



# 中國民航信息網絡股份有限公司 TravelSky Technology Limited

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code : 00696)



2022

ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT



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## ABOUT THIS REPORT

### REPORTING GUIDELINES

This *Environmental, Social and Governance Report* (hereinafter referred as the “**ESG Report**” or “**This Report**”) fully demonstrates the environmental and social performance of TravelSky Technology Limited (the “**Company**”, or together with its subsidiaries, the “**Group**” or “**TravelSky**” or “**we**”) in 2022. This Report is prepared in accordance with the *Environmental, Social and Governance Reporting Guide* (the “**Guide**”) as contained in Appendix 27 to the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Ltd.* (the “**Main Board Listing Rules**”) issued by The Stock Exchange of Hong Kong Limited (“**SEHK**”), and the *Global Reporting Initiative Sustainability Reporting Guidelines* (“**GRI Standards**”) issued by the Global Sustainability Standards Board (“**GSSB**”) and the *Guidelines to the Central State-owned Enterprises Directly under the Central Government on Fulfilling Corporate Social Responsibilities* issued by the State-owned Assets Supervision and Administration Commission of the State Council (“**SASAC**”). This Report has been reviewed and approved by the Board of the Directors of the Group.

### REPORTING SCOPE

This Report covers the period from January 1, 2022 to December 31, 2022 (“**the reporting period**”) with some data for the preceding reporting periods. Unless otherwise specified, this Report covers the Company and its subsidiaries.

### REPORTING PRINCIPLES

This Report is strictly prepared in accordance with the mandatory disclosure requirements of the Guide and the “comply or explain” provision. At the same time, the reporting principles of “Materiality”, “Quantitative”, “Balance”, and “Consistency” are used to ensure the truthfulness and reliability of the report content.

**Materiality:** We attach great importance to the impact of ESG issues on stakeholders. During the reporting period, TravelSky actively communicated with various stakeholders to understand their demands and combined with macro trends and our own development situation to sort out important issues. The Company focused on responding to and disclosing issues that have a significant impact. The Board of Directors also participated in the process of determining important issues.

**Quantitative:** To demonstrate the performance of TravelSky in the environmental and social aspects in 2022, we have presented the key performance indicators for the reporting period and historical data measurably when feasible.

**Balance:** During the preparation of this Report, we focused on presenting the Company’s performance in an unbiased manner, to avoid influencing the decision-making or judgment of the report’s readers.

**Consistency:** Unless otherwise stated, where feasible, this Report adopts the same statistical methods as in previous reporting periods to ensure that environmental, social, and governance data can be meaningfully compared in the future.

## REPORT STATEMENT

The Board of Directors is responsible for evaluating and determining the Group's environmental, social and governance ("ESG") strategies and reporting. The Group has disclosed information on all "comply or explain" provisions in the ESG Guide in this Report. This Report is published in Traditional Chinese and English. If you have any different understanding of the two versions, the Traditional Chinese version shall prevail.

## CONTACT INFORMATION

This Report is published on the HKEX news website of The Stock Exchange of Hong Kong Ltd. ([www.hkexnews.hk](http://www.hkexnews.hk)) and the official website of the Company ([www.travelskyir.com](http://www.travelskyir.com)). Please select the column of "Investor Relationship" on the home page of the Company's website, and then select the "2022 Environmental, Social and Governance Report" under "Announcements" and "Financial and ESG Reports". If you have any comments or suggestions on the ESG Report of the Group or need to obtain a printed version, please contact us by: [kcxfz@travelsky.com.cn](mailto:kcxfz@travelsky.com.cn).

## A LETTER TO STAKEHOLDERS



### Huang Rongshun

*Chairman, Executive Director,  
General Manager*

2022 is a year of great changes and opportunities. With the profound changes in the domestic and international situation and the rapid development of information technology, the pace of recovery of the world economy and the civil aviation industry is accelerating. TravelSky has always been closely focused on the development needs of the country and the industry, vigorously implemented the strategy of scientific and technological innovation and sustainable development, constantly overcame difficulties, continued to integrate the Company's resources and layout, and made important contributions to the high-quality development of China's civil aviation industry. As a sustainable enterprise, TravelSky understands that our success is not only at the business and product levels but also in the promotion of the harmonious development of the entire society and environment. In 2022, focussing on low-carbon and sustainable development, TravelSky continued to improve our anti-risk ability and strengthen the research of core technologies. We were rated as a high-tech enterprise for 22 consecutive years while fully achieving the production and operation goals. We won the first prize of the Civil Aviation Science and Technology Progress Award for 4 consecutive years and were selected as the "Top 50 Pioneer Central Enterprises in ESG" by the SASAC to welcome the successful convening of the 20th National Congress of the Communist Party of China with excellent results.

**With multiple measures, the business development of TravelSky became more stable.** During the reporting period, in the face of the complex and severe development environment and huge operating pressure, we took a prudent approach to overcome difficulties, strengthened and optimised our main business. We continued to focus on the construction of smart civil aviation and expand business development space, promoted the implementation of various measures for stable growth, and fully stabilised the basic production and operation.

**Driven by innovation and digital empowerment, the independent innovation capability of TravelSky continued to improve.** During the reporting period, we advanced core technological breakthroughs, effectively improved the independent and controllable level of the core system. We won 11 provincial and ministerial and social science and technology awards, including 2 first prizes, 3 second prizes and 6 third prizes.

**With energy saving and high efficiency, green operation, the low-carbon development of TravelSky has entered a new stage.** During the reporting period, we received an increase of over 30,000 tonnes in free carbon quotas from the Beijing government compared to the last reporting period, resulting in a cost savings of over RMB4 million in annual transactions. We continued to explore energy-saving and emission-reduction technologies for data centres and promoted the construction of green data centres. The Houshayu data centre was awarded as a national-level green data centre.

**The value of social responsibility of TravelSky has been continuously expanding.** During the reporting period, we signed a strategic cooperation agreement with Dawning Information Industry Co., LTD. to build a joint laboratory. We also joined the modern industrial chain of network security with China Unicom as the chain leader. We leveraged our technological advantages to help rural revitalisation, adhering to the people-oriented principle. We won the title of "National Model Enterprise for Harmonious Labour Relations". Besides, we actively fulfilled our social responsibilities and won the "General Aviation Corporate Social Responsibility Award".

In 2023, the new development direction has given TravelSky a new historical mission and brought us new opportunities and risks. As the main IT service provider in aviation and tourism industry, TravelSky will always adhere to the concept of sustainable development, adhere to the strategy of innovation and low-carbon development, seize historical opportunities, build a solid development foundation, and accelerate the pace of development. While strengthening and improving ourselves, we will empower the industry passing on value, and contribute to the sustainable development of the economy, society and environment.



# BOARD STATEMENT

The Board of Directors of the Company (the Board) takes overall responsibility for the Company’s ESG strategy and reporting. The Board and its Strategy and Investment Committee (Legal Compliance Committee) evaluated, prioritised and managed important ESG-related matters, and review ESG key performance and goals and progress by regularly reviewing ESG reports, listening to ESG work progress reports and reporting on the implementation of Board resolutions.

TravelSky has integrated ESG factors into our daily risk management. During the reporting period, the Board and its Audit and Risk Management Committee (Supervision Committee) conducted regular reviews on the progress of risk (including ESG risk) management and provided guiding opinions on ESG risk management. During the reporting period, the Board actively participated in the formulation and review process of major ESG goals.

On March 23, 2023, the Board deliberated on the Report, confirmed that the Report fully disclosed the ESG progress and effectiveness of TravelSky during the reporting period, assured that no fictitious record, misleading statement, or material omission is included in this Report, and approved its release.



## ABOUT US

### COMPANY PROFILE

TravelSky Technology Limited is the leading provider of information technology solutions for China's aviation and travel industry. The core businesses of the Company include aviation information technology service, distribution information technology service, accounting, settlement and clearing service for the aviation industry, etc. The Group has been devoted to developing leading products and services that satisfy the needs of all the industry participants – ranging from commercial airlines, airports, air travel products and services suppliers to travel agencies, institutional customers, travellers and cargo shippers – to conduct electronic transactions and manage travel-related information.

The Company was incorporated in the People's Republic of China (the "PRC" or "China") on October 18, 2000. Its H shares (stock code: 00696) were listed on The Stock Exchange of Hong Kong Limited on February 7, 2001. On December 27, 2002, the American depository shares under the Sponsored Level I American Depository Receipt Programme established by the Company commenced trading on the U.S. over-the-counter market (OTC). The H shares of the Company have been added to the lists of the MSCI Emerging Markets Index, Hang Seng Composite LargeCap & MidCap Index, Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect since 2015.

As of December 31, 2022, the largest shareholder of the Company is China TravelSky Holding Company Limited, which holds an equity interest of approximately 29.29% in the Company. A total of approximately 38.84% of the equity interest in the Company is held by 14 domestic shareholders, including China Mobile Capital Holding Co., Ltd., China National Aviation Holding Company Limited, China Southern Air Holding Company Limited and China Eastern Air Holding Company Limited. The remaining 31.87% of the equity interest in the Company is held by holders of its H shares.

As of December 31, 2022, the Group has more than 20 domestic subsidiaries in China, including the Accounting Centre of China Aviation Limited Company ("ACCA"), Cares Shenzhen Co., Ltd., Civil Aviation Cares of Qingdao Ltd., etc. The Group has nearly 10 overseas wholly-owned subsidiaries in Hong Kong, Singapore, Korea, Japan, the United States, and other regions and countries. Meanwhile, the Group holds interests in more than 10 associates, including Shanghai Civil Aviation East China Cares System Integration Co., Ltd., Aviation Cares of Southwest Chengdu, Ltd., TravelSky Mobile Technology Limited, etc.

The Group had 6,570 employees as of December 31, 2022.





## About Us

### PERFORMANCE SUMMARY

As the leading provider of information technology solutions for China's aviation and travel industry, the Company stands at a core-sector along the value chain of China's aviation and travel service distribution. The Company has been devoted to serving the needs of all industry participants ranging from commercial airlines, airports, travel products and service providers, travel agencies, travel service distributors or agents, corporate clients, travellers, and cargo shippers, as well as major international organisations such as International Air Transport Association (IATA) and government bodies, with the scope of services covering the provision of critical information systems on flight control, air ticket distribution, check-in, boarding and load planning, accounting, settlement, and clearing system, etc. With over four decades of tenacious research and development, the Company has built up a complete industry chain for aviation and travel information technology services, established a relatively comprehensive and competitively priced product line of aviation and travel information technology services with robust functionality, aiming to help all industry participants to expand their business, improve service quality, minimize operational costs and enhance operational efficiency, and ultimately bring benefits to travellers.

In 2022, the third year of the COVID-19 pandemic, the Omicron strain was still widespread around the world and the global aviation industry has not recovered as expected. The processed system capacity of the Group's electronic travel distribution (ETD) system on domestic and overseas commercial airlines was approximately 249.3 million, representing a decrease of approximately 42.4% over the same period in 2021.

The Company recorded a year-on-year increase in profitability because of the Company's year-on-year increase in the revenue from airport digital products business, the increase in income from asset disposal and the decrease in current R&D expenses in 2022. The revenue and operating results of the Group mainly came from the Group's operations in China. For Year 2022, profit before taxation of the Group was approximately RMB 735.1 million, representing an increase of approximately 10.7% over that in the year ended December 31, 2021 ("**Year 2021**"). Net profit attributable to shareholders of the parent was approximately RMB 626.5 million, representing an increase of approximately 13.6% over that in Year 2021.

The basic and diluted earnings per share of the Group in Year 2022 were RMB 0.21. The board of the Company proposed the distribution of a final cash dividend of RMB 0.053 per share for Year 2022.

For complete business and performance information, please visit the SEHK's website ([www.hkexnews.hk](http://www.hkexnews.hk)) or the Company's compliance website ([www.travelskyir.com](http://www.travelskyir.com)) "Investor Relations" column "Announcements", view the *2022 Annual Report* under Financial and ESG Reporting.



## CORPORATE CULTURE

<b>Development Vision</b>	To become the main IT service provider in aviation and tourism industry and a country-leading, internationally first-class information service provider
<b>Development approach</b>	Building platforms pooling data
<b>Core values</b>	carrying out a large-scale service
<b>Business philosophy</b>	Putting people first Strengthening the safety foundation Building trust with services Driving long-term development through innovation
<b>Code of conduct</b>	Putting information security first Winning customers with services Creating values with information  Striving for self-improvement through innovation and creativity Shouldering responsibilities to make a difference Working with stakeholders for win-win results Taking a down-to-earth approach to improve quality and efficiency

## HIGHLIGHTS

This Report fully responds to the content of the ESG Guide of the SEHK and the *Guidelines to the Central State-owned Enterprises Directly under the Central Government on Fulfilling Corporate Social Responsibilities* of SASAC. At the same time, this Report is in line with the international ESG reporting disclosure concept and refers to relevant indicators in the GRI Standard. This not only meets the disclosure requirements of various regulatory agencies for ESG reports of listed companies but also provides more perspectives for stakeholders to understand the Company's performance in the areas of environment, society, and governance.

This Report includes a special chapter on *Green Data Centre Supporting Low-Carbon Aviation* to better showcase our performance in building green data centres and serving the development of low-carbon aviation. At the same time, this Report fully demonstrates our highlights and performance in the areas of improving corporate management, practicing low-carbon development, encouraging technological innovation, and assuming social responsibility in the environment, society, and governance aspects in 2022.



## FEATURE: GREEN DATA CENTRE SUPPORTING LOW-CARBON AVIATION

Green development has become a distinctive feature of China's high-quality development. The goal of "carbon peak and carbon neutrality" has also been proposed, and economic and social development has been directed in a lower-carbon and sustainable direction.

Houshayu Data Centre of TravelSky is located in Shunyi District, Beijing. It was officially put into use in 2016, with a total design area of 71,233 square metres. The machine room covers a site area of 15,000 square metres and the number of cabinets is nearly 7,000. It is mainly used for Internet-related business and is the infrastructure base supporting TravelSky's aviation information business. It constantly transmits power for various civil aviation information products throughout the reporting period, carries the computing power demand for civil aviation data transportation and cloud computing, and is known as the nerve centre of the national civil aviation information system. With the wave of digital transformation, the Chinese government has introduced relevant policies to promote the low-carbon and standardised development of data centres, which brought new opportunities for the development of data centres and put forward more green requirements.

The National Development and Reform Commission's *Implementation Plan for the National Integrated Big Data Centre Collaborative Innovation System's Computing Hub* guides the development of the data centre industry, promoting the construction of a new type of computing network system that integrates data centres, cloud computing, and big data. This plan aims to facilitate the flow and application of data elements, achieving green and high-quality development of data centres.

## GREEN OPERATION AND MAINTENANCE WITH WIDE RECOGNITION

In response to the call of national policies, TravelSky continues to explore new development ideas of the low-carbon transformation of data centres to better cope with the energy consumption problems caused by the high-intensity operation of data centres. In 2022, the construction of the TravelSky data centre has been widely recognised in the industry and won several industry awards:

- In March 2022, Houshayu Data Centre was awarded the National Green Data Centre after a joint review by 6 departments including the Ministry of Industry and Information Technology, the National Development and Reform Commission, the Ministry of Commerce, the National Government Offices Administration, the China Banking and Insurance Regulatory Commission, and the National Energy Administration;
- In November 2022, the "Green Intelligent Operation and Maintenance Technology of Data Centre Infrastructure" of TravelSky was awarded the second prize of the Data Centre Technology Achievement Award by the China Engineering Construction Standardisation Association after evaluation.

CASE |

**TravelSky won the 2022 Data Centre Technology Achievement Award**

In November 2022, the 2022 data centre standard summit with the theme of “Gathering Dual Carbon Technologies and Consolidating the Foundation of Data” was held in Beijing. At the same time, the 2022 Data Centre Technology Achievement Award Ceremony was held, and TravelSky won the second prize in the “2022 Data Centre Technology Achievement Award”.

The Data Centre Scientific and Technological Achievement Award is known as the “Nobel Prize in the Data Centre Industry”, which is a major award in the data centre industry for recognition of advanced science and technology and innovative research and development. The Green Intelligent Operation and Maintenance Technology of Data Centre Infrastructure developed by TravelSky based on reporting periods of practical operation experience was awarded the second prize of the 2022 Data Centre Technology Achievement Award.



