What does corporate social responsibility mean to China Eastern?

China Eastern was born with responsibility, and has been practising it all the years.

Fulfilling corporate social responsibility is our approach to contribute to the sustainable development of China and the world, as well as our source to realize sustainable and lasting business development.

The blueprint for the 2030 global sustainable development has been drawn. We will forge ahead together with our stakeholders for our common sustainable development.
For our common sustainable development

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Corporate Social Responsibility

CHINA EASTERN
The Report

China Eastern Airlines has released the corporate social responsibility report annually. It discloses the Company's CSR practices and achievements. This report covers the Company and its stakeholders, facilitating understanding, communication and cooperation based on the same value and mission. It also demonstrates the Company's corporate social responsibility (CSR) commitment to sustainable development of the Company and its stakeholders, promotes corporate reputation, and leads its development sustainable development”.

In order to ensure accuracy, China Eastern has authorized external audit institutions to independently operate and have no conflict of interest with the Company to provide independent audit service for the Chinese CSR report, based on which an independent audit report was issued. Besides, China Eastern has completed maturity disclosure service of Global Reporting Initiative (GRI), which further improved the materiality of the report.

The report comes in both Chinese and English. In the case of discrepancies, the Chinese version takes precedence. The report was released in electronic versions. The electronic version website of Shanghai Stock Exchange is www.ceair.com. If you need a paper copy of the report, you may extend beyond the time scope if any suggestion, please contact us as follows.

Contacting Department: Party Publicity Department, China Eastern Airlines Telephone: 021-22331435 Fax: 021-62686883 Address: 92, Konggang No.3 Road, Changhai, Shanghai Zip Code: 200335

Process of report preparation

Abbreviations

To facilitate presentation and reading, “China Eastern Airlines Co., Ltd.” in this report also was referred as “China Eastern Airlines”, “China Eastern”, “the Company” and “we”. “China Eastern Air Holding Company” was referred to as “China Eastern Group”. The subsidiary “Shanghai Airlines Co., Ltd.” was referred to as “Shanghai Airlines”, “China United Airlines Co., Ltd.” was referred to as “China United Airlines”, “Eastern Airlines Technology Co., Ltd.” was referred to as “Eastern Technology”. “Shanghai Eastern Flight Training Co., Ltd.” was referred to as “Shanghai Flight Training”. “Eastern Airlines Logistics Co., Ltd.” was referred to as “Eastern Logistics”. “China Eastern Airlines E-Commerce Co., Ltd.” was referred to as “Eastern E-commerce”. “China Eastern Airlines Jiangsu Co., Ltd.” was referred to as “China Eastern Jiangsu”. “China Eastern Airlines Wuhan Co., Ltd.” was referred to as “China Eastern Wuhan”. All branches were referred to as “the name of region + branch”.

Access to related information

The report contains internal and external data to build an issue database. Conducting questionnaires, interviews and surveys to identify material issues. Reviewing and validating material issues. Revising and improving the report. Analyzing deficiencies of the report and finalizing the improvement plan.

Data source

Relevant information, data and case studies were collected from China Eastern and its subsidiaries and branches. All the materials have been reviewed by relevant authorities.

External audit

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Report compilation principles

This report was prepared in accordance with Guidelines to the State owned Enterprises Directly under the Central Government on Fulfilling Corporate Social Responsibilities issued by State-owned Assets Supervision and Administration Commission of the State Council (SASAC), Reporting Guide of Environmental, Social and Governance (HK-ESG) issued by Hong Kong Exchanges and Clearing Limited, Guidelines on Preparation of CSR Reports and Notice on Further Improvement of Poverty Alleviation Work Performance Disclosure of Listed Companies issued by Shanghai Stock Exchange, Social Responsibility of GB/T 36001 Guidance, Sustainability Reporting Guidelines (G4) issued by the Global Reporting Initiative (GRI), Social Responsibility Guide (ISO 26000:2010) issued by International Organization for Standardization (ISO), Writing and Compiling Guidelines of the Chinese Corporate Social Responsibility Reporting (CASS-C3R3.0) issued of Chinese Academy of Social Sciences (CASS), the UN 2030 Agenda for Sustainable Development, and supplement guidelines in aviation service industry. With systematic integration of crucial guidelines and standards, the report has served as a response to stakeholders’ expectations and requirements and highlighted industrial features and corporate characteristics.

G4 Materiality Disclosure: G4-17, G4-22

To ensure the report mainly cover the Company’s relevant information, data and case studies were collected from January 1, 2016 to December 31, 2016. This may extend beyond the time scope if necessary.

China Eastern Airlines Corporation Limited, with its branches and wholly owned subsidiaries may cover China Eastern Group and its branches are partly held by China Eastern.
Nowadays, we are experiencing an unprecedented historical revolution. Despite of weak economic recovery, rising trade protectionism, anti-globalization thoughts and global issues such as climate change and terrorism, China has successfully ushered in the 13th Five-Year Plan period and has maintained a stable and healthy development of economy and the society. The new stage is largely attributed to the economic policy framework geared to the new normal of economic development, which has been established since the 18th CPC National Congress, the five development concepts of “innovation, coordination, green development, opening up and sharing”, and the grand and strategic vision of “the Belt and Road”.

The achievement has assured us that only through development can we address global challenges; only through coordinated development of the economy, society and environment can enterprises better contribute to the sustainable development of the country and the society. The UN 2030 Sustainable Development Goals (SDGs) cover the common and interrelated economic, social and environmental issues in the process of global sustainable development, and illuminate enterprises’ path toward sustainable development. As a result, implementing “the five development concepts” has become the keynote of enterprises’ sustainable development during the 13th Five-Year Plan period.

Central SOEs are an important pillar for national economy and the backbone of “the Belt and Road” construction. As one of the central SOEs, China Eastern has always kept its mission and responsibility in mind, persisted in planning the enterprise’s reform and development under national strategic framework, and actively explored effective approaches to build a “Silk Road in the air” by strictly following “the Belt and Road Initiative”, making a big difference to corporate image while serving national strategies. At present, China Eastern Airlines has achieved a considerable increase in operational benefits and occupied a leading position in the industry in terms of key performance index such as the input-output ratio. The Company is now accelerating its transformation from a traditional aviation transport enterprise to a modern integrated service supplier in aviation industry.

Civil aviation industry is of strategic importance to China. While pursuing sustainable development, we have persisted in planning security work from the perspective of “national strategy and security”, unsparingly regarded security as the foundation of our development, and firmly put people’s life and property as the top priority. With zero tolerance of potential safety hazards, we have strictly implemented the safety responsibility system, adopted scientific and technological means to improve safety management, and substantially promoted the building of safety culture, which guaranteed aviation safety and aviation security, and helped us realize a safe year of 2016.

Under constantly changing development circumstances, we have always highlighted revolution and innovation, cultivated innovation genes, and comprehensively enhanced reform and transformation, making innovation the first driving force to continuously promote transformation of the development model and supply-side structural reform. It is because of our perseverance in integrating practice with exploration, pursuing innovation in reforms, and seeking breakthroughs in development that our vitality of creativity has been released to gradually shape corporate charisma and also decided the future of the Company.

As an aviation service supplier, we have always put passengers’ essential interests and great concerns in the first place, provided passengers with warm aviation services, and facilitated China Eastern Airlines to prevail in and become part of people’s life and an important channel to solve people’s living problems and improve quality of life. We have actively participated in actions against global climate change, and promoted green aviation and energy conservation and emission reduction. We have actively responded to national calls for poverty alleviation and made enormous efforts in targeted poverty alleviation and targeted poverty elimination projects. Meanwhile, we have integrated the development of China Eastern into social progress, realized a win-win situation with stakeholders in and out of the industry and at the upstream and downstream of the industrial chain. Through joint efforts with stakeholders, we try to serve people’s production and life in a wider scope and promote social development, and enable the public to enjoy more fruits of development.

The promotion of “the Belt and Road Initiative” will surely expand the strategic vision of our opening up, provide with more room for global competition, and open up as the essential path to promote global development with a globalized vision, and also actively serve global aviation enterprises more broadly and widely on the road of advancing China’s national strategy. “Over the past sixty years, we have opened achievements” The year 2017 witnessed the foundation of China Eastern. In our history, every historical milestone is a new start to usher in a new stage of development. Starting point, we believe, China Eastern is a country for its construction and people for a long time. China Eastern’s centennial dream into national great renaissance of the Chinese nation corporate mission and responsibility. We are an honourable enterprise, strive to realize a world-class airline, building a happy China, our wisdom and power to common sust
China Eastern has always prioritized national interests and shared weal and woe with the chapter for serving national economic and social development and building an airline dedicated to invigorating our economy.

A broad path for entrepreneurship, leaving impressive moments in the development history of civil aviation.

1988 - On April 27, Civil Aviation Administration of China (CAAC) approved of Shanghai Bureau of CAAC's adoption of the new name of China Eastern Airlines Corporation in No.302 CAAC Document. On June 25, China Eastern Airlines Corporation was officially listed.

1991 - China Eastern introduced MD-11 Aircraft to the international long-haul route from Shanghai to Los Angeles, which was China Eastern's first "flight to the world".

1993 - China Eastern joined International Air Transport Association (IATA).

1997 - In 1997, China Eastern was respectively listed in New York Stock Exchange, Hong Kong Exchanges and Clearing Limited and Shanghai Stock Exchange, becoming the first Chinese civil airline simultaneously listed the three exchanges.

2005 - China Eastern Airlines Corporation Limited announced the acquisition of subsidiaries wholly owned by China Eastern Group (namely China Eastern Airlines Northwest Branch and Yunnan Branch) and obtained the control of all of their aviation business and related assets.

2007 - China Eastern together with its subsidiaries wholly its control held the celebration ceremony to announce its admittance into SkyTeam Alliance, becoming the 14th official member of the Alliance.

2011 - China Eastern and Shanghai Airlines held the annual summing-up meeting for restructuring work and announced the completion of joint reorganization of China Eastern and Shanghai Airlines.

2014 - China Eastern together with its subsidiaries wholly its control held the celebration ceremony to announce its admittance into SkyTeam Alliance, becoming the 14th official member of the Alliance.

The photo of crew at the beginning of squadron

China Eastern Airlines H shares successfully listed in Hong Kong

China Eastern Delta Air Lines

China Eastern Airlines is a history of arduous entrepreneurship, bold advancement, grand reform, various contribution. China Eastern has always prioritized national interests and shared weal and woe with the chapter for serving national economic and social development and building an airline dedicated to invigorating our economy.
China Eastern persisted in medical care and humanism. A total of 42 flights were dispatched to deliver medical personnel and medicine, half of which were night flights. Responding to the call of “Planting trees for a greener China”, China Eastern embarked on afforestation by aerial seeding and seeded over 13 million mu of land within 30 years.

After a violent earthquake struck Tangshan, China Eastern participated in the disaster relief work for 10 days consecutively.

Since 2003, China Eastern has been conducting fixed-point poverty alleviation work in poverty-stricken counties of minorities in Shuangjiang and Cangyuan of Yunnan Province.

China Eastern participated in the disaster relief of Wenchuan Earthquake, dispatching a total of 498 flights to deliver 13,175 disaster relief personnel and wounded locals.

After an earthquake of 7.1 magnitude in Yushu, Qinghai, China Eastern immediately initiated the contingency plan and participated in the disaster relief work. China Eastern instantly delivered the first batch of firefighters and medical personnel to the hit area and rescued the first batch of casualties, for which China Eastern was honored “National Earthquake Relief Heroes Collective”.

China Eastern served Shanghai World Expo with quaternity service (sponsor, carrier, exhibitor, and service supplier) and was honored “Shanghai World Expo Advanced Collective”.

Since 2003, China Eastern has been conducting fixed-point poverty alleviation work in poverty-stricken counties of minorities in Shuangjiang and Cangyuan of Yunnan Province.

China Eastern was listed among the top 10 of Fortune’s ranking of 500 socially responsible global companies and ranked 1st in aviation industry.

China Eastern Flight Safety Technology Institute, China’s first corporate institute in civil aviation industry, was founded.
### In 1957 vs. In 2016

<table>
<thead>
<tr>
<th>In 1957</th>
<th>In 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 routes</td>
<td>177 countries and regions worldwide</td>
</tr>
<tr>
<td>28 crew members</td>
<td>Approximately 80,000 employees</td>
</tr>
<tr>
<td>7 “revolutionary” aircrafts</td>
<td>A 600-aircraft fleet mainly comprises of global advanced aircrafts</td>
</tr>
<tr>
<td>6,179</td>
<td>Over 100 million, ranking 7th in the world</td>
</tr>
</tbody>
</table>

The 60-year development course of China Eastern is a miniature of the growth of civil aviation of China growing from being weak to powerful. I expect that China Eastern, as a backbone civil airline committed to serving the national strategic layout and on a par with its counterparts as the benchmark, will strive to enhance its core competence and international competitiveness.

