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Trust



HIGHLIGHTS



Preemptive Protective Measures

CAL actively cooperates with the national disease prevention regulations in response to the COVID-19 pandemic. We implemented advanced preparation and protection measures to ensure the health and safety of passengers and crew members to jointly protect public safety and health.



ISMS and PIMS certification introduced for core information systems

In 2020, the Company's core information systems passed the "Information Security Management System (ISMS) ISO 27001: 2013" and "Privacy Information Management ISO 27701: 2019" certification. To maintain the validity of the certificates, the Company has passed the annual reinspection in 2021. The Company shall continue to implement monitoring, review, maintenance, and improvements to ensure compliance.



IATA Travel Pass pilot program

CAL actively develops the digital health platform and has tested the International Air Transport Association (IATA) Travel Pass starting from August 30, 2021. We introduced digital health certification procedures and activated them for trial operations for return flights from 8 destinations including Los Angeles, Ontario, San Francisco, New York, Vancouver, Frankfurt, London, and Singapore to provide passengers with a safer flight experience.



Co-organized the 2021 Flight Safety Operations **Seminar**

The 2021 Flight Safety Operations Seminar was organized by the China Aviation Development Foundation and the Civil Aeronautics Administration of the Ministry of Transportation and Communications (MOTC), and co-organized by CAL. The Seminar was organized to increase overall flight safety in Taiwan and prepare for the opening of Taiwan to foreign visitors after the pandemic.



10th time IOSA safety certification

CAL met the IATA Operational Safety Audit (IOSA) standards for the 10th time and continue to meet the highest international standards.

Management Approach GRI 103-1, 103-2, 103-3

O Topic of Concern

- Public Health and Safety
- Cargo Service Management
- Market Competitiveness
- Sustainable Innovation and Development
- Flight Safety Management
- Passenger Services Management

Information Security Management

- Customer Relationship and Satisfaction
- Privacy Management

(9) Importance of Material Issues

Zero accident is the foundation for creating sustainable value for customers. Therefore, providing reliable and safe service is not only the core value of CAL, but also our way to sustainability. As a professional transportation service provider, the sustainable operations of CAL depend on the quality of transportation service provided. To create sustainable value for customers, CAL is dedicated to protecting customers' privacy, providing premium service that meets their expectations and needs, and continuing optimizing the quality of service.



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O Commitment and Long-term Goals

Commitment

Flight safety is CAL's most solemn and important commitment to customers and the public in its 62 years of history. We are committed to compliance with regulations and zero flight safety accidents and we pledge that we shall do all we can to ensure the safety of all passengers and cargo on each journey.

We shall also uphold our consistent service ideals of respect for customers and protecting customer rights during the global COVID-19 pandemic by monitoring international development while complying with national policies and full consideration of customer interests to create a reliable and high-quality service experience. We have adopted a brand-new national flight team slogan during the pandemic — "We Are Always Here for You." We shall continue to fulfill our corporate mission of "creating more wonderful moments through flying."

Long-term Goals













2023

- 1. Implementing personal data management systems, in accordance with GDPR and personal data protection laws
- 2. Increasing the cargo service customer satisfaction rate to 88%
- 3. Performing aviation data study and analysis for future release
- 4. Continuing to pass IOSA certification standards and improve safety risk management
- Securing development of core business application systems and infrastructures, and launching innovative application services as needed to increase revenue and reduce costs for the company and increase work efficiency

2025

- Receiving ISO27701 Privacy Information Management certification in the collection, processing, and use of personal data in the Passenger Service Management Procedure (including Taiwan and EU headquarters)
- 2. Increasing the cargo service customer satisfaction rate to 89%
- 3. Publishing the results of flight operations studies to improve technical capacity of aviation industry
- 4. Continuing to pass IOSA certification standards and improve the safety management system
- 5. Promoting a smart airport: Establish a smart airport at Terminal 3 of Taiwan Taoyuan International Airport and increase customer satisfaction with digital and innovative technology application

- 6. High-speed ICT network: Set up a dedicated optical fiber and terminal system network to increase data and audio connection performance and increase operating efficiency
- 7. Continuous improvement of disaster recovery plans: Provide on-site redundancy with sufficient hardware and software capacity to respond to anomalies in the core database system and ensure high availability of the database system

2030

- 1. Maintaining validity of ISO27701 Privacy Information Management certificate, and keeping a score of 90 or higher in the DJSI personal data protection criteria
- 2. Increasing the cargo service customer satisfaction rate to 90%
- 3. Developing innovation plans with other airlines to drive innovation momentum
- 4. Continuing to pass IOSA certification standards and improve corporate safety culture
- 5. Integrate tourism-related industries such as insurance, rental car, hotels, and tourist destinations and use the unique functions and characteristics of mobility to create a comprehensive smart traveler ecosystem and sharing platform. Provide passengers with a one-stop solution for purchasing travel services and products to promote technical integration and common prosperity for tourism-related industries
- 6. Evaluate the development trends and applications of new technologies, continuously improve the disaster recovery equipment and architecture, and make good use of the resources of in CAL Park for replacing equipment to maintain the effectiveness of the disaster recovery system

Output Unit in Charge

Corporate Sustainability Committee — Trust Task Force and Corporate Safety Committee

Management Mechanisms

- The Corporate Sustainability Committee convenes a meeting at least twice every year
- The Corporate Safety Committee convenes a meeting every quarter on a regular basis
- The quality review meeting is convened every half year on a regular basis
- The Trust Task Force submits the KPI report to the Corporate Sustainability Committee every quarter
- The personal information protection management review meeting is convened every year on a regular basis



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Objectives and Plans GRI 102-44

Key Point	SPI (Note 1) / KPI	2021			2022
		Objectives	Performance	Achievement	Objectives
Flight Safety	Fatal and Hull Loss (Accident rate)	0	0	100%	0
	Runway Excursions (RE)	0	0	100%	0
	Controlled Flight into Terrain (CFIT)	0	0	100%	0
	Loss of Control in Flight (LOC-I)	0	0	100%	0
Customer Service	Overall Passenger Satisfaction	87.8	90.7	100%	87.8 (Note 2)
	Overall Cargo Service Satisfaction	88	88.3	100%	88.0
	Overall Maintenance Satisfaction	8.4	8.24	98.1%	8.4

Note 1: SPI refers to safety performance indicators. No flight safety penalties were imposed on CAL in 2021.

Note 2: The sum of target values proposed by units show that the overall passenger satisfaction targets in 2022 were the same as 2021.

O Grievance Mechanism

- Passenger: Passenger Branch Office Website
- Cargo: Cargo Sales, Marketing & Service Division Website
- Aircraft Maintenance: Engineering and Maintenance Organization —

E-mail: emo.customer@china-airlines.com



Stakeholder

Contact



Branch Office





Maintenance

2-1-1 Flight Safety

Safety is the core value of CAL and our absolute commitment to customers. We always take a consistent and uncompromising stand on flight safety. With a zero tolerance on flight safety accidents, CAL has comprehensive control over flight safety through management systems. CAL continuously improves overall flight safety and endeavors to reinforce the corporate culture of safety to make sure that securities are fully in place to provide passengers with safe and reliable flights.

Safety Management System (SMS)

CAL follows the requirements in the civil aviation regulations of Taiwan and references the guidelines in the International Civil Aviation Organization (ICAO) DOC. 9859 Safety Management Manual (SMM). CAL has implemented the Safety Management System (SMS) since 2007. After more than a decade, we continue to meet international standards and national regulations with excellent results. The core of CAL's SMS is safety risk management. CAL analyzes and manages operational risks systematically through continuous risk identification and management. We also set Safety Performance Targets (SPTs) for comprehensive tracking, control, and risk mitigation.





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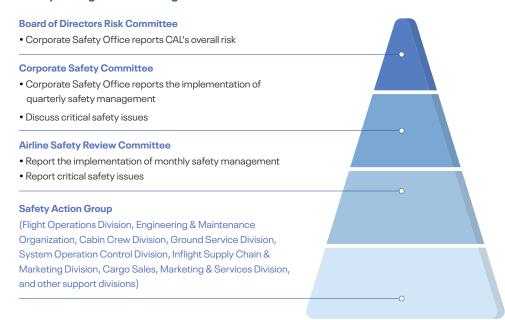
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Safety Risk Management

1. Setting and Monitoring Safety Performance Indicators / Targets (SPI / SPT)

Based on past performance and Safety Reporting System, requirements of authorities in charge of civil aviation, plus official safety reports provided by international organizations, CAL sets its annual SPIs / SPTs. The annual safety performance indicators are monitored in executive meetings and reviewed and discussed in review meetings of the safety task force of each unit on a regular basis, to meet flight safety management requirements to meet domestic and international safety standards and attain the highest safety standards.

Safety Management Meeting



2. Safety Reporting System

To enhance their awareness of flight safety, CAL encourages employees to use the Safety Reporting System to proactively identify potential risks and report possible safety issues in their daily work. Through risk reporting, CAL prevents unsafe incidents from occurring and increases its overall security level. In addition, CAL conducts risk analysis and assessments based on seasonality, trends of flight safety, and changes in internal and external environments. Making a further effort to control risks, we also communicate safety-related discipline and conduct to our employees in announcements or meetings. CAL has a reward mechanism in place to encourage employees to report potential safety issues. Although the number of flights remained affected by the COVID-19 pandemic in 2021, employee still actively filed safety reports with 911 reports filed

this year and rewards were presented 53 times. The Company has been ranked first in terms of the number of hazard reports filed to Taiwan Taoyuan International Airport for 4 consecutive years, which demonstrates the effectiveness of the active reporting system.



3. Safety Risk Management

Through risk identification, risk assessment, risk control, monitoring, and review, CAL not only mitigates risks to a level as low as reasonably practicable (ALARP), but also predicts potential safety issues in normal system operations and solves them early to prevent accidents from occurring. To instill the concept of risk management into the operation units and strengthen employees' use of risk management, CAL has, since 2015, provided regular safety risk management (SRM) training and assigned frontline units to implement self-evaluations and execute risk management operations. They must implement safety risk management in accordance with internal and external information, changes in the operation environment, adjustment of regulations, and changes in procedures and equipment.

In 2021, the Civil Aeronautics Administration of Taiwan issued a flight safety bulletin regarding to the flight dispatch monitoring of flight crews having taken COVID-19 Vaccination. CAL have conducted risk management and implemented crew schedule monitoring accordingly.





