



北京2022年冬奥会和冬残奥会官方合作伙伴
Official Partner of the Olympic and Paralympic Winter Games Beijing 2022



2021

Corporate Social Responsibility Report

Air China Limited





About This Report

This report reflected the performance Air China made in 2021. Following the guidance of the Central Committee of the CPC, and the requirement for social responsibility given by the SASAC of the State Council, Air China leveraged its strengths in core airline operations, and made accomplishments in key areas of implementing national strategies, practicing the new development philosophy, building ecological civilization, guaranteeing safe operation and caring about employee's growth, by strengthening its efforts in the management and information disclosure regarding social responsibility. We hope you can feel our passion through this report, and continue to support our reform and development.

Reporting Period

This report covers the period from 1 January to 31 December in 2021. To enhance its comparability and completeness, the report also covers part of the work results of 2022.

Scope of the Report

This report is primarily about Air China Limited, but also involves its branches, operating units, supporting units, and main subsidiaries such as Aircraft Maintenance and Engineering Corporation (Ameco) and Shenzhen Airlines Company Limited (Shenzhen Airlines).

Basis of Preparation

This report is prepared in accordance with relevant requirements, including the *Guidelines for National Enterprises on Fulfilling Corporate Social Responsibility* released by the SASAC of the State Council, the *Notice on Strengthening the Fulfilment of Corporate Social Responsibility for Listed Companies* released by the Shanghai Stock Exchange, the *Guidelines on Disclosure of Environment Information for Listed Companies* released by the Shanghai Stock Exchange, and the *Environmental, Social and Governance Reporting Guide of the Stock Exchange of Hong Kong Limited (HK-ESG)*, with reference to the standards and requirements such as *Global Reporting Initiative Sustainability Reporting Standards (GRI Standards)* of the *Global Sustainability Standards Board (GSSB)*, *GB/T36001 Guidance on Social Responsibility Reporting* and additional guidelines for the aviation service industry.

Publishing of the Report

This is the fourteenth annual CSR report published by Air China Limited.

Sources of Data

All the financial data referred in this report, applying China Accounting Standards for Business Enterprises, are extracted from the audited annual reports of Air China Limited, while the other data comes from official internal documents and relevant statistics of Air China Limited.

Abbreviations

In this report, "we", "the Company" or "Air China" refers to Air China Limited and its controlled subsidiaries, while "CNAHC" refers to China National Aviation Holding Corporation Limited.

Accessibility of the Report

This report is prepared in both Chinese and English, and should there be any discrepancy in meaning between the two versions, the Chinese version shall prevail. Electronic copies of this report in both Chinese and English are also available for downloading from the Company's website. If you wish to acquire a printed version or raise suggestions and/or comments on this report, please contact us at:

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Chairman's Statement

2021 witnessed the centennial anniversary of the founding of the Communist Party of China (CPC). Under the strong leadership of the CPC Central Committee, with Comrade Xi Jinping at its core, China has built a moderately prosperous society in all aspects and embarked on a new journey towards the second centenary goal. Over the past year, Air China adhered to the guidance of *Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era* and resolutely implemented the decisions and deployments made by the CPC Central Committee and the State Council. By grounding our efforts in the new development stage, applying the new development philosophy, and serving the new pattern of development, Air China maintained a safe and stable situation. We worked hard to mitigate the pandemic's impact, accelerated and deepened reforms, continuously improved our service quality, coordinated the promotion of strategic priorities, and constantly enhanced our compliance management level. Moreover, the Party's leadership and Party building were continuously consolidated in Air China, marking a new stage of high-quality development.

Insisted on safe development and assumed safety responsibilities. Air China resolutely implemented the important instructions of General Secretary Xi Jinping on civil aviation safety work, undertook safety responsibilities, systematically strengthened safety management, reinforced the control over safety processes, and deepened the formation of work style and discipline. We flew 572,000 flights in 2021, totaling 1.59 million safe flight hours. We also completed the important air transportation support tasks for the centennial anniversary celebrations of the founding of the Communist Party of China, Tokyo Olympics, the Beijing Winter Olympics, and other major events, and demonstrated the mission, responsibility, and good image of Air China as the flag carrier.

Kept in mind the big picture and shouldered the responsibility of Covid-19 prevention and control. Air China continued to strengthen organizational leadership and improved routine control mechanisms for pandemic control. We made every effort to guard against inbound cases and domestic resurgences, and treat key populations and imported cargoes with equivalent pandemic prevention and control standards. We prevented pandemic risks brought by international flights and quickly responded to domestic isolated cases. By following high standards and strict requirements for the management of international flight crews, 158,000 person-times of Air China aircrews were quarantined for medical observation. We also strengthened cargo-related pandemic prevention and control. We assisted China in transporting 641 tonnes of COVID-19 vaccine to other countries, thereby contributing to the global fight against the pandemic.

Ensured safe and smooth flights and fulfilled economic responsibilities. In the whole year of 2021, Air China input 152.44 billion seat kilometres for passenger transportation and 10.76 billion tonne kilometres for cargo transportation, completed a total transportation turnover of 13.6 billion tonne kilometres, and carried 69.045 million passengers and 1.187 million tonnes of cargo and mails. In response to the impact of the COVID-19 pandemic, Air China adjusted its flight strategies in a timely manner. Compared with 2019, the domestic input recovery rate was 87% and the passenger flow recovery rate was 73%. To ensure the smooth flow of international "air bridges", we carried out 18,000 international flights throughout the year, including 2,266 passenger flights that carried 300,000 passengers and 16,000 freighter flights that delivered 365,000 tonnes of goods.

Formulated the 14th Five-Year Plan and implemented mid and long-term development responsibilities. Air China completed the preparation of its 14th Five-Year Planning,

clarified the development ideas of "one goal, four strategic directions, and enhancing five capabilities" in eight key areas, and established the 14th Five-Year Plan indicator system. Besides, we also followed and served major national strategies, including the Coordinated Development of the Beijing-Tianjin-Hebei Region, the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, the building of the Chengdu-Chongqing Economic Circle, and the revitalization of the Northeast China by increasing resource investment, building high-quality express lines, and optimizing our network layout. To implement the hub network strategy, Air China earnestly advanced the functional transformation of the Beijing Capital International Airport as a hub, the construction of Daxing Airport Base and Tianfu Air China Base, and completed part of domestic flights transfer to the Beijing Capital International Airport T2, the transfer to Tianfu International Airport in Chengdu, and Beijing Airlines transferred to Daxing Airport.

Practiced green and low-carbon strategies and implemented environmental protection responsibilities. Air China actively studied and implemented the CPC Central Committee and State Council's work opinions and action plans on "carbon peaking and carbon neutrality" to accelerate the green and low-carbon transformation, considering the unique characteristics and difficulties of energy conservation and emission reduction in the aviation industry. We took the initiative to support the national dual-carbon strategy, strengthened top-level design, and formulated the *14th Five-Year Plan for green development*. We promoted fuel-saving operations and increased operational efficiency, deeply involved in the pollution prevention, continued to protect the blue sky, resorted to scientific carbon emission management, accomplished contracts, and participated in the research and formulation of the mechanism. We actively promoted environmental protection and fought for pollution prevention and control. In 2021, we initiated the environmental management system certification project, developed an environmental management system, passed the certification of ISO14001, and became the first airline in the Chinese Mainland to obtain environmental management system certification.

Fulfilled community, staff, and social responsibilities. To consolidate and improve the effectiveness of poverty alleviation assistance, Air China implemented the decisions

and deployments of the CPC Central Committee, carried forward the spirit forged in the fight against poverty, focused on the new deployments of the rural revitalization strategy, and focused on the comprehensive revitalization of rural industries, talents, culture, ecology, organizations, etc. In the performance evaluation of targeted poverty alleviation, we have won the highest score for four consecutive years. In 2021, the Poverty Alleviation Offices of CNAHC won the title of "National Exemplary Team for Poverty Alleviation" and "Civil Aviation Exemplary Team for Poverty Alleviation". We actively carried out community feedback activities, and addressed the needs of staff for a better quality of life. We also paid attention to the needs of various staff groups to ensure the health and stability of the team by offering mental care for the staff, implementing mutual aid funds and other projects among them, and solving their difficulties.

Looking forward to 2022, we will rally more closely around the CPC Central Committee with Comrade Xi Jinping at its core, follow the guidance of *Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era*, and act on the general principle of pursuing progress while ensuring stability. Ground our efforts in the new development stage, completely, accurately, and thoroughly implementing the new development philosophy, and accelerating the construction and integration of a new development pattern, Air China will promote high-quality development and unite and lead the majority of cadres and staff to overcome difficulties and focus on work safety, pandemic prevention and control, operational efficiency, service quality, and risk control. We will fully complete the three-year reform action and welcome the commencement of the Party's 20th National Congress with remarkable results!



Song Zhiyong

Chairman

Air China Limited

ESG Statement from Board of Directors

Air China's Board of Directors is the highest responsible and decision-making body for ESG affairs. It supervises affairs concerning ESG that may affect the Company's business or operation, shareholders, and other stakeholders by listening to reports by ESG implementation units at regular communication meetings to ensure the consistency between ESG concepts and corporate strategies. The Board is responsible for approving the identification of material issues and the Company's ESG reports. In 2021, Air China added the content of ESG responsibilities into the *Working Rules for Strategy and Investment Committee* of the Board so as to realize the institutionalization and normalization of ESG management at the board level.

The Board has established a Corporate Social Responsibility (CSR) Leadership Panel, which is responsible for formulating CSR strategy and approving plans, and guiding the promotion and implementation of CSR work. It has also established an Office of CSR Leadership Panel, which is responsible for formulating annual CSR plans, coordinating the implementation of CSR plans with the progress of work tasks.

Air China regularly evaluates the importance of ESG issues, discusses and identifies the Company's ESG risks and opportunities, and regards the management and improvement of key issues as its annual ESG strategic work. The Board of Directors reviews and confirms the results of the materiality assessment, takes the key issues as part of the formulation of the Company's overall strategy, and supervises the management and performance of these issues.

In 2021, Air China's Board of Directors reviewed and approved its 14th Five-Year Plan strategy, including environmental strategies and goals, and implemented the board of directors' responsibilities through a power list. In 2021, Air China received ISO14001 certification, identified environmental risks, formulated multiple ESG goals including greenhouse gas emissions, exhaust emissions, safe production etc., and conducted daily monitoring of ESG goals. The Board of Directors regularly examined the completion of these goals and reviewed the strategy and action plans of annual goals.

This report fully disclosed the progress and outcome of Air China's ESG work in 2021, which was reviewed and approved by the Board of Directors on March 30, 2022.



Company Profile

Air China Limited was founded in 1988, formerly known as Air China International Corporation. In October 2002, Air China International Corporation integrated the air transportation resources of China Southwest Airlines and China National Aviation Company to form a new entity. On September 30, 2004, Air China Limited was founded in Beijing. The Company was then listed both in Hong Kong and London on 15 December of the same year, before listed in the domestic A-shares market on August 18, 2006.

Air China is the only flag-carrier aviation company in China and a member of the Star Alliance, the world's largest airline alliance. It is the official aviation transportation partner of the Beijing 2008 Olympics and the Paralympics, and the partner of the Beijing 2022 Winter Olympics and Paralympics. Air China had the top brand value of aviation company in China. In the lead among domestic airlines in passenger transportation and other related services, Air China also provides important international and domestic transportation services such as emergency flights, charter flights for VIPs and leaders of foreign countries.



In 2021, the brand value of Air China was RMB **197.236** billion according to the assessment of the World Brand Lab

Values

People orientation

Employee orientation and customer orientation is the guideline on how we deal with people.

Assumption of responsibility

We are ready, willing and able to assume responsibilities.

Resolve to get ahead

Innovation gives us renewed vigor; we will never rest on laurels; we will lead the pack.

Loving to fly

We provide seamless services that are considerate and cheerful, allowing our passengers to truly experience the pleasure of flying.

Brand Positioning

Professional and trusted

We want to be an outstanding expert in the field of air transport. We want to be a trusted leader in the industry.



World-class standards

We want to be an airline well known and highly respected around the world.



Chinese flair

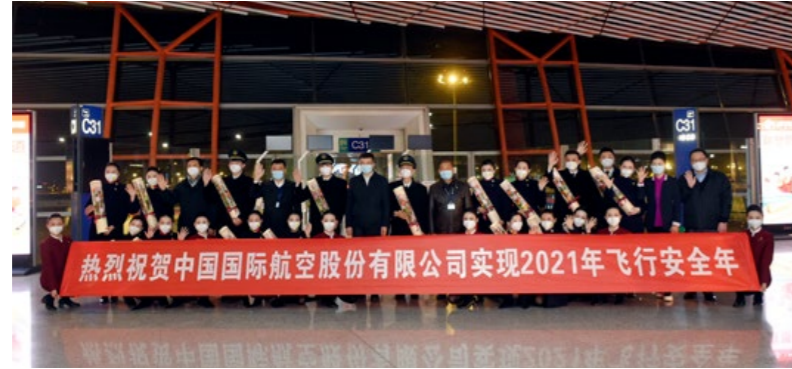
We want to be an airline that is a showcase of Chinese culture and China's modern dynamism.



Creating Social Value



Honours and Awards



The Chairman Song Zhiyong and the Vice President Chen Zhiyong welcomed the last flight crew at Beijing Capital International Airport, celebrating Air China's achievement of a safe flight year of 2021.



Won the title of **"Top 500 World Brands"** by the World Brand Lab in the 15th consecutive year

On January 15, Air China opened the T2 terminal of Beijing Capital International Airport, forming a new layout of "one-airport, two-zone" operation of domestic flights; on May 28, Chengdu Tianfu Airport was put into operation, starting a new stage in the construction of Chengdu as an international hub



On July 30, Guangdong Branch was officially established in Guangzhou

Took "China Brand Annual Award **NO.1**" (Aviation Service Industry)" by the World Brand Lab

Won "China Annual Cultural Brand Award"

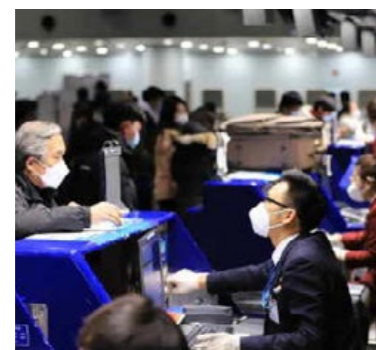


Released the **14th Five-Year** Development Plan Outline



Achieved the highest grade **"good"** in the performance evaluation of poverty alleviation for 4 consecutive years

On September 10, Xinjiang Branch was officially established in Urumqi



Won the prize of **"Best Chinese Airline"** in the 2021 Business Traveller Asia-Pacific Awards by Business Traveller

Won the title of **"the Most Growing Listed Company in the Consumer Industry"** on the 11th Listed Company Reputation List

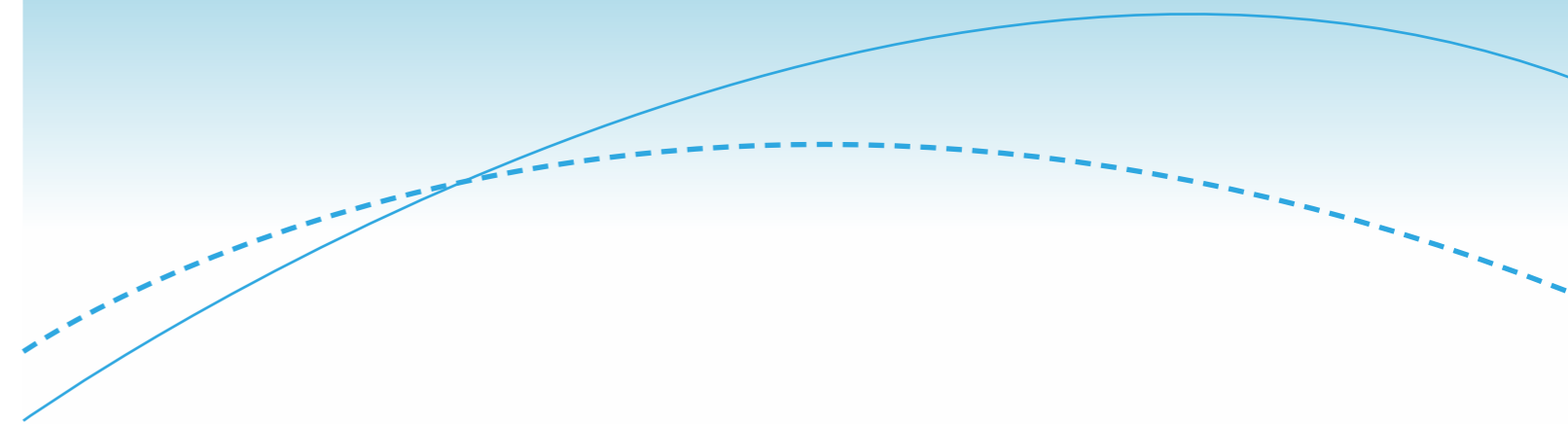


The 14th Five-Year Plan

In 2021, standing at the new starting point of the 14th Five-Year Plan, Air China has always adhered to

the requirements of the reform, put forward to strategic, scientific and epochal goals and plans to promote

the comprehensive establishment of a world-class aviation enterprise with global competitiveness.



One Goal

Advancing high-quality development
Accelerating the construction of a word-class aviation enterprise

Four Strategies

Hub network strategy Brand building strategy
Cost advantage strategy The passenger and freight flights linkage strategy

Five Capabilities

Constantly enhanced political capability
Stable and steady profiting capability
Large-scale production organization capability
Standardized basic management capability
Value-driven brand capability

Eight Key Areas

Promoting safety management and construction to a new hight
Gaining a new advantage in the optimization of market layout
Presenting a new look in the structural adjustment of resources
Reaching a new level of upgraded products and services
Achieving a new breakthrough in the aviation freight logistics development
Demonstrating a new achievement in green and low-carbon development
Entering a new stage of innovation-driven digital development
Making new results in integrated industrial development



Proceeding with Confidence to Win the Battle against the Pandemic

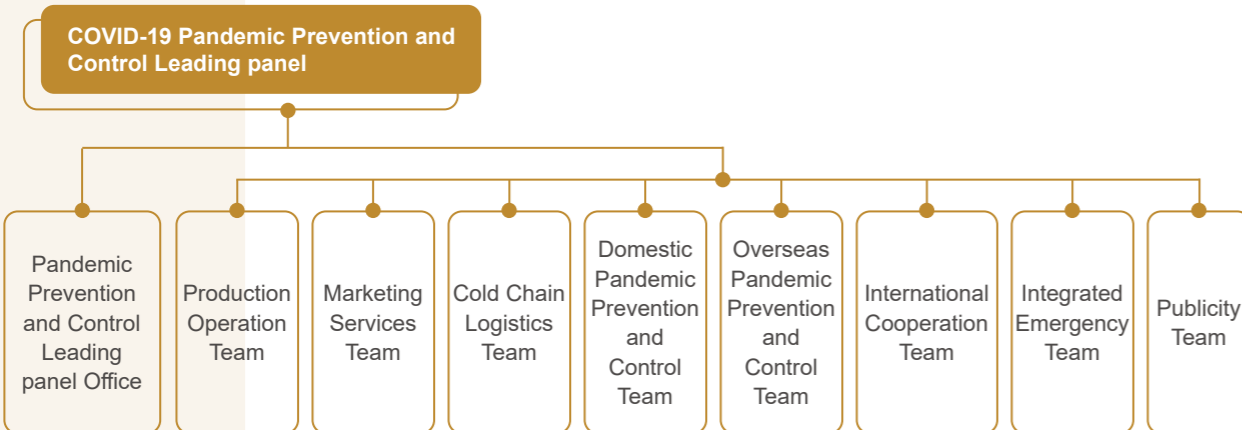
In 2021, the COVID-19 pandemic continued to spread globally, and Air China, at the front line of preventing the coronavirus, always focused on the overall development of the country, insisted on putting pandemic prevention and control at the top of the list, and faithfully fulfilled the flag-carrier's social responsibilities.

Leadership of Anti-pandemic Organizations



Four-party responsibilities

According to the general requirements for pandemic prevention and control, a special pandemic prevention panel was established to implement the "four-party responsibilities (namely, the responsibilities of the community, the competent authority, the company and the individual)", comprehensively coordinating daily affairs of pandemic prevention and control, and timely responding to pandemic prevention and control risks. While ensuring pandemic prevention and control for passengers and staff, Air China also guaranteed stable and orderly operation.



Anti-pandemic Actions

In the face of the severe and complex pandemic situation, Air China insisted on putting life first, the people first, and the country first, building an "air bridge" with a strong sense of responsibility and mission, and contributed to winning the battle against the pandemic.



Building the air bridge for international exchange

International passenger flight
2,266 flights
Passenger carried
More than **300,000** persons

Ensuring the stability of the international supply chain

Freighters
16,000 flights
Cargo carried
365,000 tonnes

Cold chain transportation service system

Covid-19 vaccine carried
641 tonnes

On March 28, Air China successfully completed the task of delivering COVID-19 vaccines donated by China to the Republic of El Salvador.



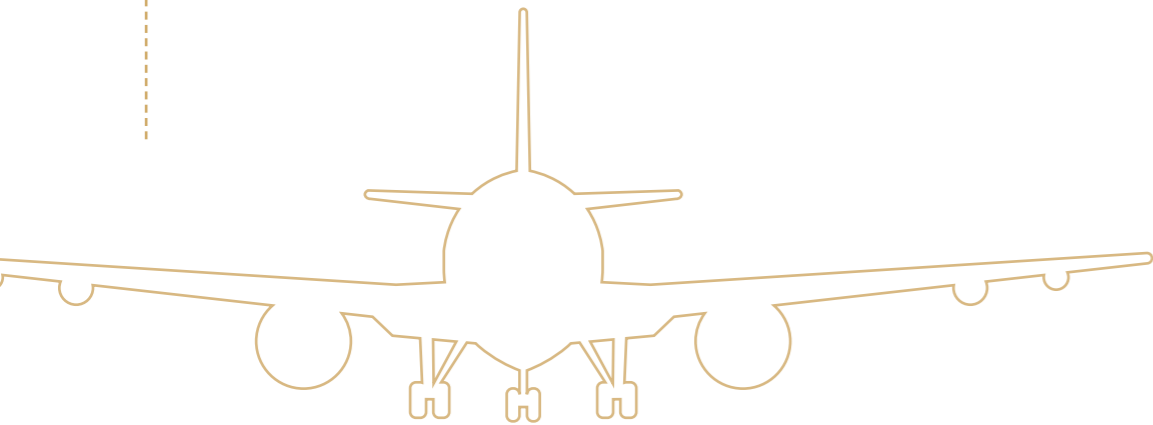
Air China guaranteed the delivery of COVID-19 vaccines to Thailand



Air China guaranteed the delivery of COVID-19 vaccines to Indonesia



Air China guaranteed the delivery of COVID-19 vaccines to Myanmar



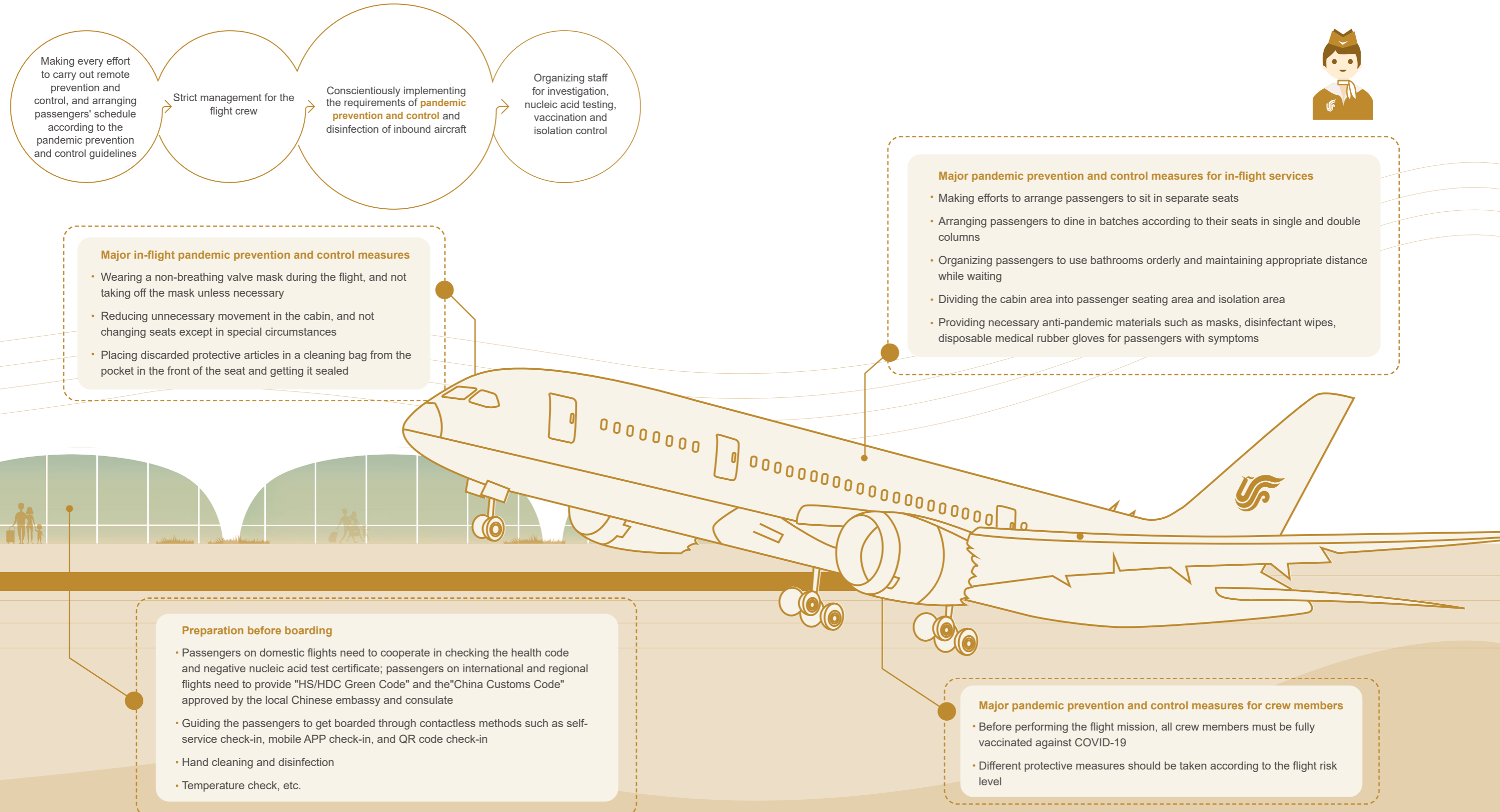
At the critical moment of the pandemic crisis in Manchuria, Air China successively carried out **5** charter flights and urgently transported **633** medical personnels to Hulunbuir.