Feng Zhenglin, A

The 60-year development course of China Eastern has made a great contribution to promoting the economic and social development of China, building Shanghai into an international air transport hub and transforming it into a modernized cosmopolitan. I sincerely hope that China Eastern will inherit the spirit of preciseness, efficiency, passion and transcendence to serve Eastern China and the world with Shanghai as the center, and wish China Eastern further success in the years ahead.”

Chen Yin, Deputy Mayor of the People’s Government of Shanghai

“For the past sixty years, China Eastern has been dedicated to the cause of the CPC and serving the people, and has made huge contributions to the development of the aviation industry. While serving national strategies, economic and social development and the mass public, China Eastern has incurred the sacred mission and responsibility as a central SOE. With enhanced scale, strength, development quality and profitability, China Eastern has made significant contributions to the modernization and reform and opening-up of China. I sincerely wish China Eastern a bright future.”

Zhou Yubo, Vice Secretary of State-owned Assets Supervision and Administration Commission of the State Council

“As a corporation client of China Eastern, we have built up deep friendship with China Eastern through years of communication and cooperation. The 60-year development has laid a solid foundation for China Eastern’s future development. With such a historical inheritance and the global advanced business model, China Eastern is bound to achieve much more in the future.

Chen Derong, General Manager of China Baowu Steel Group

“China Eastern is one of the largest and most successful airlines in China. The Company has become a world-famous brand and service provider for global travelers. Just like a diamond of SkyTeam Alliance, China Eastern has added to values of the Alliance.

Michael Wisbrun, Chairman of the SkyTeam Airlines

Approximately 80,000 employees

A 600-aircraft fleet mainly comprises of global advanced aircrafts

Over 100 million, ranking 7th in the world

The 60-year development course of China Eastern is a miniature of the growth of civil aviation of China growing from being weak to powerful. I expect that China Eastern, as a backbone civil airline committed to serving the national strategic layout and on a par with its counterparts as the benchmark, will strive to enhance its core competence and international competitiveness.

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Chen Yin, Deputy Mayor of the People’s Government of Shanghai

“...
China Eastern Airlines is a Sino-foreign joint venture that belongs to the China Eastern Group. It is considered one of the four backbone airlines in China, primarily operating domestic and international flights. The airline offers services ranging from general aviation to equipment manufacturing, and extends its services to e-commerce and other businesses related to passengers carried by China Eastern Airlines, ranking 7th in the world.

The airline operates a variety of aircraft models, including the B777, B767, B757, and A340. Over the recent three years, B757, A340, and EMB aircrafts have gradually been eliminated.

B777: 16, 6, 0
B767: 6, 6, 5
B757: 0, 0, 4
737: 234, 211, 190
340: 0, 0, 44
330: 51, 51, 44
321: 66, 48, 39
320: 163, 160, 154
319: 36, 35, 29
MD: 0, 6, 10
777: 6, 6, 6
757: 0, 0, 2
747: 3, 3, 4

In 2016, China Eastern Airlines has 177 countries and regions worldwide, 1,062 destinations, 10 branches, 75,327 employees, and 581 overseas outlets and offices.
June, 2016

- Maiden flights of 4 newly developed routes connecting Shanghai to European cities of Saint Petersburg, Prague, Amsterdam and Madrid were launched. The number of flight destinations in Europe was increased to 9 from 5. A record that “4 long-haul routes to Europe launched within 8 days” was created. According to statistics, China Eastern’s air transport capacity of international (regional) routes has increased the most in 2016 compared to previous years. (Pic Ŕ)

September, 2016

- China Eastern held the conference on internationalization strategies in September 2016. The conference focused on effort to build a “world-class” airline through farsighted and innovative planning and systematic “top-level design” of internationalization strategies, blueprinting a new direction of China Eastern development in the new era.

October, 2016

- China Eastern’s flagship VIP lounge at Pudong International Airport was launched, which is the largest independent VIP lounge at terminals in China. This is a new milestone of China Eastern in optimizing passengers’ traveling experience, promoting service upgrade and building an international aviation service brand. (Pic ŕ)

December, 2016

- Mr. Liu was the 100,000,000th passenger of China Eastern in 2016, and it is the first time that annual passenger total of China Eastern exceeded 100 million. It is a new breakthrough of China Eastern as the 7th largest airline in the world, symbolizing the increasingly important role of China airlines in international civil aviation. The building of a nation of strong civil aviation and China Eastern’s international influence have been further exhibited. (Pic ŕ)
<table>
<thead>
<tr>
<th>Award name</th>
<th>Issuer</th>
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</thead>
<tbody>
<tr>
<td>Brand Finance Global 500 2016 – world’s 500 most valuable brands</td>
<td>Brand Finance</td>
</tr>
<tr>
<td>“BrandZ Top 30 Most Valuable Chinese Brands”</td>
<td>WPP</td>
</tr>
<tr>
<td>Hong Kong “Golden Bauhina Awards” – “The Listed Company with the Most Investment Value during the “Thirteenth Five-Year” Period”</td>
<td>The Listed Companies Association of Beijing, The Hong Kong Chinese Enterprises Association, Hong Kong Takung-Wenwei Media Group</td>
</tr>
<tr>
<td>Asia Pacific Airline of the Year 2016</td>
<td>CAPA Asia Aviation Summit</td>
</tr>
<tr>
<td>“Poverty Alleviation Award of the Year 2016 of People’s Enterprises CSR Awards”</td>
<td>People.cn</td>
</tr>
<tr>
<td>“GoldenBee·Leadership Enterprises” award</td>
<td>China WTO Tribune, Ministry of Commerce</td>
</tr>
<tr>
<td>“Best China Airline”</td>
<td>Travel Trade Gazette (TTG)</td>
</tr>
<tr>
<td>“Exemplary Enterprise in Precision Poverty Alleviation”</td>
<td>World Philanthropy Forum</td>
</tr>
<tr>
<td>International Carbon-Value Award - Carbon-Value Social Citizen Award</td>
<td>The World Economic and Environmental Conference (WEC)</td>
</tr>
<tr>
<td>“China’s Most Respected Enterprise” at the 14th Annual Conference of Most Respected Companies in China</td>
<td>The Economic Observer</td>
</tr>
<tr>
<td>Asia Tourism - “Red Coral Award” “The Most Popular Airline”</td>
<td>Asian Tourism Industry Annual Conference 2016</td>
</tr>
<tr>
<td>Civil Aviation Communications Summit 2016 “Best Brand Value Award” “Best Overseas Communication Award”</td>
<td>CAICOC</td>
</tr>
<tr>
<td>“Award for the Best practice of Public Welfare Engagement”</td>
<td>China (Shanghai) Listed Companies CSR Summit (organized by Xinhuanset, The Listed Companies Association of Shanghai, Shanghai Federation of Economic Organizations, Financial Services Bureau of Shanghai Pudong New Area, and China Financial Information Center)</td>
</tr>
<tr>
<td>Award for best sample corporations of “Annual Employee Care”</td>
<td>Invest In Green Future – CSR and Innovation 2016 Shanghai Summit (organized by Shanghai Observer of Jiefang Daily, Shanghai Daily, and Eastday.com)</td>
</tr>
<tr>
<td>“Award for Units with Outstanding Practice of Civil Aviation Internet Technology Application 2016”</td>
<td>Civil Aviation Internet Conference</td>
</tr>
</tbody>
</table>

**Corporate Strategy and Governance**

**Corporate strategy**

The year 2016 is the first year of the 13th Five-Year Plan period. Adhering to national guidance on enhancing SOE reform, China Eastern has followed new requirements and industrial development tasks and proposed new targets and new approaches to enhance the reform. A new development plan featuring “one guarantee and two aspirations” has been formulated.

1. **Comprehensively deepening reform**

2. **Transformational development, brand building and capability improvement**

3. **Internationalized and internet-based development**

The new development plan of “1232”

**Corporate governance**

China Eastern strictly complies with domestic and overseas listing rules and relevant laws and regulations, and constantly improves the modern corporate governance structure consisting of shareholders’ meeting, board of directors, board of supervisors and management which form a check-and-balance mechanism. In 2016, the Company assisted Shanghai Stock Exchange in the compilation of No.19 Guideline on Industry Information Disclosure of Listing Companies - Air Transport and solid opinions on the compilation work.

The shareholders’ meeting, board of directors, board of supervisors and the management perform their respective duties independently in accordance with the stipulation in the Articles. There are Nomination and Remuneration Committee, Audit and Risk Management Committee, Planning and Development Committee and Aviation Safety and Environment Committee to assist and support the Board of Directors. In 2016, the Board of Directors consisted of 11 directors, among whom four were independent directors. The Company held two shareholders’ meetings, nine regular concerts of directors and 16 meetings for board of directors, board of supervisors and management which form a check-and-balance mechanism. In 2016, the Company assisted Shanghai Stock Exchange in the compilation of No.19 Guideline on Industry Information Disclosure of Listing Companies - Air Transport and solid opinions on the compilation work.

The Company communicated with investors via face-to-face communication, telephone, email and oral communication. In 2016, the Company held a few domestic shareholders’ meetings, nine regular concerts of directors and 16 meetings for board of directors, board of supervisors and management which form a check-and-balance mechanism. In 2016, the Company assisted Shanghai Stock Exchange in the compilation of No.19 Guideline on Industry Information Disclosure of Listing Companies - Air Transport and solid opinions on the compilation work.

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China Eastern continuously promoted legal compliance

- Releasing Regulations on the Implementation of Party Style Construction Work of China Eastern Airlines and CPC Branch Committee
- Conducting comprehensive supervision and inspection work, promoting the building of a good corporate style.
- Conducting comprehensive supervision and inspection work in key areas and crucial links and building a long-term effective management and control mechanism through analyzing causes, sorting out the implementation flow and improving systems.
- Conducting educational and professional trainings in advance in key time nodes, carrying out spot inspections in 12 business units such as Shanghai Airlines, Eastern Jiangsu, and Eastern Logistics, and organizing and conducting the rectification work on “Four styles (formalism, bureaucracy, hedonism and extravagancy)”.
- Conducting the application system according to principles of “access division, mutual constraint, and minimal access.”
- Improving the capability of China Eastern discipline inspection team, and following the team’s deployment and adapted its WeChat group platform to carry out the seminar of “One question for one day, one case for one discipline” according to the Company’s disciplinary inspection team.
- Deploying multi-layer security equipment in the front end of passenger service system in internet.
- Designing the application system according to principles of “access division, mutual constraint, and minimal access.”
- Ensuring the constraint on access to passenger information protection and the recordable and retrievable passenger information system.
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- Improving the capability of China Eastern discipline inspection team, and following the team’s deployment and adapted its WeChat group platform to carry out the seminar of “One question for one day, one case for one discipline” according to the Company’s disciplinary inspection team.

China Eastern continuously promoted anti-corruption work

- Implementing the penalty system, firmly putting those who violate the regulations under the law, and reasonably adopting criticizing and educating and laws to handle discipline and occupation issues.
- Improving the capability of China Eastern discipline inspection team, and following the team’s deployment and adapted its WeChat group platform to carry out the seminar of “One question for one day, one case for one discipline” according to the Company’s disciplinary inspection team.
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Risk control

The Company has taken a risk-oriented approach to constantly strengthen risk control, improve internal control system construction, and completed the task of sorting out risks. The Company has strengthened audit and supervision of high-risk business and affairs, established a normalized audit mechanism, explored effective approaches to integrate risk management and control with traditional audit, and organized targeted trainings in risk control.

In 2016, the Company continuously promoted the construction of internal risk control system, printed and released the Manual on Updating and Maintenance Plan of Internal Risk Control 2016, and drafted regulations including Regulations on the Implementation of Audit Outsourcing Management and Regulations on Due Transfer of Audit Problems.

Information security

As an airline in possession of massive passenger information, the Company has compiled with laws and regulations and valued passenger information protection, and formulated regulations including Regulations on Frequent Flyer Information Risks Management and Regulations on Information Visit Control and Management. Moreover, the Company guaranteed the accurate operation of business, improved security and standardization of data collection, information utilization and storage, and passenger information security risks. In 2016, the Company did not receive any complaint about the leakage of private information.