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4. Flight Operations Quality Assurance

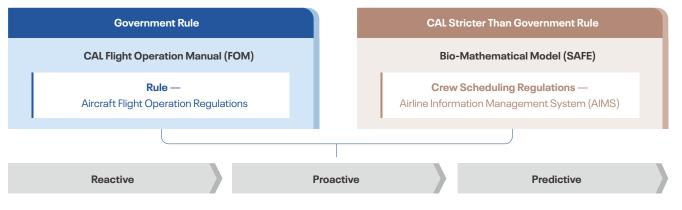
CAL utilizes Flight Operations Quality Assurance (FOQA) and the Flight Operations Quality Information System (FOQIS) developed by CAL to quickly identify the potential risks of the flight crew operations and promptly provide guidance for them to take corrective measures. Apart from producing monthly trend analysis report of FOQA for CAL's fleet as references, CAL shall conduct a necessary investigation and analysis, take corrective measures, and continuously monitor the effectiveness of subsequent improvements and corrective measures in accordance with the regulations for operations, thereby lowering flight operation risks and ensuring flight safety.

5. Fatique Management

In addition to fatigue management regulations set forth in domestic civil aviation laws, CAL follows the Fatigue Management Guide for Airline Operators (2nd Edition) established by the International Air Transport Association (IATA), International Civil Aviation Organization (ICAO) and the International Federation of Air Line Pilots' Associations (IFALPA) in 2015 to implement crew fatigue management mechanism using a prescriptive approach. In 2019, CAL incorporated the fatigue management system into the safety policy and introduced a new crew scheduling system (AIMS) and a flight crew fatigue management system (FRMSc-SAFE). Through predictive risk identification and proactive actions, CAL plans to optimize crew scheduling and fatigue management. Due to the impact of the pandemic in 2020, CAL referenced the IATA's "Guidance for managing crew fatigue during a crisis (1st Edition)" to manage crew fatigue. CAL actively reviewed the fatigue conditions and changes in safety behavior to identify potential risks for evaluations and adopt suitable mitigation measures.

In 2021, we received 60 crew member fatigue reports and found in the review that all mission assignments complied with regulatory requirements and the Samn Perelli Seven-Point Fatigue Scale (SPS). The fatigue reports this year included feedback on continuous mission assignments during the pandemic, flight delays, and improvements for the environment for taking breaks. The Company has provided communication channels to improve the issues reported by the crew members and encouraged them to seek medical consultation for fatigue management according based on their conditions to meet the operational needs and quarantine regulations during the pandemic.

CAL Flight Crew Fatigue Risk Management



 Crew Fatigue Reports Review and Fatigue Risk Assessment

• Flight Dispatch Changes

- Regularly Examine Flight Crew Complement
- Keep Optimizing Rosters

- Monitoring Flight Crew Flight Time Limitations Bio-Mat
- Bio-Mathematical Model Application

Flight Task Evaluation



6. Alcohol Test Mechanism

According to the Aircraft Flight Operation Regulations of the Civil Aeronautics Administration, CAL has established the alcohol test mechanism to conduct alcohol tests for operations personnel, such as flight crew, cabin crew, flight dispatchers, and maintenance personnel, and increase their alertness of flight safety.

Implement Changes in Response to the Pandemic and Ensure Flight Safety Management

Due to the impact of the COVID-19 pandemic, the Company continued to reference the CART Take-off Guidance (TOGD) issued by the International Civil Aviation Organization (ICAO) in 2021 for airports, aircrafts, crew, and cargo as well as the disease prevention regulations of Taiwan and disease prevention guidelines of civil aviation authorities in different countries to implement comprehensive flight safety risk management. We use comprehensive response and preparedness mechanisms to respond to the impact and changes brought forth by the pandemic. In the post-pandemic era, we use risk management for the restoration (restart) of operations for each stage. Domestic and foreign units and overseas branches have completed 66 risk management assessments and implemented adjustment and mitigation measures in accordance with changes in risk to ensure continuous safe operations.



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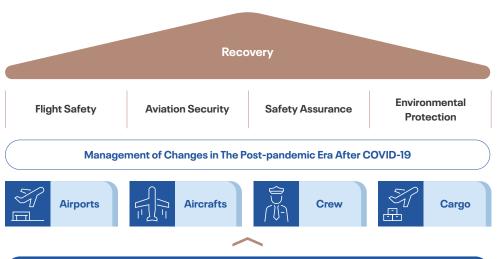
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COVID-19 Pandemic Safety Risk Management



The CART Take-off Guidance

Due to the violation of disease prevention health management measures of individual crew members in 2021, the Company was fined twice by the Civil Aeronautics Administration with a total fine of TWD 3 million for failure to take effective actions for disease prevention management and liability for supervising crew members. The Company has continuously strengthened disease prevention measures for crew members and implemented disease prevention management in accordance with the latest regulations of the Central Epidemic Command Center and Civil Aeronautics Administration of the MOTC.

Enhanced Disease Prevention — Passenger and Employee Safety

- 1. CAL revised the "CAL Crew Member Disease Prevention Health Management Measures" in accordance with the "Principles for Crew Member Disease Prevention Health Management Measures of National Airline Companies" published by the CAA. We implemented enhanced management of disease prevention measures for flight cleaning and disinfection, meal preparation, repairs, refueling, and other operations / personnel.
- 2. CAL supported the Crew Member Zero-COVID 2.0 Plan (May 11 to June 27, 2021) for 1,258 flight crew members and 2,898 cabin crew members. We also established the "Flight Crew Zero-Contact Plan" to effectively monitor the development of the pandemic.
- 3. Implement employee COVID-19 vaccination to enhance the immunity of employees.
- 4. To strengthen disease prevention, we have installed six smart disease prevention gates at the head office. They effectively remove 99.9% of the COVID-19 viruses and ensure the safety of the workplace environment.







CAL Crew Member Disease Prevention Health Management Measures

Safety Promotion and Training

To ensure flight safety, CAL organizes educational and entertaining safety events every year to instill the significance of safety among all employees and constantly enhance their awareness of flight safety. The safety training activities in 2021 continued the essence of safety management for "safety identification, active implementation, participation, and continuous improvement". We aimed to enable all employees to act safely through experiential learning and positive motivation together reinforcing the safety culture in CAL and achieve the highest flight safety standards.

1. Safety Management System Recurrent Training — "Training for Management by Walking Around for Entry-level and Mid-level Managers"

CAL organized the "Training for Management by Walking Around for Entry-level and Mid-level Managers" courses for front-line units this year to continue to increase the support and trust between the management and entry-level employees regarding safety management. The training involved safety culture and management by walking around training for entry-level managers through interactive psychology. The results are provided to level 2 managers with the aim of improving safety and management competency and increasing positive interactions. A total of 99 managers and 6 safety personnel completed the training.





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2. Safety Promotion — "Unlocking the Secrets to Aviation Safety" Essay Contest

CAL organized an essay contest for all employees and voting by readers to create a sound safety culture. Experts of different units share their routine operational procedures and experience to help all employees gain a better understanding of the work of other units. Many employees submitted entries and the Company selected 6 outstanding works for publication in the internal safety journal after intense competition and evaluation.







One of the Winning Entries in the "Unlocking the Secrets to Aviation Safety" Essay Contest

3. Safety Promotion — Co-organized the 2021 Flight Safety Operations Seminar



On December 14, 2021, China Aviation Development Foundation and CAA Organized the "2021 Flight Safety Operations Seminar" with the Support of CAL

Flight Crew Management

Professional Training and Evaluation GRI 404-2

CAL differentiates risk factors and implements risk management mechanisms based on the three perspectives of "Prediction", "Proactive", and "Passive" through complete internal and external environmental change response trainings, such as training for new airports, routes, aircrafts, systems, protocol procedures, systematic flight training / qualification, flight operation quality assurance (FOQA), and periodic appraisal of trainers / examiners, pilots who graduate from our training programs are highly professional, reliable, and fully capable of safeguarding passenger safety.

Note: The goal of FOQA is to reduce the risk of accidents and hull loss by using past flight data and flight log excerpts to discover abnormal incidents and to analyze each fleet's operational characteristics. We then evaluate the findings to look for and rectify potential safety risks.

1. Stringent Training and Objective Testing

In order to implement our commitment of flight safety with a surge of demand for flight crew on the global market and ensure that flight crew training meet stringent requirements and objective tests, CAL strictly requires our flight crew to complete training/tests. To ensure solid flight training, they must pass the training for new aircraft models, upgraded ranking, and switching between aircraft types. Cadet pilots must complete at least 10 months of training programs at well-known flight training schools in the United States or Australia.

CAL has introduced evidence-based training (EBT) to replace traditional recurrent training and tests. The EBT is guided by risk and crisis management, utilizing big data collection and analysis to enhance the ability of handling abnormal situation by individual behavior, fleet performance, operation sites, and historical record of events etc. Since January 1, 2018, CAL has implemented annual "Flight Crew EBT" refresher training and fitness tests and achieved 100% EBT for a total of 2,329 flight crew in 2021.

2. Professional Training Facilities

As the first airline to introduce civil flight simulators in Taiwan, CAL is equipped with various types of simulators for flight training. In addition to simulating various adverse weather conditions, simulators can incorporate a variety of contingencies for constant simulation training; they can also display the tolerance limits of aircraft designs and carry out training in any possible extreme and dangerous situations without incurring any risk in the exercise. The training process can also be recorded as a basis for review and improvement for flight skill and expertise.

CAL's flight simulators and ground / water escape training facilities have been certified by international aviation administrations. The flight simulators are available for domestic and international training. CAL will continuously invest in and upgrade training equipment to ensure flight safety.

3. A Comprehensive Management System

The Integrated Pilot Training System (IPTS) was since 2014 to comprehensively E-training records and integrate training course information. In 2021, 355 CAL flight crew have participated in a variety of short- and long-term training courses. CAL also completed the system connection and integration for IPTS with the new crew scheduling system (AIMS) introduced in 2019 to ensure the effective management and use of training resources.

In response to the impact of the COVID-19 pandemic on flight operations in 2020, CAL has organized regular flight simulator training, tests, and actual flights for all flight crews in accordance with civil aviation regulations. We also formulated and executed continuous simulator familiarization training for all flight crew members of B738 aircrafts for which more flights were canceled and copilots of long-range fleets with relatively fewer landing experience. In 2021, CAL reviewed training



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plans and course contents for flight crews during the pandemic and implemented adjustments to enhance the quality of training and meet qualitative targets for flight operational safety.

