

2-2

Human Resources

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HIGHLIGHTS



105 people with disabilities employed

CAL was the only company in the industry to receive the Golden Wingspan Award.
CAL employed 105 people with disabilities.



TWD 13.88 billion in salary and benefits

Invested TWD 13.88 billion in salary and benefits.



99.41% union participation

99.41% of employees participating in labor unions.



Employee health examination superior to regulatory requirements

The items and frequency of health examination offered by the Company are superior to regulatory requirements.



Declaration for joining "TALENT in Taiwan"

CAL joined "TALENT in Taiwan" to jointly promote sustainable talent development with "CommonWealth Learning", "Cheers", and many other companies in Taiwan.

Management Approach

GRI 103-1, 103-2, 103-3

📍

Topic of Concern

- Labor Relations and Communication
- Sustainable Employment and Talent Attraction
- Occupational Safety and Health Management
- Human Rights

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Importance of Material Issues

We view our employees as family. We are always willing to communicate with respect and strive to reach a mutual understanding through negotiation. We endeavor to create a more harmonious work environment based on an equitable, cooperative, and mutually respectful relationship. In such a work environment, labor and management reach a consensus through open, transparent negotiations and are more willing to communicate on collective agreement issues.

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Commitment and Long-term Goals

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Commitment

We view our employees as our most valuable assets. CAL has improved and optimized working conditions and the work environment to establish a safe and growing workplace. CAL respects each individual labor union and communicates on their stated demands with empathy, views the labor rights of every employee as our first priority, and gives the same level of respect and resources to all labor unions with neutrality. Apart from regular labor-management meetings held by the Head Office and the China Airlines Employees Union (CAEU), a number of functional committees formed by management and CAEU have been established. CAL follows up and reports the results of follow-ups in the following meetings. CAL is dedicated to maintaining harmonious labor-management relations through open, efficient channels of communication, hoping that both the management and employees can work together to achieve equality and reciprocal outcomes.

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Long-term Goals





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2023

- 1. Organizing eight insider sharing sessions to provide an opportunity for cross disciplinary networking
- 2. Optimizing CAL's aviation management talent training mechanisms
- 3. Percentage of female managers reaching 24.75%

2025

- 1. Completing the establishment of all internal online training materials for all specialties
- 2. Establishing the optimal learning path for CAL's aviation management talent pool
- 3. Percentage of female executives reaching 25%

2030

- 1. Applying to Taiwan's aviation talent development
- 2. Promoting Taiwan's aviation talent development
- 3. Percentage of female managers reaching 27%

Objectives and Plans

Issue	KPI	2021			2022 Objectives
		Objectives	Performance	Achievement	
Occupational Safety and Health	Reduce the Frequency-Severity Indicator (FSI) by 5%	FSI 0.42	FSI 0.22	100%	FSI 0.42
	Pass the certification of occupational safety-related management systems	Passing ISO45001 and CNS45001 certification	Passed	100%	Pass the certification of ISO45001 and CNS45001 review
Labor-management Relations	Convene labor-management meetings	4 times	6 times	100%	4 times
Labor Rights	Organizing training on sexual harassment prevention	1 time	1 time	100%	1 time

Note 1: Frequency-Severity Indicator (FSI) = $\sqrt{((\text{Disabling Injury Frequency Rate,FR}) \times (\text{Disabling Injury Severity Rate,SR}) \div 1,000)}$
Note 2: 2018-2020 averages in the air transport industry published by the Ministry of Labor: FR=3.39 / SR=54 / FSI=0.43

Unit in Charge

Corporate Sustainability Committee — Human Resources Task Force

Management Mechanisms

- The meeting of Corporate Sustainability Committee, at least twice every year
- The Human Resources Task Force reports to Corporate Sustainability Committee, every quarter
- A labor-management meeting, every quarter on a regular basis
- The meeting of Occupational Safety and Health Committee, every quarter on a regular basis
- A personal information protection management review meeting, every year on a regular basis

Grievance Mechanism

- **Employee Relationship Department: Human Resources Division —**
E-mail: wecare@china-airlines.com



Stakeholder Contact

2-2-1 Human Rights Management Framework GRI 406-1, 412-1

To enforce the idea of human rights, CAL has established its human rights policies and related measures based on the UN Guiding Principles on Business and Human Rights, international trends, and local laws / regulations. CAL's human rights policies apply to CAL Group members and suppliers. The Human Resources Task Force under the Corporate Sustainability Committee is responsible for the management of human rights management in order to enhance CAL's ability to respond to human rights risks in the value chain.



China Airlines Human Rights Policy

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Regulations and Procedures on Human Rights



Employee Code of Conduct

Employees should support company policies on human rights, fairly treat and respect for every employee, avoid infringing on the rights of others or become accomplice to human rights abuses. We not only implement policies to protect the human rights of employees, but have also established a management mechanism to ensure employee care. We do not use forced labor. We do not adopt race, gender, age, family, political affiliation or religious beliefs as the criteria for employee assignment, performance evaluation or promotion.



Human Resource Manual / Employee Complaints Regulation / Sexual Harassment Complaints and Disciplinary Actions Regulation

- Proclaimed employee human rights protection includes basic stipulations, freedom of employment, humane treatment, and prohibition of discrimination or sexual harassment.
- In November 2021, the Company organized onsite training courses for sexual prevention and 104 employees completed the training.



Sustainable Development Best Practice Principles — Child Labor Prohibited

Hiring people younger less than 16 years old is strictly prohibited to fully compliant with legal minimum age for employment. To safeguard the physical and psychological health and safety of employees whose age are below 18, hazardous assignments are strictly prohibited.



Anti-discrimination Policies and Courses

Front-line staff must attend non-discriminatory policy courses for boarding passengers with physical and mental disabilities to ensure the interests of passengers.



Supplier Code of Conduct

Human rights standards were specified in the Supplier Code of Conduct include:
1. Prohibition of child labor / 2. Anti-discrimination / 3. Remuneration and working hours / 4. Freedom of labor / 5. Respect for freedom of assembly and association, and the right to collective agreement



In addition to complying with CAL Group's human rights policies, Mandarin Airlines and Tigerair Taiwan have incorporated management measures for equality and anti-discrimination and whistle-blowing channels into their regulations and organized training on a regular basis. In 2021, Mandarin Airlines organized a "Mandarin Airlines and Me" workshop on sexual harassment prevention, and one session was held and attended by 10 employees. From December 2021 to January 2022, Tigerair Taiwan organized sexual harassment prevention training for all employees including one training session for the four major plans for labor health protection.

Procedures for Identifying Material Human Rights Issues



Identify the Framework Based on CAL Human Rights Policy



Human Resources Task Force Identifies and Reviews Human Rights issues of CAL Value Chain



Corporate Sustainability Committee Verifies Identified Issues



Unit in Charge Develops Improvement Measures



Human Resources Task Force Implements Following Improvement



Disclose Identification Results and Improvement Actions



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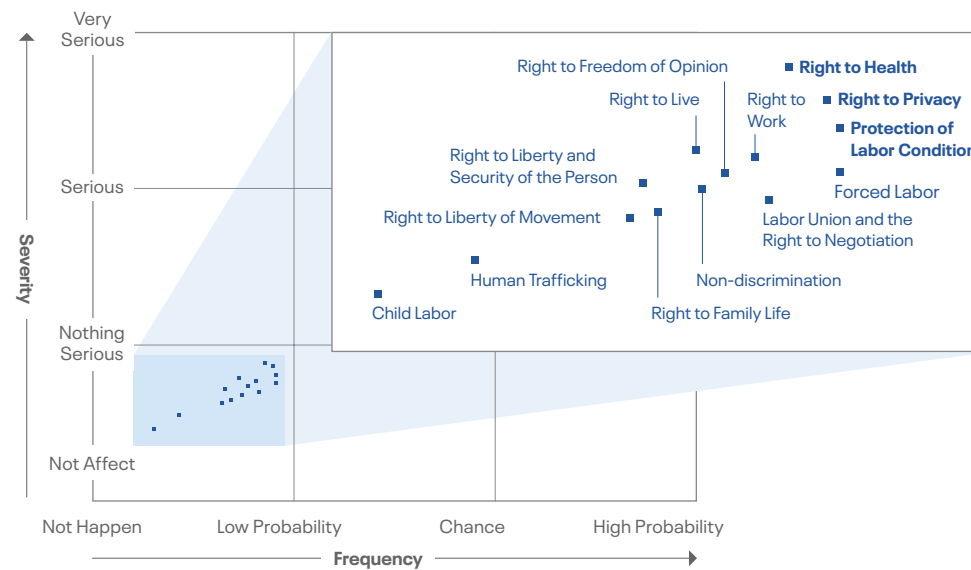
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Human Rights Risks Identification Results

CAL has identified human rights risks independently in accordance with the United Nations Guiding Principles on Business and Human Rights. The Human Resources Task Force first selects material human rights issues of the year through internal and external stakeholder engagement and issues risk identification questionnaires to stakeholders in the entire value chain (there were no material mergers & acquisitions in 2021). In 2021, it analyzed the material human rights risk issues of the year based on 218 valid questionnaires, while reviewing the occurrence nodes of human rights risks and material risk issues throughout the value chain in order to perform human rights due diligence and develop mitigation and remedial measures. The overall human rights risk level for CAL in 2021 was low, but we are still responding to three relatively major risk issues, including the right to privacy, right to health, and the protection of labor condition.

