Montreal Convention of May 1999, ratified to date by 136 States, aims to provide better protection for passengers suffering damages. This convention entered into force on June 28, 2004. It is based on several fundamental provisions, notably the principle of the unlimited liability of air transport companies in the event of physical injury with the implementation of a two-tier system:

- a first tier that sets an objective liability for the air transport company of up to 128,821 Special Drawing Rights (SDR);
- a second tier, based on a presumption of fault for the air transport company, for which the airline may be exempt if it proves that it or its agents or officials have not been negligent in any way or that the damages result exclusively from the acts of a third party.

The Rome Convention (1952)

The Rome Convention, signed in 1952, covers damages caused to third parties on the ground by foreign aircraft. This convention has not been ratified by France, the Netherlands or the United States. The ICAO's legal commission is currently involved in a major initiative to redraft the wording which would facilitate its ratification by making a distinction between everyday risk and terrorist risk.

The Convention intended to replace the Rome Convention, relating to compensation for damage caused to third parties following acts of unlawful interference with aircraft, signed in Montreal on May 2, 2009 by thirteen States, for the most part African, is still not applicable. It has only been ratified by three of the 35 States required for its entry into force.

The Tokyo Convention (1963)

The Tokyo Convention, in force since December 4, 1969, sets out the principles and establishes the procedures for handling offenses against penal law (except those of a political nature and based on racial or religious discrimination) and acts endangering the safety of the aircraft or that of the persons and property on board.

One of the specific characteristics of this Tokyo Convention is that it recognizes certain powers and immunities of aircraft commanders, exonerating them, under certain conditions, from responsibility for any harm potentially caused to individuals committing such unlawful acts.

The Tokyo Convention (ratified by France in 1970) is currently the subject of a revision process within the ICAO.

A Protocol to amend the Tokyo Convention was adopted in Montreal on April 4, 2014. It gathered the minimum of 22 ratifications required for its entry into force and is thus applicable in the States having ratified it. It was ratified by France at the beginning of 2021.

The Montreal Protocol expands the jurisdiction by recognizing, under certain conditions, the jurisdiction of the State of Landing and the State of the Operator over offenses and acts committed on board aircraft. The establishment of such jurisdiction over offenses is mandatory if the criteria stipulated in the Protocol are respected. Furthermore, the Protocol grants legal recognition and some protections to in-flight security officers. It also contains provisions covering matters such as intra-State coordination, due process of law and fair treatment.

6.4.2 European legislation

Single European air space

For aviation the EEA internal market (UE+, Norway/Iceland/Liechtenstein) was effectively finalized on April 1, 1997, by common legislation that creates a homogeneous regulatory situation for all European carriers. Since then all EU airlines may freely operate between any point in the EU and, in particular, perform cabotage operations within this single European air space. This legislation also lays down the requirements that Community air carriers must comply with in order to start or continue operations; principally, they must be owned and effectively controlled by Member States and/or nationals of Member States, and their principal place of business must be located in a Member State. These nationals can not act as a front for a beneficial owner who is not a citizen of an EU Member State. The existence of this legislation eliminated the need for bilateral agreements between EU Member States. It does not prevent EU Member States from participating in ICAO, nor does it conflict with the principles and regulations of the Chicago Convention.

Open Skies agreements between Europe and third-party countries

Based on mandates issued by the Council of Ministers, the European Union and its Member States have signed air transport agreements with the following third-party countries:

- **United States:** the agreement signed in April 2007 was amended by a protocol of June 2010 enabling, notably, European airlines to operate an unlimited number of flights, aircraft and routes to the United States from any European airport with the freedom to set prices, and to operate their services within the framework of cooperation agreements with partners of their choice. This agreement does not change the US rules on ownership and control and, similarly, cabotage remains forbidden;
- **Canada:** the agreement signed in December 2009 offers EC carriers similar opportunities to those figuring in the agreement with the United States and also includes the same restrictions;

