永續華航
SUSTAINABILITY WE CARE

2024
CHINA AIRLINES

SUSTAINABILITY
REPORT

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Focus Story/Highlight Project Illustration
A description of the execution highlights and outcomes related to the explanatory section

E S G **ESG Icon**
Used to indicate environmental/social/governance issues

Performance Icon
Represent our achievements and performance

GRI **GRI Icon**
The corresponding GRI disclosure items

Reference Icon
More information on other pages of the Report

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About the Report

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China Airlines Co., Ltd. (hereafter referred to as CAL) has consistently dedicated itself to promoting sustainability in the areas of Environment, Social, and Corporate Governance (hereafter referred to as ESG), and its sustainability performance continues to receive external recognition. To maintain effective and open communication with stakeholders, CAL regularly publishes sustainability reports in both Chinese and English, and discloses relevant information on its corporate sustainability website, also addresses the sustainability concerns of its eight key stakeholders through specific sustainability policies and action plans. In response to international initiatives, CAL became the first Taiwanese transportation service provider to be certified by the Science Based Targets initiative (SBTi) in 2024. In recent years, we have actively pursued a fleet renewal program, accelerating the introduction of new-generation, eco-friendly, and energy-efficient aircraft to enhance overall operational efficiency. Additionally, China Airlines achieved a milestone as the first national airline to conduct passenger flights using Sustainable Aviation Fuel (SAF) and introduced a corporate SAF procurement collaboration for carbon reduction. In 2024, the airline further collaborated with supply chain partners and corporate clients to promote the use of SAF in passenger and cargo flights, supporting Taiwan's aviation industry's energy transition and low-carbon transport development. In terms of biodiversity, CAL continues to support natural carbon sink initiatives and national sustainable forestry projects. The airline also sponsored project partners to attend side events of the 16th Conference of the Parties to the United Nations Convention on Biological Diversity, promoting Taiwan's Satoyama Initiative achievements, and continues to progress towards the 2050 net-zero target.

Cover Story

Inspired by the Formosan Blue Magpie, a bird endemic to Taiwan, the design draws from its steadfast and direct flight posture as well as its graceful and agile presence. Merging these qualities with futuristic, technology-inspired lines, it reflects China Airlines' forward-looking vision and spirit of innovation in the global aviation market. The extended lines symbolize an international perspective that connects the world—where flying is not just about movement, but also about exploring new possibilities and opening new pathways to the future. This conveys the airline's image of steady progress, distinctive elegance, and bold ambition.

Reporting Principles & Standard Disclosures

This report is prepared in accordance with the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, following the 2021 edition of the Global Reporting Initiative (GRI) Standards issued by the Global Sustainability Standards Board. It also references the Integrated Reporting Framework (IR Framework) of the International Financial Reporting Standards Foundation (IFRS Foundation). Additionally, it incorporates sustainability indicators from the Sustainability Accounting Standards Board (SASB) of the IFRS Foundation, the Task Force on Climate-related Financial Disclosures (TCFD), the Taskforce on Nature-related Financial Disclosures (TNFD), and the United Nations Global Compact. For detailed information, please refer to the ESG data and appendices of the report, including the GRI Standards Content Index, SASB Index, TCFD Index, Climate-related Information Index for Listed Companies, TNFD Index, and UN Global Compact Index.

Basis of Report and Guidelines
GRI Standards of the Global Sustainability Standards Board
IFRS Foundation International Integrated Reporting Framework
Sustainability metrics of the Sustainability Accounting Standards Board (SASB) by the IFRS Foundation
Task Force on Climate-related Financial Disclosures (TCFD)
United Nations Global Compact
United Nations Sustainable Development Goals (SDGs)
Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies
Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
Corporate Governance 3.0
Sustainable Development Guidemap for TWSE and TPEx Listed Companies
Sustainable Development Action Plans for TWSE and TPEx Listed Companies
Taskforce on Nature-related Financial Disclosures (TNFD)

Note: The contents of the report follow the 8 major reporting principles of the GRI Standards: Accuracy, balance, clarity, comparability, integrity, sustainability, timeliness, and verifiability.

Report Period & Boundary

Report Period

CAL discloses information from January 1, 2024 to December 31, 2024 in accordance with the GRI Standards. The reporting period of this report aligns with the financial statements; however some material information is subject to extended disclosure at May 30, 2025.

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- **About the Report**
- Letter from Management
- Business Overview
- 2024 ESG Performance and Recognition

01 Sustainability Management

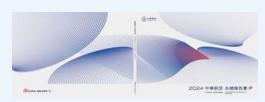## 02 Value Creation

03 Corporate Governance

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Boundary of Data Content

The financial data in this report aligns with the boundary of CAL's consolidated financial statements. The disclosure boundary for sustainability-related indicators is primarily based on industry relevance and financial materiality, focusing on CAL. Some indicators extend to subsidiaries Mandarin Airlines (hereafter referred to as AE) and Tigerair Taiwan (hereafter referred to as IT), which will be specifically noted in the report. Future operational changes of the organization such as mergers, acquisitions, and disposals, as well as non-controlling minority interests, will be considered if necessary, using a consistent method for information disclosure. There are no significant changes in the boundary and topics of major themes from the previous year. Any restated disclosure information is explained in the notes of each chapter. Updates on the adoption progress of IFRS sustainability disclosure standards are also included in line with the FSC's roadmap.

Note 1. China Airlines, Mandarin Airlines, and Tigerair Taiwan account for 96% of consolidated revenue.

Note 2. Tigerair Taiwan has been officially listed on the stock market since 2023 and has begun separately compiling a Tigerair Taiwan Sustainability Report. (Source: Tigerair Taiwan website)

Guarantee of Truthful Reporting

Internal Audit

The data and information in this report are provided by responsible units across the company, and are compiled and reviewed in accordance with the Corporate Sustainability Governance Procedures. After being incorporated into the internal control system and reviewed by the Executive Secretary Group of the Corporate Sustainability Committee (Sustainable Development Center of the Corporate Development Office), the report (including materiality analysis) is submitted to the Sustainability & Risk Management Committee and the Board of Directors for approval and issuance.

External Assurance

The Report has been verified by KPMG Taiwan in accordance with the GRI standards and the limited assurance of ISAE 3000. The truthfulness of the Report is guaranteed. ⌕ Please refer to ESG Data and Appendix for the Independent Limited Assurance Report.

Data Quality Management

Financial data in the Report and data relating to ISO quality, information security, privacy information, environmental and energy management, greenhouse gas emissions, and occupational safety and health have been certified or verified by independent third parties.

item	External Verification Agency
Sustainability Report (ISAE 3000)	KPMG
Financial Data	Deloitte Taiwan
ISO 9001 Quality Management System	DNV GL
ISO 27001 Information Security Management System	SGS
ISO 27701 Privacy Information Management System	SGS
ISO 14001 Environmental Management System	DNV GL
ISO 50001 Energy Management System	DNV GL
ISO 14064-1 Greenhouse Gas Emissions	DNV GL
ISO 45001 Occupational Health and Safety Management System	SGS
TOSHMS Taiwan Occupational Safety and Health Management System	SGS

Verification Message

Publication History

This Report is published in both Chinese and English every year and available on the CAL's corporate sustainability website. The dates of release are as follows:

First edition release date	August 2014	Current edition release date	August 2025
Previous edition release date	June 2024	Next edition release date	August 2026

Note: CAL notifies GRI of the use of its Standards and the statement of use after the release of the Report each year by sending an email to reportregistration@globalreporting.org

Feedback

If you have any suggestions or questions about this report, please contact:

China Airlines

Corporate Development Office, Sustainable Development Center

📞 +886-3-399-3263

✉ csr@china-airlines.com

📍 No.1, Hangzhan S. Rd., Dayuan Dist., Taoyuan City, 33758, Taiwan (R.O.C.)

🖥 https://calec.china-airlines.com/csr/en/

Corporate Sustainability Website

Stakeholder Communication Channels Website

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Letter from Management

GRI 2-22

Leading the Industry in Adhering to International Standards

 In 2024, CAL continued to actively progress towards its 2050 net-zero goal, becoming a pioneer in promoting Sustainable Aviation Fuels (SAF) in the industry. On April 23, 2025, CAL actively responded to a Civil Aeronautics Administration initiative, implementing a trial program for SAF usage at Taiwan airports. As a pioneer in sustainable practices in the Taiwanese aviation industry, CAL has been leading the way since 2017. In that year, we became the first to introduce SAF to new aircraft operations. In 2023, CAL successfully carried out the first commercial flight with SAF in the Taiwanese aviation industry through the SkyTeam Aviation Challenge. Building on the achievements of the previous two challenges and CAL's commitment to sustainability, in 2024, practical actions were taken, including the use of sustainable aviation fuel, promotion of a value chain circular economy cooperation plan, implementation of airborne and ground carbon reduction operations, and execution of carbon offsetting. These initiatives demonstrate CAL's dedication and innovation in the field of sustainable development. Furthermore, a sustainable fuel customer cooperation plan for cargo transportation was launched, inviting upstream and downstream partners and customers to participate. This collaborative effort aims to advance Taiwan's aviation industry towards energy transition and low-carbon transportation development. This pioneering commercial operation model in the Taiwanese aviation industry allows corporate customers to join hands with CAL in using sustainable aviation fuel, not only directly reducing carbon emissions from flight transportation but also effectively decreasing the carbon footprint of customers' air travel and cargo delivery. This enables CAL to share carbon reduction benefits with customers, promoting sustainable cooperation within the supply chain and value chain.

China Airlines has also actively responded to international carbon reduction initiatives. In June 2024, we became the first transport service provider in Taiwan to have our carbon reduction targets officially approved through the Science Based Targets initiative (SBTi), and we continued to support the national natural carbon sink initiative and sustainable forestry projects, implementing the International Satoyama Initiative. Furthermore, we actively supported Taiwan's participation in the 16th Conference of the Parties to the United Nations Convention on Biological Diversity, promoting the achievements of Taiwan's Satoyama Initiative and witnessing a new milestone in the co-prosperity of international indigenous rights and biodiversity conservation.

Implementing Corporate ESG and Sustainable Development

CAL is a pioneer in the international aviation industry for sustainability, continuously surpassing its own sustainability performance and achievements. It maintains a robust corporate environmental and energy risk management mechanism, leading the way by releasing an independent report on the Task Force on Climate-Related Financial Disclosures (TCFD) and integrating the TNFD framework, along with commitments to corporate forest and biodiversity conservation. To advance towards the goal of "Net Zero Carbon Emissions by 2050," CAL has set short, medium, and long-term carbon reduction targets for the transportation industry in Taiwan and proposed a comprehensive pathway to achieve net zero emissions by 2050, actively implementing carbon reduction operations in the air and on the ground. CAL continues to deepen its international cooperation with the IAGOS-PGGM Pacific Greenhouse Gas Monitoring program. As a global leader in conducting cross-Pacific regional climate observations, the airline combines collected data to contribute to international climate change research, strengthen its collaboration with international air route management, and enhance climate resilience.

At the same time, CAL adheres to the sustainable development philosophy of "giving back to society and creating social value" by continuously promoting a variety of social welfare and environmental conservation programs. These initiatives include support for disadvantaged seniors and children, collaboration between domestic industries and academia, volunteer teaching, public sports camps, beach clean-ups, tree planting, and the adoption of conservation species such as the pangolin at the Taipei City Zoo. Additionally, the company supports the Satoyama Initiative to promote the preservation of indigenous tribal culture and economic development, thereby actively fulfilling its corporate social responsibility.

CAL is committed to creating a comprehensive and happy enterprise, with talent development being one of our key objectives. The company provides holistic care and concern for employees, focusing on education, training, and development, promoting employee benefits, enhancing communication, and ensuring a healthy and safe workplace to foster a happy working environment. At the same time, to strengthen the competitiveness of talent in Taiwanese society, we continue to be part of "TALENT, in Taiwan: Sustainable Action Alliance for Taiwanese Talent," adhering to the principles of DEI to emphasize gender equality in the workplace. We have also introduced female pants uniforms, balanced employees' family lives, and increased the proportion of female supervisors within the company, all while cultivating diverse aviation

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professionals through a comprehensive training system and structure. The relevant executive performance has continuously won the "Happy Enterprise Gold Award" recognition and has also held onto the honor of "Asia's Best Corporate Employer Award" for consecutive years.

China Airlines has continued to cultivate sustainability efforts, receiving recognition from various domestic and international parties. In 2024, it achieved second place among 61 evaluated airlines globally in the DJSI rankings. It also ranked among the top 5% of the global aviation industry in the S&P Global Sustainability Yearbook assessment. China Airlines became the first airline in Taiwan to receive a "twA-" rating from Taiwan Ratings. Additionally, it has been included in the Taiwan Sustainability Index for six consecutive years and selected as a component stock of the FTSE4Good Index Series for nine consecutive years. It has won the Taiwan Corporate Sustainability Award for 11 consecutive years, with its sustainability report category receiving the highest honor of Best Report of the Year in the Service Industry for three consecutive years. CAL has taken concrete actions such as establishing a Corporate Sustainability Committee ahead of its industry peers, linking ESG sustainability governance overseen by the Board of Directors, implementing a systematic framework for environmental/ energy risk management, promoting the enhancement of ISO operating systems, and obtaining third-party certifications. These efforts have positioned CAL as a leader in driving ESG sustainable development in the Taiwanese aviation industry. It was selected from over 30 participating companies as the inaugural recipient of the Ministry of Transportation's ESG Transport Sustainability Gold Award, the sole airline to receive this recognition.

China Airlines Quality Starts from the Heart - Embracing a Brand New Future

In response to the rapidly changing global aviation operating environment and the increasing emphasis on sustainability by stakeholders, we have updated and released our core values of "Believe we can always do better," our mission of "Create more wonderful moments through flying," our vision of "Leading Asia-Pacific, Flying Worldwide," and our service declaration of "China Airlines Quality Starts from the Heart." We are committed to the highest standards of flight safety and sustainability, continuously introducing new-generation energy-efficient fleets, expanding our global route network, and deepening our alliance partnerships to enhance market competitiveness and operational resilience. We will accelerate digital transformation; strengthen information security governance and personal data protection; enhance the passenger flight experience with technology, humanity, and culture; refine and diversify passenger and cargo transportation services; and actively seize global high-value business opportunities. We will continue to uphold the core principles and policies of ESG sustainable development, properly address and respond to stakeholders' expectations, expand and deepen the ESG sustainable governance of the Group, implement climate governance and net-zero carbon goals, increase the use of SAF, collaborate with supply chain partners to promote value chain sustainable transformation, and comprehensively enhance ESG performance.

We believe that only through prudent management, innovation, embracing the Earth, and caring for society can we create more operational revenue and ESG sustainable development dividends, to create and pass on a happy and sustainable living environment for our generation and the next.
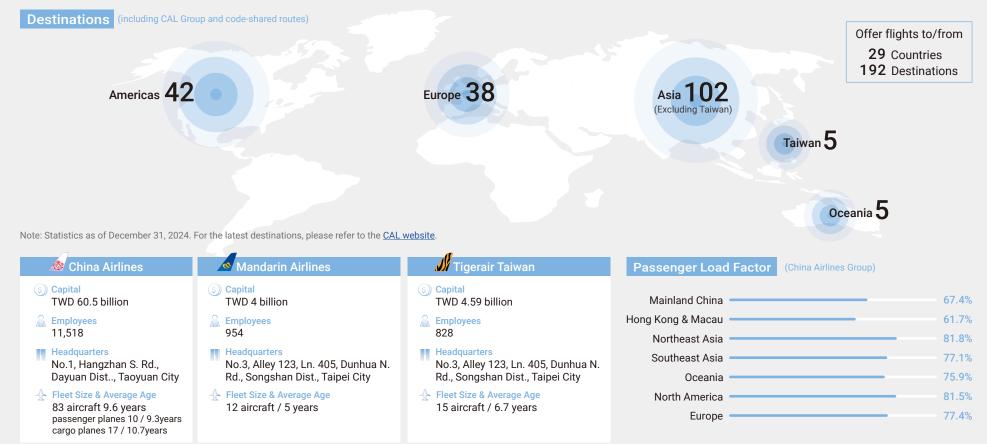
Chairman

President

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Business Overview

GRI 2-1-2-6

CAL (2610) is the largest airline in Taiwan. Based in Taiwan Taoyuan International Airport, CAL mainly provides international passenger and freight air transport services. CAL has two subsidiary companies: Mandarin Airlines (serving domestic and regional markets) and Tigerair Taiwan (offering a low-cost business model). With three airline companies for market segmentation, shared resources, and mutual support, CAL provides a variety of options for customers. For more information on the business development of the fleet and route network, refer to Business Overview in CAL's Annual Report. In 2024, China Airlines and Mandarin Airlines jointly operated flights to 29 countries/regions with other operators, serving 192 destinations, while Tigerair Taiwan served 28 destinations across 41 routes. In 2024, the global aviation industry continued to seek steady growth amidst the complex and ever-changing international landscape. While there were signs of a gradual economic recovery worldwide, multiple challenges persisted. Geopolitical conflicts continued to escalate, exacerbating regional instability and impacting route adjustments and additional costs. Although inflationary pressures eased slightly, energy prices remained a key factor affecting airlines' operational costs. Insufficient resilience in supply chains and ongoing labor shortages also remained potential operational risks. In such a complex environment, CAL remains committed to enhancing operational efficiency and striving to achieve a robust financial performance. CAL Group achieved a pre-tax net profit of TWD 19.276 billion, with a post-tax net profit attributable to the parent company of TWD 14.383 billion. see 3.2 for details on CAL Group's operational achievements

Destinations (including CAL Group and code-shared routes)

Offer flights to/from
29 Countries
192 Destinations

Americas **42**
Europe **38**
Asia **102** (Excluding Taiwan)
Taiwan **5**
Oceania **5**

Note: Statistics as of December 31, 2024. For the latest destinations, please refer to the CAL website.

