

A STAR ALLIANCE MEMBER 

AEGEAN // 2017 SUSTAINABLE
DEVELOPMENT REPORT

AEGEAN AIRLINES S.A.

SUSTAINABLE DEVELOPMENT REPORT // 2017



A STAR ALLIANCE MEMBER TM

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AEGEAN AT A GLANCE

Performance data ¹	2017	2016
Earnings before taxes (EBT)	85,784 thousand €	51,599 thousand €
Earnings before taxes, interest, and amortization (EBITDA)	119,804 thousand €	76,839 thousand €
Net profit for the period	60,365 thousand €	32,211 thousand €
Equity ratio	34.60%	37.54%

Human resources	2017	2016
Number of employees (December 31st , 2017)	2,621	2,504
Average age (years)	35	35
Percentage of women in managerial positions (Greece)	41.77%	40.74%

Fuel consumption data	2017	2016
Fuel efficiency – Passengers (kg/100 pkm)	3.66	4.02
Fuel efficiency – Passengers (lt/100 pkm)	4.63	5.09
Flight hours	153,740	150,113
Fuel consumption (t)*	318,241	306,269

Carbon dioxide emissions	2017	2016
Carbon dioxide emissions (tons CO ₂) *	1,002,459**	964,749
Carbon dioxide emissions intensity – Passengers (kg/100 pkm)***	8.67**	9.22

Passenger traffic data ²	2017	2016
Flights	108,978	112,688
Passengers	13,217,382	12,463,572
Available Seat Kilometers – ASKs (in thousands)	16,657,143	16,382,087
Revenue Passenger Kilometers – RPKs (in thousands)	13,851,131	12,716,413

Notes

1. Financial data refer to the consolidated and published financial results of AEGEAN Airlines and its subsidiary Olympic Air.

2. The number of flights refers to scheduled and charter flights.

* Emissions are submitted to the European Emissions Trading Scheme and audited by an independent accredited body.

** In 2017, we adopted a new method for calculating our emissions. This method now includes all flights (international and domestic) of the Airbus fleet. In this context, we recalculated the emissions for 2016 based on this new method.

*** All flights (domestic and international) with Airbus fleet.

ACHIEVEMENTS 2017



PASSENGER TRAFFIC
13,216,630 passengers
(9% increase in international passengers)



ECONOMIC PERFORMANCE
Revenue €1.13 billion



TRAINING
3,537 trainings
34,074 hours



CONTRIBUTION
• More than **11,250 tickets** for the transportation needs of organization and bodies supported by AEGEAN
• More than **€327 million** in government revenue and insurance industry organizations



RECOGNITION
International Awards and Distinctions
(Skytrax World Airline Awards, World Travel Awards, IATA Fast Travel Gold Award, Athens International Airport Award, Conde Nast traveler)



NETWORK
145 destinations in 45 countries
(112 international and 33 domestic)



RELIABILITY
83% on time performance



SUPPORT OF LOCAL COMMUNITIES
• Initiative: **"GreecebyGreeks"**
• Indirect job creation (ground handling services, hotels, restaurants, transport, local suppliers)



INNOVATION and PASSENGER CARE
New electronic services for prompt notification and simplification of procedures (**Flight Related Notification Services, Passport & ID Scanning in Apps for Faster Check-in**).



ENVIRONMENT
Annual savings of **20,460 tons of carbon dioxide** through multiannual programs and initiatives

MESSAGE FROM THE PRESIDENT OF THE BOARD OF DIRECTORS

The systematic support and promotion of Greece’s tourism product has always been a focal point of our presence in the domestic and international market.

This is AEGEAN’s second sustainable development report, which presents the impacts from the company’s operations on an economic, social and environmental level. AEGEAN’s strategic choice since launching its business activities in Greece in 1999, has been to behave responsibly towards all stakeholders reasonably affected by its decisions and the way it operates. In this context, we regularly implement a series of actions, aiming to:

- Operate with respect towards the passengers, employees, local communities, suppliers, state authorities and the environment, as well as towards the applicable legal and regulatory framework (on a national and international level).
- Promote our country’s cultural heritage.
- Develop tourism and the Greek tourism product.
- Support education.
- Promote and support sports.
- Support socially vulnerable groups.



Nowadays, AEGEAN, together with Olympic Air, is the largest private airline company in Greece and a Star Alliance member, offering internationally recognized quality air transport services, both domestically and abroad, having always passenger and crew safety as its key priority.

2017 ended with positive results, since we achieved the main quantitative and qualitative targets we have set for the year. It gives us great satisfaction to see that Greek tourism, after many years, has finally achieved strategic goals, such as the extension of tourist season beyond the summer months, the increase of revenue and setting a new record for arrivals. The summer of 2017, benefiting from the strong start of the summer season, was the most successful summer in recent years in terms of arrivals, during which we used our fleet more efficiently, achieving historically high occupancy rates. We also strengthened our position in the main hub of Athens, contributing once more in its tourism development.

Once again this year, strengthening the network of Athens was our main investment. Specifically, international passenger traffic increased by 15%, while total traffic from Athens International

Airport (AIA) showed an increase of 9%, surpassing, for the first time, 10 million passengers and thusly significantly contributing to the city airport’s traffic.

In 2017, we carried as AEGEAN and Olympic Air, 13.2 million passengers and we operated with a fleet of 58 aircraft from a network of 145 destinations - 33 domestic and 112 international - in 45 countries, maintaining bases at 6 main airports in Greece: Athens, Heraklion, Thessaloniki, Rhodes, Chania, Kalamata and one in Larnaca, Cyprus.

Specifically, a record was set during the year; the number of passengers carried increased by approximately 6% compared to 2016. This increase in traffic can be attributed in its entirety to the improved utilization of the network, since the flights operated in 2017 decreased compared to 2016.

In addition, in 2017, we achieved historically high occupancy rates, derived from the successful commercial policy and management of our network. As a result, the occupancy rate of the entire domestic and international network reached 83%, increased from 77% that was recorded in the previous year.

Achieving our goals has a clear positive impact on public revenue. Our direct contribution to the State was more than €63 million, while the indirect contribution (airport charges, taxes imposed on passengers departing from Greek airports, rentals, airport payments) surpassed €228 million.

We continue to confidently invest in development and we strive for the improvement of our passengers’ travel experience. We actively support through all means available to us the Greek region, not only for the development of tourism, but also for the support of local communities and the promotion of local products and suppliers. Above all, we continue to promote the “package” of exciting, unrivalled experiences that

our country generously offers, with the key message that Greece is the ultimate destination throughout the year.

Via the “Greece by Greeks” initiative, we joined forces with the Greek international basketball player Giannis Antetokoumpo, in whom we recognized the will, the perseverance and commitment to a goal. Giannis inspired us to travel our country as far as we can, through the eyes of all Greek people that participated in this initiative, and together with him we proved how such a small country can contain immense beauty.

Beyond commercial performance, we are especially pleased with the distinctions of our services in the context of international consumer surveys carried out by organizations such as Skytrax, World Travel Awards and Conde Nast Traveler. The vote of confidence from both Greek and foreign passengers is the best reward and the most important advantage in the company’s international competitiveness in the tourism industry and a worthy representation of our country abroad.

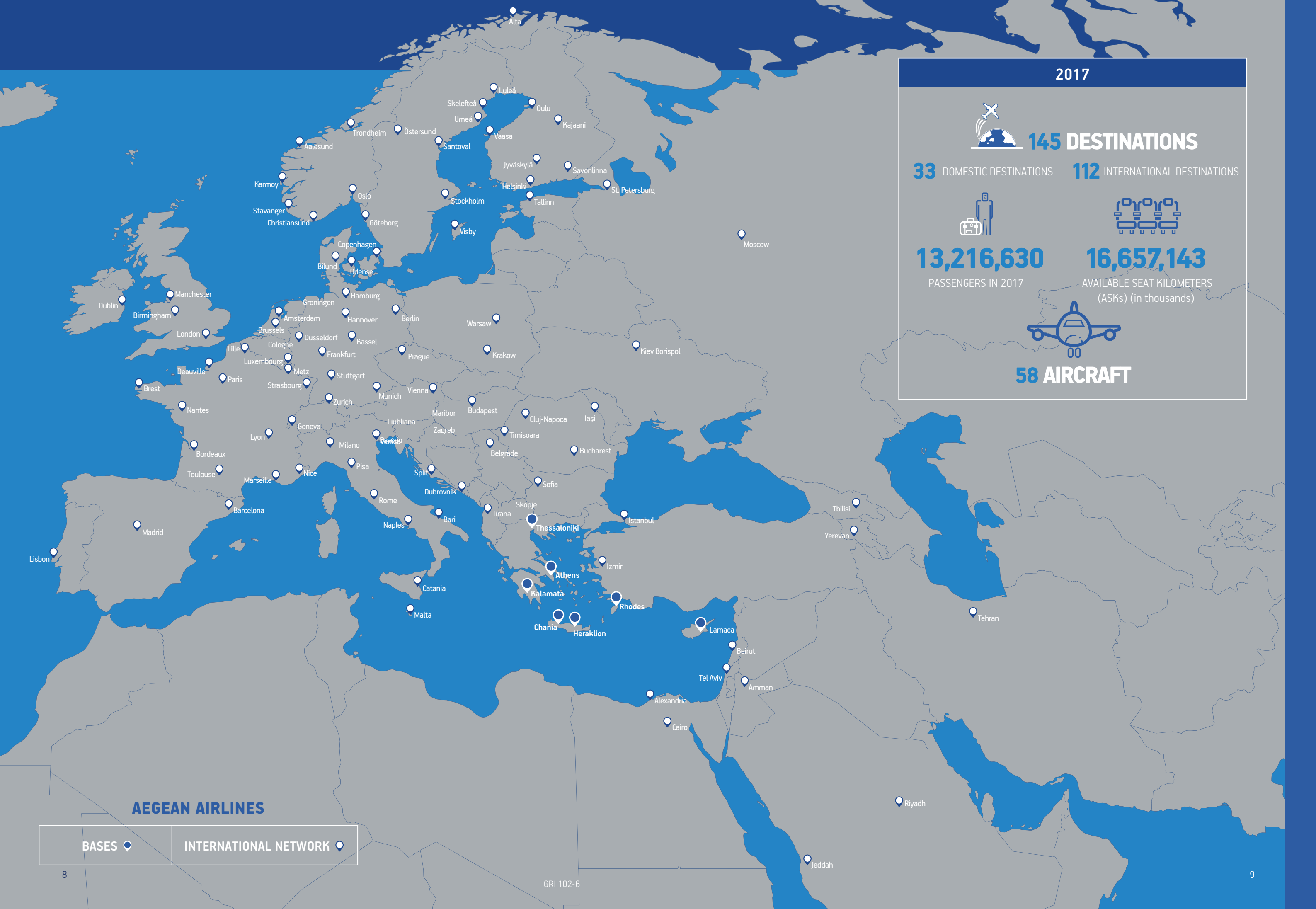
All these years, a key pillar of our operation has been the social contribution and care in areas where our activity can help those in need. With the help of our passengers when they buy a ticket from our website, more than €1 million has been raised from 2008 to 2017 for the SOS Children’s Villages, Greece. In addition, AEGEAN has contributed the same amount and as a result the total amount collected exceeded €2 million. With the student program “Supporting the Youth”, each year since 2013, we offer free tickets to 250 new university students in Greece for the entire duration of their studies to enable them to return more often to their home from the city where they study, thus lowering the cost for their families. Everything we mentioned so far, and even more that you will have the opportunity to read in the report you hold in your hands, would not have been possible to achieve without the driving force that propels us towards development and creation. This

force is no other than our people, the employees of the company, who daily effectively contribute to achieving our goals.

In 2017, 2,621 people were employed in the AEGEAN family, 117 more compared to 2016. Our respective contribution to insurance institutions exceeded €35.5 million. Our impact is also important for the creation of indirect jobs, in sectors such as ground handling companies, hotels, service companies (e.g. communication agencies), etc.

Our commitment for next year is to continue to provide quality air transport services, to steadily invest in the development of domestic and international networks, and supporting tourism with the creation of new routes and increase in seats offered, while covering the whole country. We begin 2018 by planning 18 new destinations and a total of 700,000 new seats. Making full use of the winter months is the common goal in which operators, airports, the state and the private sector have to invest with the appropriate policies and products for the further development of the country’s tourism product and the reinforcement of the competitive position it has achieved worldwide.


Theodore E. Vassilakis



2017



145 DESTINATIONS

33 DOMESTIC DESTINATIONS

112 INTERNATIONAL DESTINATIONS



13,216,630

PASSENGERS IN 2017



16,657,143

AVAILABLE SEAT KILOMETERS (ASKs) (in thousands)



58 AIRCRAFT

AEGEAN AIRLINES

BASES

INTERNATIONAL NETWORK

8

GRI 102-6

9

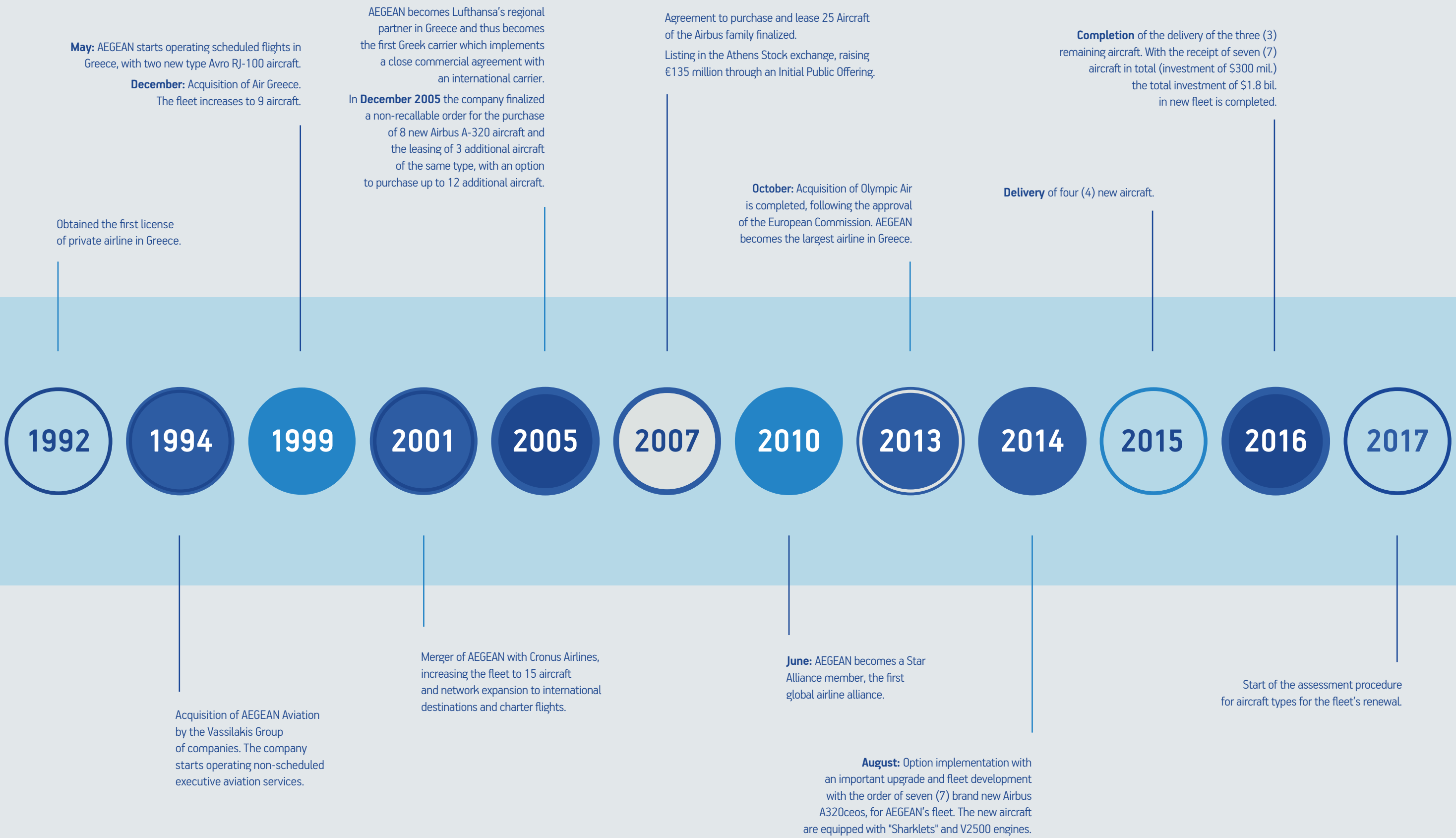


1 // THE COMPANY

In 2017, we offered our services in 45 countries, serving 145 domestic and international destinations.

OUR JOURNEY

Milestones





AEGEAN TODAY

-  We carry passengers, cargo and materials by air.
-  We operate with respect towards our employees, our passengers, our suppliers, the local communities, the environment and the state authorities, within the applicable Legal and Regulatory framework (on a national and international level).
-  We support the Greek economy and tourism.
-  We positively influence the economy and the society.
-  We connect Greek destinations not only with other destinations within the country, but also with other countries, societies and markets.
-  We create opportunities for businesses and employment.



OUR MISSION

To operate with safety, always providing high quality services across all travel stages, via an extensive network of destinations that connects every corner of Greece and also Greece with the world.

OUR VISION

To operate responsibly by developing the market, assisting employee development and supporting our associates and local communities.

OUR VALUES

- ✈ The passenger is the focus of our attention.
- ✈ We pursue constant improvement of the overall passenger experience in all travel stages.
- ✈ We focus on service and product quality.
- ✈ We aim to render Greek air transportation a sustainable and profitable source for growth, with multiple benefits for tourism, employment and state revenues.
- ✈ We invest in innovation and constant progress.
- ✈ We contribute to the enhancement of the Greek tourism product and to the proud representation of Greece abroad.
- ✈ We care for society and for vulnerable social groups.
- ✈ We conduct business responsibly and with respect towards our employees, our passengers, our suppliers, the local communities and the environment.

1.1 // COMPANY PROFILE

The Company operates in the air transport sector by providing services related to the transportation of passengers with domestic and international, scheduled & non-scheduled flights, in short & medium-haul range. The controlling and monitoring of corporate activities is conducted from the central offices in Athens – Municipality of Kifisia, while the operational activities (flights and maintenance) take place at AEGEAN’s technical base located at the Athens International Airport “Eleftherios Venizelos”. In October 2013, the takeover of Olympic Air by AEGEAN was completed, after the approval of the European Committee. Olympic Air is a 100% subsidiary of AEGEAN.



Ownership and legal form

The company AEGEAN AIRLINES S.A. is a Société anonyme airline company under the discreet title AEGEAN AIRLINES, which uses the trade name AEGEAN AIRLINES S.A. in its international transactions. The company’s duration has been set until 31/12/2044 and can be extended following the decision of the General Shareholders Meeting. The company’s headquarters is in the Municipality of Kifissia, Attiki. The company’s share capital amounts to forty six million four hundred twenty one thousand and one hundred fifteen euros (€ 46,421,115), divided

into seventy one million four hundred seventeen thousand and one hundred common voting shares (71,417,100), of a par value of sixty five euro cents each (€ 0.65). The company’s shares are registered and listed for trading in the Securities Market of the Athens Stock Exchange under the “Large Cap” classification.

According to the shareholders’ registry as of 31.12.2017, the company’s shareholders holding more than 5% of the company’s shares, are:

NAME	POSITION	PERCENTAGE %
EVERTRANS S.A.	16,955,504	23.74
AUTOHELLAS HERTZ S.A.	8,328,508	11.66
ALNESCO ENTERPRISES COMPANY LIMITED	6,115,508	8.56
SIANA ENTERPRISES COMPANY LIMITED	6,115,508	8.56
CONSTANTAKOPOULOS ACHILLEAS	3,703,508	5.19
Rest of shareholders: 43,360	30,198,564	42.29

Our priorities

The development of the international network as well as the increased interconnections between our bases, constitute a strategic priority for our company. Both the addition of new destinations to the Athens network, which creates favorable conditions for the increase of incoming tourist flows in the city, as well as the strengthening of Athens’ operation as a hub, bring many benefits for both the economy and the company. This is due to:

- A. The relatively milder seasonality of the Athens base.
- B. The more efficient use of aircraft.
- C. The competitive advantage due to our network and size, in combination with the strategic decision to renew our fleet.

