



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)



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2023





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ABOUT THIS REPORT

REPORTING GUIDELINES

This *Environmental, Social and Governance Report* (the “**ESG Report**” or “**Report**”) constitutes a full demonstration of the environmental and social performance of TravelSky Technology Limited (the “Company” or, collectively with all its subsidiaries, the “**Group**” or “**TravelSky**” or “**we**”) in Year 2023. This Report is prepared in accordance with Appendix C2, *Environmental, Social and Governance Reporting Guide* (the “**ESG Guide**”), to the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (the “**Listing Rules**”) issued by The Stock Exchange of Hong Kong Limited (“**SEHK**”), with reference to the *Global Reporting Initiative Sustainability Reporting Guidelines* (the “**GRI Standards**”) of the Global Sustainability Standards Board and the *Guidelines to the Central State-owned Enterprises Directly under the Central Government on Fulfilling Corporate Social Responsibilities and Research on the Preparation of ESG Reports for Listed Companies Held by Central State-owned Enterprises* issued by the State-owned Assets Supervision and Administration Commission of the State Council (the “**SASAC**”). This Report has been reviewed and approved by the Board of Directors of the Group.

REPORTING SCOPE

This Report covers, and partly exceeds, the period from January 1, 2023 to December 31, 2023 (the “**Reporting Period**” or “**2023**”). Unless otherwise stated, the organization scope herein covers the Company and its subsidiaries.

REPORTING PRINCIPLES

This Report is prepared in strict accordance with the mandatory disclosure requirements and “comply or explain” provisions of the *ESG Guide* and by following the Materiality, Quantification, Balance and Consistency principle to ensure that everything contained herein is true and reliable.

Materiality:

We are highly aware of how much environment, society and governance matter to stakeholders. In 2023, TravelSky kept communicating with stakeholders to understand their demands and sorted out material issues in light of the macro trends and our own development, so as to address and disclose issues with material impact. The Board of Directors also participated in the identification of material issues.

Quantification:

To demonstrate the environmental and social performance of TravelSky in 2023, we have presented the KPI data in 2023 and historical KPI data in a measurable manner wherever feasible.

Balance:

During the preparation of this Report, we tried to present the performance of the Company in an unbiased manner, so as to avoid influencing the decision-making or judgment of readers of this Report.

Consistency:

Except as otherwise stated, the same statistical method as used in the previous years is used herein wherever feasible to ensure that the ESG data can be meaningfully compared at a later date.

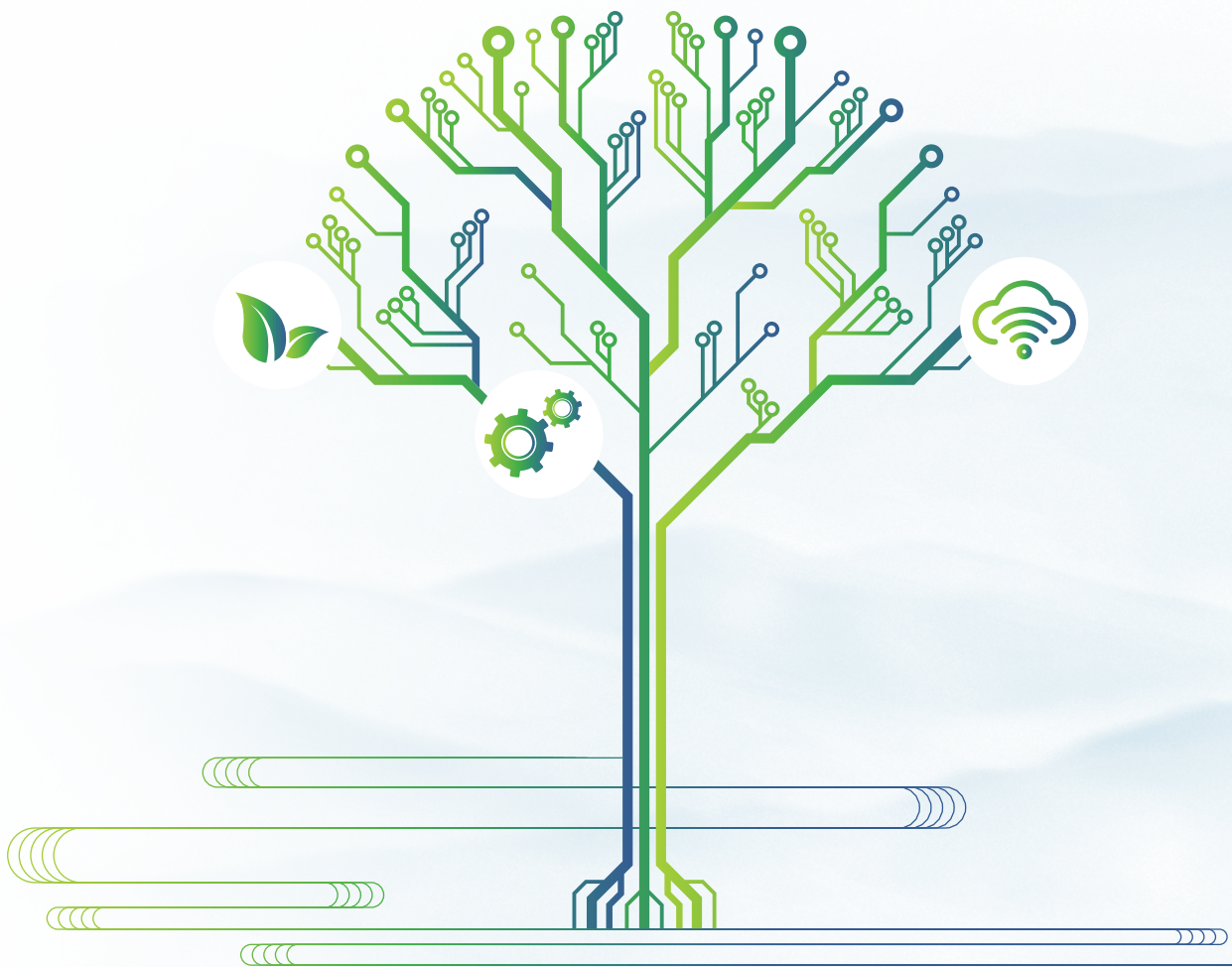
ABOUT THIS REPORT

REPORT STATEMENT

The Board of Directors is responsible for evaluating and determining the environmental, social and governance (“**ESG**”) strategies and reporting of the Group. The Group has disclosed information under all “comply or explain” provisions of the ESG Guide. This Report is released 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 SEHK’s news website (www.hkexnews.hk) and the Company website (www.travelskyir.com). Please select “Investor Relations” on the homepage of the Company and then select “*Environmental, Social and Governance Report 2023*” under “Financial and ESG Reporting”. For any comments or suggestions on the *ESG Report* of the Group or for a printed version of the Report, please contact us at kcxfz@travelsky.com.cn.



A LETTER TO STAKEHOLDERS



Huang Rongshun

Chairman, Executive Director & General Manager

2023 was a year when TravelSky continued on its expedition toward greater success. It was also a year of changes and uncertainties. In such a tough environment, TravelSky, as leader in the information construction of civil aviation, firmly follows the path of green, low carbon and responsibility and boosts the integration of the ESG concept daily management and operation. Over the past year, we have made every effort to boost new, greater achievements in corporate governance, science and technology innovation, low-carbon operation and social responsibility across the Group.

A LETTER TO STAKEHOLDERS

Deep reform created better governance. We deepened reform in answering the governance structure, greatly improving the governance performance of the Group. We deepened reform around vibrancy and efficiency, continuously perfecting the market-oriented operation mechanism. We deepened reform around the internal control mechanism, trying to raise the lean management level.

Innovation enabled better technological innovation. We carried through the innovation-driven development strategy and, driven by independent innovation on major and key technologies and supported by major technological innovation projects and innovation platforms, greatly enhanced our technological innovation ability, having harvested a number of high-level technological results. We won 13 technological awards, and implemented more than 10 technological results evaluations, many of which filling the gaps in the respective fields of China.

Green operation supported better growth. We continuously sped up the construction of e-commerce platforms and electronic bidding and trading platforms to realize paperless, digital, intelligent management and save labor and material costs. Our data center energy-saving project was shortlisted among the Beijing Advanced Low Carbon Technology Pilot Projects, having won the second prize of the China Energy Conservation Association Science and Technology Innovation Award.

Social responsibility built better community. We stayed close to employee needs and made them feel like home by offering necessities for winter and summer. We were concerned about public interest, providing post-quake assistance to victims in Linxia, Gansu. We lent a hand to rural revitalization, developing a “zero-distance” digital rural governance service platform for Shenchi County.

In 2024, TravelSky will continue to uphold the sustainability concept, vigorously promote high-quality development, build a modernized governance system with our own characteristics, accelerate the construction of a world first-class enterprise and create more values for stakeholders with practical actions.



STATEMENT OF THE BOARD

The Board of Directors is fully responsible for the ESG strategy and reporting. The Board of Directors and its Strategy and Investment Committee (Legal Compliance Committee) (“**Strategy Committee**”) evaluates, prioritizes and manages important ESG-related matters by reviewing the *ESG Report* on a regular basis, listening to progress statements on ESG work and reporting on the implementation of Board decisions, and reviews and examines the progress of key ESG performance and goals.

TravelSky has integrated ESG into its daily risk management. During the reporting period, the Board of Directors and its Audit and Risk Management Committee (Supervision Committee) (“**Audit 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 of Directors took an active part in the formulation and review of TravelSky’s main ESG objectives.

The Board of Directors considered and passed the Report on March 27, 2024, confirmed that the Report has fully disclosed the progress and effectiveness of the Group’s ESG work during the reporting period, assured that no fictitious record, misleading statement, or material omission is included in this Report, and approved its release.



ABOUT TRAVELSKY

(I) COMPANY PROFILE

TravelSky Technology Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is the dominant provider of information technology solutions for China’s aviation and travel industry. 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, corporate clients, travelers and cargo shippers — to conduct electronic transactions and manage travel-related information. The core business of the Company includes aviation information technology service, accounting, settlement and clearing service for aviation industry, airport information technology service, distribution information technology service, etc.

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

As of December 31, 2023, the largest shareholder of the Company is China TravelSky Holding Company Limited, which holds approximately 29.55% of the equity interest in the Company. A total of approximately 38.58% of the equity interest in the Company is held by 14 domestic shareholders, including China National Aviation Holding Company Limited, China Mobile Capital Holding Co., Ltd., 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, 2023, the Company has approximately 30 domestic subsidiaries in China, including Accounting Centre of China Aviation Limited Company, Cares Shenzhen Co., Ltd., Civil Aviation Cares of Qingdao Ltd., etc. The Company has overseas wholly-owned subsidiaries in many regions and countries, including Hong Kong, Singapore, Ireland, etc., and holds equity interests in over 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 6,620 employees as of December 31, 2023.

ABOUT TRAVELSKY

(II) PERFORMANCE SUMMARY

In 2023, the global economy demonstrated certain resilience, maintaining a moderate growth momentum. The Chinese economy rebounded and showed positive signs, with increasing demand for travel from the public, providing momentum for the recovery of the aviation industry and laying a solid foundation for the business development of the Group. The group seized the crucial period for the aviation industry to consolidate its foundation and restore growth. Through scientific planning and coordinated efforts, certain progress has been made in the main business sectors including aviation information technology services, accounting, settlement and clearing services, distribution information technology services, airport information technology services, and other information technology services.

The Company recorded a year-on-year increase in profitability because of the significant year-on-year increase in the number of civil aviation passengers in 2023. The revenue and operating results of the Group mainly came from the Group's operations in China. For Year 2023, profit before taxation of the Group was approximately RMB1,612.1 million, representing an increase of approximately 119.3% over that in the year ended December 31, 2022 ("**Year 2022**"). Net profit attributable to shareholders of the parent was approximately RMB1,399.0 million, representing an increase of approximately 123.1% over that in Year 2022. The basic and diluted earnings per share of the Group in Year 2023 were RMB0.48. The Board recommended the distribution of a final cash dividend of RMB0.16 (tax-inclusive) per share for Year 2023.

For complete business and performance information, please visit the SEHK's website (www.hkexnews.hk) or the Company's compliance website (www.travelskyir.com) "Investor Relations" column "Announcements", view the 2023 Annual Report under Financial and ESG Reporting.

(III) CORPORATE CULTURE

Development Vision	To become the main IT service provider in aviation and tourism industry and a country-leading, world-class information services provider
Development Approach	Building big platforms Pooling big data and providing wide range of services
Core Values	Putting people first Strengthening the safety foundation Building trust with services and driving long-term development through innovation
Business Philosophy	Putting safety first Winning Customers with services Creating values with information
Code of Conduct	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

(IV) HIGHLIGHTS

This Report is a substantial response to the recommendations in the SEHK *ESG Guide* and the SASAC Guidelines to the *Central State-owned Enterprises Directly under the Central Government on Fulfilling Corporate Social Responsibilities* and *Research on the Preparation of ESG Reports for Listed Companies Held by Central State-owned Enterprises*, with reference to related indicators in the GRI standards to stay in line with the international disclosure concept regarding the *ESG Report*. It not only meets the disclosure requirements of all regulatory authorities for the *ESG Report* of listed companies, but also provides more reference for stakeholders to understand the environmental, social and governance performance of the Company.

This Report includes a special chapter titled “Empowering digital economy, Linking smart aviation” to better demonstrate TravelSky’s performance in the innovation of smart products; an outreach and a stakeholder testimonials section to improve the readability of the Report. It fully demonstrates the highlights of TravelSky’s environmental, social and governance practices and performance in 2023 around perfecting corporate management, adhering to technological innovation, living up to low carbon development, and taking social responsibility. It is presented in Chinese and English in electronic, long form and printed versions to increase the dissemination value of ESG information disclosure.

SUSTAINABLE DEVELOPMENT MANAGEMENT

Following the SASAC and SEHK guidelines and inspired by the general standards and good practices of global corporate sustainability management, TravelSky has factored ESG into its corporate management by considering the Company’s own realities and come to operate its business in a more responsible manner.

(II) RESPONSIBILITY CONCEPT AND GOVERNANCE

TravelSky continuously improves its sustainability management system, having established a hierarchical management structure. The Board of Directors, as the top management level, is responsible for the overall deployment and promotion of TravelSky’s sustainable development work. Under the Board of Directors, the Strategy Committee is responsible for the governance of sustainable development, the Audit Committee is responsible for the governance and risk management of sustainable development; the Strategic Development and Reform Department, as the department in charge of TravelSky’s sustainability development, is responsible for coordinating and promoting the implementation of the Company’s activities related to the governance of sustainable development. The functional departments are divided according to six sectors, namely, governance, environment, human resources, responsible procurement, product service, and community investment and are responsible for managing issues within their respective capacities. The business departments, branches and subsidiaries are responsible for collaborating with their respective departments in charge and the Market Operation and Enterprise Management Department in maintaining the sustainability concept in product responsibility and customer service.

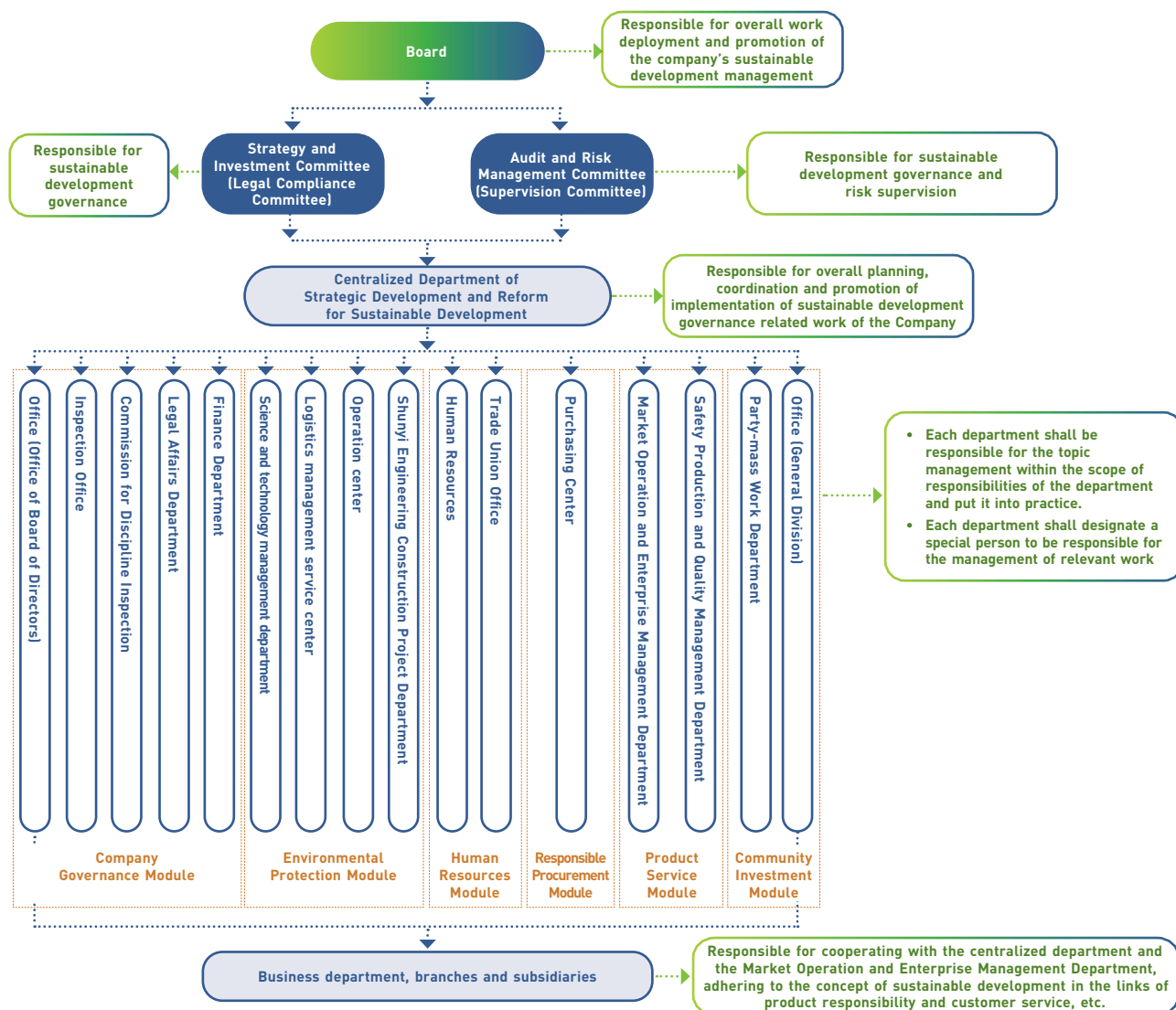


Figure: TravelSky’s organizational structure for sustainable development

SUSTAINABLE DEVELOPMENT MANAGEMENT

In 2023, TravelSky passed the *Measures for the Environmental, Social and Governance Management of TravelSky Technology Limited (Trial)*, marking the establishment of an effective ESG management mechanism; continued to ensure the sound management of objectives related to sustainable development, gradually integrating the sustainability concept into its daily management and operation; implemented training programs for the Board of Directors and the Company’s senior executives on ESG management, further improving the ESG management level of senior management.

