

04

Facilitate Environmental Sustainability through Green Travel

Hainan Airlines considers ecological civilization, low-carbon and energy-saving as part of a strategy in promoting the sustainable development of corporates. Since 2008, Hainan Airlines has embarked on various energy-saving projects to reduce overall carbon emissions. In 2015, Hainan Airlines commenced the “Green Tour” project, which embodies our green philosophy in various aspects, including the production process, technological innovations, process management, passenger services, employee awareness and public promotion. By promoting energy saving and environmental protection, we are committed to be a world leader in green aviation and the preferred airline for passengers.



Pioneer on Energy Management System through Innovation

Hainan Airlines is the first Chinese civil airline to introduce an energy management system in accordance with international standards. The energy management system realigned all the aspects in the operation that may affect energy usage; each aspect was analysed, measured and monitored. Through systematizing the process of analysis, management, process and result, we are able to ensure energy usage is more transparent.

Internal Review to Focus on Energy-Saving Projects

Hainan Airlines is the first Chinese civil airline to introduce the IATA Fuel Efficiency gap analysis program. We identified a number of key energy-saving and carbon reduction management projects and established a special working group to focus on the implementation.

Annual 2015 Carbon Emission Reduction and Energy-Saving Targets and Status

Project	Degree of Completion	Status
Route Optimization Project	101 %	Completed
Planned Code Sharing Project	111 %	Completed
Second Release Project	159 %	Completed
Pre and Post Flight APU Project	118 %	Completed
Aircraft Supplies Weight Reduction Project	115 %	Completed
ULD Weight Reduction Project	144 %	Completed
Landing APU Utilization Project	111 %	Completed
Beijing Aircraft Taxiing Optimization Project	112 %	Completed
Engine Water Cleansing Project	100 %	Completed



Annual Energy-Saving Statistics		
	2014	2015
Annual Fuel Savings	4.5 tonnes	5.1 tonnes
Cumulative Fuel Savings	20 tonnes	25.1 tonnes
Carbon Emissions (Scope 1)	4,745,699 tonnes	5,038,072 tonnes
Standard Coal Saving	66,200 tonnes	75,000 tonnes

Case

Proactive Aircraft Weight Reduction and Fuel Saving

✈

Introduce New Energy-Saving Models

We have eliminated old aircraft with low-fuel efficiency and introduced the world's most advanced plane, the B787 Dreamliner. The 787 fleet's fuel efficiency improved Hainan Airline's total fuel efficiency by 1%, equivalent to saving 15,000 tonnes of jet fuel on an annual basis.

Electronic Flight Bag (EFB) Minimizes Paper Operations

The EFB helps each aircraft to shed 17kg. The "Minimize Paper in the Cockpit" program can help the Boeing 737 and Boeing 787-8 fleets save up to 200 tones and 220 tonnes of fuel annually.

Weight Reduction in Inflight Entertainment System

Hainan Airlines installed tablets on the B737 and B767 aircrafts, reducing the energy consumption related to paper materials and aircraft weight. It is expected to save 1,700 tonnes of fuel annually.

Case

Technological Innovation, Using Research and Development to Create Industry Benchmark

✈

R&D of "Cleaning Robot" for Aircraft Cleaning and Energy Consumption Reduction

Hainan Airlines uses self-developed, semi-automated smart cleaning technology to improve aircraft cleaning efficiency. This can be used for long periods and requires limited staff to operate. This equipment reduced the cost for aircraft cleaning, while achieving a substantial increase in aircraft cleaning efficiency and quality, and a reduction in employee accidents. The technology is the fourth-generation engine washing equipment. After water cleaning, fuel efficiency is improved by about 0.5%, reducing fuel emissions of about 3,700 tonnes annually. Not only can the technology contribute to reducing engine fuel consumption, it also helps to create new innovative ideas for our industry's green development.

Fuel efficiency is improved by about

0.5 %

Reduction in annual fuel

1200 tonnes



Hainan Airlines aircraft crew demonstrating its cleaning operations

Technology First – Using Biofuel Energy for Commercial Flight

China Civil Aviation's First Commercial Flight to Use Biofuel

In cooperation with Boeing and Sinopec, on 21 March 2015, Hainan Airlines completed a commercial flight from Hongqiao to Beijing by using biofuel. This marks China's first commercial flight using biofuel, symbolizing China's aviation industry shift towards a new stage of energy-saving commercial flights. Given the increasing air pollution, the use of biofuel could reduce carbon dioxide emissions by 50-80% and contribute to cleaner air.



Case Air to Ground Green Services

From the ground to the air, Hainan Airlines promotes and urges our passengers to increase their environmental consciousness by reducing the use of paper tickets, boarding passes, paper cups and other paper product wastes; reusing aircraft reading materials; converting to high quality cutlery packages in place of disposable cutlery at the VIP lounges; and practicing waste separation on international flights to facilitate recycling and reduction of material waste. For ground services, we encourage passengers to use the self-service baggage check-in and mobile check-in. In Beijing Terminal 1, we have implemented self-service baggage check-in to achieve a convenient and efficient green experience.



Technology First – Using Biofuel Energy for Commercial Flight

We conducted in-depth analysis and investigation into some of the Hainan Airlines energy-saving projects that did not achieve their targets. We strive to find the problem, and then recommend appropriate improvement plans. The following are examples of the analysis and improvement measures of certain projects that did not meet the energy-saving reduction targets:

1 Focus Optimization for Fuel-saving Control

Reasons for the shortfall

- Actual flight hours and possible flight hours are considerably different
- Certain destinations failed to achieve their fuel-saving rate

2016 improvement program

- Strengthen four operating bases' flight operation's control to monitor and ensure the annual target is achieved
- Focus on monitoring the destinations that failed to achieve their targets and enhancing the communication and coordination
- Include fuel-saving rates into the annual KPI assessment criteria for all units
- Optimize the project control target, use the total number of actual flight hours in 2015 as the benchmark for calculation and analysis

2 Plan landing fuel-saving control

2016 improvement program

- Evaluate the amount of remaining fuel after landing according to each dispatcher and increase spot checks on remaining fuel rate after landing
- Optimize alternating airports for clearance and adjust route and altitude on real-time basis
- Identify the fuel-saving star each month and strengthen reputation

3 Station APU's fuel-usage efficiency

Reasons for the shortfall

- Little or no use of electricity supply on airport bridge load
- Weather, equipment failure, unstable ground power supply and other factors have created inconvenience for the crew to operate the airport bridge

2016 improvement program

- Strengthen communication with airport to provide clear requirements for bridge load data collection and improve the accuracy of data analysis
- Through the development of operating principles to provide training to pilots on the awareness of proper bridge load usage to improve bridge load power usage rate

Join Hands to Build Environmental Friendly Community

Hainan Airlines places great importance on the use of natural resources. We implemented policies regarding the effective use of resources at all levels of our business operations. As an airline company, not only do we implement comprehensive monitoring for jet fuel usage, but we also implement reform and innovation on water resources, aviation scrap recycling and others aspects so as to become the industry benchmark for environmentally friendly corporations.

Case Reduction in On-board Drinking Water Supply

Hainan Airlines began its reduction in on-board drinking water supply in July 2014 based on the actual demand for drinking water supply. We allocate the appropriate drinking water supply to reduce the aircraft weight and fuel consumption, and save our operation cost. Currently we are carrying out trial runs in our four major operation bases in Beijing, Haikou, Xi'an and Taiyuan.