China Eastern continuously promoted information security infrastructure project and major decision reviews

Passenger information protection measures of China Eastern

- Implementing the penalty system, firmly putting those who violate the regulations under the law, and reasonably adopting criticizing and educating and laws to handle discipline and occupation issues.
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China Eastern continuously promoted risk management and control with traditional audit, and organized targeted trainings in risk control.
Integrating CSR into the Organization

**Philosophy**
- Being loved by employees, becoming the first choice of customers, the satisfaction of shareholders and the trust of the society

**Strategy**
- "1232" development plan

**Management approach**
- Identification of material issues
- Stakeholder analysis

**Organization structure**
- Senior executives
- Intermediary executives
- Front-line personnel

Social responsibility management framework of China Eastern

We have adhered to the idea of "caring for employees, putting clients first, satisfying shareholders, and earning the public's trust," and integrated social responsibility management work into corporate strategies and business activities, working closely with stakeholders to promote social responsibility fulfillment and development.

**Identification of Material Issues**

According to Sustainability Reporting Guidelines (G4) of the Global Reporting Initiative (GRI), the Company has made a list of critical material issues in 2016 based on materiality disclosure in 2015, and major strategies and stakeholders' expectations in the coming fifteen years. With China's "opening up" policy, the "the Belt and Road" regional development, the clustered development opportunities for China and the advent of "mass tourism" and development opportunities for China's complex and volatile international situation, China Eastern has always taken "safety" as the cornerstone of corporate development, focused on different aspects of corporate development based on "innovation", "coordination" and "opening up", performed a "green" way to fulfill its responsibilities of combating climate change and promoting energy conservation, persisted in win-win cooperation and "sharing" development results with stakeholders including employees, clients, partners, industries and communities.

**Review and identification**

Based on 18 major material issues disclosed in the Company's CSR report in 2015, we took into consideration feedback of internal and external stakeholders during the reporting period to complement the list of major material issues, and highlighted and refined core issues, providing references for the analysis of material issues in 2016.

Furthermore, we made a deep analysis of macro policies and trends of global sustainable development in 2016, benchmarked the sustainability of the aviation industry in terms of requirements and practices, and sorted out and formulated the material issues database of 39 issues based on corporate strategies and development focuses in 2016.
of internal and external stakeholders, exchanges/ investors, local societies, peers/ industry associations, dealers, communities/ NGOs/ media, we made the assessment sequence of the stakeholders. We adopted questionnaire surveys and interviews (on-site interviews and telephone interviews) to investigate 63 internal and external stakeholders. We made quantitative and qualitative analyses of priorities of issues and conducted a comprehensive sequencing of material issues in terms of stakeholders’ degree of attention and the importance to corporate development. Finally, we concluded the preliminary assessment results of material issues.

In order to verify the preliminary results of the assessment of material issues, and listed top 29 issues to both the Company and stakeholders through comprehensive analyses.

The matrix of material issues of China Eastern in 2016 collected and disclosed information concerning the management methods and indicators of the aforementioned categories, which were unable to acquire management and performance information, they will be given priority to our future CSR reports to further enhance the importance to China Eastern.

### Disclosure of material issues

<table>
<thead>
<tr>
<th>Material issues</th>
<th>Aspect in the G4 Guidelines</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operation performance</td>
<td>Economic performance</td>
<td>About Us</td>
</tr>
<tr>
<td>Compliance management</td>
<td>Economic performance</td>
<td>Strategy and Governance</td>
</tr>
<tr>
<td>Risk management and control</td>
<td>Governance</td>
<td>Strategy and Governance</td>
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<tr>
<td>Passenger information protection</td>
<td>Customer privacy</td>
<td>Safety Management</td>
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<tr>
<td>Safety management</td>
<td>Indirect economic impacts</td>
<td>Optimization of Rights &amp; Interests and Welfare</td>
</tr>
<tr>
<td>Reform and transformation</td>
<td>Economic performance</td>
<td>Promotion of Reform</td>
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<tr>
<td>Innovation of business models</td>
<td>Economic performance</td>
<td>Innovation of Business</td>
</tr>
<tr>
<td>Smart service</td>
<td>Product and service labeling</td>
<td>Intelligent Innovation</td>
</tr>
<tr>
<td>Flight punctuality</td>
<td>Product and service labeling</td>
<td>Improving Clients’ Experience</td>
</tr>
<tr>
<td>Luggage transport</td>
<td>Product and service labeling</td>
<td>Improving Clients’ Experience</td>
</tr>
<tr>
<td>Passengers’ well-being</td>
<td>Customer health and safety</td>
<td>Safety Management</td>
</tr>
<tr>
<td>Special passenger service</td>
<td>Customer health and safety</td>
<td>Safety Management</td>
</tr>
<tr>
<td>Staff diversification</td>
<td>Diversity and equal opportunity</td>
<td>Comprehensive Talent Development</td>
</tr>
<tr>
<td>Regional economic development</td>
<td>Local communities</td>
<td>Coordinated Regional Development</td>
</tr>
<tr>
<td>International development</td>
<td>Indirect economic impacts</td>
<td>Sustainable International Development</td>
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<tr>
<td>Strategic cooperation</td>
<td>Indirect economic impacts</td>
<td>Enriching the Communities</td>
</tr>
<tr>
<td>Environmental management</td>
<td>Environment</td>
<td>Combating Climate Change</td>
</tr>
<tr>
<td>Combating climate change</td>
<td>Energy</td>
<td>Combating Climate Change</td>
</tr>
<tr>
<td>Recycling of resources</td>
<td>Energy</td>
<td>Combating Climate Change</td>
</tr>
<tr>
<td>Prevention and treatment of pollutions</td>
<td>Emission</td>
<td>Prevention and Treatment of Pollutions</td>
</tr>
<tr>
<td>Training and development</td>
<td>Training and education</td>
<td>Sharing Happiness</td>
</tr>
<tr>
<td>Rights &amp; interests and welfare</td>
<td>Employment</td>
<td>Sharing Happiness</td>
</tr>
<tr>
<td>Occupational health and safety</td>
<td>Occupational health and safety</td>
<td>Sharing Happiness</td>
</tr>
<tr>
<td>Balance between work and life</td>
<td>Occupational health and safety</td>
<td>Sharing Happiness</td>
</tr>
<tr>
<td>Responsible procurement</td>
<td>Supplier environmental and human rights assessment, supplier assessment for labor practices and impacts on society</td>
<td>Win-win Cooperation</td>
</tr>
<tr>
<td>Supporting industrial development</td>
<td>Indirect economic impacts</td>
<td>Supporting Industrial Development</td>
</tr>
<tr>
<td>Engagement in communities</td>
<td>Local communities</td>
<td>Sharing Harmony with Communities</td>
</tr>
<tr>
<td>Targeted poverty alleviation</td>
<td>Local communities</td>
<td>Sharing Harmony with Communities</td>
</tr>
<tr>
<td>Support to local suppliers</td>
<td>Indirect economic impacts</td>
<td>Sharing Harmony with Communities</td>
</tr>
</tbody>
</table>
Stakeholders Engagement

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Main issues of concern</th>
<th>Participation</th>
</tr>
</thead>
<tbody>
<tr>
<td>SASAC</td>
<td>Operation performance</td>
<td>Working conference Regular report Business assessment Inspection tour</td>
</tr>
<tr>
<td>Civil Aviation Administration</td>
<td>Safety management Flight punctuality Improvement of service quality Combating climate change Compliance management Support for the development of the industry</td>
<td>Working conferences Issuance of notices Supervision and audit Operational guidance</td>
</tr>
<tr>
<td>Stock exchanges/ investors</td>
<td>Operating performance Risk management and control Compliance management</td>
<td>Company announcements Shareholders’ meetings Performance roadshows Regular information disclosure Independent director Auditing system</td>
</tr>
<tr>
<td>Local governments</td>
<td>Compliant operation Combating climate change Prevention and treatment of pollutions Engagement in communities Targeted poverty alleviation Regional economic development</td>
<td>Routine communications Government-entreprise partnership Submission of stakeholder reports</td>
</tr>
<tr>
<td>Clients</td>
<td>Safety management Flight punctuality Optimization of hardware facilities Improvement of service quality Luggage transport Protection of passenger information Passengers’ well-being Special passenger service</td>
<td>Membership activities Customer hotline Weibo, WeChat online platforms Internal supervision Customer satisfaction survey External stakeholder system</td>
</tr>
<tr>
<td>Employees</td>
<td>Protection of basic rights and interests Occupational health and safety Training and development Work-life balance</td>
<td>Staff congress Online exchanges, seminars Training, competing for positions Internal supervision Customer satisfaction survey Trade unions</td>
</tr>
<tr>
<td>Peers/industry associations</td>
<td>Compliance management Supporting industrial development Strategic cooperation</td>
<td>Communication conferences Exchanges among the industry Project cooperation Social supervision</td>
</tr>
<tr>
<td>Dealters</td>
<td>Strategic cooperation Compliance management</td>
<td>Project cooperation Routine business communications Business meetings and negotiations Reporting mechanism Auditing/Assurance</td>
</tr>
<tr>
<td>Suppliers</td>
<td>Compliance management Risk management and control Supply chain management Support to local suppliers</td>
<td>Project cooperation Routine business communications Business meetings and negotiations Reporting mechanism Auditing/Assurance</td>
</tr>
<tr>
<td>Industrial partners</td>
<td>Compliance management Risk management and control Reform and transformation Nationalized development</td>
<td>Project cooperation Business meetings and negotiations Business community Social supervision</td>
</tr>
<tr>
<td>Communities/nonprofit organizations/media</td>
<td>Prevention and treatment of pollutions Engagement in communities Targeted poverty alleviation Regional economic development Compliance management Reform and transformation</td>
<td>Voluntary service activity Community project cooperation Press conference Media interview Interactive new media Social supervision</td>
</tr>
</tbody>
</table>

Special issues disclosed in the report match

Materiality Disclosure: G4-24, G4-25, G4-26, G4-27
Strengthening Safety Foundation for Further Development

On safety is of great significance to national security and national strategy, and it is also the top priority of China's sustainable development. High-quality security is the cornerstone of China's sustainable development. We always put people's life and property safety in the first place and aviation security guarantee the most important and primary responsibility, through which we properly cope with the security risk, ensure the flight safety, ground safety and air defense safety. We aspire to becoming the safest airline to ensure all passengers a safe flight.
**Safety Culture Construction**

The safety culture reflects the attitude, values, and beliefs in every unit and every group. A good safety culture provides a positive and proactive safety behavior environment, helps to establish security risk awareness and safety culture in the staff, and improves the security awareness through daily activities like Safe Production Month and staff training related activities.

**Strengthening Supervision and Review**

After the security incidents in 2016, China Eastern set up an inspection group to supervise the security work in branch companies, reviewed the qualification of professionals, established the control element list and question library, and conducted on-site inspection of key nodes in the operation process. We have also established a cooperation with China Regional Administration of approval of certification, unified the rules and regulations and improved its rules and regulations.

**Management System**

After the security incidents in 2016, China Eastern set up an inspection group to supervise the security work in branch companies. The Board of Directors level, Security Management System level, Aviation Security Control System level, and Safety Supervision level, all formulate the Continuous Security Management System, and ensure compliance with China Regional Administration of approval of certification, unified the rules and regulations and improved its rules and regulations.

**Comparison of the Civil Aircraft Incident Rate per Ten Thousand Hours between China Eastern and the Industry Average**

<table>
<thead>
<tr>
<th>Year</th>
<th>China Eastern</th>
<th>Industry Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>0.396</td>
<td>0.431</td>
</tr>
<tr>
<td>2015</td>
<td>0.074</td>
<td>0.023</td>
</tr>
<tr>
<td>2016</td>
<td>0.072</td>
<td>0.025</td>
</tr>
</tbody>
</table>

Note: Data source: CAAC Security Information Statistics Analysis Report

**Measures to improve staff working conditions**

After the security incidents in 2016, China Eastern held a "safety with pride" staff training related activities. Measures to improve staff working conditions include: strengthening safety training and education, enhancing the staff's working conditions and environment, improving their work safety and satisfaction, and promoting the security awareness of the staff.
Flight Quality

Low flight quality will increase the probability of flight accidents. We have attached great importance to management and control of the fleet structure and maintenance, and adopted innovative technology to improve flight efficiency and ensure flight safety.

Structure

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Age of Crew (Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>6.10</td>
</tr>
<tr>
<td>2015</td>
<td>5.42</td>
</tr>
<tr>
<td>2016</td>
<td>5.39</td>
</tr>
</tbody>
</table>

Note: China Eastern is one of the airline companies whose crew has the lowest average age.

Performance Capability

To reduce maintenance accidents and improve fleet operating efficiency, China Eastern traded old types with the latest ones while maintaining the fleet structure. In 2016, the company introduced wide-bodied aircrafts (Boeing B787) and the fleet structure was further optimized.

Craftsmanship to improve flight safety

To improve the operability and maintainability of the fleet, China Eastern is monitoring its orderliness and normality at the same time to give full play to the safety margin and ensure flight safety.

