



Air Astana JSC

Corporate Social Responsibility Report

2015





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Air Astana airline, realising the social responsibility to the state, investors, passengers, employees, business partners and the public, follows the concept of sustainable development and, to the full extent, is involved in implementation of the state development strategy for the transport sector, carrying out its activities in accordance with international principles of business ethics.

The purpose of this report is to present the main aspects of the activity and strategic plans of the company, as well as to inform the public and passengers about actions of the company in the field of social responsibility, efficiency improvement of cooperation between Air Astana and the parties concerned.

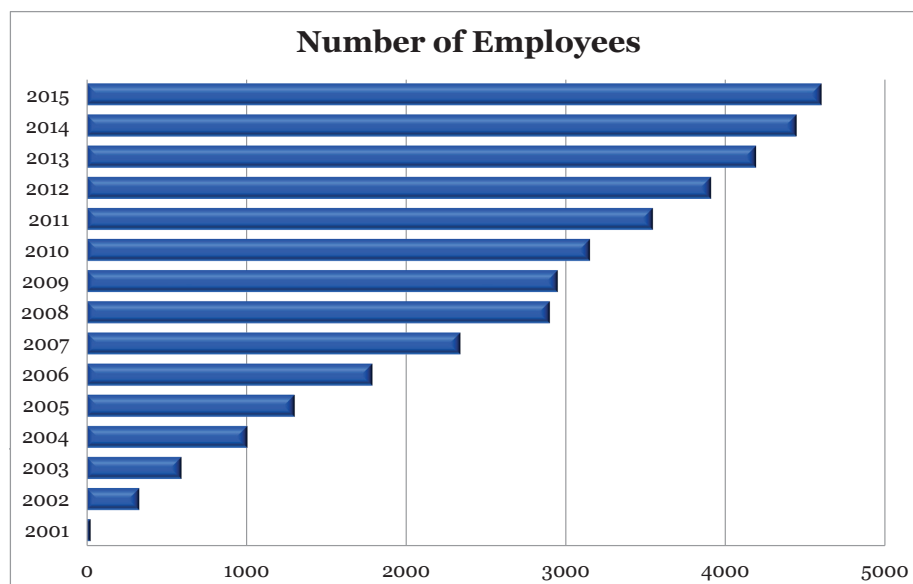
This report contains information on the activities of Air Astana in the field of corporate social responsibility for the period of the company activity and, in particular, for the period from January 1, 2015 to December 31, 2015.

Report on the corporate social responsibility of Air Astana shall be approved by the Board of Directors and published on the website www.airastana.com.

About the company



Air Astana was registered in 2001 as a joint venture between Samruk-Kazyna, the National Welfare Fund of the Republic of Kazakhstan and the company BAE Systems PLC (UK), with respective shares of 51% and 49%.



Currently the fleet of Air Astana consists of 30 western-made planes with average operating age of 6.7 years. The route network includes 64 domestic and international flights.

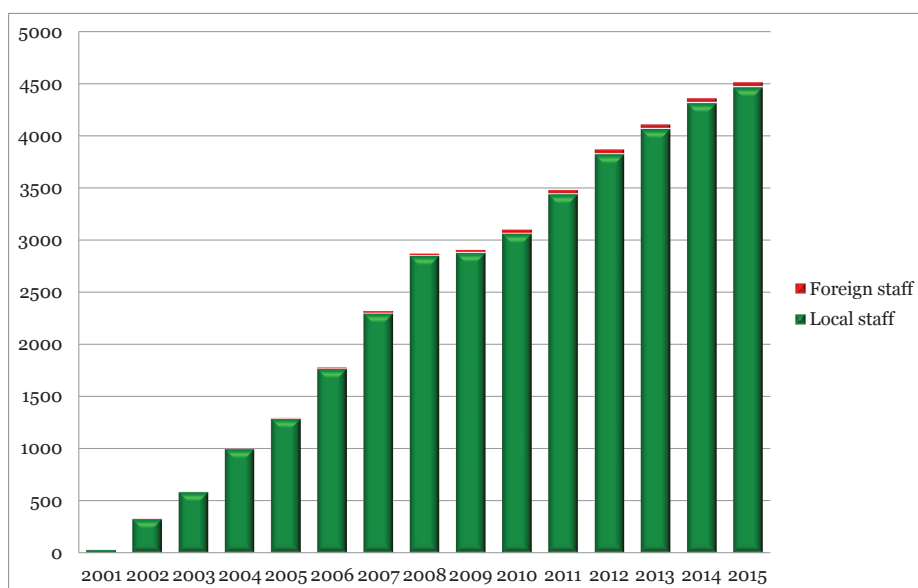
Highly qualified personnel of the company, which provides over 4 600 job positions, mainly consists of local employees with some foreign employees.

Certification



Air Astana is the first airline in Kazakhstan, registered by IATA (International Air Transport Association) in the list of airlines successfully passed the International Operational Safety Audit (IOSA).

Air Astana is certified by the European Aeronautical Safety Agency (EASA) to perform maintenance of aeronautical vehicles according to the requirements of Directive 145.