The operational quality and competitiveness of Greek airports are still of great importance to us. The development of tourism in recent years has significantly supported the Greek economy, but at the same time it makes the need for supporting the basic and competitive infrastructure of the country’s airports, even more immediate.

Given the challenges posed by the wider economic environment and the constant increase of competition, we have set a series of priorities:

- Strengthen connectivity at domestic and international level.
- Streamline our business activities, in order to offer passengers more choices, further develop and capitalize on our loyalty program (Miles+Bonus), launch new innovative services and reduce aircraft’s distribution and utilization costs.
- Develop new services.
- Further enhancement of employee satisfaction and their active participation in submitting ideas for improvement and implementation of corporate processes and decisions.
- Consideration and care for destinations of Public Service Routes.
- Bolster our contribution to vulnerable social groups.



1.2 // CORPORATE GOVERNANCE & BUSINESS ETHICS

BOARD OF DIRECTORS

The company is managed by the Board of Directors which consists of twelve members, out of which three are executive, six are non-executive and three are independent non-executive members. The term of office of the Governing Board will be until May 2018. It is the responsibility of the Board of Directors to care for the implementation and effective operation of the system of corporate governance, as well as the effectiveness of the internal control system.

The company applies the Code of Corporate Governance as it is regulated by the current Greek legislation and international practices. Corporate Governance is a set of rules, principles and monitoring mechanisms on which the organization and

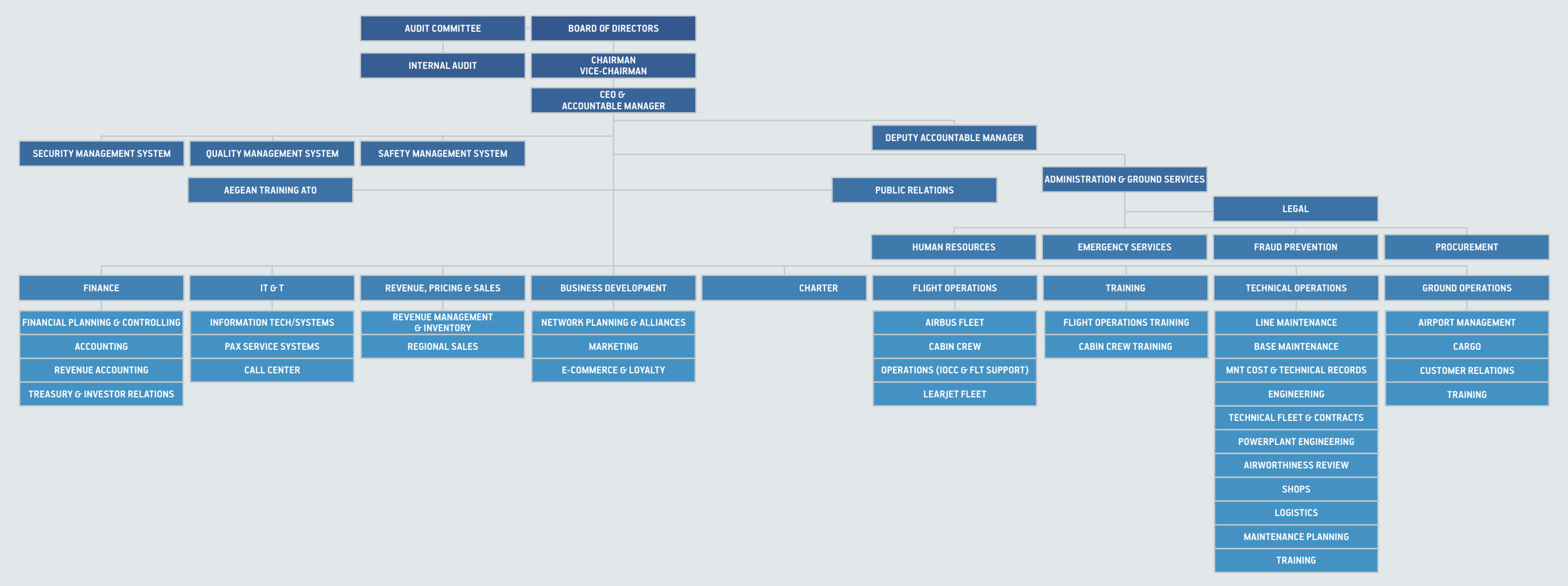
management of the company are based that focuses on the transparency towards investors and safeguards the interests of the shareholders and all stakeholders. The company has voluntarily decided to adopt the Greek Corporate Governance Code for Listed Companies.

There are no sub committees within the Board of Directors, the duties and obligations of which to be related with decision making on financial, environmental and social issues. The relevant decisions are made within the Board of Directors as a total. However, there is an Audit Committee, responsible for monitoring the effectiveness of the internal control system.

INTERNAL AUDIT

The Internal Audit department is not a hierarchical part of any other business unit. The personnel of the Internal Audit department as well as the members of the Audit Committee are independent from the activities they audit and the chief internal auditor reports to the Audit Committee. The chief internal auditor is appointed by the Board of Directors and is a professional with the necessary qualifications and experience. The Internal Audit department drafts reports that are evaluated by the Audit Committee on a quarterly basis.

Organizational structure



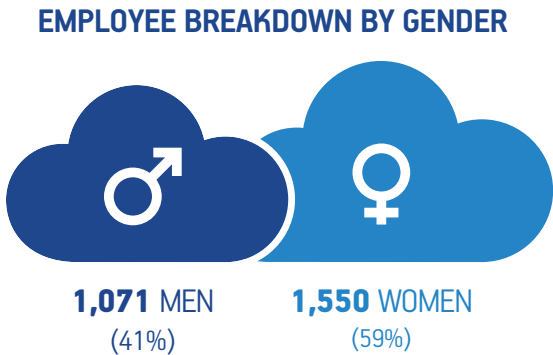
1.3 // HUMAN RESOURCES

Our employees constitute the core pillar for the achievement of our corporate goals. We constantly invest in the recruitment of personnel and their maintenance by providing equal opportunities for education and development. We offer our employees the opportunity to become acquainted with the company’s areas of activity and join in new working groups. We create and strengthen communication channels making sure we always keep close to our people.

On 31/12/2017 there were 2,621 employees in total, 117 more compared to 31/12/2016.

TOTAL NUMBER OF EMPLOYEES*	
31.12.2017	31.12.2016
2,621	2,504

* Only personnel employed directly by AEGEAN and Olympic Air are included. Also, approximately 550 seasonal employees who cover for the increased operational needs of the period April – October are not included.



The relevant analysis of employees by division is presented below:

EMPLOYEE BREAKDOWN BY DIVISION	
Division	Employees
Administration	82
Information Systems Management (incl. Call Center)	200
Ground Operations	268
Flight Operations	1,398
Commercial	171
Finance	85
Technical Operations	359
Business Development	58
Total	2,621

Out of our 2,621 employees, 2,024 are employed on permanent work contracts, while 597 on temporary contracts. Out of the 2,024 permanent employees, 1,005 are men and 1,019 are women.

Respectively, out of the 597 temporary employees, 66 are men and 531 are women.

Below you can find the relevant table:

EMPLOYEE BREAKDOWN BY EMPLOYMENT CONTRACT & GENDER			
Type of Contract	Men	Women	Total
Permanent	1,005	1,019	2,024
Temporary	66	531	597
Total	1,071	1,550	2,621

EMPLOYEE BREAKDOWN BY EMPLOYMENT TYPE & GENDER			
Employment type	Men	Women	Total
Full-time	1,050	1,534	2,584
Part-time / flexible	11	15	26
Interns from Technological Educational Institutions	10	1	11
Total	1,071	1,550	2,621

Accordingly, the table below offers an analysis of the geographical spread of our employees, by gender and type of employment contract. The majority of our employees (95.1%), is employed in Greece, while the rest (4.9%) in the remaining countries of our network.

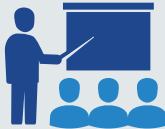
Presented below is the relevant employee analysis, by country (31.12.2017):

EMPLOYEE BREAKDOWN BY COUNTRY, EMPLOYMENT CONTRACT & GENDER					
Country	Men Permanent Contract	Women Permanent Contract	Men Temporary Contract	Women Temporary Contract	Total
England	2	4			6
Egypt			1		1
Albania	1	1			2
Belgium	2	1			3
Bulgaria		1			1
France	5	3			8
Germany	8	7			15
Greece	949	959	63	522	2,493
Spain	1	4			5
Italy	3	6			9
Cyprus	31	29	1	9	70
Romania		1	1		2
Russia	2	2			4
Turkey	1	1			2
Total	1,005	1,019	66	531	2,621

In 2017, there were 147 external associates who worked as flight deck crews (contracted pilots). The 2,621 employees do not include the additional 550, approximately, seasonally contracted employees, who are hired for the period April to October due to increased operational requirements, increasing the total number of employees to 3,171. All work contracts (100%) fall under the E.G.S.S.E. (National General Collective Labor Agreement).

Total number and training hours.

In 2017, there was a significant increase of 31.5% in the number of training sessions compared to 2016. During 2017, 3,537 training sessions were held within and outside the company, for a total of 34,074 hours.



3,537 trainings

34,074 hours



We support our employees by offering:

- Private Health & Life Insurance Scheme.
 - Access to hospitals and diagnostic centers on special rates through direct collaborations.
 - Constant support on health, illness and injury matters.
 - Salary advance for emergencies or health issues.
 - Transportation of employees to & from their work with buses.
 - Travel cards for public transport based on certain criteria.
- Exercise and fitness services in a fully equipped fitness area.
 - Special rates on company products and services.
 - Access to the company Blood Bank.
 - Christmas event for our employees' children.
 - Opportunity to participate in sports events and provision of all necessary equipment.

35th Athens Authentic Marathon.
Proud for the participation of our people

Alongside the 51,000 runners - among them many AEGEAN and Olympic Air employees - were AEGEAN and Olympic Air for another year. The 35th "Athens Authentic Marathon" was held on November 12, 2017 with the participation of 51,000 runners from 101 countries (e.g. Brazil, Vietnam, Jamaica, etc.). The presence of AEGEAN, which is a major sponsor of the event, was once again

very dynamic. Among them were 154 AEGEAN and Olympic Air employees, from all company departments (Administration, Business Development, Call Center, Charter, Finance, Flight Crew, Flight Ops, Ground Ops, IT & T, Management, Quality, Revenue Pricing & Sales, Technical Ops), with a total of 14 participating in the 42 km route.



Participation
of 154 employees



1.4 // MEMBERSHIPS AND RECOGNITION

IATA

→ AEGEAN is a member of the International Air Transport Association (IATA) since the beginning of its operation. IATA is the trade association for the world's airlines representing more than 265 airlines or 83% of the total traffic.

IOSA

→ AEGEAN Airlines is an IOSA registered Organization since 2005 (one of the very first, with registration number 7 out of over 400 Airlines) and Olympic Air is IOSA registered since 2009. The IATA Operational Safety Audit (IOSA) program is an internationally recognized and accepted evaluation system designed to assess the operational management and control systems of an Airline, using the highest standards in the world for Operational Safety.

IOSA is based on industry-proven quality audit principles and is designed to ensure that each audit is conducted in a standardized manner to achieve consistent results. The areas of the organization being inspected are: Organization and Management System (ORG), Flight Operations (FLT), Operational Control and Flight Dispatch (DSP), Aircraft Engineering and Maintenance (MNT), Cabin Operations (CAB), Ground Handling Operations (GRH), Cargo Operations (CGO) and Security Management (SEC). The IATA Operational Safety Audit (IOSA) was developed under IATA to provide the industry an internationally recognized and accepted evaluation system for assessing the operational management and control systems of the world's airlines. To attain and maintain the desired level of recognition and acceptance, IATA, as the custodian of IOSA, must ensure the program embodies the high degree of quality, integrity and security necessary to build and maintain the confidence of those airlines, regulatory authorities and the industry that participate in the program, and who stand to reap the associated safety and cost benefits.

AEGEAN's registration in IOSA also maintains IATA membership (as it is required for all IATA members), Star Alliance membership and Code Share agreements.



In addition, AEGEAN is an active member in the following IATA's groups of airlines for quality control:

DAQCP – De-Icing / Anti-Icing Quality Control Pool

The main goal of the DAQCP is to ensure that the safety guidelines, quality control recommendations and standards of the De-icing/Anti-icing procedures, at all airports an airline operates from, are followed.

The Pool has developed its own set of procedures and checklists for the conduction of audits and inspection at airports, while the main goal is to ensure the safety of the aircraft's operation. The quality control is based on the Association of European Airlines (AEA) Recommendations for De-icing/Anti-icing of aircraft on the ground and also on the European Aviation Safety Agency (EASA) Regulations.

AEGEAN cooperates closely with the DAQCP in order to achieve the Airlines regulators requirements, while improving the quality of inspections as fewer and more effective audits are carried out by accredited AEGEAN inspectors in accordance with stringent evaluation criteria established by the Pool.

IFQP - IATA Fuel Quality Pool

AEGEAN works closely with the IFQP in order to optimize the training of its team of inspectors, ensuring the conduction of inspections that are more effective and of better quality at the airports where it operates. The main goal is to enhance safety and improve quality control standards of fuel facilities at the airport, using standardized inspection checklists. In addition to promoting fuel quality, IFQP activities fully comply with regulatory requirements concerning airlines' provision of quality control and management oversight of airport fuelling services that AEGEAN operates, as per the European Aviation Safety Agency (EASA) requirements.

ISAGO

As a member of IATA, AEGEAN is also a member of ISAGO. ISAGO (IATA Safety Audit Ground Operation) is the first global aviation industry standard for oversight and the control of the ground service providers. It aims at improving safety, using internationally recognized standards and quality control principles, aiming at a drastic reduction in accidents and injuries during ground handling of aircraft.

AOC

Since 2001 we have been actively and continuously involved in the AOC (Airports Operating Committee). The AOC is a body established by IATA and recognized by all international airports, aiming to more effective communication and problem-solving between airline users and their airport authorities on issues related to safety and ground handling services.

STAR ALLIANCE

→ AEGEAN is a Star Alliance member, the largest global airline alliance (28 member airlines), providing benefits to both the customers and the company. The Star Alliance network was established in 1997 as the first truly global airline alliance to offer worldwide reach, recognition and seamless services to travelers over the world. Concerning the passengers, they are provided with access to an extensive network with the benefits of optimized connections and reduced waiting time, as well as benefits for an upgraded travel experience, customer loyalty programs with the ability to collect and redeem miles, access to waiting rooms, and priority at check-in, luggage pickup and boarding. The benefits for the company are worldwide recognition and status through the global alliance, network connectivity and increased traffic, client base expansion, operational benefits through the common use of terminals, improvement and development of new services and exchange of know-how among members. Its acceptance by the market has been recognized by numerous awards, including the Air Transport World Market Leadership Award and Best Airline Alliance by both Business Traveller Magazine and Skytrax. The member airlines are: Adria Airways, AEGEAN Airlines, Air Canada, Air China, Air India, Air New Zealand, ANA, Asiana Airlines, Austrian, Avianca, Avianca Brazil, Brussels Airlines, Copa Airlines, Croatia Airlines, EGYPTAIR, Ethiopian Airlines, EVA Air, LOT Polish Airlines, Lufthansa, Scandinavian Airlines, Shenzhen Airlines, Singapore Airlines, South African Airways, SWISS, TAP Portugal, Turkish Airlines, THAI and United. Overall, the Star Alliance network currently offers more than **18,450 daily flights to 1,300 airports in 190 countries.**



Star Alliance network



European Airlines Fraud Prevention Group (EFPG)

→ AEGEAN also participates in the European Airlines Fraud Prevention Group. The purpose of the Group is the cooperation and coordination between Europe's airlines, travel agencies and systems, to exchange knowledge and solutions in order to tackle fraud and to further protect passengers. Furthermore, EFPG participates in conferences and workshops with Europol. It is an honorary distinction for AEGEAN to hold the Presidency of the Administrative Committee for the representation of European Airlines for Europe on fraud prevention topics (EFPG) and to participate in the IATA Perseus Steering Committee.



HAAR

- ➔ AEGEAN is a member of the Hellenic Association of Airline Representatives (HAAR). The purpose of HAAR is to safeguard and promote the interests of airlines in institutional, economic and social terms, to study and support the issues concerning the airlines, to seek and develop solutions to relevant issues, to harmonize actions and conditions of healthy competition among the aviation industry and to support the contribution of air transport to culture.



"TRANSFORMING TRANSPORT"

- ➔ AEGEAN participates in the European "Transforming Transport" program, which aims to optimize and introduce innovative services in all forms of transportation such as airports, ports, railways and motorways. Part of the program are global companies and academic institutions such as: Boeing Research and Technology (Europe), Intrasoftware, Jeppesen, Athens International Airport, Athens University of Economics and Business, University of Southampton, Universidad Politécnica de Madrid, etc.

SETE

- ➔ AEGEAN is a member and a lifetime sponsor of the Greek Tourism Confederation (SETE). The Greek Tourism Confederation (SETE) was established in 1991 by entrepreneurs from the wider tourism sector, to support the growth of Greek tourism and especially the constant reinforcement of competitiveness and the promotion of the key role of tourism in the Greek economy.

HATTA

- ➔ AEGEAN is a member of HATTA (Hellenic Association of Travel and Tourist Agencies).

MARKETING GREECE

- ➔ AEGEAN is a founding member of Marketing Greece, which with the Hellenic Chamber of Hotels and the Hellenic Association of Communication Agencies (EDEC/HACA) as stakeholders, primarily aims to successfully promote the Greek tourism product. Moreover, AEGEAN organizes Fam Trips for journalists / bloggers / vloggers who visit our country, in the context of trips organized by Marketing Greece, contributing as a transport sponsor to the work of institutions (cultural institutions, conferences, initiatives of municipalities and regions) and business missions.

GNTTO

- ➔ AEGEAN actively participates in international tourism exhibitions, together with the Greek National Tourism Organization, contributing to the country's promotion.



CSR HELLAS

- ➔ AEGEAN has been a member of the Greek Network for Corporate Social Responsibility since 2012. AEGEAN actively participates in the Network's initiatives by supporting the Student Competition for Corporate Social Responsibility "Nikos Analytis", organized by the Greek Network for Corporate Social Responsibility in collaboration with the Athens University of Economics and Business, offering complimentary tickets to the winners to travel to Brussels together with the Network's executives, and take part in educational visits to the European Commission and the Office of the European Parliament on an annual basis.



RECOGNITION OF OUR QUALITY

SKYTRAX

On June 20, 2017 during the Paris Air Show, AEGEAN won, for the 7th consecutive year, the best regional airline award by the Skytrax World Airline Awards. In this survey, which was conducted between August 2016 and May 2017, 19.87 million passengers from 105 different nationalities participated.

The main instruction for travelers is to make their own, personal choice as to which airline they consider the best. This is why the Skytrax World Airline Awards are known as the "Customer Choice Awards".

For the seventh consecutive year and for the eighth time since 2009, the professionalism and behavior of AEGEAN's personnel, as well as the overall flight experience they provide to passengers, stood out in the company's ratings amongst the service categories that passengers were asked to vote for.

The World Airline Awards are the aviation industry's more coveted awards. They are often called the "Aviation Industry's Oscars" and are a global reference point for the excellence of

airlines. Every year, travelers from all over the world participate in the largest passenger satisfaction survey in order to decide the winners. The Skytrax Survey and the Awards Selection Methodology are characterized by total transparency and the procedures remain 100% independent, excluding any money transactions with airlines or any other organization in any phase of the passenger survey or at the presentation of the awards.