Guarantee

Main technological innovation projects of China Eastern

- Phase 2 of EFB project
- HUD operation
- GLS operation
- PBN route map

Expanding EFB application to B777, A320 and B737

Promoting complementary qualification verification of HUD operation

Acquiring approval for GLS trial operation

Promoting Civil Aeronautics Administration's PBN route map based on performance

China Eastern becoming China's first airline company with paperless navigational data

The traditional airborne paper navigational data weigh up to tens of kilograms. Omissions may occur during reading and timely update is not guaranteed. China Eastern has promoted the application of mobile-based EFB (Electronic flight bag) since 2011 and became the first company to use EFB with CAAC's approval in 2013. In 2016, all types of China Eastern's airplanes were approved of using EFB. China Eastern thus became the world's fifth, and the first non-American airline company with paperless navigational data equipped on the whole fleet of all types. The number of passenger planes using EFB ranks first in Asia.

Voice from stakeholders

The change from the paper age to electronic age not only improves the operating efficiency, but also makes up for the limitations of the human brain and further ensures flight safety. In addition, the adoption of EFB means each flight weighs one passenger effect in saving oil consumption and enterprise cost.

Hou Jianjun, Former General Manager of China Eastern

"Wise Dispatch" to help avoid volcanic ash

Located in Russia, Shiveluch is one of the world's most active volcanos. The volcanic ash after its eruption in December 2016 severely influenced China Eastern's flights. China Eastern has independently developed a dispatch operation monitoring system with functions like meteorological report analysis and graphical display; it could also conduct real-time monitoring of flight information. When Shiveluch sent the warning level, warning time and warning details immediately, and worked out alternative routes according to the collected weather to avoid the affected area and arrive smoothly.

China Eastern's dispatch operation monitoring system was launched in 2011, and obtained the patent certificate issued by the State Intellectual Property Office in July 2016. It is our first self-developed information system that has successfully obtained the software patent. This system promotes automation level of the efficient release and meticulous monitoring of dispatchers, and improves the operational safety level and efficiency.
Health Management

No matter what flight routes, flight time or weather conditions are, the crew should maintain good physical quality. China Eastern is concerned about the physical health of the crew, and carries out pre-flight physical examination to ensure they are in good health.

We have cooperated with FAP (Employee Assistance Program) project by compiling EAP-related books, inviting well-known scholars to give lectures about psychological health, and organizing trainings themed “Human Self-Awareness”, “Recognition of and Response to Psychological Crisis”, “Our Life Experience”, “Emotion Management and Stress Management” and “Explore Three Different ‘Me’”. We have also introduced the V-Health platform integrating both physical and mental health to provide physical and psychological consultation for the crew and help them relieve mental pressure and improve emotion regulation, communication and emergency management.
Expanding Innovation to Lead Development

Innovation is the most important driving force for development. China Eastern always pursues innovation-driven development and keeps unleashing its vitality through innovation. The company, by adapting itself to the new situation, has worked hard on deepening innovation to step up its transformation. It has deepened the reform of state-owned enterprises by hitting a new balance between demand and supply thus satisfy the demands of the society. The company has made a thorough change through technological renovation and cooperation, building a new eco-system to provide all customers with better and smarter services.
Innovation of Information Technology

Aviation industry is undergoing the process of digitalization. By being "Internet Based China Eastern", the company has established necessary infrastructure as one of the important means to facilitate the implementation of "mass entrepreneurship and innovation", which provides a constant comprehensive driving force for corporate growth.

Furthermore, the Company also organized regular innovation salons for young people, and investigated the implementation of "mass entrepreneurship and innovation", which provided a constant comprehensive driving force for corporate growth.

On the other hand, the company also used its advantage in resource as a state-owned enterprise to boost its business. Such an organizational mechanism for promoting business transformation and innovation was effectively improved.

The first airline to realize everyday operation scheduling of China Eastern Workshop Programs, which helped the company realize group management of workshop programs and completed the corresponding annual training for 136 key project executors on project promotion. All intermediary and senior executives were trained by Six Sigma to improve their management.

39 workshop programs for intermediary and senior executives, providing project methodology training for 83 workshop programs and 180 intermediary executive workshop programs and completed their corresponding annual training for 136 key project executors on project promotion. All intermediary and senior executives were trained by Six Sigma to improve their management.

Innovation of Organizational Structure

To properly allocate resources and make timely response to market opportunities, the company's development was steadily to strengthen its core R&D and system delivery abilities with higher operation efficiency and better services.

The only piloting business transformation platform, the Business Transformation Office was set up in 2013 to formulate the top-level design of passenger transport business. As a trial to explore comprehensive reform, China Eastern Airlines E-Business Co., Ltd., the world's first airline e-commerce, was established in 2014, which has become the implementer of China Eastern's transformation and innovation incubation platform. By providing institutional guarantee for business transformation and innovative leadership, the company continuously released the China Eastern Airlines Business Transformation Promoting Plan (Interim), and drafted the China Eastern Airlines Business Transformation Promoting Plan (Interim), and drafted the China Eastern Business Transformation Promoting Plan (Interim).

Achieving the strategic goals of "the mechanism for promoting business transformation and innovation, the Company reorganized the business transformation platform, the Business Transformation Office, and released the China Eastern Airlines Business Transformation Promoting Plan Interim, and drafted the China Eastern Business Transformation Promoting Plan (Interim)". To effectively improve, the company also used its advantage in resource as a state-owned enterprise to boost its business. Such an organizational mechanism for promoting business transformation and innovation was effectively improved.

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Innovation of Business Transformation Platform

"The 1232" new development strategy, China Eastern has been adhering to the "1232" new development strategy, China Eastern has been working hard to improve the core competitiveness of passenger transport businesses, and has promoted the series of "We are young, we can" contests, and encouraged a series of "We are young, we can" contests, and encouraged the implementation of "mass entrepreneurship and innovation", which has provided a constant comprehensive driving force for corporate growth.

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6.58 times the supply-side structural reform and brought together quality resources to lay a systemic foundation and create a new development strategy, China Eastern has been adhering to the "1232" new development strategy, China Eastern has been working hard to improve the core competitiveness of passenger transport businesses, and has promoted the series of "We are young, we can" contests, and encouraged a series of "We are young, we can" contests, and encouraged the implementation of "mass entrepreneurship and innovation", which has provided a constant comprehensive driving force for corporate growth.

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Reform and Transformation

In 2016, China Eastern took on the task of SOE reform and transformation, released the 2016 version Reform Comprehensively after revision, in which 19 specific tasks and 5 supporting measures were approved. By mechanisms and systems, the Company aims to establish a modern corporate system and improve the quality, efficiency.

Major moves in China Eastern's reform and transformation

Influenced by the internet technology revolution, the upgrade of consumption demand and the change of production mode, new business pattern

China Eastern deeply exploits and promotes “contact resources”

Improving customer stickiness by expanding platforms

Enhancing the developing of contact resources

Attracting customers’ attention through advertising on tray table of cabin seats, handrails on airport shuttle buses, boarding gate, boarding pass, name card and other media

Integrating service contact and external resources

Designing diversified contact scenarios to attract customers, such as “New Year Lucky Bag”, “China Eastern Helps Expressing Love on 5.20”, “Folding Fan in Summer” and “Package for Big Bonus”

Encouraging passenger feedback among different platforms

China Eastern deeply exploits and promotes “contact resources”

Accelerating the construction of one-stop travel solutions platform

While strengthening its core passenger transport business, China Eastern keeps building the one-stop travel solutions platform to offer customers integrated products to satisfy the demands of different customers. In 2016, China Eastern reached strategic cooperation, aiming to open up the whole industrial chain of air transport and establish a new business model and expanded cross-border businesses, working constantly to improve the competitiveness of its industry.

Innovation of Business Model

Mixed ownership reform

- Introducing external strategic investment to stimulate corporate development
- In 2015, Delta Air Lines invested USD 450 million in China Eastern, becoming its largest overseas shareholder
- In 2016, China Eastern reached strategic cooperation on business, equity, capital market and other aspects with Ctrip.com

Renovating freight transport business

China Eastern sets “becoming the most innovative logistics service provider” as its goal of freight transport development. Relying on its airline network, it has been able to deliver goods to the whole country and reaches to overseas places, China Eastern has provided sustained driving force and direction for its further development. This trend is consistent with the strategy of “One platform and two service providers” (namely “fast supply chain platform”, “high-end logistics solution provider” and “integrated ground service provider”).
Intelligent Innovation

Traditional check-in counters can no longer meet passengers' growing demand. Intelligent technologies are deeply inlaid into the service industry, which also requires a much more intelligent air service. China Eastern keeps implementing its internet strategy, and improving its service by applying information technologies. It not only provides customers with more intelligent, quality and comprehensive services and more values, but has gained an edge in the fierce market competition through differentiation.

Improving Passengers’ Self-service Experience

The Company has boosted the transformation and upgrading of its whole service chain by taking innovative technologies such as mobile connectivity as the driving force. In 2016, the Company further improved the online service model with intelligence as its core and manual work its supplement. The “telephone + internet platform” service operation system was initially established. While optimizing the original self-service functions such as self-check-in and self-help flight information printing, the Company also added other new online functions such as voluntary refund and rescheduling and services for special passengers, providing customers with more convenient and faster trips.

Promoting Fly-Fi Service

China Eastern launched Fly-Fi service on several routes in 2015. Since then, all of China Eastern’s planes capable of providing Fly-Fi service were granted the permission to launch commercial operation test. China Eastern became the first airline in great China area to operate in-flight internet service in a large scale, ranking at the first place in the region in terms of the fleet scale, the number of air routes and passengers served.

Fly-Fi service provides passengers with more entertainment options on board, and on the other hand, it helps the company ensure and improve its service quality and efficiency. For instance, the cloud video conference system based on Fly-Fi service makes it more convenient for cabin managers, crew members and flight attendants on duty to hold conferences, ensuring that any emergency on board can be efficiently managed. During the 2016 Airshow China in Zhuhai, Peng Zhenglin, head of Civil Aviation Administration of China (CAAC), had a video call through the Fly-Fi service with the MU5086 crew flying from Los Angeles to Shanghai.

In May, 2016, a Chinese American mother and his son were going to take China Eastern’s flight MU717 from Shanghai Pudong International Airport to Chicago when the son suddenly had a heart attack. The crew made an emergency call for ambulance to take him to the hospital. And in consideration of the health condition of his mother, the crew assisted her to fly to Chicago in advance. The crew used Fly-Fi service to keep the mother informed of the real-time situation of her son during the flight to try to ease her concern. This incident proved China Eastern’s qualified emergency rescue ability and showed the value of Fly-Fi service in emergency rescue.

Self-service functions provided by China Eastern

Note: lost luggage search is currently available only on arriving flights of a few airports

Links

According to the survey by International Civil Aviation Organization (ICAO), 70% of passengers wish to print boarding pass remotely, 81% want to get access to their luggage information during the trip and 93% need real-time flight information.

—Source: 2016 Annual Report of ICAO

China Eastern launched e-card service in cooperation with Shanghai Hongqiao International Airport to save the waiting time of passengers without a luggage to check in.

Fly-Fi service connects mother and son

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Overall Consideration and Balanced Development

Coordination is the inherent requirement for comprehensive development and the only way to achieve sustainable development. With rapid expansion of the aviation industry, China Eastern faces a series of contradictions between insufficient control ability rapid corporate development, service ability and customer expectation, which poses great challenges to the Company. We treat such imbalances in development seriously, considerate problems comprehensively and in advanced manner, so as to correctly handle significant imbalances in development. By doing this, we intend to ensure synchronous development among different aspects to achieve fairer and higher quality sustainable development of the Company and society.
Management improvement can effectively guarantee the coordination between management level and business development, and it is also a crucial approach to consolidate development achievements and strengthen the Company’s core competitiveness. Driven by customer experience and value of customer services, China Eastern makes thorough effort to solve service problems, and enrich the coordination between customers and the Company more harmonious.

Reinforcing the Management Foundation

Data source:
- Civil Aviation Flight Operation Efficiency Report 2015
- Major Civil Aviation Transport and Production Indicators in December, 2016

Informatization of flight management

The Flight Resource Management System (FRMS), as electronic archives of the Company’s pilots and data sources for automated scheduling, plays an important role in the field of flight management. In 2016, China Eastern cooperated with the Civil Aviation Flight Operation Efficiency Report 2015 to make an in-depth analysis of the flight resource management level, so as to make informed decisions and find the key factors affecting flight punctuality.

Informatization of customer service

China Eastern’s customer service is among the highest concerns of customers when referring to air transport, and it’s also the key problem trying to tackle in recent years. Flight delays are caused by a variety of complicated factors. The three major causes of flight delays are traffic congestion, weather, and airlines, which account for 30.68%, 29.5%, and 19.1%, respectively. In order to reduce the risk of flight delays and improve punctuality, China Eastern will take the flight punctuality management as the focus of the Company’s work.