Annual Usage of Resources		
	2014	2015
Total Water Consumption (tonnes)	577488	481152
Water Conservation (tonnes)	1697.83	2662.09
Savings from water conservation (RMB10,000)	46.35	48.38
Hainan Airlines Haikou Meilan Base (tonnes)	53656	62315
Hainan Airlines Beijing Base (tonnes)	351501	274075
Total Amount of Waste Generated	4707 items of plane supplies	8694 items of plane supplies
Total Amount of Food Waste on Plane (tonnes)	885.95	795.65

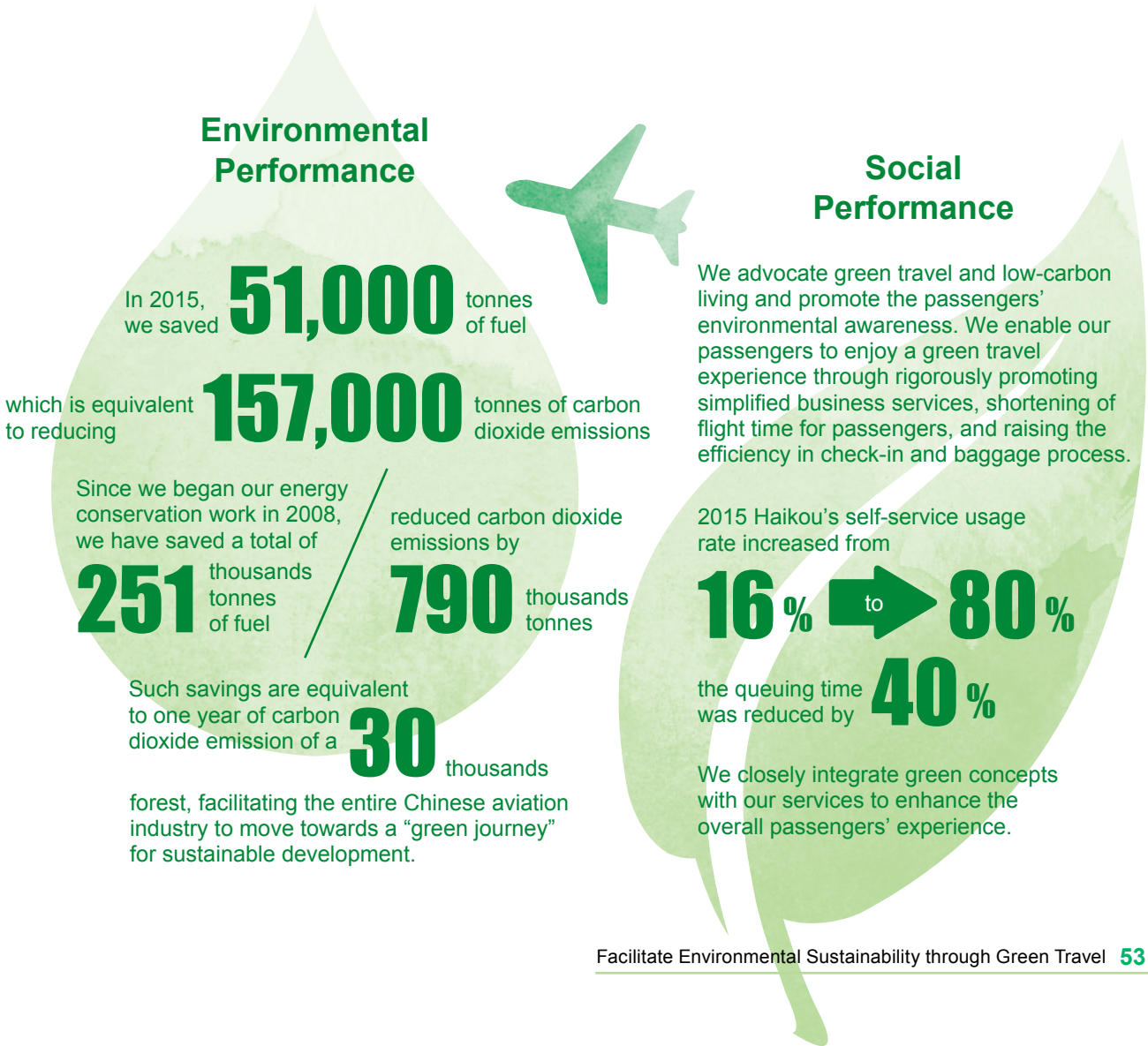
In addition to focusing on environmental protection issues within our own operations, Hainan Airlines is also working to improve the environmental performance of the surrounding communities and promote environmental education to consumers. As a socially responsible company, we firmly believe that a business should not only focus on creating economic value, but also focus on creating sustainable social value. To ensure that our next generations can experience a good environment, Hainan Airlines has joined hands with various stakeholders to promote the concept of environmental protection to every consumer.

In the recent years, with the rapid development in the China civil aviation industry, the number of landings and take-offs has increased. Yet, certain environmental issues have become more apparent, such as noise pollution from aircraft. In order to reduce aircraft noise, we implemented technological transformations and installed carbon fiber composite aircraft winglets (to impede the reversal of air flow) so that noise could be reduced by 6.5% during landing and take-off. In addition, under the premise of ensuring flight safety, we aim to reduce take-off thrust and implement strict noise reduction procedures in the airport to minimise the impact of airport noise for the surrounding community.



Case Installation of Winglets on 737NG Airplane

Carbon fiber composite winglets prevent reversal of air flow to achieve reduced resistance and CO2 emissions by 3-5%, and reduce 6.5% of noise pollution during takeoff and landing.



05

Caring Culture Enables Staff Development

Employees are the key to the Company's business success. Through its well-established code of conduct, Hainan Airlines has developed a comprehensive welfare system, provided a full range of professional training, launched a variety of recreational activities and created a mechanism ensuring employees' physical and mental fitness. We aim to provide our employees with a quality and caring working environment, creating strong sense of belonging and well-being as they grow with the Company.