2023 • Our Honors

- Included in the SASAC “Central Enterprise ESG • Pioneer 100” index, ranking the 42nd
- Included in the “Hang Seng SCHK China Central State-owned Enterprises Index”, ranking the 20th largest heavyweight stock
- Wind ESG Rating lifted from BBB in 2022 to A
- Received the 7th China Excellent IR “Best ESG Award”

(II) ANALYSIS OF MATERIAL ISSUES

TravelSky’s material issues 2023

Environmental Aspect	Social Aspect		Governance Aspect
Effective use of resources	Safety production	Public volunteer service	Compliance management
Addressing climate change	Information security and privacy protection	Intellectual property protection	Risk management
Emissions management	Employee basic rights protection	Supply chain management	Anti-corruption
Green office	Service quality	Guarantee for major events	
	Work-life balance	Assistance to the vulnerable	
	Health and safety	Supporting industry development and low carbon transition	
	Training and development	Rural revitalization	
	Employee diversity	International development	
	Technological innovation and digital transition		

SUSTAINABLE DEVELOPMENT MANAGEMENT

Based on major changes in domestic and overseas economic environment and on characteristics of TravelSky’s own development, in light of the SEHK *ESG Guide*, GRI Standards and the mainstream ESG rating indexes in the capital market, TravelSky has drawn a matrix of material issues from the two dimensions of “materiality to economic, environmental and social impact” and “materiality to stakeholders”.

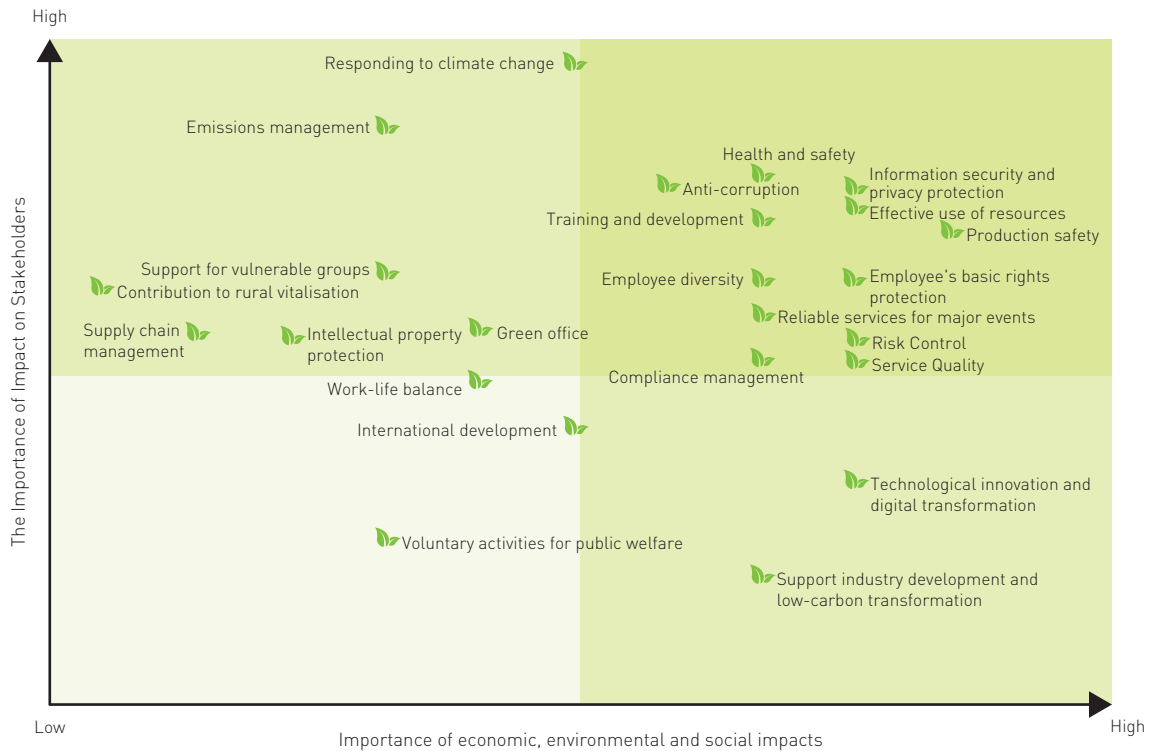


 Figure: TravelSky’s Matrix of material issues 2023

SUSTAINABLE DEVELOPMENT MANAGEMENT

(III) COMMUNICATION WITH STAKEHOLDERS

TravelSky highly values the interaction with stakeholders such as the government, investors, customers, employees, partners, and communities, addressing their expectations and concerns through regular communication in the form of seminars and community activities.

Types of Stakeholders	Expectations and Demands	Communication Channels	Our Response
Government and regulatory authorities	Compliance with laws and regulations Tax payment according to law R&D on civil aviation information systems Implementation of dual carbon policy	Meetings Work reports Routine inspection Public reporting	Strengthening compliance operation management Participate in the formulation of industry standards Strategic cooperation Improving policy formulation and management mechanism
Investors	Robust operation Good return on revenue Transparency on information disclosure	Statements, announcements Daily communication Investor meetings	Building up competitiveness and profitability Strengthening market value management Timely information disclosure and better investor relations management
Customers	Integrity and contract performance Guaranteed quality High-quality services	Customer service hotline Customer satisfaction survey Customer communication platform	Improving customer complaint management mechanism Return visits to customer complaints
Employees	Remuneration and benefits Career development Health and safety	General Manager Mailbox Workers' Congress	Employee rights protection Improving the talent training system and establishing a professional title assessment mechanism Health protection
Suppliers	Business ethics Transparent procurement Win-win cooperation	Business communication Seminars or discussions	Contract execution with integrity Open procurement, electronic procurement Business exchange and cooperation, seminars
Community	Reliable services for major events Contribution to rural vitalisation Volunteering services Humanitarian aid	Community welfare activities Community co-construction activities	Providing safe and thoughtful information protection services Supporting the Rural Revitalisation of Shenchu County Carrying out charity activities
Industry peers	Fair competition Driving industry progress	Business communication Experience exchange	Reject vicious competition Active participation in industry exchanges

FEATURE: EMPOWERING DIGITAL ECONOMY, LINKING SMART AVIATION

In a world where digitalization is leading technological revolution and industrial transformation, it is crucial for civil aviation to seize the new opportunities of digitalization in the new era. Taking these new opportunities, TravelSky has made bold attempts into the aviation tourism industry by building chainsky, a block chain service platform practicing our core concept of big business travel, big consumption, and big service. Chainsky is an integrated blockchain operating environment and underlying technology service platform provided by TravelSky for civil aviation business developers, supported by chainmaker and Fabric as the underlying blockchain engines. Based on this blockchain service platform, TravelSky has also launched a succession of innovative application products such as shenbaotong and e-bill distribution platform products, helping civil aviation participants to uplink key nodes, open up data silos and realize the trusted sharing of data elements. In addition, TravelSky has also created a digital yuan aggregation platform, which aggregates all digital yuan participants to provide digital yuan consumer red packet services in air travel scenarios.

Speed reading • A glance at TravelSky's chainsky

- **Platform advantages:** chainsky is based on a national blockchain innovation and application pilot project initiated by the Cyberspace Administration of China (CAC) together with 16 ministries and commissions. It is a basic blockchain service platform for the entire civil aviation industry
- **Authoritative certification:** chainsky has passed 6 assessments by the China Academy of Information and Communication Research and coauthored 5 national blockchain standards
- **Underlying support:** It is supported by chainmaker and Fabric as the underlying blockchain engines
- **Secure and controllable:** chainsky applies secure, self-controllable cryptographic algorithms, consensus algorithms, and privacy computing technology to ensure the security of data on the chain.
- **Honors:** chainsky has been included among the CAC Blockchain Innovative Application Cases 2023, as an excellent application case by the National Blockchain Technology Innovation Center, and among the "Top 10 Outstanding Cases of Industry Blockchain Enterprises 2023" and "Top 50 Industry Blockchain Enterprises 2023" issued by the China Industry Blockchain Summit



Chainsky monitoring screen

FEATURE: EMPOWERING DIGITAL ECONOMY, LINKING SMART AVIATION**(II) CROSS-DISCIPLINARY INTEGRATION TO BUILD A NEW AIR TRAVEL ECOLOGY**

TravelSky serves the construction of smart civil aviation with cutting-edge information technology and made attempts and early layouts in digital — chain integration, currency — chain linkage and intelligence — chain integration with blockchain, digital yuan and artificial intelligence technologies. In applying digital — chain integration, TravelSky uses blockchain to provide chainsky-based service products. In terms of applying currency — chain linkage, we focus on the corporate digitalization features of digital yuan, having landed a digital yuan red packet promotion system in civil aviation scenarios. In terms of applying intelligence — chain integration, we are exploring the landing of artificial general intelligence and robotics in the civil aviation sector. TravelSky will explore new potentials for developing aviation tourism with cutting-edge information, create new resource endowments for aviation tourism and build a new business ecology conducive to the transition of aviation tourism.

1. Blockchain

Blockchain technology is characterized by decentralization, unforgeability, trust in consensus, openness, anonymity, and cross-platform. It is a new data management solution and application mode. Civil aviation is characterized by strong systematicity, many synergy participants, high volume of data, high security requirements, and a long and strongly coupled business chain. It has a strong fit with blockchain.

To drive the application of blockchain technology in the civil aviation sector, in 2022, TravelSky undertook the national blockchain innovation and application pilot task assigned by the CAC together with 16 ministries and commissions, working hard to build a technology platform for the pilot task and its landing in scenarios. At the end of 2023, our chainsky platform successfully passed the acceptance in the pilot task and was included among the CAC blockchain innovative application cases 2023.

2. Digital yuan

Digital yuan is a digital fiat currency and the only legalized digital currency in China. Currency is a means of payment, and payment is crucial to transactions. As a digital transaction platform, it is important that chainsky pay close attention to digital currency. TravelSky began exploring digital yuan in 2021 and has signed a strategic partnership agreement with People's Bank of China Digital Currency Research Institute (DCRI) over the pilot R&D on digital yuan in the civil aviation sector. As of 2023, TravelSky had joined the DCRI Digital Yuan Patent Alliance to share the results of patented technologies and enrich the innovative resources of the digital yuan ecosystem. By loading smart contracts, it had also given best play to the intelligent features of digital yuan and landed a civil aviation transit passenger service platform. In 2023, TravelSky implemented the application of digital yuan red packets at Huanghua International Airport, Changshui Airport, and Jinwan International Airport, boosting the economic consumption in airside areas and fulfilling the tasks of promoting digital yuan and serving the precise needs of civil aviation passengers.

FEATURE: EMPOWERING DIGITAL ECONOMY, LINKING SMART AVIATION

CASE:

TravelSky held a news conference announcing the landing of digital yuan in the civil aviation transit passenger service platform

In April 2023, TravelSky, together with Hunan Airport Management Group Co., Ltd and Bank of Communications Co., Ltd., held a news conference titled “Digital Yuan, A Smart New Scenario” announcing the landing of digital yuan in the civil aviation transit passenger service platform at Changsha Airport. Based on the main line of “smart civil aviation” in the 14th FYP period, the Civil Aviation Administration of China (CAAC) and TravelSky jointly build the transit passenger service platform, which is an airport comprehensive service hub system. The integration of digital yuan with the civil aviation transit passenger service platform incorporates digital, smart, quality services into the full scenario of passenger travel and facilitates smart travels where each passenger enjoys their trip.



Figure: Conference venue

(III) ON-CHAIN PRODUCTS TO FACILITATE AIR TRAVEL COMPLIANCE

Smart civil aviation is the main line of China’s civil aviation development in the 14th FYP period. TravelSky actively responds to the call of CAAC to deepen the application of core business scenarios of blockchain and facilitate the deep integration of blockchain with civil aviation, having landed blockchain and civil aviation scenarios and launched a number of innovative application products such as shenbaotong.

FEATURE: EMPOWERING DIGITAL ECONOMY, LINKING SMART AVIATION

Shenbaotong is the blockchain application that serves the outbound security assessment declaration of civil aviation data. With trusted evidence preservation, tamper resistance and traceable security capabilities, it offers an all-around, collaborative overall solution for the outbound information security assessment declaration of civil aviation data. As the first outbound compliance product of civil aviation data in China, shenbaotong won the Industry Innovation Service Demonstration Case award and the "Air Silk Road" Construction Service Demonstration Case award at the China International Fair for Trade in Services 2023. It is widely applauded by insiders for helping airlines to improve their data security management, preventing data outbound compliance risks and boosting the safe, compliant development of civil aviation businesses.

What does shenbaotong do?

- **Self-declaration:** Standardized data exit risk scenarios help airlines achieve corporate self-inspection and intelligently generate risk assessment reports

- **Intelligent monitoring:** A visual monitoring system assists airlines to formulate information security management policies fitting their own development and provides correction recommendations, making a full-process, closed-loop data outbound risk control system

- **Evidence preservation traceability:** On-chain evidence preservation data processors record the filling in, saving, downloading, and updating of the declaration materials to control corporate compliance

- **Immediate delivery of new regulations:** Shenbaotong pays close attention to regulatory trends and compliance requirements, extracts key implementation priorities and sets up prompts, providing thoughtful, attentive, worry-free services for enterprises

In the digital era, TravelSky's chainsky platform will continue to give the best play to its resource advantages in civil aviation, link up information resources related to aviation, logistics, trade, and consumption across China and even the world via the ecological network built together with our partners, jointly construct trusted civil aviation blockchain infrastructures, establish a new mode of big business travel digital economy service for the world, enhance the core competitiveness of civil aviation services and contribute to the prosperity of international digital economy.

I. GOVERNANCE: UPHOLDING INTEGRITY FOR SUSTAINED PROSPERITY

UN Sustainable Development Goals (SDGs):



Our Response:

Leading sustainable development through lean management. TravelSky attaches great importance to corporate governance. Over time, we have developed a series of governance mechanisms and processes in relation to corporate governance, and continuously refined our internal compliance and risk management systems. We keep enhancing the Company's operational and governance standards through continuous improvement, dedicate ourselves to ensuring the stable and efficient functioning of the Company, thus delivering favorable returns to our investors.

Our Performance:

- Operating revenue: RMB**6,983,847** thousand

- Total profit: RMB**1,612,136** thousand

- Dividend per share: RMB**0.16** (tax inclusive)

- Compliance information disclosure in Chinese and English: **98** times

- Engagements with domestic and foreign investors: nearly **900** person-times

I. GOVERNANCE: UPHOLDING INTEGRITY FOR SUSTAINED PROSPERITY

(II) ROBUST GOVERNANCE

A sound corporate governance framework is not only the foundation for the company’s development but also the key to generating greater value. In accordance with the requirements of a series of laws and regulations including the *Company Law of the People’s Republic of China*, the *Securities Law of the People’s Republic of China*, the *Articles of Association*, and the *Listing Rules of HKEX*, TravelSky has established a governance framework consisting of the general meeting of shareholders, the board of directors, the supervisory committee and the management team. A mutually coordinated and restraining mechanism has thus been formed among the power organs, decision-making organs, supervisory organs and management with clear responsibilities and standardized operations. In 2023, the Company held one general meeting of shareholders, five meetings of the board of directors and two meetings of the supervisory committee. For more detailed information on governance, please refer to the *Corporate Governance Report* in the Company’s *2023 Annual Report*.