In response to introduce of New A321neo aircrafts, CAL has assigned flight crew members to Airbus for training for transitional training since 2021. We also developed training programs that meet domestic civil aviation regulations, related international regulations, and CAL quality requirements based on the Airbus training programs to ensure that the operations of flight crew members on new A321neo aircrafts meet international flight safety standards.

Health and Emotional Management

CAL sets strict standards not only for pilot training, but also for pilots' health and emotional management. CAL has adopted proactive planning, crew feedback and prediction in crew roster management to prevent and reduce the physical and mental stress of pilots in long-haul flight duties.

1. Life Management

To prevent and reduce the physical and mental stress of pilots in long-haul flight duties, CAL sets requirements higher than statutory ones and manages flight crew's physical and mental health so that all flight crew members are fully ready for each duty.

2. Stress and Health Management

To enhance flight crew's awareness of stress issues, human factors and crew resource management (CRM) are included in flight crew training and retraining courses. For the flight crew, appropriate stress can improve the quality of work, but excessive stress can affect attention and emotional issues. In view of this, the perception of personal stress is especially emphasized in training, and problem solving and emotional regulation are proposed for flight crew members to choose as the most appropriate way to deal with their stress. CRM training provides the concepts of teamwork and workload management to help flight crew properly face and deal with stresses caused by bad weather and schedule delays and any unexpected situation. CAL provides free psychological counseling service, where psychological consultants work with flight crew members to find feasible solutions to problems they face in their daily life.

3. Alcohol and Drug Management

CAL has established strict regulations and test procedures to prohibit the use of alcohol and drugs. This includes alcoholic beverages and food containing alcohol, as well as narcotic drugs or other drugs that may affect the normal performance of employees. CAL flight crews are not allowed to drink alcoholic beverages 12 hours prior to a flight. Since April 10, 2017, CAL has conducted alcohol test for all flight crew in accordance with the regulations of the Civil Aeronautics Administration.

4. Improved Communication and Crew Services

To improve communication with crew members and cohesion between them, CAL organizes all types of meetings on a regular basis to streamline the channels of communication and quickly respond to

and resolve their problems and needs during flight duty period. Through improved communication, we hope to provide a comfortable and secure work environment for all crew members.

Since the outbreak of the COVID-19 pandemic in February 2020, CAL Flight Operations Division has implemented disease prevention measures so that the crew members can work in a safe environment. Related response measures are as follows:

- 1. Provide crew members with information on the pandemic and provide them with comprehensive disease prevention equipment when they are on duty.
- 2. Plan disease prevention arrangements for outstation stays and request branch office to provide assistance to ensure crew members stay in hotels in accordance with the Company's disease prevention requirements. Protect crew members from being exposed to risks and prepare snack packages for them when they cannot go out and purchase food in outstations.
- 3. Establish real time communication channels in CAL real time communication application to ensure instantaneous communication regardless of the time zone.
- 4. Cooperate with government regulations, arrange for crew members to reside at Company's hotel as the home quarantine site, and provide online fitness courses to improve their health.
- 5. Provide employees to reside in quarantine hotels with baggage storage, uniform pick-up services, parking lot shuttle buses, and northbound shuttle buses. Provide snacks in disease prevention hotels for crew members when they take up residence.

Proactive Planning

- · Monthly review and discuss next month schedules with fleet office.
- Better rosters for flight crew's dispatch and rest time.
- If performed a night flight, the maximum duty duration is reduced by 2 hours.
- Monitor crew pairing by their performance in each fleet.
- Schedule a day off after a specific flight duty.
- Plan home quarantine dates in accordance with the regulations of the CDC and CAA during the pandemic.

Crew Feedback

- Investigate crew report regarding fatigue issue and mitigate by adjusting flight duty, crew number or layover as appropriate.
- The dispatcher immediately adjusts the schedule of flight crew if they report fatigue or ask sick leave.

 The care team also inquires about flight crew's physical and mental conditions.

Prediction

Crew number and crew pattern for new routes will be determined by fleet office after evaluation. The evaluation will also include the regulations of different countries during the pandemic.



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Inflight Monitoring and Control

CAL System Operation Control Division monitors flights and flight safety across the globe and at all times. We use communication tools to monitor operations in all sites in real time. Wherever our flights may be, all factors that may affect them are closely monitored, including weather conditions and incidents of disasters, and are immediately relayed to aircrafts in flight along with contingency plans.

The impact of the pandemic persisted in 2021 and airports across the world have resulted in changes in airport management in line with disease prevention regulations in different countries to enhance routine disease prevention. Enhanced disinfection in airports in Mainland China caused aircrafts to be held on the ground for long periods of time (over 6 hours) which severely affected aircraft dispatches and the work hours of crew members. Aircraft malfunction caused long delays and flight crews must be accommodated in hotels approved by the CAA, which created a shortage of quarantine hotels in Taiwan. The changes in international developments resulted in adjustments and closure of routes without warning. However, CAL maintained an average of 94.43% in the "international and cross-strait passenger flight punctuality rate for national airline company CAL's punctuality rate calculated based on the "punctuality rate of international and cross-strait flights of the national airline" averaged 94.43% in 2021 which was 11.43% higher than the Company's target punctuality rate (KPI was 83%). The dispatch reliability rate exceeded 99.7% which was also higher than those of domestic peers.

In response to the increase in the demand for cargo in 2022, the System Operation Control Division continues to monitor flight operations to implement more effective dispatches of cargo aircrafts to meet regulatory requirements. The System Operation Control Division has set up comprehensive dynamic monitoring for designated seats and provides real-time updates of the latest hazardous weather events to aircrafts to help pilots change routes and avoid hazardous areas. Reputable meteorologists are also employed for weather forecasts for each station to provide reference information for making decisions for flights, increase flight efficiency, avoid hazardous weather at stations, and ensure flight safety. In terms of airport monitoring, ground monitoring software and hardware are continuously upgraded to connect with the CDM system of domestic and foreign airports for flight information, air traffic radar, and the self-developed CCTV management and monitoring dashboard to monitor flight status with precision. These measures improve the punctuality rate and service quality of flights and reduces inconveniences for passengers.

Maintenance Quality

Ensuring maintenance quality is an important foundation of flight safety. With the Company's Reliability Control Program, we proactively manage the maintenance status of all aircraft. By compiling and analyzing data related to common abnormalities and technical parameters from daily operations, appropriate maintenance strategies and plans are developed; this allows us to maintain the reliability of all systems on the aircraft to enhance maintenance quality and flight safety.

1. Maintenance Quality

CAL 's maintenance organization is certified by 11 countries and regions, including the European Union, the US, and China. We have the largest modernized maintenance facilities in Taiwan, including two hangers that can accommodate 5 widebodied aircraft at once, as well as an Engine Test Cell with up to 120,000 lbs. of thrust capability. The Company's maintenance capability can satisfy different level of maintenance checks for various type of aircrafts. CAL has expanded maintenance service to airlines in Southeast Asia and East Asia in 2019 and was approved as a repair station by the Philippines in April 2019. CAL will continue to expand maintenance services for customer aircrafts and third-party equipment. The Company applied for maintenance certificates from Japan Civil Aviation Bureau (JCAB) in 2021 and is expected to complete reviews and obtain the license in the first half of 2022.

2. Establishing a New Maintenance Training Center

In response to rapidly growing demand for maintenance service at home and abroad, CAL was certified to establish the CAL Technical Training Center (CTC) in 2015. In 2017, CTC also obtained certification from the Civil Aviation Administration of China. CTC was the first certified institution in Taiwan to provide aircraft maintenance training for CAL-EMO and other airlines. Since CTC's foundation, a total of 226 training courses have been offered, and 2,443 trainees have completed training.

3. Elevating the Quality Management System

CAL has acquired ISO 9001 certification and continuously maintain the effectiveness of the system since 1996. In May 2017, the EMO became the first repair station in Taiwan to receive certification for the AS9110 Quality Maintenance Systems - Aerospace from the International Aerospace Quality Group (IAOG). In December 2019, CAL renewed its three-year re-evaluation contract with the accreditation institution. Consistent with its pursuit of improvement of quality, CAL-EMO will periodically conduct Plan-Do-Check-Act (PDCA) through the quality management system for continuous improvement and customer satisfaction.

Note: IAQG members include Boeing, Airbus, GE, and Rolls Royce. To manage and regulate the quality of suppliers, suppliers are required to comply with a series of established standards for quality management system, including AS 9110.



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2-1-2 Passenger Service GRI 102-44





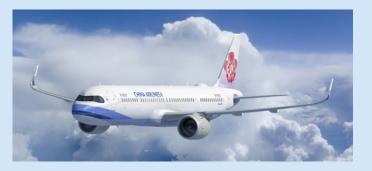
Preemptive Preparation — Protecting Public Health

As the COVID-19 pandemic continued to loom over the world in 2021, CAL continued to implement body temperature measurements for work and shuttle buses. CAL also dedicated full efforts to integrating the passenger aircrafts of the CAL group for active business management to ensure the survival of the Company, while fulfilling social responsibilities. Through the hard work, resolve, and strength, CAL has shown to the public that CAL is not only proud to be a member of the "National Team of the Sky" but is also willing to work with institutions and organizations to jointly protect human health and safety. The key disease prevention measures taken by CAL during the pandemic in 2021 are summarized below.

CAL established a COVID-19 information services section on its official website (in Chinese, English and German) that integrates five major functions including quarantine hotel and taxi reservations, PCR test hospital information, rental service of the mobile Wi-Fi hotspot devices, and entry requirements of different countries to create a one-stop inquiry platform for the disease prevention information, services, room reservations, vehicle reservations, and appointments for tests needed during the pandemic. When the COVID-19 pandemic broke out, CAL immediately established a COVID-19 information services section on its official website to announce flight information and notices for passengers. In response to the arrival of the post-pandemic era, CAL shall continue to provide added value services other than air transportation services so that passengers can enjoy safe and convenient travel.

In terms of meals, CAL has adjusted the in-flight meals in accordance with the global pandemic ratings announced by the Taiwan Centers for Disease Control (level 1: warning, level 2: alert, and level 3: watching). Preventing diseases, fighting diseases, and reducing transmission risks were adopted as the highest principles. CAL actively provided "Cold Sandwich Boxes" or "One Tray Hot Meal Services" based on changes in the development of the pandemic in different countries and the required in-flight disease prevention requirements of different governments to satisfy passenger's food and beverage need.