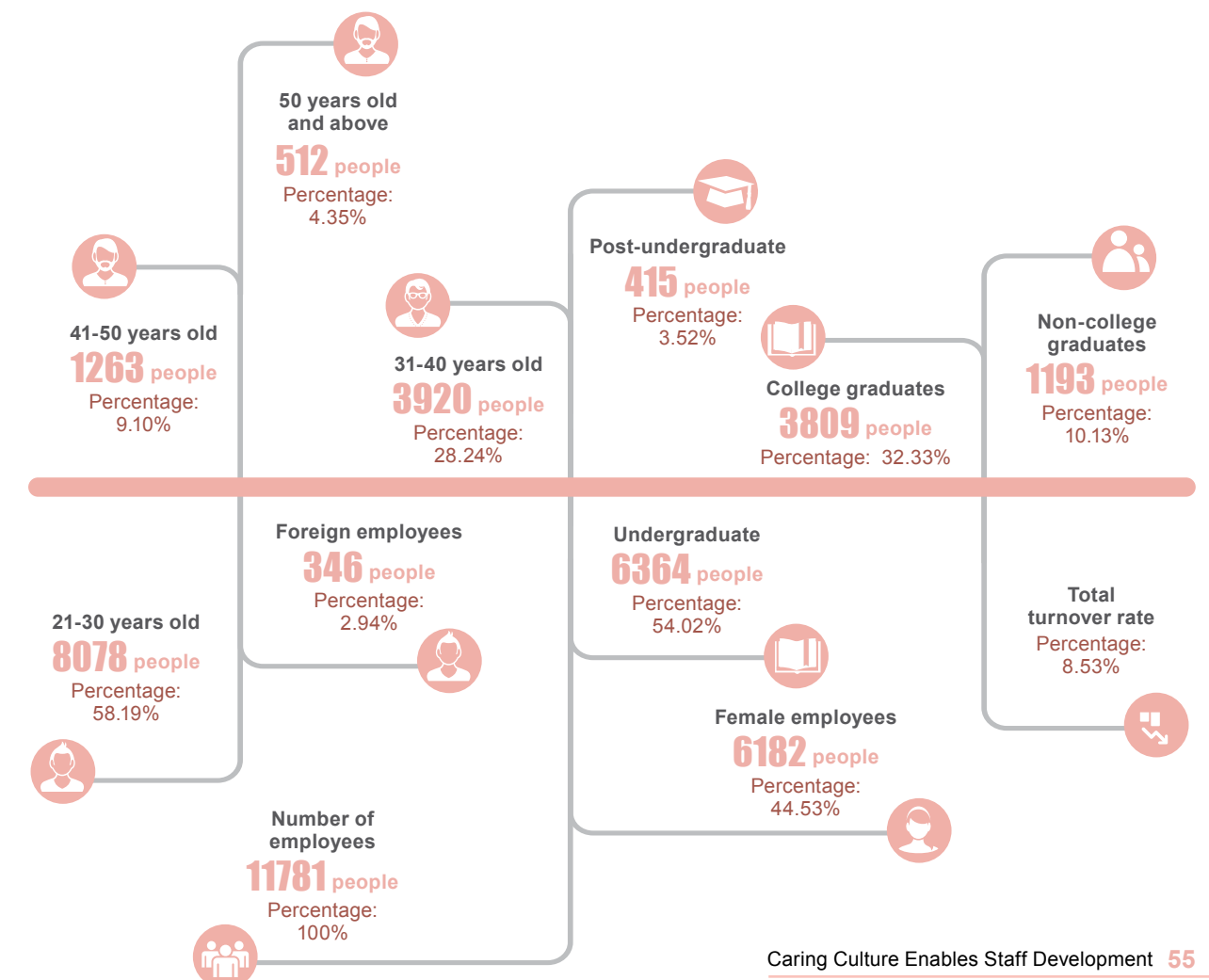


Tailored Management for Diversified Team

Employees are the foundation for company development. Only the best teams can provide the ultimate passenger experience. Hainan Airlines upholds the principle of diversity and equality in our management policies, so that domestic and international teams could integrate professionally and culturally. At the same time, our compensation and benefits take into account the characteristics of the industry, ensuring employees' needs are met and that they feel like part of the Hainan Airline's family.

Hainan Airlines uses a proactive human resources approach to build our talent pool. We adjust our requirements of non-technical talents, setting high standards on their school background, English-speaking level and overall quality criteria. In 2015, we continued to implement special territorial distribution of human resources and vigorously promoted the diversification of employment, strengthening our international talent pool.

Hainan Airlines promotes an inclusive and diverse corporate culture. By gathering different talents, we strive to create a harmonious and inclusive community. Hainan Airlines is committed to expanding our international services, providing local flavored services; and offering fair and equal employment environment for our talents, regardless of their race, color, religion, gender, nationality, ethnicity, age or other factors.



Hainan Airlines bases in China, with a focus on international business. International talent is the driving force of our international expansion. We provide personalized management policies and caring attitude, so that our foreign employees could feel the hospitality within the Hainan Airlines family.

We give special birthday gifts or allowance benefits for foreign crew members and organize Christmas parties and appointment ceremonies for our pilots so that they can feel like they belong. For our foreign cabin crew, we benchmark our remuneration packages according to overseas market trends, global industry standards and leave-management standards. Through a flexible remuneration system, we are prepared for our further internationalization. Hainan Airlines also organizes regular staff activities for foreign crew members to enhance the cohesiveness of foreign employees and corporate identity.

Case Provide Convenience for Foreign Employees

Considering foreign crew members might meet language barriers and inconvenience when seeking medical advice, we have simplified our sick leave application process and offer assistance when they go to the Air Medical Centre to receive medical treatment.

To ensure our foreign employees' needs are well satisfied, we have a foreign service assistant who handles all foreign employees' leave applications, needs for special flights and other issues.



International Team

Number of pilots

1815

Number of foreign pilots

139

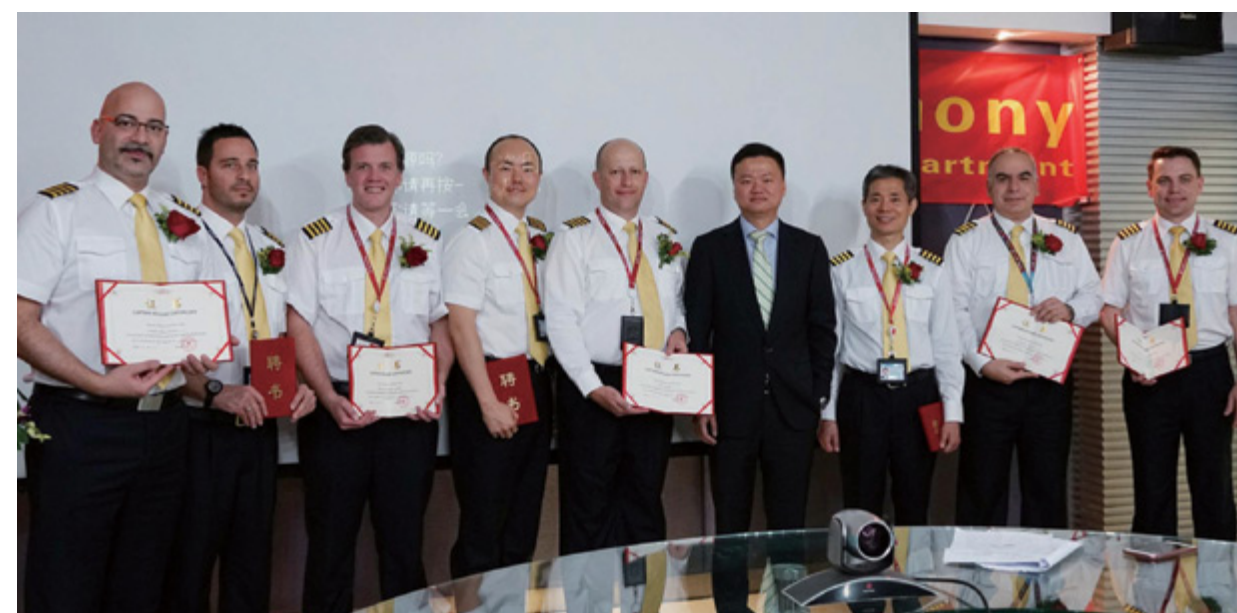
Hainan Airlines has 1,815 pilots, of which 139 are foreign pilots from the United States, Canada, Germany, Ireland, France, Belgium, Finland, Brazil, Australia, the Philippines and other countries. In order to quickly integrate them into the Hainan Airlines culture, we bring them special treats during traditional Chinese holidays so that they can immerse themselves in traditional Chinese festivals and experience the warmth from the Hainan Airlines family.



Write Spring Festival Couplets



Pack rice dumpling



Appointment Ceremony of Foreign Captain



Crew members from China and Taiwan gathered together in Hainan Airlines

Case Create a Warm Family Through Themed Activities

On November 12, 2015, the 1,511th batch of cabin crew members from Taiwan had already work for more than a month. During the period, everyone lived and studied together, which cultivated relationships. Aside from the usual intense training, the 1,511th and 1,510th batch of students built trust and relationships, while experiencing the warmth of the Hainan Airline family through dining together, debates and games, and communicating in Putonghua, Taiwan and local dialects.