Social obligations of Air Astana as well as the work carried out in 2015 in this regard are described in the following sections:

- Environmental protection
- Safety provision
- Contribution to the economy
- Service enhancement
- Social initiatives
- Labour-management relations

Environmental protection

Air Astana takes the responsibility to protect the environment and recognises that environmental concern:

- is one of the main corporate values;
- helps to improve the company profitability;
- means efficient use of resources leads to a reduction in operating costs;
- minimises risks;
- has a positive effect on the company's image.

Basic steps of Air Astana to protect the environment are aimed to reduce the impact on the environment, particularly in areas such as carbon dioxide emissions and waste disposal control.

Methods to reduce emissions for any airline in the world are using effective, modern aircraft, modification of the existing ones as well as the rational flight planning.

Fleet renewal

Currently the fleet of Air Astana includes four types of aircraft: Boeing 757-200, Boeing 767-300, Airbus (A319, A320, A321) and Embraer-190.



3 x Boeing-767



5 x Boeing-757



4 x Airbus-321



8 x Airbus-320



1 x Airbus-319



9 x Embraer-190

Due to implementation of the programme for upgrading the fleet developed in accordance with the company's development strategy up to 2020 Air Astana has increased the share of its own aircraft. Earlier the company operated the aircraft on the operating leasing basis. These changes allowed standardisation of the most of the technical equipment and packages for the entire fleet and facilitated maintenance work on different types of aircraft.

21 of 30 aircraft belonged to the airline have been supplied within the period from April 2011 to June 2014 directly from the leading manufacturers. Fleet renewal included the complete replacement of obsolete turboprop aircraft Fokker-50 with the modern jets Embraer-190, as well as the supply of new Airbus A320/A321 and Boeing 767-300 from manufacturing works. Moreover, Air Astana signed a deal at the 2015 Paris Airshow for seven Airbus A320neo family aircraft, comprising of two Airbus A320neo, one A321neo and four A321neo Long Range (LR). The new aircraft will be acquired on operating leases basis from Air Lease Corporation of Los Angeles, USA. One A320neo is scheduled for delivery in summer 2016, with the remaining six aircraft being delivered in 2018 and 2019. Four additional A320neo will be acquired on operating leases from AerCap Holdings N.V. A new generation of A320neo aircrafts, in particular A321neo LR will gradually replace Boeing 757-200 fleet, allowing Air Astana to retain its leading position of operating the youngest fleet in Central Asia and one of the youngest in the world.

Replenishment of the fleet with new aircraft has occurred simultaneously with the detailed calculated return of some aircraft upon expiry of the operating lease contracts. Effective planning is the critical factor for successful implementation of the renewal and maintenance of a high level of the airline's fleet and reduction of negative impact on the environment.

Due to the ongoing renewal of the fleet that began in 2014 the airline was able to significantly reduce emissions of CO₂. For example, the airplane Airbus flew 42 133 hours in 2015 compared to the same period with 32 248 hours in 2012. Despite the increase of 31% in the flight hours, A320 family aircraft fleet renovation is more efficient allowing to produce 10 144 tones less than the older aircraft of this type previously used by the airline. Air Astana plans to continue its reduction of aircrafts emissions, which is one of the highest priorities that has been proved in its recent decision to acquire a fleet of Airbus A320neo, whose new engine technology claims to cut emissions by 15%.



Winglets

All aircraft of Air Astana are equipped with winglets, the curved up wingtips. This is one of the environmental protection measures, as winglets improve the aerodynamic characteristics of the airplanes, thereby reducing fuel costs and hence emissions to the atmosphere. Winglets typically increase fuel efficiency by 5%.

Route optimisation and navigation

One of the factors influencing the reduction of emissions is optimisation of air traffic control and flight planning system, which allows airlines to reduce fuel consumption and improve the efficiency of flights.

Waste reduction

For handling of flights Air Astana annually requires a large amount of resources: food for the passengers, plastic utensils, hygiene products and much more. In order to reduce waste the company thoroughly analyses the resources consumed and based on the results it optimises calculations of corresponding on board aircraft deliveries.

Each month the station managers (of cities where flights are made) of Air Astana collect information about the amount of loaded food and the number of transported passengers. The analysis of such information received during the year ensures effective planning of the stations food supply minimising the amount of waste. All station managers are aware that they have a 2% tolerance for over catering in order to avoid company expense wastage as well as food wastage. Moreover, whenever catering items (food stuffs, dry stores or fresh ingredients) can be bulk loaded instead of individually packed – it is done so, resulting in minimisation of disposable packaging usage. Re-usable cutlery is used on board of all Air Astana aircraft with a 10% of acceptable loss and/or damage per year, which is significantly better for the environment. Waste reduction approach also applies to provision of flights with equipment and other supplies. For example, Air Astana catering services are moving towards lightweight onboard equipment that allows to decrease consumption of aviation fuel and therefore, diminish of CO₂ emissions. Another example is whenever it is possible old equipment is always given a 'second life' without jeopardising local and international health and safety regulations. Additionally, on the ground Catering Department offices practice paper recycling whenever it is possible.