- **European Union neighboring countries:** the agreement signed with Morocco in December 2006 was the first in a series of agreements signed with European Union neighboring countries: Georgia and Jordan in December 2010, Moldavia in June 2012 and Israel in June 2013, Armenia and Ukraine in 2021. These agreements foresee the liberalization of bilateral air relations subject to the relevant countries adopting the EU aviation-related acquis;
- **Balkan States (Albania, Bosnia, Macedonia, UNMIK, Montenegro, Serbia):** the agreement signed in June 2006 aims to create a common air space. At the end of transition periods that vary by country, the Balkan airlines will benefit in Europe from the same traffic rights as EC airlines. At this stage, only the 3rd and 4th freedom rights have been liberalized;
- **Qatar:** the agreement signed in October 2021 aims, by 2024 and at the end of a gradual increase in 3 and 4 freedom traffic rights varying per country, to liberalize access to the EU market for Qatari carriers. In return Qatari carriers are bound by provisions aimed at guaranteeing their financial transparency and establishing a fair competition framework.;
- **ASEAN (Association of Southeast Asian Nations):** the agreement signed in October 2022 is the world's first block-to-block agreement to allow ASEAN and EU airlines to operate an unlimited number of flights between the two regions (3 and 4 freedom traffic rights). In addition, airlines from each country in one block will be allowed to offer up to seven weekly passenger services and an unlimited number of cargo services to each country in the other block under 5th freedom traffic rights, via any third country or to any third country beyond. Note that Malaysia has an opt-in arrangement postponing the application of the agreement as far as it is concerned.

In April 2002, the European Union also signed an air transport agreement with Switzerland giving Swiss carriers, which are assimilated with EU carriers, access to all the intra-Community rights with the exception of cabotage.

Access to the market between France and States other than those mentioned above for which there are existing agreements at European Community level remains governed by bilateral aviation agreements signed between France and these third-party States.

Community air transport policy

The regulation applicable to air transportation within the European Union is primarily of European Community origin. The aims as outlined in the work programs of the European Commission are to reinforce the competitiveness of European Community airlines while insisting on the need to reduce the air transport industry's environmental impact and offer a high degree of passenger protection⁽¹⁾.

The principal positive measures consist of establishing a legal framework favoring fair competition between EU and third-party carriers, the effective implementation of the Single European Sky and a commitment to developing biofuels.

The European Commission also proposed a series of measures known as the "Better Airports" package, aimed at reducing the cost of infrastructure use within the European Union.

The latter initiatives have only very partially come to fruition due to persistent disagreements within the European institutions. The last European Commission Aviation Strategy published on December 7, 2015 included measures aimed at sustaining the competitiveness of EU airlines, such as the revision of (then) Reg. 868/2004 (now Reg. 712/2019) and the broader Foreign Subsidies Regulation. These regulations have been adopted, but have not yet been put to a test.

European Green Deal and "Fit For 55" legislative package

On July 14, 2021, the European Commission presented a package of 15 draft legislative proposals aimed at reducing net greenhouse gas emissions by 55% by 2030. These draft proposals include six which directly impact the aviation sector and are of interest to the Air France-KLM Group:

- ReFuel EU Aviation sets an increasing mandatory minimum percentage for the incorporation of SAF for flights on departure from all EU airports between 2025 and 2050;