Material Human Rights Issues Identified



Mitigation and Remedial Measures for Material Human Rights Risks

In order to ensure the integrity of the human rights framework, CAL, in accordance with the United Nations Guiding Principles on Business and Human Rights on due diligence, worked with external consultants to develop and implement a human rights due diligence mechanism to review the mitigation and remedial measures for material human rights risk issues. Based on the three material risks identified in 2021, except that the protection of labor condition does not apply to the downstream of CAL's value chain, CAL has launched three major risk mitigation and remedial measures at each node of the value chain for various groups, including general, disabled, or minority employees in the upstream and midstream as well as general, children, disabled, and minority

customers in the downstream. CAL also adapted the measures for all locations of operations across the globe based on the regulations of the host countries. Relevant information is described below. For details, please refer to the appendix [Management of Material Human Rights Issues in 2021](#).

The human rights risk management in CAL's entire value chain is described as follows:

Upstream (Supply Chain Partners)

Regarding the human rights management of upstream supply chain partners, CAL has gradually established a risk management mechanism of the sustainable supply chain since 2015. The management mechanism includes risk identification, on-site review, and tracking and improvement, while the management dimension includes governance, environment, society, and the general aspect. Among them, the human rights risk issues are the main management focus of the aspect of society. CAL has launched human rights issues that need to be managed in accordance with the Sustainable Supply Chain Management Policy and Supplier Code of Conduct. In addition to issues, such as child labor, discrimination, and freedom of association, the protection of labor condition and occupational safety and health issues related to the right to health are all the focus of CAL's evaluation and audit. As for the right to privacy, it is related to the information security management issues in the general aspect, which is also an existing management item in CAL's sustainable supply chain risk management mechanism. Each year, CAL adopts a periodic sustainable supply chain management mechanism to keep abreast of the management situation of various human rights risk issues by supply chain partners and their mitigation and improvement approaches in the case of high-risk situations. In 2021, in response to the COVID-19 pandemic, CAL required its suppliers to provide a healthy, safe, and hygienic workplace to promote overall safety for the workforce. For more sustainable supply chain management measures, please refer to [Chapter 2-3-2 Sustainable Supply Chain Management in the Cooperation section](#) of this report.

Midstream (CAL's Operations)

In terms of employee privacy management, the Company has set up a "personal information management system;" By implementing the maintenance and management of personal data files, the impact of personal data file violations can be reduced. With regard to the management of employees' right to health, CAL has set up the Occupational Safety and Health Committee and introduced the ISO 45001: 2018 and TOSHMS occupational health and safety management systems to identify and control occupational accident risks in the workplace based on the level of the risks. In response to the COVID-19 pandemic in 2021, the Company set up a series of disease prevention measures (including vaccination, use of personal protective equipment, support for home quarantine, strengthening sanitation and disinfection of the environment, alternate employee shifts, and track health conditions) to ensure employees' safety and health at work. In terms of the protection of labor conditions, we focused on providing conditions superior to regulatory requirements and industry standards. We convene meetings of committees with labor participation and focus on continuous improvements to ensure employees' labor rights. For more details on the management measures



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of employees' right to health and labor conditions, please refer to [Chapters 2-2-2 Recruitment and Retention](#), [2-2-4 Employee Rights](#), and [2-2-5 Healthy and Safe Workplace](#).

In addition to the material human rights risks identified in 2021, CAL has always maintained an open attitude toward employees' membership in the union. As each CAL employee is an ex-officio member of the corporate union, they can freely participate in various union affairs or be directly selected as leaders in the union. CAL regularly holds negotiation meetings with the Employees Union to listen to the voice of the union; employees can also join occupational unions outside the Company according to their own wishes, and CAL maintains an equally open attitude toward employees' membership in external occupational unions and does not resist substantive negotiations with any union.

CAL has established diversified communication channels, including regular labor-management negotiation meetings, an employee care mailbox, a sexual harassment mailbox and associated grievance hotline, the "Speak Your Mind" Employee Portal, and Team+, an internal messaging software so that employees can put forward their opinions or suggestions. In addition, CAL has formulated the Employee Grievance Regulations. When employees' rights and interests are infringed or handled improperly, they can file a complaint in accordance with the regulations. If they disagree with the results of the complaint, they can also re-file the complaint to protect their rights. In 2021, CAL employees filed 15 complaints which consisted mainly of punitive measures and illegal infringement at the work place. All complaints have been addressed and the cases were closed.

Employee Grievance Cases from 2019 to 2021

Item	2019	2020	2021
Performance Review	1	4	1
Concessional Flight Tickets	2	0	0
Leave of Absence	0	2	3
Disciplinary Actions	1	1	6
Occupational Disasters	5	1	0
Salary	0	0	1
Illegal Infringement at the Work Place	0	0	4
Total	9	8	15

Employee Grievance

CAL

Employee Grievance
E-mail: wecare@china-airlines.com

Grievances against Sexual Harassment
TEL: (03) 399-8922
E-mail: SHC@china-airlines.com



Mandarin Airlines

Employee Grievance / Grievances against Sexual Harassment
TEL: (02) 2514-2050
E-mail: SHC@email.mandarin-airlines.com



Tigerair Taiwan

Employee Grievance
E-mail: talktome@tigerairtw.com

Grievances against Sexual Harassment
TEL: (02) 7735-6930
E-mail: talktome@tigerairtw.com



We pledge ourselves to put an end to sexual harassment. Continuing education on sexual harassment prevention is conducted annually for new recruits and existing employees, and course materials are available for employee access on the CAL website. CAL also puts up posters in duty rooms, communicating definitions and types of sexual harassment, as well as grievance channels, to front-line employees. Employees can file sexual harassment grievances via the sexual harassment mailbox, hotline, or e-mail account. If the sexual harassment perpetrator is a CAL employee, the Human Resources Division will initiate an investigation and convene a meeting of the Complaint Review Committee within 7 days after receiving the grievance. No less than half the members of the Complaint Review Committee are female. If the incident is defined as a case of sexual harassment, disciplinary actions or other measures will be taken; and, depending on each incident, psychological counseling may be arranged for both the perpetrator and the victim. If the perpetrator of the incident is not a CAL employee, CAL will assist the victim with legal aid. Mandarin Airlines has published a statement about the ban on sexual assault and harassment and posted information on sexual harassment prevention on the EIP website. An annual report on grievances regarding sexual harassment is made by the end of every year for follow-up. Besides Mandarin Airlines, Tigerair Taiwan also takes sexual harassment seriously. Every new employee of Tigerair Taiwan is required to complete the training course on regulations concerning sexual harassment prevention and grievances through the regulations which disclosed on the employees' public portal.

In 2021, 3 sexual harassment cases were filed in CAL and penalties were imposed in accordance with government regulations and internal regulations of CAL. There were no cases of sexual harassment in Mandarin Airlines/Tigerair Taiwan.

Grievances Against Sexual Harassment from 2019-2021

Item	2019	2020	2021
Number of Grievances	2	0	3
Number of Filing	1	0	3
Category	Improper behavior	-	Improper behavior
Outcome	Administrative disciplinary actions	-	Administrative disciplinary actions

Downstream (Customers)

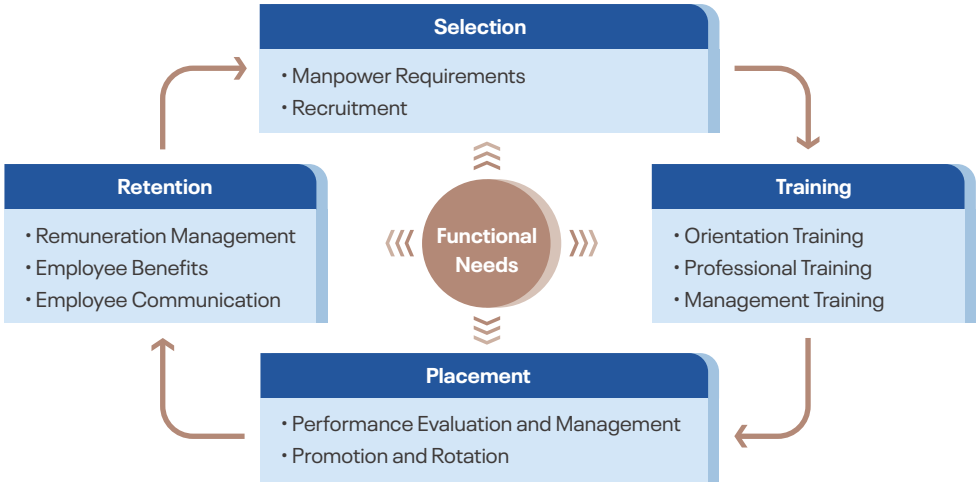
For customer privacy protection, CAL has hired an external professional consultant team to serve as the consultant for CAL's personal information protection mechanism, introduced the personal information management system, and set up the Personal Information Management Committee for maintenance and management of personal data files. Each division/department of CAL has also completed personal information risk assessments in 2021 and formulated the Privacy Protection Policy and Statement regarding the collection, use, acquisition, or change of customers' personal data, revision of privacy protection/security statement and commitment to maintaining confidentiality of information, which are all publicly disclosed on the Company's official website. Regarding the customers' right to health, CAL has long been aiming at zero flight accident. As early as since 2007, it has implemented the "safety management system" to ensure and improve the safety level of its products and services through risk identification as well as analysis and management. CAL also has a "Flight First-Aid Advisory System," which allows customers to obtain professional medical advice if they are feeling unwell during check-in, boarding, or flight. In response to the COVID-19 pandemic in 2021, a series of preventive measures have been implemented from check-in to arrival at the destination to protect passengers' health. These measures include requiring passengers to wear masks throughout the flight, maintaining social distances, adjusting flight arrangements, and adjusting the in-flight catering to meet passengers' dietary needs. For more management measures to ensure customers' right to health, please refer to [Chapter 2-1-1 Flight Safety in the Trust section](#) of this report.

