



2017

Social Responsibility Report  
Hainan Airlines Holding Co.,Ltd



Fly Your Dreams

Enjoy  
your dream in the clouds

"Fly your dreams". We have been striving  
to be "better" for you.

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## Message from the Chairman



Dear friends,

Thank you very much for all your help and support for Hainan Airlines.

Looking back at 2017, China vigorously promoted the “responsible entrepreneurship”, ecological progress was advocated on the 19th CPC National Congress, and the first Guidance on the Implementation of Social Responsibility for Air Transport Enterprise in China was issued. Driven by the Sustainable Development Goals (SDGs), the trend of sustainable development is becoming strong in China, which poses both a rare opportunity and a big challenge to our social responsibility management.

In 2017, we developed scientific and rational social responsibility management philosophy with a focus on social changes and attention to the development of stakeholders. In 2017, we further studied the meaning of social responsibility, and explored a better way to engage in social responsibility work based on our own resources and advantages. In 2017, we kept providing sustainable products and services to give back to all the stakeholders, striving to be a responsible and excellent aviation brand in the world.

In 2017, we kept working hard to connect the world with our route network. With almost 1,800 domestic and international routes, we took passengers to more destinations far away, and saved them from long, exhausting journeys. In 2017, we paid attention to details to improve the air travel experience with the brand new fleet, comprehensive safety control as well as holistic, seamless and high-quality service for high quality flight experience and bring surprises. In 2017, we have provided Michelin-rated delicacies high up in the sky, cooperated with the fashion field to bring the fifth-generation steward uniform, and built the brand new HNA Club providing pleasant environment and experience. In 2017, we were awarded the title of SKYTRAX Five-Star Airline for the seventh consecutive year and ranked the 9th in the World's Best Airlines with over six million safe flight hours.

In 2017, we have kept the original aspiration of green ecology in mind, and fulfilled our environmental responsibility. We have continuously promoted the “Green Tour” project and furthered the partnership of the GAIN program, with accumulatively 97,200 tons of fuel being saved and 67 new energy-saving and emission-reduction projects being launched. In 2017, carrying biological aviation fuel made in China, our Boeing 787-9 Dreamliner completed the first transoceanic flight in China, marking another major milestone for environmental protection in the China's civil aviation industry.

In 2017, we have been committed to win-win cooperation and promoted the well-being of the whole society. We have widely carried out recruitment and improved international influence with a brand value of 909 million dollars. In 2017, we have helped the development and growth of employees with 87% employee engagement, and won the China Best Employer Award. In 2017, we continued the “Change for Good”, “Love Wings”, and “Sending Love Home” projects to care for sick children, university students in need and people with disabilities.

Fly your dreams. The development of Hainan Airlines needs your care and support. In 2018, we expect to see you on the new journey and enjoy a good time with our services. In 2018, we hope to make joint effort with you to strive for better experience, better ecology and better life.

Board Chairman  
Hainan Airlines Holding Co., Ltd.



# About Hainan Airlines

## Company profile

Almost **1,800**  
Domestic and  
international routes

Over **220**  
Cities covered by  
Hainan Airlines routes

Hainan Airlines Holding Co., Ltd. (hereafter referred to as "Hainan Airlines") was founded in January, 1993 in Hainan Province, the largest special economy zone in China. As one of the fastest developing airlines in China, Hainan Airlines is committed to providing passengers with holistic, seamless and high-quality services.

Since 1993, in addition to its main hub Haikou, Hainan Airlines has successively established 24 bases/branch companies in Beijing, Tianjin, Xi'an, Chongqing, Kunming, Guangzhou, Shenzhen, Haikou, Hangzhou, Changsha, Urumqi, etc. Our extensive network routes cover all around China, Asia and extend to Europe, North America and Oceania with almost 1,800 domestic and international routes for over 220 cities worldwide. Since its beginning, Hainan Airlines Holding has seen 25 years of safe operations and has accumulated over six million hours of safe flights, maintaining an outstanding safety record. Hainan Airlines Holding's fleet is mainly comprised of Boeing 737s and 787s, and Airbus 330s, with over 400 aircrafts in operation which are used for passengers and cargo transportation, and provides passengers with individual and a spacious new business class.

Since 2011, due to its high quality services and continuous service innovations in these years, Hainan Airlines Holding has been awarded the title of SKYTRAX Five-Star Airline for seven consecutive years, and has become the first airline in mainland China to be listed in the Top 10 World's Best Airlines by SKYTRAX.

"Fly your dreams". Hainan Airlines Holding aspires to be a world-class airline company and make prominent airline brand of China.

## Connecting the world with the route network

In addition to its main hub Haikou, the Company has successively established 24 bases/branch companies in Beijing, Tianjin, Xi'an, Chongqing, Kunming, Guangzhou, Shenzhen, Haikou, Hangzhou, Changsha, Urumqi, etc. Our extensive network routes cover all around China, Asia and extend to Europe, North America and Oceania.

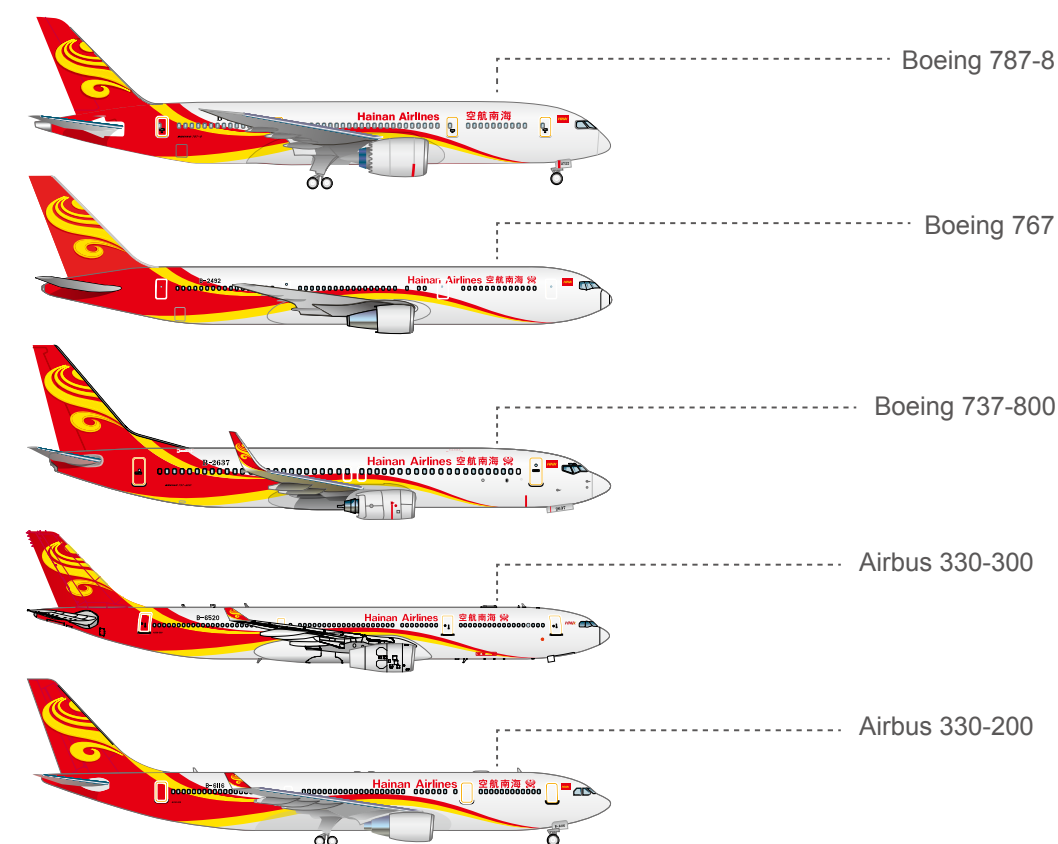


## Providing more comfortable experience with the luxurious fleet

Hainan Airlines Holding's fleet is mainly comprised of Boeing 737s and 787s, and Airbus 330s, with over 400 aircrafts in operation which are used for passengers and cargo transportation, and provides passengers with individual and a spacious new business class.

**410**

Aircrafts in operation



Note: 1. The statistics in 2017 in this report, unless otherwise indicated, covers Hainan Airlines Holding, China Xinhua Airlines, Air Chang'an, Shanxi Airlines, Lucky Air, Fuzhou Airlines, Urumqi Air, Tianjin Airlines and Guangxi Beibu Gulf Airlines.

2. The statistics marked with "“\*”" in the report covers data from Hainan Airlines Holding, China Xinhua Airlines, and Shanxi Airlines.

3. The pictures above only demonstrate some aircraft types, and do not represent the whole fleet.

## Building world-class aviation brand

In 2017, Hainan Airlines won the title of SKYTRAX Five-Star Airline for the seventh consecutive years. It was the only airline being listed in mainland China.

"This is the seventh time for me to present Hainan Airlines with the SKYTRAX Five-Star Airline Award. In the past seven years, the judging panel of SKYTRAX has witnessed the internationally advanced service innovation and service quality of Hainan Airlines. Hainan Airlines highlights international services with China hospitality and constantly wins favor from customers around the world, thus becoming an international aviation brand.

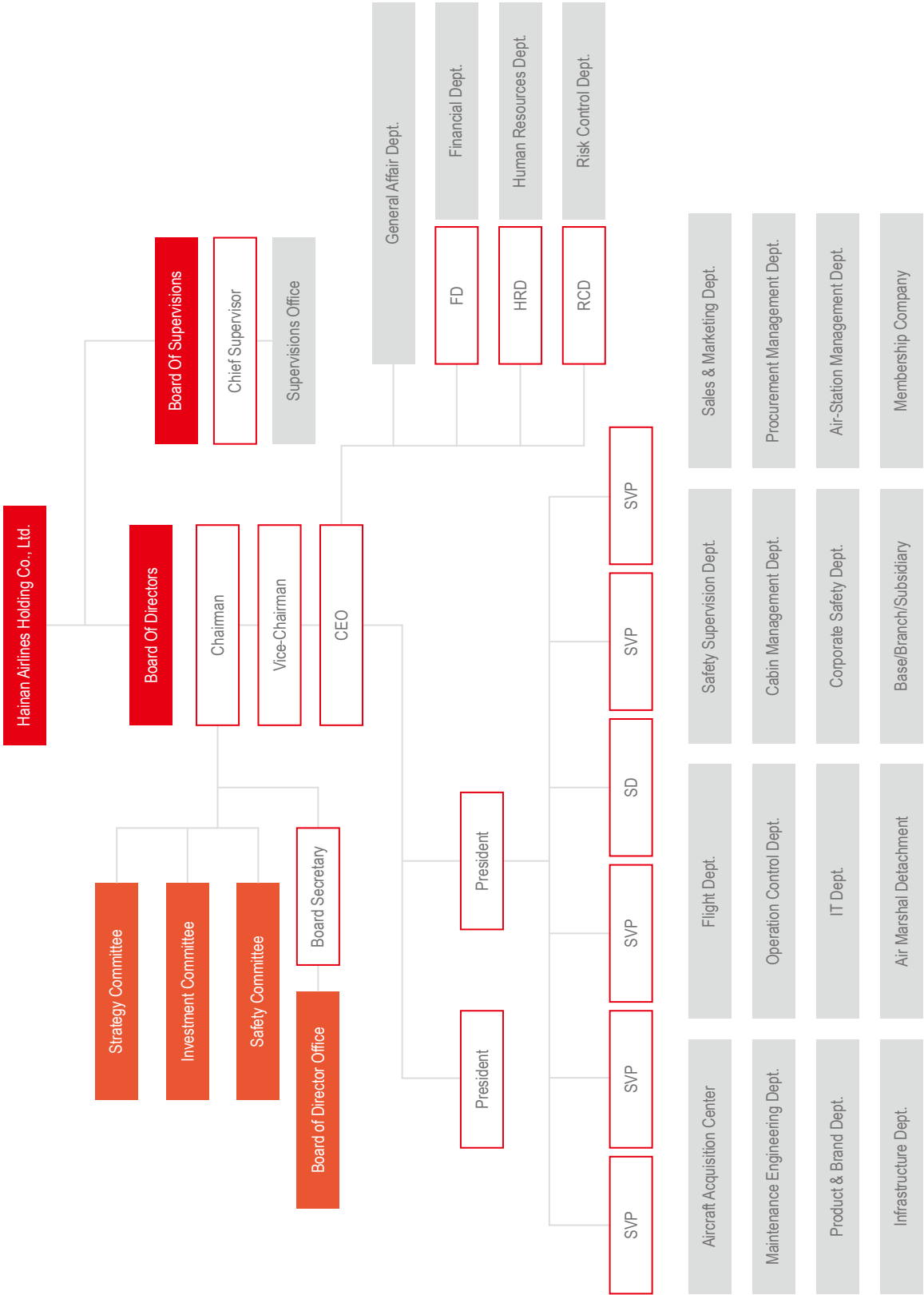
Edward Plaisted , President of SKYTRAX

**909** million dollars \*

Hainan Airlines' brand  
value



Organizational structure



Corporate governance

Highly valuing the corporate governance, Hainan Airlines Holding strictly abides by laws, regulations and regulatory documents such as the Company Law, Securities Law, Code of Corporate Governance for Listed Companies in China and Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, and continuously improves its governance structure and strategic decision-making mechanism, developing a smooth operation mechanism with a clear division of rights, duties and labor between

the right to make decision, the right of supervision and the right of operation. The Board consists of special committees including the Strategy Committee, Investment Committee, and Safety Committee, etc. These committees play an important role in such pivotal management, operations and decision-making processes as the formulation of corporate strategies, inspection and appraisal of internal control, regular report compilation and incentive mechanism improvement.