Case Welcome Foreign Crew Member into the Hainan Airlines Family

On the Eve of the Dragon Boat Festival, Hainan Airlines held an "Experience Hainan Airlines" activity for our foreign employees. More than 20 employees from France, Canada, Poland and 9 other countries gathered at Haikou to experience the Hainan Culture and Chinese Dragon Boat Festival. Our foreign employees visited the new Hainan Airlines building, attended lectures introducing corporate culture, and the development of Hainan Airlines. In the afternoon, these foreign employees went to an aviation-themed restaurant to participate in Dragon Boat Festival activities, prepared dumplings and joined the traditional Hainan Li tribe's bamboo dance and other activities. A Russian pilot expressed his confidence in the international development of Hainan Airlines and was very proud of being a part of Hainan Airlines.



Foreign employees participated in the Dragon Boat Festival "Experience Hainan Airlines" campaign

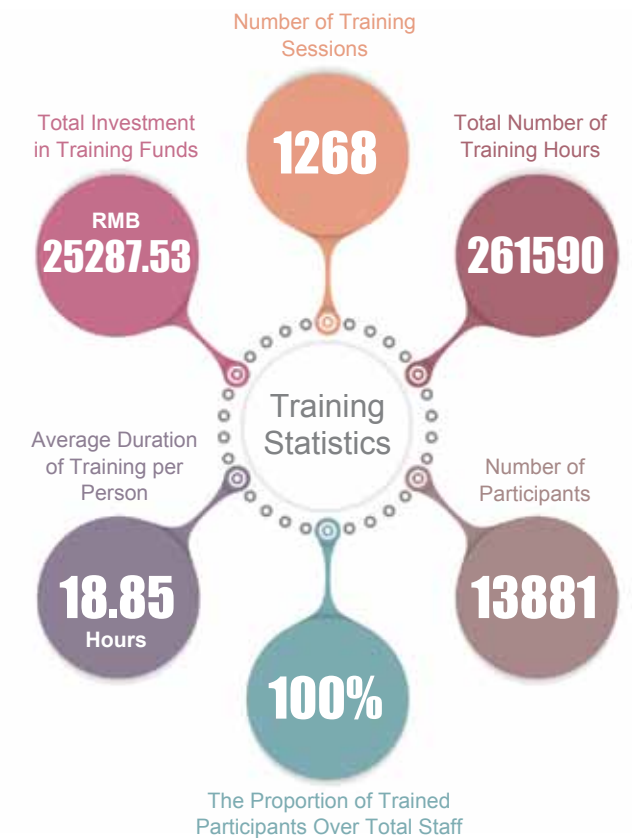
Provide Immense Support on Career Development

Employee development is the core foundation of business growth. Hainan Airlines places great importance on employee development and training, as well as improving our employee training system. We aim to unleash their full potential and open up their career developments. Through fair talent promotion channels, we stimulate team development and ensure we utilize the right people at the right place.

The Human Resources Development Center develops the annual training plan based on the strategic and operational needs of the Company. The key components include employee training system, course curriculum, business support, internationalization learning and other aspects.

Number of new university graduate employees

204



Case New Recruits Take-off Plan

To ensure our employees' quality of work and code of conduct, Hainan Airlines conducts orientation and safety training for our new recruits. We issued our new staff training guide "Hainan Airlines 2015 New Recruits Take-off Plan". Our 204 new university graduate employees completed their training in July 2015, which educated them in professionalism, corporate culture, compliance culture, aviation safety culture and other content. Hainan Airlines continuously enhances the career development and employee training system to tailor our programs to cater to the career development needs of different employees.



Orientation Training 2015

Hainan Airlines adheres to the "aligning our strategy and business" guiding principle. We focus on being international, systematic, and professional in implementing our talent development work plans to support our company's strategic development needs. We help to pinpoint and solve the pain points for our business and to insert value-added work into our training program. At the same time, we design different training strategies according to the unique characteristics of each level and position.

Number of full-time or part-time lecturers

590

Career Development System

Hainan Airlines values employee career development. We are determined in creating a world-class talent force, we shaped the "effective execution, continuous innovation" talent development culture. We select talents from different business areas to build a strong back-up leadership team. Through a unified talent leadership development network, we establish the "assess, develop, engage, re-assess" talent development cycle. We conduct annual reviews in March to go through the annual performance assessment and make recommendations for continuous improvement.

Case Talent Accelerated Development Plan

According to Hainan Airlines' talent acceleration development plans and overall business plan to train high-quality personnel, enhancing our core competitiveness, we developed the "2015 Talent Acceleration Development Plan" covering the exceptional characteristics for different levels of talents in various businesses, flight, safety, service, operation, marketing, finance, human resources and other aspects. In reference to the guiding principle of "ensuring the reserve and focusing on experience", we categorize our reserve talent pool into four specific categories: middle management talent pool, base level management talent pool, new employees and international market/financial personnel talent pool, to drive our development program.

Employee Training System

Hainan Airlines focuses on establishing a comprehensive training system, including instructors' training, curriculum development and talent progression planning. In addition to engaging external consulting party to carry out various training programs, we also devote our resources on training our internal lecturers. We have trained more than 590 staff full-time or part-time lecturers for courses that cover management, business services, general skills, and various businesses segments. Meanwhile, we also work with external professional training institutions to develop general and management-related projects, to train up the research and development capabilities of our instructors, and to develop high-quality training courses for the company. We also send lecturers to teach courses on copyright, as well as internal and external affairs.



Global Leadership Training in 2015

Hainan Airlines attaches great importance to the psychological health of our employees. To compensate for the lack of external counselors, we built our own EAP consultant team to help employees to cope with negative emotions, and develop positive and optimistic attitudes. In 2015, Hainan Airlines selected 35 new EAP counselors for training 7 of them have received the "EAP counselor training certificate" from National Human Resources and Social Security Departments.

Number of EAP counselors

35

Safeguard Employees' Physical and Mental Health

Employee health and safety issues are not only the core of our business operation – it also signifies our responsibility to our consumers. For Hainan Airlines, the physical and mental health of our pilots is of the highest importance, so we provide professional assistance and support to the management of pilots' health and safety.

We strictly abide to the laws and regulations regarding the provisions of working conditions and hours. We also continuously improve our pilots' health management system, organize regular health examinations, establish health records database and allow flexible day off.

“

Based on various needs across departments, EAP consultants carry out a variety of psychological counselling sessions. Tailored pilot mental health assessment is conducted throughout the pilots' career journey, from cadet pilot to captain, to ensure our pilots maintain a healthy state of mind.