- the revised EU-ETS Directive aims to phase out free quotas for airlines in the EU Carbon Market. In 2025, the allowances will be reduced by 50 % ;
- the "Energy Taxation" Directive aims to implement a tax on SAF and remove the current exemption for aviation;
- the Carbon Border Adjustment Mechanism (CBAM) is targeting the introduction of a Carbon Tariff on imported goods and services, and envisages its extension to airline operations over the medium term. On June 28, 2024, France enacted decree No. 2024-642 outlining the implementation procedures of the CBAM on its territory during the transitional period. Furthermore, by the end of 2025, the European Commission is required to submit a report evaluating the possibility of including emissions related to transport services (including air transport) in this mechanism or a similar one;
- the "RED III" directive No. 2023-2413 of October 18, 2023, on renewable energies establishes a list of raw materials (Annex IX) that are considered to be sustainable. This directive raises the targets set for 2030 and, like the CBAM, imposes dedicated traceability to demonstrate that the sustainability criteria for biomass, greenhouse gas emission reduction, and energy efficiency are being met. A national transposition law should come into force by May 21, 2025, at the latest. The ReFuel regulation refers, in particular, to this list of raw materials;
- the Net Zero Industry Act (NZIA) sets targets for the deployment of certain net-zero technologies in Europe. These include, in particular, production technologies for SAF.

The Air France-KLM Group's teams are closely monitoring the progress of this legislative package in liaison with all the stakeholders. They are also contributing to the various consultations launched by the European Commission, and to the discussions concerning the setting of new greenhouse gas emission reduction targets by 2040, which affects the transport sector in general.

⁽¹⁾ The passenger compensation rules are detailed in section 3.1.2 "Risks relating to the air transportation activity".

6.4.3 Other legal aspects of Air France-KLM's activities

Access to the main international airports is subject to the prior allocation of time slots. A European Regulation covers access to most so-called coordinated European airports (London, Paris, Frankfurt, Milan, Madrid, Amsterdam, etc.). Elsewhere in the world, the allocation of slots is generally done on the basis of recommendations issued by IATA in a Worldwide Airport Slot Guidelines reference document. Countries nonetheless retain sovereignty for defining the modalities of slot allocation and may apply rules that differ slightly from the IATA recommendations (e.g. China, Japan, United States, Dubai, etc.).

For airports within the European Union, each Member State with coordinated airports under its responsibility, after consulting the airlines that regularly use the airports concerned, their representative organizations and the airport authorities, must designate an independent coordinator or an entity to be responsible for the allocation of slots and the monitoring of their use. Such individuals or entities must have specialized knowledge of coordinating aircraft routes for air transport companies.

Slots are allotted twice a year by the designated airport coordinator, at the same time as the airline flight schedules for the relevant IATA season.

The allocation procedure is as follows:

- airlines file their slot applications with the coordinator five months prior to the beginning of each season;
- the coordinator first allocates slots to airlines that already had slots the previous season (known as grandfather rights) for past operations;

- a pool is then created that regroups, for each coordination period, all the available slots, whether they are newly created, unused, abandoned by a carrier or have become available for any other reason;
- finally, the coordinator allocates half of the pooled slots to newcomers and the other half to the other operators.

Since slots are first allocated to existing long-standing operators, and given the expansion plans of all the airlines, requests for new slots are rarely satisfied at saturated airports.

At the end of this preliminary allocation (pre-coordination) process, a conference attended by virtually all airport coordinators and airlines is organized in order to enable the airlines to:

- simultaneously coordinate the slots they are allocated on different airports so that when they operate flights between two coordinated airports they are granted compatible slots by each of them; and
- exchange slots among themselves in the event that the slots originally allocated by the airport coordinators are unsatisfactory.

See also section 3.1.2.7. for reinforcement of passenger compensation rights.

6.5 INFORMATION AND CONTROL

6.5.1 Person responsible for the Universal Registration Document and for the Annual Financial Report

Benjamin Smith, Chief Executive Officer of Air France-KLM.

6.5.2 Certification by the person responsible for the Universal Registration Document

April 3, 2025

I certify that the information contained in this universal registration document is, to the best of my knowledge, true and correct and does not contain any omissions that might affect its scope.

I certify that, to the best of my knowledge, the annual accounts and the consolidated accounts are prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, the financial position and the profits or losses of the issuer and of all the companies included in the consolidation, and that the management report contained in this document, as

specified in the concordance table on page 528, presents a true and fair view of the development and results of the company and of the financial position of the issuer and of all the companies included in the consolidation, as well as a description of the main risks and uncertainties they face, and that it has been prepared in accordance with the applicable sustainability reporting standards.

