



For our common sustainable development

2016 China Eastern Airlines

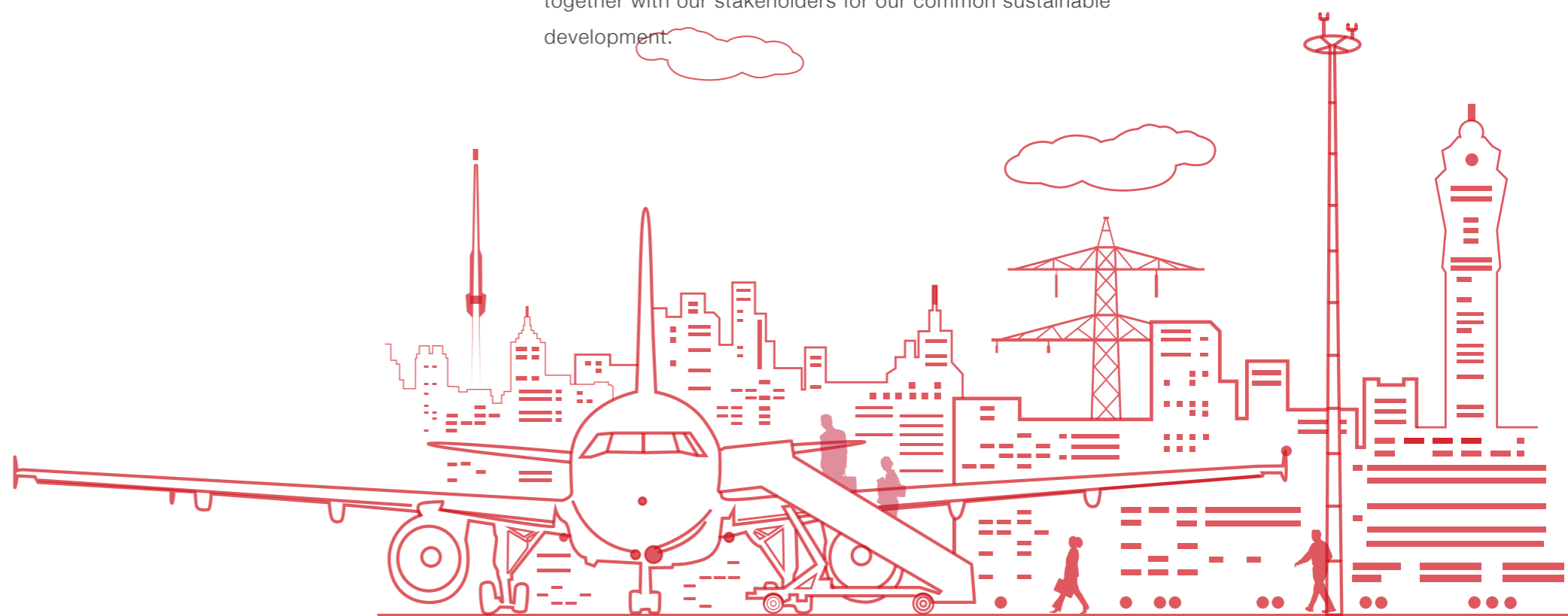
Corporate Social Responsibility Report

What does corporate social responsibility mean to China Eastern?

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

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

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





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CHINA EASTERN

For our common sustainable development

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About the Report

Purpose of the report

Since 2009, China Eastern Airlines has released the corporate social responsibility report annually. It discloses the Company's CSR concepts and practices, promotes understanding, communication and interaction between the Company and its stakeholders, facilitates the establishment of trust and cooperation based on the same value identification, and fosters sustainable development of the Company and the society. This is the 9th corporate social responsibility (CSR) report released by China Eastern Airlines Corporation Limited, with the theme of "For our common sustainable development".

Change in the report

The Fifth Plenary Session of the 18th CPC Central Committee of the Communist Party of China has clearly proposed the five development concepts of "innovation, coordination, green development, opening up and sharing", which form the core idea of the 13th Five-Year Plan. With the framework developed on the basis of the above five development concepts and "security", which serves as the core issue of the industry, this report responds to the 17 UN Sustainable Development Goals and highlights the sustainable development capability of China Eastern.

Reporting period

The data and the contents in the report mainly cover the Company's management and practice from January 1, 2016 to December 31, 2016. Some data and contents may extend beyond the time scope if necessary.

Reporting cycle

The report is published annually. The last report was released in March, 2016.

Scope of the report

G4 Materiality Disclosure: G4-17, G4-22

The entire company (including its branches and wholly owned subsidiaries). Part of the practice may cover China Eastern Group and some subsidiaries whose stakes are partly held by China Eastern.

Report compilation principles

This report was prepared in accordance with *Guidelines to the State owned Enterprises Directly under the Central Government on Fulfilling Corporate Social Responsibilities* issued by State-owned Assets Supervision and Administration Commission of the State Council (SASAC), *Reporting Guide of Environmental, Social and Governance (HK-ESG)* issued by Hong Kong Exchanges and Clearing Limited, *Guidelines on Preparation of CSR Reports* and *Notice on Further Improvement of Poverty Alleviation Work Performance Disclosure of Listed Companies* issued by Shanghai Stock Exchange, *Social Responsibility of GB/T 36001 Guidance, Sustainability Reporting Guidelines (G4)* issued by the Global Reporting Initiative (GRI), *Social Responsibility Guide (ISO 26000:2010)* issued by International Organization for Standardization (ISO), *Writing and Compiling Guidelines of the Chinese Corporate Social Responsibility Reporting (CASS-CSR3.0)* issued of Chinese Academy of Social Sciences (CASS), *the UN 2030 Agenda for Sustainable Development*, and supplement guidelines in aviation service industry. With systematic integration of crucial guidelines and standards, the report has served as a response to stakeholders' expectations and requirements and highlighted industrial features and corporate characteristics.

Data source

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

External audit

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

Abbreviations

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

Access to related information

The report comes in both Chinese and English versions. In the case of discrepancies, the Chinese version takes precedence. The report was released in printed and electronic versions. The electronic version is available on the website of Shanghai Stock Exchange and the Company's website www.ceair.com. If you need a printed report or have any suggestion, please contact us as follows:

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Process of report preparation

Message from Chairman



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

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

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

Civil aviation industry is of strategic importance to China. While pursuing sustainable development, we have persisted in planning security work from the perspective of “national strategy and security”, unswervingly regarded security as the foundation of our development, and firmly put people’s life and property as the top priority. With zero

“ Only through development can we address global challenges;only through coordinated development of the economy, society and environment can enterprises better contribute to the sustainable development of the country and the society. ”

tolerance of potential safety hazards, we have strictly implemented the safety responsibility system, adopted scientific and technological means to improve safety management, and substantially promoted the building of safety culture, which guaranteed aviation safety and aviation security, and helped us realize a safe year of 2016.

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

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

The promotion of “the Belt and Road Initiative” will surely expand

the strategic vision of our opening up, provide Chinese enterprises with more room for global competition, and bring new opportunities to aviation enterprises just like China Eastern Airlines. We will regard opening up as the essential path to prosperity and development, seek global development with a globalized vision, strive to attract global elites, and actively serve global aviation transportation, advocate international business ethics and exhibit global influence of Chinese enterprises more broadly and widely on a higher level.

“Over the past sixty years, we have overcome difficulties and made achievements”. The year 2017 witnesses the 60th anniversary of the foundation of China Eastern. In our history teemed with obstacles, every historical milestone is a new start for us to make progress and usher in a new stage of development. Standing at a new historical starting point, we believe, China Eastern will continue to serve the country for its construction and people for their happiness. We will embrace patriotism, repay stakeholders’ trust, and integrate China Eastern’s centennial dream into national centennial dream of the great renaissance of the Chinese nation with a strong sense of corporate mission and responsibility. We will build China Eastern into an honorable enterprise, strive to realize the strategic goal of “Creating a world-class airline, building a happy China Eastern”, and contribute our wisdom and power to common sustainable development.

刘绍勇

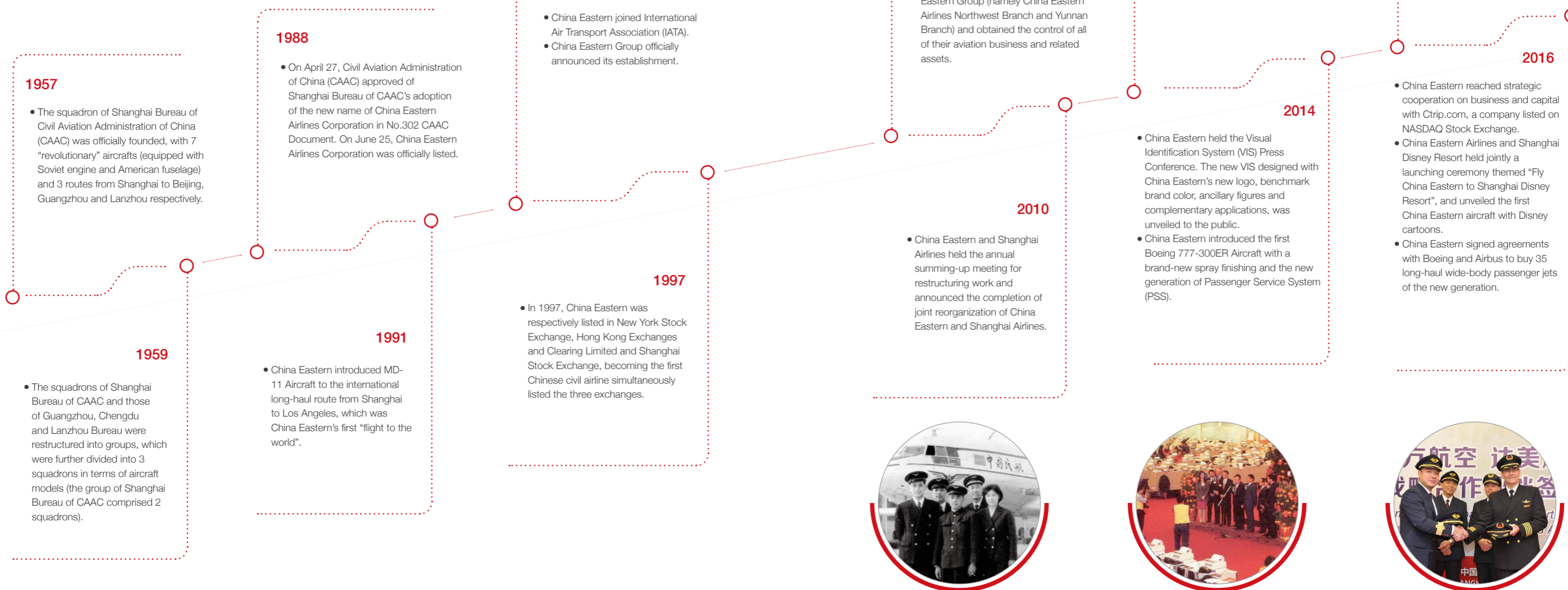
Liu Shaoyong,
Chairman

China Eastern Airlines Corporation Limited

Special Column: 60th Anniversary of China Eastern

January 1957 is the starting point of our great efforts. On that day, China Eastern began to fly to the sky with patriotic missions. For sixty years, China Eastern has developed a broad path for entrepreneurship, leaving impressive moments in the development history of civil aviation of China. The six-decade development of China Eastern is also a history of arduous entrepreneurship, bold advancement, grand reform, passionate innovation and glorious contribution. China Eastern has always prioritized national interests and shared weal and woe with the people, unveiling a wonderful chapter for serving national economic and social development and building an airline dedicated to invigorating our country.

Chronicle Events of Corporate Development



The photo of crew at the beginning of squadron

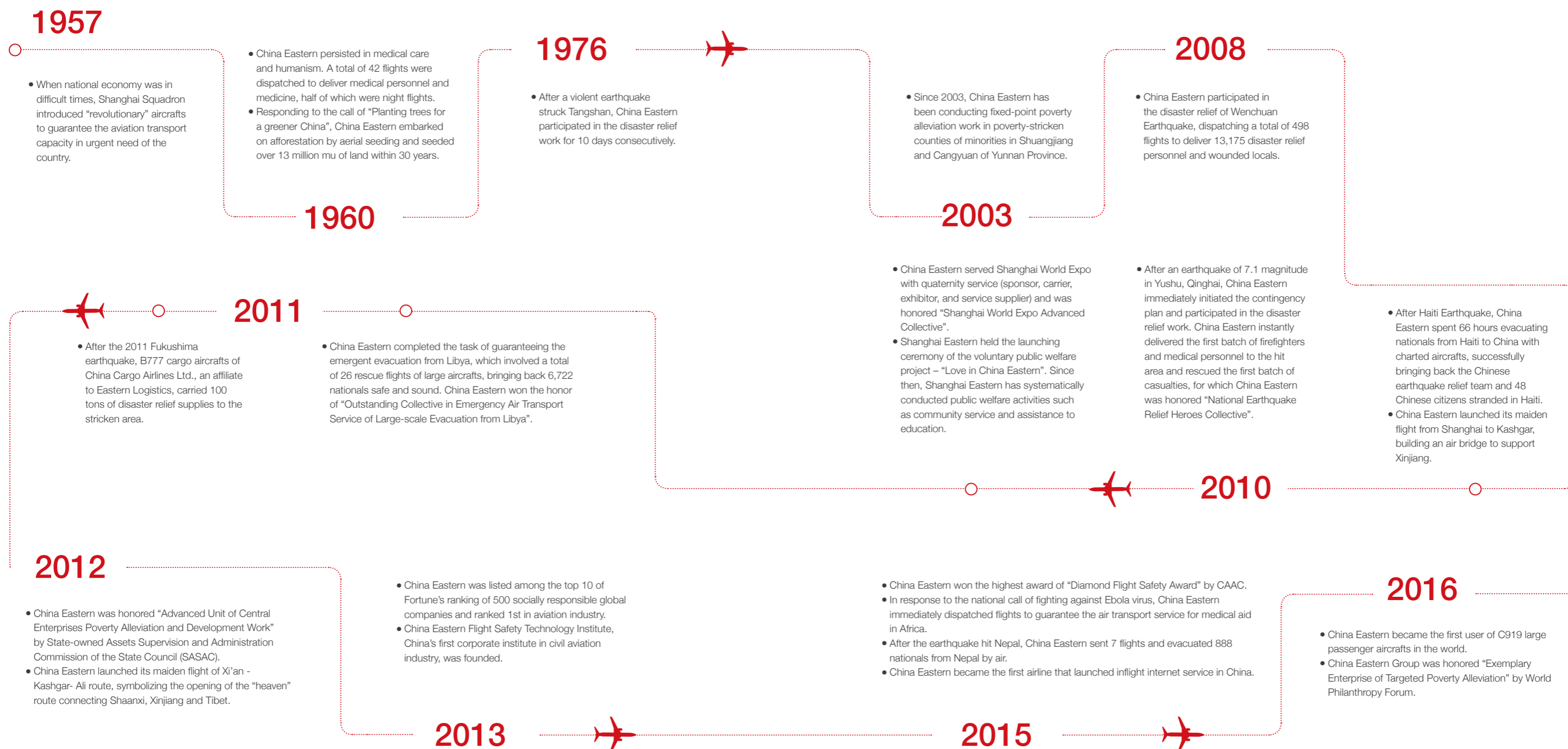


China Eastern Airlines H shares successfully listed in Hong Kong



China Eastern reached strategic cooperation with Delta Air Lines

Chronicle Events of Corporate Social Responsibility



In 1957

In 2016



Destinations

3 routes

177 countries and regions
worldwide

1,062 destinations



Staff

28 crew members

Approximately 80,000
employees



Fleet

7 “revolutionary” aircrafts

A 600-aircraft fleet
mainly comprises
of global advanced
aircrafts



Annual Passengers

6,179

Over 100 million,
ranking 7th in the
world



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

Feng Zhenglin, Administrator of CAAC

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

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

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

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

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

Chen Derong, General Manager of China Baowu Steel Group Corporation Limited

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

Michael Wisbrun, Chairman of the SkyTeam Governing Board

Approaching China Eastern

About Us

Corporate Profile

Headquartered in Shanghai, China Eastern Airlines Corporation Limited originates from the first squadron of Shanghai in 1957. The Company is a Sino-foreign joint venture exclusively initiated by China Eastern Group and one of the three state-owned backbone airlines of China. Major businesses of China Eastern cover domestic and approved international and regional flights of passenger, freight, mail, and luggage transport as well as extended services. Other businesses include general aviation services, aircraft maintenance, aviation equipment manufacturing and maintenance, agency services for domestic and foreign airlines, insurance and agency services, E-commerce, air markets, wholesale, retail and other businesses related to air transport. The number of passengers carried by China Eastern has exceeded 100 million, ranking 7th in the world.

Fleet structure

	Aircraft model	Quantity		
		2016	2015	2014
Passenger aircrafts	B777	16	9	4
	B767	6	6	6
	B757	0	0	5
	B737	234	211	190
	A340	0	0	4
	A330	51	51	44
	A321	66	48	39
	A320	163	160	154
	A319	36	35	29
Freight aircrafts	EMB	0	6	10
	B777	6	6	6
	B757	0	0	2
	B747	3	3	4

B757, A340 and EMB aircrafts have gradually been eliminated in the recent three years.

Total

581 535 497



177 countries and regions worldwide

10 branches

59 overseas outlets and offices

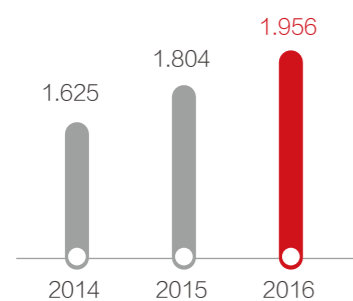
1,062 destinations

21 subsidiaries

75,333 employees

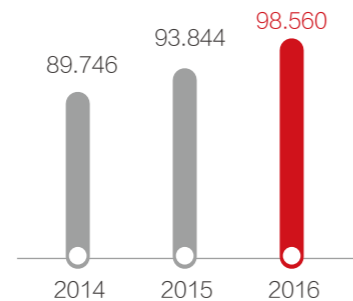
Key Performance

Unit: Million hours



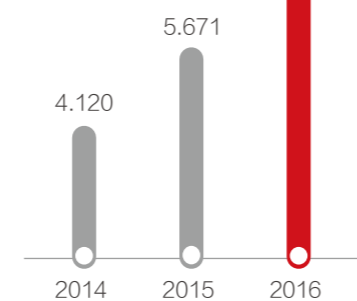
Safe flight hours

Unit: Billion yuan



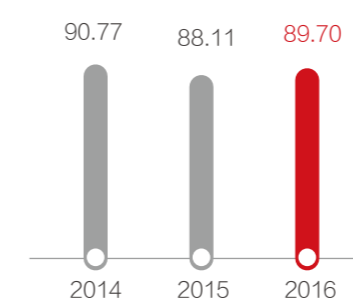
Operating revenue

Unit: Billion yuan



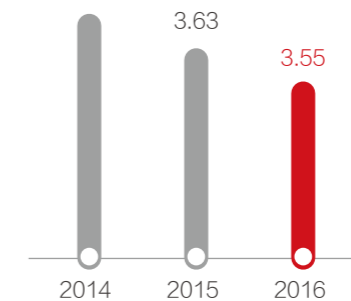
Total profits

Unit: Points



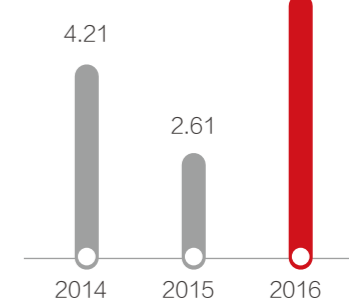
Passenger satisfaction

Unit: Kg/100 passengers-km



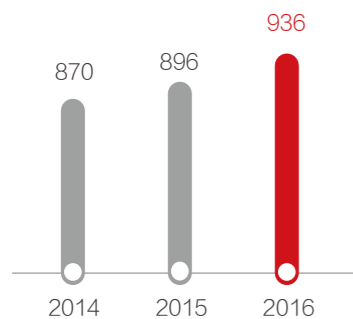
Unit fuel consumption

Unit: 10,000 person



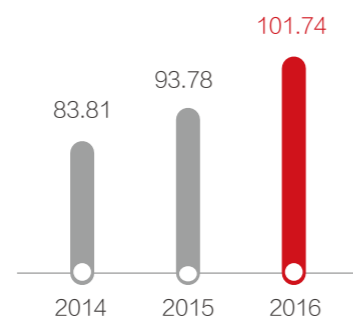
The number of participants in "Love in China Eastern" public welfare project