Figure: Data centre technology achievement award & certificate



## Feature: Green Data Centre Supporting Low-Carbon Aviation

### CASE |

The summit invited technical experts from the data centre industry to present three major chapters: “Innovations in Dual-Carbon Technologies”, “High-Quality Sustainable Development”, and “Excellent Technological Achievements Exhibition”. With an innovation-driven development strategy, the summit focused on hotspots in science and technology, gathered the latest industry achievements, explored the way forward for industry development, and opened up a new journey for the development of the data centre industry.

A representative from TravelSky gave a speech titled “Green Intelligent Operation and Maintenance Technology for TravelSky’s Data Centre Infrastructure” at the 2022 Data Centre Technology Achievements and White Paper Sharing Session. The speech shared TravelSky practice of using data-driven operation and maintenance for green intelligent management, as well as the achievements made (in 2021, the average PUE<sup>1</sup> of TravelSky’s data centre decreased from the design value of 1.58 to 1.2965). The content of the speech was widely recognised by experts in attendance and attracted extensive attention from the industry.



Figure: Sharing speech on scientific and technological achievements in the data centre

PUE (Power Usage Effectiveness) is a metric used to evaluate the energy efficiency of a data centre. The closer the PUE value is to 1, the more efficient the data centre is in terms of energy usage. The PUE indicator has become a widely accepted measure of data centre power usage efficiency internationally.

## LOW-CARBON MANAGEMENT CREATES GREEN INFRASTRUCTURE



Figure: Houshayu Data Centre of TravelSky

TravelSky continuously strengthens the low-carbon management of data centre by transforming key operational facilities. We have established a more modern and greener operating platform and management system to ensure high-quality, efficient, and low-cost operation throughout the entire lifecycle of the data centre.

The cooling system, air conditioning system, and fresh air system, as key facilities for temperature regulation in data centres, play an important role in reducing the operating temperature of equipment and are critical facilities for reducing data centre energy consumption.

TravelSky continues to innovate and iterate on key facilities, further improving the energy conversion efficiency during operation, achieving the effect of saving energy and reducing carbon emissions.



Figure: Cooling centre (left) and data centre machine room (right)

## Feature: Green Data Centre Supporting Low-Carbon Aviation

### Cooling system

- Chiller units: Adjusting the operating frequency of the chiller unit can reduce the energy consumption of the chiller unit;
- Cooling water electric heating: Automating the cooling water electric heating can improve the efficiency of machine operation;
- Chilled water temperature: Raising the chilled water temperature from 11.5°C to 16°C can reduce the energy consumption caused by chilled water.

### Air conditioning system

- Precision air conditioning: Lowering the operating air velocity can save 61% energy consumption;
- Dehumidifiers: Achieving precise automatic control of the dehumidifier can reduce its operating time and energy consumption.

### Fresh Air System

- Fresh air unit: Using a dehumidifier instead of the fresh air system for dehumidification to reduce the operating time of the fresh air system and lower energy consumption.

In 2022, China's dual carbon strategy continued to deepen, and it was also a key reporting period for the layout of the "East Calculation, West Algorithm" project. The central and local governments have launched a series of measures, including clear requirements for the PUE of data centres. While ensuring the safe operation of data centres, TravelSky will continue to implement a steady and pragmatic approach and make continuous efforts in the green, low-carbon, and intelligent operation and maintenance of data centres. By relying on the establishment of an infrastructure management platform and innovative core technologies for intelligent operation and maintenance of data centres, we will jointly promote the development of green data centres from both technical and management perspectives.

# 1. LEAN MANAGEMENT BOOSTING COMPANY DEVELOPMENT

Good corporate governance is the cornerstone of a company's development. TravelSky is committed to optimising our corporate governance level and improving the internal control and risk resistance capabilities. This is achieved through the establishment of a sound governance structure and internal compliance management mechanism. The Company also places great importance on ensuring the legitimate rights and interests of our shareholders and other stakeholders through good management practices, which are continually being refined and improved over time. TravelSky aims to achieve high-level sustainable development and has established a sound governance structure for sustainable development, continuously transmitting its positive influence and building a responsible supply chain. The Board has reviewed and determined the main ESG goals for the reporting period and continues to promote the Company's sustainable development process through lean management.

## 1.1 RESPONSIBILITY GOVERNANCE OPTIMISING GOVERNANCE

TravelSky continuously improves its corporate governance and protects the rights and interests of shareholders to the greatest extent by continuously optimising its governance structure and improving its internal control. During the reporting period, TravelSky continued to improve the level and awareness of internal compliance management, and promoted development through management. We created sustainable value for all stakeholders through stable operation and management.

### 1.1.1 Improvement of governance structure

A sound corporate governance structure is an important foundation for the operation and development of a company. TravelSky strictly adheres to a series of laws and regulations, such as the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Company Articles of Association*, and the *Listing Rules of Hong Kong*. We standardise the responsibility of governance entities, strengthen internal control and information disclosure work, and enhance compliance management and risk control to improve our governance structure. As at the end of the reporting period, the Board consisted of 9 directors, with external directors accounting for more than half of the total number of directors, and at least 3 independent non-executive directors. During the reporting period, 7 Board meetings and 2 general meetings were held. For details on corporate governance, please refer to the *Corporate Governance Report* in the *2022 Annual Report* of the Company.





## 1. Lean Management Boosting Company Development

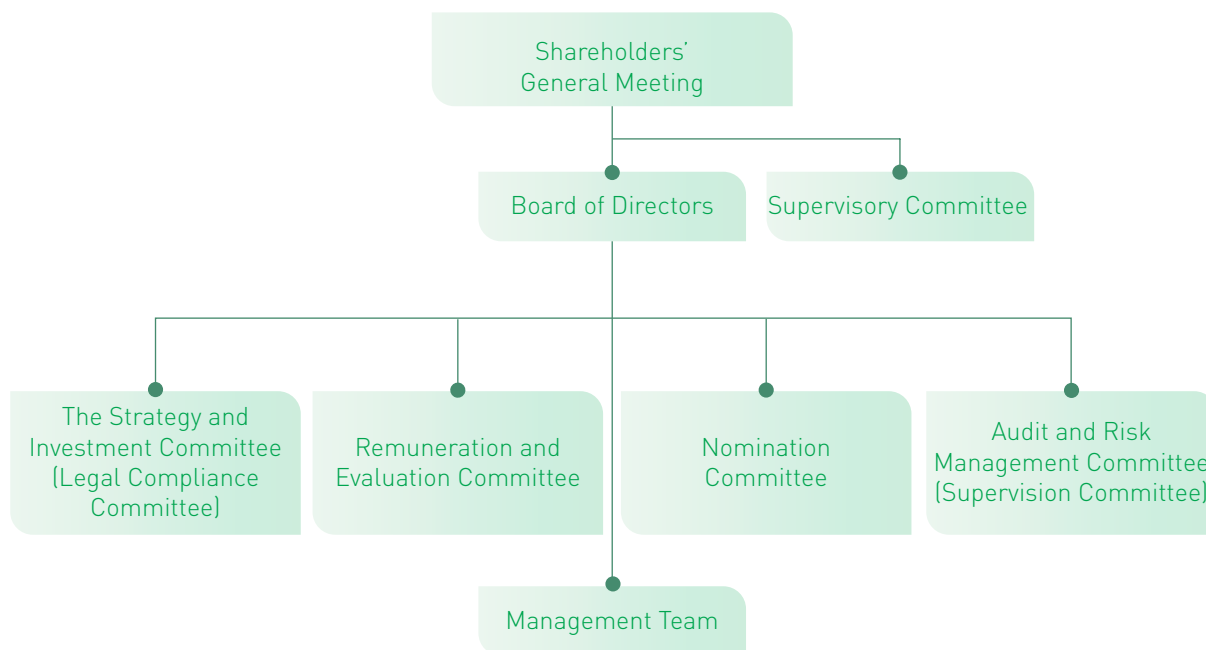


Figure: Corporate Governance Structure of the Company

Note: As stated in the announcement of the Company dated January 18, 2023, upon approval by the Board, the Audit and Risk Management Committee was renamed as the Audit and Risk Management Committee (Supervision Committee)

### 1.1.2 Protection of interests of shareholders and investors

The Company continues to pay attention to regulatory requirements and capital market demands, attaches great importance to protecting the rights and interests of shareholders and investors, and is committed to ensuring that shareholders and investors can obtain comprehensive, equal, and easily understandable company information in a compliant and fully disclosed manner. We strive to ensure that shareholders can exercise their rights with full knowledge and continuously optimise various channels to promote communication and exchange with shareholders and investors. If you need to contact our investor relations team, please send an email to [ir@travelsky.com.cn](mailto:ir@travelsky.com.cn) or call 010-57650696.

The Company protects the rights and interests of investors by continuously improving its stable operation capability. The Company distributes annual final dividends in cash every reporting period. The total amount of such cash dividends accounts for approximately 30%–40% of the Company's after-tax profit for the reporting period. On March 23, 2023, the Board of the Company proposed the distribution of a final cash dividend of RMB 155.1 million, representing RMB 0.053 per share for Year 2022.

The Company's unique business, stable operation, sound finance, continuous dividend policy, honest and timely disclosure have attracted the attention of long-term value investors. In 2022, the Company won multiple awards, including the "8th Hong Kong Investor Relations Excellence Award" from the Hong Kong Investor Relations Association, the "Best Investor Relations" award and the "Best ESG" award from "China Financing" magazine's "2021 China Financing Awards".

- Compliance information disclosure in Chinese and English – **84**
- Chinese and English Voluntary Information Release – **40**
- Response to calls from investors – nearly **3,000** calls/seals
- E-mail push of corporate news – over **10,000** person-times
- Company compliance website visits – over **180,000** person-times
- Communication with domestic and overseas investors – over **800** person-times
- Research reports published by overseas securities companies – nearly **30**

### 1.1.3 Compliance operation

Operating in compliance with laws and regulations is the cornerstone of a company's stable development. TravelSky attaches great importance to compliance management, adheres to legal and honest operations, complies with relevant laws, regulations, and industry regulatory policies. With the goal of "strengthening internal control, preventing risks, and promoting compliance", TravelSky continuously improves its internal control system, strengthens risk management, and enhances the construction of its compliance management system.

During the reporting period, we actively implemented the "Strengthening Compliance Management Year" work tasks, formulated and implemented plans, held mobilisation and deployment meetings, and stage work promotion meetings. From eight aspects including strengthening organisational leadership, enhancing system construction, strengthening network security, and data management, we have significantly improved the Company's overall compliance awareness and compliance management level.



## 1. Lean Management Boosting Company Development

Internal Control Management	<p><b>Carry out Internal Control Evaluation</b></p>	<ul style="list-style-type: none"> <li>Conducting 2 evaluations of internal control effectiveness, summarised the Company’s relevant internal control and risk management situation, and reported to the Board and its subordinate Audit and Risk Management Committee in March and August 2022, respectively. We also disclosed the results in the annual report.</li> </ul>
	<p><b>Strengthen Internal Control Supervision</b></p>	<ul style="list-style-type: none"> <li>Conducting 20 internal control supervision checks, involving a total of 20 units, achieving full coverage of internal control supervision checks for three reporting periods, and promoting continuous improvement of internal management levels for all units.</li> </ul>
	<p><b>Conduct Internal Audit</b></p>	<ul style="list-style-type: none"> <li>Conducting 36 internal audits, involving a total of 31 units, achieving full coverage of internal audits for nearly 5 reporting periods, establishing and improving a long-term mechanism for audit rectification, using audits to promote management, and effectively applying the results of audit work to actual business management.</li> </ul>
Risk Management	<p><b>Improve the Risk Management and Control Mechanism</b></p>	<ul style="list-style-type: none"> <li>Improving the management and control mechanism of major risks, and revising the <i>Management Regulations on the Reporting of Major Business Risk Events</i> and other institutional documents;</li> <li>Revising 274 risk items in the risk database, including adding descriptions of new risk content and responsible departments, and merging or deleting individual risks.</li> </ul>
	<p><b>Prevention and Mitigation of Operational Risks</b></p>	<ul style="list-style-type: none"> <li>Conducting risk assessments, strengthening risk management and control, actively organising risk prevention, monitoring the implementation of relevant risk response measures every quarter, and properly resolving various business risks faced by the Company.</li> </ul>

**Improve Compliance Management System**

- Strengthening organisation and leadership, establishing the Compliance Committee to coordinate compliance management, accelerating the appointment of a Chief Compliance Officer, establishing a “Compliance Department”, and appointing 301 part-time compliance managers;
- Reviewing 274 company regulations, revising the *Compliance Management Measures, Compliance Manual*, and other regulations, and clarifying that each unit should incorporate compliance reviews as a necessary procedure into the business management process;
- Formulating special guidelines for 9 key areas, including network security and data protection, market transactions, business partners, investment and mergers and acquisitions, corporate governance, labour employment, finance and taxation, intellectual property rights, and safety and environmental protection.

**Compliance Management**

**Compliance Management Informatisation Construction**

- Developing compliance management system;
- Implementing intelligent presentation of compliance regulations, typical cases, compliance training, and records of non-compliant behaviour, and using information technology to embed compliance requirements and control measures into processes.

**Build a Compliance Culture**

- Establishing a regular compliance training mechanism;
- Organising a total of four special compliance training sessions, covering basic knowledge of establishing a compliance management system, network security and data compliance, anti-monopoly, bidding and procurement, and other aspects, to help the Company enhance its compliance awareness;
- Creating and Releasing the *Compliance Commitment* and organising all departments, branches and subsidiaries to sign the *Compliance Commitment*. As of the end of 2022, the leaders of all 22 departments and 47 branches and subsidiaries have signed the commitment.



## 1. Lean Management Boosting Company Development

TravelSky is committed to establishing a long-term management mechanism and has formulated and issued internal management systems such as the *Measures of the Party Committee of TravelSky Technology Limited on Implementing the Main Responsibility of Party Conduct and Clean Government Construction*. During the reporting period, we revised the *Measures for Assessment and Evaluation of Party Conduct and Clean Government Construction and Anti-corruption Work of TravelSky Technology Limited* to further improve the evaluation system of anti-corruption work. During the reporting period, no violation of relevant laws was found. During the reporting period, TravelSky organised various forms of anti-corruption activities, covering leaders and employees at all levels, which comprehensively improved employees' awareness of integrity. For the Board of Directors, we hold an annual warning conference to communicate relevant requirements for ethical and compliant conduct:

Strengthening the integrity awareness of leaders:

- Held 2 leading group meetings on Party conduct and clean governance and anti-corruption during the reporting period by the Party Committee of the Company;
- Organised and convening the 2022 Party Conduct and Integrity Construction and Anti-corruption Work and Warning Education Conference of TravelSky;
- Formulated and issued the *Key Points and Task Division of the Party Committee of TravelSky on Building a Clean Party and Anti-corruption Work in 2022*, and signed the *Responsibility Letter for Building a Clean Party* with 40 direct Party committees;

Conducting integrity education in all aspects:

- Organised 162 management personnel to participate in special online anti-corruption training;
- Organised employees at all levels to watch the anti-corruption documentary *Zero Tolerance*;

Various forms of publicity:

- Made full use of various platforms to strengthen anti-corruption publicity.

TravelSky strictly abides by the *Criminal Law of the People's Republic of China*, the *Anti-Money Laundering Law of the People's Republic of China*, the *Provisions on the Integrity of Leaders of State-owned Enterprises* and other laws and regulations related to the prevention of bribery, extortion, fraud and money laundering. During the reporting period, the Group was not aware of any corruption lawsuits against the Company and its employees. TravelSky has set up a complete and transparent complaint and reporting management and handling process, set up and published the mailing address, reporting mailbox and telephone number, and unblocked the channels for Party members and the masses to reflect the situation and carry out supervision. The special department shall handle the clues of problems and strictly register, submit for approval, transfer and investigate the procedures. Whistle-blowing information is kept strictly confidential to ensure that whistle-blowers will not be retaliated for reporting through legitimate channels. At the same time, TravelSky has signed the *Anti-Corruption Agreement* with its bidding agency, which has established a system of signing anti-commercial bribery agreements with suppliers when signing contracts.



2022 Party Conduct and Integrity Construction and Anti-corruption Work and Warning Education Conference of TravelSky

## 1.2 RESPONSIBLE OPERATION AND SUSTAINABLE DEVELOPMENT

TravelSky actively implements the concept of sustainable development, understands the demands of various stakeholders and responds to them. In accordance with the relevant requirements of the SASAC and the ESG Guide, TravelSky has integrated ESG factors into our operations to facilitate the sustainable development of the society.