Benjamin Smith

Chief Executive Officer of Air France-KLM

6.5.3 Statutory Auditors

Incumbent Statutory Auditors:

PricewaterhouseCoopers Audit

63, rue de Villiers, 92208 Neuilly-sur-Seine Cedex

Represented by Philippe Vincent and Amélie Jeudi de Grissac

Initial term began on: May 24, 2022

Mandated for a six-year period by the Shareholders' Meeting of May 24, 2022.

KPMG S.A.

Tour EQHO, 2 avenue Gambetta CS60006, 92066 Paris-La Défense Cedex

Represented by Valérie Besson and Éric Dupré

Initial term began on: September 25, 2002

Renewed for a six-year period by the Shareholders' Meeting of May 26, 2020.

Deputy Statutory Auditor:

Salustro Reydel

A simplified joint stock company
(*société par actions simplifiée*)

Tour EQHO, 2 avenue Gambetta,
92066 Paris-La Défense Cedex
Nanterre Trade and Company Register: 652,044,371

Initial term began on: May 26, 2020

Appointed for the first time at the Shareholders' Meeting of May 26, 2020

6.5.4 Head of Investor Relations

Michiel Klinkers

Mailing address: Air France-KLM/AFKL.FI.IR
7, rue du Cirque, 75008 Paris

6.5.5 Documents available to the public

Among the documents available on the Company's website (www.airfranceklm.com) figure, in particular:

- the 2023 Universal Registration Document;
- the 2024 first-half financial report;
- the 2002, 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012 and 2011 Registration Documents filed with the *Autorité des marchés financiers*;
- the financial press releases (traffic, quarterly, half-year and annual results);
- the offering memoranda;
- the financial presentations;
- the Company's Articles of Incorporation.

6 OTHER INFORMATION



Glossaries and tables of concordance

Air transport glossary	522	Information included by reference	528
Financial glossary	524	Table of concordance for the Annual Financial Report	528
Table of concordance for the Universal Registration Document	526		

AIR TRANSPORT GLOSSARY

🔗 A4E

Airlines for Europe. On January 20, 2016, at the European Aviation Summit, the five largest European airline groups – Air France-KLM, easyJet, International Airlines Group, Lufthansa Group and Ryanair – announced the creation of the new association. Airlines for Europe counts now 17 airline group members, with more than 70% of passengers in Europe.

A4E goals are to advocate to the ultimate benefit of passenger a safe, sustainable and competitive air transport market in Europe.

🔗 Anti-trust immunity (ATI)

Decision by authorities to grant immunity from anti-trust laws taking into account global benefit for customers.

🔗 Available seat-kilometers (ASK)

Total number of seats available for the transportation of passengers multiplied by the number of kilometers traveled.

🔗 Available ton-kilometers (ATK)

Total number of tons available for the transportation of cargo, multiplied by the number of kilometers traveled.

🔗 Biometry

Technique enabling the identity of an individual to be verified, while crossing a national border for example, through the automatic recognition of certain pre-recorded physical characteristics.

🔗 Coordinated airport

Airport where a coordinator has been appointed to allocate landing and take-off slots according to rules established in advance. All major European Union airports are coordinated.

🔗 Cabotage

Airline cabotage is the carriage of air traffic that originates and terminates within the boundaries of a given country by an air carrier of another country.

🔗 Capacity

Capacity is measured in available seat-kilometers (ASKs) for passenger business and measured in available ton-kilometers (ATKs) for the cargo business.

🔗 Catering

In-flight catering involves the planning and preparation of meals and the assembly of meal trays destined to be served on board an aircraft.