Unit: Routes



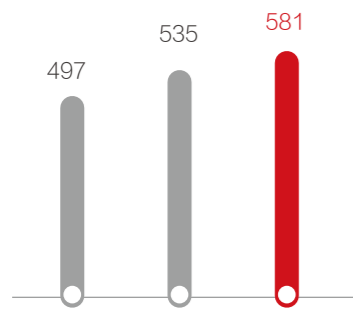
The number of routes

Unit: Million

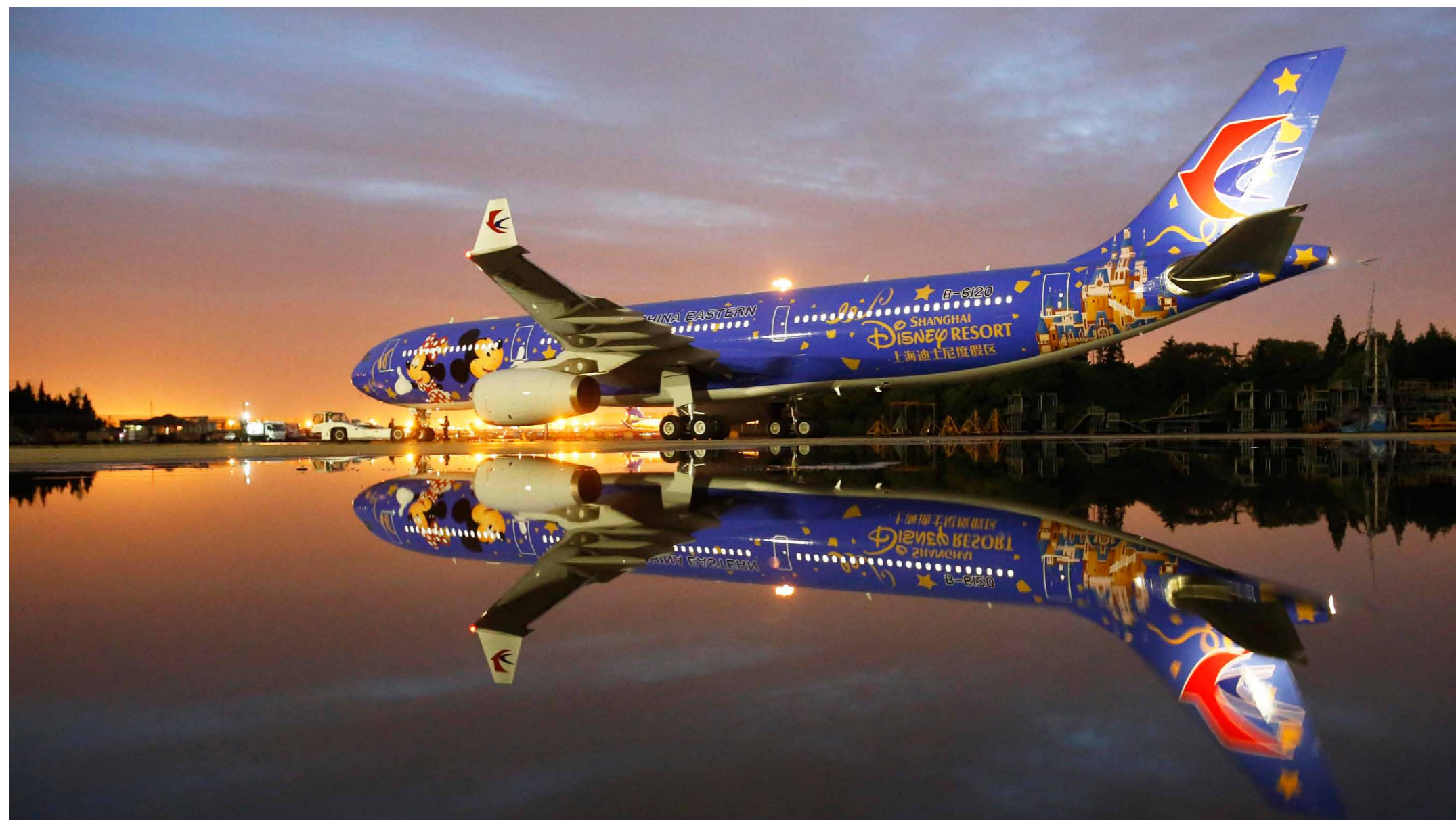


The number of passengers carried

Unit: Aircrafts



Aircraft in operation



China Eastern in 2016

Amazing 2016

January, 2016

- China Eastern held a conference in Shanghai to promote professionalism of the service system. With the theme of "Sincere service for brand building", the frontline cadre employees of China Eastern service system came to the stage to share advanced service concepts, valuable service philosophy, concrete service connotations, and sincere service attitude, exhibited and released the powerful cohesion and positive energy of China Eastern service system. (Pic ⑥)

April, 2016

- China Eastern initiated comprehensive strategic cooperation with Ctrip.com in aspects of business, equity and capital market, etc.
- The first China Eastern aircraft with Disney cartoons was unveiled. China Eastern signed strategic cooperation agreement with Shanghai Disney Resort.
- China Eastern signed agreements with Boeing and Airbus on aircrafts purchase to introduce the new generation of long-haul wide-body passenger jets including 15 B787 jets and 20 A350 jets. This step symbolizes that China Eastern has become one of a few airlines operating with both B787 and A350, the most advanced wide-body jets in the world. (Pic ②)
- The maiden flight of China Eastern "BlueSky Family" Project was launched, which is an innovative route featuring typical civil aviation characteristics and China Eastern spirit to promote Party building innovatively. (Pic ⑦)

May, 2016

- China Eastern held the ceremony themed "Elite Plus – Shining China Eastern" to officially announce the launch of "Eastern Miles" Platinum VIP card plan on June 18, 2016. China Eastern has integrated advantageous resources and innovatively built an exclusive service value chain to offer members a travelling experience of "relaxation, companionship and enjoyment".

June, 2016

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

September, 2016

- China Eastern held the conference on internationalization strategies in September 2016. The conference focused on effort to build a "world-class" airline through farsighted and innovative planning and systematic "top-level design" of internationalization strategies, blueprinting a new direction of China Eastern development in the new era.
- China Eastern's flagship VIP lounge at Pudong International Airport was launched, which is the largest independent VIP lounge at terminals in China. This is a new milestone of China Eastern in optimizing passengers' traveling experience, promoting service upgrade and building an international aviation service brand. (Pic ⑧)
- Guangdong branch of China Eastern was founded. With Guangdong branch as the base, China Eastern aims to seize opportunities and enhance the route network in Southern China. With such a new strategic supporting point, China Eastern can improve and optimize its air transport hub network in China and the rest of the world. (Pic ①)

October, 2016

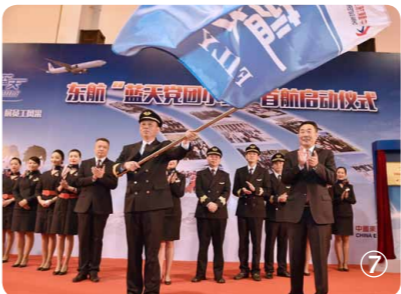
- The final of civil aircrafts maintenance personnel skill competition and the 2nd civil flight attendant vocational skill competition were successively held, both of which are listed as second class national competitions. (Pic ③)

November, 2016





- Dozens of mainstream media including CCTV, People's Daily and Xinhua News Agency broadcast profound reports on "Reform Models", deeply analyzed China Eastern's practices and achievements in enhancing reform. SOEs are important power to boost comprehensive national strength, promote economic and social development, and guarantee and improve people's livelihood. With active performance, China Eastern has made new breakthroughs in many pivotal areas and been regarded as a typical model of SOEs' reform. (Pic ⑤)
- China Eastern took the lead to open the air freight route from China to Peru to promote the increase and optimization of bilateral trade. It is a symbolic result of enhanced bilateral strategic partnership.
- China Eastern signed the cooperation framework agreement with Commercial Aircraft Corporation of China, Ltd. (hereafter referred to as "COMAC"), becoming the first user of the large passenger aircraft - C919. In cooperation with COMAC, China Eastern has taken developing national aviation industry as its own mission, continuously promoted cooperation and innovation of the industrial chain, and facilitated C919 aircrafts to fly to more markets of world, contributing to large-scale application and future development of home-made large aircrafts.

December, 2016

- Mr. Liu was the 100,000,000th passenger of China Eastern in 2016, and it is the first time that annual passenger total of China Eastern exceeded 100 million. It is a new breakthrough of China Eastern as the 7th largest airline in the world, symbolizing the increasingly important role of China airlines in international civil aviation. The building of a nation of strong civil aviation and China Eastern's international influence have been further exhibited. (Pic ④)



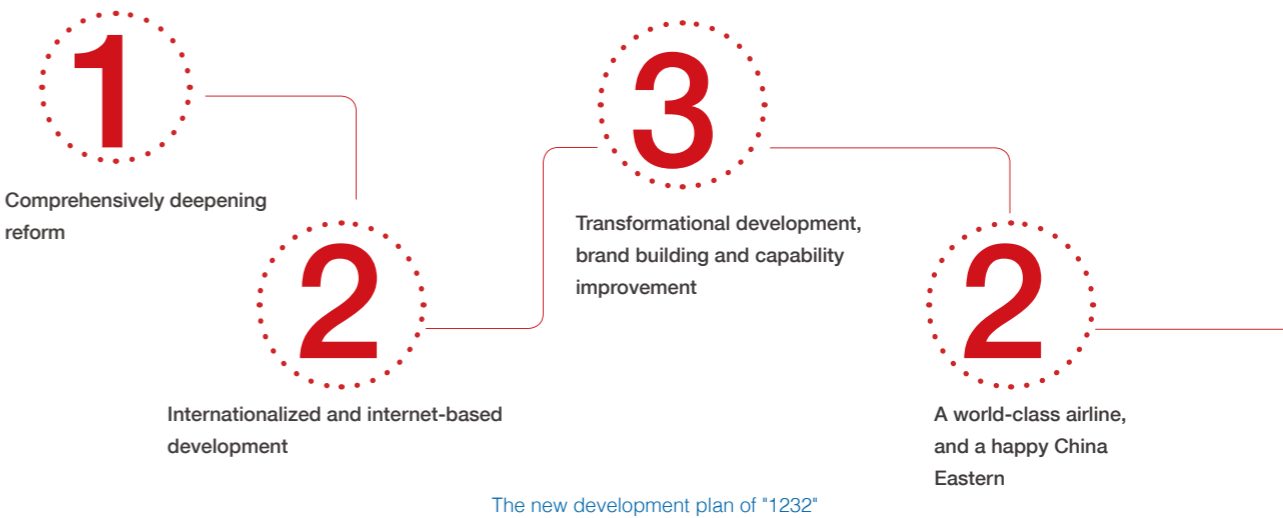
Major honors in 2016

	Award name	Issuer
	Brand Finance Global 500 2016 – world's 500 most valuable brands	Brand Finance
	"BrandZ Top 30 Most Valuable Chinese Brands"	WPP
	Hong Kong "Golden Bauhinia Awards" "The Listed Company with the Most Investment Value during the "Thirteenth Five-Year" Period"	The Listed Companies Association of Beijing, The Hong Kong Chinese Enterprises Association, Hong Kong Takung-Wenwei Media Group
	Asia Pacific Airline of the Year 2016	CAPA Asia Aviation Summit
	"Poverty Alleviation Award of the Year 2016 of People's Enterprises CSR Awards"	People.cn
	"GoldenBee-Leadership Enterprises" award	China WTO Tribune, Ministry of Commerce
	"Best China Airline"	Travel Trade Gazette (TTG)
	"Exemplary Enterprise in Precision Poverty Alleviation"	World Philanthropy Forum
	International Carbon-Value Award - Carbon-Value Social Citizen Award	The World Economic and Environmental Conference (WEC)
	"China's Most Respected Enterprise" at the 14th Annual Conference of Most Respected Companies in China	The Economic Observer
	Asia Tourism - "Red Coral Award" "The Most Popular Airline"	Asian Tourism Industry Annual Conference 2016
	Civil Aviation Communications Summit 2016 "Best Brand Value Award" "Best Overseas Communication Award"	CARNOC
	"Award for the Best practice of Public Welfare Engagement"	China (Shanghai) Listed Companies CSR Summit (organized by Xinhuanet, The Listed Companies Association of Shanghai, Shanghai Federation of Economic Organizations, Financial Services Bureau of Shanghai Pudong New Area, and China Financial Information Center)
	Award for best sample corporations of "Annual Employee Care"	Invest in Green Future – CSR and Innovation 2016 Shanghai Summit (organized by Shanghai Observer of Jiefang Daily, Shanghai Daily, and Eastday.com)
	"Award for Units with Outstanding Practice of Civil Aviation Internet Technology Application 2016"	Civil Aviation Internet Conference

Corporate Strategy and Governance

Corporate strategy

The year 2016 is the first year of the 13th Five-Year Plan period. Adhering to national guidance on enhancing SOE reform and based on the Company's positioning in corporate transformation, China Eastern has followed new requirements and industrial development rules to implement new tasks and proposed new targets and new approaches to enhance the reform. A new development plan featuring "one guideline, two focuses, three guarantees and two aspirations" has been formulated.



Corporate governance

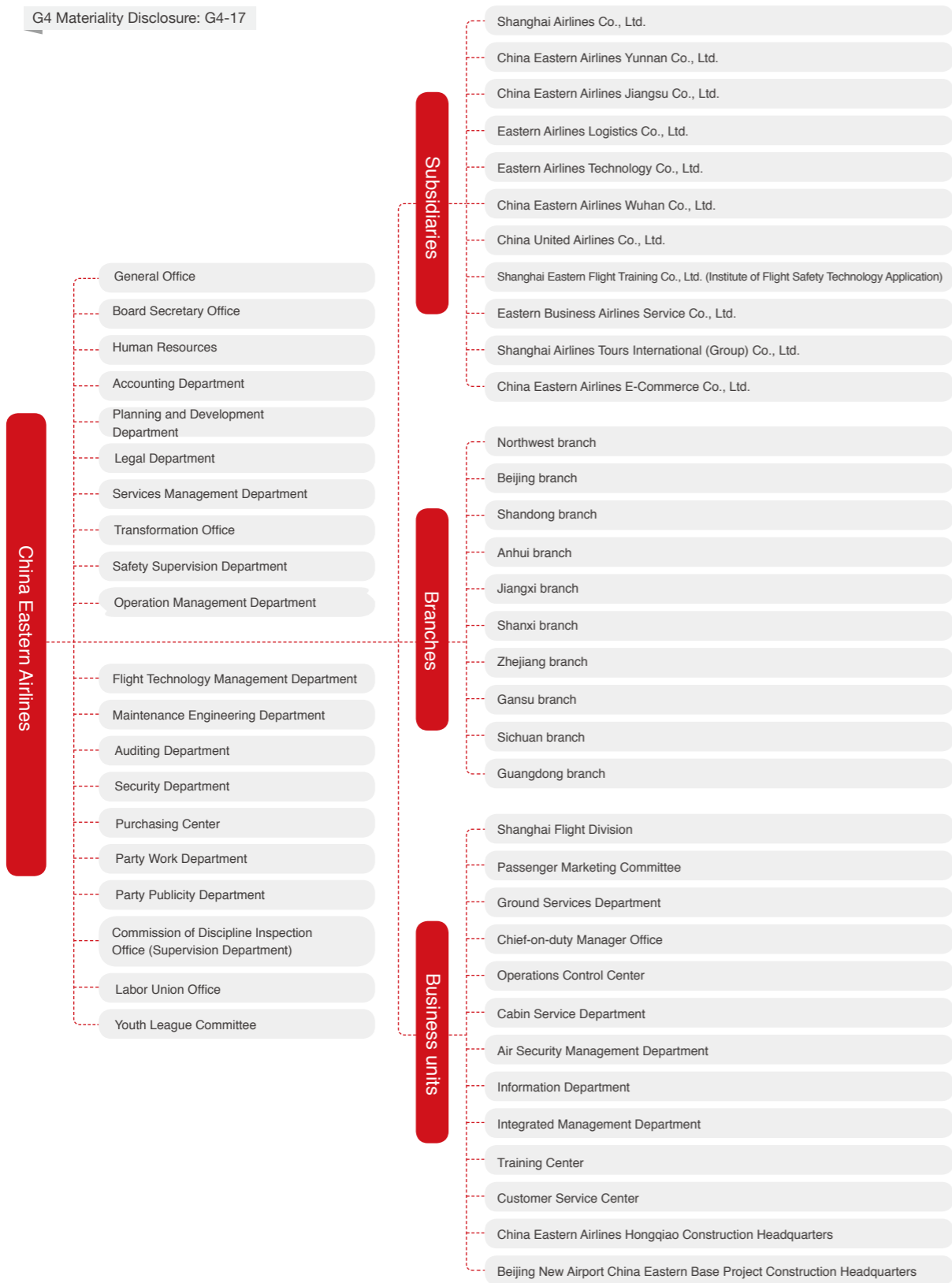
China Eastern strictly complies with domestic and overseas listing rules and relevant laws and regulations, and constantly improves the modern corporate governance structure consisting of shareholders' meeting, board of directors, board of supervisors and management which form a check-and-balance mechanism.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

The shareholders' meeting, board of directors, board of supervisors and the management perform their respective duties independently in accordance with the stipulation in the *Articles*. There are Nomination and Remuneration Committee, Audit and Risk Management Committee, Planning and Development Committee and Aviation Safety and Environment Committee to assist and support the Board of Directors. In 2016, the Board of Directors consisted of 11 directors, among whom four were independent directors. The Company held two

shareholders' meetings, nine regular conferences and meetings for board of directors and 16 meetings for special commissions under the board. A total of 48 key corporate issues were discussed and reviewed in 2016, ensuring the smooth advance of major projects of corporate development reform. Moreover, the Company organized its directors and senior executives to participate in business trainings, sent some of its independent directors to conduct field researches and inspect on overseas business outlets in various aspects including financial management, internal risk control, marketing and sales, and flight operation guarantee, etc.

The Company communicated with investors in an open and transparent way via face-to-face communication, telephone, fax and internet. In 2016, the Company held a few domestic and international roadshows, communicated with 16 media on site, held teleconferences with 157 domestic and international analysts and conducted face-to-face communication with 78 institution investors.

G4 Materiality Disclosure: G4-17



Organizational structure of China Eastern Airlines

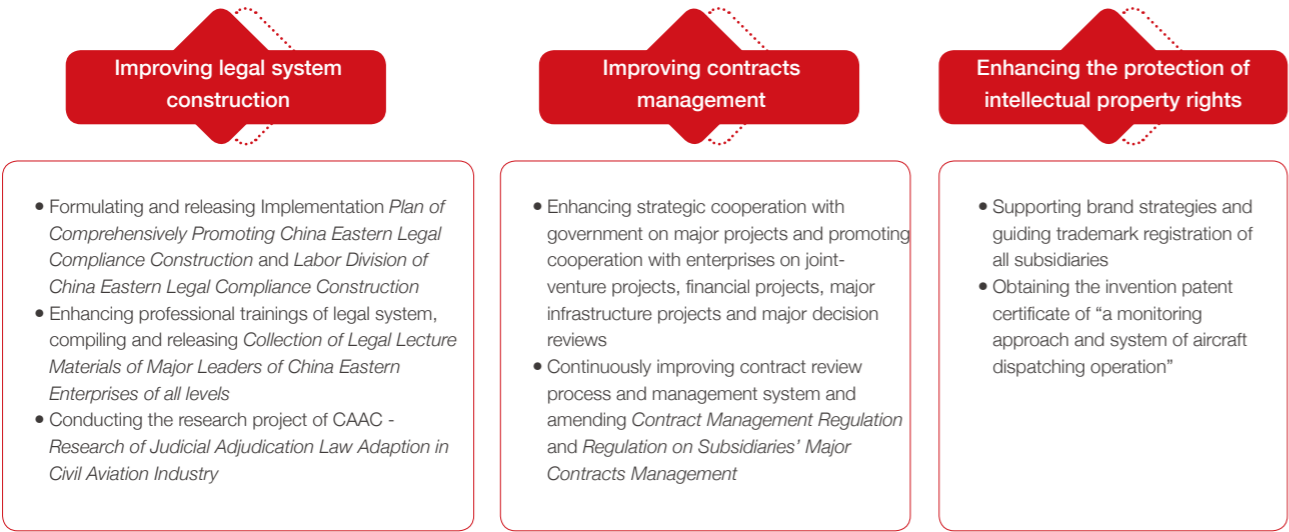
Name	Position
Liu Shaoyong	Chairman
Ma Xulun	Vice Chairman, General Manager
Li Yangmin	Director, Party Secretary, Deputy General Manager
Xu Zhao	Director
Gu Jiadan	Director
Tang Bing	Director and Vice President
Tian Liuwen	Director and Vice President
Li Ruoshan	Independent Director
Ma Weihua	Independent Director
Shao Ruiqing	Independent Director
Cai Hongping	Independent Director



Corporate governance framework

Compliance with laws and regulations

Compliance and integrity are preconditions for enterprises to achieve sustainable development. China Eastern has always complied with business ethics, continuously improved corporate compliance management, enhanced employees' legal awareness, and cultivated a corporate culture of clean governance and compliant operation. The Company has observed laws and regulations on anti-trust and anti-unfair competition in countries and regions where it has established business and participated in market competition in an equal, fair and transparent manner. In 2016, the contracts fulfillment rate of the Company was 100%, with no occurrence of law suits against trust, and unfair competition and disputes over intellectual property rights.