Deicing

Aircraft operation in cold weather conditions usually leads to formation of ice on the wings. In case of ice, snow or frost adhesion on the wings, control surfaces, engine inlets, etc. the flight execution is not allowed because the icing can significantly degrade flight performance of the aircraft: through lowering the wing lift, increasing air drag or jamming of the moving parts of aircraft.

In this regard the airlines around the world apply deicing of the aircraft. For deicing Air Astana uses two types of deicing fluid:

- Type 1, Safewing® EG I 1996 (88) standard SAE AMS 1424
- Type 4, Safewing® MP IV LAUNCH standard SAE AMS 1428

These are recognised throughout the world as safe for people and environment. Both fluids have successfully undergone testing and comply with safety standards of AMIL (Anti-icing Materials International Laboratory), Canada and are included into FAA (Federal Air Transport Agency), USA and TCA (Trans-Canada Air Lines), Canada certified deicing fluid register. Both SAE AMS 1424 and SAE AMS 1428 are certified by all aircraft manufacturers. In addition, the airline provides effective cleaning of aircraft wings including the use of deicing fluid with a minimum amount of residues, the use of specialised platforms, equipment and specially trained personnel as these fluids comply with international environmental safety standards. The minimum temperature that still allows to carry out deicing procedure using Safewing® MP IV LAUNCH under the presence of precipitation is -29°C. Moreover, Air Astana's deicing equipment is compliant with ISO 11077:1993 standard.



The aviation safety for the company is a core value and top priority in all fields of activity. Air Astana ensures compliance with standards in accordance with requirements of the Committee of Civil Aviation of the Republic of Kazakhstan (CCA), European Aviation Safety Agency (EASA) and other supervision authorities for flight worthiness.

Air Astana adheres to the highest flight safety standards and indicators through the implementation and maintenance of structural and overall processes for hazards identification and analysis and risk reduction within the Flight Safety Management System (FSMS).

Responsibility for flight safety rests with all employees of production departments, from senior management to staff members, ensuring the safety directly at their workplaces in a safe and comfortable environment.

The Air Astana Safety Management System (SMS) supports operations departments in preventing accidents and is managed by the Corporate Safety Compliance department. The SMS process includes monitoring the compliance of flight, cabin, maintenance, ground and security operations processes with the airline standards that are based on the legislation and best international practices. The monitoring programme makes extensive use of IATA programmes for safety and quality assurance such as the audit for ground handling safety (ISAGO), fuel quality (IFQP), water quality (IDQP), as well as for deicing quality (DAQCP).

Other primary processes such as Flight Data Monitoring, safety reporting, safety investigations, data analysis, results review and mitigation actions in monthly safety review meetings are aimed at identifying and mitigating hazards. In support of these actions the airline is a member of Flight Safety Foundations and the International Society of Air Safety Investigators and actively participates in the ICAO-EU safety programme initiatives.



The airline is regularly assessed by external organisations to confirm the standards applied. The Certificate of Airworthiness of all aircraft is annually reviewed through a system of inspections by the State of Registration and Airline Operators Certificate is reviewed every 2 years, but also on a continuing oversight basis, by the State of the Operator. Industry assessments are conducted by IATA every 2 years and since 2007, called IOSA (IATA Operational Safety Audit), and foreign Regulatory certification programmes of European Aviation Safety Agency (e.g. Third Country Operators certification completed in Oct. 2015, EASA Part 145 for line maintenance since 2002 and EASA Part 147, also in 2015).

In May 2015 Air Astana once again demonstrated the compliance with international safety standards, for the fifth time after successfully passing the IOSA programme without any comments or recommendations in Flight Safety Management System.

This audit allows an assessment of all production activities including organisational structure and company management, flight operation, flight management and flight service, engineering maintenance of aircraft, flight safety provision, ground handling of aircraft, cargo transportation and aerial safety provision.



Flights to European Union

On April 10, 2014 the European Union Committee for flight safety lifted all restrictions on the frequency of Air Astana flights to/from the European Union, which were imposed during inspections of the International Civil Aviation Organisation (ICAO) in 2009 due to deficiencies in the work of the Kazakhstan Committee of Civil Aviation. Thus, the airline confirmed full compliance of its systems and safety procedures with international standards. Lifting of restrictions by the EU allowed the expansion of services to Europe, with a third weekly frequency on Astana – London added in June 2014 and a new three times a week scheduled services to Paris from Astana, which commenced in March 2015.

The European Union continues to monitor the flight safety level of all air carriers operating at the territory of the European Union under the European Community Programme on Safety Assessment of Foreign Aircraft (SAFA). For example, in 2014 the aeronautical authorities of the countries participating in SAFA programme carried out 42 inspections of Air Astana aircraft. Results of inspections for 2015 still demonstrate positive trends of previous years, which were specially highlighted by authorised representatives of the aviation authorities in certain countries.



Worldwide air transport contribution to the economy is hard to overestimate:

- Air transportation is the force for economic and social progress.
- It unites people, countries and cultures together.
- Provides access to the world markets.
- Promotes trade and tourism.
- Makes connections between the developed and developing countries.
- Provides employment of millions of people around the world.
- Creates indirect jobs due to the volume of purchases of goods, equipment and other supplies for air transport.