Improving the Customer Experience

2016 was the first year that Civil Aviation Administration (CAA) has proposed the idea of “Sincere Service”. We have deepened our understanding about the core competitiveness of a company and been committed to meeting the growing demands of better services. In this way, the third party service can be simultaneously improved, making the relation between customers and the Company more harmonious.

Flight Punctuality Management

Flight punctuality is the highest concerns of customers when referring to air transport. The three major causes of flight delays are traffic congestion, weather, and airlines, which account for 30.68%, 29.5%, and 19.1%, respectively. In order to reduce the risk of flight delays and improve punctuality, China Eastern will take the flight punctuality management as the focus of the Company’s work. We will analyze problems of high possibility of delay in order to inform passengers of the delay information at the first time and enhance our aviation image.

Voice from stakeholders

My home is in Hong Kong, but I usually work and live in Shanghai. China Eastern’s flights are almost every one or two weeks, mostly traveling between Beijing and Shanghai. Over the past ten years, I have witnessed continuous progress of their service, and what’s the most impressive is that China Eastern staff are becoming more considerate.

Liu Jingjia, the 100,000,000th passenger

Flight Punctuality is among the highest concerns of customers when referring to all transport, and it’s also the key problem trying to tackle in recent years. Flight delays are caused by a variety of complicated factors. The three major causes of flight delays are traffic congestion, weather, and airlines, which account for 30.68%, 29.5%, and 19.1%, respectively. In order to reduce the risk of flight delays and improve punctuality, China Eastern will take the flight punctuality management as the focus of the Company’s work. We will analyze problems of high possibility of delay in order to inform passengers of the delay information at the first time and enhance our aviation image.

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When unavoidable abnormal situations happen to luggage transport, we strengthen the follow-up service to minimize the dissatisfaction of passengers sincerely. As for the luggage lost by the passengers, we use the passenger's seat information to find the valuable remnants on the plane to maximize the returning rate of lost objects.

Facile service of the “Qiaoyan Team”

“Qiaoyan Team” (a service team of China Eastern) used intact parts on the damaged luggage boxes (such as handles, drawbars) provided passengers to replace or repair damaged parts of passengers’ luggage, helping passengers to save the waiting time-consuming maintenance.
A comfortable travel experience is the foundation and important guarantee for improving customer experience. In 2016, we enhanced service capabilities of the call center. As a result, the average waiting time of passengers was shortened to 22.5 seconds, 19,261 online customers have received online service with 95.71% of them being successively handled; 2,505,927 cases were optimized with the accuracy of intelligent answer increased from 85% at the beginning of the year to 96%.

Channels for special services

<table>
<thead>
<tr>
<th>Categories of special passengers served by China Eastern</th>
</tr>
</thead>
<tbody>
<tr>
<td>01. Old and disabled passengers</td>
</tr>
<tr>
<td>02. Pregnant women</td>
</tr>
<tr>
<td>03. Sick passengers</td>
</tr>
<tr>
<td>04. Invalid passengers</td>
</tr>
<tr>
<td>05. Elderly passengers</td>
</tr>
<tr>
<td>06. Children and adolescents</td>
</tr>
<tr>
<td>07. Business travelers</td>
</tr>
<tr>
<td>08. Apologetic passengers</td>
</tr>
<tr>
<td>09. Action workers</td>
</tr>
<tr>
<td>10. Student travelers</td>
</tr>
<tr>
<td>11. Emergency return for saving a pregnant woman</td>
</tr>
</tbody>
</table>

Emergent return for saving a pregnant woman

On February 25, 2016, after MU2363 flight of Shangxi branch took off 5 minutes, the crew received an emergency call from a passenger who showed dyspnea, hypoxia and other symptoms, and was in urgent need of immediate treatment. The crew members took vital signs, and did emergency treatment according to proper procedures. But the passengers did not get better which may be critical moment, the captain made a decision to return, and notified the ground staff to prepare for rescue. After hovering fuel to the level fit for landing, the aircraft landed safely, and the pregnant women got the timely treatment.

Voice from stakeholders

There are four features of the special services provided by China Eastern: 1. wide coverage of the route network; 2. 11 types of passengers are served more than other domestic airlines; 3. convenient application, saving time and efforts; 4. quick application response, receiving the request in 22%. A customer who frequently applied for special services

To enhance the ability to protect the health and safety of passengers, China Eastern proactively organized crew members to receive training of the Chinese Red Cross and carried out air emergency training programs to continuously improve the staff's handling quality. The Company carried out six air emergency training programs (excluding those conducted by branches) and attracted 4,043 participants.

Voice from stakeholders

It's unbelievable to see such a "people-oriented" move regardless of the cost in China. I can't imagine that the operation of a state-owned enterprise could be so efficient, the crew could be so well-trained, and they could show such professional attention to ensure the follow-up treatment of passengers after landing. Their respect to life makes me deeply shocked.

Mr. Yan, a passenger of the MU2363 flight.
Enfusively Promoting Development

power for enterprises to realize long-term development, especially when the whole aviation industry is in a context and when China Eastern is under transformation and rapid business development. It is the key to keep sustainable and systematically train different levels of high-quality and professional talents. With "shared development of employees" strategy, we try to attract and nurture more talents to provide a strong support for the Company’s long-term development.

Enlarging the Talent Pool

To realize the Company’s strategic objectives, we need to attract and motivate talents through systematic and targeted approaches. In 2016, China Eastern standardized and optimized the recruitment process and adopted a variety of channels to attract talents. We relied on the “Swallow, Wing, Flying and Eagle” programs to train talents at all levels, and used market-based incentives in some positions to stimulate organizational vitality and enhance the enthusiasm and efficiency of employees.

"Swallow, Wing, Flying and Eagle" backup talents training system, as a personnel training mechanism with aviation features and corporate characteristics, has built a rapid growing channel for outstanding talents based on the principle of "hierarchy training, quick cultivation and staged growth". In 2016, combined with the international development strategy of China Eastern, the third “Swallow Program” overseas recruitment campaign was held, attracting 2,900 applicants from London, Los Angeles, New York, Japan, South Korea, etc.

In addition, it was the first time to introduce the mentor system to the backup talent training program in 2016. We newly added the IDP (Individual Development Plan), optimized the action learning project, and highlighted the relevance between the project and Company’s strategies. We also strengthened the interaction among the programs of Swallow, Wing, Flying and Eagle, and formed a cross-level and interdisciplinary project team to promote the project output, while allow individuals to develop their competence rapidly.

Establishment of the intelligent park

In 2016, the upcoming Application Technology R&D center of China Eastern continued to promote the construction of the intelligent park. In the aspect of the hardware, we introduced facilities and equipment for the park, including crew and aviation security simulators and various teaching equipment. For the software, we launched the construction of the operating platform, One-Card system, cloud desktop technology, network communications and so on. At the same time, the Company gradually integrated China Eastern E-learning, Mobile Class and other online learning platforms with the intelligent park operating platform to open up a variety of learning channels for trainees.

Innovating Training Mode

Under the guidance of the company's "internationalization" and "internet" strategy, we have developed and improved the enterprise-university training and management systems, based on which we gave full play to the advantages of the Company's informatization and integrated internal and external training resources to lay the foundation and provide support for comprehensive and harmonious development of the talent team. In 2016, the Company started the compilation of "Management Manual of China Eastern Corporate University" and "China Eastern Corporate University Business Manual"; besides, the Company revised the "Training Management Regulation", in which 28 related management systems were improved and revised.
Developing Advanced Talents

The ever-changing development environment puts forward higher requirements for the ability and quality of the Company’s advanced talents. We provide a platform for continuous growth and development of advanced technology and management talents to meet new opportunities and challenges.

Measures for cultivation of advanced talents

- Combining training and ability assessment by utilizing professional ability assessment platform
- Developing highly skilled talents base
- Holding "Management Forum"
- Carrying out "Sailing Program" for newly promoted managerial staff
- Introducing LSS (Lean Six Sigma) to intermediary and senior executive workshop
- Senior executives participating in seminars held by GE and Rolls-Royce

Coordinating Regional Development

China has a vast territory and different regions have different natural conditions, resources and historical backgrounds, which cause great development gaps among different regions along time. In response to the national strategies of comprehensively promoting development nationwide, "the Belt and Road Initiative", Beijing-Tianjin-Hebei coordinated development and developing the Yangtze River Economic Belt, China Eastern has provided convenient aviation services to speed up the flow of production factors, promote economic and cultural exchanges and advance coordinated regional development.

Methods to promote regional development

As a backbone of national airlines, we take the problem of uncoordinated regional economic development into account, and make the greatest efforts to open routes to support local development in the western and other less-developed regions. Up to December, 2016, China Eastern had opened a total of 696 domestic routes, including 295 routes to the western provinces (Qinghai, Gansu, Inner Mongolia, Xinjiang, Tibet). Meantime, to promote the construction of "the Belt and Road", we newly opened 20 routes including Kunming - Sydney, Beijing - Bangkok and others in the counties along the Silk Road to build an Air Silk Road.

Based on our newly-opened routes and to serve the all-around connectivity strategy, we reinforced the Shanghai core hub, Beijing hidden hub, and the route network of Kunming and Xi’an regional hubs to facilitate the construction of regional hubs, improve the stability and efficiency of their operation, and create advantages through aggregation. In 2016, we set up a branch in Guangdong which is a significant strategy to serve national strategies, local economic development and corporate development simultaneously.

The innovative "Qinghai Mode"

In August, 2011, China Eastern and the Qinghai Provincial Government signed the "(Framework) Agreement on Jointly Promoting in Developing Air Transport of Qinghai". At the end of the year, China Eastern and Qinghai Aviation Investment Corporation launched the "Qinghai Mode" in the aviation industry, and it has played an important role in the economic and social development of Qinghai aviation industry, two-dimensional transportation network, etc. As of the December, 2016, 25,800 flights had been opened in bilateral cooperation projects, which transported about 3.3 million passengers, with an average loading rate reaching 79.28%. Since the cooperation, China Eastern has opened Beijing, Shanghai, Shenzhen, Kunming and other routes in Xining Airport, organized and verified flying tests in six high plateau airports to ensure the smooth navigation of Xining Airport. Besides, we have launched the painted aircraft themed "Beautiful Qinghai" for further promotion of the image of Qinghai.
Deep Integration and Win-Win Development

The in-depth development of world multi-polarization, economic globalization and the constant progress of social informatization and cultural diversity has made the world to share opportunities and profits, and mutual benefit through opening up. China has put forward strategies including “the Belt and Road” to build a new opening-up pattern. As Chinawhole world is now standing at a new starting point of development and economic growth, China adheres to the concept of opening-up and adopts comprehensive international strategies to strengthen foreign cooperation and communication. By China Eastern seeks to achieve mutual-benefit of all parties, and to promote the Company to achieve of “Creating a world-class airline, building a happy Eastern”.
China Eastern continues to promote the “Pacific Plan” and the “Europe Profitability Plan” to meet market demand. The overall arrangement in Japanese and South Korean market, North American market, European market, Australian market, and other overseas markets has been realized significantly enhancement in the operation and service quality, and facilitated customers’ access to the world.

In order to further optimize the market and better serve the foreign markets, China Eastern has set up five overseas marketing centers in Japan, South Korea, Europe, Australia, North America, and 59 overseas business divisions. The Company has standardized and customized a series of overseas services to enhance service quality for foreign customers.

Cooperation with industrial counterparts contributes to the expansion of the resource supply and their effective distribution to help the Company to go global. China Eastern makes full use of partners’ resources to expand its marketing network, and service security network, laying a solid foundation for the Company’s international strategy.

China Eastern acquired 50% stake of Melbourne CEA Flight Training Co., Ltd. (hereinafter referred to as Melbourne CEA). The Company has taken a reasonable control of Melbourne CEA and formed a five-year development plan. In addition, China Eastern has signed a cooperation agreement with Delta Air Lines in 2016, the first group of China Eastern’s flight students successfully graduated from Melbourne CEA.

Internationalization is a concept of opening-up. It is conducive to the free flow of production factors in the international market, and an integral part of the process to build a new open economic pattern. China Eastern has been playing the role of a global company for the past three decades to further promote the concept, and achieve the goals of global operation and international cooperation with industrial counterparts.