China Eastern continuously promoted legal compliance

Anti-corruption

China Eastern has thoroughly spread, studied and implemented the decisions of major conferences held by the CPC Central Committee. In 2016, the Company continuously promoted the improvement of the anti-corruption system, undertook disciplinary interviews of Party style building and anti-corruption performance, and conducted comprehensive supervision and inspection work, promoting the building of a good corporate style.



China Eastern continuously promoted anti-corruption work

Risk control

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

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



Corporate risk classification & risk prevention and control measures

Information security

In 2016, the Company constantly promoted informatization infrastructure construction and established infrastructure assurance and globalization service system to ensure a stable information system; the Company also built a three-dimensional information security protection system to prevent security risks such as cyber invasion. In October, 2016, the information work team of China Eastern won the first prize in the 1st Civil Aviation Internet Security Protection Skill Competition.

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



Passenger information protection measures of China Eastern

Corporate Social Responsibility Management

China Eastern has actively responded to the five development concepts of China and followed the development trend of global aviation industry. Moreover, we have catered to the expectations of various stakeholders, including customers, shareholders, employees and the society, by integrating economic, social and environmental responsibilities into corporate strategies and business activities, and working closely with stakeholders to maximize the comprehensive value.

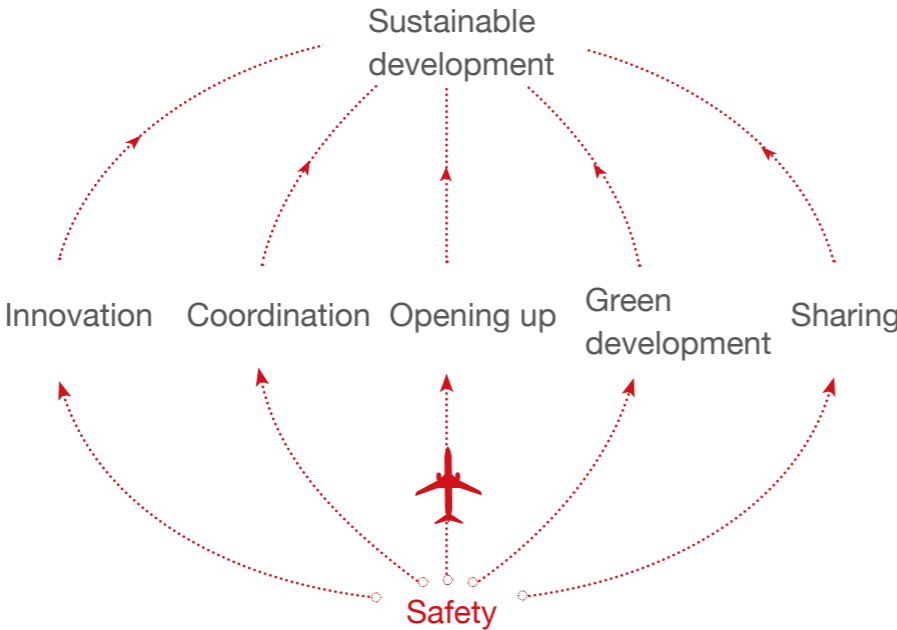
Analysis of Sustainability

In recent years, the demand on air passenger service has maintained a steady increase. It is predicted that the number of global passenger flights will double in the coming fifteen years. With China's implementation of the opening-up policy, the "the Belt and Road Initiative" and new strategies of regional development, the clustered development of cities and airports and the advent of "mass tourism" age have brought about significant development opportunities for China civil aviation. However, the complex and volatile international situation, and the increasing uncertainties in civil aviation development are putting much pressure on aviation safety. Meanwhile, the emission reduction of air transport has become a great concern. After the finalization of United Nations Framework Convention on Climate Change in the Paris Agreement, the first global industrial emission reduction mechanism, the agreement on international aviation emission, was formulated at the 39th Assembly of the International Civil Aviation Organization (ICAO) in 2016. China civil aviation has integrated green development into the 13th Five-Year Plan of civil aviation industry in China. Besides, with multiple choices of road transport and air transport provided by a myriad of airlines, passengers have paid more attention to innovation and structural optimization of air transport service, and developed

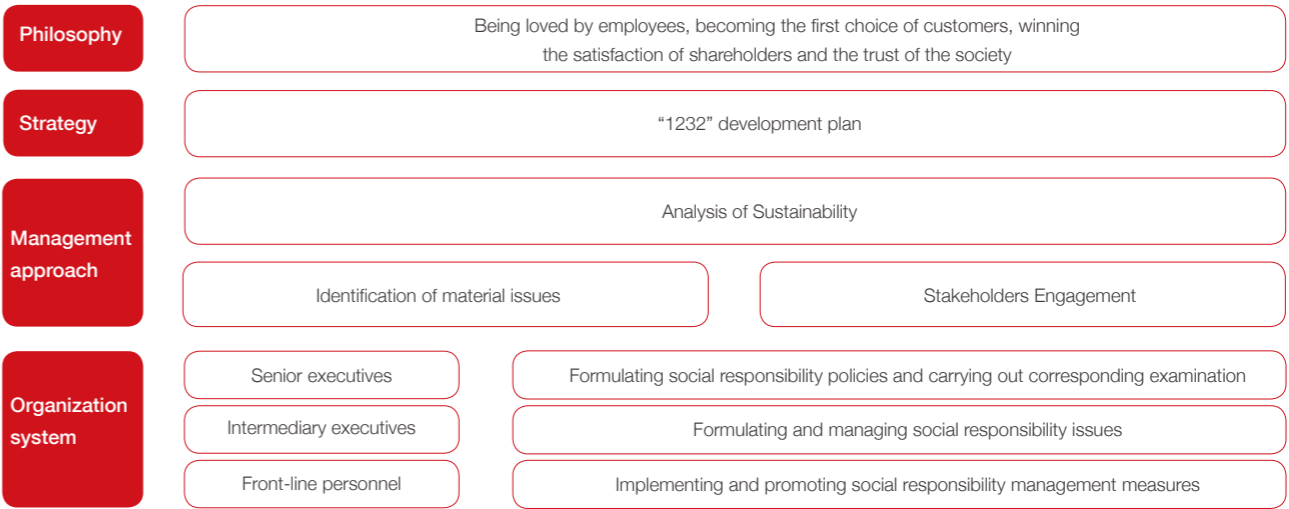
higher requirements including safety, flight punctuality, comfort and convenience, etc.

China has always regarded sustainable development as a basic state policy. In 2016, China submitted the *National Plan on Implementation of the 2030 Agenda for Sustainable Development* to the United Nations and proposed China's stands and approaches based on *the UN 2030 Sustainable Development Agenda*. Its basic idea complements the five development concepts implemented during the 13th Five-Year Plan period. Actively responding to UN's 17 SDGs and China's five development concepts, China Eastern has integrated the new development plan of "1232" into the Company's CSR report in 2016 and proactively discussed sustainability issues concerning the development focus. China Eastern has always taken "safety" as the cornerstone of corporate development, focused on different aspects of corporate development based on "innovation", "coordination" and "opening up", performed in a "green" way to fulfill its responsibility of combating climate change and promoting energy conservation, persisted in win-win cooperation and "sharing" development results with stakeholders including employees, clients, partners, industries and communities.

The logic framework of China Eastern Corporate Social Report 2016



Integrating CSR into the Organization



Social responsibility management framework of China Eastern

We have adhered to the idea of "caring for employees, putting clients first, satisfying shareholders, and earning the public's trust", continuously promoted social responsibility management work and integrated the concept of social responsibility into our development vision of "Creating a world-class airline, building a happy China Eastern". We have divided social responsibility work into different aspects and assigned them to the organizational structure in order to ensure that responsible management departments fulfill their respective corporate social responsibilities in their daily operation and management, and built and improved the social responsibility management and information disclosure system.

In 2016, China Eastern sorted out and analyzed social responsibility work, systematically built the social responsibility indicator system, and adopted the system as an important tool for corporate social responsibility fulfillment and assessment. Taking the compilation of the Company's CSR report 2016 as an opportunity, we also conducted special trainings on social responsibility fulfillment among CSR personnel from departments, subsidiaries and branches.

Identification of Material Issues

G4 Materiality Disclosure: G4-18, G4-19, G4-23

According to *Sustainability Reporting Guidelines (G4)* of the Global Reporting Initiative (GRI), the Company has made analyses and modification of material issues in 2016 based on materiality disclosure in 2015, and major strategies and stakeholders' expectations in 2016.

Review and identification

G4 Materiality Disclosure: G4-18, G4-19, G4-23

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

Furthermore, we made a deep analysis of macro policies and trends of global sustainable development in 2016, benchmarked the sustainability of aviation industry in terms of requirements and practices, and sorted out and formulated the material issues database of 39 issues based on corporate strategies and development focuses in 2016.



Identification process of material issues

Evaluation

According to the principles of materiality and stakeholders' engagement, we sequenced the identified material issues.

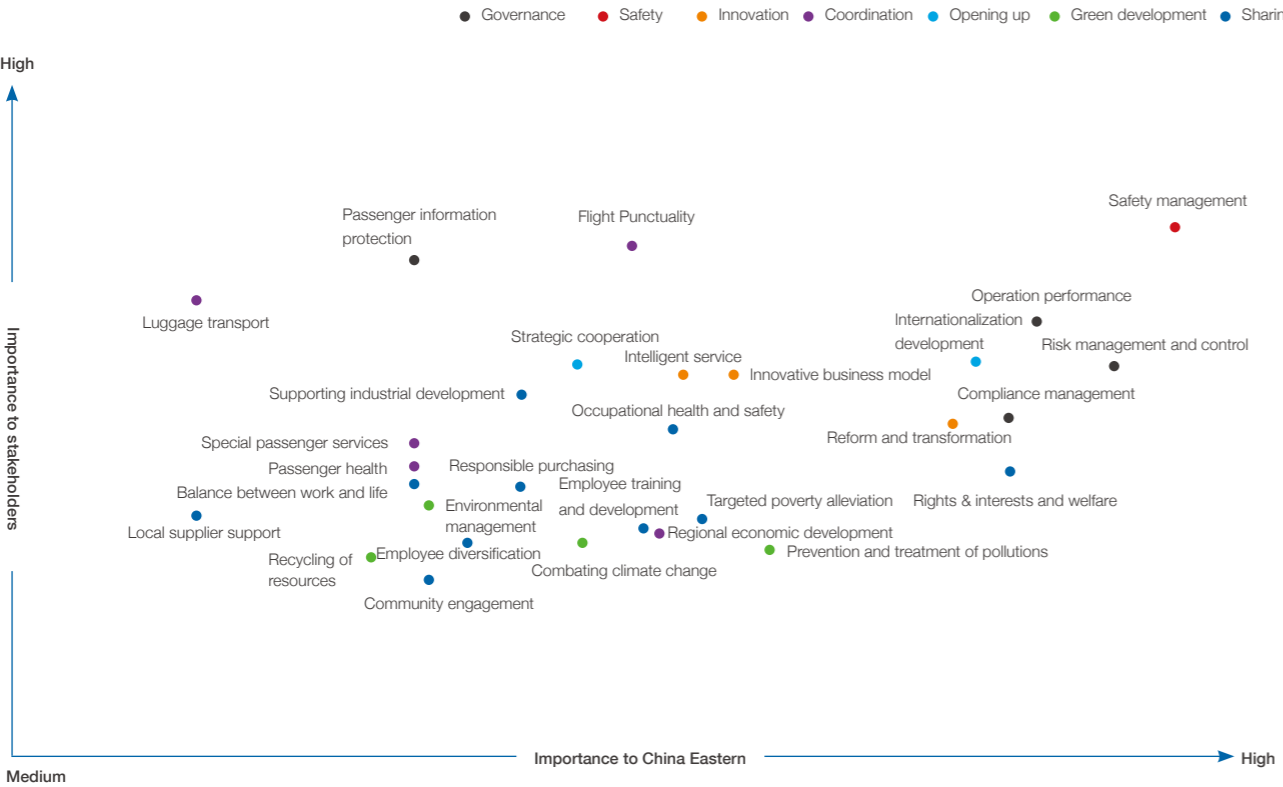
After identifying 11 categories of internal and external stakeholders, including SASAC, CAAC, stock exchanges/ investors, local governments, clients, employees, peers/ industry associations, dealers, suppliers, industrial partners, communities/ NGOs/ media, we made analyses of the mutual influence between China Eastern and different stakeholders in terms of economy, the society (including the safety issue) and the environment, and sequenced the identified stakeholders

so as to determine the weight of different stakeholders' grading in materiality sequencing of the issues.

We adopted questionnaire surveys and interviews (on-site interviews and telephone interviews) to investigate 63 internal and external stakeholders. We made quantitative and qualitative analyses of priorities of issues and conducted a comprehensive sequencing of material issues in terms of stakeholders' degree of attention and the importance to corporate development. Finally, we concluded the preliminary assessment results of material issues.

Verification

Based on the corporate strategy and business policy, we verified the preliminary results of the assessment of material issues, and listed top 29 material issues of great significance to both the Company and stakeholders through comprehensive analyses.



The matrix of material issues of China Eastern in 2016

The Company's CSR report 2016 collected and disclosed information concerning the management methods and indicators of the aforementioned 29 material issues. For the issues about which we were unable to acquire management and performance information, they will be given priority to our CSR improvement. Besides, we will set up a management and information collection mechanism for our future CSR reports to further enhance the disclosure of CSR information.

Disclosure of material issues

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

Safety	Safety management Occupational health and safety	3 GOOD HEALTH AND WELL-BEING
Innovation	Innovation of business models Smart services Reform and transformation	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Coordination	Flights punctuality Luggage transport Training and development Regional economic development Reform and transformation	1 NO POVERTY 4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Opening up	Internationalized development Strategic cooperation Reform and transformation	8 DECENT WORK AND ECONOMIC GROWTH 17 PARTNERSHIPS FOR THE GOALS
Green development	Environmental management Prevention and treatment of pollutions Combating climate change Improvement of resource utilization efficiency	7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
Sharing	Supply chain management Supporting industrial development Protection of basic rights and interests Balance of work and life Occupational health and safety Engagement in communities Targeted poverty alleviation Special passenger service	1 NO POVERTY 2 ZERO HUNGER 3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 5 GENDER EQUALITY 6 CLEAN WATER AND SANITATION 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES 11 SUSTAINABLE CITIES AND COMMUNITIES 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

G4 Materiality Disclosure: G4-24, G4-25, G4-26, G4-27

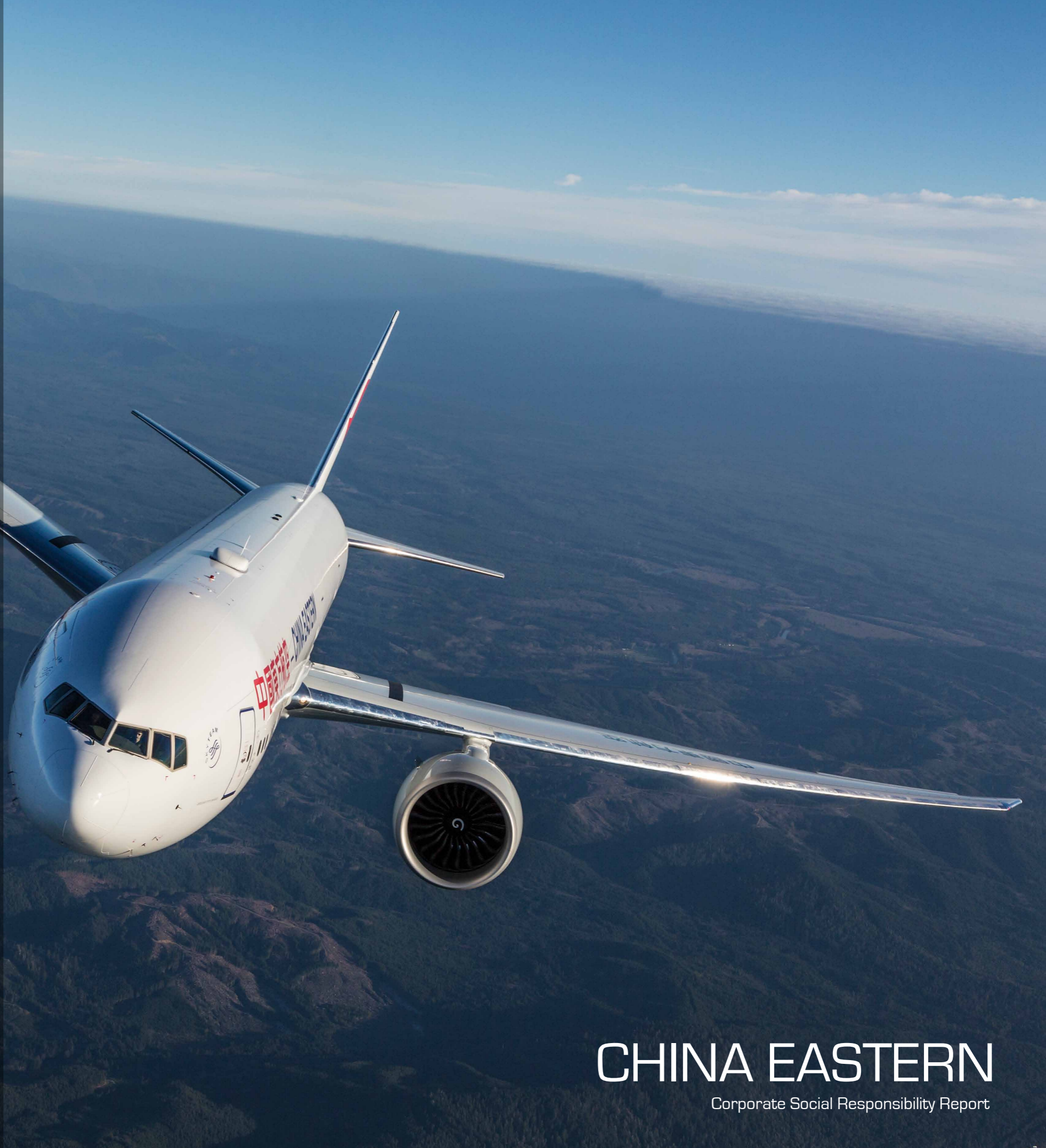
Stakeholders	Main issues of concern	Participation		Response from China Eastern
		Communication	Supervision	
SASAC	Operation performance Compliance management Risk management and control Reform and opening up Innovation of business models Internationalized development Combating climate change Targeted poverty alleviation Regional development Engagement in communities	Working conference Regular report	Business assessment Inspection tour	P14, P22-23, P40-42, P56-57, P60-63, P66-68, P72-73, P78-79
Civil Aviation Administration	Safety management Flight punctuality Improvement of service quality Combating climate change Compliance management Support for the development of the industry	Working conferences Issuance of notices	Supervision and check Operational guidance	P22-23, P32-37, P48-53, P66-68, P77
Stock exchanges/ investors	Operating performance Risk management and control Compliance management	Company announcements Shareholders' meetings Performance roadshows	Regular information disclosure Independent directors Auditing system	P14, P22-23
Local governments	Compliant operation Combating climate change Prevention and treatment of pollutions Engagement in communities Targeted poverty alleviation Regional economic development	Routine communications Working conference Government-enterprise partnership	Submission of statistical reports	P14, P22-23, P56, P66-68, P78-79
Clients	Safety management Flight punctuality Optimization of hardware facilities Improvement of service quality Luggage transportProtection of passenger information Passengers' well-being Smart services Special passenger service	Membership activities Customer hotline Weibo, WeChat online platforms	Customer satisfaction survey Customer complaints management External supervisor system	P32-37, P44-45, P48-53
Employees	Protection of basic rights and interests Occupational health and safety Training and development Work-life balance	Staff congress Online exchanges, seminars Training, competing for positions	Internal supervisors Service satisfaction survey Trade unions	P40-41,P54-56, P74-75
Peers/industry associations	Compliance management Supporting industrial development Strategic cooperation	Communication conferences Exchanges among the industry Project cooperation	Social supervision	P22-23, P60-63, P77
Dealers	Strategic cooperation Compliance management	Project cooperation Routine business communications Business meetings and negotiations	Reporting mechanism Auditing/Assurance	P60-63, P76
Suppliers	Compliance management Risk management and control Supply chain management Support to local suppliers	Project cooperation Routine business communications Business meetings and negotiations	Reporting mechanism Auditing/Assurance	P22-23, P76
Industrial partners	Compliance management Risk management and control Reform and transformation Nationalized development	Project cooperation Business meetings and negotiations	Business communications	P22-23, P42, P60-63
Communities/nonprofit organizations/media	Prevention and treatment of pollutions Engagement in communities Targeted poverty alleviation Regional economic development Compliance management Reform and transformation	Voluntary service activity Community project cooperation Press conference Media interview Interactive new media	Social supervision Media supervision	P22-23, P42, P56-57, P68, P72-73, P78-79

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Strengthening Safety Foundation for Further Development

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

Safety



CHINA EASTERN

Corporate Social Responsibility Report

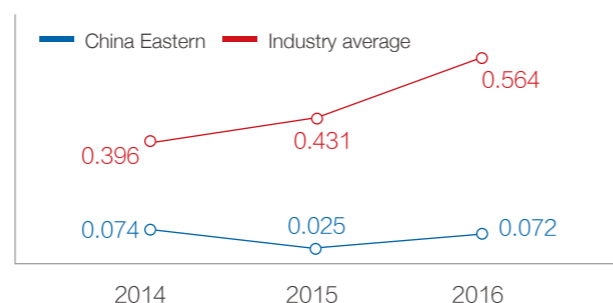
Safety Management System

SMS (Safety Management System) is a systematic approach for security management and basic guarantee for aviation security. Complying with *Production Safety Law*, acting under the guidance of *Decision of the State Council on Further Enhancing Work Safety*, and promoting system and mechanism construction as the foundation, we have integrated supervision and review into the flight and rooted security awareness into the heart of the crew to comprehensively prevent and control security risks, and consolidate the foundation for flight safety.