Composition of the board of directors

- Personnel Composition:** According to the Company’s Articles of Association, the board of directors consists of 9 directors, of which external directors constitute more than half of the total number of directors, including at least 3 independent non-executive directors.
- Organizational Structure:** The board of directors established four special committees, including the Audit and Risk Management Committee (Supervision Committee), the Remuneration and Evaluation Committee, the Nomination Committee and the Strategy and Investment Committee (Legal Compliance Committee).

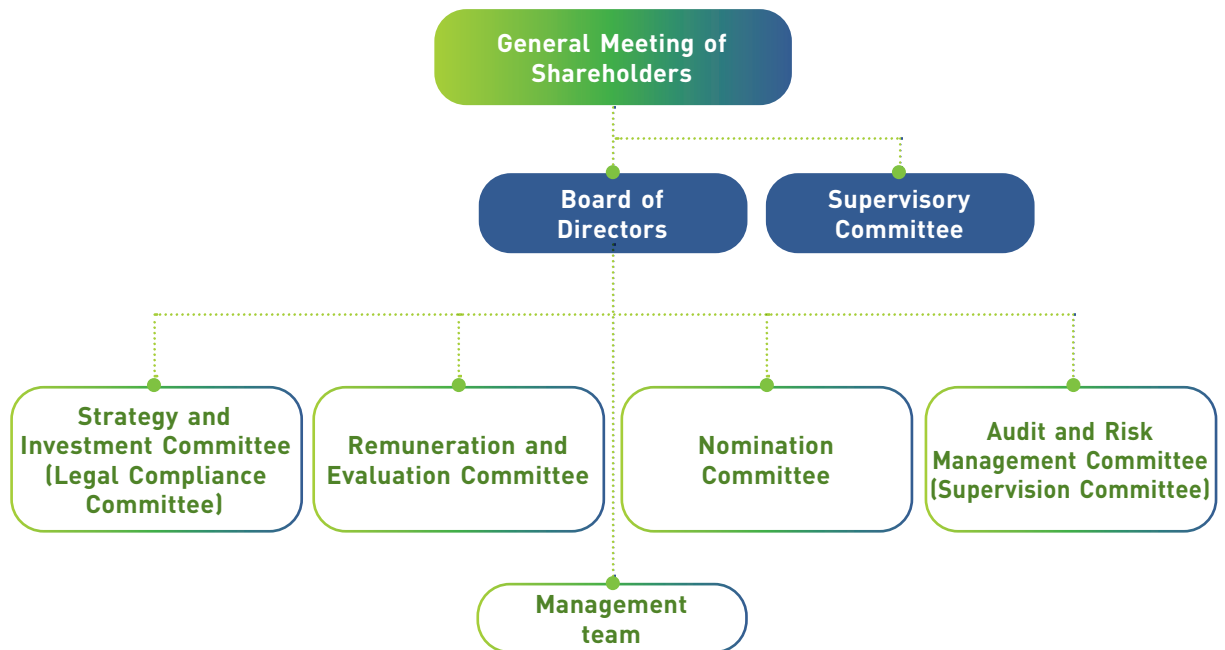


Figure: Governance Framework of TravelSky

I. GOVERNANCE: UPHOLDING INTEGRITY FOR SUSTAINED PROSPERITY

(III) SHAREHOLDERS' INTERESTS

Maintaining positive shareholder relations is the foundation for the survival and growth of a company. TravelSky highly values the management of investor relations, committing to the principles of truthfulness, accuracy, completeness, timeliness, and fairness in information disclosure. We are dedicated to providing the market and investors with more effective information. We also strengthen communication and interaction with shareholders through various forms of communication activities such as performance briefings, general meetings of shareholders and investor meetings, to enhance their understanding and support for the Company's development strategy.

The Company is committed to protecting investors' interests by continuously enhancing its robust operational capabilities. The Company distributes annual final dividend in cash every year. On March 27, 2024, the board of directors proposed a final cash dividend of RMB0.16 per share (tax inclusive) for the year 2023.

The Company was honored with the "Asia's Best Management Team of Year 2023" award by *Institutional Investor*, the "Best Capital Market Communication Award" and the "Best ESG Award" at the "Seventh China Excellent IR Selection" by Roadshow China, the "Ninth Hong Kong Investor Relations Excellence Award" by the Hong Kong Investor Relations Association, and was also included in the "Hang Seng SCHK China Central State-owned Enterprises ESG Leaders Index".

1. Information disclosure standardization

To ensure investors have a comprehensive understanding of the Company's development, TravelSky adheres to the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Listing Rules of HKEX* and the *Securities and Futures Ordinance of Hong Kong*, among other relevant laws and regulations. Based on compliant and sufficient information disclosure, we commit to providing true, accurate, and complete information and to fulfilling our disclosure obligations with high quality. Our aim is to communicate more effective information to the market and investors, ensuring that shareholders can exercise their rights with a full understanding of the situation. The quality of our information disclosure has received widespread recognition from regulatory authorities and investors.

In 2023

- Compliance information disclosure in Chinese and English: **98** times
- **38** voluntary information disclosure documents in Chinese and English
- Nearly **30** research reports published by domestic and foreign brokerage firms

I. GOVERNANCE: UPHOLDING INTEGRITY FOR SUSTAINED PROSPERITY**2. Diversified communication**

Adhering to regulatory guidelines, TravelSky actively engages with shareholders and investors through diverse channels such as general meeting of shareholders, investor meetings, hotline services and digital platforms. This approach is designed to ensure that our shareholders and investors have a comprehensive understanding of our operational and developmental situation, while also addressing the concerns and expectations of our stakeholders with sincerity. If you need to contact the Company's investor relations team, please feel free to send an email to: ir@travelsky.com.cn, or call us at: (8610) 57650696.

In 2023

- Responded to nearly **3,500** investor calls and emails
- Sent out nearly **90,000** consultation emails
- Received over **130,000** visits to the Company's compliance website
- Engagements with domestic and foreign investors: nearly **900** person-times

I. GOVERNANCE: UPHOLDING INTEGRITY FOR SUSTAINED PROSPERITY

CASE:

TravelSky Held Annual Results Announcement Global Investor Online Conference for the First Time

On March 24, 2023, TravelSky hosted its first online conference for global investors to present its 2022 annual results, using a combination of global live video streaming and teleconferencing. The Chairman expressed his sincere appreciation to the investors, analysts, and other stakeholders who have been following and supporting the Group's development for an extended period. The Company's management had extensive discussions with over 110 investors and analysts who attended the conference, covering topics such as industry recovery, ESG, development strategy, business expansion, financial performance, equity incentives and key projects. After the conference, the Group sent impression survey questionnaires to the attendees to collect their feedback and suggestions on how to improve the conference quality. The Group also held a series of online and offline events to further communicate and discuss the 2022 annual results and the 2023 interim results with investors and analysts from different regions, styles and types, aiming to create a virtuous ecosystem for investor relations management, attract more investors, and forge a closer connection with the Company, gain a deeper understanding of its operations, have clearer insights, and foster greater confidence.



 Figure: Conference Venue

(III) COMPLIANCE WITH THE LAW

Compliance with the law is the cornerstone for enterprises to achieve stability in the face of opportunities and challenges. TravelSky always adheres to the spirit of enterprise governance according to law, closely combines compliance management with high-quality development, continuously improves the compliance management system, actively promotes clean governance, and ensures that the Company's operation complies with laws, regulations and ethical norms, in order to lay a solid foundation for high-quality development.

I. GOVERNANCE: UPHOLDING INTEGRITY FOR SUSTAINED PROSPERITY

1. Adhering to compliance

TravelSky adheres to the guidance of healthy management and compliance management. Through strengthening the construction of the teams, improving the compliance management system, strengthening the construction of the compliance culture, relying on technology and other measures, the concept of compliance has been promoted through the whole process of enterprise management, which will definitely ensure the sustainable development of the Company.

In 2023

- Compliance training sessions: **2**

- The number of employees involved in compliance training: **260**

- Compliance supervision and evaluation sessions: **16**

In 2023, multiple measures were taken to strengthen compliance building

- **Organizational construction:** The theoretical learning center of the Company's Party Committee has carried out several special compliance learning sessions, which have continuously strengthened the top-level driving force.

- **System construction:** The basic system of compliance management has been comprehensively revised and promoted, and compliance guidelines and lists in key areas have been issued to provide institutional basis for compliance management.

- **Operation mechanism:** The compliance review process has been set up in the OA system to ensure the mandatory release of compliance review opinions on various matters at the level of the host departments, and promote the implementation of the compliance main responsibility on the first line of defense.

- **Supervision and evaluation:** With the goal of "full coverage of three years", the Company has organized and carried out compliance supervision and evaluation work in branches and subsidiaries, in order to comprehensively improve the compliance management system.

- **Compliance culture:** Through the special training of compliance management system construction, the Company has strengthened compliance publicity and education, and improved the law-abiding integrity and compliance management awareness among all staff.

- **Information construction:** The Company has optimized and improved the functional modules of the compliance management system, and upgraded the system according to the actual situation.

I. GOVERNANCE: UPHOLDING INTEGRITY FOR SUSTAINED PROSPERITY

CASE:

TravelSky carried out special training on improving compliance management ability

On November 22, 2023, TravelSky organized and carried out a special training on improving compliance management ability with the theme of “Strengthening Compliance Management”, and more than 200 employees participated in the training. This training invited external experts to explain the trend of compliance management supervision of central enterprises, construction progress of the compliance management system in TravelSky, the key points and work requirements of compliance review, and the key points of compliance management in branches and subsidiaries, so as to further improve the compliance management ability of the Company and help develop in high quality.



Figure: Special training site on improving compliance management ability

2. Promoting clean governance

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 relevant laws and regulations to prevent bribery, extortion, fraud and money laundering, and has established and continuously improves the anti-corruption policy system. The Company has formulated and issued internal management regulations such as the *Measures for Implementing the Main Responsibilities of the Party Committee of TravelSky*, to provide a solid guarantee for the long-term and steady development of TravelSky. During 2023, no violation of the relevant laws has been identified.

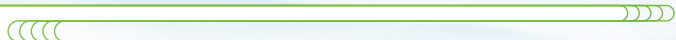
I. GOVERNANCE: UPHOLDING INTEGRITY FOR SUSTAINED PROSPERITY

At the same time, TravelSky has set up a complete and transparent complaint management and handling process, published email addresses, report emails and telephone numbers, and smoothed the channels for party members and the masses to report the related problems and carry out supervision; The special department has been set up to accept the problem clues in a unified manner, and strictly follow the procedures of registration, submission for approval, transfer and investigation; The report information will be kept strictly confidential to ensure that the whistleblowers will not be subject to retaliation for reporting through legal channels.

- **Discipline and punishment:** The Company has revised the *Opinions on In-depth Implementation of the Spirit of the Eight Provisions of the Central Committee and Further Improving the Construction of Work Practices*, in order to further standardize the work requirements in eight aspects.
- **Anti-corruption training:** The Company focuses on “key minorities” such as “top leaders”, leading cadres, and young executives to carry out anti-corruption training.
- **Warning and educating:** The Company has compiled the *TravelSky Warning Record of Discipline and Law Violation of Typical Cases*, in order to continue enhancing the staff’s ideological consciousness of “staying away from corruption” based on the cases around the staff.
- **Incorruptible culture:** The Company has held the theme exhibition of incorruptible culture works on “Honesty and integrity as refreshing breeze”, and a total of 113 works created by TravelSky employees and their families were exhibited.




Figure: Theme exhibition of incorruptible culture works on “Honesty and integrity as refreshing breeze”



I. GOVERNANCE: UPHOLDING INTEGRITY FOR SUSTAINED PROSPERITY

(IV) GUARDING AGAINST RISKS

Effective risk prevention is crucial for enterprises to achieve sustainable development. TravelSky adheres to preventing risks and improving corporate governance capabilities at the same time, attaches importance to strengthening the construction and supervision of the internal control system, continues improving the risk management system, and constantly improves the ability to resolve risks. In 2023, the Company integrated ESG into the risk management, updated environmental and social risk information in the risk database, and improved the description of related risk events. TravelSky strives to deepen the integrated operation mode of law, compliance, auditing, risk control, and accountability, innovate working methods, strengthen synergy, and actively encourage all units to prevent business risks.



**Strengthening the
internal control
system**

- **Carrying out internal control evaluation:** The Company regularly carries out internal control effectiveness evaluation and in-depth investigation of internal control system defects, as well as internal control supervision and evaluation among 16 branches and subsidiaries, and compiled annual system compilation, in order to continuously improve the internal control system.

- **Strengthening internal audit:** The Company has organized 35 internal audits, involving a total of 29 units, to promote source management and guarantee the bottom line of no major risks. In accordance with the requirements of the long-term mechanism for rectification, TravelSky will improve the audit rectification responsibilities and promote the implementation of audit rectification work.

- **Strengthening internal control and supervision:** The Company has issued risk warning notices and supervision reminder letters for the problems found in the supervision work of internal audit and internal control inspection, urged all units to strengthen internal control, and will transfer accountability according to the actual situation, so as to ensure the supervision efficiency of promoting implementation and improving rectification and development by seeking accountability.

I. GOVERNANCE: UPHOLDING INTEGRITY FOR SUSTAINED PROSPERITY



Prevention and control of business risks



Optimizing the accountability system

- **Pre-risk prevention:** The Company regularly carries out legal risk inspection among 8 branches and subsidiaries, in order to find problems and urge all units to rectify and reduce the occurrence of legal disputes.
- **Risk monitoring and evaluation:** The Company strives to improve the risk database according to the actual situation; strengthen risk management and organize annual assessment and quarterly monitoring of major risks.
- **Cultivate a risk control culture:** The Company has set up a risk management publicity column, and carried out several special training on improving risk management ability to improve employees' ability to cope with risk challenges.
- **Information management:** The Company strives to improve the timeliness, convenience and standardization of risk monitoring and reporting based on quarterly monitoring of major risks and online real-time reporting of major operational risk events.
- **Coordination of responsibility investigation:** The Company strives to improve the responsibility investigation system and the work operation mechanism, to ensure effective synergistic role of supervision and management, and urge subsidiaries to carry out internal responsibility investigation work.
- **Supervision and accountability informatization:** The Company will continue carrying out the supervision and accountability informatization work based on the complete docking requirements with the SASAC system, and further develop the whole process module of supervision and accountability.

II. INNOVATION DRAWING A TECHNOLOGICAL BLUEPRINT BASED ON GOOD FAITH

UN Sustainable Development Goals



Our Response:

Innovation is the eternal theme of enterprises. TravelSky adheres to the innovation-driven development strategy, strives to improve the system and mechanism of scientific and technological innovation, pays close attention to core technology research and achieves self-reliance in science and technology; actively participates in the formulation of industry standards, and constantly cultivates new momentum for the Company's high-quality development; attaches great importance to network security work, and constantly strengthens the construction of the security system to prevent major security accidents.

Our Performance:

- New patents applied: **233**

- Research and development cost: RMB **863,039** thousand

- **5** industry standards and **8** national standards developed (alone or in partnership)

- **15** scientific research and innovation platforms have been built at the national, provincial and the Company level.

(I) INNOVATING MECHANISM

Innovation serves as a source of inspiration for the development in the future. Guided by the principle of key technology independent innovation, TravelSky regards scientific and technological innovation as an important strategic task, steadily improves technological innovation capabilities, builds a first-class research and development system, and creates a team for scientific breakthroughs with courage and good performance.

II. INNOVATION DRAWING A TECHNOLOGICAL BLUEPRINT BASED ON GOOD FAITH

Striving to continuously improve the scientific and technological innovation mechanism, TravelSky has revised *Interim Measures for Awarding Scientific and Technological Innovation Achievements of China TravelSky Holding Company Limited and TravelSky Technology Limited*. In 2023, TravelSky was recognized as the national enterprise technology center and the national intellectual property advantage enterprise, and was approved to set up a national-level enterprise postdoctoral research workstation, with credentials in evaluating engineering qualifications and other national platforms and qualifications. TravelSky also set up a total of six provincial level and eight Company level science and technology innovation platforms, with the ability to gather innovation elements greatly improved.

CASE:

TravelSky was recognized as the national enterprise technology center

In February 2023, TravelSky ranked first in the 29th batch of national enterprise technology centers, and became the first national enterprise technology center in the civil aviation industry.

The title of national enterprise technology center, which is currently one of the most influential technological innovation platforms with the highest specifications in China, is jointly awarded by five ministries, including NDRC, the Ministry of Science and Technology, the Ministry of Finance, GACC and SAT. In recent years, TravelSky has increased the input of scientific and technological innovation, accelerated the output of scientific and technological achievements, and the approval of the national enterprise technology center reflects the significant scientific and technological innovation capability and status of the Company in terms of innovation input, innovative talents, technology accumulation, innovation platform, technology output and innovation benefits.