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EAP psychological assistance room

Employees' Insurance Coverage

RMB **1.62** million

Supplementary Medical Insurance

RMB **3.48** million

Grounded Insurance

Rmb **3.99** million

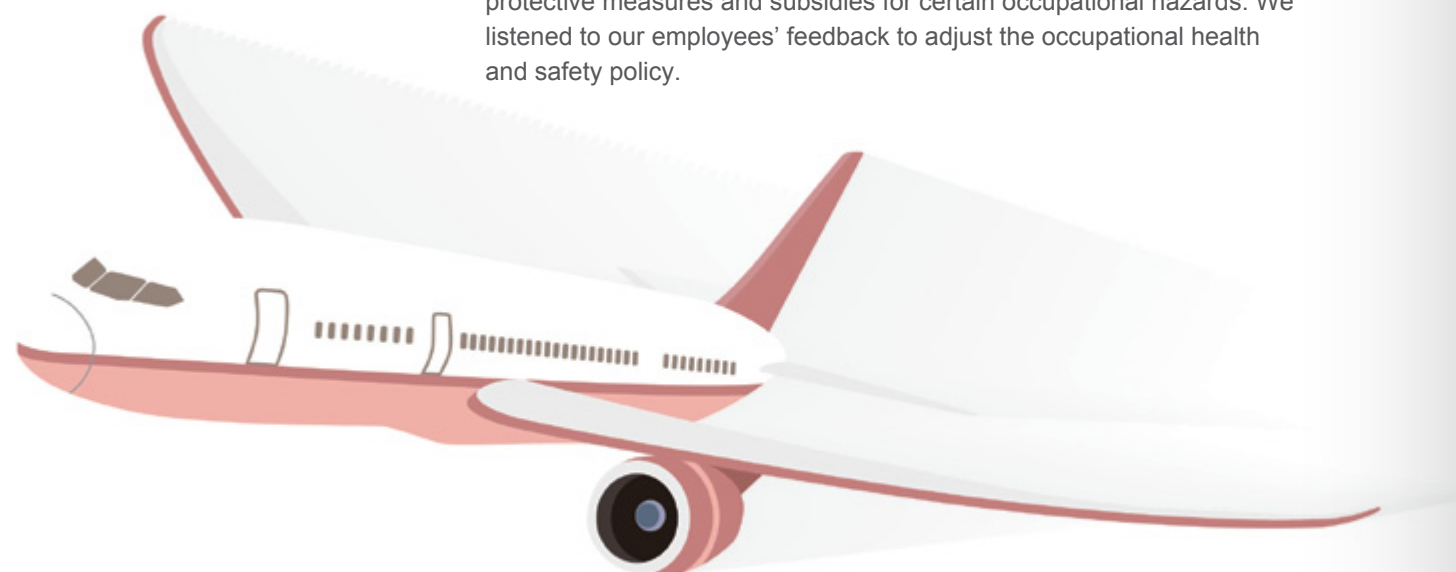
Attentive Care for All Employee

The Hainan Airlines Union is committed to using a democratic approach to protect employee rights, to listen to their feedback and encourage employees' to be proactive. The union aims to create a healthy and comfortable working environment and at the same time enrich their leisure life.

We provide our employees with multiple communication channels to facilitate feedback and communication exchange across different levels. We set up the "Chairman's Mailbox" and "General Manager Mailbox" to sincerely listen to employees' feedback and for us to try our best to satisfy our employee's requests". Meanwhile, Hainan Airlines also established employee care stations in all branches and departments. Based on employees' suggestions, the care stations will organize employee caring activities and special interest events so that employees can have the opportunity to exchange ideas, relax and are cared for.

We established a multi-level social security system for employee welfare in accordance with the nation's laws and standards. In addition to the insurance and pension policy, we helped our employees purchase supplementary medical insurance, employer liability insurance and other commercial insurance as part of their benefits to ensure that our employees are well-protected.

Hainan Airlines considers the unique characteristics of aviation professionals when investing in insurance coverage for pilots. In 2015, RMB 3.99 million was dedicated to grounded insurance and RMB 2.31 million was reimbursed. Special positions were provided with dedicated protective measures and subsidies for certain occupational hazards. We listened to our employees' feedback to adjust the occupational health and safety policy.



In 2015, we became the first airline within the civil aviation industry to implement flexible benefit packages. Employees can have the freedom to plan for their holidays and leave through a combination of points. We also expanded our pension coverage to enable our employees to grow and develop in the most comprehensive system.

Hainan Airlines' holiday arrangements comply with the industry's standards; employees who have been part of the company for more than one year can enjoy paid leave. Paid leave includes statutory annual leave and corporate incentive leave. Additionally, to protect our female employees, on top of maternity and check-up leave, pregnant cabin crew employees are also given special pregnancy leave.

For different employee groups, Hainan Airlines provides the necessary support to protect our employees' legitimate rights and interests.

Employee Benefits

National Provisions



- Social Insurance
- Housing Fund • Company Annuity

Industry Characteristics



- Vacations • Personnel File
- Collective Account • Labor Insurance

Company Characteristics



- Housing Benefits • Discount Tickets • Birthday Reward
- Commercial Insurance • Special Occasion Reward
- Staff Co-Op Fund • Cultural and Sports Activities Fund

In 2015, Hainan Airlines carried out over 100 cultural activities for employees, and nearly 20,000 employees participated. Through company activities, employees get to know each other, building team spirit. The diversity of cultural activities not only allows employees to relax, it also delivers the message of healthy lifestyle and positive working attitude to employees.

Case Employee Sport Activity

On November 28, 2015, we organized the “Move Forward Happily” sports carnival, which included “Duang Duang” concentric drums, fun “wrestling” ring, pulling mountains, rivers obstacle and other activities. Each department competed against each other, and they created their own team name, slogan and pennants. We also had cheerleaders supporting the competition. The carnival was fun and cheerful, and our employees were able to enjoy every moment.



Case Employee Sport Activity

As 2015 Chinese New Year was approaching, Hainan Airlines wanted to stimulate our employees with enthusiasm to meet the challenges of a brand new year. We launched a one-month program, named “Collaboration to Welcome New Year”. We launched various interesting events led by groups throughout the month. The photography group organized the “My Memory of 2014”; the cabin service group organized the “Running, HNAer”; the Youth group led the “Go, Boys & Girls”; and the cycling group led the “Riding for New Life” and others. All of the sports activities enriched employees’ after-work time and encouraged them to enthusiastically greet the New Year.

Hainan Airlines insists on hosting greeting events during New Year’s, Spring Festival, Mid-Autumn Festival and other holidays or special events. In addition to the traditional holiday festival gifts, finely crafted e-cards are passed to all employees during the holiday seasons. During major traditional festivals in China, the union would greet and talk to front-line employees, retired employees and less fortunate employees. At the end of the year, we organize visits to foreign organizations to understand employees’ work-life issues and help implement solutions for them.



Vice President of Hainan Airlines visit on-duty staff

06

Innovative Collaboration to Build a Harmonious Society

As a company that has strong sense of social responsibility, we are not only looking for economic returns, but we are also devoting our time to contribute to the society. Utilizing our strength as a member of the aviation industry, we actively look for methods to contribute to the community, support rural economic development, encourage industry development and participate in charity work and build a harmonious society.



As a member of the Chinese Aviation Industry, we actively respond to our nation's requests and carry out important missions, such as natural disaster rescues, evacuations, and transporting peacekeeping forces.

For all missions and requests by our nation, Hainan Airlines is committed to respond to them with five-star quality service and flight safety. Since 2008, we have assisted more than 30 missions, including natural disaster rescues and Chinese citizens' evacuations. We adhere to the "For our society, and for the others" spirit and fulfill our role as a responsible corporate citizen.



More than
30 people,
participated in the missions

Special Flight: Contribute as an Aviation Company

Disaster Relief

Disaster is our common enemy. Whenever there is a natural disaster, Hainan Airlines tries our best to provide assistance immediately. We have special emergency programs to perform quick rescue operations. Once we received information about the natural disaster, we will report to the top management and commence the emergency response procedure. This is to ensure that we are well-prepared when our nation assigns us rescue missions.