Constructing Mechanisms and Systems

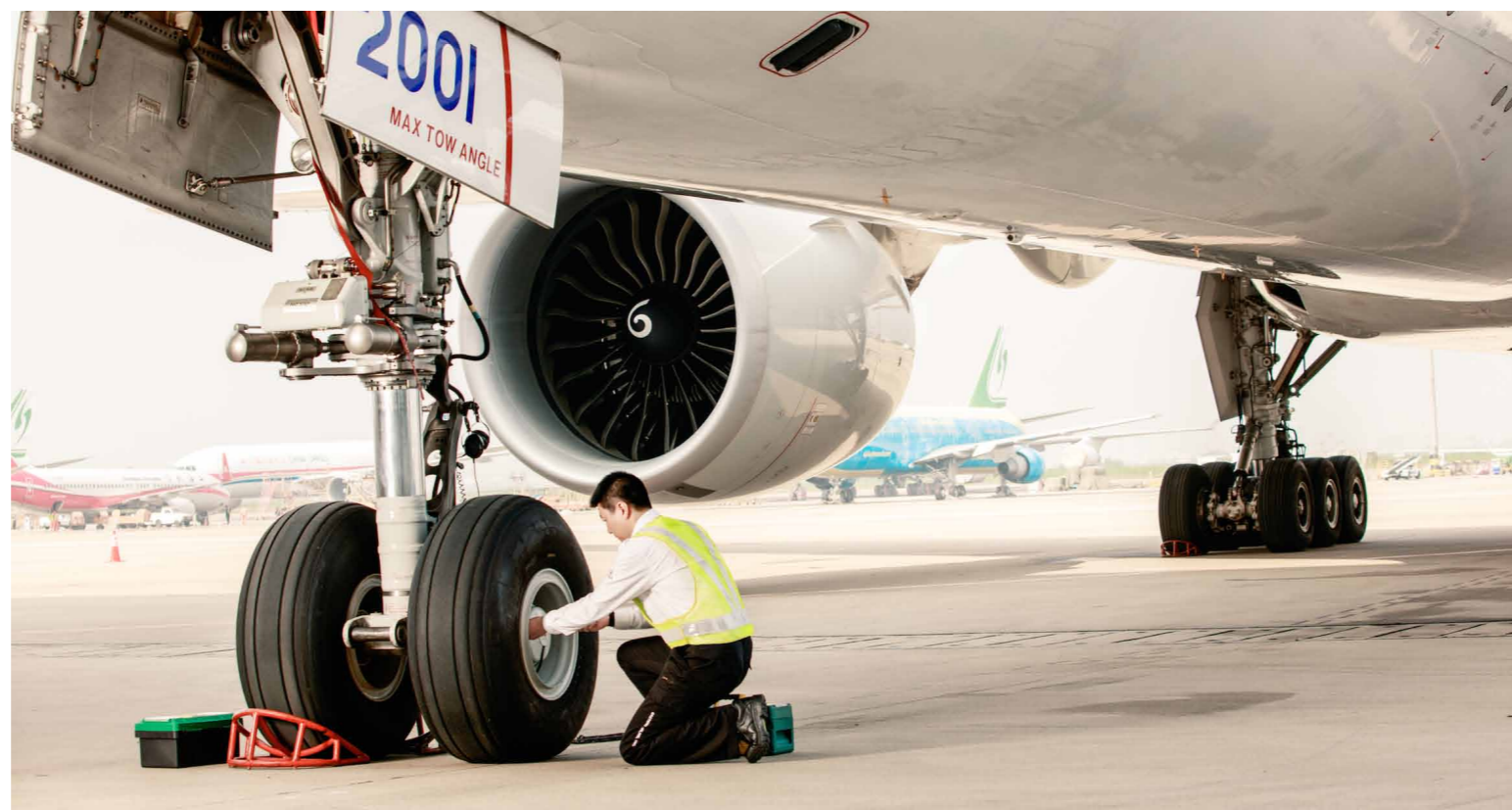
China Eastern has established a comprehensive safety management structure, including the Aviation Safety and Environment Committee at the Board of Directors level, Security Management Committee at company level, Safety Supervision Department at departmental level, and safety regulatory body of different branches. We have formulated the *Continuous Improvement Plan of Company Safety Management System* to improve SMS from security responsibility and management ability, and to improve SeMS (Aviation Security Management System) from security regulation, security emergency control and air defense intelligence information. To ensure compliance with security laws and regulations, we have established a cooperation mechanism with the CAAC East China Regional Administration to keep updated about norms of approval of certification, unified operation and integration of maintenance.

China Eastern is continuously improving its rules and regulations to adapt to the new development of the industry and technology. We have completed the modification of the *Ground Safety Management Manual*, *Hazardous Chemicals Manual*, and *Inspection List of Cabin Safety Equipment* to ensure their compliance with actual production and operation such as ground safety and cabin safety. With special focus on rules and regulations, we have improved the security mechanism and normalized the one-over-one report of work safety to ensure the implementation of the responsibility system of work safety and the establishment of safety responsibility exemption assessment mechanism, so that the rewards and punishment of the security work will be more practical and fair.



Comparison of the civil aircraft incident rate per ten thousand hours between China Eastern and the industry average

Note: Data source - CAAC Security Information Statistics Analysis Report



Strengthening Supervision and Review

After the security incidents in 2016, China Eastern set up an inspection group to supervise the security work in branch companies, reviewed the qualification of professionals, established the control element list and question library, and conducted on-site inspection of key nodes in operation process control.

We have established the regulation list of common violations such as not following the checklist or the standard propaganda, and assured its implementation through spot check of QAR (quick access recorder) and CVR (cockpit voice recorder). We have also installed the enhanced call recording equipment to avoid violations within the cockpit.

We have prevented and identified risks, optimized MORCS (MU Operation Risks Control System), updated the airport risk database and established the enhanced system platform with standardized meteorological procedures, as well as three other standard program platforms of typhoon, thunderstorm and fog to improve weather forecast and pre-warning. LOSA (Line Operational Safety Audit) is carried out regularly for special routes and high-altitude routes which have high risk level.

Safety Culture Construction

The safety culture reflects the attitude to safety of every employee, every unit and every group. A good atmosphere of safety culture will promote initiative safety behaviors in daily work. China Eastern seeks to establish security risk awareness and bottom-line thinking among all the staff, and improves the staff's safety awareness and creates a sound security atmosphere through strengthened training and other measures like Safe Production Month and staff's Initiative Reporting on Safety.



Anhui branch held a "safety with me" knowledge contest

Strengthening training

Strengthening the education and training related to violations of related regulations

Safe production month

Making security publicity posters, cards and brochures

Employee safety reporting

Enhancing the encouragement of active reporting of safety problems and suggestions, and including them in security brochures

Measures to improve staffs' safety awareness

Optimizing Flight Quality

Flight quality is closely linked with flight safety. Low flight quality will increase the probability of flight accidents. We have attached great importance to flight safety, strengthened management and control of the fleet structure and maintenance, and adopted innovative technology to improve flight quality, reduce safety risk and ensure flight safety.

Optimizing Fleet Structure

To assure flight safety and stability and improve fleet operating efficiency, China Eastern has replaced the old types with the latest ones while expanding the fleet size. The passenger plane fleet is now an efficient and simplified fleet composed of the four main types of B737 series, A320 series, A330 series and B777 Series. In 2016, the company ordered 35 new-generation remote wide-bodied aircrafts (Boeing B787-9 and Airbus A350-900), and the fleet structure was further optimized.



Improving Maintenance Capability

The regular maintenance of the fleet to reduce maintenance accidents and errors is key to flight quality. Faced with higher request for maintenance capacity resulted from the expanding fleet size, the company has modified several documents including *Maintenance & Engineering Management Manual* and *Aircraft Maintenance Schedule*, strengthened inspection of key systems of the plane (e.g. the engine

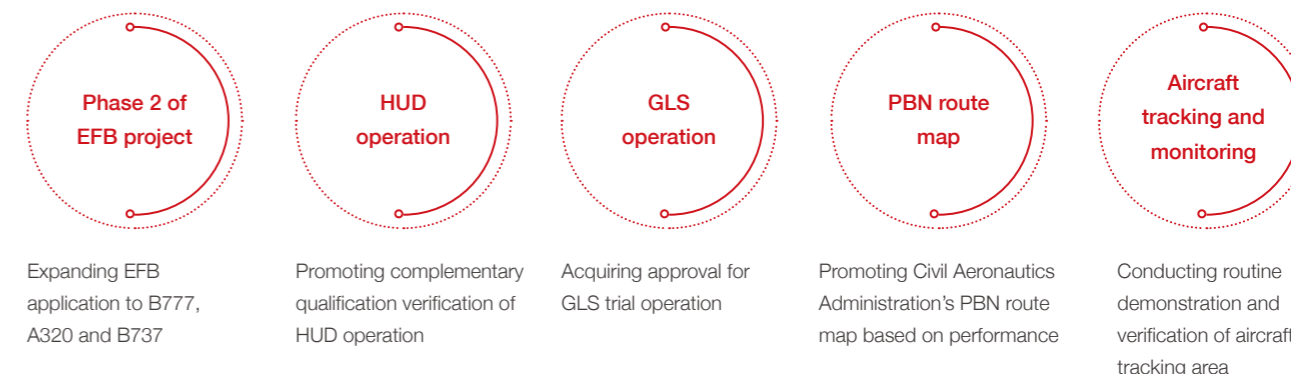
and the air conditioning system) and key nodes of special operational maintenance, and conducted real-time tracking of flight information through innovative technology, improving the maintenance capability in a comprehensive way. In 2016, two severe maintenance errors occurred to China Eastern.

Practicing craftsmanship to improve flight safety

In 2016, China Eastern held the Civil Aircraft Mechanical Maintainer Contest with China Employment Training Technical Instruction Center. The contest, listed as the national second-class competition, was a comprehensive display and review of China Eastern's maintenance skill level, and was aimed at inspiring and guiding the maintenance staff to study technology and improve maintenance capability based on the position so as to provide strong guarantee for aviation security. The contest covered basic business skills, troubleshooting and operation according to regulations, etc. 48 competitors from 16 units of China Eastern's maintenance system participated in the final contest, and the top three received the title of "national technical skill master".

Technological Guarantee

The application of technological innovation brings important change to flight operational mode and serves as the major support for flight safety. While actively promoting the application of new technology, China Eastern is monitoring its orderliness and normality at the same time to give full play to technological advantage, improve safety margin and ensure flight safety.



Main technological innovation projects of China Eastern

China Eastern becoming China's first airline company with paperless

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



Navigational data withdrawal ceremony of China Eastern

Voice from stakeholders

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

Hou Jianjun, Former General Manager of China Eastern Airlines Control Center

"Wise Dispatch" to help avoid volcanic ash

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

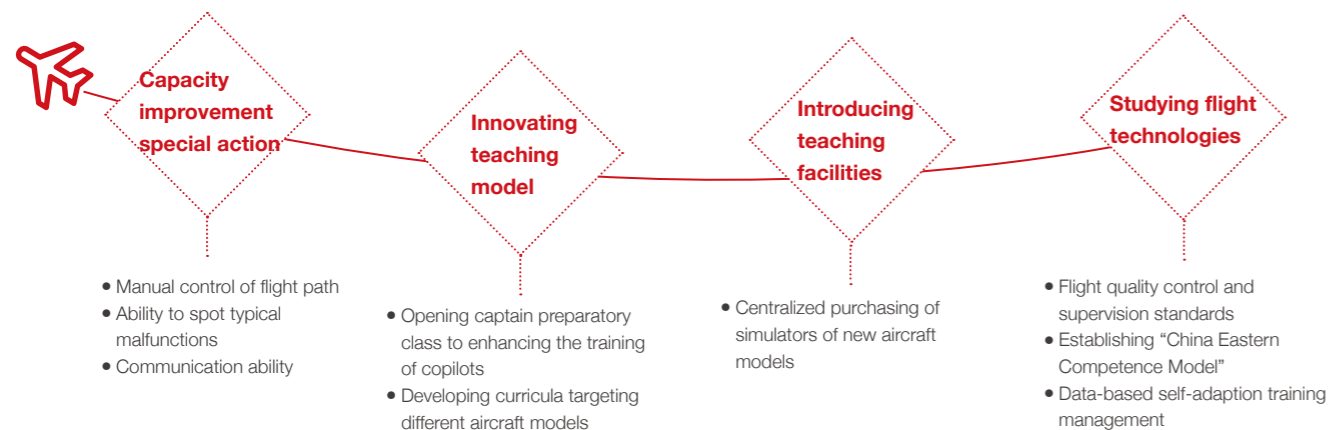
China Eastern's dispatch operation monitoring system was launched in 2011, and obtained the patent certificate issued by the State Intellectual Property Office in July 2016. It is our first self-developed information system that has successfully obtained the software patent. This system improves the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

Flight Crew Construction

The crew is the backbone of each flight, and its qualification, capability and health are of great significance to civil aviation safety. We will always treat the team management as the fundamental element of flight safety, and constantly improve skills of the crew to make them better guardians of safe flight.

Capability Improvement

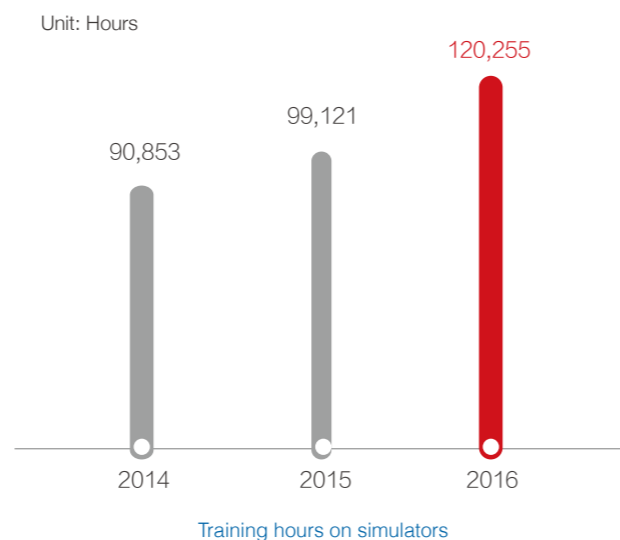
The high-level flight capability is prerequisite for safe flight. We uphold the guidelines for ensuring the training quality, cooperate with Shanghai Eastern Flight Training Co., Ltd on crew training, and work on building a high-quality crew through special actions for capability improvement, innovation in teaching mode, introduction of teaching hardware, and research on flight technology.



Main measures to improve capability of the crew

"Captain Preparatory Class" to Cultivate High Qualified Captains

The captain is the soul of a flight, whose professional ethics, safety awareness, operational skills and working style mean a lot to flight safety. The flying hours of captains of medium-sized civil planes should be not less than 2,700 hours. To quickly improve the capability and training quality of co-pilots, China Eastern set up a preparatory class in 2016, which provided intensive training for co-pilots with 1,500 to 2,000 flying hours so that they could fully comprehend the necessary knowledge and capability of a captain. The class would also have follow-up supervision, evaluation and training based on these co-pilots' performance. In 2016, the company held five sessions of the preparatory class, covering a total of 127 co-pilots. 112 co-pilots finally passed the examination.



Captain's decisive action turning the corner

On October 11, 2016, a flight conflict occurred between two airplanes in Shanghai Hongqiao International Airport. He Chao, captain of the China Eastern, handled the hazardous situation decisively and properly so that a potential severe flight accident was avoided and 443 lives were saved without heavy loss of state-owned assets. He Chao was awarded the first-class merit by CAAC and won nation-wide praise.

Health Management

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

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

1,398

Participants in EAP in 2016,
3 times of the number in the
previous year

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Expanding Innovation to Lead Development

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

Innovation

CHINA EASTERN

Corporate Social Responsibility Report

Innovation of Management

The innovation-driven development starts from the innovation of management system. Adhering to the “1232” new development strategy, China Eastern has pushed forward the supply-side structural reform and brought together quality resources to lay a systemic foundation and create a sound environment for innovation. In this way, the Company endeavors to ensure the continued growth of its business through the innovation of management.

Innovation of Organizational Structure

The establishment of business transformation platform

To fuel the transformation of business, the business Transformation Office was set up in 2013 to formulate the top-level design of passenger transport transformation planning, in which three business transformation paths were decided - developing value-added aviation services, integrated transport services and multi-platform cashing business. As a trial to explore comprehensive reform, China Eastern Airlines E-Business Co., Ltd., the world's first e-commerce with aviation industry background, was established in 2014, which has become the implementer of China Eastern's transformation strategy of becoming a “modern integrated air service provider”.

China Eastern relies on the market-oriented Eastern E-commerce to explore and develop innovative business. Meanwhile, with the assistance of the Transformation Office, the Company also uses its advantage in resource as a state-owned enterprise to boost its business. Such an organizational design enables China Eastern to properly allocate resources and make timely response to market opportunities. The Company's development potential has been effectively tapped.

The establishment of the mechanism for promoting business transformation

In 2016, the Company formulated and released the *China Eastern Airlines Business Transformation Promoting Plan (Interim)*, and drafted the management regulation for the innovation incubation platform. By providing institutional guarantee for business transformation and innovation, the Company's management can be effectively improved.

By combining advanced tools like “Action Learning” with the actual situation of China Eastern in terms of transformation and innovation, the Company established a series of management mechanisms to serve as the institutional guarantee for furthering the implementation of innovation programs. The Company released the *Regulations of China Eastern Workshop Programs*, which helped the Company realize group management of workshop programs undertaken by intermediary and senior executives. The Company facilitated the launch of innovation and management programs, and approved 31 senior executive workshop programs and 180 intermediary executive workshop programs and completed their corresponding annual plans.

Cultivation of Innovative Talent

The cultivation of innovative leadership

The company organized and launched workshop programs for intermediary and senior executives, providing project methodology training for 83 project managers and 3-month training for 136 key project executors on project promotion. All intermediary and senior executives were trained to master lean management and Six Sigma to improve their management.

Stimulating employees’ innovation ability

Employees' innovation ability and behavior is becoming an increasingly important factor that helps a company to expand business, improve efficiency and optimize working processes. China Eastern has kept promoting a series of “We are young - we win” contests with innovative forms and contents, and improved the RVS internal entrepreneurship mechanism. During the contest, the Company provided targeted training such as business planning for young employees to improve their innovation awareness and ability. In 2016, the Company organized “We are young-we win crowdsourcing” competition in which 43 innovation programs were collected. 5 of them, after reviews and roadshows, were to be incubated and implemented.

Furthermore, the Company also organized regular innovation salons for young people, and investigated the implementation of “mass entrepreneurship and innovation”. It facilitated the establishment of innovation alliances and created a healthy environment for “mass entrepreneurship and innovation”, which provided a constant comprehensive driving force for corporate growth.

Innovation of Information Technology

Aviation industry is undergoing the process of digitalization. By taking “Internet Based China Eastern” as the general goal of informatization, the Company has established necessary infrastructure and a global information service system. With information technology as one of the important means to fuel business and innovation, the Company works steadily to strengthen its core R&D and system delivery abilities with higher operation efficiency and better services.

Marketing	Logistics	Maintenance	Flight
Accuracy rate of online income prediction reaching 97%, realizing automated management code sharing flights	Supporting air freight transport to cover all freight sales areas of China Eastern	Integrated maintenance management platform	The first large-scale Chinese airline to used EFB on all aircrafts
Promoting “three intelligent and three cyclic” (intelligent working hour arrangement, intelligent pricing, intelligent cabin operation; cyclic flight information disclosure, cyclic cabin seat opening, cyclic price release) to comprehensively increasing flight marketing efficiency	Realizing intelligent prediction of cabin control system	CAAC pilot project of electronic signing of task card	Whole-process management of FRMS from pilot training to orientation training
Operation	Management and control	Cabin security protection	Ground service
Dispatch operation monitoring system certified by the State Intellectual Property Office	The first airline to realize everyday real-time management of variable cost of each flight	Developing flight attendant performance record system, purser evaluation system and video conference system for efficient information integration and transmission	Finishing the optimization of the transfer decision-making system model
		Optimizing flight attendant working hour arrangement system and granted National Copyright Administration's copyright for computer software	Realizing early warning on abnormal flights
			Self-help check-in for 60% domestic routes

Accomplishing the **39** clearance examinations from three dimensions of human, aircraft and environment, and ensuring **24**-hour real-time flight monitoring

Highlights of information application in China Eastern's eight business domains

283

“We are young - we win” serial projects, 6.58 times the number of the previous year

Related honors

“2016 Shanghai Outstanding CIO Team”

China Transportation New Technology and Innovation Application Award

The only pilot enterprise of national civil aviation informatization and industrialization

Wang Sijia, Deputy Chief Information Office of China Eastern, was awarded “2016 Annual Contributor of Internet Technology Application in Civil Aviation”, and was consecutively honored “Top 100 CIO of China”

97%

IT automation coverage rate in 2016, increasing 2% year on year

G4 Materiality Disclosure: G4-21

Promoting Reform and Transformation

China has been making constant efforts to promote and deepen the reform of SOEs so as to improve the competitiveness of state-owned economy and the sustainability of traditional SOEs. Meanwhile, the informatization of aviation industry keeps urging airlines to break the original development pattern and find a new development path. In 2016, China Eastern took on the task of SOE reform and transformation, released the 2016 version of Suggestions on Deepening Reform Comprehensively after revision, in which 19 specific tasks and 5 supporting measures were approved. By transforming the corporate mechanisms and systems, the Company aims to establish a modern corporate system and improve the quality, efficiency and sustainability of development.