World Travel Awards

AEGEAN won the first prize as Europe's top regional airline for 2017 at the World Travel Awards, which was held in October 2017 at the Russian Museum of Ethnography in St. Petersburg and brought together the most important representatives of the global tourism community. Specifically, AEGEAN, for the third time, was named "Europe's Leading Regional Airline" through an audience vote that was organized in the context of the 24th annual World Travel Awards™, confirming the high position AEGEAN consistently has in the preferences of travelers worldwide.

The "World Travel" awards, established in 1993, aim to recognize and reward distinction in all key areas of travel, tourism as well as hospitality companies. Nowadays, the "World Travel" awards are considered worldwide as the ultimate trademark in the field of excellence.



IATA Fast Travel Gold Award

In October 2017, AEGEAN received the Fast Travel Gold Award from the International Air Transport Association (IATA), for its innovative and flexible solutions, which simplify and accelerate passengers' experience. AEGEAN becomes the 11th airline in Europe that receives the golden distinction.

AEGEAN fulfills all six requirements of the IATA Fast Travel Program, offering passengers departing from the Athens International Airport, the London Heathrow International Airport and the Frankfurt Airport, self-check-in services (all options), self-rebooking, bag recovery, bags ready-to-go (self-service procedure for the labeling and placement of baggage), automated scanning at boarding gates and automated documents check.

IATA's Fast Travel Program responds to the passengers' demand for more options, convenience and autonomy through the

following self-service options: the self-check-in process (including the automated check-in process), the "bags-ready-to-go" self-service process for baggage, documents checking process, flight re-booking process, automated boarding process and baggage recovery process. The program's vision is to provide to 80% of passengers around the world a complete range of self-service options at all stages of their travel by 2020, aiming at greater comfort and reduced time spent at queues.



Conde nast traveler - "30th Readers' Choice Awards"

An important distinction for 2017 was also the ninth place AEGEAN took in the list of the world's top 20 airlines (except the USA) by Conde Nast Traveler, the world's largest travel magazine. More than 300,000 travelers participated in the vote (conducted in the context of the 30th Readers' Choice Awards), and Conde Nast Traveler's comment notes among others, that "AEGEAN is well known for its personnel's professionalism and friendliness, while is planning to expand in new markets during the next years".

The company has also been honored by the Athens International Airport as:

- The favorite airline among European passengers at "Eleftherios Venizelos" airport for 2017.
- The airline with the largest passenger increase at "Eleftherios Venizelos" Airport, for 2017.



The company's President Mr. Theodoros Vassilakis, received the 4th ALBA Business Unusual Award

The 4th Business Unusual Award was given to the company's President Theodoros Vasilakis by the ALBA Graduate Business School at The American College of Greece, at a ceremony held at the Hotel Great Britain. The event was attended by over 290 prominent figures of the business community, business executives, politicians, and academics.

This year, ALBA chose to honor the visionary, self-made Greek businessman Theodoros Vassilaki, as one of the most respected personalities of the business community.

Business Unusual Awards were introduced by ALBA in 2010 and are given every two years to important personalities, not only from our country but also from abroad, who are role models of personal and professional behavior in the general area of

activity in which a Graduate Business School, such as ALBA, operates.

The Business Unusual Award institution is inextricable linked to ALBA's main outlet of social sensitivity and contribution not only to the Greek, but also to societies abroad, as the revenues from the events are offered, in the form of scholarships, to worthy university student candidates, who do not have the resources to fund their studies.





2 // OUR APPROACH TO SUSTAINABLE DEVELOPMENT

We consider the identification and connection of our financial, social and environmental impact with broader sustainable development issues to be particularly important. In this context, we use the UN Sustainable Development Goals as a reporting and strategy tool.

2.1 // STAKEHOLDER ENGAGEMENT

AEGEAN's basic principle is to engage in dialogue with its stakeholders, as they are defined based on the company's nature of operations and the impacts the company has on them, as well as how these stakeholders influence the company. It creates the right conditions for an exchange of views in order to understand their needs and expectations, receiving feedback at regular intervals about how it operates, and the impacts it has on its stakeholders. The company, within the framework of its operation, in and outside the airline community, cooperates with different stakeholders, with particular needs and priorities.

The Key Stakeholder Groups are:

- ✈ Passengers

✈ Employees

✈ Shareholders/Investors

✈ Aviation Community

✈ State/Regulatory Authorities
- ✈ Suppliers/Associates

✈ Local and Wider Society

✈ Business Unions

✈ Non-Governmental Organizations NGOs

The following table includes the means of communication and consultation with each stakeholder group, the frequency of the consultation, and the key issues and concerns derived. The way the company responded to these issues and concerns is presented within the framework of this report.

GROUP	TYPES OF COMMUNICATION	FREQUENCY OF COMMUNICATION	KEY TOPICS AND CONCERNS
 Passengers	• Market research • Press releases • Call center • Customer relations department • Social media • Website • Newsletter • BLUE magazine • Press conferences	Continuous	• Flight safety, training & operational readiness • Quality product & passenger care • Network development • Responsible communication & advertising • Customer privacy • Safeguarding Human Rights in our Business operation • Support for vulnerable groups
 Employees	• Internal announcements • Department meetings • Electronic correspondence • Evaluation questionnaires for employee training • Intranet • Press releases	Continuous	• Employment • Flight safety, training & operational readiness • Occupational Health and Safety • Training & Education (administrative employees) • Human rights at work • Economic performance • Network development
 Shareholders/Investors	• Website • Road shows • Department of corporate announcements and shareholder support • Press releases • Stock market web page • Press conferences	Continuous	• Economic performance • Network development • Flight safety, training & operational readiness • Quality product & passenger care • Employment • Local Communities Development & Contribution to the Improvement of the Greek Tourism Product • Anti-Corruption • Responsible procurement practices

GROUP	TYPES OF COMMUNICATION	FREQUENCY OF COMMUNICATION	KEY TOPICS AND CONCERNS
 Aviation Community	• Meetings • Conferences • Electronic correspondence • Representation in national and international bodies of the aviation community • Press releases • Press conferences	Continuous	• Flight safety, training & business readiness • Network development • Quality product & passenger care • Safeguarding Human Rights in our Business operation • Occupational Health and Safety • Energy consumption & greenhouse gas emissions • Noise
 State/Regulatory Authorities	• Meetings • Conferences • Electronic correspondence • Press releases • Press conferences	When deemed necessary	• Flight safety, training & operational readiness • Safeguarding Human Rights in our Business operation • Quality product & passenger care • Network development • Anti-Corruption • Energy consumption & greenhouse gas emissions • Noise • Personal data protection
 Suppliers/Associates	• Meetings • Electronic correspondence • Conferences • BLUE magazine	When deemed necessary	• Flight safety, training & operational readiness • Responsible procurement practices • Economic performance • Network development • Anti-Corruption • Quality product & passenger care • Local Communities Development & Contribution to the Improvement of the Greek Tourism Product
 Local and Wider Society	• Website • Press releases • Meetings • Conferences • Electronic correspondence • Representation in national and international bodies of the aviation community • Social media • Press conferences • BLUE magazine	Continuous	• Flight safety, training & operational readiness • Network development • Quality product & passenger care • Local Communities Development & Contribution to the Improvement of the Greek Tourism Product • Employment • Support for vulnerable groups • Energy consumption & greenhouse gas emissions • Noise
 Business Unions	• Website • Department of corporate announcements • Press Releases • Stock market web page • Meetings • Conferences • Electronic correspondence • Press conferences	Continuous	• Local Communities Development & Contribution to the Improvement of the Greek Tourism Product • Employment • Responsible procurement practices • Economic performance • Network development • Anti-Corruption
 Non-Governmental Organizations (NGOs)	• Website • Press Releases • Meetings • Electronic correspondence • BLUE magazine	When deemed necessary	• Support for vulnerable groups • Local Communities Development & Contribution to the Improvement of the Greek Tourism Product • Employment • Responsible procurement practices • Safeguarding Human Rights in our Business operation • Energy consumption & greenhouse gas emissions • Anti-Corruption

2.2 // MATERIALITY ANALYSIS

In December 2016, the company completed its materiality analysis with the participation of internal stakeholders, aiming to determine the material sustainable development topics, which are included and analyzed in the present report. In the beginning of 2018, these topics were reviewed in order to validate their importance for the 2017 Report.

Nineteen (19) topics were identified, eight (8) of which were prioritized as material and are analyzed below. The material topics arising from this analysis are those with the most significant impacts on Sustainable Development and substantively influence the assessments and decisions of our stakeholders. The analysis conducted by the company will be used to review and optimize its strategy on the topics deemed as material for its sustainable development.

PHASE 1 // Identification of relevant topics

The company took into consideration the new GRI (Global Reporting Initiative) Standards, the international organization that produces the most widely adopted global standards for sustainability reporting, and identified topics that are relevant with its operations and its impacts on stakeholders. The findings were based on the review procedures of:

- ➔ The internal documents regarding development strategy, internal policy procedures, as well as engagement results such as passenger satisfaction surveys and market research.
- ➔ The announcements (Press Releases) and media reports for 2017 relating to the aviation sector in Greece.
- ➔ The principles of the United Nations Global Compact.
- ➔ The annual bulletin.
- ➔ The recognized international standards for sustainable development reporting.
- ➔ The important topics related to the global aviation sector.

PHASE 2 // Prioritization of topics

For the identification and prioritization of topics, an internal interdepartmental team comprised by representatives from the company's departments was established. These representatives' responsibilities pertain to the topics identified during the first phase so that the company's strategic planning and all stakeholder engagement activities and their results would be recorded in a complete and sufficient manner.

Based on the GRI principles of Materiality and Stakeholder Inclusiveness, the topics identified in the first phase were prioritized, by considering the following parameters:

- ➔ Significance of the topics' impacts on Sustainable Development.
- ➔ Significance of the topics' impacts on the company's ability to achieve its goals.
- ➔ Significance of the topics for stakeholders.

In order to clearly define these impacts, we used the 17 UN Sustainable Development Goals.

PHASE 3 // Result Validation

The results of the second phase were validated by the company's Management.

Material topics

The following eight topics were characterized as the most significant, and are presented in this report:

1. Flight safety, Training & Operational Readiness
2. Economic Performance
3. Network Development
4. Occupational Health and Safety
5. Safeguarding Human Rights in our Business Operation
6. Local Communities Development & Contribution to the Improvement of the Greek Tourism Product
7. Quality Product and Passenger Care
8. Energy Consumption & Greenhouse Gas Emissions

Sustainable Development Goals

The UN "2030 Agenda", followed by 17 Sustainable Development Goals (SDGs), adopted in September 2015 by the 193 UN member states, including Greece, is an ambitious commitment that can become the road map for the modern way of conducting business.

Achieving the Sustainable Development Goals is a global challenge, but also an opportunity for the Greek business community and society to ensure that the exit from recession and the return to growth is achieved by taking into account the wider environmental and social constraints and challenges.



The material topics are presented in the following materiality map, and their respective boundaries can be found on page 94





3 // CREATING VALUE FOR THE MARKET

We seek to translate the quality of Greek air transport into sustainable, profitable growth with multiple benefits for tourism, employment, the supply chain, the local communities and public revenue.

3.1 // ECONOMIC PERFORMANCE

MATERIAL TOPIC

We consider our economic performance to be of utmost importance as:

- It is directly linked to the company’s sustainability,
- It has a direct impact and contribution to the national economy, growth, innovation and infrastructure, through wages and benefits to employees, payments to providers of capital, suppliers and payments to the State.

We are focused on maintaining the high quality that characterizes us throughout all the years of our operation, aiming to continuously improve our services, investing in new technologies and upgrading loyalty programs and the level of e-services. We contribute to the further upgrading of Greek tourism and the Greek economy, while systematically using our means at our disposal to promote and enhance the Greek tourism product. We seek to translate the quality of Greek air transport into a sustainable, profitable growth with multiple benefits for tourism, employment, the supply chain, the local communities and public revenue.

Especially concerning public revenue, in the period 2013 - 2017 we made payments, as a group, of over €1.44 billion to the government (income tax, VAT, municipal and other taxes, airport charges, insurance organizations, etc.)



The completion of Olympic Air’s takeover in October 2013, following the European Commission’s approval, had an especially positive impact on our economic performance. This takeover made the company, the largest airline in Greece, offering benefits to stakeholders, such as passengers, contracted suppliers, bodies and the public.

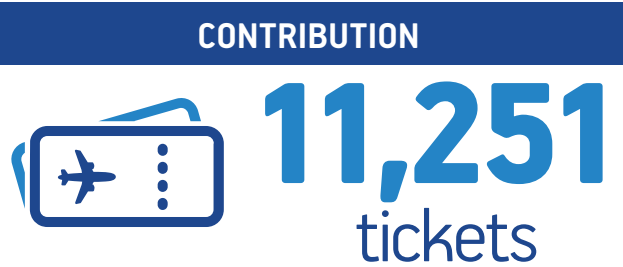
Olympic Air is 100% subsidiary of AEGEAN, publishes its financial results on a consolidated basis, including the results of its subsidiary, Olympic Air S.A.



(figures in thousands €)	2017	2016
Direct economic value generated	1,141,591	1,035,657
Direct economic value distributed:	1,058,393	1,008,586
Operating costs	896,803	832,979
Employee wages and benefits	124,985	122,420
Payments to providers of capital	931	832
Payments to government (taxes)	34,938	50,055
Community investments (donations etc.)	736	2,301*
Economic value retained	83,198	27,070

* In 2016, AEGEAN and Olympic Air were important contributors to the completion and operation of the new airport in Paros. An important part of the investments to society concerned this project.

Moreover, in addition to our economic contribution, in 2017 we offered 11,251 tickets for the transportation of bodies and organizations supported by AEGEAN.



Our revenues refer to ticket sales, cargo transportation and the provision of other services. In 2017, net sales were €1.13 billion, increased by 9.5% compared to 2016, which are analyzed as follows:

SALES (numbers in thousands €)	2017	2016
Revenues from scheduled flights	963,401	870,352
Revenues from chartered flights	54,555	41,375
Other revenue related to flights (Duty free sales on board, cargo, revenues from extra luggage, cancellations, online sales of other services such as hotel bookings, airport parking, car rental, etc.)	109,669	108,585
TOTAL SALES	1,127,625	1,020,312



3.2 // NETWORK DEVELOPMENT

MATERIAL TOPIC



The way AEGEAN manages the development of its network has impacts on the sustainable development in general, for both the company itself and Greece. The network development contributes to

- the national economy via the increase of incoming tourism,
- the creation of direct and indirect employment,
- the support of innovation and infrastructure through the development of new air transport services and products,
- the creation of sustainable cities through the provision of access to safe, affordable and sustainable transport systems for all.

We invest in our fleet’s growth and our network’s development both domestically and abroad, in order to provide connectivity to our most remote islands with mainland Greece. Moreover, we aim to reach more international destinations and establish direct connections with regions of Greece, in order to offer an upgraded tourism product and at the same time support the local economies.

In 2017, we begun assessing new aircraft types with a view to renew our fleet, while in 2018 our fleet will be strengthened by three (3) more Airbus 321 aircraft.

PUBLIC SERVICE ROUTES DESTINATIONS: INCREASE OF PASSENGER TRAFFIC



The takeover of Olympic Air by AEGEAN in October 2013, contributed to the increase of passenger traffic in public service route destinations.

As tourism is one of the most important pillars of the Greek economy, our aim is to provide a wide international network, with quality product and attractive prices and further facilitating foreign visitors to select Greece as the final

destination for their holidays. We seek to extend the tourist season, by offering direct connections between international and Greek destinations, throughout the time period between April and October.



145 DESTINATIONS

33

DOMESTIC DESTINATIONS

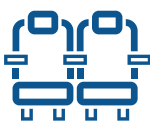
112

INTERNATIONAL DESTINATIONS



13,216,630

PASSENGERS IN 2017



16,657,143

AVAILABLE SEAT KILOMETERS (ASKs) (in thousands)

	2017	2016	% CHANGE
DOMESTIC TRAFFIC	5,902,708	5,724,659	3%
INTERNATIONAL TRAFFIC	7,313,922	6,738,913	9%
TOTAL PASSENGER TRAFFIC	13,216,630	12,463,572	6%

In 2017, we served 145 destinations, 33 domestic and 112 international in 45 countries, by offering 16.65 million seats and having carried 13,216,630 million passengers, 6% more compared to 2016. It is worth noting that the increase in traffic derives in its entirety from the optimized use of the network, as the number of flights operated in 2017 was smaller compared to 2016.

2017, in the same vein as in 2016, was a year of economic uncertainty for our country, with key events that influenced:

- ➔ Important decisions in fiscal adjustment level and adoption of measures,
- ➔ The evaluation of the progress related to the country’s financial support,
- ➔ The deceleration of the growth rate of the global economy,
- ➔ The political developments in EU member countries, which may affect the unity and the common course of member countries,
- ➔ Increased fear relating to international safety issues.

Concerning the level of demand from abroad, the turmoil in the neighboring Mediterranean countries continued, maintaining the flow towards European countries. At the same time, competitive pressures persisted, mainly on the domestic market, with an increase in the number of offered seats. In 2017, AEGEAN significantly developed its main hubs (Athens, Thessaloniki, Heraklion, Rhodes, Chania, Kalamata and Larnaca), opening new markets for Greek tourism, as well as new destinations in established markets. The 33 domestic and 112 international destinations in 45 countries contributed to a great extent, to the heavy national

industry’s durability and improved geographical penetration. For yet another year, the development of the Athens network was the main part of our investments. With the increase of direct connections with the Athens hub, our efforts have, once again, contributed for to the increase of tourist arrivals in the country, and at the same time we strengthened the efficiency of our network. In particular, international passenger traffic from Athens increased by 15%, while total traffic from the Athens International Airport showed a 9% increase. AEGEAN exceeded 10 million passengers for the first time, contributing decisively to the passenger traffic of the Athens airport.

The main factors contributing to our positive results were:

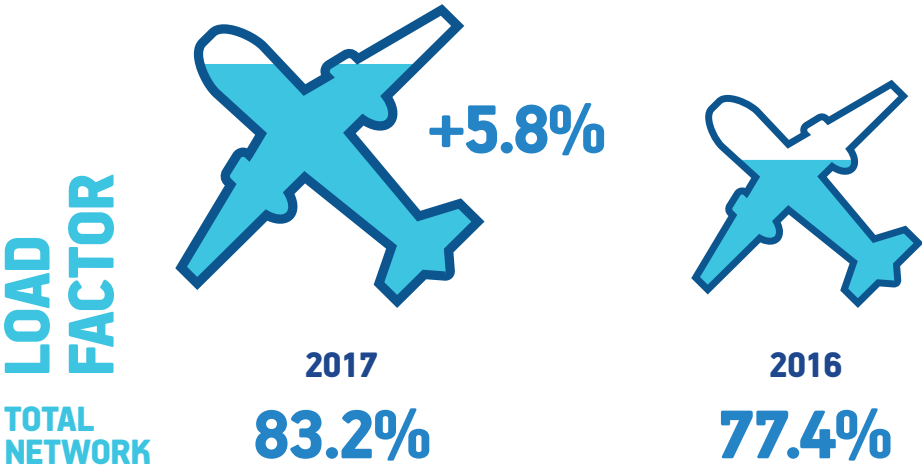
- ➔ Improvement in the demand after June,
- ➔ Positive performance of both the main and new international destinations,
- ➔ Enhancement of connectivity between the Athens network and the regional hubs.

INTERNATIONAL DESTINATIONS		DOMESTIC DESTINATIONS		TOTAL DESTINATIONS	
2017	2016	2017	2016	2017	2016
112	111	33	34	145	145

	AIRCRAFT		AVAILABLE SEAT KILOMETERS (in thousands)		PASSENGERS
2017*	2016	2017	2016	2017	2016
58	61	16,657,143	16,382,087	13,216,630	12,463,572

* The fleet was reduced by 3 aircraft in 2017, with the plan of adding three Airbus A321 aircraft in the early months of 2018.