China Airlines
- **Capital** TWD 60.5 billion
- **Employees** 11,518
- **Headquarters** No.1, Hangzhan S. Rd., Dayuan Dist.., Taoyuan City
- **Fleet Size & Average Age** 83 aircraft 9.6 years passenger planes 10 / 9.3years cargo planes 17 / 10.7years

Mandarin Airlines
- **Capital** TWD 4 billion
- **Employees** 954
- **Headquarters** No.3, Alley 123, Ln. 405, Dunhua N. Rd., Songshan Dist., Taipei City
- **Fleet Size & Average Age** 12 aircraft / 5 years

Tigerair Taiwan
- **Capital** TWD 4.59 billion
- **Employees** 828
- **Headquarters** No.3, Alley 123, Ln. 405, Dunhua N. Rd., Songshan Dist., Taipei City
- **Fleet Size & Average Age** 15 aircraft / 6.7 years

Passenger Load Factor (China Airlines Group)

Region	%
Mainland China	67.4%
Hong Kong & Macau	61.7%
Northeast Asia	81.8%
Southeast Asia	77.1%
Oceania	75.9%
North America	81.5%
Europe	77.4%

Note: As of April 30, 2025. For the latest operating fleet size and age, please refer to the CAL website.

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2024 ESG Performance and Recognition

9th time selected for FTSE4Good Index Series
Selected in the FTSE4Good Index Series for nine consecutive years

3rd time selected for the MSCI Index
Has been selected as a constituent stock of the MSCI Global Standard Indexes since 2022

6th time in GCSA Award
CAL won the Sustainability Reporting Award for the sixth time and won Gold Class in 2024

6th time selected for FTSE4Good TIP Taiwan ESG Index
Selected in the FTSE4Good TIP Taiwan ESG Index for the sixth time

11th time receiving Taiwan Corporate Sustainability Award
Eleven-time winner of the Taiwan Corporate Sustainability Award; Best Annual Report (Service Industry) for 3 consecutive years

8th time in the Sustainability Yearbook
Ranked 2nd in ESG among global airlines in 2024 and is the only Taiwanese airline selected 8 times for the Sustainability Yearbook; named top 5% airline in 2025

twA- long-term credit rating upgraded by Taiwan Ratings
Long-term credit rating upgraded to twA- by Taiwan Ratings (Oct 2024); short-term rating twA-2 with stable outlook

Governance

Top 21%-35% of TWSE/TPEx listed companies
Selected in the top 21%-35% of the excellent corporation award in the 10th Corporate Governance Review

8th time selected for Taiwan EMP 99 Index and Taiwan HC100 Index
Selected in the Taiwan Employment Creation 99 Index and the Taiwan High Compensation 100 Index for eight consecutive years

100% signing rate for the Supplier Code of Conduct
The signing rate of the key first-tier suppliers for the Code of Conduct has reached 100%

Signed the IATA Safety Leadership Charter
CAL signed the Safety Leadership Charter and filmed a "Safety Talk" featuring senior executives to demonstrate our commitment to promoting a positive safety culture, and enhancing employee awareness through top management's safety commitment and actions

Continuing to Obtain IOSA safety certification
CAL has upheld its commitment to flight safety by obtaining the IOSA (IATA Operational Safety Audit) certification in 2005 and undergoing re-certification audits every two years in accordance with IATA regulations. In 2024, CAL successfully met the IOSA standards for the consecutive 12th time, and the next certification is scheduled for 2026

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Governance

Hosted Geopolitical Conflict Aviation Security Risk Seminar in 2024

The seminar is held to strengthen aviation security personnel's awareness of risks from geopolitical conflicts and new security threats, equipping them to remain vigilant toward people, events, and objects. It was attended by 120 participants from the Ministry of Transportation, Air Force Command, government agencies, domestic airlines, and related enterprises

Co-organized 2024 International Aviation Safety Management Summit

CAL specially invited Japan Airlines to share insights on the JL516 Haneda Airport runway collision incident, providing a detailed understanding of the cabin crew's response measures and the emergency evacuation situation for passengers at that time. Participating entities include the World Flight Safety Foundation, Airbus, Boeing, Japan Airlines, and senior managers from major national airlines. Through extensive discussions and exchanges during the conference, the aim is to consolidate a shared commitment to enhancing safety.

Digital transformation and service optimization towards sustainable excellence

The Cabin Crew Division actively promotes digital operations and the application of AI technology to enhance service efficiency and implement sustainable development.
In 2024,

1. We continued to optimize the use of the iPad mini in cabin service and the Business Class ordering system, thereby reducing paper usage and enhancing operational efficiency
2. To support the introduction of new aircraft, we have implemented next-generation training equipment to enhance crew response capabilities and ensure flight safety.
3. Through the "Memory & Moment" service retraining and regular communication mechanism, we aim to deepen our brand image and improve customer satisfaction

4. We promote fair assessment and management optimization, establish a self-disciplined and trusting team culture, and focus on employees' physical and mental well-being. Fully initiate the optimization and renovation project to create an improved work environment, fostering a happy workplace atmosphere, and continuously enhancing service quality and corporate competitiveness

Environmental

First Transportation Company in Taiwan to Pass SBTi Validation

In June 2024, CAL became the first transportation service provider in Taiwan to officially pass the review of the Science Based Targets initiative (SBTi), setting a 1.5°C-aligned emissions reduction pathway. This target aligns with the global climate goals under the UN Paris Agreement and demonstrates CAL's commitment to science-based climate action and the transition to net-zero emissions

CDP SER A List Recognition

CAL has responded to the CDP climate change questionnaire for 12 consecutive years since 2012. After receiving a Leadership-level A-rating for five straight years, CAL was named to the CDP SER A-List in 2024 for its active efforts in climate action and supply/value chain management

11th TCSA Climate Leadership Award

CAL has received the Climate Leadership Award for 11 consecutive years since 2014, an unrivaled feat in Taiwan's transportation service industry

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Collaborating with partners to create carbon reduction value with SAF

First in Taiwan's aviation industry to introduce a SAF procurement model with traceable, verifiable carbon reduction reports. Leading collaboration with passenger and cargo partners to reduce aviation emissions and customers' travel and shipping carbon footprints, advancing the industry's energy transition

Action to Support Reforestation Initiatives

Hosted the "Exploration of the Mountains' Beauty" Event, bringing corporate resources to Indigenous tribal communities, with the aim of setting an example for others and inviting business partners to join in experiencing eco-friendly journeys together

Conducting cabin waste investigation to support Circular Economy

CAL fosters ongoing communication among cabin service, air quality, and ground handling teams to optimize operations and promote recyclable materials re-entering the circular economy

Social

Over 62.38 million in charity activities

CAL invested TWD62,384,660 in charity activities in 2024

Over 1.46 million beneficiaries

In 2024, the total number of beneficiaries from business activities, charitable events, and community investments reached 1,460,687

Nearly 3,000 rural students benefited

In 2024, the CAL Volunteers Club, along with rural community organizations and the Love Walking Club, voluntarily traveled to remote areas to impart aviation knowledge, benefiting a total of nearly 3,000 students

420 senior citizens

Provided care for 420 disadvantaged senior citizens at three events in 2024

Employee training investment of 433 million

Actively conducting management and various professional training, with a total investment of approximately 433 million

Employment of 101 staff members with disabilities

CAL takes great pride in being the sole recipient of the Golden Exhibition Award in the aviation industry for employing 101 staff members with disabilities

99.14% union participation

99.14% of employees participate in the corporate union

Awarded the HR Asia Best Companies to Work for In Asia

CAL received the prestigious award of HR Asia Best Companies to Work for In Asia in 2024

Continuous Support for "TALENT in Taiwan"

On February 29, 2024, CAL reaffirmed its support for "TALENT in Taiwan," partnering with CommonWealth Learning and others to promote sustainable talent development

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2024 Award Records

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FEBRUARY 2024.02

- Ranked among the top 5% of the global airline industry in the S&P Global 2024 Sustainability Yearbook.

JULY 2024.07

- Selected in the Taiwan Employment Creation 99 Index for eight consecutive years.

- Received the "HR Asia Best Companies to Work for In Asia" award for two consecutive years.

- The "China Airlines 2023 Sustainable Flight Challenge" video won the Sustainable Microfilm Silver Award at the Golden Eagle Awards.

JUNE 2024.06

- Selected in the Taiwan High Compensation 100 Index for eighth consecutive year.

- Ranked in the Taiwan Sustainability Index six times.

- Selected in the FTSE4Good Index for nine consecutive years.

SEPTEMBER 2024.09

- The Taiwan Ratings long-term credit rating of CAL was upgraded to "twA-".

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NOVEMBER

2024.11

- Received Taiwan Contact Center Development Association Excellence in Customer Service Award: Best AI System Application Team.
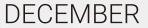
- Awarded "Global Five-Star Airline" for nine consecutive years by the Airline Passenger Experience Association (APEX), along with the "Best Food & Beverage Award" and the "Best Wi-Fi Award."

- Honored at the "2024 17th Taiwan Corporate Sustainability Award, " winning five major awards in the 11th consecutive winning year, including three consecutive years receiving the "Best Annual Report in the Service Industry, " the" Top 100 Sustainable Exemplary Enterprise Award in Taiwan," individual sustainability performance awards in the "Climate Leadership Award" and the "Social Inclusion Leadership Award," as well as the "Gold Award for Sustainability Reporting" global corporate sustainability award.

DECEMBER

2024.12

- Awarded the Gold Prize in the inaugural " ESG Transportation Sustainability Award, " becoming the sole recipient in the aviation industry.

- Rated the "Best Airline in North Asia" by the renowned American travel magazine Global Traveler in their 21st annual reader survey.

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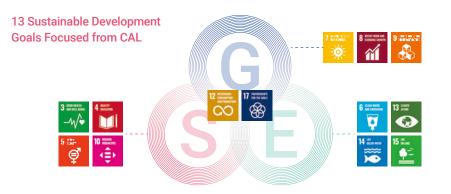# 01 Sustainability Management

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1.1 Sustainability Vision and Strategies

1.1.1 CAL's Sustainability Vision

In response to evolving market and operational demands, CAL regularly reviews its strategic indicators. In 2024, after reassessing internal and external environments, CAL updated its vision, mission, and values. Guided by the belief that "we can always do better," CAL's mission is "creating more wonderful moments through flying," and its vision is "leading Asia-Pacific, flying worldwide." CAL supports the UN's 17 Sustainable Development Goals (SDGs), aligning with the SDG Compass and sustainability frameworks from ICAO, ATAG, and the global transport sector. Currently, CAL focuses on 13 SDGs to drive sustainability and create stakeholder value.
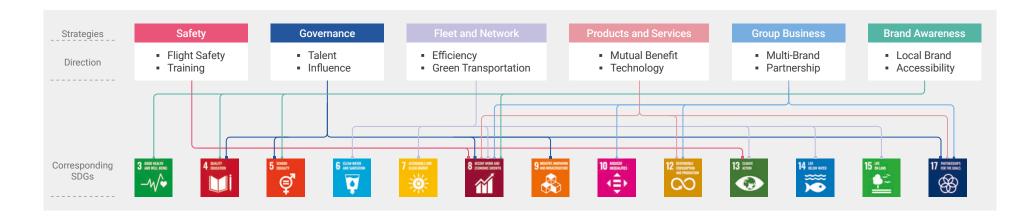
1.1.2 Sustainability Strategy

China Airlines is committed to its mission of "creating more wonderful moments through flying" and its vision of "Leading Asia-Pacific, Flying Worldwide." Centered on "Safety" and "Governance," CAL integrates its core strategies—"Fleet and Network," "Products and Services," and "Group Business"—to strengthen brand awareness. To enhance its sustainability image, CAL launched three action plans: "Smart Resilience" (adapting to extreme weather and public health concern), "Localized Global Operations" (sharing Taiwan's culture globally), and "Youth Innovation" (engaging younger generations). These six strategic directions align with the UN Sustainable Development Goals (SDGs), forming a comprehensive sustainability framework. In 2024, CAL reviewed and updated its medium- to long-term sustainability goals. The strategy is led by the Corporate Sustainability Committee under the General Manager, and overseen by the Board-level Sustainability & Risk Management Committee and the Board of Directors.

13 Sustainable Development Goals Focused from CAL

China Airlines Sustainability Strategy

Leading Asia-Pacific, Flying Worldwide — VISION

Create more wonderful moments through flying — MISSION

Believe we can always do better — VALUES

Strategies	Safety	Governance	Fleet and Network	Products and Services	Group Business	Brand Awareness
Direction	• Flight Safety • Training	• Talent • Influence	• Efficiency • Green Transportation	• Mutual Benefit • Technology	• Multi-Brand • Partnership	• Local Brand • Accessibility
Corresponding SDGs						

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1.2 Sustainability Management Structure

GRI 2-9.2-12.2-13.2-14.2-16.2-18

1.2.1 Corporate Sustainability Committee

China Airlines established the Corporate Sustainability Committee in 2014 as its highest-level sustainability governance body. In 2024, the Corporate Development Office set up the Sustainability Development Center, which acts as the committee's executive secretary and appointed a Chief Sustainability Officer to lead sustainability efforts. The Center oversees decision-making and manages impacts on the economy, environment, and people, including human rights. To enhance ESG governance, the board-level Sustainability & Risk Management Committee was formed in 2025 to strengthen oversight. In 2024, the Corporate Sustainability Committee, chaired by the President under the Chairman's guidance, held three meetings. It comprises six value-based working groups and a risk management group. In line with CAL's Sustainable Development Practice Code, the committee formulates goals and integrates strategies to drive sustainable development, reporting twice a year to the board-level committee and the Board of Directors. As the highest governance body, CAL's Board of Directors oversees and identifies external economic, environmental, and social (including human rights) impacts, conducting due diligence through internal controls and ESG audits. The Board assigns senior executives to engage in dialogue with stakeholders to address the identified impacts through multiple communication channels and platforms, which are detailed in 🔍 1.4.1 Stakeholder Engagement . In 2024, the Board of Directors held nine meetings to oversee the Company's due diligence and impact reporting on critical material events (Note 2), security management, operational risk management, financial conditions, greenhouse gas inventory and verification, climate governance report, human rights risks, and information security and personal risks, and to review the results of stakeholder engagement. CAL also established the performance evaluation procedures for the Board of Directors' supervision of the Company's impact on the economy, environment, and people (including human rights). It convenes at least two meetings of the Remuneration Committee each year to regularly review the overall compensation and benefits policies of senior executives. 🔍 Refer to 3.1 Governance Framework
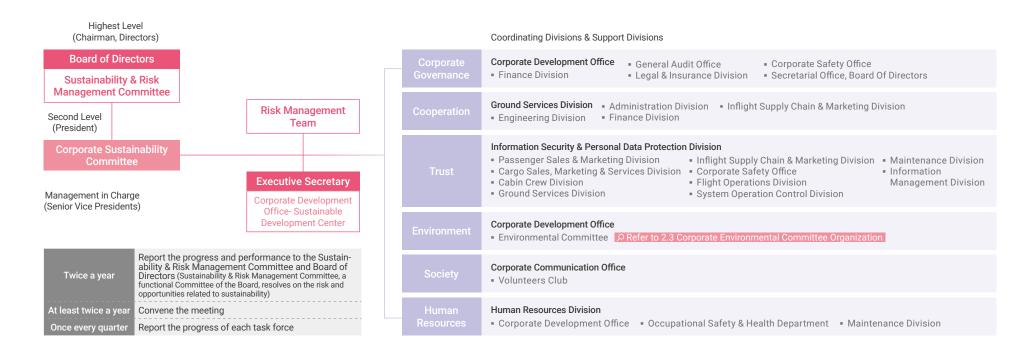
Sustainable Development Best Practice Principles

Note 1. The 2024 corporate ESG sustainability governance achievements were reported to the Board of Directors on January 13, 2025, and the contents of the 2024 Sustainability Report were presented at the third quarter meeting of the Sustainability & Risk Management Committee on August 6, 2025, and approved by the Board of Directors on August 8, 2025.

Note 2. Critical and significant events include those that are communicated to stakeholders through the grievance mechanism. Material incidents that are verified are communicated and reported to the Board of Directors based on the nature of the events.