### 1.2.1 Responsibility concept and governance

TravelSky has continuously improved its sustainable development management system and established a hierarchical management structure. The Board, as the top management level, is responsible for overseeing the ESG strategy and reporting of TravelSky and assumes full responsibility. The Strategy and Investment Committee (Legal Compliance Committee) under the Board is responsible for the governance of sustainable development, and the Audit and Risk Management Committee is responsible for the supervision of sustainable development risks. The Department of Strategic Development Department and Reform, as the responsible departments for the sustainable development of TravelSky, is responsible for coordinating and promoting the implementation of sustainable development governance. Each functional department is divided into six modules, including corporate governance, environmental protection, human resources, responsible procurement, product services and community investment, and each department is responsible for the management of issues within the scope of responsibilities of the department. Business departments, branches and subsidiaries are responsible for cooperating with the responsible department and the marketing department to adhere to the concept of sustainable development in terms of product responsibility and customer service. During the Reporting period, based on the actual situation of the Company, we sorted out and improved the ESG indicator system, continued to complete the determination and management of ESG objectives, and improved the Board's participation in the whole process of ESG affairs.



# 1. Lean Management Boosting Company Development

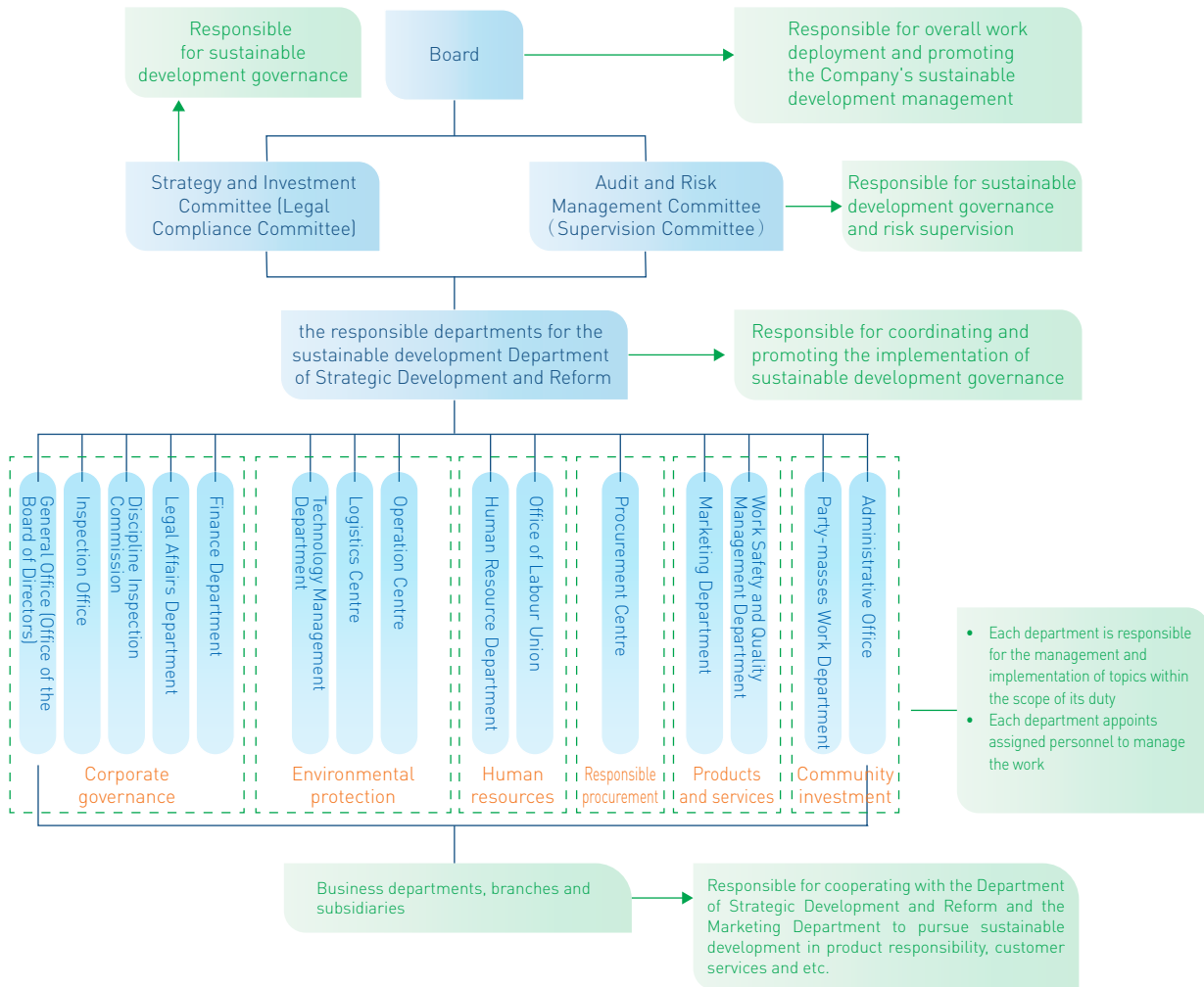


Figure: Organisational structure of TravelSky's sustainable development work

In 2022, TravelSky were selected as the "Top 50 Pioneer Central Enterprises in ESG" by the SASAC, the Third "General Aviation Enterprise Social Responsibility Award" and other honours. During the Reporting period, the Board and senior executives participated in ESG training with the theme of "Giving Full Play to the Role of the Board of Directors in ESG Management", which further improved the management level of the Board and employees on TravelSky's ESG work.

## 1.2.2 Materiality analysis

In 2022, based on the significant changes in the domestic and international economic environment and the characteristics of the Company's own development, combined with the GRI Standards, the "ESG Guide" of the SEHK and the mainstream ESG rating index of the capital market, we updated the material issues from two dimensions, the "importance of economic, environmental and social impacts" and the "importance to stakeholders".

Materiality Matrix

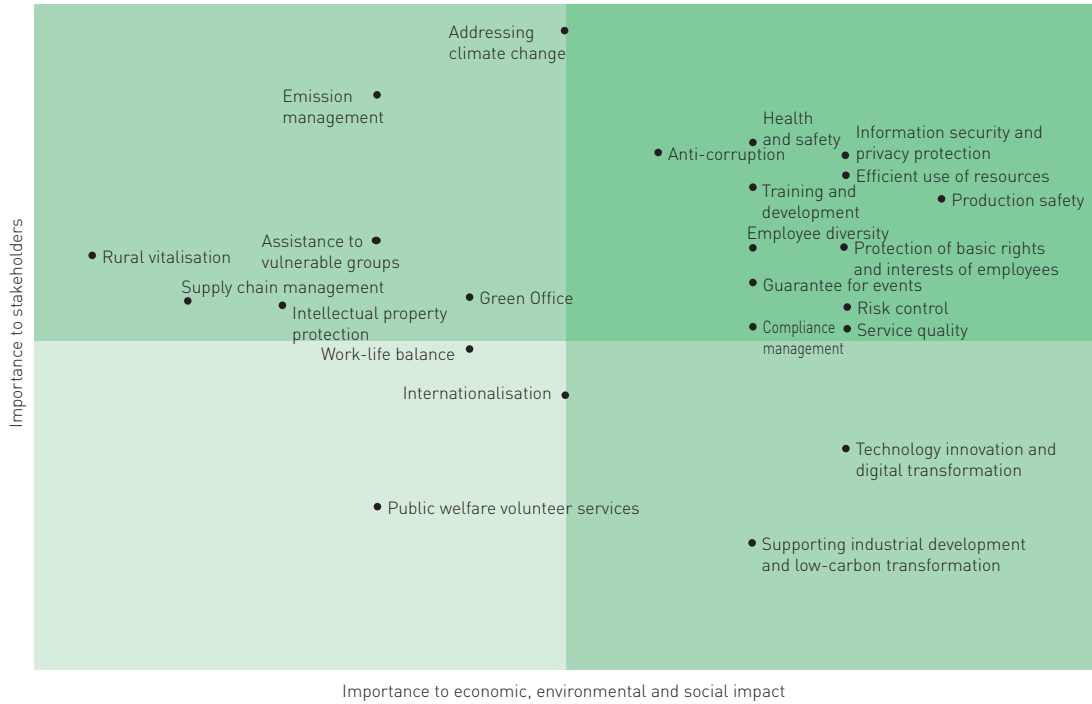


Figure: 2022 Materiality Matrix of TravelSky

2022 Materiality Issues of TravelSky:

Environmental aspects	Social aspects		Governance aspects
Efficient use of resources	Production safety	Public welfare volunteer services	Compliance management
Addressing climate change	Information security and privacy protection	Intellectual property protection	Risk control
Emission management	Protection of basic rights and interests of employees	Supply chain management	Anti-corruption
Green Office	Service quality	Guarantee for events	
	Work-life balance	Assistance to vulnerable groups	
	Health and safety	Supporting industrial development and low-carbon transformation	
	Training and development		
	Employee diversity		
	Technology innovation and digital transformation	Rural vitalisation	
	Internationalisation		





## 1. Lean Management Boosting Company Development

### 1.2.3 Communication with Stakeholders

The concerns of stakeholders have an important impact on the ESG development of TravelSky. TravelSky insists on working together with stakeholders. In daily operation and management, TravelSky has established communication mechanism with various stakeholders through various forms to better understand and respond to the demands of stakeholders.

Types of stakeholders	Expectations and demands	Communication Channels	Our Response
Government and regulatory authorities	Compliance with laws and regulations	Meetings Work reports	Strengthening compliance operation management
	Tax payment according to law	Routine inspection	Participate in the formulation of industry standards
	R&D on civil aviation information systems	Public reporting	Strategic cooperation
	Implementation of dual carbon policy		Improving policy formulation and management mechanism
Investors	Robust operation	Statements, announcements	Building up competitiveness and profitability
	Good return on revenue	Daily communication	Strengthening market value management
	Transparency on information disclosure	Investor meetings	Timely information disclosure and better investor relations
Customers	Integrity and contract performance	Customer service hotline	Improving customer complaint management mechanism
	Guaranteed quality	Customer satisfaction survey	Return visits to customer complaints
	High-quality services	Customer communication platform	

Types of stakeholders	Expectations and demands	Communication Channels	Our Response
Employees	Remuneration and benefits	General Manager Mailbox	Employee rights protection
	Career development	Workers' Congress	Improving the talent training system and establishing a professional title assessment mechanism
	Health and safety		Health protection
Suppliers	Business ethics	Business communication	Contract execution with integrity
	Transparent procurement	Seminars or discussions	Open procurement, electronic procurement
	Win-win cooperation		Business exchange and cooperation, seminars
Community	Reliable services for major events	Community welfare activities	Providing safe and thoughtful information protection services
	Contribution to rural vitalisation	Community co-construction activities	Supporting the Rural Revitalisation of Shenchi County
	Volunteering services		Carrying out charity activities
	Humanitarian aid		
Industry peers	Fair competition	Business communication	Reject vicious competition
	Driving industry progress	Experience exchange	Active participation in industry exchanges



## 1. Lean Management Boosting Company Development

### 1.3 RESPONSIBILITY PLATFORM TO CREATE VALUE

Fair and sustainable supply chain management is a key factor for the high-quality development of TravelSky. Adhering to the principles of fairness, justice and openness, TravelSky standardises the management of all aspects of procurement, works closely with peer companies and suppliers, continuously strengthens supplier management and informatization construction of procurement platform, and creates an open, fair, transparent and honest responsible supply chain.

#### 1.3.1 Building a responsible supply chain

In strict compliance with laws and regulations, such as the *Bidding Law of the People's Republic of China* and the *Regulation on the Implementation of the Bidding Law of the People's Republic of China*, TravelSky has developed a series of internal management systems. These include the *Measures for the Administration of Tendering and Procurement*, the *Measures for the Administration of Non-Tendering Procurement*, and the *Measures for the Administration of Suppliers* to identify and manage environmental and social risks at each link in the supply chain. Through continuous improvement of the system, TravelSky has established a procurement principle that follows the "market access system" to select excellent suppliers based on comprehensive factors, including price, quality, technology leadership, integrity, and other conditions. This principle covers all suppliers involved in the Company's procurement process.

TravelSky gives priority to the procurement of "green products or green manufacturing products" to promote suppliers to fulfil their social responsibilities. At the same time, in order to further identify and manage the environmental and social risks in the supply chain, TravelSky has established a implementation and monitoring method to continuously strengthen the negative list and one-vote veto system for unqualified suppliers and suppliers with misconduct, which prohibits dishonest suppliers from participating in procurement activities. TravelSky continuously refines the risk warning and misconduct identification of suppliers. In terms of employees' awareness of integrity and self-discipline and legal compliance, TravelSky will continue to carry out relevant legal learning and training activities to improve the professional ability of procurement personnel.

During the Reporting period, TravelSky revised the *Procurement Management Measures*, which stipulated that the procurement centre is responsible for the procurement of various important production materials other than consumables and key resources for production and operation such as maintenance services for production equipment. At the same time, we issued the *Notice on Matters Related to Self-procurement due to Actual Work Needs*, which specified the circumstances under which each of the eight categories of departments can purchase by themselves, and further improved the overall procurement quality of TravelSky. During the reporting period, TravelSky did not find any actual violations of discipline and laws in the procurement supervision work.

TravelSky prevents information leakage, damage and loss of suppliers through reasonable and effective information security technology and management process. When collecting supplier information, only necessary information is collected, and the disclosure of supplier and personnel information is strictly prohibited. The Group will continue to improve the ability to identify and monitor the environmental and social risks of suppliers as well as encourage suppliers to jointly improve their sustainable development performance.

### 1.3.2 Supporting supplier development

In order to better learn about the management and actions of suppliers in terms of production safety and environmental protection, TravelSky actively carries out supplier exchange activities. At the same time, to further improve the green level of procurement, TravelSky insists on reducing unnecessary resource consumption in the procurement process and reducing the amount of printing paper through online communication and electronic office.

In 2022, TravelSky improved decision-making efficiency by combining the centralised review of procurement needs. At the same time, effective measures such as signing framework contracts were adopted to continuously improve the centralised procurement rate, shorten the procurement cycle and further improve the income of suppliers, achieving a win-win cooperation between the Company and suppliers. In 2022, TravelSky signed 7 framework procurement contracts, and the procurement cycle of similar projects was shortened by approximately 30 days.

Supplier Data:

Item	Unit	2020	2021	2022
Number of suppliers for centralised procurement	/	101	86	122
Proportion of local suppliers (Beijing)	%	81.2	86.0	77.0
Number of suppliers by geographical region (including suppliers of consumables and office supplies) <sup>2</sup>	/	North China 82 <sup>3</sup> East China 8 South China 3 Southwest China 2 Central China 1 Northwest China 1 Hong Kong, Macao, and Taiwan 4	North China 74 East China 4 South China 4 Southwest China 1 Central China 2 Hong Kong, Macao, and Taiwan 1	North China 96 East China 13 South China 5 Southwest China 2 Central China 3 Hong Kong, Macao, and Taiwan 3

<sup>2</sup> Due to changes in statistical methods, we updated the number of suppliers in 2020 and 2021.

<sup>3</sup> We divided the geographical region of suppliers based on the location of their operated commodities. The specific geographical regions and cities are as follows:

North China: Beijing, Shijiazhuang, Xiong'an New Area, Hebei;

East China: Shanghai, Jinan, Suzhou, Hangzhou, Jiaxing, Qingdao;

South China: Guangzhou, Shenzhen, Xiamen, Ganzhou;

Southwest China: Chongqing, Chengdu, Kunming;

Central China: Wuhan, Zhengzhou;

Northwest China: Xi'an;

Hong Kong, Macao, and Taiwan: Hong Kong.



## 2. GREEN DEVELOPMENT, NEW JOURNEY

Green development is related to the people's livelihood and well-being, as well as the sustainable development of future generations. It is an inevitable requirement for the construction of ecological civilisation. TravelSky is committed to green development, implementing the concept of green development. The Company strives to implement the national dual carbon strategy, promotes the continuous improvement of ecological environment with practical actions, and demonstrates the social responsibility of TravelSky. In 2022, we continued to improve the environmental management system, strengthened the top-level design in pursuit of green development. In the meanwhile, we accelerated the low-carbon transformation of the industry and technology research and development to help achieve the goal of dual carbon as well as started a new journey of green development.

### 2.1 STRICT AND SOLID ENVIRONMENTAL MANAGEMENT

In 2022, TravelSky continued to implement the ecological civilisation concept proposed by General Secretary Xi Jinping, striving to practice green development and low-carbon strategies. TravelSky actively responded to the call for energy conservation and emission reduction, adhered to green development and operation, reduced pollutant emissions, and improved resource and energy efficiency. In addition, we insisted on giving full play to our professional advantages, expanding the effectiveness of energy conservation, and contributing to the construction of a beautiful China with practical actions.