In terms of in-flight services, we have launched "zero-contact services", such as the digital menu and inflight wireless audio and video entertainment system on 738 aircrafts, which provides passengers with multimedia streaming services in the air through their personal devices. The A321neo aircraft is also equipped with a Bluetooth headset pairing function, which is environmentally friendly and reduces the chance of repetitive contact.





Prevention Section

Implementation of Disease Prevention Regulations and Crew Member Health Management

The Cabin Crew Division has actively managed the vaccination progress of cabin crew since April 2021. The Cabin Crew Division also tracks information registered by crew members on the "Vaccination Record Upload System" platform set up by the Company. The second-dose administration rate of active cabin crew has reached 100%. CAL adheres to all vaccination requirements specified in the "Operational Principles for R.O.C (Taiwanese) Airlines Air Crew Members to Implement Health Control Measures for Epidemic Prevention". We strictly enforce the regulation that only allows flights for crew members who have had two doses of COVID-19 vaccine for at least 14 days. They must also test positive for antibodies in the serum to ensure the health and safety of crew members.

We strictly enforce separation of movement for cabin crew members check in and check out. Before travel, they must fill out the digital "COVID-19 Health Declaration and Home Quarantine Notice for Crew Members of Taiwanese Airlines". We highlighted reminders on personal health protection and penalties in the mission briefing, enhance hand disinfection, and require them to pay attention to their physical and mental conditions at all times. When cabin crew are on duty, they must wear a full set

of protective gear including disposable splash-proof protective gowns, surgical masks, waterproof gloves, and full face shields that cover the eyes, mouth, nose, and body in accordance with disease prevention regulations. We simplified the supply of food and beverages and in-flight service, and require the use of masks throughout the flight except for meals and water consumption to protect the health of the crew. We increase the frequency of in-flight restroom cleaning and use special cleaning agents to wipe down faucets, flush levers, door handles, and other locations prone to contact and infection to disinfect the environment. CAL also retains restrooms near the cockpit of each aircraft type for prioritized use by crew members during the pandemic to reduce the chance of crossinfection.

We strengthened management and ground operations during stays in outstations to ensure zerocontact between crew members and airport personnel and disease prevention regulations for ground movements. We place each crew member in individual rooms and prohibit visitors and outings. They must actively report anomalies.



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Active Care for the Physical and Mental Health of Employees and Create Smooth Bilateral Communication Channels

We conduct quarantine and tests for crew members in accordance with pandemic prevention regulations when they return to Taiwan. CAL provides the list of names and assigns specialists to the site to provide assistance and maintain order during quarantine operations. We work with hospitals to set up registration and tracking mechanism to keep track of developments in real time and implement regular tests and quarantine measures.

- 1. During the home quarantine period after crew members return to Taiwan from level 3 warning areas, we contact crew members on the telephone and inquire about their health condition every day and register results in the "Epidemic Prevention Tracking System" of the Ministry of Health and Welfare. CAL keeps track of crew members' health conditions and answer their questions. During the self-health management period (including enhanced self-health management) after crew members return to Taiwan, we offer care, provide the latest information on the pandemic, and remind the crew members of the isolation / quarantine period and the follow-up tests.
- 2. CAL established the "Crew Health Management System" platform to strengthen crew members' health control measures. When crew members end their missions after entering level 3 warning areas, they must measure their body temperature twice every day and fill out results on the aforementioned platform. When crew members report irregularities or fevers, the Cabin Crew Division actively contacts them and helps arrange medical services for them. It also reports to the Medical Affairs Department to create comprehensive disease prevention records and implement health management of crew members.
- 3. To balance disease prevention regulations and the management of physical and mental health and stress relief for crew members, CAL created channels for instant communication of the Company's internal communication software Team +. We seek to provide comprehensive disease prevention records in the "Crew Member Health Management System" and use horizontal communication between peers to provide care on crew members' emotions, respond to cabin crew questions and individual requirements to consolidate cohesion.

Actively Cooperate with National Policies in the Flight & Cabin Crew Zero-COVID Plan

Among the 2,898 active cabin crew members (including 3 crew members whose recovery was confirmed), we had 168 cabin crew members on long-haul flights or suspected to have contact with flight crew of the risk group in the period between May 13, 2021 to May 23, 2021. They have all completed 14 days of home quarantine and performed PCR tests on day 14. All test results were negative. The remaining cabin crew members who had no flight duties and completed autonomous health management from May 11, 2021 to May 25, 2021 were classified as the safe group starting from May 26, 2021.

Maintain Disease Prevention Requirements for in-person Courses



We prioritized digital learning on the e-learning network when crew members receive the necessary safety training based on regulatory requirements during the pandemic. For courses that require hands-on operations and evaluations, we implement management based on lists of trainees and limit the number of participants. All trainees are required to wear medical masks, goggles and gloves throughout the course, and have their body temperature taken regularly. Adjacent seats are at least one ping apart, with appropriate partitions placed in separate rows to ensure social distancing. We adjusted training and evaluation procedures and implemented crowd separation management to enhance the disinfection of sites and equipment/facilities and reduce risks in the movement and clustering of trainees.

In response to the impact of the pandemic, CAL monitors the development of the pandemic at all times. When airport operations are affected by the pandemic and airports adjust entry regulations such as the maximum number of inbound passengers per aircraft or crew member screening procedures, the System Operation Control Division will immediately deliver the latest information to all related units through the Company's internal communication system and take prompt response measures. The System Operation Control Division also monitors aircraft and flight status at all times. When a passenger on a flight shows signs of illness, the flight crew will actively notify the System Operation Control Division which shall deliver related information to all units through the Company's internal communication system. The units will then arrange quarantine measures, disinfect the aircraft, and change seat covers after the aircraft lands.





On-Board Environment Clean

CAL has also established multiple disease prevention management measures in all destination airports to meet the entry quarantine regulations of different countries and manpower allocation requirements. The measures include encouraging passengers to check in early online, reminding passengers to maintain social distancing, wearing masks throughout the flight, cooperating with comprehensive baggage disinfection at Taoyuan Airport, body temperature measurement before boarding, and arrangements for employees to work from home in Taiwan and in foreign countries.



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Key Disease Prevention Measures in 2021





- 1. CAL established a COVID-19 information services section on its official website in 2020 to provide the latest flight and ticket information for passengers.
- 2. CAL launched the disease prevention section on its official website in Chinese, English and German in 2021 that integrates five major functions including quarantine hotel and taxi reservations, PCR test hospital information, mobile Wi-Fi hotspot devices, and entry requirements of different countries to provide disease prevention information, services, room reservations, vehicle reservations, and appointments for tests needed during the pandemic.
- 3. CAL offered zero handling fees for the first ticket change (Restricted to specific ticket purchasing period and flight time) and provide special charter flights for passengers who have been affected by suspension of international flights entering Taiwan.
- 4. CAL automatically extended member mileage, ticket awards, and award tickets.
- 5. We integrated passenger transport aircraft resources of CAL Group and adjusted capacities to support Mandarin Airlines' domestic flights to Penghu and Kinmen in a bid to respond to passenger demands.

Before Boarding



- Provide a digital menu for business class and premium economy class passengers to browse and choose their meal after booking.
- 2. Promote the use of the eCheck-In system.
- 3. Regularly remind passengers to maintain social distancing in the airport and wear facemasks throughout the process.
- 4. Measure body temperature before boarding. If a passenger's body temperature is over the threshold, the passenger will not be permitted to board the aircraft and will be requested to receive medical attention at a local medical institution



Passengers

CAL Crew Members

- Flexibly adjust meal arrangements based on the development of the pandemic in different parts of the world and the regulations of governments.
- Implement mandatory requirements for crew members to measure and record their body temperature when reporting for duty.

During Flight



- 1. Fully implement real-name registration when passengers change seats.
- 2. Request passengers to maintain social distancing after taking their seats.
- Increase broadcasts of information on related entry regulations and compliance matters.
- 4. Launched the digital menu and inflight wireless audio and video entertainment system on 738 aircrafts, which provides passengers with multimedia streaming services in the air through their personal devices. The A321neo aircraft is also equipped with a Bluetooth headset pairing function, which is environmentally friendly and reduces the chance of repetitive contact.
- Crew members shall wear personal protective equipment provided by the Company at all times during the flight.
- Crew members must wear face masks throughout the flight (except when eating or drinking).
- 3. Simplify catering service procedures to reduce the contact risks with passengers.
- 4. Increase the frequency of cabin cleaning.
- Increase the frequency of cleaning of lavatories during flight and disinfect the environment.
- Retain restrooms near the cockpit of each aircraft type for prioritized use by crew members during the pandemic to reduce the chance of cross-infection.

Arrival in Taiwan



Cooperate with Taiwan Taoyuan Airport (TPE) in implementing mandatory disinfection for all inbound baggage.

- When crew members return from level 3 warning areas, CAL arranges quarantine hotels for them in accordance with prevailing disease prevention regulations and requires them to measure their body temperature twice every day and fill out results on the "Crew Health Management System" platform.
- When crew members report irregularities or fevers, the
 Cabin Crew Division actively contacts them and helps arrange
 medical services for them. It also reports to the Medical
 Affairs Department of the Human Resources Division.



Logistics

- 1. Monitor the development of the pandemic in different countries at all times. When countries adjust their entry regulations, collect the latest information and deliver it to related units to facilitate immediate response.
- 2. Monitor flight status in real-time to obtain information on the latest developments and initiate response operations.
- 3. When the pandemic first broke out, CAL immediately established and activated body temperature measurement and office separation mechanisms to protect the health of employees and retain sufficient manpower to maintain the normal operations of the Company in the unfortunate event of disease transmission in the Company.
- 4. When the pandemic spread in May, the Company immediately activated response plans for dividing employees into separate groups to work from home to prevent infections of employees due to commutes or clustering in the office.



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Integrate Passenger Fleet Resources of CAL Group

Mandarin Airlines uses its existing ATR 72 fleet and integrate fleet resources of CAL Group by hiring 5 A320 aircrafts with 180 seats from Tigerair Taiwan and 3 B737-800 aircrafts with 158 seats from CAL to increase the number of flights or the size of the aircraft used for flights and provide passengers with sufficient flights and seats.