In 2017, AEGEAN also achieved historically high load factor, driven by its successful commercial policy and network management. In particular, the load factor of the total domestic and international network was 83% compared to 77% of the previous year.



Our fleet

After the successful implementation of its fleet renewal plan with the delivery of the Airbus A320/321 that started in 2007, AEGEAN continued to expand its network, taking advantage of the new fleet's potential. Concurrently it contributed to an extremely important quality upgrade of the company's services across its network, both domestic and international.

Since October 2013, Olympic Air's Bombardier Q400 and Bombardier Q100 aircraft have been added to the group's fleet. Concurrently, in 2017, 2 ATR aircraft were added to the fleet.

In 2014, in the context of its continuous development, AEGEAN proceeded with the finalization of the order for 7 additional Airbus A320neos aircraft, equipped with the new "Sharklets" wing tip. With the addition of these aircraft, the company bolstered not only its capabilities, but also its main competitive advantage, which is the low average age of its fleet. The investment amounted to \$300 million.

For 2018, 3 additional Airbus 321 aircraft are scheduled to be received, while an investment decision will be made, concerning the type of aircraft that will renew our fleet after 2020.

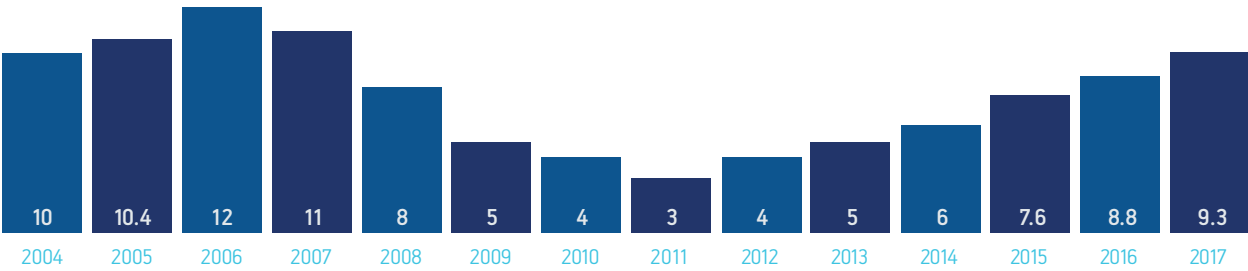
58 Aircraft

Airbus A321 x8		Bombardier Dash 8 Q 400 x8	
Airbus A320 x37		Bombardier Dash 8 100 x2	
Airbus A319 x1		ATR 42-600 x2	

Overall, in 2017 the group's fleet consisted of 46 jet aircraft of the Airbus A320 family (A319, A320, A321) and 12 Turboprop aircraft. During the last 9 years, AEGEAN and Olympic Air have invested in the product quality through the acquisition of new aircraft. The enhancement of our fleet with new aircraft, has also contributed to the significant upgrade of service quality.

In 2017, the average age of AEGEAN's fleet was 9,3 years.

Fleet average age (in years)



MATERIAL TOPIC

3.3 // QUALITY PRODUCT & PASSENGER CARE

8 DECENT WORK AND ECONOMIC GROWTH

Since the first day of our operation, our objective has been to provide the Greek public with quality air transportation. We aspire to offer such quality product and passenger care, that we conduce to decent employment and economic growth, via the creation of a satisfied and loyal customer base, while being worthy representatives of Greek airlines abroad.

Our goal is a superior product, which promises a unique travel experience end-to-end, through all travel stages, from the reservation to the arrival and subsequent reward.

By adopting the “continuous development - quality service - reliability” approach, we have invested in renewing our fleet, continually training our staff, establishing partnerships and alliances with international airlines and using innovative process simplification services that contribute to passenger flexibility and broadening of choices.

In this context:

- ✈ We offer high-quality services to our passengers in all travel stages, from planning their trip to booking their ticket, their experience on the ground and on board, in addition to their reward post-flight, as members of our Loyalty Program.
- ✈ In parallel, having acknowledged the diverse needs of our passengers, we have adapted the services we offer throughout the customer journey, with priority to traveling families, business travelers, and loyal passengers, which attests to our commitment to be near them, for whatever reason they travel.

With an aim to be customer service pioneers while simplifying procedures, we continue to invest in product novelty. Persistent towards this direction, we keep investigating passenger needs, in order to differentiate our product proposition depending on each target audience and their diverse expectations. Along these lines, the technologically advanced service alternatives we provide our passengers with, help them save time and effort.

Passenger satisfaction is our primary goal; hence we have developed and implemented a series of procedures that reflect a series of procedures across all travel stages, which reflect our factual respect towards our passengers. We are the sole company in Greece who, in the event of a delay of more than one hour on domestic flights or more than two hours on international flights, offers one free ticket to the afflicted passengers, so long as the delay was of our own fault.

YEAR	ON-TIME PERFORMANCE*	NUMBER OF SCHEDULED FLIGHTS
2017	83%	105,000
2016	86.8%	109,690

More specifically, for the “Eleftherios Venizelos” airport, both AEGEAN and Olympic Air maintain the highest credibility index in flight departure times.

In recognition of the effectiveness of our strategy, in 2017, we have been awarded by SKYTRAX for the seventh consecutive year and for the eighth time in total since 2009.



* It refers to the total number of scheduled flights (excluding charter flights), which departed within the first 15 minutes of the scheduled departure time. In 2017 an additional parameter was added to the calculation methodology of the departure consistency index with the aim to enhance the reliability of the measurements.

Product Experts

In the context of this approach (“continuous development - quality service - reliability”), we have developed internal processes and methods so that any new products and services that are implemented and offered to the public, were designed in a sound way, meaning that all the necessary parameters for their practical application were taken into account.

For this reason, in recent years we have created the team of product experts, whose main goal is to constitute one of the main communication channels between the company and its passengers.

Product experts is a group made out of cabin crew members from both AEGEAN and Olympic Air. Their role is crucial, as they not only maintain direct contact with the passengers, but they also work as senior cabin crews. This allows them to also come in contact with other company departments and work together for an improved customer experience.

Each member of the product expert team has the mission to know the company’s product-service to an excellent degree, as well as the extent of each department’s contribution to it. Each member must promote the product’s image at every opportunity inside or outside the cabin and be always alert to achieve the best possible outcome by having extensive knowledge of the airline value chain, by collecting data from of his/her own work or from the competition, and by providing feedback to the company, aiming at the continuous improvement of offered services.

The implementation of innovative products-services follows a cycle, in which the product expert is invited to participate with the support of the management.

- ✈ In the product creation phase, the expert contributes through the method of brainstorming.
- ✈ In the validation stage, the product expert cooperates with the relevant departments to assess the forthcoming initiative.
- ✈ On selected occasions, a pilot case follows, where the expert will present his/her conclusions and point out any shortcomings, the correction of which will lead to refinement.

In the implementation phase, the expert will work as a first line employee, who will not only share his/her knowledge, but will also greatly inspire the rest of the crew members with his/her enthusiasm and motivation.

In the final feedback phase, the product expert will extract/ collect data from both passengers and co-workers, which he/she will process and then present as documented and constructive feedback.

Therefore, it becomes clear that the product experts play an important role in the implementation of the company’s strategy, and especially its two main pillars, which are its passengers and its human resources. It is worth mentioning that effective and quality services have already been implemented for all, as well as new products-services (e.g. “AEGEAN for Families”, “Treat them”) that have made a great impression, while new services are also constantly implemented. At the same time, product experts can assist in making processes simpler and more efficient. Finally, with their attitude, they strengthen and help maintain a strong corporate culture and the team spirit that characterizes our company’s large cabin crew.



Products and services

We offer our passengers high-quality services across all travel stages, from planning their trip to booking their ticket, their experience on the ground and in flight, in addition to being rewarded post-flight, as members of our Loyalty Program.

For this reason, we approach our product in a holistic way for each stage of the passenger experience, making sure that we enhance each stage of as follows:

AEGEAN Online Services

TRAVEL PLANNING AND TICKET RESERVATION

- ➔ Possibility to retrieve the basic information on all devices (PC, smart phone, tablet) through aegeanair.com and olympicair.com.
- ➔ Possibility to find the lowest price with the Low Fare Calendar.
- ➔ A user-friendly Interactive Network Map with all available routes, the lowest available price and essential destination information (weather, time difference, short travel guide).
- ➔ Destination pages: Access to useful information, tips and photos so that everyone can get inspired ahead of their trip.
- ➔ New flight schedule design: The new design for searching available flights per route has been upgraded in order to provide direct access and more comprehensive updates to the information that passengers need when planning their journey.
- ➔ Option for an online reservation change and ability to manage active reservations (change of time and date of flight/access to flight details)
- ➔ Easy trip planning (Booking.com, Hertz, Travel insurance & Parking at the airport).
- ➔ Automatic display of personal information during the booking/purchase process.
- ➔ Ability to view the gained miles from AEGEAN and Olympic Air flights. During the reservation or ticket change process, as well as through the "My Booking" service, passengers have the opportunity to be instantly informed regarding the exact number of miles that they will gain on that specific trip.
- ➔ Invoice printing capability.
- ➔ My AEGEAN: Visitor identification based on the credentials stored (FB account, email or FFN).
- ➔ My AEGEAN: Traveling Companions: My AEGEAN registered users (including Miles+Bonus members) are able to store in their accounts the personal details of friends and/or family, with whom they travel together on a regular basis. This service provides additional flexibility to passengers and their travel management, as their co-travelers' data

is automatically displayed during the ticket reservation process, thus making the reservation process faster and easier. Users can add up to 8 co-travelers to their list, while this service is available on all devices (PC, smartphone and tablet) as well as on the AEGEAN App iOS/Android.

- ➔ Meal pre-selection (in the Business Class category): Business class passengers on international flights can, if they wish, preselect the type of meal they want during their reservation, through aegeanair.com and olympicair.com, for both AEGEAN and Olympic Air flights. Also, the new online service offers options between 3 main courses, instead of the 2 listed in the on-board menu, as well as the ability to choose between 3 breakfast options.

- ➔ New payment methods (available via any device and via the AEGEAN App on iOS/Android smartphone and tablet):

1. iDeal (The Netherlands).
2. Bancontact (Belgium).
3. EPS (Austria).
4. Entercash (Finland).

- ➔ Special assistance request: Through this new service, passengers who need special assistance due to sight, hearing or limited mobility problems, have the opportunity to inform ground services via the related form available on www.aegeanair.com and www.olympicair.com, in the "Ticket Purchase" and "Reservation Handling" sections.

- ➔ Android Wallet: There is now the possibility to add the boarding pass, as well as the digital Miles+Bonus Card on the Android wallet app.

EXPERIENCE AT THE AIRPORT

- ➔ Online self check-in from mobile phone or at designated self check-in counters at the airport.
- ➔ Boarding pass available through mobile phone or email.
- ➔ "My Notifications" service. Passengers are always up-to-date about their upcoming flight, through the automatic notifications sent to their device (via email, SMS, push) about the gate number, a change in the gate number, the time the gate is open and a possible delay in the departure of their flight.
- ➔ Scanning of passport and ID through the AEGEAN app for faster Check-In. Through the AEGEAN app, passengers can scan their passport or ID during check-in and have their personal information automatically filling the respective fields, thus minimizing check-in time.
- ➔ Exclusive ground services and travel facilitations for families, Business Class passengers and Miles&Bonus Gold members, such as given priority on baggage drop-off or boarding on the aircraft.



The experience of AEGEAN Business Lounges has been upgraded.

AEGEAN Business Class passengers, holders of the “Miles+Bonus” Gold card and the Star Alliance Gold card of the member airlines have access to the AEGEAN Business Lounges.

ATHENS

At the Athens International Airport “Eleftherios Venizelos”, the Intra Schengen AEGEAN Lounge was created and delivered to passengers, more luxurious and functional, with the capacity to accommodate 200 people in its 450 m². The new lounge has been designed in such a way that allows for a complete separation between the food and coffee and the resting areas. The line for snacks, beverages, refreshments and other products has been expanded in order to maximize comfort and reduce waiting times. The separate relaxing area provides all the modern technological accommodations for a comfortable and pleasant stay. The elegant and clean decoration approach includes both natural and recycled, ecological sound-absorbing materials of high durability that follow the strictest security and fire protection rules required at modern airports. AEGEAN's goal is for the travel experience with the brand new Airbus aircraft to start from its Lounge space.

AEGEAN passengers departing for destinations outside the Schengen zone are accommodated in the company's new Extra Schengen Lounge, with a capacity of 82 passengers, with the same facilities and amenities as the Intra Schengen Lounge. The entrance is right next to the A13 gate.



THESSALONIKI

At the airport of Thessaloniki “Makedonia”, while walking towards the departure gates, the passenger can see the entrance to the refurbished AEGEAN Business Lounge, which has the capacity to accommodate 96 people. The space shares many elements, mainly colors, with the brand new AEGEAN Airbus aircraft. The self-service buffet offers snacks, beverages and refreshments. There are also newspapers and magazines in specific corners and, between the single and double leather armchairs, tables with slots for charging mobile phones and tablets. In addition, the existence of a gate within the area eliminates delays during flight departures, since check-in and boarding are done within the Lounge.



LARNACA

On the third floor of Larnaca International Airport is the renovated AEGEAN Business Lounge with the capacity to accommodate 65 passengers. A pleasant space that includes modern LED lighting, colored Lacobel-typed crystal linings and tailor-made tables with slots for charging mobile phones and tablets. The Lounge includes a rich buffet that offers food and snacks, a spacious self-service bar and special areas for work that needs an internet connection, stand for daily newspapers and rest zones.



Delayed baggage delivery

The service is addressed to passengers whose luggage will not be delivered to the airport at the same time as their arrival. In this case, passengers do not have to refer to the department of lost and found as they are informed for their luggage's delay before arriving at the luggage conveyor belts through a text message via the AEGEAN App on their mobile or via email. The system reminds them automatically to electronically fill in the “delayed baggage” form. During the luggage tracking process, they are informed for the status of “delayed baggage delivery”. This service is available for the Athens-London (Heathrow and Gatwick), Athens-Paris, Athens-Frankfurt, Athens-Munich, Athens-Vienna and Athens-Zurich routes.

Customer care in case of flight delay

We are the sole company in Greece who, in the event of a delay of more than one hour on domestic flights or more than two hours on international flights, offers one free ticket to the afflicted passengers, so long as the delay was of our own fault.

Experience during flight

Entertainment

We renew the entertainment content on our flights to constantly ensure a beautiful, comfortable, pleasant journey.

Greek taste & wine

Discover on AEGEAN flights, authentic flavors and aromas from Greek cuisine and indulge in special gastronomic creations based on pure local products.

The menu is accompanied by a selection of 4 distinct wine varieties, under the supervision of AEGEAN's wine advisor Mr. Konstantinos Lazarakis (Master of Wine), which are renewed every six months. The aim is to promote Greek wines on the European level, to educate and inform AEGEAN passengers on

wine and to allow them to become acquainted with top Greek winemakers, Greek varieties and wine-producing regions of our country.

Through the "Closer to Greece" initiative and in collaboration with local producers and bodies, from May 2016 and each month until April 2017, our aircraft filled with images, colors, tastes and flavors from one or more Greek destinations.

An internationally recognized and high quality service delivered by our cabin crew, as well as personalized service to Business Class passengers and Miles+Bonus Gold Members.

After the trip/ Reward

Miles+Bonus

→ Miles+Bonus Loyalty Program.

Through the Miles+Bonus program, we reward our frequent passengers with exclusive privileges, quality services and partnerships in order to meet their needs and make every trip into a unique enjoyable experience. We have redesigned the Miles+Bonus program to be the common loyalty program of both AEGEAN and our subsidiary Olympic Air.

In addition, by participating in Star Alliance, the world's largest airline network, we ensure that our Miles+Bonus members earn and redeem miles, but also enjoy integrated services, privileges and a seamless travel experience, with any of the 28 member airlines they choose to travel with, in 190 countries and 1,300 airports.

→ **Miles redemption service on any Star Alliance member airline:** Members of the AEGEAN Miles+Bonus loyalty program are now able to redeem their miles electronically on flights of other Star Alliance member airline.



→ Business On Board, the Loyalty Program for business travelers.

→ Redemption through Bank Loyalty Schemes

- Alpha Bank Bonus Points Redemption Program

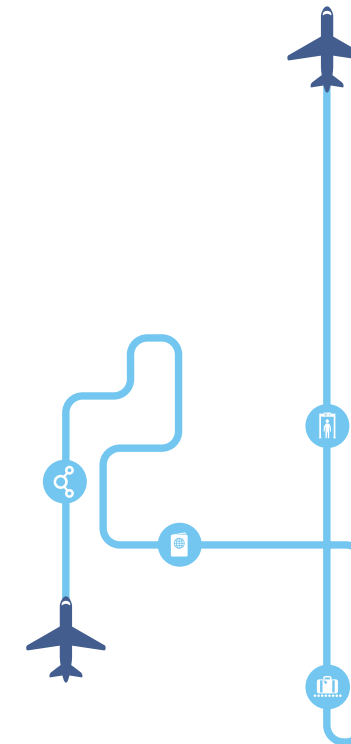
Alpha Bank Bonus Card Holders can redeem Bonus points from all the electronic devices they use on AEGEAN and Olympic Air flights.

- Redeem points from the Bank of Cyprus antamivi Reward Scheme

AEGEAN, the largest airline in Greece and Cyprus, and the Cyprus Bank Group, the largest financial institution in Cyprus, are collaborating on the largest Reward Scheme in Cyprus. In particular, holders of Bank of Cyprus cards, every time they pay their AEGEAN tickets, collect points that can be redeemed on future trips or on one of the 600 points across Cyprus that participate in the antamivi Reward Scheme. Redemption of antamivi reward points for the purchase of tickets on the AEGEAN and Olympic Air network can be performed simply and quickly by using the online application.



A bundle of services designed to turn a family trip into the most pleasurable, seamless and fun experience both for parents and children, from the beginning until the completion of the trip. Among other features: discounted fares and extra baggage allowance for infants and children, exclusive family baggage drop-off counters, priority boarding, special family section on aegEANair.com, etc.



On observing the statistics of our passenger traffic, we noticed the impressive upsurge in the share of connecting passengers, in proportion to the company's international network expansion. Aiming to facilitate and guide connecting passengers passing through AIA, as well as help them experience an easy, hassle-free connection, we offer the «Connecting Passengers» services. We proceeded with the design of specific branding and informational actions, in order to guarantee a seamless travel experience to connecting passengers, on top of rendering AIA the preferred transit hub.

Specifically, connecting passengers may be informed about how to reach the Gate of their onward flight through:

- A dedicated section on www.aegEANair.com,
- A video displayed on board,
- A presentation at BLUE magazine,
- A company representative, designated as "Connecting Ambassador" at the Athens International Airport,
- A specially branded office in the extra-Schengen area of AIA,
- The leaflet "Are you a connecting passenger" available at the check-in counters,
- This leaflet can also be found and downloaded on www.aegEANair.com.

Moreover, in case transit passengers miss their flight, due to the delayed arrival of the first flight, the connecting ambassador shall inform them about the actions the company has taken for their convenience and immediate departure.



Responsible communication and marketing

At AEGEAN we run advertising campaigns in Greece and abroad, aiming to promote our new products, services, network, prices and offers. The Marketing Communications department seeks to provide passengers with transparent information, regarding pricing and ticket charges.

We advertise our products and services, following the advertising principles of the Greek Advertising Association, based on which we ensure that our communication material is legal, appropriate, fair, honest, and responsive to reality and respecting the diversity of people regardless of age, gender, race, religion and physical or mental capacity.

During the reporting period, there were no cases of non-compliance with regulations or voluntary codes concerning advertising and communication issues.