7\*  
Directors of the Board

Ethical operations

In 2017, according to the unified deployment of the "Compliance Year" to ensure strict governance over enterprises, Hainan Airlines Holding abided by business ethics, laws and regulations, and promoted fair competition and operation with integrity. On such basis, Hainan Airlines Holding created a good cultural atmosphere of "compliance" and "safety" and promoted the sustainable and safe development of all subsidiaries.

**Conducting compliance inspection** The Company has conducted all-round self-inspection on the compliance of airworthiness from four aspects including maintenance commissioning management, procedures and standards, personnel qualification as well as facilities and equipment, so as to improve the targeted management system and prevent risks.

**Promoting and expanding the complaint channels** The Company has formulated compliance investigation administrative measures to regulate the handling mechanism for complaints and reporting, and set up the intranet complaint system.

**Organizing activities to learn and exchange compliance investigation experience** The Company has organized 42 trainings on compliance, covering all the personnel in Hainan Airlines Holding and its member enterprises.



SKYTRAX, the authoritative consultancy which carries out airline and airport review and ranking, awards the Five-star Airline Medal to Hainan Airlines.

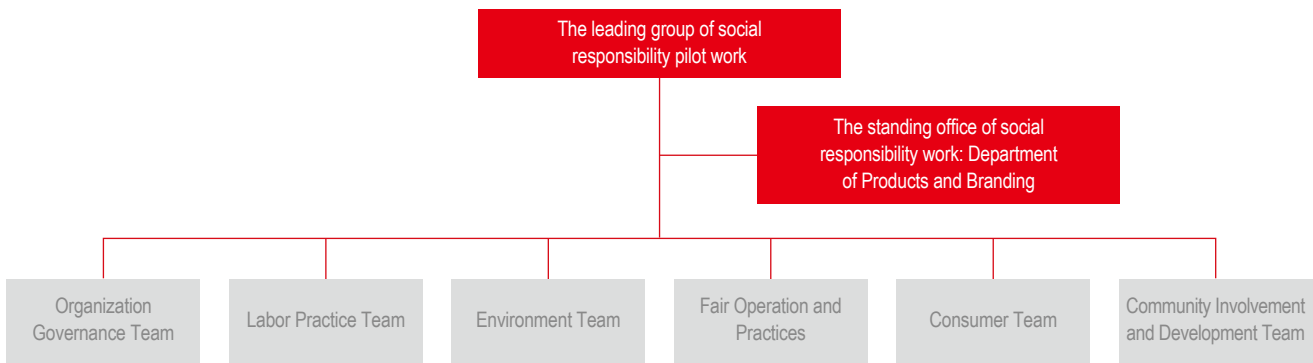
# Social Responsibility Management

## Social responsibility philosophy

We uphold our social responsibility as an extension of our "HNA Spirit" value system that promotes our social responsibility to a strategic height in enterprise development and strengthens our commitment to essential responsibilities including those for the government, shareholders, employees, customers and partners etc. We expand our responsibility fulfillment to cover communities, the environment, public good and charity etc. into our system so as to enhance our CSR awareness.

## Social responsibility organizations

In order to fulfill our social responsibility, we have established a leading group of social responsibility pilot work, a standing office and 6 project teams. Each team is led by its responsible department in implementing relevant work.



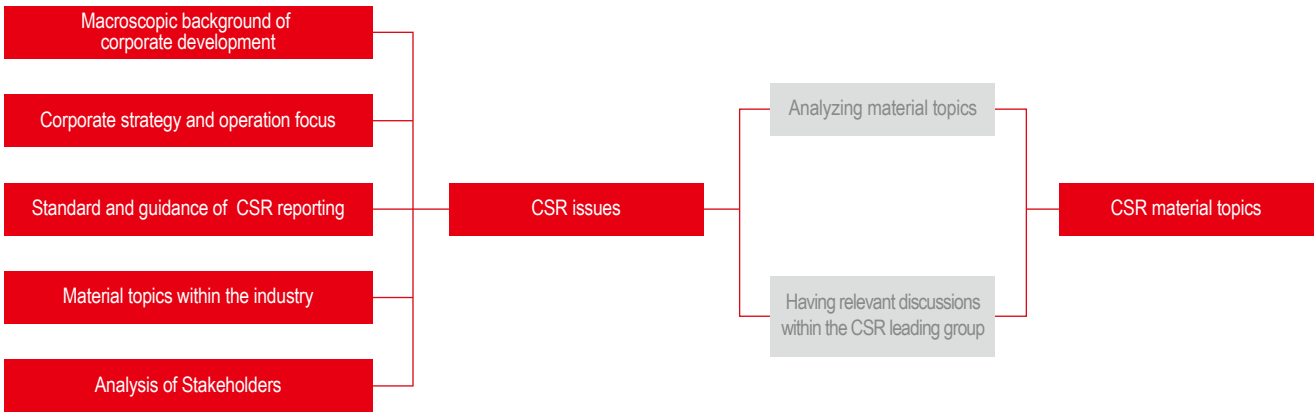
## Social responsibility promotion

With our core brand value of “Caring Love - Integrity”, we further implement sustainable development concept, take social responsibility actions according to the high standards and strict requirements for ‘Five-Star Airline’ and continuously promote the development of our social responsibility system. We actively promote green aviation, and lead partners to enhance communication and exchange on social responsibility, thus fostering the overall social responsibility development in the society.

- We compiled and released our second social responsibility report: Hainan Airlines Social Responsibility Report 2016.
- We issued the first Guidance on the Implementation of Social Responsibility for Air Transport Enterprise in China’s civil aviation industry, which further guides the social responsibility practice of air transport enterprises.
- We held the panel themed ‘Embracing the New Era, Create the New GAIN’ at the third HNA CSR Forum, sharing experience with partners in the aviation industrial chain to plan the development of green aviation together.
- We were the first aviation company to complete a transoceanic flight powered by biological aviation fuel in China, setting a CSR benchmark in the industry.
- We launched public welfare programs including the ‘Change for Good®’ onboard fundraising program, the ‘Green Tour’ points for carbon sinks program as well as the ‘Love Wings’ points for charity program. With these efforts, we care for the health and growth of children, show concern for global environmental protection and actively promote the responsible brand image of Hainan Airlines Holding, which has been widely recognized in the society.

## Identification of material topics

We have conducted regular communications with stakeholders to deeply analyze information concerning the domestic sustainable development context, national macro polities and industrial development trends. According to the characteristics of corporate development, we have identified and summarized the core CSR issues for Hainan Airlines Holding and determined their order of priority.



Analysis of material topics (illustration)



Stakeholder communication

Stakeholder Communication	Expectations and requirements	Communication channels	Actions
Government and regulatory institutions	<ul style="list-style-type: none"><li>Legal and compliant operation</li><li>Paying taxes according to the law</li><li>Creating employment opportunities</li><li>Serving national strategies</li><li>Preventing risks</li></ul>	<ul style="list-style-type: none"><li>Work reporting</li><li>Attending meetings and reporting major activities</li><li>Documents and special reports</li><li>Accepting supervision</li></ul>	<ul style="list-style-type: none"><li>Legal operation</li><li>Paying taxes according to the laws</li><li>Providing employment opportunities</li><li>Promoting regional development</li><li>Enhancing risk management</li></ul>
Shareholders	<ul style="list-style-type: none"><li>Creating stable returns</li><li>Improving corporate governance</li><li>Enhancing the management of investor relations</li><li>Timely and comprehensive information disclosure</li></ul>	<ul style="list-style-type: none"><li>Shareholders' meeting</li><li>Regular announcements and road shows</li><li>Analysts</li></ul>	<ul style="list-style-type: none"><li>Boosting profitability</li><li>Improving governance structure</li><li>Regulating information disclosure</li></ul>
Customers	<ul style="list-style-type: none"><li>Ensuring flight safety</li><li>Maintaining service quality</li><li>Protecting clients' privacy</li></ul>	<ul style="list-style-type: none"><li>Service quality supervision system</li><li>Complaints mailbox</li><li>Service hotline 95339</li><li>Feedback card</li><li>VOC passengers' satisfaction degree survey platform</li><li>Passengers' satisfaction survey</li></ul>	<ul style="list-style-type: none"><li>Management and control of core risks</li><li>Cultivating safety culture</li><li>Making innovations in safety technology</li><li>Improving membership services</li><li>Increasing flight punctuality rate</li><li>Conducting responsible marketing</li></ul>
Employees	<ul style="list-style-type: none"><li>Safeguarding basic rights and interests of employees</li><li>Improving the remuneration and benefits system</li><li>Occupational health and safety</li><li>Vocational training and career development</li><li>Caring for employees</li></ul>	<ul style="list-style-type: none"><li>Symposiums for employees</li><li>24-hour hotline services</li><li>Chairman's mailbox</li><li>Employees' satisfaction survey</li><li>Performance interviews</li><li>Open Day of the President</li><li>Management to the front line</li><li>E-home of employees</li></ul>	<ul style="list-style-type: none"><li>Providing competitive salaries</li><li>Creating career development channels</li><li>Conducting education and training activities</li><li>Organizing employee activities</li><li>Visiting employees in need</li></ul>
Cooperation partners/ other industries	<ul style="list-style-type: none"><li>Fair competition</li><li>Integrity and mutual benefits</li></ul>	<ul style="list-style-type: none"><li>Visits and exchanges</li><li>Industry forums</li><li>Academic conferences</li></ul>	<ul style="list-style-type: none"><li>Integrity and abiding by the law</li><li>Insisting on win-win cooperation for mutual benefits</li><li>Promoting the sound development of the industry</li></ul>
Environment	<ul style="list-style-type: none"><li>Combating climate change</li><li>Energy conservation and emission reduction</li><li>Comprehensive utilization of resources</li></ul>	<ul style="list-style-type: none"><li>International forums for green aviation</li><li>Environmental protection activities</li><li>Industrial conferences</li></ul>	<ul style="list-style-type: none"><li>Building the energy management system</li><li>Creating 'Green Tour'</li><li>Providing training on environmental protection</li><li>Advocating a green lifestyle</li></ul>
Communities and the public	<ul style="list-style-type: none"><li>Promoting local employment</li><li>Participating in public welfare</li><li>Driving the economic development of communities</li></ul>	<ul style="list-style-type: none"><li>Conducting community communication and research</li><li>Carrying out public welfare activities</li><li>Providing voluntary services</li><li>Participating in disaster relief activities</li></ul>	<ul style="list-style-type: none"><li>Guaranteeing special flights</li><li>Supporting regional development</li><li>Organizing public welfare activities</li></ul>

CSR honors

Date	Award	Issuing authority	Highlight
2017/12/10	World's leading Airline-Business Class World's Leading Airline Inflight Entertainment World's Leading Cabin Crew World's Leading Excellence Inflight Service World's Leading Airport Lounge - Business Class	World Travel Awards (WTA)	Products and services
2017/12/1	GoldenBee Excellent CSR Report 2017 •Customer Engagement Disclosure Award	China WTO Tribune (magazine)	Social responsibility
2017/11/30	Brand Communication Award of the Year Excellent Brand Communication Award 2017 The Most Influential WeChat Account in China's Civil Aviation Industry	CARNOC.com	Brand building
2017/11/20	Advanced Enterprise in the Special Project of Civil Aviation Service Quality Regulation in 2017 in Central and Southern China	CAAC Central and Southern Regional Administration	Service quality
2017/6/20	Top 10 World's Best Airlines by SKYTRAX	SKYTRAX	It is the first time for the Company and the only company to win this award in mainland China
2017/6/20	Best Airline in China	SKYTRAX	International brand building
2017/6/20	Best Airline Staff Service in China	SKYTRAX	International brand building
2017/6/20	Five-Star Airline Awarded by SKYTRAX	SKYTRAX	The Company has won this award for seven consecutive years and is the only mainland Chinese company to win this award.
2017/6/4	Asia's Leading Airline Asia's Leading Airline - Business Class Asia's Leading Cabin Crew Asia's Leading Inflight Food & Beverages Asia's Leading Airport Lounge - Business Class	World Travel Awards (WTA)	Products and services
2017/4/11	Best Airline in 2016	CAPSE	Passenger services
2017/4	National May 1 Labor Certificate in National Civil Aviation	Civil Aviation Administration of China	Operation quality
2017/3/20	BrandZ Top 100 –Most Valuable Chinese Brands 2016	Millward Brown Optimor	Brand building

# Fly Your Dreams Better Experience

A dream flight starts with wonderful travel experience. Good experience means convenience: passengers can go anywhere they want without transfer. Good experience means safety: passengers don't need to worry about potential dangers. Good experience means comfortable environment and you can enjoy delicacies and considerate in-flight services.





## More Convenient

In face of people's ever-growing needs for a better life, we think and plan from the perspective of customers and consider the needs of passengers. By conducting broad market survey, we expand a wider route network to provide more convenient travel experience and save customers from exhausting transfers.