Mandarin Airlines Leased Aircrafts from Tigerair Taiwan's Fleet to Increase the Number of Flights or the Size of the Aircraft Used for Flights

Customer Relations Management

Providing customer-oriented and quality service is the key to earn customer trust. CAL has established the quality policy and has designated a unit in charge of service quality control. Every year, the quality review meeting is held to set annual objectives and review service performance. Moreover, CAL has introduced the ISO 9001 Quality Management System and the TABLEAU big data analysis system to process and analyze customer satisfaction questionnaires to ensure the quality of service beyond passengers' expectations. In 2021, CAL recovered 9,512 passenger satisfaction questionnaires which accounted for approximately 5.5% of the total number of passengers. The overall satisfaction rate was 90.7%.

Ahead of other domestic airlines, CAL has set up a variety of communication platforms for different groups of customers, including Customer Service on Facebook and bulletin board on the Instagram and WeChat, to collect problems which passengers encounter during their journeys and provide the updated information. By responding to customers' needs with empathy and sincerity, we endeavor to improve their travel experience. To better understand customers' needs, CAL integrates all customer feedback through the Customer Service System (CSS) (in 2021, 40.5% of customer feedback was provided via CAL's website and 59.5% provided in other ways) and has units in charge of responding to customers within a given time limit in the hope of becoming passengers' most trusted airline.

Communication Channel



Service Hotline



Customer Feedback — Online Feedback System



Regular Mail



Customer Satisfaction Survey



Comment Form

Customers can fill in the comment form and hand it over to ground staff or mail it to our Customer Relationship Department.



F-mai

Instead of calling, customers can simply send e-mails to change reservations or confirm their itineraries.



Facebook

CAL has created a fan page on Facebook to understand customers' needs and problems instantly and improve service quality accordingly. It is expected to increase adhesion among members and fans and develop new customers.

Connect with the Innovative Generation with Youthful Thinking in the Post-Pandemic Era

The Company continues to launch new products to implement the "Youth Innovations" action plan to pursue the goal of increasing "Brand Awareness" in the sustainability strategy. After the delivery of the 777F cargo aircrafts, the A32Ineo passenger aircrafts were delivered in 2021. They consume 15-20% less fuel than previous narrow-body aircrafts and are more friendly to the environment. In response to post-pandemic demand, all passengers can use their mobile phones and Bluetooth headphones to connect to the in-flight entertainment system. We set up zero-contact



detection faucets in lavatories and use HEPA high-efficiency air filtration system for the entire cabin. The 737-800 fleet also features the upgraded Wireless Entertainment System. Passengers can enjoy a wide range of multimedia streaming services during flights with their personal devices to reduce contact during the disease prevention period. We also launched services for the purchase of adjacent seats to enhance social distancing during flights. We extended membership, upgrades, reward tickets, and mileages in response to the pandemic and take care of member rights and benefits despite the pandemic.



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CAL adopted the "XIAO-HUA" as its avatar on social media to interact with passengers and maintain positive relations. It was used to continuously remind passengers to pay attention to border control measures of different countries and organize small online activities to continue to engage passengers on contents that include disease prevention, environmental protection, and popular science Q&A on aircrafts. We also support the "Earth Hour" on Earth Day and invite passengers to take real actions to exert brand influence. CAL organized offline events in full compliance with the government's disease prevention policies. They included the "Farewell Party" micro travel event for the 747-400 and German Christmas Market, which have received wide acclaim.

All ads and marketing materials of CAL abide by the following ethical commitments: 1. Provide accurate and balanced information for all products and services; 2. Truthfully disclose the Company's ESG actions; 3. Protect customers with weaker capacity to access information by providing accurate and sufficient information; 4. Abstain from misinforming customers on competitors' products and services. We uphold the principles of integrity and accountability to convey CAL's commitment to providing customers with a great travel experience and promoting sustainability. CAL connects with the innovative generation with youthful thinking and continues to receive international awards and recognition. They include being named the Best Airline in North Asia by Global Traveler, the well-known American travel magazine, for the 9th consecutive time, and the 2021 APEX Five Star Global Airline for the 5th consecutive year.

Customer Health and Safety and Sustainability

Food Safety

To ensure food safety and environmental sustainability, CAL requires catering service providers to strictly comply with international safety and health standards mechanisms. This covers each process from preparation, storage, and transportation at a standard temperature. Microbiological examinations are required for all products, materials, and food equipment. In addition, quality audits are carried out from time to time, and aimed at requesting catering service providers to correct non-conforming items within given time limits. If these conditions are not met, penalties will be imposed in accordance with their contracts. Training courses are also organized regarding HACCP and catering services, in order to increase employees' awareness of food safety and quality.



Onboard Drinking Water Safety

The quality of potable water is an important part of a premium customer's experience. The quality of potable water is strictly controlled by our industry-leading In-flight Potable Water Management Procedures, which are stricter than environmental regulations and bottling facility sanitation regulations.

- The safety of potable water is included in the preliminaries of new destinations.
- We have rigorous safety standards for our drinking water suppliers. Every year, audits are performed to ensure compliance.
- CAL conducts safety audits on potable water at outstations.
- CAL implements a maintenance plan for potable water facilities according to the manufacturer manual.

Local Procurement

CAL plans and designs meals in line with the "Responsible Consumption and Production" goal and moves toward renewable energy, carbon reduction, and local procurement to achieve "Decent Work and Economic Growth". From 2019 to 2021, we actively used local brands and high-quality agricultural products such as the procurement of large and small bottles of mineral water from renowned domestic brands. In 2022, we purchased bottles of sparkling water from domestic brands for in-flight services. We also purchased food and fruits from several domestic brands for crew members needs in the quarantine hotels. We switched procurement to domestic meat products and beverages or frozen products produced with fresh domestic vegetables. These measures help support local cultural and creative industries as well as quality agriculture in Taiwan as we seek to attain the goals of responsible consumption and production and environmental protection by reducing the carbon footprint, and fulfill our social responsibility to the Earth.

Enhanced Disease Prevention in Airports

1. Disease Prevention Equipment Training Courses

In response to disease prevention requirements in countries such as Canada, we produced e-Learning training courses on "use of pandemic prevention equipment and forehead temperature measurement" to ensure that ground service personnel know how to correctly wear personal disease prevention equipment and operate forehead temperature scanners. Front-line employees thus learn how to correctly put on masks / protective gowns and use forehead temperature scanners.

2. Disease Prevention and Care Team

CAL established the "Disease Prevention and Care Team" for flight crew members. It provides health inquiries every day and strengthens supervision of employee conduct during home quarantine.

3. Produce Image Files with Disease Prevention Information

CAL produced image files to enhance employees' disease prevention awareness and encouraged employees to wash and disinfect their hands frequently after the end of a shift, stay away from high-risk areas, and replace their protective equipment.



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4. Transparent Partitions at Counters in Taoyuan International Airport

We have purchased transparent partitions at Taoyuan International Airport to protect employees' health and reduce risks of infection. After an onsite survey of actual requirements with the supplier, we have completed the installation at the counter in the Airport.



Highlight Services

In 2021, CAL introduced a number of innovations and employee training programs to passenger services to improve service quality; in addition, CAL continuously studied sustainable practices in order to maintain customer service to the highest standards and stay in a leading position in the aviation industry; relevant achievements are listed below:

1. Changed How Passengers are Addressed in English

To show our respect to multiculturalism and avoid gender stereotypes, we have adopted gender-neutral greeting terminology and changed how we address passengers in the English announcements in all waiting rooms from "ladies and gentlemen" to "dear passengers" to demonstrate our commitment to Inclusion and diversity and express sincerity and respectfulness.

2. Outstanding Customer Satisfaction

In 2021, we continue to uphold the spirit of customers being our first priority and disease prevention, and consistently provide with best quality service, disease prevention products, and protective measures to ensure smooth and safe travel for passengers. The results can be reflected in our customer satisfaction scores.

2-1-3 Cargo Service

Consolidate and Reactivate Passenger and Cargo Services — Simultaneous Implementation of Multiple Strategies



CAL cargo services devised response strategies soon after the pandemic started. The team made full use of the cargo transport capacity of the 18 747F aircrafts and the 3 new fuel-efficient 777F cargo aircrafts delivered since early 2021, and scheduled flights and allocated space as needed. The team also promoted customized cargo charters, and tried to expand in express delivery, e-commerce shipping, and temperature-controlled goods. Meanwhile, the belly capacity of passenger aircrafts was increased, and passenger cabins were repurposed to transport cargo. These measures allowed CAL to maintain 10 billion freight available tonne kilometers (FATK) during the pandemic in 2021, which was an increase of approximately 13.31% from the previous year (2020). And CAL reached 7.55 billion freight revenue tonne kilometers (FRTK) which was an increase of approximately 18.62% from the previous year (2020). CAL responded rapidly in the early stages of the pandemic and shifted its operations to cargo transport. In addition to making the most use of the 21 cargo aircrafts, CAL also began assigning passenger flights for cargo transport in March 2020, which increased revenue from cargo services, reduced losses, and helped the Company respond to the pressure on business operations in the early periods of the pandemic.

We plan to increase cargo flights with long-haul passenger aircrafts to destinations such as San Francisco, Los Angeles, Amsterdam, and Frankfurt. We also use the belly capacity of passenger aircrafts on cross-strait routes and regional routes in Asia, and implemented flexible

dispatches of passenger aircrafts to support cargo transport demand and support cargo aircrafts to increase the scale of operations and respond to the strong global demand for the cargo market during the pandemic (including medical and relief supplies and products for the stay-at-home economy). We operate more than one thousand cargo flights with passenger aircrafts every month. For instance, the West Coast United States route has strong demand for cargo transport and CAL flights to Los Angeles increased during the peak season to as many as 6-7 flights per day.



Loading / Unloading Operation

In terms of cargo route optimization, the Company has supported quarantine measures in many countries and adapted to changes in the market since the start of the pandemic. CAL concentrated its capacity on the Chicago and Los Angeles Airports in the United States and strengthened deployment in cross-strait and Southeast Asia. We complied with domestic border quarantine requirements and optimized crew member dispatch efficiency to increase cargo aircraft capacity to meet demand for e-commerce, consumer electronic products, and high-price charter flights. In terms of business operations, we continued to implement route revenue management and differentiated pricing strategies to satisfy the demand for transportation services of different customers.