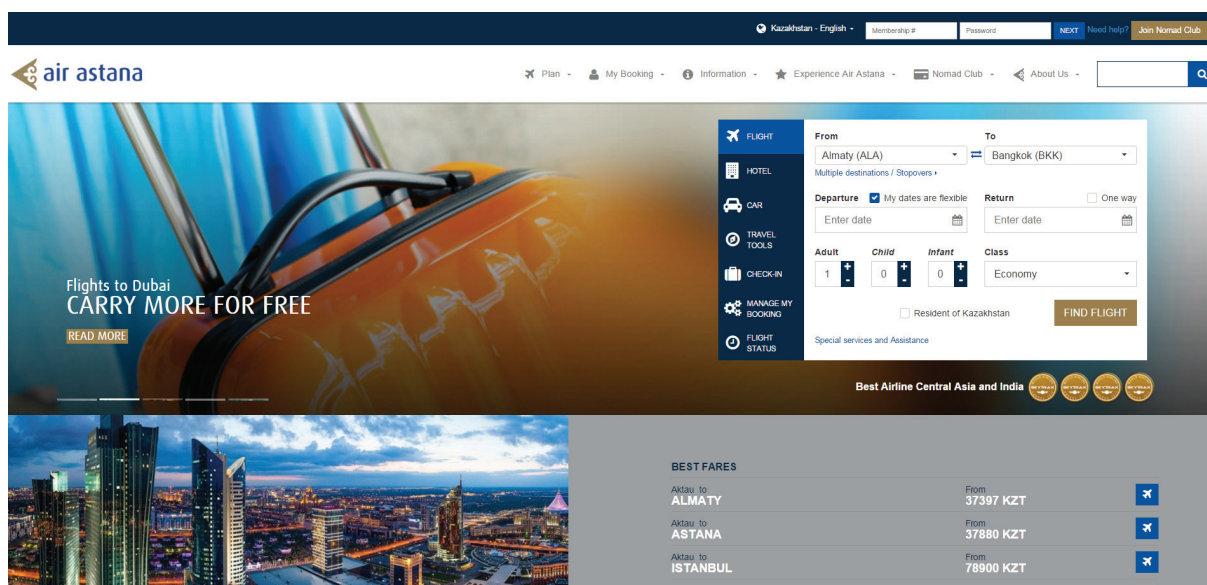
In January – October 2015 the number of the airline's passengers increased to 3.27 million compared to 3.17 million in January – October 2014, 3.07 million in January – October 2013 and 2.72 million in January – October 2012. Stable growth of passenger flow, which has not decreased even by devaluation of the national currency in February 2014 and August 2015, is the result of the company actively increasing its efficiency and mitigating negative trends in the economy.

It is worth noting that for all time of its activity the airline has paid to the state budget 49 606 200 396 tenge of taxes and other payments (excluding compulsory pension contributions), which corresponds to 343 067 898 US dollars.

In January – October 2015 the government payments were made up at 3 084 539 902 tenge or 15 152 977 US dollars.

In March 2015 Air Astana received prestigious the CIS Business Leader Award for its contribution to the economic integration and development of the CIS member states. Moreover, the airline has been named Airline Market Leader 2015 at the 41st annual Air Transport World Awards. Air Transport World Editor in Chief Karen Walker lauded the airline for its creativity, determination to succeed and its consistent profitable performance.

Contribution to the economy



Sales and marketing

The slowing traffic in the region and particularly transit flows to Russia has resulted in a switch of focus to close the gap.

Focus on Asian flows into Europe and particularly China delivered results from the middle of the year and made China a key contributor to declining European markets. The stopover programme launched during the summer of 2014 allowed Asian markets to start contributing to the Caucasus and Turkey routes with multiple new O&D's (origin and destination). Besides the 2015 launch campaigns of the Astana – Paris, Astana – Seoul and Astana – Tbilisi routes, the launch of two new products Economy Sleeper and MyUpgrade have been at the forefront of marketing activities. The market awareness of the Economy Sleeper product was enhanced by the close attention of the travel trade and trade press highlighting the innovative product.

During the year, the codeshare with Asiana Airlines was enhanced to the Astana – Seoul route and a new codeshare agreement with Bangkok Airways has been introduced to feed Air Astana's Bangkok routes. The airline is in discussions with a number of carriers to expand bilateral codeshares in 2016.

Strategic Planning

Revenue

During the 2015 Air Astana has faced continuous devaluation of tenge and general economic situation deterioration in the region. This has resulted in the yields and revenue drop but due to the continuous and effective cost reduction measures, airline's cost base is one of the lowest among the full service carriers in the world.

The Revenue Management team is implementing the revenue strategy using the PROS (Pricing Revenue Optimisation System) statistically based forecasting system.

The Company also continues to increase its transit traffic and this year it reached 11.7% of international passengers. Despite the critical economic situation the airline is planning to close the year profitably.