🔗 Code sharing

Governed by a codeshare agreement, two partner airlines offer services on the same aircraft, each under their own brand, their own IATA code and their own flight number. Each partner airline may have access to full or only part of the seats on the aircraft available for sale.

🔗 Connecting traffic

Traffic between two cities via one or more intermediate airports with a change of aircraft.

🔗 DGAC

Direction générale de l'aviation civile. Under the authority of the French Ministry of Transport, the DGAC is in charge of the security of air transport and of air space in France.

🔗 EASA

European Aviation Safety Agency. EASA develops safety and environmental protection expertise in civil aviation in order to assist the European institutions to establish legislation and implement measures regarding aircraft security, organizations and associated staff.

🔗 EEA countries

Countries part of European Union single market: those countries accept all regulations made by the EU in air transportation. EEA countries include all EU countries, Iceland, Liechtenstein and Norway.

🔗 FAA

Federal Aviation Administration. Body responsible for civil aviation security in the United States.

🔗 Ground Handling

Preparation of the aircraft, involving loading and unloading, as well as the associated logistics.
High contribution
Fare classes corresponding to business and first class.

🔗 Hub

Term used for a massive transfer platform. Departures and Arrivals are often scheduled in such a way that transfer opportunities are maximized.

🔗 IATA

International Air Transport Association. Created in 1945, IATA establishes regulations for the air transport industry and provides its members with a framework for the coordination and proper implementation of tariffs, together with various commercial and financial support services.

ICAO

The International Civil Aviation Organization, a UN Specialized Agency, promotes the safe, secure and sustainable development of civil international aviation worldwide. It establishes the standards and regulations required to ensure the safety, security, efficiency and continuity of aviation operations as well as the protection of the environment.

Joint-venture

Joint company with two partners, often held equally with 50% each. This type of ownership structure notably allows the implementation of technological or industrial alliances in order to undertake specific projects common to both partner companies.

A joint-venture may also be an alliance between several airlines to serve a specific area, where airlines share costs and profit under anti-trust immunity.

Load factor

Metric used to measure the percentage of available capacity filled with passengers or cargo. In passenger activity: revenue passenger-kilometers (RPK) divided by available seat-kilometers (ASKs). In the cargo activity this is revenue ton-kilometers (RTKs) divided by available ton-kilometers (ATKs).

Multi-hub

System linking several hubs, allowing customers to access the networks developed from each hub, thus multiplying the round-trip offer to and from worldwide destinations.

Net Zero/carbon neutrality

Air France-KLM uses a global definition as per Article 4 of the Paris Agreement of December 12, 2015, applicable to States Parties, which defines carbon neutrality as the global balance between anthropogenic emissions (from human activity) by sources and anthropogenic removals by sinks of greenhouse gases.

Point-to-point traffic

Traffic between two airports, excluding passengers prolonging their trip with a connecting flight.

Revenue management

Technique designed to optimize revenue on flights, by constantly seeking an optimal balance between the load factor and the fares offered.

Revenue passenger-kilometer (RPK)

Total number of paying passengers carried multiplied by the number of kilometers traveled.

Revenue ton-kilometer (RTK)

Total number of tons of paid cargo multiplied by the number of kilometers that this cargo is carried.

SAF

“SAF” refers to an alternative to regular aviation fuel, identified as “Sustainable Aviation Fuel” within the meaning of Article 3(7) of Regulation (EU) 2023/2405 of October 18, 2023 on ensuring a level playing field for sustainable air transport (ReFuelEU Aviation) and is defined as aviation fuels that are either:

- a) synthetic aviation fuels; or
- b) aviation biofuels; or
- c) recycled carbon aviation fuels.

Safety and security

Airline safety includes all the measures implemented by air transport professionals aimed at ensuring the reliable operation and maintenance of aircraft.

Airline security involves all the measures taken by air transport professionals to prevent any illicit or malicious act. Airline security notably includes baggage screening, and the screening and questioning of passengers.