Highest Level (Chairman, Directors)	**Board of Directors** / **Sustainability & Risk Management Committee**
Second Level (President)	**Corporate Sustainability Committee**
	Risk Management Team
Management in Charge (Senior Vice Presidents)	**Executive Secretary** — Corporate Development Office- Sustainable Development Center

Twice a year	Report the progress and performance to the Sustainability & Risk Management Committee and Board of Directors (Sustainability & Risk Management Committee, a functional Committee of the Board, resolves on the risk and opportunities related to sustainability)
At least twice a year	Convene the meeting
Once every quarter	Report the progress of each task force

Coordinating Divisions & Support Divisions

Corporate Governance
Corporate Development Office
- Finance Division
- General Audit Office
- Legal & Insurance Division
- Corporate Safety Office
- Secretarial Office, Board Of Directors

Cooperation
Ground Services Division
- Engineering Division
- Administration Division
- Finance Division
- Inflight Supply Chain & Marketing Division

Trust
Information Security & Personal Data Protection Division
- Passenger Sales & Marketing Division
- Cargo Sales, Marketing & Services Division
- Cabin Crew Division
- Ground Services Division
- Inflight Supply Chain & Marketing Division
- Corporate Safety Office
- Flight Operations Division
- System Operation Control Division
- Maintenance Division
- Information Management Division

Environment
Corporate Development Office
- Environmental Committee 🔍 Refer to 2.3 Corporate Environmental Committee Organization

Society
Corporate Communication Office
- Volunteers Club

Human Resources
Human Resources Division
- Corporate Development Office
- Occupational Safety & Health Department
- Maintenance Division

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1.3 CAL's Sustainability Value

1.3.1 Business Model and Value Creation

Capitals Input
(Unit: TWD million)

- Employee Recruitment/Hiring Costs **4.83**
- Employee Benefits Expenditure **197.35**
- Employee Training Investment Costs **432.57**
- Investment in Mid- to Senior-Level Management Development **4.54**

- Charitable activity expense **3.60**
- Community activity expense **3.85**
- Brand management expense **7.29**
- Customer service management cost **8,284.23**
- Industry-academia partnership cost **11.70**
- Supplier ESG management expense **0.71**

- Product R&D Funding **391.13**
- Investment in Process Improvement or System Development **134.00**
- Patent Investment Costs **0.05**
- Research and Development Workforce Training Funds **2.18**

- Annual Environmental Expenditure **79.89**
- Solar Photovoltaic Investment (Increase) **14.40**
- Sustainable Alternative Fuel (Increase) **2.29**

6 CAPITAL
- Human
- Social& Relationship
- Intellectual
- Natural
- Financial
- Manufactured

- Capital **60,769.35**

- Annual Depreciation/Amortization Expense **25,860.8**
- Annual Expenditure on Aircraft Maintenance and Procurement **6,318.85**
- Annual Infrastructure (Branch Offices/Outstations/Hangars) Construction or Maintenance Costs **16,901.31**

Business Model

Fleet and Network
- Look ahead to future opportunities, seizing business opportunities
- Grasp the opportunity of passenger transport recovery
- Consolidate existing advantages in cargo
- Continue to upgrade and optimize operational efficiency
- Maintain partnerships with alliance members and code share partners

Product and Services
- Increase revenue from cargo flights
- Increase the frequency of cabin, baggage, and general disinfection
- Digital Flight Service

Group Business
- Optimize group multi-brands to satisfy different markets and passengers' demand
- Strive for more airport usable land from government

Leading Asia-Pacific, Flying Worldwide

Governance
- Enhance employee professional competence and career goal development
- Maintain financial stability

Safety
- Ensure flight safety and sustainable capability

Brand Awareness
- Resilient intelligence
- Local globalization
- Youth innovation

Bussiness Model　Sustainability Strategies Action Plan

Objectives & Performance

Human Resources | Trust | Cooperation | Environment | Society | Corporate Governance

Sustainability Strategies	Definition of Strategy
Governance	Root sustainable concept in value chain to make positive influence
Safety	Embed the safety culture into products and services
Brand Awareness	Highlight Taiwan's local identity and friendly transport services to shape a distinctive brand and responsible corporate citizen image
Fleet and Network	Promote highly efficient fleets and network to forward environmental friendliness
Products and Services	Create sustainable services with sustainable value and technology
Group Business	Spread sustainability to group business to improve cooperation and sustainable development

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Item		Output	Outcome	Relevant Report Sections
Financial	Capital	175,182,455,000	Revenue increased by 8% compared to 2023, and traditional financial performance (EBITDA) rose by 22% compared to 2023.	3.2 Operational Achievements (P.159)
Manufactured	Number of New Fleet Aircraft	• Two Boeing 777F cargo aircraft • Four Airbus A321neo aircraft	▪ From 2014 to 2016, ten 777-300ERs were introduced, delivering notable fuel savings. The 777F freighter, co-developed with Boeing and equipped with the same GE90 engines, supports streamlined engine management and lower maintenance costs. Differential training enables flight crew flexibility and more efficient resource deployment. ▪ The A321neo offers improved fuel efficiency, lower unit costs, extended range, greater payload, and reduced noise. Its eco-friendly design cuts carbon emissions and noise pollution, strengthening our competitiveness on regional routes.	3.2 Operational Achievements (P.159) 2.1 Trust(P.45)
	Passenger Capacity of the New Fleet	720 seats	The A321neo features a newly designed cabin with diverse and innovative hardware and software, highlighting China Airlines' unique brand and competitive product advantages.	
	Aircraft Maintenance Performance Indicators	Actual on-time delivery rate for high-level maintenance: 100%	Achieved the target for on-time delivery rate of advanced maintenance (100%).	
	Number of incidents resulting in fatalities or total aircraft loss	0	0	
	Number of Destinations (Including New Additions)	• Passenger destinations : 71 • Cargo destinations : 30	▪ In 2024, one new passenger route was added (SEA). ▪ In 2024, no new cargo routes were added.	
	New Flight Destinations	• In 2024, one new passenger route was added (SEA) • In 2024, no new cargo routes were added	▪ In 2024, one new passenger route was added (SEA). ▪ In 2024, no new cargo routes were added.	
	Global Passenger/ Freight Transport Volume (RPK/FRTK)	• RPK: 37,267,000,000 • FRTK: 5,285,064,431	▪ RPK increased 10.2% over 2023 (33,808,000,000). ▪ In 2024, cargo traffic reached 5,285 million tonne-kilometers, a decrease of 0.98% compared to 5,337 million tonne-kilometers in 2023.	
Intellectual	Number of Newly Launched Products or Services	• Two Boeing 777F cargo aircraft • Four Airbus A321neo aircraft	Fuel Conservation and Noise Reduction	2.1 Trust (P.45) 2.4 Human Resources (P.117)
	Research and Development Achievements	0	NIL	
	Revenue/Passenger Numbers Generated by Newly Launched Products or Services	1. 787 New Aircraft Project ① 787-9 : Cabin equipment specifications finalized; testing and certification underway. First batch of products expected this year. ② 787-10: Seat, IFE, and interface specifications completed.	1. Project for New 787 Aircraft ① 787-9 : Completed PDR/CDR meetings for 16 aircraft, finalizing cabin system specifications and customization plans. ② 787-10: Completed Initial Technical Coordination Meeting (ITCM) for 8 aircraft, addressing seat, IFE, and fuselage interface specifications.	

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Item		Output	Outcome	Relevant Report Sections
	Revenue/Passenger Numbers Generated by Newly Launched Products or Services	2. **A350 Cabin Retrofit** Scope and technical interfaces are being defined.Pre-ITCMs with Airbus are planned to confirm specifications	2. **A350 Cabin Modification** Selected cabin design consultant; design work is in progress. Pre-ITCMs completed with equipment vendors, IFE providers, and Airbus for 15 aircraft.	
	Cost savings (such as labor and materials)	89	Reduction in manpower: 119.2 person-months per year	
	Number of Patents	1	1	
	Number of Personnel Trained in R&D	573	Enhance IT personnel skills to support the development or update of various information systems within the company, covering 89 project plans.	
Human	Number of New Employees in 2024	864	Continue to attract diverse talent to enhance the company's operational capacity.	
	Employee Retention Rate	▪ The retention rate for newly hired/recruited employees in 2024 was 91.20% ▪ Employee retention rate before 2024: 92.49%	Compared to 2023, the retention rate of newly hired employees increased by approximately 1.3%, and the overall employee retention rate rose by 1.4%.	2.4 Human Resources (P.117)
	Employee Turnover Rate	5.26%	The turnover rate decreased by approximately 0.6% compared to 2023.	
	Total Training Hours for Employees	461,495 hours	Facilitate educational training to support operational needs.	
	Training Hours for Mid- to Senior-Level Management	9,400 hours	Conduct job-related training and provide additional development resources to enhance management skills and build consensus.	
Natural	Electricity Consumption	31,856 kWh	260,881kWh	
	Carbon Emissions	6,570,077 tons	47,477 tons	
	Waste Volume	4,815,001 kgs	70,740 kgs	
	Water Consumption	114.37 tons	None	
	Noise Management Action Plan	5	Continue to implement five key strategies to ensure operational compliance with noise regulations	2.3 Environment (P.84)
	Number of Green Buildings	2	Regenerative Power System: 11,304 kWh	
	Percentage of Green Buildings in Total Construction	66.67%	66.67%	
	Solar Photovoltaic Investment	296,528 kWh	2024 Energy Savings: 296,528 kWh	
	Sustainable Alternative Fuel	26,641 liters	In 2024, carbon emissions were reduced by 67.202 tons	
Social and Relationship	Number of Public Welfare Activities	20	This year, we continued supporting elderly individuals in Taoyuan—particularly those who are disabled, dependent, or living with dementia—by providing care packages during the three major festivals. Leveraging our aviation expertise, we also held pilot and flight attendant experience camps for underprivileged children. To deepen our corporate social responsibility and community engagement, we made ongoing donations to disadvantaged groups, foundations, and children in rural areas.	
	Number of Beneficiaries	1,460,687		

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Item	Output		Outcome	Relevant Report Sections
Social and Relationship	Community activity number	28	Each year, CAL visits local schools near its offices to offer lectures, sharing core aviation knowledge and English education to support local learning and global awareness. CAL also advances its ESG goals through actions such as tree-planting sponsorships, beach cleanups, and wildlife conservation, creating shared value and promoting sustainable community development. In 2024, we held charitable basketball, table tennis, baseball, and badminton camps, combining sports with social welfare to inspire children to pursue their dreams.	2.1 Trust (P.45) 2.2 Cooperation (P.71) 2.4 Human Resources (P.117) 2.5 Society (P.139)
	Number of Community Participants	19,925		
	Number of External Sponsorships	58	In 2024, CAL continued its humanitarian efforts regardless of nationality, actively leveraging its resources to support global relief. This included transporting supplies for the Tzu Chi Foundation after the New Year's Day earthquake in Japan and supporting the "2nd Love Without Borders International Medical Mission" and the "31st Formosa Budding Hope Association Love Without Borders." These efforts reflect CAL's corporate strength and humanitarian spirit. Additionally, CAL continued to sponsor Taiwan's tourism, arts, culture, and sports, helping raise the global profile of local Taiwanese brands.	
	Number of Brand Promotion and Advertising Projects	6	**1. Sustainability Promotions and Activities** In 2024, CAL released the "Tree Planting" video, SAF collaboration ads, and a sustainability commercial. At the ITF Taipei Travel Fair, reusable lighting and bilingual balloons were featured. The 2025 desk calendar used eco-friendly ink, and sustainability results were disclosed in the PR annual report.	
	Brand Promotion Project Results	80,810,000	**2. Seattle Route Marketing** To support the launch of the Seattle route, CAL rolled out a multi-channel campaign covering outdoor, TV, social media, and print, reaching 208 million impressions. Post-launch, the average load factor approached 80%, showing strong sales performance. **3. 2024 ITF Travel Fair Results** After eight months of preparation, CAL's booth won the "Best Pavilion Award." The four-day event attracted 364,000 visitors, with over 8,800 participating in activities. New Dynasty member sign-ups grew by 32.3%, and 16,747 tickets were issued with total sales reaching NT$275 million. **4. Brand Campaigns** Continuing the "Travel the World in Your Style" theme, CAL launched the "AI Sing Out Loud" campaign, ad videos, and interactive installations. YouTube and Facebook views exceeded 19.18 million (400% KPI), with a nearly 30% conversion rate for the "AI Sing Out Loud" site. **5. Desk Calendar Promotions** In October, a press release and promotional video were published, generating 18 online news reports and over 40,000 views. The check-in event at the travel fair drew enthusiastic participation. **6. Sports Marketing** In 2024, CAL displayed "Cheering for Team Taiwan" ads at Tokyo Dome City, receiving wide media coverage and generating strong positive engagement across social platforms.	
	Passenger Satisfaction Results	Passenger Net Promoter Score (NPS):72.5	According to the passenger satisfaction survey results from January to December 2024, NPS reached 72.5, exceeding the target value and showing an improvement over 2023. Looking ahead to 2025, we have raised our target from 62 in 2024 to 69, in response to passengers' recognition and expectations of China Airlines.	
	Number of Passenger Complaints	20,770	In 2024, China Airlines transported a total of 11,464,422 passengers, an increase of 1,867,863 passengers or 19.46% compared to the 9,596,559 passengers in 2023. The number of customer complaints in 2024 was 20,770, which is an increase of 3,845 complaints or 22.72% compared to 3,845 complaints in 2023.	
	Cargo Satisfaction Results	89.8	Each year, the Cargo Sales, Marketing & Services Division distributes a customer satisfaction survey to all global cargo service locations, encouraging clients to actively provide feedback. Additionally, it enhances the secure transportation of diverse products, expands e-commerce services, and improves tracking and responsiveness to customer service requests.	

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Item	Output		Outcome	Relevant Report Sections
Social and Relationship	Number of Cargo Complaints	0	All destinations continue to provide customers with relevant cargo services and are committed to further improving service quality.	2.1 Trust (P.45) 2.2 Cooperation (P.71) 2.4 Human Resources (P.117) 2.5 Society (P.139)
	Number of Partners	20	Continuing to Develop National Aviation Talent.	
	Number of Collaborative Projects	5	Continuing to Develop National Aviation Talent.	
	Number of Industry-Academia Collaborations	40	Continuing to Develop National Aviation Talent.	
	Supplier ESG Management Coverage Ratio	94.38%	In 2024, the coverage of sustainable management among suppliers decreased by 1.62% compared to 2023. This was primarily due to a reduction in bonus questions and the doubling of the weight of compliance questions. While scores in governance and general areas slightly improved, all other areas saw a decline. However, the average score for each area exceeded 80 points.	
	Overall Proportion of Supplier ESG Audits in the Past Three Years	100.00%	Supplier audits are conducted at least once every three years, with a completion rate of 100% from 2022 to 2024.	

1.3.2 True Value of China Airlines

In order to embrace mutual prosperity along with our stakeholders and endeavor to create sustainable value for all stakeholders, CAL based on China Airlines' economic, environmental, and social reporting boundaries has integrated six forms of capital (financial, natural, manufactured, intellectual, human, and social relationship) to its corporate vision and strategy, introducing the concepts of true value to monetize the environmental and of social externality's costs and benefits. This true value is viewed as an important reference point for corporate sustainability, and it helps all stakeholders understand the company's sustainability performance.

Procedures for Assessing True Value

Create the Impact Map → Set the Scope → Identify Impact Factors of Material Externalities

Monetize External Costs and Benefits ← Calculate Environmental and Social Externalities Externalities ← Collect Internal Data

True Value

In 2024, China Airlines' traditional EBITA rose by 21.67% year-over-year to TWD 42.95 billion. When accounting for economic, environmental, and social factors, the company's true earnings reached TWD 54.79 billion—TWD 11.84 billion higher than EBITA and TWD 11.50 billion more than in 2023.

Key environmental improvements included a 22.12% increase in renewable energy use and a 73.29% rise in green fare adoption. However, greenhouse gas emissions grew by 6.97% due to a 15% increase in flight operations, while noise pollution fell by 7.35%. These impacts remain the primary environmental challenges.

Despite this, China Airlines actively advanced sustainability initiatives, including noise control, renewable energy, and green fares. Fleet renewal and fuel-saving efforts led by the Aircraft Fuel Management Task Force helped offset emissions growth.