### Stories

#### Meng Chen, a manager of the St. Petersburg Office

##### Home is wherever you see Chinese characters

Chinese elements are everywhere in the Pulkovo International Airport in St. Petersburg of Russia: Chinese flight notice board, Chinese announcement and Chinese signs. These can hardly do without the contributions of Meng Chen, a manager at Hainan Airlines' St. Petersburg Office. Learning and speaking Russian, Meng Chen came to work in Hainan Airlines in 2010, and was assigned to St. Petersburg in 2015. With years' experience, he found that many Chinese tourists in St. Petersburg are the elderly, who often miss flight or get into trouble because they don't know English or other foreign languages. So Meng Chen contacted the executive of the airport multiple times to express the need to provide Chinese flight notice board and announcement, providing convenience to Chinese passengers. He then also took Chinese martial arts, painting and calligraphy to Russia, which allows Chinese passengers to feel at home and other passengers to experience Chinese culture.

The Belt and Road Initiative brings not only Chinese economy to the world, but also Chinese culture. All the ordinary men like Meng Chen, keep the original aspiration in mind and spread Chinese culture all around the world.



"China Day" at Pulkovo International Airport in St. Petersburg

## Stories

#### Granny Zhou Lihua, a passenger from Chengdu

##### "Thank you for taking me to America"

Granny Zhou Lihua, an 81-year-old from Chengdu, has always dreamed of going to America: to visit her grandson who she has brought up there. Considering that there are few direct flights from Chengdu to the US and the transfer may be too exhausting for her body, Granny Zhou had to leave the dream aside. In 2017, Hainan Airlines opened the international route from Chengdu to New York with Boeing 787 Dreamliner, which helps passengers from southwest China like Granny Zhou to realize their dreams to travel to America. It might be late to realize the dream, but as it is late, it brings more surprise.

"15-hour flight exchanges for the realization of my dream that I've always been looking forward to!" Before leaving, Granny Zhou gave praise and thanks to Hainan Airlines.





### Breaking the shackles of distance— to explore a better world

- We constantly expand new domestic and international destinations to create opportunities for going to more places.

### Breaking down the barrier of time— to launch more direct flights

- We have opened more routes between the existing destinations to reduce transfer and reduce the waiting time for next flight.

### Creating equal opportunities— paying attention to secondary market

- We have launched new routes and flights in the fast-growing secondary destinations to serve more people.





76

## New international and regional routes

- Chengdu/Chongqing—New York
- Chengdu/Chongqing—Los Angeles
- Shanghai—Tel Aviv/Brussels
- Beijing—Prague—Belgrade
- Shenzhen—Brisbane/Cairns
- Hangzhou—Sapporo

156

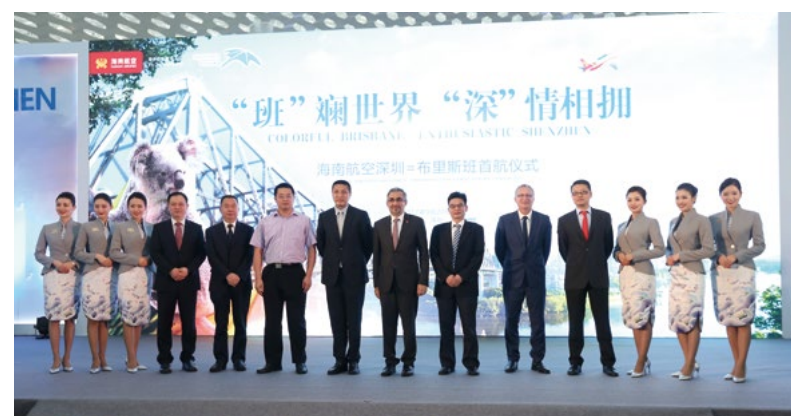
## New domestic routes

## Building a global route network to extend to more regions

We are dedicated to creating a top world-class aviation route network featuring efficient interaction, high quality and a large scale so as to connect both domestic and international destinations. Closely responding to the national strategy of “Civil Aviation Powerhouse”, we extend our route network to all China, and connect Asia, Europe, North America and Oceania, providing multiple convenient choices to passengers.



Launching ceremony of Hainan Airlines' first flight from Changsha to Sapporo



Launching ceremony of Hainan Airlines' first flight from Shenzhen to Brisbane

## Between existing destinations to promote market development in southwest China

To enhance the connection between existing destinations, save time and provide better travel experience for passengers in West China, Hainan Airlines has promoted the development of western China market. For instance, the newly launched Chengdu—New York/ Los Angeles and Chongqing—New

York/ Los Angeles routes successfully connect Chengdu and Chongqing with the international market, promote Chongqing's development as an international comprehensive transportation junction and further improve the international route network in southwest China.



Group photo of guests attending the launch ceremony of Hainan Airlines' first flight from Chongqing to New York



The youngest passenger takes part in the cabin activities on the first flight from Chengdu to New York

## Paying attention to the development of second-tier and third-tier cities

As we develop rapidly, we never forget the second-tier and third-tier cities in China. We gradually launched several flights for the people there, including Beijing—Dongying—Ningbo, Beijing—Wuhan—Tongren, Dalian—Jiamusi, Haikou—Jining—Yingkou, and Shenzhen—Tongren—Lanzhou routes, thus providing convenience to people in more regions.



## Safer

6.3 million hours\*

Accumulative safe flight  
hours

Earnestly implementing the underlying principles of the 19th CPC National Congress and the instructions of the Central Party Committee and the State Council, Hainan Airlines Holding holds the bottom line of safety, and conducts aviation safety control strictly, honestly and in detail. Further carrying out the zero-tolerance policy, Hainan Airlines Holding strengthens accountability of those who violate regulations or disciplinary rules; adheres to the goal-oriented and problem-oriented principle; focus on strengthening its foundation and steadily promotes good work style in order to achieve consistency between the operation and security capability, between safety management goals and its approaches. The increasingly strong safety control ensures that safety management measures are carried out and the safety responsibility is well fulfilled.

Stories

### Shi Wei, an in-flight security guard

“To ensure safe flight, we won’t allow any errors as we are the last line of defense in the air. S safe flight depends on us.”

Shi Wei is meticulous about his work as an in-flight security guard. He believes that there is nothing unimportant in security, and gives top priority to the safety of passengers. Shi Wei, who is also a Party member and an instructor from the Civil Aviation Administration, always plays the exemplary role as a Party member, and sets high standards and strict demands on himself in the training to influence other team members with his own actions.

Shi Wei gave his opinion on security work, “As a part of Hainan Airlines, we need to work harder. It’s a responsibility that also requires courage to take on”.



Shi Wei (third from left) and his colleagues

Stories

### AOC team of meteorologists

Despite that weather greatly affects the flight, we need to believe that we can play our role.

In October 2017, No. 20 typhoon “Khanun” hit Hainan and coastal areas of Guangdong province. With professional expertise and accurate judgment, the team of meteorologists provided weather information for flight scheduling and ensured the flight security in the typhoon weather.

Wang Wenjian, a member of the team, said, “I am proud to be a part of the SKYTRAX Five-Star Airline and the Top 10 World’s Best Airline. At the same time, I realize the responsibility and pressure to ensure the safety of passengers as a member of the meteorologists’ team.”

6

Team members

24hours

Uninterrupted system  
monitoring

Stories

### Hainan Airlines Fleet A330

Ten years, we have built the dream together

In 2007, Hainan Airlines Fleet A330 introduced the first Airbus A330-200 aircraft from France to China, which marked the era of widebody aircrafts. As to this new “partner”, Fleet A330 started from unifying the regulations, manuals, and checklists, then progressed to completing many domestic and international flights. The Fleet took on tasks such as crossing the polar area, offering chartered flights to the peacekeeping force and evacuating nationals. With their sense of responsibility, loyalty and courage, this excellent fleet has achieved an extraordinary feat with no failure in ten years.

It is a success in its true sense to fly to any place in the world for any task as the country needs us. We believe that Fleet A330 will keep fly the dreams of passengers and create a better future for Hainan Airlines in the following decades.



Scan the code to know more  
about our story



Group photo of leaders of Hainan Airlines Holding and Fleet Airbus 330 at the Honor Hall in Beijing Operation Base





## Improving the security system

- Coordinating the control of core risks
- Establishing the part-time inspector system
- Strengthening security management and control
- Streamlining safety management and control
  - Setting uniform standards
  - Sharing resources
  - Overall planning

## Developing safety culture

- Developing excellent groups
- Innovating the way to present safety instructions

## Promoting safety technology development

- Enhancing safety information management
  - Making innovations in developing digital safety BIM
  - Completing the second-phase of the Big Data system of flight quality analysis
- Laying emphasis on the application of safety technologies
  - Establishing the HIM protection mechanism
  - Completing the examination of the HORCS

## Improving the education and training for staff

- Improving the training programs and establishing a better training system
- Innovating the safety publicity ways with the Internet

## Upgrading safety facilities

- Inspecting existing safety facilities
- Providing advanced safety facilities

## Improving the airworthiness management ability

- Accelerating the development of airworthiness certification ability
- Improving the airworthiness certification regulation system

## Increasing international exchanges and cooperation

- Actively taking part in domestic and international exchanges





## Officially launching the Airlines Operation Center to achieve efficient and safe operation

In August 18, 2017, Hainan Airline Holding officially launched the Airlines Operation Center (AOC). The new AOC office building realizes “intelligent” operation with its own SMS and also new generation systems of C3I, second phase

of HORCS, the new dispatch system of EDM, and the weather information system, and achieves safe closed-loop management to comprehensively ensure safe operation.



Dispatchers of Hainan Airlines Holding starts to work in AOC.

## Building excellent groups to innovate in safety publicity modes

Committed to further ensuring the safety of passengers, we continue to provide safety education and trainings to all employees, and build the safety culture system with core elements of “integrity, love, discipline, responsibility, fairness, communication and learning” to make employees in each link, each department and each position develop safety awareness.

**Building excellent groups** The major technology groups of the Company report safety information through safety quality monthly reports, and hold nonscheduled case analysis and learning meetings with collected safety information to discuss the problems and risks exposed in the operation.

**Innovating in safety publicity modes with Internet** With the “San Ren Xing” APP, the Company organizes publicity activities and exams to learn the documents on safety and lay a solid foundation for making personalized programs for safety publicity afterward and improve employees’ safety awareness and ability.

## Valuing safety technology innovation and application to reduce human error

In 2017, we have established the HIM first-level protection mechanism and approved the HORCS to effectively perform the function of real-time monitoring of flight risks and decision-making assistance, which provides objective information for flight dispatchers and pilots as they make real-time decisions, thereby reducing the likelihood of human error.

**Establishing the HIM (Hazard Isolation Mechanism)** We have adopted e-checklist of core risks and the hardware isolation wall model to avoid and prevent risks from the source.

**Examining and approving the HORCS** Taking all risks into consideration, we have started to develop the third phase HORCS so as to improve the function, accuracy and efficiency of the system.

0.5%

Human error rate

## Enhancing exchanges and cooperation to make breakthrough in international safety management

Cooperating with the International Civil Aviation Organization (ICAO) and International Air Transport Association (IATA) to introduce international training resources, the Company organized 4 training programs related to IATA Operational Safety Audit (IOSA) to improve the internal safety management. We also participated in the 70th anniversary of the Flight Safety Foundation, and successfully introduced the safety performance management of Hainan Airlines, thus laying a good foundation to build an international safety brand.

## Dealing with emergencies professionally to ensure the safety of passengers

### Saving the passenger with sudden illness

In late September 2017, on the flight from Beijing to St. Petersburg, a passenger suddenly had a heart problem. The crew immediately adopted the emergency procedure and reported to the operation center for ground support. The Company made the decision to return to Beijing at once. At the same

time, the crew members on the flight used medical auxiliary means such as the medicine cabinet and found doctors through broadcasting to provide first aid to the patient. As soon as the plane landed, the passenger was sent to the hospital for treatment and then was out of danger.

### Saving the veteran

At the end of December, 2017, on a flight from Zhengzhou to Guangzhou, a 92-year-old passenger suddenly got unconscious with pale complexion, blue lips and breathing difficulty. The crew immediately performed oxygen therapy for the passenger and decided to divert to Wuhan after quick negotiation. Once the plane landed in Wuhan, staff of Hainan Airlines accompanied the patient and his family to the hospital for treatment.

According to the family of this fainted passenger, the passenger is a veteran who has taken part and made great contributions in the War of Resistance Against Japanese Aggression, the Chinese War of Liberation and the War to Resist US Aggression and Aid Korea, and won several national honors. After effective emergency measures, the passenger was in stable condition. His family appreciated the Hainan Airlines’ efforts in valuing the lives of passengers, and providing quick and well-organized emergency response measures as well as considerate service.

0  
Human error accident

66  
Accumulative issuances  
of documents for learning

98%  
Passing rate





## More Comfortable

As passengers care more about the taste and style apart from the on-time performance or speed of the flight, service details of an airline are getting more important. A delicious and hearty in-flight meal will bring pleasant taste to the passengers. And the comfortable environment with the soft tone and proper temperature in the cabin gives passengers relaxed flight experience...

### Stories

#### Xiang Hongyu, a post-95 steward

Maintaining enthusiasm after a family reunion of less than 24 hours

Xiang Hongyu wrote in her WeChat Moments, “With three flights to Chongqing, I spent less than 24 hours with my family celebrating the Chinese New Year beforehand...” As a post-95 steward with the work experience of less than a year, it is the first time for Xiang Hongyu to work on flights in the Spring Festival travel season this year (2017), which is also her first long-distance international flight. Before getting on the plane, she put on makeup, carefully checked passengers’ information, made preparation for passengers in need of special care, and learned about the geography and culture about the destination. After getting on the plane, she counted, unboxed, and prepared the beverages, and then served the boarding of passengers, making sure everything in good order and well arranged.