A good international brand image can be an effective international promotion for a company. It is also conducive to the Company’s internationalization process. China Eastern continues to strengthen international brand promotion. In 2016, the first group of overseas call centers opened in Shanghai, Fuzhou, Guangzhou, and Shenyang. The world’s top 100 most valuable brand evaluation report 2016 by British brand organization Brand Finance, China Eastern Airlines was selected into the “The World’s 500 most valuable brands 2016” for the first time.
**Voice from stakeholders**

China Eastern became the first user of the C919 in the world. This helps us acquire and absorb suggestions and opinions from customers. We also implement the customer’s ideas and help them become familiar with the new aircraft products as soon as possible. This process is of great significance for our introduction of products and promotes market development in the future. It is also an important cooperation for the development of civil aviation industry.

Dang Tiehong, deputy general manager of COMAC's sales division

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**Cooperation with Governments**

China Eastern actively cooperates with local governments to jointly promote the construction of local integrated transport system and local economic and trade exchanges, and local transportation network development. The cooperation accelerates the upgrading of local industrial structure, improves local investment environment, and promotes local economic and social development.

In 2016, China Eastern signed a number of cooperation agreements with local governments of Shigatse, Yichang and other cities to develop local cultural tourism, economic and trade exchanges, and local transportation network.

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**Cooperating with local governments to build an “Air Silk Road”**

With the implementation of the “the Belt and Road Initiative”, Xi’an has become the central area and important node of “the Air Silk Road”. Xi’an has also become more and more important as a logistics hub. China Eastern signed a strategic cooperation framework agreement with Shaanxi Provincial Government and Xi’an Municipal Government to promote the construction of “Air Silk Road”. In December, 2016, China Eastern launched the first international direct route in Xi’an to Amsterdam. The route became the first symbolic achievement of the cooperation between China Eastern and Shaanxi Provincial Government and Xi’an Municipal Government, which directly links Xi’an and the international market and promotes the development of the local economy.

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**Cross-Industry Cooperation**

Through cross-sector cooperation with enterprises from different fields, China Eastern and its partners take advantage of each other and highlight synergetic effect to consolidate and expand their advantages while jointly exploit the market. In 2016, the Company signed a strategic cooperation with China Eastern credit card with the Bank of China, China Union Pay and other financial institutions. The Company also carried out cooperation in communication, energy saving, new energy vehicles and other areas with China Potevio and cooperated with Bright Food Group to create a world-class landing gear maintenance center. China’s landing gear maintenance center will be the largest in Asia and the world’s leading landing gear manufacturers. The center is expected to have greater development in the industrial area. Through strengthened industrial linkage with partners, China Eastern strives to promote industrial upgrading and development.
Respecting Nature Sustainable Development

Low-carbon development has become a global consensus. China Eastern bears the responsibility of its rapid development as well as protecting ecological environment. We will integrate green development into all aspects of corporate development, face adverse impacts on the environment caused by the development of the Company. The Company actively promotes energy-saving and emission reduction to achieve green sustainable development while contributing to sustainable development of the industry and construction of social ecological civilization.
Environmental Management

The basis of green development. China Eastern strives to improve its organization, plan and system of environmental management. While strengthening the construction of energy management technology, actively promotes carbon-emission management to advocate energy saving and emission reduction and contribute to the construction of a low-carbon economy.

Safety and Environment Committee

Safety and Environment Committee is set under the Group. It carries out regular researches, holds suggestions, and conducts supervision and inspection on environmental issues related to aviation emission at home and abroad through regular meetings.

Energy saving through plan

Formulating a comprehensive energy management plan; Improving Regulations on Energy Saving and Emission Reduction, Regulations on Energy Management (Trial), and Regulations on Carbon Emission (Trial).

Energy saving through system

Based on the performance system and the three-level management network system, spreading the routine energy management and energy saving approaches among all departments and affiliates, and including energy saving and emission reduction indicators into performance appraisal.

The Company’s measures to improve energy management

China Eastern Airlines aviation fuel saved in 2016

<table>
<thead>
<tr>
<th>Unit: Tons/10,000km</th>
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</thead>
<tbody>
<tr>
<td>2014</td>
</tr>
<tr>
<td>2.95</td>
</tr>
<tr>
<td>2015</td>
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<td>3.00</td>
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</table>

<table>
<thead>
<tr>
<th>12,000 Tons</th>
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</thead>
<tbody>
<tr>
<td>Saved aviation fuel in 2016</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>26</th>
</tr>
</thead>
<tbody>
<tr>
<td>Old aircrafts eliminated in 2016</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>63,000 Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduced emission of CO2 in 2016</td>
</tr>
</tbody>
</table>

Managing and Controlling Energy Consumption in Operation

Improving Fuel Efficiency

Improving fuel efficiency is an important measure for airline’s emission reduction. Through effective optimization of technologies, fleets and operation, the Company focused on reducing fuel consumption to achieve energy saving and emission reduction. As the proportion of passenger aircraft continues to increase, tons of fuel consumption per kilometer of fleet slightly increased from 2014 to 2016 while the continuous decrease of unit passenger fuel consumption conforms to ICAO’s goal of 2% increase of annual average fuel efficiency.

Technology optimization

- Installing winglet and sharklet
- Engine improving
- Washing engines with water
- Replacing APU (auxiliary power unit) with mobile ground power source

Fleet optimization

- Orderly elimination of old aircrafts
- Increasing flight route utilization
- Optimizing flight route
- Correcting flight route through operation

45,000 Tons

Aviation fuel saved in 2016

Cost control

8.2

Reduced emission of CO2 in 2016

Managing and Controlling Energy Consumption in Operation

Monitoring and controlling energy consumption is the basis and an important part of energy management. In 2016, China Eastern improved its ground fixed energy consumption monitoring platform, ground mobile source detection platform, aviation fuel consumption statistical platform and other environmental management technology platform. The Company focused on the construction of ground energy consumption monitoring system. The system uses the framework of Shanghai’s municipal monitoring platform, which will become a group-scale platform to monitor energy use in building, mobile sources (vehicles, planes), and environment (air, sewage).
Pollution Prevention and Control

Pollution prevention and control is an important measure to achieve green development. We are keenly aware of the negative and destructive impact of environmental pollution. Therefore, we tried our best to properly handle waste and emissions to reduce the impact from the operational aspects on the environment, and create a harmonious ecological environment.

Waste Management

The Company strictly manages wastes generated in production and operation. According to Law of the People’s Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes, Regulations on the Safe Management of Hazardous Chemicals, Directory of National Hazardous Wastes (2016 Revision), Law of the People’s Republic of China on Prevention and Control of Water Pollution and Regulation on Urban Drainage and Sewage Treatment, the Company has handled waste in a proper way. In 2016, the Company cooperated with municipal sewage treatment system to transform the 12 plots in the east part of Shanghai Hongqiao International Airport. Through the transformation, 9.9km of pipeline had been laid and 17 new monitoring wells had been built.

Disposal of High-Pollution Vehicles

According to the requirements of the Shanghai Clean Air Action Plan (2013-2017), Regulations on the Prevention and Control of Air Pollution in Shanghai and the Opinions on Promoting the Prevention and Control of Atmospheric Pollution by Non-road Mobile Machinery in the Municipality, the Company established a pollution vehicle disposal special leading group and working group to promote the disposal of high-pollution vehicles and other related work. In 2016, the Company completed scrapped work of all 144 yellow label vehicles, disposal of four high-pollution special vehicle, technical transformation of two cargo lift platform cars, help vehicles to meet Shanghai’s emission standards.

Sustainable Utilization of Resources

We uphold the energy-saving principle in our daily operation, improve sustainable utilization of resources through saving resources include water, electricity, and office paper. In 2016, Beijing Branch built rainwater recycling system in maintenance area by the west of Beijing Capital International Airport. The system mainly consists of permeable pavement, concave green space, rainwater storage facilities and water pouring system. The total storage capacity of the impounding reservoir reaches 677 cubic meters. Through China Eastern’s technology for wide-body machine to use water wax dry cleaning instead of water washing, each machine can save about 70 tons of water from the next year.

Enhancing Environmental Awareness

Energy-saving and environmental protection is closely related to daily work and life. China Eastern advocates and implements protection initiatives, calling on all employees to have a low-carbon lifestyle and to create a green office. Meanwhile, the Company enhanced environmental awareness to its passengers and the general public through a variety of activities in a bid to create a greener airport. The Company launched a publicity campaign (from June 12 to 18) themed “Green Flight with Innovation in Low-Carbon”, which raised employees’ awareness of energy saving and emission reduction.
Going Forward Hand in Hand for Harmonious Development

Enterprises are social citizens with an ultimate objective to increase people's livelihood and promote the overall progress of the society. In the sixty years of development, Eastern has made outstanding achievements by the dedication and hard work of the employees, great efforts of partners, and full backing of the community. We have been appreciative for all the help we have received.

Our responsibility and mission to pursue mutual benefit, create shared values and advance on a path to a sustainable future with stakeholders.
Central Work Conference on Development-oriented Poverty Reduction and Fixed-point Poverty Alleviation by Central Units, China Eastern has insisted on targeted poverty alleviation. By taking comprehensive consideration of the advantages as an airline, we have improved the scientific assistance system, innovated assistance measures, and arranged resource distribution. In order to realize comprehensive development of poverty-stricken areas, we have utilized intelligence and technology, and provided information and policy support in multiple levels and forms.

China Eastern undertook professional tasks, including calibration for new airport in Cangyuan Va Autonomous County of Shuangjiang in Yunnan Province. An airport was put into use, actively coordinated issues after the airport was put into use. On the October 25, Yunnan branch of China Eastern successfully completed a flight test at Cangyuan Washan Airport, which was meaningful for promoting the fast and steady development of regions in poverty areas.

China Eastern has joined hands with China Foundation for Disabled Persons to create the project themed “Love Gathering – Rural Disabled Persons Poverty Alleviation Base”. The project covers assistance-oriented ecological farms, plants for preliminary processing of tea, massage centers of the blind, rehabilitation centers for the disabled, and Hongyuan Chicken Farm of Shuangjiang County. The innovative business model has provided a new platform for the entrepreneurship of disabled people.

By now, 21 disable people have been offered new jobs in Nimen Ecological Farm, Yuming Tea Preliminary Processing Plant and Blind Massage Center based in Cangyuan Autonomous County. Mengdong Community Home-Based Elderly Care Center has served 2,420 disabled and aged people, offering another poverty alleviation path for locals.
Happiness with Employees

Contributors in corporate development. We are always devoted to promoting the well-being of employees and protecting their ability to guarantee employees a sense of belonging and happiness. By fully motivating employees' enthusiasm and wisdom and strength to form the great driving force for sustainable development of the Company.

Interests and Benefits

Interests of employees to the largest extent and providing them with proper benefits is conducive to the construction and development of the Company. The Company strictly complies with the Labor Law and other regulations and international conventions on human rights, employment principles of equality and fairness, respects and protects human rights, and forbids child and forced labor.

Staff congress
Soliciting proposals
Meeting among team heads

Social network platforms
Voice of the youth
“Youth at China Eastern” WeChat official account

Rational suggestions
Evaluation experts offering rational suggestions

Channels for listening to employees

In 2016, in order to improve our service quality and capability, Employee Service Center promoted the E-eva satisfaction and developed the WeChat service platform to provide diversified online services for employees. Employee preferential offers and “Happy China Eastern” serial products and other value-added services for employees through extensive cooperation with Suning and China Construction Bank. Furthermore, a Dispatch Center has been founded in Pudong at fixed time and location for their convenient commuting and improved experience.

Enjoying Health and Safety

The Company strictly complies with laws and regulations as well as provisions in collective agreements on working condition and working hours, and arranges staff's working hours reasonably. We have constantly improved Pilot Health Hierarchical Management Approach, Aircrew Physical Examination Records Management Regulations and so on. Adhering to national regulations, the Company provides security protection facilities such as radiation-proof suits etc. for employees, organizes health and recuperation programs among pilots and flight attendants, conducts publicity about knowledge about occupational diseases, organizes regular health examinations and establishes health records for employees.

In 2016, the Company established 8 recuperation points with nearby ones included. 22,538 employees participated in the recuperation program.

Enjoying Excellence and Warmth

In 2016, in order to enrich employee's life and make more employees able to share our happiness, we organized diversified cultural and sports activities including reading and calligraphic workshops, the badminton match, singing competition etc.