New cooperation mode, new business pattern

Air transport and online travel agencies (OTA) are complimentary by their nature in terms of their industrial chains, supply chains and value chains. In April, 2016, China Eastern and Ctrip reached strategic cooperation, aiming to open up the whole industrial chain of air transport and establish a new business pattern OOTA (Online Offline Travel Agent). By taking full advantage of their respective resources, the two sides can work together to share data, develop tourism products, exchange technologies and integrate their businesses, providing customers with integrated products to satisfy the demands of different level of customers.

The innovative cooperation between China Eastern and Ctrip was an exploration into the cooperation pattern between airlines and OTAs. It blazed new trails for traditional enterprises and modern internet enterprises to seek common success and to form a sound and sustainable aviation ecosphere.



On April 21, China Eastern and Ctrip signed the strategic cooperation agreement. Chairman Liu Shaoyong delivered an address on the ceremony

Optimizing industry structure

- Innovating core aviation business and making aviation the backbone in the development of national industries
- Promoting China United Airlines' transformation into a low-cost airline, establishing "multi-level and differentiated" aviation products and services, promoting market-oriented resource allocation, and pursuing a new innovation path of "mixed ownerships" and multiple brands
- Keeping promoting the reorganization and integration of China United Airlines with Hebei branch, Eastern Logistics and other sectors of China Eastern

Mixed ownership reform

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

Major moves in China Eastern's reform and transformation

Innovation of Business Model

G4 Materiality Disclosure: G4-21

Influenced by the internet technology revolution, the upgrade of consumption demand and the change of production mode, the aviation industry is facing the challenge and chance brought by upgrading traditional transport services and improving the ability to create value. China Eastern made timely response to the market demand both at home and abroad, and via on its renovated technology and talent pool, China Eastern shifted its business model and expanded cross-border businesses, working constantly to improve the competitiveness of its industrial chain and customer value.

Improving customer stickiness by expanding platforms



China Eastern deeply exploits and promotes "contact resources"

Accelerating the construction of one-stop travel solutions platform

While strengthening its core passenger transport business, China Eastern keeps building the one-stop travel solutions platform, aiming to expand customer service from passenger transport to travel solution design. For the increasing demand of tourism, in 2016, China Eastern took advantage of its abundant resources and cooperated with local hotels and ground transportation service providers to offer passengers customized travel solutions, such as Hong Kong individual tour and European town package tour. Passengers can place an order directly on China Eastern's mobile APP.

Renovating freight transport business

China Eastern sets "becoming the most innovative logistics service provider" as its goal of freight transport development, aiming to provide customers with safe, efficient, precise, and convenient whole-process comprehensive logistics service. Relying on its airline network that covers the whole country and reaches to overseas places, China Eastern has provided sustained driving force and direction for its further transformation by adhering to the strategy of "One platform and two service providers" (namely "fast supply chain platform", "high-end logistics solutions service provider" and "integrated ground service provider").

Intelligent Innovation

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

Improving Passengers' Self-service Experience

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

12.535 million

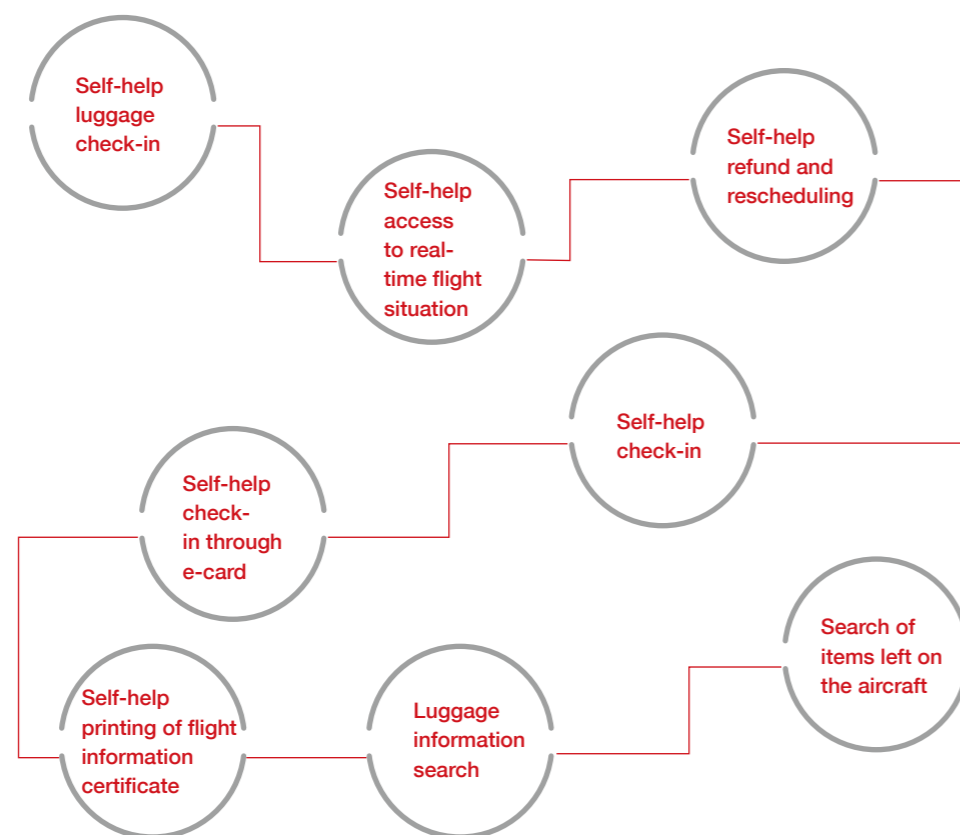
Mobile users in 2016, 7.2 times of the previous year

16.68%

Self-help check-in rate of international flights through all channels, a year-on-year increase of 11.98%

62.81%

Self-help check-in rate of international flights through all channels, a year-on-year increase of 15.7%



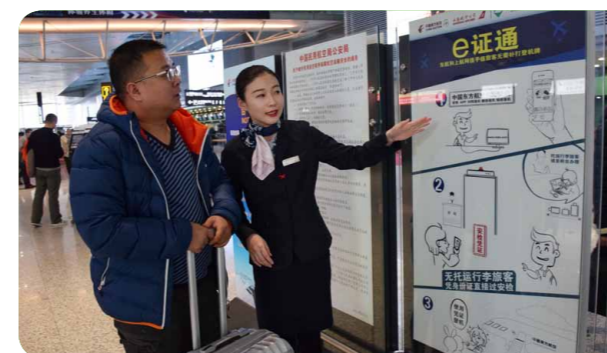
Self-service functions provided by China Eastern

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

Links

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

—Source: 2016 Annual Report of ICAO



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

Promoting Fly-Fi Service

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

Fly-Fi service provides passengers with more entertainment options on board, and on the other hand, it helps the company ensure and improve its service quality and efficiency. For instance, the cloud video conference system based on Fly-Fi service makes it more convenient for cabin managers, crew members and flight attendants on duty to hold conferences, ensuring that any emergency on board can be efficiently managed. During the 2016 Airshow China in Zhuhai, Feng Zhenglin, head of Civil Aviation Administration of China (CAAC), had a video call through the Fly-Fi service with the MU586 crew flying from Los Angeles to Shanghai.



Fly-Fi service connects mother and son

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

Honors

China Eastern APP was honored "Most Popular Airline Mobile APP among Frequent Flyers"

53

Aircrafts equipped with Fly-Fi function

13,901

International and domestic flights equipped with Fly-Fi function

250,000

Passengers served through internet in 2016

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Overall Consideration and Balanced Development

Coordination is the inherent requirement for comprehensive development and the only way to realize sustainable development. With rapid expansion of the aviation industry, China Eastern faces a series of contradictions between insufficient control ability and rapid corporate development, service ability and customer expectation, which poses great challenges to the Company. We treat such imbalances in development seriously, considerate problems comprehensively and in a balanced manner, so as to correctly handle significant relations in development. By doing this, we intend to advance synchronous development among different regions to achieve fairer and higher quality sustainable development of the Company and society.

Coordination

CHINA EASTERN

Corporate Social Responsibility Report

Reinforcing the Management Foundation

Management improvement can effectively guarantee the coordination between management level and business development, and it is also a crucial approach to consolidate development achievements and strengthen the stamina for further advancement. Focusing on key sectors of the value chain, China Eastern seeks for higher development and better development.

853 hours

Average flight hours of pilots in 2016, a year-on-year increase of 2%

125:1

Ratio of crew members to aircrafts, a year-on-year decrease of 4%



Operation management

Creating an intelligent decision-making platform to improve operation efficiency

Adjusting flight route structure according to transport capacity

Optimizing human resource structure



Flight management

Allocating flight resources reasonably

Training and preparing flight crew according to actual daily utilization rate



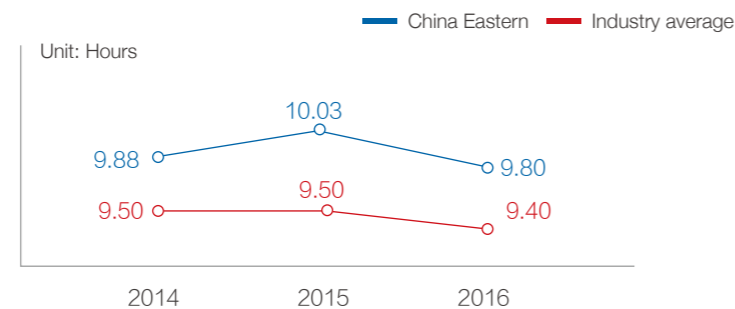
Service management

Expanding quality audit to cover all branches

Revising service manual and formulating measures for handling abnormal flights and flight spill

Continuing benchmark analysis

Major measures to improve the Company's management in 2016



Aircraft daily utilization rate comparison between China Eastern and the industry

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



Informatization of flight management level

The Flight Resource Management System (FRMS), as electronic archives of the Company's pilots and data sources for automated scheduling, plays an important role in the field of flight management. In 2016, the Company, based on its advantages in information technology, optimized the system for more accurate information maintenance, and revised and released the application of FRMS; at the same time, we connected the flight training resource platform with the data in FRMS to ensure timely updating of all kinds of qualification information of our pilots, so as to meet the constantly changing needs of flight management efficiently.

Improving Customer Experience

2016 is the first year that Civil Aviation Administration (CAA) has proposed the idea of "Sincere Service". We have deeply recognized that improving customer experience is both a necessary approach to meet the growing demand for better services, and a key method to deepen supply-side reform and enhance the Company's core competitiveness. Oriented by customer experience, China Eastern makes thorough analyses and tries to find proper solutions to service problems, and enriches the connotation and value of customer service. In this way, the "hard power" and "soft power" of service can be simultaneously improved, making the relation between customers and the Company more harmonious.



Voice from stakeholders

My home is in Hong Kong, but I usually work and live in Shanghai. I began to take China Eastern's flights in 1999, and nowadays, I take China Eastern's flights almost every one or two weeks, mostly traveling between Beijing and Shanghai. Over the past ten years or so, I have experienced continuous progress of their service, and what's the most impressive is that China Eastern staff are becoming more and more outstanding and considerate.

Liu Jingjia, the 100,000,000th passenger of China Eastern in 2016

Flight Punctuality Management

Flight punctuality is among the highest concerns of customers when referring to air transport, and it's also the key problem that Civil Aviation Authority trying to tackle in recent years. Flight delays are caused by a variety of complicated factors. The three major causes of flight delays in 2015 are air traffic control, weather and airlines, which account for 30.68%, 29.5% and 19.1% respectively *. In order to reduce delays caused by the Company itself, we will take the flight punctuality management as the focus of the Company's work. We will analyze problems of our operation and flights with high possibility of delay in order to inform passengers of the delay information at the first time and enhance our aviation service quality.

Decision-making management

Senior leaders conduct on-site command and guide take-offs according to conditions including weather

System and mechanism

Under the coordination of departments responsible for operation control system, ground service, technical support and air route planning, working teams were formed to manage frequently delayed flights in 9 major airports. According to joint meeting mechanism involving 4 parties, workshops have been held on a monthly basis to adjust flight planning and arrangement. More than 500 air routes were analyzed and adjusted

Coordinated process

Ground service

The "5-Early" measure (early departure, early arrival, early stand-by, early reception, early close) has been implemented to ensure each and every process is 5 minutes ahead of due time

Flight failure

Measures have been taken to check and assess causes of flight failures

Flight attendant

The minimum time span of duty handover by air service staff has been made clear

89.7 points

Score of customer satisfaction degree in 2016, a year-on-year increase of 1.8 %

421,690

Copies of customer satisfaction questionnaire survey issued, a year-on-year increase of 28.9%

29.20 million

Passengers traveled with China Eastern in 2016, a year-in-year increase of 12.3%

Measures to improve flight punctuality rate in 2016

*Data source: Civil Aviation Flight Operation Efficiency Report 2015

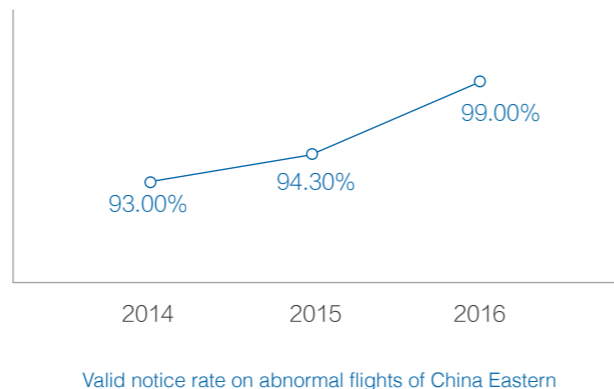
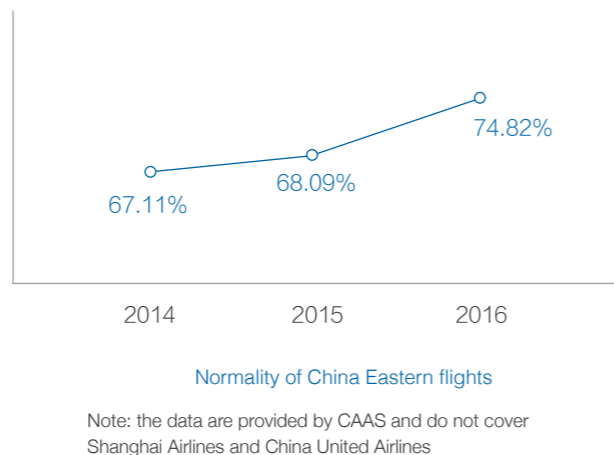
Taking the initiative to work out measures for flight normality rate increase

In the flight normality management conducted by the Company uniformly, all branches took the initiative. For examples, Sichuan branch set up a project team of "improving the normality of cabin door closing" and increased the normality of inaugural by 8%, and that of non-inaugural flights by 5%. The operation control system of Jiangxi branch jointed with pilots of the flight department and controllers of the local air traffic management bureau to carry out the exchanging activity of "Building a cross-border team, contributing to punctual service". In the exchange, they discussed issues related to flight punctuality and offered suggestions on improving the flight punctuality.

When unavoidable abnormal situations happen, we rely on the Company's information and technology advantages to promise passengers timely access to the information about the relevant flight, and to support relevant demands of passengers after rescheduling. In 2016, valid notice rate on abnormal flights of China Eastern has reached 99%.

Expanding the coverage of message notification	Texting message notification for delayed flights under plan has reached all 161 domestic sites and 3 overseas sites
Enhancing efficiency of issuing flight delay certificate	Strictly requiring dealers to offer accurate passenger information
Rescheduling delayed or canceled flights at all channels	Flight information certificate (flight delay certificate) can be accessed online and verified through the only serial number
Rescheduling delayed or canceled flights at all channels	Passengers can get a refund for the ticket of delayed or canceled flights that is purchased through any channels via mobile internet, cellphone app, vending machine. Refund will be paid to bank account or online account immediately

Measures to improve abnormal flight service in 2016



Improving cabin services

In 2016, focusing on improving the weak cabin service, we improved the cabin environment, radio, meals and other aspects. As a result, the customer experience was obviously uplifted according to the result of the passenger satisfaction survey.

Cabin environment



- Revising *Sanitation Check List* and related work procedure tools
- Repairing and maintaining equipment without any delay; increasing reparation rate within 3 days
- Improved cabin washroom sanitary standards

Radio



- Replacing flight purser radio with recorded radio
- Streamlining radio content and reducing radio frequency
- Adding more languages

Meal



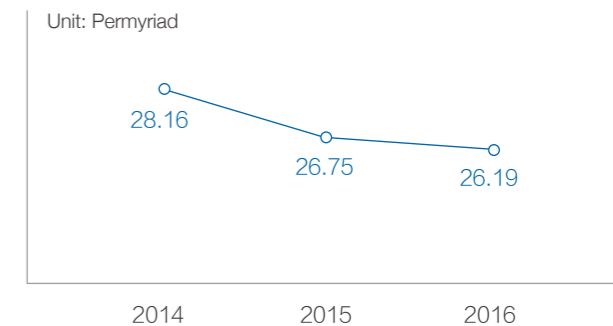
- Developing new dishes and improving test meal at home and abroad
- Improving meal ordering forms and adding remote ordering
- Improving tableware

Measures to improve cabin services in 2016

Raising luggage transport quality

Luggage transport is also one of passengers' major concerns. In 2016, the Company revised management on compensations of abnormal luggage transport, and established the accountability system correspondingly. We also constructed the IT system for whole-process luggage transport management and developed a management system for luggage transport in hope of reducing problems like wrong packaging, wrong transport, and missing of luggage through whole-process scanning, thus improve the quality of luggage transport. Meanwhile, we have adopted centralized countermeasures against delayed luggage transport problems in Xi'an, Chengdu, Kunming, and Guangzhou airport terminals, and luggage damage problems in Beijing, Wuhan, Lanzhou, Tianjin, Lhasa, Harbin terminals.

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



Rate of abnormal luggage transport of China Eastern



Facile service of the "Qiaoyan Team"

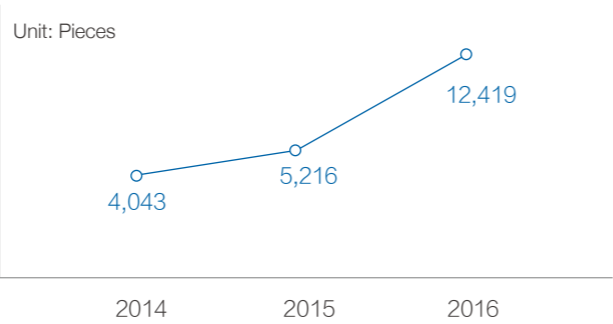
"Qiaoyan Team" (a service team of China Eastern) used intact parts on the damaged luggage boxes (such as handles, drawbars, wheels, etc.) to provided passengers to replace or repair damaged parts of passengers' luggage, helping passengers to save the waiting time for luggage company's time-consuming maintenance.

Accelerating Customer Response

G4 Materiality Disclosure: G4-17, G4-20

Timely and effective response to customers is the foundation and important guarantee for improving customer experience. In 2016, we enhanced the problem handling and service capabilities of the call center. As a result, the average waiting time of passengers was shortened to 22.5 seconds, a year-on-year decrease of 50%; 19,261 online customers have received online service with 95.71% of them being successively handled; 2,505,927 items of intelligent robot Q & A were optimized with the accuracy of intelligent answer increased from 85% at the beginning of the year to 96%.

Customer complaints and praises are the important channel for us to get their feedback. In order to improve the handling quality and management level of complaints and quick disposal cases, in 2016, the Company released the "Regulations on the Management of Complaint Solution Rate and Quick Disposal Case Upgrading of China Eastern (2016)", and handled customer complaints in a timely manner with no major complaint with significant and negative impacts on the public happening in the whole year. According to the statistics from Civil Aviation Authority, China Eastern received a total of 1,096 complaints (excluding China United Airlines) in 2016, half of which were related to flight delays, followed by ticketing, refund and luggage problems. In view of those problems, we did an in-depth analysis of their causes, and made improvement plans to further enhance customer service management and improve service quality.