Aircraft Technical Centre in Astana

The Company is now realising the project of building its own technical centre to conduct routine checks and maintenance of the whole fleet (Airbus, Boeing & Embraer) in Astana. Currently, preparation of the centre's ground work is being accomplished, so that construction of building envelope (roof and walls), which has been designed and manufactured in Canada, could start in the third decade of November 2015. Aircraft Technical Centre construction is planned to be done by September 2016.

Corporate Development

The company operates in accordance with the best international practice in the field of corporate governance and sustainable development, including the compliance with the principles of transparency, social responsibility, high standards of business ethics and observation of rights and the interests of its shareholders.



In 2015 the timeliness of Air Astana flights increased from 88.84% in 2014 to 92.12%, which is a good indicator of the operations efficiency that is required to ensure on-time performance, while staying compliant with all safety requirements. Punctuality indicators of the airline flights can compete with the leading carriers of the world: in 2015 for the period from January to August the average punctuality of flights in Europe was 81% and 79.9% in the United States compared with Air Astana's 91%.

According to statistics over 1 500 passengers each month visit Air Astana's exclusive business lounge – Shanyrak, which has been introduced at Astana airport since 2014. This is a large and comfortable lounge suitable for up to 45 people at a time. Passengers are offered a wide range of hot and cold snacks, drinks as well as tea and coffee. Local and international newspapers and magazines in a wide selection are available in the library area as well as the exhibition section presented by the works of local and foreign artists.

In January 2015 Air Astana introduced the first Passengers Self Check-in Kiosks for domestic flights in Kazakhstan. The new Kiosks are to complement the number of Air Astana front desks at some airports in Kazakhstan. At the moment there are four terminals in Almaty International airport, two in Astana and one in Shymkent. Passengers appreciated Self Check-in Kiosks as they help to avoid the queues to the front desks and notably save time. Currently, over 300 passengers register for Air Astana flights using these terminals.

Air Astana introduced an Economy Sleeper Class product on Boeing 757 services from Astana to London, Paris and Frankfurt from February 2015. Economy Sleeper Class provides more comfort and allows passengers to rest and sleep in a lie flat position, by combining three economy seats. The Economy Sleeper Class cabin is completely separate from Business and Economy Class cabins, with up to 12 seats available on each flight. An Economy Sleeper Class kit, containing mattress, Business Class pillow and duvet, is offered for Economy Sleeper Class passengers. Additional benefits include Priority Check-in, 30kg baggage allowance, Business Class Lounge access, Priority boarding, Business Class Amenity Kit and In-flight entertainment system.



New in-flight catering has been introduced for regional and international flights from April 2015. In response to passenger feedback the airline has started introduction of up to 6 rotating menu cycles across regional routes. Therefore, frequently flying passengers may enjoy a greater variety of dishes. In addition, according to numerous requests from airline passengers, Air Astana introduced *manty* on a limited number of domestic routes, with a plan to incorporate more Kazakh and regional flavours into the entire range of menus across the network. The traditional dish is presented in one of the 6 cycles for Business Class regional flights departing from Astana. Air Astana chefs have developed the new menu in collaboration with the best catering stations specialists and the principles of healthy in-flight food. All utilised cooking technologies meet international standards of IATA as well as HACCP (Hazard Analyses Critical Control Point) food quality management.

In September 2015 Air Astana launched MyUpgrade; an innovative online tool that enables existing economy class customers to bid for an upgrade to Business Class before their flight. The tool gives passengers the chance to name their own price, within a minimum and maximum range, to be considered for an upgrade to the premium cabin. Those passengers, who successfully bid for an upgrade, will enjoy a host of benefits and privileges including greater in-seat comfort, personal on-demand in-flight entertainment system, Air Astana's renowned Business Class cuisine and beverage selection, access to International Business Class lounges, increased luggage allowance, priority boarding and priority luggage delivery.

Air Astana has introduced a new internet booking engine on the airlines' corporate website, where efficiencies in the booking process requires only 3 steps instead of 5 to complete. It is modern in design and eases the procedure and increases convenience for our passengers, while booking flights. In addition the new design has been developed in accordance with Global Accessibility Standards, making the booking process easier for people with disabilities. Moreover, data of the registered Nomad Club members is filled in automatically, which reduces time spent on booking.

One of the most important innovations is the use of Responsive Design technology, which provides ease of use and corrects view of the website on different devices, whether it's a PC, tablet, computer or smartphone. Thus, the ticket booking, flight information review and managing your Nomad Club profile became more accessible.

Another significant feature of the new booking system is introduction of the new rule that provides application of greater ticket tariff flexibility, while booking a number of different segments. Previously, when booking segments on non-refundable and refundable return tariffs at once, the rules of non-refundable tariff were applied for both flights. Currently, when booking several segments at once, the system allows implementing tariff rules in accordance with the tariff plan of each ticket purchased. Thus, if a passenger purchased tickets on non-refundable and more flexible tariff plans, he has an option to make changes for a flight purchased on a flex plan.



Customer Relations

To be always aware of the complaints and suggestions of passengers, the company has the client relations department the function of which also includes timely and adequate compensation.