2-2-2 Recruitment and Retention GRI 102-8, 202-2, 401-1, 405-1

Human Resource Management System

The Company recruits and selects employees according to the needs of human resources and the duties required. The recruited employees receive preservice training based on their duties and take up their posts after passing pre-service training (continuous on-the-job training is required after taking up their posts). Their performances will be evaluated on a regular basis. According to the regulations, outstanding performers will be rewarded or reported for promotion, and appropriate rotations will




be arranged. At the end of each year, employees will be rewarded based on Company's business performance; and the Company has also established favorable employee benefits and multiple channels of communication. CAL regularly conducts employee satisfaction surveys, then reviews feedback and makes improvement accordingly in order to increase employee retention willingness.



Workforce Structure of CAL Group

As of the end of 2021, the total number of employees of CAL, Mandarin Airlines, and Tigerair Taiwan were 10,885, 874, and 646, respectively. The number of employees employed by the three airlines is in compliance with the regulations.

Refer to [Detailed Workforce Structure Tables in the Appendix](#)

Category									
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Full-time Employees	10,753	5,591	5,162	874	417	457	646	289	357
Contracted Employees	132	34	98	0	0	0	0	0	0
Total	10,885	5,625	5,260	874	417	457	646	289	357

Note: The total number includes 77 indigenous employees (males 39 and females 38) and 105 disabled employees (males 73 and females 32).

Note: The total number includes 9 indigenous employees (males 0 and females 9) and 4 disabled employees (males 2 and females 2).

Note: The total number includes 6 indigenous employees (males 3 and females 3) and 5 disabled employees (males 2 and females 3).



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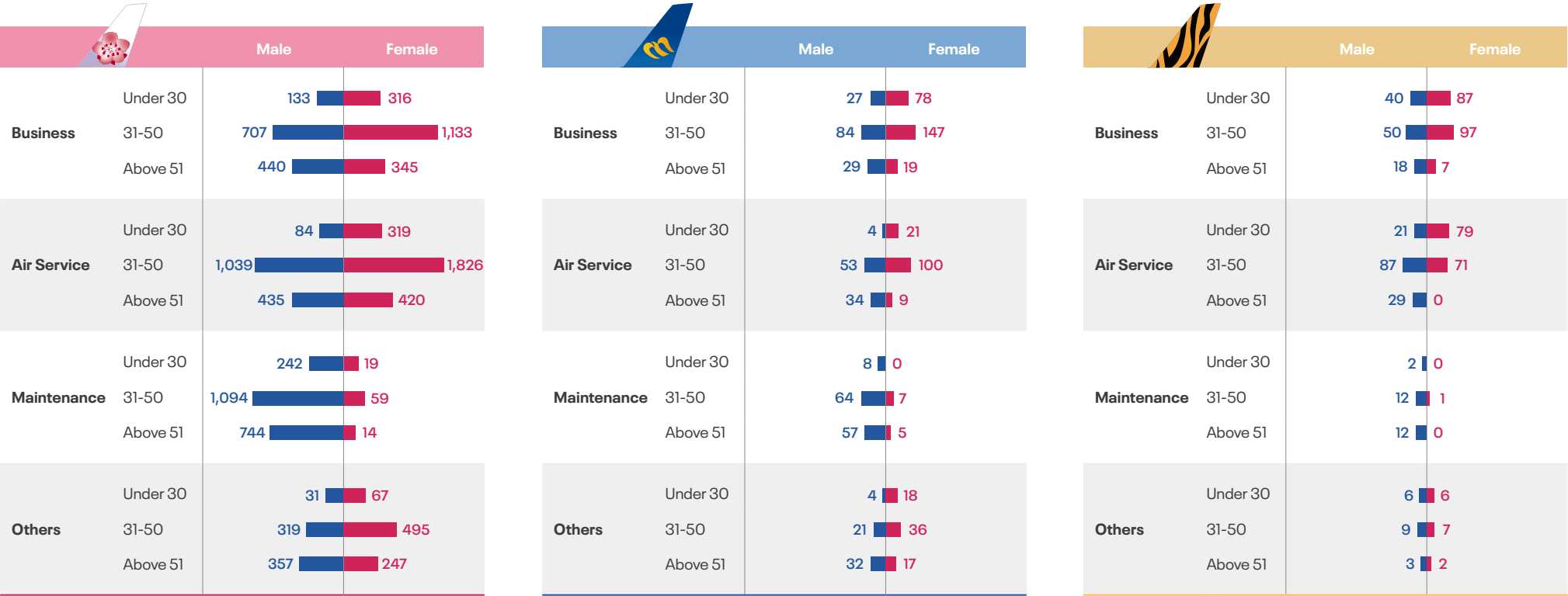
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Gender Equality and Diversity

We place great importance in gender equality. In 2021, female employees of CAL accounted for 48.32% of the total CAL workforce and 27.82% of all managerial positions were held by females. At Mandarin Airlines, female employees accounted for 52.29% of the total workforce, and 21.21% of the managerial positions were held by females. At Tigerair Taiwan, female employees accounted for 55.26% of the total workforce, with female managers representing 42.68% of all managerial positions. Due to the nature of the aviation industry, CAL has a higher demand for professionals in certain fields of expertise, leading to a male / female gap that is common in society (detailed [Workforce Gender Diversity Target tables](#) in the Appendix). CAL is committed to providing a comfortable work environment that is conducive of balanced career development for all employees, regardless of gender. In order to safeguard the well-being and right to work of female employees, when a female flight attendant is pregnant, she may apply for unpaid leave or request a transfer to ground services. Upon completion of maternity leave, she may then apply to resume her duties as a flight attendant. In addition, two breastfeeding rooms have been set up at CAL Park for female employees to use at any time. We also provide our male employees benefits that are better than required by the Act of Gender Equality in Employment. A male employee may apply for 5-day paternity leave with full pay during childbirth. In addition, to help our employees achieve work-life balance, CAL has signed agreements with 10 daycare centers and kindergartens in 2020-2021 to provide special discounts for CAL employees.

CAL values diversity in the workforce. In 2021, CAL employed 77 (0.71%) indigenous employees and 105 (0.96%) employees with disabilities. In addition to our commitment to expanding employment among indigenous people, we have employed staff with disabilities at a higher proportion than prescribed by law since September 2015. CAL received the Excellency Award at the Golden Wingspan Awards in 2016. We have redesigned job descriptions for employees with disabilities with a focus on improving working conditions and making adjustments to job requirements and career development. We also provide shuttle buses and regularly-scheduled health examinations for our employees with disabilities. In addition, we have signed long-term service contracts with visually impaired massage therapists to provide employees with free on-site massages, thereby providing job opportunities for the visually impaired and enhancing our employees' health at the same time.

Workforce Diversity of CAL Group in 2021






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Local Employees

The flight network of CAL spans across the globe, and a large number of job opportunities are available. This results in contributions to local employment and economic development. About 88.04% of all CAL employees are based in Taiwan. The composition of CAL's international employees includes foreign pilots from 25 countries, and flight attendants from Vietnam, Japan, and Thailand. We also employ local employees at our 154 destinations cities in 29 countries around the world. CAL endeavors to provide a friendly work environment for our international employees, with equal opportunities and benefits to our Taiwanese employees.