Air China urgently transported **260** medical personnel from Chifeng City and **3.79** tonnes of anti-pandemic supplies from Tongliao City to aid the anti-pandemic front line of Ejin Banner



Precise Pandemic Prevention and Control



Anti-pandemic Responsibility



Anti-pandemic supplies guarantee



A total of **36.13** million pieces of anti-pandemic Supplies under **33** categories were distributed to the staff, including masks, thermometers, protective suits, disinfectants, etc.



Implementing quarantine policies

Our staffs were quarantined for a total of **163,000** times for medical observation

Our aircrews were quarantined for a total of **158,000** times for medical observation



Ensuring vaccination as much as possible

- **97%** of staffs were fully vaccinated



- **91%** of staffs were vaccinated for booster immunization

- **98%** of aircrews were fully vaccinated

- **96%** of aircrews were vaccinated for booster immunization



- Key front-line staffs achieved a vaccination rate of **100%**

Building up ground protection



A total of **105,000** nucleic acid tests were carried out at centralized quarantine points in Beijing

Beijing ground staffs received **811,000** nucleic acid tests

Pandemic Prevention and Control Drills

On September 27, an emergency drill for pandemic prevention and control was carried out in the office area of the Air China headquarters building.



Passenger Services

Implementing the ticket disposal and response mechanism

- The Call Centre completed the ticket disposal work of suspended international flights under the circuit breaker mechanism in **52** cities, released more than **630,000** pandemic prevention notices through outbound calls and text messages, and changed more than **27,000** tickets.
- The E-commerce Platform promptly released nearly **200** policies and announcements on travel precautions, flight changes, and free refunds or changes.
- Air China sent information such as *Tips on Special Disposal of Domestic Passenger Tickets* to passengers through the WeChat platform.

Upgrading the functions of the e-commerce platform

- Air China optimized the pandemic-related ticket refund functions and assisted passengers in refunding **27,898** tickets
- Remote check-in services covered **139** terminals
- Air China launched a number of special services for self-booking, serving about **94,000** passengers
- Air China provided a smooth, transparent and efficient ticket reservation channel for international flights, and completed ticket sales and rescheduling services for about **21,000** passengers
- Air China launched dynamic travel reminders function for the pandemic influence, and provided about **3.7** million reminders and **61,000** inquiry services for passengers
- Air China launched the electronic signature of *Passenger Notification and Letter of Commitment*, and passengers signed about **142,000** copies online

Ticket services during the pandemic period

- Air China conscientiously fulfilled the responsibility of joint prevention and control, implemented the free refund policy, and refunded nearly RMB **12** billion

Ensuring Stability on employment

Ensured that the established recruitment plan for college graduates was not adjusted and the scale was not reduced.

Recruited **2,842** staffs

Smoothing recruitment channels

Strengthening school-enterprise cooperation

Consolidated the integrated campus recruitment model and created a stable channel for employment.

Considered recruiting people from paired-up assistance district as an important project of poverty alleviation.

Recruited **69** staffs

Carrying out employment support

Promoting shared staffs

Explored job opportunities within the Company and provided staffs with more career options.

Anti-pandemic Care for Staffs

Organizing Activities

- Provided online activities under the themes of "Don't gather together during the pandemic period, and live happily" and "Seven-day sports check-in" to enrich staff quarantine life

Caring for Health

- Continued to care for the mental health of aircrews under quarantine through psychological classes, 24-hour chat hotline, WeChat interaction, video connection, etc.

Examining the Environment

- Enhanced the supervision of the pandemic prevention and control work of the hotels where the aircrews received quarantine, and showed care for them

Giving out subsidies

- Formed a normalized consolation mechanism, and allocated special subsidies of RMB **12.57** million to 19 grassroots trade unions



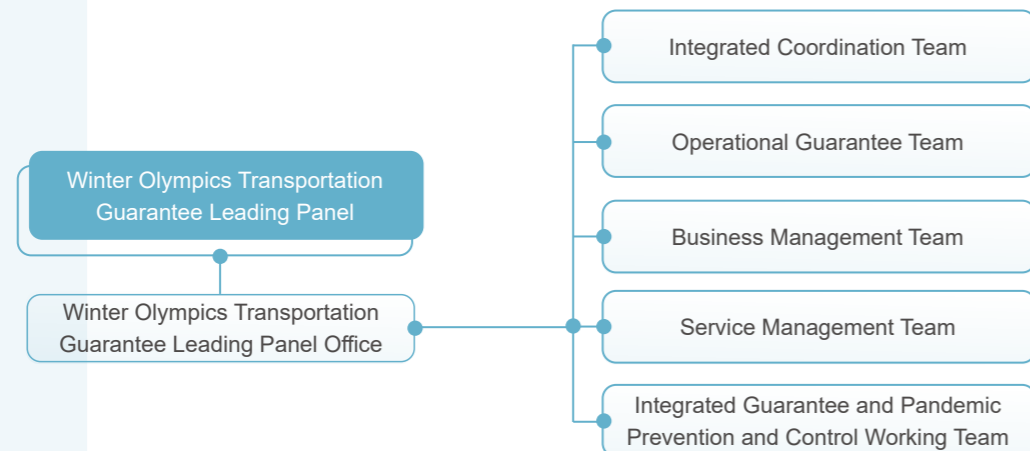
Sparing no Efforts to Guarantee the Beijing Winter Olympics

In order to effectively guarantee the smooth implementation of the Winter Olympics, Air China, as the official air passenger service partner of the Beijing 2022 Winter Olympics and Paralympics, formulated the Winter Olympics flight guarantee plan, strictly guaranteed the operation of Olympic-related flights, and ensured the smooth completion of the Winter Olympics transportation in accordance with the requirements of Simple, Safe, Wonderful and Scheduled.



Winter Olympics Organization Guarantee

Air China Winter Olympics Transportation Guarantee Leading Panel was established in December 2019. It has established an office and several special teams to establish and improve relevant management systems and ensure the orderly fulfilment of various tasks.



Coordinating the flight operation

Air China set up a 24-hour special post to ensure that the Winter Olympics flights were monitored all the time. Six Olympic-related flight operation guarantee schemes, 19 Olympic-related flight operation guarantee work procedures, and two Olympic-related guarantee memoranda were formulated; besides, 313 backup aircraft plans were developed in accordance with the principle of "once plan for one flight".

Pandemic Prevention and Control During the Winter Olympics and Paralympics Period



Air China formulated *Guidelines on COVID-19 Pandemic Prevention and Control During 2022 Winter Olympics and Paralympics* and the *Concentrated Residence Work Plan for Winter Olympics Departure Ground Support Personnel*, and proposed detailed requirements for pandemic prevention and control during the Winter Olympics period.

Aircrews and groundcrews under quarantine:

4,058 person-times

Nucleic acid tests staffs received:

24,332 person-times



Training



Winter Olympics Service Guarantee



On site services for the Winter Olympics and Paralympics

During the Winter Olympics and Paralympics period, Air China dispatched staff to the three Winter Olympic villages and the Main Media Centre in Beijing, Yanqing and Zhangjiakou to provide services such as ticketing, refunds and changes, and consultation.



The check-in counters were moved forward to the three Winter Olympics Villages to provide delegations with services such as check-in and luggage collection.



Zhangjiakou Winter Olympics Village Check-in Counter



First boarding pass at Zhangjiakou Winter Olympics Village



Facilitating the Winter Olympics Publicity



The plane painted with "Winter Olympics Sports" made maiden flight

On February 26, the Winter Olympic themed plane, designed by Air China and the Beijing Organising Committee, took off from the Beijing Capital International Airport to Wuhan. This was the second Winter Olympic themed plane Air China painted.



The theme activity of Paralympics

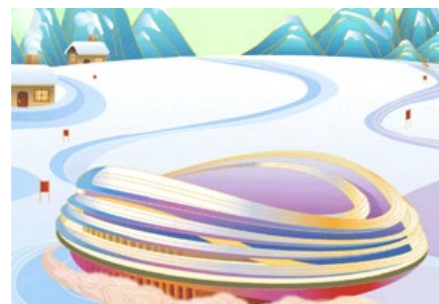
On March 4, the day one-year countdown to the Beijing Winter Paralympics, the theme activity of "Starting a New Journey and Gathering in Beijing" was launched.



- The Winter Olympics version of the in-flight Safety Instructions was launched, which passengers could have an understanding of the Beijing Winter Olympics and in-flight safety knowledge at the same time.



- More than 100 Winter Olympics related reports were published on Wings of China, and other Air China's official accounts or platforms; moreover, the Winter Olympics and Paralympics sports event-related promos were broadcasted on Air China Channel on a rolling basis to popularize the knowledge of the Winter Olympics within the Company.



- In May, Air China and Sinopec jointly launched the Winter Olympics + Poverty Alleviation Activity under the theme of "Lighting Hope Action", which demonstrated the social responsibility of central enterprises while popularizing the Winter Olympics.



Winter Olympics and Paralympics Guarantee Period

Participants in guaranteeing the Winter Olympics

17,794 persons

Various types of support equipments and vehicles input

330 units

Flights of Air China and other Winter Olympics-related airlines guaranteed

532 flights

Passengers

22,452 persons

Luggage

61,315 pieces

Cargoes

1,001 pieces **133** tonnes

Air China's Winter Olympics-related aircraft

38 units

Fights

203 flights

Flight hours

1,691.8 hours

Flight crew

2,892 persons

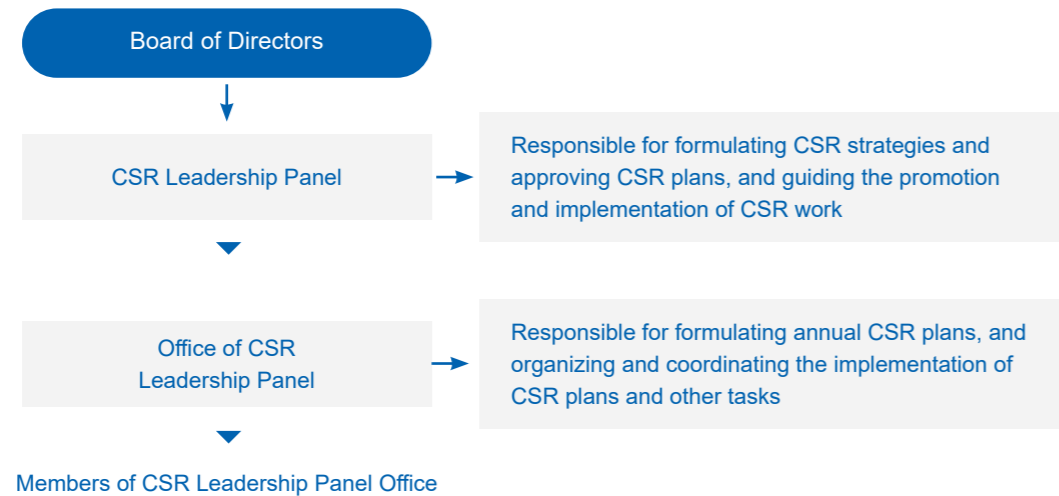


Enhancing Governance Towards a New Stage

Sustainability Management

Air China has improved its corporate social responsibility governance system. We integrated social responsibility governance into the Company's overall governance and operation, optimized the social responsibility governance structure and subdivided social responsibility management functions. The Company values the communication with stakeholders, responds to their needs, and promotes coordinated and sustainable development with all stakeholders.

Social responsibility management framework



- Operation Control Centre
- Commercial Committee
- Administration Office
- Strategy & Development Department
- Human Resources Department
- Finance Department
- Aviation Security Department
- Product Service Department
- Legal Department
- Corporate Culture Department
- Office of the Board
- Labour Union Office

Social responsibility communication

Air China listened to the opinions and suggestions of stakeholders such as regulators, shareholders, passengers, staffs and partners through different channels, identified the feedback and expectations from stakeholders, and actively responded to their needs.

Stakeholders	Communication channels	Expectations and appeals	Response from Air China
Government/ Domestic and overseas regulatory authorities	<ul style="list-style-type: none"> Work meetings and briefings Information disclosure Cooperation with governments Release of blue books 	<ul style="list-style-type: none"> Integrity, compliance and orderly operations Support for important and major events Good corporate image Energy conservation, emissions reduction and environmental protection 	<ul style="list-style-type: none"> Participating in formulation of policies and reporting on special topics Following regulatory requirements Monitoring and evaluation Participating in special training
Investors/ Shareholders	<ul style="list-style-type: none"> Information disclosure Shareholders' meetings Investors' meetings Official website of the Company 	<ul style="list-style-type: none"> Realizing standardized corporate governance Protection of investors'/shareholders' interests Sustainable profitability 	<ul style="list-style-type: none"> Improving corporate governance and internal control system Working on investor relations Strengthening the core competitiveness Regular result announcements
Customers	<ul style="list-style-type: none"> Customer satisfaction surveys Complaint handling New media 	<ul style="list-style-type: none"> Flight safety and on-time performance Provision of all-round and high-quality services 	<ul style="list-style-type: none"> Establishing branded lounges Special initiatives for improving food quality Provision of intelligent services Improving release mechanism for information on irregular flights Protecting passenger information
Employees	<ul style="list-style-type: none"> Employee satisfaction surveys Internal BBS and magazines Emails and WeChat Employee representatives' meetings Activities of the trade union Establishment of teams 	<ul style="list-style-type: none"> Protection of rights and interests Focusing on the Company's development strategy Participation in the Company's management and operation Smooth career development pathways Salary and benefits 	<ul style="list-style-type: none"> Building a multi-level developing channel and learning path for talents Facilitating the work of Staff Service Centre Offering psychological counselling Model workers' studios Cultural and sports activities Skill contests Helping employees in difficulty
Partners/ Suppliers	<ul style="list-style-type: none"> Daily business interactions Partners' meetings 	<ul style="list-style-type: none"> Honesty and integrity in business operation Transparency in procurement Mutual development 	<ul style="list-style-type: none"> Enhancing business communications and cooperation Strengthening supplier management Revising and improving procurement policy Strengthening suppliers' capability and awareness of environmental protection
Peers	<ul style="list-style-type: none"> Industry forums Industry conferences 	<ul style="list-style-type: none"> Attention to industry development and trends Maintenance of a fair and orderly market 	<ul style="list-style-type: none"> Strengthening cooperation with alliance members Launch of joint operation Signing of cooperation memorandum
Community	<ul style="list-style-type: none"> Public welfare and charity activities Volunteer services 	<ul style="list-style-type: none"> Promoting economic growth of the communities Supporting public welfare events 	<ul style="list-style-type: none"> Pandemic prevention and control Promoting the implementation of the rural revitalization Engaging in public welfare and charity activities Completing important transportation tasks
Media	<ul style="list-style-type: none"> Press releases Media calls and visits Official new media platforms 	<ul style="list-style-type: none"> Important events of the Company Public image and influence Future planning 	<ul style="list-style-type: none"> Publication of CSR reports and regular performance reports Timely update of new developments via Weibo, WeChat and Douyin Open day Release of the "14th Five-Year Plan"

Disclosure principles

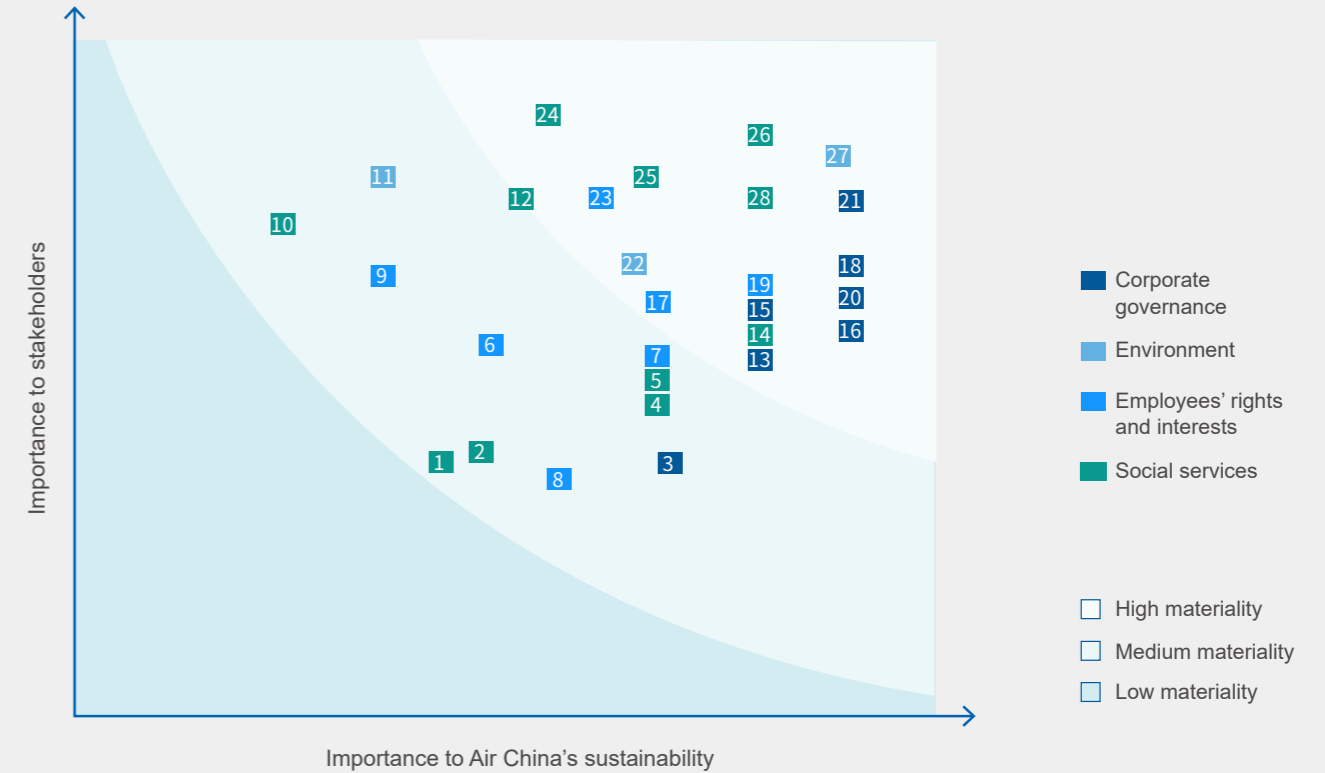
Materiality



With different forms of communication and exchanges with stakeholders and benchmarking analysis of the disclosure issues in peer companies' social responsibility reports, Air China has identified and selected the material issues of sustainable development. These issues are based on China's national conditions and policies and characteristics of the industry and business characteristics of the Company, followed regulatory requirements, including the Shanghai Stock Exchange's *Guidelines for ESG Information Disclosure of Listed Companies* and the Stock Exchange Company's *ESG Reporting Guide*, and taken into account the issues of concern of the capital market.

In order to further improve the pertinence of the responses given in the social responsibility report, Air China organized the identification of major topics, conducted surveys among internal and external stakeholders, and screened the topics from two dimensions, namely, "Importance to Air China" and "Importance to Stakeholders". After the review by the management, 28 substantive topics were finalized. Air China has responded to high materiality topics in different chapters of the report.

Social Responsibility Materiality Matrix



Quantitativeness

Air China has developed a set of standardized management tools of ESG indicators, covering the Company's management support division, business management units, branches, and major subsidiaries. Air China regularly collects data of key indicators of quantitative disclosure in all environmental and social categories in the social responsibility report guidelines, and summarizes and discloses them at the end of each year. The calculation method and details of reference standards of the quantitative data in the environmental categories in this report can be found in chapters of the report.



Consistency

This report covers the scope of disclosure of social responsibility reports in previous years, the quantitative data of staff are further expanded, consistent with the annual report.

Medium materiality

- | | | | |
|---|---|---|---------------------------------------|
| 1 Integrating into the local community | 2 Services for special passengers | 3 ESG governance | 4 Supporting special flight missions |
| 5 On-time performance | 6 Diversity and equality | 7 Communication with employees | 8 Care policies for employees |
| 9 Work conditions and social security | 10 Contributions to industry development | 11 Prevention and control of pollution | 12 Protection of customer privacy |

High materiality

- | | | | |
|------------------------------------|--|---|-------------------------------------|
| 13 Internationalized development | 14 Improvement of customer experience | 15 Innovation of products and services | 16 Internal risk control |
| 17 Occupational health and safety | 18 Sustainable value chain | 19 Employee training and development | 20 Integrity management |
| 21 Compliant business | 22 Sustainable use of resources | 23 Protection of employees' rights and interests | 24 Rural revitalization |
| 25 Passenger health and safety | 26 Flight safety | 27 Energy conservation and emission reduction | 28 Pandemic prevention and control |

Corporate Governance

Air China is committed to continuously improving corporate governance system, establishing sound internal control systems and mechanisms, constantly improving its overall standardized operation level, and reducing corporate governance risks. In 2021, the Board of Directors played strategic leading role, performed ESG supervision duties, and integrated the concept of sustainability into all aspects of corporate governance.