In total, environmental externality costs in 2024 were estimated at TWD 13.07 billion, while economic and social value contributions reached TWD 24.91 billion.
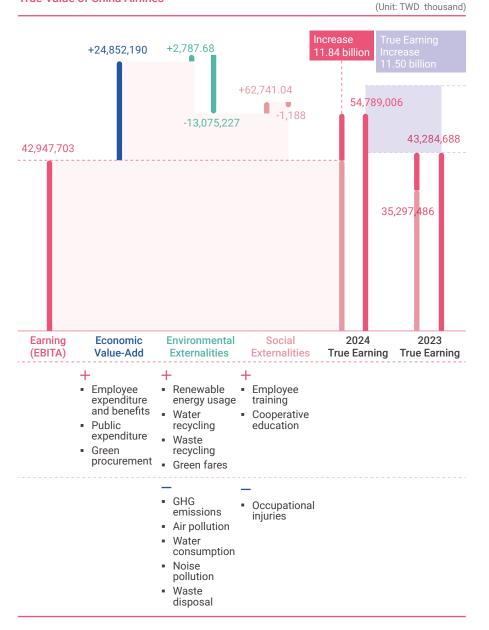
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True Value of China Airlines

(Unit: TWD thousand)

| | Increase 11.84 billion | True Earning Increase 11.50 billion |

+24,852,190
+2,787.68
+62,741.04
-13,075,227
-1,188
42,947,703
54,789,006
43,284,688
35,297,486

| Earning (EBITA) | Economic Value-Add | Environmental Externalities | Social Externalities | 2024 True Earning | 2023 True Earning |

+
- Employee expenditure and benefits
- Public expenditure
- Green procurement

+
- Renewable energy usage
- Water recycling
- Waste recycling
- Green fares

+
- Employee training
- Cooperative education

−
- GHG emissions
- Air pollution
- Water consumption
- Noise pollution
- Waste disposal

−
- Occupational injuries

1.4 Stakeholder Communication and Materiality Analysis

1.4.1 Stakeholder Engagement

`GRI 2-26.2-29`

China Airlines' eight primary stakeholders include employees (including other workers), customers, investors, government, partners (suppliers and contractors), society, media, and associations (including aviation organizations). When evaluating stakeholder concerns, we also consider a broad range of stakeholders such as business partners, non-governmental organizations (NGOs, associations), and disadvantaged groups. In addition to using materiality analysis questionnaires to understand stakeholder concerns regarding sustainability topics, we have established dedicated stakeholder sections on the China Airlines website tailored to the attributes and needs of each stakeholder group. These sections provide open communication channels and platforms. Stakeholders can express suggestions or concerns regarding China Airlines' business policies and practices through these individual communication channels and platforms to convey their needs and expectations. Furthermore, China Airlines reports to the Board of Directors at least once a year on the status, frequency, and actual content of stakeholder communications. The results of stakeholder communication and discussions for 2024 were reported to the Board on January 13, 2025.

Stakeholder Contact

Frequency

! On demand	**R** Regularly	**1/6** Once every 6 months	**2y** Twice every year
N As needed	**M** Monthly	**Y** Yearly	**4/6** Four to six times a year
D Daily	**Q** Quarterly	**1y** Once every year	

Employees

We view our employees as our most valuable assets. CAL has improved and optimized working conditions and the working environment to establish a safe and growing work place. CAL is dedicated to maintaining harmonious labor-management relations through unimpeded communication channels, thus creating a win-win situation

Material Issues		Corresponding Chapter Section	Key Points of Communication	Communication Channels and Frequency	
G Governance and Business Integrity G Information Security S Flight Safety Management	S Labor Relations and Communication S Privacy Management	2.4 Human Resources 2.3 Environment	1. Recruitment and Retention 2. Employee development, rights and interests, healthy and safe workplace	4/6 Labor-management meetings ! Labor Unions ! Employee suggestion boxes ! Employee feedback website	! China Airlines newsletter ! China Airlines Retirees Portal Q Meetings of the Occupational Safety and Health Committee

Communication Results	Highlights of Communication Results
1. Employee Engagement The employee engagement survey was conducted in December 2024 and the score was 7.9 (score out of 10), which was higher than the score in the previous survey. **2. Attracting, Cultivating, and Retaining Talent** CAL spares no expenses in employee training and development and invested approximately TWD 433 million in employee training in 2024. **3. Labor Relations and Communication** CAL enforces anti-discrimination policies and provides communication channels and grievance procedures, with public disclosure of handling statistics. In 2024, six peaceful labor-management meetings were held at headquarters. **4. Privacy Management Employee Training** In 2024, 22,835 participants attended training sessions to reinforce the importance of personal data protection and proper conduct.	▪ On January 15, 2025, CAL and the China Airlines Employees Union signed their seventh collective agreement, covering 79 articles for a three-year term. Both sides continue to improve labor conditions and benefits, maintaining strong labor relations through mutual goodwill. Additionally, CAL and the Taoyuan Union of Pilots signed a collective agreement on December 29, 2021. These agreements are typically renegotiated every three years, and during the transition period, existing terms on working conditions remain in effect by law. ▪ CAL has established the Occupational Safety and Health Committee in accordance with laws. It convenes a meeting every three months to review and coordinate occupational safety and health issues. The discussions are compiled into meeting minutes which are announced on the Intranet. ▪ Recognition as one of the HR Asia Best Companies to Work for in Asia: Efforts were acknowledged in 2024 with our being named among the "HR Asia Best Companies to Work for In Asia," standing out among 368 participating companies in our first submission.

Customers

Customers are our main source of revenue. CAL listens to customers and protects their rights and interests in order to meet customers' expectations

Material Issues	Corresponding Chapter Section	Key Points of Communication		Communication Channels and Frequency	
G Governance and Business Integrity G Customer Satisfaction G Information Security S Flight Safety Management S Privacy Management	2.1 Trust 2.3 Environment	1. Customer Relations Management 2. Protecting customers' rights and interests: privacy, food safety, and in-flight drinking water quality	3. Providing an information integration platform for flight changes during the pandemic 4. Increase of green consumption awareness 5. Demand increase on green transport	! Customer satisfaction survey 1/y Global business meetings 2/y Taiwan business meetings N Discussions with travel agencies	! CAL's website, CSR website, Facebook / Instagram, e-mail, text messages, and In-flight entertainment ! Customer-service hotline N Corporate customer visits

Communication Results	Highlights of Communication Results
1. Overall Passenger Net Promoter Score (NPS): 72.5% 2. Cargo satisfaction rate 89.8 3. Maintenance Division satisfaction rate was 9.0 (score out of 10) 4. Sustainable-themed Boarding Videos: A Selection of 12 Films 5. The official website of China Airlines states in its "Privacy Protection Policy" that personal data is collected, processed, and utilized in a reasonable and secure manner for authorized purposes.	▪ CAL's website focuses on optimizing website functions, reservations and ticketing services, streamlining website architecture, and enhancing system functions. This allows passengers to complete all necessary services for their journey through the website in a one-stop manner, providing passengers with a better digital platform usage experience. ▪ CAL promoted and broadcasted a boarding video under the idea of "Beauty of Taiwan, Sustainable China Airlines, We are all here." Inviting passengers to embark on CAL's flights together, the video showcases the beauty of Taiwan from high above and proclaims to the world that environmental conservation is our responsibility.

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🧑 Investors

Regardless of amount, all investors are contributors to CAL. CAL treats all investors equally, and makes the information available to each investor as consistent as possible

Material Issues	Corresponding Chapter Section	Key Points of Communication	Communication Channels and Frequency
Ⓖ Financial Performance Ⓖ Customer Satisfaction Ⓢ Flight Safety Management Ⓢ Attracting, Cultivating, and Retaining Diverse Talent Ⓢ Privacy Management	3.1 Governance Framework 2.1 Trust 2.3 Environment	1. Operational results 2. Flight safety and passenger transport 3. Risk management model	Ⓨ Shareholders' meeting ❗ Shareholders hotline / mailbox 1/y Road shows Ⓝ Interviews

Communication Results	Highlights of Communication Results
1. Continue to announce and respond with operation-related results according to laws, regulations, and investors' demand 2. To identify the related risks in processing of personal data, CAL stipulates standard operation procedures for the classification of personal data files and implements regular review as the basis for planning the risk management mechanisms.	▪ The shareholders' meeting was held on May 30, 2024. During the meeting, shareholders raised questions regarding the company's flight safety management and employee hiring. All inquiries were addressed and answered by the chairman or designated personnel. For details, please refer to the minutes of the 2024 annual shareholders' meeting. ▪ In 2024, we were invited to attend institutional investor conferences held by brokerage firms on June 6 and November 21. During these meetings, we presented an overview of our company's overall operations, business plans, and outlook to the institutional investors. Please refer to the presentations from the first and second institutional investor conferences of 2024 for details. ▪ The company has demonstrated stable operational performance post-pandemic. Given the continued strong demand for passenger services and the growth in the air cargo market driven by global e-commerce and electronic product demand, it is expected to sustain overall operational cash flow and enhance the company's profitability. In October 2024, Taiwan Ratings Corp. announced an upgrade of CAL's long-term credit rating to "twA-," and maintained the short-term credit rating at "twA-2," with a "stable" outlook. ▪ Integrate the TCFD and TNFD frameworks to disclose natural and climate change management information in the sustainability report, and independently publish the TCFD report for four consecutive years.

🏛 Government

CAL is Taiwan's largest civilian airline. Supervised by the Ministry of Transportation and Communications. The China Aviation Development Foundation is the largest shareholder of CAL and exerts influence on CAL's operations

Material Issues	Corresponding Chapter Section	Key Points of Communication	Communication Channels and Frequency
Ⓖ Governance and Business Integrity Ⓖ Information Security Ⓢ Flight Safety Management Ⓢ Labor Relations and Communication	3.1 Governance Framework 2.1 Trust 2.3 Environment	1. Communication and implementation of relevant laws and regulations 2. Sharing of important industry information 3. Supporting campaigns for business development, establishment, and research activities in civil aviation	Ⓝ Missives Ⓝ Visits Ⓝ Participation in projects Ⓝ Participation in public hearings, seminars, and negotiation forums Ⓝ Organization of or participation in business seminars and audits Ⓝ Participation in initiatives Ⓝ Audits

Communication Results	Highlights of Communication Results
1. Selected as one of the top 21%-35% excellent companies in the 10th Corporate Governance Evaluation for listed companies. 2. Selected for the Taiwan High Compensation 100 Index and the Taiwan Employment Creation 99 Index 3. Engaged in seminars to exchange insights and enhance flight safety 4. Launched GHG inventory and verification guidance for subsidiaries under consolidated financial statements	▪ At the 2024 International Aviation Safety Management Summit hosted by the Civil Aviation Administration, CAL invited Japan Airlines to share insights on the JL516 Haneda runway collision, focusing on cabin crew response and emergency evacuation. The event gathered representatives from the Flight Safety Foundation, Airbus, Boeing, and major airlines to reinforce collective aviation safety efforts. ▪ CAL held the "Geopolitical Risk's Impact on Aviation Security Seminar" to strengthen aviation security personnel's risk awareness and response to emerging threats. Held at the Civil Aviation Administration, the seminar drew 120 attendees from government agencies, the military, airlines, and related sectors. ▪ Participated in five sessions of the CAA-led Global Market-Based Mechanism (GMBM) working group and SAF-related discussions. ▪ Participated in the Ministry of Environment's Net Zero Workshop and the Taiwan-France Aerospace Industry Cooperation Conference. ▪ Invited to attend the ROC Civil Aviation Society's seminar to share on environmental topics. ▪ In response to the Ministry of the Interior's National Park Service's Forum on Promoting the Construction of the Formosa Sustainable Axis.

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Partners (Suppliers and Contractors)

Service provided by suppliers and contractors is one of the key factors for CAL to provide services that satisfy customers.

Material Issues		Corresponding Chapter Section		Key Points of Communication	Communication Channels and Frequency	
G Governance and Business Integrity G Fleet Development and Innovation	G Customer Satisfaction S Flight Safety Management	2.1 Trust 2.2 Cooperation	2.3 Environment	Sustainable Supply Chain Management	N TEL N e-mail N Coordination meetings	N Business visits 1/6 Site inspections

Communication Results	Highlights of Communication Results
1. 100% of critical tier-1 suppliers signed the Supplier Code of Conduct. 2. Green procurement in 2024 increased by 71% compared to 2023. 3. Convened the group sustainable governance and environmental management communication meeting in 2024.	▪ In November 2024, CAL held a supplier conference with 28 suppliers and 42 participants, focusing on global sustainability trends, carbon reduction, biodiversity, and circular economy. The event covered CAL's sustainable practices and the use of SAF, with bilingual materials shared with domestic and overseas tier-1 suppliers. ▪ CAL also joined IATA communication meetings to exchange insights on the international carbon market and SAF developments. 2024 Convene Annual Supplier Conference

Society

Social support is the key to our success. As an economic entity in society, CAL continuously contributes to the economy while fulfilling our corporate social.

Material Issues		Corresponding Chapter Section		Key Points of Communication	Communication Channels and Frequency	
G Governance and Business Integrity G Customer Satisfaction G Information Security	E Green Services and Sustainable Catering S Flight Safety Management S Privacy Management	2.1 Trust 2.3 Environment	2.4 Human Resources 2.5 Society	1. Support for social development 2. Assumption of social responsibility 3. Create a sustainable society	N Charity events N Community activities	M News releases D Online mailbox

Communication Results	Highlights of Communication Results
1. In 2024, CAL's charitable and public welfare efforts benefited a total of 4,853,610 people. 2. CAL regards environmental protection as a key business operation. There were no major environmental pollutions in 2024. We also actively promote energy conservation and carbon emissions reduction to fulfill environmental protection ideals and policies.	As a global citizen, CAL actively fulfills its social responsibility. In 2024, the airline supported international humanitarian efforts, including transporting relief supplies for the Japan earthquake, and backing medical missions and charity programs like the "2nd Love Without Borders" and the "31st Formosa Budding Hope Association." CAL also advanced ESG practices through tree planting, beach cleanups, and wildlife conservation advocacy. The company aims to create a positive cycle between community development and business operations. Additionally, CAL continued sponsoring Taiwan's tourism, culture, and sports, and held four charity sports camps to inspire children to pursue their dreams.

Media

Media reports and comments on CAL affect CAL's reputation and image.

Material Issues	Corresponding Chapter Section		Key Points of Communication	Communication Channels and Frequency	
S Flight Safety Management S Occupational Safety and Health	2.1 Trust 2.3 Environment	2.4 Human Resources	Collection of issues of stakeholders' concern and promotion of transparent communication.	N News releases N Press Conference	N Interviews N Active communication of industry information

Communication Results	Highlights of Communication Results
Released 124 announcements (including press releases, statements, revenue reports, and news) in 2024	China Airlines is dedicated to ESG development and actively discloses its sustainability efforts. In 2024, this included support for the underprivileged, employee beach cleanups, charity sports camps, reforestation, the SkyTeam The Aviation Challenge (TAC), and the airline's first marathon event—each paired with media outreach to enhance its sustainability image. To meet rising travel demand, CAL announced new routes, promotions, and fleet plans, including A350 cabin retrofits and 24 new aircraft orders. The airline also continues to improve cabin service, offering passengers diverse, high-quality travel experiences.

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Associations (including Aviation Organizations)

CAL participates in association, international organization, and aviation alliance meetings and seminars, to exchange opinions and get an early grasp on changes to aviation-related laws and regulations, thus ensuring compliance of our business activities

Material Issues	Corresponding Chapter Section	Key Points of Communication	Communication Channels and Frequency	
G Sustainable Supply Chain Management **G** Information Security **S** Flight Safety Management **S** Occupational Safety and Health **S** Privacy Management	2.1 Trust 2.3 Environment	1. Collection of trends at home and abroad and promotion of business operations 2. Coordination of business relationships and promotion of mutual benefits 3. Improvement of flight safety through discussions on safety issues, information exchange, and sharing security management experience	**M** Participation in project meetings **N** Participation in work seminars **R** Organizing or participating in summits, executive summits, committees, and coordination meetings	**R** Participation in government convened meetings **N** Telephone, e-mail, and exchange platforms

Communication Results	Highlights of Communication Results
In 2024, we participated in over 48 meetings held by TAA, ICAO, IATA, SkyTeam, AAPA, and other organizations, engaging in discussions on environmental sustainability management, strategies, and actions to build consensus and explore solutions.	1. China Airlines supported SkyTeam's sustainability efforts and won the "Best Forward-looking Strategy Award" in the Aviation Challenge (TAC). 2. CAL regularly attends monthly IATA environmental policy meetings and AAPA Environmental Working Group sessions, participating in 25+ discussions on SAF, sustainable cabins, carbon footprint, and illegal wildlife transport. 3. Actively engaged in 10+ sustainability exchanges with SkyTeam, including Aviation Challenge pre-meetings and SDG consultations, to enhance sustainability management. 4. Participates in IATA's CO2 Connect program to track carbon footprint tools and share data for global airline sustainability. 5. Aligns with SkyTeam's UN SDGs, providing recommendations in Executive Board and Sustainability Advisory Group meetings.

1.4.2 Initiatives and Organization

GRI 2-28

To maintain political neutrality and avoid corruption risks, China Airlines (CAL) has never engaged in lobbying or made political contributions. Instead, CAL focuses on participating in international aviation and nonprofit organizations that influence public policy, aiming to promote industry exchange, development, and sustainability. In 2024,

CAL invested approximately NT$50.33 million in organizational initiatives—NT$47.79 million (94.95%) in aviation industry operations and development, and NT$2.54 million (5.05%) in corporate sustainability, environmental, and related professional fields. Detailed participation expenses are disclosed in the ESG data and Appendix—Organizational Initiative Policy Donations and Other Expenditures.

Memberships

Airline Development

International Air Transport Association (IATA)

Sustainability & Environment Advisory Council (SEAC), CSR Work Group, Carbon Offsetting and Reduction Scheme for International Aviation Work Group (CORSIA), Air Freight Carbon Footprint Work Group.

CAL's Role and Participation

CAL kept in close touch with IATA headquarters and IATA North Asia and participated in meetings, industry committees and task forces; and served as a member of Sustainability and Environment Advisory Council. It was also involved in environmental discussions relevant to international civil aviation, and supports research and studies of related environmental subjects.

