



China Eastern

Social
Responsibility
Report on 2014





Statement

During the period of this report, China Eastern was not involved in any major environmental concerns or any significant social security problems. We guarantee that the information disclosed in this report is authentic, objective, timely and complete. We hope that the social responsibility report issued annually is a media, through which we can thoroughly communicate and positively interact with people from all walks of life, so as to maintain a confidence and cooperation relationship based on value identification and to jointly push forward the sustainable development.

March, 2015

Message from the Chairman



Liu Shaoyong,
Chairman
China Eastern Airlines Corporation
Limited

The responsibilities that we carry on our shoulders will last until the end of the time. In the past 2014, we still adhered to the responsibility philosophy of Staff Devotion, Customer Preference, Shareholder Satisfaction and Society Trust, and our responsibilities keep pace with the times, the mission, and the development in our business practice. We are devoted to promoting the harmonious development of man and nature, hand-in-hand growth of employees and enterprise, and mutual improvement of corporation and community. We inscribed a new chapter of fulfilling our corporate social responsibilities in the history of CEA.

As the first year of the drive for comprehensively deepening the reform, 2014 was also a critical year in the fulfillment of the 12th Five-Year Plan. In the face of the challenges, both the management and the employees of CEA took it easy to overcome difficulties and obstacles in their reform endeavor. As a result, we shaped a grand vision of innovation-driven development and reform-led transformation and upgrading. We showed our brand-new corporate image in an all-round way, and won favorable comments from all walks of life. In general, we operated safely throughout the year, and had an outstanding performance in production by carrying nearly 84 million passengers and making profits for 6 successive years. CEA has ranked in global Top 10 Airlines by a number of operation indicators. We made new accomplishments in fulfilling our social responsibilities and serving the national economy,





people's livelihood and social development, and will continue to transfer the positive energy of CEA to the society.

In 2014, we responded positively to the concerns of our employees, safeguarded their legal interests and rights, managed our company democratically and efficiently, started the process of making CEA a happy company for us all, and our corporate happiness index continues to rise. We responded positively to the concerns of our customers by applying new technologies and rolling out new products. We developed new business formats and models for great transformation and continuous customer experience optimization. In response to the concerns of our shareholders, we intensified risk control and optimized resources configuration in an effort to foster new profit growth points. We strengthened the market capitalization management and continuously improved our ability to create values. As a corporate citizen, we participated in the poverty alleviation endeavors, in the earthquake relief and disaster relief work, and in the action against Ebola virus. All of these activities fully demonstrated our social responsibility, national honor and corporate mission.

At present, China's economy has entered into a new normal, which is characterized by changes of speed, optimization of structure and conversion of driving force. Accordingly, the civil aviation industry has also entered its new normal, where the high-level incoming and large-scale

outgoing happen simultaneously, and the market competition gradually turns into quality and differential competition. The imitative and wave-style consumption almost came to an end, the era of personal and diversified consumption has gradually come into being. The civil aviation industry will play a significant role in the three national strategies of "belt and road", Beijing-Tianjin-Hebei collaborative development and Yangtze River delta.

In response to the call of the era, every corporate citizen shall have to, on their own initiative, constantly enrich the connotation of responsibility, vigorously cultivate the soil of it and continuously expand its border for the purpose of better fulfillment of the mission and responsibility. We know for sure that, while performing our social responsibilities, what is in urgent need is attitude rather than ability, what is more important is determination rather than knowledge, and what is more critical is shouldering responsibility rather than method. For this reason, we will, as always, shoulder responsibilities and make more contributions to the coordinated social, economic and environmental development in order to accomplish our dream of building a strong nation and of living better through aviation.

Many small victories add up to a big one, and many daily merits add up to an eternal laurel. We will work together with stakeholders to light up the beacon of hope that will illuminate our journey of dream to the land of happiness.

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About this Report

This is the seventh corporate social responsibility (CSR) report issued by China Eastern Airlines Corporation Limited. For the convenience of expression and reading, China Eastern Airlines Corporation Limited is abbreviated as "CEA", "the Company" and "We"; its subsidiary "Shanghai Airlines Company Limited" is short for "Shanghai Airlines"; and its "China United Airlines Co., Ltd" is short for "China United".

Reporting Period

From January 1 to December 31, 2014, and some of the contents and data can be traced back to the years before.

Reporting Cycle

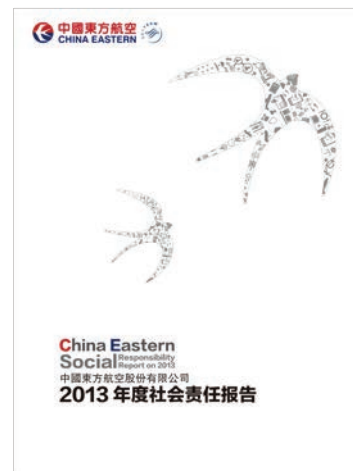
Annually.

Boundary of the report

The entirety of CEA (For organizational structure, please refer to Corporate Profile).

Date of previous reports

CEA released its CSR reports in April 2009, April 2010, April 2011, March 2012, April 2013, and March 2014.





Explanation of Report Data

This report contains important information about CEA in its efforts to fulfill the economic, environmental and social responsibilities, discloses its social responsibility practices and achievements, and provides relative performance indicators and indicator index. The information, data and typical cases all come from CEA and its affiliates, and reviewed by competent state organs. Unless otherwise specified, the amounts stated in this report are denominated in RMB (Chinese Currency). We have tried every means to guarantee the correctness of the information. The 2014 data used in this report are initial statistical data, which may differ slightly from the final data. The 2013 data are final statistical data.

Room for Improvement

We will continue to pursue effective transparency in compiling the CSR reports in terms of reliability, completeness, pertinence, comparability, accuracy, timeliness, clarity and substantiveness. In preparing the CSR report, we further enriched and updated the CSR indicator system by referring to domestic and foreign CSR standards and guidelines, and to the requirements of Shanghai Stock Exchange and Hong Kong Stock Exchange for disclosure of information relating to CSR, and improved the stakeholder engagement and evaluation mechanism to respond more effectively to their expectations.

Standards quoted in this report

The CSR report is prepared in accordance with the Ten Principles of United Nations Global Compact, the Sustainable Development Report Preparation Guidelines (G3.1) of Global Reporting Initiative, and the Guidelines to the State-owned Enterprises Directly under the Central Government on Fulfilling Corporate Social Responsibilities by State-owned Assets Supervision and Administration Commission of the State Council ("SASAC"). The standards also include the ISO 26000: CSR Guidelines (2010) of International Organization for Standardization and the Corporate Responsibility Reporting Guide 2.0 by the CSR Research Center of Economics Division

of Chinese Academy of Social Sciences (CASS-CSR 2.0). We systematically combined the key indicators and requirements of such standards into our report to satisfy all the parties concerned and demonstrate the industry features and corporate characteristics.

Availability of Report

This CSR report is made in Chinese and English languages, published in both print and electronic formats. You can visit our website (www.ceair.com) or Shanghai Stock Exchange website (www.sse.com.cn) to read and download the electronic file.

Basic Information

Name of the organization: China Eastern Airlines Corporation Limited

Registered capital: RMB 11,276,539,000

Time of incorporation: April 1995

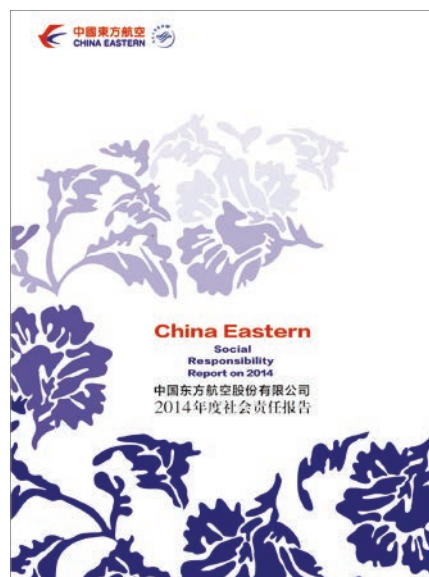
Enterprise type : Sino-foreign Joint Venture Enterprise

Legal representative: Liu Shaoyong

Headquarters address: 2550 Hongqiao Road, Changning District, Shanghai, China

Registered address: 66 Airport Boulevard, Shanghai Pudong International Airport, Shanghai, China

Places of Listing: New York Stock Exchange, the Stock Exchange of Hong Kong Limited and Shanghai Stock Exchange





Corporate Profile

About the Company

China Eastern Airlines Corporation Limited was established exclusively by China Eastern Air Holding Company in April 1995. CEA was listed as the first airline company of China in New York, Hong Kong and Shanghai in 1997. Its scope of business include domestic, approved international, and regional air transportation of passengers, cargoes, posts, baggage and other extended services; general aviation service; aircraft maintenance; aviation equipment manufacturing and maintenance; agency service for domestic and foreign aviation companies; sideline insurance agency service, e-commerce, air mall, wholesale and retail of commodities, and other services related to air transport.

CEA owns 9 branches in Northwest, Shandong, Shanxi, Zhejiang and Beijing, 53 overseas operation divisions and offices, and also owns 22 wholly owned or holding subsidiaries, such as Shanghai Airlines Company Limited, China Eastern Yunnan Airlines Company Limited, Eastern Airlines Logistics Co., Ltd and China United Airlines Co., Ltd.

As of December 31, 2014, CEA operated more than 500 aircraft, carrying 83.81 million passengers in the year to their destinations globally, and nearly 23 million of them were frequent fliers. With Shanghai as its core hub, CEA operates a world-wide aviation transport network covering the whole of China, and radiating to Asia, Europe, America and Oceania. As a member of SkyTeam Alliance, CEA merged and connected with the route network of the Alliance, reaching 1,052 destinations in 177 countries. CEA secured its position as one of the Top 10 Airlines globally in terms of fleet size and annual passenger volume.

In addition to the parent brand "China Eastern", the Company has 78 other registered trademarks, such as "Eastern Airlines", "EA", "Lingyan Service", "Eastern Miles", "SA", "Golden Crane", and "SA Holiday". All these constitute an entire brand system of CEA.

Based on its branding philosophy of "World-Class Hospitality with Eastern Charm", China Eastern continues to create marvelous travel experience by offering "precise, exquisite and meticulous" services for her customers around the world.

CEA's website: www.ceair.com

Customer Service Hotline: +86 (95530)



Corporate Culture System

Corporate Vision	To become a world class aviation company featuring staff devotion, customer preference, shareholder satisfaction and society trust.
Core value	Respect for Customers, and Attention to Details
Corporate Spirit	Earnestness, Efficiency, Enthusiasm, and Excellence

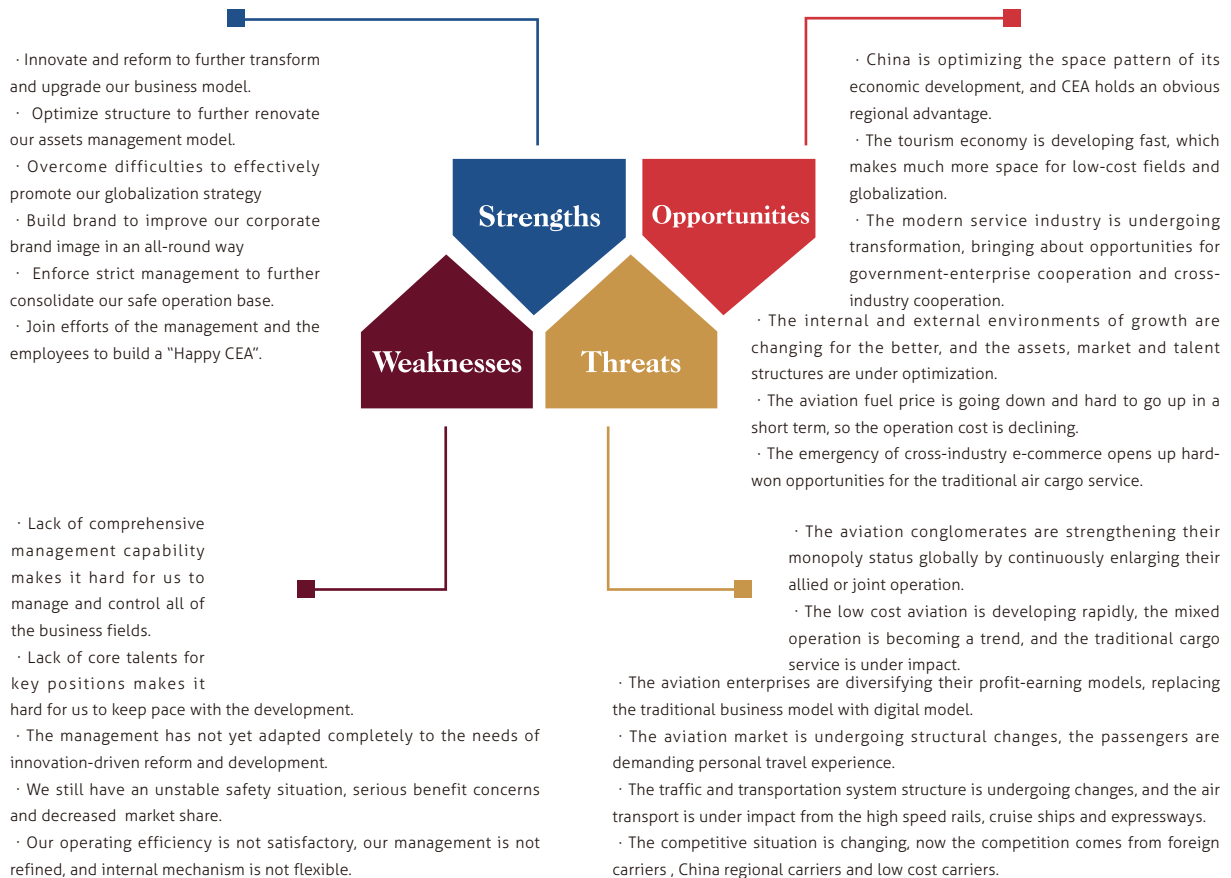
Brand Value System

Core Value	Brand Positioning	Brand Temperament
World-Class Hospitality with Eastern Charm	Continue to create marvelous travel experience by offering “precise, exquisite and meticulous” services.	Exquisiteness, Elegance, and Fashion



Development Strategy

SWOT analysis of CEA's Sustainable Development Strategy



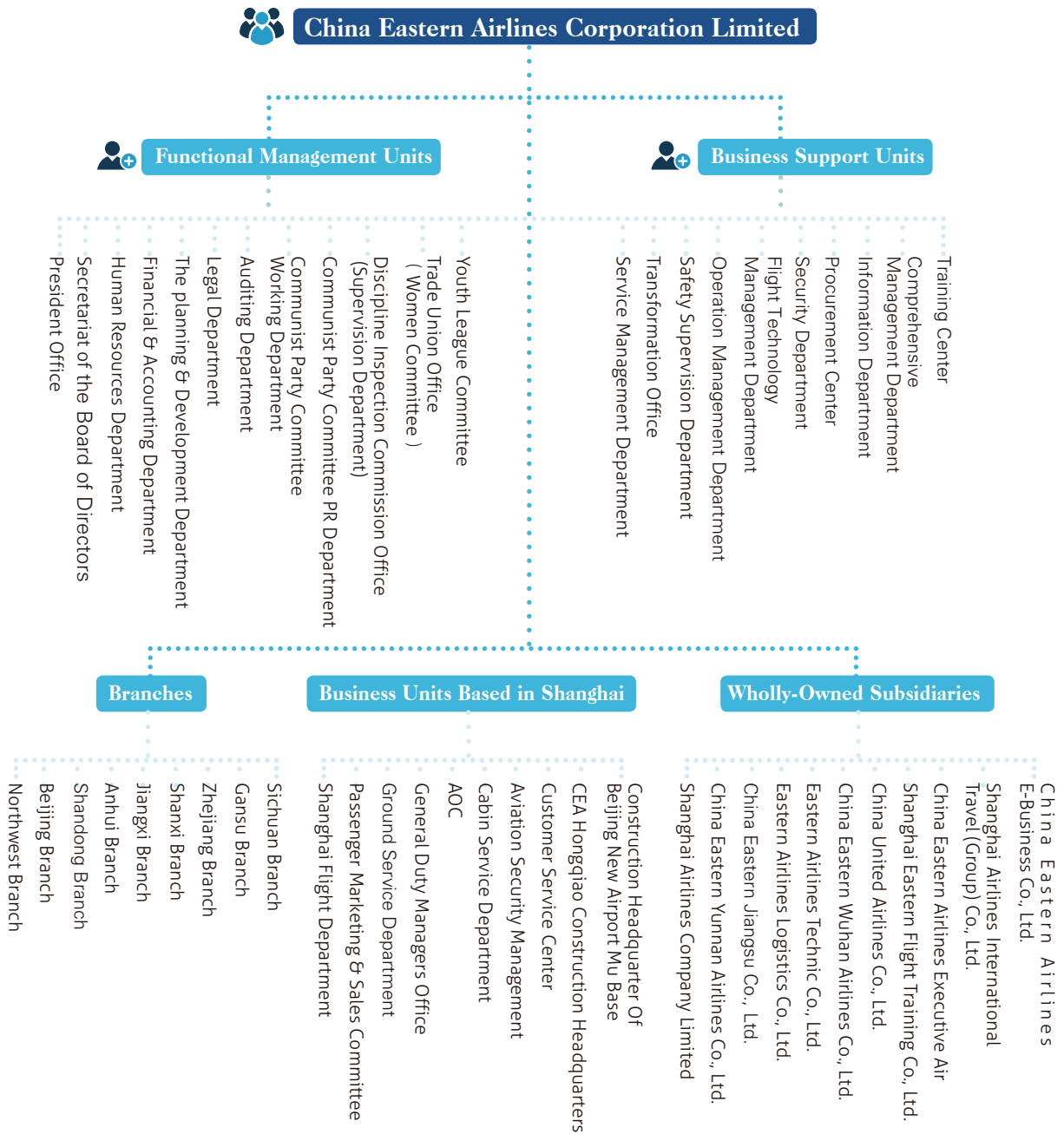
Ideology of Development

By adhering to the general work guideline of making progress while maintaining stability, and to the general requirements for innovation-driven development, we shall take comprehensive and in-depth reform as the driving force and take continuous safety as the prerequisite for improving our capability of sustainable development in the new normal. We shall also continue to enhance our ability to develop, control, influence and resist risks, and make efforts to build CEA into a world-class happy airline.

📦 Promoting 6 changes	🚩 Winning 7 Tough Battles	🛠️ Improving 10 Capabilities
<ul style="list-style-type: none"> Change from traditional thinking to internet thinking. Change from production management to customer management. Change from individual operation to efficient borderless cooperation. Change from empirical judgment to big data-based analysis and prejudice. Change from a reactive approach to a proactive one. Change from result-orientation to problem- & process-orientation. 	<ul style="list-style-type: none"> Rectify seriously any violations of rules and regulations. Reduce losses dramatically on international long-haul routes. Improve the capability of belly cargo management. Integrate aviation resources for efficient use. Enhance the integration of online services. Set up and develop an e-business platform. Construct an internal market system. 	<ul style="list-style-type: none"> Strategy implementation capability Reform and innovation capability Brand building capability Safety management & control capability Global operation capability Services integration capability Resources configuration capability Fine operation capability Talent supporting capability Management supporting capability



Operational structure of the organization



The Company is of 4 levels. In addition to the parent company, there are 79 companies at all levels, of which 43 are Level-2 companies, 34 are Level-3 companies, and 2 Level-4 companies. There are 9 branches, 0 public institution, 4 overseas companies at all levels, of which 4 are overseas subsidiaries which are wholly owned overseas subsidiaries; 0 banking subsidiary at all levels; and 0 controlled public company at all levels.

Core Indicators

2010—2014 Major Operational Performance Indicators

Contents	2010	2011	2012	2013	2014
Total assets (RMB10,000)	10,081,012	11,221,515	12,096,248	13,777,651	16,354,200
Operating Revenue (RMB 10,000)	7,495,811	8,397,451	8,556,925	8,800,924	8,974,600
Total Passengers Carried (10,000 persons)	6,493	6,892	7,308	7,909	8381.148
Cargo and Mail Transport (10,000 tons)	146.49	144.31	141.65	141.03	136.337
Total Turnaround (100 Million ton-kilometers)	125.99	134.02	144.06	155.52	161.2238
Safe Flight (10,000 hours)	119.51	128.84	140.45	154.04	162.514

Integrity and Tax Payment

CEA believes that a company that pays taxes and upholds integrity can win more goodwill and more business opportunities. The Company regards paying taxes by law and integrity as the pre-requisite for its existence and survival. Therefore, CEA pays taxes and fees by law, honestly and timely and in full according to the Law of the Peoples Republic of China on the Administration of Tax Collection and other laws and regulations during its daily operations, and discloses and provides by law the complete and true tax-related financial data.

From 2002 to 2014,
CEA paid various taxes and fees totaling
RMB **419.82** billion.

In 2014 alone, the taxes and fees the Company paid
totaled RMB **37.36** billion.