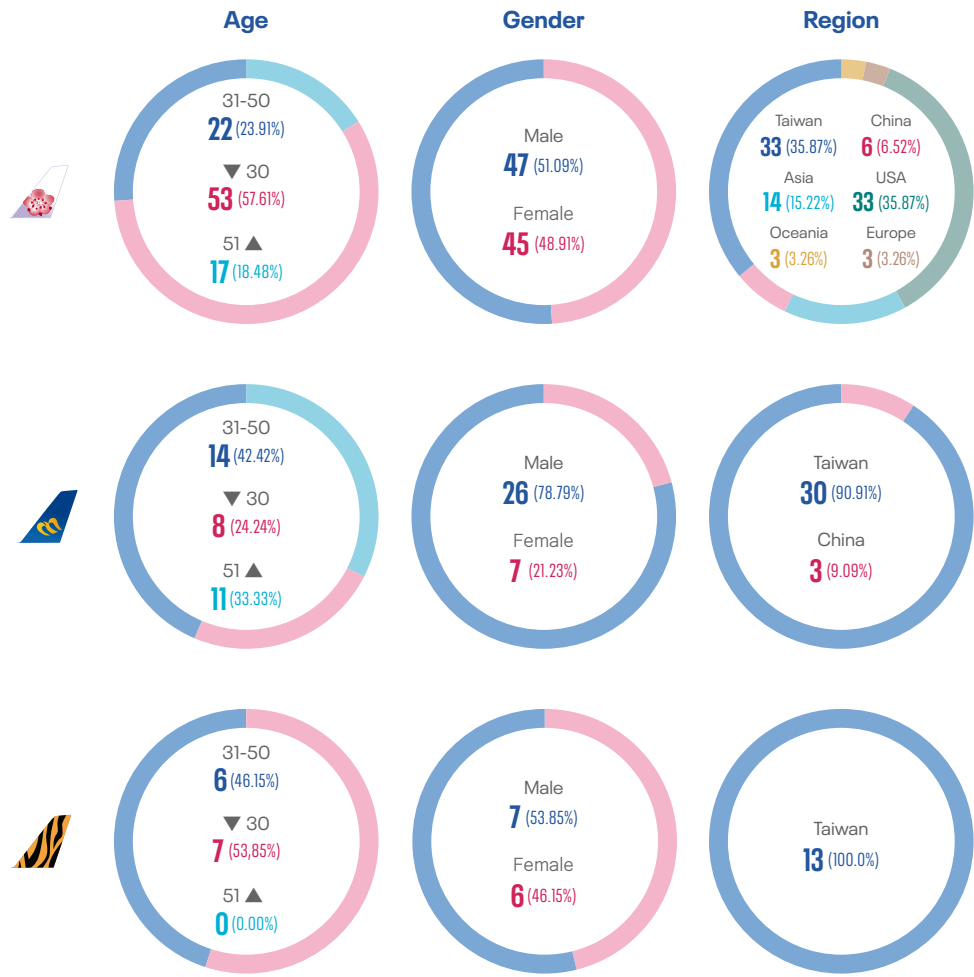
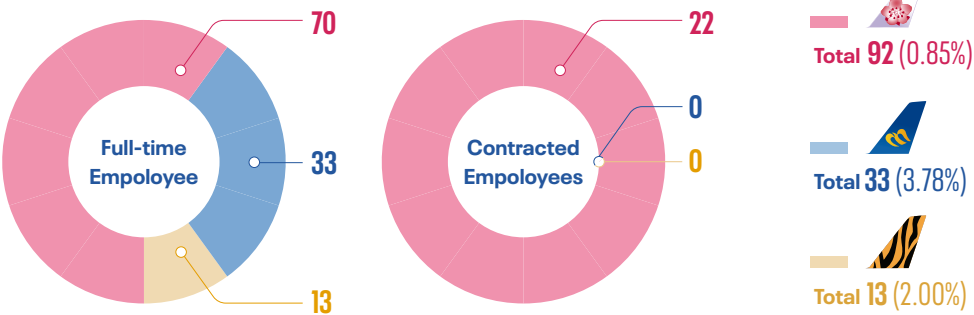
Local Employment of CAL Group in 2021

Company	Region	Employees	Management
	Taiwan	98.91%	100.00%
	China	97.52%	47.22%
	Asia	92.50%	52.44%
	Americas	64.32%	33.33%
	Europe	42.17%	26.32%
	Oceania	65.63%	25.00%
	Taiwan	100.00%	100.00%
	China	90.77%	13.85%
	Taiwan	97.22%	100.00%
	China	100.00%	100.00%

Recruitment

Due to CAL Group's business growth and fleet / flight network expansion in recent years, we have recruited in various areas to meet the requirements of our growing business. To fulfill our commitment to social responsibility, we continue to promote industry-academia collaboration programs and employ people with disabilities. In 2021, CAL recruited 92 employees, including 70 full-time employees and 22 contract employees, accounting for 0.85% of the total workforce. Mandarin Airlines recruited 33 full-time employees, accounting for 3.78% of the total workforce. Tigerair Taiwan also employed 13 full-time employees, accounting for 2.01% of the total workforce.

New Employees of CAL Group in 2021





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Employee Turnover

Over the past three years, the average employee turnover of CAL has been 5.75%. Each of our employees is safeguarded by an employment contract, and each contract clearly sets forth provisions regarding rewards, disciplinary actions, and employment termination. In addition, rules concerning termination of employment and the number of days required for a notice of resignation comply with the Labor Standards Act. With respect to locations where employee turnover rates are relatively high, we evaluate local labor-related regulations and wage levels and refer to comments made by resigning employees and local managers to see whether adjustments are needed in our salary and benefit practices. We also utilize internal systems and incentive programs to reduce turnover rates.

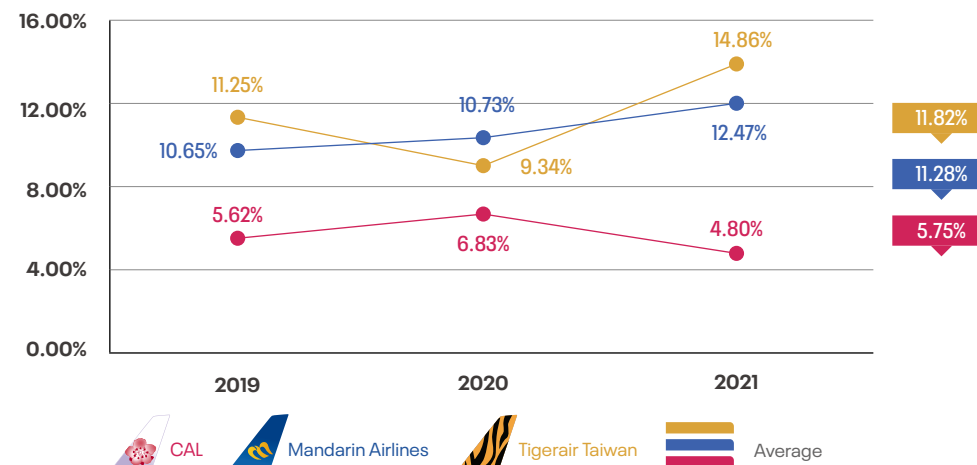
Refer to [ESG Data and Appendix Employee Turnover Rate Table](#)

At CAL, the employee turnover in 2021 decreased by 2.03% compared to that in 2020. The involuntary separation rate decreased by 1.79% compared to that in 2020 and the voluntary separation rate also decreased by 0.24%. CAL will continuously optimize internal management to maintain low turnover.

At Mandarin Airlines, employee turnover in 2021 arose by 0.73% compared to 2020, mainly due to seasonal short-term demand for labor, then after the employees' contracts expired there was no contract renewal due to a lack of demand for labor; some resigned due to personal career plans. In the future, Mandarin Airlines will provide a variety of communication channels for existing employees and improve employee benefits to retain staff.

Tigerair Taiwan's turnover increased by 5.52% in 2021 over 2020, including 34 employees with expired contracts (35.42%). Other turnover was primarily attributed to personal career plans. Tigerair Taiwan will continue to focus on planning diverse career development possibilities and optimize the benefits system to retain talents.

Employee Turnover Rate of CAL Group from 2019-2021



Employee Retention

Periodic Performance Evaluations Conducted on a Fair and Objective Basis

CAL conducts an employee performance evaluation three times a year. Except for employees who have worked for less than a certain period of time, all employees are covered in the performance evaluation. Apart from evaluations on general performance, core function assessment indicators and approaches are also adopted based on each employee's professional characteristics and in consideration of the actual working conditions of the employee under evaluation. To all managerial levels, a specific annual Management by objectives (MBO) framework has been established based on CAL's business strategies in addition to job assessment indicators.

To make the assessment process impartial and objective, each employee is evaluated by several supervisors, and performance grades are also allocated according to different job rankings. In addition, to ensure that the performance evaluation provides employees positive feedback and assistance and facilitates communication and interaction between supervisors and employees, interviews are also included in the performance evaluation.

A two-way assessment scheme has been formulated for evaluating the performance of all flight attendants. Flight attendants who have worked for more than one year are evaluated and assigned ratings based on their attendance, reward / disciplinary actions, and performance within a reasonable range and based on employee classification to avoid subjective impressions which could detract from the impartiality of the performance evaluation.

Sound Remuneration System

Every year, CAL offers employees reasonable remuneration packages, related benefits, and insurance coverage based on CAL's overall salary policy and earnings. Performance-based salary adjustments and promotions are also possible for outstanding employees, ensuring that the promotion process is conducted in accordance with the principles of transparency and fairness. In addition, we provide various types of allowances and benefits (such as dividends, education and training, employee stock options, concessional airfares, and work allowances) and flexible benefit programs (such as retirement packages) to meet employees' various needs. Apart from enhancing the bond between employees and the management, this arrangement can also raise employee satisfaction and retention rates.

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2-2-3 Employee Development

GRI 404-1, 404-2

Sound Training System and Framework

CAL has established a sound training system and framework to develop aviation professionals. We adopt diversified training methods, including on-site and online training courses, invest in training hardware and software. CAL values the functional development of employees and integrates fundamental aviation training with hands-on practice. In addition, CAL organizes business strategy and management related training for all managerial levels and employees with potential on a regular basis to improve their horizons and expertise.