TravelSky strictly abides by the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China* and other related national and local environmental protection laws and regulations, and fully implements the *2030 Carbon Peak Action Plan*. During the reporting period, we continued to improve the environmental management system, continuously refined more specific measures for different pollutants and energy management, and strictly controlled and managed various pollutant emissions by conducting daily measurements and monitoring.

The energy used by TravelSky includes purchased electricity, gas, and natural gas, of which purchased electricity is our main energy source. We have gradually established an energy management system and formulated relevant management objectives in accordance with GB/T23331-2020 *Energy Management System Requirements*, in which our own energy consumption characteristics and energy management needs have been taken into account.

TravelSky has established the dual carbon working group as the management body of the Group's environmental management. The operation centre, logistics centre, technology management department and other departments, as the execution departments, cooperate with each other. In order to ensure the effective implementation of energy conservation and emission reduction work, the working group disassembled various energy conservation and emission reduction indicators to each department based on the energy consumption of each branch and subsidiary in the previous reporting period, and conducted annual assessment. The result has been included in the scope of departmental operating performance assessment.

## 2.2 GREEN OPERATION AND ACTIVE PERFORMANCE OF RESPONSIBILITIES

TravelSky integrates the requirements and concepts of green energy conservation into production and operation activities. By continuously establishing and improving the emission and energy consumption monitoring system, the employees' awareness and professional level of energy conservation and emission reduction are improved which is critical to the low-carbon development of the enterprise. During the reporting period, we continued to promote efficient use of resources and pollution prevention and control, and actively fulfilled our social responsibilities.

### 2.2.1 Efficient use of resources

In the daily operation process, TravelSky pays attention to the effective use of resources, and further improves the efficiency of resource use through more refined and intelligent management measures. During the reporting period, the electricity consumption of Houshayu Park decreased by 210,000 kWh as compared with the previous reporting period, representing a decrease of 126.84 tonnes of carbon dioxide equivalent. During the reporting period, TravelSky completed the resource utilisation target of the Houshayu Park with an annual office power of no more than 16,000,000 kWh. At the same time, we have set a domestic water management target of zero growth in management water consumption per capita in 2023, and the total management water consumption being the same as that in 2019.

TravelSky has strictly implemented practical and effective energy conservation and emission reduction measures for different types of resources:

#### Natural gas

##### Heating season:

- The opening and shutdown temperatures of the boiler are adjusted in a timely manner in response to weather temperature changes. This ensures a good match between the heat supplied through the pipe network and actual demand while meeting heating requirements. The main and auxiliary boiler start and stop temperatures are set to maintain optimal heating load based on air temperature changes;
- To maintain the heating standard temperature while maximizing energy efficiency, the flow control valve of the heating pipe network is regulated and the secondary return water flow rate of the heat exchange station is optimized to reduce excess heat supply and avoid unnecessary energy consumption.

##### Non-heating season:

- To optimize energy efficiency and reduce natural gas consumption, the Company integrate solar energy equipment into our hot water supply system during non-heating periods. The boilers operate intermittently, primarily as backup, and are programmed to run at reasonable intervals (morning/evening) based on the outdoor temperature. This ensures a continuous supply of hot water for daily living needs while maximizing the utilization of solar energy.



## 2. Green Development, New Journey

<b>Electricity</b>	<p>Electricity consumption is decreased through the management of office lighting and reduction of unnecessary power-consuming equipment:</p> <ul style="list-style-type: none"><li>• Controlling the operation mode and time of air conditioners, and adjust the operating temperature to reduce the operating load of air conditioners;</li><li>• Adjusting the opening and closing time of the lighting equipment to reduce the power consumption of lighting equipment;</li><li>• Adjusting elevator operation mode and operation time to achieve the goal of energy conservation, emission reduction as well as improving energy efficiency.</li></ul>
<b>Water resources</b>	<p>Water conservation:</p> <ul style="list-style-type: none"><li>• Using collected rainwater for greening and irrigation in the park in spring and autumn, saving 2,000 tonnes of water per year;</li><li>• Installing water leakage alarm devices in water tanks and water tanks to facilitate timely maintenance by management personnel and avoid a large amount of water waste, arranging on-duty staff to conduct irregular inspections;</li><li>• Using municipal reclaimed water as irrigation water in the park to increase the using percentage of municipal reclaimed water.</li></ul>



Figure: Green sprinkler irrigation in Houshayu Park

The Group insists on using water, electricity and other resources in a scientific and reasonable manner. During the reporting period, the water consumption of TravelSky was mainly production water. According to the relevant standard documents, Houshayu Park has set annual indicators for tap water, reclaimed water and self-owned well water. The annual water consumption target for tap water is 120,000 tonne/year, reclaimed water is 1,829,000 tonne/year, water from own wells is 80,000 tonne/year. At the same time, the Group's place of operation does not cover areas where water resources are scarce and does not involve the issue of sourcing suitable water, so relevant information disclosures are not applicable.

Indicators	Unit	2022
<b>Energy consumption</b>		
Consumption of electricity	MWh	191,829.5
Intensity of electricity consumption	MWh/RMB million of income	36.8
Consumption of gasoline (vehicle)	L	129,905.0
Intensity of the consumption of gasoline (vehicle)	L/vehicle	593.1
Consumption of natural gas	m <sup>3</sup>	1,798,230.0
Intensity of the consumption of natural gas	m <sup>3</sup> /RMB million of income	345.1
Consumption of purchased heat	GJ	5,724.6
Intensity of the consumption of purchased heat	GJ/RMB million of income	1.1
Consumption of diesel	tonne	28.3
Total consumption of direct energy	MWh	20,930.4
Intensity of direct energy consumption	MWh/RMB million of income	4.0
Total consumption of indirect energy consumption	MWh	193,418.8
Intensity of indirect energy consumption	MWh/RMB million of income	37.1
<b>GHG emissions</b>		
Emission by vehicles (Scope 1)	tonne	288.5
Emission by diesel (Scope 1)	tonne	88.8
Emission by natural gas (Scope 1)	tonne	3,888.1
Emission by electricity consumption (Scope 2)	tonne	111,452.9
Emission by purchased heat consumption (Scope 2)	tonne	629.7
Direct (Scope 1) GHG emissions <sup>4</sup>	tonne	4,265.5
Intensity of direct (Scope 1) GHG emissions	tonne/RMB million of income	0.8
Indirect (Scope 2) GHG emissions <sup>5</sup>	tonne	112,082.6
Intensity of indirect (Scope 2) GHG emissions	tonne/RMB million of income	21.5
Total greenhouse gas emissions	tonne	116,348.1
Intensity of GHG emission	tonne/RMB million of income	22.3
<b>Resources consumption<sup>6</sup></b>		
Consumption of total water	tonne	483,323.0
Intensity of total water consumption	tonne/RMB million of income	92.8
Tap water	tonne	90,419.0
Water from own wells	tonne	70,346.0
Reclaimed water	tonne	322,558.0

<sup>4</sup> The calculation of greenhouse gas of gasoline and diesel based on the *Guidelines for Accounting and Reporting of Carbon Dioxide Emissions by Enterprises (Units)*.

<sup>5</sup> The calculation of greenhouse gas of electricity based on the *Notice on Key Work Related to the Management of Greenhouse Gas Emission Reports for Enterprises in 2022*. The calculation of greenhouse gas of purchased heat based on the *Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions from Enterprises in Other Industrial Industries*. Besides, the calculation of greenhouse gas of natural gas based on the *Notice on Key Work Related to the Management of Greenhouse Gas Emission Reports for Enterprises in 2022*.

<sup>6</sup> The data scope included Houshayu Park and Dongsi data centre.





## 2. Green Development, New Journey

### 2.2.2 Strengthening pollution prevention and control

TravelSky attaches great importance to the prevention and control of pollution, and strictly abides by laws and regulations such as the *Law of the People’s Republic of China on the Prevention and Control of Air Pollution*, the *Law of the People’s Republic of China on the Prevention and Control of Water Pollution*, the *Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, and the *Regulations on the Management of Waste Electrical and Electronic Products Recycling and Treatment*. For hazardous and non-hazardous waste, domestic sewage, we have formulated strict institutional regulations, and have carried out daily measurement, monitoring, and management work to ensure that all types of pollutants meet discharge standards. During this reporting period, we have set targets to reduce hazardous and non-hazardous waste emissions, with plans to achieve the following by 2025:

- Compared to 2023, the emissions of non-hazardous waste in the park will decrease by 5% by the end of 2025;
- Compared to 2023, the total amount of hazardous waste generated in the park will be controlled at an average of around 1,000 per year by the end of 2025.

TravelSky set long-term emission management targets for pollutants and achieved them all in 2022. Due to the business characteristics, the Group is currently not involved in the use of packaging materials.

Emission and prevention targets for pollutants in TravelSky Houshayu Park:

- Nitrogen oxide emissions do not exceed 2.26 tonnes;
- The emission concentration of kitchen lampblack conforms to the *Emission Standard of Catering Air Pollutants*.

TravelSky regularly organises monitoring of air pollutants, kitchen lampblack and sewage discharge and timely implements corrective measures for any abnormal situations. TravelSky carries out pollutant management in the following ways:

<b>Wastes</b>	<ul style="list-style-type: none"><li>• Strictly following the national and local government regulations on the management of household waste and implementing the classification and collection of household waste.</li><li>• For self-managed office spaces, signing a waste disposal agreement with the local professional waste management unit to ensure daily waste removal and have the waste uniformly transported by the waste management service to the government-designated recycling and treatment station.</li><li>• Achieving waste utilisation through old item donations, exchanges, and other forms.</li></ul>
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<b>Domestic sewage</b>	<ul style="list-style-type: none"> <li>For domestic sewage generated by business operation, flowing into the outdoor septic tank through the pipeline, turning to be reclaimed water for toilet flushing and greening etc., thus saving water resources.</li> </ul>
<b>Nitrogen oxide</b>	<ul style="list-style-type: none"> <li>Strictly following the technical requirements of the <i>Pollution Discharge Permit</i> for boilers issued by our group, organising third-party testing units to conduct regular monthly inspections on the pollutant emissions from the boilers.</li> <li>Adjusting the operating supply and return water temperature of the boilers in a timely manner based on changes in temperature and historical operating data from the same period in previous reporting periods. Using the boiler control system to set temperature differentials for the main and auxiliary boilers, thus achieving a stable, efficient, and environmentally friendly operating state for the boilers.</li> <li>After the end of each heating season, conducting comprehensive maintenance and cleaning of the boiler furnace to ensure the safe and environmentally friendly operation of the boiler system.</li> </ul>
<b>Kitchen lampblack</b>	<ul style="list-style-type: none"> <li>In strict accordance with the relevant requirements of the <i>Discharge Standards for Air Pollutants in Catering Industry</i>, regularly organizing third-party inspectors to test the oil fumes in catering kitchens every reporting period.</li> <li>Regular maintenance of kitchen lampblack equipment and cleaning of flue oil pollution, to ensure the normal and environmental protection operation of kitchen lampblack equipment.</li> </ul>

Indicator	Unit	2022
<b>Discharge of non-hazardous waste</b>		
Discharge of domestic waste <sup>7</sup>	tonne	475.0
Discharge of food waste <sup>8</sup>	tonne	128.0
Discharge of total non-hazardous waste	tonne	603.0
Density of non-hazardous waste generation	tonne/RMB million of income	0.1
<b>Discharge of hazardous waste generated</b>		
Discharge of hazardous waste <sup>9</sup>	piece	1,200
Density of hazardous waste <sup>10</sup>	piece/RMB million of income	0.2

<sup>7</sup> The data scope included Houshayu Park and Dongsì data centre.  
<sup>8</sup> The data scope included Houshayu Park and Dongsì data centre.  
<sup>9</sup> The data scope included Houshayu Park and Dongsì data centre.  
<sup>10</sup> The data scope included Houshayu Park and Dongsì data centre.



## 2. Green Development, New Journey

### 2.3 LOW-CARBON TRANSFORMATION AND LAYOUT FOR THE FUTURE

TravelSky actively focuses on the impact of climate change while developing our own business, and strives to seize the opportunity of low-carbon transformation. It is committed to cooperating with all stakeholders for a win-win situation and jointly exploring a green and sustainable development path. TravelSky actively responds to the dual carbon policy, conducting analysis based on our own situation. Research and development on green technology has been continuously promoted while actively practicing green operation.

#### 2.3.1 Addressing climate change

TravelSky firmly upholds the *United Nations Framework Convention on Climate Change* and the *Paris Agreement*, and responds to the *Implementation of the National Action Plan on Carbon Peaking before 2030, Opinions on Fully, Accurately and Comprehensively implementing the new Development Concepts for Carbon Peaking and carbon Neutrality*, and other policies. In order to further strengthen the organisation and leadership, during the reporting period, TravelSky set up a dual carbon work leading group, with the chairman of the group as the leader, and relevant leaders as deputy leaders of the leading group. The members include the main energy consumption units such as operation centre, logistics management service centre, information service department, and the main leaders of management departments such as science and technology management department, strategic development and reform department. We will advance the work of dual carbon in a comprehensive and coordinated manner.

TravelSky has been diligently implementing the requirements set forth by our supervisory unit. This includes conducting a comprehensive analysis of the Group's current energy usage, deploying key tasks and major engineering projects to promote energy conservation and emission reduction, clarifying our overall goal of achieving carbon peak before 2030, and formulating an action plan to reach this goal. In addition, TravelSky actively participated in the formulation of the group standard of the China Energy Saving Association's *Enterprise Carbon Peak Guide* and jointly discussed the action path of enterprise carbon peak with all sectors of the community. During this reporting period, we have set targets related to energy use efficiency:

- By 2023, the PUE value of Houshayu Data Centre is no higher than 1.33;
- The comprehensive energy consumption of the output value of ten thousand yuan in 2023 is further lower than that in 2022.

In order to actively respond to and mitigate climate change risks, this reporting period, for the first time, TravelSky conducted an analysis of climate change risks based on the Framework of the Task Force on Climate-related Financial Disclosures (TCFD), identified the risks that may affect enterprises, and formulated relevant countermeasures:

Risk Type	Specific Risk	Risk Description	Response Measures
Transition Risk	<b>Policy and Regulatory Risks</b>	<ul style="list-style-type: none"> <li>The “1+ N” policy system of dual carbon strategy has been gradually perfected, which has put forward greener development requirements for TravelSky;</li> <li>TravelSky has been enrolled in the carbon trading pilot scheme in Beijing. As a result, carbon emission quotas and trading compliance have become crucial considerations in the daily operation of TravelSky’s data centres in China, as part of their sustainable development efforts.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening internal management and performing energy consumption management and internal carbon inventory checks;</li> <li>Focusing on carbon market fluctuations and actively conducting research on related carbon market mechanisms, while continuously improving internal management levels on the basis of meeting regulatory requirements.</li> </ul>
	<b>Market and Technical Risks</b>	<ul style="list-style-type: none"> <li>There is a growing trend among both consumers and business customers to opt for products and services that have a lower impact on the climate. This shift in preference is reflective of the increasing awareness of sustainable development and the need to address climate change ;</li> <li>As a high-carbon industry, the aviation service sector may face a competitive disadvantage in the market if it does not promote low-carbon travel options. This highlights the importance for the industry to adopt sustainable practices and prioritize the reduction of carbon emissions in order to remain competitive in the long term.</li> </ul>	<ul style="list-style-type: none"> <li>Accelerating green transformation and green technology research and development.</li> </ul>
	<b>Reputational Risk</b>	<ul style="list-style-type: none"> <li>With the increasing attention paid by society and the public to sustainable development issues such as climate change, companies that do not take substantive action in response may face public scrutiny and questioning. It is therefore essential for businesses to prioritize sustainability and take tangible steps towards addressing these issues.</li> </ul>	<ul style="list-style-type: none"> <li>Accelerating the implementation of green operations within the Company, and regularly disclosing TravelSky’s sustainable development performance to the public.</li> </ul>



## 2. Green Development, New Journey

Risk Type	Specific Risk	Risk Description	Response Measures
Physical Risk	Acute Risk	<ul style="list-style-type: none"> <li>Extreme weather such as typhoons and rainstorms may interrupt the operation of data centres;</li> <li>Extreme weather will also increase the uncertainty of air transport, which will have an impact on the aviation industry, and indirectly affect the business operation and revenue of TravelSky.</li> </ul>	<ul style="list-style-type: none"> <li>Formulating emergency plans for extreme weather and strengthen exercises.</li> </ul>

To achieve the carbon emission reduction target, TravelSky has implemented a series of actions to reduce carbon emissions, focusing on three areas: technological, managerial, and through the introduction of carbon trading:

<b>Technology Carbon Reduction</b>	<ul style="list-style-type: none"> <li>Continuing to carry out projects aimed at reducing energy consumption and improving energy efficiency, such as the "Phase I Upgrade and Reconstruction of Double Cold Source in Houshayu Data Centre 'Critical Infrastructure' machine room" and "Transformation of intelligent power distribution system in Houshayu Park".</li> </ul>
<b>Management Carbon Reduction</b>	<p>Refining the operating temperature and heating mode of the boiler, the natural gas consumption can be reasonably saved while ensuring the normal supply of heating and domestic hot water:</p> <ul style="list-style-type: none"> <li>Fine controlling of air conditioning equipment operation mode, operation time and operation temperature;</li> <li>Adjusting the elevator operation mode in the park;</li> <li>Adjusting the operation mode and time of flood lighting in the park;</li> <li>Strengthening the energy-saving awareness of all staff and standardising energy-saving electrical equipment.</li> </ul>
<b>Introduction of Carbon Trading</b>	<ul style="list-style-type: none"> <li>Completing the carbon emission compliance work in 2021 in accordance with the requirements of the Beijing Municipal Bureau of Ecological Environment.</li> </ul>





## 3. TECHNOLOGY ENABLING, NEW MISSION

Scientific and technological innovation is the fundamental driving force behind technological progress and productivity development. TravelSky remains committed to strengthening scientific and technological research and development, actively engaging in industry collaboration, standardisation, and other initiatives to contribute to the technological innovation of the industry. TravelSky considers scientific and technological innovation as a crucial sub-strategy for the Group's development. Leveraging the power of science and technology, TravelSky empowers the information transformation of the civil aviation industry and other industries, thus contributing its expertise to the development of civil aviation and transportation sectors. In addition, TravelSky places significant importance on network security work and continuously strengthens its network security measures in various aspects such as system construction, improvement, and awareness promotion.