Comparison of the starting salary of employees

Unit: Yuan

<table>
<thead>
<tr>
<th>Age</th>
<th>Unit: Yuan</th>
<th>Shanghai</th>
<th>Beijing</th>
<th>Kunming</th>
<th>X'ian</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 30 years old</td>
<td>4,433</td>
<td>4,133</td>
<td>4,003</td>
<td>3,913</td>
<td></td>
</tr>
<tr>
<td>31-40 years old</td>
<td>4,003</td>
<td>3,913</td>
<td>3,810</td>
<td>3,713</td>
<td></td>
</tr>
<tr>
<td>41-50 years old</td>
<td>3,913</td>
<td>3,810</td>
<td>3,713</td>
<td>3,613</td>
<td></td>
</tr>
<tr>
<td>Over 51 years old</td>
<td>3,813</td>
<td>3,713</td>
<td>3,613</td>
<td>3,513</td>
<td></td>
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<tr>
<td>Over 51 years old</td>
<td>3,713</td>
<td>3,613</td>
<td>3,513</td>
<td>3,413</td>
<td></td>
</tr>
</tbody>
</table>

Academic background

| Management officers | 5.3% |
| Management staff | 23.4% |
| Crew and other flight attendants | 20.6% |
| Flight Crew | 15.4% |
| Maintenance staff | 18.2% |
| Marketing and sales | 6.3% |

Comparison of the starting salary of employees

<table>
<thead>
<tr>
<th>Service employees</th>
<th>Unit: Yuan</th>
<th>Shanghai</th>
<th>Beijing</th>
<th>Kunming</th>
<th>X'ian</th>
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<tbody>
<tr>
<td>Below 30 years old</td>
<td>2,190</td>
<td>1,890</td>
<td>1,570</td>
<td>1,480</td>
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<tr>
<td>31-40 years old</td>
<td>1,890</td>
<td>1,570</td>
<td>1,480</td>
<td>1,400</td>
<td></td>
</tr>
<tr>
<td>41-50 years old</td>
<td>1,570</td>
<td>1,480</td>
<td>1,400</td>
<td>1,320</td>
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<tr>
<td>Over 51 years old</td>
<td>1,480</td>
<td>1,400</td>
<td>1,320</td>
<td>1,240</td>
<td></td>
</tr>
<tr>
<td>Over 51 years old</td>
<td>1,400</td>
<td>1,320</td>
<td>1,240</td>
<td>1,160</td>
<td></td>
</tr>
</tbody>
</table>

Enjoying Health and Safety

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Cooperation with Partners

Promoting Industrial Development

Cultivating Industrial Talents

Setting up Industrial Standard

Supporting Dealers’ Development

Taking the lead in promoting Client Rescue Plan in civil aviation

Promoting Industrial Development

The healthy and sustainable development of the industry is at the stake of all civil aviation enterprises. As a leading enterprise in China, China Eastern not only concerns its own growth, but also pays attention to the development of the whole industry. The company is promoting the industrial progress with its advantageous resources.

Cultivating Industrial Talents

Talents are the driving force industrial development. As the senior talents cultivation base in Shanghai, the Company is a platform for talents training and communication for the creation of an enabling environment for the growth of skilled talents qualification, the Company has cooperated with partners in the industrial chain such as COMAC to train talents in order to drive incremental improvements of the industry’s technological level. In 2016, the Company organized and held cooperation agreement to train talents in order to drive incremental improvements of the industry’s technological level.

Setting up Industrial Standard

China Eastern has joined many industrial associations such as China Air Transport Association (CATA) etc. The Company and trying out industrial standards to the orderly and healthy development of the industry. In 2016, China Eastern undertook including Study on Research of Judicial Adjudication Law Adaption in Civil Aviation Industry with other major airlines. We also put forward reform of market allocation in flight time table and unexpected mass incidents of domestic airlines. The Company also put forward reform of market allocation in flight time table and unexpected mass incidents of domestic airlines. The Company also put forward reform of market allocation in flight time table and unexpected mass incidents of domestic airlines.

Supporting Dealers’ Development

In 2016, the Company set up the sales supporting division for better management of dealers. It also formulated and released Cooperation Agreement of China Eastern with B2B Websites on Electronic Ticket Sales (2016) and Sales Agency Agreement of Domestic Passenger Transportation (2016) etc. An Incentive mechanism has also been established for dealers. Hierarchical management of dealers and localized management help regularize the order of dealer service market in civil aviation, and also help dealers achieve sustainable development.

Taking the lead in promoting Client Rescue Plan in civil aviation

In 2016, learning from international advanced experience, China Eastern formulated and implemented Regulation on Client Rescue Plan (hereafter referred to as Rescue Plan), and became the first Chinese airline to launch management measures for dealer incentive. The Company provides comprehensive sales support to dealers through the Rescue Plan, thus providing more refined and suitable products and services for clients.

Voice from stakeholders

China Eastern sets reasonable product standards and has high management capability. The high management requirements for suppliers can also accelerate suppliers’ advancement.

Liu Weiping, sales representative, Shaqian Jinyang Textile Co., Ltd.
Sharing Harmonious Community

The long-term and steady development of China Eastern is inseparable from the trust, understanding and support from all stakeholders and people in all walks of life. We are devoted to social welfare activities, and spread love and share the achievement of harmonious development with the society.

“Love in China Eastern” Public Welfare Campaign

To push improve the management of public welfare projects and their process, the Company strengthened volunteer management of public welfare projects, and formulated and improved the related regulations, such as Management Measures on Application of “Love in China Eastern” Public Welfare Activities and Articles for “Love in China Eastern” Registered Volunteers. The modes for volunteer activities which are divided into 5 categories and 18 subcategories including community service, student aid program, transportation and travel service, and significant guarantee program have been well-established, through which the Company provides care and help for vulnerable group continuously.

Guaranteeing Special Flights

As an essential part of the public transportation system and emergency rescue system, civil aviation plays an important role in ensuring the smooth progress of major events and the stable development of the society. China Eastern has been committed to the mission and made contributions to the development of the country, regions and social harmony by taking important transportation and emergency rescue flight missions.

Guarantees the flights of G20

From September 4 to 5, 2016, G20 Summit was held in Hangzhou. During the summit, the Company successfully accomplished 127 flights for VIP passengers and 48 charted flights to guarantee the transport of 695 VIP passengers. The Company was highly praised by the Ministry of Foreign Affairs and embassies who entrusted China Eastern the flight mission.
<table>
<thead>
<tr>
<th>Indicators</th>
<th>Unit</th>
<th>Data</th>
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<tr>
<td></td>
<td></td>
<td>2014</td>
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<td>2016</td>
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<td>Indicator</td>
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<tr>
<td>Year</td>
<td>Million</td>
<td>497</td>
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<tr>
<td>Aircrafts</td>
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<td>6.10</td>
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<td>Turnover</td>
<td>Billion</td>
<td>16.12</td>
<td>17.82</td>
<td>19.71</td>
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<tr>
<td>Passengers carried</td>
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<td>83.81</td>
<td>93.76</td>
<td>101.74</td>
</tr>
<tr>
<td>Mail volume</td>
<td>Million tons</td>
<td>1.383</td>
<td>1.399</td>
<td>1.395</td>
</tr>
<tr>
<td>Routes</td>
<td>Routes</td>
<td>870</td>
<td>896</td>
<td>906</td>
</tr>
<tr>
<td>Countries and destinations</td>
<td>No.</td>
<td>177</td>
<td>179</td>
<td>177</td>
</tr>
<tr>
<td>Revenue</td>
<td>Billion yuan</td>
<td>183.642</td>
<td>196.759</td>
<td>210.051</td>
</tr>
<tr>
<td>of aircrafts</td>
<td>Billion yuan</td>
<td>4.120</td>
<td>5.671</td>
<td>6.907</td>
</tr>
<tr>
<td>Hours</td>
<td>Million</td>
<td>9.88</td>
<td>10.03</td>
<td>9.80</td>
</tr>
<tr>
<td>Use</td>
<td>Billion yuan</td>
<td>6.832</td>
<td>9.038</td>
<td>11.013</td>
</tr>
<tr>
<td>Balance rate</td>
<td>%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Suppliers</td>
<td>No.</td>
<td>-</td>
<td>7.47</td>
<td>1.459</td>
</tr>
<tr>
<td>Dealers</td>
<td>No.</td>
<td>-</td>
<td>-</td>
<td>2.988</td>
</tr>
<tr>
<td>Revenue</td>
<td>Million</td>
<td>1.625</td>
<td>1.804</td>
<td>1.956</td>
</tr>
<tr>
<td>Per ten thousand hours</td>
<td>Million</td>
<td>0.074</td>
<td>0.025</td>
<td>0.072</td>
</tr>
<tr>
<td>on simulators</td>
<td>Hours</td>
<td>90.853</td>
<td>99.121</td>
<td>120.255</td>
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<tr>
<td>Error</td>
<td>Million</td>
<td>23.00</td>
<td>26.00</td>
<td>29.20</td>
</tr>
<tr>
<td>Error per ten thousand hours</td>
<td>Million</td>
<td>0.043</td>
<td>0.526</td>
<td>12.419</td>
</tr>
<tr>
<td>Refund rate</td>
<td>%</td>
<td>28.16</td>
<td>26.73</td>
<td>26.19</td>
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<tr>
<td>Rate</td>
<td>%</td>
<td>67.11</td>
<td>73.27</td>
<td>73.82</td>
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<tr>
<td>Notification rate of notification</td>
<td>%</td>
<td>93.0</td>
<td>94.3</td>
<td>99.0</td>
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<tr>
<td>Satisfaction</td>
<td>Points</td>
<td>90.77</td>
<td>88.11</td>
<td>80.70</td>
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### Service Indicators

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Unit</th>
<th>Data</th>
<th>Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copies of customer satisfaction questionnaire survey</td>
<td>Million</td>
<td>0.156</td>
<td></td>
</tr>
<tr>
<td>Complaints from passengers</td>
<td>No.</td>
<td>264</td>
<td></td>
</tr>
<tr>
<td>Complaints handling rate</td>
<td>%</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Intelligent technology investment</td>
<td>Million yuan</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>The number of special passengers carried</td>
<td>No.</td>
<td>105,077</td>
<td></td>
</tr>
<tr>
<td>Coverage of self-service check-in machines in domestic terminals</td>
<td>%</td>
<td>86.9</td>
<td></td>
</tr>
<tr>
<td>Self-service check-in for domestic flights</td>
<td>%</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Self-service check-in for international flights</td>
<td>%</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Domestic destinations of connecting flights</td>
<td>No.</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>International destinations of connecting flights</td>
<td>No.</td>
<td>-</td>
<td></td>
</tr>
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</table>

### Environment Indicators

<table>
<thead>
<tr>
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<th>Data</th>
<th>Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO₂ emissions</td>
<td>Kilotons</td>
<td>14,995</td>
<td></td>
</tr>
<tr>
<td>Unit fuel consumption</td>
<td>Kg/100 passengers-km</td>
<td>3.72</td>
<td></td>
</tr>
<tr>
<td>Energy consumption per ten thousand yuan revenue</td>
<td>Tons of standard coal per 10,000 yuan</td>
<td>0.79</td>
<td></td>
</tr>
<tr>
<td>Energy consumption per revenue ton-kilometers</td>
<td>Kilometer</td>
<td>2.96</td>
<td></td>
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<tr>
<td>Aviation fuel consumption</td>
<td>Kilotons</td>
<td>4,757.4</td>
<td></td>
</tr>
<tr>
<td>Manufacture gas consumption</td>
<td>1,000 m³</td>
<td>292.9</td>
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</tr>
<tr>
<td>Natural gas consumption</td>
<td>1,000 m³</td>
<td>2,999.6</td>
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</tr>
<tr>
<td>Gasoline consumption</td>
<td>Kiloliters</td>
<td>3,429.7</td>
<td></td>
</tr>
<tr>
<td>Diesel consumption</td>
<td>Kiloliters</td>
<td>13,694.0</td>
<td></td>
</tr>
<tr>
<td>LPG consumption</td>
<td>Kiloliters</td>
<td>108.9</td>
<td></td>
</tr>
<tr>
<td>Other petroleum products</td>
<td>Tons</td>
<td>684.2</td>
<td></td>
</tr>
<tr>
<td>Electricity consumption</td>
<td>1,000 kWh</td>
<td>146,465.6</td>
<td>150.062</td>
</tr>
<tr>
<td>Water consumption</td>
<td>Kilotons</td>
<td>5,634.2</td>
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</tr>
<tr>
<td>Total energy consumption</td>
<td>Tons</td>
<td>7,085,339</td>
<td>7,768.5</td>
</tr>
<tr>
<td>The amount of sewage</td>
<td>Kilotons</td>
<td>5,071</td>
<td></td>
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<tr>
<td>The recycling quantity of aviation fuel</td>
<td>Tons</td>
<td>73.85</td>
<td></td>
</tr>
<tr>
<td>The quantity of hazardous wastes</td>
<td>Tons</td>
<td>0.3</td>
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</table>
### GRI Content Index

This Report is organized and presented in accordance with the GRI G4 framework, using the “Core” option.

#### Strategy Analysis

G4-1 Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior executive) about the relevance of sustainability to the organization and the organization’s strategy for addressing sustainability.

G4-2 Provide a description of key impacts, risks, and opportunities.

#### Organizational Profile

G4-3 Report the name of the organization.