SBTi

Science-Based Targets initiative, reference framework for reducing greenhouse gas (GHG) emissions.

Segment

Section of a flight between two destinations. The number of passengers is calculated by segment carried.

Slot

A slot represents a time-based system used to manage air traffic and reduce congestion at busy airports.

Summer season

Defined by IATA as the period running from the last Sunday in March to the last Sunday in October, aligned with European Summer daylight saving time.

Traffic

Traffic is measured in revenue passenger-kilometers (RPK).

Unit revenue

In the passenger business, corresponds to the revenue for one available seat or for one paying passenger transported over one kilometer. In the cargo business, corresponds to the revenue for one available ton or one ton transported over one kilometer.

Winter season

Defined by IATA as the period running from the last Sunday in October to the last Sunday in March.

FINANCIAL GLOSSARY

Adjusted net interest charges

The net financial charges are adjusted for the portion of operating leases (34%) deemed to be interest charges.

ADR

American Depositary Receipt. ADRs are negotiable certificates representing a specific number of shares with a nominal value in dollars. The Air France-KLM level 1 ADR program is traded on the OTC Pink Open Marketplace.

CSRD

The CSRD Directive, or Corporate Sustainability Reporting Directive, is the Directive No. 2022/2464 of December 14, 2022 of the European Commission which aims to update the extra-financial reporting of the companies. It was transposed in France by the Ordinance No. 2023-1142 of December 6, 2023 relating to the publication and certification of information regarding the sustainability of commercial companies.

Earnings per share

Net income divided by the average number of shares for the period.

EBITDA

Earnings before interest, taxation, depreciation and amortization.

ESG

Environmental, social, and governance criteria generally constitute the three pillars of extra-financial analysis. They are taken into account in socially responsible management.

Fuel hedging

Financial mechanism aimed at protecting Air France-KLM from the risk of a rise in the fuel price. Involves purchasing financial instruments, mostly in the form of options, whose value fluctuates as a function of the jet fuel price and the related oil products (oil, diesel). The hedging strategy is detailed in Note 36.1.

IFRS

International Financial Reporting Standards. International accounting standards used by European Union listed companies to establish their consolidated financial statements. Adopted on January 1, 2005, they allow investors to compare European companies more easily.

ISIN

International Securities Identification Number. Attributed to securities listed for trading on the Euronext market.

Market capitalization

The market capitalization corresponds to the share price multiplied by the number of shares comprising the Company's capital.

Net result, Group part

Corresponds to the net result, minus the share reverting to the minority shareholders in fully consolidated subsidiaries.

Result from current operations

The result from current operations corresponds to the difference between revenues and the operating expenses incurred (external expenses, salaries and related costs, and amortization, depreciation and provisions). It represents what the Company earns from its main activity before the impact of financial and exceptional items.

Return On Capital Employed (ROCE)

A measure of the returns that a company is making on the capital employed to ensure its business activity. The calculation method is detailed in section 5.3.

Revenues

Revenues correspond to the total sales generated by the Air France-KLM Group in its three core businesses (passenger, cargo, maintenance) and in its ancillary activities. The revenues from airline operations are recognized on realization of the transportation, net of any potential discounts granted. Consequently, when passenger and cargo tickets are issued, they are recorded in balance sheet liabilities under deferred revenue on ticket sales (see Note 33).

Share

A share represents a fraction of the company's capital. It provides the holder voting rights in the Annual General Meeting and, if dividends are distributed by the company, the right to receive its fraction.

🔗 Share capital

Corresponds to the total contributions either financial or in kind made by the shareholders either at the time the company is created or during capital increases. It is equal to the number of shares multiplied by the nominal value of the share.

🔗 Stockholders' equity

Stockholders' equity represents accounting value of the capital contributed by the shareholders to establish the company or subsequently, or left at the disposal of the company as income not distributed in the form of dividends. Corresponds to total balance sheet assets, net of total debt.