Figure: National enterprise technology center

II. INNOVATION DRAWING A TECHNOLOGICAL BLUEPRINT BASED ON GOOD FAITH

CASE:

TravelSky was approved to set up a national postdoctoral research workstation

In April 2023, TravelSky was approved to set up a national-level enterprise postdoctoral research workstation. The establishment of the national-level enterprise postdoctoral research workstation effectively supplements the way for the Company to introduce and cultivate high-level scientific research talents, which is not only an important reflection of the Company’s existing scientific and technological strength, but also a major driving force to promote the high-quality development in the future.

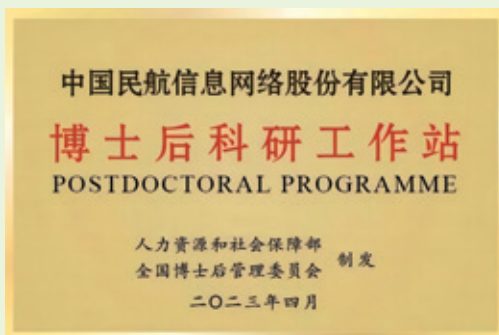


Figure: National-level post-doctoral research workstation

CASE:

TravelSky held the second Science and Technology Innovation Conference

On December 28, 2023, TravelSky held the second Science and Technology Innovation Conference. For the key work of science and technology innovation in the future, TravelSky put forward the new requirements of “Five Acceleration” to achieve high-level self-reliance in science and technology, and planned 13 key tasks in light of the overall goal of developing strategic emerging industries and future industries. The Company also organized 8 execution units to respectively sign the task book, which pointed out the direction for TravelSky to further implement the innovation-driven development strategy, optimize the industrial layout, and achieve high-level self-reliance in science and technology.



Figure: TravelSky held the second Science and Technology Innovation Conference

II. INNOVATION DRAWING A TECHNOLOGICAL BLUEPRINT BASED ON GOOD FAITH

(II) TACKLING KEY PROBLEMS IN SCIENCE AND TECHNOLOGY

Overcoming difficulties and climbing the peak of science and technology. Boasting China's first-class informatization construction team, TravelSky has always placed scientific and technological innovation in an important position in the Company's management, firmly advanced the key work of scientific and technological innovation based on the Peak Action Plan and Six One policy, gathered strength to carry out key technology research, deeply participated in the construction of smart civil aviation industry, and gained a number of high-level scientific and technological achievements. In 2023, TravelSky won 13 science and technology awards at all levels, and carried out more than 10 scientific and technological performance appraisals, with a number of scientific and technological achievements filling the domestic gap. The Company actively undertook and participated in major science and technology projects of the Ministry of Science and Technology, CAAC and the Ministry of Industry and Information Technology, to execute the national science and technology strategy and meet the common needs of society, achieving significant progress in related tasks.

2023 • Scientific and technological achievements

- R&D and Application Project of Large-scale Commercial Critical Information Infrastructure Cloud Computing Platform (TAP) in Civil Aviation won the first prize of CATA Science and Technology Award
- Key Technology Research and Application Projects of China Civil Aviation Baggage Service Platform, Civil Aviation Ticket Pricing System as well as Civil Airport Collaborative Decision Making (A-CDM) Integrated Management System won the first prize of China Communications and Transportation of Association Science and Technology Progress Award
- 9 projects, including Development and Large-scale Application of China Civil Aviation Loading Control System, passed CATA civil aviation science and technology performance appraisal

(III) INDUSTRIAL EMPOWERMENT

Leading the development of the industry to create a win-win situation. TravelSky pays attention to the development trend of the industry, attaches great importance to intellectual property protection, and has established a series of intellectual property management norms and processes; actively participates in the formulation of industry standards, and strives to promote technical exchanges and cooperation to contribute to the high-quality development of the industry.

II. INNOVATION DRAWING A TECHNOLOGICAL BLUEPRINT BASED ON GOOD FAITH

1. Intellectual property protection

TravelSky is determined to win the battle of key technologies, constantly improves the level of scientific and technological innovation, and attaches great importance to the creation, application and protection of intellectual property rights. Through the formulation of the *Interim Measures for the Administration of Intellectual Property Rights of TravelSky*, the *Implementation Rules for the Administration of Patents of TravelSky*, the *Implementation Rules for the Administration of Trademarks of TravelSky* and the *Implementation Rules for the Administration of Computer Software Copyright of TravelSky*, the Company's ability to create, apply, protect and manage intellectual property rights has been significantly enhanced.

In 2023

- New patents applied: **233** (including **224** invention patents)
- New patents authorized: **118** (including **109** invention patents)
- **5** industry standards and **8** national standards developed (alone or in partnership)

2. Win-win industrial cooperation

TravelSky adheres to pioneering innovation, strives to promote the smooth flow of factors inside and outside the industry, and actively carries out technical communication with domestic enterprises, universities and scientific research institutions with leading technology to establish a virtuous circle of technology introduction, integration and innovation. In 2023, communication and cooperation with universities, research institutes and leading enterprises increased significantly. The Company carried out joint innovation work with CEC, China Unicom, China Mobile and China Telecom and established a joint laboratory with Sugon. TravelSky also carried out industry-university-research collaboration with Peking University, Chinese Academy of Sciences, Beihang University, etc.

II. INNOVATION DRAWING A TECHNOLOGICAL BLUEPRINT BASED ON GOOD FAITH

At the same time, TravelSky gave full play to its technological advantages in big data, cloud computing and data center construction services, providing information services for governments as well as finance, energy, medicine, manufacturing and other industries, and providing data services and support for the innovative application for various production and operation entities in the industry in accordance with the law.

CASE:

TravelSky cooperated with Meituan Hotels to achieve a win-win situation

In 2023, TravelSky joined hands with Meituan Hotels to ensure the seamless connection among systems through technical channel cooperation, and realized the real-time information transmission and the complete sales cycle about Meituan Hotels' room rates, room availability and orders. The cooperation between the two parties not only expanded the hotel resource inventory of the TravelSky distribution system, but also further opened up the upstream and downstream supply chain among hotels, reduced customers' booking cost, improved the booking efficiency and experience of customers, and helped Meituan Hotels expand new distribution channels, drive traffic to hotels, and achieve a win-win situation.

(IV) NETWORK SECURITY

The Company has strengthened its security guarantee capabilities in the fields of operation security, information security and data security, built a security management system with clear responsibilities, complete systems and excellent technology, strengthened the top-level security structure, improved the system of security policies, enhanced the construction of the security tools, and improved the training mechanism for practitioners, which laid a solid foundation for security management.

1. Building robust security management

TravelSky strives to establish and improve the safety production management system, enhance the safety production capacity, and accelerate the development of smart civil aviation based on safety empowerment. In 2023, TravelSky successfully prevented accidents of level 2 (or above) production failure and information security incidents that caused social impact.

II. INNOVATION DRAWING A TECHNOLOGICAL BLUEPRINT BASED ON GOOD FAITH

In 2023, TravelSky successfully passed the internal and external audit of ISO9001 quality management system, ISO2000 information technology service system and ISO27001 information security management system; completed the re-certification of information security service (Disaster Recovery Category A).

2023 • Our Honors

- TravelSky achieved GB/T 37988-2019 Data Security Maturity Model (DSMM) level 3, becoming the first company with such certificate which met the national standards in domestic civil aviation industry.
- The Company continued improving the data compliance management system, and passed the level 4 assessment of GB/T 36073-2018 Data Management Capability Maturity Assessment Model (DCMM), which marked that TravelSky's data management capability has reached the leading level in the civil aviation industry.
- TravelSky won the title of Strongest Team in Transportation Industry in the 5th Network Security Competition of Central Enterprises' National Network and Security Information Notification Mechanism.
- TravelSky won the title of 2023 Top Ten Data Management Enterprises.
- TravelSky won the One Hundred Excellent Data Management Cases of 2023.



Figure: TravelSky won the title of 2023 Top Ten Data Management Enterprises

II. INNOVATION DRAWING A TECHNOLOGICAL BLUEPRINT BASED ON GOOD FAITH

- **Establishing and improving organizational structure**

In 2023, TravelSky continued improving the safety management organization, set up the independently controllable technology office with full-time personnel with absolute discretion, clarified work responsibilities and work mechanisms, strengthened safeguard measures, and carried out publicity work, to ensure the implementation of various work mechanisms.

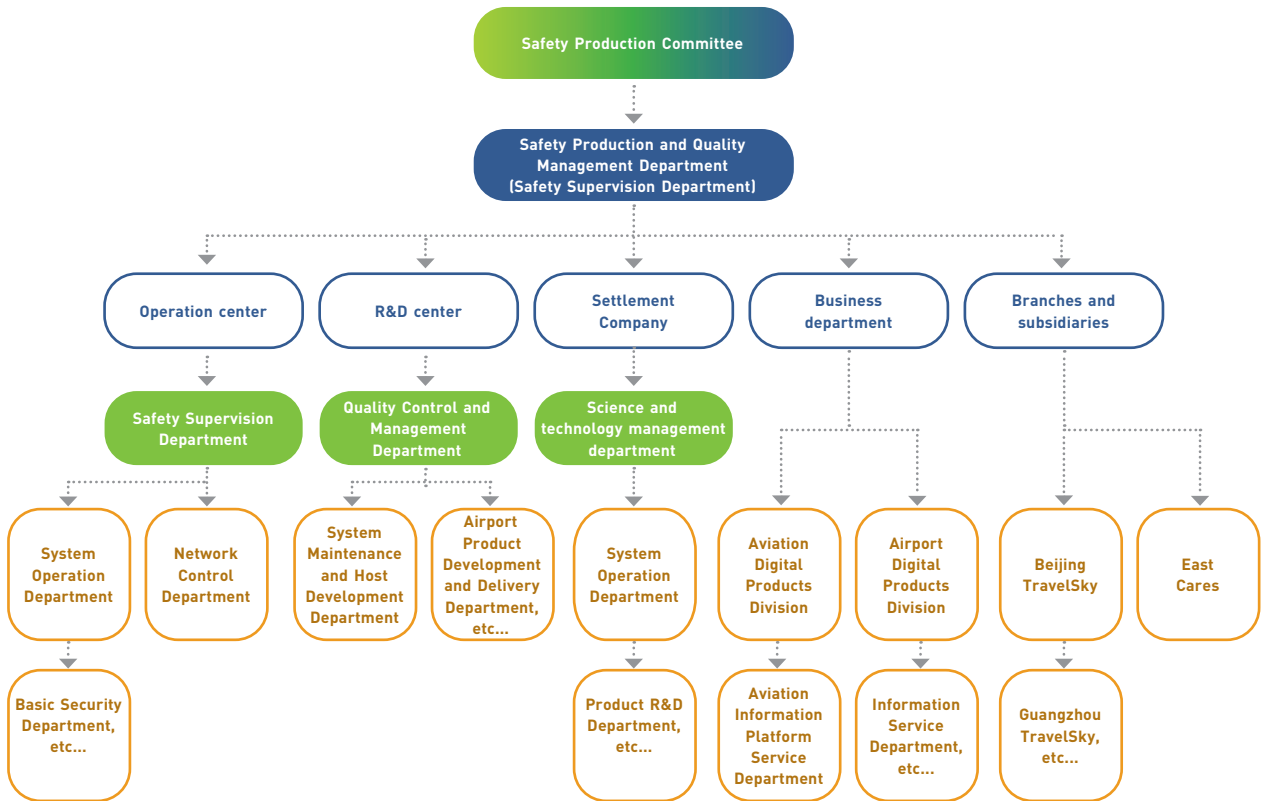


Figure: TravelSky’s information operation and maintenance system structure

- **Improving the safety system**

In terms of operational security, to meet the management requirements for six elements of the operation and maintenance system, TravelSky developed and released *Critical Information Infrastructure Operation and Maintenance Guarantee Standards (Local Software Part)*, and released *TravelSky’s Regulations on Dual Prevention Mechanism of Security Risk Classification Control and Management* and *Hidden Danger Investigation* and *TravelSky’s Management Measures for Security Hazard Whistleblowers*.

In terms of information security, the *Measures for the Management of Passenger Service Platform Accounts (Trial)* has been formulated and issued, which further clarified the account management mechanism.



II. INNOVATION DRAWING A TECHNOLOGICAL BLUEPRINT BASED ON GOOD FAITH

In terms of data security, TravelSky has formulated and issued *Regulations on the Management of Data Products and Services of the Passenger Service System*, *Rules for the Management of Log Tracking Data*, *Rules for the Management of Statistical Data*, *Assessment Procedures for the Security of Passenger Data Products* and *Assessment and Management Procedures for the Data Exit Security*. The Company has revised and issued *Regulations on Passenger Data Security Management*, *Rules for the Management of Passenger Data Security for Critical Information Infrastructure* and *Management Procedures for Tiered Data Storage*.

- **Safety hazard investigation**

In 2023, TravelSky formulated *TravelSky’s Regulations on Dual Prevention Mechanism of Security Risk Classification Control and Management and Hidden Danger Investigation* to clarify the judgment criteria for major hidden dangers. Focusing on the key requirements of the Work Safety Committee of the State Council’s Fifteen Measures for Work Safety, SASAC’s Five Must-Dos and CAAC’s Six Checks, TravelSky carried out various safety inspection work, conducted comprehensive investigation and rectification on the six elements of software, hardware, environment, organization, personnel and tool operation and maintenance, and organized expert teams to supervise and inspect key areas in China. By the end of 2023, the rectification and elimination of 190 hidden problems found by investigation have been fully completed.

2. Safety priorities

By strengthening the security protection capacity for critical infrastructure, improving the actual attack and defense capability of information security, and strengthening the protection of customer data privacy, TravelSky continued improving the level of security protection. The year 2023 has seen fruitful progress in overall security.



Improving information security
Actual attack and defense capability

- The *Measures for the Implementation of Regular Attack and Defense Simulation of TravelSky (Trial)* was issued to clarify the attack and defense exercise mechanism for internal information security.
- TravelSky has organized and carried out 6 company-wide internal phishing simulation.

II. INNOVATION DRAWING A TECHNOLOGICAL BLUEPRINT BASED ON GOOD FAITH



Attaching great
importance to
customers
Data privacy protection

- TravelSky strictly abided by Cybersecurity Law of the People's Republic of China, Data Security Law of the People's Republic of China, Personal Information Protection Law of the People's Republic of China, Regulations on the Security Protection of Critical Information Infrastructure and other laws and regulations, and established internal supporting management systems such as Regulations on Passenger Data Security Management, Rules for the Management of Passenger Data Security for Critical Information Infrastructure and Management Procedures for Tiered Data Storage.

- **In terms of system replacement**, the independently controllable procurement of information products accounted for more than 99%, higher than the target of purchasing no less than 15% of autonomous controllable products in 2023.



New progress was
made in independently
controllable technology

- **In terms of offices**, 100% of the systems have been completely renovated with the independently controllable adaptation system.

- **In terms of production**, the Company has selected the independently controllable tech stack, carried out various basic hardware and software adaptation verification, and obtained 31 adaptation certificates in total.

- **In terms of industry exchanges**, TravelSky has joined the Information Technology Application Innovation Working Committee, to help the Company to sign strategic agreements with CEC and China Telecom, in the hope of further deepening the strategic cooperation with mainstream innovative IT companies.

3. Reinforcing safety culture

TravelSky attaches great importance to the construction of safety culture, and takes the Safety Production Month and Network Security Vocational Skills Competition as an opportunity to continue strengthening the awareness of safety culture and the training of safety guarantee ability, in order to improve the security awareness of employees in an all-round way and jointly maintain the security and stability of the network.

II. INNOVATION DRAWING A TECHNOLOGICAL BLUEPRINT BASED ON GOOD FAITH

In 2023, the Company focused on building a safety culture

- More than **3,400** safety emergency drills were carried out
- About **13,000+** employees participated in the safety emergency drills
- **11** safety training sessions, covering employees of **5,000+** persons-time
- **30** hours of safety training
- TravelSky organized and carried out a series of training on network security, and conducted network security publicity and training from multiple dimensions such as the promulgation of policies, regulations, company systems, actual attack and defense technologies, and security development.
- TravelSky organized security practitioners of the Company to participate in various training sessions, including interpretation of key rules of *Personal Information Protection Law* and *Data Security Law*, discussion of recent trends concerning data compliance, and internal promotion and implementation of Data Security Maturity Model (DSMM) assessment.
- TravelSky organized the security practitioners of the Company to participate in the chief data officer literacy training, DCMM (Data Management Capability Maturity Model) data manager certification training, professional data evaluator training, data security engineer training, data asset training session, data asset manager training and other professional skills and knowledge trainings.

CASE:

TravelSky won many honors in the 2nd China Civil Aviation Network Security Vocational Skills Competition

In December 2023, TravelSky actively participated in the 2nd China Civil Aviation Network Security Vocational Skills Competition co-sponsored by China Civil Aviation Trade Union, China Employment Training Technical Guidance Center, Department of Personnel, Science & Technology and Education of CAAC and the National Civil Aviation Youth League Committee. In this competition, TravelSky won 4 group awards and the best organization award, with 12 employees winning individual awards; including 1 National Technical Expert, 1 National Civil Aviation Technical Expert, 1 National Civil Aviation Youth Expert Pioneer, 1 National Civil Aviation Youth Expert and 3 National Civil Aviation Gold Medal Employees, which fully proved TravelSky's strength in the field of network security.