Quantity of customer commendatory letters received by China Eastern

Serving Special Passengers

We attach great significance to a comfortable travel experience of special passengers, and have constantly improved personalized and professional services for them, optimized the special service application channel and the ability to cope with emergencies during the trip. In the busy season of 2016 summer, Shanghai Hongqiao passenger service center of China Eastern created sincere service trilogy including C18 caring service counter, love area and love car to provide special passengers with warm and sincere services.

207,782

Special passengers in 2016, a year-on-year increase of 58%

95530 Hotline

China Eastern official website

China Eastern M Website

China Eastern APP

Four online apply channels for special services



暂时开通中国境内出发的国际航线的特殊旅客服务申请

Categories of special passengers served by China Eastern

Voice from stakeholders

There are four features of the special services provided by China Eastern: 1. wide coverage of the route network; 2. 11 types of special services, more than other domestic airlines; 3. convenient application, saving time and efforts; 4. quick application response, receiving the reply on the same day.

A customer who frequently applies for special services

To enhance the ability to protect the health and safety of passengers, China Eastern proactively organized crew members to participate in the first aid training of the Chinese Red Cross and carried out air emergency training programs to continuously improve the staff's first aid ability in the air. In 2016, the Company carried out six air emergency training programs (excluding those conducted by branches) and attracted 4,000 participants.

Emergent return for saving a pregnant woman

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

Voice from stakeholders

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

Mr. Yan, a passenger of the MU2363 flight on February 25, 2016

Comprehensively Promoting Talents Development

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

5,355

Employees newly recruited in 2016

Enlarging the Talent Pool

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



Diversified channels for attracting talents

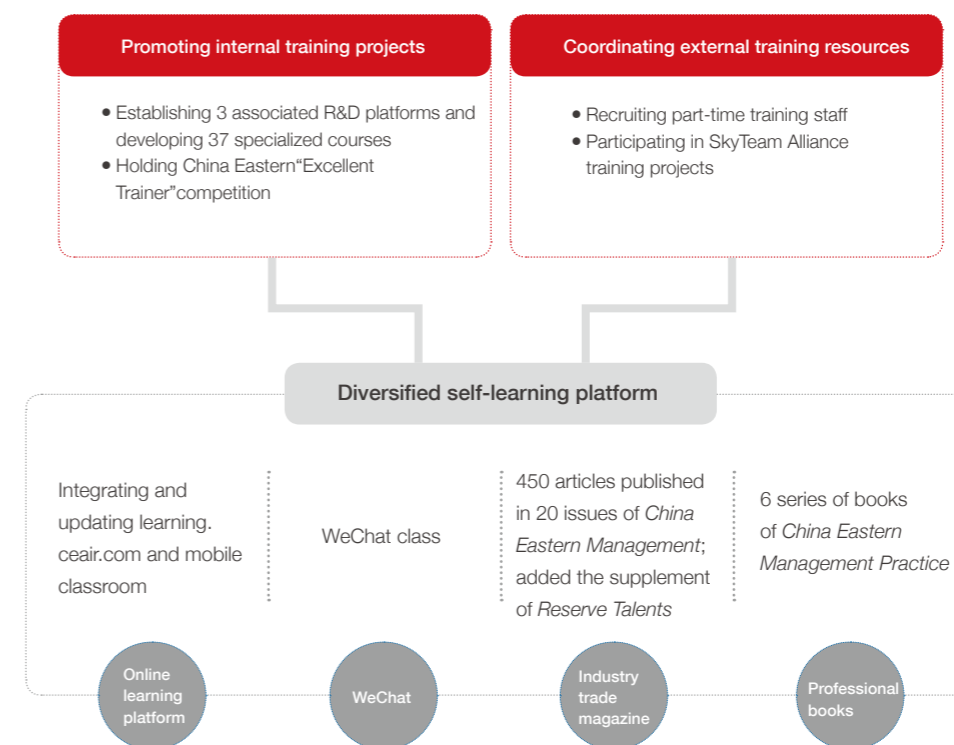
"Swallow, Wing, Flying and Eagle" backup talents training system, as a personnel training mechanism with aviation features and corporate characteristics, has built a rapid growing channel for outstanding talents based on the principle of "hierarchy training, quick cultivation and staged growth". In 2016,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

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

* For the "Swallow Program" trainees recruited from the fresh graduates, we adopted rapid training methods like guidance by senior executives, intensive training and rotation among different positions to make them become the principals of China Eastern functional departments, business departments and internal departments of branches.

Innovating Training Mode

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



Innovative measures of the Company's training mode

Establishment of the intelligent park

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

Over RMB 40 million
Investment in training programs in 2016

G4 Materiality Disclosure: G4-17, G4-20

1,253

Training projects held in 2016

Note: excluding data of Eastern Technology and Shanghai Flight Training

G4 Materiality Disclosure: G4-17, G4-20

287,870

Participants in trainings in 2016

Note: excluding data of Eastern Technology and Shanghai Flight Training

Approximately 39 hours

Average training hours in 2016

64

Participants in seminars held
by GE and Rolls-Royce in
2016

Developing Advanced Talents

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



Technical personnel

- Combining training and ability assessment by utilizing professional ability assessment platform
- Developing highly skilled talents base



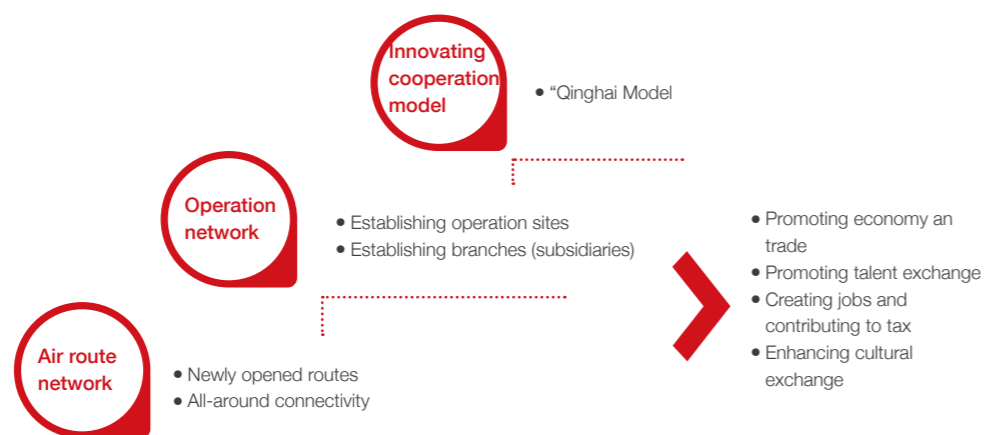
Managerial personnel

- Holding "Management Forum"
- Carrying out "Sailing Program" for newly promoted managerial staff
- Introducing LSS (Lean Six Sigma) to intermediary and senior executive workshop
- Senior executives participating in seminars held by GE and Rolls-Royce

Measures for cultivation of advanced talents

Coordinating Regional Development

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



Methods to promote regional development

As a backbone of national airlines, we take the problem of uncoordinated regional economic development into account, and make the greatest efforts to open routes to support local development in the western and other less-developed regions. Up to December, 2016, China Eastern had opened a total of 698 domestic routes, including 295 routes to the western provinces (Qinghai, Gansu, Inner Mongolia, Xinjiang, Tibet). Meantime, to promote the construction of "the Belt and Road", we newly opened 20 routes including Kunming - Sydney, Beijing - Bangkok and others in the counties along the Silk Road to build an Air Silk Road.



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

13.378 million

User of all-around connectivity in
2016, a year-on-year increase of
24.4%



The innovative "Qinghai Mode"

In August, 2011, China Eastern and the Qinghai Provincial Government signed the "(Framework) Agreement on Jointly Promoting Strategic Cooperation in Developing Air Transport of Qinghai". At the end of the year, China Eastern and Qinghai Aviation Investment Corporation launched the cooperating. Qinghai introduced aircrafts and entrusted China Eastern with the management. The overall arrangement of routes were proposed by Qinghai Aviation Investment Corporation and put into implementation after negotiation with China Eastern. The "Qinghai Mode" has been established creatively in the aviation industry, and it has played an important role in the economic and social development of Qinghai aviation industry, tourism industry and three-dimensional transportation network, etc.

As of the December, 2016, 25,800 flights had been opened in bilateral cooperation projects, which transported about 3.3 million passengers with the average loading rate reaching 79.28%. Since the cooperation, China Eastern has opened Beijing, Shanghai, Shenzhen, Kunming, Chengdu, Hong Kong and other routes in Xining Airport, organized and verified flying tests in six high plateau airports to ensure the smooth navigation of Huatugou and Guoluo Airport. Besides, we have launched the painted aircraft themed "Beautiful Qinghai" for further promotion of the image of Qinghai.



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Deep Integration and Win-Win Development

The in-depth development of world multi-polarization, economic globalization and the constant promotion of social informatization and cultural diversity has led the world to share opportunities and profits, and achieve mutual benefit through opening up. China has also put forward strategies including “the Belt and Road” to build a new opening-up pattern. As China and the whole world is now standing at a new starting point of development and economic growth, China Eastern adheres to the concept of opening-up and develops comprehensive international strategies to strengthen foreign cooperation and communication. By doing this, China Eastern seeks to achieve mutual-benefit with other parties, and to promote the Company to achieve its goal of “Creating a world-class airline, building a happy China Eastern”.

CHINA EASTERN

Corporate Social Responsibility Report

Opening up

Acceleration of Globalization

Internationalization is a concept of opening-up. It is conducive to the free flow of production factors in the international market, and also helps enterprises to obtain comparative advantages in different countries. China Eastern continues to broaden its horizon, carry out cross-border business, strengthen cooperation with partners in aviation industry and accelerate the globalization process of the Company. Through all these efforts, China Eastern strives to create strong endogenous power to ensure a strong guarantee for national strategies.

Global Operation

China Eastern continues to promote the "Pacific Plan" and the "Europe Profitability Plan" to meet market demand. The overall arrangement in Japanese and South Korean market, North American market, European market, Australian market and Southeast Asian market and other international routes and the newly-developed Kunming - Nanjing - Vancouver, Shanghai - Madrid, Beijing - Hangzhou - Sydney routes have optimized the structure of the Company's route network. The Company has realized significantly enhancement in the operation and service quality, and facilitated customers' access to the world.

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



Expanding overseas services

Expanding the VIP airport pick-up service to Los Angeles, New York, San Francisco and Chicago



Membership website

Launch of the Korean website



Call center

Overseas call center in North America

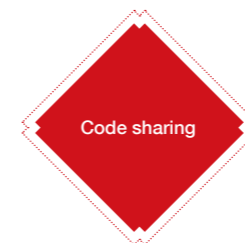
Measures for the Company's oversea services

China Eastern acquired 50% stake of Melbourne CEA Flight Training Co., Ltd. (hereinafter referred to as Melbourne CEA). The Company has taken a reasonable control of Melbourne CEA and formed a five-year development plan. China Eastern managed to build the second flight base to ensure the long-term development of Melbourne CEA, and provide more flight talents to promote the Company's globalization process. In 2016, the first group of China Eastern's flight students successfully graduated from Melbourne CEA.

International Cooperation with Industrial Counterparts

G4 Materiality Disclosure: G4-21

Cooperation with industrial counterparts contributes to the expansion of the resource supply and their effective distribution to help the Company to go global. China Eastern makes full use of partners' resources to expand and strengthen code-sharing cooperation and strategic cooperation with Delta Airlines, Air France-KLM, Qantas and other world-class airlines. With the consolidated "Greater China Connection" normalized cooperation mechanism, China Eastern has expanded the route hub network, marketing network, and service security network, laying a solid foundation for the Company's international strategy.



- Expanding codeshare partnership within SkyTeam Alliance
- Carrying out codeshare with British Airways outside SkyTeam Alliance



- Determining concrete cooperation contents with Delta Air Lines in Two Hundred Plan
- Enhancing cooperation with Air France-KLM to open new flight routes
- Promoting the cooperation with Qantas Airways
- Establishing strategic partnership with Czech Aeroholding



- Joining hands with China Airlines, China Southern Airlines and Xiamen Airlines to issue co-branded cards in Taiwan

China Eastern's cooperation with industrial counterparts in 2016



The photo of flight attendant of airlines in SkyTeam

Promotion of International Brand Popularity

A good international brand image can be an effective international promotion for a company. It is also conducive to the Company's internationalization process. China Eastern continues to strengthen international brand promotion. The Company took the opening of new routes as opportunities, held products promotion in Chicago, Madrid, Amsterdam, Prague and other places, "Discover China" cultural tourism lectures in Singapore and on-campus concerts in Taipei. Through innovative promotions, China Eastern managed to enhance its brand awareness. In 2016, China Eastern Airlines was selected into the "The World's 500 most valuable brands 2016" by British brand organization Brand Finance for the first time.

Increase rate of brand awareness in Los Angeles

19%

Increase rate of brand awareness in New York

20%

Increase rate of brand awareness in Paris

20%

Increase rate of brand awareness in Australia

19%

Data source: Nielsen, a market research firm

Enriching the Connotation of Opening up

Enhancing the level of opening up is conducive to enriching the connotation of opening up and achieving mutually beneficial cooperation. China Eastern strengthens cooperation with industrial chain partners, governments and other organizations to meet the challenges faced in the industry's development. The Company shares the achievements of cooperation with partners add better fuel enterprises' development.

Industrial Chain Cooperation

China Eastern carries out in-depth cooperation with upstream and downstream partners along the industrial chain. The companies give full play to their respective advantages in resources to achieve complementary effect and share of resources in order to enhance the competitiveness of the industrial chain and promote its healthy development.



Aviation

- Signing an agreement with COMAC to become the first user of C919 large passenger aircraft
- Organizing senior executive training project and developing smart band jointly with General Electric



Tourism

- Signing an agreement with Ctrip for cooperation in low-cost travel, IT service, e-commerce and so on
- Signing a strategic cooperation agreement with Shanghai Disney Resort to launch flights of Disney theme and sponsor Disney Resort's development
- Starwood and China Eastern jointly launching the Eastern Explorer Rewards program
- Launching strategic cooperation with Booking to make it easier for passengers to book a hotel



Transportation

- Cooperating with Didi Chuxing in terms of product, marketing and other aspects
- Signing an agreement with COSCO to cooperate in terms of logistics and passenger transport
- Signing an agreement with Capital Airport Group Corporation to participate in the construction of the new airport in Beijing
- Cooperating and railway and highway organizations to launch air-railway and air-bus products

China Eastern's cooperation with different industries

Cooperation with SAFRAN to build world-class landing gear maintenance center

The increasing number of aircrafts in China provides broad market space for sectors related to landing gears. In November 2016, China Eastern and Safran Landing Systems jointly set up China's largest landing gear joint venture to create a world-class landing gear maintenance center and achieve greater development in the industrial chain and value chain.



Voice from stakeholders

China Eastern became the first user of the C919 in the world. This helps us acquire and absorb suggestions and opinions in a timely manner, implement the customer's ideas and help them become familiar with the new aircraft products as soon as possible. This provides valuable experience for our introduction of products and promotes market development in the future. It is also an important cooperation which could contribute to the development of civil aviation industry.

Dang Tiehong, deputy general manager of COMAC's sales and marketing department

Cooperation with Governments

China Eastern actively cooperates with local governments to jointly promote the construction of local integrated transport system and civil aviation development. The cooperation accelerates the upgrading of local industrial structure, improves local investment environment and contributes to the opening-up. In 2016, China Eastern signed a number of cooperation agreements with local governments of Shigatse, Yantai, Qingdao, Xi'an, Wuxi, Yichang and other cities to develop local cultural tourism, economic and trade exchanges, and local transportation network.



Cooperating with local governments to build an "Air Silk Road"

With the implementation of the "the Belt and Road Initiative", Xi'an has become the central area and important node of "the Belt and Road". Its position as a logistics hub has also become more and more important.

China Eastern signed a strategic cooperation framework agreement with Shaanxi Provincial Government and Xi'an Municipal Government to jointly promote the construction of "Air Silk Road". In December, 2016, China Eastern launched the first international direct route in the northwest region from Xi'an to Amsterdam. The route became the first symbolic achievement of the cooperation between China Eastern and Shaanxi Provincial Government and Xi'an Municipal Government, which directly links Xi'an and the international market and promotes the development of the city's export-oriented economy.

Cross-Industry Cooperation

Through cross-sector cooperation with enterprises from different fields, China Eastern and its partners take advantage of their own resources and highlight synergetic effect to consolidate and expand their advantages while jointly exploit the market. In 2016, the Company launched a joint credit card with the Bank of China, China Union Pay and other financial institutions. The Company also carried out cooperation in information and communication, energy saving, new energy vehicles and other areas with China Potevio and cooperated with Bright Food (Group) in supply chain area. Through strengthened industrial linkage with partners, China Eastern strives to promote industrial upgrading and development.

60th ANNIVERSARY
辉煌甲子 追梦百年

Respecting Nature for Sustainable Development

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

Green
Development

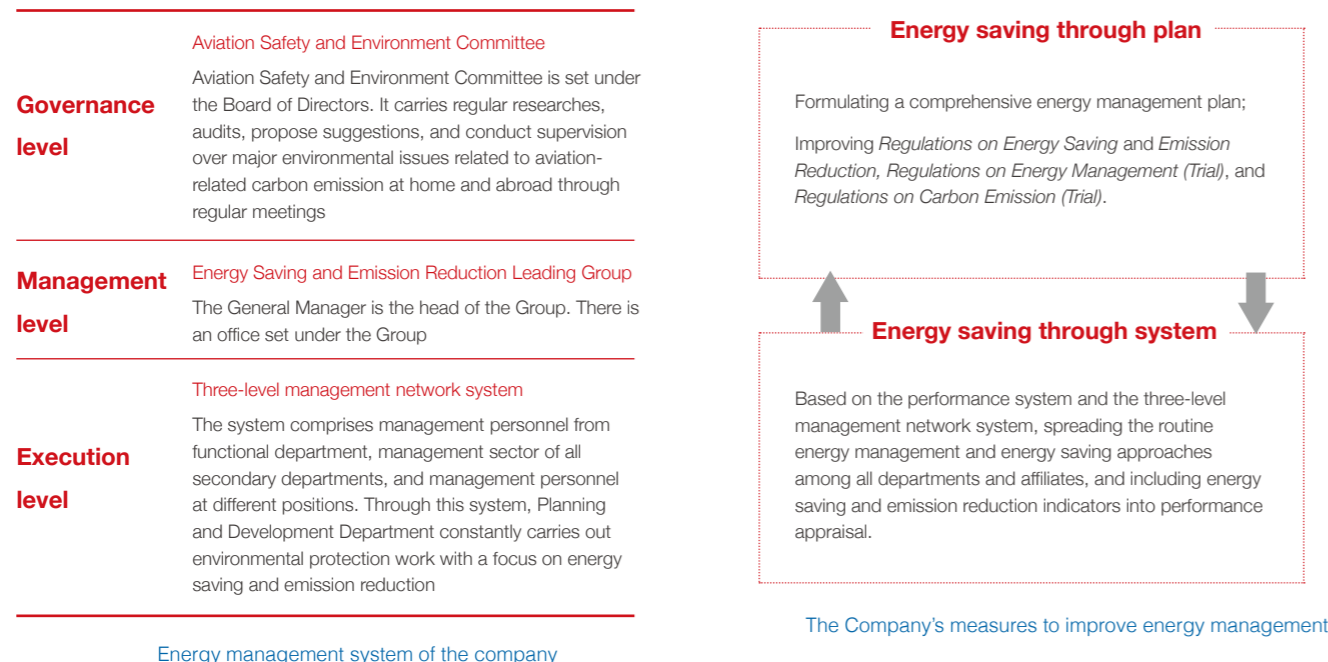


CHINA EASTERN

Corporate Social Responsibility Report

Environmental Management Improvement

Environmental management is the basis of green development. China Eastern strives to improve its organization, plan and system of environmental management over the whole process of environmental management. While strengthening the construction of energy management technology platform, the Company also actively promotes carbon-emission management to advocate energy saving and emission reduction and contribute to green and sustainable development.