Heavy Cargo, Over-sized Cargo, Engine Transportation Service



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Four Cargo Services





Customized



Specialized



General

Introduction

You will get the premium express cargo service and handle with money back guarantee. CAL handles Equation shipment with top priority from acceptance to delivery, and guarantees boarding on the first available flight.

Introduction

A complete, top quality solution will be offered. Designed to meet your requirements, it is a perfect scheme under the tripartite contract among the Shipper, Freight Forwarder and CAL Cargo.

Introduction

This is a specialized solution for special cargo with experience, attention and expertise that can transport to the final destination quickly and safely.

Introduction

This general cargo solution is an airport to airport service with economic and reliable ways to manage your goods.

Advantages

- Airport-to-airport express service
- Top priority for load planning
- The earliest pick-up time
- The latest possible booking
- Extensive worldwide network
- Money back guarantee

Advantages

- Customized service with loading priority and fixed rate
- Regular performance report
- Advanced techniques ensuring cargo safety
- · Various cargo types and long-distance freight capacity
- A broad global service network

Advantages

We have variations for precious artwork, heavy & oversize shipments, dangerous goods, perishable goods, live animals, pharmaceutical products, valuable goods, and all types of vehicles. Each variation is tailored to fit the specialized handling and loading procedures, as well as guarantee reliable service from our staff.

Advantages

- 24 / 7 online track and trace
- Standard drop-off and delivery times at each station.

Quality Cargo Service

According to the latest IATA statistics, CAL's FTK ranked fifth worldwide and first in Taiwan in 2020. CAL is committed to green transportation. In addition to continuously upgrading our passenger fleet, we introduced the Boeing 777F cargo aircrafts in 2020 to significantly improve fuel efficiency. With extensive passenger and cargo fleet and network, CAL has been the industry's first choice to deliver diversified products, such as engines, perishables, temperature control cabinets, precision equipment, and e-commerce cargo. In the future, CAL will optimize cargo service and provide better service quality for its customers.

1. Special Cargo Service

CAL cargo aircrafts fly around the world and have a wealth of experience in carrying general goods, precision instruments, large equipment, precious antiquities, live animals, and other special goods. CAL makes good use of the Boeing 747F and 777F cargo aircrafts to transport special-sized goods to provide safe and professional transportation services under the close supervision of dedicated CAL personnel. CAL often helps transport critical national cultural relics and relief supplies. With its diverse experience in transportation and excellent quality of service, CAL has promoted cultural exchanges between Taiwan and other countries. In response to the pandemic, CAL also provides new service models such as cargo flights with passenger aircrafts and using the passenger cabin for cargo transport. These measures help ensure employee safety and support disease prevention policies as we actively develop a variety of flexible cargo transport business models to ensure continuous operations of international logistics. CAL was also responsible for transporting COVID-19 vaccines and transported 350 tons of vaccines of different manufacturers to meet citizens' urgent needs for vaccines. We also leveraged our dense network of flights and services to import and transport more than 75 million doses of vaccines to Taiwan and other countries so that our advantages can be used to fight the pandemic with other countries.



Ramp Operation



Live-Animal Transportation Service



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2. Upgraded Cold Chain Service

In response to increased demand for air transport of temperature-controlled goods (such as pharmaceuticals and vaccines), CAL has significantly improved its cold chain service. This included transportation of temperature-controlled containers, SOP for active / passive temperature-controlled cargo, and upgraded refrigeration / freezing equipment. In April 2019, CAL passed the audit and obtained the CEIV Pharma certification and became Taiwan's first airline to earn this certification. In the future, CAL will offer customized, refined cold chain service to provide diversified and quality temperature-controlled cargo service for customers around the world.

CAL actively prepares cold-chain transportation for vaccines and pharmaceuticals. With comprehensive risk assessment and personnel training as well as compliance with the regulations of domestic and foreign civil aviation authorities and the aircraft manufacturers, CAL began relaxing restrictions on the maximum amount of dry ice permitted for various aircrafts and developed active / passive temperature-controlled container products for the transportation of vaccines under safe conditions. CAL actively provides major vaccine and pharmaceuticals manufacturers with logistics solutions to contribute to the protection of citizens' health. This demonstrated the innovation and flexibility of the CAL cargo transport team and demonstrated to citizens CAL's commitment and strength for becoming the "National Team of the Sky."



Temperature-Controlled Containers

3. Cargo Safety Management

CAL has strengthened risk management measures, such as Safety Report System, cargo service management platform, ground damage database, and abnormal weather reporting mechanisms. CAL has also established a risk prevention mechanism with the risk assessment of the Safety Report System to prevent irregularities. In addition, CAL implemented walk-around check to enhance the management of warehouse and ramp operations. CAL also implements improvements based on the feedback provided in the quarterly service quality questionnaire for the ground service agency to ensure the quality of services.

4. e-Air Waybill & e-Freight

CAL promotes the e-Air Waybill and electronic data exchanges with forwarders, which reduces the operating costs of airlines and forwarders and avoids delays caused by air waybill input errors and missing documents. Printed copies are no longer required during the transportation process, which reduces paper consumption and protects the environment as well. It also helps people protect their health and stop the spread of the virus during the COVID-19 pandemic.

In addition to paperless operations for cargo flights to and from Hong Kong, Singapore, Frankfurt, and the Americas, CAL continued to carry out paperless operations for cargo service to and from Kuala Lumpur, Penang, Tokyo, Osaka, Fukuoka, Nagoya, Amsterdam, etc. CAL also implemented random inspections for EAW shipment (e-Air Waybill shipment without accompanying documents and pouch), forwarding agents would be reminded that printed documents are no longer required if they are still used. We reduce contact in the delivery of printed documents for disease prevention purposes and fulfill our responsibility for environmental sustainability.

5. Apron Mobility (Ramp Operation Digitalization)

Through wireless transmission, all cargo information and loading statuses are instantly transmitted to mobile devices for users to monitor cargo status after palletized from the warehouse and whole loading and unloading operations.

The apron mobile system has been launched since 2017. Starting from August 2018, the apron mobile system has been applied to passenger and cargo flights'loading and unloading operations. Before the launch, GHAs were trained, and applications (APPs) were modified based on test results in order to avoid loading errors and misloading. By using Personal Digital Assistant (PDA) as a channel of communication with GHAs, CAL has reduced the idle time of ramp supervisors and improved cargo agents' productivity.



Loading / Unloading Operation

6. Professional Training

CAL organizes professional training courses, including dangerous goods regulations training / retraining, live animal and temperature-controlled goods regulations training, and heavy (above 10 tons) & over-sized (above 6 meters) cargo and engine transportation training on a regular basis to improve service quality and ensure that goods are carefully managed and professionally handled throughout the transportation process. To transport special goods, CAL has also trained professional handlers and formulated operational regulations to provide safe and professional transportation services. In response to the delivery of the new 777F and A321neo cargo / passenger aircraft, CAL also administered training for employees and agents to upgrade the service quality.



Special Cargo Transportation Service (Parts of Landing Gear)

7. Embargo on Illegal Animals and Plants

CAL supports IATA and UN's Sustainable Development Goals by signing the Buckingham Palace Declaration. CAL has also taken the following four concrete actions to fight against illegal wildlife



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trade and achieve environmental and ecological sustainability including "expression and demonstration of agreement to tackle the illegal wildlife trade," "information sharing and detection," "practical measures to stop the transportation of illegal wildlife products," and "new mechanisms tackling illegal wildlife trade."

8. Authorized Economic Operator (AEO)

Being an authorized economic operator (AEO) helps CAL stay competitive in expanding business in the international trade supply chain and to cooperate with trading partners. After earning the AEO certification on January 19, 2012, CAL has carried out self-inspections based on safety evaluation items and certification standards every year and applied to the Customs for a field certification and audit every three years. The certification was completed again last year. Since October 2021, the Cargo Sales, Marketing & Service Division has formed a management committee comprising Cargo Sales, Marketing & Service Division, Corporate Safety Office, Human Resources Division, Information Management Division, Administration Division, Cargo Sales & Service, Taiwan, Engineering Division, and Inflight Supply Chain & Marketing Division, to carry out annual self-inspection. The inspection data were submitted to the Customs Administration by the end of the year and they were verified as having met related regulations in the review.

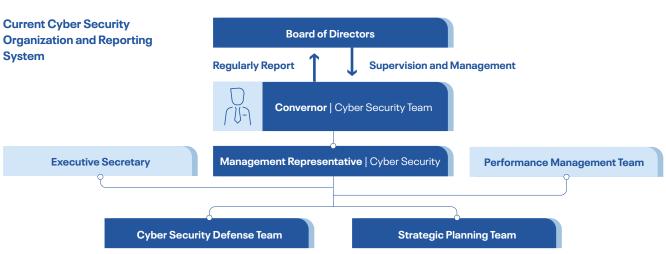


Authorized Economic Operator (AEO) Meeting

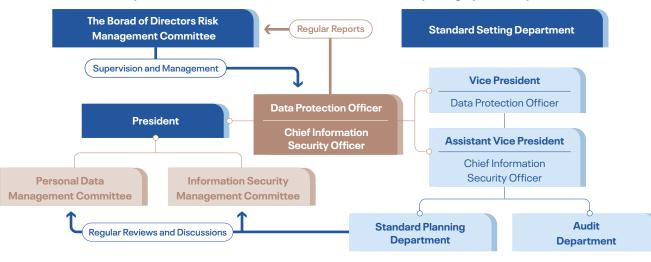
2-1-4 Information Security Management GRI 206-1, 418-1

Information Security Framework

CAL IT operations meet the standards of international information security standards and domestic information security regulations. For this purpose, CAL has established the Information Security and Personal Data Protection Division in March 2022 with the Vice President of the Information Management Division as the Data Protection Officer, who leads the Chief Information Security Officer and the personal data and information security team. The Chief Information Security Officer is independent of the information management unit to ensure the independence of information security management. CAL also reports the status of information security management and data protection to the Board of Directors every year. The Company shall establish related information security and personal data management framework in accordance with the new organizational framework and ISO 27701 and ISO 27001 certification. Chairman Su-Chien Hsieh has extensive experience in management and information security. He had served as the chairman of Sabre Travel Network Taiwan Ltd. (Sabre), and is familiar with information security governance. He implements timely monitoring of information operations from an independent and objective perspective.