Based on the demand of education and training, the Training Advisory Committee has been established to plan annual education and training activities for all employees. The primary strategic goal of CAL's training and development program is to enhance employees' job skills. Adopting the training framework of China Airlines Lecture Hall, CAL ensures that all employees are equipped with skills to perform their duties and job functions.

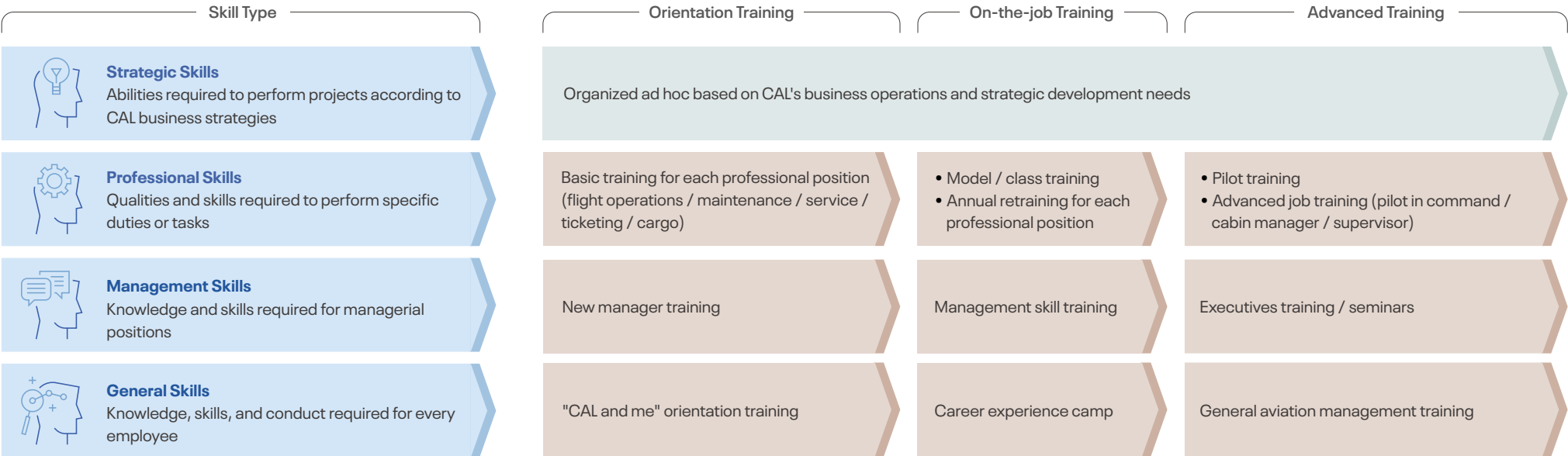
CAL as established the Talent Development Committee, chaired by the President, with senior vice presidents serving as members. The Talent Development Committee is responsible for regularly reviewing and improving training for potential talents. Each department refers potential talents to

the Talent Development Committee, which then determines their qualifications and development paths. During training, potential talents are provided with appropriate job rotations and management skill training to build their management capacity and experience. In addition to the annual talent recommendations, CAL also selects talents from different levels and sets up management improvement courses and management training courses. CAL provides two-year courses based on the ranks of the employees to continue to enhance their management skills. CAL has always sought out and successfully trained many potential talents to serve as unit chiefs both at home and abroad. CAL will continue to provide them with opportunities to develop their careers, in hopes of achieving corporate sustainability.

In 2021, CAL invested about TWD 190 million in employee training and development (the average amount was approximately TWD 16,400). The total number of training hours (including onsite and online courses) totaled approximately 354,000 (the average number of hours per employee was approximately 30.50 hours), and the completion rate of training reached 99.30%.

Refer to [Training Statistics of CAL Group Table in the ESG Data and Appendix](#)

Training Framework



Note: In addition to the above training programs, CAL encourages employees to participate in work-related trainings organized by the Ministry of Labor's Workforce Development Agency, by offering training allowances to employees who pay tuition at their own expense (20% of tuition).



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Sound Internal Recruitment and Rotation System

CAL is committed to upholding the principle of assigning each staff member to a proper position. We offer regular job rotations and internal training courses to improve our employees' job skills and overall productivity. Each department determines whether to rotate employees, based on their labor needs; in addition, we have established an internal recruitment system, so that employees can participate in the selection processes in accordance with their wishes and ambitions. This allows CAL to utilize its human resources in a flexible manner and ensures that employees are assigned to the most proper positions, resulting in a win-win situation for both parties. The internal vacancy replacement rate this year was 31.86% (Due to coping with the heavy impact of COVID-19, CAL had adjusted business strategy, which affected the percentage of open positions filled by internal candidates).

To utilize management with flexibility and to ensure that they are assigned to the most proper positions with improved competency, CAL conducts a management review and rotation evaluation on a regular basis. Managers working in domestic departments and outstations or joint venture companies for

three years will be included in the management review and rotation evaluation based on relevant regulations.

Human Capital ROI

Through education and training, employees can grow along with CAL's strategic and business goals. Meanwhile, corporate assets will also accumulated in value and provide CAL with a solid foundation for long-term viability. CAL has recently adopted the Human Capital Return on Investment (HCROI) metric as a benchmark tool. In addition to estimating earnings from investing in human capital, the metric can also be included in Company's long-term performance indicators. Although the impact of the COVID-19 pandemic persisted in 2021, the overall ROI was significantly higher than the previous year as CAL effectively controlled related operating costs and the revenue from cargo services was significantly higher than the revenue in 2020.

2019	2020	2021
1.00	1.26	1.86

Note: Human Capital ROI = $\frac{\text{Income} - [\text{Operating expenses} - (\text{Salary} + \text{Benefits})]}{(\text{Salary} + \text{Benefits})}$.

Details of Employee Development Programs to Accommodate the Company's Business Objectives for 2021

Employee Development Program	Business Benefits	Quantitative Impact of Business Benefits	Proportion to Total Employees Participation in the Program
Strengthen Passenger Services: Cabin crew service training: Strengthen operation safety and passenger service skills during the pandemic (Training investment: around TWD 1.05 million)	Improve operational safety and service quality to increase passenger satisfaction and willingness to fly with us again	Increased cabin crew satisfaction rate by 2.8% in 2021 compared to 2020	24.0%
Training for increasing Cargo Revenue: <ul style="list-style-type: none"> Strengthen cargo operation personnel's related cargo transport professional knowledge Increase the number of flight crew members for cargo aircrafts (Training investment: around TWD 49.52 million)	Enhance cargo marketing effectiveness and fleet capacity to increase revenue from cargo aircrafts	Cargo aircraft revenue for 2021 increased by TWD 32.301 billion compared to 2020	3.2%

Industry-Academia Collaboration

CAL has promoted its campus talent development program since 2013 by taking advantage of its abundant practical experience and sound aviation training facilities and courses. In response to the government's policy on industry-academia collaboration and talent development, CAL has cooperated with colleges and universities nationwide to offer internship programs that last for six months to one year in variety fields. CAL also offers interns scholarships and allowances and arranges training courses for them. To start an internship, interns are required to pass the training courses first. In 2021, for the eleventh consecutive year since 2011, CAL was awarded as a Top 20 Youngsters' Favorite Brand by Cheers magazine. Through industry-academia collaboration, CAL will continue to provide students with opportunities to gain aviation expertise and make their career plans, and thus help CAL recruit potential talents.

As a result of the pandemic in 2021 and as most sites for internships are located in the vicinity of airport operations, CAL only accepted two interns for education technology and visual design (National Taipei University of Education and Tamkang University) in 2021 due to safety concerns. We will restore operations based on changes in the pandemic.

Declaration for Joining "TALENT in Taiwan"

To strengthen the competitiveness of talents in Taiwanese society, fulfill ESG corporate responsibility, and support the talents with global companies, CAL joined "TALENT in Taiwan" on February 16, 2022 to jointly promote sustainable talent development with "CommonWealth Learning", "Cheers", and 100 companies in Taiwan. We hope to use the project of hope for talent development to develop every worker, strengthen their professional skills, and create better career development and a brighter future.



CAL Joins TALENT in Taiwan

2-2-4 Employee Rights

GRI 102-41, 201-3, 401-2, 401-3, 402-1, 405-2

CAL attaches great importance to the opinions and well-being of our employees. In addition to regular reviews of employees’ salary and benefit and labor-management meetings, CAL has established a number of communication channels and activities to enhance cohesion. CAL also respects the independence of labor unions in accordance with the law and promotes positive communication with labor unions.

Employee Care

Salary and Benefits

CAL firmly believes that employees are the most valuable assets and that it is important to protect both employee benefits and shareholders' equity. For these reasons, CAL provides competitive salaries and benefits for all employees. The salary and benefit package of each employee will not differ according to gender, race, religion, political affiliation, or marital status. Whenever the minimum wage of a particular global location is raised, we promptly review our salary standards and make necessary adjustments in a timely manner. In 2022, CAL's average salary increase will be no less than 4%. Employees who are required to work overtime due to the nature of their employment will receive reasonable overtime pay in accordance with regulations. No employee shall be forced to work against his or her will.