Contribution and Benefit in 2024

- CAL assisted IATA's Executive Committee in formulating and implementing global aviation environmental and sustainability strategies to align with the Paris Agreement carbon reduction targets.
- As a member of the Sustainability and Environmental Advisory Committee, CAL monitored international trends in sustainable aviation fuel and cabin waste, offering timely input to support Taiwan's policymaking.
- In 2024, CAL joined the IATA Carbon Footprint Data Sharing Program, contributing to industry sustainability through data sharing and practical exchange.
- CAL participated in the IATA 25by2025 initiative to monitor industry workforce diversity and promote gender equality.

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Airline Development

Association of Asia Pacific Airlines (AAPA)

Founding Member

CAL's Role and Participation

CAL is a founding member of AAPA, exerting every effort to facilitate the cohesion of operators in the Asia-Pacific region and dedicating ourselves to advocating for the development of aviation industry players in the Asia-Pacific region. CAL also served as the chair of the 35th Environmental Working Group (EWG) meeting.

Contribution and Benefit in 2024

- In 2024, AAPA focused on environmental issues, facilitating information exchange among member airlines through meetings and sharing carbon reduction practices.
- In support of the Paris Agreement and AAPA's goal of 5% SAF usage by 2030, CAL urged regional governments, fuel producers, and industry stakeholders to collaborate in strengthening the SAF supply chain and reducing aviation carbon emissions.

Airline Development

Taipei Airlines Association (Taipei Airlines Association, TAA)

Director

CAL's Role and Participation

TAA was established in March 1990, with CAL as a founding member airline. Serving in an advisory and coordinating role, CAL acts as a communication bridge between the government and the industry, participating in the annual Member Representative Assembly and board meetings to implement government directives and advocate for industry interests.

Contribution and Benefit in 2024

- To combat human trafficking, CAL coordinates with central agencies to provide staff training and reminds foreign travelers at departure counters to provide contact information for emergency support.
- In response to rising bird strike risks due to climate change, CAL supported TAA in submitting recommendations to the Civil Aeronautics Administration and Taoyuan Airport Corporation to improve flight safety at domestic airports.

Airline Development

SkyTeam

Alliance Board and Executive Board Member

CAL's Role and Participation

CAL became the fifteenth member of SkyTeam on September 28, 2011, and was the first airline in Taiwan that joined SkyTeam. To optimize services and markets in the aviation industry, CAL attends working meetings at all levels, as well as annual meetings held by the Executive Board and the Alliance Board on a regular basis.

Contribution and Benefit in 2024

- SkyTeam supports CAL in expanding its global network and strengthening cooperation with member airlines to connect Taiwan with major destinations.
- CAL joined the SkyTeam RISE Female Leadership Program to foster the development of female executives.
- CAL participated in the SkyTeam 2024 The Aviation Challenge (TAC) to enhance international visibility.
- CAL also actively took part in alliance SDG meetings to build consensus on feasible environmental sustainability strategies, ensuring alignment with the goals of the Paris Agreement.

Airline Development

Flight Safety Foundation-Taiwan (FSFT)

Managing Director, Technical Regulation Committee - Convener, Educational Training Committee - Convener

CAL's Role and Participation

CAL serves as the managing director and the conveners of the FSFT''s Technical Regulation and Educational Training Team, to participate in governance decision-making, establish government-industry-university-institute cooperation mechanism to promote international regulations studying, strategic research and engagement related to international aviation safety and environmental sustainability.

Contribution and Benefit in 2024

- CAL leads efforts to collect and study international regulations, promote education, and propose amendments or strategies to improve national legislation and industry competitiveness.
- CAL also drafts proposals and lobbying documents to urge the government to align with global carbon reduction targets and develop sustainable fuel strategies.

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Association of Atmosphere Protection in Taiwan (AAPT)

Executive Director

CAL's Role and Participation

CAL participates in the decision-making of organizational management, and promote the strategic engagement of the government-industry-university-institute in response to the issues of global atmospheric protection and climate change.

Contribution and Benefit in 2024

CAL helped facilitate the communication between the industry, the government, and the academia about policies, laws, academic research, technology research and development, counseling, and services pertaining to atmosphere protection and climate in Taiwan.

Corporate Sustainability

Taiwan Center for Corporate Sustainability(TCCS)

Advisory Director

CAL's Role and Participation

CAL served as an advisory director of the Center for Corporate Sustainability, regularly sharing its sustainability practices as a lecturer during themed meetings. CAL also participated in training courses and seminars on sustainable competitiveness and reporting to stay updated on industry trends.

Contribution and Benefit in 2024

- As a member and advisory director, CAL gained insights into the latest sustainability laws, regulations, and standards while using the platform to advocate for the industry's interests.
- On April 25, 2024, CAL co-hosted the 36th Board Meeting of the Taiwan Institute for Sustainable Energy, delivered a speech on ESG practices, and facilitated ESG discussions alongside a visit to its flight simulator and museum to support the sustainable growth of Taiwan's aviation sector.

External Advocacy and Evaluation Support

2017-2024

Buckingham Palace Declaration

At the 73rd IATA Annual General Meeting in June 2017, CAL signed the Buckingham Palace Declaration against illegal wildlife trafficking. CAL has worked with 79 other airlines to stamp out the transport of illegal wildlife in conformity with the UN's SDGs.

Signing the Initiative to Ban Illegal Wildlife Trafficking

2016-2024

Dow Jones Sustainability Indices (DJSI)

China Airlines supports the DJSI in promoting global sustainable development information disclosure. Since 2015, it has proactively completed the DJSI questionnaire, disclosing management objectives, strategies, and practices in the environmental, social, and economic/governance dimensions. In 2024, our CSA results ranked us second highest in the global airline industry and received the Top 5% honor in the airline industry in the 2025 Sustainability Yearbook.

2012-2024

Pacific Greenhouse Gases Measurement (PGGM)

Since 2012, CAL has participated in the PGGM by installing the In-service Aircraft for a Global Observing System (IAGOS) Package-1 in its aircraft cabins to collect trans-Pacific high-altitude gas data for global warming and climate studies conducted by science agencies around the world. To strengthen greenhouse gas monitoring operations and collect more data on the types of high-altitude air and changes for global atmospheric and greenhouse gas research, CAL commenced collaboration with National Central University, In-service Aircraft for a Global Observing System (IAGOS) of the EU, and Japan Aerospace Exploration Agency (JAXA) to install Package-2, the add-on components for Package-1 in 2023. It will monitor changes in the concentration of NOx, CO_2, and CH_4. CAL became the second airline company in the world and the first airline company in Asia to be fitted with laser sensors for precision detection of CO_2 and CH_4. The project also promoted collaboration in scientific research between Taiwan, Japan, and the EU. By the end of December 2024, CAL assisted in collecting high-altitude atmospheric data from a total of 20,977 flights.

2012-2024

Carbon Disclosure Project (CDP)

CAL supports CDP in promoting the global environmental disclosure system to enhance the management of issues related to carbon, water, and forests worldwide. CAL is Taiwan's first service provider to independently review greenhouse gas emissions generated from its operations and respond to the CDP questionnaire. Since 2012, CAL has conducted greenhouse gas inventory training and surveys of greenhouse gas emissions for its affiliates on a regular basis and disclosed its climate governance, strategies, management of risks and opportunities,

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indicators and targets, greenhouse gas emissions, and reduction management and performance. After receiving a Leadership-level A- rating for five straight years, CAL was named to the CDP SER A-List in 2024 for its active efforts in climate action and supply/value chain management. CAL will continue to review and improve carbon management strategies through participation in the CDP.

2022-2024

Science-Based Targets Initiative (SBTi)

China Airlines actively responded to international carbon reduction initiatives by being the first to sign the Science Based Targets initiative (SBTi) in 2022. CAL continuously refines its carbon reduction targets according to the guidelines. In June 2024, China Airlines became the first transportation service provider in Taiwan to officially pass the SBTi organizational review. It was also recognized for aligning with the science-based pathway of limiting global average temperature rise to 1.5°C, as outlined in the United Nations Framework Convention on Climate Change - Paris Agreement. This demonstrates that China Airlines' carbon reduction goals are in line with international sustainability trends, establishing it as a leader in the domestic industry.

2008-2024

Earth Hour

CAL has supported the event since 2008 by working with the Group's partners, providing support through concrete actions, and urging the public to take notice of the impact of global warming and climate change through media outlets.

2018~2024

Task Force on Climate-related Financial Disclosures (TCFD)

CAL became Taiwan's first airline to publicly sign and adopt the Task Force on Climate-Related Financial Disclosures (TCFD) in 2018. CAL worksactively to make TCFD part of the company's management system. In 2019, we assisted in completing the translation of the TCFD guidelines into Traditional Chinese and participated in several industry government academia promotional activities. Since 2021, we have annually published an independent Task Force on Climate-Related Financial Disclosures report showcasing the results of internal management through press releases and social media channels. In 2024, we further followed the Task Force on Nature-Related Financial Disclosures (TNFD) to integrate the TCFD operational mechanism, enhancing the management of nature and climate issues. Additionally, CAL implemented an internal carbon pricing mechanism, initially using the operational costs of international carbon regulations, SAF, and renewable energy as decision-making references for company operations and carbon reduction initiatives. CAL continues to establish a climate governance framework through the Sustainability Committee, Environmental Committee, and TCFD platform. The execution results are reported annually to the Board of Directors for supervision and management, ensuring continuous progress along the carbon reduction pathway.

Task Force on Climate-related Financial Disclosures (TCFD)

Assessment of Climate-Related Lobbying Activities and Industry Association Participation

CAL actively engages in public affairs in accordance with internal procedures, including the "Procedures for Joining Domestic and International Tourism Organizations" formulated by the Social Task Force under the Corporate Sustainability Committee's Corporate Communication Office, and the "Participation of China Airlines in International Initiatives and Organizational Operations" issued by the Sustainable Development Center under the Corporate Development Office's Corporate Governance Task Force. These guidelines help evaluate whether participation supports ESG promotion, corporate strategies, and operational goals. To fulfill its corporate social responsibility and support industry development, CAL actively participates in climate-related forums and industry associations in Taiwan, promotes SAF policy and the 2025 pilot program, engages in public dialogue, and provides SAF-related recommendations to international organizations and the Taiwan government. An annual review mechanism ensures alignment between association involvement and company objectives. In line with the Paris Agreement, CAL also expects participating associations to support climate goals. In 2024, CAL continued evaluating its participation in climate-related direct lobbying and external organizations, including IATA, AAPA, SkyTeam, TAA, FSFT, AAPT, and TCCS, to ensure consistency with global carbon reduction and sustainability commitments. CAL will continue to work with relevant organizations to help limit global warming to well below 2°C.

1. Public Affairs Participation Management Mechanism/Audit Organization

① CAL evaluates public affairs participation based on the "Procedures for Joining in Domestic and International Tourism Organizations" (by the Public Affairs Department under the Corporate Communication Office of the Social Task Force) and the "Participation of China Airlines in International Initiatives and Organizational Operations" (by the Sustainable Development Center of the Corporate Development Office of the Corporate Governance Task Force). Proposals are submitted to the Corporate Sustainability Committee, chaired by the President, for approval.

② The Environmental Task Force under the Corporate Sustainability Committee, specifically the Corporate Environmental Committee, conducts semi-annual reviews and pre-assessments of climate-related lobbying activities according to the corporate environmental management system and TCFD framework. These reviews determine whether participating associations have clear climate policies aligned with the Paris Agreement.

③ The results of these reviews will be reported annually to the Corporate Environmental Committee and the Corporate Sustainability Committee (both chaired by the President) to regularly assess and supervise participation in climate-related lobbying activities and public associations.

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2. Management Scope of Climate-Related Public Associations

CAL complies with the Paris Agreement and expects the industry associations it participates in to do the same. China Airlines is involved in various initiatives and organizations related to the development of the aviation industry both domestically and internationally, corporate sustainability, environmental issues, and other professional fields. The external organizations it participates in, including IATA, AAPA, SkyTeam, TAA, FSFT, AAPT, and TCCS, are all included in the management scope of climate-related associations.

3. Evaluate Whether the Associations Participated in Comply with the Paris Agreement

Evaluation includes the climate change policy positions disclosed by public associations, relevant declarations and principles, adopted countermeasures, the implementation of action plans, and performance.

① The association publicly supports climate change policies that align with the Paris Agreement's climate change goals.

② The public declarations and principles related to climate change disclosed by the association set a 2050 net-zero carbon emission target to comply with the Paris Agreement climate change goals, and climate change countermeasures are effectively implemented in daily operations.

③ Verify whether the public association has effectively implemented climate change action measures in its daily operations.

4. Response Measures for Association's Failure to Comply with Paris Agreement Targets

① For associations that have not complied with the climate change targets of the Paris Agreement, improvement recommendations will be proposed, and compliance with the Paris Agreement climate change targets will be facilitated through communication and coordination.

② If there is no improvement before the next evaluation, CAL will take appropriate measures, such as withdrawing from the association.

In 2024, CAL participated in industry associations related to aviation industry development and corporate sustainability. The climate-related associations adhered to the annual assessments and analysis results of the Paris Agreement as follows:

Organization Name	Analysis Results			Compliance Status (Are the objectives aligned?)
	Publicly supports the Paris Agreement	Unpublicized support for the Paris Agreement but declared alignment with the 2050 net-zero carbon emissions target	No actions supporting the Paris Agreement were found	
International Air Transport Association (IATA)	✓			✓
Association of Asia Pacific Airlines (AAPA)		✓		✓
SkyTeam	✓			✓
Taipei Airlines Association (TAA)		✓		✓
Flight Safety Foundation-Taiwan (FSFT)		✓		✓
Association of Atmosphere Protection in Taiwan (AAPT)	✓			✓
Taiwan Center for Corporate Sustainability (TCCS)	✓			✓

1.4.3 Materiality Analysis

GRI 3-1.3-2.3-3

Corporate Sustainability Website

CAL identified eight stakeholders in accordance with the five major principles defined in the AA1000 Stakeholder Engagement Standard (SES), and followed the Reporting principles of GRI Standards (accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability) to establish a materiality analysis process and evaluate the significance of material issues every year in terms of their impact on the economy, environment, human rights and other social challenges. They are used as the basis for planning the sustainable development strategies to identify material issues of stakeholders' primary concern. Different channels of communication are also established to respond to stakeholders' needs and expectations.

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Step 1   Analyze Sustainability Context

1. We analyzed CAL's core operations, value chain relationships, and the risks and challenges faced by the industry across legal, economic, environmental, and human rights aspects, and identified key stakeholders for sustainability issues.
2. Refer to sustainability ratings and standards relevant to the airline industry when identifying material issues.
3. Understand CAL's potential impacts on the economy, environment, and people across the value chain.

Step 2   Identify Actual and Potential Impact

1. CAL analyzed the organization and consulted experts to identify 17 sustainability issues related to CAL (divided into 34 sustainability topics with positive/negative impact).
2. The members of the task forces of CAL's Corporate Sustainability Committee and unit managers discuss the opinions and feedback of eight major stakeholders and identified the level of impact of CAL on the economy, environment, people, and company operations in each sustainability issue.
3. They also identified business relationships with negative/positive impact and actual and potential impact to effectively manage the impact of material issues.
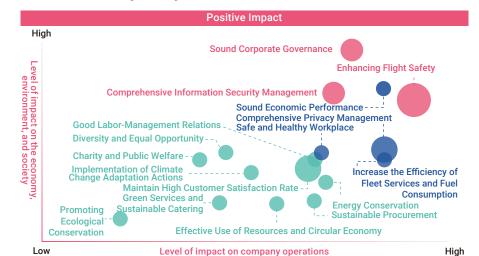
Step 3   Evaluate the Significance of Impact
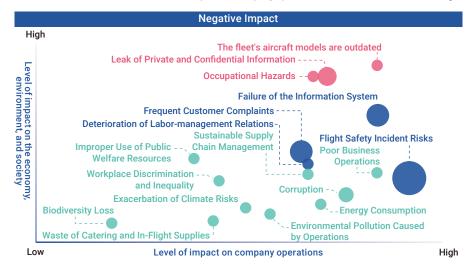
1. After identifying sustainability issues, CAL conducted internal materiality assessments and surveys. Externally, a sustainability issues survey was conducted with eight key stakeholder groups in early 2025 to integrate internal and external perspectives and assess the impact of these issues on the economy, environment, people (including human rights), and company operations.
2. Based on actual and potential, positive and negative impacts, different assessment methods were applied accordingly. Following the double materiality principle, each topic's impact on CAL's operations was evaluated, combined with the level of stakeholder concern across eight groups to score, analyze, and categorize issues as material, secondary, or ongoing attention.
   Negative impact : Evaluate impact based on the severity and probability of occurrence and consider the negative impact of human rights violations.
   Positive impact : Evaluate impact based on the scale and scope of the impact and the probability of occurrence.

Step 4   Set Priorities for the most Significant Impact

1. Through surveys conducted by Corporate Sustainability Committee Task Forces, managers, and stakeholders, CAL gathered 454 valid responses to assess the impact of sustainability issues.
2. These were benchmarked against aviation industry standards. Following expert discussions, three material positive and negative topics were identified and included in the 2024 Materiality Analysis Matrix.
3. Final decisions were made by the Corporate Sustainability Committee and submitted to the Board of Directors for review. Management policies are detailed in this report, with stakeholder responses disclosed on CAL's sustainability website.