There are many girls like Xiang Hongyu among our stewards. They tend to find love, experience love and keep love in life and work, and share love with every passenger, so that happiness is brought to every corner of the world with each passenger aircraft.



### Stories

#### Pei Lei, goddess high in the clouds

14,000 flight hours for 19 years makes the ordinary life extraordinary

Since she began to work here in 1999, Hainan Airlines has witnessed the career development of Pei Lei from an attendant to the flight purser, manager of the passenger cabin, a flight instructor, and a professional instructor. For 14,000 hours, Pei Lei has constantly thought about how to better present the product, to satisfy the customers and to benefit the trainees. Her passion for the career and perseverance throughout these years makes her an excellent service expert from an ordinary attendant. In the past 19 years, she has assisted to help children with leukemia, and also pursued the best taste and temperature of the ice cream. For all these years, numerous staff of Hainan Airlines like her believe that it is the minimum requirement to meet service standards, and the highest requirement is to satisfy the passengers. Only services that satisfy the passengers are services of high quality.



Pei Lei is giving instructions.



Adhering to the core values of “humanistic care, cultural experience, and exceeding expectation”, we continuously improve the service quality, striving to provide considerate services covering full cycle and various aspects of travel to passengers from different countries, of different ethnic groups and at different ages.

## Ground services

### Simplifying the ground service procedure

- Simplifying the check-in procedure
- Upgrading some of the services provided by representatives to self-services

### Further upgrading the VIP lounge

- Dividing areas according to their functions and show the excellence of the design
- Combining international catering and local delicacies to satisfy different needs
- Providing “HAI U”, the special perfume of Hainan Airlines
- Providing comfortable five-star hotel supplies

## Backstage support

### Conducting responsible marketing

- Guaranteeing the lowest ticket price on our official website
- Improving and managing the OTA platform
- Improving system functions
- Conducting credit investigations of ticketing agents
- Appointing designated personnel to deal with customer complaints

### Improving management measures for information safety of customers

- Member registration
- Personal information modification
- Illegal log in by robots
- Password protection notice

### Providing “Care More” services

- For seniors, children and pregnant women: we provide boarding assistance at the departure airport, special care onboard and disembarking assistance at the destination airport.
- For passengers with impairments: we provide onboard wheelchairs.
- For passengers travelling with babies: we provide bassinets.

### Making innovations in adopting the expense-based point earning rules

- Allocating the reward points to members more properly
- Encouraging the purchase of higher class seat with higher ticket prices to increase active participation of members
- Increasing the point redemption channels and items

## In-flight services

### Inflight food and beverages

- Building HAI CHEF, a high quality cabin food & beverages team
- Designing the menu according to different seasons and regions
- Providing specialties on a quarterly basis
- Cooperating with famous organizations to provide high-end and popular food and beverages

### Inflight entertainment experience

- Newly designed entertainment system interfaces
- High-quality BOSE noise-cancelling aviation headsets
- Diverse choices of cabin entertainment
- Special entertainment for children

### Personalized services

- Advance and optimal seat selection
- Getting “Seat Upgrade” tickets for international flights
- Offering pet transportation services
- Using portable electronic devices
- Adopting inflight mobile payment





## Securing the flight on-time performance

Hainan Airlines Holding increases its flight on-time performance through a quality control system featuring regional improvement, daily management, refined procedure control and digitalized analysis tools.

**Further optimizing the route network** In 2017, we adopted structural adjustment with season changes and daily monitoring optimization and have effectively improved the flight operation structure to make it more smooth.

**Accurate management and control of flights with poor on-time performance** By establishing an early warning system of flight on-time performance rate, we give instructions for all departments to ensure the performance of key flights and has effectively improved the flight on-time performance.

**Strictly implementing the Administrative Regulations on the Flight On-Time Performance** In 2017, we revised the procedure and manual, training employees and organizing publicity activities in all destinations and have successfully ensured the flight on-time performance during the busy season including the Spring Festival, Labor Day Golden Week and the summer vacation. No mass disturbance or serious customer complaint occurred.

## Comprehensively upgrading services to provide a pleasant flight experience

### Providing personalized services

In 2017, we have promoted the transformation of cabin services from standardized services to personalized services, and developed the core competence of attendants with characteristics of Hainan Airlines. We have cultivated NICE (Nature, Intelligent, Confident, Energetic) attendants who can interact with passengers naturally and confidently, provide personalized services for passengers with their intelligence and create a lively atmosphere, thus improving the flight experience of passengers.

### Proving more efficient and convenient services

Smart travel ·  
smart choices for economy class

Boarding

- prioritized boarding services

Seats

- prioritized selection of front row seats in the economy class

Segment

- extra status qualifying segments (SQSS) only for users of the official website and APP

Points

- 2 extra award points/RMB 10 as promotion bonus

Changes

- discount for ticket changing procedures

Tailored taxi service

- tailored taxi coupon only for users of the official website and APP of UCAR Inc.

## Enjoying personalized services

**Optimal seat selection.** Passengers can redeem better seats in the cabin including the seats with additional legroom in the first row and front seats in the economy-class cabin.

**Prepaid baggage.** Passengers who purchase prepaid baggage in advance can enjoy 20% off discount and will be charged in accordance with the weight concept or the piece concept.

## Carrying out the service plan for passengers with special needs

We have carried out the “Care More” service plan for passengers with special needs, providing differentiated special services to passengers with impairments, pregnant passengers, children/infant passengers/senior passengers, passengers traveling with oxygen assistance, passengers with pets, and other sick passengers. The services include: wheelchair/stretchers service, guide service, bassinet/child seat services, special meal service, lounge for passengers with special needs, caring service for unaccompanied minors/senior passengers, and pet transportation services.

## Upgrading membership services to provide more and better value-added services

### Flexible award tickets

	Fortune classic award tickets	Fortune flex award tickets
Redemption standards	According to the flight distance, a single trip ticket can be redeemed with as few as 8,000 points.	Depending on the ticket price changes, the lower the ticket price, the fewer points required for redemption
Seats	Limited number of seats available for redemption.	More seats of different classes are available for redemption.
Rules for refund and changes	Involuntary refund and limited number of seats available for change.	Flexible change and refund rules identical to those for tickets purchased with cash.

Comparison between Fortune flex award tickets and Fortune classic award tickets

## Point-earning standards based on expense and membership status

Starting from July 1, 2017, Fortune Wings Club has adopted the point-earning standards based on expense and membership status instead of classes and distance. The higher the membership status is and the more the expense is, the more award points.

## Frequent flyer program promotion

On July 6, 2017, Fortune Wings Club officially started cooperation with Velocity on the frequent flyer program which allows passengers to earn points, redeem award tickets and share VIP privileges in both airlines.

## Service improvement for elite members

Fortune Wings Club has optimized the VIP lounge, fast security channel, reserved guiding service, seat reservation service and shuttle bus service to provide more convenient and high quality one-stop service of high-end travel, which allow elite members to enjoy the exclusive privileges and services of the five-star airlines.



## Upgrading the hardware equipment to provide comfortable flight experience

### Brand new 330-300 and 737MAX8 aircrafts to bring brand new experience

**330-300 aircraft.** The aircraft adopts new seats, new layout and hardware system to provide a more comfortable experience. The upgraded business class adopts the 1-2-1 seat arrangement which is more convenient for going in and out. The “red and grey” interior design creates a fresh, comfortable and relaxing atmosphere.

**737MAX8 aircraft.** The aircraft uses new engines and double-fin winglets, which can further reduce drag, save energy and reduce emissions and protect the environment. With the brand new quite engine technology, you can enjoy a quieter environment. The more stable single-aisle aircraft only needs 15 minutes to take off after the engine starts, which can effectively reduce flight delays.

### Building the international VIP lounges for HNA Club to create comfortable space for rest

In 2017, we have established the brand new international lounges—HNA Club in Beijing and Xi'an. HNA Club divides areas according to their functions to satisfy the diversified needs and private space for passengers, provides quality products to give a feast of all the senses of taste, vision, smell

and touch, and select talents to provide better services for passengers. In the future, the high-end VIP lounges in HNA Club will be established in more cities to provide comfortable and pleasant experience for passengers of Hainan Airlines.



Video of HNA Club philosophy



Video of HNA Club functions



Twelve “Hai Tastes” of HNA Club



Interior sight of HNA Club

## Comprehensively upgrading brand visual design to provide seamless flight experience

We aim to improve the visual experience of passengers with all the beautiful elements throughout the check-in and boarding process, and efficiently provide seamless flight experience for passengers. Starting the design of “Dream Feather”, Hainan Airlines comprehensively has upgraded the

visual design of internal cabin decorations, supplies on board, the check-in area and VIP lounges. We strive to make consistent ground brand design and the inflight design, which will not only enhance the visual experience of passengers directly, but also inspire the fleet crew to improve their services and efficiency and create a unique cultural experience for passengers that highlights humanity and exceeds their expectations, thus showing the “Oriental Hospitality”.

### “Dream Feather”

The logo and corporate image system of ‘Dream Feather’ is inspired by the traditional and modern Chinese cultural elements. Among them, the traditional elements, like the abstract wings, the feather of Jin Chi Niao and waving silk ribbons, shows the sense of flying, flowing and moving. The modern flowing and moving elements are created with more dynamic lines to show the route network that connects China with world, which represents modern Chinese spirit of “Continuously making progress with big ambition”.



In July 2017, Hainan Airlines’ fifth generation uniforms, the haute couture-style uniforms for cabin crew debuted at Paris Haute Couture Show. The uniform was designed by world famous fashion designer, Lawrence Xu. Hainan Airlines is the first Chinese Airlines to attend the international fashion week.



The fifth generation uniforms debuted in Paris



# First Chinese Airline to allow the use of PED and inflight mobile payment

## Using portable electronic device (PED)

On January 17, 2018, the HU7781 flight from Haikou to Beijing successfully completed the first flight with the use of PED in the China's civil aviation history. Hainan Airlines became the airlines to allow the use of PED in the civil aviation industry, writing a new chapter in China's civil aviation history. By now, 17 aircrafts in Boeing 787-9 fleet of Hainan Airlines have provided inflight access to Internet.



An attendant of Hainan Airlines introduces the inflight mobile payment to the passenger

## Providing inflight online payment services

On March 8, 2017, Hainan Airlines, Shareco and Alipay started cooperation and announced that inflight mobile payment was available. The HU7619 flight on that day became the first flight that provided inflight mobile payment services. Up to March 2018, the 17 aircrafts in Boeing 787-9 fleet all have provided inflight mobile payment services, covering over 100,000 passengers each week.

# Adopting the internationally advanced customer management system

We adopt the internationally advanced customer management system and set up strict audit and inspection systems for system management, development and application to ensure the information security. Without the permission of the passengers, their information and privacy will not be disclosed to any third party individual or organization.

### Comments from passengers

From a passenger in seat 44C on the HU7310 flight from Guangzhou to Taiyuan on January 16, 2018: Ren Shuang from Beijing attendant team and Shi Qingqing from Guangzhou attendant team are really great. The attendants are nice and full of energy. Shi Qingqing has the best attitude and highest efficiency among the attendants that I've ever met. The head flight attendant offered help to pregnant passengers and a kids with fever. We were all touched by their services. May Hainan Airlines have a better future!

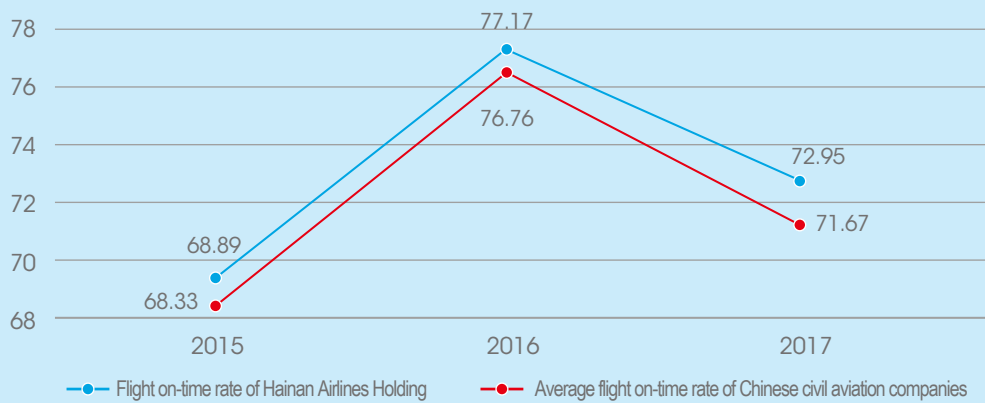
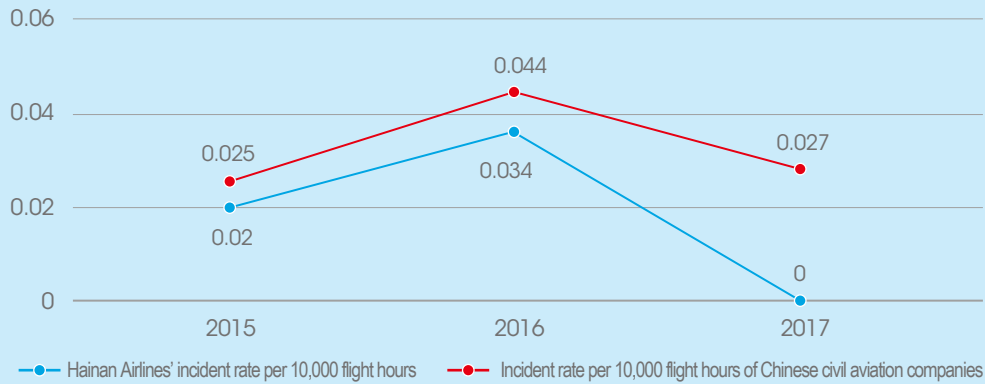
## Applying the consumer review system

To seek more opinions and suggestions from passengers, we have applied the new consumer review system since December 28, 2017. By January 31, 2018, we have collected 17,330 comments, which cover 1,161 of the cabin manager (purser) group, amounting for 88% inflight employees. It is helpful for us to improve our services with focuses.