In 2015 Air Astana received and processed 4 797 requests from passengers. The department has assisted many Kazakh passengers abroad due to their loss of documents, health problems and other circumstances.

The most frequent requests are:

- Free rebooking/full refund due to medical reason;
- Quality and quantity of meal provided onboard;
- Carriage of unaccompanied minors;
- Full refund due to visa rejection.

From the beginning of the year 2015 requests for free rebooking due to MERS virus in South Korea, Travel agency bankruptcy, devaluation of national currency has increased.

Air Astana is always trying to be loyal to the passengers and to find an individual approach to each of them. For example, if a passenger cannot fly due to medical reasons, the airline offers a free rebooking of flight until his recovery or returns the ticket cost in full. The company also assists to return home the customers, who have lost their documents abroad.

Examples of the airline satisfying customers' wishes are:

- Growth in the amount of hotels providing accommodation in Uralsk and Moscow;
- Standardisation of the meal service provided in case of flight delays in all airports of Kazakhstan;
- Increase of the number of entertaining programmes in Kazakh language;
- Revision of the service meal procedure on the long haul flights;
- Consideration of requests for WI-FI onboard.



Service

In 2015 Air Astana for the fourth consecutive year won the 4 star rating according to the Skytrax agency as well as being awarded «Best Airline in Central Asia and India» and was awarded the prize for the «Best Airline Staff Service in Central Asia and India» for the third time. Taking prestigious awards positions Air Astana is on a par with the best airlines in the world in terms of the passenger experience, air and ground services.

In order to continuously maintain service at the highest level and improve it even more, the airline's staff regularly completes training to improve the service quality. In 2014 Air Astana has introduced a two-day service training for flight attendants the main objective of which is to help the crew to better understand their role in customer service: best service is determined not by the product itself but the staff, who provide it. Particular attention in this training is paid to the practical training session on beauty, uniform presentation and personal care.

In Air Astana there is a special team of linear coaches the main task of them is to create, modify and improve high standards of service, examination of services quality and provision of on-board products in accordance with the high reputation of the airline.

The work of linear coaches is performed in voyage conditions within the working crew. They gather information about the work process, both from flight attendants and from the passengers. The assessment is based on criteria such as service technology, provision with food and other board products, personal interest, wearing uniform and compliance with the requirements to the appearance of the crew. Based on the monitoring carried out, the analysis is made aimed to maintain and improve the high standards of service.



The airline takes an active role in the life of community providing continuous support to charity organisations and facilitating socially significant events. In 2015 Air Astana continued the implementation of social support programmes in a number of priority areas.

The airline social projects include three aspects, which are based on providing a non-repayable or reduced-fare transportation:

- programmes of social transportation service;
- affiliate programmes;
- one-time support of individuals and legal entities.

Annual event «Visiting places of military glory»

Within the entire reporting period Air Astana provided veterans of the Great Patriotic War with the opportunity to visit their front-line comrades in different cities of Kazakhstan and the CIS countries. 2 100 free tickets have been given during the event period.

In addition, Air Astana honoured veterans of the Great Patriotic War with a special concert to mark the 70th anniversary of victory at the Kasteyev Kazakh State Museum of Arts. The employees of the airline performed famous songs and dances of that time and presented gifts.

This summer Air Astana renovated the flat of Vassiliy Zhovty, a fighter pilot, colonel and a veteran of WWII, who celebrated his 94th birthday this year.

With care for children

For several years Air Astana supports seriously ill children in search of highly qualified physicians together with a volunteer society Miloserdiye. The airline transports children with severe cardiac diseases and cancer from different regions of Kazakhstan to foreign healthcare centres for medical treatment and surgery.

In 2015 over 130 seriously ill children and their accompanying parents took advantage of free flight.



Air Astana in cooperation with Miloserdiye, the volunteer society, supported the trip for children, who have recovered from cancer, to participate in Universal children games «The Games of Winners». Where Kazakhstani children won 5 medals. Under the joint project with the charity fund Ayala in 2015 via donation boxes set out in the airline ticket sales office of Air Astana in Almaty, Astana and Atyrau 1 730 526 tenge were collected. All funds were donated to «Breathe life» project. The Foundation is planning to provide intensive care to children's units of infectious diseases hospitals of Kazakhstan with modern medical equipment.

Air Astana organised a trip to Astana for the deaf and hearing impaired children of the Meirim school, Taraz. Free return Taraz-Astana flight and a two-day tour to the capital became a pleasant gift for the participants of gourmet competition held by the airline together with charity fund Ayala among the pupils of school.

Together with the Social Fund Help the airline transferred wheelchairs to disabled children, who have had a stroke.

On the day of knowledge, Air Astana together with the Shugyla Fund gave 50 sets of stationery sets to children from low-income and single-parent families.

Air Astana employees volunteered to dismantle warehouse forgotten luggage and handed strollers, books, toys, clothing to families in need.