We listen to the opinion of our passengers

We explore passenger expectations and record their needs.

Aiming to design and offer products and services that meet the needs of our passengers in the best possible way, we conduct qualitative and quantitative market research with an independent market research company.

Quantitative surveys help us monitor trends, whereas qualitative surveys are conducive to gaining insights on the services that will respond more effectively to passengers' needs.

With these research tools, we track views and expectations and determine those product elements that will most effectively fulfill their needs throughout the customer journey (planning - ticket purchase - ground services - inflight services - post-flight services), while also shaping short- and long-term activities to further improve our offering.

In particular, in 2017 we carried out the following quantitative surveys, in addition to the qualitative ones:

✈ Satisfaction Survey of AEGEAN and Olympic Air Greek and foreign passengers

In order to record and monitor the level of satisfaction of Greek and foreign passengers of AEGEAN and Olympic Air on a daily basis and throughout our network, we have redesigned our research methodology. Now our main research is conducted only online by sending either email or SMS to some of our passengers just one day after the end of their journey. That's how we ensure the passenger's immediate response to his/her most recent travel experience, while we have a very accurate picture of the satisfaction level of our travel community wherever he chooses to fly.

Survey objective: Record and monitor the satisfaction level of AEGEAN and Olympic Air passengers, throughout the customer journey.

Method: Online, by sending on a daily basis an email or SMS to some of our passengers, on the day after their flight. The questionnaires are collected at the end of each calendar month, followed by data analysis.

2017 sample: 97,387 foreign and Greek passengers.

For 2017, some of the most important indicators on a scale from 1 to 5 compared to the previous year were the following:



✈ Survey for Frequent-Flyer Program (FFP) members across the Star Alliance network

It is conducted quarterly by sending out invitations to passengers of airlines that are Star Alliance members, who are also FFP members.

Survey objective: Measure passenger satisfaction for all Star Alliance services offered during the flight. Measure each member company's performance against Star Alliance prerequisites. Constantly monitor satisfaction from offered services along the travel experience for all Star Alliance member companies.

Method: Online

Sample: Greek and foreign AEGEAN passengers on Star Alliance network's routes. Loyalty members from all tiers, travelling on any Star Alliance member airline. The assessment is performed by members on any loyalty program, if they have travelled with a specific airline (in this case, AEGEAN).

Satisfaction scale: assessment is provided as a percentage (%)

Size of annual sample: 300,000 in total

Company that conducts the survey: Marketmind (Austria)

For 2017, some of the most important indicators were:

YEAR	2017		2016	
	AEGEAN	STAR ALLIANCE*	AEGEAN	STAR ALLIANCE*
OVERALL SATISFATION	71	64	73	63
INTENTION TO USE IN THE FUTURE	84	74	86	76
SATISFACTION FROM THE GOLD TIER BENEFITS	73	65	76	68
ON-TIME PERFORMANCE	73	67	77	72
IN-FLIGHT SERVICE	83	74	87	76

* Average: it includes only directly comparable short and medium distance routes

✈ Satisfaction survey for AEGEAN's call center

Survey objective: Record and monitor customer satisfaction for AEGEAN's call center.

Method: Online, by sending an email on the day following the call.

2017 sample: 14,367 completed questionnaires.

A systematic services evaluation research is conducted (via email) by the call center of our company, which operates 24 hours a day, 7 days a week. In 2017, an average of 132 employees, as opposed to 133 in 2016, worked at the call center. All call center agents are familiar with and provide information about the Miles+Bonus loyalty program.

AEGEAN's call center in Greece also serves Germany, Italy, France, England, Cyprus, Spain, Belgium, Russia and Israel.

For 2017, some of the most important indicators on a scale from 1 to 5 were the following:



Communicating with our customers

The Customer Relations Department of AEGEAN Airlines and Olympic Air consists of 31 employees and is available from Monday to Friday, 09:00 – 17:00, local time. Our customers may always contact us for any customer service issue by using one of the following methods:

- completing a contact form through the AEGEAN official website (www.aegeanair.com).
- completing the Olympic Air Contact Form through Olympic official website (www.olympicair.com).
- completing a comment Card which is available at the airport of departure / arrival.
- completing a Comment Card on board.

With the Customer Relations Management system that we have at our disposal, we are able to register all our customers' communications per category and per type of communication. Based on our data, for the year 2017, our customers came in contact with us in order to:

- Submit a request
- Make a complaint
- Receive information
- Thank us
- Give recommendations

BASED ON THE QUALITATIVE EVALUATION CRITERIA WE SET OUT, IN 2017 WE HANDLED:

- ➔ 1.98 complaints per 1,000 passengers.
- ➔ 0.89 complaint related to luggage per 1,000 passengers.
- ➔ We responded to more than 83% of all requests within 3 calendar days.

2017	2016
1.98 complaints / 1,000 passengers	1.17 complaints / 1,000 passengers
0.89 complaint related to luggage/ 1,000 passengers	0.62 complaint related to luggage/ 1,000 passengers

The increase in complaints recorded in 2017, can be mainly attributed to unpredictable factors outside our control, such as adverse weather conditions, strikes, technical issues at airports, etc.

The goal we have set for 2017 was for our response time to not exceed 10 business days, a goal we successfully achieved. For 2018, our goal is our response time to not exceed 7 business days.

Our vision is to create loyal and satisfied customers, so that AEGEAN is the first airline option for their travel. In order to achieve this, we consider as crucial prerequisites, the understanding of their needs as well as our never ending commitment for providing high quality services. We aim to create a customer - company relationship based on trust, reliability and the offering of high standard, innovative services. Aiming to satisfy our customers' needs and to improve their experience, we have developed and implemented an integrated quality management system. This quality management system is in accordance with the requirements of the international standards:

- ISO 9001: 2008 - Quality Management System - Requirements.
- ISO 10002 - Quality Management System - Customer Satisfaction - Guidelines for dealing with complaints in organizations.

The Customer Service Department ensures to its fullest extent compliance with the following requirements:

- ➔ The European Regulation 261/2004 of 11 February 2004 for the establishment of common rules on the compensation of airplane passengers and the provision of assistance in the event of denied boarding and of cancellation or long delay of their flight and repealing of Regulation (EEC) 295/91.
- ➔ Montreal Convention of May 28 1999 on the Consolidation of Certain Rules for International Air Transport.

- ➔ Star Alliance, the largest global airline alliance in the world for the establishment of rules among its Star Alliance members.
- ➔ IATA (International Air Transport Association), an international non-governmental air transport association.

In addition, with the creation of the new and flexibly designed Knowledge Base platform, users can now find the information they need quickly and easily. The Knowledge Base is available through our official website www.aegeanair.com. The content of the Knowledge Base is constantly updated and is based on the continuous information we receive both from our customers and our company's employees.

We support the open dialogue with the society as a whole through social media, replying and informing directly for all the developments and news related to the company.

Specifically, AEGEAN and Olympic Air's presence in social media extensive:

- 

www.facebook.com/AEGEANairlines • www.facebook.com/olympicair
- 

www.twitter.com/AEGEANairlines • www.twitter.com/olympic_air_gr
- 

www.instagram.com/AEGEANairlines • www.instagram.com/olympic_air
- 

www.linkedin.com/company/AEGEAN-airlines • www.linkedin.com/company/olympic-air

Flight reporting management system

AEGEAN has implemented an internal information management and business intelligence system for the department of flight operations.

Through the use of intelligent electronics applications, we facilitate the work of our employees and we simplify the communication between different departments within the company, both of which contribute to the improvement of the level of service we offer to our passengers.

Pilots and engineers have tablets with all the information they need in every airport. The same applies for the cabin crew, which can record passenger problems, complaints and suggestions, so that the customer service department can communicate with passengers immediately after the flight in order to resolve the matter.

The completion of a flight requires the co-operation of many different company departments in order to ensure the best coordination between them and the service quality offered to passengers: supply, baggage loading, passenger handling, air traffic services, airport services, in-flight passenger services, etc.



Via the tablets and the system we have developed, the pilots or the cabin crew can easily and instantly record anything they have to report in relation to the flight they serve. These reports are forwarded through the Flight Reporting System to all company relevant departments. Subsequently, the Competent Department (or Departments) provides the necessary information for the simultaneous dissemination of data, whereas in cases that the final recipient is the passenger, receives any relevant information effectively and in timely manner (e.g. lost & found products).

Approximately 300,000 reports are produced annually and sent out from different geographic locations.

Electronic reports do not simply replace the paper used in the past for such cases. They allow the recording and categorization of many types of information on a flight and facilitate data analysis and automatic distribution to the competent departments. All of this data is valuable, as useful insights can be drawn that would in turn help improve the company's business operation and performance.

The information management system, which was designed internally by studying and recording the real needs of direct access to important information, enables us to be environmentally friendly by significantly reducing paper use and helps us manage reports almost in real time, from 1 to 24 hours. The latter is extremely important, as we can act quickly and work effectively to improve the experience of both our passengers and employees.

GDPR
REGULATION (EU) 679/2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data

According to the European Law, the protection of natural persons in relation to the processing of personal data is a fundamental right and everyone has the right to the protection of personal data concerning him or her. The principles of, and rules on the protection of natural persons with regard to the processing of their personal data should, whatever their nationality or residence, respect their fundamental rights and freedoms, in particular their right to the protection of personal data. The Regulation sets new data and requirements to which the company must respond and comply.

In the context of compliance with the Regulation, the company:

- ➔ has appointed a Data Protection Officer with specific tasks.
- ➔ has recorded all the data processing.
- ➔ has carried out deviation analyses on compliance issues regarding the articles of the Regulation.

For 2017, there were no cases/ complaints related to personal data breach, or cases where the company has become accountable for personal data breach.

For 2018, the following have been planned:

- ➔ Evaluation of impacts that may result from a potential data breach, per data processing.
- ➔ Prioritization of data processing based on their risk level.
- ➔ Implement a series of actions to ensure that the company is sufficiently safeguarded against the risks of data processing.



MATERIAL TOPIC

3.4 // FLIGHT SAFETY, TRAINING
& OPERATIONAL READINESS



Flight safety and operational readiness contribute to decent work, economic growth and to justice and strong institutions, through the compliance with all laws and regulations regarding health and safety issues at the national and international levels.

FLIGHT SAFETY

Safety is the highest priority at AEGEAN Airlines. The Safety & Quality Policy of AEGEAN Airlines reflects the management commitment regarding safety and quality and the provision of necessary resources for its implementation. It is endorsed by the Accountable Manager and is communicated throughout the organization via manuals, portals and by being displayed in prominent places in all operational and maintenance areas.

SAFETY MANAGEMENT SYSTEM

Safety Management System (SMS) is a formal top-down business-like approach to managing safety risk which includes organizational structures, accountabilities, policies and procedures.

SMS IMPLEMENTATION AT AEGEAN AIRLINES

The Safety Management System represents a coordinated effort by the Accountable Manager, Heads of Functional Areas/ Nominated Persons/Managers, the Safety Manager and Senior Management to utilize proven and effective systems to achieve the lowest level of risk possible in AEGEAN Airlines operations. The Accountable Manager is responsible of the overall effectiveness of the SMS, while Management is responsible for implementing, maintaining and adhering to SMS processes.

It is the responsibility of each and every employee of AEGEAN to contribute to the safety performance and continuous improvement of the organization as well as to give strong consideration to compliance and safety in all of their actions.

SAFETY DEPARTMENT

The Safety Department is the fundamental component of the organizational structure targeting, monitoring, evaluation and prevention of any possible reported hazard. The Safety Department consists of a Safety Manager and a structured team of dedicated coordinators, responsible for assessing any operational risk reported in the company. The areas of expertise for each coordinator are flight activity areas (cockpit crew members and cabin crew members), ground handling, technical activity / aircraft maintenance and training. An essential part of the Safety Department is Flight Data Monitoring.

OCCURRENCE REPORTING SYSTEM

AEGEAN Airlines' just culture policy provides visibility in all aspects of management and handling technical and non-technical issues while not tolerating acts and behaviors outside the safety buffer.

AEGEAN Airlines has established an Occurrence Reporting system in the context of its Safety Management System. Safety information is reported, exchanged, disseminated and analyzed and appropriate safety action is taken on the basis of information collected. The overall purpose of AEGEAN Airlines Occurrence Reporting scheme is to use reported information to detect potential safety hazards so as to improve the level of safety performance of AEGEAN Airlines and not to attribute blame. Organization's commitment supports the just culture policy by encouraging employees to report hazards while applying the non-punitive concept. To assist in continuously improving the level of safety, it is AEGEAN policy to perform formal Hazard Identification/ Inspection reviews of all operational processes containing risk and to conduct Risk Assessment of all identified hazards. This involves the systematic examination of operational activities and processes that are identified as potentially hazardous. The objective is to quantify operational risk, determine the acceptability of each risk and then to develop appropriate and effective defenses and controls, where necessary, to mitigate risk to an acceptable level. The Hazard Identification and Risk Assessment process is a key component of AEGEAN's SMS. Hazard identification can take place in several ways during normal business activity. Through the company meeting structures, analysis of occurrence reports, investigations, Flight Data Monitoring analysis, trend monitoring, and through direct observation, hazards may be identified which then require more detailed analysis.

SAFETY CULTURE

Safety promotion is the process aimed to encouraging a culture of safety by ensuring that all personnel in AEGEAN Airlines are aware that, at their level and in their day-to-day activity, they are key players in safety and that everyone contributes therefore to an effective management system. The provision of appropriate training to all staff, regardless of their level in the organization, is an indication of management’s commitment to an effective SMS. Safety training in AEGEAN ensures that personnel are trained and competent to perform their safety management duties. Safety training is tailored as appropriate to the responsibility and involvement in the SMS of each group being trained. AEGEAN is committed to provide a safe service to our customers. All staff must be aware of the over-riding importance of safety. The primary goal of the SMS is the prevention of any operational hazard. The Safety Department maintains a program of communication to build and maintain a high level of safety awareness.

Management Commitment combined with the personal commitment of all employees to achieve the safety objectives creates the necessary conditions of the organization’s mission: Flight Safety.

During the reporting period, there was no incident of non-compliance with regulations and voluntary codes that relate to the impacts of products and services to health and safety.



Training

The majority of our expenditure is on mandatory and job essential training to ensure that we continue to meet our objective of being the safest and the most secure airline of choice. The subject of our employee training is related to the development, implementation and maintenance of a Security Program that complies with relevant international standards and practices.

Induction Training

Its goal is to help new employees reach the level of performance expected from an experienced worker. It contains information dealing with the firm’s operating facility, health and safety measures and security systems.

First Aid Training to Cabin Crew Members

Taking into account the needs of passengers in-flight, the company trains cabin crew members in order to provide first aid during flight.

Nowadays cabin crew members are trained to act decisively and be able to carry out standardized emergency procedures in the event of a challenging situation, such as:

- Fire.
- Emergency landing on land or water.
- Identification in case of transportation of dangerous goods.
- Awareness raising regarding Aviation Security, including First Aid.
- The aim of first aid training is the immediate and temporary passenger care, assess the situation provision of first aid in order to prevent a possible deterioration until the specialized medical help arrives.

It is conducted by a certified aeromedical examiner and includes a yearly theoretical and practical training (Recurrent). Practical training is conducted in a mock up room using dummies.

e-LEARNING

A significant development for 2017 was the introduction and adoption of electronic and distance learning. Open and distance learning is characterized as one of the main heralds of the new era in the field of education and is defined as a determining factor for the generation and dissemination of knowledge, the training of teachers and trainers and the continuous professional development, which is a characteristic of the knowledge society. This particular learning method was first applied by the flight management (pilots and cabin crew members) in order to integrate both technical management and ground operations personnel in 2018.



AEGEAN and the Hellenic Air Force are pioneers in pilot training

In 2017, AEGEAN organized a three days training in cooperation with the Hellenic Air Force. Throughout the year, 62 pilots were trained, while training will continue in 2018. In a unique worldwide process, AEGEAN pilots were trained in extreme conditions with the two-seat T-6 TEXAN II training aircraft. The flights involved demanding maneuvers, a flight with steep inclines, simulated loss of support and forces that a pilot never experiences on a regular passenger flight. The aim is to give the pilots, the feel and the experience that will help them take more effective action under a potential difficult situation while performing their duties.

The initiative for the cooperation with the Hellenic Air Force started by AEGEAN pilots, after common flights at airshows. The reason behind this cooperation was the ICAO directive according to which all pilots should undergo additional training to handle situations involving aircraft in unusual situations and recover from them (Upset Prevention and Recovery Training). The directive requires only training in a simulator, but at AEGEAN, wanting to increase the expected result, we have decided to provide air training with an educational aircraft in addition to the simulation training. The exercises were designed by a team of AEGEAN pilots in collaboration with Hellenic Air Force pilots.

AEGEAN's crew training started at the end of February 2017 at the 361 Air Training Squadron situated at 120 Air Training Wing in Kalamata, with all AEGEAN and Olympic Air pilots expected to go through this process. The first stage of the training takes place at the Hellenic Air Force's Aviation Medicine Center, where

AEGEAN and Olympic Air pilots undergo a hypoxia test (in a room where almost all oxygen is removed) and a disorientation test. The aim was to enrich the pilots' experience in flight situations that cannot be experienced in our aircraft. With these tests, we can record the body's boundaries. Consequently, the already extensive experience of the AEGEAN pilots is complemented and enriched.

While talking with AEGEAN and Air Force pilots, it is clear that although the subject of their work is completely different – the former carry passengers on commercial flights while the latter are members of the Armed Forces, they all share the same passion for aviation, as well as the same sense of responsibility and respect for their mission.

The cooperation between AEGEAN and the Hellenic Air Force is long and close and goes beyond the fact that many former pilots of the Air Force are currently in the company's cockpits. Many common flights have taken place during airshows in Tatoi and Tanagra, while they have also carried out the Renegade exercise where the Air Force "intercepted" an Airbus A320 that simulated a loss of communications, and military aircrafts approached it to guide it to the ground. This particular training is the culmination of this excellent collaboration.

All AEGEAN and Olympic Air pilots are expected to go through the related process, which is not currently followed by any other company worldwide. In this unexplored area, for most civil aviation pilots, every training is in the interests of the pilot and therefore of the passenger.



Emergency Response Training

The nature and the operational activities of the company, implies specific measures and actions in order to maintain business continuity to the highest possible level. The airline operates in compliance with legal and regulatory framework and focuses on passenger and employee safety.

The company has designed and developed an emergency response plan, to provide an integrated and comprehensive approach to emergency events, in order that all departments involved have an explicit description of their duties. Emergency response training, psychologically enables the involved employees to respond efficiently, effectively, and with the appropriate flexibility when required.

The aim of planning and developing sound emergency training courses, is to familiarize each respective individual of his/ her role and what is expected if an emergency occurs.

Emergency management plans are tested through exercises with alternative types of scenarios, at least once a year, activating specific geographic areas and sections of the company. The training helps:

- ➔ Identify the types of emergency situations that could occur (e.g. renegade state).
- ➔ Understand the consequences of lack of preparedness in emergency situations.
- ➔ Be prepared to assist in an emergency.

A rehearsal exercise is conducted at least once per year with various scenarios.

Emergency training includes training in emergencies a) emergency response situations and b) unusual situations.

Technical bases & aircraft maintenance

We have three technical bases in Greece located in Athens, Thessaloniki and Heraklion. The main technical base is located at "Eleftherios Venizelos" Airport in Athens and has two hangars and the largest number of technicians out of the three. During the summer period, four additional bases become operational, out of which the bases in Rhodes and Kalamata are staffed with mechanics from the Athens base, while the Chania and Larnaca bases are staffed with external partners that provide similar services.

AEGEAN's technical department ensures the proper maintenance of aircraft in accordance with manufacturer instructions and European legislation, with which the Hellenic Civil Aviation Authority and corporate activities have to comply.