# Achievement

Key indicators	Unit	2015	2016	2017
Customer satisfaction (Cabin services)	Score	85.5	92.65	87.09*
Customer satisfaction (Ground services)	Score	83.32	90.97	81.49*
Number of questionnaires on passenger satisfaction	Piece	2,708	1,226	1,580*
Number of settled complaints		1,184	1,273	1,015*
Settling rate of passengers' complaints	%	100	100	100*
Coverage rate of self-service check-in machines in domestic destinations	%	36.4	36.4	45.5*

Key indicators	Unit	2015	2016	2017
Number of pilots		1,786	1,928	4,596
Number of foreign pilots		119	198	580
Number of flight trainings		8,698	11,068	27,576
Safety flight hour	10,000 hours	52	59	68*



Note: flight on-time rates were according to Civil Aviation Administration

# Fly Your Dreams Better Environment

A dream flight should be green and environmentally friendly. We stick to the green development concept and promote ecological progress and low-carbon economy so as to make sustainable development a common practice.





## More Comfortable

### Stories

#### Sun Jianfeng, CEO of Hainan Airlines Holding

##### Meeting the challenge and sharing the dream of 'Green Aviation'

“‘Dream’ may be one of the best words in the world. Anything will be possible as long as one has dreams. As dream chasers, let’s fly to the destination with our dreams”.

Sun Jianfeng

He is the CEO as well as the leader of the green operation working group; he is a responsible captain that ensures the safety of passengers, and also an advocate of ecological and environmental protection. Throughout the 24-year steady development, Hainan Airlines never stops pursuing the dream of Green Aviation’. While chasing this dream, Sun Jianfeng grows with us. He has actively carried out the green development concept in all the major activities each year.

In 2016, he became the leader of the green operation working group. He has actively promoted the “Fly safe, Fly Green” green travel concept, and called for sorted collection of inflight suppliers, leading the group to foster the green development of China’s civil aviation industry.

He has also actively promoted to launch of GAIN to jointly create a new cooperation platform for the aviation industry featuring a global network, cross-border interaction, industrial collaboration and collaborative innovation and build a green industry ecosystem.



Sun Jianfeng is checking the refueling information.

In 2017, as the captain of Boeing 787 fleet of Hainan Airlines Holding, he flew the first Sino-US green demonstration route—the flight from Beijing to Chicago powered by biofuels and completed the first transoceanic passenger flight, thus contributing to development of “The Beautiful China” and the protection of blue sky.

With his efforts, Hainan Airlines Holding promotes the green aviation development with technology, guides the green operation of enterprises with innovations, and sets a good model of ‘Green Aviation’ in the industry with actions, so as to promote sustainable development and share the dream of ‘Green Aviation’.



Sun Jianfeng gives a speech on the launch ceremony of the biofuel-powered flight.

### Reducing the discharge of the “three wastes”

- Protecting water resources and adopting new washing equipment to reduce the discharge of waste water
- Sorting the garbage to reduce the discharge of solid waste
- Adopting new type aircrafts and controlling the take-off speed to reduce noise pollution

### Green awareness

- Promoting the use of solar energy and new-energy vehicles
- Upgrading the “Carbon Offset” program to donate mileage points in exchange for carbon afforestation.
- Reducing the use of disposable products on-board

### Green offices

- Promoting the electronic office
- Conducting the detailed management of paper and printing ink.
- Using recycled paper
- Adopting duplex or two-pages-per-sheet printing and copying.
- Keeping a higher air conditioner temperature
- Turning off lights when leaving

### Green aviation

#### Building a young and efficient fleet

- Optimizing the fleet structure and eliminating old aircraft types with low fuel efficiency.
- Upgrading the engines

#### Reducing the weight

- Optimizing and reducing the supplies on board such as the oven stone and food
- Removing the onboard backup charts
- Reducing the aviation material of hydraulic oil
- Utilizing new aircraft coating

#### Upgrading the emission reduction technology

- Optimizing the route distance
- Reducing climb thrust
- Formulating landing fuel-saving control plans
- Optimizing and controlling the center of gravity

#### Adopting ground emission reduction measures

- Replacing the onboard APU with ground power supply in order to reduce fuel consumption
- Selecting preferential runways
- Optimizing taxiways





## Completing the first transoceanic passenger flight powered by biofuels

To carry out the spirit of the 19th CPC National Congress and respond to the call for ecological progress, Hainan Airlines pioneers in fostering ecological development, and promotes green development mode and lifestyle together with its partners along the industrial chain, so as to make contributions to the development of "The Beautiful China". On November 21, 2017, with the support of the Civil Aviation Administration of China, Hainan Airlines cooperated with Sinopec, Boeing in China and China National Aviation Fuel Group to complete

the first Sino-US green demonstration route and passenger flight from Beijing to Chicago powered by biofuel. The biofuel was produced by Sinopec from major raw materials of waste cooking oil, which has been approved by the Civil Aviation Administration of China and can effectively reduce carbon emissions while safety and efficiency are ensured. This is the first transoceanic passenger flight of Chinese airlines powered by biofuel and provides valuable experience for the application of biofuel in large scale in the aviation industry.



Group photo of the staff and the aircraft



O'Hare International Airport in Chicago holds the "Water Arch Ceremony" for the Beijing-Chicago flight of Hainan Airlines powered by biofuel

### Background knowledge: biofuel

With the animal and vegetable oil as the raw materials, the biofuel is produced with the independently developed hydrogenation technology, catalyst system and processing technology. Compared with traditional petroleum-based fuels, the biofuel can effectively reduce the emissions of CO<sub>2</sub> and particulate pollutants in the full life cycle, and over 50% of the emissions can be absorbed by plants.

## Reducing emissions to create the "Green Tour"

By introducing international standards of the energy management system, the Company continuously improves the energy management and control system according to its own characteristics, sorts out the factors of energy consumption that influences the aircraft operation, and transforms the single mode of saving fuels to cost control. With these efforts, the Company enhances the fuel efficiency and reduces carbon emissions.

### Aircraft weight reduction through multiple approaches

**Reducing the loads of the aircraft.** We optimize and reduce the loads of oven stone and food on some routes, reduce the aviation material of hydraulic oil on some flights and remove the onboard backup package of charts, saving about 342 tons of fuel per year.

**Refitting the lightweight seats.** We have refitted the lightweight seats to super lightweight seats, reducing the weight of each seat by 3.6 kg. By doing this, fuel consumption and CO<sub>2</sub> emission of each aircraft can decrease by about 43 tons and 135 tons respectively every year.

**Adopting double-fin winglets.** We have refitted the winglets of 36 737-800 aircrafts to further reduce the induced drag. By doing this, the fuel consumption has decreased by 1.8% and the CO<sub>2</sub> emission of each aircraft was reduced by about 480 tons.

### Ground emission reduction through multiple approaches

**Developing the fourth generation engine cleaning equipment.** We have developed the fourth generation engine cleaning equipment, which will improve the emission reduction by 0.3% compared with the current equipment. The new equipment adopts deionized atomized water with water recovery device. It only needs 0.4 ton to clean an engine with the new equipment and 1 ton with the current equipment.

**Working in the new AOC office building.** Taking energy saving and environmental protection into consideration, the Airlines Operation Center (New AOC) office building cleans the air with green plants and adopts new technologies such as photovoltaic power generation and glass dimming film to reduce the comprehensive energy consumption and emissions. It is expected to save 2.92 GWH of electricity accumulatively in 25 years, amounting to 3,035 tons of CO<sub>2</sub> emissions being reduced.





## Leading energy saving and remission reduction in the industry



The launching ceremony of the "Climate Leader Plants" program

### Signing the voluntary energy saving commitments.

As the only representative of enterprises in Hainan province and domestic air transport industry, the Company attended the launching ceremony of the National Energy Efficiency Promotion Week and National Low-carbon Day, and signed the voluntary commitments on energy saving.

### Sharing energy saving and emission reduction experience.

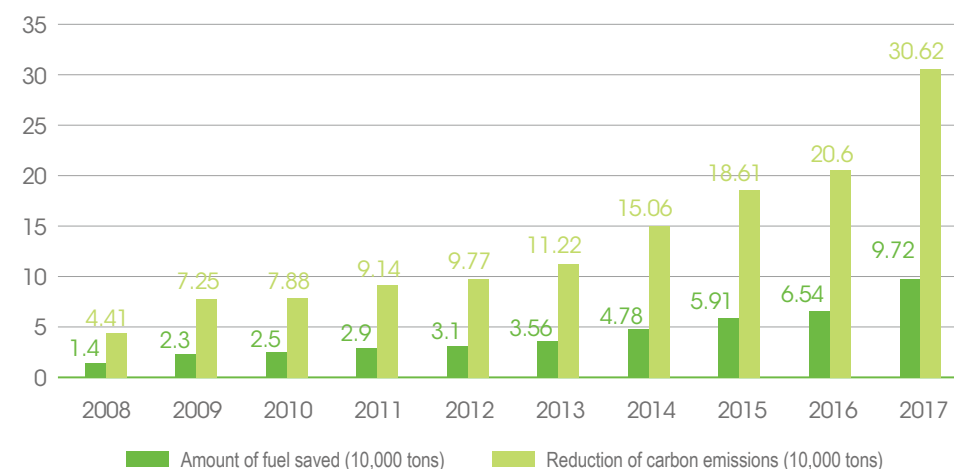
The Company attended the launching ceremony of the "Climate Leader Plants" program initiated by the Energy Foundation, and exchanged ideas with other participants on how to combat climate change, promote green development of economy and fulfill the corporate social responsibility of energy saving and emission reduction.

### Participating in the formulation of green standards and policies.

The Company participated in the drafting of the first green air transport standards formulated by Ministry of Transport of the People's Republic of China.

## Emission reduction performance in past ten years

Since we carried our energy saving and emission reduction in 2008, Hainan Airlines Holding have saved 427,100 tons of fuel accumulatively, and reduced CO<sub>2</sub> emissions of about 1.3454 million tons, which amounts to the CO<sub>2</sub> absorption of 51,000 mu forests in a year.



97,200<sup>tons</sup>  
Annual fuel saving

67  
New energy saving and  
emission reduction projects

The 1<sup>st</sup>  
Fuel efficiency ranking of  
airlines on the transpacific  
route

RMB62.28<sup>million</sup>  
Investment in environmental  
protection



The new AOC working hall of Hainan Airlines

## Improving the 'Green Tour · Carbon Offset' to promote green travel

In order to encourage more passengers to enjoy green travel and green lifestyle, and address the climate change, Hainan Airlines has improved the program of 'Carbon Offset—Points for Carbon Sinks'. Passengers can start the 'Carbon Offset—Points for Carbon Sinks' channel on the APP, and donate money through Alipay in exchange for carbon sinks, which is more convenient and user-friendly and attracts more passengers to participate in the program. We keep cooperating with China Green Carbon Foundation (CGCF) to use donations for the carbon sink forest project in the mangrove forest natural reserve at Dongzhai Harbor of northeast Haikou. By the end of 2017, the carbon sink forest project has remediated 30.6 mu degraded mangrove forests and cultivated 26,792 mangrove plants with different types such as rhizophora stylosas, gegiceras corniculatum and kandelia candel.



Scan the QR code to  
support green travel





## Promoting the “Green Aviation Initiative & Network” to go global



Scan the QR code to watch the latest GAIN video.

As one of the initiators, the Company actively promotes the GAIN by improving the organizational structure, encouraging more partners to join, and organizing and participating in GAIN activities. We also strive to improve the brand influence of GAIN in the world and gradually establish global partnership of green aviation to create a better future for the aviation industry in the new era together.

**Improving the organizational structure.** We have established the GAIN Secretariat, and set up daily communication and decision-making mechanisms, with 7 new members, including China Committee of Corporate Citizenship (CCCC), United States Wildlife Conservation Association, etc. There are totally 29 members in GAIN.

**Capacity building.** In September 2017, we officially set up the community college and held the first activity themed “Green Aviation and Talent Development”.

**International exchanges.** In May 2017, we attended the European Business Summit in Brussels, and held the GAIN stakeholder Meeting.

**Communications and publicity.** In November 2017, we held the third Green Aviation Forum and launched the GAIN 2030 Sustainable Programme.