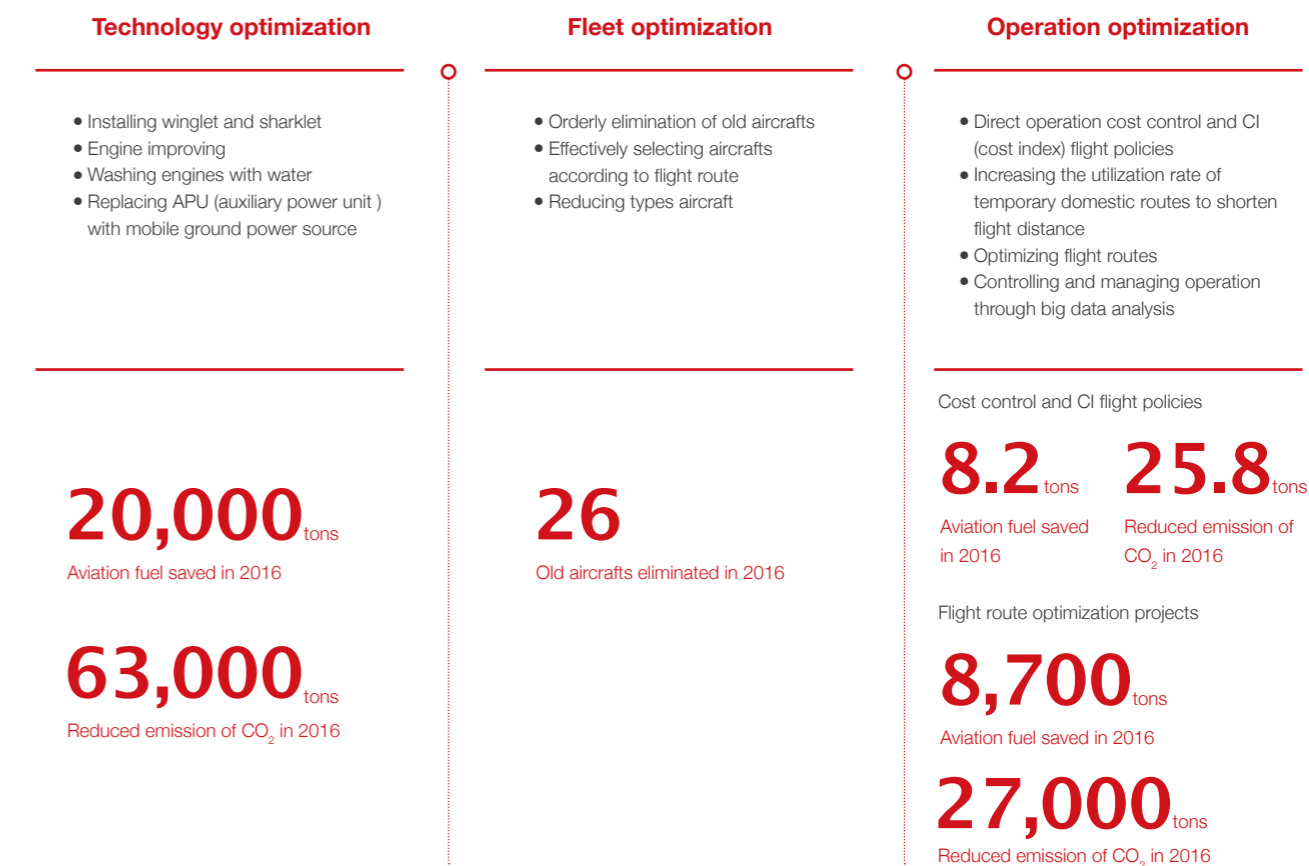
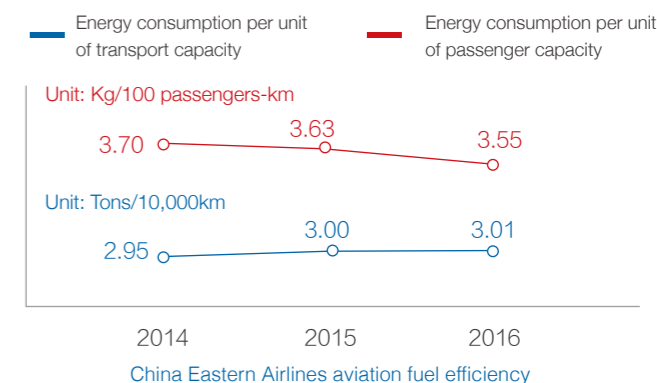
As one of the first batch of airlines which have been listed in Shanghai carbon trading pilots, China Eastern conscientiously fulfills the carbon emission control responsibility and improves the carbon emission management system. The Company has actively completed the carbon emission quota clearance for three consecutive years, hired third-party verification agencies to issue carbon emissions verification report, and actively cooperated with the Civil Aviation Authority to carry out national carbon trade research.

Combating Climate Change

During the operation of airlines, carbon dioxide and other emissions caused by the use of aviation fuel have an inevitably impact on the climate. As a leading aviation enterprise, China Eastern has been adhering to the ecological development concept of "green flight, scientific environmental protection". The Company adheres to the scientific energy-saving and structural emission reduction. Taking full protection of flight safety as the prerequisite, the Company strives to explore green operation modes with low carbon emission. Focusing on controlling of energy use in operation, the Company promotes the development of green aviation and contributes to deal with climate change.

Improving Fuel Efficiency

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



Ways to increase fuel efficiency

Managing and Controlling Energy Consumption in Operation

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

Related honor

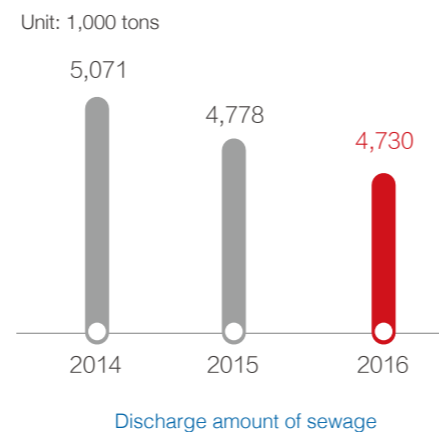
China Eastern's energy consumption monitoring platform was honored Energy Saving and Emission Reduction Demonstration Project of Transportation Industry of Shanghai Municipality during the 12th Five-Year Plan

Pollution Prevention and Control

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

Waste Management

The Company strictly manages wastes generated in production and operation. According to *Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes*, *Regulations on the Safe Management of Hazardous Chemicals*, *Directory of National Hazardous Wastes (2016 Revision)*, *Law of the People's Republic of China on Prevention and Control of Water Pollution and Regulation on Urban Drainage and Sewage Treatment*, the Company has handled waste in a proper way. In 2016, the Company cooperated with municipal sewage treatment system to transform the 12 plots in the east part of Shanghai Hongqiao International Airport. Through the transformation, 9.5km of pipeline had been laid and 17 new monitoring wells had been built.



30.5 tons

Hazardous and toxic waste (including packaging of chemicals, hydraulic oil, lubricant, batteries, light tubes etc.) treated in 2016

Sewage: related departments of the municipal government



Waste oil (aviation kerosene), garbage of the cabin and packaging of products offered on board: recycling

Measures for waste treatment

Hazardous waste: certified third-party organizations

Disposal of High-Pollution Vehicles

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

Sustainable Utilization of Resources

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

5,256,200 tons

Water consumption of 2016, a year-on-year decrease of 1%

Enhancing Environmental Awareness

Energy-saving and environmental protection is closely related to daily work and life. China Eastern advocates and implements the environmental protection initiatives, calling on all employees to have a low-carbon lifestyle and to create a green office. Meanwhile, the Company also promotes the environmental awareness to its passengers and the general public through a variety of activities in a bid to create a green environment. In 2016, the Company launched a publicity campaign (from June 12 to 18) themed "Green Flight with Innovation in Low-Carbon", which significantly boosted the employees' awareness of energy saving and emission reduction.



“World Earth Day” flash mob public welfare activity

On the World Earth Day on April 22, young employees from Qingdao Flight Department and Cabin Service Department of Shandong branch brought a public welfare flash mob show themed “Live and Cherish a Green Life” to tourists in Qingdao Liuting International Airport. Through environmental uniforms show, low-carbon green shopping bags giving, the Company advocated the public to save resources and live a green life.

60th ANNIVERSARY

辉煌甲子 追梦百年

Going Forward Hand in Hand for Harmonious Development

Enterprises are social citizens with an ultimate objective to increase people's livelihood and promote the overall progress of the society. In the sixty years of development, China Eastern has made outstanding achievements by the dedication and hard work of the employees, great help of partners, and full backing of the community. We have been appreciative for all the help we have received. It is our responsibility and mission to pursue mutual benefit, create shared values and advance on a path to a sustainable future with stakeholders.

Sharing



CHINA EASTERN
Corporate Social Responsibility Report

Targeted Poverty Alleviation

Following the guidance of the Central Work Conference on Development-oriented Poverty Reduction and Fixed-point Poverty Alleviation by Central and State Organs and Relevant Units, China Eastern has insisted on targeted poverty alleviation. By taking comprehensive consideration of the situation of poor counties and giving full play to the advantages as an airline, we have improved the scientific assistance system, innovated assistance approaches and comprehensively arranged resource distribution. In order to realize comprehensive development of poverty-stricken areas, we have increased the input of money, intelligence and technology, and provided information and policy support in multiple levels and forms.



Ma Xulun, general manager of China Eastern, conducted targeted poverty alleviation in the Autonomous County of Shuangjiang in Yunnan Province

G4 Materiality Disclosure: G4-17, G4-20

Related honor

China Eastern Group was honored "Exemplary Enterprise of Targeted Poverty Alleviation" by World Philanthropy Forum – Sub-forum of Targeted Poverty Alleviation of Enterprises on September 5, 2016

10.336 million yuan

Poverty alleviation fund of China Eastern Group in 2016 (including goods and materials)

Developing a sustainable poverty eradication path through the model of poverty alleviation base

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

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

Establishing and improving systems	<ul style="list-style-type: none"> Establishing and improving systems to complete the policy system Planning the working process, enhancing internal and external publicity and spreading poverty alleviation experience 	Promoting support for education	<ul style="list-style-type: none"> Implementing "Love in China Eastern - Hands in Hands with Lincang" 3+X education aid project
Conducting poverty alleviation with aviation features	<ul style="list-style-type: none"> Relying on the existing advantageous aviation resources to build up an aviation network at the border 	Promoting transformation and development of local area	<ul style="list-style-type: none"> Introducing customized tourism products with distinct local features to promote the two counties' development in tourism and economy
Promoting targeted poverty alleviation	<ul style="list-style-type: none"> Supporting local industrial development Conducting field surveys to learn about local conditions Constructing high-quality residence to supporting new-type agriculture 	Information platform building	<ul style="list-style-type: none"> Inviting local responsible personnel for communication in Shanghai to work out assistance measures Dispatching cadres to local area to explore the front line

Anti-poverty measures of the Company

Headquarters	Gansu branch	China Eastern Yunnan	China Eastern Jiangsu	Jiangxi branch
Sahungjiang and Cangyuan Counties, Linjiang City, Yunnan Provinces	Wangpu Township of Qinan County and Manlu Township of Linxia County, Tianshui City, Gansu	Xiaozhongdian Town, Shangri-La City	Luowei Townshio, Sucheng District, Suqian City	Shangtang Township, Wuning County

Poverty alleviation points of the headquarters and different branches

China Eastern undertook professional tasks, including calibration for new airport in Cangyuan Va Autonomous County and the flight test etc., and actively coordinated issues after the airport was put into use. On the October 25, Yunnan branch of China Eastern successfully accomplished the flight test at Cangyuan Washan Airport, which was meaningful for promoting the fast and steady development of regional economy.



Sharing Happiness with Employees

Employees are the builders and contributors in corporate development. We are always devoted to promoting the well-being of employees and protecting their interests. It's our responsibility to guarantee employees a sense of belonging and happiness. By fully motivating employees' enthusiasm and creativity, we integrate employees' wisdom and strength to form the great driving force for sustainable development of the Company.

Enjoying Rights & Interests and Benefits

Protecting the legal rights and interests of employees to the largest extent and providing them with proper benefits is conducive to the construction of a harmonious labor relationship. The Company strictly complies with the *Labor Law* and other regulations and international conventions on human rights and labor standards, adheres to employment principles of equality and fairness, respects and protects human rights, and forbids child and forced labor of any form.

89,453

Rational suggestions from employees in 2016, a year-on-year increase of 13.77%

89.6%

Rate of rational suggestions adopted by the company in 2016, a year-on-year increase of 15.37%

Staff congress



Soliciting proposals
Meeting among team heads

Social network platforms



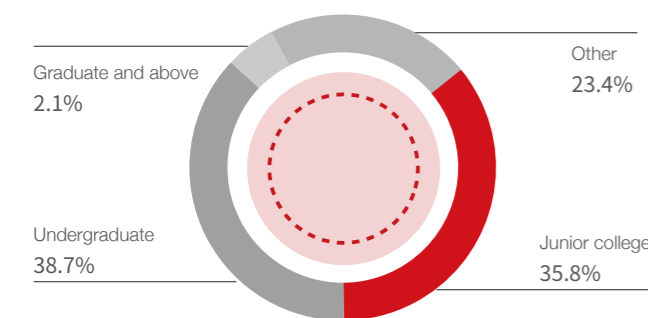
Voice of the youth
"Youth at China Eastern"
WeChat official account

Rational suggestions

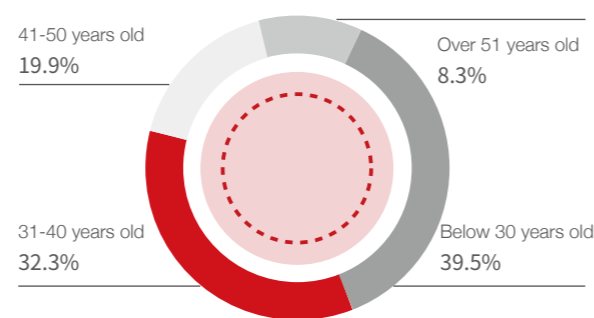


Evaluation experts offering rational suggestions

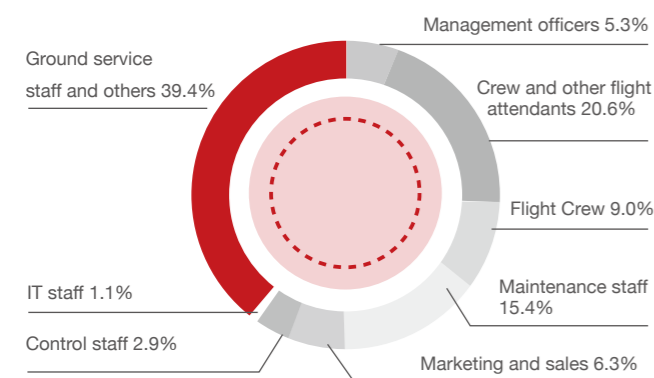
Channels for listening to employees



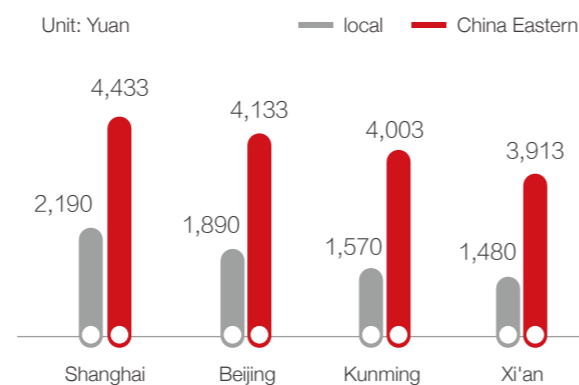
Academic background



Ages



In-service employees



Comparison of the starting salary of employees with contracts and the local minimum wage

In the year of 2016, in order to improve our service quality and capability, Employee Service Center promoted the E-evaluation system of staff service satisfaction and developed the WeChat service platform to provide diversified online services for employees. Employee Service Center also provides preferential offers and "Happy China Eastern" serial products and other value-added services for employees through external cooperation, such as the cooperation with Suning and China Construction Bank. Furthermore, a Dispatch Center has been founded in Pudong to transport crew members at fixed time and location for their convenient commuting and improved experience.

Enjoying Health and Safety

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

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



Ways to improve the psychological health of employees

Enjoying Excellence and Warmth

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

RMB **2.88** million

Investment in assisting employees with financial difficulties in 2016, an increase of 13.26%



Caring for young employees

Win-Win Cooperation with Partners

G4 Materiality Disclosure: G4-21

To achieve sustainable development is the common responsibility of all enterprises along the value chain including China Eastern. The company has established a fair and win-win cooperative partnership with a forward-looking vision. When our own responsibilities are properly fulfilled, we hope to transmit our experience to our partners such as suppliers and dealers, so that we can fulfill responsibilities with joint hands and share the fruits of development together.

Supply Chain Responsibility

China Eastern actively promotes responsible purchasing, and has formulated *Procurement Regulation of China Eastern Airlines Corporation Limited* and *Detailed Rule for Procurement of China Eastern Airlines Corporation Limited*. The Company has improved the strict access and evaluation mechanism, enhanced requirements of suppliers' environmental protection, social contribution and employment system, and strengthened qualification inspecting. New suppliers are required to sign the *Letter of Commitment on Social Responsibility*. Bonus marks are given to the suppliers who had been actively fulfilling social responsibility during the appraisal. China Eastern has established a communication mechanism with long-term cooperating suppliers. Through mutual high-level visits and performance evaluations, suppliers are helped to grow and expand the space for cooperation.

The Company supports local procurement, provides small-sized suppliers with cooperation opportunities and managerial experience, and helps local suppliers develop healthily.

Unit: No.

Number of suppliers by region													
China United Airlines and Hebei	Zhejiang	Yunnan	Northwestern China	Wuhan	Sichuan	Shanxi	Shandong	Jiangxi	Jiangsu	Gansu	Beijing	Anhui	Shanghai
87	83	89	88	72	72	69	103	68	63	81	98	64	422

Suppliers of Shanghai includes Shanghai Airlines, Shanghai Flight Training and Eastern Logistics

1,459

Total suppliers in 2016

Note: the data do not cover suppliers of aircrafts, infrastructure and medicine.

3,587

Domestic dealers in 2016

692

International dealers in 2016

Supporting Dealers' Development

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

Taking the lead in promoting Client Rescue Plan in civil aviation

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

Promoting Industrial Development

G4 Materiality Disclosure: G4-21

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

Cultivating Industrial Talents

Talents are the driving force industrial development. As the senior talents cultivation base in Shanghai, the Company is devoted to developing a platform for talents training and communication for the creation of an enabling environment for the growth of skilled talents. Based on its own training qualification, the Company has cooperated with partners in the industrial chain such as COMAC to train talents in order to build up a talent pool of civil aviation and drive incremental improvements of the industry's technological level. In 2016, the Company organized 448 external trainings for 9,048 persons, with the satisfaction rate of 99.7% among the third party.

The Company upholds the school-enterprise collaboration mode for cultivating professional talents. For the purpose of cultivating industrial talents and accumulating the driving force for the industry, China Eastern established "China Eastern-Wenlai Middle School Flight Experimental Class" where students are taught diversified special aviation courses.

Cultivating professional talents through school-enterprise collaboration

In February, 2016, China Eastern Wuhan and Wuhan City Vocational College officially signed a strategic cooperation agreement and launched co-operation projects. China Eastern Wuhan became the practice base for students of the college, and the college became a further training base for China Eastern employees. Wuhan branch established "China Eastern Class" to train flight security personnel for the Company. The two sides jointly established "Professional Teaching Guiding Committee", which created opportunities for "double qualified teachers" to practice and be trained, and cultivated talents of airline service and civil aviation transportation to meet the needs of enterprises' development.

Setting up Industrial Standard

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

Voice from stakeholders

China Eastern is the first airline that has passed ICAO standard in China and an airline that has been qualified as large-scale by SMS of CAAC. The Company owns a group of international safety management experts and executives, who enjoy a high reputation in the industry. To enhance security management, the Company has established a flight safety institute, which, with the help of cloud technology and big data, can solve operation problems and eliminate operation. Numerous pilot projects related to new safety technologies in civil aviation were first tried and implemented by China Eastern, which provided experiences for formulating and implementing the standard of the industry as well as helped the Company obtain innovative achievements first and preemptive advantages, thus contributing to the reform and development of civil aviation.

Gu Qing, Director, Qualification Management Office, CAAC East China Regional Administration

Sharing Harmonious Community

145,300^{hours}

Service hours of "Love in China Eastern" public welfare project in 2016, a year-on-year increase of 49.3%

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

"Love in China Eastern" Public Welfare Campaign

90,999

People received help in Love in China Eastern" social welfare project in 2016, 2.27 times of the number in the previous year

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

"Love in China Eastern-Integrity Ticket "

In March, 2016, the project of "Love in China Eastern • Integrity Ticket " and "Western Project" of the Central Committee of Communist Youth League formally signed the cooperation agreement, through which China Eastern will provide 2,700 round-trip "Integrity Tickets" for volunteers of "Western Project" in three years to help young students to achieve the ideal of serving our country.

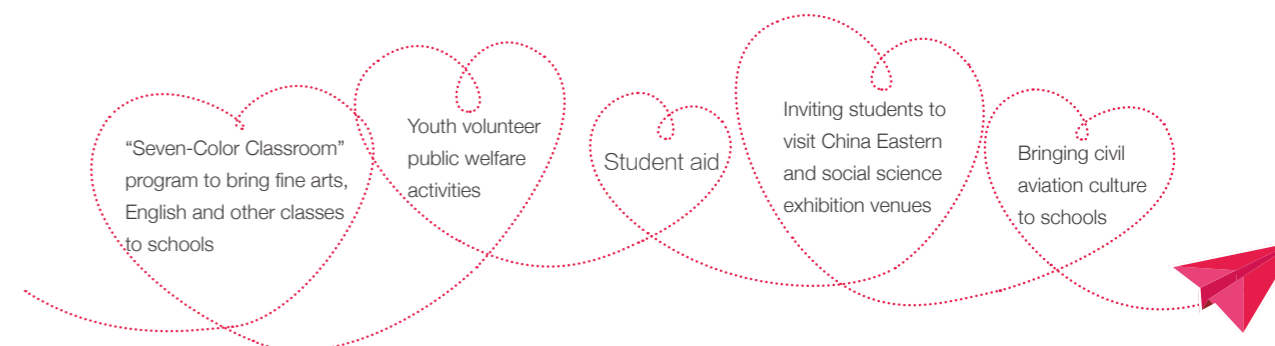
The project of "Love in China Eastern • Integrity Ticket " won the bronze prize in the 3rd Chinese Youth Volunteer Service Project Competition, and is selected into the incentives list of *Action Plan on Implementing Joint Incentive for Trustworthy Young Volunteers and Accelerating the Construction of Youth Credit System* which is jointly issued by 51 ministries and commissions of CPC Central Committee and the State Council. China Eastern was awarded the title of "Support Partner of China Youth Integrity Action".