Case 2015 Tianjin Explosions Relief



"8·12" Tianjin Binhai New Zone, Ruihai International Logistics' dangerous goods explosion led to casualties and property loss. On August 14, Hainan Airlines transported 100 tents from China Social Welfare Foundation in Guangzhou to Tianjin. The tents were quickly distributed to those in need.



2015 Tianjin Explosions Rescue

2

peacekeeping chartered flights missions.

140

peacekeepers took off with Hainan Airlines to Liberia for peacekeeping missions

110

peacekeepers came back with Hainan Airlines from Liberia, ending their year-long peacekeeping mission

Case Peacekeeping Mission

In 2015, Hainan Airlines conducted two peacekeeping chartered flights missions.

On 10 March, 140 peacekeepers took off with Hainan Airlines to Liberia for peacekeeping missions.

On 12 March, 110 peacekeepers came back with Hainan Airlines from Liberia, ending their year-long peacekeeping mission.



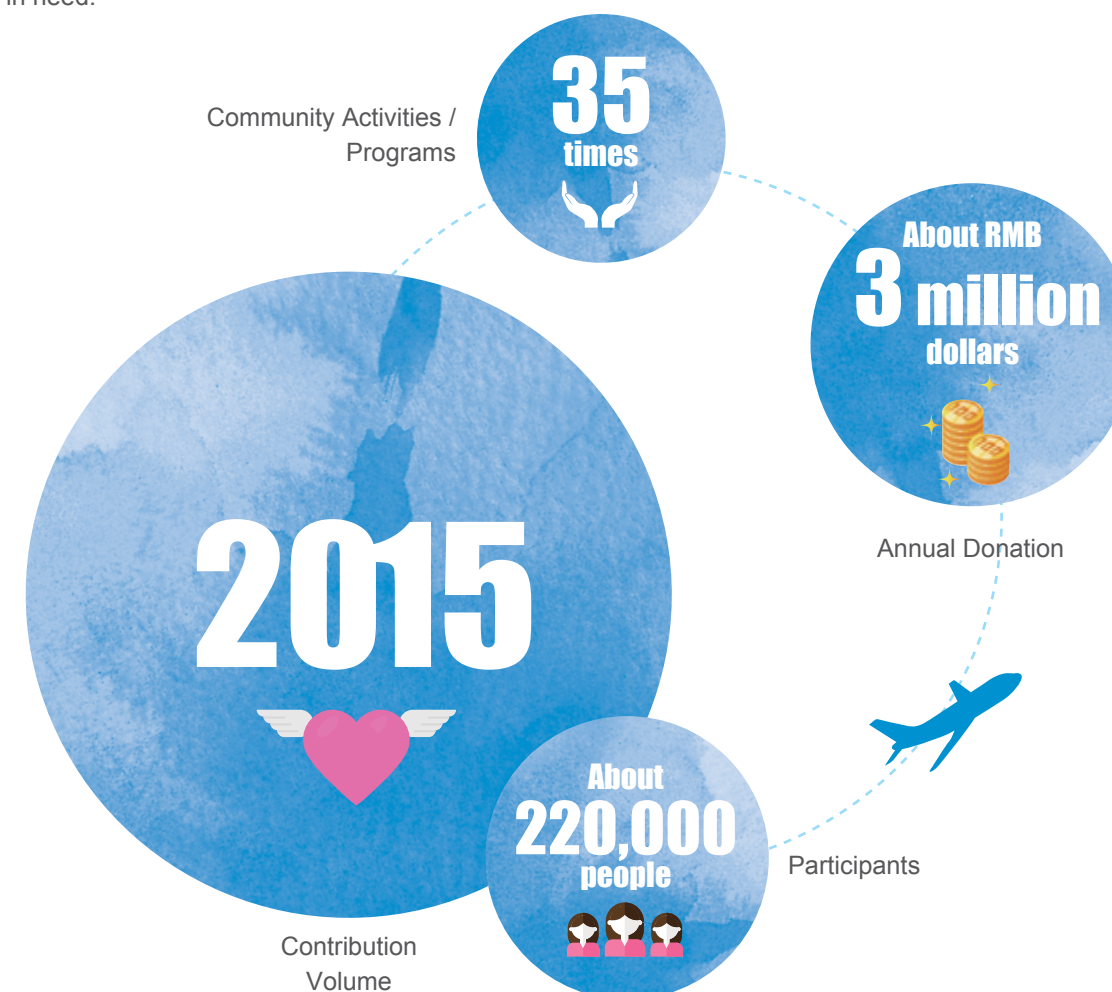
Case Rescue Charter Flight

On May 17, a medical team, sent by the Chinese government to Liberia, came back with Hainan Airlines after a two-month mission. Our HU492 flight from Brussels arrived safely in the Beijing Capital International Airport. This is the third team sent by the Chinese government in fulfilling our international humanitarian obligations. The teams helped Liberia by providing medical services, enhancing the capability of local medical professionals, and improving the living and medical hygiene conditions of the people.



Encourage Community Involvement through Innovation

Hainan Airlines always explores new ways in engaging the community and collaborate with charity organizations. With our core brand value "caring love", we integrate community work with our business operations and ingrain it into our corporate culture. Through the interaction between travelers and employees, we provide assistance to those in need.



In 2013, Hainan Airlines launched the "Love Wings" charity program for our airline members to donate their mileage points. Since its establishment, our members have showed strong support and has sponsored many beneficiaries with free air tickets. Recently,

Hainan Airlines leveraged on internet technology to combine the "Love Wings" and "Mileage for Charity" platform. The innovative community program allowed our frequent flier members to donate their mileage points to those in need. Over the past 3 years, the

program has supported over 300 people's journeys, including those who suffer from leukemia, AIDS, diabetes, as well as university students in poverty and children left behind in rural areas, cross-province workers, handicapped individuals and disaster relief teams.



Case Bringing Love Home

Chinese New Year is the most important festival for Chinese people. It is also a precious time for family reunion. To provide opportunities for city workers and children with financial difficulties to go home, Hainan Airlines launched the "Hainan Airlines Bringing Love Home" community program in 2012.

Every year, "Hainan Airline Bringing Love Home" program offers free air tickets to poor university students, underprivileged students who are studying overseas under scholarship, volunteers in the rural areas, city workers, and children a chance to go home for the Chinese New Year.

The third "Bringing Love Home" program commenced in January 2015, and had provided free return tickets to over 160 people to go home and celebrate Chinese New Year with their families.

In 16 January 2015, two outstanding university students at North China Electric Power University rode Hainan Airlines HU7182 flight home for Chinese New Year. They were the third batch of "Bringing Love Home" recipients benefited from this program. On that day, 9 underprivileged students from Beijing, Hainan, Yinchuan, and Chengdu took Hainan Airlines' flights home.



Hainan Airlines Bringing Love Home activity



60
outstanding
high school
students



Case Love Wings – My University Dream

From July to August 2015, Hainan Airlines initiated the "Love Wings – My University Dream" program in eight cities, it aims to help students with financial difficulties in fulfilling their university dreams. Through the "Hainan Community" mileage for charity platform, 60 outstanding high school students were able to raise enough mileage points from frequent travelers for free tickets. This helped the students to ease their concern for saving up for the journey. The target recipients included those who have been admitted to universities in 7 Beijing, Hainan, Shaanxi, Shanxi, Guangdong, Liaoning and Xinjiang.



Student wrote a message on "Love Wings" message board



Student wrote their wishes on the HNA message board



Case “Let’s Make Their Dreams Come True” Winter Camp

On February 1, 2015, 33 students from Shanxi Lin Feng Red Ribbon School and Anhui Fuyang “Fu Loving Home” took Hainan Airlines flights to Sanya for the first time to take part in a winter camp. This camp was specially designed by Hainan Airlines to allow students to explore and participate in events that aimed to encourage them in realizing their dreams.