2024 Materiality Analysis Matrix

Positive Impact

High

Level of impact on the economy, environment, and society

- Sound Corporate Governance
- Enhancing Flight Safety
- Comprehensive Information Security Management
- Sound Economic Performance
- Comprehensive Privacy Management
- Safe and Healthy Workplace
- Good Labor-Management Relations
- Diversity and Equal Opportunity
- Charity and Public Welfare
- Implementation of Climate Change Adaptation Actions
- Maintain High Customer Satisfaction Rate
- Green Services and Sustainable Catering
- Increase the Efficiency of Fleet Services and Fuel Consumption
- Energy Conservation
- Sustainable Procurement
- Promoting Ecological Conservation
- Effective Use of Resources and Circular Economy

Low   Level of impact on company operations   High

Negative Impact

High

Level of impact on the economy, environment, and society

- The fleet's aircraft models are outdated
- Leak of Private and Confidential Information
- Occupational Hazards
- Failure of the Information System
- Frequent Customer Complaints
- Deterioration of Labor-management Relations
- Sustainable Supply Chain Management
- Flight Safety Incident Risks
- Improper Use of Public Welfare Resources
- Poor Business Operations
- Workplace Discrimination and Inequality
- Exacerbation of Climate Risks
- Corruption
- Biodiversity Loss
- Energy Consumption
- Waste of Catering and In-Flight Supplies
- Environmental Pollution Caused by Operations

Low   Level of impact on company operations   High

● Material Issues   ● Secondary Issues   ● Issues for Ongoing Attention

Note:Based on the GRI Material Topics 2021 Reporting Principles, CAL has identified and ranked material topics through stakeholder perspectives and a double materiality assessment across three dimensions.
X-axis:The impact on company operations (encompassing both negative impacts and positive influences),
Y-axis:The impact on the economy, environment, and society, and
Z-axis: the size of the circle indicates the level of concern from eight key stakeholders.
CAL has categorized the topics based on impact assessment into 3 major positive impact topics, 4 seconary topics, and 10 topics for ongoing attention; 3 major negative impact topics, 4 secondary topics, and 10 topics for ongoing attention, totaling 34 sustainability topics. Major topics are highlighted in red in the Major Impact Analysis Matrix.
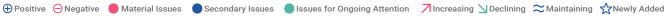
Importance of and Changes in Material Topics for 2024

Economy	No.	Sustainability Issues for 2024	Issues of Concern to Human Rights at CAL	Positive / Negative Impact of Sustainability Issues		Significance of Impact	Issue Classification	Correspondence Regarding Changes in Material Topics in 2023
	1	Governance and Business Integrity	v	⊕	Sound Corporate Governance	A robust governance framework and strong ethics are key to sustainability. We aim to enhance governance, uphold ethical practices, protect our reputation, and earn the trust of investors and customers.	🔴	≈
			v	⊖	Corruption (Note 1)	Corruption and unethical business practices or advertising may result in loss of assets or damage to the Company's reputation or affect upstream and downstream suppliers or shareholders' equity	🟢	↘
	2	Financial Performance		⊕	Sound Economic Performance (Note 2)	The purpose of companies is to continuously improve business performance, increase profitability, and support capital market operations to contribute to the local, national, and global economies	🔵	↘
				⊖	Poor Business Operations (Note 3)	Poor business operations will affect the Company's smooth operations and even cause losses to investors	🟢	↘
	3	Fleet Development and Innovation		⊕	Increase the Efficiency of Fleet Services and Fuel Consumption	We can help reduce greenhouse gas emissions by launching new aircrafts and new services, improving fleet efficiency, and retiring older aircrafts that consume large quantities of energy	🔵	≈
				⊖	The fleet's aircraft models are outdated.[*](Note 4)	The inability to provide innovative services with new aircraft models would reduce CAL's competitiveness, subsequently affecting revenue performance. This may also impact flight safety and hinder the achievement of greenhouse gas reduction targets.	🔴	☆
	4	Customer Satisfaction		⊕	Maintain High Customer Satisfaction Rate	Use comprehensive customer relationship management to optimize and improve the customer experience and increase customer retention and loyalty	🟢	≈
				⊖	Frequent Customer Complaints [*]	Failure to meet customer expectations has led to complaints and even consumer disputes, negatively impacting CAL's corporate image and subsequently affecting revenue performance.	🔵	☆
	5	Sustainable Supply Chain Management	v	⊕	Sustainable Procurement	Through fair and equitable selection, we consider quality, delivery time, local sourcing, and suppliers' ESG performance to drive positive impact across the value chain.	🟢	≈
			v	⊖	Sustainable Supply Chain Management	CAL selects suppliers with care to avoid environmental harm and human rights issues such as pollution, child labor, forced labor, workplace accidents, and poor labor relations.	🟢	≈
	6	Information Security		⊕	Comprehensive Information Security Management [*]	Implement robust information security management to comply with regulations, prevent penalties, and protect trade secrets, safeguarding the company's and shareholders' interests.	🔵	☆
				⊖	Failure of the Information System	An insufficient information security system can lead to system crashes or cyber attacks, causing data breaches and disrupting business operations.	🔵	≈

[*] The symbol indicates that this impact aspect is a new positive/negative impact subdivision for 2024.

⊕ Positive   ⊖ Negative   🔴 Material Issues   🔵 Secondary Issues   🟢 Issues for Ongoing Attention   ↗ Increasing   ↘ Declining   ≈ Maintaining   ☆ Newly Added

Note 1. CAL has long been committed to integrity in governance, establishing a comprehensive internal control system. In recent years, there have been no major corruption incidents, and the assessed likelihood of impact on external economic and social aspects has gradually decreased. Therefore, this year, the focus has shifted to onging attention.

Note 2. In recent years, CAL has operated steadily, with revenue repeatedly achieving excellent results. The overall financial performance is good and tends to be stable. The level of attention from the eight major stakeholders has slightly decreased, thus this year it has shifted to a secondary issue.

Note 3. Considering CAL's overall financial performance in recent years has been good and stable, and there have been no significant financial or social impacts due to poor operations, the level of concern from the eight major stakeholders has slightly decreased. Therefore, this year, the focus has shifted to ongoing attention.

Note 4. This impact is a newly added negative impact under the "Fleet Development and Innovation" topic for this year. The CAL Sustainability Committee's various groups generally believe that the issue of outdated fleet models may have significant negative effects on the environment and society (such as high carbon emissions or flight safety issues), and therefore it is classified as a material issue.

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Environment	No	Sustainability Issues for 2024	Issues of Concern to Human Rights at CAL	Positive / Negative Impact of Sustainability Issues	Significance of Impact	Sustain-ability Issue Classification	Correspondence Regarding Changes in Material Topics in 2023
	7	Climate Change Mitigation and Adaptation		⊕ Implementation of Climate Change Adaptation Actions[*]	CAL has identified climate change-related risks within the company and proposed specific adaptation measures to successfully mitigate the impacts of climate risks	●	☆
				⊖ Exacerbation of Climate Risks (Note 5)	Failure to control greenhouse gas emissions worsens climate change and heightens climate risks, threatening the business environment of the aviation industry	●	↘
	8	Energy Management		⊕ Energy Conservation (Note 6)	The aviation industry consumes significant fuel and electricity. Effective energy management enables usage monitoring and conservation, helping reduce overall energy use, costs, and financial risks	●	☆
				⊖ Energy Consumption [*]	Without proactive energy transition planning for flight and ground operations, energy use will continue to rise, hindering net-zero goals, weakening sustainability and competitiveness, and further harming the environment	●	☆
	9	Environmental protection benefits and resource management		⊕ Effective Use of Resources and Circular Economy	If a lifecycle model is adopted to effectively manage water and waste resources, it would help reduce environmental risks and increase the benefits for the ecology in the Company's operations	●	↘
				⊖ Environmental Pollution Caused by Operations	Enterprises must manage environmental indicators like sewage, waste (general, hazardous, food), packaging, chemicals, toxins, noise, and air pollutants (nitrogen and sulfur oxides) to reduce risks and prevent pollution of the environment and nearby communities	●	↘
	10	Green Services and Sustainable Catering	v	⊕ Green Services and Sustainable Catering	Promote green consumption and local procurement, use innovative solutions in service processes and operations to reduce product and food waste and disposal costs, and continuously improve the environmental friendliness of services	●	↘
			v	⊖ Waste of Catering and In-Flight Supplies [*]	Failing to promote green consumption and recycling leads to unnecessary waste of in-flight catering and supplies, causing higher handling costs and increased waste generation	●	☆
	11	Biodiversity		⊕ Promoting Ecological Conservation [*]	CAL accurately assesses its operational impact on the environment and actively participates in ecological conservation to strengthen sustainability and enhance its corporate image	●	☆
				⊖ Biodiversity Loss	If company operations harm biodiversity—through resource overuse or misuse—without proper management, they can negatively affect natural ecosystems	●	≈

[*] The symbol indicates that this impact aspect is a new positive/negative impact subdivision for 2024.

⊕ Positive　⊖ Negative　● Material Issues　● Secondary Issues　● Issues for Ongoing Attention　↗ Increasing　↘ Declining　≈ Maintaining　☆ Newly Added

Note 5.　Despite the ongoing global climate risks, CAL has gradually established a comprehensive climate risk management mechanism in recent years. In the short term, these risks have not caused significant impacts on the company's operations. We will continue to pursue and refine various climate goals. Therefore, this year, the focus has shifted to ongoing attention.

Note 6.　In recent years, CAL has consistently implemented various energy-saving and electricity-saving measures, achieving stable results with minimal economic, environmental, and social impact. Moving forward, we will continue to execute and refine these efforts towards its goals. Therefore, this year, the focus has shifted to ongoing attention.

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People	No	Sustainability Issues for 2024	Issues of Concern to Human Rights at CAL	Positive / Negative Impact of Sustainability Issues	Significance of Impact	Sustain-ability Issue Classification	Correspondence Regarding Changes in Material Topics in 2023
	12	Flight Safety Management	v	⊕ Enhancing Flight Safety [*] (Note 7)	With the aspiration to become one of the safest airlines, CAL continuously conducts safety assessments and personnel training to ensure the flight safety of our customers and crew	🔴	☆
			v	⊖ Flight Safety Incident Risks	The aviation industry's highest goal is zero flight safety accidents, as any serious incident can cause significant loss of life, property, and customer trust	🔵	≈
	13	Attracting, Cultivating, and Retaining Diverse Talent	v	⊕ Diversity and Equal Opportunity	CAL establishes a sound training system and structure to attract and train aviation professionals; we value the development of employee competency in order to promote sustainable employment	🟢	≈
			v	⊖ Workplace Discrimination and Inequality	Create an equal, diverse, and inclusive workplace environment, including equal pay for men and women, and a friendly work environment for minorities or disadvantaged groups	🟢	≈
	14	Labor Relations and Communication	v	⊕ Good Labor-Management Relations [*]	CAL has an effective labor-management communication mechanism that enhances interaction, reduces conflicts, and strengthens employee trust and identification with the company	🟢	☆
			v	⊖ Deterioration of Labor-management Relations	Without effective communication to understand employee feedback, maintaining harmonious labor relations and a secure work environment becomes difficult.	🔵	≈
	15	Occupational Safety and Health	v	⊕ Safe and Healthy Workplace [*]	Creating a healthy work environment, CAL continues to promote employee health programs to assist employees in managing their health, ensuring their physical and mental well-being	🔵	☆
			v	⊖ Occupational Hazards (Note 8)	Due to poor workplace environments and labor conditions, occurrences of occupational accidents or hazards to employee health may arise, potentially affecting service quality over time	🔴	↗
	16	Privacy Management	v	⊕ Comprehensive Privacy Management [*] (Note 9)	CAL has a comprehensive personal data management system to prevent data leaks and misuse, helping avoid penalties and build customer trust	🔴	☆
			v	⊖ Leak of Private and Confidential Information (Note 10)	If the Company fails to protect personal information of employees and customers, it may face data breaches and privacy violations, leading to regulatory fines, reputational harm, and significant financial impacts	🔴	↗
	17	Social Feedback and Engagement		⊕ Charity and Public Welfare	CAL uses its professional capabilities and devote themselves to social welfare and social responsibility to win the support of the society	🟢	↘
				⊖ Improper Use of Public Welfare Resources [*]	Lacking a comprehensive selection mechanism for charities has led to funding inappropriate or poorly viewed organizations, harming our corporate social responsibility image	🟢	☆

[*] The symbol indicates that this impact aspect is a new positive/negative impact subdivision for 2024.

⊕ Positive   ⊖ Negative   🔴 Material Issues   🔵 Secondary Issues   🟢 Issues for Ongoing Attention   ↗ Increasing   ↘ Declining   ≈ Maintaining   ☆ Newly Added

Note 7. This impact is a positive addition to this year's "Flight Safety Management" issues. After analysis, the CAL Sustainability Committee's Task Force leaders generally believe that enhancing flight safety has a significant impact on company operations. Additionally, it is of high concern to the eight major stakeholders, and thus it is classified as a material issue.

Note 8. Considering the workplace safety incident that occurred at CAL in early 2024, we have actively responded by conducting hazard identification assessments and implementing improvements. Additionally, we have strengthened our occupational safety management system and prevention mechanisms to ensure workplace safety. Therefore, this issue has been elevated to a material issue.

Note 9. This impact is a positive addition to this year's "Privacy Management" issues. Personal data protection has become an increasingly important topic in the international community. CAL's Sustainability Committee Task Force also believe that comprehensive privacy management reduces the risk of infringing on the personal data rights of customers and employees, and therefore, it is classified as a material issue.

Note 10. As the international community increasingly emphasizes the importance of personal data protection, any incidents of privacy breaches will have significant economic and social impacts. Therefore, this issue has been elevated to a material issue.

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Sustainability Issues Corresponded to GRI Standards

⊕ Positive　⊖ Negative

Economy	Sustainability Issues	Positive/Negative Impact	Sustainability Topic	Corresponding to GRI Topic-Specific Standards	Initiatives and Organizations	Upstream	CAL Internal	Downstream	Management Strategies (Corresponding Chapters and Page Number)
	Governance and Business Integrity	⊕	Sound Corporate Governance	• GRI 2-9 Governance structure and composition • GRI 2-10 Nomination and selection of the highest governance body • GRI 2-11 Chair of the highestgovernance body • GRI 2-15 Conflicts of interest • GRI 2-17 Collective knowledge of the highest governance body • GRI 2-19 Remuneration policies • GRI 2-20 Process to determine remuneration	TAA, TCCS, United Nations Global Compact (UNGC)		●		3.1 Governance Framework/ 3.4 Regulatory Compliance/ ESG Data and Appendix-GRI Content Index
		⊖	Corruption	• GRI 2-23 Policy commitments • GRI 2-24 Embedding policy commitments • GRI 2-25 Processes to remediate negative impacts • GRI 2-27 Compliance with laws and regulations • GRI 412-2 Employee training on human rights policies or procedures • GRI 205-2 Communication and training about anti-corruption policies and procedures • GRI 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	TAA, TCCS, United Nations Global Compact (UNGC)	●	●	●	3.4 Regulatory Compliance/ ESG Data and Appendix-Management of Material Human Rights Issues in 2024
	Financial Performance	⊕	Sound Economic Performance	• GRI 201-1 Direct economic value generated and distributed			●		3.2 Operational Achievements
		⊖	Poor Business Operations				●		ESG Data and Appendix for Financial Performance Presentation
	Fleet Development and Innovation	⊕	Increase the Efficiency of Fleet Services and Fuel Consumption	• GRI 2 General Disclosures 2021 • GRI 2-1 Organizational details • GRI 2-6 Activities, value chain and other business relationships	IATA, SkyTeam, and AAPA	●	●		Preface, Business Overview/ 2.1 Trust
		⊖	The fleet's aircraft models are outdated			●	●	●	
	Customer Satisfaction	⊕	Maintain High Customer Satisfaction Rate				●	●	2.1.4 Customer Relations Management
		⊖	Frequent Customer Complaints			●	●	●	
	Sustainable Supply Chain Management	⊕	Sustainable Procurement	• GRI 2-6 Activities, value chain and other business relationships • GRI 204-1 Proportion of spending on local suppliers	United Nations Global Compact (UNGC)	●	●		2.2 Cooperation
		⊖	Sustainable Supply Chain Management	• GRI 308-2 Negative environmental impacts in the supply chain and actions taken • GRI 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk • GRI 414-2 Negative social impacts in the supply chain and actions taken		●	●		