🔗 Taxonomy

The European Union Taxonomy is a classification system that lists environmentally sustainable economic activities.

🔗 TPI

Titre au porteur identifiable or identifiable bearer shares. TPI analysis enables a company to identify its shareholders holding stock in bearer form.

GLOSSARIES AND TABLES OF CONCORDANCE

Table of concordance for the Universal Registration Document

TABLE OF CONCORDANCE FOR THE UNIVERSAL REGISTRATION DOCUMENT

This concordance table is based on the main headings required by the Delegated Regulation (EU) 2019/980 of March 14, 2019 ("the Regulation"), supplementing the provisions of Regulation (EU) 2017-1129 of June 14, 2017, and provides the page numbers in this Universal Registration Document on which the relevant information for each of this headings can be found.

No	Information based on Annex 1 of the Regulation	Pages
1	Persons responsible, information from a third party, from experts' reports and approval by the competent authority	
1.1	Persons responsible	518
1.2	Information from a third party, from experts' reports and declarations of interest	Not applicable
2	Statutory Auditors	518
3	Risk factors	178 to 195
4	Information about the issuer	511
5	Business overview	
5.1	Principal activities	40 to 54
5.2	Principal markets	32 to 35
5.3	Important events in the development of the issuer's business	16 to 29
5.4	Strategy and objectives	36 to 39
5.5	Dependence on patents, licenses, contracts or manufacturing processes	35, 44 to 46, 49 to 54, 168 to 171 and 469
5.6	Competitive position	36 and 37
5.7	Principal investments	55 to 61, 238, 241, 272, 279, 282 and 283, 381 and 382, 419 to 427, 468 and 469
6	Organizational structure	
6.1	Brief description of the Group	180 to 204, 412 and 513
6.2	List of significant subsidiaries	473 to 475 and 493
7	Review of the financial situation and results	
7.1	Financial situation	4 and 5, 378 to 387
7.2	Operating result	5
8	Capital resources	
8.1	Information on the Group's capital resources	159 to 167, 171 to 174, 434 to 439 and 490
8.2	Sources and amounts of cash flows	5, 383 to 385, 394 and 467
8.3	Information on borrowing requirements and funding structure	383 to 385, 394, 449 to 455, 461 to 466 and 491 to 493
8.4	Restrictions on the use of capital resources having materially affected or potentially materially affecting the Group's activities	429 to 431, 434 and 452
8.5	Anticipated sources of funding	Not applicable
9	Regulatory environment	514 to 517
10	Information on trends	38 and 39
	Update on recent events linked to Covid-19	Not applicable
11	Profit forecasts or estimates	Not applicable
12	Administrative, management and supervisory bodies, and the Senior Management	76 to 125, 157 and 158
12.1	Information relating to members of the Board and the Senior Management	76 to 111, 117 to 125, 157 and 158
12.2	Conflicts of interest affecting members of the Board of Directors and the Senior Management	111 and 112