## Achievements

Key indicators	Units	2015	2016	2017
Total energy consumption	Ton of standard coal	2,815,279	3,495,626	4,097,047
Aviation kerosene consumption (tons)	Ton	1,597,195	2,375,714	2,779,688
Energy consumption per unit km	Ton / 10,000km	46.31	46.85	48.3
Energy consumption per unit km (domestic)	Ton / 10,000km	44.46	44.52	45.45
Energy consumption per unit km (international)	Ton / 10,000km	56.90	57.87	58.97
Greenhouse gas emissions per unit km	Ton / 10,000km	145.88	147.56	152.15
Greenhouse gas emissions of the Company	Ton	5,031,164	6,051,330	8,771,034
Number of new aircraft introduced in 2017	Set	31	25	69
Water saved in 2017	Ton	2,662.09	2,570.33	2,685.75
Total water consumption	Ton	481,152	513,645	808,731
Water consumption of Beijing operation base	Ton	266,354	326,564	289,351
Water consumption of Meilan operation base, Haikou	Ton	62,316	60,228	83,550
Total aviation scraps	Item	8,694	14,755	14,225
Fuel saved in 2017	10,000 tons	5.1	6.5	9.7
Emissions reduced from fuel saving	10,000 tons	15.7	20.6	30.6
Power consumption	10,000 KWH	590.74	598.18	3,289
Number of eliminated aircrafts	Set	9	11	6

Note:

1.Unless otherwise specified, the statistics covered data from Hainan Airlines Holding, China Xinhua Airlines, Air Chang'an, Lucky Air, Fuzhou Airlines, Urumqi Air, Tianjin Airlines and Guangxi Beibu Gulf Airlines.

2.Statistics marked with ① , ② and ③ are calculated on the basis of jet fuel consumption.

3.Water saved in 2017: The statistics is about onboard drinking water being saved, and only covers aircrafts equipped with external water meters in Haikou, Beijing, Xi'an and Taiyuan

4.Power consumption: The statistics only covers power consumption of Hainan Airlines Holding in Haikou in 2015 and 2016.

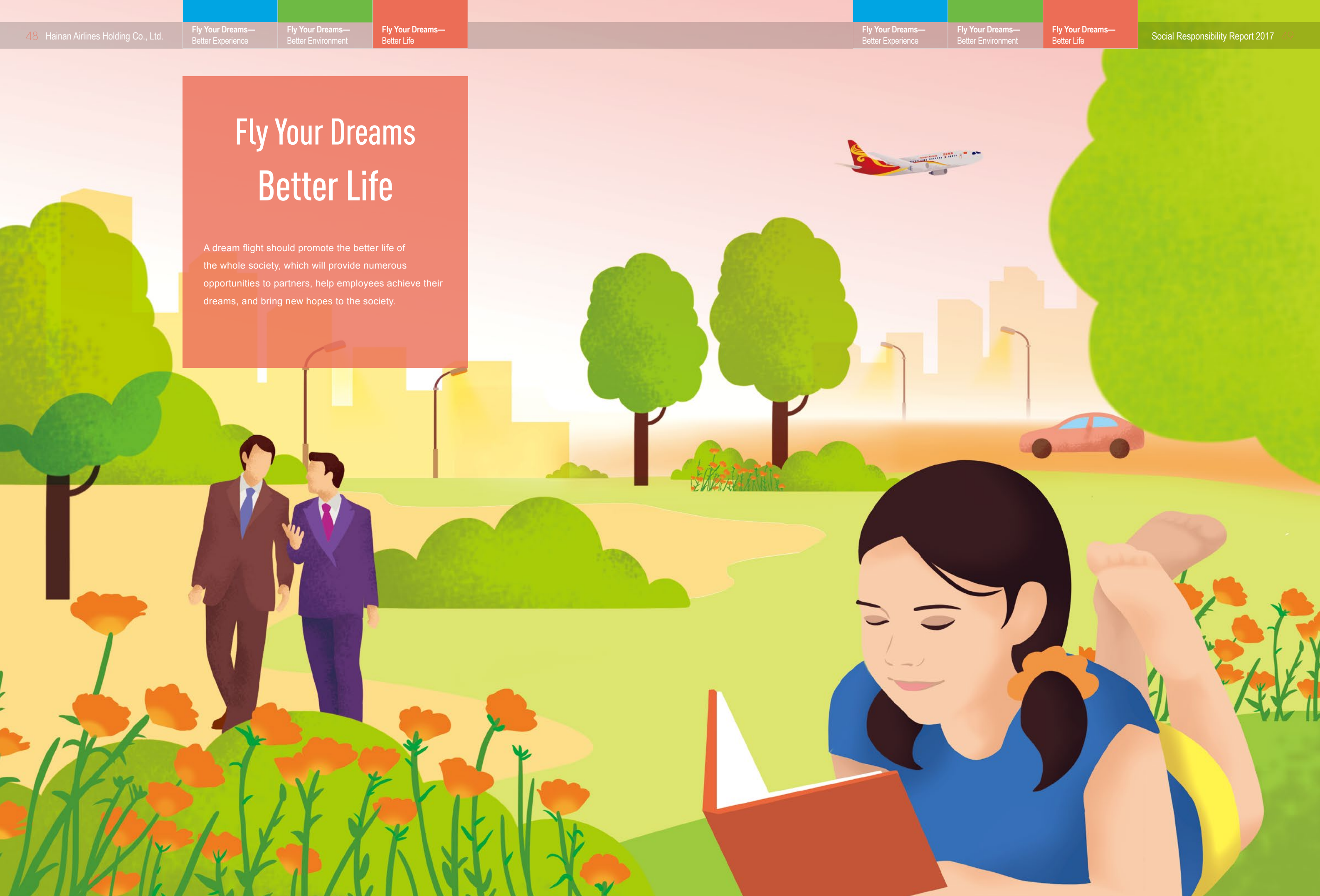


The launching ceremony of GAIN 2030 Sustainable Programme



# Fly Your Dreams Better Life

A dream flight should promote the better life of the whole society, which will provide numerous opportunities to partners, help employees achieve their dreams, and bring new hopes to the society.





## Enhancing Win-Win Cooperation

We continuously innovate operation mode, and cooperate with our partners in the value chain to jointly create value while building our brand. We strengthen the management of suppliers' responsibilities and participate in industrial exchanges to promote international communication and exchanges, economic development and social progress.

### Stories

#### Korn Dabbaransi, president of Thai-Chinese Relationship Association

“The world-known 'five-star' service of Hainan Airlines is very impressive. The crew of Hainan Airlines is considerate. My friends have told me about that more than once .”

Now as President of Thai-Chinese Relationship Association, Korn Dabbaransi had been appointed as Vice Premier of Thailand for three times. He has conducted over 100 visits to China and has been dedicated to promoting the relationship, economic activities and cultural exchanges of two countries. In December 2017, Korn Dabbaransi took a flight from Bangkok to Beijing. After reading the President's Letter on the latest Hai Vision, a magazine on our flight, he decided to visit Hainan Airlines.

On December 12, 2017, as Korn Dabbaransi attended a meeting in Hainan, he visited Hainan Airlines and had a conversation with Sun Jianfeng, then President of Hainan Airlines. He highly praised the international achievements of Hainan Airlines in recent years, and recognized the positive influence of Hainan Airlines on local economy.

“China and Thailand are brothers” and “China and Thailand are of one family”. Among the few Chinese words Korn Dabbaransi can say, these are the sentences that he knows best and says most frequently, which represent the same theme in different occasions.



President of Thai-Chinese Relationship Association (the fourth from the left) and Sun Jianfeng, then President of Hainan Airlines as well as other employees

### Stories

#### Hannah Foss, a designer of the third “Kung Fu Panda” Dreamliner

“It is an extraordinary dream journey. It encourages many Americans like me to pay attention to Hainan Airlines, and know about how this Chinese enterprises cherish the dreams of ordinary people and how they press ahead to achieve those dreams.”

On May 29, 2017, as the third aircraft themed “Kung Fu Panda”, Hainan Airlines’ HU7181 flight took off. Hannah Foss, a designer of the livery from Alaska of the US, was invited to take the 787-9 Dreamliner from Seattle to Haikou to witness this marvelous moment.

In the aircraft livery design competition themed “Design Your Own Livery” in North America, which was launched by Hainan Airlines, Hannah Foss took the top prize with her creativity and use of Chinese elements. Her winning design was selected as our third “Kung Fu Panda” livery. The third aircraft with “Kung Fu Panda” livery effectively furthers the cooperation with DreamWorks and promotes the exchanges between China and North America.



The third aircraft with “Kung Fu Panda” livery takes the first flight.



The winner of the aircraft livery design competition in North America visits the hangar.



### Improving the development ability

- We expand the route network to pursue a broader market.

### Promoting cultural integration

- We open more international routes to create new opportunities to international exchanges.

### Promoting responsible procurement

- We strictly follow the laws and regulations for bidding, insist on procurement in accordance with regulations and strengthen supplier management.

### Contributing to industrial development

- We stick to fair competition and respect our competitors to promote a fair competition environment.



## Expanding air routes to countries and regions along the “Belt and Road” for win-win cooperation

We opened new routes including the Shanghai-Tel Aviv/Brussels and Beijing-Prague-Belgrade. By building an air bridge, we provide convenient transportation for political, economic and cultural exchanges among countries along the “Belt and Road”, and promote the development of surrounding regions.



Poster of the route from Shanghai to Tel Aviv

## Promoting integration of eastern and western culture

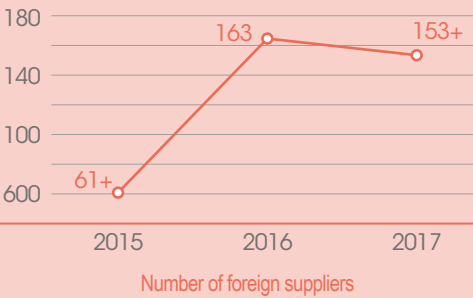
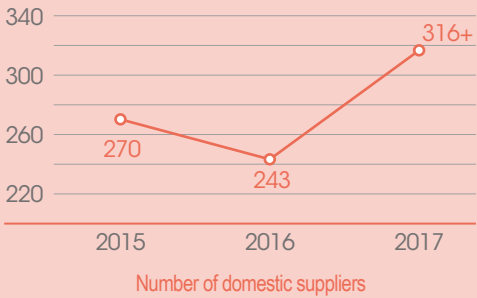
Always sticking to the traditional Chinese culture as the core of its brand, Hainan Airlines takes the role of an envoy of eastern culture. Relying on the Belt and Road Initiative, the Company improves “Chinese services” by expanding the route network and innovating in products and services, and spread the business philosophy in traditional Chinese culture, thus promoting exchanges between eastern and western culture.



The fifth generation uniforms integrated with eastern and western culture

## Achievements

Key indicators	单位	2015	2016	2017
Total revenue	RMB billion	35.225	40.678	59.904
Net profit	RMB billion	3.257	3.410	3.882
Total assets	RMB billion	125.381	148.144	197.348
basic earnings per share	RMB/ share	0.246	0.210	0.182
Available seat-km	10,000 seats*km	7,511,215	9,444,154	14,084,320
Total transport turnover	10,000 tons * km	681,984	844,465	1,216,604
Total passenger turnover	10,000 tons * km	584,152	731,308	1,068,594
Total cargo and mail turnover	10,000 tons * km	97,832	113,157	148,011
Total flight km	10,000 km	41,315	50,714	77,571
Total flight hours	Hour	636,824	779,520	1,231,388
Number of flights	flight	268,527	322,675	538,972
Aircraft daily utilization rate	Hour	9.67	10.07	9.31
Total passenger traffic	10,000 persons	3,859.77	4,702.31	7,169
Total cargo and mail traffic	10,000 tons	38.47	40.74	47.93
Seat utilization rate	%	88.19	87.83	86.07
Comprehensive flight carrying rate	%	87.54	87.08	85.22
Total number of suppliers	/	331+	406	470+
Total number of new suppliers	/	33	19	36
Number of domestic suppliers	/	270	243	316+
Number of foreign suppliers	/	61+	163	153+





## Demonstrating Talent

Considering employees as the most valuable treasures of a company, Hainan Airlines Holding strives to create a harmonious and positive atmosphere, gives due respect, trust and opportunities to employees. It also gives full play to their passion, sense of responsibility and creativity so as to create tremendous values.

### Zoltan Gabriel Becks, a Hungarian captain

“Hainan Airlines values safety and has a bright development prospect, which is most important for a pilot.”

On December 7, 2017, fleet 767 of Department of Flights of Hainan Airlines held a retirement ceremony for the 60-year-old Hungarian captain, Becks. In the farewell ceremony for the Hungarian captain to his 37-year flight career, Luo Jun, Director of Beijing Operation Base of Hainan Airlines, gave the “Excellent Captain” medal to Becks, and expressed thanks to him.

“The first batch of foreign captains, including Becks, have provided considerable amount of experience and help to the operation of intercontinental routes of Hainan Airlines. They witnessed the development of Hainan Airlines and especially the intercontinental routes”. As 13 years has passed, Becks gets to sixty with grey hair from a strong middle-aged man who was full of energy. And fleet 767 is still in high spirit with 15 years of safe operation through mentoring activities.



## Stories

### Zhou Shumei, a post-90s manager of ground agent

“A good platform provides a higher starting point for career. There is pressure to work in a company like Hainan Airlines, but I can improve myself faster here. The good platform of the Company already keeps us one step ahead from the starting line.”

Passing Test for English Major-8, learning video editing by herself, and being a model in the spare time, Zhou Shumei is both beautiful and talented. After graduation, she started to work in Hainan Airlines. As an English instructor, Shumei and her colleagues were responsible for English language trainings for 600 ground service staff of the Company around China together. To make the training course more vivid, she went to the front line to know about their service scenarios, and wrote them into the teaching materials. She also innovated in the way of learning by updating two articles each week on the WeChat account to facilitate ground service staff to learn at any time and any place.

After being promoted to the director of teaching and research, she was sent to inspect the ground service of McCarran International Airport in Las Vegas. She introduced Hainan Airlines' new routes to the Airport, immigration inspection station, quarantine bureau and ground agents in three days and got to know local condition and needs. Thanks to this inspection, the route from Beijing to Las Vegas was successfully launched.