Fleet

Passenger Fleet in Service (485 aircraft)

Type	2014	2013
Boeing B777	4	0
Boeing B767	6	7
Boeing B757	5	8
Boeing B737	190	169
Airbus A340	4	5
Airbus A330	44	36
Airbus A300	0	7
Airbus A321	39	33
Airbus A320	154	145
Airbus A319	29	23
Embraer EMB	10	10
Bombardier CRJ	0	8

Cargo Fleet (12 freighters)

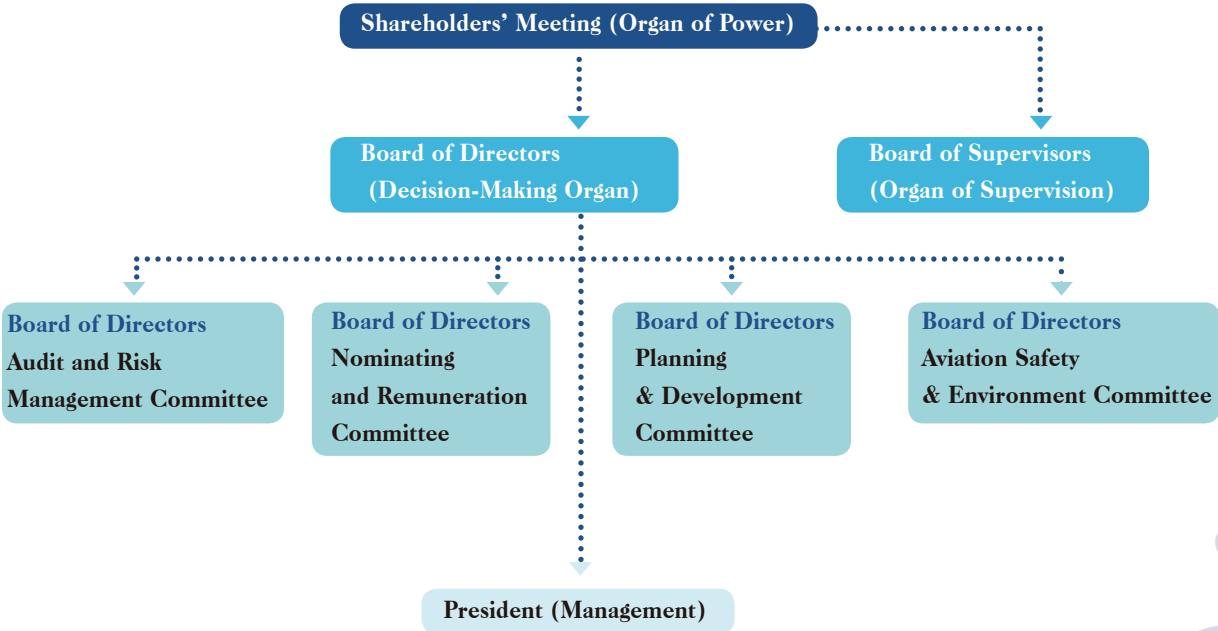
Type	2014	2013
Boeing B747	4	5
Boeing B757	2	2
Boeing B777	6	6
Airbus A300	0	1

Corporate Governance

CEA is in strict compliance with the Company Law, Securities Law, and Code of Corporate Governance for Listed Companies in China and other relevant laws and regulations. The Company regards the shareholders' meeting, the board of directors and the board of supervisors as her authoritative, decision-making and supervising organs respectively, with their powers and responsibilities clearly defined from those of the management. CEA is striving for a more scientific and healthier corporate governance structure.



Organization Structure of Corporate Governance





Decision-making Mechanism

CEA constantly improves its modern corporate governance structure that consists of the shareholders' meeting, the board of directors, the board of supervisors and the management, and shapes a check-and-balance mechanism among the four organs that run separately to perform their respective duties, rights and obligations stated in the Charter of the Company.

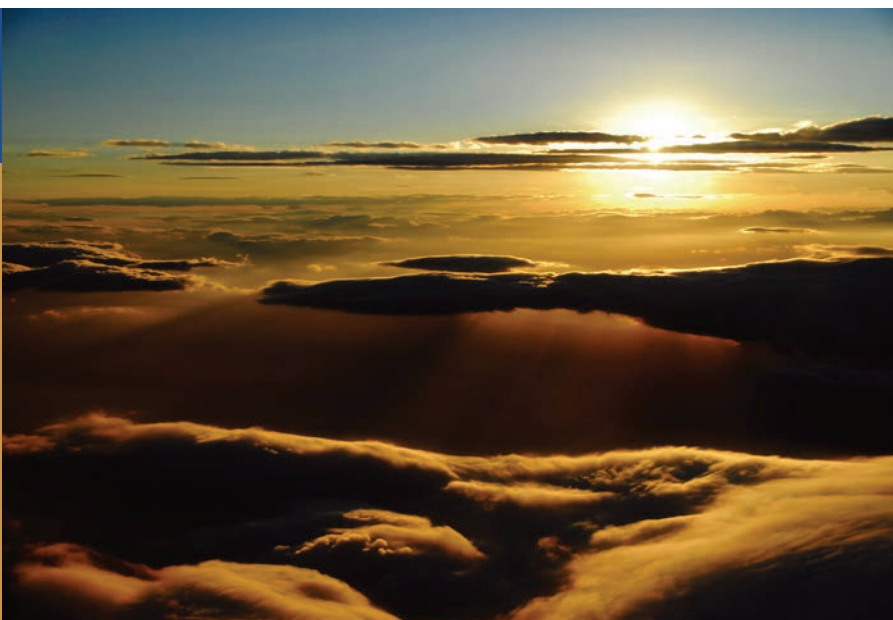
During the reporting period, CEA has altogether 10 directors (of whom 4 are independent directors), 5 supervisors, 1 president, 1 party secretary and concurrently vice president, 4 vice presidents, 1 vice president and concurrently CFO, 1 secretary of the board of directors. The members of the board of directors have rich experience in their respective fields and also have years of experience in managing civil aviation and air transportation, or large enterprises or institutes of higher learning. Apart from making decisions on operation and investment plans of the Company, the board of directors also follows and supervises the performance of the Company in protecting the environment and fulfilling social responsibilities and other related work.

Directors, Supervisors and Senior Executives of CEA

No.	Name	Title
1	Liu Shaoyong	Chairman of the Board
2	Ma Xulun	Vice Chairman of the Board, President, Deputy Secretary of the Communist Party Committee
3	Xu Zhao	Director
4	Gu Jiadan	Director
5	Li Yangmin	Director, Secretary of the Communist Party Committee, Vice President
6	Tang Bing	Director, Vice President
7	Liu Keya	Independent Director
8	Ji Weidong	Independent Director
9	Li Ruoshan	Independent Director
10	Ma Weihua	Independent Director
11	Yu Faming	Chairman of the Board of Supervisors
12	Xi Sheng	Supervisor
13	Ba Shengji	Supervisor
14	Yan Taisheng	Supervisor
15	Feng Jinxiong	Supervisor
16	Tian Liuwen	Vice President
17	Wu Yongliang	Vice President, CFO
18	Feng Liang	Vice President
19	Sun Youwen	Vice president
20	Wang Jian	Secretary of the Board of Directors

Internal Risk Control

By closely following the general requirements of the Central Government for comprehensively deepening reform of state-owned enterprises and the general arrangements of SASAC for Comprehensive Risk Management for State-owned Enterprises Directly Under the Central Government, CEA continues to strengthen its comprehensive risk management, and to improve its management level and risk control capability.



Risk Management

We continue preparing for the annual comprehensive risk management report. We set up a risk monitoring and early warning indicator system to define the monitoring indicators and forewarn interval for timely obtaining and analyzing the variation trend of major risks.

We evaluate and sort out risks to define the scope of major risks for monitoring and control throughout the whole course, conduct annual risk evaluation to determine and report 8 critical annual risks.

We clearly define the departments that are primarily responsible for the 8 risks, and the departments that are supporting them, so that they can play their respective roles in early warning and handling of such risks. Specifically, they shall dynamically track major risks, form a closed-loop information feedback mechanism based on the quarterly risk report, and continue to improve the

major risk management and control system.

We informationalize the risk management work by planting the internal risk control elements into every business information system;

We organize training on risk management and internal control for better sharing and understanding of knowledge and information in risk management.

Internal Control System

A Comprehensive Risk Management and Internal Control System Construction Project Group has been set up, with the President as the Group Leader, and a 150-person backbone team has been set up for risk management and internal control examination and evaluation. We have completed the compilation of General Handbook for Internal Risk Control, promulgated and enforced it. Based on its pilot application, we have compiled and reviewed 51 internal control handbooks, covering the whole internal control system.

We organized the 2014 annual internal control evaluation work, covering all the functional departments and affiliated investment companies. The total volume of assets under internal control evaluation is 96.6% of the total asset volume in the consolidated financial statement, and the total operating income under evaluation is 95.8% of the total operating income in the consolidated financial statement.



Legal Risk Prevention

Participation in industrial legislation. We put forward opinions and recommendations on Rules of the Customs on Regulating the Entry & Exit Aircraft, Law on Infrastructure and Public Utilities Franchise, Flight Regularity Management Rules (Draft), Management Measures for Air Transportation of Disabled Travelers (Revised), Management Rules on Special Equipment in Civil Airport (Revised Draft), Regulations of Civil Aviation Administration of China (CAAC) on Scheduled International Air Transportation (Revised Draft). We also took part in the revision of Tokyo Convention.

Examination of regulations. We reviewed such regulations as Instructions on Wechat Check-in, Specifications on Public Airline Overbooking Solution, Transport Procedure for Small Animals and Service Dogs, and Rules on Refund and Endorsement for Air-Bus Service and Air-Rail Service Products, and applied for 44 notary certificates.

Compliance Operation Guide. We formulated the Personnel Optimization & Compliance Guide, issued The Guide to Public Notice of Corporate Information, and reviewed the Regulations on Local Employees in Marketing Divisions Stationed Abroad (or Across the Border); analyzed and summarized the acts that were committed not in conformity with law or committed by exploiting loopholes of law, and issued legal proposals.

Contract Project Guarantee. The contract management work extends to the affiliated investment companies to enhance CEA's ability to control risks. We provided legal protection for the construction of Phase 2 Project of CEA Base in West Zone of Hongqiao Airport and CEA Technology Application R&D Center; formulated new and standard contracts and their management regulations to further improve our ability to control risks in joint operation of air

routes; and strengthened legal review of major foreign-related projects, supervised the performance of major contracts to prevent any risks during the process of performance. In 2014, our legal department examined 7,185 contracts and issued 674 proxies of various kinds.

During the reporting period, CEA settled altogether 242 legal disputes of various types, and 0 case of violation of laws or regulations.

Anti-Corruption and Integrity

Formulated the Implementing Measures on Enforcement of 2013-2017 Work Plan of Establishing a Sound System of Corruption Prevention & Punishment, and the Opinions on Pushing Forward the Construction of the Party's Working Style and a Clean & Honest Administration of CEA and on Making Innovations on an Anti-Corruption System. We organized the Supervision & Examination Joint Meetings periodically attended by Financial, Legal, Auditing, Discipline Inspection and Supervision Departments, in which we reported on progress made in supervising and inspecting major fields and key links.

Continued to improve our three-dimensional mechanism of "Culture + System + Technology" for corruption prevention. We convened symposiums on clean and honest administration, a special education for grassroots of key business fields, and constructed a position-specific inspection, risk-specific prevention, power-specific balance, and layer-by-layer warning and accountability system for control of corruption, supervising multiple items such as flight normality, reservation system ID management, and free & discounted tickets management. In Phase 3 Project of Technology-Based Corruption Prevention System, we completed four modules, namely, sensitive instructions supervision, big fund change supervision, officer election process supervision and risk database management, so that we can effectively manage, monitor and control critical fields.

We started flight regularity efficiency supervision and special control management inspection, and investigated and punished acts of violations. During the reporting period, our Discipline Inspection & Supervision Department received 85 petition letters and reports, 11 cases were registered after investigation, 11 cases closed, and 11 people were punished by Party discipline.

Anti-Monopoly

CEA opposes market monopoly. Observing seriously the anti-monopoly and anti-unfair competition laws and regulations of China and relevant countries and regions, we do business lawfully and honestly, compete on an equal footing, and develop win-win partnerships to protect the legal rights and interests of the parties concerned. In 2014, CEA was not involved in any anti-monopoly lawsuit.

Responsibility Strategy and Management

We respect people, do business honestly and bear in mind in our operation the interests and expectations of employees, customers, shareholders and the society; we take into full consideration the harmony between social and economic development and the environment; we fulfill our social responsibilities with a global thinking and forward-looking vision; we transform social responsibilities into driving force behind the corporate operation in an effort to maximize its comprehensive value and achieve sustainable social development.

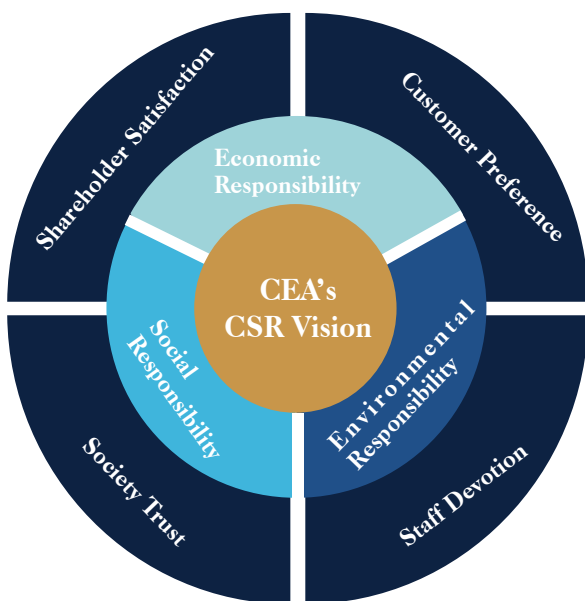
Responsibility Philosophy

Guided by the corporate vision, core value and enterprise spirit, CEA implements the social responsibility management and actively performs its social responsibilities for two key objectives, one is to build a world-class CEA and realize the vision of staff devotion, customer preference, shareholder satisfaction, and society trust, the other is to build a Happy CEA, shaping common values and strong senses of belonging and loyalty inside the Company.

Staff, customers, shareholders and the society are four key dimensions in fulfilling our corporate social responsibility and for better communication, and are also four major stakeholders in our striving for sustainable development. Based on the behavioral model of corporate citizen, CEA enforces its social responsibility in depth from the four dimensions according to the specific connotation and standard of the aviation industry.

Responsibility Commitment

Our CSR covers economic, social and environmental responsibilities. We are committed to making innovations under the guidance of our scientific CSR philosophy. The existence of CEA is not for the sole purpose of making profits. As a trustworthy and socially responsible enterprise, CEA will endeavor to protect the environment and care about its employees. With good business ethics, the Company will be able to run forever by way of sustainable development.



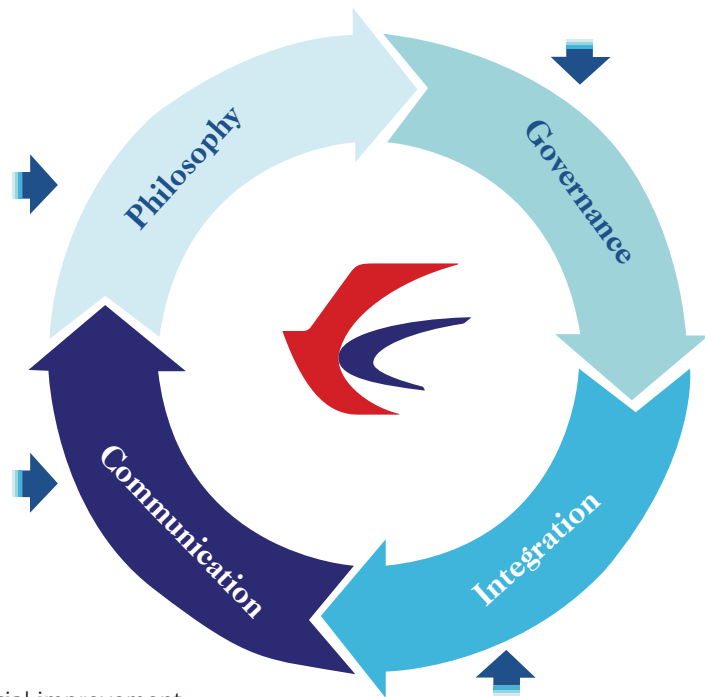


Responsibility Management

Externally, we build CEA into a world class airline, realizing the vision of staff devotion, customer preference, shareholder satisfaction and society trust; internally, we build CEA into a happy airline-Happy CEA, shaping the common values, and strong senses of belonging and loyalty.

- Set up a working committee and specify departments in charge.
- Set up a report preparation group under it, and establish a working system.
- Provide support in manpower, finance and materials.
- Build staff capacity on social responsibility.
- Improve and optimize the indicator system.
- Benchmark the advanced organizations to learn from them, communicate with them, and pay attention to and take part in international social responsibility affairs.

- Establish a communication mechanism with stakeholders.
- Internal and external communication on social responsibilities.
- Communication channel establishment.
- Information management and report compilation.
- Report disclosure and social supervision.
- Responsibility crisis management.



Responsibility Planning

To solidify the achievements made in special improvement of social responsibility management, CEA worked out a systematic plan of comprehensively fulfilling its social responsibilities by including the responsibility requirements into the strategic plan and merged them into daily operation. In accordance with relevant state or corporate requirements, all the business systems of CEA drew up their own plans to perform their social responsibilities, including such special plans as honest operation, human resources, safe production, service updating, staff care, responsible purchase, energy management, environmental protection, energy conservation and emission reduction, combating corruption and upholding integrity, social welfare, corporate culture construction, which constituted a complete responsibility performance planning system. The branches, subsidiaries and service units itemized the above-mentioned plans, extending the planning system from top to bottom.

- Publicize the philosophy and cultivate the culture of responsibility.
- Comprehensive social responsibility plan.
- Selection of responsibility issues.
- Study on responsibility specialty.
- Improve our system and include it into our production and operation.
- Project implementation, examination and continuous improvement.

Issue Identification

Sources of the Issues

- Sociable platform for employees
- Customer attention and feedback
- www.ceair.com, emails, microblog/wechat network platforms
- Customer satisfaction survey result
- Investor exchange meeting/feedback meeting
- Special committees, such as Aviation Safety & Environment Committee
- Co-construction of community
- Special studies on corporate social responsibility/sustainable development
- Market research on corporate brand image and competitiveness
- Meetings with the government or relevant organizations
- Internal & external standard reviews
- Industry exchange and discussion of development trend
- Examination requirements of competent department
- Strategic partner/supply chain partner cooperation agreement
- News and media report



Issues Selection

- Working environment
- Remuneration & benefits
- Occupational health
- Human rights guarantee
- Environmental protection
- Energy saving
- Gas emission
- Community welfare
- Community development
- Staff relationship
- Reasonable remuneration
- Performance
- Anti-monopoly
- Energy management
- Democratic engagement
- Trade union
- Occupational health
- Customer privacy
- Data security
- Payment of taxes and fees
- Used oil
- Responsible supply chain
- Product price
- Flight punctuality
- Service quality
- Aviation safety
- First-aid flight
- Energy conservation and emission reduction



Priority indicators

- Influence on assessment and decision-making of stakeholders
- Seriousness of the influence on economy, society and environment



Issue Examination and Verification

Examination and verification:

- Examination and verification by the board of directors and the social responsibility management committee
- Discussion at corporate strategic measure formulation and strategic decoding meetings
- Managerial review by business departments fulfilling the social responsibilities
- Third party review of the corporate social responsibility report
- Stakeholder engagement and evaluation by indicators

Improvement:

- Set up new targets for fulfilling social responsibilities
- Start up new items for fulfilling social responsibilities or draft new driving measures
- Communicate with stakeholders through multiple channels and in various forms



By referring to the sustainable substantive framework developed by AccountAbility Institute, CEA identified issues coming from multiple stakeholders and sources, and from which it defined major CSR issues for compiling the report and planning the corporate strategy.



Issues on responsibilities for employees

Compensation and benefits Career development Fair and impartiality
Education and training Communication and caring Democratic management
Work environment Respect for human rights Occupational health

Issues on responsibilities for customers

Flight punctuality Communication and response Aviation safety
Service convenience Product price Product system
Information security Innovation capability Service remedy

Issues on responsibilities for shareholders

Fine Operation Corporate governance Rate of Return
Responsible Procurement Win-Win Cooperation Information disclosure
Legal Compliance Risk Management and Control Cost Control

Issues on responsibilities for society

Fleet Optimization Low Carbon Flying Promoting Development
Energy conservation and Emission Reduction Environmental Protection Public Welfare Activity
Community Co-construction Responsible Transportation Comprehensive Greening

Working system

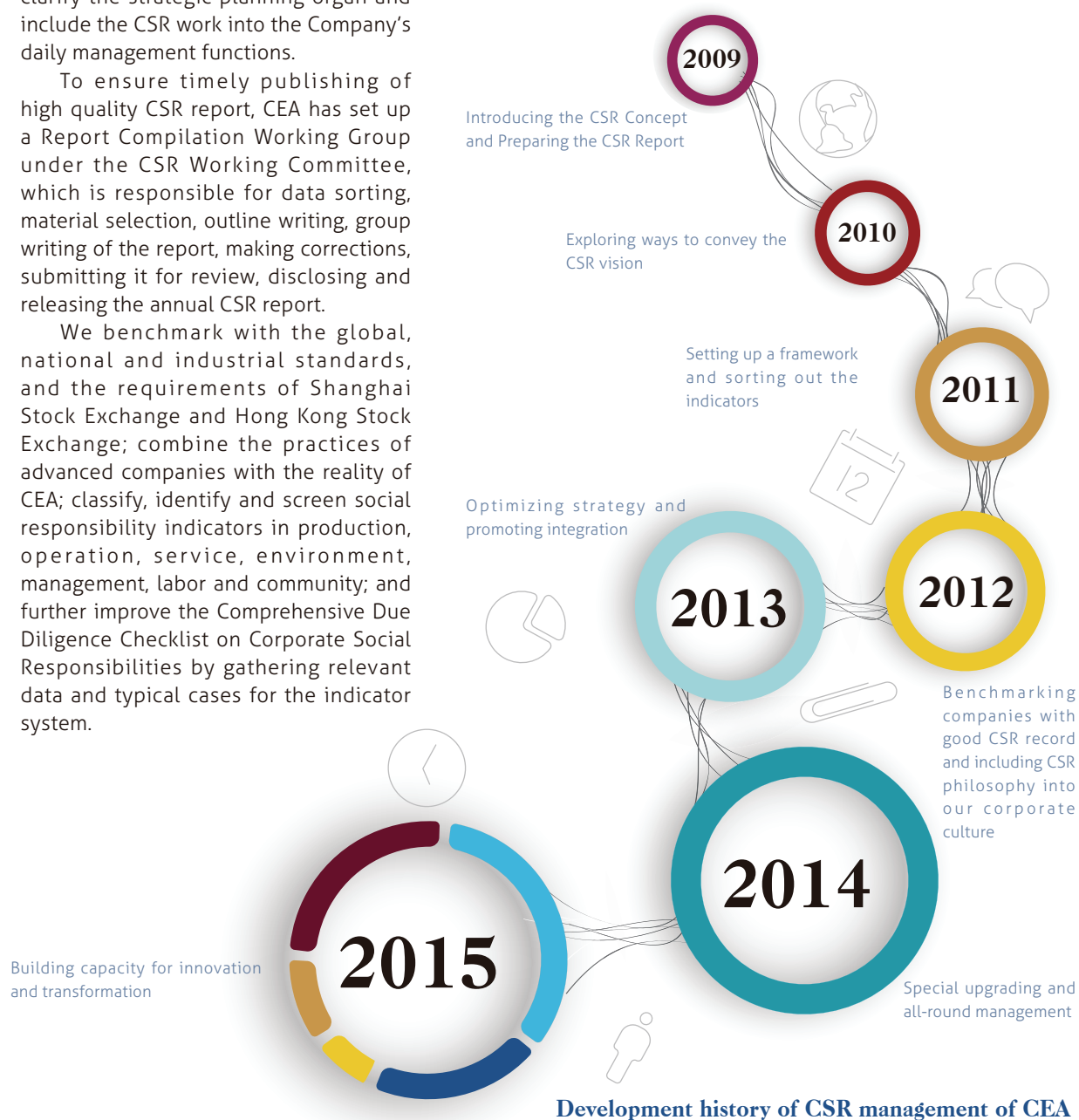
CEA has set up a CSR Working Committee headed by the president, with members of the leadership group as deputy directors, and with principals of all the departments as committee members to lead and promote the CSR work, to review and approve the CSR plan and carry it out, to solve major problems arising out of the CSR work, to analyze the CSR risk and manage it effectively, to clarify the strategic planning organ and include the CSR work into the Company's daily management functions.