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						Upstream	CAL Internal	Down-stream	
Economy	Information Security	⊕	Comprehensive Information Security Management			●	●	●	2.1.5 Information Security Manage-ment
		⊖	Failure of the Information System			●	●	●	
Environment	Climate Change Mitigation and Adaptation	⊕	Implementation of Climate Change Adaptation Actions	▪ GRI 305-1 Direct (Scope 1) GHG emissions ▪ GRI 305-2 Energy indirect (Scope 2) GHG emissions	Pacific Greenhouse Gases Measurement (PGGM), Task Force on Climate Related Financial Disclosures (TCFD), Earth Hour, Carbon Disclosure Project (CDP), IATA, AAPA, AAP	●	●	●	2.3 Environment/ ESG Data and Appendix -Environmental Performance
		⊖	Exacerbation of Climate Risks	▪ GRI 305-3 Other indirect (Scope 3) GHG emissions ▪ GRI 305-4 GHG emissions intensity ▪ GRI 305-5 Reduction of GHG emissions ▪ GRI 305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other signifi-cant air emissions					
	Energy Management	⊕	Energy Conservation	▪ GRI 302-1 Energy consumptionwithin the organization ▪ GRI 302-2 Energy consumption outside of the organization ▪ GRI 302-3 Energy intensity ▪ GRI 302-4 Reduction of energy consumption ▪ GRI 302-5 Reductions in energy requirements of products and services		●	●		
		⊖	Energy Consumption						
	Environmen-tal protection benefits and resource management	⊕	Effective Use of Resources and Circular Economy	▪ GRI 303-1 Interactions with water as a shared resource ▪ GRI 303-2 Management of water discharge-related impacts ▪ GRI 303-3 Water withdrawal ▪ GRI 303-4 Water discharge ▪ GRI 303-5 Water consumption ▪ GRI 306-1 Waste generation and significant waste-related impacts ▪ GRI 306-2 Management of significant waste-related impacts ▪ GRI 306-3 Waste generated ▪ GRI 306-4 Waste diverted from disposal ▪ GRI 306-5 Waste directed to disposal	Buckingham Palace Declaration	●	●		
		⊖	Environmental Pollution Caused by Operations						
	Green Services and Sustainable Catering	⊕	Green Services and Sustainable Catering		United Nations Global Compact (UNGC)	●	●	●	
		⊖	Waste of Catering and In-Flight Supplies						
	Biodiversity	⊕	Promoting Ecological Conservation	▪ GRI 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas ▪ GRI 304-2 Significant impacts of activities, products and services on biodiversity ▪ GRI 304-3 Habitats protected or restored ▪ GRI 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Buckingham Palace Declaration	●	●	●	2.3 Environment/ ESG Data and Appendix - TNFD Table
		⊖	Biodiversity Loss						

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						Upstream	CAL Internal	Down-stream	
	Flight Safety Management	⊕	Enhancing Flight Safety	▪ GRI 404 Training and Education	FSFT	●	●		2.1 Trust
		⊖	Flight Safety Incident Risks				●	●	
	Attracting, Cultivating, and Retaining Diverse Talent	⊕	Diversity and Equal Opportunity	▪ GRI 404-1 Average hours of training per year per employee ▪ GRI 2-7 Employees ▪ GRI 2-8 Workers who are not employees ▪ GRI 202-2 Proportion of senior management hired from the local community ▪ GRI 401-1 New employee hires and employee turnover	United Nations Global Compact (UNGC)		●		2.4 Human Resources/ ESG Data and Appendix: Talent Value Data
		⊖	Workplace Discrimination and Inequality	▪ GRI 405-1 Diversity of governance bodies and employees					
	Labor Relations and Communication	⊕	Good Labor-Management Relations	▪ GRI 2-30 Collective bargaining agreements ▪ GRI 201-3 Defined benefit plan obligations and other retirement plans ▪ GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	United Nations Global Compact (UNGC)		●		2.4 Human Resources/ ESG Data and Appendix: Talent Value Data
		⊖	Deterioration of Labor-management Relations	▪ GRI 401-3 Parental leave ▪ GRI 402-1 Minimum notice periods regarding operational changes ▪ GRI 405-2 Ratio of basic salary and remuneration of women to men ▪ GRI 2-23 Policy commitments ▪ GRI 2-25 Processes to remediate negative impacts ▪ GRI 406-1 Incidents of discrimination and corrective actions taken ▪ GRI 412-1 Operations that have been subject to human rights reviews or impact assessments			●	●	
	Occupational Safety and Health	⊕	Safe and Healthy Workplace	▪ GRI 403-1 Occupational health and safety management system ▪ GRI 403-2 Hazard identification, risk assessment, and incident investigation ▪ GRI 403-8 Workers covered by an occupational health and safety management system ▪ GRI 403-9 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism ▪ GRI 403-10 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	United Nations Global Compact (UNGC)	●	●		2.4 Human Resources/ ESG Data and Appendix: Talent Value Data
		⊖	Occupational Hazards						
	Privacy Management	⊕	Comprehensive Privacy Management	▪ GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	United Nations Global Compact (UNGC)	●	●	●	2.1.6 Privacy Management
		⊖	Leak of Private and Confidential Information						
	Social Feedback and Engagement	⊕	Charity and Public Welfare				●	●	2.5 Society
		⊖	Improper Use of Public Welfare Resources						

Note 1. The sustainability topics impact assessments cover all CAL internal, upstream and downstream operation activities of the value chain, with a coverage rate of 100%.

Note 2. Upstream (e.g., Suppliers and Contractors)

Note 3. Downstream (e.g., Customers and Travel Agencies)

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1.5 Achieving Sustainable Development Goals

Sustainable Development Goals for Six Value Task Forces

★ Goal Exceeded　　☑ Goal Attained　　☒ Goal Not Attained

Task Force Corresponding SDGs	2024 Objectives	Progress	Key Results and Performance	Short-term Targets (2025)	Medium-term Targets (2030)	Long-term Targets (2040)
Corporate Governance Ⓖ Governance and Business Integrity Ⓖ Financial Performance Ⓖ Fleet Development and Innovation	Achieving 100% of sustainability tasks for the year and implementing the employee awareness improvement plan	☑	1. From 2018 to 2024, a total of 3 "Sustainable Development Awareness Training" e-Learning sessions have been held for all employees of the China Airlines Group 2. Provided employee ESG awareness training and added mandatory online courses for new employees	Regularly reporting progress on ESG tasks to the Corporate Sustainability Committee and holding at least two ESG training sessions for affiliates	Disclosing sustainable development of airline transport affiliates	Continuously cooperating with regulatory authorities and international trends to comprehensively disclose the boundaries of the group
	Implementing operating mechanisms for SDGs	☑	1. Conduct a rolling review of each working group's SDGs sustainability goals and action plans annually 2. The working group submits progress reports on a quarterly basis, and the Corporate Sustainability Committee reviews the implementation progress of the task force annually 3. CAL has held a "Sustainable Flight Seminar" in December 2024, inviting corporate customers to participate and share China Airlines' net zero strategy and practices to help	Supporting industry partners in developing sustainable capacity	Support international sustainability initiatives to enhance industry influence by participating in two initiatives or public associations	Support international sustainability initiatives to enhance industry influence by participating in five initiatives or public associations
Trust Ⓖ Customer Satisfaction Ⓖ Information Security Ⓢ Flight Safety Management Ⓢ Privacy Management	Implementing personal data management systems, in accordance with GDPR and personal data protection laws	☑	1. Established a personal data management system aligned with laws and ISO standards, implemented through tiered documentation and the PDCA cycle for effective control 2. Expanded personal data inventories at overseas branches; conducted annual unit-level self-audits to identify and correct issues promptly 3. Held four training sessions in 2024 on personal data and cybersecurity—executive management seminars, personal data regulations and management guidelines, incident case studies, and new employee training—tailored to job roles, with quarterly awareness newsletters also issued 4. Developed internal audit SOPs, set annual audit plans each Q4, and reviewed results via the Information Security and Personal Information Committee 5. Conducted response drills to enhance incident reporting and handling procedures 6. CAL's passenger sales and marketing processes in Taipei and Kaohsiung were certified under ISO 27701 Privacy Information Management System	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)	Maintaining validity of ISO27701 Privacy Information Management certificate	Maintaining validity of ISO27701 Privacy Information Management certificate; Adjustment of our personal data management system based on the regulations, international trends, and our company's operational needs to minimize the risk of data breaches

Task Force Corresponding SDGs	2024 Objectives	Progress	Key Results and Performance	Short-term Targets (2025)	Medium-term Targets (2030)	Long-term Targets (2040)
Trust Ⓖ Customer Satisfaction Ⓖ Information Security Ⓢ Flight Safety Management Ⓢ Privacy Management	Increasing the cargo service customer satisfaction to 88.5 points	☑	89.8 points in 2024 for Customer Satisfaction in Cargo Transport	**Customer Satisfaction of Cargo Transport**		
				89points	90 points	90 points
	Performing aviation data study and analysis for future release	☑	1. Domestic Aviation Safety Seminar: "Geopolitical Conflicts and Aviation Security Risk Seminar" 2. Co-organized the 2024 International Summit on Flight Safety Management	Publishing the results of flight operations studies to improve the technical capacity of the aviation industry	Developing innovation plans with other airlines to drive innovation momentum	Expanding collaborative research projects with domestic and international transportation peers and manufacturers/ suppliers to enhance environmental performance
	Continuing to pass IOSA certification standards and improve the safety management system	☑	1. After completing the 12th IOSA recertification audit in 2024, CAL is preparing for IATA's more rigorous Risk-based IOSA in 2026 to maintain alignment with top international safety standards 2. To promote a safety culture and reinforce 2024 safety policies, targets, and performance indicators, CAL completed SMS training for 11,396 employees across all units 3. Continuing the spirit of experiential learning, we organized a visit to Taiwan High Speed Rail Corporation for practical experience sharing and exchange. This was aimed at enhancing our personnel's understanding of air traffic controllers' responsibilities, air traffic control operations, and the safety management system of the Air Traffic Control Center. The goal is to improve awareness of the purpose and related tasks of air traffic control across various departments, thereby reducing potential operational risks caused by human error	Continuing to pass IOSA certification standards and improve the safety management system (SMS)	Continuing to pass IOSA certification standards and improve the company safety culture	In consideration of safety regulations and international requirements, we continue to pass rigorous safety certification standards
	Continuously strengthening the development of core business information systems and conducting annual disaster recovery drills, while actively promoting innovative application services to increase revenue, reduce costs, and enhance daily work efficiency for the Company	☑	1. CAL continuously improves its disaster recovery plan, conducts annual drills, and enhances offsite recovery facilities to address geopolitical risks and ensure business continuity 2. Upgraded domestic backbone network equipment to meet future high-speed connectivity needs 3. Strengthened compliance with the Cyber Security Management Act by enhancing the ICT security framework and implementing an Endpoint Security Protection Mechanism to monitor, detect, block, and preserve evidence of intrusion incidents. Also reconstruct the attack chain and preserve forensic evidence to support post-incident analysis and continuous improvement 4. Applied BI tools for data analysis (e.g., duty-free sales, overseas living costs, fuel usage) to support business decisions on revenue growth, cost control, and service improvement	1. 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	1. Promoting smart tourism: Achieving horizontal and vertical integration of tourism-related industries to provide a one-stop smart travel ecosystem	Promote smart airports: Expand the application of new technologies and passenger-sharing platforms to more overseas operating terminals, and actively collaborate with airports, suppliers, or other innovative technology companies

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Trust ⓖ Customer Satisfaction ⓖ Information Security Ⓢ Flight Safety Management Ⓢ Privacy Management		☑	5. Promoted process automation with RPA, automating tasks like SAP/ Email system integration, maintenance invoice dispatch, and SABRE fare verification to reduce manual workload 6. Optimized AI chatbot services and developed internal AI assistants (e.g., cabin crew assistant, IT helpdesk) to enhance service and query efficiency 7. Deployed generative AI tools (e.g., contract templates, smart cargo checks, safety compliance inspection, talent selection) to boost work efficiency and productivity 8. Created AI-generated virtual characters (e.g., crew, staff, pilots) for use in videos and aviation visuals, reinforcing CAL's innovative brand image in AI application	2. 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 3. Continuous improvement of disaster recovery plans by ensuring on-site redundancy with adequate hardware and software to handle core database anomalies and maintain high system availability	2. continuously optimize and expand the disaster recovery capacity	
Human Resources Ⓢ Attracting, Cultivating, and Retaining Diverse Talent Ⓢ Labor Relations and Communication Ⓢ Occupational Safety and Health	Organizing eight expert seminars that provide an opportunity for internal cross-disciplinary networking	★	In 2024, we completed four aviation expert seminars, covering topics such as the effective use of employee tickets, flight dispatch, the intricacies of in-flight meals, and engine introductions, with a total of 527 participants. From 2021 to 2024, we successfully held a total of 14 sessions, achieving our short-term goal for 2021-2024 of completing 8 in-house aviation expert seminars.	We conducted four internal aviation knowledge-sharing sessions, with a total participation of 350 people.	Between 2026 and 2030, CAL will conduct a total of 15 internal aviation knowl-edge-sharing sessions, with cumulative participation reaching 1,800 attendees	From 2031 to 2040, CAL conducted a total of 30 internal aviation knowledge-sharing sessions, with cumu-lative participation reaching 3,600 attendees
			Note: Considering the recent changes in our company's workforce structure and the external environment, as well as the faster development of various specialties compared to previous years, we have quantified the adjustment items.			
	Optimizing CAL's aviation management talent training mechanisms	☑	Optimizing talent pools for different levels of management (including a master talent pool, management training courses, and advanced management courses) and related training mechanisms to develop talent for the company over the long term and lay the foundation for passing on knowledge and experience	Establishing the optimal learning path for CAL's aviation management talent pool	The cumulative number of CAL's aviation management talent training reaching 150 individuals by 2030	The cumulative number of CAL's aviation management talent training reaching 400 individuals by 2040
	Percentage of female executives reaching 25%	★	The percentage of female managers has risen to 30.33% in 2024	Percentage of female executives reaching		
				26%	27%	30%

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Task Force Corresponding SDGs	2024 Objectives	Progress	Key Results and Performance	Short-term Targets (2025)	Medium-term Targets (2030)	Long-term Targets (2040)
Cooperation ⑥ Sustainable Supply Chain Management	Maintain SAQ score at 89 points	☑	1. Four high-risk suppliers were identified in the 2024 sustainability self-assessment questionnaire 2. The average annual score for 2024 is 94.38 points	**SAQ risk assessment ratio**		
				▪ 100% of critical tier-1 suppliers ▪ 20% of non-critical tier-1 suppliers	▪ 100% of critical tier-1 suppliers ▪ 40% of non-critical tier-1 suppliers ▪ 30% of critical non-tier-1 suppliers	▪ 100% of all tier-1 and critical non-tier-1 suppliers
				Ratio of purchasing units to include at least 5% ESG performance in procurement evaluation criteria		
				Before making a purchase, the purchasing unit should establish a selection plan that takes into account the specific case	40% of purchasing units	100% of purchasing units
				Ratio of suppliers signing contracts should be obligated to comply with the commitments of the "Forest and Biodiversity Conservation Commitment"		
				Both new suppliers signing contracts and existing suppliers renewing contracts should be obligated	40% of suppliers	100% of suppliers
	Before 2024, CAL will hold a supplier conference and improve key suppliers' sustainability scores to above 89 points.	☑	1. Supplier Code of Conduct Signing Rate 100% 2. In 2024, we successfully held a supplier conference, inviting a total of 28 suppliers to participate 3. The average sustainability score for key suppliers reached 94.38, achieving a completion rate of 100% 4. The review coverage of high-risk suppliers is 100%	Create a list of critical non-tier-1 suppliers		
				Assessment ratio of critical tier-1 suppliers		
				100% of critical non-tier-1 suppliers and high-risk suppliers	30% of critical non-tier-1 suppliers	100% of both critical tier-1 suppliers and critical non-tier-1 suppliers
				Establish a comprehensive supply chain improvement plan and capacity-building program		
				50% implementation of improvement measures and 50% implementation of the capacity-building program	100% implementation of improvement measures and 100% implementation of the capacity-building program	100% implementation of improvement measures for high-risk suppliers to ensure regulatory compliance
Environment	Improving annual aviation fuel efficiency by 1.5% (flight operations)	☑	1. Maintain leading position among Asia Pacific airlines with fuel efficiency at 0.2284 tons per 1,000 RTK 2. Implemented 11 fuel saving measures	Improving annual aviation fuel efficiency by 1.5% and achieving carbon-neutral growth (Attain net zero emissions by 2050) (flight operations)		
				Used SAF		
				0.5%	5%	40%