From an English instructor to the manager of ground agent, Zhou Shumei has proved herself with her actions. Now she leads a team of 8 people to manage ground service for all international destinations of Hainan Airlines.







## Treating employees better further protecting their rights and interests

### Insisting on equal employment opportunities

- Forbidding employment discrimination and forced labor, and strictly prohibiting child labor of any form
- Establishing an open and fair recruitment platform that provides diversified recruitment channels and methods
- Signing labor contracts with our employees according to the law

### Ensuring remuneration and benefits

- Sticking to equal pay for equal work for men and women, and improving the performance appraisal system
- Combining industry attributes and the Company's characteristics to improve the employee welfare system
- Redesigning the remuneration structure to motivate employees with a performance-based floating salary

### Promoting democratic management

- Giving full play to the role of the trade union to establish and improve the democratic management system
- Establishing efficient communication channels to listen to and adopt the opinions and suggestions of our employees through different ways
- Regularly holding Workers' Representative Congress

## Cultivating employees further promoting their career development

### Improving the promotion channels

- Adopting the dual-channel of "management + skills" for career development
- Supporting employees to choose career development path according to their own condition and interests

### Providing trainings for employees

- Creating a multicultural atmosphere
- Innovating talent development programs

## Caring employees bringing more happiness to their work and life

### Ensuring the physical and psychological health of employees

- Organizing physical examinations and providing employer's liability insurance and supplementary medical insurance
- Organizing trainings on occupational health and safety
- Carrying out projects about health and safety

### Caring for employees

- Caring for female employees and organizing a series of activities
- Helping employees in need and visiting sick or injured employees
- Organizing cultural and sports activities to promote cultural exchanges



## Introducing international talents to create a multicultural atmosphere

1,257

Number of foreign  
employees

Adhering to the cultural concept of “harmony and integration between eastern and western culture”, we try to create a multicultural, multilingual and harmonious working environment and promote international talent strategy of the Company by focusing on language and culture, and relying on the projects of developing and promoting cross-cultural management efficiency courses, improving the practical English ability for international positions and helping foreign employees to be a part of Hainan Airlines.



Winning the Best Practice Prize for International Talent Development of EF

### Measures for talent internationalization

- **Improving the professional quality for internationalization.** We have worked out the overall profession quality enhancement plan and continuously improve the English proficiency and international professional qualification. We have cooperated with industry associations and well-known universities at home and abroad, and map with the business standards of well-known enterprises in the world to improve our international quality comprehensively.
- **Improving foreign language proficiency.** Giving full play to the key role of English Evaluation Center of Hainan Airlines, we improve the English competence of cadres among the employees, and apply the virtual operating model for cadre promotion, talent selection and overseas project candidate selection. We carry out cultural exchanges such as the activity of “Foreign employees involve in Hainan Airlines”, develop cross culture courses and hold internationalization-themed lectures, so as to comprehensively promote talent internalization by enhancing cross-cultural communication and multicultural efficiency.



Cross-cultural communication course

### Opera in Hainan Airlines

On June 22, 2017, Hainan Airlines organized the activity of “Opera in Hainan Airlines” for foreign employees in Beijing Operation Base and Zhengyici Peking Opera Theatre. The activity attracted over 30 foreign employees from 14 countries to take part, which included corporate culture development, cross-cultural communication and Peking Opera experiences. With the guide of professional Peking Opera actors, the foreign employees wore the unique make-up and costumes in Peking Opera, learned the operas of Journey to the West and The Drunken Beauty in groups, and experienced the charm of the quintessence of Chinese culture while learning the movements.



Foreign employees participate in various activities.

## Standardization of the remuneration and benefits system to protect the rights and interests of employees

Stressing to give full play to the distribution role of the remuneration and benefits system, we motivate employees with performance incentives, and build supporting performance models for different levels of departments so as to protect the basic rights and interests of employees. We improve the welfare system which benefits the employees and their families, and solve their worries.

The Company strictly implements the national paid vacation system and provides extra vacations for employees apart from the legal vacations. While paying the endowment insurance, medical insurance, unemployment insurance, employment injury insurance, maternity insurance and the

housing provident fund on time and in full, the Company also buys employer's liability insurance and supplementary medical insurance. The Company carries out the enterprise annuity system by setting up annuity accounts for each employee and improving the welfare after they retire. The Company also builds the mutual fund of employees to help employees in need.

We favor employees working in overseas business departments for a long time in terms of social benefits by making extra regulations and preferential policies about overseas insurances and career development, and providing help and support for the education of the children of employees.



## Personalized cultivation of employees to promote their development

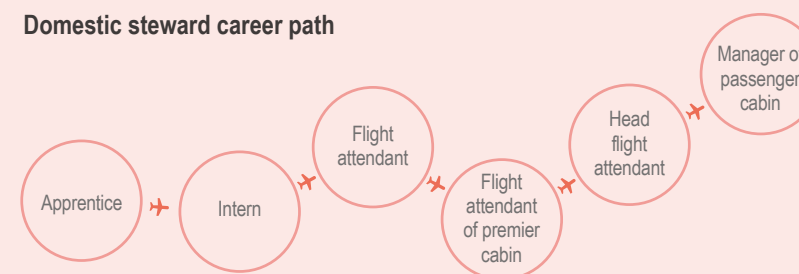
We regard the development of employees as the driving force for enterprise development. In view of different backgrounds of employees, we provide personalized development platform for them to stimulate their creativity.

### Improving the career development channels

Valuing the expectations of employees for career development, we adopt the dual-channel of “management + skills” for career development, improve the career development system, and provide a broad development platform for different types of employees.

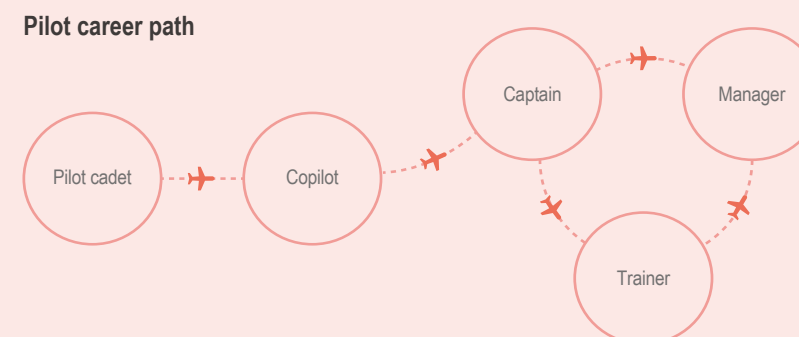
RMB966,551.7  
millionInvestment in trainings for  
employees161,547  
person-timesTotal number of employees  
trained

### Domestic steward career path



Apart from these professional development choice above, a flight attendant can also choose to become a theory and practice trainer or inspector, whose pupils everywhere; or choose to be an administration stuff engaged in business management, or a managerial position and become a member of the excellent HNA management team.

### Pilot career path



When an airman's skill reaches a captain's level, there will be an option of being promoted to a trainer inheriting HNA lifelines of safe-flying to the newcomers with gains of charisma and respect as a mentor. Another option is managing positions, such as fleet manager, FAA official, head of a department – security inspection, for instance, and others within the company's leadership. This career path leads to be a broader platform where one will become the backbone of the Airline.



## Innovating the training plan

We continuously improve the training plan for employees, innovate and develop high-quality training programs, and design more targeted and practical training courses to provide suitable resource support for talent development.

### Dream program

In our prime, we chase our dreams, which motive us to make the best of the precious years of youth. We design the Dream program for new employees to help them fit in our corporate culture more quickly and accelerate the development of new employees to be business backbones and reserve management echelons.



Winning the Gold Award of the 2nd National Learning Design Contest of CSTD

### IME talent selection and cultivation program

Hainan Airlines develops the International Management Elite (IME) program, as it is committed to building a talent selection and cultivation system that covers all elites from different positions and business sectors. By selecting talents with scientific approaches and taking multiple aspects such as the international quality, development potential and management style, the Company conducts training programs about insight to the industry, leadership improvement, and cross-sector learning while pursuing the diversified talent development, so as to cultivate reserve talents that are loyal to the Company with global vision and good quality.



## EAP to care for the psychological health of employees

Attaching much importance to the physical and psychological health of employees, we actively carry out the Employee Assistance Program (EAP) to provide systemic and long-term psychological counseling, which helps to relieve the pressure of employees and improve their satisfaction and happiness for life and work.



Training program on Crisis Intervention

- In 2010, we established the EAP Association of Hainan Airlines, aiming to reduce the pressure of the special personnel such as pilots and the crew, and ensure work safety.
- In 2013, as the EAP was included in first-line management skills, we conducted relevant skill training programs for first-line managers. Over 200 first-line managers participated in the trainings and became qualified psychological consultants.
- In 2017, the EAP Association compiled and issued the "Staring the journey with a Positive Attitude"—the Development Scheme of the EAP System of Hainan Airlines, and the EAP management system of Hainan Airlines began to take shape. The Company organized "The First Training EAP Interview Skills", participated in the training themed "Psychological Crisis Intervention" of Chinese Association for Mental Hygiene and held the 2017 meeting for the EAP leaders of all departments and branches to exchange their work experience.

# 1,552

Number of employees having one-to-one interviews

### Providing trainings on "EAP interview skills" to improve the professional quality of EAP leaders

On the afternoon of November 8 and the morning of November 9, 2017, the EAP Association of Hainan Airlines organized two "EAP interview skills" trainings with EAP leaders from 12 bases, 17 departments and some of the special units. The trainings explained the duties and responsibilities of leaders, key interviewers,

interview skills and interview feedbacks, which not only improved the interview skills of EAP leaders, but also boosted their confidence about the interview, thus laying a foundation for cultivating EAP psychological counselors with good professional skills and good quality.





## Diversified care to employees to promote the well-being of employees

As it highlights humanistic care, the Company cares for the daily life of employees and organizes various cultural and sports activities for employees according to their needs, which allows employees to balance work and life and improves their sense of belonging and happiness.

137

Employees receiving  
donation from employee  
care stations

Over 10,000  
attendance

Participation in activities  
for female employees

Pleasant  
environment

- We provide a pleasant working environment for employees and promote the development of "Home of Staff" in all the bases and branches, which includes the fitness room, reading room, activity room for Party members, etc.
- From its foundation till now, the Company has provided 114 shuttle buses for employees, given subsidies of RMB 131.2 million to the staff canteen, offered discount tickets of RMB 700 million to employees of the whole group and 1,365 temporary dorms to employees.

Enjoyable  
experience at  
work

- There are 16 cultural and sports associations in the Company currently, which organize theme activities regularly and hold basketball, badminton and boxing games every year.
- The Company organizes activities of "Sending warmth and giving blessings in winter". Leaders of all departments paid visits to 378 employees in business departments at home and abroad in 2017.
- The Company specifies the birthday celebration procedure for employees, and issues business announcements to keep urging all departments to organize birthday parties for employees.

Personalized  
care

- For female employees, we provide special holidays and physical examinations, and organize activities such as the talent competition for female workers themed "Steel roses bloom in the clouds".
- For employees in need, we organize tea parties and home visits, make phone calls to show concern, and improve the management of the Staff Co-Op Fund.

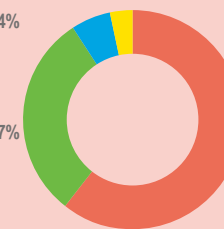


Birthday party for the employees

## Achievements

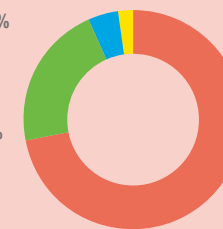
Key indicators	Unit	2015	2016	2017
Number of total employees	/	11,787	11,230	24,772
Proportion of female employees	%	44.5	44.0	40.2
Number of employees of minority ethnic groups	/	987	1,038	2,424
Collective negotiation and contract coverage	%	78	80	88.32
Training investment	RMB million	252.8803	656.9101	976.5517
Number of trainings for employees	Time	1,268	1,131	6,871
Number of employees being trained	Person-time	95,261	58,728	161,547
Total employee training hours	Hour	666,827	182,312	2,536,205
Per capita training hours	Hour	18.85	14.64	15.7
Employees newly diagnosed with occupational diseases in 2017	/	0	0	0
Reports of work-related injuries	/	23	21	58
Deaths due to work-related injuries	/	0	0	0
Number of foreign employees	/	346	641	1,257
Employee satisfaction	/	75	81	83

Master's degree or higher 5.84%  
Bachelor's degree 60.80%  
Junior college 30.09%  
Lower than Junior college 3.27%



Educational background of employees

Below 30 years of age 72.06%  
31-40 years of age 21.45%  
41-50 years of age 4.39%  
Above 50 years of age 2.10%



Age distribution of employees



## Promoting Public Welfare

Upholding the corporate culture “do something for the society, do something for others”, Hainan Airlines gives full play to its own strengths in the social responsibility practice and shares resources with the society. We believe that the core to communicate with communities and participate in community development lies in promoting regional development and public welfare, so we make efforts to settle social problems and the sustainable development of public welfare. In 2017, we won the Responsible Brand Award in 2017 released by the sixth China Charity Festival.

### Elisil Abidola, a recipient of the ‘Bringing Love Home’ campaign

“At long last I can go home this year. My father, mother, little sister and the elders in my family all feel excited, and I feel very happy, too.”