G4-4 Report the primary brands, products, and services.

G4-5 Report the location of the organization’s headquarters.

G4-6 Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.

G4-7 Report the nature of ownership and legal form.

G4-8 Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).

G4-9 Report the scale of the organization.

G4-10 Report the total number of employees by employment contract and gender.

G4-11 Report the percentage of total employees covered by collective bargaining agreements.

G4-12 Describe the organization’s supply chain.

G4-13 Report any significant changes during the reporting period regarding the organization’s size, structure, ownership, or its supply chain.

G4-14 Report whether and how the precautionary approach or principle is addressed by the organization.

G4-15 List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.

G4-16 List memberships of associations (such as industry associations) and national or international advocacy organizations to which the organization subscribes.

#### Identified Materials Aspects and Boundaries

G4-17 a. List all entities included in the organization’s consolidated financial statements or equivalent documents. b. Report whether any of the entities included in the organization’s consolidated financial statements or equivalent documents is not covered by the report.

G4-18 a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization implemented the Reporting Principles for Defining Report Content.

G4-19 List all the material Aspects identified in the process for defining report content.

G4-20 For each material Aspect, report the Aspect Boundary within the organization.

G4-21 For each material Aspect, report the Aspect Boundary outside the organization.

G4-22 Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.

G4-23 Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.

#### Stakeholder Engagement

G4-24 Provide a list of stakeholder groups engaged by the organization.

G4-25 Report the basis for identification and selection of stakeholders with whom to engage.

G4-26 Report the organization’s approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.

G4-27 Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and the nature of the engagement.

#### Report Profile

G4-28 Reporting period (such as fiscal or calendar year) for information provided.

G4-29 Date of most recent previous report (if any).

G4-30 Reporting cycle (such as annual, biennial).

G4-31 Provide the contact point for questions regarding the report or its contents.

---

### Indicators

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Unit</th>
<th>Data</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2014</td>
</tr>
<tr>
<td>total employees No.</td>
<td></td>
<td>69,849</td>
</tr>
<tr>
<td>foreign employees No.</td>
<td></td>
<td>870</td>
</tr>
<tr>
<td>% of female executives %</td>
<td></td>
<td>6.88</td>
</tr>
<tr>
<td>% of contract signing</td>
<td></td>
<td>100</td>
</tr>
<tr>
<td>new employees No.</td>
<td></td>
<td>3,168</td>
</tr>
<tr>
<td>turnover rate %</td>
<td></td>
<td>4.3</td>
</tr>
<tr>
<td>% of participation in union</td>
<td></td>
<td>99.08</td>
</tr>
<tr>
<td>employees physical %</td>
<td></td>
<td>68.60</td>
</tr>
<tr>
<td>% of social insurance</td>
<td></td>
<td>100</td>
</tr>
<tr>
<td>of enterprise annuity %</td>
<td></td>
<td></td>
</tr>
<tr>
<td>training Million yuan</td>
<td></td>
<td>53.00</td>
</tr>
<tr>
<td>training per capita</td>
<td>Million yuan</td>
<td></td>
</tr>
<tr>
<td>training participants No.</td>
<td></td>
<td>481,205</td>
</tr>
<tr>
<td>reported injuries No.</td>
<td></td>
<td>90</td>
</tr>
<tr>
<td>reported death No.</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>% of formal suggestions</td>
<td></td>
<td>65.7</td>
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<tr>
<td>participants in EAP No.</td>
<td></td>
<td>620</td>
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<tr>
<td>participants in public No.</td>
<td></td>
<td>42,147</td>
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<tr>
<td>people received help from Eastern*</td>
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<td>40,034</td>
</tr>
<tr>
<td>registered volunteers in Eastern*</td>
<td></td>
<td>461</td>
</tr>
<tr>
<td>service hours of Eastern*</td>
<td></td>
<td>1,000 hours</td>
</tr>
<tr>
<td>ion fund of China Million yuan</td>
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<td>4,700</td>
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<tr>
<td>special flight No.</td>
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*In 2015 CSR report was kilotons.
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<thead>
<tr>
<th>Indicator</th>
<th>Page</th>
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<tbody>
<tr>
<td>Total number and rates of new employee hires and employee turnover by age group, gender and region</td>
<td>P19, P21</td>
</tr>
<tr>
<td>Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related by region and by gender</td>
<td>P19</td>
</tr>
<tr>
<td>Health and safety topics covered in formal agreements with trade unions</td>
<td>P19</td>
</tr>
<tr>
<td>Average hours of training per year per employee by gender, and by employee category</td>
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</tr>
<tr>
<td>Programs for skills management and lifelong learning that support the continued employability of employees and as in managing career endings</td>
<td>P19</td>
</tr>
<tr>
<td>Composition of governance bodies and breakdown of employees per employee category according to gender, a minority group membership, and other indicators of diversity</td>
<td>P19</td>
</tr>
<tr>
<td>Percentage of new suppliers that were screened using labor practices criteria</td>
<td>P19</td>
</tr>
<tr>
<td>Percentage of new suppliers that were screened using human rights criteria</td>
<td>P19</td>
</tr>
<tr>
<td>Percentage of operations with implemented local community engagement, impact assessments, and development projects</td>
<td>P19</td>
</tr>
<tr>
<td>Communication and training on anti-corruption policies and procedures</td>
<td>P19</td>
</tr>
<tr>
<td>Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes</td>
<td>P19</td>
</tr>
<tr>
<td>Percentage of new suppliers that were screened using criteria for impacts on society</td>
<td>P19</td>
</tr>
<tr>
<td>Percentage of significant product and service categories for which health and safety impacts are assessed for improvement</td>
<td>P19</td>
</tr>
<tr>
<td>Results of surveys measuring customer satisfaction</td>
<td>P19</td>
</tr>
<tr>
<td>Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data</td>
<td>P19</td>
</tr>
</tbody>
</table>
**Operating Practices**

**Aspect B1-Safety**

**General Disclosure** - Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer, relating to providing a safe working environment and protecting employees from work-related fatalities and work-related injuries / No statistics for now

**KPI B1.1-Number of work-related fatalities and work-related injuries**

**KPI B1.2-Number of work-related fatalities and work-related injuries**

**Aspect B2-Safety**

**General Disclosure** - Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer, relating to providing a safe working environment and protecting employees from work-related fatalities and work-related injuries / No statistics for now

**KPI B2.1-Number of work-related fatalities and work-related injuries**

**KPI B2.2-Number of work-related fatalities and work-related injuries**

**Aspect B3-Development and Training**

**General Disclosure** - Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer, relating to providing a safe working environment and protecting employees from work-related fatalities and work-related injuries / No statistics for now

**KPI B3.1-The percentage of employees trained by gender and employee category (e.g. senior management, middle management)**

**KPI B3.2-The average training hours completed per employee by gender and employee category**

**Aspect B4-Labour Standards**

**General Disclosure** - Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer, relating to preventing child and forced labour / No statistics for now

**KPI B4.1-Description of measures to review employment practices to avoid child and forced labour**

**KPI B4.2-Description of steps taken to eliminate such practices when discovered**

**Aspect B5-Supply Chain Management**

**General Disclosure** - Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer, relating to providing a safe working environment and protecting employees from work-related fatalities and work-related injuries / No statistics for now

**KPI B5.1-Number of suppliers by geographical region**

**KPI B5.2-Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented and monitored**

**Aspect B6-Product Responsibility**

**General Disclosure** - Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer, relating to providing a safe working environment and protecting employees from work-related fatalities and work-related injuries / No statistics for now

**KPI B6.1-Percentage of total products sold or shipped subject to recalls for safety and health reasons**

**KPI B6.2-Number of products and service related complaints received and how they are dealt with**

**KPI B6.3-Description of recalls and voluntary product take-back schemes**

**KPI B6.4-Description of consumer data protection and privacy policies, how they are implemented and monitored**

**KPI B6.5-Description of consumer data protection and privacy policies, how they are implemented and monitored**

**Aspect B7-Anti-corruption**

**General Disclosure** - Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer, relating to providing a safe working environment and protecting employees from work-related fatalities and work-related injuries / No statistics for now

**KPI B7.1-Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases**

**KPI B7.2-Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored**

**Community**

**Aspect B8-Community Investment**

**General Disclosure** - Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer, relating to providing a safe working environment and protecting employees from work-related fatalities and work-related injuries / No statistics for now

**KPI B8.1-Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)**

**KPI B8.2-Resources contributed (e.g. money or time) to the focus area**
Statement of Corporate Social Responsibility Report

TUV NORD (‘TUV NORD’) has been commissioned by the management of China Eastern (‘China Eastern’ for short) to carry out an independent assurance of the 2016 Corporate Responsibility Report (‘report’ for short).

Responsible for the collection, analysis, aggregation and presentation of information
TUV NORD’s responsibility in performing this work (assurance of the report) is in reference to the agreed scope of engagement with China Eastern. China Eastern is the intended user of this statement.

Based on the assumption that the data and information provided in the report is
This report is the eighth CSR report for China Eastern, and it’s the first time for China Eastern to give independent assurance.

Relying on the accuracy and reliability for key performance, information and management
In 2016, the address of the third party is in No.99, the third airport road, Changning district, Shanghai, where China Eastern’s head office is located. And we didn’t visit other branch, Subordinate units or the site of Projects.

The collection, analysis, aggregation of the information and data
The third party economic data had been audited by the third party; we won’t do double audit this time; the Report was done on 15-17.03.2017.

Approach includes following activities:
1) Document information which provide by China Eastern;
2) Person who collected the report information;
3)Reviewed websites and media reports, verify the data and information through sampling
4) Sustainability Reporting Guideline(G4) on balance, comparability, accuracy, timeliness, reliability, and give the evaluation;
6) The activity is based on TUV NORD CSR report assurance management procedure.

Conclusion
The report provide an appropriate and objective view of the sustainability & social performances in 2016. The data in report is reliable and objective, TUV NORD didn’t find any substantial error, Which meets the disclosure requirement of G4 core option.

Suggestion for Improvement
Through assurance and evaluation, we had following improvement suggestion on CSR practice and management:
1) For the key performance indicators in the environmental, social and governance report, the intent of the HKEX, it is necessary to establish a clear objectives, responsible person and accountability;
2) Suggest further reveal the oversea practice of accountability;
3) The analysis of the key performance could be strengthened.

Special Statement
This statement excluding:
1) The activity outside information reveal;
2) The position, idea, faith, object, future developing direction, and promise which stated by China Eastern Company.

Statement of Independence and Competence
TUV NORD Group is the world’s leader in inspection, testing and verification, operating in over 70 countries throughout the world and providing services which includes management system, product certification; quality, environmental, social and ethical auditing and training; environmental responsibility and sustainability report assurance.

TUV Asia Pacific Ltd. affirms its’ independence from China Eastern and confirms there are no conflicts of interest with the organization or any of its subsidiaries and stakeholders when it carried out assurance of the Report. TUV Asia Pacific Ltd. was not involved in any manner with China Eastern during the latter was preparing the Report.

The team leader: {signature}  The Authorized person: {signature}
Date : 23.03.2017

Note: 当前的中文和英文版本有些冲突，以中文为准
Eastern Airlines Corporate Social Responsibility Report 2016. To enable our report to more systematic and useful information, to facilitate monitoring of the CSR work and to improve the Company's management and practice of truly await your opinions and suggestions.

And mail it to us according to the following address:

City Department of China Eastern Airlines
021-62668883 E-mail: ceanews@163.com
No.3 Road, Changning District, Shanghai(200335)

---

C Government  D Community  E Partners  F Media  G Social group  H Other (please note)

China Eastern Airlines Corporate Social Responsibility Report 2015?
Fair  D. Poor  E. Very poor

China Eastern’s social responsibility performance of economy, environment and society?

<table>
<thead>
<tr>
<th>A. Very good</th>
<th>B. Good</th>
<th>C. Fair</th>
<th>D. Poor</th>
<th>E. Very poor</th>
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<tr>
<td></td>
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China Eastern’s social responsibility performance of economy, environment and society?

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<th>A. Very good</th>
<th>B. Good</th>
<th>C. Fair</th>
<th>D. Poor</th>
<th>E. Very poor</th>
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<tbody>
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this report in responding and disclosing the issues that draw the stakeholders’ attentions?

Fair  D. Poor  E. Very poor

data and indicators disclosed in this report are accurate, clear and complete?

<table>
<thead>
<tr>
<th>A. Very good</th>
<th>B. Good</th>
<th>C. Fair</th>
<th>D. Poor</th>
<th>E. Very poor</th>
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</tr>
</tbody>
</table>

the content and design of this report for reading?

A. Good  B. Fair  C. Poor

options for China Eastern’s social responsibility work and this report:

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60th Anniversary of China Eastern