Sponsorship

One of the major sponsorship project of the year 2015 is cooperation with EXPO-2017. Air Astana became a partner in this major international exhibition and holds the exclusive status of the Official Air Carrier of EXPO-2017. Within the framework of the memorandum of cooperation, there are plans to integrate the airline's online reservation system onto the event web site www.expo2017astana.com and also activate a joint PR-campaign. As a part of that PR campaign the airline's Embraer 190 has become one of the first of 30 aircraft in the fleet to feature the distinctive Astana Expo 2017 logo on both sides of the fuselage. In addition all Astana transit and arriving in passengers will be given free vouchers that can be exchanged for tickets to EXPO-2017.

In 2015 Air Astana supported the following projects:

- Exhibition of French expressionists in Space multimedia
- Media summit

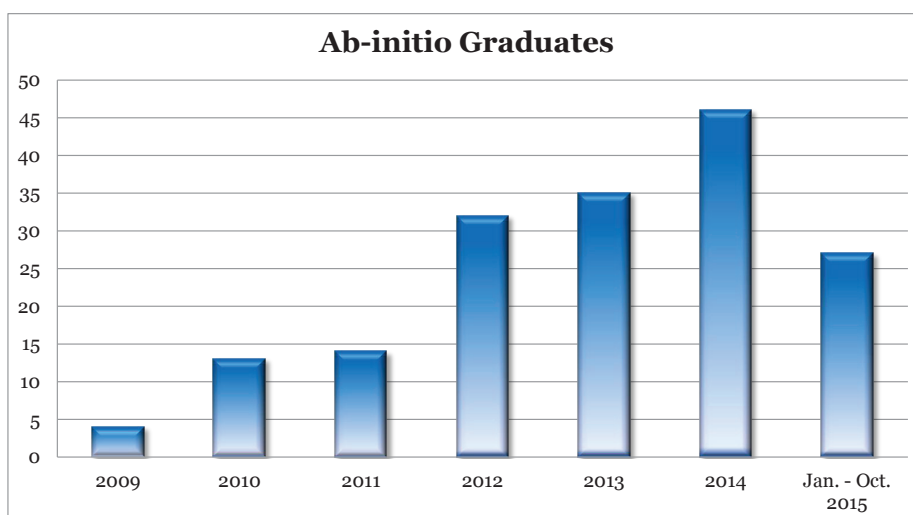


Air Astana is a socially responsible organisation that is subject to all legal requirements, actively cooperates with the trade unions, creates jobs and provides high-level working conditions, as well as the opportunities for development and career progression of its employees.

Employee training and development

Air Astana carries out its activities in accordance with high standards and engages suitable candidates for the respective positions in the airline. For those wishing to go into flying Air Astana provides an opportunity to complete professional training under the initial training of pilots Ab-initio programme.

To participate in this programme are invited citizens of the Republic of Kazakhstan in the age from 18 to 34 having excellent knowledge of physics and mathematics, and fluent in English. Selection of participants is carried out on a regular basis and includes several steps. Applicants successfully passed all selection stages have a chance to study in the best flight schools of the world.





In 2011 Air Astana jointly with the Academy of Civil Aviation of Almaty launched a training programme for aviation engineers from amongst the final-year students of the Engineering Faculty of the institution. Currently, the dual training programme continues, the selected students closely combine study with practice: learn technical English; master mechanical, machine, measuring practice and radio equipment installation; they are trained directly in shifts under the supervision of mentors from amongst the experienced engineers, etc.

The students have a great opportunity to exhibit their zeal, desire and leadership skills, which is the purpose of this project. In accordance with the learning outcomes and opinions of the department heads each student has a chance to find a job in the company.

Air Astana has opened a training centre for engineers in Almaty, with certification to EASA P147 standards by both the Kazakh and European aviation authorities. Training programmes are offered in 26 specialist engineering disciplines, together with a full course on Airbus A320 maintenance.

The new training centre eliminates the need for Air Astana to send engineers overseas for training and is also open to candidates from other carriers in Kazakhstan and the rest of the CIS. The centre is the only one of its type in Central Asia and one of only five centres in the CIS to be certified by European aviation authorities.

The opening of the centre marks another important step towards Air Astana opening an Aviation School in Astana in the future, which will offer training courses for engineers at all levels.

In Air Astana there is also a programme for recruiting and training flight attendants. The airline, at its own expense, selects, trains and prepares the flight attendants in the best educational institutions of the world, after that they are employed in the company.

All employees of Air Astana have the opportunity to improve their skills and gain additional skills in the various annual seminars and trainings. The budget of the general programme training in the company for 2015 amounted 10 888 064 US dollars.

The department of corporate training and development is steady in its strategic goal - to become a sustainable, self-learning system of the new generation corporate training. While in 2014 much attention was focused on a breakthrough in terms of the training content and format, the goal of year of 2015 was to revise all current training curriculums according to HEART values. Moreover, two new training programmes have been launched for managerial and supervisory staff: Communicating for Results and Building High Performing Teams.



The training theme line is addressed primarily to line managers. It is dedicated to the human resources management. Such trainings have a lot of features. For example, they all consist of short thematic modules that can be used to change the duration and practical orientation of training. The standard format of corporate training is two compulsory modules before lunch time with one-hour additional course in support of training in the afternoon.