Directors



Mr. Song Zhiyong
Chairman



Mr. Ma Chongxian
Executive Director,
Vice Chairman



Mr. Feng Gang
Non-executive
Director



Mr. Patrick Healy
Non-executive
Director



Mr. Li Fushen
Independent Non-executive
Director



Mr. He Yun
Independent Non-executive
Director

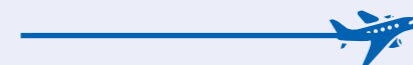
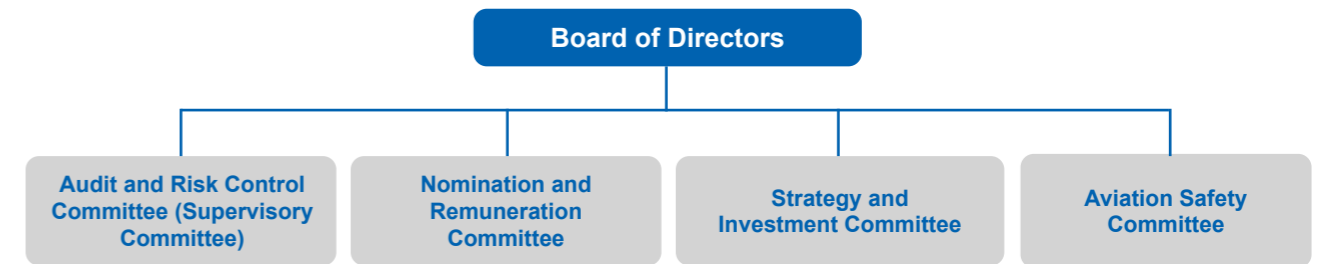


Mr. Xu Junxin
Independent Non-executive
Director



Ms. Winnie Tam Wan-chi
Independent Non-executive
Director

Corporate Governance Structure



3 General Meetings of Shareholders

11 Meetings of the Board of Directors

6 Meetings of the Board of Supervisors

Performance of Responsibility of Directors

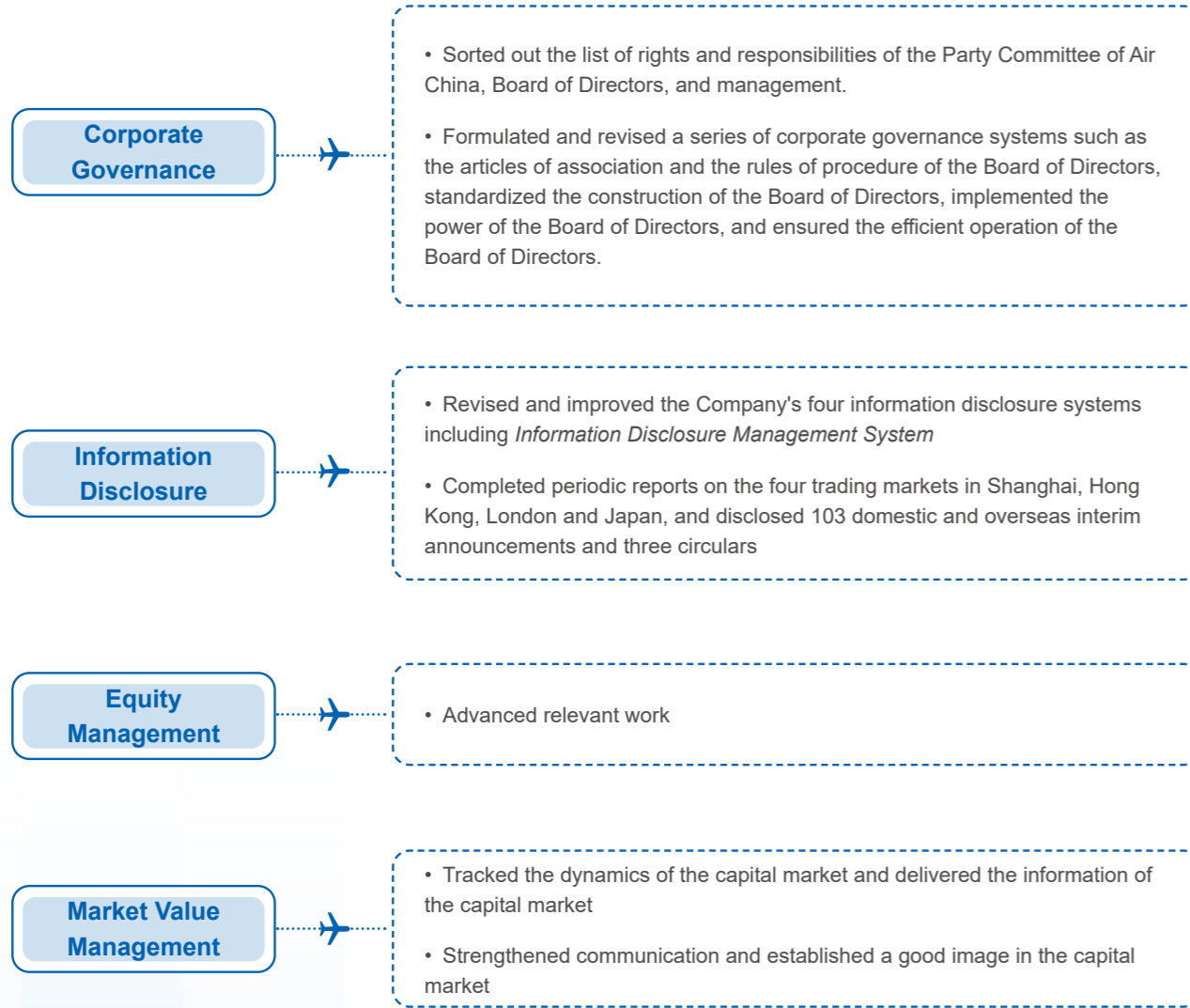
- **8** Meetings of the Audit and Risk Control Committee
- **7** Meetings of the Nomination and Remuneration Committee
- **6** Meetings of the Strategy and Investment Committee
- **2** Meetings of the Aviation Safety Committee



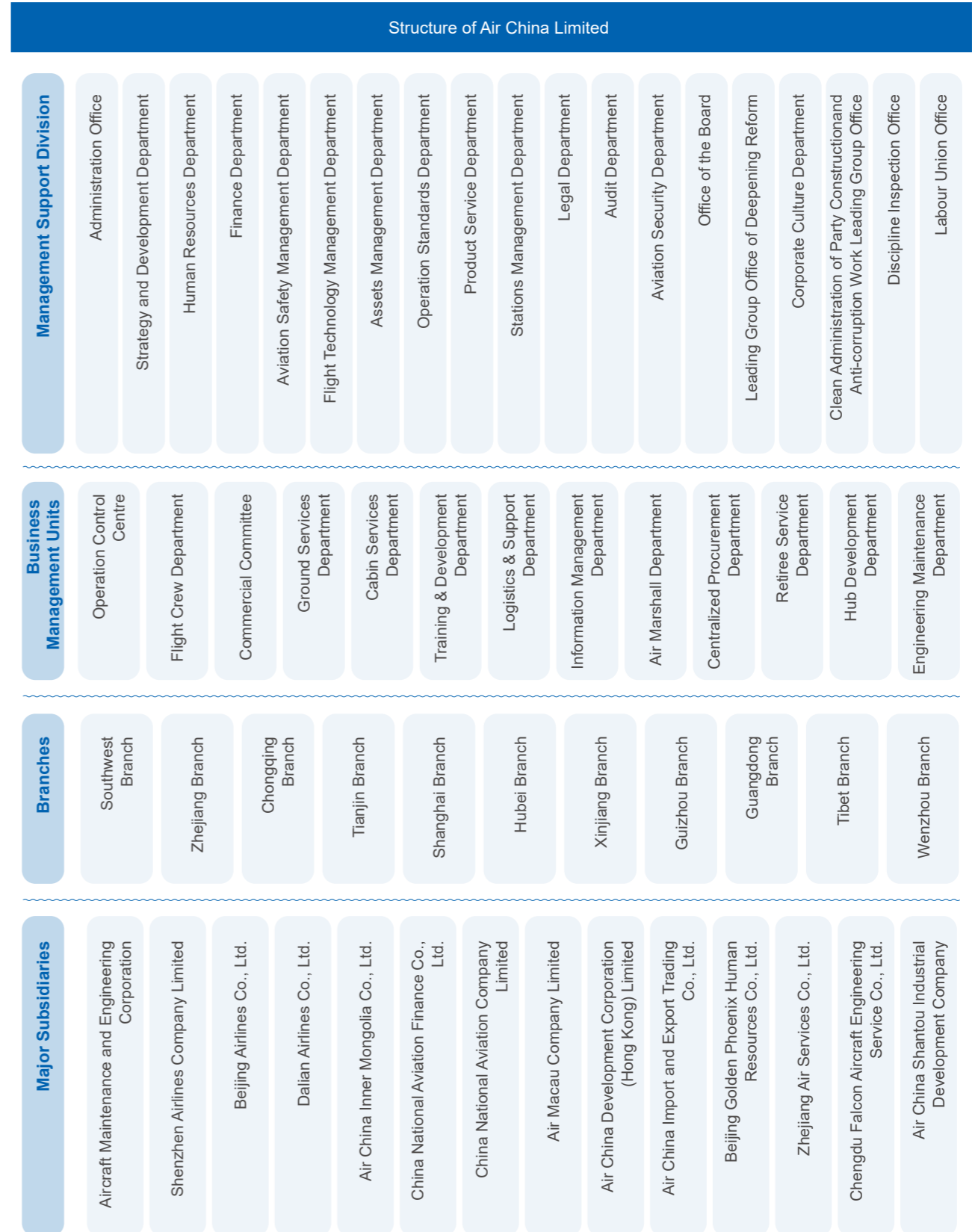
Air China's directors and supervisors were conducting a survey in Sunite Right Banner



Air China's directors and supervisors were conducting a survey in Southwest Branch and Chengdu Falcon



Structure of Air China Limited



Guidance of Party Building

2021 marked the new journey of China's comprehensive construction of a modern socialist country and the beginning of the "14th Five-Year Plan", as well as the centennial anniversary of the founding of the Communist Party of China. Air China's Party Committee adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, fully implemented the spirit of the 19th National Congress of the Communist Party of China and the 19th Plenary Sessions, based itself on the new development stage, effectuated new development concepts, served to build a new development pattern, and promoted the high-quality, all-round and systematic integration of Party building work and reform and development to provide a strong guarantee for the shaping of a world-class air transport enterprise.

Carrying out Party history learning and education

Air China established a Party history learning and education leading group and working organization, formulated and issued work plans that clarified 20 major categories and 41 specific key tasks, promoted Party history learning and education throughout the Company, and ensured effective and efficient learning.



Air China Held the Party History Learning and Education Mobilization and Deployment Conference

Multiple learning modes

Insisting on advocating learning by setting an example

- Conducted **28** "Topic Issues" studies throughout the year
- Invited experts to give **3** special presentations
- Organized **5** special reading classes on "Centennial Party History"
- Organized and carried out **16** lectures of the Party Committee theoretical study center group, and planned and carried out 6 special study seminars

Insisting on comprehensive learning by covering all staffs

- Party committees at all levels held a total of **2,940** special study seminars and organized **812** special reading classes
- Leading cadres at all levels gave more than **2,800** special Party lectures, benefiting **47,913** people
- Through company's Party school and the company's offline and online learning platforms to achieve top-to-bottom comprehensive learning

Insisting on innovative learning by the grassroots

- Learned in the themed Party day activities, reading clubs, etc.
- Air crew members learned through pre-shift meetings, push notifications and micro-classes
- Retired Party members and community street Party organizations collaborated to learn



Party History Special Training Course on CPC History

Centennial celebration of the CPC

Holding the thematic Party day event to celebrate the centenary anniversary of the founding of the CPC

On the eve of July 1st, the Chairman Song Zhiyong gave a special Party lecture to Party members and cadres with the theme of "Learning the Hundred Years of Party History, Inheriting the Glorious Tradition, Promoting Excellent Work Styles, and Gathering Strong Wisdom and Strength to Create a World-Class Enterprise". Air China organized new Party members to take the oath to the Party flag, allowed the participating Party members to review the oath of joining the Party, honored outstanding employees and old Party members.

The Chairman Song Zhiyong gave a special Party lecture



Organizing a series of publicity and education activities

Air China held the Staff Art Festival under the theme of "Always Following the Party, Advancing to a New Journey", with the online audience reaching more than 72,000 people



Ma Chongxian, the President, announced the commendation notice

Feng Gang, the Director, presented awards to the representatives of "Top Ten" advanced models



Vice President Wang Mingyuan presented awards to the representatives of "Advanced Models in Poverty Alleviation"

Air China also organized the flight activity under the theme of "The Party's Glory Shining in the Clouds" to celebrate the centennial anniversary of the founding of the Communist Party of China together with passengers.



Organizing Party members and cadres to watch the live broadcast of the "July 1st Celebration Conference"

Air China organized more than 20,000 Party members, cadres and workers to watch or listen to the live broadcast of the "July 1st" celebration through TV, Internet, radio, etc.



Tan Huanmin, Head of the Discipline Inspection and Supervision Team, presented awards to the representatives of Excellent Communists and Advanced Party Organizations at the Grassroots Level.



Air China carried out the youth learning and education activity of "Learning Party History, Strengthening Beliefs, and Following the Party", organized **955** lectures by cadres of the League, and held **988** various activities, attracting **21,380** Youth League members to attend



Building a patriotic education base

Being granted the first batch of patriotic education bases, Air China launched the thematic exhibition of "Inheriting the Red Gene and Forging for a New Journey", attracting more than 150 visits for nearly 4,000 visitors.



Organizing characteristic red education

On Tomb-sweeping Festival and Youth Day, Air China organized Party members and youth league members to go to the martyr cemetery and memorial halls, carrying out memorial activities

Air China also gathered employees to watch the large-scale exhibition under the theme of "Staying True to the Original Intention, and Keeping the Mission in Mind" in the Museum of the Communist Party of China



Anti-Corruption and Business Ethics

Anti-corruption

Air China formulated and issued 18 rules and regulations, including the *Implementation Rules for the Handling of Letters and Visits by the Disciplinary Inspection and Supervision Authority*. The Company has insisted on uprightness, discipline, and anti-corruption, strengthened the construction of systems and mechanisms, and established an all-around supervision system to ensure the clean, efficient operations of the Company.



- Building the Company's "Massive Supervision" pattern, strengthening regular supervision over areas where problems frequently occurs, and consolidating integrity risk prevention and control.



- Clearing reporting channels, such as letters, calls, emails, visits, etc., through which employees could report relevant clues, and dealing with them in accordance with relevant laws, regulations and disciplines.



- In September, under the theme of "Learning Party History, Promoting Stricter Discipline, Abiding by Laws, and Strengthening Work Style", Air China organized a publicity and education month for the construction of Party style and clean management, got relevant staff involved in four aspects by studying Party discipline and state laws, carrying out integrity talks, strengthening warning education, and cultivating family style. Throughout the year, more than **1,000** publicity and education activities on integrity culture were organized, covering **63,000** people.

- The official WeChat account, the Clean Air China, continued to play the publicity role.



- Releasing the *Work Plan of Education and Training for Disciplinary Inspection and Supervision Cadres (2021-2023)*, organizing 10 sessions of various trainings, and basically achieving the goal of training all regular and part-time discipline inspection and supervision cadres in Air China.



Discipline Inspection Committee Member Training Course

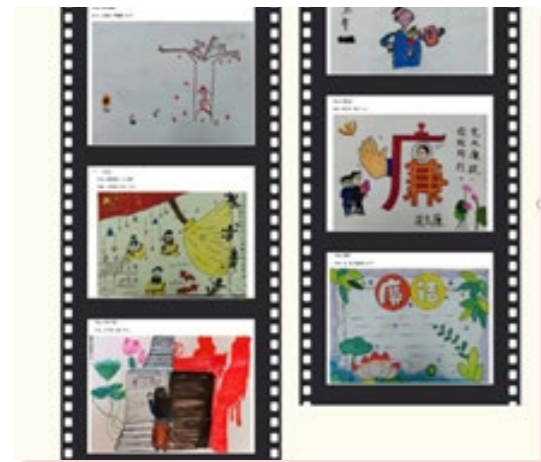


Discipline Inspection and Supervision Business Backbones Training Course



Air China staff visited the Warning Education Base

In 2021, Air China did not get involved in corruption lawsuits



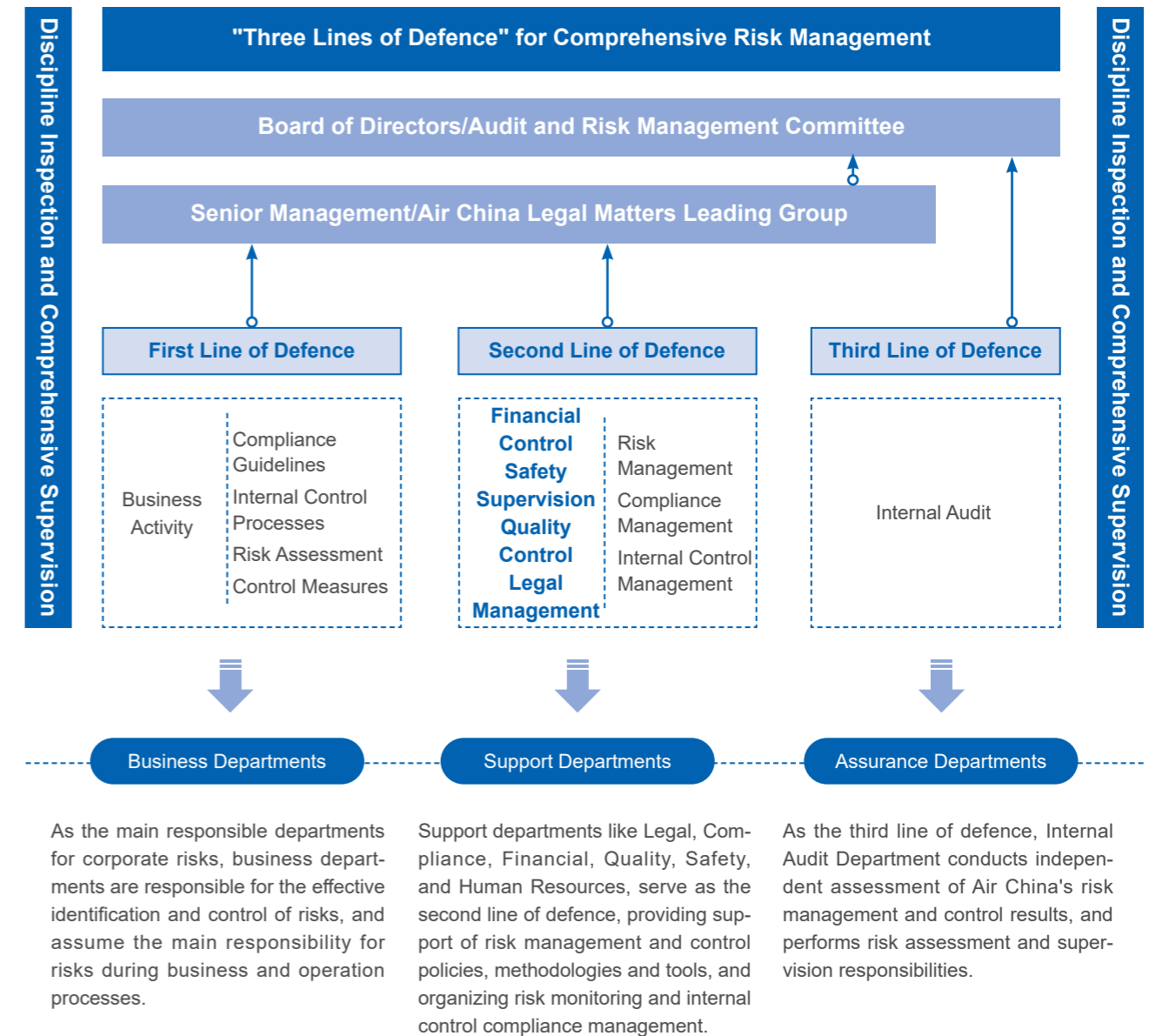
Air China organized activities of clean themed calligraphy and painting works for family support

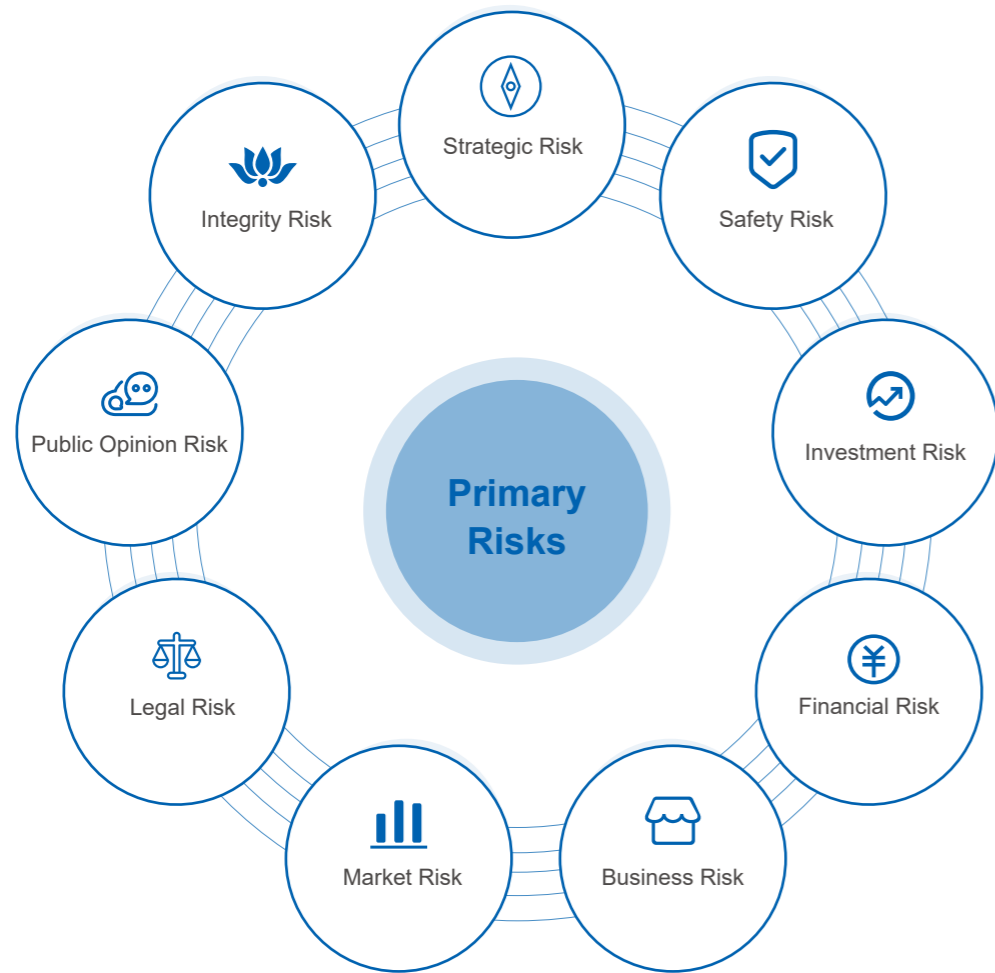


Air China organized online quizzes on Party rules and Party discipline knowledge

Comprehensive Risk Management

Air China established a top-level risk control and compliance framework. The Board of Directors takes full responsibility, the Party Committee of the company performs the pre-procedures, the management organizes the construction and implementation work, and the Board of Supervisors supervises the risk control and compliance performance. The Air China Legal Matters Leading Group coordinated the construction work related to risk, internal control, compliance, and law, implemented "overall management and division of responsibilities", and built three lines of defence for internal risk control.





Air China formulated the *Risk Framework* and the *Risk Level Standards and Risk Event Reporting System* to get risks divided into nine primary risks and subdivided into 100 secondary risks.

Compliance management

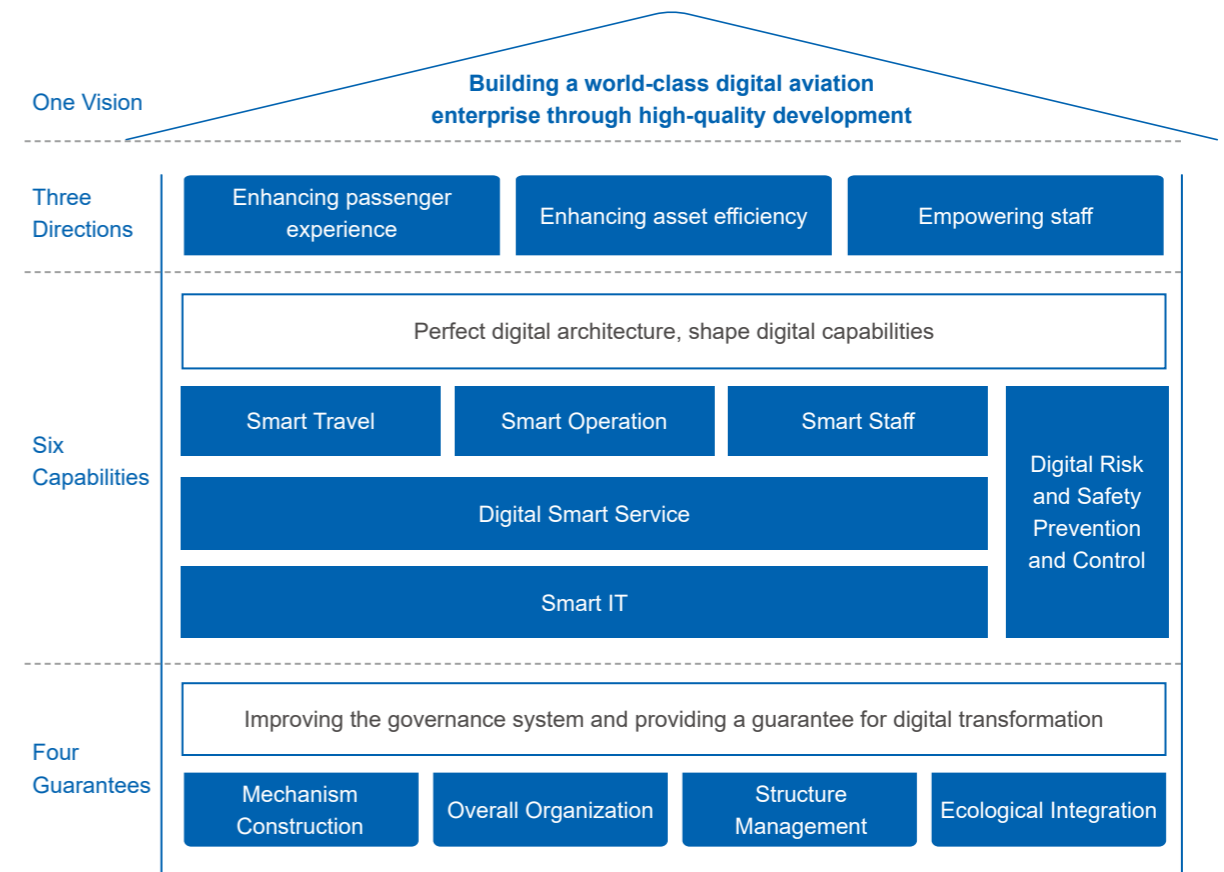
Air China earnestly implemented the basic strategy of the central government to comprehensively govern the country according to the law and the spirit of General Secretary Xi's important instructions on strengthening corporate compliance management. Following the specific requirements of the SASAC to further deepen the construction of central enterprises under the rule of law, Air China strove to improve the compliance management system and enhance the level of compliance management in key areas, strengthen overseas compliance capabilities, actively cultivate a compliance culture, and consolidate the level of compliance management.

Meanwhile, Air China also carried out monthly compliance publicity activities, produced compliance publicity videos, organized about 37,000 people to sign the compliance commitments, and publicized and implemented compliance concepts.