The company's mechanics are trained according to European standards and are equipped with European diplomas. They are responsible for aircraft maintenance and their safe operation, with the passenger as the final recipient. The maintenance philosophy and the priorities of the technical department is safety, on-time performance, passenger comfort and environmental protection.

Cooperation between Aegean and hazardous waste management companies ensures that any waste produced during maintenance are collected and disposed according to all relevant regulatory requirements.

The maintenance process is divided into two parts. Heavy or base maintenance includes major inspections-checks that require special facilities. This kind of maintenance takes place throughout the year. The second part concerns line maintenance and is operational 12 months per year, 24 hours per day. Line maintenance includes scheduled maintenance work - aircraft, engine and system inspections, engine replacements and repairs.

We also have the capacity to provide technical support to third parties, upon request including, inter alia, first aid and fire fighting.

In addition to statutory training, technical personnel undergoes further training to improve team coordination and efficiency. At the same time, due to the special nature of infrastructure needed for training, we also conduct trainings outside our training center, at approved associates with topics including, inter alia, first aid and fire fighting.



Business continuity

Particular emphasis is placed on business continuity and readiness. The type, volume and complexity of our activities demand a high level of operational readiness.

On a yearly basis, a risk plan is prepared and assessed with the appropriate safety defenses in order to adequately manage risks. Importance is given to preventive measures in order to prevent possible risks. We pay particular attention to the availability of our fleet as well as the smooth and uninterrupted operation of our IT network.



Information Systems Disaster Recovery Plan

During the year, the group launched a new project on the design and implementation of a Disaster Recovery (DR) Plan. The plan concerns the process of restoring IT systems and infrastructures after a partial or total disaster (physical or voluntary) and is an integral part of the Group's Business Continuity.

3.5 // RESPONSIBLE PROCUREMENT PRACTICES

The main objective of the Procurement Department is to collaborate with reliable and approved suppliers. The vision and the values we represent as a company like credibility, solvency, transparency, must also be shared by the suppliers we work with.

We conduct a survey for each potential supplier, regarding their solvency and quality. Potential suppliers meeting our criteria are approved as proposed associates and are included in the list of approved suppliers. The cooperation with suppliers is monitored during the year and, depending on the results, the list of approved suppliers is reviewed accordingly, either by keeping the suppliers on the list, or by ending the collaboration.

There is a distinction between central and technical supplies, due to the complexity of our activities and the compliance regulations in the technical arm of the aircraft that refers to specific spare parts and components, where the cooperating suppliers are the ones approved and officially proposed by the aircraft manufacturer. Supplies of all kinds, except technical, are subject to central purchasing.

Central Procurement Department:

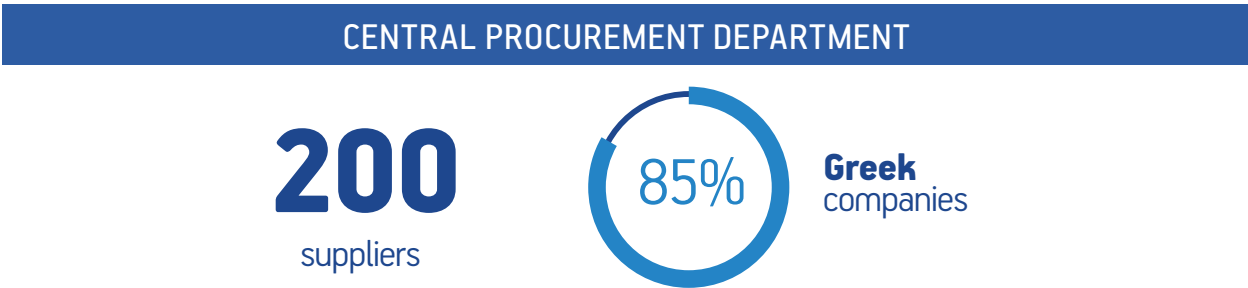
The selection criteria of the associates are qualitative and quantitative. They refer to the fight against corruption, protection of human rights, preserving decent working conditions, the abolition of child labor, environmental protection, as well as economic and qualitative terms.

Our established policy is to select a more expensive material, if it contributes positively to environmental protection rather than select one which can have negative impact. Such an example is the paper we use for the boarding passes, baggage tags and Shop on Board magazine (about 70,000 copies per year). We select paper that is FSC certified and almost 20% more expensive. The coffee drink we offer our passengers on board is "fair trade" certified.

Our corporate fleet has been replaced by diesel fueled cars. Approximately 85% of our central supplies (equipment, furniture, catering and aircraft supplies, cleaning companies, printed materials, promotional materials, clothing/uniforms, stationery and consumables, products for sale on board and services) comes from domestic suppliers and 15% from foreign suppliers. In total for 2017, 33,2 million € was spent on domestic suppliers.

Department of Technical Procurement:

We collaborate with about 350 suppliers. These suppliers are either the manufacturers of spare parts (OEM), or authorized distributors/representatives. The majority of them, concern suppliers overseas mainly based in Europe and in particular Germany, England and France. Also important is the number of suppliers from the United States of America. In addition, we also work with domestic suppliers for purchases of accessories and commodities. As to the services provided for the maintenance of specific spare parts, the domestic market contributes even to limited extent. An example is the maintenance/repair of wheels & brakes of the aircraft, where it takes place in Greece.



Supplier Code of Conduct

True to our commitment and in order to achieve our goals, in 2017 we established a supplier code of conduct. The code addresses the company's requirements vis-à-vis its suppliers, but also in the central and technical procurement departments.

The Code is based on the principles of the UN Global Compact, as well as on relevant international standards, including the Universal Declaration of Human Rights, the UN Guiding Principles

on Businesses and Human Rights, Children's Rights and business principles, the basic contracts of the Business International Labor Organization (ILO), the OECD guidelines for multinational companies, as well as relevant environmental practices. The code is available on the company website, www.aegean.com.

Quality assurance

AEGEAN operates in full compliance with the regulatory requirements of the Hellenic Civil Aviation Authority (HCAA) directives, the European Aviation Safety Agency (EASA), the European Union's (EU) service regarding the safety in civil aviation.

AEGEAN has a Quality Management System (QMS), which ensures that AEGEAN complies with the applicable European Aviation Safety Agency (EASA) regulatory requirements, HCAA directives, IOSA (IATA Operational Safety Audit) standards and recommended practices and any additional requirements as established by AEGEAN. Procedures for regulatory conformance are well documented in various manuals and company procedures, which are centrally managed under a corporate scheme of document hierarchy. AEGEAN's Quality Unit ensures that company complies with all of the above requirements, by conducting audits and inspections. These are carried out by quality experts/auditors specialized in their respective operational areas. Compliance Monitoring Programme results are used to identify areas requiring improvement, identify hazards to operations and assess the effectiveness of safety risk controls. AEGEAN's management is committed to the attainment of the highest standards of quality, through their individual responsibilities and a process of management evaluation. The evaluation is included in the Safety Review Board meeting, it addresses the results of the program and identifies any necessary preventive actions to be taken. Quality Unit staff maintains confidentiality with respect to auditee information and complies at all times with the company's confidentiality policy. Any information gathered during the audit conduct is considered confidential when it is not readily available to the public. To ensure that confidentiality is preserved at all times, Quality Unit Auditors have signed a Confidentiality Agreement.

AEGEAN airlines' Safety & Quality Policy reflects the management commitment regarding safety and quality and the provision of necessary resources for its implementation. It is endorsed by the "Accountable Manager" and is communicated throughout

the organization via manuals and internal portals. It is also being displayed in all buildings and in prominent places in all operational and maintenance areas. To ensure continued relevance to the organization, this policy is reviewed every two years. Every contractor/ supplier, selected by AEGEAN as External Service Provider or Supplier/ Vendor is subject to evaluation and acceptance by the appropriate Head of Functional Area/ Nominated Person who is responsible for the task. Before a contract is signed, the Head of Functional Area/Nominated Person forwards to the Quality Unit a copy of the contract for review. A pre-audit is performed by Quality Unit to verify adherence with the required standards or a questionnaire is provided to them for completion. Upon reception of all the requested information and documents, they are evaluated by the Head of Functional Area/Nominated Person. Also, a Hazard Identification and Risk Assessment process is performed regarding the products supplied and implemented in the Organization. All mitigation actions identified that have an effect on the safety or security of operations, must be addressed before using the contractor/ supplier product.

Every contractor/ supplier is re-evaluated every 2 years, unless legislation requires this assessment to take place within a shorter period of time. If the quality of the product provided by a contractor/ supplier is not in accordance with the requirements of the signed agreement, then the cooperation is suspended and a new contractor/ supplier is identified, following the above procedure.



MATERIAL TOPIC

3.6 // SAFEGUARDING HUMAN RIGHTS
IN OUR BUSINESS OPERATION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

10 REDUCED INEQUALITIES

The protection of human rights during business operation contributes to peace, justice and strong institutions by protecting fundamental freedoms in accordance with international agreements and national legislation and the elimination of illegal transportation of vulnerable groups. It also contributes to the elimination of inequalities by promoting the integration of all people regardless of age, gender, race, nationality, religion and economic or other status.

As the company cooperates with ground handling service providers at local airports, the effects of this matter mainly concern the providers and are linked to the operation of the company through our cooperation with them. It is the responsibility of each provider to train its personnel based on the Greek and European legislation, as well as the legislation of third countries, according to the destinations the company flies to, in order to ensure safety at the highest level.

Training is conducted with a view to ensure equal treatment for each passenger and prevent any racist behavior. An important part of training is the confirmation of travel documents as a powerful tool of preventing illegal immigration and especially the illegal transportation of children and individuals against their will, in the form of trafficking. In addition, cabin crew training focuses on safety on board. In the context of our contribution to the willing and effective cooperation with the airport and security authorities, we make our aircraft available for training by the security authorities in Greece and Cyprus. We conduct risk assessments for all our destinations, taking into account local and international situations, as well as the assessments of the authorities and the security department.

Whenever necessary, we conduct additional inspections, by increasing security measures. In Athens and selected airports we also use third-party security services to ensure an even higher degree of control. **For 2017, we prevented over 7.600 cases of passenger travel with travel documents of dubious authenticity to the destination they were attempting to reach. In addition, we have contributed to at least 4 confirmed cases where - with evidence and actions- we prevented cases of illegal child trafficking, under forced kidnapping.**

In 2017, like every year, training sessions were carried out on passenger management and their rights (e.g. in the event of flight delays, flight cancellations, luggage loss or damage, etc.), protection of human rights and all relevant regulations.

Below is the relevant table:

TRAININGS, HUMAN RIGHTS & PASSENGER RIGHTS			
Title	Number of trainings	Hours of training	% of all AEGEAN & Olympic Air employees
Safety against illegal acts	108	1,688	35%
Quality Passenger Service	32	432	18%

Concurrently, in 2017, programs were implemented for the provision of specialized services for the care of passengers with disabilities and reduced mobility when traveling by plane. Part of these programs was our participation in relevant actions with associations of people with disabilities, animal welfare organizations (animal guides, pet animals, etc.) as well as state bodies.



COOPERATION WITH
AIRPORT AUTHORITIES

3.7 // CUSTOMER PRIVACY

A large percentage of our direct sales comes from the internet. Consequently, our customer/passenger privacy and the safety of their personal information is a priority of utmost importance. The company complies with applicable personal information safety legislation. We have invested in processes and systems that protect the privacy of personal information and transactions.

In order to offer secure transactions to the passengers that choose to buy their tickets by using a credit card (web site, call center), we created in 2008 the Fraud Prevention Department, which works closely with the Cyber Crime Unit of the Hellenic Police and aims to:

- ➔ Safeguard credit card holders from suspicious transactions.
- ➔ Protect the public from suspicious travel agencies.



Honorable distinctions for AEGEAN are:

A) Chairing the Steering Committee for the Representation of the European Airlines Companies in Europe on Fraud Prevention issues (European Airlines Fraud Prevention Group). AEGEAN has been a member of EAFPG since February 2010.

B) The participation in the Steering Committee of IATA Perseus.

Fraud Prevention DPT also includes FFprevention, which aims to make good use of the AEGEAN - Miles + Bonus reward program - and to prevent any informal action.

The group is in full compliance with the PCI-DSS (Payment Card Industry Data Security Standard). This standard is required by credit card companies and its specifications apply to all organizations that store, process or transmit card data.

The group is subject to continuous checks on the completeness, security and systemic integrity of its IT infrastructure to ensure full protection of the passengers' card data.

In addition, the European Regulation 679/2016 on the protection of individuals against the processing and free distribution of personal data sets new data and requirements against which the company is required to respond.

In compliance with the Regulation, the company has:

- Set a Data Protection Supervisor with specific tasks
- Recorded data processing
- Performed variation analysis and impact assessments from potential data leakage
- Taken measures to ensure that it is adequately safeguarded against the risks arising from data processing.

In 2017, there have been no cases of personal information disclosure from leaks or system hacks nor has the company ever been accused of leaking personal information.



3.8 // ANTI-CORRUPTION

We are fighting corruption and we are totally opposed to any form of bribery. It is generally accepted that at AEGEAN, corruption and bribery are not tolerated and a relevant incident has never been reported. However, we continue our efforts and take appropriate steps to ensure that this situation will not change. The way we manage the company is based on ethics, transparency and open procedures. The involvement of directors in the successful implementation of the policy is direct and substantial and this way, we achieve our goal and showcase that corruption and bribery are not acceptable.

In the context of effective corporate governance, maintaining an adequate internal control system is always a priority.

In this context, the management has adopted a risk assessment process in which the new and existing risks are prioritized on an annual basis. Based on the results of the prioritization, the relevant procedures are designed, with safeguards aiming at limiting the occurrence of risks, one of which involves participation in corruption incidents, with a consequent exposure of the company to the general public.

Management has adopted a number of measures and has invested in security of information systems as a means of adequately addressing and managing risk. Additional measures concern the prevention and monitoring of operations with regard to transparency of transactions, the protection of capital and corporate assets, security of transactions and protection of personal data.

No incidents of corruption or allegations of possible bribery, abuse or fraud have been recorded.





4 // CREATING VALUE FOR OUR PEOPLE

We are committed to operate in accordance with the highest standards in the field of Health and Safety, in compliance with applicable international and European legislation, as well as any relevant regulations, standards and best practices. Occupational Health and Safety is always a priority for us and we aim at promoting decent work conditions, by providing a safe working environment for all employees.

MATERIAL TOPIC

4.1 // OCCUPATIONAL HEALTH & SAFETY

8 DECENT WORK AND ECONOMIC GROWTH

The management of AEGEAN documents its uncompromising commitment to protect and safeguard the Health and Safety of company personnel and third parties, through the Health and Safety Policy. This policy is not simply limited to the compliance with legal and other requirements throughout company activities, but also adopts best practices, governs the ongoing enhancement of the company performance in this field, and also encompasses training and awareness-raising actions regarding Health and Safety.

The management of the company establishes the Health and Safety Policy, ensuring that it:

➔ Documents the company commitment to observing applicable legal and other regulatory requirements in terms of Health and Safety.

➔ Governs the protection of personnel and associates, as well as the wider community, with the aim of eliminating the impact of hazards and minimizing accidents.

➔ Ensures that the company provides all necessary information and training on Health and Safety issues, and allocates sufficient resources to implement the Health and Safety Management System.

➔ Includes a commitment to prevention and continuous improvement.

➔ Is available to all stakeholders and the wider public.

By Occupational Health and Safety we refer to all circumstances and factors affecting the physical and mental condition of employees, including all possible activities to protect and prevent employees from occupational risks. Since 2010, we have implemented a Certified System for Health and Safety Management, in accordance with international standard OHSAS 18001:2007, which sets out the general requirements for developing a management system to identify and contain occupational hazards for employees and the general public.

This way, we ensure that all necessary Health and Safety precautions are taken throughout the entire range of company activities, in complete transparency.

The Health and Safety of our personnel and our associates is holistically safeguarded through the company's Health and Safety Management System, including specific measures and actions, such as:

Choosing and procuring appropriate protective equipment and designing and implementing Health and Safety measures, particularly in aircraft maintenance areas.

➔ Continuously evaluating all company activities, with the aim of identifying potential hazards, so that appropriate measures can be taken.

➔ Implementing medical exams and preventive medical programs for all personnel.

➔ Establishing and training First Aid teams.

➔ Conducting specialized training and awareness-raising programs on Health and Safety, and promoting a culture of accident prevention and safety at work.

In 2017, 28 occupational accidents took place, all in Greece, none of them fatal. Out of the 28 accidents, 16 occurred in the workplace and 12 during commuting to work.

HEALTH & SAFETY INDICATORS 2017*	Total	Men	Women
IR (Injury Rate) **	1.22	0.54	1.67
LDR (Lost Day Rate) ***	24.8	13.5	32.4
AR (Absentee Rate) ****	0.0036	0.0008	0.0028
ODR (Occupational Diseases Rate)	0.00	0.00	0.00

The information has been compiled in accordance with the requirements of GRI 403: Occupational Health and Safety 2016, for the development of which, internationally recognized tools and methodologies have been used.

* Indicators only refer to employees directly employed by AEGEAN and Olympic Air.

** The injury indicator does not include minor injuries (first aid), and is calculated as follows: IR (injury rate) = total of injuries x 200,000 / total hours worked.

*** "Days" refer to calendar days. The count of lost days starts on the day of the accident, and the indicator is calculated as follows: LDR (lost day rate) = total of lost days x 200,000 / total hours worked.

**** AR (absentee rate) = total of missed-absentee days over the period x 200,000 / total of workforce days worked for the same period.

4.2 // EMPLOYEE TRAINING (Administrative employees)

Besides training for flight safety and operational readiness, AEGEAN offers training solutions with positive impact at every level of the airline supply chain.

We continue to invest in developing the skills and capabilities of our people, focusing on employees' involvement in the corporate thinking.

AEGEAN's Training Center is located at Athens' International Airport "Eleftherios Venizelos", Building 57. The training center offers 13 modern classrooms fully equipped with all the latest technology in audiovisual aids developed with the objective to cater to the needs to the in-house training of AEGEAN's personnel.

In order to cover the various backgrounds of trainees and to ensure training standardization, we have divided training into multiple programs as follows:

Orientation:

New employee orientation effectively integrates the new employee into our company and assists with retention, motivation, job satisfaction, and quickly enabling each individual to become contributing members of the work team.

The benefits of orientation are clear and visible to both the new employee and the organization. The company can identify such factors as reduced turnover or improved productivity as a few of the benefits of a systematic orientation. The employees feel valued and are able to "fit in" to the new job more easily and quickly. A successful orientation program shares the "corporate culture".

Functional Program:

This program is oriented to provide the necessary knowledge and skills for an appropriate professional and labor performance; it has both theoretical and practical components but with a greater influence of the latter compared to other types of education.

Development Training:

Enhances individual effectiveness, learning skills and the increase of self-understanding.

Refresher Training:

It is a process aiming to provide opportunities to employees, as well as to hone the skills and talents they already use in the workplace. At times, the focus of this type of remedial training is appointed to help the individual discard habits that have a negative impact over time, effectively aiding the employee in regaining efficiency that has been lost over time. In other cases, refresher training allows the individual to revisit some aspect of former training and be exposed to new methods or technologies that enhance his or her working skills.

Alliances Training:

Star Alliance, the largest airline alliance, offers educational programs designed to enhance our employees knowledge so as to attribute our passengers, a truly global experience. Our employees attend a series of (e-learning) training modules which have been developed to address the knowledge and skills needed to support the consistent delivery of the Star Alliance services to our customers.

Outsourced Training:

We choose to outsource training programs in cases when we cannot cover the function in focus internally. Our selection of the suitable external training provider depends in the subject matter expertise, experience in preparing quality instructional materials and professional presentation and facilitation skills. Upon completion of each training session a training and learning evaluation of the provider is performed.

The table below shows the number of training sessions and training hours for 2017:



4.3 // HUMAN RIGHTS AT WORK

Equal treatment, respect for human rights and diversity, the provision of equal opportunities to all employees, the right to collective bargaining and the abolition of child or forced labor are fundamental and non-negotiable principles of our company.