III. ENVIRONMENT: CREATING A LOW-CARBON WORLD BASED ON GOOD FAITH

UN Sustainable Development Goals



Our Response:

Ensuring green and low-carbon is an essential duty for the sustainable development of enterprises, which is related to the success of high-quality economic development and the most inclusive well-being of the people. TravelSky firmly sticks to the national major strategic decision of carbon peak and carbon neutrality, unswervingly takes the road of ecological priority and green and low-carbon development, and contributes to the construction of a prosperous, clean and beautiful world by strengthening environmental protection, ensuring energy conservation and emission reduction, cultivating low-carbon culture and protecting green ecology, etc.

Our Performance:

- Intensity of electricity consumption: **20.77** MWh/RMB million of income
- Intensity of the consumption of natural gas: **285.11** m³/RMB million of income
- Intensity of total consumption of water: **69.42** ton/RMB million of income

(I) ENVIRONMENTAL OPERATION

Jointly building a global ecological civilization, and deeply engaging in global environmental governance. According to the *CPC Central Committee and the State Council's Opinions on the Complete, Accurate and Comprehensive Implementation of the New Development Concept for Carbon Peak and Carbon Neutrality and the State Council's Action Plan for Reaching Carbon Dioxide Peak Before 2030*, TravelSky sticks to lean and eco-friendly operation, and integrates the green and low-carbon sustainable concept into the daily operation of enterprises, interpreting the responsibilities of central enterprises with practical actions. In 2023, no violation of environmental laws and regulations by the Group has occurred.

III. ENVIRONMENT: CREATING A LOW-CARBON WORLD BASED ON GOOD FAITH

- Strengthening the management of carbon reduction:** TravelSky strives to coordinate the energy conservation and ecological environmental protection work. The Company formulated *Management Measures of Energy Conservation and Emission Reduction and Dual Carbon Work of China TravelSky Holding Company Limited and TravelSky Technology Limited (Trial)* to ensure the orderly development of environmental protection operation. TravelSky actively promoted the low-carbon development strategy of civil aviation information services, and gave full play to the key supporting role of scientific and technological innovation and new technology application in achieving China's dual carbon targets.
- Strengthening energy management:** For major energy-consuming sites and facilities, TravelSky carried out special energy audits, proactively investigated energy consuming problems, and tapped energy conservation potential; continuously improved the Company's energy consumption measurement system, strengthened energy data quality management, and effectively improved the level of energy management. Based on its own energy management needs, the Company has established an energy management system that matches its high-quality development.
- Strengthening pollution management:** Through projects such as the transformation of intelligent power distribution systems, the Company has realized the normalization of monitoring and data collecting, and strictly controlled and managed energy consumption and pollutant discharge. The Company carried out special treatment work such as noise control, and actively participated in various pollution prevention and control work, to contribute to the building of beautiful China.

(III) ENERGY CONSERVATION AND EMISSION REDUCTION

Green is the base color of high-quality development. TravelSky has strengthened the collaborative management of pollution reduction and carbon reduction to reduce the impact of production and business activities on the ecological environment; continuously improved the emission and energy consumption monitoring systems, and guided and urged employees to practice low-carbon production and lifestyle, in order to make positive contributions to protecting the ecological environment and promoting sustainable economic and social development.

1. Efficient use of resources

TravelSky attaches great importance to the efficient use of resources. Through transformation of intelligent power distribution system, YORK centrifugal unit converter upgrade, rooftop distributed solar photovoltaics and other projects, TravelSky's energy utilization efficiency has been significantly improved.

III. ENVIRONMENT: CREATING A LOW-CARBON WORLD BASED ON GOOD FAITH

- Renovation project of the intelligent power distribution system:** The project's WEB cloud platform can display the total electricity consumption and carbon emissions of the office area in Beijing Houshayu Park in real time, and monitors the electricity consumption of each floor of the office building in Houshayu Park and the electricity consumption of air-conditioning equipment through online systems.

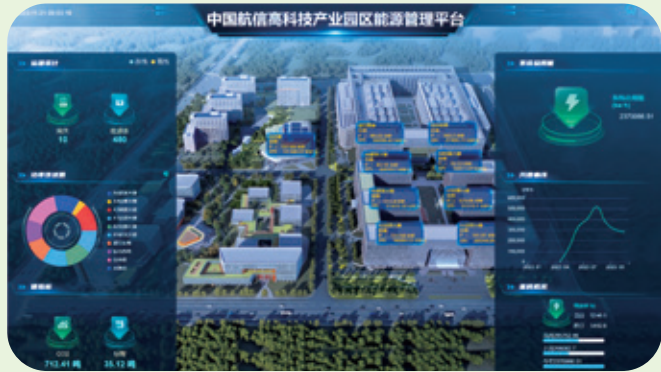


Figure: Energy management platform in TravelSky high-tech industrial park

- Converter upgrade project of YORK centrifugal unit:** The converter upgrade not only reduces the equipment space and the impact and wear of the contactor in the starting cabinet, but also extends the service life of the drive device. The annual operating cost can be saved by 15%-30%, and the energy saved is expected to be about 41% in the entire operating season after chiller transforming.



Figure: Converter upgrade project of YORK centrifugal unit

III. ENVIRONMENT: CREATING A LOW-CARBON WORLD BASED ON GOOD FAITH

- **Rooftop distributed solar photovoltaics in the park:** The photovoltaic project's distributed solar photovoltaics on the roofs of the office area, operation center building and multiple-use building in Houshayu Park generate electric power by using solar cells based on the mode of self-consumption supply with surpluses. It is expected that after the completion of the project in 2024, it can provide about 1 million kWh of green electricity for the internal power grid of the park every year.

The Group adheres to the principle of scientific and rational use of water, electricity and other resources. In 2023, TravelSky's water consumption was mainly for production purposes. According to the relevant standard documents, the annual indicators of tap water, reclaimed water and self-owned well water are set up in Houshayu Park, which respectively are 120,000 tons, 1,829,000 tons and 95,000 tons per year. The Group's operation sites do not cover water shortage areas and do not involve the issue of obtaining applicable water sources, so the relevant disclosure policies are not applicable for the Group.

III. ENVIRONMENT: CREATING A LOW-CARBON WORLD BASED ON GOOD FAITH

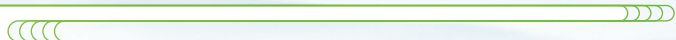
KPI	Unit	2023
Energy consumption¹		
Consumption of electricity	MWh	145,045
Intensity of electricity consumption	MWh/RMB million of income	20.77
Consumption of gasoline (vehicle)	L	146,232.90
Intensity of the consumption of gasoline (vehicle)	L/vehicle	738.50
Consumption of natural gas	m ³	1,991,189.00
Intensity of the consumption of natural gas	m ³ /RMB million of income	285.11
Consumption of purchased heat	GJ	4,927.00
Intensity of the consumption of purchased heat	GJ/RMB million of income	0.71
Consumption of diesel	tonne	10.70
Total consumption of direct energy	MWh	22,990
Intensity of direct energy consumption	MWh/RMB million of income	3.29
Total consumption of indirect energy	MWh	146,413.60
Intensity of indirect energy consumption	MWh/RMB million of income	20.96
Greenhouse gas emissions		
Emissions by vehicles (Scope 1)	tonne	324.80
Emission by diesel (Scope 1)	tonne	33.60
Emission by natural gas (Scope 1)	tonne	4,305.30
Emission by electricity consumption (Scope 2)	tonne	82,719.20
Emission by purchased heat consumption (Scope 2)	tonne	542
Direct (Scope 1) greenhouse gas emissions ²	tonne	4,663.70
Intensity of direct (Scope 1) greenhouse gas emission	tonne/RMB million of income	0.67
Indirect (Scope 2) greenhouse gas emissions	tonne	83,261.10
Intensity of indirect (Scope 2) greenhouse gas emission ³	tonne/RMB million of income	11.92
Total greenhouse gas emissions	tonne	87,924.80
Intensity of greenhouse gas emission	tonne/RMB million of income	12.59
Resource consumption⁴		
Consumption of total water	tonne	484,828
Intensity of total water consumption	tonne/RMB million of income	69.42
Tap water	tonne	97,802
Self-owned well water	tonne	4,551
Reclaimed water	tonne	382,475

¹ The conversion of energy to heat is quoted from *Energy Statistics Manual* published by IEA.

² For the calculation of greenhouse gases from gasoline and diesel, refer to the *Guidelines for Enterprise (Unit) Carbon Dioxide Emissions Accounting and Reporting*.

³ For the calculation of greenhouse gas emission from electricity generation, refer to the *Notice on the Reporting and Management of Greenhouse Gas Emission of Power Generation Enterprises from 2023 to 2025*; For the calculation of greenhouse gas of outsourced thermal energy, refer to the *Greenhouse Gas Emission Accounting Method and Reporting Guide for Enterprises in Other Industries*; For the calculation of greenhouse gas of natural gas, refer to the *Carbon Dioxide Emission Accounting Method and Reporting Guide for Enterprises (Units)*.

⁴ The data include those from TravelSky's Houshayu Park and Dongsu Data Center.



III. ENVIRONMENT: CREATING A LOW-CARBON WORLD BASED ON GOOD FAITH

2. Strengthening pollution prevention and control

TravelSky strives to prevent and control 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 Prevention and Control of Environmental Pollution by Solid Waste*, and the *Regulations on the Management of Waste Electrical and Electronic Products Recycling and Treatment*. According to the relevant standard documents, the annual discharge indicators of non-hazardous waste and hazardous waste set up by Houshayu Park shall not exceed 830 tons and 1,000 pcs respectively.

During the reporting period, the Company set the following pollution reduction targets:

- Compared to 2023, by the end of 2025, the park’s non-hazardous waste emissions will decrease by 5%;

- Compared to 2023, by the end of 2025, the total amount of park’s hazardous waste emissions will be controlled at about 1,000 pcs per year;

- Intensity of greenhouse gas emission, greenhouse gas emissions per capita and greenhouse gas emissions per passengers will be further reduced.

TravelSky regularly organized monitoring of air pollutants, kitchen lampblack and sewage discharge and timely implemented corrective measures for abnormal situations. TravelSky also carried out pollutant management according to the following methods:

Waste management	<ul style="list-style-type: none"> • Strictly following the national and local government regulations on the management of household waste and implementing the classification and collection of household waste. <hr/> • 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. <hr/> • Achieving waste utilization through old item donations, exchanges, and other forms.
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III. ENVIRONMENT: CREATING A LOW-CARBON WORLD BASED ON GOOD FAITH

<p>Nitrogen oxide management</p>	<ul style="list-style-type: none"> • Strictly following the technical requirements of the Pollution Discharge Permit for boilers issued organising third-party testing units to conduct regular monthly inspections on the pollutant emissions from the boilers.
<p>Nitrogen oxide management</p>	<ul style="list-style-type: none"> • 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.
<p>Domestic sewage discharge</p>	<ul style="list-style-type: none"> • 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. • 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.
<p>Kitchen fumes</p>	<ul style="list-style-type: none"> • In strict accordance with the relevant requirements of the Discharge Standards for Air Pollutants in Catering Industry, regularly organizing third-party inspectors to test the oil fumes in catering kitchens every reporting period. • Regular maintenance of kitchen lampblack equipment and cleaning of flue oil pollution, to ensure the normal and environmental protection operation of kitchen lampblack equipment.

III. ENVIRONMENT: CREATING A LOW-CARBON WORLD BASED ON GOOD FAITH

KPI	Unit	2023
Discharge of non-hazardous waste generated		
Discharge of domestic waste ⁵	tonne	589.83
Discharge of food waste ⁶	tonne	208
Discharge of total non-hazardous waste	tonne	797.93
Density of non-hazardous waste generation	tonne/RMB million of income	0.11
Discharge of hazardous waste generated		
Total discharge of hazardous waste ⁷	piece	1,300
Density of hazardous waste ⁸	piece/RMB million of income	0.19

(III) LOW-CARBON CULTURE

Low-carbon life for a green future. TravelSky has integrated low-carbon culture into enterprise operation and construction, carried out various activities such as Energy Conservation Awareness Week and National Low-carbon Day. The Company encouraged employees to promote environmental protection starting from the production and operation details based on the green actions such as double-sided printing, turning off all lights when leaving a room, Clean Plate Campaign, advocating for the concept of paperless office and WeChat mini program of TravelSky Reporting Code, striving to create a green, low-carbon, civilized and healthy working atmosphere.

TravelSky Reporting Code mini program

Digital office

- Property repair QR code has been posted in the public areas and office areas in the park, and employees can search WeChat mini program of TravelSky Reporting Code and scan the property repair QR code for real-time reporting for repair.
- During the Reporting Period, the system runs well. The utilization rate of mini programs in various departments is relatively high, and the efficiency of property maintenance and disposal has been significantly improved.
- TravelSky advocates for the concept of paperless office, and strives to optimize the system. Employees can report problems and apply for work cards using mini programs.

⁵ The data include those from TravelSky's Houshayu Park and Dongsu Data Center.

⁶ The data include those from TravelSky's Houshayu Park and Dongsu Data Center.

⁷ The data include those from TravelSky's Houshayu Park and Dongsu Data Center.

⁸ The data include those from TravelSky's Houshayu Park and Dongsu Data Center.

III. ENVIRONMENT: CREATING A LOW-CARBON WORLD BASED ON GOOD FAITH

Clean Plate Campaign

- By issuing proposals and notices of Saving Food and Reducing Food Waste, the Company carried out the related publicity work, and pushed for Clean Plate Campaign.
- During meal, special personnel has been arranged to supervise on-site and guide employees to take a small amount of food several times instead of take too much once, and check the residual food at the food collection station to improve awareness of food saving and waste classification among employees, to reduce food waste in the restaurant's meal production process, and minimize the food waste.

CASE:

Energy Conservation Awareness Week activity of Joining Hands for Energy Saving and Carbon Reduction

In July 2023, TravelSky launched the Energy Conservation Awareness Week activity of Joining Hands for Energy Saving and Carbon Reduction. The activity aims to popularize the knowledge of carbon peak and carbon neutrality through learning. It encourages employees to practice energy saving and emission reduction production and life style through the initiative of energy conservation and carbon reduction, science lectures, knowledge competitions, green and low-carbon works collection and other activities, and strive to create a green, low-carbon, civilized and healthy working atmosphere.



Figure: Energy Conservation Awareness Week activity

(IV) PROTECTING THE ECOLOGY

Climate change is a common challenge for all mankind and bears on the destiny of mankind in the future. TravelSky further grasps the overall requirements of Dual Carbon Goals, integrates climate issues into the overall strategy of the Company. The Company increases investment in green technology research and development, aiming to make positive contributions to the mitigation of climate change together with other stakeholders, protect biodiversity and build a beautiful home where people and nature can coexist in harmony.

III. ENVIRONMENT: CREATING A LOW-CARBON WORLD BASED ON GOOD FAITH

1. Responding to 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 Peak and carbon Neutrality and other policies. In order to comprehensively coordinate the work of carbon peaking and carbon neutrality, the Company has set up a carbon peak and carbon neutrality work leading group. The group is led by the chairman of TravelSky, along with the relevant responsible leaders serving as deputy leaders of the group. The members include the heads from operation center, logistics management service center, information service department and other major energy-consuming units, as well as the leaders from the science and technology management department, strategic development and reform department and other management departments.

At the same time, in order to actively respond to climate change, TravelSky analyzed climate change risks based on the Task Force on Climate-related Financial Disclosures (TCFD) framework, identified specific risks affecting the enterprises, and formulated the relevant countermeasures:

Risk Type	Specific Risk	Risk Description	Coping Measures
Transition Risk	Policy And Regulatory Risks	The 1+N policy system based on the goal of carbon peak and achieving carbon neutrality has been gradually improved, which puts forward greener development requirements for TravelSky;	Improving internal management, energy consumption management and internal carbon inventory checks;
		As TravelSky has been enrolled in the carbon trading pilot scheme in Beijing, carbon emission quotas and carbon trading compliance have become important factors that must be considered in the daily operation of TravelSky's data centers.	Paying attention to changes in the carbon market, actively carrying out researches on carbon market mechanism, and constantly improving the level of internal management on the basis of meeting regulatory requirements.

III. ENVIRONMENT: CREATING A LOW-CARBON WORLD BASED ON GOOD FAITH

Risk Type	Specific Risk	Risk Description	Coping Measures
Entity Risk	Market and Technical Risks	<p>More and more consumers and business customers tend to choose products and services with less negative consequences on climate change;</p> <p>As an industry with high-carbon emissions, aviation industry may be at a disadvantage in market competition if low-carbon travel modes are not implemented.</p>	Accelerating green transformation and green technology research and development.
	Reputational Risk	With increasing social and public concern about sustainable development issues such as climate change, the failure of enterprises to take substantive action on these issues may raise questions from the public.	Promoting the green operation mode within the enterprise, and regularly disclosing TravelSky's performance in the sustainable development field.
	Urgent Risk	<p>Extreme weather such as typhoon and rainstorm may cause operation interruption in data centers;</p> <p>Extreme weather will also increase the uncertainty of air transport, which will have an impact on the aviation industry and indirectly affect TravelSky's revenue and business operation.</p>	Formulating emergency plans for extreme weather and increasing exercises.