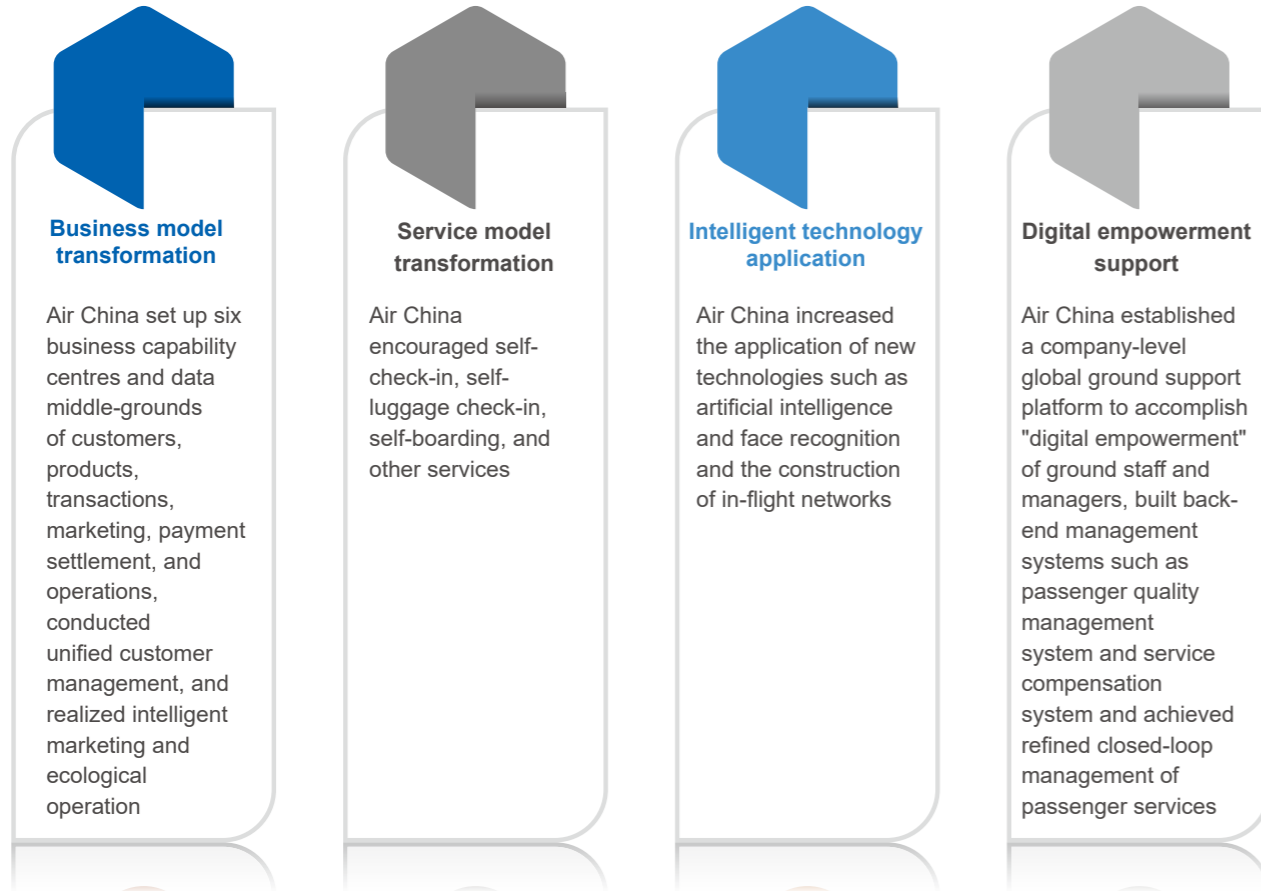
Digital Construction

Digital transformation is an important measure for Air China to build itself into a world-class enterprise and achieve high-quality development. The Company vigorously promotes digital construction, and strengthens the informatized and intelligent construction and application in product marketing, passenger services, flight operations, and maintenance support, among other areas. We are promoting transformation from a traditional displacement provider to a comprehensive service integrator and promoting smart civil aviation construction and high-quality development.

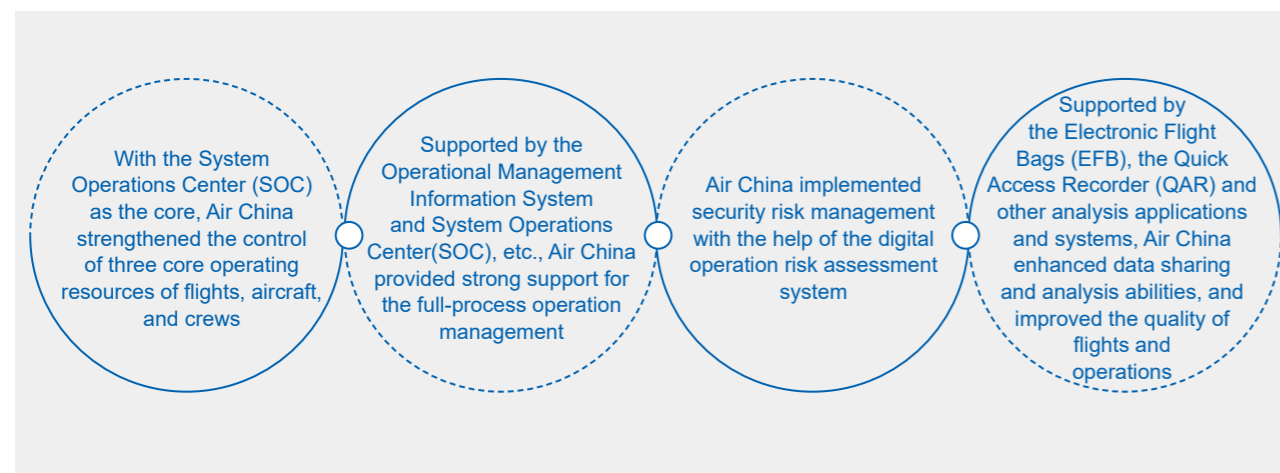
Digital top-level design



Creating smart travel services



Promoting the construction of smart operations



Building a smart maintenance platform



Aircraft Prognostics and Condition-based Maintenance (APCM) System

Air China made use of a data model to analyse the performance of the aircraft system, and realize the aircraft fault prediction and analysis of the status of the aircraft system

Designing and developing the production command system

The system could present all elements and resources during the maintenance production

Building a robot inspection platform for the upper surface of the aircraft fuselage

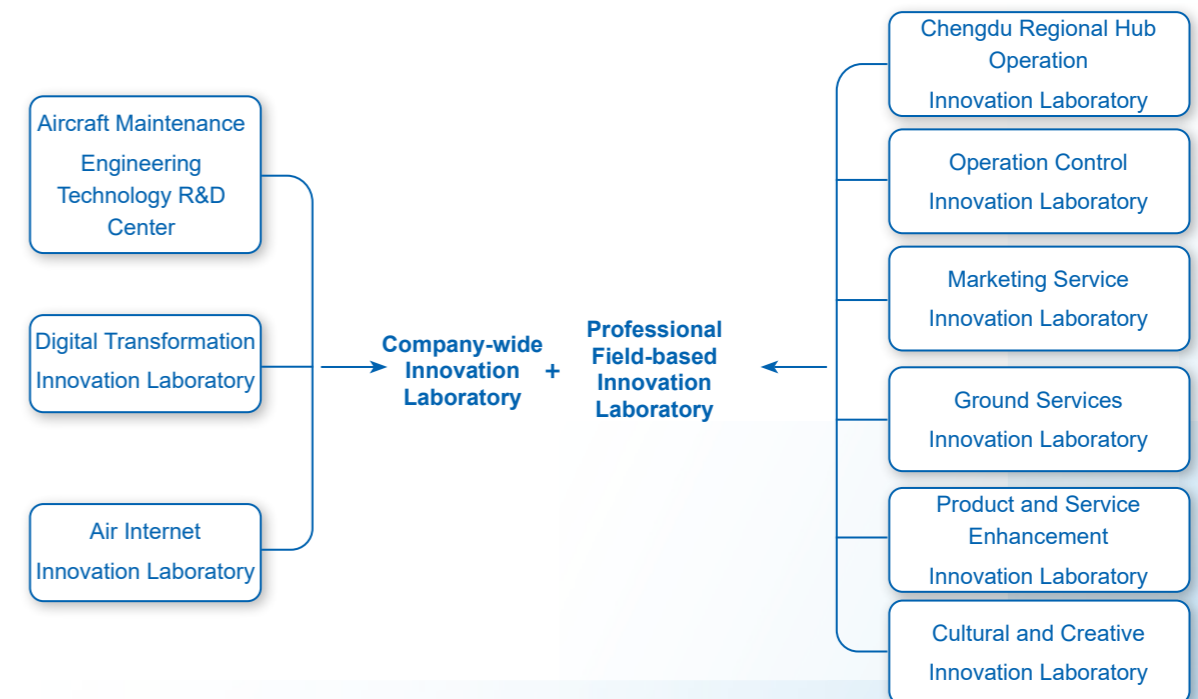
Air China utilized drones for automatic inspection of the upper surface of the fuselage, which increased the detection efficiency by four times

Building a "digital twin" profile of aircraft structures

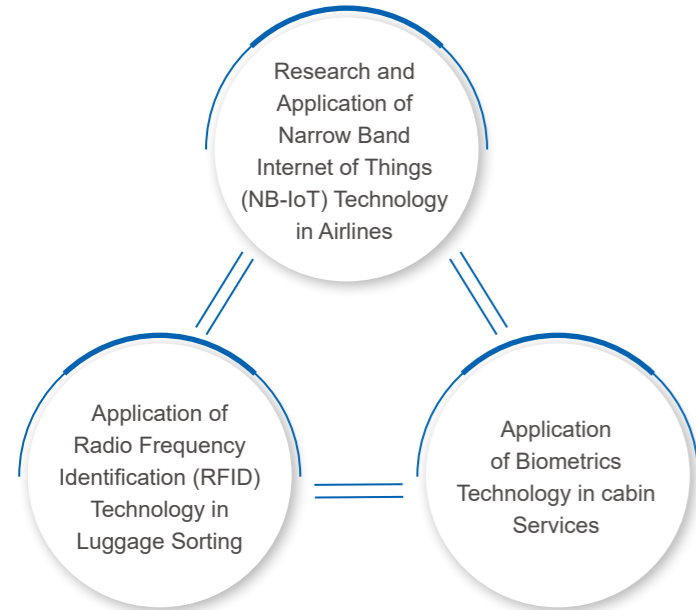
Air China set up a digital model of the physical structure of the aircraft to ensure its continued airworthiness and safe operations

Promoting technological innovation

Air China designed a technological innovation management system, set up an innovation laboratory, and accelerated the construction of Smart Air China.



Innovation achievements made by applying cutting-edge technologies to the air transport business



Expanding industrial chain cooperation

Air China joined the "National Technical Standard Innovation Base (Civil Aviation)" and "Strategic Alliance for Comprehensive Traffic Technology Innovation of Civil Aviation Airport Cluster".

Building a new generation of office automation platform - Wings of Air China 3.0

Air China created a mobile terminal application for staff production, improved connection methods, enhanced the timeliness and accuracy of information transmission, and truly incorporated front-line production resources into the closed loop of business management.

The application covered all units of the Company, with a total of more than

30 applications under

5 categories were launched.



Launching the global aviation ground support platform

In 2021, Air China successfully built the aviation ground support data platform to realize data governance, integrate internal and external data such as aircraft support, passenger services, luggage services, and support resources, and realize data sharing within and between terminals.



Intellectual property

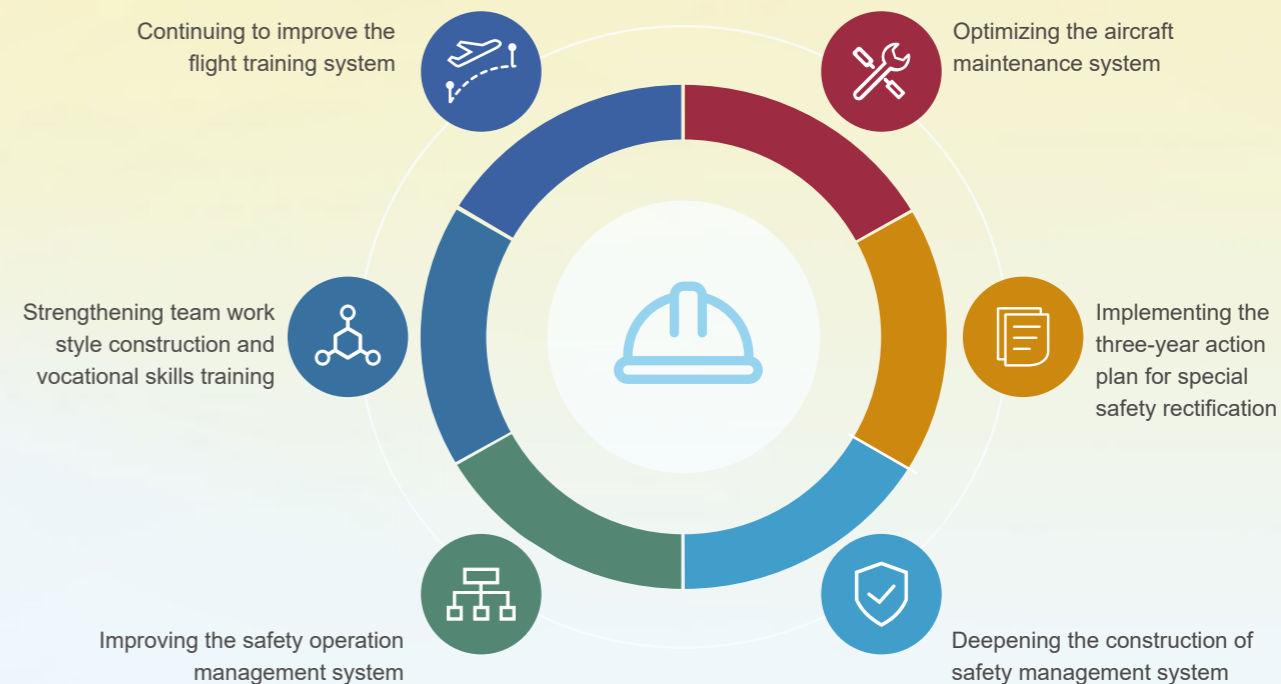
Air China formulated a product R&D system, sorted out detailed full-cycle product R&D processes, clarified responsibilities and collaborative work priorities, and promoted process-based and standardized product R&D, thus providing a mechanism guarantee for smooth R&D innovation. Air China also consolidated and enhanced the capabilities to create, protect, utilize, and manage intellectual property and conducted standardized management of its trademarks, patents, and copyrights according to Trademark Law and Patent Law of the People's Republic of China and other.





Promoting Safety Development to a New Height

Air China has established the overall national security concept and civil aviation security concept, consolidated the philosophy of "putting people and their lives first", coordinated development and safety, established a solid foundation, and adhered to the bottom line of safe development.



The "14th Five-Year Plan" strategy in the field of safety

Continuing with the Responsible Safety Development

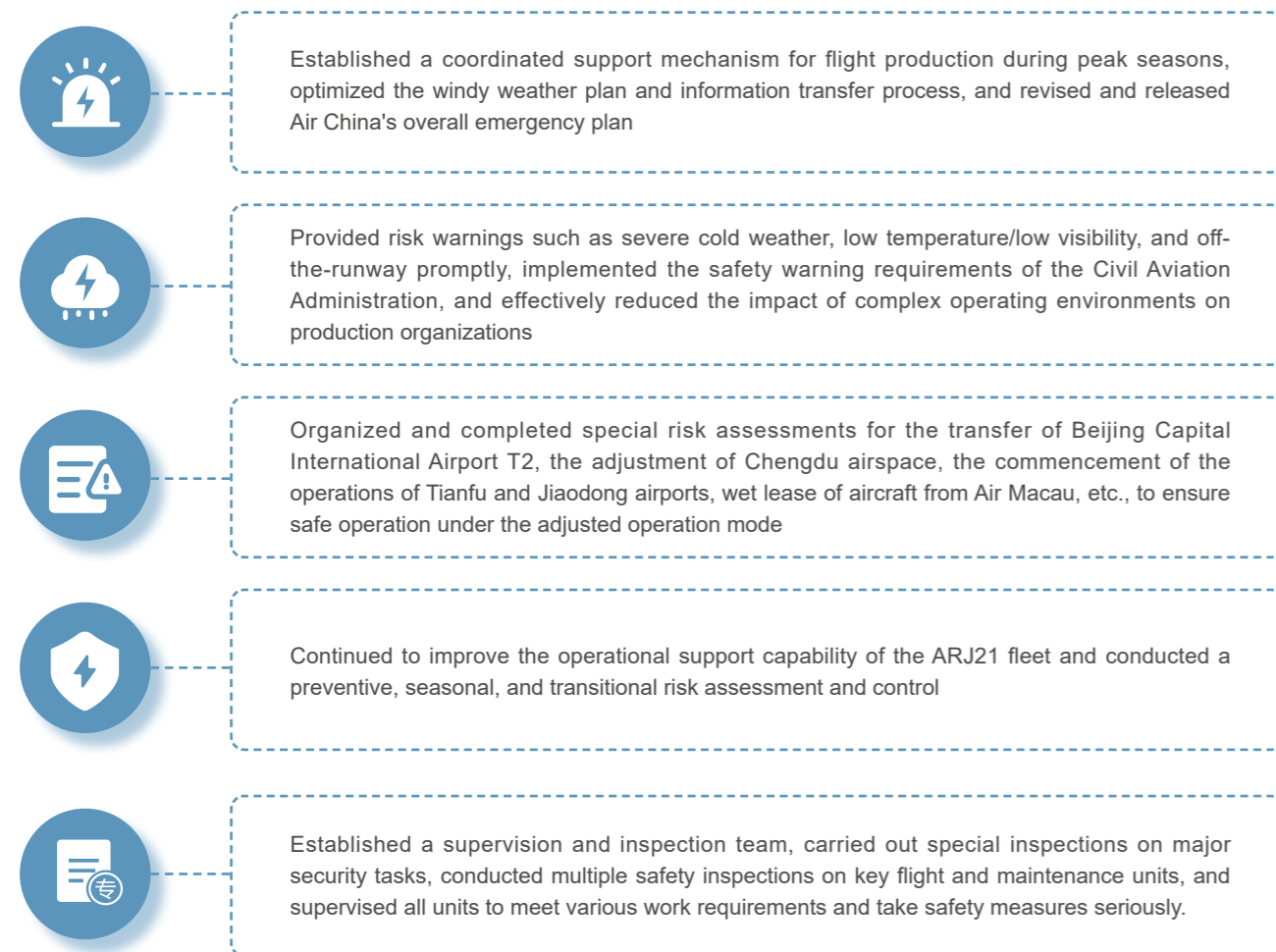
Air China has always adhered to the policy of "safety first, prevention first, and comprehensive management", firmly established the concept of safe development, insisted on the bottom line of safety, and had zero tolerance to potential safety hazards.

Air China had **1.59** million safe flight hours in 2021

Accountable incidents of air transportation due to the liability of Air China was **0**

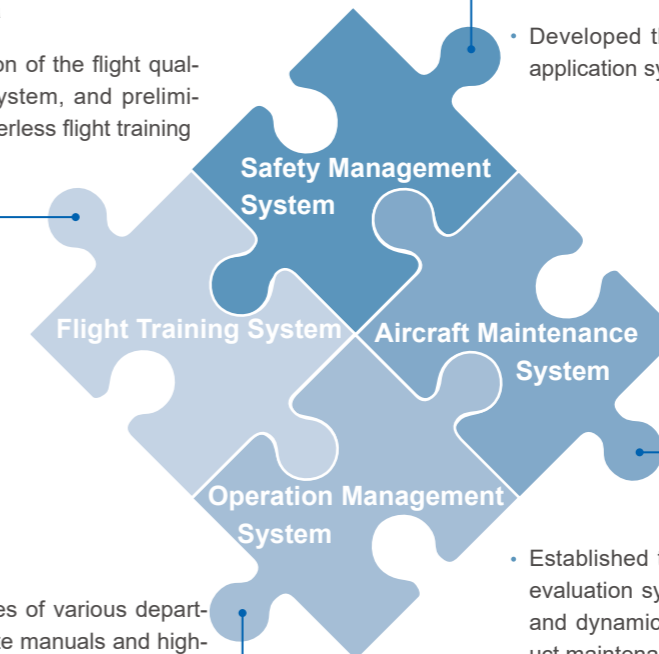
Ensuring Safe Operations

Based on the pandemic prevention and control situation and the changes in the operating environment, Air China analysed the operation characteristics and safety situation, adhered to the integrated management of operation control, paid close attention to key safety links, and strictly implemented safety work.



Construction of Safe Operation System

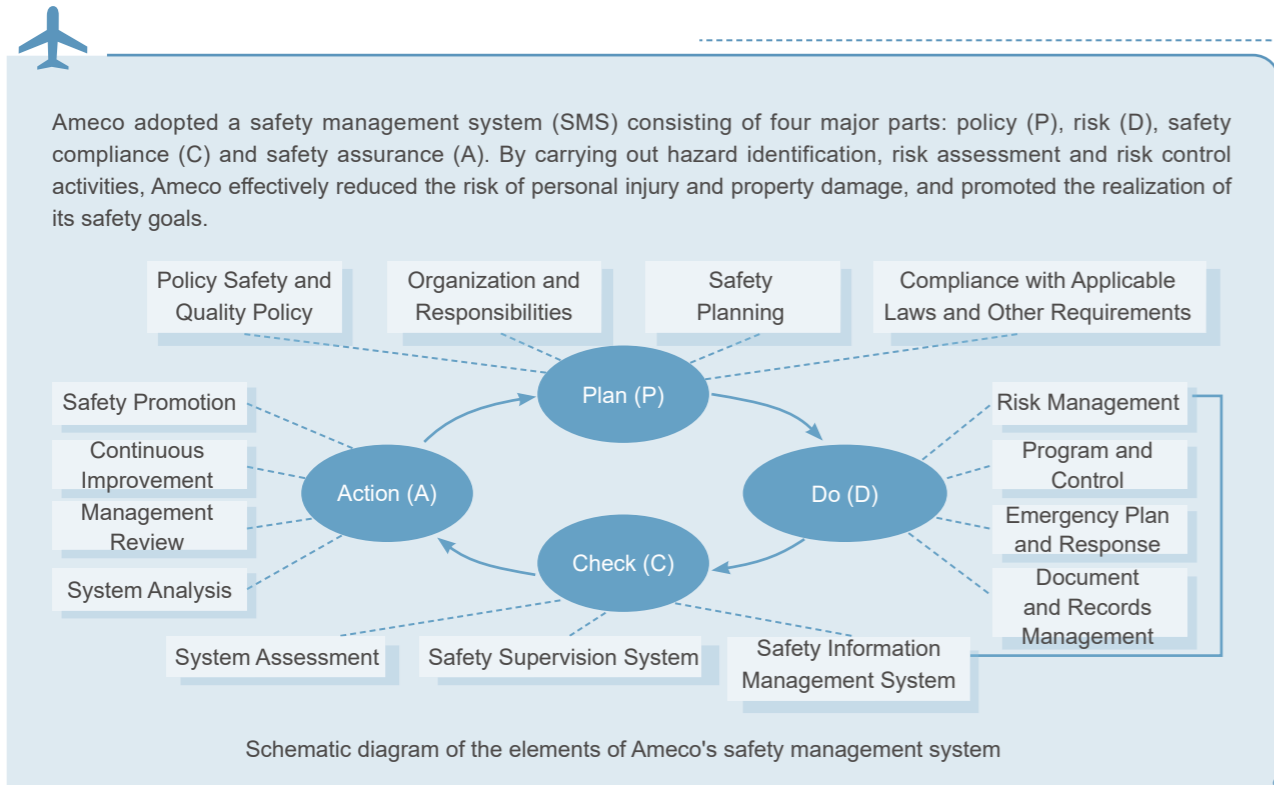
- Improved the *Pilot Training Outline*, the *Flight Inspector Workbook* and the *Flight Training Management Manual* for all types of aircraft
- Established a flight inspector assessment and appraisal mechanism, set up and completed the model engineer duties and performance evaluation criteria
- Promoted the construction of the flight qualification management system, and preliminarily completed the paperless flight training



- Continued with the quantitative risk analysis
- Completed the Level 3 Hazard Source Database of flight, aircraft, operation control, cabin, ground service, and freight systems
- Developed unified Quick Access Recorder (QAR) data standards, and completed the sorting and integration of QAR data asset catalogs and data standard dictionaries in key areas
- Developed the flight data management and application system

- Clarified the responsibilities of various departments, sorted out corporate manuals and high-risk work procedures, and formulated a list of hazard sources and hidden dangers
- Optimized the resource allocation, strengthened the construction of the Aircraft Operations Centre (AOC), and realized the centralized AOC control for short-term flight plans within 72 hours
- Comprehensively promoted the application of the flight recovery function of the MM module of the SOC, improved the operational decision-making ability under abnormal conditions, and formulated nine recovery scenario templates under six categories

- Established the product maintenance quality evaluation system to realize trend monitoring and dynamic control of the Company's product maintenance quality
- Unified the maintenance plan management and control of the entire fleet, optimized the management and control capabilities and efficiency of airline maintenance, and continuously improved the quality of airline maintenance support
- Developed the technical status information collection system for aircraft to comprehensively improve the Company's reliability management level
- Improved the dual control and prevention mechanism of safety risk management and hidden danger investigation and management, thoroughly implemented the responsibilities of risk-level management, and improved the efficiency of risk management



Carrying Forward Safety Culture

- Completed the interpretation and study of the newly released *Work Safety Law* and enhanced the safety responsibility awareness and legal awareness of personnel at all levels
- Organized publicity and education activities such as Ankang Cup, Safety Production Month, and Safety Production Consultation Day
- Produced professional training materials following the special governance plan, and offered special training for the staff from 217 domestic and international business offices/terminals.
- Formulated a list of typical negative behaviours and quantitative assessment indicators for safety practitioners from multiple perspectives and improved the professional quality, job responsibility, and safe operation concept of professional teams



Consolidating the Foundation for Security Management

Air China deepened the construction of the aviation security management system and security capacity, successfully completed the annual aviation security assurance tasks, and maintained an overall stable security situation.