New Information Security and Personal Data Protection Division and Future Reporting System Proposal





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Cyber Security Management

In response to the evolving nature of cyber-attacks, CAL has established and planned cyber security risk management and protection framework for supervision and protection and ensure security in the use of the services

Information Security Risk Management and Protection Framework



Plans for Improvement

- Review and improvement for information security protection measures
- · Cyber security education and training
- Intelligence on threats and control of technologies
- Enhance planning and management for the information security framework



Risk Management

- Information security risk assessment and regulations
- Compliance with international standards and regulations
- Cyber system information security protection mechanisms
- Enhance information security management procedures



Continuous Monitoring

- Review the authority and security of accounts
- Information security monitoring and operations
- Information security threat detection, reporting, and exercises
- Passage of international standard certification and annual audits



Multi-layer Protection

- Access control and encryption mechanisms
- Equipment, information infrastructure, and operation management
- Application system program development and maintenance
- Enhance information security defense technologies

Cyber Security Operation & Maintenance

1. Regular Evaluations and Exercises

CAL conducts risk assessment of information and information and communication systems every year in accordance with the Cyber Security Management Act, and evaluates the cyber security responsibility levels of the core information and communication systems in terms of confidentiality, integrity, availability, and compliance. We also develop a business continuity plan for the core information and communication systems and conduct business continuity exercises at least once every six months for the cyber security and backbone network equipment with the widest impact, to ensure that the Company can rapidly and effectively restore normal operations and minimize potential losses. In addition, we also review and evaluate the business continuity plan to ensure the availability and integrity of the plan.

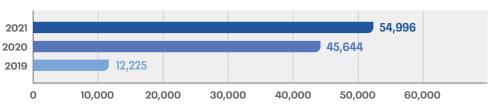
2. Cyber Security Education and Training

Each year, all cyber security personnel receive at least 12 hours of cyber security professional program training or cyber security competence training. All employees must receive at least 3 hours of cyber security training every year. We also organized 5 social engineering exercises this year to strengthen employees' cyber security awareness. The Company has adopted diverse methods for cyber security training and established a clear and effective rewards and disciplinary system to ensure compliance and implementation with the code of conduct for the workplace. Employees who fail to comply with requirements and violate regulations will be penalized based on the severity of the violation, which will be used as the basis for employees' performance evaluation. The Information Management Division conducts self-inspections and compliance assessments every six months. Audits are carried out by the audit unit independently to implement supervision and inspections ensure the operations of overall mechanisms.

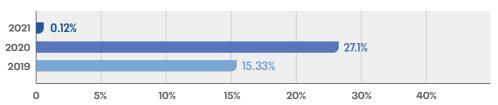
Our 2021 cyber security training focuses on social engineering exercises and phishing mail protection. We sought to increase the cyber security awareness of all employees through frequent training.

In 2021, we conducted 5 unannounced social engineering exercises. The click rate of emails and URLs in the 5th exercise was 0.12% (0.09% in Taiwan, 0.29% in foreign countries, and 0.11% in Mandarin Airlines), which was a significant improvement compared to the results of the four previous exercises at 12.33%, 6.82%, 1.2%, and 0.7%.

Number of Trainees in Cyber Security Education and Training



Social Engineering Exercise Link Click Rate



3. Notification of Cyber Security Incidents

The cyber security incident notification, vulnerability reporting, and response mechanism is initiated based on the level of cyber security incidents to control their impact and implement post-incident recovery. Dedicated cyber security personnel determine whether there is immediate danger and take immediate notification and response measures when necessary. It also notifies units to



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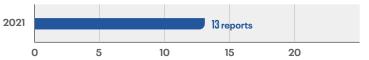
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implement preventive measures and share related information in the Corporate Safety Committee and Airline Safety Review Committee. To strengthen emergency response procedures and plans, develops the security incident notification & contingency drill plan at the beginning of each year and completes internal cyber security exercise by the end of each year to ensure the effectiveness of incident notification mechanisms and procedures and ensure the results meet expectations. The Information Management Division established the "Cyber Security Threat and Vulnerability Notification" team in 2021 to provide notifications immediately on different types of threats, assess risks, and rectify errors.

CAL set up a group on the corporate instant messaging platform for reporting cyber security threats and vulnerabilities. In 2021, 13 reports were submitted and several major vulnerabilities were resolved.

Reporting Cyber Security Threats and Vulnerabilities





Notification Flowchart

Cyber Security Certification and Audit

The Company has established a more comprehensive management system to maintain the effectiveness of the certification. The Company implemented the annual Information Security Management System (ISMS) re-inspection for the core ICT systems in 2021 in accordance with ISO / IEC 27001:2013 and Privacy Information Management ISO 27701:2019 Privacy Information Management System (PIMS). It met requirements in international standards and we obtained the certificate in December 2021. CAA conducted an annual cyber security inspection on the Company in August 2021 and there were no discrepancies the inspection results or security measures and procedures that require enhancement. CAL's achievements were thus recognized by CAA. Per examination by the Information Management Division in 2021, neither the monitoring or warning information from the defense system, which detects threats to cyber security, was confirmed to be a security incident caused by virus infection.

International Standards Certification and Audits



Scope: The Company's core cyber security system and server rooms



Scope: The Company's core cyber security system



Response to COVID-19

CAL has further strengthened its data security framework and management system, continuing to refine the multi-layer protection mechanism, personnel education and training, social engineering drills and emergency response drills to raise employees' awareness of data security and establish quidelines that comply with laws and regulations and international data security standards to reduce overall cyber security risks.

In response to the COVID-19 pandemic, the Information Management Division of the Company established the "Office Isolation and Employee Home Isolation Information Operation Response Regulations" in 2020. It also established the "Information Management Division Major Pandemic Response Regulations" and "Application System Operations and Maintenance Major Pandemic Response Regulations" so that if employees in Taiwan and abroad working from home encounter cyber security incidents or other disasters that cause the information system or network to fail, they can immediately report the failure and implement response measures. The Information Management Division regularly inspects firewall records and supervises network usage of VPN connections in accordance with regulations. It also removes accounts without usage records, expired accounts, and accounts of transferred / former employees to reduce cyber security risks.

The Company began enhancing the review of user access authority and device security in 2021 by taking inspection measures such as operating system security and antivirus software code updates to strengthen risk management and block connections from unsafe devices. CAL also conducted an inventory of accounts with remote access for ground service and sales agents of foreign branches to prioritize cyber security and ensure the security of the infrastructure.

2-1-5 Privacy Management GRI 206-1, 418-1

Personal Data and Privacy Protection

CAL is committed to protecting personal data and customer privacy. We fully comply with the Personal Data Protection Act of the Republic of China, General Data Protection Regulation (GDPR), California Consumer Privacy Act (CCPA), and other relevant personal data protection regulations. This is expressly provided in the "Privacy Protection Policy and Statement" on the Company's official website. The applicable scope includes all employees of the Company as well as cases where the Company provides the personal data of a party to specific third parties. The Company shall also require such third parties to abide by the aforementioned "Privacy Protection Policy and Statement". CAL also established operation quality documents to regularly evaluate third-party contractors and audit personal data protection. Please refer to the Company's official website for details.



Privacy Protection Policy and Statement



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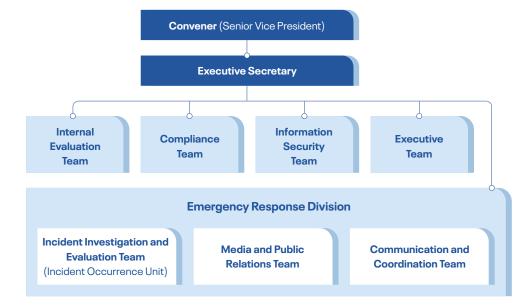
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Personal Data Management Framework

To enhance our internal audit and personal data management, we have appointed a Data Protection Officer (DPO). We established the Data Protection & Quality Management Office in 2019 and created a personal data management system to implement, operate, monitor, review, maintain, and improve the Company's personal data protection targets and policies and ensure compliance with regulations. The Company has established a personal data management organization in accordance with the Personal Data Management System. The convener organizes the establishment of the Personal Data Management Committee to take charge of the implementation of the personal data management system. Starting from 2021, the DPO regularly reports business operations to the Board of Directors to ensure that the management understands the current conditions of the Company's personal data management and plans for operations and provides recommendations. However, the Company later followed the requirements of the Financial Supervisory Commission. in the Regulations Governing Establishment of Internal Control Systems by Public Companies to reorganize the organization and assign a "Chief Information Security Officer" in March 2022 to incorporate information security businesses and personal data management into one Division. It allows the unit to adopt a more impartial and independent approach to supervise and manage information operations and personal data security in the Company. It will continue to report to the Board of Directors to help the management effectively monitor the execution of information and personal data security operations in the Company.

The organization of the Company's Personal Data Management Committee is shown in the figure. The responsibilities of the units are described in the operation quality documents for the procedures and operations of the Company's Personal Data Management Committee.



Inquiry Channels for Personal Data Rights

The Privacy Protection Policy and Statement on the Company's official website specifies how CAL collects, processes, or uses personal data in a reasonably secure manner within the specific purpose authorized by each customer, there is no secondary use other than the purposes authorized by customers and ensures that the customer can exercise their rights to inquiries, amendment, removal, restriction of personal data use, and withdrawal of consent under the applicable data protection laws and regulations. Where a customer wishes to exercise any of the aforementioned personal data rights, the customer may use the "Enquiry and Request for Personal Data" online form or the DPO mailbox (DPO@china-airlines.com). The Company shall assign a designated unit to process the case, and respond to the customer's request as soon as possible within the statutory period specified in the applicable data protection laws and regulations.

Personal Data Risk Assessment Mechanisms

In order to implement legal compliance and identify the related risks in processing of personal data, the Company established standard operation procedures to create graphics and document all personal data process. The members of the execution team formulate, review and update the business information framework and personal data inventories for the aforementioned personal data inventory operations each year. They also regularly review the categories of personal data held by the Company, execute risk assessments every year, and propose improvement plans based on the results of the assessment. They execute the plans thoroughly to ensure that they meet the requirements for personal data inventory and management.

Personal Data Incident Response Mechanisms

CAL has prescribed a contingency plan and sound personal data protection mechanisms for stolen, alteration, leakage or loss of data in accordance with the Regulations Governing Personal Information File Security Maintenance Plan and Processing Method for the Civil Air Transport Enterprise to ensure the accuracy and security of personal data. There had been no occurrence of personal data incidents at the Company in 2021. In addition, CAL organizes response exercises each year in accordance with regulations and reviews discrepancies after the exercises for improvements to ensure the effectiveness of operating procedures and strengthen the horizontal communication and response capabilities between units.