The following training modules are designed and carried out:

- The main instruments of managing people (People Performance).
- Subordinate feedback.
- Assessment of subordinate's work.
- Coaching for managers.
- Interviewing skills.
- Business writing for managers.
- Effective presentation.
- Tone-management for managers.
- Stress Management.
- Time management for managers.

After over 2 years of experience the conclusions and recommendations have been made in terms of what types of employees can become a great coaches. Thus, the task on stability of the training system is being implemented according to plan.



Occupational safety

An in-company contest to work as an auditor was held in March in order to conduct internal audit according to international standard OHSAS 18001:2007. 19 employees were selected out of 60 contestants, who then completed certified three-day training on international standard and internal audit. In April of 2015, OHSAS auditors audited 68 units, including 4 contracting organisations.

In June 2015, the airline was audited and was successfully OHSAS 18001:2007 re-certified by BSI (The British Standard Institution). Within the frame of diversification of certification, audits were conducted not only in Almaty, but also in Astana, Atyrau and Aktau.

The plans for the second half of the year include monitoring of occupational safety for compliance with requirements of occupational safety and health laws of the Republic of Kazakhstan. 43 units of the company in Almaty, Astana and Atyrau are being monitored.

Conducting of monitoring and training in the remaining offices in Kazakhstan (Uralsk, Pavlodar, Ust-Kamenogorsk, Karaganda, Shymkent, Taraz, Aktobe, Kyzylorda, Kostanay) was also planned within the frame of management system expansion.

The work for improving the accident and injury alerting system is in process. During ten months more than 40 messages were received containing information not only about injuries, but also risks.

One-day courses on first aid were held to improve employees' knowledge (95 employees were trained).

More than 70 managers of production units were trained on safety and health regulations.

OHSAS meetings have been organised every month from January 2015. Issues of promotion of employees' safety, casualties and accidents, workplace conditions, etc. are discussed during these meetings.



Since revision of the company's mission, goals and values in 2014 that lead to the creation of the HEART programme, this has been further developed and has shown to be a practical value for each employee.

The HEART values are implemented into HR business processes.

The life cycle of an employee of the Company consists of the following steps as Recruiting, Evaluation, Training, Recognition and Reward. Using the HEART values as guidelines, we do understand:

- what people does Air Astana need
- what are criteria for performance assessment of each employee
- what knowledge and skills are necessary to develop

Performance Appraisal

The company has revised the Performance Appraisal indicators and has adopted it to the values of the Company giving to each employee the standard of work behavior by HEART.

Starting this year all employees of the Company will be assessed by the same criteria. Of course, the level of the demonstration of these criteria in work behavior will be different depending on the position. The key results area will be set for supervisory level as well as for managerial level.

Corporate Learning and Development

In 2015, the company revised the content of the behavioral trainings, which are held for the managerial staff, to the principles of HEART. The focus is on improving the communication skills and building up productive relationships within the team.



Air Astanology

Several years ago there was designed orientation training for newcomers named Air Astanology and a discussion panel for existing employees. In 2015 the company has renewed and implemented Air Astanology for existing employees with the focus on company achievements, product, business performance results and plans. This discussion panel is designed to provide the answers to the hidden questions about the company and giving the vision where to move.

HEART Awards

The mission of Air Astana is «From the heart of Eurasia we are building one of the finest airlines in the world».

This can only be achieved in the case of commitment, involvement and outstanding contributions of all employees. Taking it into account, the Company has launched a corporate employee recognition programme HEART Awards. Employee recognition programme of Air Astana is designed to promote the Company's values, selection and encouraging of the best employees, who are guided by HEART values in daily work during the whole year. This programme applies to all employees except managers of grades MS2-MS4. The company will recognise 120 awardees at the annual ceremony HEART Awards, where they receive a specially designed pin. Top 20 employees by the results of assessment will get a special prize as approved by the President of the company each year.



AMIL	– Anti-icing Materials International laboratory
BSI	– The British Standard Institution
BSP	– Billing and Settlement Plan
CCA	– Committee of Civil Aviation of the Republic of Kazakhstan
CIS	– The Commonwealth of Independent States
DAQCP	– IATA De-Icing Quality Control Pool
EASA	– European Aviation Safety Agency
EEC	– Eurasian Economic Commission
FAA	– Federal Air Transportation Agency
FSMS	– Flight Safety Management System
HACCP	– Hazard Analyses Critical Control Points
IATA	– International Air Transport Association
IBCS	– IATA Billing and Settlement Plan Consolidator System
ICAO	– International Civil Aviation Organisation
IDQP	– IATA Drinking-Water Quality Pool
IFQP	– IATA Fuel Quality Pool
IOSA	– IATA Operational Safety Audit
ISAGO	– IATA Safety Audit for Ground Operations
LR	– Long Range
MERS	– Middle East Respiratory Syndrome
O&D	– Origin and Destination
OHSAS	– Occupational Health and Safety Management System
PROS	– Pricing Revenue Optimisation System
SAFA	– Safety Assessment of Foreign Aircraft
SMS	– Safety management systems
TCA	– Trans-Canada Air Lines