To ensure timely publishing of high quality CSR report, CEA has set up a Report Compilation Working Group under the CSR Working Committee, which is responsible for data sorting, material selection, outline writing, group writing of the report, making corrections, submitting it for review, disclosing and releasing the annual CSR report.

We benchmark with the global, national and industrial standards, and the requirements of Shanghai Stock Exchange and Hong Kong Stock Exchange; combine the practices of advanced companies with the reality of CEA; classify, identify and screen social responsibility indicators in production, operation, service, environment, management, labor and community; and further improve the Comprehensive Due Diligence Checklist on Corporate Social Responsibilities by gathering relevant data and typical cases for the indicator system.

Development history of CSR management and major work of CEA

Since 2009 when we began to prepare and release our first CSR report, we have gradually understood the connotation and essence of CSR, introduced the methodology and tool of CSR management, and propagated the CSR philosophy across our enterprise to facilitate its implementation. We have also, step by step, set up a systematic CSR management framework that includes the CSR into our overall corporate strategy and management system.





Stakeholder Engagement

At CEA, we are continuing to improve the identification and engagement mechanism for our stakeholders, and set up a sound system to disclose our daily CSR information. We support and assist the stakeholders in their participation in decision-making and management procedures, maintain a strategic mutual trust relationship with them, integrate their expectations into our corporate strategy and core services, and work together with them to push forward the sustainable development in economic, social and environmental fields.

Stakeholders	Concerns	Expectations	Communication Mechanism and Mode	Example of Response Measure (Page)
SASAC	Operational performance Corporate governance Green operation Social reputation International competitiveness Globalization process Industry integration	To preserve and appreciate the value of state-owned assets To operate in compliance with laws To improve the corporate governance structure To prevent operational risks To transform and upgrade and strive for the top To serve the economic and social development	Policies and laws rules and regulations Meetings Periodic reporting Evaluation	P12 P14 P25 P47 P49 P51 P61 P68
CAAC	Safe flight Exploration and application of new industry technologies Social functions of the industry Green operation Compliant business operation Fair	To maintain flight safety To make China a strong civil aviation country To protect the rights and interests of the consumers To keep the market order To provide reliable public transportation service to the public	Policies and laws Rules and regulations Meetings Files and notifications Guidance Evaluation Supervision and inspection	P16 P17 P36 P53 P70 P76 P77
Local Government	Promoting local economic development Construction of comprehensive transportation facilities Job opportunities Paying taxes by law	To comply with laws and regulations To increase job opportunities To save energy and reduce emissions To promote local economic development	Daily communication Meetings Government-enterprise cooperation Formulation of local policies and rules Talks and meetings Statistical report	P12 P27 P47 P49
Investor	Interests of shareholders Operational performance Market capitalization Strategic	To be honest and in compliance with law To operate in a standard manner To increase profitability Steady returns on investment	Company announcement Company statement Shareholders' meetings Roadshow of business performance	P10 P57 P60 P61 P63
Strategic partner	Cooperation opportunities Benchmarking Brand image	Win-win cooperation To meet each other's deficiencies To share resources Continuity of cooperation	Strategic partnership agreement Business meetings and negotiations	P9 P38 P66 P67
Customer	Flight safety Service quality Convenience of procurement and product consumption Customer experience Punctuality Product price Communication channel and effect Brand reputation	Continuous safety record Good service experience Obligation of notification fulfilled Complaints and disputes properly handled Customers' requirements responded efficiently Focusing customer care Improving service quality Reasonable Price	Customer satisfaction survey Customer complaints and management Customer care Member activities Interaction and communication Engagement of supervisors Continuous improvement of service touch point experience	P36 P40-46 P50 P52 P53

Stakeholders	Concerns	Expectations	Communication Mechanism and Mode	Example of Response Measure (Page)
Employee	Compensation & welfare Career development channel Legal interest protection Two-way communication mechanism Democratic management	Continuously raised compensation and benefits Satisfactory working environment Sound career development rights and interests guarantee Realizing values More training to employees Fair and transparent human resources policies	Workers' congress Internal supervisors Online communication Research and conversation Labor union Training Competition for positions	P26-34
Peers	Fair competition Industry prospect Corporate governance Operational performance Business cooperation	To promote healthy development of the industry To optimize the fair competition environment To elevate the industry courtesy level To cultivate innovation To share experience To conduct CSR management and cooperation	Industry organization Communication meeting Industry forum Communication activities Project cooperation	P12 P57 P61 P66 P67
Value chain partner	Company reputation Development prospect Financial status	To comply with business ethics To be honest and reciprocal, and to purchase on a fair ground To share values and development results To expand business and explore potential opportunities for cooperation	Signing of contracts and agreements Cooperative partner training Bidding management Open and transparent purchasing procedure	P64 P65 P66 P67
General public	Capability to promote social and economic sustainable development Harmonious community Environmental protection Ethic-compliant actions	To prevent disasters and provide disaster relief To protect environment To engage in public welfare activities To respect and protect the rights and interests of vulnerable and marginal groups To join hand-in-hand with the public to cultivate civilization To improve public welfare	Providing disaster (emergency) relief aid Fulfilling the responsibilities of central SOE Joining hand-in-hand to make our communities harmonious Public welfare activities Volunteer service Taking part in community project construction	P72 P73 P74 P75 P76 P77
Non-government organizations and associations	Input resources Enterprise participation Practice of social responsibilities	To support associations and organizations To disclose more information about operation To support environment and public welfare To preserve and protect cultural relics	Attending meetings Listening to opinions Continued input of resources Signing of agreements	P25 P31
Media	Brand image Social responsibilities Emergencies	To set up information release channel To keep information open and transparent To respond actively to public concerns To be under social supervision	Press conference Media interview Media open day Interaction via new media	P9 P25 P54 P55 P76 P77



Participation in Social Organizations:

S/N	Name of Social Organization	Membership Category	Title
1	Shanghai Federation of Industrial Economics (SFIE) Shanghai Federation of Economic Organizations (SFEO)	Vice chairman member	Vice chairman: Li Yangmin
2	China Air Transport Association (CATA)	Deputy director-general member	Deputy director-general: Gu Jiadan Director: Tang Bing
3	Civil Aviation Maintenance Association of China (CAMAC)	Chairman member	Chairman: Li Yangmin
4	China Civil Aviation Science Popularization Foundation (CCASPF)	Director member	Director: Tang Bing
5	Shanghai Society of Aeronautics (SSA)	Deputy director-general member	Deputy director-general: Tang Bing
6	Shanghai Ports Federation	Vice chairman member	Vice chairman: Tang Bing
7	Shanghai Transportation Trade Association (STTA)	Vice chairman member	Vice chairman: Tang Bing
8	China Association of Work Safety (CAWS)	Member	Contact: Safety Supervision Department

Social Assessment

In the reporting period, CEA was widely recognized by all walks of life for its excellent CSR management performance.

Awards received in the reporting period:

- Golden Bauhinia Award for Securities Industry in China and Top of the Best Listed Companies by Ta Kung Pao for three consecutive years

- The Most Competitive Airline in Asia 2014 and Top 10 of The Most Popular Airlines in Asia 2014 at the 5th World Airline Competitiveness Rankings

- One of the Top 50 Most Valuable Brands in China by WPP for three consecutive years.

- Advanced Company for Targeted Poverty Alleviation as an SOE, 2013 Advanced Company for Targeted Poverty Alleviation by Yunnan Provincial Party Committee and Government.

- Top 25 Most Innovative Companies in China by Fortune.

- Best Mid Cap Company by Asiamoney of Hong Kong for two consecutive years.

- 2013 Best Mainboard Blue Chip Company by Sina Finance.
- 2014 Top 100 Best Employers and Most Popular Employer Among Female Employees by zhaopin.com.

- Best Partner Award of the 9th Changi Airline Awards.
- 2013 Ground Service Award of Excellence by Beijing Capital International Airport.

- Certified to ISO 27001 Information Security Management System.

- 2014 Benchmarking Company Award in Mobile Information Field in China.

- China United Airline was granted the Best Brand Promotion Award as a new model of Jinghua Travel.

- Gold Medal at the 1st China Youth Volunteer Service Project Competition for CEA's Love Relay, an excellent volunteer service project of an SOE.

- 2014 Best Annual Learning Project in China for CEA's Executive Workshop.

- China Red Star Award for CEA's passenger self-service check-in project.

- 2014 Golden Pin Design Award of Taiwan for CEA's overseas websites, and Pilot Websites for Corporate Integrity Building at the 6th Shanghai Excellent Website Commendation Conference.

- Organization Award of Excellence as a company striving to create a harmonious homeland for listed companies in Shanghai by the Listed Companies Association of Shanghai.

- CEA's service counter at the boarding gate was rated Top 10 Best Service Model Window in the Transportation Harbor and Airport Service Industry of Shanghai.

Responsibilities for Employees

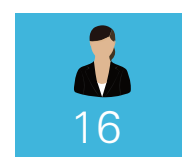
Caring employees is a key element in our endeavor to build a "Happy CEA", and staff devotion is an important pre-requisite for building a first-class world company. CEA implements a vigorous talent strategy to support its goal of growing into a strong airline. To this end, the Company organizes training programs for employees and sets up fair, equal, open and transparent competitive mechanisms for them to participate in corporate affairs. CEA follows closely the expectations of employees and cares their life, so the Company is making efforts to build a harmonious labor-management relationship, through which the employee will grow in parallel with corporate development. All these help to make CEA a warm home for employees.



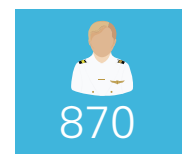
In-service employees

Category	Contractual	Dispatched	Total
Management officer	4,986	0	4,986
Engaged professional technician	11,210	1,336	12,546
Flight crew	5,654	0	5,654
Flight Attendant	6,251	5,589	11,840
Sales staff	2,585	1,173	3,758
Financial staff	810	140	950
Ground service staff and others	11,347	18,768	30,115
Total	42,843	27,006	69,849

Note: Flight Attendants (Air Marshals inclusive, different statistic standards compared to last year)



16 Female executive officers



870 Employees of foreign nationalities

Education background of contract employees

Education	Number of Persons	Percent
PhD	5	0.01%
Master	1,311	3.06%
Bachelor	21,350	49.83%
Junior College	14,917	34.82%
Secondary Vocation	1,885	4.40%
High School & Below	3,375	7.88%
Total	42,843	100%

34.90%

There are 24,376 female employees, accounting for 34.90% of the total.

2.45%

1,709 employees are ethnic minorities, accounting for 2.45% of the total.



Human Rights Guarantee

CEA adheres strictly to the relevant laws, regulations, international laws and conventions, and charters and initiatives of China and the United Nations regarding human rights protection. To support the initiatives stated in United Nations Global Compact and Universal Declaration of Human Rights, CEA ensures that human rights are supported, respected and protected within the scope of its influence.

- We do not employ child labor in any form, and we refuse to do business with any companies using child labor.

- We eliminate any forms of compulsory or forced labor.

- We guarantee that employees have the right to organize trade unions and to negotiate as a body. In 2014, the trade union has a membership of 69,079 persons, and 99.08% of our employees joined the trade union.

- We eliminate any differential discrimination in employment and occupation.

- We respect local laws and regulations in overseas investment and business operations, and emphasize localized management of employees. There is no occurrence of any infringement of the rights and interests of local employees and indigenous people, and there is no complaint in this respect.

- We organize human rights training programs for the security guards to prevent them from inflicting any improper actions while on duty, thus putting an end to violations of human rights.

- We urge the suppliers to protect human rights and take the signing of Supplier Commitment to Corporate Social Responsibility as a necessity for cooperation. CEA now has 576 suppliers, and 100% of them have signed the Commitment.

No malpractice concerning human rights occurred in CEA during the reporting period.

Employee Recruitment

CEA adheres to the open and equal principle of recruiting outstanding ones through competition from the candidates and applicants, providing equal job opportunities for every one.

The job information is publicly posted to ensure equal opportunity for all, eliminating differences and discrimination in recruitment.

In this year, we recruited 509 ground crew, 815 pilots, and 800 flight attendants and security guards, altogether 2,124 employees.

Labor Contract

In strict compliance with Labor Law and Labor Contract Law, CEA protects the rights and interests of the Company and its employees and maintains a harmonious and stable labor relationship. 100% of the employees have signed the labor contract.

The collective contract of CEA was officially drafted and signed in December 1998 and enforced in January 1999, and up to date CEA has signed the collective contract for four times. The Labor Dispute Mediation Committee plays its role in preventing and mediating labor disputes, and protecting the legal rights and interests of employees.

In the reporting period, CEA settled 167 cases of labor disputes.

Position-specific Compensation

Based on the achievements made in the reform of position-based salary and welfare, CEA improves its fair and reasonable position-based salary and welfare system in compliance with the modern enterprise management philosophy. The new salary and welfare system is characteristic of the air transport industry and consistent with the actual situations of our country and our company.

We carry out the salary system in strict accordance with the provisions regarding compensation set forth in the Collective

The comparison of CEA's benchmark starting salary to local minimum wage in its major operating locations

Shanghai	1820	+90%	3467
Beijing	1560	+106%	3213
Kunming	1420	+116%	3073
Xi'an	1280	+129%	2933

RMB yuan

Local minimum wage standard

CEA's benchmark starting salary (the salary of a new contract employee in the first month of the probation period)

Contract of China Eastern Airlines Corporation Limited.

In accordance with the national and local policies and the provisions of Collective Contract of China Eastern Airlines Corporation Limited, we pay social insurances, covering pension, medical, injury at work, maternity, unemployment and housing provident fund. In addition, we have provided the enterprise supplementary medical insurance and personal accidental injury insurance.

Total wage amount management

The total wage amount of 2014 was determined on the basis of actual total amount of last year, and in consideration of employee change, business condition, and expected variations of policies, rules and systems of CEA.

Performance Evaluation

We implement an evaluation system, by which we evaluate all the employees of CEA, reward or punish them according to standards. All these aim to intensify the orientation, incentive and restraint roles of performance evaluation.

We defined 5 tough battles to fight in 2014 through strategic decoding and worked out the action plan, prescribed the personal performance contracts for vice president of the Company and for principals of every organization and their departments, and optimized the performance evaluation systems of branches and subsidiaries.

We formulated the Measures for Evaluating Performance against Tough Battles and Plan of Action. We therefore can help to achieve the goal by tracking the monthly progress through the IT system and conducting quarterly evaluation and feedback in written form.

We released the 2014 Strategic Performance Evaluation Management Measures to optimize the personal performance contract form and set forth the difficulty factor of performance indicators and the design measures of incentive degree. We improved the measures on productivity-based performance, raised the percentage of

floating part of wages, and formulated the evaluation measures by connecting the accrued position-specific payroll with the corporate profit.

We pushed forward the compensation and performance review through self-check and random check. After spot check in 8 organizations, we requested them to redress their problems found.

Career Development

CEA attaches importance to career development of its employees. To this end, the Company set up an open, fair and impartial talent selection and recruitment system that combines education with actual competence, and a performance-based evaluation system, so that it can make full, reasonable and efficient use of talent resources to form a team of talents for development of both the employees and the Company.

Growth Mechanism

Open Competition for Positions

We formulated a scientific standard for selecting and engaging management officers, which further improved the regulations and implementing rules on open competition and enlarged its scope and proportion, so that open competition has now become a major channel for selection of management officers and promotion of employees.

Employee Turnover

CEA is committed to creating a good working environment and a system that retains talents through remuneration, affection and career in order to enhance their satisfaction and loyalty. Employees flow outside the Company were mainly in the form of resignation and were handled according to the relevant provisions of Labor Contract Law.

Employee Dismissal

According to the Staffing Plan requirements, we formulated the Guideline to Actively Revitalize Human Resources and tabled the Opinions on Dealing with Employees Not in Service for Long and some other management rules. We set up a Downsizing Working Group and continue to implement early retirement policy.

In 2014,

150 positions were open for competition, attracting more than **1500** candidates.

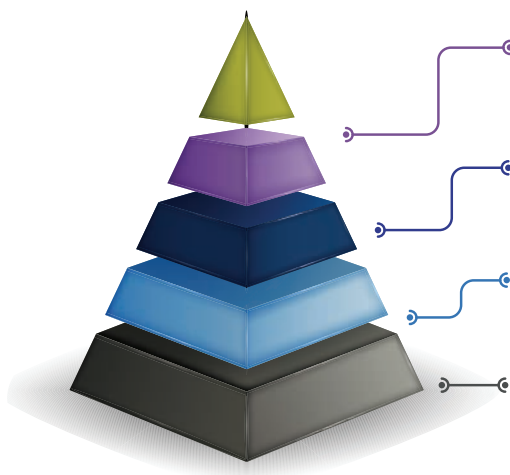
400 employees transferred inside the Company.

3,004 resigned or were dismissed.
50 employees early retired.



Case

Based on the principle of Leveled Promotion, Rapid Training, and Echelon Growth, CEA has set up an entire talent reserve system consisting of “Swallow Plan”, “Wing Plan” and “Flying Plan”. To further improve this system, we started to carry out the Eagle Plan in 2014.



Eagle Plan

To bring up the backup talents according to their category and profession. For general fields, the backup talents will be moulded to be senior management in 2 or 3 years; for professional fields, pilots will be in the first batch to be selected and moulded as deputy leadership in charge of safety in branches or subsidiaries in 2 to 3 years.

Flying Plan

To bring up senior employees with more than 5 years working experience and try to mould them as deputy leadership of functional departments, business organizations, and branches and subsidiaries in 2 or 3 years.

Wing Plan

To bring up backbone employees with more than 3 years working experience and try to mould them as department managers in 2 to 3 years.

Swallow Plan

To bring up excellent undergraduates from well-known universities and outstanding employees who are undergraduates but with less than 3 years working experience and try to mould them as department managers in 3 years.

Growth Platform

Set up five categories of positions (managerial, technical, professional, service and general) centering around the main aviation industry chain, and make sure that the employees of each category can have ample space to develop in their respective positions.

Set up a system to widen the career development channel for dispatched workers by admitting them through examination to be contract employees. In this respect, we have enlarged the scope of positions for admission of dispatched workers, namely, those in managerial positions. Set up various

growth platforms for employees, advocating and encouraging them to enhance their competence and value for their positions. In 2014, we organized 23 labor contests of various kinds, with the attendance amounting to more than 60,000 people.

Strengthen the construction of grassroots leadership. We sent 160 outstanding group leaders to study at Tsinghua University, and organized another 76 group leaders to attend the Tsinghua University On-line Training Program for SOE Group Leaders. The purpose was to optimize the training mode, enhance the interactive experience, and guide the trainees to turn what they learn into productivity. We also organized the management competence contest for group leaders, where they compete with each other by way of displaying their knowledge and team spirit in order to improve their management capability and level.

Education and Training

CEA vigorously carries out a talent strategy to make it a strong airline. It focuses on training talents for key positions and draws up multi-dimensional plans of training for target trainees. The objective of training is to provide necessary manpower support for its reform, transformation and upgrading.

We organized 12,208 batches of various training courses in the whole year, 540,692 people attended such training courses, and the training expenses totaled RMB 53 million.

The major specialized training courses are: 884 training sessions on Management and Basic Skills for 25,700 people; 897 training sessions on Flight Attendance for 26,338 people; 807 training sessions on Ground Service for 39,232 people; 984 training sessions on Operation for 52,073 people; 331 training sessions on Passenger Transport Marketing for 9,044 people; 9,622 training sessions on Air Defense and Security for 22,516 people; 187 training sessions on Aviation Security for 36,858 people; and 35 training sessions on Cargo Inspection for 331 people.