### 3.1 ENABLING THE INDUSTRY BY TECHNOLOGY INNOVATION

Scientific and technological innovation is the primary driving force for the development of the enterprises. In the information technology solutions for aviation and travel industry sector, TravelSky continuously explores new applications of information products in various industries and scenarios. It also continuously improves its innovation mechanism, builds innovation platforms, carries out scientific and technological research, and trains innovative talents. Moreover, TravelSky places significant emphasis on industry collaboration, promoting development through cooperation, and seeking mutually beneficial outcomes through development. Working with industry partners, TravelSky aims to facilitate sustainable development of the civil aviation industry.

#### 3.1.1 Improving the innovation mechanism

TravelSky has fully embraced the innovation-driven strategy, strengthening our system of scientific and technological innovation, intensifying its efforts to tackle key technologies, and improving the level of its professional technical team and scientific and technological innovation ability. We have continuously improved our innovation mechanism and implemented several scientific and technological innovation management and incentive measures, including the *Interim Measures for Awarding Scientific and Technological Innovation Achievements of China TravelSky Holding Company Limited and TravelSky Technology Limited*. During the reporting period, TravelSky vigorously carried out the work of awarding scientific and technological achievements, recognising nearly 200 scientific and technological achievements such as award-winning scientific and technological projects, standard projects, and patents, with a reward amount of nearly RMB 3 million. This initiative fully stimulated the enthusiasm and creativity of scientific and technological personnel within TravelSky.





### 3. Technology Enabling, New Mission

In 2022, TravelSky made further improvements to the Company’s research and development system and methodically promoted plans for enhancing scientific and technological innovation capabilities. Focusing on key areas of scientific and technological innovation, such as intelligent computing, digital retail, smart airports, and blockchain, TravelSky completed the layout of the first batch of corporate scientific and technological innovation platforms. The Company’s sequence of science and technology innovation platforms includes 11 key laboratories and engineering technology research centres, such as the Civil Aviation Passenger Travel Intelligent Cloud Engineering Technology Research Centre, the National Blockchain Innovation Application Pilot, and the E-CNY Engineering Technology Research Centre. Relevant incentive measures were introduced to support these initiatives. Additionally, TravelSky issued the “14<sup>th</sup> Five-Year Plan” research and development system construction plan, clearly defining objectives and overall planning for the “14<sup>th</sup> Five-Year Plan” period research and development system integration construction.



Figure: Awarding the first batch of company technology innovation platforms at the TravelSky Talent Work Conference

In addition, TravelSky actively played a leading role in innovation, encouraged all sectors of society to participate in scientific and technological innovation, participated in the 11<sup>th</sup> “China Software Cup” college students Design Competition, and we won the Outstanding Contribution award of enterprises.



**CASE** |

**TravelSky jointly organised the 11<sup>th</sup> “China Software Cup” National College Student Design Competition and won the Outstanding Contribution Award for Enterprises.**

On August 16, 2022, the final competition and award ceremony of the 11<sup>th</sup> “China Software Cup” National College Student Software Design Competition successfully concluded in Nanjing. The competition had lasted for one year, with active participation from 5,576 teams across 31 provinces. Following the preliminary and final review, as well as final defense, 21 first-prize teams, 98 second-prize teams, and 240 third-prize teams were eventually selected. TravelSky participated as a co-organiser and was awarded the Outstanding Contribution Award for Enterprises.

Wang Jinping, the Vice President of TravelSky, said in his acceptance speech, “Working collaboratively with universities to nurture the talents required for the country’s software industry is a matter of pride and responsibility for TravelSky. As the only central enterprise whose primary business is information services, TravelSky possesses the confidence and capability to work with everyone in implementing new ideas, new practices, and new models of industry-education integration.”



Figure: The 11<sup>th</sup> “China Software Cup” Award presentation ceremony



### 3. Technology Enabling, New Mission

#### 3.1.2 Development of scientific and technological breakthroughs

As a country-leading information service provider, TravelSky places significant emphasis on technological research and development. They are continuously increasing their investment in technology research and development, with the aim of breaking through key technological barriers.

During the reporting period, TravelSky's research and development efficiency improved significantly. We established an initial distributed research and development system with a reasonable layout, optimised resources, and overall management. This led to a considerable reduction in research and development costs and an improvement in efficiency. Even during the epidemic, research and development efficiency increased by 10-20% compared to pre-epidemic times. TravelSky established a "Six Unification" research and development management framework of "unified platform, unified tools, unified processes, unified assessment, unified training, and unified certification", demonstrating efficient management practices. The Company obtained the highest level of software capability maturity model certification (CMMI level 5) due to this framework, signifying that its software development capabilities have reached an industry-leading level.

Since the "213 Project" was implemented, TravelSky has been able to identify the direction of major scientific and technological innovations. The Company has continuously completed top-level designs, consolidated technical solutions, established special classes, authorised reasonably, and strengthened organisational support. Currently, the construction of the "213 Project" is progressing smoothly, constructing security, operation, and maintenance, as well as other supporting projects, all of which are on schedule to achieve stage goals. The autonomous and controllable level of the Company's core system has been further improved.

TravelSky attaches great importance to the cultivation and construction of innovative platform systems. During the reporting period, TravelSky was newly approved with two key civil aviation laboratories: "Civil Aviation Intelligent Travel Key Laboratory" and "Civil Aviation Data Governance and Decision Optimization Key Laboratory". As of the end of the reporting period, TravelSky possessed a total of 7 provincial and ministerial-level scientific and technological innovation platforms, including 3 civil aviation key laboratories recognised by the Civil Aviation Administration of China and 1 engineering technology research centre recognised by Beijing and other innovation platforms.

## CASE |

### TravelSky was selected as the National Enterprise Technology Centre in 2022 (29<sup>th</sup> batch)

In 2022, TravelSky actively participated in the application for the “National Enterprise Technology Centre”. Through fierce competition, it emerged as the top-ranked enterprise to be recognised and announced by the National Development and Reform Commission in 2022 (the 29<sup>th</sup> batch). The National Enterprise Technology Centre is a highly-regarded technological innovation platform in China, recognised by the National Development and Reform Commission, the Ministry of Science and Technology, the Ministry of Finance, the General Administration of Customs, and the State Administration of Taxation. Enterprises that receive this recognition enjoy significant advantages in innovation investment, innovative talent, technological accumulation, innovation platforms, technological output, and innovation benefits. They are considered leaders in national strategic emerging and future industries.



序号	企业名称	企业技术中心名称
1	中国民航信息网络股份有限公司	中国民航信息网络股份有限公司企业技术中心
2	北京三快在线科技有限公司	北京三快在线科技有限公司企业技术中心
3	东软软件股份有限公司	东软软件股份有限公司企业技术中心
4	北京九强生物技术股份有限公司	北京九强生物技术股份有限公司企业技术中心
5	北京品融医疗设备有限公司	北京品融医疗设备有限公司企业技术中心
6	北人智能装备科技有限公司	北人智能装备科技有限公司企业技术中心
7	航天宏图信息技术股份有限公司	航天宏图信息技术股份有限公司企业技术中心
8	中铁第六勘察设计院集团有限公司	中铁第六勘察设计院集团有限公司企业技术中心
9	天津重型装备工程研究所有限公司	天津重型装备工程研究所有限公司企业技术中心
10	中水北方勘测设计研究有限责任公司	中水北方勘测设计研究有限责任公司企业技术中心
11	天津力生制药股份有限公司	天津力生制药股份有限公司企业技术中心

Figure: TravelSky was selected as the National Enterprise Technology Centre in 2022 (29<sup>th</sup> batch)



### 3. Technology Enabling, New Mission

#### CASE |

##### “Key technologies and applications of the airline passenger intelligent travel full process service platform” won the Science and Technology Progress Award of the Transportation Association

In order to implement the requirements of the Civil Aviation Administration’s “sincere service”, TravelSky launched a project called “Key Technologies and Applications of the Airline Passenger Intelligent Travel Full Process Service Platform”. The goal of the project was to construct a full-process service platform for the intelligent travel of air passengers. This was accomplished by starting from the core industry needs in terms of self-service, paperlessness, and intelligent operations. The aim was to provide full process services for air passengers from check-in, baggage check-in, security checks, boarding, and transfer. Through this project, TravelSky effectively improved the travel experience of passengers, laying a solid foundation for the high-quality development of civil aviation transportation and the construction of a transportation power. The project received the Holder Transportation Association Science and Technology Progress Award and was selected for inclusion in the achievements database of major science and technology innovation projects of the Ministry of Transport.

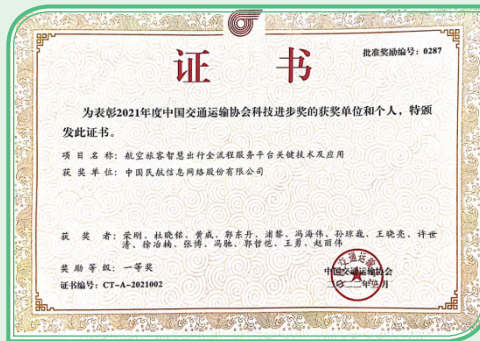


Figure: “Key Technologies and Applications of the Airline Passenger Intelligent Travel Full Process Service Platform” Won the Science and Technology Progress Award of the Transportation Association

## CASE |

### Intelligent cabin control system service airline digital transformation

In 2022, TravelSky launched an intelligent cabin control system to better meet the needs of airlines in carrying out digital transformation and improving enterprise operation and management efficiency. The goal of this system was to “improve the efficiency and quality of airline cabin control management and improve revenue”. It consisted of a set of digital revenue management systems that were designed to digitize airline management processes. The intelligent algorithms used in this system enabled the creation of a scientific indicator system, which combined the management process and production process of airline cabin control. This approach achieved refined management and intelligent decision-making for each flight and each bin. As a result, the efficiency of airline warehouse control management was significantly improved.

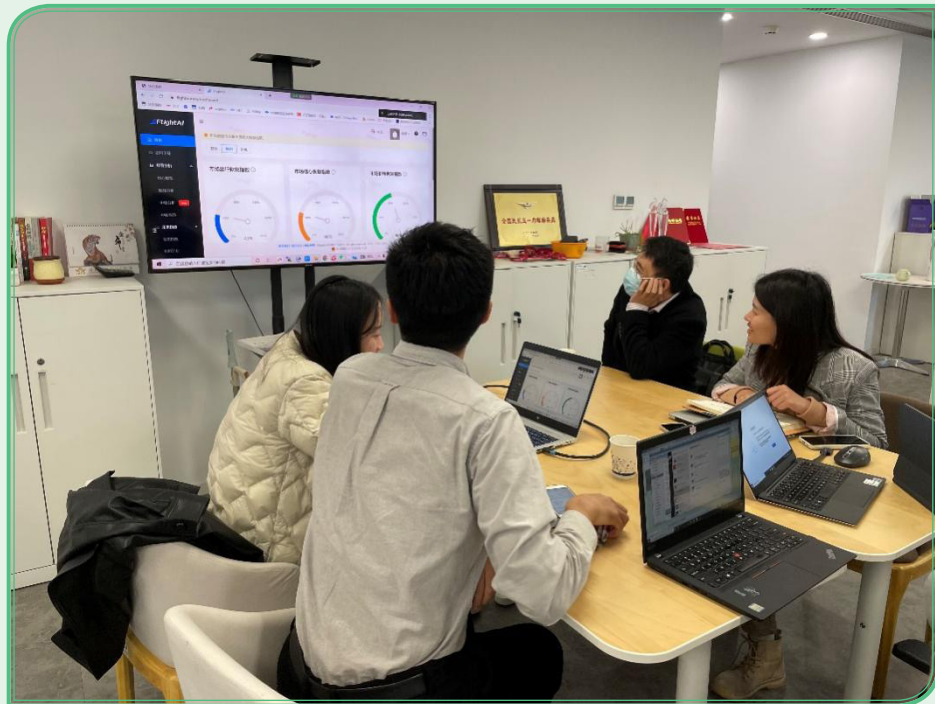


Figure: Production and implementation of intelligent cabin control system



### 3. Technology Enabling, New Mission

#### 3.1.3 Protection of intellectual property rights

TravelSky continues to enhance the Company's independent innovation atmosphere and continuously improves the intellectual property protection management system and mechanism. In the reporting period, we formulated the *Interim Measures for Intellectual Property Management of TravelSky*, the *Implementation Rules for Patent Management of TravelSky*, the *Implementation Regulations for Trademark Management of TravelSky*, and the *Implementation Regulations for Computer Software Copyright Management of TravelSky*, and strengthened the incentive for scientific and technological innovation talents. In 2022, TravelSky received a total of 74 patent authorizations, which exceeded the total number of authorisations obtained in the past decade. During this reporting period, TravelSky was able to successfully obtain the certification of being a national intellectual property advantage enterprise.

In 2022, TravelSky had rich scientific and technological achievements:

- We applied for **223** patents;
- The research and application project of civil aviation e-commerce platform in China won the first prize of the China Aviation Association Science and Technology Award;
- The key technologies and application project for tracking civil aviation passenger baggage has won the second prize of the China Aviation Association Science and Technology Award;
- The Airport Intelligent Cloud System and the General Test Service Platform Based on Civil Aviation Business won the third prize in the China Aviation Association Science and Technology Award;
- The construction and practice project of civil aviation software engineering capability evaluation system based on distributed research and development mode won the second prize of the Quality and Technology Progress Award of the China Quality Association;
- The key technology research and application project of the civil aviation software universal testing service platform integrating the TMMi (Test Maturity Model Integration) test system won the Excellent Award for Quality and Technology Progress of the China Quality Association;
- Large application software quality improvement technology research and application project won the Quality Innovation Excellence Award of the China Quality Association;
- The key technologies and application projects of the entire process service platform for intelligent travel of air passengers won the first prize in Science and Technology from China Transportation Association;
- Civil aviation passenger data information integration service platform and research on key technologies and key systems of aviation logistics information platform for major support tasks won the third prize of the China Intelligent Transportation Association Science and Technology Progress Award;
- "Green Intelligent Operation and Maintenance Technology for Data Centre Infrastructure" won the second prize of the Data Centre Science and Technology Achievement Award.

### 3.1.4 Working together for win-win results

During the reporting period, TravelSky has demonstrated a strong commitment to joint innovation. We are proud to report that we have signed a strategic cooperation agreement with China Unicom and joined the “National Cybersecurity Modern Industrial Chain” initiative with China Unicom as the chain leader. Additionally, we have actively participated in the civil aviation science and education innovation research alliance and the central enterprise Beidou industry collaborative development platform. Through these partnerships, we have promoted industry-university-research cooperation and achievement transformation. We have continued to prioritise technical exchanges and cooperation with leading technological enterprises such as Huawei, China Information Technology Corporation, China Science and Technology Shuguang, and China Electronics. Together, we have created joint innovation bases for key information infrastructure, which have facilitated collaborative innovation and achievement transformation. TravelSky remains committed to promoting joint innovation and achieving sustainable development. We will continue to prioritise partnerships and collaborations that foster innovation and drive industry transformation.