One of the boys who took part in filming the charity promotion video, “Forever Together” in 2012 stated that his dream was to become a pilot. This dream was realized during this trip. Under the leadership of our staff, children were taken to the simulated cockpit training facilities to understand basic aviation concepts such as the mechanisms of life-saving boats, actions required during safety drills, and how to slide down the emergency escape slide. This boy who dreamed of being a pilot put on a pilot uniform and completed his first ‘flight’ under the supervision of our head pilot, Huang Xin Cheng.



“Little Pilot” experience simulated flight



“Little pilot” dressed in Hainan Airlines Uniform



Passenger donating in cabin



Case “Change for Good” Donation Program

Change for Good is a donation program by UNICEF and the International Airline Industry, designed for passengers to donate their spare change and excess foreign currencies. The donations collected were used to support medical and welfare programs for vulnerable children that live in poverty in over 160 developing countries.

In 2013, Hainan Airlines became the first Chinese airlines that worked with UNICEF for the “Change for Good” program. Over five years, we planned to raise RMB 2 million in donations each year in support of UNICEF children protection programs.

As of 2015, Hainan Airlines has launched the donation program on 30 routes that covered 60 domestic and international flights and has raised over RMB 4 million. In the first year, the donations were used to support the child care program after Haiti’s earthquake. The second year’s donations were used for exploring the best way to provide childcare support across three provinces in Guizhou, Yunnan and Guangxi.



“Hainan Airlines, Change for Good” promotion poster



Case “Growing Up with Hainan Airlines by Your Side”

Bangxi town, located in the north-west of Hainan Province, is known as one of the most serene and peaceful in the province. To equip the students in this area with the knowledge about our country and traditions, Hainan Airlines organized an education program named "Growing up with Hainan Airlines by Your Side".

In May 2015, a team of 11 Hainan Airlines' colleagues went to Bangxi Secondary School to

conduct a 2-day education program. In response to the needs of the school and students, we brought along experienced aviation coaches, outstanding EAP consultants, overseas students, outstanding university graduates and professional English teachers to provide interactive lessons on etiquette, psychology, English, geography and history. The program eased the pressure of the students and reminded them that we are always by their sides.

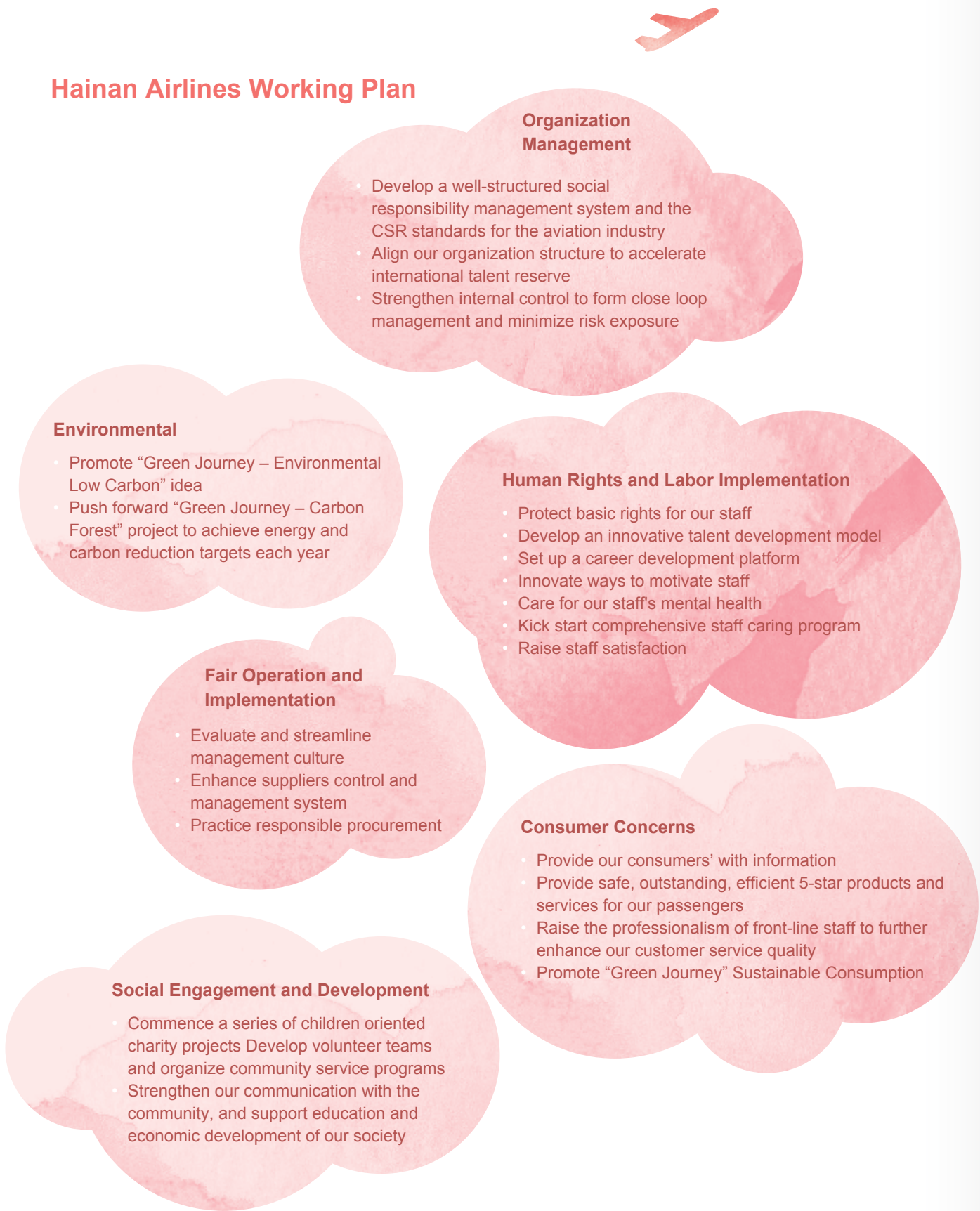


Growing Up with Hainan Airlines By Your Side

About the Future

In 2015, Hainan Airlines commenced pilot programmes about social responsibility and began our work under the ISO26000 in incorporating corporate social responsibility into our operations. We achieved encouraging results and will continue to improve in areas such as raising staff awareness on social responsibility, enriching the corporate structure and systems, and enhancing the close relationship between social responsibility and our daily operations. We developed "Hainan Airlines 2015-2017 Corporate Social Responsibility Pilot Program" as a standard for us to follow, with the aim of transforming ourselves into a world-class airline. With the "Year of Enhancing Social Responsibility" in mind, we will continue to enrich our management system for social responsibility, improve our corporate structure, be more attentive to staff development, raise management standards on safe operation, enrich passengers experience, and provide safe, outstanding, highly efficiency, low carbon 5-star services.