- In 2021, Air China did not get involved in aviation security and fire safety incidents due to the liability
- Air China conducted **8** special security drills and **23** security tests
- Air China released **13** issues of aviation security and security risk warnings, completed the aviation security assessments for **7** newly built domestic airports and **15** international airlines



Training fees for the maintenance of specific qualifications*: RMB **210** million

Average qualification training hours divided by specialty (hour)



Flight training:
73.3 hours



Flight attending training:
82.2 hours



General training for ground workers:
68.6 hours

Total qualification training hours for pilots (Person-hour)



Safety training:
416,000 person-hours



Flight simulator training:
132,000 person-hours



Hazardous goods retraining:
38,000 person-hours



Emergency retraining:
169,000 person-hours

Total qualification training hours for the flight attendants (Person-hour)



Safety training:
690,000 person-hours



Hazardous goods retraining:
67,000 person-hours



Emergency retraining:
473,000 person-hours

Total qualification training hours for the ground workers (Person-hour)



Safety training:
384,000 person-hours



Hazardous goods retraining:
52,000 person-hours

In 2021, Air China independently developed and revised **284** training courses involving aircrew and ground personnel qualifications, with **803** class hours. This guaranteed the acquisition of training qualifications and the improvement of learning for various employees of the Company.

* The specific qualifications of employees refer to the qualifications of pilots, flight attendants, ground service personnel, and dispatchers, and the data come from Air China, Beijing Airlines, Dalian Airlines, and Inner Mongolia Airlines.



Demonstrating a New Achievement in Green and Low-Carbon Development

Under the national strategic goal of "carbon peaking and carbon neutrality", Air China adhered to the concept of "green operation and sustainable development", paid attention to global climate change and greenhouse gas emissions, insisted on green development, supported the "carbon peaking and carbon neutrality" strategy, and adopted various measures to improve energy efficiency and reduce pollutant emissions.



Improving the management system and enhancing management ability

Strengthening energy management, and achieving low-carbon development

Fighting the tough battle of pollution prevention and control, and defending the blue sky continually

Taking the initiative to support the strategy of "carbon peaking and carbon neutrality"

Shaping the image of a green state-owned aviation enterprise and undertaking its corporate social responsibility

The 14th Five-Year Strategy in the Field of Environment

Supporting the National Strategy of "Carbon Peaking and Carbon Neutrality"

In order to help achieving the climate change goal of the global temperature rising within 2°C by the end of this century and actively respond to the national call for energy conservation and emission reduction, Air China integrated climate change risk indicators into its existing risk management system, insisted on green and low-carbon operations, and took practical actions to achieve the national goal of "carbon peaking and carbon neutrality".

Overall climate change goals

By 2025, Air China will further improve its energy conservation and ecological environment protection management system and management capabilities, significantly enhance its green and low-carbon operation level and pollution prevention and control abilities, thus becoming a world-class green aviation enterprise, and maintaining a leading position in the ecological environment protection in the domestic aviation industry.

2021 Greenhouse Gas Emissions



Climate change-related contents were disclosed regarding the recommendations of the *Task Force on Climate-related Financial Disclosures (TCFD)*.

* The *Interim Measures for the Management of Carbon Dioxide Emissions Monitoring, Reporting and Verification of Civil Aviation Flight Activities* (released by CAAC was adopted as the aviation fuel calculation standard, while the *Beijing Carbon Emission Unit Carbon Dioxide Emissions Accounting and Reporting Guidelines* released by the Beijing Municipal Ecology and Environment Bureau was used as the ground energy calculation standard.

* In the future, Air China will focus on the main indicators for airlines given in the *14th Five-Year Special Plan for the Green Development of Civil Aviation*, gradually refine various environmental performance targets, and continuously disclose the completion status.

Environmental risk

Environmental risk was identified as one of Air China's operational risks. In its response plan, Air China considered operation requirements, regulatory requirements, and market changes, analyzed the internal and external factors, employed various feasible methods to collect environment-related information from related parties, understood the needs and expectations of stakeholders, focused on improving risk response capabilities, and achieved a continuous improvement of the environment.

Source of Risk	Risk Description	Response
 Extreme weather	Flight delays, forced landings, or cancellations	<ul style="list-style-type: none"> Established a special emergency plan to improve the speed of emergency response. Conducted a timely assessment and pre-analysis of changes in operating conditions by monitoring flights, took measures to control flight returning and diversions, and provided support to the aircrews on the ground to avoid flight returning and diversion.
 COVID-19 outbreak	Decreased efficiency of flight operations, and decreased fuel efficiency of flights due to the impact of the pandemic	<ul style="list-style-type: none"> Implemented the pandemic prevention and control policies and followed relevant landing measures. Carried out passenger and freight flights and continued to deepen fuel-saving measures for operation.
 stakeholders	Meeting the changing requirements of stakeholders such as government agencies, shareholders, customers, employees, suppliers, etc. might increase costs	<ul style="list-style-type: none"> Improved the communication mechanism of stakeholders, optimized communication management, and paid attention to the reasons for changes in demand from stakeholders to understand and further meet the needs and expectations of them.
 Financial costs	Faced with environmental governance and multiple carbon emission reduction pressures, management costs and carbon emission reduction costs continued to increase	<ul style="list-style-type: none"> Actively participated in policy research, promoted new green technologies, clarified the technical paths for environmental governance and carbon emission reduction, and formulated implementation plans for environmental governance and "carbon peaking and carbon neutrality".

Insisting on low-carbon operations

To cope with the impact of climate change caused by carbon emissions, Air China took several measures to reduce carbon dioxide emissions and actively respond to climate changes.

Meeting the requirements of carbon emissions

Air China strictly implemented the external carbon emission management requirements. It completed the monitoring, verification, reporting, and performance of the four carbon emission systems for the EU, China, Beijing, and civil aviation, respectively. In October 2021, the data quality of Air China's carbon emissions report was rated as "excellent" by the Civil Aviation Administration of China.

Deepening the fuel-saving operations

Air China effectively controlled the flight returning and diversion, reasonably controlled the weight of the aircraft, dynamically monitored the aircraft's performance, optimized the airline, managed and calculated the planned aircraft fuel quantity, and improved the accuracy of the pre-allocated payload. Compared with the previous year, Air China saved 20,000 tonnes of aviation fuel and reduced carbon dioxide emissions by 63,000 tonnes in 2021.

Promoting the replacement of the Auxiliary Power Unit (APU)

When the aircraft was parked, ground equipment was used for replacing the APU for the power supply. In 2021, Air China reduced carbon dioxide emissions by 226,000 tonnes by using alternate facilities of the APU.

Participating in international mechanism research

Under the unified leadership of the Civil Aviation Administration of China, Air China participated in the International Civil Aviation Organization Council - Committee on Aviation Environmental Protection (ICAO-CAEP) Working Group, the International Air Transport Association Sustainability and Environment Advisory Committee (IATA-SEAC), and the Star Alliance Sustainability Committee to actively speak up for the civil aviation industry.

The Aircraft Ground Fuel Transfer System independently developed by Air China won the Innovative Project Award of the 4th (MRO CHINA) Red Crown Award

The aircraft ground fuel transfer system was a new civil aviation operation support system supported by the aviation industry. By realizing the direct transfer of fuel between ground aircraft, the system could effectively reduce regular aircraft inspections, the fuel tank maintenance, airline adjustment, and other wastes from fuel pumping, demonstrating its innovation in ecological protection, energy conservation, and emission reduction.

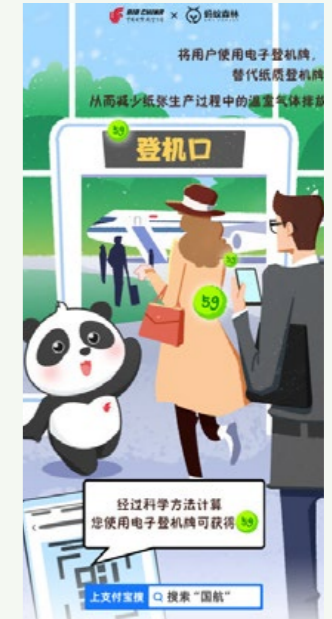


Launching green travel services

Air China has launched a new green travel service, "Enjoying Low-Carbon Travel" on its APP. Passengers voluntarily participated in domestic carbon emission reduction projects through flight mileage or cash payment, such as afforestation projects, achieved "carbon-neutral" flights, and reduced the impact of air travel carbon emissions on the environment.



In December 2021, Air China launched a new low-carbon scenario for mobile check-in on the Air China Alipay Applet. Passengers were allowed to use the Applet to check-in and get Ant Forest energy.



Optimizing energy use structure

Invested RMB **180** million into the "Electric Driven Changed From Fuel Driven" project in 2021

Built **240** sets of supporting charging piles independently

Reduced the vehicle fuel consumption by **355.5** tonnes

Owned **925** new energy vehicles

Modified the exhaust system of **1,056** on-site fuel vehicles

Reduced carbon dioxide emissions by **1,075.8** tonnes

Enhancing the Environmental Management System

Improving the management system

Compiled and released the 14th Five-Year Plan for Green Development and compiled Air China's Environmental Management Manual following the Environmental Management System Requirements with guidance for use.

Obtained the ISO14001 certificate and became the first airline in the Chinese Mainland to pass the environmental management system certification.

Independently developed the energy-saving and environmental protection management platform, optimized a carbon emission monitoring and analysis platform, and comprehensively improved work efficiency and data quality.

Standardized emergency management and conducted drills for environmental emergencies such as water pollution, radiation accidents, and hazardous waste accidents.



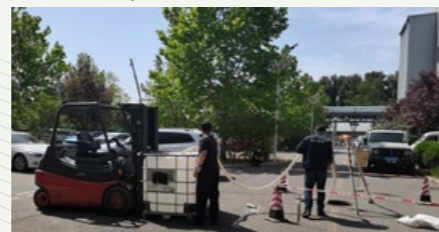
Air China's Environmental Management System Certificate



Comprehensive Hazardous Waste Drill



Drill of Collecting the Hazardous Waste Spilled on the Ground



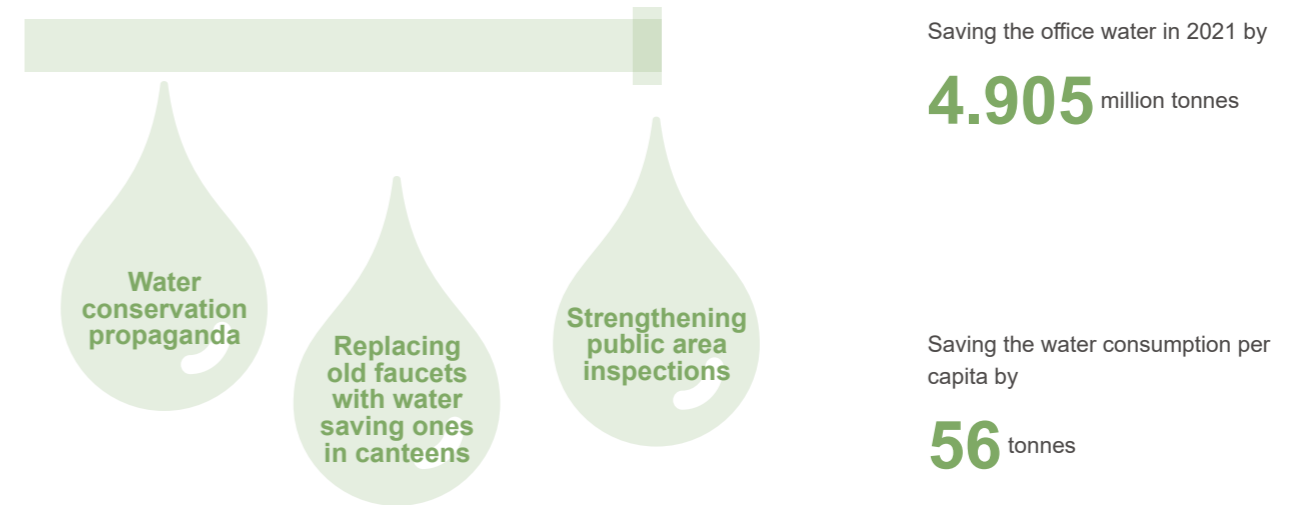
Drill of Collecting Hazardous Chemicals Accidentally Discharged into the Drainage System

Deepening the Green Operation Model

Cultivating environmental protection awareness

To improve the environmental protection awareness of all employees, Air China ensured that its employees understood the national "carbon peaking and carbon neutrality" goals and the Company's green development policy through various forms of training, publicity, and communication, enriched employees' knowledge systems of energy conservation and environmental protection, and strengthened employees' sense of responsibility and risk awareness, laying a solid foundation for forming a new pattern of green and high-quality development.

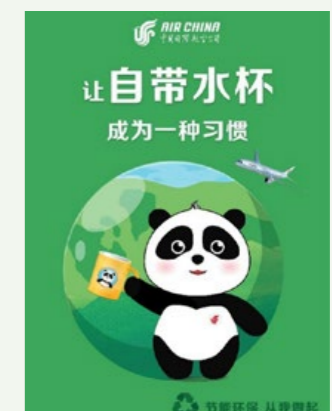
Saving office water



Steadily advancing the ban or restriction on plastics use

✈️ Launching the action of "Bringing Your Own Water Glasses"

In 2021, Air China's Beijing headquarters took the lead in launching the action of rejecting the use of disposable cups, and achieved the goal of "zero use" in July through ban or restriction on the use of such cups.



The Poster of Rejecting the Use of Disposable Cups

Regulating waste disposal

Air China formulated the *Waste Disposal Management Procedures*, the *Special Emergency Response Plan for Hazardous Waste Accidents*, and other regulations on the on-site collection and management of hazardous wastes, regulations on managing temporary storage of hazardous wastes, and on-site emergency response measures for accidents. Moreover, the Company signed the *Hazardous Waste Disposal Agreement* with third-party units to ensure legitimate and compliant hazardous waste management. In 2021, the Company's total amount of hazardous waste was 1,089.1 tonnes, which were all handed over to qualified third-party units for harmless treatment.

Disposed hazardous waste from aircraft maintenance (tonne)

Waste containers and contaminants



Waste cleaning fluid



Waste activated carbon



Spent acid



Waste mercury-containing fluorescent tubes



Waste batteries



Spent resin, waste rubber



Waste oil



Waste paint and paint bleaching liquid/slag



Wastewater treatment sludge



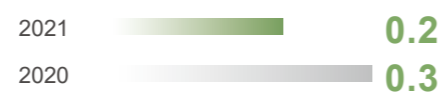
Spent alkali



Waste reagents and detection solution



Spent developer



Strengthening garbage classification

Air China strictly followed garbage classification requirements and implemented garbage classification management. The kitchen and hazardous waste generated during operations were handed over to professional companies for harmless treatment. In 2021, Air China disposed of 3,011.2 tonnes of kitchen waste in Beijing.

Standardizing the use of hazardous chemicals

Air China reviewed the selected hazardous chemicals, chose to use hazardous chemicals with low environmental hazards, and strengthened the management of the use of hazardous chemicals to reduce scrap.

Fulfilling the Company's Green Responsibility

Practicing the green corporate culture

Combining the National Low-Carbon Day with the Energy Conservation Publicity Week, Air China launched the thematic activity of "Energy Conservation and Carbon Reduction for Green Development" to guide all employees to develop a habit of saving energy.

Air China held the themed flight activities of "Biodiversity Conservation"

By working together with China Environmental Protection Foundation, Air China held themed flight activities on the flights from Beijing to Kunming from October 9 to 15 under the theme of "Everything Grows", advocating passengers to jointly protect biodiversity, build a community of life on earth, and embark on the road of harmonious coexistence between human and nature.



Inaugural flight of the themed flight of the fifteenth meeting of the Conference of the Parties to the Convention on Biological Diversity



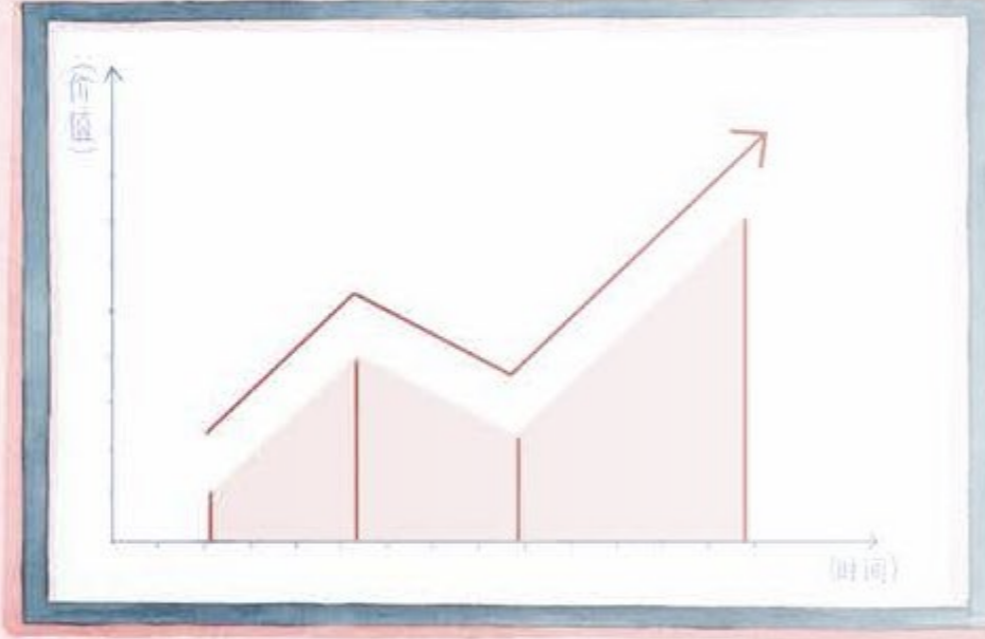
Cabin activities on themed flights

Actively participating in green public welfare

In 2021, Air China united with the China Environmental Protection Foundation to set up the Air China Yangtze River Ecological Protection Fund, aiming to carry out public welfare activities such as species protection, construction of patrol and protection sites, and material guarantee for rangers for the protection of the ecosystem and endangered species, and contributing to the harmonious coexistence between human and nature through practical actions.

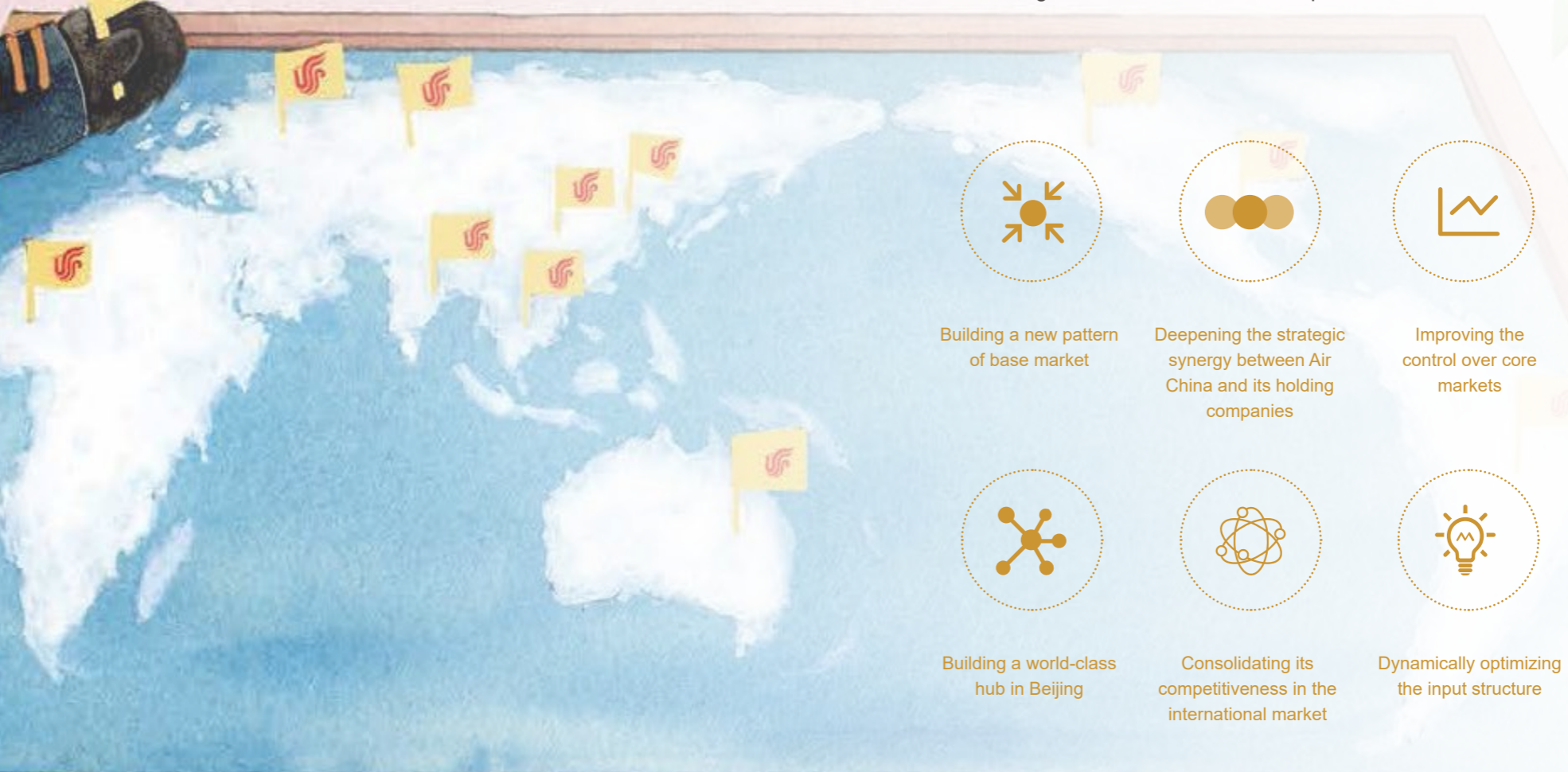


* The non-hazardous waste in this report refers to the kitchen waste generated from Beijing district. In the future, the Company will expand the statistical scope of non-hazardous waste production and gradually expand it to the whole Company.



Gaining a New Advantage in the Optimization of Market Layout

Air China insisted on being a corporate citizen with a sense of responsibility and always led the development with the concept of sustainability. The Company not only attached importance to high-quality economic development but also shared prosperity and progress with the aviation industry. It led its partners with its advantages to jointly build a sustainable value chain, thus realizing the goal of building a world-class aviation enterprise.



- Building a new pattern of base market
- Deepening the strategic synergy between Air China and its holding companies
- Improving the control over core markets
- Building a world-class hub in Beijing
- Consolidating its competitiveness in the international market
- Dynamically optimizing the input structure

The 14th Five-Year Strategy in the economic field

Working Hard for Higher Efficiency and Effectiveness

Facing the pressure of the normalization of the pandemic, Air China strictly controlled costs, and tapped the potential for higher **cost-effectiveness and efficiency**.



Strengthening the Construction of the Hub Network

Air China will firmly grasp the development opportunities in the new era. During the 14th Five-Year Plan period, the Company actively supports the national strategy, optimizes the layout in domestic and foreign markets, vigorously participates in the construction of aviation hubs, and contributes to building China into a civil aviation power in the new era.

Optimizing airline network



- Implemented the development idea of the domestic economic cycle playing a leading role and adhering to the international and domestic economic cycle developing jointly, rationally adjusted the structure of transportation, increased input in the domestic market during the pandemic, and ensured important international flight non-stop
- Building a leading position in the Hub market of Beijing, opened up routes, focused on building domestic express lines such as Beijing Capital-Shanghai Hongqiao, Guangzhou, Shenzhen, Chengdu Shuangliu, Chongqing, Hangzhou, etc. to enhance the competitiveness
- Established the passenger and freight flights linkage mechanism and greatly increased yield and revenue



Air China flew about **16,000** preighters throughout the year

The domestic capacity of Air China for the year increased by **7.66%** on a year-on-year basis.

As of the end of the Reporting Period



Domestic Sales Centres: **4**



Domestic Offices: **50**



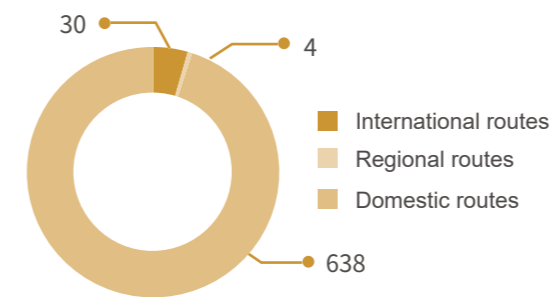
Regional Headquarters: **4**



International offices: **85**

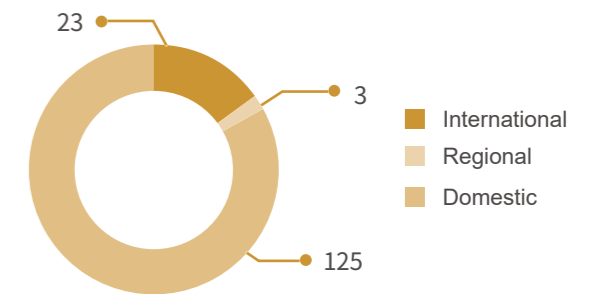
As at the end of the reporting period, the Company, Shenzhen Airlines (including Kunming Airlines), Air Macau, Beijing Airlines, Dalian Airlines and Inner Mongolia Airlines operated **672** passenger routes

Number of passenger routes operated by Air China (routes)



In 2021, the Company flew flights to **151** cities in **25** countries and regions

Cities the flight reached



Through cooperation with Star Alliance members, Air China further expanded its services to **1,300** destinations in **195** countries (regions).