#### CASE |

##### TravelSky’s booth awarded the “Best Image Display Award” at the 14<sup>th</sup> China International Aviation and Aerospace Exhibition

On November 8, 2022, TravelSky was featured in the 14<sup>th</sup> China International Aviation and Aerospace Exhibition. During the event, TravelSky showcased our significant accomplishments in scientific and technological innovation during the recent reporting periods. As a result of our impressive display, TravelSky was honored with the “Best Image Display Award” in the civil aviation exhibition area.

##### ➤ Intelligent Airport Overall Solution

During the air show, TravelSky utilised an interactive live experience screen, a digital twin airport live display and a combination of various digital displays and interactions. These cutting-edge technologies were utilised to showcase the “Five in One” smart airport vision, which focuses on data empowerment, airport operations, travel around the airport, personalised service, and nationwide internet connectivity. Through a three-dimensional presentation, TravelSky presented the comprehensive solution of its smart airport technology.

##### ➤ Intelligent Travel

In terms of intelligent travel, TravelSky has demonstrated the “Baggage Travel” baggage tracking system product and the “Aviation Information Inquires” paperless travel solution, which aim to address common travel difficulties and pain points.





### 3. Technology Enabling, New Mission

## 3.2 ADHERENCE TO THE BOTTOM LINE OF OPERATIONAL SAFETY

“Network and information security are closely linked to personal safety, while enterprise security is even more closely linked to national security”. As a country-leading information service provider, TravelSky places great importance on network security and continually strengthens the security system’s construction to prevent major systematic security accidents strictly.

### 3.2.1 Upgrading security management

TravelSky places great importance on the safety of its information systems. We consistently adhere to a bottom-line approach, prioritising production and operational safety, continuously enhancing our safety management practices, and improving our safety management structure. Currently, China Airlines has established a new type of safety production system framework with full coverage, high efficiency, and integration, using a robust system architecture to safeguard safety production. In the reporting period, TravelSky successfully passed the review and certification of ISO20000 Information Technology Service Management System and ISO27001 Information Security Management System, demonstrating the effectiveness and continuity of our qualifications.

At the same time, we fully considered the industry’s development trends and regulatory requirements from all parties, and continuously improved our safety production management system:

- In terms of functional division, we have established the Chief Network Security Officer of TravelSky to be responsible for the overall management of key infrastructure security protection work such as network security and data security;
- In terms of institution establishment, according to the provisions of the *Data Security Law*, “processors of important data should specify the security responsible person and management organisation, and implement the responsibility for data security protection.” We have established a full-time data security management organisation, which is responsible for implementing the specific responsibilities and daily work of data security protection.

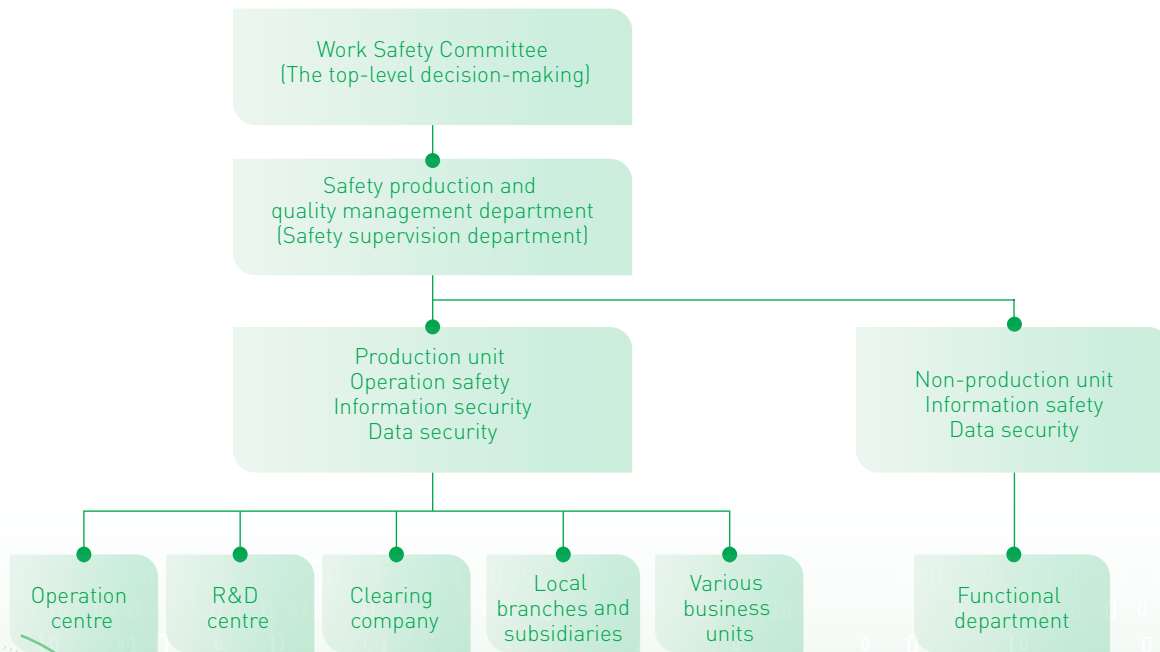


Figure: TravelSky’s organisational structure of operation and maintenance system

During this reporting period, we actively responded to the State Council's *Fifteen Rules for Safe Production* and the "Six Inspections" <sup>11</sup> of the Civil Aviation Administration of China, by conducting a three-month "Special Work for Major Troubleshooting and Rectification of Safety Hazards". We established a hidden account from three aspects: operational security, information security, and data security, and identified a total of 137 safety hazards, including 9 major safety hazards. For the identified safety hazards, we formulated a detailed rectification plan, and the competent department supervised and managed the implementation of the plan. By the end of this reporting period, we had completed all the rectification work for the identified safety hazards.



Figure: The main process of "Special Work for Major Troubleshooting and Rectification of Safety Hazards" of TravelSky

During the reporting period, based on the Special Work for Major Troubleshooting and Rectification of Safety Hazards, we released the "TravelSky Software System Operation Safety Registration Management Process". This process aimed to standardise the operation safety management of various software systems within the scope of TravelSky by organising software registration work. We have successfully registered 466 software during the reporting period, which has significantly improved the Company's software system security management efficiency.

<sup>11</sup> Referred as safety awareness, professional team building, regulations and standards implementation, safety management chain, safety security capability, and safety responsibility fulfillment, inspections.



### 3. Technology Enabling, New Mission

#### 3.2.2 Ensuring information security

During the reporting period, as the maintainer of critical information infrastructure in Civil Aviation of China, TravelSky placed great importance on information security and data security maintenance. We implemented comprehensive security assurance measures for our important information infrastructure and continued to enhance our information security assurance level through institutional construction, system improvements, and awareness enhancement. We also established a normalised attack and defense actual combat drill mechanism and conducted special security rectification activities. These initiatives significantly enhanced our information security assurance ability and management level.

In 2022:

- No major production safety accidents occurred throughout the reporting period;
- 99.99% availability of the three major host systems and major open platform systems;

During the reporting period, we continued to improve our data security management architecture and enhance our data security management capabilities:

- In terms of organisational structure, we established a Data Security Management Office;
- In terms of data risk management, we conducted data security risk hazard management, which has effectively improved our level of data security control;
- In terms of data compliance, we promoted safety assessments of passenger data products, improved our company's passenger data management, and enhanced our security protection level. We also ensured that passenger data was provided with external security and compliance measures;
- In terms of performance evaluation, we have incorporated data security into the evaluation indicators of our business departments. This has ensured that our data security missions and business management are planned, deployed, and implemented together, guaranteeing that our data security work is compliant and orderly.

Participating in the 2022 network security attack and defense exercise	Establishing a normalised attack and defense actual combat drill mechanism	Carrying out special rectification actions for “mine clearance” and “supply chain” safety	Participating in the third “Netting Cup” network security competition
<ul style="list-style-type: none"> <li>During the 15-day actual combat exercise and confrontation, we monitored and processed a total of 3.22 million network attack alerts, which ranked us first among civil aviation enterprises in terms of exercise performance in the field of cybersecurity;</li> <li>Participated in the “sand table exercise” organised by the Ministry of Public Security for the first time.</li> </ul>	<ul style="list-style-type: none"> <li>Releasing the <i>Implementation Measures for Normalized Attack and Defense Practical Exercise of TravelSky (Trial)</i>;</li> <li>Establishing a normalised information security attack and defense, and organise 6 simulated phishing email attack and defense drills.</li> </ul>	<ul style="list-style-type: none"> <li>Clearing 1,479 potential risks and establishing long-term mechanisms for key issues;</li> <li>Conducting baseline analysis for 98 products and 107 suppliers, self-inspection of potential hazards, risk assessment, and problem rectification.</li> </ul>	<ul style="list-style-type: none"> <li>Continuously improving the practical technical level of the network security team through competition and training.</li> </ul>

Information security awareness and capability improvement activities



### 3. Technology Enabling, New Mission

In terms of customer data privacy protection, TravelSky strictly complies with laws and regulations, such as the *Network Security Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, and the *Regulations on the Security Protection of Critical Information Infrastructure*. We also formulated internal supporting management systems, such as *Regulations on the Security Management of Tourism Data*, the *Detailed Rules for the Security Management of Passenger Data Involved in Key Information Foundations*, and the *Data Hierarchical Storage Management Process*. During the reporting period, we have improved customer privacy protection through the following methods:

- Establishing a data classification and hierarchical storage process, strengthening the Company's data storage management capabilities, standardising data storage area flow management, and strictly approving data storage area flow management are all measures we have taken to improve our sustainability practices;
- Desensitising customer data to ensure that development and testing personnel cannot access real passenger information and preventing customer privacy data disclosure are important steps we have taken toward improving our sustainability practice;
- De-identifying customer personal information data, ensuring that customer personal information is not stored in clear text, and improving data security are all measures we have taken to enhance our sustainability practices.

In terms of account security control, we took multiple measures to comprehensively implement configuration security control:

- In 2022, the industry-wide real-name system was widely implemented, helping customers avoid account security risks, improving account usage efficiency, and saving security and compliance costs. It improved the information governance level of the entire industry, effectively realising the "gateway forward" of security prevention and control of key information infrastructure in the civil aviation field, and thoroughly resolving the issue of unclear definitions of account security rights and responsibilities in the industry. This provided a strong guarantee for the Company to fulfil the safety responsibilities and obligations entrusted by law;
- TravelSky further rectified abnormal configurations to thoroughly eliminate account security risks that had accumulated over the reporting periods in the industry. This included reducing security risks such as account theft and illegal operations caused by lost accounts and excessive permissions, as well as standardising the use behaviour of account users throughout the industry;
- TravelSky standardised the use of system accounts used by our staff and reduced the security risk of "staff-machine mixed", This effectively reduced the information security risks of the Company's civil aviation passenger service system and further improved the system's protection against malicious concurrent logins, high-traffic access, unauthorised operations, and other network attacks. As a result, the efficiency of system resource utilisation was comprehensively improved.

### 3.2.3 Creating a safety culture

“Carelessness and subtlety can lead to misfortune”. TravelSky is committed to enhancing employees’ network security awareness and fostering a safety culture. During the reporting period, we organised cyber security competitions and data security expert lectures in response to National Cyber Security Publicity Week. These activities aimed to enhance our employees’ cyber security awareness and skills in all aspects.

#### CASE |

##### Launching the 2022 National Cybersecurity Publicity Week

The 2022 National Cyber Security Publicity Week was held from September 5 to 11, 2022, with the theme of “Cyber Security for the People”. TravelSky actively participated in various online activities and organised special case studies on cyber security, internal experience sharing and exchange, and cyber security laws and regulations training competitions. In addition, we conducted internal expert experience sharing lectures to analyse and discuss cases with warning and educational significance. These efforts improved prevention awareness and effectively enhanced employees’ knowledge and skills in network security, enabling them to identify hidden dangers and risks.



Figure: Poster of 2022 National Cybersecurity Publicity Week

## 4. PURSUING GOOD DEEDS AND NEW VALUES

TravelSky adheres to a development path of “building platforms, pooling data, and carrying out a large-scale service,” while continuously improving service quality and effectively protecting the rights and interests of employees. Additionally, TravelSky actively undertakes the responsibilities of corporate citizenship and responds to major development strategies of society and the country. Furthermore, the Company actively engages in sustainable development to promote social harmony and contribute to the sustainable development of society, continuously providing TravelSky’s values to customers, employees, and society.

### 4.1 CUSTOMER-ORIENTED HIGH-QUALITY SERVICES

Understanding and responding to customer expectations and demands are critical to delivering high-quality services that meet their needs. TravelSky strictly complies with laws and regulations such as the *Consumer Rights Protection Law People’s Republic of China*, *Cybersecurity Law People’s Republic of China*, and *Interim Measures for the Administration of Internet Advertising*. TravelSky upholds the business philosophy of “winning customers with services” and remains committed to providing genuine service. The Company continuously expands its business scope and explores new information product scenarios to support the intelligent transformation of various industries.

Simultaneously, we strived to enhance our service and product quality by benchmarking against international advanced management standards. During this reporting period, TravelSky obtained the ISO9001 quality management system certification, demonstrating the continued validity and continuity of our qualifications. We are pleased to report that none of the products or services provided by the Group were subject to recalls due to safety or health reasons, which is attributed to the nature of our business.

#### 4.1.1 Improving service quality

To better protect customers’ legitimate rights and interests and improve service quality, TravelSky has established a customer communication and service mechanism covering various types of customers and promoted the three-level service system in multiple business fields. By collaborating among the three service levels, service quality is continuously improved. During this reporting period, a total of 27 meetings were held for the three-level service system, and 175 key customer demands were resolved.

Level 1: Standardised online service resolution	Level 2: A/B dual guarantee service directly provided by product business personnel	Level 3: Coordination of key tasks for core customers
<ul style="list-style-type: none"> <li>Based on the customer service system platform and relying on strong online service resolution capabilities, we comprehensively promote the landing of the three-level customer service docking system. The Level 1 service docking system provides all customers with standardised online service acceptance and tracking feedback channels.</li> </ul>	<ul style="list-style-type: none"> <li>For important customers, the customer’s business department and local service unit jointly initiate the establishment of a direct docking mechanism for key personnel in both customer and TravelSky and report to the Company’s service management department for the record;</li> <li>All stakeholders have reached a consensus on the product docking scope and the information of the personnel involved. Both the A/B branches and the headquarters’ business departments are committed to providing A/B dual guarantee service docking within the agreed-upon scope. The personnel involved in the docking process have the authority to escalate and address any demands and issues that fall within the agreed-upon scope;</li> <li>To address complex issues faced by our customers, we have established an expert consultation mechanism that fosters cross-departmental collaboration and joint problem-solving.</li> </ul>	<ul style="list-style-type: none"> <li>The Level 3 service system provides coordination services for double-sided service docking led by the responsible business department for core important customers;</li> <li>and the service management department organises cross-departmental coordination to resolve major service incidents, customer complaints, and service accidents.</li> </ul>

TravelSky’s Three-level Service System

In addition, we actively explore the application of information technology in different scenarios of the aviation industry. During this reporting period, TravelSky has launched projects such as a luggage full-process tracking platform, a “door-to-door” luggage service, and an airline full-element operational management system. We actively collaborate with airports and logistics companies to make travel more convenient for passengers and promote the digital transformation of the aviation industry.





### 4. Pursuing Good Deeds and New Values

#### CASE |

##### “Door-to-Door” Luggage Service

In 2022, TravelSky made significant progress in enhancing the convenience of passenger travel and upgrading digital services in the aviation industry. We achieved this by updating and expanding our luggage full-process tracking platform and launching the “Door-to-Door” luggage service. Passengers can now make online appointments for luggage pick-up at their doorstep, providing greater flexibility and convenience. Once collected, the luggage is transported to a designated collection location and undergoes confirmation by the airline, airport, and third-party luggage service company before being transported to the airport or the specified location for the passenger. Throughout the entire luggage transportation process, passengers have access to real-time information through digital means, allowing them to track their luggage easily.



Figure: Service processing of “Door-to-Door” Luggage Service<sup>12</sup>

<sup>12</sup> OTA refers to the Online Travel Agency.