Hainan Airlines Working Plan



GRI Indicator Index

GRI Indicator	Description	Chapter	Pages	Remarks
General Standard Disclosures				
Strategy and Analysis				
G4-1-2	Statement from the most senior decision-maker of the organization	Message from the President	04-05	
G4-2	Description of key impacts, risks, and opportunities	Message from the President	04-05	
Organization				
G4-3	Name of organization	About Hainan Airlines	06	
G4-4	Primary brands, products and services	About Hainan Airlines	06	
G4-5	Location of headquarters	About Hainan Airlines	06	
G4-6	Number of countries where the organization operates	About Hainan Airlines	07	
G4-7	Nature of ownership and legal form	About Hainan Airlines	06	
G4-8	Markets served	About Hainan Airlines	07	
G4-9	Scale of the organization	About Hainan Airlines	07	
G4-10	Number of employees	About Hainan Airlines	06	
G4-11	Percentage of employees covered by collective bargaining agreements			83%
G4-12	The organization's supply chain	Strong Partnership to Create Mutual Business Value	23	
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain		16 - 17	
G4-14	Precautionary approach or principle	About Hainan Airlines	10-11	
G4-15	Adoption of external charters, principles or initiatives	Strong Partnership to Create Mutual Business Value	22	
G4-16	Membership of associations and advocacy organizations	Strong Partnership to Create Mutual Business Value	22	
Identified Material Aspects and Boundaries				
G4-17	Entities included in consolidated financial statements and not covered by this report	About this Report	02-03	
G4-18	Process for defining the report content and the aspect boundaries	About this Report	02-03	

GRI Indicator	Description	Chapter	Pages	Remarks
G4-22	Restatement of information			This report is Hainan Airlines first CSR Report
G4-23	Significant changes from previous reporting periods in the scope and aspect boundary			This report is Hainan Airlines first CSR Report
Stakeholder Engagement				
G4-24	Stakeholder groups engaged	About Hainan Airlines	12	
G4-25	Identification and selection of stakeholders	About Hainan Airlines	12	
G4-26	Stakeholder engagement approach	About Hainan Airlines	12	
G4-27	Key topics and concerns raised by stakeholders and the organization's response	About Hainan Airlines	12	
Report Profile				
G4-28	Reporting period	About this Report	02-03	
G4-29	Date of the most recent previous report			This report is Hainan Airlines first CSR Report
G4-30	Reporting cycle	About this Report	02-03	
G4-31	Contact point	About this Report	02-03	
Governance				
G4-34	Governance structure	About Hainan Airlines	10-11	
Ethics and Integrity				
G4-56	Values, principles, standards and norms of behavior	About Hainan Airlines	10-11	
Specific Standard Disclosures				
Economic				
Aspect: Economic Performance				
G4-DMA	Disclosures on management approach	Strong Partnership to Create Mutual Business Value	15	
G4-EC1	Direct economic value generated and distributed	Strong Partnership to Create Mutual Business Value	15	
Procurement Practices				
G4-DMA	Disclosures on management approach	Strong Partnership to Create Mutual Business Value	23	
G4-EC9	Proportion of spending on local suppliers	Strong Partnership to Create Mutual Business Value	23	

GRI Indicator	Description	Chapter	Pages	Remarks
Environmental				
Materials				
G4-DMA	Disclosures on management approach	Facilitate Sustainability through Green Travel	48-53	
G4-EN1	Materials used by weight or volume	Facilitate Sustainability through Green Travel	48-53	
Energy				
G4-DMA	Disclosure of management approach	Facilitate Sustainability through Green Travel	46-53	
G4-EN3	Energy consumption within the organization	Facilitate Sustainability through Green Travel	52	
G4-EN6	Reduction of energy consumption	Facilitate Sustainability through Green Travel	48	
Water				
G4-DMA	Disclosure of management approach	Facilitate Sustainability through Green Travel	52	
G4-EN8	Total water withdrawal by source	Facilitate Sustainability through Green Travel	52	
Emissions				
G4-DMA	Disclosures on management approach	Facilitate Sustainability through Green Travel	52-53	
G4-EN15	Direct GHG emissions (scope 1)	Facilitate Sustainability through Green Travel	53	
G4-EN19	Reduction of GHG emissions	Facilitate Sustainability through Green Travel	53	
Effluents and Waste				
G4-DMA	Disclosures on management approach	Facilitate Sustainability through Green Travel	52	
G4-EN23	Waste by type and disposal method	Facilitate Sustainability through Green Travel	52	
Products and Services				
G4-DMA	Disclosures on management approach	Facilitate Sustainability through Green Travel	46-53	
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	Facilitate Sustainability through Green Travel	46-53	

GRI Indicator	Description	Chapter	Pages	Remarks
Social				
Labour Practices and Decent Work				
Employment				
G4-DMA	Disclosures on management approach	Caring Culture Enables Staff Development	55	
G4-LA1	New hires and employee turnover	Caring Culture Enables Staff Development	55	
G4-LA2	Benefits provided to full-time employees	Caring Culture Enables Staff Development	63	
Training and Education				
G4-DMA	Disclosures on management approach	Caring Culture Enables Staff Development	59-60	
G4-LA9	Average hours of training per year per employee	Caring Culture Enables Staff Development	59	
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Caring Culture Enables Staff Development	60	
Diversity and Equal Opportunity				
G4-DMA	Disclosures on management approach	Caring Culture Enables Staff Development	55-58	
G4-LA12	Composition of Board and employees according to indicators of diversity	Caring Culture Enables Staff Development	55-58	
Human Rights				
Non-discrimination				
G4-DMA	Disclosures on management approach	Caring Culture Enables Staff Development	55	
G4-HR3	Total number of incidents of discrimination and corrective actions taken	Caring Culture Enables Staff Development		We did not receive any discrimination complaints in 2015
Society				
Anti-corruption				
G4-DMA	Disclosures on management approach	About Hainan Airlines	10-11	
G4-SO4	Anti-corruption policies and procedures	About Hainan Airlines	10-11	

GRI Indicator	Description	Chapter	Pages	Remarks
Product Responsibility				
Customer Health and Safety				
G4-DMA	Disclosures on management approach	Superior Safety to Assure Safe and Pleasant Flight	29	
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Superior Safety to Assure Safe and Pleasant Flight	29	
Product and Service Labeling				
G4-DMA	Disclosures on management approach	Superior Safety to Assure Safe and Pleasant Flight	45	
G4-PR5	Results of surveys measuring customer satisfaction	Superior Safety to Assure Safe and Pleasant Flight	45	

Feedback Form

Thank you for reading the Hainan Airlines Company Limited 2015 Social Responsibility Report. To further improve our corporate social responsibility work, and our ability and standards in conducting our work, as well as to enhance our community with different stakeholders, we sincerely hope that you will spare us a minute to provide us with your valuable comments and suggestions:

Your information

Name

Organization

Telephone

Email

1. What is your overall view of Hainan Airlines Social Responsibility Report:

☐ Good☐ Average☐ Needs Improvement
2. What is your view of Hainan Airlines’ work performance with regard to our responsibility in safety aspects?

☐ Good☐ Average☐ Needs Improvement☐ Do Not Understand
3. What is your view in regard to Hainan Airlines’ work performance in the area of stakeholder engagement?

☐ Good☐ Average☐ Needs Improvement☐ Do Not Understand
4. What is your view in regard to Hainan Airlines’ work performance in passenger service?

☐ Good☐ Average☐ Needs Improvement☐ Do Not Understand
5. What is your view in regard to Hainan Airlines’ work performance in staff development?

☐ Good☐ Average☐ Needs Improvement☐ Do Not Understand
6. What is your view in regard to Hainan Airlines’ work performance in contributing to the society?

☐ Good☐ Average☐ Needs Improvement☐ Do Not Understand
7. What is your view in regard to Hainan Airlines’ work performance in environmental protection?

☐ Good☐ Average☐ Needs Improvement☐ Do Not Understand
8. Please share with us your other views on Hainan Airlines’ work in delivering on our social responsibility?