Pilot management training

The pilot management training program is a tailor-made course for 4 levels of pilots and taught by senior executives of the Company. The program includes more than 10 elite courses, such as Corporate Strategy, Corporate Culture and Management Philosophy. In 2014, we organized 8 training sessions for pilots, 8 training sessions for newly

engaged captains, and 4 training sessions for captains and flight management officers respectively, the trainees totaled more than 600 people.

Put-People-First Training

After sorting out the relevant conceptual and service courses of different specialties, we embedded the core ideology of putting-people-first into our courses. We organized 569 training sessions for 20,468 employees, and organized 7 training sessions for 85 trainers, 36 of them passed the examination.

Alliance knowledge training

Launched the Alliance knowledge Training course for the purpose of publicizing the alliance knowledge among our employees. In order to follow the second phase of SkyTransfer program, we developed the courseware for the training.

As for the training on B777-300ER aircraft, we prepared the courseware on cabin door operation and airborne equipment operation, and carried out 42 training sessions on new aircraft training and service upgrading for 1,923 people.

Sent backbones to Delta Air Lines for internship, carried out the orientation training for new overseas station managers, the training on operation of overseas departure control system, the training on building grassroots staff competence, and the training on all-staff agent incentive plan.

Occupational Health

Labor protection

Increase investment in labor protection, distribute labor protection articles or allowance to employees for the purpose of protecting the occupational health of our employees. Throughout the whole year, there were altogether 90 reported cases of accidents and injuries at work, and no reporting of death tolls. There was neither any aviation medical incident happened in this year.

The trade unions at all levels of CEA intensify, according to the functions and powers conferred by Trade Union Law and Labor Law, the awareness of employees to participate in trade unions and protect their rights by law, and in consideration of the seasons, step up the supervision and inspection of labor



Case

On November 27, Chairman Liu Shaoyong, in the capacity of a corporate manager and a first-class pilot, delivered a wonderful lecture to 37 flight management officers of the Company on I and We, and on CEA's Yesterday, Today and Tomorrow.



protection. In case any accidents and injuries at work happen, they shall investigate such cases and mediate labor disputes, if any.

Strengthen the ground safety management by compiling and publishing the Collection on Laws and Regulations on Ground Safety to standardize the ground safety management in a systematic manner. The total mileage that the Company vehicles covered was over 50 million kilometers, and no major accident happened this year.

Step up the food safety inspection; increase the frequency of inspecting the canteens and flight crew apartments in major holidays and summer season. Put forward suggestions on improvement and prevent the occurrence of food poisoning and other unsafe incidents.

Formulated the Ebola epidemic prevention and emergency measures, and timely sent out sanitary pamphlets on Ebola prevention.

Working Hour Limit

CEA strictly abides by the provisions of national laws, regulations and collective contract on working conditions and working hour limit, and sets up and carries out a system on work time, rest time, paid holiday and overtime pay.

Following the application of working time limit to the flight, mechanics and dispatch positions, the Company has, in accordance with the regulations on working time limit of air crew prescribed in CCAR-121FS Document of Flight Standards Department, CAAC, extended the coverage of working time limit to air crew, a special type of work, since 2012.

Provisions on total flight time limit for cabin crew:

- (a) Not more than 40 hours in any 7 consecutive calendar days.
- (b) Not more than 120 hours in any calendar month.
- (c) Not more than 1300 hours in any calendar year.
- (d) Time spent by cabin crew members on security guard duties in the

air shall be included into his or her flight time record.

Employee leave entitlement

CEA strictly carries out the national policy on paid employee leave, covering maternity leave, home leave, marriage leave, bereavement leave and menstrual leave etc. This helps to relieve the working pressure of employees, enhance the cohesion of the Company and make the employees feel happy.

According to the current national regulations on leave, every employee is entitled to 11 days of statutory festivals and holidays and others like annual leave with pay, home leave, sick leave, marital leave (late marital leave), maternity leave, breastfeeding leave and bereavement leave that the Company's Employee Manual and relevant government rules and regulations allow.

Health Recuperation

After broad consultation and field survey of recuperation sites, we organized recuperation for pilots in groups rather than individuals, which, in conjunction with the Employee Assistance Program (EAP), improves the conditions of recuperation for pilots and achieves better result.

In 2014, we appropriated RMB 9,885,900 as recuperation fees for ground crew.

Health Check

CEA allocates special funds for regular health check of employees. It sets up health record for employees, put forward health advice for them based on the check result on condition that the privacy of employees is protected.

We organize professional physical examinations for air crew members. We formulated uniform standards and measures on pre-flight health check. In addition to the daily pre-flight health check, we closely follow the health conditions of 250 air crew members. We improved the Flight web and Fatigue Risk Management System (FRMS), a data-based health management for flight crew, which links their health check certification to the flight scheduling system, saying no to flying without certificate or in sickness. The certificate management system and the IT tools help to improve our management of the health of flight crew.

No flight incident happened due to crew health reasons in 2014.

Psychological counseling

To start the Employee Assistance Program (EAP) for air crew. We also held a meeting to commence the project of Psychological Health and Behavioral Pattern Guidance to CEA Flight Crew. At the meeting, we set up an organization, clarified functions, divided work, introduced external partners as our project implementation instructor and psychological consultant, and we prepared to set up our psychological consultation room.

Democratic Management

The trade unions at all levels of CEA perform their duties and functions by law independently. We insist on taking the workers' congress as the basic means for employees to participate in management, enrich the denotation of corporate affairs publicity and democratic management, combine the democratic management closely with the operation of the Company and the protection of the rights and interests of employees, and create a harmonious and enterprising atmosphere in our company.

Convened a special workers' congress to consider the Corporate Pension Plan through a democratic procedure, and the Plan was finally adopted with overwhelming support. We held the 6th trade union member representative assembly to elect the new trade union committee and the expense auditing committee. We held the first session of the 6th worker's congress to consider the Corporate Work Report, giving play to the function of the trade union to safeguard their rights in a democratic manner. At the intersession of the workers' congress, we held the fifth session of joint meeting of group leaders to consider and adopt 10 key regulations closely related to the rights and interests of employees, such as the Regulations on Rewards and Punishments of China Eastern Airlines Corporation Limited.



Case

In the first half of July, more than 30 employees from Ground Service, Security, Cargo, Mechanics, Cabin Service, Marketing and Quality of Service Management Departments of Yunnan Co. attended the EAP training.

Incentive-Suggestion System

We emphasize the quality of good ideas collected through the incentive-suggestion system, and seriously review and evaluate them. The purpose is to standardize the incentive-suggestion system and make effective use of it.

Released the Notice on Further Promoting the Incentive-Suggestion System of CEA, and formulated a series of regulatory documents, such as the Regulations on Evaluating and Rewarding Incentive-Suggestion Results (Provisional), and Rules of CEA on Evaluating the Incentive-Suggestions.

Set up an incentive-suggestion evaluation working group to formulate the Regulations on Evaluating and Rewarding Incentive-Suggestion Results, to establish an evaluation expert database, and to standardize the measures on the result evaluation and rewarding.

Organized workshops for incentive-suggestion commissioners and excellent suggestion providers, periodically announce the excellent suggestions and put them into practice. The suggestions that can be copied and have good economic values shall be applied to wherever they fit.

In this year, we received a total of 67,383 incentive suggestions, of which 47,712 were effective ones. We adopted 31,342 suggestions, and put into practice 24,853 suggestions, which helped us increase our revenue by RMB 146 million.

Communication Platform

Based on the EHR, EAP and other information systems, we set up a frontline supporting system and long-effect oversight mechanism, and also an interactive staff network platform, through which we answer questions asked by our employees. In 2014, we received a total of 621 complaints via the interactive platform, replied 570 of them, of which 267 were commended,



Case

During the sixth session of the 5th workers' congress, the Trade Union received a total of 79 proposals, which were sorted into 69 effective ones and were referred to the functional departments or organizations for implementation. All the information on response to and implementation of such proposals were channeled to the Trade Union. The data shows that 30 proposals have been put into practice, accounting for 43.5% of the total; 24 proposals, 34.8% of the total, are under consideration; and 15 were unable to be implemented due to policy or system limitations, accounting for 21.7% of the total and for which the Company had explained.



and the satisfaction rate was 78.3%.

Employees Care

We formulated the Guidance on Employee Care Action, so that we can, under the leadership of the party committee, at the direction of the administration and with the coordination of the trade union, show care in every detail for our employees from mental and physical health to career development.

Five Things: We enforced the fourth Mutual Aid Program for Special Serious Diseases, increased the service items provided by the Staff Service Center, applied for the membership cards of Shanghai Trade Union, developed products of "Happy CEA" series, and provided services for model workers.

In summer and winter seasons, we provided the heating & cooling necessities and supplies for our employees of corporate organs, branches, subsidiaries, and some of the sales departments and staff service centers, with the consolation money totaled RMB 4.63 million, the record high amount throughout the years.

We doubled the subsidies for special serious diseases, and increased the subsidies for blood donation by 66% over 2013. In 2014, 139 employees with serious diseases received RMB 2.78 million from the mutual aid foundation. We also applied civil aviation mutual aid foundation on serious illness for female staff, totalling RMB450,000.

We extended more care to employees in difficulties and model workers. We promulgated the Management Measures on Model Workers, organized trade union-level recuperation for 6 batches of model workers, and selected over 60 people for

model worker-level recuperation.

Caring for Pilots. We held conversation on pilot care and organized activities suitable for them.

Give full play to the role of staff service centers. We set up new service outlets, increased and itemized the service items and contents, and promulgated the Guide of Service Center. In Shanghai, every service outlet was supplied with heat quelling commodities, such as essential balm, cooling ointment and stomach healing and heatstroke capsule, increased the WIFI coverage to provide reminders and notices via APP. We added staff service centers in Hongqiao West Zone, so that 5000 employees can have their problems solved in the neighborhood.

Research on the rights and interests of female employees for better protection of their special rights and interests. We collected cases of outstanding female employees and set examples for others to learn, and organized the "A Happy Day" experience activity for representatives of outstanding female employees. We set up "nursery rooms", released the special female album of "Happy CEA", organized a series of activities, such as "Happy Appointment and Love Relay", "Happy CEA and Joyful Childhood", "Happy CEA and Home Chef". We also took part in the Cooking Contest of Shanghai Female Workers, and won the championship.

Recreation and Sports

We organize diversified recreation and sports activities for our employees.

·We promulgated the Regulations of CEA on Employee Culture, Arts and Sports Associations and the Regulations of CEA on Part-time Teachers of Employee Culture, Arts and Sports Associations, which further improved the regulations in these areas.

·We organized the Happy CEA Cup table tennis matches, altogether 28 delegations of 84 players participated in such matches.

·We took part in the 7th State Grid Cup table tennis organized by SASAC for SOEs, and won women's champion of Group B.

·We participated in the first Aviation Track and Field Sports Meeting, and won 2 Golds, 1 Silver, and 3 Bronzes.

·Our Lingyan Chorus attended the Grand Ceremony marking the 87th Anniversary of the People's Liberation Army.

·We launched the Winning Youth activities, a brand of series of activities to invigorate the youth for transformation and development.

Major Works on Building a Happy CEA

Tabling the Plan and Optimizing the Model

After complete discussion, large-scale survey and repeated revisions, we adopted the Plan for Continuing to Establish a Happy CEA and the Optimization Plan for Happy CEA, clarifying the purpose, subject, task, procedure and implementation measures of establishing a happy CEA.

We took a happiness index survey among 40,000 employees, and set up a multi-dimensional employee happiness evaluation system and a happy CEA evaluation system.

Vigorous Publicizing and Positive Guidance

Guide the employees to discuss the meaning of Happy CEA over the Happy Forum or at Conversazione, and help them shape the idea of Creating a Happy CEA through Labor.

We held an essay competition, encouraging the employees to submit valuable suggestions on Happy CEA, and publishing their essays in the special columns of various internal media.

We set up a Happy CEA website that has 9 columns, including Micro Happiness Lecture Room, providing employees with happiness experience in an all-round way.

Linking Closely and Integrating Resources

We closely linked the series of employee care activities to the construction of Happy CEA and integrated resources of all the parties concerned, and then released 6 batches of Products of Happy CEA Series, covering nearly 30 subjects, such as hotels, preferential travels, and origin-direct-supply preferential.



Case

From October 18 to 19, 7 youths from CEA took part in the fourth 24-hour uninterrupted charity relay race held alongside Dishuihu Lake, Lin Gang New City, Nanhui, Shanghai, finishing off with the total mileage of 240 kilometers and raising nearly RMB 10,000 for congenital disabled children.



President Ma Xulun (first from right, photo above), Party Secretary Li Yangmin (first from left, photo below) and other leaders went to visit the frontline employees and handed out cooling necessities to them in hot summer season.



Employee Testimonials

Wang Kui
Air Marshal
Gansu Branch

It is a solid affirmation for me every time when I successfully complete my security duty onboard, and I will continue to study hard and honor my promise of safeguarding flight in the blue sky.



Guo Jiang
Purser
Jiangxi Branch

It's been nearly 20 years since I joined CEA in 1996, and during this long flying period, I never let my patience and enthusiasm go down, and I never stopped learning everything useful for my communication with passengers. In 2014, I became a qualified instructor in the headquarters of CEA. I love flying, love to go shoulder by shoulder with my fellow crew members, and I feel satisfied with my work at CEA.



Dong Wenqi
Flight Instructor
Wuhan Co.

30 years have passed. At the outset I flew fighter planes, now I fly passenger planes. Every time I fly, I dare not slacken even a bit. On the contrary, I keep in mind my duties and responsibilities. The record of my 18000 hours of safe flight is attributable to my family and my beloved CEA, and I thank them for their great support to me.



Xu Shenglu
Warm & Care
Group Leader,
VIP Section,
Hongqiao Passenger
Service Center of
Ground Service
Department

I'm grateful to many VIPs for their recognition and appreciation of me. It's my duty to counsel the passengers who are not in the mood, and to let them feel the warmest and most intimate caring services of CEA.



Gu Fanxi
Foreman
Engineering &
Technics Company

I will, as always, perform my duties in the Boeing Periodic Check position to ensure that every plane, after thorough and complete troubleshooting, is safe and airworthy.



Responsibilities for Customers

CEA emphasizes sustainable safety of aviation, which is the topmost mission of the Company. In the era of the Internet, we actively analyze the demands of our customers and itemize the product market for optimizing their experience of our integrated, personalized, self-help, convenient and special services.



Safety Management Deepening the implementation of responsibilities

In principle, we put safety first and continue to make safety improvement through comprehensive management and prevention. For this reason, we demand our employees to sign the safety accountability agreement and safety commitment agreement, clearly defining their responsibilities and performance evaluation indicators, and hold them accountable for their irresponsibility.

Strengthening the Safety Redline

We are problem oriented, so we put forward a series of safety requirements for work style, technical competence, and team management for the purpose of covering all areas of responsibility and rigorously enforcing rules to achieve our zero tolerance and efficiency objective. We emphasize the bottom-line thinking, and every running system has their own redlines. As a result, we successfully passed the aviation security auditing.

Tamping the Safety Base

We tabled the Decision on Full Reinforcement of Safety Work that

covers every production field. The China Eastern Flight Safety Technological Application Research Institute was officially established, it will serve as a theoretical research, innovative and applied platform of aviation safety, providing intelligent support for the safe development of CEA.



Case

In the afternoon of November 28, China Eastern Applied Academy of Flight Safety Technology held its unveiling ceremony in Shanghai. The Academy is second to China Academy of Civil Aviation Science and Technology in China, and is also the first Academy sponsored by an airline in the history of Chinese Civil Aviation.



Flight Data (2006-2014)

Year	Safe Flight Time (hour)	Flight Incident Rate/10k Hours	Safety Flight Time (hours, nationwide)	Flight Incident Rate/10k flights (nationwide)
2006	671,712	0.07	3,423,600	0.34
2007	754,735	0.14	3,969,103	0.29
2008	764,602	0.03	3,920,000	0.28
2009	1,011,662	0.089	4,424,000	0.32
2010	1,171,460	0.068	5,098,000	0.38
2011	1,288,193	0.07	5,561,000	0.372
2012	1,402,000	0.05	6,160,000	0.41
2013	1,547,100	0.006	6,910,000	0.38
2014	1,625,140	0.074	7,617,200	0.396

The flight incident rate/10k hours of CEA has been lower than the average rate of the aviation industry of China for many years.

Strict Risk Management and Control

We emphasize the safety risk analysis through extensive use of the safety management system (SMS). We developed the Fatigue Risk Management System (FRMS) and included the parameters into flight scheduling, improved the risk database, completed the B777 new aircraft verification and validation for risk control on new routes, set up an aviation safety and security management system that successfully passed the safety and security audit by CAAC.

After a scrutiny,

We found **690** hidden troubles,
and removed **100%** of them.

We also itemized **236** safety measures specific to flight,
mechanics, dispatch and stowage positions.

Case

On June 19, CEA held an exercise of anti-hijack and mid-air bomb threat in Shanghai Hongqiao International Airport, the first of its kind for CEA, with the aim of testing CEA's ability to deal with incidents on aircraft, such as hijack and bomb threat.



CREATIVITY EXPLANATION



Flying Swallow
> Inheriting the core visual image



Delicacy
> Eastern Charm and Global Vision



Shape
> Appearance and Imagination



Charm
> Cultural Exchange



Texture
> Delicate, elegant, fashionable



Logo Pictography
> Exclusiveness of the Brand



Brand Color
> Inheritance of the essential red and blue



Overall Harmonization
> Concise, Flexible, Elegant, Harmonious



Shaping a Brand New Image

We launched our new logo, introduced new aircraft, opened new routes, and rolled out new products and technologies for the purpose of setting up a new corporate image and continuously enhancing our core brand value of World-Class Hospitality with Eastern Charm.

New Logo, New Image

We published a new Visual Identity System (VIS), including LOGO, basic brand color, auxiliary graph and various extended applications.



Case

The new LOGO preserves the core element of swallow that implies auspiciousness and propitiousness. The lissome and graceful Leading Swallow is designed in smooth lines and red/blue base colors, which embody our spirit of creativity, enterprising and passion of transcendence.



New Aircraft, New Service

We introduced brand-new B777-300ERs - the new generation long range widebody aircraft with top configurations, providing comfortable and luxury experience for passengers around the globe. B777-300ER integrates the latest technological innovations, conceptual customized designs, advanced cabin facilities and top configuration, representing the aspiration of global top airlines for setting new generation of on-board passenger service systems.

New Technologies Supporting Air-Ground WIFI Connection

In cooperation with China Telecom, CEA completed the commercial test of its satellite wide band air-ground WIFI test, the first of its kind in China, which was a prelude to air Internet service.

In cooperation with China UnionPay, CEA released the world's first Air-Ground Cloud Pay Platform, a historical breakthrough in aviation and financial industries.



On November 6 Chairman Liu Shaoyong signed the Strategic Cooperation Agreement with Ge Huayong, Chairman of China UnionPay, on a B777-300ER aircraft of CEA, launching the first global Air-Ground Cloud Payment Platform in the sky 10,000 meters high above the ground.

Integration of Online Resources on a New Platform

We set up China Eastern Airlines E-Business Co., Ltd., which integrates the internal and external products and service resources, on line and off line, for the purpose of providing a one-stop integrated travel service solution for our customers.



Case

On September 26, CEA's first B777-300ER landed safely at Shanghai Hongqiao International Airport, which then began its static exhibition in Shanghai, Beijing and Guangzhou.



Case

On November 11, CEA attended the 6-day 10th China International Aviation & Aerospace Exhibition, where the Company fully exhibited its image in the course of transformation and development.

Flight Regularity

According to the data published by CAAC, the flight regularity rate of CEA in 2014 was higher than the average rate of the whole industry.

Strengthening Supervision and Control of Operation

We dynamically control and track the flight operation information, locate irregularities, and sort out the right and complete reasons for irregular flights for solution and optimization of flight scheduling.



Case

On January 15, CEA held a press conference on Spring Festival transportation 2014, which was covered by nearly 40 Shanghai-based central media and Shanghai local news media on our preparation for the forthcoming Spring Festival.



Improving the Accountability System

We established an accountability system for flight operation, urged the operation security department to update their work procedure so as to reduce the number of flight delays due to artificial reasons.

Conducting Special Correction

We made special effort to study the flight delays with 10 days as a cycle, analyzing the delay of first flights departing from major stations, releasing newsletter on flight delays, and demanding the responsible branches or subsidiaries to make corrections.

Collaborative Decision Making

With the Collaborative Decision Making (CDM) project implemented in Shanghai, Guangzhou and Beijing, we optimize the order of departing flights, reasonably arrange the flight security process and resources, and duly notify passengers of boarding time to shorten their waiting time inside cabin.

Information Release Platform

With the Irregular Flight Information Release Platform deployed in all the branches, subsidiaries and service outlets, the effective monthly average rate of notice on irregular flight information increased to 93%, dramatically enhancing customer experience.

Ground Service

Improving Baggage Transportation

We make efforts to improve in phases the baggage transportation by applying the uniform requirements for





Case

On June 1, Snow Queen, Calabash Brothers, Spider Man, Doraemon and some other cartoonists “flew” one after another to the check-in counters of CEA to contact intimately with passengers and children traveling on that day, celebrating the June 1st Festival with them.



Case

For more exchanges and communication, CEA organized series activities, such as the 3rd Eastern Flying Kids summer camp and Eastern in the Eyes of Kids.



baggage handling. As for the mishandling of transit baggage due to improper labels and plates, we demanded 16 stations, such as Paris and Fuzhou, to make improvements, achieving good results. The baggage transportation error rate decreased year on year by 10.8%, and the rate of transportation of baggage by hold and bin increased to 94.32%.

Renovating Lounges

We strive for the construction of new airport lounges in Pudong, Hongqiao, Beijing, Chengdu, Lanzhou, Jinan and Nanjing, pushing forward the construction of SkyTeam lounges in Beijing and Hong Kong.