#### 4.1.2 Meeting customer expectations

TravelSky always puts itself in the shoes of its customers, and through the improvement of its systems and the construction of service platforms, it comprehensively enhances its service quality management capabilities and service quality. At the same time, TravelSky has set up a customer service committee, with the Company's leadership as the highest decision-makers, responsible for reviewing related strategic policies and work plans in the customer service field, coordinating and solving significant problems in the Company's customer service work. The Group does not involve advertising, labelling, or remediation issues related to the products and services provided, hence relevant information disclosures are not applicable.

During the reporting period, TravelSky intended to provide high-quality services to customers. In order to obtain timely customer feedback and enhance service quality, TravelSky has established a comprehensive customer satisfaction survey mechanism. This system conducts annual customer satisfaction surveys and incorporates the survey findings into the evaluation criteria for business units and related branches and subsidiaries.

In order to strengthen the handling and management of customer complaints and compensation issues and safeguard the legitimate rights and interests of customers, the Group has formulated documents such as the *Customer Claim Management Measures* and the *Customer Complaint Management Measures* to maximise the protection of the legal rights and interests of customers and the Company. The number of complaints about the Company's products and services during the reporting period was 0. TravelSky attaches great importance to the response and resolution of customer complaints and has set up the Company's headquarters service desk as the unified official channel for accepting customer complaints, with a dedicated complaint telephone and email, and formulated a clear complaint handling process to maximise customer demands and provide timely feedback to customers. At the same time, to strengthen internal constraints, the responsibility for customer complaints has also been incorporated into the assessment criteria for business departments and related branches and subsidiaries.

In order to meet the requirements of ISO9001, ISO20000, and ISO27001, TravelSky continuously improves the *ISO Quality Management Manual* to promote normal operation and continuous improvement of the ISO system. At the same time, TravelSky has formulated detailed performance evaluation indicators to strengthen the primary responsibility of each department for product quality, thereby achieving high-quality delivery requirements for products. The products and services provided by the Group do not involve recycling, and relevant information disclosures are not applicable.



## 4. Pursuing Good Deeds and New Values

During the reporting period, in order to further improve the construction of the customer service system, we have carried out the following work:

### Improving the Construction of the Customer Service System

- Achieving the popularisation of the three-level service system in multiple business areas, newly promoted to 4 airlines, 5 airports, 4 agents, and 1 foreign airline customer, and achieving full coverage of the three-level service system in large and medium-sized airlines in 2022;

### Actively Promoting Brand Building

- Establishing the TravelSky Brand Management Leadership Group;
- Formulating the *2022 TravelSky Brand Work Key Tasks*;
- Completing brand special training for 39 units;

### Strengthening Customer Satisfaction Work

- Completing 91 rectification tasks from the 2021 Customer Satisfaction Survey;
- Conducting the 2022 Customer Satisfaction Survey.



Figure: TravelSky closed-loop customer satisfaction management system

## CASE |

### Responding to customer concerns, TravelSky built the “Smart Aviation Community” Passenger Service System (PSS) digital integrated service platform

In 2022, TravelSky launched the “Smart Aviation Community” service governance project, which analysed customer concerns and evaluated TravelSky’s existing service system. The project relied on the “Smart Aviation Community” WeChat public account to develop a passenger service system (PSS) business communication platform. This platform created six functional modules, including micro-membership, micro-classroom, micro-interaction, micro-forum, micro-customer service, and micro-official website. Ultimately, the project established a membership system, training service system, digital evaluation system, and digital service collaborative system. The PSS digital integrated service platform provided online support for airline customers, offering precise personalised services, promoting information sharing and resource exchange, facilitating communication between airlines, and building a new form of digital and intelligent passenger service system (PSS) services.



Figure: “Smart Aviation Community” launch ceremony



## 4. Pursuing Good Deeds and New Values

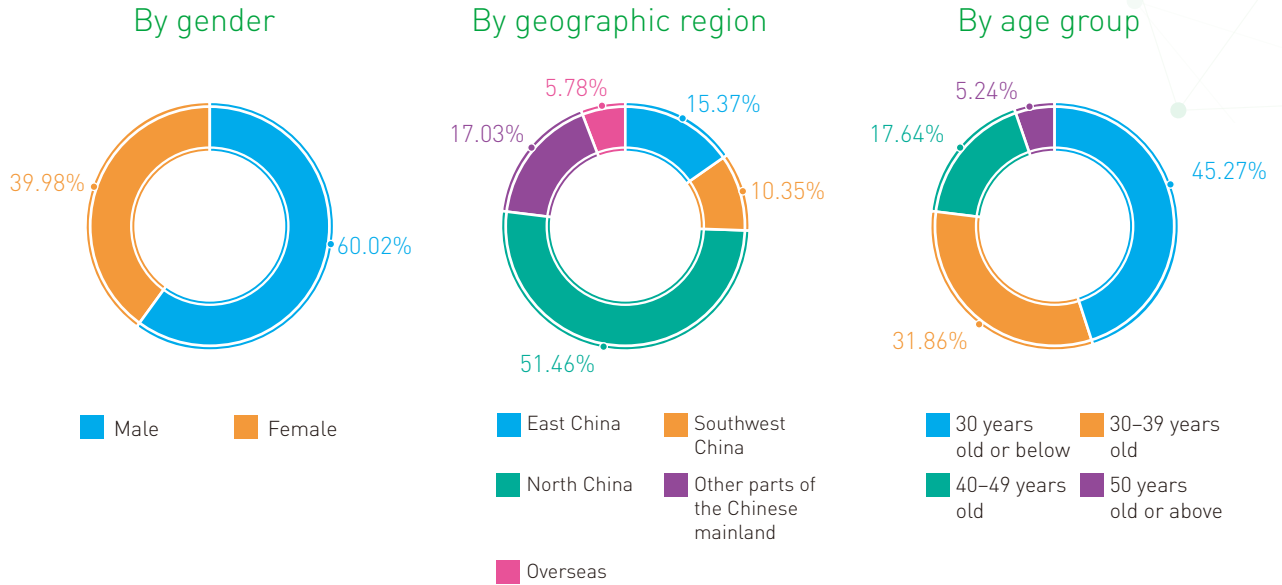
### 4.2 EMPLOYEE DEVELOPMENT AND WELL-BEING

TravelSky has always adhered to the development path of being “People-oriented,” actively safeguarding and guaranteeing the legitimate rights and interests of employees. We strive to ensure the health and safety of employees, continuously improve various human resource management systems, create a fair, diverse, harmonious, and warm working environment, and achieve the common development of the enterprise and employees.

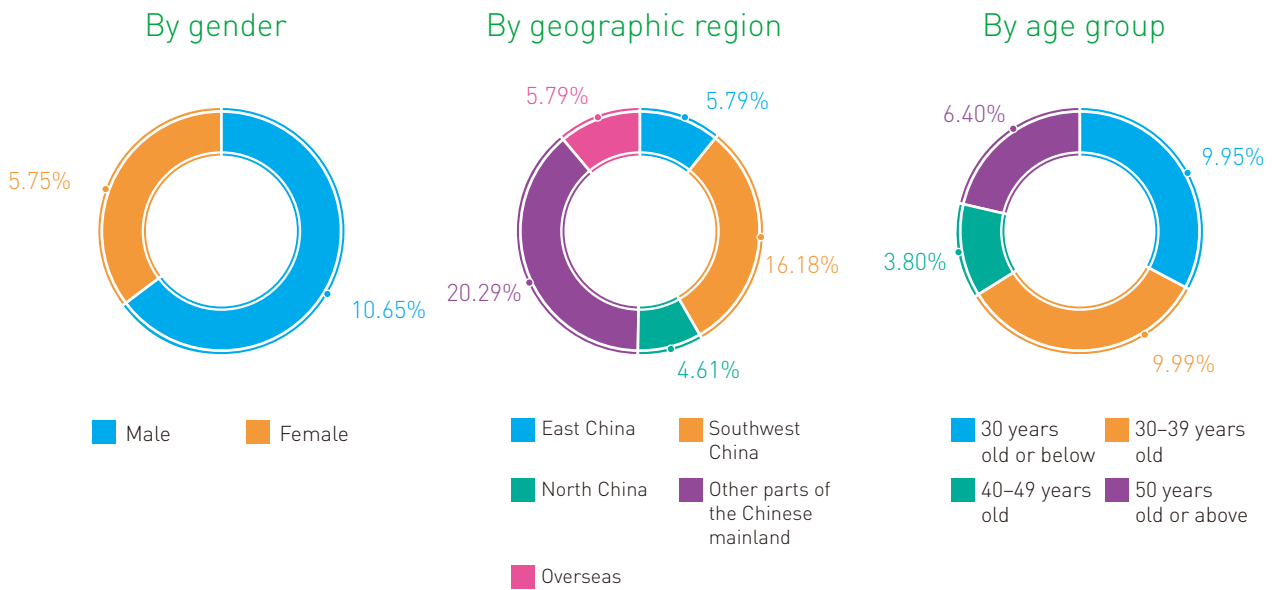
#### 4.2.1 Safeguarding employee rights and interests

TravelSky always puts employee rights and interests first, and strictly abides by the *Labour Law of the People’s Republic of China*, *Labour Contract Law of the People’s Republic of China*, *Social Insurance Law of the People’s Republic of China*, and the *Provisions on the Prohibition of the Use of Child Labour*, and formulates internal management systems such as *Labour Employment Management Measures* and *Recruitment Management Measures*, clarifying the equal and voluntary signing of labour contracts with employees and strictly prohibiting any form of forced labour and compulsory labour that violates labour laws and regulations. If there is any relevant situation, TravelSky will handle it seriously in accordance with relevant laws and regulations.

TravelSky is committed to creating a diverse and equal working environment, prohibiting any form of discrimination, violence, and disrespectful behaviour towards employees. During the reporting period, TravelSky didn’t violate any relevant laws and regulations regarding compensation and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination, and other treatment and benefits. During the reporting period, the Company didn’t have any incidents of child labour or forced labour, nor did it have any incidents of employee strikes or stoppages. In 2022, the Company has 6,570 employees in total and all are full-time. During the reporting period, the relevant statistics of the employee structure are as follow:



During the reporting period, the employee turnover rate of the Group stood at 8.7%. Based on the total employees of the Group, the relevant statistics are as below<sup>13</sup>:



<sup>13</sup> Turnover rate = number of employees who have left / total number of employees in the category.



## 4. Pursuing Good Deeds and New Values

TravelSky is constantly improving our internal salary decision-making mechanism and has established management systems such as the *Salary Management Method*, *Compensation Management Method*, *Social Insurance and Supplementary Medical Insurance Service Guide*, and *Attendance and Leave Management Method* to fully guarantee that employees enjoy legally required benefits such as Five Insurances and One Housing Fund and paid vacation. During the reporting period, we have formulated corresponding incentive policies for outstanding technical talents and key talents and provided allowances for outstanding contributors.

In addition, we prioritise democratic communication and value our employees' participation, information, expression, and supervision rights. To ensure effective communication channels, TravelSky has established various platforms, including the General Manager's mailbox, where employees can express their opinions and concerns. In 2022, TravelSky held 2 staff representative conferences that facilitated full communication, which helped us strengthen our democratic management level.



Figure: Staff representative conference of TravelSky

#### 4.2.2 Supporting talent development

TravelSky firmly believes that employees are the most valuable asset. To continuously improve our talent development mechanism, we strive to provide our employees with a wider platform for career growth. In 2022, we obtained the engineering series senior professional title evaluation qualification approved by the Ministry of Human Resources and Social Security and established a senior professional title evaluation committee. During the reporting period, 62 employees were awarded the senior engineer title, and 39 employees were granted the qualification of intermediate engineer. Moving forward, we will continue to promote independent professional title evaluation, replace evaluation with examination and other methods, increase the training and development for engineers' professional qualifications exams, and further enhance the proportion of senior professional title personnel in our company.



Figure: The first engineering series title evaluation meeting of TravelSky

In 2022, in order to further enrich the talent development model and create a diversified and multi-level talent development system, TravelSky established a special cadre training system, stipulating that the number of hours of studying each reporting period shall not be less than 90 hours, and expanding the coverage of online training and assessment. In 2022, a total of two online cadre training activities were conducted, covering 275 employees.



## 4. Pursuing Good Deeds and New Values

Training data

Indicators		Unit	2022
Training participation rate <sup>14</sup>		%	74
Percentage by gender	Male	%	56
	Female	%	44
Percentage by employee category	Regular Employees	%	90
	Middle Management	%	5
	Senior Management	%	5
Average hours of training received <sup>15</sup>		hour	12.5
Percentage by gender	Male	hour	12.7
	Female	hour	12.2
Percentage by employee category	Regular Employees	hour	8
	Middle Management	hour	20
	Senior Management	hour	45
Training expenditure		10,000 RMB	234.5

### 4.2.3 Caring for the health of employees

TravelSky is committed to ensuring the occupational health and safety of our employees, actively responding to the national call to action of the “14<sup>th</sup> Five-Year Plan for National Health”, and strictly adhering to the laws and regulations, including the “Work Safety Law of the People’s Republic of China”, “Fire Control Law of the People’s Republic of China”, “Occupational Disease Prevention and Control Law of the People’s Republic of China” and “Regulations on the Management of Occupational Health Examinations”. We continuously improve our employee health and safety guarantee systems and regularly carry out supervision and management of employee occupational health. We arrange and organize health check-ups for our employees, providing comprehensive health protection.

TravelSky regularly conducts fire safety inspections and fire drills and takes multiple measures to ensure the health and safety of its employees. TravelSky provides free professional medical check-up benefits to all employees. During the reporting period, no employee casualties occurred at TravelSky, and there were no work-related fatalities among employees for three consecutive reporting periods, and the number of working days lost due to work-related injuries was 0. During the reporting period, the “New Journey for Heart Health” Employee Care Programme (EAP) continued to protect the physical and mental health of employees through “Love You Day” activities and “Crisis Intervention” services.

<sup>14</sup> Training rate for a specific category = number of employees in the specific category who received training / total number of employees who received training.

<sup>15</sup> Average training hours for a specific category = total training hours for employees in the specific category / number of employees in the specific category.

## CASE |

### Fire safety training to ensure the health and safety of employee

In order to better protect the health of employees and improve their awareness of fire safety and their ability to work together in case of an emergency, during the reporting period, TravelSky organised various forms of fire safety training activities to effectively improve employees' safety awareness and emergency handling ability:

- In February 2022, TravelSky invited the local fire rescue team to the park for a site visit and jointly conducted an emergency fire-fighting and rescue drill, with more than 20 participants in fire control and fire maintenance, the overall drill process was smooth and orderly, and the set target was completed, which was highly recognised by the fire rescue detachment;



Figure: Emergency fire-fighting and rescue drill of TravelSky

- In June 2022, TravelSky organised a fire rescue drill in the engine room building, which included initial fire fighting, manually starting the gas fire extinguishing system in case of emergency, logistics, and jurisdiction of fire control, on-site fire maintenance support, and simulated calling the "119" emergency phone number. The drill involved more than 20 people. For the first time, Tencent video communication was used during the exercise to achieve stable transmission of the on-site situation and reporting process. This achieved the purpose of efficient interaction of remote information and improved the efficiency of emergency command;



Figure: Fire rescue drill of TravelSky

## 4. Pursuing Good Deeds and New Values

### CASE |

- In June 2022, TravelSky invited instructors from Houshayu Fire and Rescue Station to organise a professional fire safety online training exercise for the Company's volunteer firefighters. 244 employees participated in this training, which intuitively enabled employees to understand the hazards of fire, learn to detect fire hazards faster and more accurately, and learn about the various types of fires that need to be prevented under epidemic prevention and control risks.

In 2022:

- Provided **323** hours of psychological counselling services, resulting in **432** counselling cases;
- Completed **18** video-based counselling sessions and **10** online mini-courses;
- Conducted **6** crisis intervention sessions;
- Allocated RMB **617,500** for "Sending Warmth" and provided RMB **288,000** for **72** employees in need;
- Allocated RMB **414,500** for "Sending Coolness";
- Distributed sickness consolation funds for **96** times and serious illness consolation funds for **6** times;
- Distributed condolences to staff on duty **463** times.

### 4.2.4 Strengthening employee care

TravelSky pays attention to the work-life balance of employees and actively organises various sports competitions, knowledge quizzes, and other cultural and sports activities to promote the physical and mental health of employees and their overall development in culture and sports. At the same time, we commend and condole employees who have made outstanding contributions in major events to further enhance their motivation.

TravelSky attaches importance to the physical and mental health of employees, always strives to create a good and comfortable working atmosphere, and is committed to continuing enriching the daily lives of its employees. The Company has always paid attention to the needs of its employees through various humanistic and caring activities such as sending coolness and warmth to employees in various positions and has continued to carry out a series of cultural and sports activities to enrich employees' recreational hobbies and give full play to their talents, to create a corporate environment with humanistic care and better help employees' development.