Voice from stakeholders

"Integrity Ticket" relieves financial pressure for aspiring young people who desire to know about the whole country. Additionally, it also teaches us to dedicate and be grateful.

A Fudan University Student from Xinjiang



Five forms of poverty alleviation through Education of "Love in China Eastern • Realizing the Dream of Going to School"



Yantai Sales Division held the second social welfare activity of "Love in China Eastern•Flying Together"



Serial public welfare activities of "Flying Swallow": 10th anniversary of Huayangnian Hope Primary School.

Guaranteeing Special Flights

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

204

Flights of special missions in 2016, a year-on-year increase of 92.4%

Guaranteeing the flights of G20

From September 4 to 5, 2016, G20 Summit was held in Hangzhou. During the summit, the Company successfully accomplished 127 flights for VIP passengers and 48 chartered flights to guarantee the transport of 695 VIP passengers. The Company was highly praised by the Ministry of Foreign Affairs and embassies who entrusted China Eastern the flight mission.

Appendix

Performance Indicators

	Indicators	Unit	Data		
			2014	2015	2016
General Performance	Aircraft in operation	No.	497	535	581
	Average age of aircrafts	Years	6.10	5.42	5.39
	Transportation turnover	Billion ton kilometers	16.12	17.82	19.71
	The number of passengers carried	Million	83.81	93.78	101.74
	Cargo, parcel and mail volume	Million tons	1.363	1.399	1.395
	The number of routes	Routes	870	896	936
	The number of countries and regions	No.	177	179	177
	The number of destinations	No.	1,052	1,057	1,062
Economy	Total asserts	Billion yuan	163.542	195.709	210.051
	Operating revenue	Billion yuan	89.746	93.844	98.560
	Total profit	Billion yuan	4.120	5.671	6.507
	Utilization rate of aircrafts	Hours	9.88	10.03	9.80
	Taxes and fees	Billion yuan	6.832	9.038	11.013
	Interest expense	Billion yuan	2.580	3.205	3.448
	Contract compliance rate	%	100%	100%	100%
	The number of suppliers	No.	-	747	1,459
Safety	The number of dealers	No.	-	-	2,998
	Safe flight hours	Million hours	1.625	1.804	1.956
	Incident rate per ten thousand hours	No.	0.074	0.025	0.072
	Training hours on simulators	Hours	90,853	99,121	120,255
Service	Severe maintenance errors	No.	-	0	2
	The number of frequent flyer	Million	23.00	26.00	29.20
	The number of passenger commendation letter	No.	4,043	5,216	12,419
	luggage mishandling rate	Permyriad	28.16	26.75	26.19
	Flight punctuality rate	%	67.11	68.09	74.82
	The effective notification rate of irregular flight notification	%	93.0	94.3	99.0
	Customer satisfaction	Points	90.77	88.11	89.70

	Indicators	Unit	Data		
			2014	2015	2016
Service	Copies of customer satisfaction questionnaire survey	Million	0.156	0.327	0.421
	Complaints from passengers	No.	264	415	1,096
	Complaints handling rate	%	100	100	100
	Intelligent technology investment	Million yuan	-	-	87.103
	The number of special passengers carried	No.	105,077	131,302	207,782
	Coverage of self-service check-in machines in domestic terminals	%	86.9	90.0	90.6
	Self-service check-in for domestic flights	%	-	47.10	62.81
	Self-service check-in for international flights	%	-	4.70	16.68
	Domestic destinations of connecting flights	No.	-	37	37
	International destinations of connecting flights	No.	-	32	32
Environment	CO ₂ emissions	Kilotons	14,986	16,740	18,714
	Unit fuel consumption	Kg/100 passengers-km	3.72	3.63	3.55
	Energy consumption per ten thousand yuan revenue	Tons of standard coal per 10,000 yuan	0.79	0.84	0.89
	Energy consumption per revenue ton kilometers	Tons per ten thousand kilometer	2.95	3.00	3.01
	Aviation fuel consumption	Kilotons	4,757.4	5,314.2	5941.1
	Manufacture gas consumption	1,000 m ³	292.9	281.2	67.6
	Natural gas consumption	1,000 m ³	2,989.6	2,984.0	4729.1
	Gasoline consumption	Kiloliters	3,429.7	2,704.2	2,656.9
	Diesel consumption	Kiloliters	13,694.0	13,323.7	13,056.1
	LPG consumption	1,000 m ³	108.9	82.5	141.5
	Other petroleum products	Tons	684.2	406.0	326.4
	Electricity consumption	1,000 kWh	146,465.5	150,358.0	162,347.5
	Water consumption	Kilotons	5,634.2	5,309.2	5,256.2
	Total energy consumption	Tons of standard coal	7,085,339	7,904,416	8,816,308
	The amount of sewage	Kilotons	5,071	4,778	4,730
	The recycling quantity of aviation fuel	Tons	73.85	44.73	38.92
	The quantity of hazardous wastes	Tons	0.3	0.8	30.5

	Indicators	Unit	Data		
			2014	2015	2016
Employee	Total employees	No.	69,849	71,033	75,333
	The number of foreign employees	No.	870	911	1,140
	The percentage of female executives	%	6.89	6.99	8.68
	The rate of labor contract signing	%	100	100	100
	The number of new employees	No.	-	3,168	5,355
	Employee turnover rate	%	4.3	Management officers 0.65	Management officers 0.09
				Professional and technical personnel 0.75	Flight Crew 0.26
				Flight Crew 1.2	Cabin crew and guard 0.62
				Cabin crew 0.68	Professional skill staff 0.46
				Sales staff 7.1	Sales staff 0.29
				Finance staff 2	Others 0.41
				Ground service and others 6.2	
	The percentage of participation in the Trade Union	%	99.08	98.40	96.50
	Percentage of employees participating in physical examinations	%	68.60	73.56	76.50
	The coverage of social insurance	%	100	100	100
	The coverage of enterprise annuity coverage	%	-	91.26	87.2
	Investment in training	Million yuan	53.00	47.55	40.00
	Duration of training per capita	Hours	-	48	39
	The number of training participants	No.	-	481,205	287,870
	The number of reported occupational injuries	No.	90	102	70
	The number of reported occupational death	No.	0	1	0
	The rate of rational suggestions adopted	%	65.7	74.2	89.6
	The number of participants in EAP	No.	-	450	1,300
Social	The number of “Love in China Eastern” projects	No.	620	530	1,257
	The number of participants in public welfare activities	No.	42,147	26,119	48,440
	The number of people received help in “Love in China Eastern”	No.	40,034	40,166	90,999
	The number of registered volunteers in “Love in China Eastern” projects	No.	-	451	4,694
	The number of service hours of “Love in China Eastern”	1,000 hours	110.0	97.3	145.3
	Poverty alleviation fund of China Eastern Group	Million yuan	4.700	5.662	10.336
	The number of special flight	No.	-	106	204

Errata: The unit of effluent volume in 2015 CSR report was kilotons.

GRI Content Index



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

Indicator	Page
Strategy Analysis	
G4-1 Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability	P4-5
G4-2 Provide a description of key impacts, risks, and opportunities	P4-5, P24
Organizational Profile	
G4-3 Report the name of the organization	P12
G4-4 Report the primary brands, products, and service	P12
G4-5 Report the location of the organization's headquarters.	P12
G4-6 Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report	P12-13
G4-7 Report the nature of ownership and legal form	P12-13
G4-8 Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	P12-13
G4-9 Report the scale of the organization	P12-15
G4-10 Report the total number of employees by employment contract and gender	P74
G4-11 Report the percentage of total employees covered by collective bargaining agreements	P75
G4-12 Describe the organization's supply chain	P76
G4-13 Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	P76
G4-14 Report whether and how the precautionary approach or principle is addressed by the organization	P22-23
G4-15 List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	P24
G4-16 List memberships of associations (such as industry associations) and national or international advocacy organizations	P77
Identified Materials Aspects And Boundaries	
G4-17 a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report	P2, P20, P52, P55, P72
G4-18 a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content	P3, P25
G4-19 List all the material Aspects identified in the process for defining report content	P25
G4-20 For each material Aspect, report the Aspect Boundary within the organization	P52, P55, P72
G4-21 For each material Aspect, report the Aspect Boundary outside the organization	P42, P43, P60, P76, P77
G4-22 Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	P2
G4-23 Report significant changes from previous reporting periods in the Scope and Aspect Boundaries	P25
Stakeholder Engagement	
G4-24 Provide a list of stakeholder groups engaged by the organization	P29
G4-25 Report the basis for identification and selection of stakeholders with whom to engage	P29
G4-26 Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	P29
G4-27 Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns	P29
Report Profile	
G4-28 Reporting period (such as fiscal or calendar year) for information provided	P2
G4-29 Date of most recent previous report (if any)	P2
G4-30 Reporting cycle (such as annual, biennial)	P2
G4-31 Provide the contact point for questions regarding the report or its contents	P3

Indicator	Page
Report Profile	
G4-32 Report the 'in accordance' option the organization has chosen	P83
G4-33 Report the organization's policy and current practice with regard to seeking external assurance for the report	P2
Governance	
G4-34 Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision making on economic, environmental and social impacts	P19, P21
Ethics and Integrity	
G4-56 Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	P19
Economic	
G4-DMA Generic Disclosures on Management Approach	P39-45, P47-57, P59-63
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G4-EC1 Direct economic value generated and distributed	P12
Aspect: Market Presence	
G4-EC5 Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	P74
Aspect: Indirect Economic Impact	
G4-EC7 Development and impact of infrastructure investments and services supported	P57
G4-EC8 Significant indirect economic impacts, including the extent of impacts	P32-37, P60-63, P76, P77
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G4-EN1 Materials used by weight or volume	P67
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G4-EN3 Energy consumption within the organization	P81
G4-EN5 Energy intensity	P81
G4-EN6 Reduction of energy consumption	P67
G4-EN7 Reductions in energy requirements of products and services	P67
Aspect: Water	
G4-EN8 Total water withdrawal by source	P69
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Aspect: Effluents And Waste	
G4-EN22 Total water discharge by quality and destination	P68
G4-EN23 Total weight of waste by type and disposal method	P68
Aspect: Products And Services	
G4-EN27 Extent of impact mitigation of environmental impacts of products and services	P67-69
Aspect: Supplier Environmental Assessment	
G4-EN32 Percentage of new suppliers that were screened using environmental criteria	P76

Indicator	Page
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G4-DMA Generic Disclosures on Management Approach	P74-75
Aspect: Employment	
G4-LA1 Total number and rates of new employee hires and employee turnover by age group, gender and region	P54, P74-75, P81
Aspect: Occupational Health And Safety	
G4-LA6 Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	P81
G4-LA8 Health and safety topics covered in formal agreements with trade unions	P75
Aspect: Training And Education	
G4-LA9 Average hours of training per year per employee by gender, and by employee category	P55
G4-LA10 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	P54-56
Aspect: Diversity And Equal Opportunity	
G4-LA12 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	P74
Aspect: Supplier Assessment For Labor Practices	
G4-LA14 Percentage of new suppliers that were screened using labor practices criteria	P76
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G4-DMA Generic Disclosures on Management Approach	P74
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G4-HR10 Percentage of new suppliers that were screened using human rights criteria	P76
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Aspect: Local Communities	
G4-SO1 Percentage of operations with implemented local community engagement, impact assessments, and development programs	P70-P73, P78-79
Aspect: Anti-corruption	
G4-SO4 Communication and training on anti-corruption policies and procedures	P22
G4-SO7 Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	P22
Aspect: Supplier Assessment For Impacts On Society	
G4-SO9 Percentage of new suppliers that were screened using criteria for impacts on society	P76
Product Responsibility	
G4-DMA Generic Disclosures on Management Approach	P30-P37, P44-53
Aspect: Customer Health And Safety	
G4-PR1 Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	P30-P37
Aspect: Product And Service Labeling	
G4-PR5 Results of surveys measuring customer satisfaction	P49
Aspect: Customer Privacy	
G4-PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	P23

HK-ESG Content Index

Indicator	Page	Description
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General Disclosure- Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer, relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	P66-69	
KPI A1.1-The types of emissions and respective emissions data	/	No statistics for now
KPI A1.2-Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	P81	
KPI A1.3-Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	P68	
KPI A1.4-Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	/	No statistics for now
KPI A1.5- Description of measures to mitigate emissions and results achieved	P67	
KPI A1.6- Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	P68	
Aspect A2-Use of Resources		
General Disclosure-Policies on the efficient use of resources, including energy, water and other raw materials	P66-69	
KPI A2.1-Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	P67, P81	
KPI A2.2-Water consumption in total and intensity (e.g. per unit of production volume, per facility)	P69	
KPI A2.3-Description of energy use efficiency initiatives and results achieved	P67-69	
KPI A2.4-Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	P69	
KPI A2.5-Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	/	Not applicable
Aspect A3-The Environment and Natural Resources		
General Disclosure-Policies on minimising the issuer's significant impact on the environment and natural resources	P34, P66-69	
KPI 3.1-Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	P34, P67	
Social		
Employment and Labour Practices		
Aspect B1-Employment		
General Disclosure-Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer, relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	P54-55, P74	
KPI B1.1-Total workforce by gender, employment type, age group and geographical region	P74	
KPI B1.2-Employee turnover rate by gender, age group and geographical region	P82	
Aspect B2-Health and Safety		
General Disclosure-Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer, relating to providing a safe working environment and protecting employees from occupational hazards	P74	
KPI B2.1-Number and rate of work-related fatalities	P82	
KPI B2.2-Lost days due to work injury	/	No statistics for now

Indicator	Page	Description
KPI B2.3-Description of occupational health and safety measures adopted, how they are implemented and monitored	P37, P74	
Aspect B3-Development and Training		
General Disclosure-Policies on improving employees' knowledge and skills for discharging duties at work, Description of training activities	P74-P75	
KPI B3.1-The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	/	No statistics for now
KPI B3.2-The average training hours completed per employee by gender and employee category	P55	
Aspect B4-Labour Standards		
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KPI B4.1-Description of measures to review employment practices to avoid child and forced labour	P74	
KPI B4.2-Description of steps taken to eliminate such practices when discovered	/	No child and forced labour
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Aspect B5-Supply Chain Management		
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KPI B5.1-Number of suppliers by geographical region	P76	
KPI B5.2-Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	P76	
Aspect B6-Product Responsibility		
General Disclosure- Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	P23, P32	
KPI B6.1-Percentage of total products sold or shipped subject to recalls for safety and health reasons	/	Not applicable
KPI B6.2-Number of products and service related complaints received and how they are dealt with	P52	
KPI B6.3-Description of practices relating to observing and protecting intellectual property rights	P52	
KPI B6.4-Description of quality assurance process and recall procedures	/	Not applicable
KPI B6.5- Description of consumer data protection and privacy policies, how they are implemented and monitored.	P23	
Aspect B7-Anti-corruption		
General Disclosure- Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer, relating to bribery, extortion, fraud and money laundering	P22	
KPI B7.1-Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	/	No concluded legal cases regarding corrupt practices
KPI B7.2-Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	P22	
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Aspect B8-Community Investment		
General Disclosure-Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	P72, P78	
KPI B8.1-Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	P72-73, P78-79	
KPI B8.2-Resources contributed (e.g. money or time) to the focus area	P72, P78	

Assurance Statement of Corporate Social Responsibility Report

TUV Asia Pacific Ltd. ('TUV NORD') has been commissioned by the management of China Eastern airlines Co., Ltd('China Eastern' for short) to carry out an independent assurance of the 2016 Corporate Social Responsibility Report ('report' for short) .

China Eastern is responsible for the collection, analysis, aggregation and presentation of information within the Report. TUV NORD's responsibility in performing this work (assurance of the report) is in accordance with terms of reference agreed in the scope of engagement with China Eastern. China Eastern is the intended users of this statement.

This statement is based on the assumption that the data and information provided in the report is complete and true. This report is the eighth CSR report for China Eastern, and it's the first time for China Eastern to invite the third party give independent assurance.

Assurance Scope

- The report revealed the accuracy and reliability for key performance, information and management system which happened in 2016.
- Assurance address is in No.99, the third airport road, Changning district, Shanghai, where China Eastern located. And we didn't visit other branch, Subordinate units or the site of Projects.
- We evaluate the collection, analysis, aggregation of the information and data.
- Because the economic data had been audited by the third party, we won't do double audit this time; Assurance of the Report was done on **15-17.03.2017.**

Assurance Methodology

Assurance process including following activities:

- Review the document information which provide by China Eastern;
- Interview the person who collected the report information;
- View the related websites and media reports, verify the data and information through sampling method;
- Refer to GRI Sustainability Reporting Guideline(G4) on balance, comparability, accuracy, timeliness, clarity, reliability, and give the evaluation;
- Refer to AA1000AS (2008) Assurance methodology;
- Assurance activity is based on TUV NORD CSR report assurance management procedure.

Assurance Conclusion

China Eastern CSR Report provide an appropriate and objective view of the sustainability & social programs and performances in 2016. The data in report is reliable and objective, TUV NORD didn't find the system error or substantial error, Which meets the disclosure requirement of G4 core option.

- The structure of report is complete, the revealed information is clear, easy-understand and available;
- The report take "For our common sustainable development" as theme, take 'Innovation, coordination, green, open, sharing' and industry key issue safety as frame, reveal China Eastern CSR idea, practice, result and typical cases, in addition, it attached 3 years key performance indicators, which can be comparable;
- Determining material aspects through stakeholder survey, which feedback stakeholders' expectation and attention.

Suggestion for Improvement

Through assurance and evaluation, we had following improvement suggestion on CSR practice and management:

- For the key performance indicators in the environmental, social and governance reporting guidelines of the HKEX, it is necessary to establish a clear objectives, responsible person and accountability;
- Suggest further reveal the oversea practice of accountability;
- The analysis of the key performance could be strengthened.

Special Statement

This statement excluding:

- The activity outside information reveal;
- The position, idea, faith, object, future developing direction, and promise which stated by China Eastern Company.

Statement of Independence and Competence

TUV NORD Group is the world's leader in inspection, testing and verification, operating in more than 70 countries throughout the world and providing services which includes management systems and product certification; quality, environmental, social and ethical auditing and training; environmental; social responsibility and sustainability report assurance.

TUV Asia Pacific Ltd. affirms its' independence from China Eastern and confirms that there is no conflicts of interest with the organization or any of its subsidiaries and stakeholders when performing the assurance of the Report. TUV Asia Pacific Ltd. was not involved in any manner with China Eastern, when the latter was preparing the Report.

Junia Huang

The team leader:黄莉
Date :23.03.2017

宋海宁

The Authorized person:宋海宁
Date: 23.03.2017

注: 当声明的中文和英文版本有冲突时, 请以中文为准



Feedback

Dear Sir/Madam,

Thank you for reading China Eastern Airlines Corporate Social Responsibility Report 2016. To enable our report to more systematic and scientifically offer you meaningful information, to facilitate monitoring of the CSR work and to improve the Company's management and practice of social responsibility, we sincerely await your opinions and suggestions.

Please fill the questionnaire and mail it to us according to the following address:

Department: Party Publicity Department of China Eastern Airlines

Tel: 021-22331435 Fax: 021-62686883 E-mail: ceanews@163.com

Address: 92, Konggang No.3 Road, Changning District, Shanghai(200335)

1.You are one of our_____

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

2 What's your assessment of China Eastern Airlines Corporate Social Responsibility Report 2015?

A. Very good B. Good C. Fair D. Poor E. Very poor

3 What's your assessment of China Eastern's social responsibility performance of economy, environment and society?

Economic responsibility	A. Very good	B. Good	C. Fair	D. Poor	E. Very poor
Social responsibility	A. Very good	B. Good	C. Fair	D. Poor	E. Very poor
Environmental responsibility	A. Very good	B. Good	C. Fair	D. Poor	E. Very poor

4 What is your assessment of this report in responding and disclosing the issues that draw the stakeholders' attentions?

A. Very good B. Good C. Fair D. Poor E. Very poor

5 Do you think the information, data and indicators disclosed in this report are accurate, clear and complete?

Clarity	A. Very good	B. Good	C. Fair	D. Poor	E. Very poor
Accuracy	A. Very good	B. Good	C. Fair	D. Poor	E. Very poor
Completeness	A. Very good	B. Good	C. Fair	D. Poor	E. Very poor

6 what is your assessment of the content and design of this report for reading?

Content	A. Good	B. Fair	C. Poor
Design	A. Good	B. Fair	C. Poor

7 Your comments and suggestions for China Eastern's social responsibility work and this report:

Thank you for your attention!

60th Anniversary of China Eastern



Scan the QR code to get more stories
about sustainability of China Eastern



The report is printed on environmentally friendly paper