Updating the Official Website

We updated our mobile APP and official mobile website, launched the website of Pad version, so that you can query and make orders on both the mobile terminal and www.ceair.com. We provided the C2B tailor-made service products on www.ceair.com. We are developing a new version of www.ceholiday.com to reduce artificial errors and improve customer satisfaction.

Launching the Intelligent Customer Service

We launched the intelligent customer service on www.ceair.com, wechat and microblog platforms, which can answer 80% of the questions raised by customers. The public wechat number of China Eastern Airlines now attracts more than 430,000 fans. In 2014, the wechat number and www.ceair.com received 1,313,715 questions raised by passengers on line, 30,731 of them were transferred to call center, 5,178 passengers were served online, and the online service satisfaction reached 80%.

We set up a customer service center. We sorted out various service procedures, integrated complaints handling function with consultancies function, improving customer experience on a constant basis.

Revising the Standard Procedure

We revised our Service Manual, reviewed and improved service standards and service procedures on such contact points as ticketing, check-in, boarding, cabin service, arrival, transit and irregular flight compensation, aiming to enhance customer experience and service consistency.

Self-Service Check-in Self-Service Channels

The self-service channels include our official website (www.ceair.com), mobile website (m.ceair.com), mobile APP (China Eastern Mobile E), SMS, Wechat, onsite all-in-one self check-in machine, and onsite mobile device. There are altogether 7 channels.

Passengers with CEA tickets for domestic flights can select their seats and check in through self service channels one day before departure of flight.

After checking in through the mobile check-in device, passengers can click on the Personal Information Share to enter the check-in share tab, where they can post their feelings, or view information shared by companions on the same flight. The aim of this is to build a flight community.



In 2014, CEA was granted the 2014 China Red Star Design Award for its new version of CEA Passenger Self-Service System.

Stopover Check-in

CEA also facilitates her stopover passengers to check-in through its self service check-in channels (except SMS), so that passengers can select seats at self check-ins when there are not non-stop flights.

Group Check-in

CEA enables as many as 9 passengers to check in at one time on its China Eastern Mobile E app, increasing the check-in efficiency.

Terminal Coverage

With the launch of the official website and mobile self check-in services in 144 domestic airports and 3 international and regional airports (Hong Kong, New York and London), CEA has become an airline that claims the largest domestic coverage of self-service check-in, with its self service check-in rate reaching 40%.



Check-in Appointment

For passengers pre-selecting seats on www.ceair.com, the system can, after the flights are open for check-in, automatically check in for them and push the QR boarding pass to them through SMS or emails.

Self-Service Ticket Endorsement

We launched self-service ticket endorsement service for irregular flights at Pudong, Hongqiao, Xi'an, Kunming, Hefei, Ningbo, Nanjing, Beijing, Chengdu, Qingdao, Wuhan, Taiyuan and Lanzhou. In case of flight irregularity or massive delay happened in any of the above mentioned airports, passengers can endorse to other flights through the onsite all-in-one self check-in machine, or through www.ceair.com, m.ceair.com, or China Eastern Mobile E app. This service aims to enhance our ability to remedy in such circumstances.



Baggage Service

Self Service Baggage Check-in

We launched the one-stop self service baggage check-in service at Shanghai Pudong International Airport, where the baggage tag printing, baggage tagging, weighing, security check, delivery and baggage claim ticket are all done automatically, making it more convenient for passengers.

Self Service Inquiry for Left Articles

We launched Phase 2 of self service inquiry system for left articles, which has several new functions. For example, the Fuzzy Search is to ensure the information security of left articles; the Picture Comparison is to make it easier for passengers to identify their left articles; and the Flight Date and Left Article Category module functions are to provide a wider scope of search and make searching more efficiently.

Baggage Delay Notice

Departure airports notify passengers in advance of the baggage delay information, and the names of affected passengers and their baggage numbers will be posted on the baggage delay bulletin board.



Cabin Environment

We started the cabin environment transformation project, reviewing and optimizing our cabin decoration from the visual, gustatory, olfactory, tactile and auditory senses.

New aircraft cabin interior is decorated in warm color, and the soft adornment and onboard facilities are designed in harmony with the general style of exquisiteness and gracefulness.

The new wide body aircraft is equipped with an on-demand entertainment system in the whole cabin. Passengers can watch latest movies, listen to music or play games by touching the screen or using the joystick.



Cabin toilet cleaning is a special activity to improve hygiene. Specifically, we train our flight attendants on toilet cleaning, check and trace the sanitary condition of the onboard toilets to enhance passenger experience.

We perform a deep cleaning of the aircraft once every 18 days.

We train our cabin crews in onboard broadcasting and update the onboard pre-recording in order to make broadcasting more humane and affectionate.

We set suitable cabin temperature through onboard test and passenger survey. We provide the flight attendants with thermometers, clean the air conditioners and supply more blankets to ensure standard cabin temperature and make passengers feel comfortable.

In-Flight Meals Quality Assurance

Our food suppliers all have aviation food supply qualifications, and they are all certified to ISO food security management system and environment system. Every year, we inspect their food sanitary quality and stipulate strict constraint and liability terms of hygiene and food security.

Eastern Air Chefs

To annotate the philosophy of "gourmet food in the air", we cooperate

with renowned chefs to reinforce our capacity of developing diverse in-flight meals by adding local flavors to meet specific needs of different passengers on our different routes.

Joyful Afternoon Tea

We launched the Joyful Afternoon Tea and Seasonal Thematic Gourmet Festival activities in the VIP Lounge at Terminal 2 of Shanghai Hongqiao International Airport.

Order Service

We provide order service during lunch and dinner times in V4 Lounge of Shanghai Hongqiao International Airport, and the menu is updated once every week.

Birthday Noodles

For passengers who fly with China Eastern on their birth days and use our lounge at Terminal 2 of Shanghai Hongqiao International Airport, we present them a special birthday gift and specially-made noodles to celebrate their birthdays.

Highlighting Menu Activity

In every Tuesday afternoon, we serve fresh fruits and vegetables, exquisite cakes, special flavor snacks in China Eastern lounge in T2 at Hongqiao International Airport. Experienced massagers are available for comfort SPA service.

B777 Air Kitchen

We have designed more than 100 creative dishes to serve first and business class passengers onboard B777, including cold buffet, appetizers, main course, soups, desserts, afternoon tea, bread, porridge, special noodles, rice and soup. We have also developed self-made onboard sandwiches, hot dogs, and cold and hot western snacks.

We gradually cease to supply strong smelling food in order to keep the cabin clean, fresh, and smell good.



Case

On December 18, CEA launched its direct route on Kunming - Paris. As for the inflight meals, we combine foreign tastes with Yunnan local flavors, like high grade fungus, gastrodia tuber and elite ham. Meals for business class passengers are braised port neck with wild sarcodon aspratus, toadstool soup with abalone, fried Sablefish with XO sauce, stewed chicken with gastrodia tuber, etc.



Special Services

Air-Rail Service	Passengers can go to our official website to buy Air-Rail Service products along domestic, international and regional routes for connecting railway transport. There are more than 300 virtual flights each day.
Air-Bus Service	This is a transport service connecting flights to long distance buses for seamless transfer and connection between flights, railway and buses. Air-Bus service can be freely combined with Air-Rail service.
Smooth Travel and Privilege	First and business class passengers to and from Europe, America and Australia can experience private shuttle service to and from the designated airport free of charge. At present, the private shuttle service is available at Shanghai Pudong International Airport (PVG), Frankfurt Airport (FRA), and Charles De Gaulle Airport (CDG).
Endorsement Service at the Boarding Gate	We provide endorsement services at Gates 46 and 50 in Terminal 2 of Shanghai Hongqiao International Airport. Endorsement can be realized at the boarding gates.
Special Checked Baggage Service	We launched the Delivery and Claim of Strollers or Portable Wheelchairs beside Plane service. Passengers can have their strollers or wheelchairs checked at the boarding gates.
Remote Check-in Service	Passengers can check in at check-in counters for long-haul flights at Hongqiao Airport for CEA's international flights departing from Pudong Airport, and can enjoy such value-added services as baggage check-in at Hongqiao Airport and free airport shuttle bus service etc.
Boarding by Zone	We post the Boarding-by-Zone notices at boarding gates. We divide the waiting area into A Zone and B Zone, broadcast Boarding-by-Zone notices, and arrange dedicated personnel to organize sequential boarding.



Case

On January 24, CEA signed a cooperation memorandum of understanding with Disney Destination International Department on joint development of high quality tourism and vacation products, customizing tourism products and value-added services of food, accommodation, travel, sightseeing, shopping, entertainment for travelers from home and abroad. At present, CEA has opened a Disney Land Zone on www.ceair.com for customers to book their exclusive service products.



Handling Complaints

CEA attaches great importance to the opinions and suggestions from customers, and investigate and handle their complaints timely and properly. By analyzing such complaints, we can find out shortcomings and timely correct them.

Working Mechanism

Implement the Regulations on Handling Customer Complaints and the Procedure for Handling Customer Complaints, continue to make improvements on the two files by prescribing every aspect of the investigation and handling, clarifying the response time limit and specific requirements, and evaluating the handling of complaints.

Set up a 24h multi-channel, multi-lingual complaints handling platform.

Assign dedicated persons to be responsible for handling complaints forwarded by the industry regulatory authorities.

Implement quick handling procedure.

Carry out quick service improvement.

Optimize complaints handling procedure.

Complaints Channel

24-hour customer service hotline 95530.

CEA's official website www.ceair.com.

Eastern Miles website.

Complaints hotline and fax numbers.

Satisfaction management

We periodically send short messages (SMSs) to passengers, inviting them to join our satisfaction survey, and publicize the survey results and assess the performance of relevant service units.

In 2014, we collected a total of 145,000 effective customer satisfaction questionnaires and 110,000 suggestions of various kinds. The full process evaluation shows that the total customer satisfaction rate was 90.77, up 3.45 percentage points year on year, and remarkable improvements were seen in Onboard Broadcasting, Toilet Sanitation, Check-in Waiting, Sequential Boarding and Baggage Claim etc.

The customer complaint rate was 0.0096%, down 28.68% year on year.



Case

On February 10, five outstanding flight attendants of Gansu Branch went to Lanzhou Railway Station to experience the railway work. This action aroused media attention.



Case

On March 8, President Ma Xulun attended the second session of the 12th National People's Congress in Beijing. He was invited to accept a special joint interview by 14 media agencies including CCTV and Xinhua News Agency, answering questions on hot spot topics of the "two meetings" and the transformation and development of CEA.



Route Network

International Strategy	<p>We have launched our Pacific Plan and European Profiting Plan, promoted our global full channel brand strategy, reinforced our international network, and expanded our global customer development and alliance project. As a result, our international passengers increased by 6.3%.</p>
	<p>Launched new routes from Pudong - Toronto, Pudong - Dubai, Pudong - Auckland, Xi'an - Busan, Xi'an - Qingdao - Osaka, Xi'an - Bangkok etc.; added 2 more flights on Xi'an - Jeju on weekly basis, and resumed daily operation on Xi'an - Qingdao - Jeju.</p>
	<p>Increased the frequency on Pudong - New York, Los Angeles, Hawaii, Moscow, Osaka, Fukuoka and Hong Kong, and on Hongqiao - Macao; optimized the slots on Shanghai - Hong Kong routes etc.</p>
Optimizing Domestic Network	<p>Set up operating bases in Xining and Yinchuan.</p>
	<p>Opened new routes on Pudong - Luliang, Pudong - Wuhan - Shennongjia, Pudong - Chongqing-Baise and Xi'an - Chongqing - Zhanjiang, and increased frequency on Shanghai - Chengdu, Shenzhen and Sanya etc.</p>
	<p>Readjusted and optimized the slots for Shanghai - Nanchang, Kunming, Chongqing, Yantai and Xi'an, and for Xi'an - Beijing, Shanghai - Xi'an - Kunming and Xi'an - Zhengzhou etc.; adjusted and optimized the routes on Beijing - Baotou, Harbin, Yantai, Dalian, Nanchang and Ningbo, and on Xi'an - Wenzhou, Sanya, Guiyang and Changsha etc.</p>
Promoting the "Connecting and Transfer" Project	<p>In 2014, seven stations were reached under CEA's "connecting and transfer" program, i.e. Toronto, Hawaii, Anazawa, Sapporo, Okinawa, Jeju, and Taipei Songshan. Passengers departing from these stations can have their baggages through checked-in to their final domestic destinations in China.</p>
Expanding SkyTransfer Service	<p>In addition to the existing IATCI with Delta Air Lines and China Airlines, we started IATCI with Air France and KLM as well. Passengers connecting to CEA's flights can enjoy our guide and check-in service at Pudong International Airport.</p>

Domestic Elite Express Routes (16)

Shanghai-Beijing	Shanghai-Xiamen
Shanghai-Xi'an	Shanghai-Wuhan
Shanghai-Kunming	Shanghai-Chongqing
Shanghai-Guangzhou	Shanghai-Zhengzhou
Shanghai-Shenzhen	Shanghai-Changsha
Shanghai-Chengdu	Xi'an-Beijing
Shanghai-Tianjin	Kunming-Beijing
Shanghai-Qingdao	Kunming-Xishuangbanna

Quasi-Express Routes (14)

Shanghai-Harbin	Shanghai-Yantai
Shanghai-Shenyang	Hangzhou-Beijing
Shanghai-Dalian	Kunming-Chongqing
Shanghai-Changchun	Kunming-Chengdu
Shanghai-Taiyuan	Xi'an-Yulin
Shanghai-Fuzhou	Kunming-Guangzhou
Shanghai-Nanchang	Kunming-Lijiang

Note: Express routes are those having more than 9 (inclusive) flights per day, Quasi-express routes are those having more than 6 (inclusive) flights per day.

International (regional) destinations

6 regional destinations	64 international cities				
	6 in North America	5 in Europe	4 in Oceania	24 in Japan and Korea	25 in Southeast Asia
Hong Kong	New York	Paris	Sidney	Tokyo Haneda	Bangkok, Phuket Island,
Macau	Los Angeles	Frankfurt	Melbourne	Tokyo Narita	Chiang Mai, Chiang
Taipei	San Francisco	Rome	Cairns	Osaka, Nagoya	Rai, Bali, Singapore,
Kaohsiung	Hawaii	Landon	Auckland	Fukuoka	Kuala Lumpur, Hanoi,
Taichung	Vancouver	Moscow		Hiroshima	Da Nang, Mandalay,
Tainan	Toronto			Kagoshima	Rangoon, Phnom Penh,
				Sapporo	Siem Reap, Vientiane,
				Asahikawa	Colombo, Male,
				Niigata	Katmandu, Calcutta,
				Toyama	Dhaka, Dubai, Manila,
				Kanazawa	Ho Chi Minh City,
				Shizuoka	Naypyidaw and Krabi
				Okayama	
				Okinawa	
				Nagasaki	
				Matsuyama	
				Gimpo, Seoul	
				Jeju, Busan	
				Daegu, Muan and	
				Cheongju	

Codeshare

CEA has codeshare cooperation with 20 airlines, covering 870 routes and 531 destinations.

Intra-SkyTeam Cooperation

We have codeshare cooperation with 12 SkyTeam member airlines, covering 675 routes and 342 destinations, of which 300 routes are with China Southern Airlines, 36 with Xiamenair. And we launched new codeshare cooperation with Aeroflot on Pudong - Sanya.

Cooperation with non-SkyTeam airlines

We have codeshare cooperation with 8 non-SkyTeam airlines, covering 195 routes and 189 destinations, of which 16 routes and 11 destinations are the result of cooperation with Virgin America, expanding our network coverage and flight frequency along the west coast of America.



Case

In 2014, transfer passengers at Pudong International Airport averaged 5,483 per day, up 4.51% over 2013, totalling over 2 million a year. On December 17, transfer passengers at Pudong reached 8,074, a record high in a single day in history, and in December alone, transfer passengers at Pudong numbered 196,001, a record high in a single month. In 2014, transfer passengers accounted for 22.35% of the total departing passengers, of which 84.48% were international passengers.



Alliances Cooperation SkyTransfer

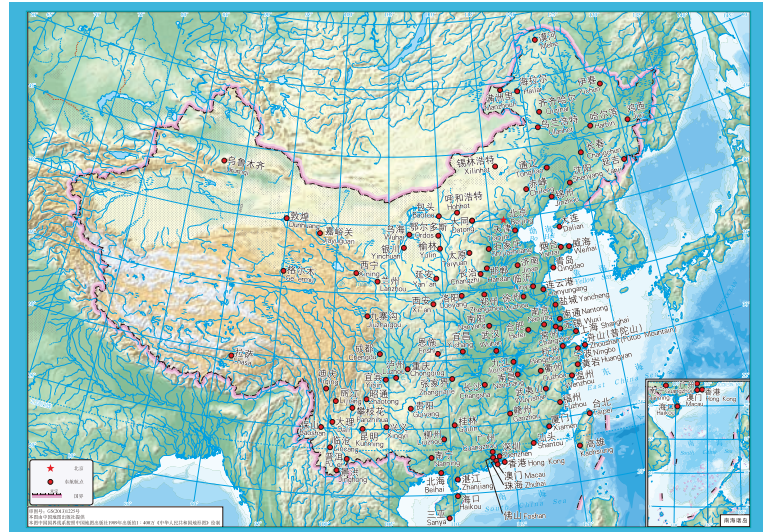
We have been greatly involved in SkyTransfer program, and completed Phase 1 "Quick Wins" of PNR Servicing by end of 2014. When IROPS happens, the three SkyTeam member carriers (China Eastern, China Southern, and Xiamenair) can extract passengers' booking data from each other's database and endorse tickets at airport service counters in Pudong, Beijing, Guangzhou and Xiamen.

SkyPriority

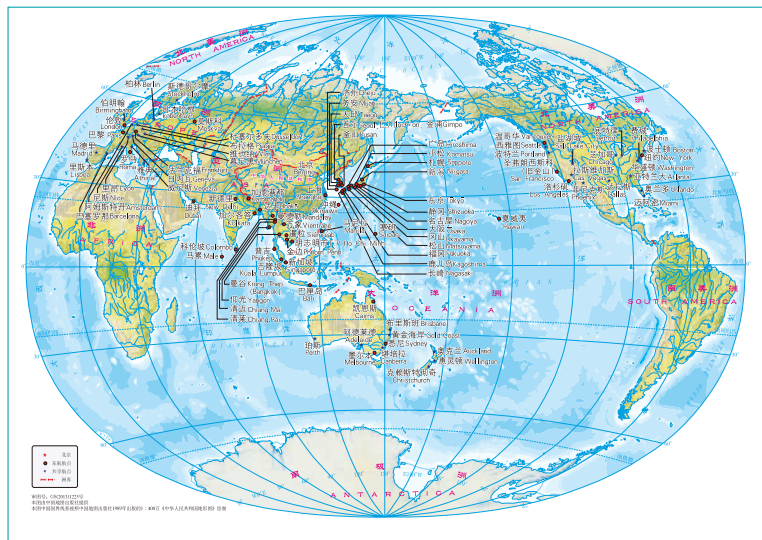
First and business class and SkyTeam Elite Plus passengers taking CEA and Shanghai Airlines' operated flights can enjoy priority services, such as priority check-in, priority baggage check-in, priority customs inspection, priority security check, priority ticketing desks, priority transfer, priority boarding and priority baggage claim.

Flying Over Greater China Hand-in-Hand

The project of Flying over Greater China Hand-in-Hand aims to strengthen the cooperation among four SkyTeam member airlines (China Eastern, China Southern, China Airlines and Xiamenair) in Greater China region, and to provide passengers flying across the Taiwan Straits with frequent flyer, e-business, group customer and other value-added services.



Map of CEA Domestic Destinations (For reference only)



Map of CEA International Destinations (For reference only)

Membership Service

In 2014, we attracted 2 million new frequent flyer members, totalling to nearly 23 million frequent flyer members.

E-Service

EasternMiles members can register and log in to m.ceair.com to download their own EasternMiles e-membership cards. This allows members to register in China their membership using QR code, and allows overseas offices to introduce new members by using QR code as well.

We united our official website, overseas websites, mobile APP, mobile website, member portal login information and customer view to provide consistent services for members through online self-service, members service hotline and offline service outlets for better customer experience.

Member Points Application

We tried in-flight payment by credit card on our Wing Mall, an air supermarket, where passengers can redeem products by swiping credit card + points.

We realized the function of using internal system instructions to redeem overweight baggage charges with Eastern member points.

We launched on our official website a product called Redeem Tickets As You Like for domestic routes. Members can purchase tickets with their points.



Customer Information Protection

CEA attaches importance to the protection of customer information. We take strict measures to keep confidential all the personal information, point redemption behaviors and inter-companies commercial secrets recorded in Eastern Miles Frequent Flyer Program (FFP) database.

As for the internal management, we implemented the Management Rules of China Eastern Airlines Corporation Limited on system ID and Authorization of Frequent Flyer System, and every employee of CEA related to FFP must sign the Commitment to Keeping Confidential the Frequent Flyer System and the Use of Related Data. We also practice a strict procedure to control the access to and use of the customer data. All of these efforts are for the purpose of keeping the custom data safe and secure.

As for system functions, we have made necessary settings, instructing the system to prohibit the export of member information, and strictly certifying and controlling login to the system through external interfaces.

We set up an effective realtime information security control system and management system. In cooperation with China Information Technology Security Evaluation Center, we evaluated the information security of more than 20 key information systems and network infrastructures, including the frequent flyer system, to fix bugs and improve information security level.

We send, through SMS or media prompts to passengers and the social public on protection of passenger's personal information on our official web.

In the agreements signed with our business partners, we clearly state the provisions on protection of CEA's information.