The below tables show

- a) Employee breakdown by gender and age group,
- b) Managers/Directors breakdown by gender and age group,
- c) Employee breakdown by type of employment, gender and age group.

EMPLOYEE BREAKDOWN BY GENDER AND AGE GROUP				
Gender	Up to 30 yrs	30 to 50 yrs	50 yrs and above	Total
Men	162	765	144	1,071
Women	584	955	31	1,550
Total	726	1,720	175	2,621

DIRECTORS/MANAGERS BREAKDOWN BY GENDER AND AGE GROUP				
Gender	Up to 30 yrs	30 to 50 yrs	50 yrs and above	Total
Men	0	34	26	60
Women	1	34	7	42
Total	1	68	33	102

EMPLOYEE BREAKDOWN BY TYPE OF EMPLOYMENT, GENDER AND AGE GROUP					
Age Group	Men Permanent Contract	Women Permanent Contract	Men Temporary Contract	Women Temporary Contract	Total
Up to 30 yrs	123	139	39	425	726
30 to 50 yrs	740	849	25	106	1,720
50 yrs and above	142	31	2	0	175
Total	1,005	1,019	66	531	2,621





5 // CREATING VALUE FOR SOCIETY

We are constantly trying to support all regions across Greece and serve millions of international visitors in the best possible way.

MATERIAL TOPIC

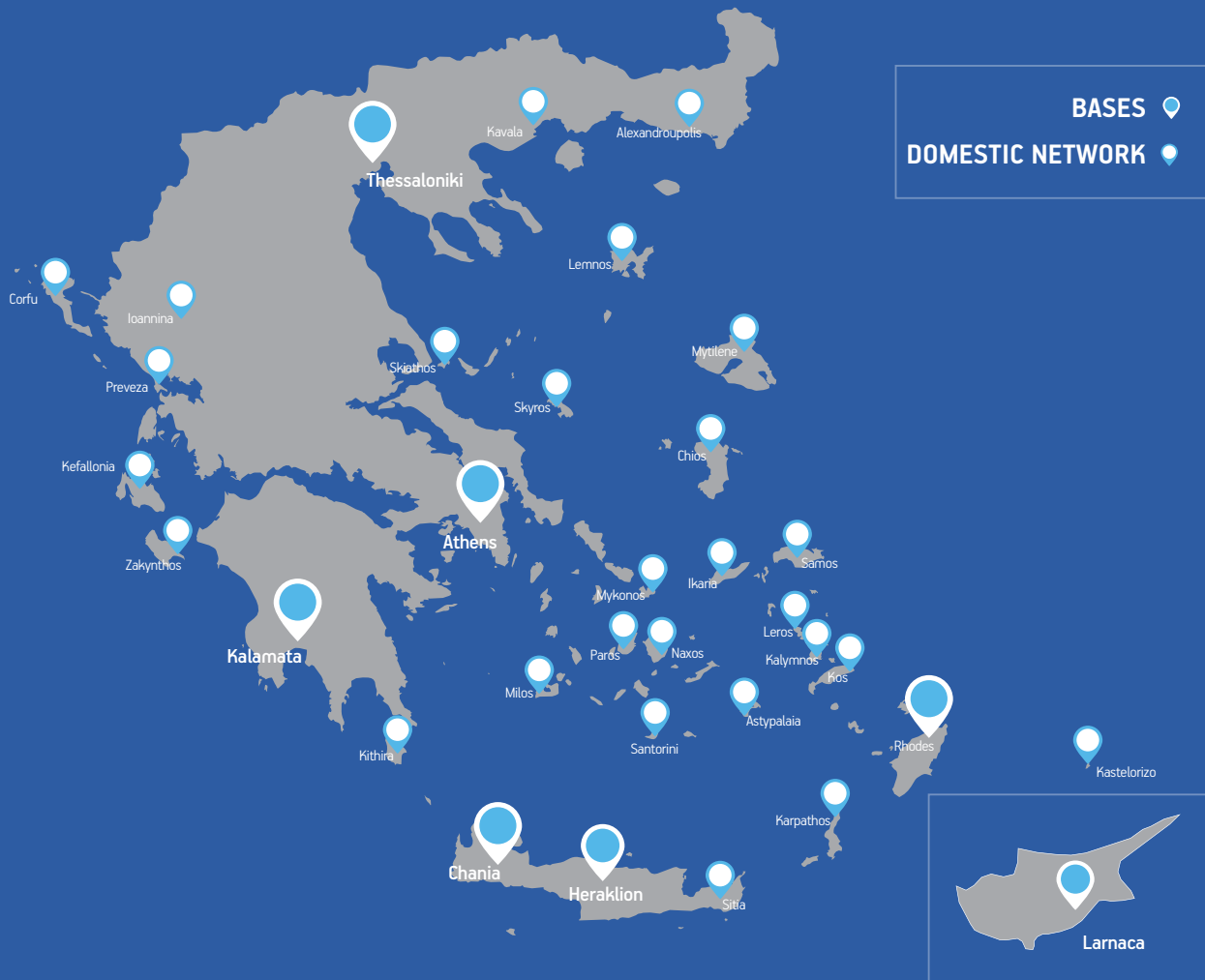
5.1 // LOCAL COMMUNITIES DEVELOPMENT & CONTRIBUTION TO THE GREEK TOURISM PRODUCT



Through our business operations, we aim at the greatest possible expansion of the domestic network so that even the most remote island has access to mainland Greece.

The support of local communities and the enhancement of the Greek tourism product contribute to economic growth through:

- ✈ The promotion of local suppliers and producers and use of their products in our aircraft,
- ✈ The synergies with the institutions to promote cities and regions,
- ✈ The sustainable development of cities through the provision of safe and affordable transport systems for more people.



“CLOSER TO GREECE”

Our goal, through this initiative, was to promote the reasons that make every place of this country unique. This is why in May 2016 we launched a series of initiatives and actions under the title “Closer to Greece”, aiming to support the Greek region, not only by ensuring full coverage of the domestic network, but also through the implementation of actions to benefit the local economies and societies.

From May 2016 and every month onwards until April 2017, through the “ Closer to Greece” initiative and in cooperation with local producers and institutions, AEGEAN and Olympic Air aircraft were filled with images, colors, flavors and fragrances from one or more Greek destinations. In our business lounges as well as on all domestic and international flights, we offered traditional local products every month.

Moreover, on international flights, and in particular in business class, the cooperating chef created an additional menu item, based on the recipes of each destination, which was accompanied by local wine.



“Greece by Greeks”

The hidden beauties of greece travel all over the world through the eyes of the greeks.



Staying true to our commitment to contribute to the promotion of Greece and the enhancement of its tourism value, we set a high target in 2017: To discover the hidden multi-dimensional beauty of our country and present it all over the world.

Through the “Greece by Greeks” initiative, we joined forces with the Greek international basketball player Giannis Antetokounmpo, in whom we recognized the will, the persistence and the dedication to the goal.

Giannis was our inspiration to travel our country as far as we can “through the eyes of the Greeks” and with him we demonstrated how such a small country as Greece can encompass such enormous beauty.

On the campaign level, the initiative included two phases.

In the first phase that took place in the Greek market, we addressed the Greek public and we asked it to help us collect more than 10,000 hidden beauties of Greece that a visitor deserves to see and experience. Thus, through the unique greecebygrees.gr platform, which is available to everyone for free, we created the “guide” with the authentic secrets of our country, through the eyes of the locals. This “guide” is addressed to all those who want to explore our country and its unique beauties, as only a native knows them.

In the second phase, by reaching international markets such as Germany, France and England and implementing extensive online advertising, we invited the audience to browse the special section created at aegeanair.com that hosts all of this content, and get to know the secrets of our country as shared by the Greeks. Local customs and traditions, green forests, enchanting beaches and steep slopes, rare delicacies, breathtaking landscapes, small churches and impressive paths that further showcase Greece as the most welcoming and fascinating destination.

All secrets are available at aegeanair.com in 6 languages, to welcome any traveler visiting Greece. The goal of the campaign was to inspire and guide the international public to choose our country and discover it in the best possible way.



Concurrently, in 2018 we continue to share little secrets of our country and share Greece in selected international markets. Specifically, we have already started implementing a dynamic and targeted campaign that utilizes the content developed in 2017.

The results are encouraging and in 2018, even more people are expected to embrace the "Greece by Greeks" initiative, spreading its message of authentic beauty that we all deserve to know.

ATHENS TOURISM PARTNERSHIP

Since 2017, AEGEAN actively participates in the Athens Tourism Partnership, a collaborative initiative of the City of Athens, AEGEAN and the Athens International Airport, aimed at the promotion of tourism in Athens.

The City of Athens, AEGEAN and Athens International Airport have joined forces for the first time with a common goal: the promotion of Athens as a contemporary cultural center and an attractive, year-round tourist destination.

The first result of this collaboration will be a dynamic campaign entitled "One City. Never Ending Stories", specifically designed to showcase the Athenian experience. The campaign will focus on the promotion of Athens as a city of countless choices. A city full of stories, images and experiences that will be presented in a modern, lively and dynamic way.

The campaign's website www.thisisathens.org will host a total of 103 stories presenting snapshots of daily life in Athens as well as featuring a broader view of the Athenian life throughout the year. The main video of the campaign will be followed by 5 thematic ones.

In this way, potential visitors are given a thorough introduction to the city's vast array of opportunities. In addition to this, the web page functions as a tool for planning the traveler's visit to the city, featuring essential information on museums, sights, events, dining options and entertainment as well as a profiling of the distinctive features of neighborhoods of the city.

The first phase of the "One City. Never Ending Stories" campaign will put most digital media to full use. This includes electronic and printed advertisements, promotion on YouTube, Facebook, Instagram, Twitter, each social media constituting an important tool in addressing the public and targeting mostly travelers from France and Germany. The campaign will be designed to reach all major cities of France and Germany, which are the key markets for the Athenian tourism product. The website will be available in English, French and German.

Additionally, in the context of the campaign, there will be a specially designed and implemented experiential learning program for renowned digital influencers and representatives of international media, who will have the opportunity to experience the city's captivating stories, through a specially designed hosting program based on their profile, preferences and country of origin. Guests will experience the city and its everyday life, discovering its boundless possibilities. Thus, they will have the opportunity to tell their own story about Athens and spread the message to the world.

For the planning of the 2nd phase of the campaign that is going to be presented in 2018, the three partners of the collaboration carried out a survey in five main international markets. The aim of the survey was to highlight the characteristics of travelers and their intention to visit the city of Athens, something that would allow the partners to choose specific markets and engage in targeted communication with potential visitors.



SYNERGIES WITH REGIONS

Our main goal is to promote synergies that showcase the Greek destination and help strengthen local societies and economies. From this point of view, in 2017 we have created synergies with the Central Macedonia Region and the Region of Peloponnese, focusing on the promotion of each destination on the German market. Our communication was based on forwarding messages via our digital channels, but also within the aircraft, through our in-flight entertainment program.

5.2 // WE CONTRIBUTE TO THE SUPPORT OF VULNERABLE SOCIAL GROUPS AND CULTURAL INITIATIVES

We stand by all those that need us

Social contribution is a fundamental principle of our philosophy, seeking to support vulnerable social groups, as well as the work of major NGOs.

➔ Since 2008, we have been systematically supporting, together with our passengers, the "SOS Children's Villages", Greece.

Until December 2017, a total of 532,235 passengers responded to our call, contributing the amount of €1,069,356. Together with the equal financial support added by AEGEAN, the total amount raised was €2,093,194, which contributed to the construction of SOS Eliza House, the construction of a home in the new Children's Village of SOS Thrace and the support and maintenance of the SOS Children's Villages in general.

2008 - 2017



2,093,194€ SOS CHILDREN'S VILLAGES CONTRIBUTION



➔ Supporting humanitarian organizations involved in the Refugee issue.

In 2017 we continued to facilitate humanitarian organizations and NGOs (Greek and international) that helped to tackle the difficulties of refugee flows in Greece, by offering tickets, for the transportation of volunteers and members of the organizations to the islands that needed humanitarian help. More specifically, we supported:

- Lifeline Hellas
- Remote Area Medical Organization
- AMKE "The people's trust"
- Médecins du Monde
- Médecins sans frontières
- Lifeguard Hellas
- METAdrasi
- Save the children
- General Secretariat Information & Communication
- Disaster Tech Lab



➔ We cooperate with NGOs to offer various basic necessity items and services to vulnerable social groups.

FOOD

Packaged foods with long shelf life sealed products (cereal bars, crackers, jam, honey, etc.), which were not consumed during the flight, are collected by the cabin crew and donated to “We Can” (“Boroume”), so that no food will go to waste. Based on the data and the calculation method of “We Can”, in 2017 we offered 4.812 servings.

MEDICINES

Medicines from the first aid kits of the aircraft are donated to the “Social Medical Clinic of Ellinikon” and the “AEGEAN Seagulls”. Since 2016 we started cooperating and donated medicines to the “Ark of the World” and the Social Mission Medical Clinic.

CLOTHING

Clothing from the Department of Clothing and items from unclaimed luggage are donated to NGOs (PETO, “Moirazomai”, etc.).

Other items

Through our cooperation with DESMOS, we have been able to support Solidarity Now, the Humanitarian Initiative “Bridges”, the 2nd Special Disaster Response Team (EMAK), the Network for Children’s Rights, the Ecumenical Refugee Program, the Pammakaristos Hospital and the Greek Council for Refugees.

The donation of items in 2017 is:

- ➔ 48 baby carriages (unclaimed luggage).
- ➔ 30 heavy cold uniforms (engineer uniforms).
- ➔ 218 female footwear (flight attendant footwear).
- ➔ 45 influenza vaccines.

Free transportation

Moreover, we offer tickets to facilitate the work and transportation needs of the following bodies:

- ➔ Counsel for Children
- ➔ Smile of the Child
- ➔ Rehabilitation for The Disabled (ELEPAP)
- ➔ Make a Wish
- ➔ Médecins du Monde
- ➔ Ark of the World
- ➔ Hellenic Rescue Team
- ➔ Hellenic Police’s Cybercrime Division
- ➔ Student competitions

➔ We support young people and stand by the generation of tomorrow.

“Supporting the Youth” program.

It is addressed to all newly enrolled students who attend higher academic institutions away from home.

For each academic year, 100 newly enrolled students from destinations of public service routes and 150 newly enrolled students from the rest of Greece will be selected, thus a total of 250 students per year, who shall receive 8 free (one-way) tickets per year, in order to return more frequently to their loved ones.

The criteria for joining the program are mainly socio-economic, as we fully comprehend the need to support Greek families. We aim to alleviate the family budget, especially for families from destinations of public service routes.

To date, a total of 1,250 students from the 5 academic years of the program (2013/14, 2014/15, 2015/16, 2016/17 and 2017/18) receive free tickets for the duration of their studies by AEGEAN and Olympic Air.



➔ DONATE MILES THROUGH THE Miles+Bonus LOYALTY PROGRAM

In 2017, the miles donation service was implemented electronically via www.aegeanair.com and the **AEGEAN app**.

The service is open to all members of the Miles+Bonus program who wish to support the work of three non-profit organizations whose main action is childcare:

- Ark of the World
- SOS Children’s Villages Greece
- Together for Children

Through Miles + Bonus they can contribute directly and simply by donating award miles from their personal account. At the end of each calendar year, AEGEAN monetizes the total amount of award miles that has been collected for each organization in order to support their actions and contribute to their effort.

The award miles can in sets of 1,000 with no additional cost. Miles+Bonus members can donate, should they wish, 50,000 award miles within a period of 12 months.. They simply sign up to their account and through the “Donate miles to NGOs” section follow the process of donating miles.



➔ We support student competitions:

- “Economia” – student competition organized annually.
- Student competition for Corporate Social Responsibility “Nikos Analytis”, organized by the Hellenic Network for CSR (Corporate Society Responsibility).
- The “Best Virtual Business” Pan-Hellenic Competition through the Youth Entrepreneurship Association/Junior Achievement Greece.
- The World Final of the “F1 in Schools” High School Technology Competition held in Abu Dhabi with the participation of the Greek team Pole Position.
- TEDxAthens and TEDxThessaloniki.

➔ We actively participate in the provision of training for young people:

We cooperate with educational bodies to bolster the students’ academic qualifications and help them gain working experience.

✈️ We promote in every way possible our cultural heritage and the Greek tourism product.

We participate in various initiatives in Greece and abroad, aiming to spread values that originate from this country, making use of our potential for the promotion of the Greek culture.

✈️ On Board

- Since 2014 we have created the "Enter Greece" channel, featuring videos on the screens of our aircraft, each of different duration, depending on the duration of the flight (domestic or international). This is an AEGEAN initiative, aiming to promote the richness of our country, our cultural heritage, Greek cuisine, as well as our destinations and local products.
- The BLUE magazine has been accompanying our passengers

since the beginning of our operations, and presents unique tributes and guides for our destinations in Greece.

- 7 of our aircraft are specially painted, in order to promote the following websites:

www.discovergreece.com, www.visitgreece.gr & www.visitacropolismuseum.gr.



✈️ We are lifetime sponsors of:

- the Museum of Cycladic Art,
- the Athens Concert Hall,
- the Thessaloniki Concert Hall,
- the Hellenic Academy of Cinematography,
- the Thessaloniki International Film Festival and Documentary Festival,
- the House of Arts and Letters,
- the Nikos Kazantzakis Museum,
- the Centre Culturel Hellenique in Paris,
- the National Opera.



✈️ We support Greek sports, and we stand by the efforts of our athletes

- We support the National Soccer Team, and the National Men and Women Basketball Teams, offering free transportation and special privileges.
- In 2017, we were the Grand Sponsor for SEGAS for the Half-Marathon and Run Greece and the Official Sponsor for the Greek Marathon. At the same time, 154 AEGEAN employees ran the Marathon and 111 ran the Half-Marathon (see more on page 23).





“Travel Rookie”

AEGEAN is the exclusive airline of the National Basketball Teams of the Hellenic Basketball Federation. As a result, we were besides the National Basketball Team at the Eurobasket in Helsinki on September 2017.

We decided to organize a special flight with a double purpose: on the one hand, to support our National Team and the Greek participation and on the other hand, to be close to young people aged 18-25, who had never traveled by plane in the past and to support them live an experience that they will not forget.

Through the “Travel Rookie” initiative, we invited young people to participate and 50 lucky ones and their escorts had the opportunity to live this unique experience: to travel by airplane for the first time and watch the match of our National Team

with the French National Team in Eurobasket.