III. ENVIRONMENT: CREATING A LOW-CARBON WORLD BASED ON GOOD FAITH

In 2023, TravelSky carried out a series of carbon emission reduction actions, mainly targeting the three aspects of technology Carbon Reduction, management carbon reduction and introduction of carbon trading:

Technology Carbon Reduction	<ul style="list-style-type: none"> • Carrying out projects such as transformation intelligent power distribution system in the park and YORK centrifugal unit converter upgrade.
Management Carbon Reduction	<ul style="list-style-type: none"> • Refining the operating mode, operating time and operating temperature of air conditioning equipment;
Introducing carbon trading	<ul style="list-style-type: none"> • Enhancing energy saving awareness among all employees, and carrying out the Energy Conservation Awareness Week activity of Joining Hands for Energy Saving and Carbon Reduction. • Honoring the carbon emission agreement in 2022 in accordance with the requirements of Beijing Municipal Bureau of Ecology and Environment

2. Deeply engaged in green programs

As the only central enterprise with information service as its main business, TravelSky has been providing various information products and solutions for domestic and foreign airlines, airports, sales agents, travel agencies, civil aviation organizations and other customers since its set up for more than 30 years. The Company will continue reducing resource consumption through digital, cloud services and other ways to help the low-carbon transformation of the economy and society.

IV. SOCIAL PURSUING A BRIGHT FUTURE WITH INTEGRITY

UN Sustainable Development Goals



Our Response:

People oriented, creating a harmonious society together. TravelSky is committed to creating a win-win situation together with employees, customers, partners, communities and other stakeholders and contributing to the sustainability of society. By building a high-quality digital, intelligent talent team, we safeguard the legitimate rights of employees; by living up to the business philosophy of “Win Customers with services”, we continuously improve the quality of our services and products; by holding on to the bottom line of integral operation, we forge a sustainable supply chain. We actively responded to the major strategies of society and the state in public charity, rural vitalisation and reliable services for major events, demonstrating our corporate responsibility and accountability.

Our Performance:

- Total employees **6,620**

- Investment in employee training: **RMB9,835,700**

- Youth participating in volunteer activities: **830** person-times

- Providing youth volunteer services: approximately **3,000** hours

- Investing in youth social welfare activities: approximately **RMB1,000,000**

IV. SOCIAL PURSUING A BRIGHT FUTURE WITH INTEGRITY

(II) EMPLOYEE RIGHTS

A first-class enterprise is inseparable from a first-class talent team. Holding the belief that talent is the first and foremost resource, TravelSky values and safeguards the legitimate rights of employees, actively promotes the construction of a talent team and pays attention to the physical and mental health of employees. These measures provide solid talent guarantee and intellectual support for the high-quality development of the Company.

1. Ensuring employee rights and interests

TravelSky always regards employees as the greatest wealth for corporate growth and strictly observes the *Labor Law of the People’s Republic of China*, the *Labor Contract Law of the People’s Republic of China*, the *Social Insurance Law of the People’s Republic of China*, and the *Regulations on Prohibiting the Use of Child Labor*. It has formulated its own *Labor Employment Management Measures* and *Recruitment Management Measures* that oppose the use of child labor, forced labor, work overtime, harassment and abuse and ensure that employees have equal access to job opportunities and are not discriminated against based on ethnicity or gender. TravelSky is ready to handle any incidence of noncompliance seriously according to the applicable laws and regulations.

TravelSky is committed to providing employees with an equal, safe, healthy, relaxing working environment. During the reporting period, TravelSky had no incidence of violating any laws or regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination or other benefits or welfare, nor did we have any incident of child labor or forced labor or any incident of employee lockout or strike.

- **Talent Introduction**

In 2023, In answer to the state call to increase job opportunities, TravelSky organized the recruitment of college graduates and engaged 276 college graduates of 2023, an increase of 30.80% compared to 2022.

2023 • Our Honors

- “Employer of the Year” by Zhaoping
- “Top Graduate Employer” by 51job



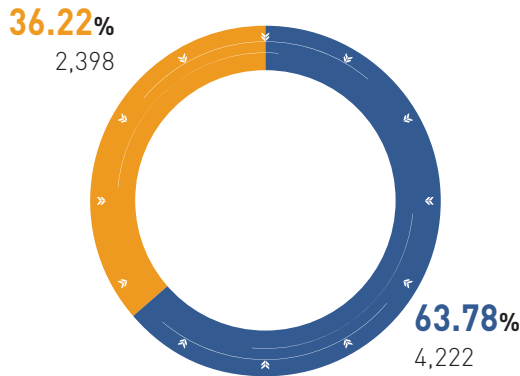
Figure: Campus recruitment

IV. SOCIAL PURSUING A BRIGHT FUTURE WITH INTEGRITY

• **Composition of the employees**

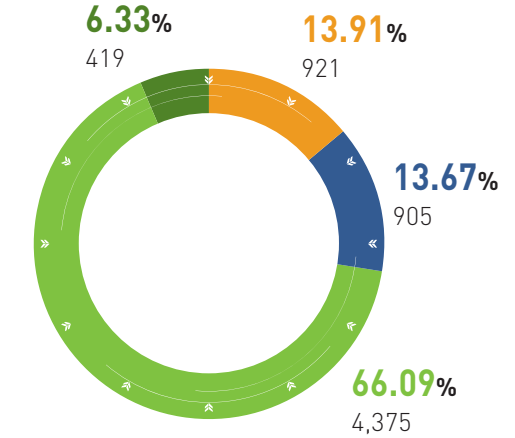
In 2023, the Group had a workforce of 6,620 (including senior managers), all being full-time employees. The staff composition is detailed in the table below:

By gender



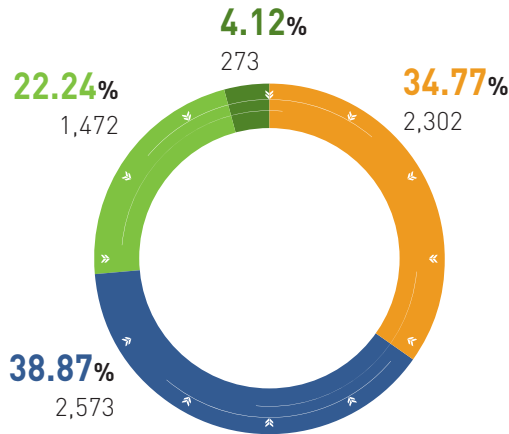
Male Female

By geographical region



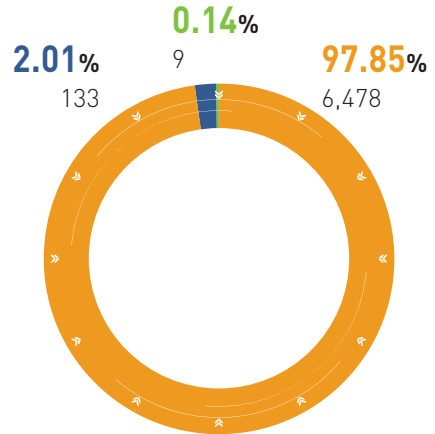
East China Southwest China
North China Other regions

By age



30 years and below 30-39 years
40-49 years 50 years and above

By category

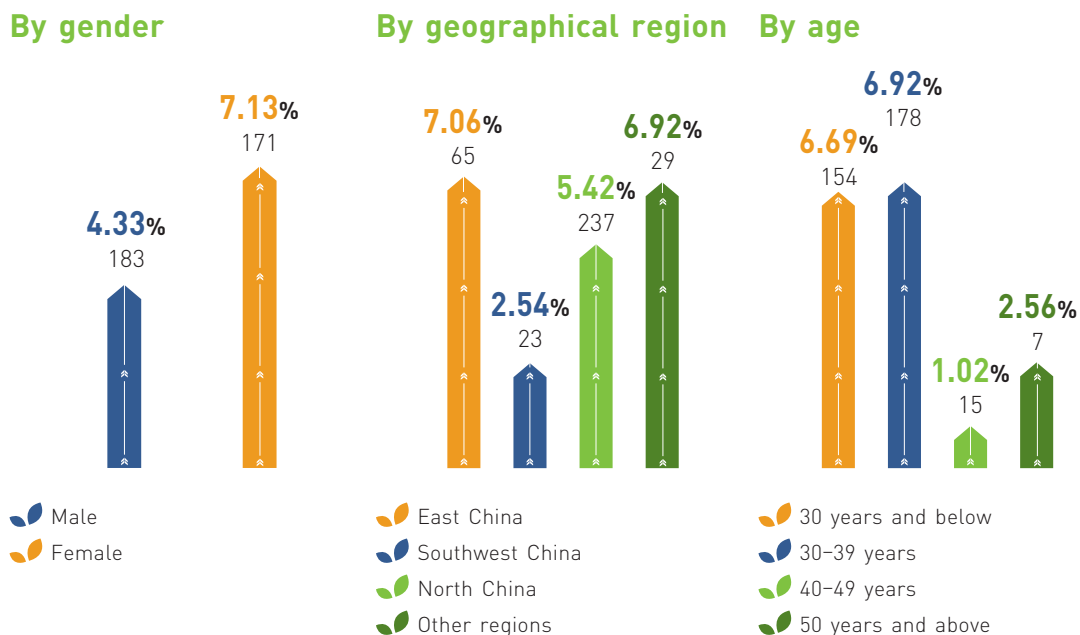


Ordinary employees Middle management
Senior management

IV. SOCIAL PURSUING A BRIGHT FUTURE WITH INTEGRITY

• **Employee turnover**

During the reporting period, the Group had an employee turnover of 5.30%, as detailed in the table below:



• **Remuneration and benefits**

TravelSky continuously perfects its remuneration and benefits system, having formulated the *Total Wages Management Method*, *Remuneration Management Method*, *Compensation Management Method*, *Social Insurance and Supplementary Medical Insurance Service Guide*, and *Attendance and Leave Management Method* to fully protect employees' legitimate rights including the "five insurances and one housing fund" and paid annual leave. We also adopted a special subsidies program for new technological innovation talents and other incentive policies to increase the benefits for outstanding contributors.

IV. SOCIAL PURSUING A BRIGHT FUTURE WITH INTEGRITY

- **Democratic Management**

TravelSky continuously deepens and improves its democratic management system and mechanism, smooths channels for employee demands and effectively ensures employee involvement in corporate decision-making, management and supervision. In 2023, TravelSky actively promoted democratic management in the form of workers' congress, deepened the transparency of corporate business and facilitated the landing of workers' congress rules and powers to truly protect employees' right to information, participation, expression and supervision.

2. Supporting employee growth

Upholding the principle of "making the enterprise strong with talents", TravelSky makes every effort to open up scientific, proper career promotion channels to provide employees with a broad development platform and growth space; continuously perfects the talent training system and mechanism and initiates skills competitions to help employees grow into talents.

- **Skills Competition**

In 2023, TravelSky launched 5 vocational skills competitions, including the "2nd Domestic Database", the "3rd Front End Maintenance of Departure System" and the "1st Cloud Computing" competitions, attracting 2,233 employees to participate. 13 employees were commended by the CAAC Workers' Union as "National Civil Aviation Technical Master Hand".

2023 • Our Honors

- In the China Civil Aviation International Talent Skills Competition, TravelSky was awarded the "Excellent Organization Award"; 2 employees were respectively awarded the "Individual Comprehensive Third Prize" and "Individual Excellence Award".
- In the 2nd China Civil Aviation Network Security Vocational Skills Competition, TravelSky won the "Best Organization Award"; 12 employees received individual awards.

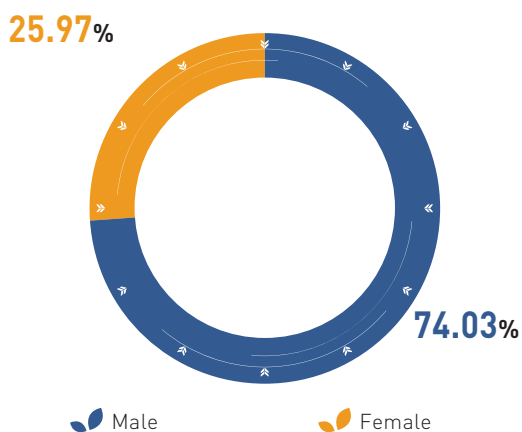
IV. SOCIAL PURSUING A BRIGHT FUTURE WITH INTEGRITY

• **Training and Education**

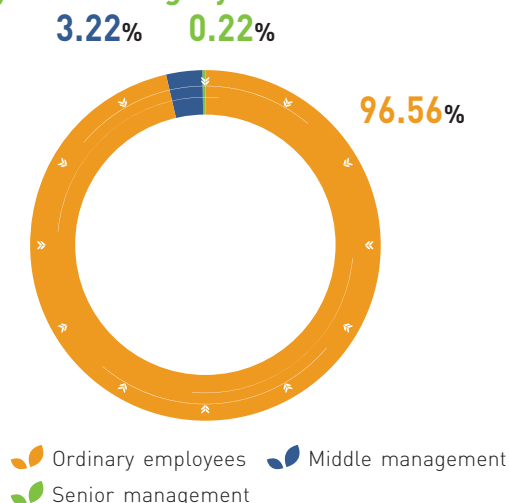
TravelSky implements a comprehensive training program in the form of “Cadre Vocational Training Workshop”, “Innovative Management Empowerment Training”, “New Graduates Job Induction” and “Special Training” courses to further perfect its talent cultivation. In 2023, the Group invested RMB9,835,700 on training and trained 4,124 people, which is 62.3% of the total number of employees.

Total percentage of participation **62.3%**

By gender

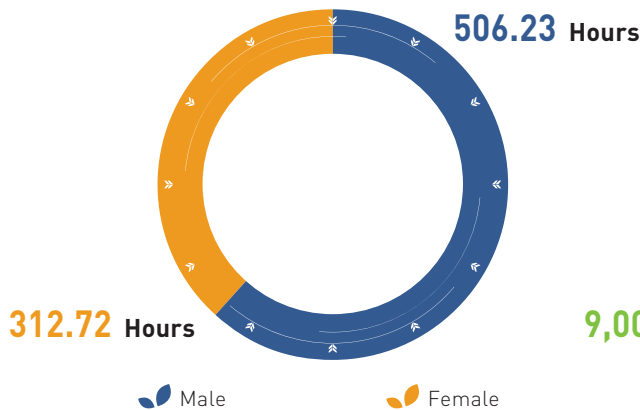


By staff category

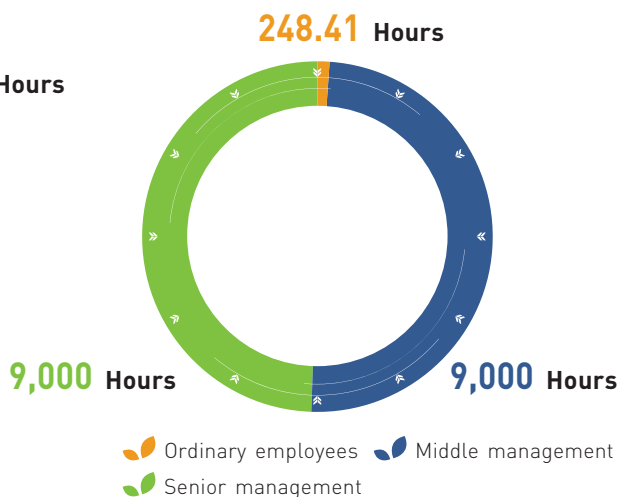


Average hours of training received **436.13 Hours**

By gender



By staff category



Training expenses **983.57 RMB 0'000**

IV. SOCIAL PURSUING A BRIGHT FUTURE WITH INTEGRITY

CASE:

In 2023, TravelSky held the 2nd and 3rd team leader enabling training courses

In December 2023, in order to further strengthen team construction and upgrade the management competence of team leaders, TravelSky Union held the 2nd and 3rd Innovative Management Empowerment Training courses to guide the team leaders of the Group to learn, exchange the way of enabling. The two training courses involved 90-plus team leaders and backbone employees from 50 grassroots unions or subunions, contributing to the high-quality development of the Company and the civil aviation industry.



Figure: Team leader enabling training courses

IV. SOCIAL PURSUING A BRIGHT FUTURE WITH INTEGRITY

3. Protecting employee health

TravelSky coordinates corporate operation with employee health and cares for employee physical and mental health. We organize regular checkups to stay updated on employee physical health; provide mental health counseling and counseling services to help release mental pressure and channel their emotions; pay close attention to emergency response and fire safety to create a safe, worry-free workplace and safeguard the lives and properties of employees.

- **Protecting employee physical and mental health**

TravelSky holds to the idea of "Safety first", strictly observes the *Occupational Disease Prevention and Control Law of the People's Republic of China* and *Regulations on the Management of Occupational Health Examinations*. The Group is highly concerned about employee health, providing regular physical checkups and psychological counseling to enhance their sense of safety and happiness. In 2023, the Group expanded the scope of reimbursement for supplementary medical insurance and established a long-term medical insurance program for employees; our "Mental Health, New Journey" employee assistance program (EAP) continuously escorts the physical and mental health of employees through "Care Month", "Crisis Intervention" and other initiatives.