GLOSSARIES AND TABLES OF CONCORDANCE

Table of concordance for the Universal Registration Document

No	Information based on Annex 1 of the Regulation	Pages
13	Compensation and benefits	
13.1	Compensation and benefits in kind	127 to 156
13.2	Amounts set aside or accrued to provide pension, retirement or similar benefits	155 and 470
14	Functioning of the administrative and management bodies	102 and 103
14.1	Mandates of the members of the Board of Directors	76 and 77 and 81 to 101
14.2	Service contracts binding the members of the management bodies	111 to 116, 167
14.3	Information on the Audit Committee and the Remuneration Committee	117 to 125
14.4	Statement of compliance with a corporate governance regime	102, 126 and 127
14.5	Potential material impacts on corporate governance	126 and 127
15	Employees	287 to 313
15.1	Number of employees and breakdown of persons employed	287 to 289, 410
15.2	Shareholdings and stock options held by members of the Board of Directors and the Senior Management	76 to 101, 143 to 146, 171 and 172, 434 to 437
15.3	Employee shareholding in the issuer's share capital	171 and 172, 434 to 437
16	Major shareholders	
16.1	Identification of the main shareholders	171 and 172, 434 to 439
16.2	Existence of specific voting rights	169 and 171
16.3	Control of the issuer	Not applicable
16.4	Agreements known to Air France-KLM which could lead to a change in control	Not applicable
17	Related party transactions	470 and 471
18	Financial information concerning the issuer's assets and liabilities, financial position and results	
18.1	Historical financial information	4 and 5, 388 to 475 and 482 to 496
18.2	Interim and other financial information	Not applicable
18.3	Auditing of historical annual financial information	476 to 481 and 498 to 501
18.4	Pro forma financial information	Not applicable
18.5	Dividend policy	172
18.6	Legal and arbitration proceedings	188, 192, 445 to 449, 495 and 496
18.7	Significant change in the issuer's financial position	16 to 29
19	Additional information	
19.1	Share capital	159 to 166, 434 and 435, 490 and 497
19.2	Memorandum and Articles of Incorporation	164 and 511
20	Material contracts	16 to 29, 168 to 171, 470 and 471
21	Documents available to the public	519

GLOSSARIES AND TABLES OF CONCORDANCE

Information included by reference

INFORMATION INCLUDED BY REFERENCE

Pursuant to Article 19 of Regulation (EU) 2017-1129 of the European Parliament and of the Council of June 14, 2017, the following information is included by reference in this Universal Registration Document:

2023 Financial Year

The Universal Registration Document for the 2023 financial year was filed with the *Autorité des marchés financiers* on April 26, 2024 under the registration number D. 24-0336. The consolidated financial statements are presented on pages 342 to 429 and the related Statutory Auditors' report on pages 430 to 434. The full statutory financial statements can be found on pages 435 to 449 and the related Statutory Auditors' certification on pages 451 to 454. The selected financial information is presented on pages 4 to 7 of the Universal Registration Document. The management report figures on pages 37 to 78, 79 to 198, 199 to 226, 227 to 332, 333 to 429 and 435 to 450.

2022 Financial Year

The Universal Registration Document for the 2022 financial year was filed with the *Autorité des marchés financiers* on April 24, 2023 under the registration number D. 23-0329. The consolidated financial statements are presented on pages 296 to 401 and the related Statutory Auditors' report on pages 402 to 408. The full statutory financial statements can be found on pages 409 to 424 and the related Statutory Auditors' certification on pages 425 to 429. The selected financial information is presented on pages 4 to 6 of the Universal Registration Document. The management report figures on pages 27 to 64, 65 to 168, 169 to 196, 197 to 294, 295 to 436. The elements shown in blue in the document relate to the updating of the paragraphs in the management report to, notably, take into account the crisis in Ukraine.

TABLE OF CONCORDANCE FOR THE ANNUAL FINANCIAL REPORT

This Universal Registration Document contains all the elements of the financial report as referred to in Article L. 451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and required by Article 222-3 of the AMF's General Regulation. The table below resumes the elements of the financial report.

Elements required	Pages of the Universal Registration Document
The annual statutory financial statements	482 to 496
The Group's consolidated financial statements	388 to 475
Corporate governance report	75 to 176
Management report	31 to 74, 75 to 176, 177 to 205, 207 to 375, 377 to 387, 497
Certification by the person responsible for the annual financial report	518
Statutory Auditors' report on the statutory financial statements	498 to 501
Statutory Auditors' report on the consolidated financial statements	476 to 481
Statutory Auditors' fees	472

Design and production: Ruban Blanc

Photo credits: Air France-KLM

This document was produced by an “Imprim'Vert” eco-responsible printer on a PEFC 100% certified-paper for cover and FSC 70% certified-paper for inner pages, from sustainably managed forests.





airfranceklm.com

AIRFRANCEKLM
GROUP