Male / Female Salary Ratio of CAL Group in 2021 (Female Salary is 1)

Company						
	Base Salary	Bonus	Base Salary	Bonus	Base Salary	Bonus
Business Operations	1.23	1.32	1.05	1.11	1.54	2.59
Flight and Cabin Crews	1.24	1.14	1.56	3.66	3.26	3.37
Maintenance Personnel	1.09	1.00	0.99	1.40	1.10	3.79
Others	1.17	1.06	1.19	1.55	1.45	2.09

Note 1: Female salary is 1 in this Salary Ratio Table.

Note 2: Flight and cabin crews include pilots and flight attendants, pilots were mostly male, while flight attendants were mostly female. Pilots' salaries are higher than flight attendants', resulting in a large difference in the male / female salary ratios; others include executives higher than the rank of vice president, auditors, accountants, information technology personnel, and other employees that are not within the aforesaid categories.

Note 3: Base salary: basic pay; bonus: pay outside base pay.

In accordance with the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies, the Company disclosed its number of full-time employees not in a managerial position as 9,810 in 2021 a decrease of 225 from the previous year. The total salary of full-time employees not in a managerial position was TWD 16,964.113 million, an increase of TWD 1,876.687 million year-over-year, the average

salary of full-time employees not in a managerial position was TWD 1.729 million in 2021, an increase of TWD 0.226 million, and the median salary of full-time employees not in a managerial position was TWD 1.241 million in 2021, an increase of TWD 0.251 million.

Full-time Employees not in a Managerial Position	Numerical Value	Difference from the Previous Year
Number	9,810	▼ 225
Total Salary (TWD million)	16,964.113	▲ 1,876.687
Average Salary (TWD million)	1.729	▲ 0.226
Median Salary (TWD million)	1.241	▲ 0.251




Note: Please refer to the Appendix for more information on the [gender pay gap analysis](#).

Pension Scheme

CAL attaches great importance to the rights and interests of our employees. CAL reports the management of the pension reserve fund to the Labor Pension Reserve Supervisory Committee on a quarterly basis. Prior to the end of each year, CAL allocates the amount required for the following year based on actuarial calculations and relevant laws and regulations. In terms of allocation rates, the rate for the new labor retirement plan is 6%; the rate for the old labor retirement plan is 15%, which reaches the statutory upper limit, and this amounts have been fully allocated in accordance with Paragraph 2, Article 56 of the Labor Standards Act to ensure that employees receive the retirement benefits to which they are entitled.

Salary, Benefits and Pension Reserve Fund of CAL Group in 2021

(Unit: TWD million)

Company	Item	2019	2020	2021
	Salary	15,998	13,659	13,660
	Benefits	213	261	216
	Pension Reserve Fund	6,347	6,241	6,514
	Salary	864	850	896
	Benefits	6.88	3.69	2.48
	Pension Reserve Fund	352	390	436
	Salary	870	720	519
	Benefits	4.85	4.29	3.31
	Pension Reserve Fund	2.53	1.54	0.86

Note 1: Benefits offered by CAL / Mandarin Airlines included travel allowances, allowances for the elderly, scholarships, Labor Day gift money, spring parties, and anniversary expenses.

Note 2: Benefits offered by Tigerair Taiwan included travel subsidies, club allowances, birthday cash gifts, Mid-Autumn Festival and Dragon Boat Festival gift vouchers, spring parties, and family day activities.



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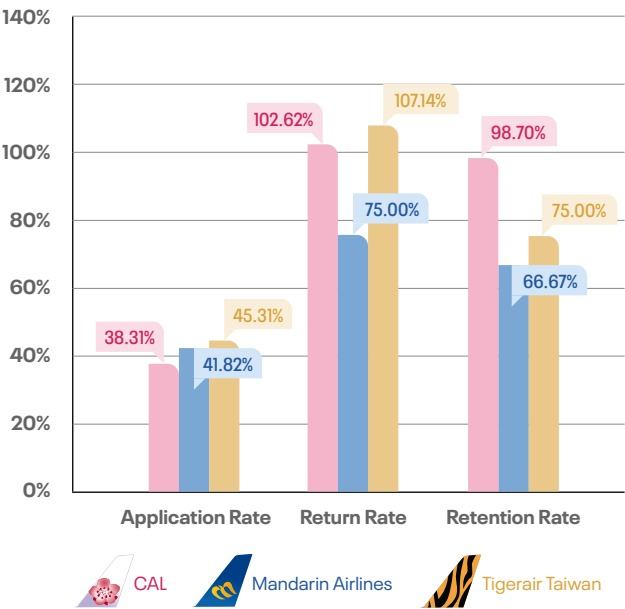
Unpaid Parental Leave

CAL has set up a sound unpaid parental leave system, allowing employees to take care of their families while retaining their positions with CAL. Male employees are also entitled to unpaid parental leave, including the option to apply for 5-day paternity leave with full pay before and after childbirth. If the period of paternity leave coincides with a business trip or a regular day off or public holiday, paternity leave may be taken within 15 days following the business trip or holiday. CAL offers better leave than that stipulated in the Gender Equality in Employment Act .

Refer to

ESG Data and Appendix Unpaid Leave of CAL Group Tables

Unpaid Parental Leave of CAL Group in 2021



Benefits for CAL Employees



Year-end Bonuses / Dividends

At the end of each year, a year-end bonus is allocated from CAL earnings. Employee dividends are also distributed in accordance with employee performance and CAL's yearly management goals.



Retiree Portal (Retiree Association)

CAL has assisted its retirees and employees in establishing a global retiree association and the CAL Retiree Portal. Every year, the Retiree Association organizes quarterly activities to promote interchange between retirees. CAL also offers grants to the Retiree Association to provide positive assistance and encouragement.



Employee Benefits

Employee benefits include wedding cash gifts, childbirth cash gifts, disaster subsidies, travel allowances, scholarships, allowances for the elderly, emergency loans, birthday cash gifts, Labor Day gift vouchers / cash gifts, and allowances for funerals.



Annual Leave Scheme

CAL offers annual leave better than that stipulated in the Labor Standards Act.



Childcare

CAL has entered into preferential childcare contracts with 10 daycare centers across Taiwan to assist employees with childcare arrangements.



Breastfeeding Environment

CAL provides friendly and warm breastfeeding (collection) rooms at the workplace to create a comfortable breastfeeding (collection) environment.



Concessional Flight Tickets

Employees and their spouses, parents, and children enjoy free and concessional flight tickets to more than 50 destinations around the world. Code-shared concessional flight tickets from other airlines are also offered.



Group Health Insurance

Group health insurance covers medical, accident and serious illness insurance. Dependents may also be enrolled in the group insurance scheme at favorable rates.



Commuting

Apart from regular commuter shuttles at fixed sites, there are also shuttle buses for shift workers, cabin crew members, and employees with disabilities stretching from Keelung, Taipei City and New Taipei City to Taoyuan and Zhongli.



Flexible Work Hours

Ground employees in CAL Park who do not use the shuttle buses may, with the approval of their supervisor, apply for flexible work hours (up to one hour each day). Each application must be for a duration of at least three months.



Employee Stock Ownership Trust

Participation is voluntary. For employees who agree to join the employee stock ownership trust, a fixed amount is deducted from their monthly salary based on their pay grade.



Resignation Program

Employees in the general track after 10 years of service and employees in the specialist track after 10 years of service and reaching the age of 54.



Psychological Counseling

The Company provides psychological counseling services to take care of the needs of employees, promote their growth, and increase their work satisfaction.



Health Examination

The inspection items and frequency of health examinations provided by the Company are superior to regulatory requirements. All employees (except for flight crew members and level 1 managers and deputies) receive health examinations once every two years. Taiwanese cabin crew, employees that work on shifts (with 60 days or more night shifts/year), ground service crew above the age of 35 and employed for at least one year receive a health examination each year.



Work from Home

The Company issues notices for the implementation of work from home plans in response to major outbreaks of the pandemic and terminates such plans based on the development of the pandemic.

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Unpaid Leave



Care for Dependents

Applicable when an employee's spouse or direct relative is seriously ill or when necessary.




Illness

Applicable when an employee is seriously ill and has not recovered after taking relevant leave in accordance with regulations.




Advanced Education

All employees, regardless of school or discipline, must be enrolled in a discipline that is relevant to their current position or meets the needs of the company and is recognized by the Ministry of Education of the Republic of China.




Versatile Communication Channels



1. Labor-management Meetings

Meetings are held on a regular basis, allowing CAL to communicate with CAEU representatives.




2. Supervisor Mailbox

CAL encourages employees to express opinions and give suggestions through the Level 1 supervisor mailbox.




3. "Speak Your Mind" Employee Portal:

CAL encourages employees to express opinions and give suggestions through the "Speak Your Mind" Employee Portal on the Intranet.




4. Employee Care Mailbox

The Human Resources Division has set up an employee complaint e-mail (wecare@china-airlines.com) to protect employees' rights and interests.



5. Sexual Harassment Complaint Mailbox

The Human Resources Division has set up a confidential mailbox and assigned personnel to process cases.