We also support:

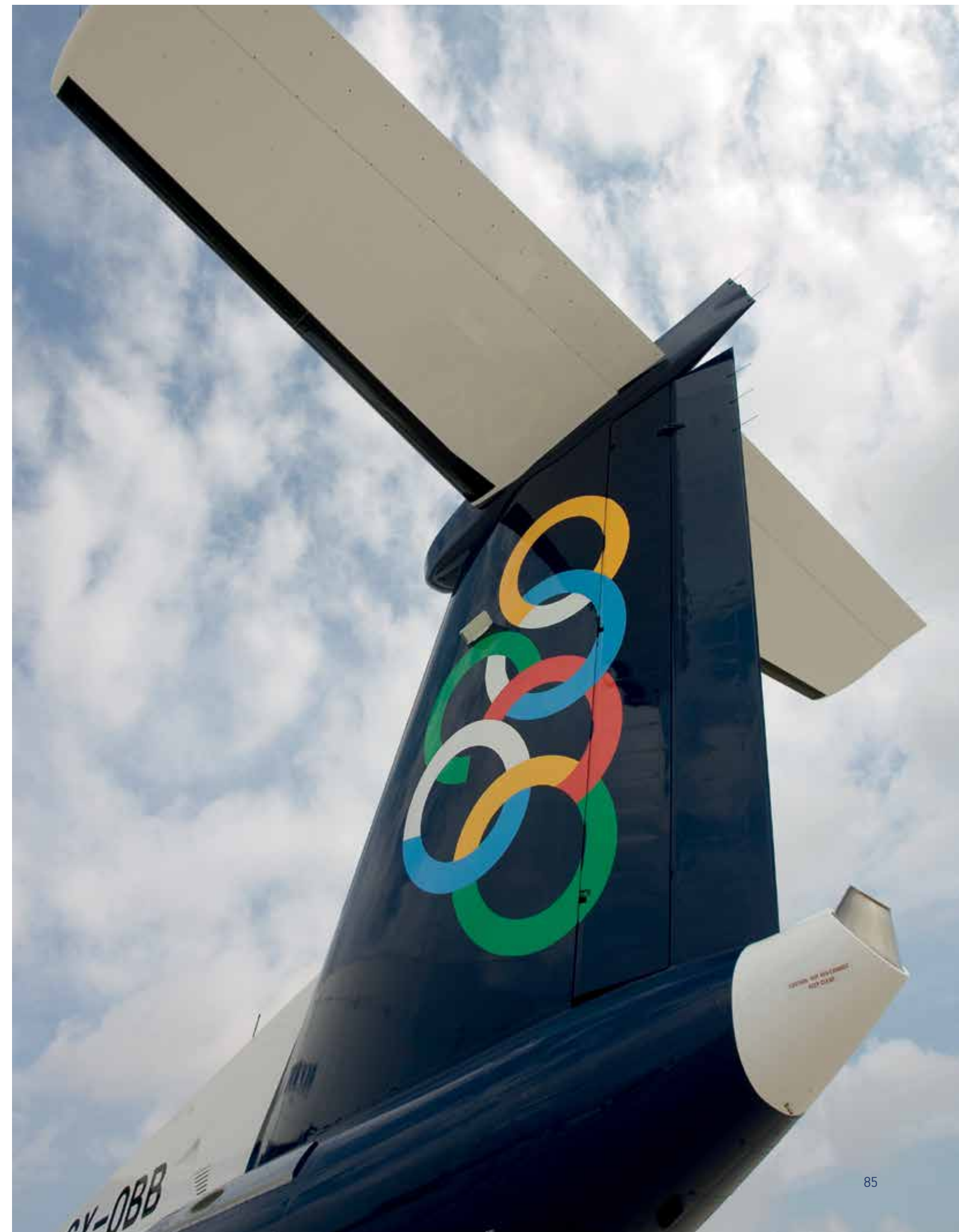
- Special Olympics.
- Local sports teams (Kolossos BC, Kretan Kings).
- Golf in Greece as a lever for tourism development.

Since 2006 AEGEAN has been organizing in Greece the “AEGEAN Airlines ProAm” International Golf Tournament with the participation of professional and amateur players from more than 20 countries. At the same time, it supports the Hellenic Golf Federation, the Greek PGA and offers free transportation of golf equipment to its entire network of destinations.

✈ Academic Institutions Visits

Throughout the year, education visits are taking place from schoolchildren and students from universities and the Hellenic Air Force Academy. These visits provide them with a unique experience to better understand the opportunities and challenges faced by the modern aviation environment. These specific visits offer the participants the opportunity to attend simulation seminars during the procedures on the ground, as well as during a flight simulation.

The visit is concluded with a tour on our technical base, accompanied by an experienced maintenance employee, who offers valuable insight and explains the procedures for aircraft maintenance.





6 // CREATING VALUE FOR THE ENVIRONMENT

For AEGEAN Airlines respect for the environment constitutes a non-negotiable priority.

The environment consists of an aggregate of natural resources of utmost importance, especially for Greece and it is tantamount to quality of life and respect for mankind. The company takes all necessary measures to guarantee that its operations are as environmentally safe as possible, implementing environmentally friendly policies and procedures throughout company activities.

An integral part of the company’s overall policy is not only the full compliance and adherence to all applicable legal requirements pertaining to every business activity, but also the constant attempt to improve the company’s environmental performance, in the context of AEGEAN Airlines’ long-term environmentally friendly course and growth.

The company’s Management demonstrates its commitment to environmental protection through the company’s environmental policy, which is not limited to the adoption of appropriate and best “green” practices but it also extends to actions that raise both the public and our employees’ awareness as well as the support of environmental protection bodies. The company’s environmental compliance and environmental performance are demonstrated through its certification according to the requirements of international standard ISO14001: 2004, thus providing complete and full transparency in terms of the environmental care and protection provided.

6.1 // ENERGY CONSUMPTION & GREENHOUSE GAS EMISSIONS

MATERIAL TOPIC



The aviation industry plays an important role regarding greenhouse gas emissions, as it accounts for 2% of global CO₂ emissions. At AEGEAN and Olympic Air, we recognize the importance of our responsibility to reduce air pollutants.

Our efforts are governed by this simple equation:

Lower fuel consumption → Lower emissions of air pollutants → Lower environmental impact.

This simple equation forms the basis of our corporate strategy for reducing pollutant emissions produced during flight. Since the combustion of aviation fuel leads to emissions of gases that contribute to climate change, the reduction of fuel consumption is a key objective of AEGEAN’s environmental protection program.

Flight Procedures

The department of Flight Operations has adopted procedures that are recommended by International Organizations, the manufacturer (Airbus Green Operating Procedures) and the aviation industry, always in cooperation with air traffic control, to improve fuel efficiency and reduce emissions of air pollutants.

For every ton of fuel saved, 3.15 less tons of CO₂ are released into the atmosphere. Some of the techniques that help us improve our environmental management include: approach techniques upon arrival, taxiing techniques before take-off and after landing, careful use of the aircraft’s auxiliary power supply unit while on the ground and take-off profile. The fuel savings resulting from the use of these techniques amounts to 350 tons of carbon dioxide per month.

Route Optimization

In 2014, AEGEAN improved its operational performance by acquiring a new flight planning software. This is an extremely precise and complex flight planning system, which offers significant operational benefits, since it calculates specific operations during flight (e.g. aircraft flight at optimal altitude and speed for every individual route). The new software contributes significantly to the improvement environmental management, by reducing carbon dioxide emissions by about 800 tons per month.

Reduction of Aircraft Weight

Aegean has taken initiatives related to the reduction of aircraft weight, which have a positive impact, both financially and environmentally:

- ✈ We invested in installing new aircraft seats that are lighter and more ergonomic, on all A320 and A321 aircraft. This resulted in a reduction of about 450 tons of CO₂ per month.
- ✈ We invested in new, lighter trolleys to be used on all our aircraft. Consequently, this initiative has reduced our carbon footprint by about 50 tons of CO₂ per month.
- ✈ We implement an innovative project for the optimization of the quantity of potable water on board. We calculate the necessary quantity of water for each flight and load this quantity on the aircraft. This initiative has led to a reduction of CO₂ emissions by about 40 tons per month.
- ✈ We converted all aircraft documents necessary for pilots and cabin crew into electronic form. This initiative resulted in reducing CO₂ emissions by 15 tons per month.

Reduction of CO₂ emissions per month

 FUEL SAVING
350 TONS CO₂

 NEW, LIGHTER TROLLEYS
50 TONS CO₂

 NEW AIRCRAFT SEATS
450 TONS CO₂

 NEW SOFTWARE
800 TONS CO₂

 NECESSARY QUANTITY OF WATER
40 TONS CO₂

 ELECTRONIC DOCUMENTS
15 TONS CO₂

GREENHOUSE GAS EMISSIONS	2017 ¹	2016
Fuel efficiency, Passengers (kg/100 pkm)	3.66	4.02
Fuel efficiency, Passengers (lt/100 pkm)	4.63	5.09
Block Hours	153,740	150,113
Fuel consumption (t)	318,241	306,269
Carbon dioxide (CO ₂) emissions (t)*	1,002,459	964,749
Intensity of carbon dioxide emissions, Passengers (kg/100 pkm)**	8.67	9.22
Methane (CH ₄) emissions (t)	11.5	11.2
Nitrogen oxides (NOx) emissions (t)	3,922.4	3,831
Intensity of nitrogen oxides emissions, Passengers (g/100 pkm)	29.7	31.6
Carbon monoxide (CO) emissions (t)	2,439.1	2,366
Sulfur dioxide (SO ₂) emissions (t)	362.8	354.5
Intensity of sulfur dioxide emissions, Passengers (g/100 pkm)	2.75	2.93
Nitrous oxide (N ₂ O) emissions (t)	31.2	30.5
Intensity of nitrous oxide emissions, Passengers (g/100 pkm)	0.24	0.25

Data was calculated according to IPCC Guidelines and Tiers 1 Methodology.

* Since 2010, carbon dioxide emissions are submitted to the European Emissions Trading Scheme where they are controlled by an independent accredited body.

** All flights with Airbus fleet.

¹ In 2017, we adopted a new method for calculating our emissions. This new method now includes all flights (international and domestic) of the Airbus fleet. In this context, we recalculated the emissions for 2016 based on this new method.

AEGEAN also makes every effort to minimize energy consumption at its building facilities.

As far as the Athens station is concerned, a mix of natural gas, oil and electricity is used, while the buildings have been built in a way that limits energy losses. At the same time, LED light bulbs are used in buildings to reduce electricity consumption.

ELECTRICAL ENERGY CONSUMPTION (GJ)	2017	2016
AIA Buildings (57, 53)	10,422	10,613
NATURAL GAS CONSUMPTION (GJ)*	2017	2016
AIA Buildings (57)	5,355	4,373
WATER CONSUMPTION (LT)	2017	2016
AIA Buildings (57, 53)	5,852	5,052

* Source for conversion to joules: Natural Resources Canada

6.2 // NOISE

Aviation sector activities can cause noise pollution from aircraft during various stages of flight but also from ground movement. Noise pollution has been associated with various health problems, while it can also be harmful to flora and fauna. AEGEAN implements a series of measures to reduce noise pollution caused by the company's activities. In particular, the company has replaced its aircraft with new ones that meet all relevant requirements of the regulatory framework, while aircraft noise emissions are even lower than the ICAO's stringent requirements. Moreover, we fully comply with airport recommendations regarding take-off and landing routes, directions and angles, in order to minimize the noise impact on the environment. Lastly, we are exploring further ways to minimize noise pollution, such as reducing night flights, using specialized technology, satellite-based navigation systems, etc.

6.3 // PROPER WASTE MANAGEMENT

In the context of AEGEAN's tangible commitment to environmental protection, as explicitly established by the certification of the company according to ISO 14001, recycling and proper waste management constitute a daily reality for us. In terms of recycling, we have designed and we implement an innovative program of in-flight recycling, with excellent results. On the ground, every effort is made to minimize the consumption of disposable products, as well as to recycle waste, when this is possible.

Regarding organic waste, we implement a pilot composting program in cooperation with third parties, while the final product is used as a fertilizer at the premises of Athens International Airport. Concerning hazardous waste, the nature of the company's operations entails the use of many chemical products, which is strictly regulated to ensure their proper management, from use to final disposal.

IN-FLIGHT RECYCLING (T)	2017	2016
Paper*	14.6	27.2
Plastic*	3.1	12.5
Aluminum	0.23	0.89
Glass	10.7	14.1

RECYCLING OF SOLID WASTE, AT AIA (T)	2017	2016
Paper	36.2	34.1
Plastic	1.8	3.7
Organic	0.01	0.02
Wood	0.98	1.6
Metal	0.5	4.6

PROPER MANAGEMENT OF HAZARDOUS WASTE (T)	2017	2016
At the Athens technical base	87.6	105.7

* Any fluctuations in paper and plastic recycling are largely due to our passenger preferences.

6.4 // BIODIVERSITY

Our company supports the work of many environmental protection bodies in every possible way. Of particular importance is the company's work during the transportation of injured wild animals for treatment, thusly helping their rehabilitation. From 2014 to 2017 we responded to a total of 8 animal transport requests:



- ➔ Black vultures, which were found injured in Alexandroupolis and released at Dadia National Park in Evros, in cooperation with ANIMA.
- ➔ Kri-kri, which had to be hastily carried from Chania to Athens.
- ➔ Sea turtles, which were found in Zakynthos, Skiathos, Karpathos and Leros.



// APPENDICES

ABOUT THE REPORT

The terms “company” and “AEGEAN” in this report also include the Group’s subsidiary, Olympic Air (AEGEAN AIRLINES CYPRUS LTD is not included).

The company’s Management has decided that the reporting period for the sustainable development report shall be the year 2017 and, more specifically, the fiscal year 01/01/2017 - 31/12/2017, to facilitate investors and other stakeholders.

The company’s previous sustainable development report, was published in July 2017 for the year 2016.

This Report has been prepared accordance with the GRI Standards: Core option.

During the preparation of this Report by AEGEAN, EY (Ernst & Young Hellas Certified Auditors-Accountants S.A.) provided review services regarding adherence to the GRI Standards.

The GRI Content Index can be found on page 96.

CONTACTS FOR QUESTIONS ABOUT THE REPORT

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External assurance

This report does not include an independent assurance statement. AEGEAN recognizes the importance of the process, both for the reliability of the report’s information and for the internal value in improving our processes. The information presented is internally reviewed.

Material Topics	Most significant impacts	Boundaries
	In relation to the UN's Sustainable Development Goals	Entities inside or outside the GROUP that ay cause or be connected with impacts
Economic Performance		* AEGEAN
		* AEGEAN * State / Regulatory Authorities
Network Development		* AEGEAN * Aviation Community
		* AEGEAN * State / Regulatory Authorities
		* AEGEAN * Aviation Community * State / Regulatory Authorities
Quality Product and Passenger Care		* AEGEAN * Aviation Community
Flight Safety, Training and Operational Readiness		* AEGEAN * Aviation Community
		* AEGEAN * State / Regulatory Authorities
Safeguarding Human Rights in our Business Operation		* AEGEAN * Suppliers / Associates * Aviation Community
		* AEGEAN * Suppliers / Associates * Aviation Community

Material Topics	Most significant impacts	Boundaries
	In relation to the UN's Sustainable Development Goals	Entities inside or outside the GROUP that ay cause or be connected with impacts
Occupational Health and Safety		* AEGEAN * Aviation Community
Local Communities Development & Contribution to the Improvement of the Greek Tourism Product		* AEGEAN * State / Regulatory Authorities
		* AEGEAN
		* AEGEAN
Energy Consumption & Greenhouse Gas Emissions		* AEGEAN * Aviation Community * State / Regulatory Authorities
		* AEGEAN
		* AEGEAN * Aviation Community * State / Regulatory Authorities
		* AEGEAN * Aviation Community * State / Regulatory Authorities

GRI Content Index			
GRI Standard	Disclosure	Page number or reference	Omission
GRI 101: Foundation 2016			
General Disclosures (core option)			
GRI 102: General Standard Disclosures 2016	102-1 Name of the organization	16	-
	102-2 Activities, brands, products, and services	16, 46-47	-
	102-3 Location of headquarters	16	-
	102-4 Location of operations	16, 40-43	-
	102-5 Ownership and legal form	16	-
	102-6 Markets served	8-9, 16	-
	102-7 Scale of the organization	4-5, 20, 38-39, 40-43, 46, 47, 61	-
	102-8 Information on employees and other workers	20-22	-
	102-9 Supply chain	63-64	-
	102-10 Significant changes to the organization and its supply chain	40-43	-
	102-11 Precautionary approach	88-91	-
	102-12 External initiatives	24-26	-
	102-13 Membership of associations	24-26	-
	102-14 Statement from senior decision-maker	6-7	-
	102-16 Values, principles, standards, and norms of behavior	15	-
	102-18 Governance structure	18-19	-
	102-40 List of stakeholder groups	32-33	-
	102-41 Collective bargaining agreements	22	-
	102-42 Identifying and selecting stakeholders	32	-
	102-43 Approach to stakeholder engagement	32-33, 52-53	-
	102-44 Key topics and concerns raised	32-33	-
	102-45 Entities included in the consolidated financial statements	Annual Report 2017, page 132*	-
	102-46 Defining report content and topic Boundaries	34-35, 94-95	-
	102-47 List of material topics	34-35	-
	102-48 Restatements of information	4, 89	-
	102-49 Changes in reporting	34-35	-
	102-50 Reporting period	93	-
	102-51 Date of most recent report	93	-
	102-52 Reporting cycle	93	-
	102-53 Contact point for questions regarding the report	93	-
	102-54 Claims of reporting in accordance with the GRI Standards	93	-
	102-55 GRI content index	96-98	-
	102-56 External assurance	93	-

* https://elabout.aegeanair.com/ependytes/anafores/?_ga=2.196495404.1268217294.1495171803-382848964.1485512272

GRI Standard	Disclosure	Page number or reference	Omission
Material topics			
Economic Performance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	38-39, 94-95	-
	103-2 The management approach and its components	38-39	-
	103-3 Evaluation of the management approach	38-39	-
GRI 201: Economic Performance 2016	201-1: Direct economic value generated and distributed	39	-
Network Development			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	40-43, 94-95	-
	103-2 The management approach and its components	40-43	-
	103-3 Evaluation of the management approach	40-43	-
-	AEGEAN's own indicator: increased extroversion and growth dynamics	40-43	-
Quality Product and Passenger Care			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	44-55, 94-95	-
	103-2 The management approach and its components	44-55	-
	103-3 Evaluation of the management approach	44-55	-
GRI 417: Marketing and Labeling 2016	417-3 Incidents of non-compliance concerning marketing communications	52	-
Flight Safety, Training and Business Readiness			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	57-62, 94-95	-
	103-2 The management approach and its components	57-62	-
	103-3 Evaluation of the management approach	57-62	-
GRI 416: Customer Health & Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	58	-
Safeguarding Human Rights in our Business Operation			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	65, 94-95	-
	103-2 The management approach and its components	65	
	103-3 Evaluation of the management approach	65	
GRI 412: Human Rights Assessment 2016	412-2 Employee training on human rights policies or procedures	65	
Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	70, 94-95	-
	103-2 The management approach and its components	70	
	103-3 Evaluation of the management approach	70	
GRI 403: Occupational Health and Safety 2016	403-2: Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	70	

GRI Standard	Disclosure	Page number or reference	Omission
Material topics			
Local Communities Development & Contribution to the Improvement of the Greek Touristic Product			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	76-78, 94-95	-
	103-2 The management approach and its components	76-78	
	103-3 Evaluation of the management approach	76-78	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	76-78	
Energy Consumption & Greenhouse Gas Emissions			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	88-89, 94-95	-
	103-2 The management approach and its components	88-89	
	103-3 Evaluation of the management approach	88-89	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	89	Fuel consumption for buildings is disclosed only for the Athens station. - The consumption of heating oil and vehicle fleet fuel are not disclosed. - Electricity consumption for the Company's facilities is not disclosed, with the exception of the Athens station. - Jet fuel consumption is not calculated in Joules or multiples. For this reason, the total consumption is not disclosed in Joules or multiples. Reason for omission: Information is not available. We examine the possibility of collecting the necessary information for the next Report.
	302-3 Energy intensity	89	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	89	- The fuel emissions from buildings (natural gas, heating oil) and from the vehicle fleet are not disclosed. - The total emissions in CO2 equivalent are not disclosed and instead the amounts of each gas are disclosed separately. Reason for omission: Information is not available. We examine the possibility of collecting the necessary information for the next Report.
	305-4 GHG emissions intensity	89	

* https://en.about.aegeanair.com/-/media/aboutaegean/ir/ir_annual_reports/aegean_annual-report17_en_for-web.pdf?forceDownload=0



The use of recycled paper does not ensure forest longevity, but just lengthens the forests' destruction time. Contrary to this, the use of FSC certified paper, which uses a percentage of recycled paper material, as a source of raw materials, ensures that the forests that are responsibly managed and the population that depend on them, will endure the time. Using FSC certified printed material, we reserve the forests and we improve our lives. This printed material is FSC®-certified. This means that all raw paper materials used are sourced from responsible forestry.

For more information visit www.fsc.org



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