In 2023:

- Provided **223** hours of mental health counseling and formed **317** counseling cases
- Completed **2** video in-site counselings and **3** online micro lectures

IV. SOCIAL PURSUING A BRIGHT FUTURE WITH INTEGRITY

- **Holding to the bottom line of work safety**

TravelSky continuously strengthens safety risk management and conducts regular fire drills and fire safety checks to create a safe, worry-free working environment. Within the reporting period, the Company had no employee casualties occurred and was free of any work-related employee fatalities for the third straight year. The number of lost days due to work-related injury was zero.

Making emergency response plans

- Formulated the *Emergency Response Plan of TravelSky Logistic Management Service Center for Emergency Events* to handle 16 emergency response matters including fire emergency, major traffic accidents and extreme weather conditions and ensure that the potential impacts and losses are minimized through immediate, effective emergency rescue efforts.

Guarding fire safety

- Formulated a safety management policy for work safety in limited spaces to prevent work accidents at the institutional level, prevent and control poisoning, asphyxiation and other work safety accidents and truly protect the lives of employees.
- **Fire training and drills:** Organized 3 fire evacuation drills involving over 500 people, 4 joint fire drills together with the local fire rescue teams, and 13 fire safety training courses and drills on our own.
- **Fire facilities inspection:** Inspected the fire installations and facilities in the Houshayu compound and the Dongsi office area.
- **Fire assessment:** Conducted fire safety assessment on buildings, fire facilities and fire safety management.

IV. SOCIAL PURSUING A BRIGHT FUTURE WITH INTEGRITY

CASE:

TravelSky launched a 2023 “Work Safety Month” series program

In June 2023, in order to consolidate the concept of safe production and development and further enhance the awareness of work safety, TravelSky made a plan in answering the theme of “Safety in Mind, Emergency at Hand” and organized a “Work Safety Month” series program to enhance employee awareness of safety and ability to prevent safety risks.

- **Communicating safety culture:** Communicated the concept of safety to employees by posting safety-related knowledge on bulletin boards and organizing employees, watch the *Work Safety Month Publicity Video* and learn legal knowledge about work safety.
- **Work safety training:** Organized “Welding and other Dangerous Job Training”, “Special Online Work Safety Training” and “Safe Production, Fire Safety Training” programs to enhance employee ability to prevent accidents, handle emergencies and protect themselves.
- **Safety hazard troubleshooting:** Troubleshot the central fire control room, exists, fire doors, underground spaces and swing rooms, took the responsibility for and take actions in fire safety, communicated problems identified during troubleshooting to related departments for corrective actions.



Figure: Conducting fire drill

IV. SOCIAL PURSUING A BRIGHT FUTURE WITH INTEGRITY

4. Caring for employees' lives

TravelSky is highly concerned about the well-being of employees. In addition to providing special protections and humanitarian welfare to female employees and employees in difficulty, we also organize colorful cultural and recreational activities to enrich their spare-time cultural life and further enhance their sense of belonging and happiness.

Caring for female employees

- Organized a "2023 Legal Awareness Month Knowledge Quiz" to popularize key laws on protecting the rights and interests of female employees from various perspectives.

- Revised the *Special Collective Contract for Protecting the Rights and Interests of Female Employees*, ensured the sound protection of female employees during the "four phases", and provided assistance to special female employees in difficulty or suffering from illnesses.

- The 4th and 5th "TravelSky Aid Fund" granted RMB1.49 million to 37 employees suffering from serious illnesses. The first "TravelSky Serious Illness Aid for Female Employees" granted RMB120,000 to 10 female employees suffering from illnesses.

Caring for employees in difficulty

- Made employees feel like home by providing necessities for winter and summer, allocated RMB1,052,100 as a special condolence fund, helping 46 employees in difficulty and distributing RMB184,000 of condolence money.

- Initiated a "Do practical things for the people" practice to solve the urgent, difficult, worrying problems of employees and enhance their sense of happiness, accomplishment and belong.

Showing concern for retirees

- Customized a *Retiree Comprehensive Benefits Commercial Insurance Service Manual* to facilitate the reimbursement of supplementary medical insurance for retirees.

- Provided all kinds of condolence to retirees, including for Spring Festival, May Day and National Day, and to those over 80, suffering from serious illnesses, bedridden for a long time, and having difficulties in their families.

IV. SOCIAL PURSUING A BRIGHT FUTURE WITH INTEGRITY

Enriching employees' lives

- TravelSky Union carries out a variety of activities including fun games and sports walking.
- Based on its 15 employee sports and cultural associations, TravelSky Union organizes daily sports and cultural activities among employees with the same hobbies, continuously improving the sense of belonging and cohesion of employees.

CASE:

TravelSky enriches the spare time of employees by organizing employee sports events.

In 2023, TravelSky organized seven staff sports competitions, including TravelSky Cup football, basketball, table tennis, badminton, billiards, fishing and swimming games participated by more than 2,000 employees, providing a stage for employees to present and strengthen themselves and further stimulating their enthusiasm for work.



Figure: 2023 TravelSky Cup basket ball match



Figure: 2023 TravelSky Cup badminton team match

IV. SOCIAL PURSUING A BRIGHT FUTURE WITH INTEGRITY

(II) SERVING CUSTOMERS

Customers are the most important foundation for the survival and sustainability of an enterprise. Following the business philosophy of “Win Customers with services”, TravelSky continuously deepens product management and strengthens corporate brand building to improve the quality of its services and products; actively explores measures to create value for customers; makes every effort to facilitate the digital upgrade of its service capabilities, speed up the construction of a customer service system and truly optimize customer service experience.

1. Forging extraordinary quality

TravelSky aims for “extraordinary products, outstanding brands, leading innovation, modern governance”. By benchmarking against top international Passenger Service Systems (PSS) providers, TravelSky remains goal-oriented, prioritizing customer needs, and actively contributes to the healthy development of the civil aviation.

**Continuously improve
product management
system**

- In order to meet the requirements of ISO9001, ISO20000 and ISO27001, TravelSky continuously perfects its *ISO Quality Management Manual* and facilitates the normal operation and continuous improvement of its ISO system.

**Putting into action the
brand-led program**

- Formulated detailed performance assessment indicators to strengthen departments' principal responsibility for product quality, ensuring high-quality delivery of products. In Year 2023, the Company had no incident of product recall.
- Formulated the *Implementation Plan for the Three-year Brand-led Initiative of TravelSky Holding Company and TravelSky Technology Limited (2023-2025)* and the *Work Account for the Three-year Brand-led Initiative of TravelSky Holding Company and TravelSky Technology Limited*.
- Carried out the “Blueprinting TravelSky with Intelligence, Creating Future with Innovation” brand naming activity for TravelSky passenger service system, and 119 creative designs were collected.
- Completed branding training, held a branding conference, and formulated and released the *Key Tasks for the Brand Building Work of TravelSky 2023*.

IV. SOCIAL PURSUING A BRIGHT FUTURE WITH INTEGRITY

Boosting the construction of smart civil aviation

- Jointly explore new modes of digital civil aviation in core areas such as traveler service, e-commerce and marketing, as well as promote industry practices in smart civil aviation. As a result, a number of excellent results has been achieved to providing assistance to customer digital transition and smart travel. The Company actively organized the participation in the declaration of CAAC data governance practice cases, having 8 cases successfully shortlisted, ranking the first among all CAAC subsidiaries.
- Our civil aviation transit passenger service platform, One ID biometric service platform, airline e-commerce solution (TRP) and chainsky are already widely used now.

TravelSky's smart products better meet the travel needs of people.

- **Our transit passenger service platform** vigorously supports the implementation of the "Connected and Networked" service mode and was branded by CAAC as an industry-level digital platform in April 2023. The platform has been put into service at over 220 airports. The transit passenger service applet has been put into service at over 40 airports. Transit service is transformed from passive response to active service, making travel easier.
- **Our "Baggage Travel" baggage tracing system** has been docked with major domestic airlines, making a door-to-door baggage service platform and a new form of baggage service.
- **Our One ID biometric service platform** is in use at over 30 airports, helping to achieve the goal of smart travel where a face is enough for all travels.
- **TravelSky's "Security Check" solution** has been put into service at many airports, assisting CAAC to facilitate the efficient landing of "Security Check".

IV. SOCIAL PURSUING A BRIGHT FUTURE WITH INTEGRITY

Smart civil aviation: What they say

"In the field of civil aviation, central state-owned enterprises, as important entities for building smart civil aviation, are playing their part as technical supporters and innovation leaders. They not only bring more convenient, nice travel experience, but also greatly improve the safe operation of the civil aviation system, lower down the operating cost and boost the high-quality development of the civil aviation industry."

Liu Shuguo, Chairman of the supervisory committee of China Air Transportation Association

"I've experienced all major domestic airlines. Compared with years ago, smart civil aviation is mainly felt in the flight Apps and airport services. The smart security check and smart check-in at the airports nowadays make the travel experience more comfortable and convenient."

— Famous travel blogger Gou Wenlong

Something to know • One ID biometric service platform

In addition to self-service and paperless, TravelSky also explores combining artificial intelligence applications with passenger travel scenarios, being the first to propose using face recognition at airports and establish a complete set of full-process biometric service system for civil passengers (the **"One ID platform"**). Through artificial intelligence, big data and cloud computing, the One ID platform offers an efficient, consistent identity authentication services and information services for passenger travel and enables the synergy among airports, airlines and government agencies, improving passenger travel experience while ensuring system and data compliance.

In 2023, the One ID platform was put into production at over 30 airports in Xi'an, Guangzhou, Shenzhen, Kunming, Chongqing, Haikou and Harbin, boasting the largest market share. With continuously increasing social influence and credibility, the platform is highly recognized and supported by industry peers and authorities. Our "Smooth travel — Biometrics-based full-process smart travel app for civil passengers" project was included on the MIIT list of typical cases of IoT-enabled industry development 2023.

IV. SOCIAL PURSUING A BRIGHT FUTURE WITH INTEGRITY

2. Deepening customer service

TravelSky firmly defends the legitimate rights of consumers, having formulated a special customer service plan for the 14th FYP period; actively promotes the construction of customer service systems, strengthens customer communication through a three-level service system, enhances the publicity and promotion of services and facilitates close interaction with customers.

In 2023

- Customer service satisfaction scored **88.10**

Establish a sound customer service organization

Improve customer service system

Build up customer service efficiency

Broaden customer communication channel

- Set up a customer service committee led by the Group leader. The committee responsible for review of strategies and work plans related to customer service, coordination of customer service work and solutions for major problems in customer service.
- Organized the implementation of a three-level service system, which has been put into operation at 8 airlines, 8 airports, 2 agencies and 1 information service department; held 47 three-level meetings and assisted customers to implement 265 major tasks.
- Created a dynamic airport customer information collection mechanism and completed collecting information files for the top 20 airports.
- By promoting the use of automated sorting of problematic work orders, straightened out the work order procedure for data extraction, program development requests and O&M requests, reducing the handling time for problematic work orders at R&D centers by 25%.
- Continuously opened up new product training and customer communication channels and, through "Smart Travel Micro Class", "Three-level Service System" regular meetings and other means, raised the customer communication frequency and product promotion intensity.

IV. SOCIAL PURSUING A BRIGHT FUTURE WITH INTEGRITY

Deepening customer satisfaction survey	<ul style="list-style-type: none"> Completed 293 corrective tasks sorted out based on the 2022 survey opinions <hr/> <ul style="list-style-type: none"> Completed the 2023 customer satisfaction survey.
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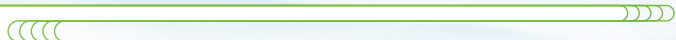


 Figure: Closed-loop customer satisfaction management system of TravelSky

3. Actively responding to customer complaints

In order to ensure proper handling and management of customer complaints and claims and protect the legitimate rights of customers, we formulated the *Customer Claim Management Method* and the *Customer Complaint Management Method* to protect the legitimate rights of customers and the Group to the furthest extent. This disclosure provision does not apply to the Group as we are not involved in the advertising or labeling relating to products and services provided or method of redress.

TravelSky attaches great importance to market feedback, having designated the service platform at the Group's head office as the only official channel for receiving customer complaints, where special complaint telephone lines and email box and a clear complaint receiving procedure are in place to ensure the proper handling of customer feedback. Also, in order to enhance internal discipline, the responsibility determined for customer complaints is also incorporated as a basis for assessing business departments and related branches and subsidiaries.



IV. SOCIAL PURSUING A BRIGHT FUTURE WITH INTEGRITY

(III) WIN-WIN COOPERATION

Win-win cooperation is an important engine for corporate sustainability. TravelSky holds to the bottom line of integrity, targets at co-development and win-win, shares responsibilities with suppliers and works with partners and overseas markets to build an open, shared, collaborative, win-win value chain.

1. Committed to responsible procurement

TravelSky formulated a series of internal management rules including the *Tendering Procurement Management Method*, *Non-Tendering Procurement Management Method* and *Supplier Management Method* to effectively identify and manage the environmental and social risks in each link of the TravelSky supply chain. Above rules are formulated based on the principles of fairness, impartiality and openness, and strictly in accordance with the *Tendering and Bidding Law of the People's Republic of China* and the *Regulation on the Implementation of the Tendering and Bidding Law of the People's Republic of China* and *Administrative Measures for Non-Tendering Procurement Methods in Government Procurement*. TravelSky requires participating suppliers to provide proof of relevant credit records of "Credit China" and "National Enterprise Credit Information Publicity System", effectively identifying and managing environmental and social risks in various links of China Airlines supply chain. Through continuous institutional improvement, TravelSky has formed a principle of selecting good suppliers in line with the market access mechanism and against overall price, quality, leading technology and integrity level as the criteria. This principle covers all suppliers participating in the Group's procurement. In order to improve the sustainability of the supply chain, we continuously improve our ability to identify supplier environmental and social risks and encourage suppliers to improve the performance of sustainability together.

IV. SOCIAL PURSUING A BRIGHT FUTURE WITH INTEGRITY

2023 • Our Honors

- Our “Civil Aviation Big Data Center Green Supply Chain Development Technology Research and Application 2023” project won the second prize for science and technology progress 2023 from the China Federation of Logistics & Purchasing.

- **Cleaner procurement:** Continuously improve the awareness of procurement personnel to comply with law and remain self-disciplined in the process of tendering; require tendering agencies to sign an *Anti-corruption Agreement for Tendering Agencies* with TravelSky to restrain and prevent corruption from the process and system and ensure that all bidding and procurement activities are law compliant in every detail; release all tendering and procurement information on the TravelSky procurement and tendering website so that it can be supervised by all employees to ensure transparency and openness.
- **Green procurement:** In order to help achieve the goal of “carbon peaking and carbon neutrality”, TravelSky has incorporated into its procurement planning management a detailed plan for the procurement of green products, asking departments with procurement need to take into consideration of environmental protection and low carbon. For the preparation of procurement documents and formulation of evaluating criteria, the “green procurement” orientation should be reflected.
- **Smart procurement:** Accelerate the construction of e-commerce platforms and e-tendering, e-bidding and trading platforms; gradually transfer tendering, bid opening and bid evaluation activities from offline to online to realize paperless, digital and intelligent management. This can save labor and material costs while improving procurement efficiency.
- **Secure procurement:** Feasible, effective information security technologies and management processes are adopted to protect supplier information from being disclosed, destroyed or lost. For collection of supplier information, take them only as necessary and make it a rule never to disclose any information of suppliers or personnel.

IV. SOCIAL PURSUING A BRIGHT FUTURE WITH INTEGRITY

Supplier Data:

Performance	Unit	2021	2022	2023
Number of suppliers for centralized procurement	/	86	122	163
Proportion of local suppliers (Beijing)	%	86.0	77.0	53.4
Number of suppliers by geographical region ⁹ (including suppliers of consumables and office suppliers)	North China	74	96	90
	East China	4	13	44
	South China	4	5	16
	Southwest China	1	2	8
	Central China	2	3	2
	Hong Kong, Macao, and Taiwan	1	3	3

2. Conducting cooperation and exchange

TravelSky continuously deepens opening and cooperation, strengthens cooperation with governments and enterprises, opening up a new journey of mutual benefit, mutual trust and win-win cooperation. The Company also takes an active part in various high-end forums and exhibitions to display development results and exchange cutting-edge information, further increasing our industry influence.

CASE:

TravelSky held a “Join TravelSky, Win Future Together” airline user conference

In October 2023, TravelSky’s 2023 “Join TravelSky, Win Future Together” airline user conference was held in Beijing. Nearly 400 industry colleagues from 40 airlines gathered at TravelSky High-tech Industry Park to exchange ideas about the digital transition of China’s civil aviation, share the development opportunities for civil aviation and look forward to the new prosperity of the industry in the future.

⁹ We divide the geographical regions of vendors based on the location of commodities operated 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.

IV. SOCIAL PURSUING A BRIGHT FUTURE WITH INTEGRITY

3. Deepening overseas responsibility performance

TravelSky continuously deepens internationalization, cultivates new momentum for market development. The Company takes continuous actions in internationalization, supporting the Belt and Road initiative and promoting the construction of digital and smart airports overseas, demonstrating its corporate social responsibility.