Personal Data Accident Contingency Flow

Personal Data Internal Audit and Training

The Company established the "Personal Data Audit and Continuous Improvement Procedures" to review whether the personal data management targets, management procedures, and safety management systems are fully implemented in accordance with plans. We organize internal audits on personal data in Taiwan and overseas operations and submit the results of analysis in



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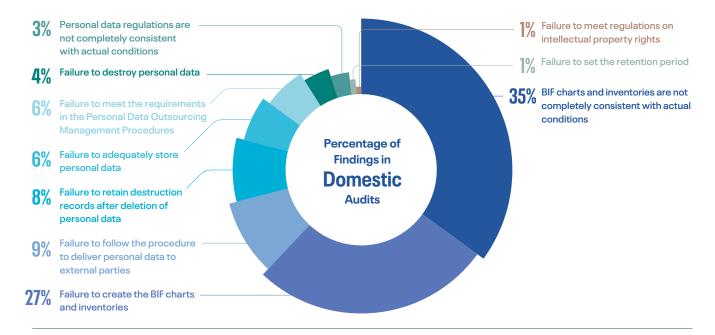
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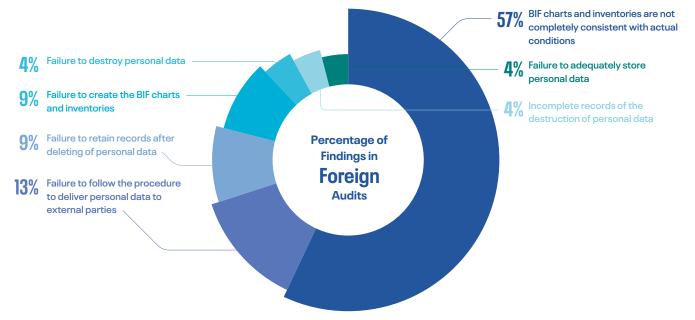
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internal audits on personal data in the fourth quarter each year for review by the Personal Data Management Committee to ensure the effectiveness of the personal data management system.





The Company provides all employees with regular training to enhance their personal data protection knowledge and code of conduct. The internal audit team receives training for personal data management and audits. In 2021, the Company organized personal data protection e-learning training for reinstated employees and 136 employees completed the training. We also collected the important recent personal data incidents, information on new regulations, and key personal data management requirements quarterly to issue a newsletter of "Personal Data Protection" which is sent to all employees to share latest information and case studies regarding personal data.

Privacy Protection Policy and Statement



CAL's Personal Data Protection Milestones in 2021

- Introduce the concept and process of personal data protection to overseas branches
- Completed personal data inventory, internal audit, and risk assessment across divisions / departments in Taiwan and foreign countries
- 3. Issued quarterly "Personal Data Protection" newsletters as personal data protection education for all employees
- 4. Organized annual contingency drills on personal data incidents
- 5. Held the annual personal data management review meeting



Annual Personal Data Incidents

- 1. Internal: 0
- 2. External (leak of customer data): 0



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Future Plans

Flight Safety

1. Renewing Flight Safety Certifications

After obtaining the IATA Operational Safety Audit (IOSA) certification in 2005, CAL has participated in revaluation every two years in accordance with IATA regulations to ensure flight safety. The Company passed the IOSA revaluation for the tenth time in 2021. Due to the pandemic, the reevaluation was a comprehensive inspection performed through a remote audit. However, as the IOSA Remote Audit certificate is only valid for one year, the Company will organize the eleventh IOSA Renewal Audit this year (2022) to continue to meet the highest international safety standards and offer passengers high-quality and reliable services.

2. Routine Response Exercises for Abnormal Flight Operations

CAL will continue to enhance the capacity for emergency response of aircraft control personnel and organize response exercises for different weather conditions and default airport anomaly operations to enhance their professional competencies. We strengthen their capacity for emergency response to maintain the punctuality rate of flights, reduce the Company's losses, protect the Company's interests, and provide high-quality services in aircraft operations.

3. Improving Weather Forecast Effectiveness and Enhancing Resilience to Abnormal Flight Operations

The Company signed a contract with Weathernews Inc. (WNI), a Japanese weather information company, for the purchase of an exclusive early warning system for volcanic ash clouds. The objective and accurate third-party information is used as the basis for dispatching and assigning flights. We also continue to enhance the professional weather knowledge of flight management personnel to ensure flight safety.

4. Improve Internal Communication Efficiency

The Company makes full use of its internal communication system to enhance the delivery of flight information and changes to all units. We established a communication platform on Team+ at the beginning of the pandemic to quickly announce flight Information and changes to all units.

Passenger Service

1. Enhancing Mobile Devices and Official Website Services

We will launch more user-friendly APPs, website functions and self-service initiatives online.

2. Cabin Management System Upgrade and CRM

To effectively monitor flight and important passenger information and increase overall customers' satisfaction, we have upgraded the Cabin Mobile Service Management System (iCS 2.0) and

incorporated special remarks and other basic information of passengers and flights. The data is processed through backstage management and screening and the CRM system uses big data analysis to convert the data into effective information which can be used by related units.

3. Upgraded Airport Services

To promote touchless services, reduce contact between airport personnel and passengers, and increase the security control level, the Company activated facial recognition boarding services with airport equipment in airports in the Americas such as San Francisco (SFO) and New York (JFK). Passengers can use the facial recognition system for boarding. If passenger data cannot be accessed by the facial recognition system, passengers can still obtain assistance from personnel on duty at the gate.

4. Continue to Implement Passenger Satisfaction Survey during the Pandemic to Maintain Service Quality

Cargo Service

1. Adjusting Capacity Flexibly in Response to Market Needs

CAL will continue to develop the network adjustment plan and optimize crew scheduling based on market needs and the development of the pandemic to improve labor-management relations.

2. New Aircrafts Equipped with Next-Generation "Cargo Loading System" Reduce Operation Time, Increase Cargo Load, and Maximize Revenue from Cargo Service

The delivery of the A321neo passenger aircrafts also enhanced CAL's competitiveness in regional cargo services. We opted for the cargo loading system in the belly of the aircrafts that can be flexibly adjusted to use pallets for loading cargo. It effectively reduces the need for manual labor, shortens the ground service time for flights, protects the cargo and passenger baggage. We also added heavy cargo sources that can be loaded and unloaded with greater ease. We support the requirements of different airports and adjusted the belly of the aircraft to bulk transport to increase flexibility in aircraft dispatch. Compared to the 738, the new A321neo aircrafts' cargo load is increased by 10-20%. They will benefit current operations which are focused on cargo service.

3. Continuously Promoting Premium Air Freight Cargo & Customized Service

With extensive cargo handling experience and 777F features, CAL aims to deliver more precision equipment, aviation supplies, temperature-controlled cargoes, and other high- priced cargoes, add more value to sales with excellent service, and promote revenue diversification.



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Information Security

Cyber Security Certifications and Related Planning

We plan to obtain the PCI DSS, ISO 27001:2013 Information Security Management System, and ISO 27701:2019 Privacy Information Management System certification before the end of 2022 to ensure the validity of our credit card receipt system and privacy protection, reduce cyber security risks, and protect passengers' rights and interests. [segtodelete] [segtodelete] CAL references the guidelines in the International Civil Aviation Organization (ICAO) (Doc. 8973) and incorporated flight safety, flight security, and flight convenience into the tiered and classification assessments of the information system in early 2022 to strengthen the protection of information system. According to the official letter from Taiwan Stock Exchange Corporation (Tai-Zheng-Shang-1 No. 1101807121), the Company is classified as a level 1 listed company and we therefore plan to set up a dedicated cyber security unit and related personnel in accordance with regulations before 2022 Q2.

Privacy Management

1. Personal Data Management System

To ensure compliance with personal data protection laws and regulations, the Company plans to introduce the Personal Information Management System (PIMS) in 2022 to improve the Company's personal data protection regulations and meet the regulatory requirements of different countries. We also support Article 42 of the GDPR to "encourage the establishment of data protection certification mechanisms for the purpose of demonstrating compliance with personal data protection. Effective personal data certification can also be adopted as a requirement for reducing penalties imposed by the competent authority."

The Company continues to comply with government policies during the pandemic and adopted various preventive measures and guidelines for workplace safety and sanitation (e.g., body temperature measurement and access control) to ensure that all measures comply with the personal data regulations. We shall adhere to applicable personal data laws and regulations to use personal data within the necessary scope for specific purposes to legally collect, process, and use customers' personal data. We shall fulfill data security maintenance obligations to reduce the risks of damage due to personal data leaks.

2. Personal Data Protection Audit

Although business travel activities for audits are limited during the pandemic, the CAL continued to implement annual personal data protection audits for all domestic and overseas units to ensure the effectiveness of the Personal Data Protection System. For overseas branches, the Company introduced the remote audit mechanism by using the telephone, email, communication software and video conference to carry out the audit activity since 2020.



Background Information

The number of confirmed cases of COVID-19 outbreak in Taiwan increased in May 2021. As the source of the community infections was unknown, certain crew members were infected, and a few crew members violated regulations on self-health management, there was a public uproar and media reports focused on the examination of relaxed regulations for crew members and home quarantine.

CAL's Action / Clarification

CAL issued several press releases to reiterate CAL's rigorous implementation of disease prevention management measures for crew members and full cooperation with the contact tracing implemented by the Central Epidemic Command Center. We also explained that there had been no evidence of crew members bringing the virus back to Taiwan from foreign countries to clarify false media reports. The Ministry of Health and Welfare later clarified that the domestic outbreak in May and confirmed cases of infections of crew members were independent events. For a very small number of crew members who had violated regulations during the self-health management period, even if there is no evidence proving that their violation resulted in a spread of the virus to others, CAL still imposed heavy penalties on these crew members in accordance with the employee reward and punishment regulations.

Improved Measures

CAL supports the Central Epidemic Command Center in the completion of the "Zero-COVID Plan" and "Zero-COVID Plan 2.0" in separate stages to accelerate the vaccination of crew members and establish a disease prevention protection network. We also continued to adopt the highest standards for all disease prevention measures in every step. The explanation regarding the pandemic has been continuously updated on the CAL website to strengthen the Company's image for improved disease prevention. We hope the public can provide more support for our pilots and cabin crew.