Opening up the operation model of "One Site, Two Zones" in the Beijing Capital International Airport

Air China launched the operation model of "One Airport, Two Zones" in the T2 and T3 terminals of Beijing Capital International Airport, gradually increased the capacity, improved operational efficiency, optimized the travel experience of passengers, and accelerated the pace of building a world-class hub.



The operation model of "One Site, Two Zones" was officially launched at the Beijing Capital International Airport T2 and T3 Terminals

Building an international aviation hub in Chengdu

On May 28, the Air China Tianfu Base was officially opened in Chengdu, laying a solid foundation for the development and construction of an international aviation hub in Chengdu. On June 27, Air China CA4195 made its maiden flight from Chengdu Tianfu International Airport to Beijing Capital International Airport.



Air China Chengdu Tianfu Base

Serving the Guangdong-Hong Kong-Macao Greater Bay Area

On July 30, the Guangdong Branch was officially established. The company signed a strategic cooperation agreement with Guangdong Airport Management Group Co., Ltd. to promote the cooperation in an all-round way.



Air China Guangdong Branch was established

Contributing to the construction of the Air Silk Road

On September 10, Air China Xinjiang Branch was officially established in Urumqi. It was an important measure to implement the Belt and Road Initiative, support the regional development of Xinjiang, and build a major air transportation channel in Xinjiang.



Air China Xinjiang Branch was established

Promoting Coordinated Development of the Aviation Industry

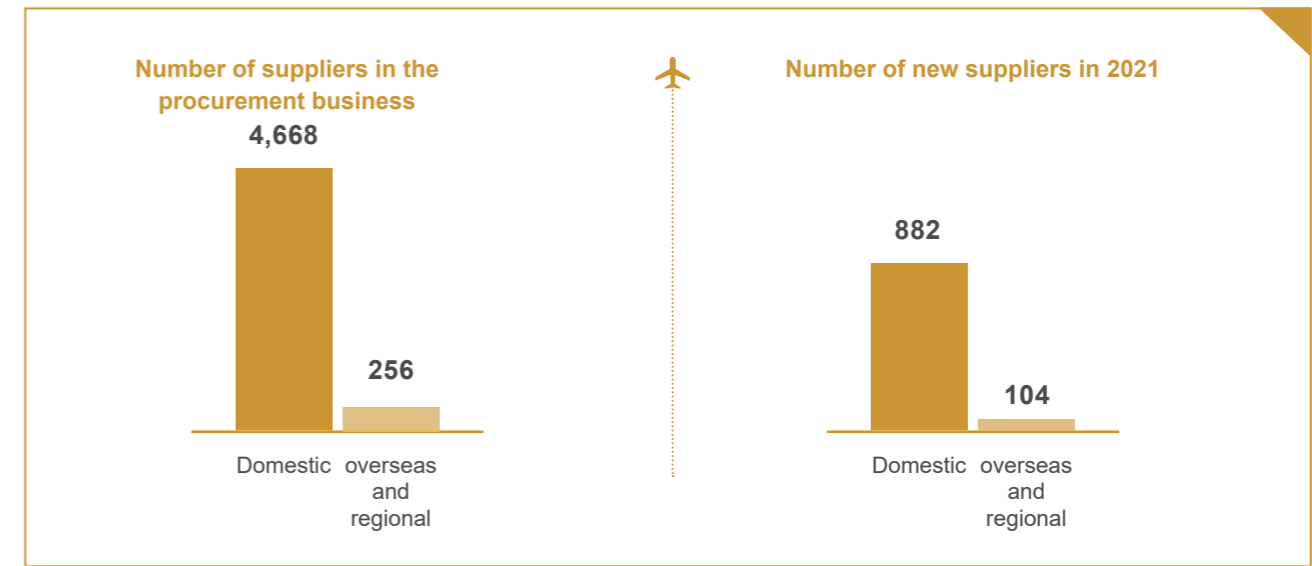
Air China always insisted on developing together with the aviation industry. It was committed to building a sustainable value chain with industry partners through responsible supply chain management. It actively conducted exchanges and cooperation, created a new situation of mutual benefit, and opened a new chapter of win-win cooperation.

Strengthening the supply chain management

Air China strictly followed the procurement principles of "openness, fairness, impartiality, honesty and integrity", integrated environmental, social, and governance concepts into supply chain management, gradually transformed to responsible procurement, and actively built a sustainable supply chain. It also built a three-level procurement system of "1 (Level 1 management documents) + 9 (Level 2 procedural documents) + N (Level 3 operational documents)" with a complete and transparent structure. In 2021, Air China formulated the *Measures for the Management of Bad Behaviours of Suppliers* (Interim) and continued to improve the system.

Air China issued the *Notice on Implementing Green Procurement*. It implemented throughout the Company to further emphasize that environmentally friendly and green suppliers should be selected in the procurement process. During the procurement activities, on the premise of ensuring procurement compliance, Air China fully considered environmental benefits and gave priority to the procurement of products and services that are environmentally friendly, energy-saving, low-consumption, and easy to utilize resources under the same circumstances. Air China supervised the suppliers' performance in environmental protection, resource conservation, corporate social responsibility, and sustainable development through supplier performance evaluation results. It promoted the suppliers to continuously improve their environmental management and social responsibility performance.

<h3>Supplier Admission Mechanisms</h3> <ul style="list-style-type: none"> Strictly standardized supplier management from the stage of supplier admission implemented the <i>Supplier Management Regulations</i> and required the suppliers to truthfully fill in the <i>Supplier Information Registration Form</i> and the <i>Supplier Self-Assessment Questionnaire on the Compliance with Social Standards</i> and submit the corresponding qualification proof; Established a qualification compliance audit team to conduct supplier qualification audits on potential suppliers. 	<h3>Performance Management</h3> <ul style="list-style-type: none"> Took "quality, safety, customer satisfaction, cost, supply guarantee, and innovation" as the core dimensions, established an assessment mechanism, and aligned the supplier assessment results with the procurement process, to achieve closed loop management; Based on the results of daily performance appraisal, formulated improvement measures for suppliers and supervised their rectification using interviews with suppliers and regular reviews, and established daily performance files of suppliers.
<h3>Rating Management</h3> <ul style="list-style-type: none"> Divided suppliers into four levels: A, B, C, and unqualified, and implemented rating management; Encouraged the establishment of long-term partnerships with A-level suppliers, urged B-level suppliers to make rectifications, followed up C-level suppliers' rectification progress, and ruled out unqualified suppliers and suspended ongoing cooperation with them; Conducted real-time standardized management of suppliers and established and regularly updated the Company's supplier information database. 	<h3>Responsible Procurement</h3> <ul style="list-style-type: none"> Standardized the cooperation with suppliers from multiple dimensions such as society and environment, formulated the <i>Supplier Self-Assessment Questionnaire on the Compliance with Social Standards</i>, and implemented responsible procurement; Incorporated the supplier's ESG risk and performance in the review scope and required the supplier's first-tier suppliers to agree to the <i>Supplier Self-Assessment Questionnaire on the Compliance with Social Standards</i>, including the above indicators; Required the suppliers involved in environmentally friendly and green development procurement projects to provide relevant qualification certification materials in accordance with national statutory environmental protection requirements.

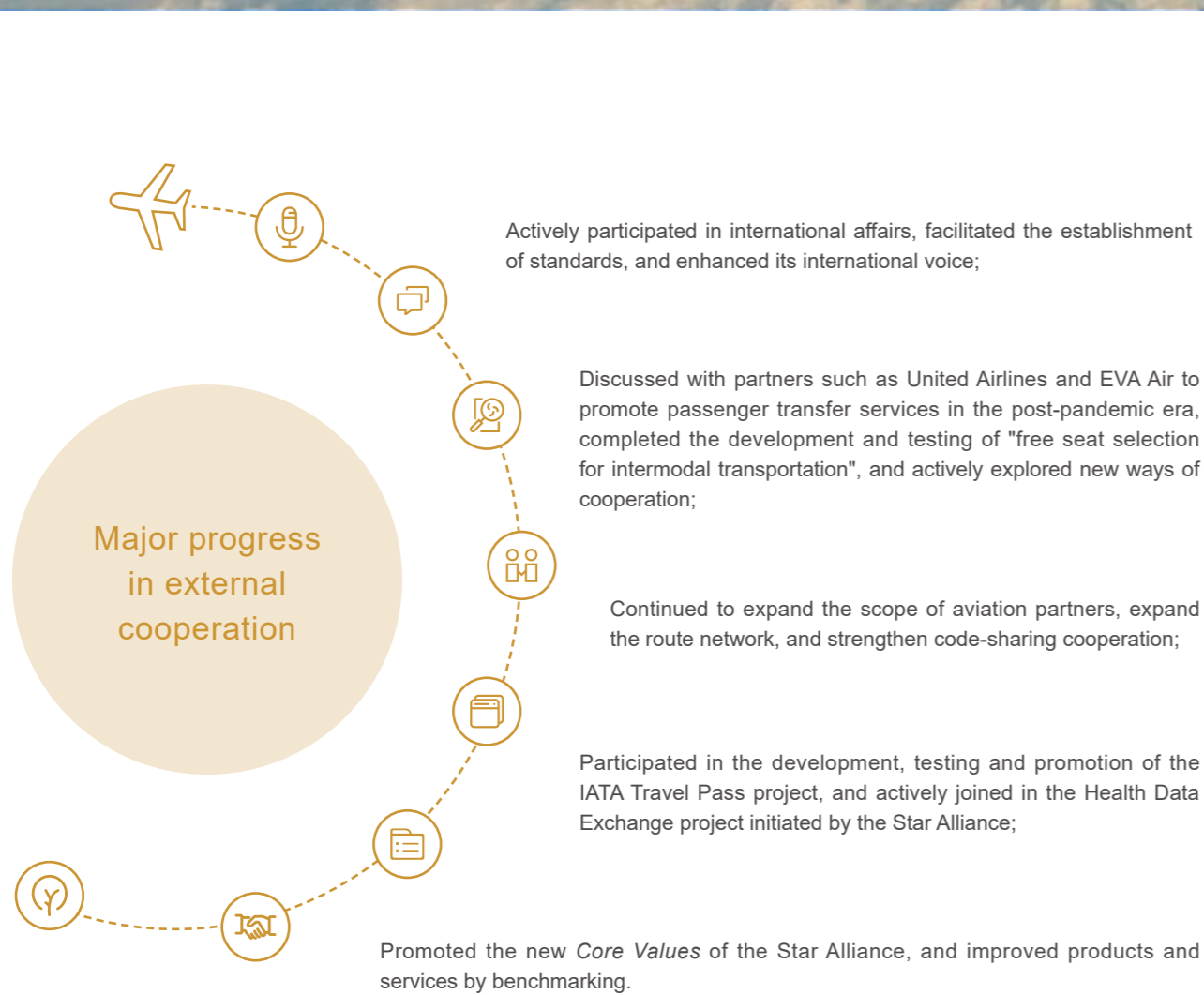


On January 1, Air China officially launched the procurement management platform, and advanced the construction of the supply chain by standardizing and regulating the procurement business through the electronic system.

Air China established the concept of green procurement and encouraged the suppliers to continuously improve their environmental management level. In January 2022, Air China released the *Notice on Promoting Green Procurement* to popularize the green and low-carbon concept, promote the priority procurement, and advocate the use of energy-saving, water-saving, material-saving products and services conducive to environmental protection.

Continuing with external cooperation

Air China actively deepened exchanges and cooperation with industry and alliance partners, led the development of the aviation industry with the sustainability concept, maintained smooth communication channels with partners in the post-pandemic era, and joined hands with outstanding peers in the aviation industry to create a new pattern of ecological stability and sustainable development.



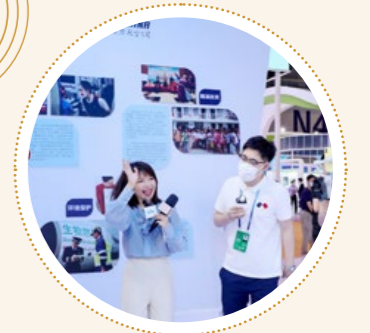
From September 28 to October 3, Air China participated in the 13th China International Aviation and Aerospace Exhibition (Zhuhai Air Show) to fully demonstrate its operational capacity, services, products and CSR stories. Air China won the Best Brand Communication Award and the Excellent Organization Award of the civil aviation exhibition area.



From May 20 to 23, Air China participated in the 3rd Western China International Fair for Investment and Trade in Chongqing as a designated airline partner, displaying its new look of "New Journey, Heartfelt Expectations" under the exhibition theme of "Joining Hands with the West China for a Bright Future".



From September 8 to 11, Air China participated in the 21st China International Fair for Investment and Trade as the sole strategic partner in the aviation industry, fully displaying its operations, services and CSR performance, and winning the Silver Award for Creative Featured Exhibition Booth.



On October 12, the 12th China Passenger Airport Experience Summit was held in Shanghai. Air China delivered a keynote speech entitled the *Exploring the Application of International Health Passes*, sharing its experience on contactless and digital solutions for the restart of international travel.





Making a New Breakthrough via Sincere Services

In line with the business philosophy of "service first", with "quality service" as the starting point, Air China practiced the idea of "sincere services", innovated the management thought in the service field, and made ongoing innovations to improve the ability of product and service supply and to faithfully provide world-class passenger services.

Creating world-class services and products

Deepening the "Three Orientations"

Practicing the "Three Comprehensive Strategies"

Customer Orientation, Problem Orientation, Value Orientation

Full-process Benchmarking, Full-process Governance, Full-chain Development

Static Planning → Dynamic Management

Fragmented Scene → Full-process Connection

Passively Follow → Actively Lead

First-class Quality, Outstanding Features

Overall Management, Flexible Strategy

Full Service, Same Goal

Active and Quick, Proactive and Considerate

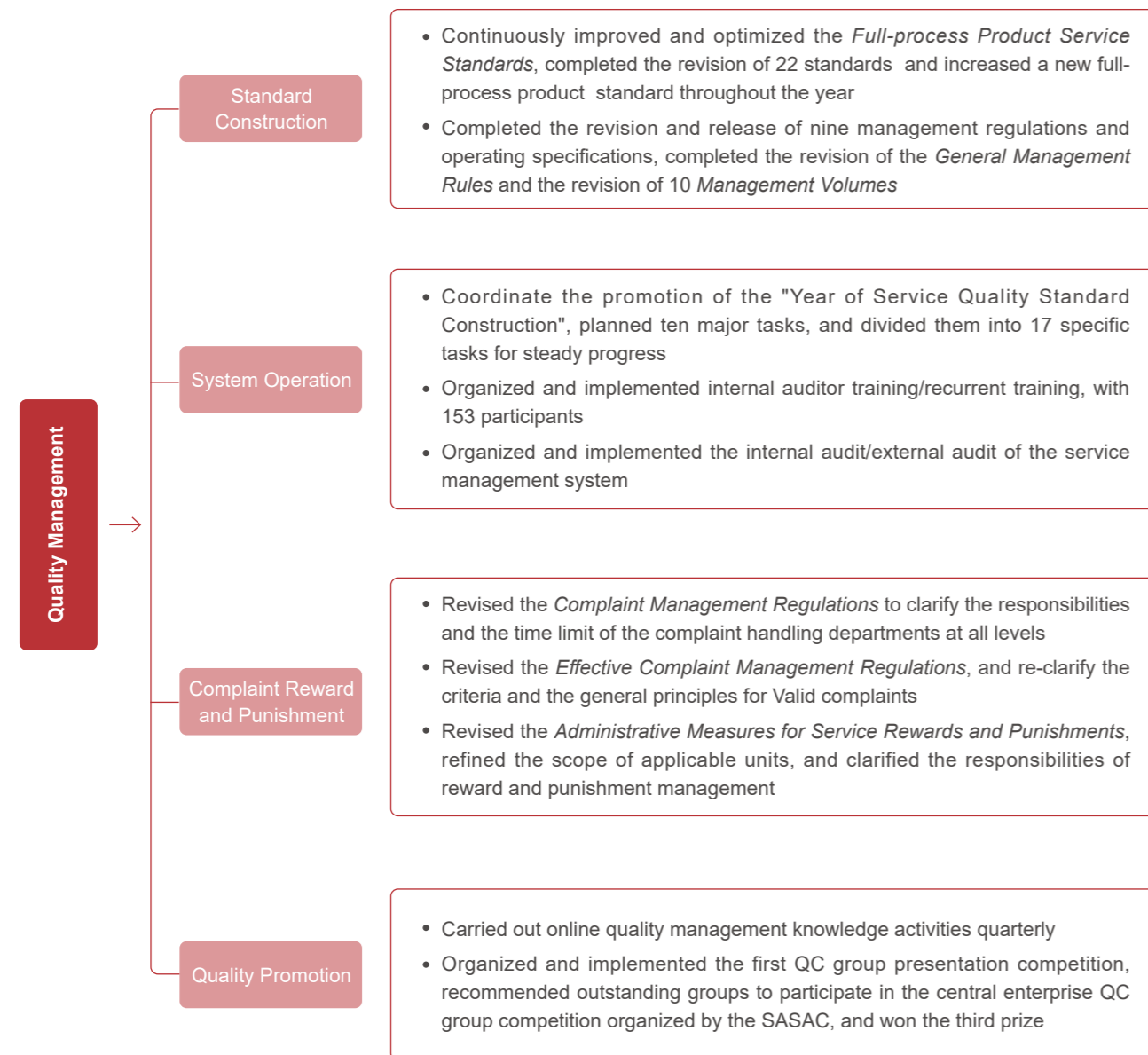
Perfect System, Forward-looking Innovation

Excellent Business, Gathering Strength

The 14th Five-Year Strategy in the service field

Promoting the Management of Service Quality

Air China standardized and improved passenger service management, further strengthened the top-level design of service quality management, adhered to the "people-centered" development concept, insisted on the ideological guidance of "three orientations", and continued to optimize the construction of the service management system from four aspects, namely, standard construction, system improvement, complaint reward and punishment, and quality promotion.



Advancing the construction of service capabilities

Developed a new training course on service awareness quality

Offered special training for service quality improvement such as director seminars and elite training camps to enhance specialization and professionalism.

Focused on service shortcomings and improved on-site handling capabilities of "the Chief Purser and the Purser"

Offered the training course *Practices of the Chief Purser*, and improved the on-site handling capabilities of the Chief Purser and the Purser.

Developed new courseware

Developed audio and video courseware such as "Doudou Radio" and "Getting to Know the Knowledge Base", with 12,360 hits. Continued to analyze passenger satisfaction data, dynamically explored passenger needs, and developed the special courses like the *Professionalization of Air China Service Teams* and the *Five Questions and Five Answers on Professional Team Building*.



Air China organized online company-wide training on the *Professionalization of Air China Service Teams*, and more than

8,000 people learned the course.



Facilitating service innovation

Wifi Network Platform

- Achieved full operations of in-cabin wireless LAN on 359 aircraft, and provided air-ground connectivity for 16 A350 aircraft
- Revised 17 process management systems in three categories of platform operation, management and safety, and revised and optimized passenger presentation interface application products
- 5,260,860 visitors accessed to the in-flight network platform, with an average platform access rate of 20.15%

Innovation Laboratory

- Put the Air China In-flight Catering Satisfaction Analysis Visualization Platform into operation
- Brought the Intelligent Assistant into production, and completed the "Innovation of Media Content Update Mode in the Traditional Entertainment System"
- The Innovation and Research Project of Aircraft Cabin Disinfection Products and the Air China Passenger Information Confirmation Service System of Third-Party Service Provider passed the acceptance check

E-commerce Platform

- Completed the Air China APP in-flight catering reservation plan
- Launched the automatic application of service compensation
- Optimized the full-process luggage tracking function of the APP, optimized the data interface access logic, and supported the expansion of terminal and airline services
- Completed APP cloud environment construction, cloud service migration, and comprehensive upgrade of APP architecture

Smart Knowledge Base

- Completed the optimization of 2,773 FAQs in the Smart Knowledge Base, and maintained the accuracy rate of online customer service at a high level of 80%



Building Sincere Services

"Sincere services" demonstrate the important values of civil aviation as a service industry. To meet the needs of passenger, Air China explored innovative technological services and products, enhanced service quality, and provided passengers with a considerate and convenient new air travel experience.

Guaranteeing flight punctuality

Flight punctuality is the core of airline service quality and the key to improving customer satisfaction. Air China continued to improve the flight punctuality management process, established the goal to ensure flight punctuality, promoted the construction of a global ground flight assurance platform, and implemented daily flight assurance in an all-around way.

The Air China flight punctuality rate in 2021 reached

88.96% (According to the statistical calibre of the Civil Aviation Administration for Air China)



Enhancing customer experience

Considering the needs of passengers, Air China continued to strengthen service innovation, deepened the exploration of informatization and intelligent applications, and strove to provide passengers with diverse and excellent services.

- **APP Upgrade** Enabled the "automatic standby" function to meet the demand for ticket purchases in peak seasons to the greatest extent



- Launched an app suitable for the elderly to help solving the problems of the elderly and other special groups when using intelligent technology



- Launched Air China electronic boarding pass in Huawei Wallet, and allowed the passengers to use Huawei eID for user identity authentication

- Launched the featured products of Winter Olympics Coupon for the first time, and opened a special "Red Tour" area

- Launched the Star Alliance transfer information service, and provided more abundant and clear transfer connection information for passengers with Star Alliance itineraries

Smart Travel Services

- Continued to promote "paperless" convenient travel, with 118 terminals supporting "paperless" services in 2021
- Strengthened the transfer service guarantee capability, launched the "Smart Transfer" project, and realized the omni-channel push function of transfer flight information
- Launched smart transfer services to provide AR/VR transfer guidance

In-flight Meals

- Deeply cultivated meal boxes services
- Launched seasonal products of lunch boxes
- Launched the series of pocket meal

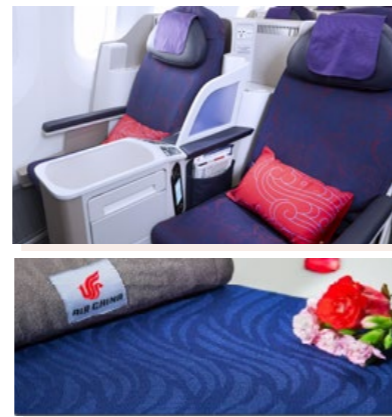


Full-process Luggage Tracking

- Further improved the luggage status tracking service, and optimized the electronic luggage receipt and luggage status display
- Advanced "smart" services, fully realized remote self-service check-in at domestic terminals, opened the full-process luggage tracking and inquiry service at seven stations, and provided the passenger inquiry service in nine routes

Inflight Products and Services

- Launched the new blanket
- Launched a series of new interior products
- Optimized the quality of in-flight media content, and launched content areas based on traditional culture



Special passenger services

Air China adheres to the concept of "life first", continuously optimizes the quality of services for special passengers, implements special passenger service projects, and provides green channels to improve the travel experience.



- Revised the service policies such as refund and changes for injured and sick passengers
- Adjusted applicable ticket prices for children and unaccompanied minors
- Revised the refund service requirements for the passengers on the stretcher
- Canceled the *Disclaimer Letter* and used the *Risk Declaration* to remind passengers of travel risks
- Launched an online special passenger service module on the official website and App to fulfill the automatic booking of ten types of special services, such as mobility assistance
- Further transformed the mobility assistance configuration mode and replaced the original ground configuration mode with the inflight configuration
- Optimized the automatic reservation for unaccompanied children
- Launched infant passenger protection on abnormal flights



Air China launched two issues of the "Respect for the Elderly Rights Card", so that the users could purchase domestic flight tickets actually carried by Air China at a fixed price every time they needed.



On January 14, CA4235 took off from Chengdu Shuangliu Airport and arrived at Nanning Wuxu Airport on time, successfully guaranteed the transportation of hematopoietic stem cells, and built a warm air channel for passengers.

Protecting the Rights and Interests of Passengers

Considering customer privacy and safeguarding passengers' rights and interests as the core foundation for building a brand of high quality service, Air China always puts passenger privacy protection and passenger feedback in the first place, and improves information security and passenger complaint feedback systems and mechanisms to improve passenger travel satisfaction.

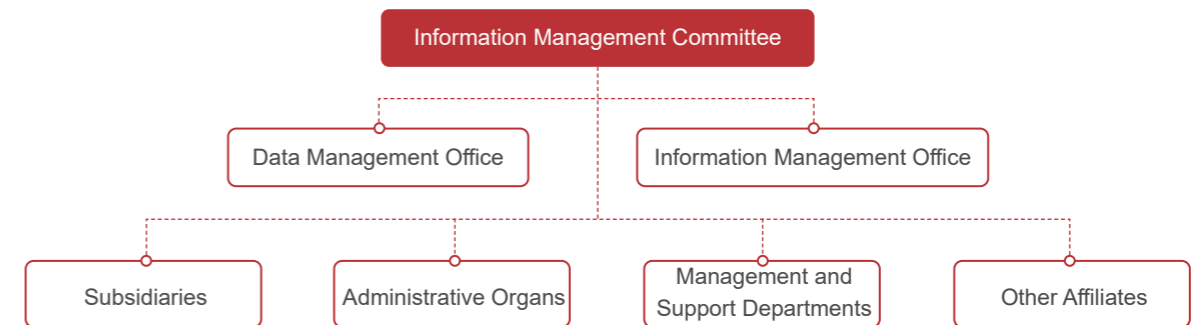
Passenger privacy protection

To improve its information security protection system, Air China strictly implemented the *Personal Information Protection Law* and the *Data Security Law of the People's Republic of China* and issued and improved internal systems such as the *Personal Information Security Specification* and the *Wings of Air China Passenger Information Authority Check and Management Measures* to regulate the use and protection of passenger information.