- In 2019, TravelSky joined the Air Silk Road International Cooperation Alliance to play its part in establishing an innovative mode of economic cooperation between China and related countries with interconnected air transportation and networked airside industry, targeting at the aviation hub cities of countries along the Belt and Road and based on civil aviation transportation.
- In 2023, TravelSky joined the Lancang – Mekong Cooperation (LAC). The LAC is a new subregional cooperation mechanism initiated and funded by the Chinese government in March 2016. It aims to build an Lancang – Mekong economic belt to promote subregional development and prosperity. Its vision is to create a community with a shared future among the Lancang – Mekong countries and make the Lancang – Mekong cooperation a “gold brand” for building an Asian “community with a shared future” and an important platform for promoting the Belt and Road initiative.

CASE:

TravelSky assisted in the construction of the new Cambodian Siem Reap airport under the Belt and Road initiative

TravelSky takes part in the infrastructure construction and engineering projects in countries along the Belt and Road with high quality. In October 2023, the Siem Reap – Angkor International Airport, one of the landmark projects under the “Belt and Road”, successfully passed the non-commercial test flight, opening the way for TravelSky to integrate further into the Belt and Road initiative. The shared departure platform at the Siem Reap – Angkor International Airport is an important milestone for implementing TravelSky’s internationalization strategy and overseas airport business product strategy, as well as its maiden voyage marking a substantial step toward aggregating resources and forming a “joint fleet”. The implementation of the project laid a solid foundation for TravelSky to expand overseas airport businesses in the future and contributed tremendously to the construction of the Belt and Road.

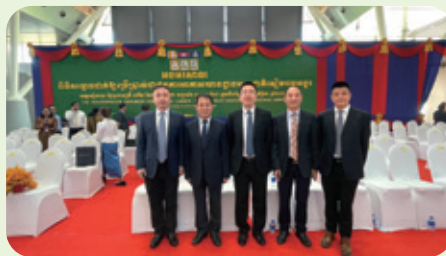


Figure: Opening ceremony for the Siem Reap – Angkor Airport

IV. SOCIAL PURSUING A BRIGHT FUTURE WITH INTEGRITY

(IV) SOCIAL CONTRIBUTIONS

Taking responsibility and contributing to society. TravelSky tries every means to integrate into the overall development of the country, safeguard people’s livelihood, support rural vitalisation, ensure reliable services for major events and benefit the whole society with more and better development results, demonstrating the responsibility of a central state-owned enterprise in truly promoting harmonious social development.

1. Plowing into public welfare and charity

Bearing in mind its responsibility as a corporate citizen, TravelSky is always active in carrying out volunteering activities to serve the society and support its development; takes the responsibility of maintaining social stability and always stands at the forefront of emergency rescue and disaster relief.

In 2023:

- The duration of youth volunteer services provided was about **3,000** hours
- The money invested in youth public welfare activities was about RMB **1** million

Emergency assistance to disaster-stricken areas

Volunteering Service Activities Among Employees

- **Earthquake relief:** Immediately after the December 18 earthquake in Linxia, Gansu, the Group issued an initiative to the Party and League organizations at all levels and their members, calling on them to provide materials badly needed by the local people and set a fixed reception point in the Houshayu compound to receive the donated materials and deliver them to the post-quake rescue areas.
- **Cultural volunteering:** TravelSky movie screening volunteer team consists of 9 League members. In 2023, they screened over 20 movies, greatly enriching the spiritual and cultural life of employees.
- **Knowledge popularization:** TravelSky operation and control command center volunteer explanation service team consists of 7 League members and has completed over 80 visit explanations to 1,500 visitors since its establishment in March 2023.

IV. SOCIAL PURSUING A BRIGHT FUTURE WITH INTEGRITY




 Figure: Party and League members launched a charitable aid in answer to the initiative

 Figure: TravelSky operation and control command center volunteer explanation service team in a training class



2. Contribute to rural vitalisation

TravelSky carries through the decisions and deployments of the CPC Central Committee, fully exploits the resource and technological advantages of the Group to continuously create new supporting moves and strengthen supporting efforts. The Company fully upgrades the digitalization level of Shenchu County, Shanxi Province in education, medical care, e-commerce and rural governance by building a digital rural governance service platform, contributing positively to the local economic and social development and people’s well-being.

Since 2012

- Invested a cumulative supporting fund of RMB**85,076,800**

In 2023:

- Dispatched a cumulative of **2** supporting officials
- Direct invested a cumulative supporting fund of RMB**18,773,100**, up **20.78%** year-on-year
- Introducing a free cumulative supporting fund of RMB**407,000**, up **714%** year-on-year
- Introduced a paid supporting fund of RMB**135** million, breaking the **zero** record
- Completed **13** supporting projects, benefiting **13,213** people
- Employment supporting benefited **587** people
- Helped sell agricultural products from poverty-stricken areas amounting to RMB**13,328,300**
- Directly purchased agricultural products of poverty-stricken areas amounting to RMB**4,236,600**
- Directly purchased agricultural products of Shenchu County amounting to RMB**3,446,600**



IV. SOCIAL PURSUING A BRIGHT FUTURE WITH INTEGRITY

<p>Industrial revitalization</p>	<ul style="list-style-type: none"> • E-commerce industry supporting project: Helped build Shenchi e-commerce public service center, organized a “Youth China” series live-stream marketing program, further unleashing the e-commerce potential of the county. In 2023, Shenchi County recorded a retail sale of RMB25,088,000, up 238% over the same period of the previous year.
<p>Talent revitalization</p>	<ul style="list-style-type: none"> • Promoting scientific planting: Promoted the scientific planting MAP mode by means of agricultural machinery subsidies, attracting around 7,000 mu of land to participate in cooperation; created high-yield corn demonstration fields for variety selection and planting scheme optimization to facilitate scale planting and efficiency improvement. The demonstration fields successfully increased yield to 100–150 kilos per mu, which can lead to an average per-household income increase of RMB300 per mu. • Grain warehousing and logistic center project: Played the role of a central state-owned enterprise platform and introduced paid supporting funds to build a Shenchi grain warehousing and logistic center. • Organized cadres and e-commerce practitioners of Shenchi County to receive practical training on digital transition in industry-developed areas. • Continuously cultivated “three rural” talents, having trained a cumulative of 1,099 grassroots cadres and 583 rural vitalisation leaders.

IV. SOCIAL PURSUING A BRIGHT FUTURE WITH INTEGRITY

<p>Cultural revitalization</p>	<ul style="list-style-type: none"> • Set up standardized villager committees, built standardized Party and mass service centers, libraries and cultural activity rooms to provide convenient, comfortable cultural venues for the public.
	<ul style="list-style-type: none"> • Put up people's stages, creating modern people's theaters for the supported villages.
<p>Ecological revitalization</p>	<ul style="list-style-type: none"> • Carried out publicity on changing old habits and customs and appraisal of civilized households, advocating and rewarding new ideas, new styles and new ways of living. • Added press-and-call garbage disposal and real-time garbage spills monitoring features to the "zero-distance" digital rural revitalization governance service platform, making garbage removal easier.
<p>Organizational revitalization</p>	<ul style="list-style-type: none"> • Paired up and supported all 17 middle and primary schools in Shenchi County, donated RMB424,100 worth of money and materials to middle and primary schools in the county; 195 Party branches participated in the pair-up co-construction, covering all 122 poverty-stricken schoolchildren in the supported county.

IV. SOCIAL PURSUING A BRIGHT FUTURE WITH INTEGRITY

CASE:

The TravelSky-supported “zero-distance” digital rural governance service platform of Shenchi County premiered at the Digital China Summit

In April 2023, TravelSky “zero-distance” digital rural revitalization service platform was successfully included in the “Practical Cases of Digital Rural Construction Application Scenarios”. Since it was first used in Shenchi County in September 2022, TravelSky “zero-distance” digital rural vitalisation service platform has greatly boosted a series of profound reforms in the local governance mode, production relations and lifestyle, facilitated the solution of rural development problems, truly upgraded the rural governance performance and provided powerful support for a good start of rural vitalisation.

- **Information reporting applet:** Breaks through time and space limitations, shortens the service distance, facilitates villagers to participate in social co-governance, enhances government response and allows the vulnerable and elderly to enjoy the convenience brought by smart service as others.
- **List of material issues:** Makes grassroots governance precise, transparent and orderly, establishing a new pattern of rural co-governance to further satisfy the public needs for rural governance in the new era.
- **Smart security:** Relieves the burden on grassroots, effectively guarantees the security of the human habitat, environment, land resources and ecology, safeguards the rural peace in real time and truly improves the people’s sense of accomplishment, happiness and security.



Figure: The “zero-distance” digital rural revitalization service platform displayed in the digital rural exhibition hall



Figure: A screenshot of the “zero-distance” digital rural revitalization service platform



Figure: The “zero-distance” digital rural vitalisation service platform was successfully included in the “Practical Cases of Digital Rural Construction Application Scenarios” and the typical cases of excellent technological solutions at the Summit Forum on Rural Revitalization and Beautiful Villages 2023



Figure: Training e-commerce industry talents

IV. SOCIAL PURSUING A BRIGHT FUTURE WITH INTEGRITY

3. Reliable services for major events

As the backbone of the informatization of civil aviation and the national team in the field of information service, in 2023, TravelSky truly played its role as the “central nervous system” of China’s civil aviation. We satisfactorily fulfilled a number of major security tasks for the “Two Sessions”, “Central Asia Summit”, “Chengdu Universiade”, “Hangzhou Asian Games” and “Belt and Road Summit”. We maintained a stable security situation for 17 consecutive years, providing strong protection and support for the high-quality development of the Company and the normal operation of the civil aviation industry. In 2023, the Group had a cumulative duration of reliable services for major events of 151 days.

CASE:**TravelSky contributed to the successful convening of the Hangzhou Asian Games**

TravelSky offered to provide technical support and O&M guarantee for the 19th Asian Games held in Hangzhou from September 23 to October 8, 2023 with its professional teams and escorted the successful convening of the event, winning affirmation and praise from all parties involved.

KEY PERFORMANCE

KPI	Unit	2021	2022	2023
Economic				
Operating income	Thousand Yuan	5,476,177	5,210,106	6,983,847
Total profit	Thousand Yuan	663,883	735,139	1,612,136
Total assets	Thousand Yuan	24,111,139	25,237,623	27,500,129
Earnings per share (basic and diluted)	RMB	0.19	0.21	0.48
Dividend per share	RMB (tax inclusive)	0.055	0.053	0.16
R&D expenses	Thousand Yuan	973,807	701,714	863,039
Number of patents applied	Pieces	169	223	233
Environment				
Emissions by vehicles (Scope 1)	tonne	549.90	288.50	324.80
Emission by diesel (Scope 1)	tonne	57.90	88.80	33.60
Emission by natural gas (Scope 1)	tonne	3,846.30	3,888.10	4,305.30
Emission by electricity consumption (Scope 2)	tonne	30,409.70	111,452.90	82,719.20
Emission by purchased heat consumption (Scope 2)	tonne	746.30	629.70	542.00
Total greenhouse gas emissions	tonne	35,610.10	116,348.10	87,924.80
Intensity of greenhouse gas emission	tonne/ RMB million of income	6.50	22.30	12.59
Discharge of total non-hazardous waste	tonne	787.00	603.00	797.93
Density of non-hazardous waste generation	tonne/ RMB million of income	0.10	0.10	0.11
Discharge of hazardous waste	piece	917	1,200	1,300
Density of hazardous waste	piece/ RMB million of income	0.20	0.20	0.19
Consumption of electricity	MWh	50,169.70	191,829.50	145,045
Intensity of electricity consumption	MWh/ RMB million of income	9.20	36.80	20.77
Consumption of gasoline (vehicle)	L	242,616.40	129,905.00	146,232.90
Intensity of the consumption of gasoline (vehicle)	L/vehicle	1,076.70	593.10	738.50
Consumption of natural gas	m ³	1,779,000	1,798,230	1,991,189
Intensity of the consumption of natural gas	m ³ / RMB million of income	324.90	345.10	285.11
Consumption of purchased heat	GJ	6,785.00	5,724.60	4,927.00
Intensity of the consumption of purchased heat	GJ/ RMB million of income	1.20	1.10	0.71
Consumption of diesel	tonne	18.40	28.30	10.70
Consumption of total water	tonne	456,696.00	483,323.00	484,828
Intensity of total water consumption	tonne/ RMB million of income	83.40	92.80	69.42

KEY PERFORMANCE

KPI	Unit	2021	2022	2023
Society				
Total Employees	Person	6,608	6,570	6,620
The company's employee turnover rate	%	6.70	8.70	5.30
Total number of trainees	Person	1,660	4,862	4,124
Percentage of trainees	%	73.40	74.00	62.30
Lost days due to injury	Day	0	0	0
Number of work-related fatalities	Person	0	0	0
Direct investment in rural revitalization support	Thousand Yuan	13,462.90	15,460.00	18,773.10
Number of impoverished people benefiting from rural vitalisation projects	Person	2,782	9,564	13,213
Youth participating in volunteer activities	Person-times	800	800	830
Youth volunteer service hours	Hour	800	5,500	3,000
Employees received safety training	Person-times	28,000	5,000+	5,000+
L2 or higher security failures and information security incidents causing social impacts	Occurrence	0	0	0
Number of suppliers for centralized procurement	Nos	86	122	163
Proportion of local (Beijing) suppliers	%	86.00	77.00	53.40

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HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Subject Areas and Aspects	General Disclosures and KPIs	Corresponding Pages
A. Environment		
Aspect A1: Emissions	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to waste gas and greenhouse gas emissions, discharge into water and land, and generation of hazardous and non-hazardous waste	40–46
	A1.1 Types of emissions and respective emissions data.	Not disclosed for the reporting year since emissions account for a limited proportion. However, the Group will perfect its emissions data disclosure system step by step.
	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).	43
	A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	46
	A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	46
	A1.5 Describe the emission targets set and the steps taken to achieve them.	44
	A1.6 Description of emissions target(s) set and steps taken to achieve them.	44–45

Subject Areas and Aspects	General Disclosures and KPIs	Corresponding Pages
Aspect A2: Use of Resources	General Disclosure: Policies on the efficient use of resources, including energy, waste and other raw materials.	40-42
	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).	43
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	43
	A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	40-43
	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.	42
	A2.5 The packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The nature of the Group's business does not involve the use of packaging materials
Aspect A3: Environment and Natural Resources	General Disclosure: Policies to minimizing the issuer's significant impacts on the environment and natural resources.	39-47
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	47-50
Dimension 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.	47-50
	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.	47-50

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Subject Areas and Aspects	General Disclosures and KPIs	Corresponding Pages
B. Society		
Employment and Labor Practices		
Aspect B1: Employment	General Disclosure: Information on: (a) the policies; and (b) 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.	52
	B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	53
	B1.2 Employee turnover by gender, age group and geographical region.	54
Line B2: Health and safety	General Disclosure: Information on: (a) the policies; and (b) 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.	59
	B2.1 Number and rate of work-related fatalities in each of the past three years including the reporting year.	59
	B2.2 Lost days due to work injury.	59
	B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	58-60
Aspect B3: Development and Training	General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	55, 57
	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	56
	B3.2 The average training hours completed per employee by gender and employee category.	56

Subject Areas and Aspects	General Disclosures and KPIs	Corresponding Pages
Aspect B4: Labor Standards	General Disclosure: Information on: (a) the policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	52
	B4.1 Description of measures to review employment practices to avoid child and forced labor.	52
	B4.2 Description of steps taken to eliminate such practice when discovered.	52
Operating Practices		
Line B5: Supply chain management	General Disclosure: Policies on managing environmental and social risks of the supply chain.	68
	B5.1 Number of suppliers by geographical region.	70
	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	68
	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	68
	B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	68

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Aspect B6: Product Responsibility	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	63
	B6.1 Percentage of total products sold or shipped subject to recalls for health and safety reasons.	The products and services provided by the Group do not involve recalls for safety and health reasons
	B6.2 Number of products and services related to complaints received and how they are dealt with.	67
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	32
	B6.4 Description of quality assurance process and recall procedures.	The products and services provided by the Group do not involve recalls.
	B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	36
Aspect B7: Anti-corruption	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	24
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	B7.3 Description of anti-corruption training provided to directors and staff.	25
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FEEDBACK

Dear readers:

Thank you for reading *the TravelSky Environmental, Social and Governance (ESG) Report 2023*. In order to continuously improve our reporting work and upgrading our ESG management and practice, we sincerely hope to listen to your comments and suggestions and would like you to complete the questions in the feedback form.

- **Choice Questions**

1. This Report is a substantial, accurate reflection of the significant economic, social and environmental impacts of TravelSky.

Good Better Average Relatively Poor Poor

2. This Reports addresses and discloses stakeholder concerns.

Good Better Average Relatively Poor Poor

3. The information, indicators and data disclosed herein are clear, accurate and complete.

Good Better Average Relatively Poor Poor

4. Readability of this Report, i.e. its logical thread, contents design, language and layout.

Good Better Average Relatively Poor Poor

- **Open Questions**

1. What do you think is the most satisfactory aspect of this Report?

2. What other information do you think you need to know that is not included herein?

3. Do you have any suggestions for our future *ESG report* publications?



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