6. Team+

This internal company messaging system is offered to employees for free, to facilitate two-way communication and instant reporting to supervisors.

Employee Communication

Each and every employee matters to CAL. We maintain multiple channels of communication with our employees, such as regularly scheduled labor-management meetings, and strive to find solutions to problems. We have established an employee care mailbox, a sexual harassment mailbox with an associated grievance hotline, and also a "Speak Your Mind" employee communication mailbox. In addition, our Team+ internal company messaging software enables employees to express their opinions and make suggestions at any time. When facing significant operational changes that will affect employees, CAL gives notice in compliance with relevant labor regulations and promptly communicates with labor unions and employees. Information on material issues and employee rights is made available on CAL's website or e-mailed to all employees. When employees express concerns about certain internal regulations or practices, CAL seeks to clarify the issue and communicate with the employees more frequently.

Labor Unions GRI 102-41

CAL cooperates with different labor unions and remains committed to communication and negotiation. We also show the same respect to all unions in accordance with law. As CAL continues to communicate with labor unions, CAL did not have any major labor disputes or strikes in 2021. In particular, the China Airlines Employees Union (CAEU), which has the highest participation rate of CAL employees, is a member of the Chinese Federation of Labor. There are six subordinate branches under CAEU, which are classified based on the location of members / business:

Branch 1:

Divisions in Head Office

Branch 2:

Flight Operations Division

Branch 3:

Cabin Crew Division and In-flight Supply Chain & Marketing Division

Branch 4:

Maintenance Division, Engineering Division, and Quality Assurance Division

Branch 5:

Taipei Branch, Ground Service Division, and Cargo Sales, Marketing & Service Division

Branch 6:

Kaohsiung Branch

There are six subordinate branches within the Mandarin Airlines Employees Union (MDAEU):

Branch 1:

Divisions in Taipei Head Office, Taichung Branch

Branch 2:

Flight Operations Division and Operation Control Center

Branch 3:

Inflight Services Department

Branch 4:

Customer Service Division (Taipei, Kinmen, and Taitung)

Branch 5:

Engineering & Maintenance Division

Branch 6:

Customer Service Division (Taichung, Magong, Hualien, and Kaohsiung)



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All employees of CAL, with the exception of the senior managers as stipulated in the union constitution, have joined the China Airlines Employees Union, and are governed by a collective agreement signed by both parties in 2002. The parties renewed the agreement for the 6th time on December 16, 2021. After CAL concluded negotiations with the Pilots Union Taoyuan, they signed a collective bargaining agreement on December 29, 2021. In January 2017, Mandarin Airlines entered into a collective bargaining agreement with the Employees Union. The agreement includes union assistance, labor-management cooperation, dispute resolution, employment and termination, working hours, leave and vacation, salary, allowances and bonuses, personnel transfers, rewards, disciplinary actions, benefits, training, and occupational safety and health clauses. The parties negotiate the renewal of the agreement every three years.

CAL / Mandarin Airlines cooperates and communicates with CAEU/MDAEU through various channels as a partner and based on mutual dependence, and the two parties have established various channels of communication over the years. All resolutions will be handled once they are reported. In addition, meeting minutes taken at labor-management meetings held at the Head Office are published and made available to all employees on CAL's website / Mandarin Airlines' website. CAL / Mandarin Airlines is dedicated to maintaining harmonious labor-management relations through open, efficient channels of communication. In 2021, due to the pandemic, CAL and the CAEU reached an agreement to hold three labor-management meetings in writing at the beginning of the year when the pandemic was at the most severe. A total of six meetings were held throughout the year to take into account both labor-management communication and joint pandemic prevention.

Union Participation Rate of CAL and Mandarin Airlines

Company	Item	2019	2020	2021
	Number of participants	10,201	9,811	9,526
	Participation rate	99.48%	99.43%	99.41%
	Number of participants	851	852	797
	Participation rate	90.72%	96.49%	99.75%

Note 1: The number of CAL participants refers to the number of people being members of CAEU in the year (including employees in Taiwan); hourly-basis employees, interns, contracted employees, and executives higher than the rank of vice president are not included.

Note 2: The number of Mandarin Airlines participants refers to the number of people being members of MDAEU in the year (including employees in Taiwan below the rank of vice president (inclusive) and expatriate executives in Mainland China); hourly-basis employees and contracted employees are not included.

Note 3: Tigerair Taiwan does not have a labor union currently.

Note 4: The collective bargaining coverage rate of CAL / Mandarin Airlines is equal to the labor union participation rate.

Employee Engagement

CAL has established diversified and unobstructed communication channels to listen to employees' suggestions attentively in line with its belief that employees are the Company's most important asset. Through an employee satisfaction survey, CAL understood employees' opinions of and needs for the Company and each unit, which served as a reference for CAL to provide a stable work environment. This would further increase employees' work efficiency and create a virtuous circle-based excellent corporate culture. CAL conducted the employee satisfaction survey in 2019. The survey covered six major dimensions, including Organizational

Health, Corporate Culture, Leadership, Job & Career, Working Environment, and Compensation and Benefits (effective response rate was 6.4, of which 6.5 for males and 6.2 for females, with no significant difference) (for details, please [refer to page 67 in the 2019 China Airlines Corporate Sustainability Report](#)). The employee satisfaction survey is conducted every two years in principle, and was originally intended to be conducted again in 2022, but was postponed to 2023 due to the pandemic. In 2021, CAL will continue to invest in a number of enhancements and improvements for its employees, as shown in the table below.

As the impact of the pandemic spreads across the global aviation industry, CAL cares about whether employees' career plans have been changed by the pandemic. CAL also wanted to learn about the impact of the pandemic on employees' willingness to be assigned to foreign branches and affiliates, and therefore conducted a survey of eligible managers and employees in non-supervisory roles in 2022 on their willingness to be assigned overseas. The response rate was 100%. Overall, 55% of the surveyed employees are willing to be assigned to overseas branches and 62% of the surveyed employees are willing to work in domestic affiliates. A more in-depth analysis of the management showed that 65% of the managers are willing to work in foreign branches and 83% of the managers are willing to work in domestic affiliates. The results showed that despite the pandemic and the mounting challenging employees must face when they are assigned to overseas branches or affiliates, more than half of the employees are willing to accept new challenges for CAL and management personnel are also supportive. It is evident that the work ethics of CAL employees are not affected by the pandemic and they will stay with the Company through the difficulties.



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Improvements	Corresponding Dimension
After open and sincere negotiations between labor and management, CAL signed collective bargaining agreements with China Airlines Employees Union and Pilots Union Taoyuan on December 16, 2021 and December 29, 2021 to stabilize labor relations.	<ul style="list-style-type: none">• Organizational Health• Corporate Culture• Leadership• Job & Career• Working Environment• Compensation and Benefits
To support flight crew during their isolation after duty, CAL formed a care team and provided the free "You Talk, I Listen" hotline and "Online Courses for Flight Crew Members during Quarantine" programs to provide care to employees and help resolve various life issues. As a result of the pandemic, CAL quickly adjusted the work contents of employees and actively held on-the-job training (OJT) or e-learning courses to strengthen employees' professional skills and work efficiency.	<ul style="list-style-type: none">• Organizational Health• Corporate Culture• Job & Career• Working Environment
Strengthen information security management and enhance the capacity of different information / communication devices so that employees can work from home in response to changes in the pandemic.	<ul style="list-style-type: none">• Working Environment• Job & Career
CAL continues to offer incentive programs to reward and show appreciation for the contributions and hard work of our employees during the pandemic.	<ul style="list-style-type: none">• Leadership• Compensation and Benefits
CAL has formed an internal disease prevention team, held disease prevention meetings on a regular basis or based on disease prevention needs, and cleaned and disinfected the working environment and public spaces at regular intervals/time. We also set up alternate seating plans or safety distance signs in elevators and cafeterias.	<ul style="list-style-type: none">• Working Environment
CAL continued to hold labor-management meetings and different forms of labor-management communication meetings during the pandemic through alternative means such as written records. We also use the manager's mailbox, Speak Your Mind Mailbox (employee suggestion mailbox), grievance channels, or the Company's internal communication software (Team+) to allow employees to express and communicate their opinions whenever necessary and maintain smooth internal communication channels.	<ul style="list-style-type: none">• Organizational Health• Corporate Culture• Leadership• Working Environment
CAL organized many training and general courses including manager training, experience sharing by experts, and general courses for career development for a total of 17,225 participants.	<ul style="list-style-type: none">• Organizational Health• Corporate Culture• Leadership
CAL will provide a year-end bonus of an average of six months' base salary to employees to motivate them and share the fruits of the Company's success. We also support the government's initiatives for companies to increase employees' salaries. In 2022, the average salary increase will be no less than 4%.	<ul style="list-style-type: none">• Compensation and Benefits

Protection of Employees' Rights during the COVID-19 Pandemic

The impact of the COVID-19 pandemic persisted in 2021 and caused significant losses to the global aviation industry. To take good care of its employees, CAL continues to implement policies to streamline manpower (temporary hiring freeze, relaxation of regulations on suspension of work without pay, manpower adjustments, and special project leave) with the joint efforts of labor and management. CAL also actively supports the government's disease prevention policies, encourages employees to vaccinate, and provides necessary support (e.g., vaccination leave) and measures for separating employees in the office or work from home to protect employee health and ensure safety at the workplace.