Air China's organizational structure for information security management

The Information Management Committee works as the highest-level organization of Air China for information security management, which performs data management deliberation. It takes charge of the Company's major issues related to data management.



Technical Support

- Air China's data storage passed the third-level certification of the national information protection level system and obtained the ISO 27001 certificate and PCI DSS certificate at the same time
- Air China completed classification and protection work of the Air China APP and other systems
- Air China adopted strong encryption technologies to encrypt and store personal information and ensure data security through isolation technology

Management Assurance

- Air China amended the multilingual privacy terms and updated them on relative platform promptly
- Air China categorized the data viewers in detail and further restricted the authority of viewing passenger information
- Air China established a data demand confirmation form and documented it in the form of a ledger following approval to ensure that data operation records could be queried and traced
- Air China continued to carry out publicity and education on the rule of law. It conducted special training on information security and privacy protection for employees following relevant laws and regulations such as the *Criminal Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, and the *Law on Public Security Administration Punishments* to enhance employees' information security awareness



Full-process privacy information protection

- Updated the terms of the privacy policy in a timely manner, and strictly observed the minimum necessary principle when collecting the information
- Partially anonymized the passenger's personal information during the service process to prevent accidental leakage of such information
- Improved the itinerary protection function so that the user's itinerary could not be obtained by others and the passenger itinerary would not be maliciously altered after the itinerary protection was turned on
- Improved the function of permanent account cancellation, and deleted personal information from the Air China database after the passenger cancelled the account perpetually
- Encrypted the passenger's information during the transmission process to ensure the security of the data

Protecting the rights and interests of passengers

Air China put a high value on the rights and interests of passengers, built a sound and effective passenger communication and feedback mechanism, tracked and handled passengers' complaints and feedback, followed up and analysed passengers' travel satisfaction, and continuously improved its services based on customer opinions.

Continuing with the improvement of the passenger complaint handling mechanism

Air China improved the systems like the *Effective Complaint Management Regulations* and the *Service Remediation and Complaint Handling Management Regulations*, studied the new version of the *Complaint Management Regulations*, and standardized the investigation and response standards for passenger complaints.

Improving the efficiency of handling passenger complaints and feedback

Air China established a global customer service center, the hotline "95583", which could provide a 7*24-hour multi-channel intelligent and full-process services for global travelers.

Making up for service shortcomings

Air China promulgated the *Service Quality Monitoring and Management Measures*, improved the *Service Scenario Simulation Case Collection*, and formed a closed-loop management of "teaching, guiding, checking, and testing" by strengthening scenario simulation exercises, assessments, etc.

Perfecting the refund process

During the pandemic, Air China developed an online electronic and in-kind compensation system, and launched the project for automatic application of service compensation, which greatly shortened the refund processing time.



Overall passenger satisfaction in 2021:

84.7 points



Overall satisfaction of Premium passengers:

85.2 points



Passenger satisfaction questionnaires recovered:

164,372



Passenger complaints received:

5,944



Complaint handling rate:

100%



Giving Back to the Society and Jointly Creating A New Life

Air China adhered to the people-oriented development concept, earnestly protected employees' legitimate rights and interests and physical and mental health, conducted various types of employee training, smoothed employee promotion channels, actively fulfilled social responsibilities, and strove to achieve common development with employees and the society.



Facilitating the Employee Development

Air China implemented an open, fair, and equal employment policy, strictly banned any form of child labour, or forced labour, insisted on equal pay for equal work, and resisted discriminatory behaviors against employees due to gender, race, nationality, physical conditions, religion, marital status, and other factors, and protected the legitimate rights and interests of employees. Moreover, it encouraged employee growth, created a diverse training system, and cared for employees' physical and mental health. Air China was aiming for a fair, open, harmonious, and inclusive working and living environment and making progress with employees together.

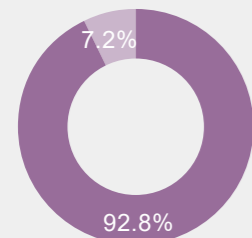
Air China Employees in 2021¹

Total employees of Air China: **88,395**

Number of employees by employment type

Contracted employees: **82,061**

Dispatched employees/interns: **6,334**



Number of employees by gender

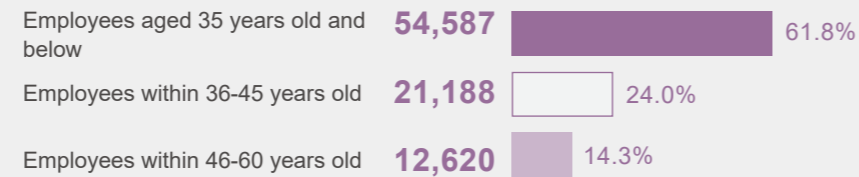
Male **52,750**

Female **35,645**

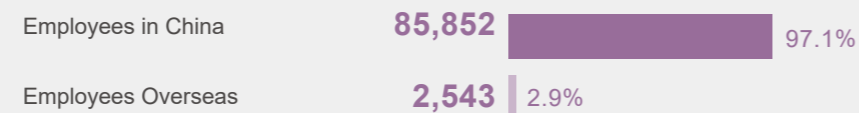


¹ The statistical caliber of employee data in this report is consistent with that of the annual report, including Air China, Ameco, Shenzhen Airlines, Beijing Airlines, Dalian Airlines, and Inner Mongolia Airlines.

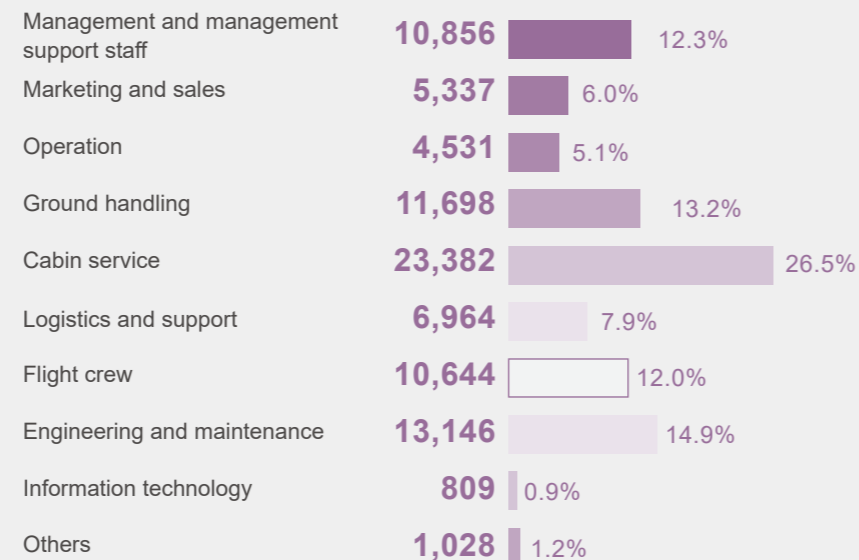
Number of employees by age



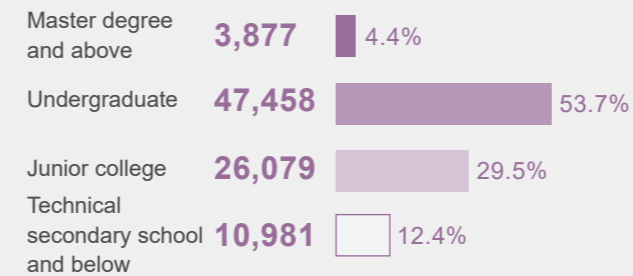
Number of employees by region



Number of employees by profession



Number of employees by education



Employee turnover by type



Employee turnover by gender



Number of employees by region



Employee turnover by age



Employee Salary and benefits

Air China's employee welfare programs included social insurance, housing provident fund, enterprise annuity, comprehensive medical insurance, etc. In 2021, the Company's enterprise annuity coverage rate for employees reached 94.5%. To reduce the impact of the COVID-19 pandemic on employees, Air China took timely countermeasures and provided subsidies to employees of front-line, the international offices, high pandemic risk position, as well as employees under quarantine and observation.

Employee services and communication

In 2021, Air China focused on service upgrades and optimization, and business model innovation to effectively respond to the new normal of pandemic prevention and control. It comprehensively enhanced the capability of human resources informatization construction. Centring on online business transformation, Air China achieved the electronic processing of personnel transfer orders, developed and applied the mobile service platform for employees, and improved the service experience for employees. Moreover, it continued to provide business guidance to employee service centres inside and outside Beijing, shared new working methods during the pandemic, upgraded the service capabilities of the official WeChat account platform, expanded the online business scope, and effectively improved internal service satisfaction.

Democratic management

- Air China completed the signing of the *Collective Contract (Issue 7)*, the *Special Collective Contract for the Protection of Female Employees' Rights and Interests (Issue 3)*, and the *Special Collective Contract for Labour Safety and Health*. Further, it improved the legitimacy level of the Company's labour and employment system.
- Air China established a normal supervision and inspection working mechanism, and formed a supervision and inspection team with 5 members for the collective contracts, that recommended by the Company and the union together.

Workers' Congress Performance

Proposals called for from employee representatives

48

Proposals with general comments **35**

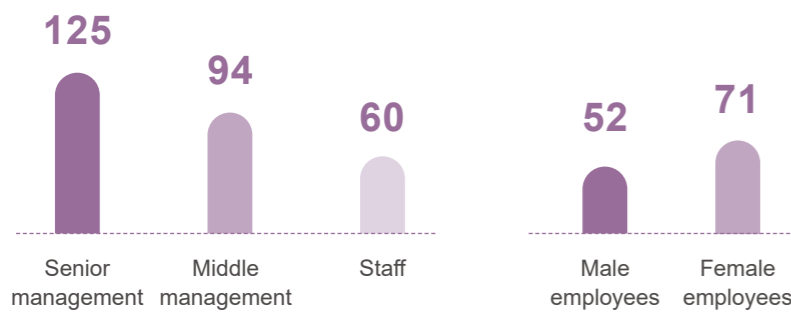
Proposals filed **11**

Proportion of employees joining trade unions **92%**

Employee training

Air China continuously improved the *Training Management Manual* and issued the *New Employee Training Management Regulations* and other training regulations. The Company formulated and improved the training syllabus for the employee in key positions such as stowage, on-site command, and production scheduling closely related to the Company's flight safety and operational security. Air China produced relevant courses and training management and operation tools through on-site and online forms so that the staff training system was operable to improve the quality of employees.

Average training hours per person (hours)



Training System Construction



Management training

Higher-level Organization Training

- Combined with the requirements for building a high-quality professional cadre talent team in the new era, Air China selected and organized 37 middle and senior management personnel to participate in 32 training classes organized by higher-level organizations

Senior Manager Training

- In cooperation with Renmin University of China for the first time, Air China organized the State-owned Enterprise Management Training Program for senior managers by relying on the advantages of the university and faculty platform, benefitting a total of 38 trainees
- Furthermore, it continued to organize the Excellent Operation Training Program for senior managers, which benefited a total of 33 trainees

Training for Young Cadres and Grassroots Managers

- By using the online learning platform, Air China organized and implemented off-the-job online training on the seven habits of high-efficiency people through livestreaming. A total of 35 young cadres participated in the training
- Air China also organized and implemented three sessions of basic rotation training courses for young cadres, benefitting a total of 72 young cadres
- Moreover, Air China also constructed the grassroots management training system, and organized 22 grassroots cadre training sessions, which benefited a total of 440 grassroots cadres. To be specific, there were eight sessions of leadership training camp for managers, seven sessions of training for supervisors, and seven sessions of promotion courses for Pilot, Co-pilot, Chief Purser, and Purser

Online Training

- Air China launched a total of 13 series online special courses, including the management innovation, and brief history of state-owned enterprises, and updated 268 lessons in a total of 105 categories
- Air China iteratively improved the online learning platform, and pushed 28 articles throughout the year, with 101,549 hits in total



【上新】提升“七种能力”，牛年共创佳绩！
锤炼“七种能力”，新年更有动力！



The program of High Education for Civil Aviation Workers

On July 23, the first graduation ceremony for the program of High Education for Civil Aviation Workers, co-organized by the Civil Aviation Administration of China and the Open University of China, was successfully held. A total of 174 Air China employees successfully graduated from the University: 3 employees won the honorary title of Excellent Graduate; the other 3 employees won the honorary title of the 2020 Outstanding Student; Air China's Trade Union was awarded the title of the Advanced Supported Learning Unit; 8 grass-roots trade union cadres were awarded the title of the Advanced Individual in Supported Learning.



- Since 2018, the supported learning program had benefited **1,039** workers



Specifically, there were **312** students in the class of 2018, **425** students in the class of 2019, and **302** students in the class of 2020.

- A total of **4** national-level and civil aviation-level honorary winners and **8** civil aviation employees in need according to the files of the trade unions received full or half-exempt supported learning subsidies



A total of **1,579** workers won the semester scholarship of RMB **1.06** million granted by the civil aviation trade union

- Air China ranked **No. 1** in the civil aviation system in the number of applicants, graduates and award winners

Employee health

Air China improved the occupational health and safety management system and employee health file management mechanism, formulated the *Occupational Health and Safety Management Manual*, and comprehensively organized publicity training. Besides, it also issued the *Administrative Regulations on Labour Protection Products* to effectively protect the health and safety of employees.

Employee Assistance Program (EAP)



- Held **32** micro-classes

- Organized **136** sessions of thematic training

- Organized **20** sessions of new employee coaching

- Answered a total of **2,925** employee calls through the EAP hotline

- Provided **3,001** hours of hotline consultation

- Conducted **45** online and offline on-site consultations

- Offered **94** sessions of group coaching

- Organized **42** thematic activities



Engaging in occupational disease prevention and control

From April 25 to May 1, Air China organized a series of activities under the 19th Publicity week for *Code of Occupational Disease Prevention*.

On December 10, Air China convened an online video training meeting on occupational health management, and more than 70 full-time and part-time managers from 27 units participated in the training.

In 2021, Air China lost 10,337 working days due to work-related injuries.

Implementing the health examination of employees

On December 1

By working together with Peking University Third Hospital, the Company launched the Air China Employee Health Management Plan on the Wings of Air China 3.0 platform, creating a high-quality, efficient, professional, forward-looking and continuously preventive health management platform for employees.

In 2021

Air China completed the physical examinations of **14,600** air crew members, including **4,712** pilots.

In 2021

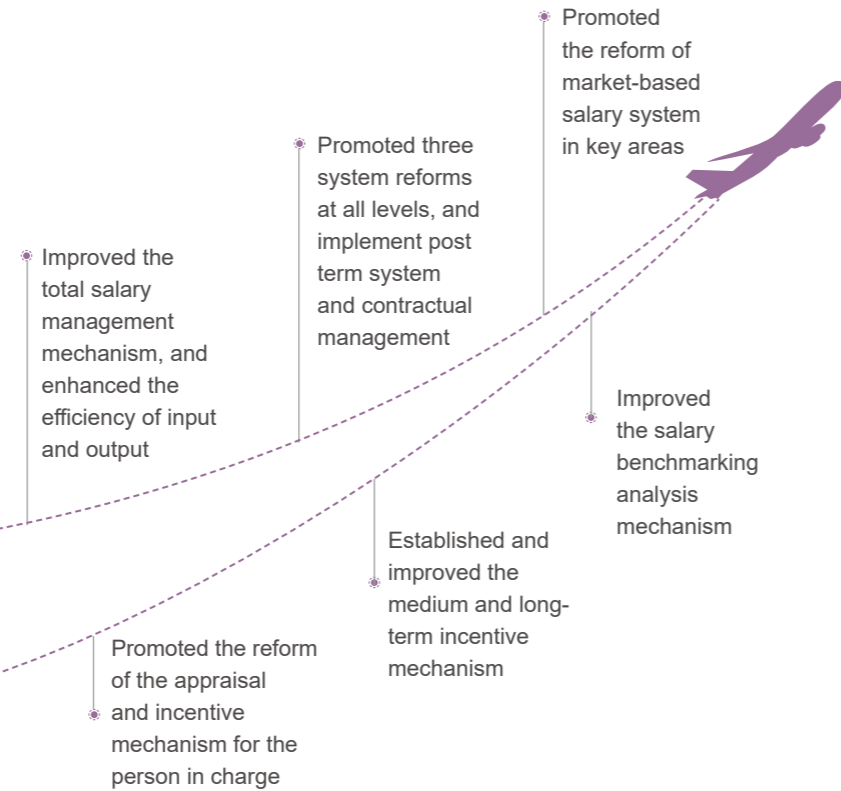
Air China completed the "one-stop" physical examinations of **14,100** employees in Air China headquarters in Beijing.



Providing incentives and care for employees

Air China adhered to the concept of "paying for the post value, personal ability, and performance results", provided employees with competitive salaries and incentives, and formulated a series of performance management system documents such as the *Employee Post Performance Management Measures*, constantly established and improved the linkage mechanism of salary distribution and work efficiency, and implemented differentiated management of total salary budget, thus providing a broader development space for all employees.

Improving the performance appraisal system



Advanced commendation and model worker publicity month activities

- Cultivated advanced models, selected and commended 50 company-level model workers, 120 advanced individuals, and 80 advanced groups
- Combined with the theme of celebrating the centenary anniversary of the founding of the Communist Party of China, widely publicized the typical deeds of 21 groups and individuals who had been commended in major tasks of different periods
- Strengthened the incentives for model workers and leading innovative talents, and recommended Duan Huangke Innovation Studio to participate in the First national craftsmen Innovation Exchange Conference
- Enhanced the patent promotion in the employee innovation, with Ameco's *Test Methods of the Performance of Aircraft Degenerate Parts and Their Maintenance Methods* recommended as the candidate of the 23rd China Patent Award

"Five Small" technology innovation activities

Under the theme of "reducing costs and increasing efficiency", Air China organized the activities of "small inventions, small creations, small innovations, small designs, and small suggestions" to encourage employees to play a role in reducing costs and increasing efficiency. A total of 441 "Five Small" programs were collected and commended.



Vocational skills competition

Organized the 2020-2021 Ankang Cup Competition

Organized the 18th Vocational Skills Competition for air police and flight security guards

Organized and participated in the 2nd Vocational Skills Competition of China Civil Aviation Network Security



Caring for employee life

During the Spring Festival and Summer Holiday, visited more than **40** grassroots units and distributed funds about RMB **18.54** million

Offered precise care for employees in need, and distributed RMB **550,000** to **256** employees in need in the civil aviation industry and in the Company

The mutual aid subsidy (Issue 6) for employees benefited **154** people, totalling RMB **3.08** million

Supplemented Mutual Aid subsidy RMB **3** million, ensuring the treatment for sick employees not decreased

Distributed mutual aid subsidy (Issue 7) for **93** female employees, totalling RMB **1.86** million

Civil Aviation's mutual aid subsidy (Issue 7) for female employees benefited **85** people, totalling RMB **1.04** million



Held activities for young people

Provided subsidy and supply during the Spring Festival Travel Rush

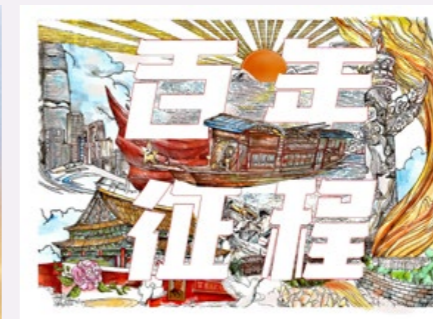
Enriching employee culture

Air China held the 2nd employee art festival

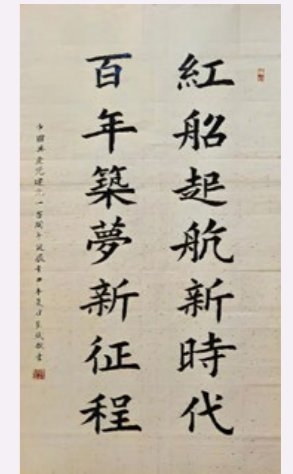
Air China held activities with the theme of "Always Following the Party, Advancing to a New Journey", such as online calligraphy, painting, and film exhibitions and offline art performances.



The Photo Works "Where the Heart Goes"



The Painting "A Hundred Years of Journey"



Calligraphy Works

Air China launched the micro-photography activity under the theme of "New Year's Eve of the Civil Aviation People"

Through the micro-photography activity under the theme of "New Year's Eve of the Civil Aviation People", Air China employees submitted a total of 3,964 photos to record their own Spring Festival stories, and demonstrate their splendid life.

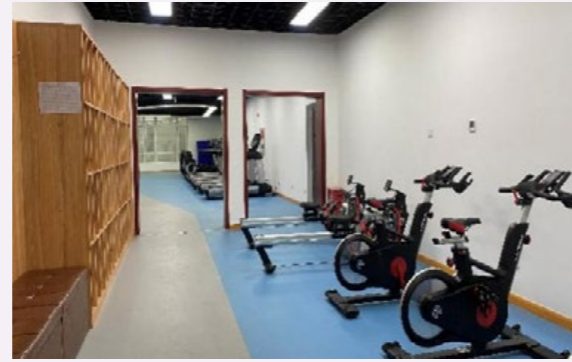


Micro-photography Works under the Theme of "New Year's Eve of the Civil Aviation People"



Air China set up a sports activity centre for employees

In April 2021, Air China opened the recreational and sports activity centre for employees to create a good atmosphere of healthy life and happy work.



Sports Centre for Employees



Launched the "My Workplace Story" call for papers

A total of 153 essays from 30 grass-roots units were collected for the essay campaign under the theme of "My Workplace Story" to demonstrate the spirit of dedicated employees through the growth stories of female employees in different periods and at different positions.



Activity Site

Giving Back to the Society

In addition to its development, Air China also fulfilled the responsibility of rural revitalization, actively participated in social welfare activities, and contributed to the development of society.

Rural revitalization

Air China implemented the spirit of General Secretary Xi Jinping's important speech and instructions on consolidating and expanding the achievements of poverty alleviation and promoting the implementation of the rural revitalization strategy. We resolutely shouldered the political responsibility for paired-up assistance in poverty alleviation and helped Zhaoping County in Guangxi and Sunite Right Banner in Inner Mongolia with heart and soul to consolidate and expand poverty alleviation achievements and continue to promote rural revitalization.



Winning the honorary title of "National Advanced Group for Poverty Alleviation"

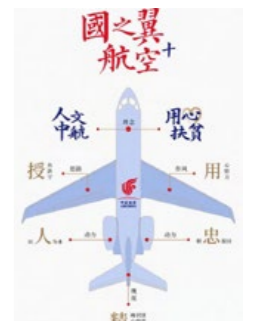
- Invested RMB **40.773** million of free assistance funds, and carried out **21** assistance projects throughout the year
- Organized employees to purchase RMB **54.07** million of agro-products and husbandry products in the assisted areas
- Air China assisted in selling RMB **10.88** million of agro-products, and introduced RMB **677** thousand of assistance funds

- Air China trained **1,314** grassroots cadres and **1,275** technicians

Air China completed the handover of **3** temporary cadres in paired-up assistance areas, and dispatched **2** more outstanding Youth League cadres to work in the paired-up assistance areas.

Carrying forward the spirit of poverty alleviation

- Air China systematically summarized the work experience during poverty alleviation and innovatively built the "aviation + assistance" model. Besides, it also carried out a special exhibition on targeted poverty alleviation, designed and produced the Poverty Alleviation exhibition, and gathered the rural revitalization force.



The "Wings of Air China Aviation + Alleviation" Model

Rural industrial revitalization

- Air China provided independently developed in-flight meals on some routes and lounges, and offered Zhaoping Organic Tea on some routes to promote the popularity of "Panda Sheep" from the Sunite Right Banner and Zhaoping Tea.



- Air China actively helped local enterprises building their own e-commerce platforms and expand product sales channels.



Building the e-commerce platforms of "Sunite Premium" and "Zhaoping Premium"

- With the help of Air China, Zhaoping Jiangjunfeng Group insisted on leading the high-quality development of the tea industry with technological innovation. Its subsidiary was recognized as a "National High-Tech Enterprise", playing an exemplary and leading role in the transformation and upgrade of the local tea industry.



Assisting in the construction of tea production and processing base in Zhaoping County, Guangxi

- "Sunite Sheep" and "Sunite Bactrian Camel" from Sunite Right Banner became China's Geographical Indication Trademarks, providing strong support for effectively building the livestock industry chain and livestock product brands.



Rural talent revitalization

- Air China continued to carry out the "Air China Blue Sky Education Development Fund" project for youth study, benefiting 150 outstanding local teachers and 300 students with good academic performance.



"Air China Blue Sky Education Development Fund" Commendation Conference was held in Sunite Right Banner, Inner Mongolia

- Air China built a special school in Zhaoping to benefit all families with disabled children in Zhaoping County.



Construction of the Special School in Zhaoping County, Guangxi

Aesthetic education

- In 2021, Air China continued with the music assistance project, and the newly written experimental textbook was put into use. It offered 15 face-to-face music lessons and 12 online lessons throughout the year in Jiangkou Primary School in Zhaoping County, Guangxi.



➤ Air China carried out various training projects, cooperated with Beijing Normal University Education and Training Centre on teacher training, and cultivated a group of leading teachers in rural areas.