Case

On December 12, Mr. Yang Xueshan, Vice Minister of Ministry of Industry and Information Technology, and his companions came to China Eastern for research and investigation. He gave out instructions on our next step development of information technology, and awarded us a certificate on ISO27001:2013 Information Security and Management System, indicating that CEA took the lead in information and security management.





Distribution of Overseas Representative Offices

North America	North America Marketing & Sales Center (Los Angeles, Hawaii, New York, San Francisco), Toronto, Vancouver
European Marketing & Sales Center	Paris, Frankfurt, London, Rome, Moscow
Australia	Australian Marketing & Sales Center (Sydney, Melbourne)
Japan and Korea	Japanese Marketing & Sales Center (Tokyo, Osaka, Nagoya, Fukuoka, Hiroshima, Okinawa, Toyama, Shizuoka, Okayama, Komatsu, Kagoshima, Matsuyama, Sapporo, Nagasaki, Niigata, Korean Marketing & Sales Center (Seoul)
Southeast Asia and South Asia	Singapore, Calcutta, New Delhi, Bangkok, Kuala Lumpur, Vientiane, Rangoon, Mandalay, Dhaka, Phnom Penh, Siem Reap, Dubai, Ho Chi Minh, Manila, Katmandu
Hong Kong, Macao and Taiwan	Hong Kong, Macao, Taipei



Cargo Transportation

We take a strategic turn to a logistics service integrator that advances along the fast supply chain in the "Express Delivery + E-Business + Trade" mode.

Optimizing the Cargo Network

Reinforcing two cargo trunk routes and maintaining the dominance in European and American markets. We have cooperated with 30 foreign airlines and signed cargo transportation agreements with 7 truck suppliers to expand our overseas network. With Zhengzhou as our regional hub, we opened Zhengzhou-Amsterdam and Zhengzhou-Chicago cargo routes, and established a supervised truck routing network that covers 28 domestic points.

Third Party Logistics Service

We have established a 510-supplier logistics database, completed the deployment of logistics network covering suppliers in East China, South China, Northwest China, Southwest China and Northeast China, and deployed the logistics network covering international suppliers in Shanghai, Europe, America and Southeast Asia, and our scope of service covers not only the land, sea and air cargo transportation, and special goods transportation, but the customs, commodity inspection, warehousing and insurance services.

Global Trade and Purchase

Throughout the whole year, we carried 2,000 tons of fresh and seasonal products from the United States and South America into China, with a trade volume of over RMB 62 million.

Cross-Border E-Business

We have provided the offline logistics solution for cross-border e-Business, and completed the construction of US channel, European channel, Australian channel and Korean channel, and finished the independent development of our Cross-Border e-Business Logistics Service System.

Exploring the New O2O Model

We set up 2 offline experience stores for our Origin Direct Supply, a fast supply chain platform, and the two stores are widely acclaimed.



Freight Depot and Ground Transportation Service

We took the lead in the establishment of Shanghai Cross-Border E-Commerce Association, and the customs-supervised warehouse is located in CEA's freight depot at Pudong International Airport.

We have signed agreements with Iran Aban Air and El AL, and became the agency of Juneyao Airlines for its cargo and mail entry and exit at Hongqiao Airport, and enrolled 34 international and domestic cargo agents.

We have offered some new service items, such as Pre-Declaration Quarantine, International Outbound Cargo Arrival Information Service, and Special Operation Service for Inbound Frozen and Refrigerated Goods; provided customers with quick delivery service of inbound and outbound goods, first-in first-handled service, and exclusive and customized special services to meet their diversified requirements. DHL, EMS and other customers came to us one after another to select differential services for their different needs.

We have launched the new depot at Pudong International Airport and the new refrigerated warehouse in East Zone depot. The abundant special warehouse services, standardized operation flow, advanced equipment and one-stop service mode bring our customers more convenient and high quality service experience.

Small Animals Transportation

To apply for transporting small animals by air, passengers shall produce the effective health certificate and certificate of vaccination issued by an Animal and Plant Quarantine Department of the People's Republic of China. For small animals meeting the international transportation requirements, the consignor shall also present the entry & exit or transit permit, or other permits required by the entry or transit countries, and fill out the Application Form for Transportation of Small Animals/Service Dogs.

The container holding such small animals must be safe and firm, the lock(s) on it shall function well. It shall stand firm and right on its bottom, without swinging or sliding on the ground. The container shall be made of glass fiber, metal, hard plastics, hard wood plate or similar materials, and be large enough to accommodate the small animals and ventilate well. Small animals (excluding service dogs) must be loaded in an oxygenic cargo bay for transportation.

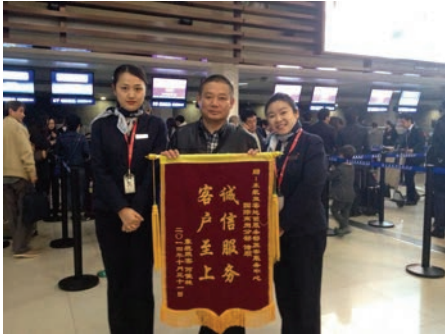
Each container shall hold only one small animal. The container must be of right size, with good ventilation, and be spacious enough for small animals to naturally stand up, turn around or lie down, and the animal can breathe smoothly. The container shall prevent seepage of excrement, and prevent the plane, onboard equipment and other articles from being polluted. To meet the domestic transportation requirements, the container shall not weigh more than 50 kilograms; to meet the international transportation requirements, the container shall not weigh more than 45 kilograms.



Testimonials from Stakeholders

Case

On May 4-5, CEA held a Service Brand Forum & the 25th Anniversary of Lingyan Crew. Mr. Han Zheng, member of Political Bureau of CPC Central Committee and Secretary of Shanghai Municipal Party Committee sent his congratulatory message, greeting the 25th birthday of CEA's Lingyan Crew, hoping that Lingyan Crew would always be a well-known service brand flying high in the sky.



On March 28, CEA successfully completed the carriage of a stretcher passenger from Phnom Penh to Pudong on MU760, saving precious time for treatment of the Chinese citizen who encountered a car accident in Cambodia. The Chinese Embassy to Cambodia and the Chinese Chamber of Commerce highly praised CEA for its deed.



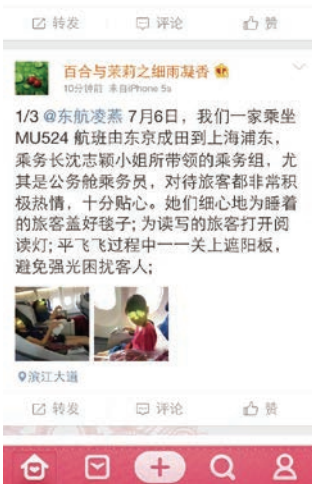
跨国营救我在柬重伤公民

两遇车祸致胸部以下失去知觉 昨送上海长征医院治疗

【本报综合】 近日，东航MU760航班圆满完成了一项特殊任务——从柬埔寨首都金边运送一名重伤中国公民回上海。这名公民在遭遇车祸后，胸部以下失去知觉，生命垂危。东航机组在接到指令后，立即启动应急预案，在机组乘务长的指挥下，医护人员在机上对伤者进行了紧急救治，确保了伤者安全抵达上海。随后，伤者被送往上海长征医院接受进一步治疗。



东航MU760航班圆满完成了一项特殊任务——从柬埔寨首都金边运送一名重伤中国公民回上海。这名公民在遭遇车祸后，胸部以下失去知觉，生命垂危。东航机组在接到指令后，立即启动应急预案，在机组乘务长的指挥下，医护人员在机上对伤者进行了紧急救治，确保了伤者安全抵达上海。随后，伤者被送往上海长征医院接受进一步治疗。



In December 2014, a letter of thanks was sent from Kunming of Yunnan Province to Li Jiexiang, Administrator of CAAC. The letter entitled A Journey of the Heart—From Overcast to Clear was written by Major General Zhang Guibo, the Political Commissar of Yunnan PAP Corps, who depicted his feelings about CEA vividly in an elegant style. At that time, his relative was seriously ill, and he was wounded and could not move freely. When boarding CEA flight, he was given special care by the air crew, especially the purser, throughout the journey. Major General Zhang Guibo praised our intimate caring service from the bottom of his heart.

Responsibilities for Shareholders

In the principle of stability, innovation, openness and cooperation, CEA sets up a standard and efficient modern corporate governance mechanism, a rigorous and meticulous risk control mechanism, and a devoted and dedicatory team work mechanism to modernize its corporate governance system and governance capability, in an effort to create continuous and stable return on investment, share the development result, and jointly create the future of the Company.



Deepening Reform

In accordance with the spirit of the central committee of CPC and the spirit of a series of key speeches made by Xi Jinping, general secretary of the Communist Party of China, we tabled the Implementation Plan on Deepening Reform Comprehensively in response to our judgment of the macro economic situation, the industry development trend and the development momentum of ourselves, and to achieve the strategic objective of building CEA into a first class happy airline. The Implementation Plan clarifies the guiding ideology, basic principles, major tasks and work requirements of the reform, specifies 24 major tasks and a series of crucial strategic measures for our innovation-driven development, transformation and upgrading.

Top-Level Design of a Transformation Plan

In a period of 6 months, we conducted 62 rounds of deep and extensive discussions with internal backbone

Contents of the Transformation Plan

To clarify the total plan of transformation. In the next 3 to 5 years, we shall center our operation on customer requirements, establish our own platform management model in the three revenue-generating areas of service, carriage and platform, and increase our ability of sustainable growth for the fulfillment of the objective of transformation.

To complete the design of transformation driving mechanism. We design a 3×2×3 transformation-driving mechanism from the perspectives of innovative driving, coordinated operation and resources planning to ensure efficient enforcement of the transformation.

To initially complete the roadmap plan for implementing the transformation. We shall specify 19 key projects under 4 categories of management optimization, competence enhancement, resources integration and service products, as well as several products for major breakthroughs, clearly define the progress schedule, implementation steps and responsible organizations or departments of each key project to accelerate implementation of the follow-up transformation projects.

To publicize and implement the top-level plan. We developed the courseware of The Road to Transformation, and use it in our network training courses and new media on publicity of the plan; with the help of competence enhancement seminars and on-the-spot meetings, we made presentations to the high and middle level management officers and functional officers of the service system; and conducted 7 rounds of publicization of the plan in major branches and subsidiaries.



employees and external experts, held two seminars, collected nearly 50 research reports, and organized dozens of internal discussions. As a result, we came up with the Top-Level Design of Transformation Plan of CEA, which specifies the guidelines on implementing the transformation and development strategy of CEA and lays down a theoretical foundation in this respect.

Set up an air-ground internet platform

Commercial Air-Ground Internet Test Fly. After retrofitting an A330 widebody aircraft and several static ground tests and fly tests, we completed the first commercial air-ground internet test fly in the China aviation history, becoming the first airline that realizes the air-ground internet function with the KU band.

Formulation of policies, regulations and industry standards. We safely and smoothly operated the air-ground internet test flight, adopted 727 customer satisfaction survey questionnaires on air-ground internet, accumulated nearly 10,000 entries of data. We pushed forward the formulation of policies and regulations and got the business license for commercial test flight operation along the Beijing-Shanghai route. We are the first airline in China to work with equipment providers and network operators to draft the industry standard and develop the platform.

Initial setup of the air-ground internet business model. We organized 7 social promotion activities, which were reported several times by CCTV and other mainstream media. These activities raised the value of our platform. This is our first attempt in the exploration and practice of air-ground online business model.

Setting up an air payment platform

In cooperation with China UnionPay,

we launched the first global Air-Ground Cloud Payment Platform and achieved several breakthroughs in aviation industry and financial industry.

Technical breakthrough. We primarily enabled our customers to go on the Internet in real names, place orders in the e-shop in real time, swipe card onboard for realtime payment. We also developed a brand new in-flight entertainment system for our customers.

Establishing the Industry Standard. In cooperation with China UnionPay, we revolutionarily innovated the onboard payment mode, effectively solved such problems as low success rate, high bad debt rate and lack of security guarantee for credit card due to the offline onboard payment mode, and established the industry standard on Air Payment, which is the first of its kind in the world.

Laying down the platform link. We signed a strategic cooperation framework agreement with China UnionPay to build our unique air shopping payment experience, driving the updating of air service, and comprehensively enhancing the functionality and value of our air-ground internet platform. All these efforts aim to secure our core advantage.

Implementing the Executive Workshop Project

After two sessions of Executive Workshop, we have identified 9 corporate-level projects and 17 department-level projects, which focus on corporate strategic decoding, formidable tasks, central tasks, transformation, innovation, and major issues of every department. The Executive Workshop has become a key platform for sustainable boost of innovation, transformation and leadership building.

Iterative Mobile Internet Platform

We have finished compiling the project proposal and set up a task force to map out the project plan, to develop the plan and to set indicators for evaluation. We have pooled superior resources and marketing policies of our company for the task force to quickly launch the construction of the CEA's mobile website, to enhance our marketing and service capability on our China Eastern Mobile E-platform, and to accelerate the iterative upgrade of technologies.

Innovative Products of Transformation

We have developed multiple service value-explicit products, such as Priority Seat Selection, Accompanying Travel and Lounge Sales, promoted the multimodal transport, Disney and other products, and accelerated to deepen business cooperation, diversified the category of travel products, and transform products into values.

Establishment of CEA E-Business Company

We have established the China Eastern Airlines E-Business Co., Ltd., with an initial investment of RMB 50 million, which integrates both internal and external, online and offline resources to provide a one-stop and integrated product and service solution on our 500-aircraft fleet for 80 million passengers a year. With our online marketing service platform and unique air-ground internet technology, we aim to set up a brand new mobile internet-based O2O business model to take advantage of our fleet size, customer base and member points redemption management. CEA will grow into a new type of company that relies mainly on direct selling, with agency as an auxiliary support.

Establishment of CEA Technology Company

We have established China Eastern Airlines Technology Co., Ltd, which will explore ways to turn the guaranteeing assets into operating assets, the cost center into profit center, and the traditional management mode into modern management mode. The company has an objective of reform, that is, it will operate as an industrial and market player in a specialized manner.



With a registered capital of RMB 4.3 billion, China Eastern Airlines Technology Co., Ltd. mainly provides domestic and foreign customers with aircraft fuselage maintenance, line maintenance, parts maintenance, engine maintenance, mechanics training, engineering service, business jet maintenance, aviation materials supply chain, aviation equipment maintenance, and as well as consultancy, agency and investment regarding to mechanics maintenance.

China United Airlines Transformed to be a Low Cost Airline

On July 2, China United Airlines Co., Ltd. (CUA), a wholly owned subsidiary of CEA, officially turned into a low cost airline, which, according to the low cost operation philosophy and the operation framework of modern aviation companies, introduced market management mechanism and set up a brand new operating system, product system, service standard, brand image and unique brand culture. CUA is now on its road to dual-mode and multi-brand operation.





Outsourcing

We set up an outsourcing working committee as the leading planner and organizer of our outsourcing work. The committee will sort out all our services and determine the scope of outsourcing, formulate the Service Outsourcing Management Procedure that specifies procedure and requirements for the making, examination and approval of outsourcing plans, and the signing and implementation of outsourcing contracts.

Standardized Governance

CEA operates in accordance with the Company Law, Securities Law, and Code of Corporate Governance for Listed Companies in China. By strictly following

the examination and approval procedure and standard practice, the Company achieves a steady and healthy development during the course of continuously improving its governance.

We convened 1 shareholders' meeting, 11 routine board meetings and ordinary meetings. We also held 17 meetings of special committees under the board of directors, reviewing annual report, interim report, quarterly reports, financial report, bond issuance, aircraft procurement, major investment projects, engagement of senior executives, and other key issues.

We compiled the Frequent Corporate Internal Transaction Handbook and Risk Control Manual to improve the workflow system. We prescribed the management measures and operation flow on changes in shares held by directors, supervisors and senior executives, and renewed the liability insurance with them.

We formulated the Guide to Working Mechanism on Public Notice of Corporate Information, and revised the Articles of Association.

Revisions to the Articles of Association

Original:

Article 157 The profit distribution policy of the Company shall emphasize the reasonable return on investment for investors, and the policy shall be continuous and stable. The Company shall, according to the provisions of laws and regulations and the requirements of securities regulatory organ, reasonably distribute dividend in cash on the basis of the Company's own operating performance and financial standing.

Revised:

Article 157 The profit distribution policy of the Company shall emphasize the reasonable return on investment for investors, and the policy shall be continuous and stable. The Company shall, according to the provisions of laws and regulations and the requirements of securities regulatory organ, reasonably distribute dividend on the basis of the Company's own operating performance and financial standing, and give priority to distribution of dividend in cash.

Original:

Article 157 F The Company shall distribute profits annually on the premise that the requirements for profit distribution are met and the normal operation and sustainable development of the Company are guaranteed. The Board of Directors can, according to the profitability and the financial status, make a proposal to the Company for an interim profit distribution.

Revised:

Article 157 F The Company shall distribute profits annually on the premise that the requirements for profit distribution are met and the normal operation and sustainable development of the Company are guaranteed. The Board of Directors can, according to the profitability and the financial status, make a proposal to the Company for an interim profit distribution. If the conditions on distribution of cash dividend stipulated in the Articles of Association are met, the Company will, in principle, distribute cash dividend once a year.

Issues examined at the annual Shareholders' Meeting and Board Meetings

Meeting	Meeting Time	Agenda
Annual Shareholders' Meeting 2013	2014/6/26	<p>Examine the 2013 Annual Report of the Board of Directors</p> <p>Examine the 2013 Annual Report of the Board of Supervisors</p> <p>Examine the 2013 Annual Financial Report</p> <p>Examine the 2013 Annual Profit Distribution Plan</p> <p>Examine the general authorization proposal on issuance of corporate bond.</p> <p>Examine the general authorization proposal on issuance of stocks.</p> <p>Examine the resolution on revising some provisions of the Articles of Association.</p> <p>Examine and adopt the resolution submitted to the Shareholders' Meeting for authorizing the board of directors to deal with assets transactions.</p>
Fifth ordinary session of the 7th Board Meeting	2014/2/24	<p>Examine the resolution on the direct offshore issuance of RMB-denominated bonds by the Company</p> <p>Examine the resolution on introduction of 70 A320NEO aircraft, selling of 7 A300 aircraft and storage of aviation materials for some models</p>
Sixth ordinary session of the 7th Board Meeting	2014/3/24	<p>Examine the proposal on changes of senior executives;</p>
Seventh ordinary session of the 7th Board Meeting	2014/6/13	<p>Examine the proposal on introduction of 80 aircraft of B737 family;</p> <p>Examine the proposal on disposal of 16 B737-300 aircraft and 5 B757 aircraft;</p> <p>Examine the proposal on CEA's provision of shareholder loan for Jetstar Hong Kong;</p> <p>Examine the proposal on investment by China Eastern Wuhan Co., Ltd. in the New Wuhan Aviation Catering Service Co., Ltd.</p>
Eighth ordinary session of the 7th Board Meeting	2014/6/26	<p>Examine the proposal that CEA transfers 5% of its stock equity in Shanghai Eastern Airlines Development Co., Ltd to China Eastern Air Holding Company;</p> <p>Examine the proposal on increasing capital in Eastern Air Overseas (Hong Kong) Corp., Ltd.</p>
Ninth ordinary session of the 7th Board Meeting	2014/8/11	<p>Examine the proposal on the establishment of Beijing China Eastern Airlines Investment Co., Ltd. and the transfer of 100% of its stock equity.</p> <p>Examine the proposal on the establishment of Phase I Project of Yunnan Flight Training Base.</p> <p>Examine the proposal on the cancellation of Enterprise Management Department of CEA.</p>
Tenth ordinary session of the 7th Board Meeting	2014/11/14	<p>Examine the proposal that CEA provides guarantee for Eastern Air Overseas (Hong Kong) Corp., Ltd</p> <p>Examine the proposal on the signing of Aircraft Financial & Leasing Framework Agreement between CEA and China Eastern Airlines International Finance Leasing Co., Ltd.</p>
First routine session of the 7th Board Meeting in 2014	2014/1/9	<p>Examine the Annual Budget Report 2014.</p> <p>Examine the Annual Investment Plan 2014.</p> <p>Examine the proposal on revision of part of the provisions of Shareholder Agreement of Jetstar Hong Kong.</p> <p>Examine the proposal on adjustment of capital increase plan of Shanghai Airlines Travel Hotel.</p> <p>Examine the annual work report 2013 and the annual work report 2014.</p>



Meeting	Meeting Time	Agenda
Second routine session of the 7th Board Meeting in 2014	2014/3/25	<p>Examine the Annual Financial Report 2013. Examine the Annual Profit Distribution Plan 2013. Examine the proposal on general authorization on issuance of corporate bond. Examine the proposal on issuance of very short-term financing bond Examine the proposal on engagement of domestic and international auditors for 2014 annual financial report Examine the proposal on engagement of an auditor for 2014 annual internal control Examine the 2014 annual evaluation report on internal control Examine the proposal that Shanghai Eastern Airlines Express Delivery Service Co., Ltd acquires and merges with Shanghai Crane International Transportation Co. Ltd. Examine the proposal on capital increase to Eastern Air Group Finance Co., Ltd. Examine the 2013 annual report (full text and abstract) (A/H shares) Examine the proposal submitted to the shareholders' meeting for generally authorizing the board of directors to issue stocks of the Company Examine the proposal on revision of part of provisions of the Articles of Association Examine the proposal on holding the 2013 annual shareholders' meeting Examine the corporate social responsibility report Examine the proposal on changing the customer service center into a Level-2 organization</p>
Third routine session of the 7th Board Meeting in 2014	2014/4/19	<p>Examine the Financial Report Q1 2014. Examine the 2014 Q1 Report. Examine the proposal on adjustment of member formation of relevant special committees under the 7th board of directors. Examine the proposal on submission to the shareholders' meeting for authorizing the board of directors to deal with assets transaction, and decide to refer this proposal to the 2013 shareholders' meeting for consideration.</p>
Fourth routine session of the 7th Board Meeting in 2014	2014/8/29	<p>Examine the Interim Financial Report 2014. Examine the proposal on the establishment of a wholly owned mechanic maintenance subsidiary and the setup of a mechanics engineering department. Examine the proposal for Shanghai Eastern Flight Training Co., Ltd. to introduce new flight simulators. Examine the proposal on the establishment of the project of passenger service system. Examine the Interim Report 2014.</p>
Fifth routine session of the 7th Board Meeting in 2014	2014/10/29	<p>Examine the proposal on enforcement of new accounting standards. Examine the Financial Report Q3 2014. Examine and adopt the 2014 Q3 Report.</p>

Information Disclosure

CEA prepares its annual report, interim report and quarterly report in accordance with the Information Disclosure Management Bylaws, the Registration and Management System of Insiders of Inside Information and relevant information disclosure provisions of Shanghai Stock Exchange, the Stock Exchange of Hong Kong, and New York Stock Exchange, and comprehensively strengthens the insider information management and registers the insiders for the purpose of prohibiting the disclosure of confidential data.