COVID-19
Special Column

2-2-5 Healthy and Safe Workplace GRI 403-1, 403-2, 403-9, 403-10

CAL has established an Occupational Safety and Health Committee in accordance with law. The committee is tasked with the objective of preventing occupational hazards and protecting the safety and health of all employees by reviewing, coordinating, and making recommendations pertaining to safety and health related matters. The President acts as the chairperson. One deputy chairperson and one executive secretary are appointed. Members consist of vice president, occupational health and safety employees, engineers, and medical personnel from the designated divisions / departments as well as representatives appointed by labor unions. A meeting is held once every three months to review and analyze occupational incidents. All incidents are followed up and reported to the management so that related health management solutions can be subsequently developed. In 2021, has 1 safety and health proposal was reviewed and discussed, which has been closed. Meeting minutes were published on the EIP website; a total of 163 hazard and safety issues were reported, all 163 were improved and closed with an achievement rate of 100%.

Five Major Goals of CAL's Occupational Safety and Health

- 1 Comprehensive occupational safety and health management system
- 2 Reinforce the corporate safety culture and enhance personnel's safety awareness
- 3 Enforce risk management mechanism and effectively resolve threats
- 4 Strengthen safety and health education & training to reduce incidence of occupational injury
- 5 Build a safe, healthy and comfortable working environment



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Proportion of Labor Representatives in Occupational Health and Safety Committee of CAL Group in 2021

(Unit: %)

Company		2019	2020	2021
CAL	Taipei Branch	36.36	36.36	36.36
	CAL Park	36.53	37.73	37.73
	Kaohsiung Branch	37.50	37.50	37.50
	EMO	34.78	34.78	34.78
Mandarin Airlines		33.33	33.33	33.33
Tigerair Taiwan		38.46	41.18	41.17

Note: Labor representative proportion = (Occupational Health and Safety Committee labor representatives / Occupational Health and Safety Committee total members) × 100%.

Dual International Certification of Occupational Health and Safety

To implement safety and health management more efficiently, systematically, and in accordance with both international trends and domestic and foreign standards, CAL has established an independent safety and health management system and enhanced risk controls in line with international standards. On April 20, 2019, CAL obtained ISO45001: 2018 and TOSHMS certifications for our safety and health management system, which adopts the PDCA model. Through the risk management mechanism, risk classification management is carried out according to each type of operation and job category into the following three categories:

Category	Hazard Risk Classification	Job Type (For Example)
Category 1	Significant occupational risk	Flight crew, cabin crew, cargo loading personnel
Category 2	Moderate occupational risk	Engineering personnel, machinery and equipment operators
Category 3	Low occupational risk	Office administrators

We have completed the set-up of safety and health officers and on-the-job training for each unit, including how to conduct workplace hazard identification, risk classification, how to create management plans, and occupational hazard identification process. We also provide guidance to units at all levels on risk assessment as well as prevention and improvement. In addition, according to

the five major operational elements of the Occupational Health and Safety management system and its related implementation, we will effectively control the risk of occupational hazards through regular audits, improve the management of occupational disease prevention, enhance the performance of occupational safety and health management, and implement the occupational safety policy to ensure that employees can work in a safe, healthy, and comfortable work environment.

A total of 1,271 safety and health physical inspections were conducted at each work site, and 144 faults were found, all of which were coordinated with the relevant units for improvement. The internal audit of each unit is performed once a year, and the external audit is entrusted to SGS once a year.

Enhancing Operational Safety and Implementing Risk Control over Occupational Health and Safety Management

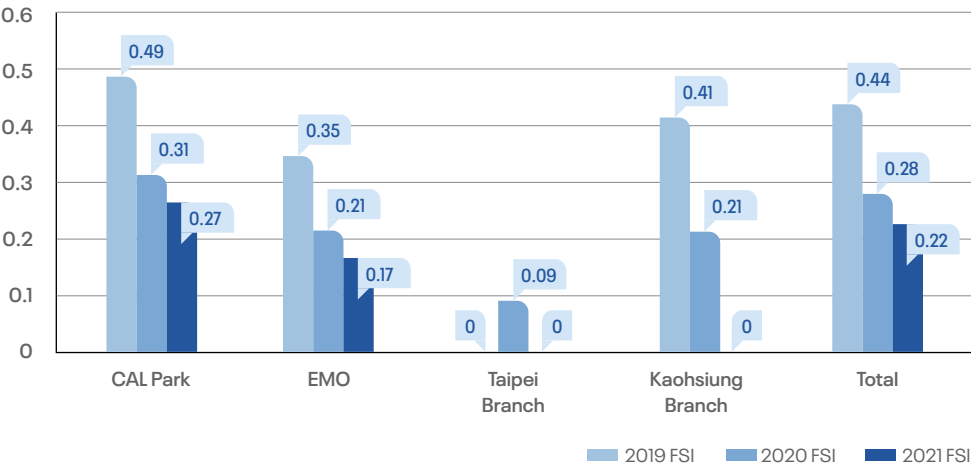
In 2021, the disabling injury frequency rate (FR) was 1.63; the disabling injury severity rate (SR) was 32; the frequency-severity indicator (FSI) was 0.22; and the absence rate was 0.71%. According to analysis, most occupational hazard incidents were caused by unsafe employee conduct. However, CAL's FR and SR were lower than the air transport industry average FR (3.39), SR (54), and FSI (0.43) from 2018 to 2020. No student occupational hazard incidents in industry-academia collaboration programs or summer internship programs were reported at CAL workplaces, and no occupational hazard incidents occurred to contracted agents in 2021. We will continue to implement the promotion of occupational hazard prevention and related education and training.

Refer to

Compartmenting the Frequency-severity Indicator and Occupational Injury Statistics Over the Past 3 Years

Occupational Hazards Statistics of CAL Group

Comparing the Frequency-Severity Indicator Over the Past 3 Years





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Strengthening Epidemic Prevention Measures in Response to Emerging Epidemics

1. Establishment of Emergency Response Mechanisms

In response to the outbreak of new diseases in recent years and to avoid uncertainties in future pandemics, the Company has established hierarchical mobilization mechanisms between different units, a command system, and operating procedures to integrate relevant units for collective response. We remind our employees to be alert and activate our response mechanisms in accordance with the severity of pandemics at any given time. The Corporate Safety Division also organizes preventive actions and convenes ad hoc disease prevention meetings.

2. Increase Risk Management Awareness

We set up a health management reporting system for employees with higher exposure risk levels (flight crew members). We also created a pandemic management system for tracking, a vaccine registration system for managing employees' COVID-19 vaccination, rapid screening mechanisms for preventing the spread of the disease, adjustments to office or business travel, strengthened disease prevention education, and establishment of cooperation mechanisms with relevant departments. We set up a Team+ group contact platform to connect different units and ensure the supply of consistent information. We activated multiple channels to provide real-time information, and encouraged employees with fever or acute respiratory symptoms to rest at home until their symptoms subside before returning to work.

3. Enhance Hazard Prevention Knowledge Against Biological Agents

We organized training programs for preventing infections for all employees and provided training on the correct use of personal protective equipment for employees with higher risk of exposure. We required contractors to strengthen disease prevention, COVID-19 vaccination, rapid screening mechanisms, and anomaly reports. We strengthened self-management measures such as temperature measurement and recordkeeping, maintaining indoor ventilation and regular replacement of filters, disinfection of the workplace, sanitation and health education, and personal protective equipment.

4. Management of Epidemic Prevention Supplies

Management, procurement, distribution, safe stock quantity, and storage is standardized by a dedicated unit.

5. Mental Health Support / Employee Assistance Program

Provide epidemic prevention care kits and related assistance measures to employees (crew members) with higher exposure risk level; proactive care.

Future Plans

1. Recruitment

In 2022, CAL will continue to recruit flight crew members and employ more people with disabilities, in order to achieve our commitment to corporate social responsibility.

2. Diversification

Over the past three years, CAL's female employees have accounted for 48.00% of the total workforce. The 2022 target is also set at 48.00%. In terms of CAL's female managers, the proportion has increased year by year over the past three years. In 2023, the target is set at 24.75%.

3. Employee Training

2022 marks CAL's 62nd anniversary. In addition to strengthening company products and services, CAL will continue to provide professional training that covers all fields of expertise. Out of a desire to transmit our corporate culture and values, CAL will base our overall employee training goals on Care, Communication, and Pass on experiences, and implement training through Effective Management, Case Studies, and Follow-Up. CAL plans to organize training courses, including general management skills training, with employee problem identification, employee care and communication, management seminars, and group cohesiveness; professional training for instructors and human resources personnel; and general training for all employees, including general aviation management, Cross-departmental communication.

4. Implementing Occupational Health and Safety Management System (ISO 45001) and Incorporating Occupational Safety and Health in Corporate Culture

By establishing graded safety and health management practices, CAL expects to apply the concepts of occupational safety and health to work and enhance employees' skills to maintain these concepts. Enhance the safety and health management system, and safety and health audits to reduce occurrence of occupational hazards.