Air China offered a high-yield cultivation technology training course for *Camellia oleifera* in Zhaoping County, Guangxi



Air China provided a special training course on ecological civilization construction for leading cadres in Zhaoping County, Guangxi



Air China provided professional certification training for chefs in Sunite Right Banner, Inner Mongolia

Rural cultural revitalization



Air China built a new pastoral cultural service station in Sunite Right Banner to create a characteristic cultural platform with comprehensive cultural service capabilities

Air China established a support and co-construction mechanism with Ulanmuchi in Sunite Right Banner, whom played an important role in the cultural dissemination on the grassland



Air China invited Ms. Han Jin, the founder of Mom Philosophy, to carry out "Mom Classroom" training, guiding local parents to learn skills and changing thought to build a good family style

Rural ecological revitalization

Air China guided people in the paired-up assistance areas to adhere to ecological priority and green development, fully considered ecological effects, and tapped green resources. Further, it promoted the deep integration and diversified transformation of ecological, industrial, and value chains while pursuing local industrial deployment and development.



Air China cooperated with the China Environmental Protection Foundation to set up the Sunite Right Banner Ecological Poverty Alleviation Fund, and the project team was successively granted 3 varieties of nationally approved buffalo grass seeds, and won the second prize of Liang Xi Forestry Science and Technology Award



Air China continued with the infrastructure construction projects in Jiangkou Village, Zhaoping County, improved the living environment for more than 5,000 villagers, and created a beautiful village



Rural organizational revitalization



Air China carried out the joint construction of Gold phoenix flight crew and other two organizations in paired-up assistance areas, and transformed the red gene of flag carrier into a firm driving force for rural revitalization.

Successfully completing various major transportation tasks

Making every effort to ensure the participation of Chinese athletes in the Tokyo Olympic and Paralympic Games

From July 10 to September 6, as the official aviation transportation partner of the Chinese sports delegation for the 2021 Tokyo Olympic and Paralympic Games, Air China made active deployments, strictly prevented and controlled the pandemic, guaranteed the quality of services, and successfully completed the transport support work of the Chinese delegation for the 2021 Tokyo Olympic and Paralympic Games.



During the Tokyo Olympic and Paralympic period, Air China organized

26 charter flights to transport

1,906 passengers;

during the Tokyo Paralympics, it provided

7 charter flights to transport

896 passengers.

Fully supporting the disaster relief in Henan Province

In July, Henan and other places suffered heavy rainfall, and cities like Zhengzhou were caught in serious waterlogging, so the flood control situation was very serious. Air China immediately launched an emergency response plan, actively deployed capacity, and ensured smooth air passages for personnel rescue and material transportation.



On July 22, Air China donated RMB

20 million to the Henan

Charity General Federation for disaster relief and post-disaster reconstruction caused by heavy rainstorms, providing support and assistance to the people in the disaster areas.

Escorting Tibetan children with congenital heart disease for medical treatment

From December 3 to 8, through close cooperation with the Red Cross Foundation of China and Zhengzhou No. 7 People's Hospital, Air China provided free round-trip transportation guarantee services for 22 children with congenital heart disease and 25 accompanying family members who went to Zhengzhou, Henan Province for medical examination and surgical treatment, and successfully completed the relay operation of "Angel's Journey - Screening and Rescuing Action for Children with Congenital Heart Disease in Tibet".



Guaranteeing the flight of Tibetan compatriots assisted by the Kashin-Beck Disease Project

On March 2, Air China Chongqing Branch successfully completed the transportation guarantee task for 12 Tibetan compatriots assisted by the Kashin-Beck Disease Project from Chongqing to Beijing. This project was a public welfare project of the China Overseas-Educated Scholars Development Foundation. After receiving the demand, the Chongqing Branch carefully formulated a support plan to provide these special passengers with meticulous and warm flight services.



Organizing the practical activities for people

Vigorously creating and promoting the red routes

Air China supported the coordinated economic and social development of the old revolutionary base areas, and vigorously built and promoted 11 red tourism boutique routes such as Beijing-Jinggangshan, Beijing-Yan'an, and Beijing-Zunyi, economically benefiting 30 million people in these areas.



Red tourism area on the official website of Air China

▶ Zhejiang Branch added a "Red Vest" service in the terminal building to provide one-stop services for elderly passengers.



On the occasion of the June 1st International Children's Day, the Hongyan Crew of Chongqing Branch held a charity sale of paintings and crafts created by orphans and disabled children.



▲ Hubei Branch launched 16 new measures to serve elderly passengers with exclusive services of check-in counters, waiting areas and guidance, etc.



◀ In order to fully implement the requirement of the Civil Aviation Administration of China that "check-in luggage temporarily handled at the boarding gate must be transported after a second security check", the Ground Services Department of Air China carried out voluntary service activities and moved the hand luggage check-in forward to the check-in counter before the security check.

Volunteer service

Air China adhered to the volunteer service concept of "dedication, love, mutual assistance and progress", and actively encouraged employees to participate in volunteer service and social welfare activities to share a harmonious community.



Air China volunteers provided guidance services for passengers



Air China carried out **136** voluntary service activities for pandemic prevention and control and passenger service in the terminal building, involving **1,356** employees and benefiting over **190,000** passengers.



"Air China Blue Sky Classroom" Volunteer Teaching Activities

Air China volunteers actively participated in the "Blue Sky Classroom" volunteer teaching activities. Throughout the year, 35 long-term and short-term volunteers were dispatched to provide 1,413 hours of volunteer teaching.





Volunteers from Chongqing Branch facilitated rural revitalization

From August 29 to September 4, Chongqing Branch organized representatives to carry out a 7-day rural revitalization volunteer activity in Xianyun Village, Wanzhou, Chongqing, and to engage in a variety of volunteer service activities such as Party history learning and exchange, hidden road danger investigation, aviation classroom, voluntary haircutting, patriotic film exhibition, and performances, etc.



Volunteers from Tianjin Branch visited the elderly in the nursing home

On April 27th, Tianjin Branch organized the volunteer service activity. Young volunteers went to the Kunlun Nursing Home to send anti-pandemic supplies and warm care for the elderly.



Outlook for 2022

Looking into 2022, Air China still has top priorities for safe operation, pandemic prevention and control, higher efficiency and effectiveness, reform and development, and Party building.

Striving for progress while maintaining stability. In the recovery period of the aviation industry, we will take the initiative to achieve better business performance, and effectively enhance our competitiveness and anti-risk capabilities.

Ensuring work safety and insisting on systematic management. Safety is the lifeline of Air China and an eternal theme. We will improve the political position of safety work, improve the ability of safety management, strictly implement the responsibility for work safety, focus on safe flight operations, and effectively transform the rectification results into the effects of safety governance.

Keeping the bottom line of pandemic prevention and control and implementing prevention and control measures. We will strictly implement the main responsibility for pandemic prevention and control, strengthen external communication, enhance internal cooperation, adjust and improve the operation mode promptly according to prevention and control requirements, and care for employees to ensure their health and safety.

Improving the quality of services and meeting the passengers' needs for a better travel. We will strengthen the service system and system construction, improve the management and control capabilities of the service system, raise the full-process service standards, promote the precise connection of various systems, and enhance the service quality of Air China.

Scientifically promoting green development and responding to the national low-carbon strategy. We will vigorously study and implement the work opinions and action plans of the CPC Central Committee and the State Council on "carbon peaking and carbon neutrality" and accelerate the green and low-carbon transformation based on the characteristics and difficulties of energy conservation and emission reduction in the aviation industry.

Accelerating the implementation of informatization construction and promoting digital transformation. We will strengthen organizational leadership, set up a leading group for the construction of informatization and digitalization, strengthen the overall planning of the transformation work, and accelerate the business digitization, digital business orientation, and intelligent operation upgrade, to provide a strong drive for Air China to achieve high-quality development and build a smart airline.

Under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, Air China will enhance our consciousness of the need to maintain political integrity, think in big-picture terms, follow the leadership core, and keep in alignment with the central Party leadership; stay confident in the path, theory, the system, and the culture of socialism with Chinese characteristics; resolutely uphold General Secretary Xi Jinping's core position on the Party Central Committee and in the Party as a whole and resolutely uphold the Party Central Committee's authority and its centralized, unified leadership; proceed with confidence, overcome difficulties, and welcome the commencement of the Party's 20th National Congress with remarkable results!



Table of Major Indicators

Indicators	2019	2020	2021
Total assets (RMB million)	294,254	284,071	298,415
Total actual tax paid during this year (RMB million)	6,417	2,905	3,339
Number of registered aircraft (unit)	699	707	746
Average aircraft age (years)	6.96	7.74	8.23
Safe flight hours (1,000 hours)	2,285	1,553	1,590
RTK (million tonnes kilometres)	25,364	13,285	13,599
Passenger carried (million persons)	115	69	69
Cargo and mail carried (1,000 tonnes)	1,434.2	1,113.7	1,186.7
Social contribution per share (RMB)	3.01	0.93	1.08
Purchases from the five largest suppliers (RMB million)	36,132	17,705	17,852
Passengers' overall satisfaction (points)	81.40	83.00	84.70
Premium passengers' overall satisfaction (points)	82.00	82.10	85.20
Number of complaints received from passengers for the whole year (cases)	12,373	6,287	5,944
Passenger complaint handling rate (%)	100.00	100.00	100.00
Flight on-time performance (%)	81.83	89.15	88.96
Flight execution rate (%)	98.19	98.90	99.03
Total energy consumption (1,000 tonnes standard coal)	10,788	6,967	7,151
Aviation fuel consumption (1,000 tonnes)	7,289	4,693	4,813
Power consumption (MWh)	195,539.20	184,219.90	214,229.60
Gasoline consumption (tonnes)	2,709.90	2,367.50	2,336.60

Indicators	2019	2020	2021
Diesel consumption (tonnes)	7,693.00	5,972.10	5,565.40
Natural gas consumption (1,000 m ³)	15,792	13,554	15,100
Thermal power (MKJ)	244,341.10	258,610.40	311,688.40
Other energy consumption (tonnes standard coal)	4.80	1.50	0.60
Fuel consumption per ton-km (kg/ton-km)	0.296	0.356	0.357
Carbon dioxide per ton-km (g/ton-km)	931.50	1,121.20	1,124.70
CO ₂ emissions (1,000 tonnes)	23,248	15,044	15,442
Total hazardous waste emissions (tonnes)	785.20	799.90	1,089.10
Water consumption (1,000 tonnes)	4,924	4,399	4,905
Environmental protection investment (RMB1,000)	269,845	204,756	467,798
Number of employees on the post (persons)	89,824	89,373	88,395
Total number of management staff and management supporting employees (persons)	10,538	11,001	10,856
Labour contract signing rate (%)	100.00	100.00	100.00
Proportion of employees guaranteed by collective bargaining agreements (%)	100.00	100.00	100.00
Social insurance coverage (%)	100.00	100.00	100.00
Work-related deaths (persons)	0	1	0
Total employee education expenses (the maintenance of specific qualifications not included, RMB1,000)	17,870	11,220	11,210

Remarks:

1. Financial, operational and employee data in the past three years are consistent with the annual report in terms of statistical scope.
2. The service scope is limited to Air China.
3. Energy consumption covers Air China, Shenzhen Airlines, Kunming Airlines, Dalian Airlines, Inner Mongolia Airlines, Beijing Airlines, and Ameco. Hazardous waste discharges only cover Ameco.

HKEX ESG Indicator Index

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ESG Indicator	Applicable Laws and Regulations	Corporate Policies
A1: Emissions	Law of the People's Republic of China on the Prevention and Control of Water Pollution, Law of the People's Republic of China on the Prevention and Control of Air Pollution, Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution, Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, National List of Hazardous Wastes, Notice of Reporting and Verification of Carbon Dioxide Emissions During Civil Aviation Flight Activities	Wastewater Discharge Management Procedures, Exhaust Emissions Management Procedures, Noise Emissions Management Procedures, Solid Waste Management Procedures, Oils and Chemicals Management Procedures, Carbon Emissions Management Implementation Rules
A2: Use of Resources	Energy Conservation Law of the People's Republic of China, Measures for the Energy Conservation Management of Key Energy-consuming Units, Catalogue of Elimination of High Energy-consuming and Outdated Mechanical and Electrical Equipment (Products) (Batch 1-4), Notice of the State Council on Issuing and Distributing the 14 th Five-Year Comprehensive Work Plan for Energy Conservation and Emission Reduction	Air China Energy Conservation and Emission Reduction Management Manual
A3: Environment and Natural Resources	Environmental Protection Law of the People's Republic of China, Environmental Impact Assessment Law of the People's Republic of China	Air China's Environmental Management Manual, Special Emergency Response Plan for Environmental Emergencies, Special Emergency Response Plan for Water Pollution Accidents, Special Emergency Response Plan for Air Pollution Accidents, Special Emergency Response Plan for Hazardous Waste Accidents, Special Emergency Response Plan for Radiation Accidents
A4: Climate Change	Notice on Issuing and Distributing the Work Plan for Civil Aviation to Implement the Three-Year Action Plan for Winning the Blue Sky Defence War, Plastic Pollution Control Work Plan in the Civil Aviation Industry (2021-2025), Opinions of the CPC Central Committee and the State Council on Winning the Battle of Pollution Prevention and Control, Opinions of the CPC Central Committee and the State Council on Completely and Correctly Implementing the New Development Concept and Practicing Carbon Peaking and Carbon Neutrality, Notice of the State Council on Issuing and Distributing the Action Plan for Carbon Peaking Before 2030, Notice on Issuing and Distributing the Guiding Opinions on High-quality Development, Carbon Neutrality, and Carbon Peaking of Central Enterprises	Three-Year Action Plan for Winning the Blue Sky Defence War, Special Action for Plastic Pollution Control (2021-2025), the 14 th Five-Year Plan for Green Development, Administrative Measures for Energy Conservation and Ecological Environmental Protection, Detailed Implementation Rules for Energy Conservation and Environmental Protection Education and Training, Detailed Implementation Rules for the Management of Special Funds for Energy Conservation and Ecological Environmental Protection, Implementation Rules for Supervision and Inspection of Energy Conservation, Emission Reduction and Ecological Environmental Protection, Measures for Assessment of Energy Conservation and Ecological Environmental Protection and Relevant Rewards and Punishments
B1: Employment	Labour Law of the People's Republic of China, Labour Contract Law of the People's Republic of China, Regulations on the Implementation of the Labour Law of the People's Republic of China	Administrative Regulations on Employee Recruitment, Collective Contract, Special Collective Contract for the Protection of Female Employees' Rights and Interests, Administrative Regulations on the Labour Contract System, Employee Post Performance Management Measures

ESG Indicator	Applicable Laws and Regulations	Corporate Policies
B2: Health and Safety	Labour Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, Civil Aviation Law of the People's Republic of China, Work Safety Law of the People's Republic of China, Emergency Response Law of the People's Republic of China, Anti-Terrorism Law of the People's Republic of China, Fire Protection Law of the People's Republic of China	Special Collective Contract for Labour Safety and Health, Occupational Health and Safety Management Manual, Administrative Regulations on Labour Protection Products, Regulations on Operation Qualification of Large Aircraft Public Air Transport Carriers, Overall Emergency Plan of Air China Limited
B3: Development and Training		Training Management Manual, New Employee Training Management Regulations, Notice on Conscientiously Implementing the Project Task of New Employees Forming Effective Productivity within One Year, Air Transport Business (Stowage Business Personnel) Training Outline, Air Transport Business (Loading and Unloading Personnel under Supervision) Training Outline
B4: Labour Standards	Labour Law of the People's Republic of China, Prohibition of the Use of Child Labour, Law of the People's Republic of China on the Protection of Minors, Trade Union Law of the People's Republic of China, Labour Contract Law of the People's Republic of China, Social Insurance Law of the People's Republic of China, Employment Promotion Law of the People's Republic of China	Employee Code of Conduct, Punishment Regulations for Violation of Labour Discipline, Regulations on Medical Period and Treatment for Employees, Regulations on Attendance Management, Regulations on Internship and Employment Probation Management
B5: Supply Chain Management	Bidding Law of the People's Republic of China, Regulations on the Implementation of the Bidding Law of the People's Republic of China	Procurement Management Regulations, Procurement System Document Management Regulations, Procurement Plan Management Regulations, Standard Procurement Management Regulations, Supplier Management Regulations, Emergency Procurement Management Regulations, Procurement Project Documents and Materials Filing Management Regulations, Procurement Business Inspection Management Regulations, Procurement Review Management Regulations, Procurement Management Platform Operation Management Regulations (Interim), Measures for the Management of Suppliers with Bad Behaviours (Interim), etc.

ESG Indicator	Applicable Laws and Regulations	Corporate Policies
B6: Product Responsibility	Civil Aviation Law of the People's Republic of China, Regulations on the Operation Certification of Large Aircraft Public Air Transport Carriers, Civil Aircraft Pilot Certification Rules, Several Policies and Measures on Controlling the Total Operational Volume, Adjusting the Flight Structure and Improving the Flight Punctuality Rate, China Civil Aviation Domestic Intermodal Revenue Accounting Manual, Cyber Security Law of the People's Republic of China, Personal Information Protection Law of the People's Republic of China, Key Information Infrastructure Security Protection Regulations, General Data Protection Regulation (GDPR), Guiding Opinions on Promoting High-quality Development of Intellectual Property Work of Central Enterprises, Regulations on the Administration of Public Air Transport Passenger Services, Guidelines for the Construction of a Quality Management System for Public Air Transport Passenger Services	Operation Manual, Aviation Safety Management Manual, Pilot Training Outline, Flight Training Management Manual, Dangerous Goods Transportation Safety Management Manual, Maintenance Engineering Management Manual, Data Management Regulations of Air China Limited, Data Safety Management Measures, Personal Information Protection System, Technical Guidelines for Personal Information Protection Business, Data Lifecycle Security Management System, Data Security Audit Specification, General Conditions for Passenger Luggage Transportation of Air China Limited, Full-process Product and Service Standards and other service quality management systems and documents
B7: Anti-corruption	Criminal Law of the People's Republic of China, Company Law of the People's Republic of China, Anti-Money Laundering Law of the People's Republic of China, Anti-Unfair Competition Law of the People's Republic of China, Interim Provisions on Prohibition of Commercial Bribery, Anti-Monopoly Law of the People's Republic of China, Bidding Law of the People's Republic of China, Surveillance Law of the People's Republic of China	Implementation Rules for the Handling of Letters, Visits and Reports by Disciplinary Inspection and Supervision Authority, Implementation Measures for the Use of the First Form, Discipline Inspection and Supervision Cadre Education and Training Work Plan (2021-2023), Supervision and Disciplinary Work Measures, Guidelines for Integrity Risk Prevention and Control, Opinions on Strengthening the Daily Supervision of Discipline Inspection and Supervision Organizations
B8: Community Investment	Charity Law of the People's Republic of China	Administrative Measures for External Donations, Winter Olympics Flight Operation Guarantee Work Plan, Implementation Opinions on Practicing Targeted Assistance Work, Articles of Association of Chinese Youth Volunteers Association, Regulations on Youth Volunteer Services, Administrative Measures for Volunteer Teaching Program of "Air China Blue Sky Classroom", "Air China Blue Sky Classroom" Volunteer Teaching Plan (2021-2023)"

Third-party Assurance



Assurance Statement

Sustainable Development Assurance Report of SGS-CSTC Standards Technical Services Co., Ltd. - 2021 Corporate Social Responsibility Report of Air China Limited Submitted by Air China Limited

Assurance Nature and Scope

SGS-CSTC Standards Technical Services Co., Ltd. (hereinafter referred to as "SGS") has been commissioned by the Air China Limited (hereinafter referred to as "Air China") to carry out an independent assurance of Air China's 2021 Corporate Social Responsibility Report (hereinafter referred to as the "Report"). According to SGS's assurance method for sustainability reports, the scope of assurance includes the text, data, and figures and tables of 2020 contained in this Report, while other disclosed data and information are not within the scope of assurance. We have conducted on-site assurance on the data and information of Air China (Group) located at No. 30, Tianzhu Road, Airport Industrial Zone, Shunyi District, Beijing, China.

Air China's management and related functional departments is responsible for the information in the Report. SGS has not engaged in the preparation of any materials for the Report.

Our responsibility is to inform all stakeholders of Air China and express opinions on the text, data, figures and tables, and statements within the scope of the assurance specified below.

SGS has developed a set of regulations for sustainability report assurance in accordance with internationally recognized standards and guidelines, including the accuracy and reliability principles of the GRI STANDARDS and the assurance levels in the AA1000 series of standards.

This report is assured at the medium assurance level and the applicable regulations are applied in:

- Assessing the authenticity of content;
- Evaluating the Report according to the core option of GRI Standards.

The assurance includes pre-assurance surveys, on-site interviews with relevant employees of Air China (Group) located at No. 30, Tianzhu Road, Airport Industrial Zone, Shunyi District, Beijing, China, and, when necessary, review and confirmation of documents and records with relevant employees of its subsidiaries.

The financial data in the Report was independently audited by other third parties and has not been checked against source data as part of the assurance process.

Statement of Independence and Competence

SGS is the world's leading inspection, appraisal, testing, and certification organization. It is a recognized benchmark for quality and integrity and has a global service network. SGS affirms that it is completely separated from Air China and has no prejudice or conflict of interest to the Company, its affiliates, and stakeholders.

The assurance team is comprised of persons with knowledge, experience, and qualifications related to this task, including an SGS-recognized lead auditor for social responsibility reports, ISO 9001 auditors, ISO 14001 auditors, and ISO 45001 auditors registered with CCAA.

Opinion of Assurance

According to the assurance based on the above methodology, the information and data contained in this Report are accurate and reliable. The Report provides a fair and pertinent statement of Air China's sustainable development activities in 2021. The assurance team believes that the Report can be used by stakeholders of the reporting organization.

SGS believes that the organization has selected the appropriate conformity scheme in the Report.

Conclusions, Findings, and Suggestions of GRI STANDARDS

SGS believes that the Report complies with all the requirements for content and reporting principles in the GRI STANDARDS core option.

Engagement of Stakeholders

Air China identified stakeholders related to its activities, considered the reasonable expectations and interests of stakeholders, established channels and platforms for the engagement of stakeholders, and adopted methods for communication and exchanges. SGS recommends that Air China increase the ways for stakeholders to engage for better identifying their expectations.

Context of Sustainable Development

Air China demonstrated its sustainable development efforts in economy, environment, and society in the context of sustainable development.

Substantiality

Based on the issues of concerns of stakeholders, Air China basically reflects the organization's significant impact on the economy, environment and society and reasonably discloses material issues and indicators with a substantial impact on the evaluation and decision-making of stakeholders.

Completeness

The Air China Report basically covers the identified substantive aspects and their boundaries, and reflects its significant impact on the economy, environment and society, enabling stakeholders to evaluate Air China's performance during the reporting period. SGS recommends that Air China further enrich the information about its subsidiaries.

Balance

The Air China Report basically complies with the principle of balance and truthfully discloses positive and non-positive information.

Comparability

The Air China Report discloses the relevant performance indicators of Air China in 2021 and data of its important performance indicators in three years in the table of key indicators for comparison. With these data, stakeholders can directly compare and understand its sustainable development performance.

Accuracy

The information in the Air China Report is accurate and can publicly disclose qualitative and quantitative information on multiple performances to stakeholders.

Timeliness

According to the assurance, the reported data and information are timely and effective during the reporting period. Air China releases its social responsibility report on time every year, which indicates good timeliness.

Clarity

The Report adopts a variety of expressions such as text descriptions, data sheets, graphics, and photos, combined with case analysis and narration, which can be easily understood by stakeholders.

Reliability

Air China has basically established a management process for social responsibility reports, and collected, recorded, and analyzed the information and data in the Report in a timely manner. The information and data disclosed in the Report are authentic and reliable.

Management Method

The Air China Report discloses the management method for the selected special issues.

General Disclosure

Air China's general disclosure meets the requirements of the GRI STANDARDS core option.

Disclosure of Special Issues

Air China discloses the special issues involved in the identified material and substantive economic, environmental, and social issues in accordance with the requirements of the GRI STANDARDS core option.

Findings and Recommendations

The good practices found in the assurance and the recommendations in the Report and the management process are all described in the internal management report on the assurance of the Report and submitted to the relevant management department of Air China as reference for its further improvement.

Limitations of Assurance

The limitation of this assurance is that only the corresponding data and information at the headquarters level of Air China has been traced to the source.

Signature:

Representative of SGS

Xin Bin Director

16/F, Century Yuhui Building, 73 Fucheng Road, Beijing

March 22, 2022

WWW.SGS.COM

Feedback Collection

Dear reader,

Thanks for reading the 2021 Social Responsibility Report of Air China Limited, which is the fourteenth social responsibility report published by Air China. You are welcomed to provide us with your comments and suggestions on this report for consideration and adoption, enabling us to make continuous improvement in future report preparation and to improve our corporate social responsibility management and practice. We look forward to your valuable comments and suggestions.

1. Do you think the overall report is satisfactory?

Excellent Good Fair Poor

2. Did the report provide all information you are concerned about?

Excellent Good Fair Poor

3. Do you think the report has faithfully reflected the performance of Air China in respect of creating economic value, social value and environmental value and fulfilling social responsibility?

Excellent Good Fair Poor

4. Can you access the information you are concerned about in a convenient way?

Excellent Good Fair Poor

5. Do you think the information disclosed in the report is accurate, clear and complete?

Excellent Good Fair Poor

6. Do you have any comment or suggestion to our social responsibility work and social responsibility report in the future?



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