## CASE |

### TravelSky was awarded the title of “National Model Enterprise for the Creation of Harmonious Labour Relations”

In September 2022, TravelSky was awarded the title of “National Model Enterprise for the Creation of Harmonious Labour Relations” by the Ministry of Human Resources and Social Security, the All-China Federation of Trade Unions, the China Enterprise Confederation/China Enterprise Directors Association, and the All-China Federation of Industry and Commerce, after a rigorous selection process as the representative of the civil aviation industry union system. TravelSky became the only enterprise in the civil aviation industry union system to receive this honour. Huang Rongshun, Chairman of TravelSky, attended the national experience exchange conference for the creation of harmonious labour relations on behalf of the Company.



Figure: The national experience exchange conference for the creation of harmonious labour relations

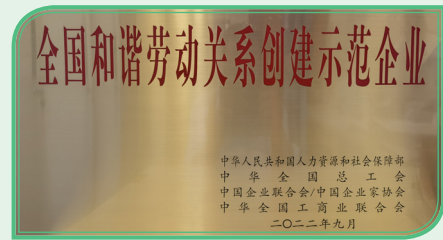


Figure: The medal of “National Model Enterprise for the Creation of Harmonious Labour Relations”

## CASE |

### Qingdao Cares establishes a reading room for staff

In order to strengthen the cultural construction and improve the knowledge and culture of the staff, Qingdao Cares has set up a reading room in the office building. The books in the reading room are related to literature, philosophy, economy, and technology, which can meet the diverse reading needs of the staff. At the same time, in order to standardise the management of the reading room, Qingdao Cares has organised a special department to take over the daily management of the reading room and regulate the opening hours, borrowing methods, and saving regulations, which greatly ensures a good reading atmosphere.



Figure: Qingdao Cares Reading Room



## 4. Pursuing Good Deeds and New Values

### CASE |

#### Enriching employees' lives with sports and cultural competitions

During the reporting period, TravelSky's union actively cooperated with various associations to organise a variety of cultural and sports activities such as the "TravelSky Cup" fishing competition, a billiards competition, and a basketball tournament, which greatly enriched the lives of employees and enhanced their cohesion. At the same time, our team improved the existing staff activity venues and purchased billiard tables, gymnasium exercise equipment, yoga equipment, and other equipment from the perspective of staff needs to further safeguard the spare time of staff.



Figure: 2022 "TravelSky Cup" Fishing Competition



Figure: 2022 "TravelSky Cup" Billiards Competition



Figure: 2022 "TravelSky Cup" basketball tournament

### CASE |

#### Xinjiang Regional Company adopts the blind box approach to innovate staff reward methods

In order to recognise excellence, encourage advancement, guide employees to build their careers based on their posts, and enrich their award-winning experience, Xinjiang Regional Company actively discovered ways and means to innovate staff reward methods and carry out staff reward activities on March 16, 2022.

Combining the actual characteristics of the young staff and following the current trend, Xinjiang Regional Company prepared 10 kinds of blind box prizes including physical and non-physical rewards for the winning staff by drawing blind boxes in the form of "fixed amount + hidden amount" based on the online programme.

## 4.3 CONTRIBUTING TO SOCIETY AND DELIVERING VALUE

"Actions speak louder than words, reputation derives from others". Only enterprises that actively undertake social responsibility are the most competitive and resilient. TravelSky actively assumes the social responsibility of a central enterprise, practicing the responsibility of corporate citizenship in major event security, rural revitalisation, participation in social welfare, and sharing the fruits of development with society.

### 4.3.1 Major event security

As a country-leading information service provider, TravelSky has successfully completed the network security key guarantee tasks for "The Beijing Winter Olympics and Paralympic Winter Games", "the 20<sup>th</sup> National Congress of the Communist Party of China (CPC)" and "China International Trade in Services Fair" with a cumulative safeguarding period of 80 days. Among them, the security guarantee for "The Beijing Winter Olympics and Paralympic Winter Games" and "the 20<sup>th</sup> National Congress of the CPC" is the highest level of security work ever carried out by TravelSky. During the 44-day security guarantee period of "The Beijing Winter Olympics and Paralympic Winter Games", TravelSky focused on three key tasks: the construction of the arrival and departure information system, the relocation of check-in counters, and the full-process tracking of luggage. It invested a total of about 31,000 person-days in duty personnel and was awarded the title of "Advanced Security Collective and Individual in Beijing" for our efforts. During "the 20<sup>th</sup> National Congress of the CPC" security guarantee, TravelSky invested more than 14,000 person-days of duty personnel after six months of careful preparation and 18 days of full guarantee, ensuring that the security work was foolproof.

### 4.3.2 Assisting rural revitalisation

TravelSky and subsidiaries actively undertake the social responsibilities of central enterprises, innovate rural revitalisation supporting measures, improve rural revitalisation supporting effectiveness, and effectively assist in various rural revitalisation efforts. During the reporting period, TravelSky has continued to assist Shenchi County in Shanxi Province, taking the opportunity of improving grassroots governance capacity through party building in Shenchi County. By combining our software development expertise with the demands of grassroots governance in Shenchi County, TravelSky has taken the lead in establishing a digital rural comprehensive governance platform in Donghu Township of Shenchi County.

- Since 2012, a total of RMB **66,299,684** has been directly invested in rural revitalisation supporting;

In 2022:

- **6** rural revitalisation supporting officials have been dispatched;
- RMB **15.46 million** has been invested in rural revitalisation supporting;
- RMB **2.05 million** of aid funds have been introduced;
- **14** rural revitalisation supporting projects have been carried out, benefiting **9,564** people and helping **534** people find employment;
- RMB **3.97 million** worth of agricultural products have been directly purchased;
- RMB **3.08 million** worth of products has been helped to be sold.



### 4. Pursuing Good Deeds and New Values

## CASE |

### TravelSky combines its advantages to carry out information assistance

For a long time, there have been problems with information transmission channels being obstructed, poor management of work teams stationed in villages, missing regular management and control in key areas, and losing sight of key work promotion in rural governance. TravelSky has fully leveraged our advantages and started from personnel management, resource integration, and matter supervision to smooth the channels of public opinion, taking the lead in exploring and building a digital rural comprehensive governance platform in Donghu Township of Shenchi County.

TravelSky has leveraged our advantages, conducted in-depth research on local needs in Shenchi County, and guided our efforts by meeting the actual needs of the masses and realising modernisation of social governance, thus helping the digital development of Shenchi County. At present, the digital cloud platform has been built and put online, promoting the high-quality and balanced development of local education resources. The Digital Shenchi County project has created a series of cross-departmental and multi-business collaborative applications, including business screens, attendance punching, information reporting, grid management, and forest patrol punching. Through the collaborative application of multiple businesses, the digital rural comprehensive governance platform has fully exerted its dual function of "people's livelihood services + social governance," making the countryside safer, smarter, more beautiful, and warmer.



Figure: Digital screen of the digital rural comprehensive governance platform in Donghu Town

## CASE |

### TravelSky helped to improve the entire chain of planting, processing, and sales of mustard in Shenchu County

TravelSky has implemented assistance for the entire chain of mustard production to promote the establishment of a 1,000-acre-mustard demonstration planting base in Shenchu County. By constructing this base, the planting area of mustard has increased from 300 acres to 1,300 acres, annual output has increased to 2.9 million kilograms, and annual output value has increased to RMB 2.23 million, effectively promoting the land use and employment income increase of relocated villages in the county. By constructing a new mustard variety trial base, excellent varieties and cultivation techniques suitable for dryland planting in Shenchu County were screened, forming a replicable and promotable model, and also laying a solid foundation for the county to strengthen and expand its characteristic industries.



Figure: Mustard demonstration planting base in Shenchu County

### 4.3.3 Sunshine public welfare practice

TravelSky actively assumes corporate social responsibility and is enthusiastic about social public welfare undertakings, contributing to the harmonious and stable development of society. TravelSky advocates the spirit of volunteerism of “dedication, friendship, mutual assistance, and progress”, encourages employees to give full play to their professional advantages and corporate resource advantages, and carries out public welfare volunteer activities in the community to help the poor, assist the elderly, and provide love and assistance for education, and deliver care to society with practical actions.





## 4. Pursuing Good Deeds and New Values

TravelSky continuously improves the management system of volunteer service work, implements and revises management systems related to social and public welfare, and establishes a youth volunteer service team to promote normalized and standardized volunteer services. During the reporting period, TravelSky Youth Volunteer Service Team actively carried out public welfare service projects for young and elderly groups.

In 2022:

- The number of employee volunteers exceeded **800**;
- The total volunteer service hours provided was about **5,500** hours;
- The investment in social public welfare activities was about RMB **200,000**.

### CASE |

#### Public welfare service project for young and elderly groups in the Houshayu community

Under the leadership of the Houshayu Town Youth League Committee, young employees of TravelSky used their knowledge and skills to help the elderly in the Houshayu community to carry out health treasure mini-program and mobile phone use, deaf children's rehabilitation reading, and left-behind children's condolences and other services.



Figure: TravelSky Youth Volunteers visited the elderly in a nursing home

## KEY PERFORMANCE

Performance Index	Unit	2020	2021	2022
<b>ECONOMIC</b>				
Operating revenue	RMB'000	5,485,577	5,476,177	<b>5,210,106</b>
Total profit	RMB'000	314,161	663,883	<b>735,139</b>
Total assets	RMB'000	22,769,276	24,111,139	<b>25,236,452</b>
Earnings per share (basic and diluted)	RMB	0.12	0.19	<b>0.21</b>
Final Dividend	RMB'000	46,819	160,942	<b>155,089</b>
Dividends Per Share	RMB (tax inclusive)	0.016	0.055	<b>0.053</b>
Research and development expenses	RMB'000	691,616	973,807	<b>701,714</b>
Number of patents applied	item	149	169	<b>223</b>
<b>ENVIRONMENTAL</b>				
Emission by vehicles (Scope 1)	tonne	278.2	549.9	<b>288.5</b>
Emission by diesel (Scope 1)	tonne	-	57.9	<b>88.8</b>
Emission by natural gas (Scope 1)	tonne	-	3,846.3	<b>3,888.1</b>
Emission by electricity consumption (Scope 2)	tonne	33,429.7	30,409.7	<b>111,452.9</b>
Emission by purchased heat consumption (Scope 2)	tonne	693.1	746.3	<b>629.7</b>
Total greenhouse gas emission	tonne	34,727.9	35,610.1	<b>116,348.1</b>
Intensity of total greenhouse gas emission	tonne/RMB million of income	6.3	6.5	<b>22.3<sup>16</sup></b>
Discharge of non-hazardous waste	tonne	671.6	787.0	<b>603.0</b>
Intensity of the discharge of non-hazardous waste of office	tonne/RMB million of income	0.1	0.1	<b>0.1</b>
Discharge of hazardous waste	piece	2,830	917	<b>1,200</b>
Intensity of the discharge of hazardous waste	piece/RMB million of income	0.5	0.2	<b>0.2</b>
Consumption of electricity	MWh	54,002.1	50,169.7	<b>191,829.5</b>
Intensity of electricity consumption	MWh/RMB million of income	9.8	9.2	<b>36.8</b>
Consumption of gasoline (vehicle)	L	266,994.7	242,616.4	<b>129,905.0</b>
Intensity of the consumption of gasoline (vehicle)	L/vehicle	1,112.5	1,076.7	<b>593.1</b>
Consumption of natural gas	m <sup>3</sup>	2,051,949.0	1,779,000.0	<b>1,798,230.0</b>
Intensity of the consumption of natural gas	m <sup>3</sup> /RMB million of income	374.1	324.9	<b>345.1</b>
Consumption of purchased heat	GJ	6,301.1	6,785.0	<b>5,724.6</b>
Intensity of the consumption of purchased heat	GJ/RMB million of income	1.1	1.2	<b>1.1</b>
Consumption of diesel	tonne	55.1	18.4	<b>28.3</b>
Total consumption of water	tonne	343,411.0	456,696.0	<b>483,323.0</b>
Intensity of the total consumption of water	tonne/RMB million of income	62.6	83.4	<b>92.8</b>

<sup>16</sup> We have updated the scope and calculation methods for data statistics, which has caused fluctuations in the data. In the future, we will use this as the basis for data statistics and disclosure.



## Key performance

Performance Index	Unit	2020	2021	2022
<b>SOCIAL</b>				
Number of employees	person	7,156	6,608	<b>6,570</b>
Employee turnover rate of the Company	%	5.4	6.7	<b>8.7</b>
Total number of trainees of the Company	person	1,662	1,660	<b>4,862<sup>17</sup></b>
Ratio of trainees of the Company	%	72.0	73.4	<b>74.0</b>
Number of working days lost due to injury	day	0	0	<b>0</b>
Number of work-related fatalities	person	0	0	<b>0</b>
Direct investment in rural revitalisation support	RMB'000	12,000.0	13,462.9	<b>15,460.0</b>
Number of impoverished people benefiting from rural revitalisation support	person	14,300+	2,782	<b>9,564</b>
Number of participants in volunteer activities	person-time	1,300	800	<b>800</b>
Volunteer service hours	hour	1,300	800	<b>5,500</b>
Employees covered by safety training	person-time	4,000+	28,000	<b>5,000+</b>
Number of major information security incidents	/	0	0	<b>0</b>
Number of suppliers for centralized procurement	/	101	86	<b>122</b>
Ratio of local suppliers	%	81.2	86.0	<b>77.0</b>

<sup>17</sup> Due to the expansion of the data statistics scope to the entire group, the total number of trainees of the Company increased this reporting period.

# DISCLOSURE INDEXES

## HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Subject Areas and Aspects	General Disclosures and KPIs	Corresponding Pages
<b>A. Environmental</b>		
Aspect A1: Emissions	<p>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.</p>	28-32
	A1.1 The types of emissions and respective emissions data.	The proportion of emissions is relatively small and has not been disclosed this year. The Group will gradually improve the disclosure system of its emission data
	A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	31
	A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	33
	A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	33
	A1.5 Description of emission target (s) set and steps taken to achieve them.	32
	A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	32-33
A2: Use of Resources	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials.	28
	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).	31
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	31
	A2.3 Description of energy use efficiency target (s) set and steps taken to achieve them.	29-31
	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target (s) set and steps taken to achieve them.	31
	A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Group's business nature does not involve the use of packaging materials



## Disclosure Indexes

Subject Areas and Aspects	General Disclosures and KPIs	Corresponding Pages
Aspect A3: The Environmental and Natural Resources	General Disclosure: Policies on minimising the issuer's significant impact on the environment and natural resources.	28-33
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	28-33
Aspect A4: Climate Change	General Disclosure: Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	34-36
	A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	34-36
<b>B. SOCIAL</b>		
<b>Employment and Labour Practices</b>		
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.	60
	B1.1 Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	61
	B1.2 Employee turnover rate by gender, age group and geographical region.	61
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.	64
	B2.1 Number and rate of work-related fatalities occurred in each of the past three reporting periods including the reporting period.	64
	B2.2 Lost days due to work injury.	64

Subject Areas and Aspects	General Disclosures and KPIs	Corresponding Pages
Aspect B3: Development and Training	<p>B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.</p> <p>General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.</p>	64-66 63
Aspect B4: Labour Standards	<p>B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).</p> <p>B3.2 The average training hours completed per employee by gender and employee category.</p> <p>General Disclosure: Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.</p> <p>B4.1 Description of measures to review employment practices to avoid child and forced labour.</p> <p>B4.2 Description of steps taken to eliminate such practices when discovered.</p>	64 64 60 60 60
<b>Operating Practices</b>	<p>General Disclosure: Policies on managing environmental and social risks of the supply chain.</p> <p>B5.1 Number of suppliers by geographical region.</p> <p>B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.</p> <p>B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.</p> <p>B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.</p>	26 27 26 26 27



## Disclosure Indexes

Subject Areas and Aspects	General Disclosures and KPIs	Corresponding Pages
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.	54, 57
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The products and services provided by the Group do not involve recycling due to health and safety
	B6.2 Number of products and service related complaints received and how they are dealt with.	57-58
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	46
	B6.4 Description of quality assurance process and recall procedures.	The products and services provided by the Group do not involve recycling
Aspect B7: Anti- corruption	B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	52
	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.	20
	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.	20
	B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	20
	B7.3 Description of anti-corruption training provided to directors and staff.	20
<b>Community</b> 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.	69
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	69
	B8.2 Resources contributed (e.g. money or time) to the focus area.	69-72

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