We released 37 interim reports in Shanghai Stock Exchange, 86 interim announcements and 3 notices in the Stock Exchange of Hong Kong about purchase of 70 A320NEO aircraft, 80 aircraft of B737 family and 14 aircraft on financial lease (affiliated transactions).

We duly released our Annual Report 2013, Corporate Social Responsibility Report and Internal Control Evaluation Report, 2013 Report on U.S. Form 20-F, Interim Report 2014, 2014 Q1 & Q3 Reports. Our announcements are prepared in accordance with the laws, listing rules, disclosure procedure and investor habits of China, Hong Kong and the USA, ensuring that the information disclosed is timely, authentic, accurate and complete.

In addition to compliant disclosure of information, CEA attaches importance to the risk alerts and management discussions stated in periodical reports. We try our best to include objective and comprehensive analysis and representation of risk alerts and management discussions in our annual and interim reports, based on which the investors can come up with accurate and complete recognition and judgment of the operation and development prospect of CEA.

To be responsible for investors, especially minority shareholders, CEA, in accordance with the laws and

regulations regarding affiliated transactions, established a sound internal regulatory system that clarifies the relationship between affiliated parties, promotes the fair pricing of affiliated transactions, improves the procedure for affiliated transactions, and increases the quality of disclosed information on affiliated transactions. This aims to ensure the legality, compliance and fairness of affiliated transactions of CEA.

We released 4 affiliated transactions notices. When the board of directors is to examine an affiliated transaction, a director or directors relating to this transaction shall avoid himself or herself from such examination, and the independent directors shall issue their independent opinions. We set up a monitoring and control mechanism, which ensures that the amount of daily affiliated transactions shall not exceed the limit adopted at the shareholders' meeting.

Investor Communication

CEA formulated the Investor Relations Management System and Implementing Rules on Investor Relations Management, which defines the basic principles, organizations, contents and duties of investor relations management work for better integrity, self-discipline and standard operation. Their ultimate goal is to maximize the corporate value and shareholder interests, and protect the interests of investors.

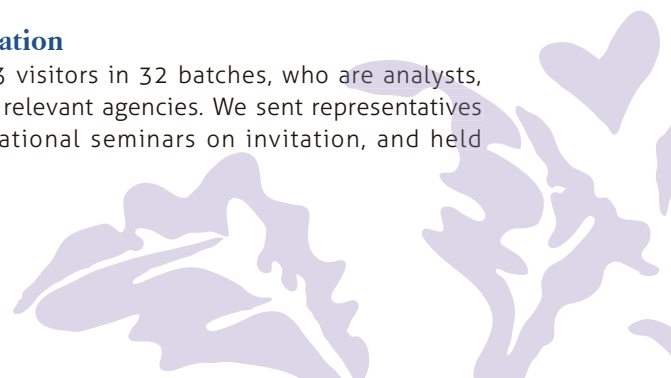
Performance Roadshow

In the reporting period, CEA successfully completed its 2013 performance roadshow. We held a press conference in Hong Kong to communicate face-to-face with 19 media agencies. The roadshow team also communicated with 52 analysts from home and abroad over the phone. We performed roadshow presentations in Hong Kong, London, Paris and Singapore, and had one-on-one or one-on-many communications with 25 investors.

After the announcement of Q1 performance, we organized a teleconference, exchanging ideas with 40 analysts from home and abroad on the performance results. After the announcement of interim performance, we held a teleconference with 40 domestic and foreign analysts from 31 organizations. After the announcement of Q3 performance, we held a teleconference with 27 analysts from home and abroad, analyzing the Q3 performance with them.

Daily Communication

We received 63 visitors in 32 batches, who are analysts, fund managers and relevant agencies. We sent representatives to attend 7 international seminars on invitation, and held





33 one-on-one or one-on-many communications with investors.

Based on the hot spot issues put forward by investors via phone calls, we summarized and sorted out question and answer outlines for investor reception every month, and prepared well-categorized information for investors.

In accordance with the requirements of the interactive e-platform of Shanghai Stock Exchange, making sure that the interactive e-platform is a new channel for effective communication between investors and the Company.

We maintained good daily communication with analysts from home and abroad, had good interaction with domestic and foreign media, and arranged for interviews to reinforce communication with the media.

Discharge of Duties

We organized training for 17 directors, supervisors and executives on key supervision and legal affairs involved in corporate governance and insider trading with the help of engaged professional lawyers.

We compiled the monthly Directors Newsletter on corporate governance, share price change, macro economy, industry update and operation data, which were sent to directors, supervisors and senior executives for reference for decision-making. We created conditions for independent directors to understand the characteristics of the industry, and organized them to attend professional aviation exhibitions, to investigate and study some of our overseas representative offices.

Auditing and Examination

We received 16 examinations by external organizations, of which 8 by state-owned assets supervision department, 1 by auditing department, 3

by taxation department, and 4 by CAAC regional administration.

Investment Management

Revising and improving rules and regulations, and formulating various investment standards. We finished the compilation of investment standards for small overnight bases, and the compilation of investment regulations on capital construction, technical renovations, vehicles, sporadic projects and technology.

Constructing the investment management information platform. We launched a new version of investment management platform, on which we apply for the establishment of fixed asset investment projects, their scope and staffing, issuance of project plans and the approval of projects.

Orderly progressing major capital construction investment. We finished the feasibility report on the project of CEA Base in the Beijing New Airport. The pre-feasibility report on CEA Base in Chengdu New Airport that was examined and approved by the National Development and Reform Commission, and the pre-feasibility report on CEA Base in Qingdao New Airport was examined and approved by the National Development and Reform Commission, and was also approved by the State Council and the Central Military Commission. We finished the feasibility report on the land transfer and development plan under the administrative zone construction project of our Beijing Branch. We completed the establishment of Phase I project of CEA Base in Wuhan Tianhe Airport and archived the feasibility report. The Phase I project of the Flight Training Base of our Yunnan Company is now under construction.

Holding Stocks in Investment Companies

Sichuan Airlines Co. Ltd., Joyair, Shanghai Donglian Aviation Wheel and Brake Overhaul Engineer Co. Ltd., Shanghai Collins Air Maintenance Service Co. Ltd., Shanghai Boeing Retrofitting & Maintenance Engineer Co. Ltd., Shanghai Eastern Air Catering Investment Co. Ltd., Eastern Air Import & Export Co. Ltd., Eastern Air Media Co. Ltd., Shanghai Dongmei Air Tourism Co. Ltd., Yunnan Civil Aviation Cares Information Co. Ltd., Shanghai Civil Aviation Huadong Cares System Integration Co. Ltd., Xi'an Civil Aviation Cares S&T Co. Ltd., Shanghai Hongpu Civil Airport Communication Co. Ltd., Civil Aviation Data Communication LCC., Hainan Cares Co. Ltd., Travelsky, Finance LCC of China Eastern Holding Company, New Shanghai International Mansion Co. Ltd. and Shanghai International Trust Co. Ltd.

Shanghai Hute Air Technology Co. Ltd. (holding 50% share, no consolidated financial statements)

Financing Management

Expanding financing channels to reduce financing cost of about RMB 63 million. We successfully issued RMB 3.3 billion bonds in Hong Kong, and issued RMB 4 billion very short-term financing bonds in mainland China.

Completing the work on financial tender for introduction of 75 aircraft. Compared to last year, the composite cost of financial leasing aircraft decreased by 0.46%, saving RMB 70 million.

Further implementing centralized capital management and control. The average balance of monetary capital decreased by RMB 2.255 billion compared to previous year and the financial expenditure decreased by RMB 114 million.

Cost Control and Management

Comprehensive Budget Control

Imposing quarterly recycle on part of the consumption budgets. By Monthly Control and Quarterly Recycle, we improve our budget control ability and use funds efficiently.

Putting into operation Phase II system of comprehensive budgets to optimize the existing budget model by turning the single transport capacity model into a model where transport capacity is the principal, with flight scheduling as auxiliary.

We designed the procurement budget model for aviation materials, onboard suppliers and uniforms, and designed separately budget models for non-main business subsidiaries.

Simulated Independent Accounting

Expanding the scope of simulated independent accounting by finishing the simulated independent accounting plan for crew apartments, lounges, information department and official business vehicles.

Capital structure and holders

S/N	Holder Name				
I	A-share				
1	China Eastern Air Holding Company	40.03	507292.29	40.03	507292.29
2	CEA FINANCE HOLDING CO., LTD	3.61	45731.71	3.61	45731.71
3	Other A-share holders	23.28	295083.89	23.28	295083.89
II	H-share				
1	CEA International Holding (Hong Kong) Co., Ltd.	20.72	262624.00	20.72	262624.00
2	Other H-share holders	12.36	156695.00	12.36	156695.00
	Total	100	1267426.89	100	1267426.89

Explanations on changes in capital structure

There is no any change in the capital stock structure this year



Drawing up the subsidiary contribution value assessment plan to help establish an internal market system within our company.

Benchmarking System

Establishing an internal benchmark system and setting benchmark indicators for branches and subsidiaries.

Cost Apportionment Mechanism

Clearly recording flight hours by routes, diminishing the difference between prediction and actual data, with difference ratio decreasing from 1% to 0.2%.

Financial Control

Financial System Establishment

We issued the rules and regulations on expenses for domestic travel and business trip abroad or outside the

border, total budget management, centralized management of funds and ration invoice, and clarified the accounting methods for passenger plane bellyhold buyout service, settlement through POS-terminal on the aerial e-business platform, centralized management of funds of subsidiaries, and carbon emission etc.

Financial Supervision and Check

We conducted financial check on 12 overseas and 7 domestic operating divisions in the way of spot check, cross auditing or returning from abroad for financial check etc.

System Process Monitoring and Control

We developed the project accounting (PA) system to supervise and control the financial account of construction projects throughout the whole process. The Phase II of the west zone project has been included into the PA system.

Centralized Management of Funds

We stepped up control of funds of subsidiaries by cancelling

Holder Information

Place of Registration	Registered Capital	Nature	Main Business
2550 Hongqiao Road, Shanghai, China	1287632.08	Wholly state-owned	Mainly operate the entire state assets and state-run stock right held by China Eastern Air Holding Company in enterprises with state investment
SUITES 701, THE HONG KONG CLUB BUILDING, 3A CHATER ROAD CENTRAL, HK	HKD244,000	Wholly state-owned	Tourism, investment

17 idle bank accounts, encouraged overseas operating divisions to use e-banking systems, and deployed Citic Bank's Treasury Vision project to control in real time the overall fund usage of overseas operating divisions. We issued regulations on use of checks in overseas operating divisions, clearly detailing the requirements for payment by checks.

Purchasing Management

In the principle of good faith, CEA has an open, fair and impartial procurement system and process. At the same time, we pay attention to the fulfillment of social responsibilities by our suppliers, and work together with them to build a responsible supply chain partnership.

Top 5 Suppliers of Aviation Fuel

S/N	Supplier
1	China Aviation Oil Co., Ltd.
2	Shanghai Pudong International Airport Aviation Oil Co., Ltd.
3	South China Bluesky Aviation Oil Co., Ltd.
4	Shell
5	Chevron

Purchase of Oil Products

The procurement cost was RMB 29.980 billion, of which RMB 29.876 billion were for aviation fuel, RMB 48,237,400 for aviation auxiliary oil, RMB 4,803,300 for aviation chemical products and RMB 51,711,500 ground oil.

Procurement of Inflight Supplies and Catering

We signed 140 procurement contracts on inflight supplies with the

Statistical Table of Major Goods Purchased

Type	Number of Contracts	Number of Orders	Procurement Cost
Inflight Supplies	128		39,200
Meals	67		199,800
Aviation Fuel	59		2,987,564.35
Aviation Auxiliary Oils	1		4,823.74
Aviation Chemical Products	22		480.33
Ground Oil	3		5,171.15
Recycled Oil	1		58.59
IT	114	393	30,303.89
Vehicles	46	26	16,608.84
Equipment	18	167	3,646.09
Printing	3	225	1,735.96
Vehicle Rental	21	0	1,119.83
Apparel	34	1,103	4,922.45
Labor Protection	15	180	1,732.86
Goods and Materials	3	183	93.31
Office Supplies	1	3,614	100.74
Warehouse Management	1	6,771	

cost of RMB 392 million. We signed 36 catering procurement contracts for domestic flights and 31 catering procurement contracts for international flights, with the cost of RMB1.998 billion. The inventory cost for inflight supplies decreased 15% compared to previous year.

General Procurement

We signed 388 contracts, with the accumulated procurement cost of RMB 603 million; We saved expenditure by RMB 30,222,200 through various measures, such as open bidding, contract bidding negotiations, management process optimization and improvement of supplier evaluation methods.



Procurement System

To ensure standard and controllable procurement, we revised and improved files on purchase management system, established a three-level supplier database management mechanism, and set up an end-to-end closed loop management system ranging from procurement requirement, procurement plan, sourcing, contract management, order implementation to settlement.

Drive for Protection of Human Rights

To urge suppliers to effectively protect human rights, CEA demands that all of its suppliers should register in advance on our supplier portal, and that they must sign the Suppliers' Commitment to Corporate Social Responsibility, otherwise they could not be successfully registered.

Procurement Cost Control

We have tried to control the amount of price increase on domestic inflight meals lower than consumer price index (CPI) of the current month. As for the purchase contracts on international inflight meals, we have renewed contracts with 14 catering companies stationed in the United States and other countries. The total procurement price with the catering company in London decreased by 1.5%, and that in Moscow by 3.1%. In the purchase contracts renewed with Tokyo Narita and Haneda

Airport catering companies, we achieved 5% discount of the meals, with the service charge and warehouse fees remain unchanged.

As to the warehouse management of inflight supplies, we came up with an innovative idea of applying the consignment sales model to some of the inflight supplies, reducing the inventory expenses by about RMB 4,309,600.

We participated in the joint purchase program initiated by the aviation fuel group of airlines in the Greater China Region, signing contracts with China National Aviation Fuel (CNAF) North America Company, Sinopec Hong Kong Company and CNAF Hong Kong Company respectively through competitive negotiations.

Purchasing Information Management

Deploying enterprise resource planning (ERP) system among Shanghai-based major organizations and branches and subsidiaries of the Company. With ERP system, we have established closed loop procurement management system, realized standard access, centralized qualification review and archive management, and formulated management measures on category-specific supplier performance evaluation. In doing so, we have been able to have the complete information of suppliers providing materials of all categories.

Purchase Quality Monitoring and Control

We carry out inbound sampling inspection of the materials of all categories. The materials in stock are re-checked and quality ledger are established. We focus on the aftermath effect of purchase, and take a follow-up visit for major purchase projects.

Purchase Risk Control

We draw up the Internal Control Process for Projects of Procurement Center and Project Rebate Monitoring & Management Measures; we check the process compliance via checklists to identify hidden risks and incidental risks in order to eradicate corruption.

Cooperation and Communication

Government-Enterprise Cooperation

On March 17, we signed the Framework Agreement on Strategic Cooperation in Promoting Aviation Development in Gansu with the People's Government of Gansu Province.

Industry Cooperation

On March 3, we signed 2014 strategic cooperative agreement with TravelSky Technology Limited.

On March 24, we signed strategic cooperative framework agreement with General Electric.

On July 15, we signed strategic cooperative agreement with General Electric.

On November 17, we signed joint marketing cooperation agreement with Qantas.

Cross-Industry Cooperation

On January 24, we officially signed cooperation memorandum of understanding with the International Department of Disney Land in Shanghai.

On February 12, we signed strategic cooperative framework agreement with China Taiping Insurance Group Ltd.

On April 29, we signed strategic cooperative agreement with China National Travel Service (HK) Group Corporation.

On May 13, we signed comprehensive strategic cooperative agreement with China Merchants Bank.

On August 5, we signed strategic cooperative framework agreement with Greenland Construction Group.

On November 11, we signed marketing cooperation agreement with China UnionPay.





Industry Communication

On March 21, a delegation of 18 people from OAK, Russian Consulate in Shanghai and Commercial Aircraft Corporation of China Ltd. paid a visit to CEA, discussing issues such as long-haul wide body civil aircraft etc.

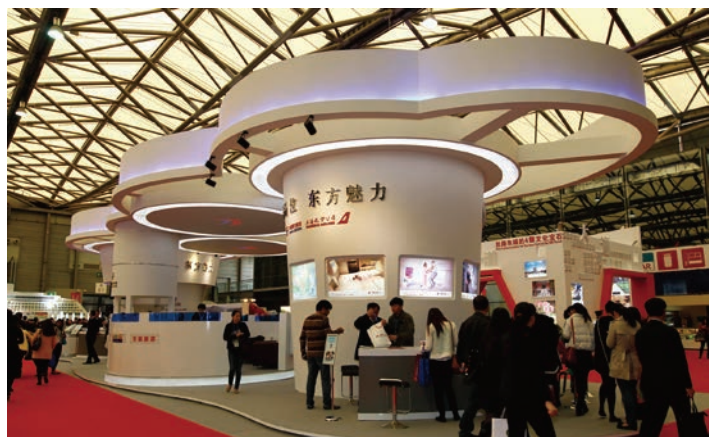
On April 24~25, Chairman Liu Shaoyong attended on invitation the World Travel & Tourism Council 2014 (WTTC 2014) and delivered a keynote speech titled Development of Tourism and Aviation Industry in the Information Era.

On May 26~28, President Ma Xulun visited KLM and SkyTeam Alliance Headquarters on invitation, discussing with them such issues as deepening business cooperation, expanding cooperation fields and improving operation and management.

On July 15, Chairman Liu Shaoyong met with Mr. Moses Shang, Chairman of Illinois Asian American Advisory Council for Senate President and his companions. Both sides held talks on cargo transportation cooperation and development of CEA in Chicago.

On October 18, Chairman Liu Shaoyong was present at the SkyTeam summit meeting of Fly Hand-in-Hand over Greater China, expressing his hope that all SkyTeam member airlines should sincerely cooperate, bring their advantages into play so as to improve their status in SkyTeam Alliance.

On November 21, Chairman Liu Shaoyong met in Shanghai with Mr. Richard Anderson, CEO of Delta Air Lines, and his companions. Both sides had a friendly and in-depth discussion on deepening strategic cooperation.



On November 14~16, CEA attended the China International Travel Mart 2014, which was jointly sponsored by China National Tourism Administration (CNTA), Shanghai Municipal People's Government and Civil Aviation Administration of China (CAAC).

Responsibilities for Society

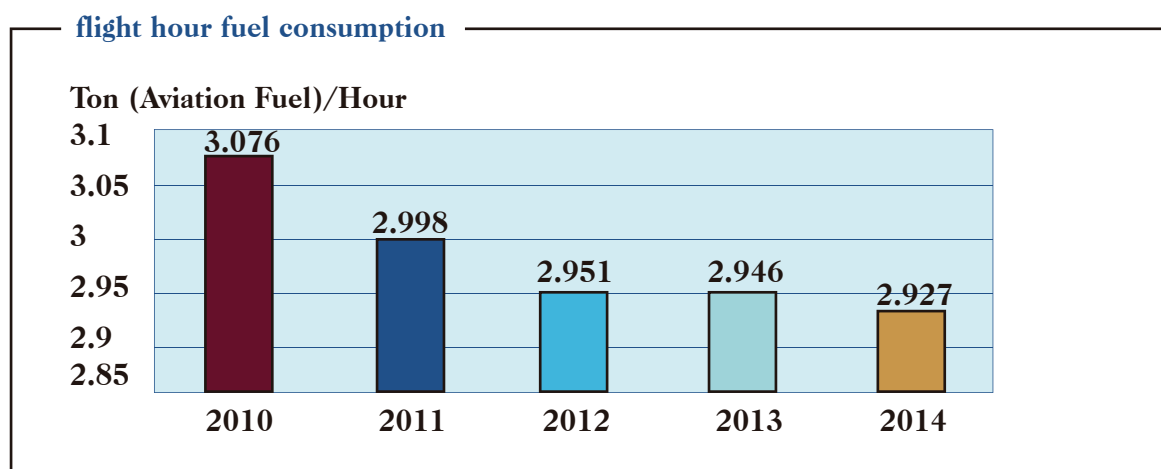
While pursuing the development of its own, CEA takes positive actions in fulfilling the requirements of Global Compact for environment protection, advocating green and low-carbon flight, applying new technologies, reducing energy and resources consumption, supporting and participating in community construction, devoting itself to social welfare causes, and endeavouring to build an enterprise that is economical on the resources, friendly to the environment and harmonious with the community.



Low Carbon Flight

CEA is active in carrying out the national policy of energy saving and emission reduction. The Company consistently reduces its cost and increases its benefits, decreases the consumption of energy by way of fine management, maximizing the economy of resources and minimizing the pollutants discharge, and making efforts on its road to green development.