Coming from Hotan prefecture in Xinjiang province, Elisil Abidola is a student of the eight-year clinical medicine major of Nanjing University. He has been studying away from home since junior high school. Considering the school work, long distance, and the family economic condition, he has not gone back home for seven years.

In the university, Elisil is a monitor and planned the welcome party for the freshmen of the school and took part in activities such as the Speech Contest of Nanjing University. He is glad to organize and take part in these activities, which makes him gain great experience through the activities and also will not miss home so much.

On January 18, 2018, Elisil took the flight of Hainan Airlines to Urumqi city of the Xinjiang Uygur Autonomous Region, and then went back to Hotan. This year, he finally took a family photo before the Spring Festival.



## Stories

### Experience of being a “flight attendant” – Li Yun, a little basketball player

“I’ve always dreaming to be a flight attendant, but people say flight attendants don’t have canine teeth.”

Li Yun is a basketball player in Liangting’ao Primary School in Huaihua city of Hunan province. She hopes to leave the mountain area and change her life by playing the basketball. She always dreams to be a flight attendant since a very young age. Hearing of this story from production team of “Tell Your Wish to the Big Star”, a reality show on Tencent video, Hainan Airlines invited Li Yun to realize her dream and made a flight attendant uniform for her as a gift.

After a short special training, Li Yun became a “little attendant” on a flight of Hainan Airlines from Beijing to Changsha in July 2017. With the guidance of our flight attendants, she provided services for passengers. No matter in terms of the manner or attitude, Li Yun showed the quality of a professional attendant. The “little attendant” with canine teeth realized her dream on this special journey.





## Engaging in public welfare activities

- Supporting the infrastructure construction in communities to promote community development
- Helping schools improve educational facilities to enhance the quality of education
- Encouraging employees to provide volunteer services and raise their service awareness
- Giving full play to our professional advantages to provide transport guarantee





## Change for Good®

Over **6.7719**  
million RMB  
Total funds donated to  
UNICEF

As the first Chinese airline in mainland China to launch the UN 'Change for Good®' program, Hainan Airlines has organized onboard fundraising activities for over four years, passed on love with our hands and supported UNICEF to help children in need. In 2017, the program has been carried out on 39

domestic and international routes and 94 flights. The donations are used to explore and establish child protection mechanisms in 65 rural communities of 6 counties in 3 provinces including Yunnan, Guizhou and Guangxi.



Attendant volunteers do setting-up exercises during the break with children receiving donation in Yunnan province.

## Major achievements of the “Change for Good®” program

- **Covering more pilot villages.** Apart from designated pilot villages in Yunnan province, we designate new pilot counties and villages in Guizhou and Guangxi. We have carried out four major activities including teaching children self-protection skills, parenting, as well as safe family activities and setting up child protection records for community management.
- **Establishing the child protection information database.** We set up and use the child protection information database to find leftover children and other children in need.
- **Exploring the child protection mechanism for the community.** We have set up 35 “Home of Children” in the three provinces where we carry out the program, so as to promote positive parenting and identify, report, search for and follow children that need protecting services.

## Sharing Dreams Also Means Helping Those In Need charity lunchbox



Attendants of Hainan Airlines hands out charity lunchboxes to passengers.

On November 20, 2017, HNA Group and the United Nations World Food Programme (WFP) formulated a global cooperation plan. HNA Group will support WFP to provide food aid to refugees suffering from the war in Syria and save innocent and precious lives.

Hainan Airlines organizes charity activities to help refugees from Syria on the direct flights from Beijing to Chengdu and from Beijing to Chongqing, providing lunchboxes to 14 flights each week. Over 3,000 passengers on the flights of Hainan Airlines can enjoy the charity meals and make donations.

## Sending Love Home

Hainan Airlines has held the 'Send Love Home' campaign for five consecutive years. Keeping the original aspiration in mind, Hainan Airlines offers free air tickets to university students in need, volunteers

in the “Go West” campaign, overseas students with part-time jobs, left-behind children and migrant workers to help them return home and reunite with their families.

Over **130+**  
person times

People receiving free  
round-trip air tickets to  
return home

### Running for love and sending love home

To promote the “Sending Love Home” campaign, HNA Group organized the “I Run” activity with participation of sports enthusiasts around the world and almost 200,000 employees of the Company at home and abroad. The valid running distance of the participants that day could be converted to “Fortune Wings Mileage” at the ratio of 1:1, which could be used to redeem our charity tickets to help students in need return home in the Spring Festival.

In January 2017, branches of Hainan Airlines in Changsha held the “I Run” in Yang Lake Wetland Park. Almost 300 employees from the Changsha Base and the sales department in Changsha of Hainan Airlines took part in the activity, implementing HNA Group's responsibility philosophy of ‘do something for the society, do something for others’ with their actions.

**400,000**  
mileages

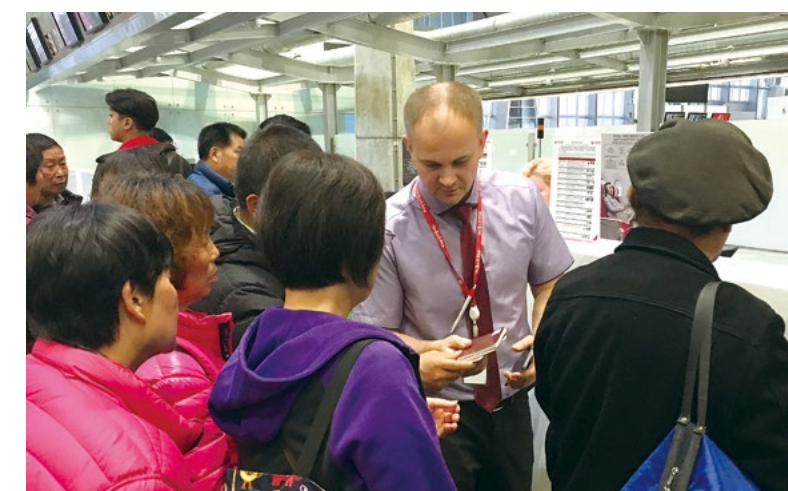
Total mileages converted  
by running in 22 cities

## Guaranteeing special flights

Actively undertaking its social responsibility, Hainan Airlines has made a thorough manual for guaranteeing important flights. With high standards and strict requirements, Hainan Airlines overcomes challenges and makes sure to complete each mission of transport guarantee.

### Helping over 400 tourists stranded abroad to return to China

In September 2017, VIM-AVIA in Russia declared bankruptcy, resulting in extensive flight delays and cancellations. Thousands of passengers were stranded during the weekend in Russia and Belgium. The St. Petersburg Office and Brussel Office of Hainan Airlines actively provided support and allocated relevant resources. At last, with the joint efforts of Chinese Embassy in Russia and Chinese Embassy in Belgium, we helped over 400 stranded tourists to return to China safe and sound.



Staff of Hainan Airlines helps stranded tourists in St. Petersburg Airport.





## Actively undertaking national transportation tasks

In December 2017, the HU777 flight of Hainan Airlines took the fourteenth batch of over 110 Chinese peacekeepers and over 10 tons of supplies and equipment from Taiyuan Wusu International Airport to Khartoum of Sudan in Africa. After the plane arrived at Khartoum, alternative peacekeepers as well as supplies and equipment took the return flight of HU777 to Beijing. Hainan Airlines successfully completed the transportation task to offer chartered flights to peacekeeping forces.



## Providing volunteer services

Since the volunteer association was established in July 2015, Hainan Airlines has organized various influential public activities such as helping the orphans and people in poverty, and supporting the elderly and people with disabilities, so as to meet social expectations and pass on love.

### Love Wings · Hand in Hand—visiting left-behind children in Wuyuan primary school

Guangzhou Branch of Hainan Airlines organized employee volunteers to visit Wuyuan primary school in Chengjia town of Yangshan county and carried out the public activity themed “Love Wings · Hand in Hand”. Volunteers donated books, footballs, basketballs and jump ropes to the school and gave a great English class to the students.



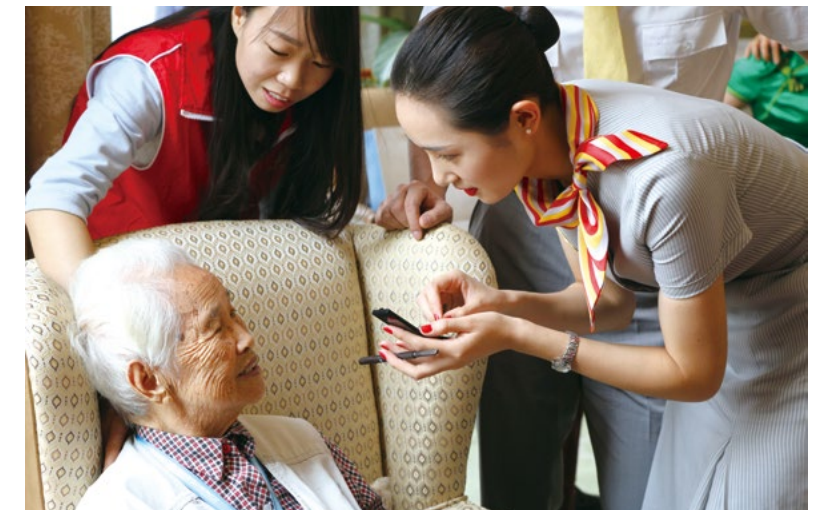
Kids are excited to see the volunteers.



The fourteenth batch of peacekeepers are boarding.

### Providing make-up therapy courses for the elderly in the nursing homes

15 attendants of Hainan Airlines visited Hainan Airlines-Heyue Senior Living International Community in Beijing and carried out a series of activities with the theme of the “Youth Day”. They provided make-up therapy and experience for the elderly in the community. The make-up psychotherapy can build up their confidence as make-up can produce positive psychological effect. At the same time, the volunteer activity can encourage young employees to “respect and care for the elderly” and thus boost positive energy.



Attendants of Hainan Airlines do make-up for the elderly.





## Fly Your Dreams— Better Future

The dream in the clouds is gentle and sweet. On the journey, we not only provide you with ground service and support from responsible maintenance personnel and well as operation and control staff, but also the care and service from the pilots, attendants and security personnel on the plane. Hainan Airlines will always provide support for your travel and give you a convenient, considerate and comfortable dream experience.

Hainan Airlines will continuously adhere to the corporate cultural spirit of “do something for the society, do something for others”, earnestly fulfill its social responsibility and promote sustainable development to build a responsible world-class aviation brand. We will keep innovating services to further understand and provide user-friendly services and convenience to passengers. We will carry out the green philosophy to build a better and leading green aviation ecosphere. We will also conduct more communication and researches and witness the development of all stakeholders.

We will cherish the opportunity and accompany you on the journey ahead. Hainan Airlines will never stop to improve the services and stay committed to fly your dreams!



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# Feedback Form

Thank you for reading the Hainan Airlines Holding Co., Ltd Social Responsibility Report 2017. To further improve our corporate social responsibility performance and our ability to fulfill social responsibility, as well as to enhance our communication with different stakeholders, we sincerely invite you to offer your valuable comments and suggestions about our performance and report.

## Your information

Name: \_\_\_\_\_

Company/Organization: \_\_\_\_\_

Telephone: \_\_\_\_\_

Email: \_\_\_\_\_

## Multiple choice (Please tick your answer.)

1. How do you think of this Report?

☐ Good☐ Average☐ Room for Improvement
2. How do you think of Hainan Airlines Holding's performance on safety?

☐ Good☐ Average☐ Room for Improvement☐ No idea
3. How do you think of Hainan Airlines Holding's performance on work related to stakeholders?

☐ Good☐ Average☐ Room for Improvement☐ No idea
4. How do you think of Hainan Airlines Holding's performance on customer service?

☐ Good☐ Average☐ Room for Improvement☐ No idea
5. How do you think of Hainan Airlines Holding's performance on employee development?

☐ Good☐ Average☐ Room for Improvement☐ No idea
6. How do you think of Hainan Airlines Holding's performance on giving back to the society?

☐ Good☐ Average☐ Room for Improvement☐ No idea
7. How do you think of Hainan Airlines Holding's performance on fulfilling the environment responsibility?

☐ Good☐ Average☐ Room for Improvement☐ No idea
8. Please share with us any other suggestions you may have on Hainan Airlines' social responsibility work?



# About this Report

## Reporting Period

The time scope of the report ranges from January 2017 to December 2017, and some contents may extend beyond that time scope if necessary.

## Reporting Cycle

The report is published annually. This is the third Social Responsibility Report of Hainan Airlines Holding Co., Ltd.

## Reporting Scope

The contents of this Report cover Hainan Airlines Holding Co., Ltd. and please see details in the organizational structure chart.

## Compilation Conformance

The Guidelines for Compiling Reports of the Practice of Social Responsibilities by Enterprises, released by the Shanghai Stock Exchange

The GRI Sustainability Reporting Standards (GRI Standards) released by the Global Reporting Initiative (GRI)

Guidance on Social Responsibility (ISO 26000:2010)

Guidance on Social Responsibility Reporting (GB/T 36001-2015)

Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR 4.0) released by Chinese Academy of Social Sciences

## Data Source

All the data in this report comes from internal statistics and public documents and reports officially published by the Company. Some data may cover its holding subsidiaries and are specified for notice.

## Reliability Assurance

This Report is free of any fraud, misleading representations or major omissions.

## Reference

For convenience and readability, Hainan Airlines Holding Co., Ltd. in this report may be referred as 'Hainan Airlines Holding', 'Hainan Airlines', 'the Company' or 'we'.

## Reporting Preparation Process



## Report Access

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