In 2014, we consumed 4,757,430 tons of aviation kerosene, which is, divided by 3.15 (an emission factor of carbon dioxide of Shanghai Carbon Emission Trading), equivalent to the emission of 14,990,000 tons of carbon dioxide.





Route Optimization

The Company released the Reference Manual of Temporary Routes to increase the use rate of X-temporary routes and V-temporary routes (X-temporary routes are for domestic flights only, and V-temporary routes for both domestic and foreign airlines), shorten the flight distance and reduce fuel consumption. According to CAAC data, CEA used the temporary routes for 70,000 times in 2014, saving about 6,800 tons of aviation fuel.

The sectional analysis and optimization of flight altitudes over international routes helped to increase the use rate of optimal CVSM by 15%, and the fine analysis of load-limited flights saved RMB 8.652 million in the whole year. The DOC (Direct Operation Cost) project helped us create a value of RMB 624,050,000 in the whole year.

In 2014, we saved 14,500 tons of aviation fuel through routes optimization.



Case

By May 31, A300 aircraft that have been in service for 25 years in CEA had all retired from operation.

By January 7, all A300-600 freighters had retired from CEA fleet.

Fleet Optimization

We have completed the follow-up work on fleet selection of 20 B777, 60 A320 and 58 B737, and of 20 B737-800 configured in full economy class layout. The fleet continues to be optimized, thus greatly saving operation cost.

We have completed the work on withdrawing the lease and selling of 43 aircraft.

Technology-based Emission Reduction

Installation of Winglets

CEA is the first airline in China operating sharklet aircraft, and is one among the first airlines installing winglets on B737NG aircraft. In 2014, CEA installed sharklets on its 60 newly delivered A320 aircraft, and installed winglets on its 20 B737 aircraft, the annual fuel cost reduction averaging RMB 1.6 million/aircraft. According to our actual flight data, the fuel saving rate of sharklet is 3.3%, and each sharklet aircraft saves 301 tons of aviation fuel each year. According to the auditing report on energy conservation made by Shanghai Energy Saving and Emission Reduction Center, the fuel saving rate of winglet is 3.1%, and each winglet aircraft saves 278 tons of aviation fuel per year.

Note: Sharklet and winglet are made primarily of carbon fibre composite and alluminium alloy, which are a kind of upward-slanting device installed on the wing tips. They can reduce aircraft's drag and effectively increase lift-to-drag ratio by partial recovery of the tip vortex energy. They also help to increase fuel efficiency and flight stability, and reduce the noise distribution during take-off.

EP Retrofit for T700 Engines

Rolls-Royce, our engine supplier, launched an EP (Enhanced Performance) Retrofit program for its Trent700 engines, which is to change the shape of the edge of fan blade to improve its aerodynamic performance and increase the efficiency of the compressor blade. As a result, the fuel burn will be lowered. In 2014, CEA possessed 66 engines of EP-retrofit. According to the auditing report on energy conservation made by Shanghai Energy Saving and Emission Reduction Center, EP retrofit reduces fuel burn by 2.85%, which corresponds to an annual fuel reduction of around 254 tons per EP-retrofitted engine.



SelectOne Retrofit for V2500 Engines

The SelectOne retrofit program is to update and renovate the High Pressure Compressor (HPC) and High Pressure Turbine (HPT) of engines. This will reduce fuel burn, engine emission and number of shop visits, and increase engine efficiency and spare parts reliability. By 2014, CEA has implemented SelectOne retrofit on 162 of its engines. According to the estimation on CEA's actual flight data, the SelectOne-retrofitted engine can reduce fuel burn by 2.55%, which corresponds to an annual fuel reduction of 111 tons per SelectOne-retrofitted engine.

Water Washing Engine

Compared to the former water washing device, the ECO POWER engine washing equipment can increase 2.5-3.5°C to the EGT (Exhaust Gas Temperature) margin per 100 cycles on the engine it washed, and reduce the decline rate by 2-4°C/1000 cycles. This extends engine on-wing time, and increases engine compressor efficiency and fuel burn efficiency. In 2014, we conducted 2,585 times of water wash with the ECO POWER engine washing equipment. According to the monitoring data of GE, after water washing, the engine's average rate of fuel burn reduction is 0.3%.



Application of New Technologies Electronic Flight Bag (EFB)

CEA actively implements EFB system in order to increase efficiency, reduce waste and achieve a "Paperless Cockpit". According to estimation, taking A330 fleet as an example, about RMB 910,000 direct cost will be saved per year when paper navigation material is replaced by EFB, thus saving fuel cost of about RMB 680,000 due to aircraft weight reduction by paper materials removal. It is estimated that when officially putting EFB into operation on A330s, we can expect an annual cost reduction of RMB 1.59 million.

With reference to the international EFB management mode, CEA is positive in shifting the EFB management from Group Management to Individual Management. All airborne data on paper except JEPPESEN aeronautical chart have been removed, reducing the weight of about 45 kilograms in all.

OPT Software (iPad-based mobile performance calculation software)

The OPT software frees the air crew from looking up the paper handbook. With the OPT in hand, the air crew can easily calculate takeoff weight limit and speed of each runway in cockpit with just a few clicks on the screen to set parameters, and accurately correct the air conditioner air intake, minimum equipment list (MEL) and other parameters. The OPT software can not only reduce paper consumption, but increase cockpit management efficiency.

Boeing Aircraft Health Management (AHM) Program

The AHM system that applies to Boeing 737 and 777 aircraft families of CEA can enhance the aircraft reliability, reduce their shop visit and troubleshooting time, and increase the aircraft utilisation rate. According to statistics on Boeing global fleet, each B737NG aircraft can save a cost of USD 4.81 per flight hour, and each B777 aircraft can save USD 9.71.

Case

When aircraft is on ground or under regular check, the diesel-driven power vans, air-conditioned vehicles and air source trailers can effectively substitute APU (Auxiliary Power Unit that burns aviation kerosene) to supply power to the aircraft for the purpose of saving energy and reducing emission, decreasing the operation and maintenance cost of APU. Statistics show that, in 2014, the three kinds of vehicles ran as substitutes for APU for 8,400 hours in all.



Energy Management

We released the Regulations on Energy Conservation and Emission Reduction (Interim) to optimize the energy management system, implement the responsibilities for saving energy and reducing emission and encourage all staff to take part in the energy saving endeavour. As a result, our energy consumption intensity decreases year by year, and energy use efficiency increases year by year.

Energy Consumption Index

In 2014, energy consumption per RMB10,000 income was 0.765 ton standard coal, CO2 emission is 14.99 million tons.

Index	Unit of Measurement	2013	2014	percentage
Aviation Kerosene	Ton	4,536,475	4,757,430	4.87%
Flight Time	Hour	1,539,987	1,625,143	5.53%
Flight Hour Fuel Consumption	Ton (Aviation Fuel)/Hour	2.946	2.927	-0.62%

Energy Type	Unit of Measurement	2013	2014	Change(%)	Standard Coal Equivalent	Energy Consumption Ratio
Manufactured Gas	m ³	325,011	292,935	-9.87%	159	0.002%
Natural Gas	m ³	2,997,844	2,989,634	-0.27%	3,886	0.055%
Gasoline	Liter	3,372,702	3,429,679	1.69%	3,734	0.053%
Aviation Kerosene	Ton	4,536,475	4,757,430	4.87%	7,000,083	98.797%
Diesel	Liter	13,212,117	13,693,989	3.65%	17,160	0.242%
LPG	Kg	139,592	108,940	-21.96%	187	0.003%
Other Petroleum Products	Kg	748,966	684,189	-8.65%	958	0.014%
Electricity	kW·h	137,908,832	146,465,536	6.20%	59,172	0.835%
Total Energy Consumption	Ton of standard coal	6,756,273	7,085,339	4.87%	7,085,339	100%
Water	m ³	5,336,108	5,643,216	5.76%		

The Company's ground energy consumption has seen some increases due to company development and some new airport construction programs.

Responsibility Implementation

CEA strictly follows the Environmental Protection Law of the People's Republic of China, the Regulations of Shanghai Municipality on Energy Conservation, the Regulations of Shanghai Municipality on Environment Protection and other laws and regulations. We established an Energy Conservation and Emission Reduction Leading Group headed by the president, and set up an office for the Group to clearly define duties and responsibilities, to map energy management programs and to reinforce the leading efforts in energy conservation and emission reduction.

Evaluating energy conservation and emission reduction. We divided the energy consumption evaluation indicators into two systems: aviation fuel consumption and conventional energy consumption, and issued such indicators to branches, subsidiaries, and all departments based in Shanghai. We also updated the 3-Level management system of indicators evaluation for all the departments, branches and subsidiaries.

We organized training courses for full-time and part-time energy managers on energy conservation and emission reduction, widening their views and improving their competence and capability.

Project Implementation

To accelerate the elimination of old and aged equipments, and encourage technical renovations on energy conservation. We have actively applied biofuel on commercial flights; installed GPS on ground vehicles for intelligent dispatch and management, introduced new energy vehicles and constructed charge piles; we have promoted the photovoltaic power generation project and launched feasibility study on wind

power generation; we have used new type of LED light; we have, through recycling heat from transmission pipelines and the use of heat pump technology, optimized the heating and cooling systems to achieve energy efficiency in buildings; we have saved water by reclamation of waste water and recycled water.

Monitoring & Statistics

Establishing an energy monitoring and management system. CEA is the first aviation transport enterprise that achieves real time online subentry measurement and monitoring of building energy consumption. With this system, we can evaluate energy conservation effect of any renovated projects, put forward suggestions on energy conservation of buildings and equipment, and provide reference data for study, design and renovate buildings for the purpose of conserving energy and reducing emission.

We have established an energy consumption analysis and management system. Every month, we submit our monthly energy consumption report to Shanghai Municipal Statistics Bureau and Shanghai Municipal Traffic Committee. CEA won the first prize in the comprehensive contest on energy statistics held by Shanghai Municipal Statistics Bureau in 2014.

In the reporting period, we received a supporting fund of RMB 58.1590 million from Shanghai Municipality for energy conservation and emission reduction in the field of transportation, and received a supporting fund of RMB 44.63 million from CAAC for energy conservation and emission reduction in the field of transportation.

Carbon Emission Trading

As a pilot carbon emission trading enterprise in Shanghai, CEA formulated the Regulations on Carbon Emission Trading (Interim) and Carbon Trading Workflow, established the Carbon Emission Trading Joint Conference system, and successfully completed the carbon quota settlement in 2013.

Energy Conservation Publicity

We organized various activities, such as energy conservation publicity week and national low carbon day, with the thematic subject of Hand-in-Hand in Energy Conservation and Low Carbon Endeavour to Make Water Clean and Sky Blue. Through ways of blackboard newspaper, internal network, media and energy conservation knowledge contest, we spread the ecological ideology and knowledge, mobilize our staff to act in low carbon ways, and foster an eco-friendly working atmosphere. All these activities have achieved good results.



Environment Protection

Waste Treatment

We invested RMB 35 million to repair and reconstruct the 13-kilometer long pipelines under our proprietary East Zone in Hongqiao International Airport. We dug the rainfall and sewage pipelines under every piece of the land to separate the drainage of them, increasing the sewage collection and treatment rate and improving the quality of water environment.

We signed an Electronic Waster Treatment Contract with professional licensed companies and treated about 300 kilograms of hazardous electronic wastes (waste fluorescent tubes) throughout the whole year.

We mapped out the business workflow to recycle 100% of the waste onboard and packages of inflight supplies.

we signed a contract with Shanghai Airport Authority (SAA), who would professionally treat to our onboard waste water.

We specified Shanghai Sanyi Industrial Co., Ltd. as CEA's waste oil recovery company by bidding. In 2014, Sanyi recycled 43.61 tons of waste oil from CEA Hongqiao Maintenance Base for RMB 346,100, and 30.24 tons of waste oil from Pudong Maintenance Base for RMB 239,800. The recycled waste oil in Hongqiao and Pudong totaled 73.85 tons annually for RMB 585,900.



Greening

To make a green and eco-friendly community, CEA is making efforts to protect its office environment in joint efforts with the community to make our working environment green and beautiful.

The greening area in CEA's office area in Hongqiao Airport is 14,021,299 square meters, accounting for 97.69% of the greenable area, and the greening coverage is 40.5%. The greening area in CEA's office area in Pudong Airport is 76,656 square meters, and the greening coverage is 31.2%. CEA continues to enjoy the title of Garden Unit of Shanghai in 2014.

Going Green at Work

We further optimize the OA system. We initiate conference calls and video-conferences instead of onsite meetings. The intelligent control of temperatures in office areas helps us to reduce energy consumption. We advocate green travel, which reduces exhaust emissions and energy consumption of transport vehicles and saves traffic expenses.

Public Welfare Activities

Public welfare has become normal in CEA. In 2014, in the thematic Love Relay public welfare activities, we went to visit the charity houses and homes for the elderly; funded the hope primary schools and the schools for children of rural migrant workers in cities; gave care for the children in deaf-mute schools, donated blood, advocated environment protection and green travel. In the whole year, we organized 4,649 activities, with an attendance of 248,860 employees, and cared 193,187 people.

Case

On April 10, a 5-year girl of Derung nationality was in critical condition due to extensive burn. She had to be immediately sent to Beijing for medical rescue. Upon hearing this message, CEA immediately removed some seats on an aircraft and installed a medical stretcher, and carried the girl and his family free of charge to Beijing for treatment. On the way to Beijing, CEA also actively coordinated to shorten the waiting time in every transfer point and time of changing planes. Two months later, the girl was almost getting recovered.



Case

During the Lantern Festival, volunteers of CEA came to the Service Center for the Elderly in Gulou District, Nanjing, bringing sweet dumplings, festival lanterns and gifts to the elderly. They talked with the elderly, made rooms, cleaned doors and windows, and swept the floor for them.



Case

During the May 4th Youth Day, volunteers of CEA went out to pick up the recyclable garbage on the streets, in the scenic spots or in the public places, and put the garbage into bags or dustbins. This cleaning activity helped enhance the awareness of the city residents on environment protection.

Case

On July 7-15, CEA dispatched 3 short and medium-ranged Boeing 737 aircraft to carry nearly 300 medical specialists and volunteers to Diqing Tibetan autonomous Prefecture of Yunnan Province, for a one-week medical treatment welfare. This large medical welfare activity, titled One Heart · Casting the Chinese Heart · Yunnan Trip, is advocated jointly by the national outstanding medical workers, hosted by China Association of Social Workers, and co-organized by Beijing Red Cross Foundation.



Case

On May 17, 35 volunteers took part in the first Red Apple Welfare Travel activity 2014 organized by Shanghai Airlines Holiday Tours Co., Ltd. They went to Yaoluo Primary School in Sankeshu Town, Kaili City, Southeast Guizhou, bringing school supplies to the Miao pupils there, playing games with them and decorating school rooms.





Helping the Poor and Needy

In order to aid the poor, CEA focuses on helping to relieve the impoverished Shuangjiang and Cangyuan Counties of Lincang City, Yunnan Province. In 2014, CEA input RMB 4.7 million to aid the poor in the specified areas, donated RMB 1.315 million worth of materials, and sent 206 personnel to these areas for site survey and assistance. The President's working meeting of CEA held five rounds of discussions to consider the issue on poverty alleviation, and mapped out arrangements for the aid-the-poor work in the above two counties of Lincang and in Gansu, Shanxi, and Yunnan, etc.

Case

On September 2~4, CEA carried out the Love Relay partner assistance activities in Lincang, Yunnan Province, where Li Jingtian, member of Standing Committee of the National People's Congress, and Chairman of the Ethnic Affairs committee of the National People's Congress, was present on invitation. CEA announced the startup of "3+X" action, which is, 1. set up for the first time in Shuangjiang and Lincang Counties the Love Relay-Excellent Teacher Award for outstanding teachers in the rural areas, and Love Relay-Excellent Student Award for outstanding students of the two counties; 2. Start the Love Relay-Student Assistance Program, and leaders and employee representatives of CEA form a one-on-one help relationship with local students; 3. Set up the Love Relay-Hope Primary School Caring Fund by providing RMB 100,000 to each of Shuangjiang Mangle CEA Hope Primary School and Cangyuan CEA Ethnic Hope Primary School; and some other special efforts in aiding education.



Other poverty-alleviation locations of CEA

Anhui Province	Wudian Town, Fengyang County CEA Wanyan Hope Primary School of Jinzhai County
Gansu Province	Manlu Village of Linxia County, Linxia Hui autonomous Prefecture
Jiangxi Province	Taiping Village of Lixi Township, Wuning County
Shanxi Province	Wanghu Countryside, Guangling County
Yunnan Province	Zhushan Village of Husi Township, Jiangxia District, Cangnan County Shangri-La County
Shaanxi Province	Tongmu Community of Tongmu Township, Xunyang County, Ankang City

Specialty

CEA has been always loyal to our motherland and people. In time of need, we always take on heavy duties bravely, overcome difficulties and barriers, and mobilize our resources to fulfill our social responsibilities as an SOE.



Earthquake Relief in Ludian

On August 3, 2014, at 16:30, Ludian County of Zhaotong, Yunnan Province suffered an earthquake of 6.5 magnitude, and CEA quickly started its contingency mechanism by allocating flights, manpower and materials to set up a stable and fast lifeline for the disaster area disregarding of cost. Despite of many difficulties, such as insufficient transport capacity in peak season and tight allocation of crews, CEA threw itself into disaster relief efforts at full stretch.

In order to support the quake relief work in Ludian, CEA readjusted 47 flights, 16 of which were delayed from August 3 to 7.

From August 4-10, in addition to the usual 2 flights per day, CEA dispatched 2 more flights on Kunming-Zhaotong route



and backed up sufficient transportation capacity, getting ready for quake relief at any time.

On August 5, CEA donated RMB 20 million to Ludian quake-stricken area, of which RMB 6 million were in cash, and RMB 14 million were converted from its transportation capacity that was put into operation and the free people and materials transported.



Earthquake Relief in Jinggu

On October 7, at 21:49, a 6.6 magnitude earthquake struck Jinggu Dai and Yi Autonomous County of Pu'er City, Yunnan Province. Upon hearing the news, CEA made a quick decision on dispatching additional MU7691 and MU7693 flights from Kunming to Pu'er, carrying the earthquake relief working group and officers and soldiers of Yunnan Province to the quake-stricken area in the first time. On that day, the two flights carried altogether **221** rescue workers and **8** pieces of disaster relief materials that weighed **320** kilograms.

To keep clear the lifeline in the air, CEA reserved seats on Kunming-Pu'er flights from October 8 to 10 for rescue purposes, and also backed up capacity and flight crew and was ready for extra flights for quake relief work.

Earthquake Relief in Yongshan

On August 17, at 6:07 a.m., a 5.0 magnitude earthquake happened in Yongshan County, Zhaotong, Yunnan Province. CEA immediately set up green channels and dispatched aircraft to carry **62** rescue workers and **5** sniffer dogs to the disaster area free of charge.

From the start of quake relief work in Ludian to August 17, CEA altogether flew **149** flights, transporting **8,360** passengers to and from Zhaotong, including **4** stretcher passengers and **1** severely wounded person, and carrying **8,115** pieces of disaster relief materials that weighed **82.249** tons.





Earthquake Relief in Kangding

On November 22, a 6.3-magnitude earthquake struck Kangding, Sichuan Province. On November 23, CEA's first quake relief flight carrying rescue team and materials took off from Chengdu to the disaster-stricken area. On November 24~25, CEA transported the relief materials in batches to the quake-ravaged region, and carried the wounded to Chengdu for treatment.

Combating Ebola

In 2014, the outbreak of ebola in West Africa drew concerns of all the world. In response to the call of China, CEA made its own contribution to the transport mission against Ebola.

During the November 7~16 transport mission of supporting African in fighting Ebola, CEA flew 46 hours in all for a total of 40,000 kilometers over 20 countries, and carried 219 infectious disease specialists and military medical workers to the Ebola-affected areas in West Africa.

We carried 9.5 tons of materials and 3 tons of equipment to Monrovia, capital of Liberia, and Freetown, capital of Sierra Leone. On November 15 local time, CEA's chartered flight carried 62 medical specialists and medical workers back to China from Freetown.

Peacekeeping Charter Flight

From January 15 to 16, CEA transported the Chinese peacekeeping forces to Beirut for UN peacekeeping missions, and carried the engineering corp back home.

Transportation of Remains of the Chinese People's Volunteer Army

On March 28, escorted by two fighter planes, CEA's CK256 flight carrying remains of 437 volunteer army soldiers and 38 boxes of things left by them landed at Shenyang Taoxian Airport, successfully fulfilling the mission assigned by the country.



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The UN Global Compact's Ten Principles

Human Rights

- 1: Businesses should support and respect the protection of internationally proclaimed human rights
- 2: make sure that they are not complicit in human rights abuses.

Labour

- 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- 4: the elimination of all forms of forced and compulsory labour;
- 5: the effective abolition of child labour; and
- 6: the elimination of discrimination in respect of employment and occupation.

Environment

- 7: Businesses should support a precautionary approach to environmental challenges;
- 8: undertake initiatives to promote greater environmental responsibility; and
- 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Feedback

Your opinions and suggestions on this report are of great importance to improve our CSR work and enhance our ability of CSR fulfillment

- 1 What is your overall evaluation on this CSR report?
 very good good not good
- 2 How do you regard China Eastern Airlines' performance in customer service?
 very good good not good
- 3 How do you regard China Eastern Airlines' performance in environmental protection and sustainable development improvement?
 very good good not good
- 4 How do you regard China Eastern Airlines' performance in communication with stakeholders?
 very good good not good
- 5 Do you think this report can reflect China Eastern Airlines' major influence in society, economy and environment?
 very good good not good
- 6 How do you rate the degree of preciseness and completeness of the information, data and indicators disclosed in this report?
 very good good not good
- 7 How do you rate the content and design of this report?
 very good good not good
- 8 Please state your opinions and suggestions:

Note: Pls tick where appropriate " "or"v"

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