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Environment ⓔ Climate Change Mitigation and Adaptation ⓔ Energy Management ⓔ Environmental protection benefits and resource management ⓔ Green Services and Sustainable Catering ⓔ Biodiversity	Reducing carbon emissions in ground operations by 3% compared to 2023	☒	1. Reducing carbon emissions in ground operations by 2% compared to 2023 2. Implemented 89 environment and energy improvement plans	Reduction in ground operations' carbon emissions compared to 2023:		
				5%	15%	60%
				Renewable energy installation capacity has reached contracted capacity:		
					10%	15%
	Reducing general waste (non-recyclable) by 6% compared with 2018	☒	1. Increased output in 2024 by 5% compared to 2018 2. Enhancing resource recycling through Management by Walking Around	Reducing general waste (non recyclable) compared with 2018		
				7%	12%	15%
	Increasing industrial waste recycling ratio to 44%	★	1. Industrial waste recycling ratio reached 61% in 2024 2. Renovate the temporary storage area for construction waste and optimize its layout	Reducing general waste (non recyclable) compared with 2018		
				45%	50%	58%
	Reducing water consumption from ground operations by 6% compared to 2018	★	1. Reduced water consumption from ground operations in 2024 by 23% compared to 2018 2. Review and optimize the irrigation process and timing	Reduced water consumption from ground operations compared to 2018		
				7%	10%	12%
	Reducing paper consumption by 22% compared to 2018	★	1. Reduced paper consumption in 2024 by 30% compared to 2018 2. Continuously promote the digitization of cabin service and air quality operation processes	Reducing paper consumption compared to 2018		
				30%	50%	52%
				Ratio of Sustainably Certified Paper/ Wood Items in Air and Ground Services		
				10%	50%	80%
	Embargoing transport of endangered species and prohibiting use of illegal species as food ingredients	☑	1. CAL did not transport illegal wild animals and plants 2. We expanded collaboration with the Forestry and Nature Conservation Agency, engaging the Saisiyat tribe for reforestation and nurturing. The adoption area grew by 5.25 hectares, supporting sustainable tourism at Jialishan Trail 3. Led by the Senior Vice President, the Corporate Environmental Committee participated in a tree-planting activity	Embargoing transport of endangered species and prohibiting use of illegal species as food ingredients		
				Since 2023, we at CAL have participated in and implemented a total of biodiversity conservation activities or initiatives.		
				2	4	10
	Reducing total in-flight waste by 33% compared to 2018	☑	1. Reduction of in-flight waste in 2024 by 33% compared to 2018 2. Plan and execute the cabin waste weighing project Note: The original per capita in-flight meal waste target has been consolidated into the total in-flight waste target.	Reduction of in-flight waste compared to 2018		
				50%	65%	70%
	Reducing use of disposable plastics for in-flight services by 80%	☑	1. Reducing use of disposable plastics for in-flight services by 80.9% 2. We continue to promote a variety of alternative SUP service items, such as RPET plastic cups, headrest covers, and stainless steel cutlery for economy class.	Reduction in the number of disposable plastics by 90%	Reduce use of disposable plastics for in-flight services by 100%	Reduce use of disposable plastics for in-flight services by 100%

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Task Force Corresponding SDGs	2024 Objectives	Progress	Key Results and Performance	Short-term Targets (2025)	Medium-term Targets (2030)	Long-term Targets (2040)
Society Ⓢ Social Feedback and Engagement	We aim to increase Taiwan's global presence by implementing sponsorship programs and harnessing the influence of businesses to support the humanitarian values of international rescue operations	☑	This year, we continued to respond to international relief efforts by assisting Tzu Chi Foundation in transporting disaster relief supplies following the New Year's earthquake in Japan. Additionally, we supported the "2nd Love Without Boundaries International Medical Mission" and the "31st Sprout of Hope Love Without Borders Medical Mission" through practical actions, demonstrating the corporate commitment to creating, prospering, and benefiting together with society	Supporting international initiatives and organizing at least one long-term charity project	Supporting international initiatives and organizing at least one long-term charity project	Establishing long-term cooperation with international relief organizations to organize at least one long-term charity project
	Organize at least one educational charity event in rural areas outside of Taoyuan, as part of our long-term commitment to volunteer teaching activities and public welfare sports camps, thereby expanding the beneficiaries	☑	1. Volunteer Teaching: In 2024, we continued visits to six nearby elementary schools and expanded to four rural schools in Lanyu, Miaoli, and Taitung, promoting core aviation knowledge and educational equity 2. Public Sports Camps: Held a charity basketball camp with P.League+ Taoyuan Pauian Pilots; organized a charity baseball camp in Hualien with baseball stars Chen Wei-Yin, Chen Yung-Chi, and Chen Po-Yu; hosted a charity table tennis camp in Kaohsiung with table tennis master Chuan Chih-Yuan; and conducted a charity badminton camp with gold medalist badminton players Lee Yang and Lin Chun-Yi. These four charity sports camps were all inspired by the personal experiences shared by star athletes, encouraging young players to bravely pursue their dreams	Organize at least one educational event in rural areas to promote international educational opportunities for young students	Integrate central and local resources to host at least one rural education event, ensuring equal access to education for all	Partner with international education organizations to coordinate a minimum of one rural education event, thereby improving the quality of national education
	To fulfill our corporate social responsibility, we will collaborate with indigenous peoples or local farmers in Taiwan to provide PR gifts, as well as giving back to another vulnerable group to create mutual benefits and enhance the value of our sponsorship program	☑	1. CAL purchased 326 cans of cookies produced by non-profit organizations and Indigenous communities this year to include in care packages, in collaboration with the Huashan Foundation, for elderly residents in Taoyuan who are disabled, dependent, or suffering from cognitive impairment. This mutually beneficial partnership aims to fulfill the commitment to achieving social equality and welfare 2. Additionally, CAL has long collaborated with Taiwan Good Agriculture to offer Taiwanese snacks in the Sky Lounge, continuously promoting local agricultural products. In 2024, we introduced new Hualien local snacks, the Forget Worries Five Elements Pastry and Vanilla Red Quinoa Stick, on board. This initiative aims to increase the income of farmers and producers, promote the development of local agriculture, and bring Hualien's agricultural specialties to the skies	Organize an event aimed at promoting economic growth and providing employment assistance in rural areas, thereby enhancing social wellbeing	Boost the efficacy of sponsorship, sponsoring an event aimed at promoting regional economic growth and providing employment assistance in rural areas, thereby enhancing social wellbeing	Organize projects to support economic development in underdeveloped regions or developing countries, enhancing employment opportunities in those areas

Note: The importance of material issues to CAL may correspond to more than one task force; table lists only most relevant task force.

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2.1 Trust

✧ Highlights

President Signed the IATA Safety Leadership Charter

CAL participated in the signing initiative of the Safety Leadership Charter, launched by the International Air Transport Association (IATA). A "Safety Talk" video featuring senior management was produced to demonstrate the Company's commitment to fostering a positive safety culture. Through leadership commitment and concrete actions taken by senior management, the initiative aims to strengthen safety awareness across all levels of the organization.

Organized the 2024 Geopolitical Risk's Impact on Aviation Security Seminar

To enhance and solidify the awareness of aviation security personnel regarding the risks posed by geopolitical conflicts, this seminar sought to provide relevant personnel with a clearer understanding of new security threats and suspicious behaviors, enabling them to maintain vigilance towards people, events, and objects in their surroundings. Participants included 120 individuals from the Ministry of Transportation, Air Force Command, government agencies, domestic airlines, and related enterprises.

12th consecutive IOSA safety certification achieved

CAL has maintained its commitment to flight safety by obtaining the IOSA (IATA Operational Safety Audit) certification in 2005 and undergoing re-certification audits every two years in accordance with IATA regulations. In 2024, CAL met the IOSA standards for the 12th time (the next certification will be in 2026), and continues to meet the highest international standards.

Co-organized the 2024 International Aviation Safety Management Summit

CAL specially invited Japan Airlines to share insights on the JL516 Haneda Airport runway collision incident, providing a detailed understanding of the cabin crew's response measures and the emergency evacuation situation for passengers at that time. Participating entities include the World Flight Safety Foundation, Airbus, Boeing, Japan Airlines, and senior managers from major national airlines. Through extensive discussions and exchanges during the conference, the aim is to consolidate a shared commitment to enhancing safety.

Digital transformation and service optimization: advancing toward sustainable excellence

The Cabin Crew Division actively promotes digital operations and the application of AI technology to enhance service efficiency and implement sustainable development. In 2024, we continued to optimize the use of the iPad mini in cabin service and the Business Class ordering system, thereby reducing paper usage and enhancing operational efficiency. To support the introduction of new aircraft, we have implemented next-generation training equipment to enhance crew response capabilities and ensure flight safety. Through the "Memory & Moment" service retraining and regular communication mechanism, we aim to deepen our brand image and improve customer satisfaction. At the same time, we promote fair assessment and management optimization, establish a self-disciplined and trusting team culture, and focus on employees' physical and mental well-being. Fully initiate the optimization and renovation project to create an improved work environment, fostering a happy workplace atmosphere, and continuously enhancing service quality and corporate competitiveness.

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★ Best Practices

Corporate AI Applications and Development

In response to the rapid rise of generative AI, China Airlines proactively integrated AI across its operations by late 2023. Key initiatives included using GitHub Copilot to refactor legacy systems, improving development efficiency by 30%, and developing AI-generated virtual personas for digital platforms. Internally, AI was applied to automate workflows such as customer service quality inspection, intelligent chatbots, contract template generation, and asset inventory management. The AI-driven customer service inspection project earned the 2024 CSEA Excellence in Customer Service Award. We also adopted Microsoft Copilot to boost productivity and collaboration. In 2024, China Airlines regularly held four Innovation and Service Application Showcases to foster cross-departmental innovation and support digital transformation.

Key Achievements

Prioritizing Office Efficiency and Sales Forecasting, Developing 14 AI Application Services

AI Copilot for Code Refactoring System

Analysis · Establishment · Test · Optimization

Improve development efficiency **30%**

CAL AI Virtual Assistant

Supports static and dynamic models for versatile use on internal and external platforms

Internal Applications

AI automates workflows to boost work efficiency.

- AI Customer Service Quality Check
- AI-Generated Contract Templates
- Internal AI Customer Service
- Inventory Asset Check

Awarded
2024 CSEA Outstanding Customer Service Award – Best AI System Application Team

AI Customer Service Quality Check
Average handling time reduced from 35 mins to ⬇ **5** mins

Copilot AI Integration

Enhances efficiency and collaboration.

1. Two AI-driven recognition systems have been implemented: image recognition for Smart Cargo Inspection, enabling real-time anomaly detection, and voice/semantic recognition for Customer Service Quality Inspection, increasing inspection volume and reducing processing time by 85%. The latter earned the 2024 Excellence in Customer Service Award for Best AI System Application Team.

   Using smart glasses with AI image recognition to read container numbers and provide voice-controlled assistance for cargo staff in inventory management, enhancing the efficiency and accuracy of container asset inventory operations.

   Utilizing automated AI quality inspection processes to replace the repetitive and time-consuming task of manually listening to audio files, enhancing the efficiency and quality of quality inspections while reducing the workload of customer service quality inspectors.

2. Predictive AI with visual analytics uses quarterly sales data of duty-free products to forecast next-quarter sales by brand and category, projecting item-level volume, total sales, and profit.

3. Service-oriented AI, integrated via third-party platforms, enables AI-generated contract templates and quality checks, streamlining and improving contract processes. AI assistants for HR, cabin crew, and IT now provide instant and accurate responses through natural language processing via Team+ or web platforms.

4. AI-generated virtual personas, initially used in print, have evolved with micro-animation and lip-sync features for occupational safety advocacy and as virtual hosts on internal platform. The Information Management Division will continue tracking dynamic image generation advancements for future use.

5. CAL integrated Microsoft's latest "AI Assistant Tool – Copilot" into Office tools (Word, Excel, PowerPoint, Teams), boosting daily work efficiency and internal collaboration.

   Using generative AI to create personas and aviation-themed items that align with China Airlines' style and brand image, providing internal and external digital platforms with on-demand usage options.

CHINA AIRLINES

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Management Approach

Material Issues Ⓢ Flight Safety Management Ⓖ Customer Satisfaction Ⓖ Information Security Ⓢ Privacy Management

Importance of Material Issues

Zero accidents are the foundation of sustainable value at China Airlines (CAL), where safety and reliability are core values. As a professional transportation service provider, CAL sees service quality as key to sustainable operations. We protect customer privacy, deliver premium service and listen to feedback to meet expectations, and continuously innovate to enhance customer experience and value.

Recognizing the importance of information security, CAL continuously strengthens personal data protection mechanisms, complies with international data protection laws, regularly updates its data policies, and limits data collection to appropriate scopes. Advanced encryption and routine audits safeguard personal data, and contact channels are provided to help passengers exercise their legal rights. If there is a suspicion of a breach of personal data, CAL immediately takes action to preserve and protect the rights and interests of the parties.

Customer satisfaction is a top priority. CAL collects feedback through proactive surveys and multiple accessible channels. Survey results are analyzed and shared with relevant departments to drive ongoing service improvements and deliver an exceptional passenger experience.

Commitment and Long-term Goals

Commitment

Flight safety is CAL's most solemn and important commitment to customers and the public in its 65 years of history. We strictly comply with regulations and strive for zero safety incidents, ensuring the safety of every passenger and shipment. During the COVID-19 pandemic, we upheld our service values by respecting customer and their rights, aligning with global and national measures, and prioritizing their interests to ensure a reliable, high-quality travel experience.

Long-term Goals

2025

1. Receiving ISO27701 Privacy Information Management System (PIMS) 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 to 89 points
3. Publishing the results of flight operations studies to improve the technical capacity of the aviation industry
4. Continuing to pass IOSA certification standards and improve the safety management system (SMS)
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 System (PIMS) certificate
2. Increasing the cargo service customer satisfaction to 90 points
3. Developing innovation plans with other airlines to drive innovation momentum

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4. Continuing to pass IOSA certification standards and improve corporate safety culture
5. Promoting smart tourism: Achieving horizontal and vertical integration of tourism-related industries to provide a one-stop Smart Travel Eco-system
6. Evaluate the adoption and applications of new technologies and continuously optimize and expand the disaster recovery capacity

2040

1. Maintaining validity of ISO27701 Privacy Information Management System (PIMS) certificate; Adjustment of our personal data management system based on the regulations, international trends, and our company's operational needs to minimize the risk of data breaches
2. Maintaining the cargo service customer satisfaction at 90 points
3. Expanding collaborative research projects with domestic and international transportation peers and manufacturers/suppliers to enhance environmental performance
4. Promoting a smart airport: Expand the application of new technologies and passenger-sharing platforms to more overseas operating terminals, and actively collaborate with airports, suppliers, or other innovative technology companies

Unit in Charge	Corporate Sustainability Committee — Trust Task Force, Corporate Safety Committee

Management Mechanisms
- The meeting of the Corporate Sustainability Committee, at least twice a year
- The meeting of Corporate Safety Committee, every quarter on a regular basis
- The quality review and target setting meeting, every year on a regular basis
- The Trust Value Task Force reports the KPI progress to the Corporate Sustainability Committee, every quarter
- The information security and personal data review meeting, every year on a regular basis

Grievance Mechanism

Stakeholder Contact

Cargo Website
Cargo Branch Offices

Passenger Website
Passenger Branch Offices

Maintenance Service
Maintenance Organization
✉ emo.customer@china-airlines.com

Objectives and Plans

Key Point	SPI (Note 1)/KPI	2024			2025 Objectives
		Objectives	Performance	Achievement	Objectives
Flight Safety	Fatal & Hull loss Accidents (Accidents Rate) (Note 2)	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
	Mid-Air Collision (MAC)	0	0	100%	0
Customer Service	Overall Passenger Net Promoter Score (NPS)	62	72.5	100%	69
	Overall Cargo Service Satisfaction (point)	88.5	89.8	100%	88.5
	Overall Maintenance Satisfaction (point)	8.4	9.0	100%	8.4

Note 1. SPI refers to Safety Performance Indicator.

Note 2. Fatal & Hull Loss Accidents refer to aviation incidents that result in passenger fatalities or the total aircraft destruction. Over the past four years (2021-2024), the Company has not experienced any incidents resulting in passenger fatalities or total aircraft destruction.

CHINA AIRLINES

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, and undergoes re-certification audits every two years in accordance with IATA regulations to maintain its commitment to flight safety. The Company has successfully passed the IOSA (IATA Operational Safety Audit) certification for the 12th consecutive year in 2024 (the next certification will be in 2026), continuously meeting the highest international safety standards. 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.

CAL Flight Safety Policy

Safety Policy & Objectives
- Management Commitment
- Safety Accountability and Responsibilities
- Appointment of Key Safety Personnel
- Coordination of Emergency Response Planning
- SMS Documentation

Safety Risk Management
- Hazard Identification
- Safety Risk Assessment and Mitigation

SMS
Safety Management System

Safety Assurance
- Safety Performance Monitoring and Measurement
- The Management of Change
- Continuous Improvement of the SMS

Safety Promotion
- Training and Education
- Safety Communication

Safety Policy and Objectives

1. Safety Policy and Performance Indicator/Target (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 Civil Aviation Organization (ICAO), 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, meeting flight safety management requirements to meet domestic and international safety standards and attain the highest safety standards.

Safety Management Meeting

Board of Directors/Sustainability & Risk Management Committee
Corporate Safety Office reports CAL's overall safety risk

Corporate Safety Committee
- Corporate Safety Office reports the implementation of quarterly safety management
- Discuss critical safety issues

Airline Safety Review Committee
- All units report the implementation of monthly safety management
- Report critical safety issues

Safety Management Meeting of Each Unit
(Flight Operations Division; Maintenance Division; Engineering Division; Quality Assurance Division; Cabin Crew Division; Ground Services Division; System Operation Control Division; Inflight Supply Chain & Marketing Division; Cargo Sales, Marketing & Services Division; Information Management Division; and other support divisions)

2. Safety Reporting System

To strengthen flight safety awareness, CAL encourages employees to proactively identify and report potential risks in their daily work through the Safety Reporting System. Risk data is collected and analyzed to prevent incidents and enhance overall safety. CAL conducts seasonal risk assessments by considering characteristic of flight operations, trends of flight safety, and changes in internal and external environments, and shares safety protocols through announcements and meetings. A reward system further motivates reporting. To encourage employees to report abnormalities

and safety issues, CAL launched the mobile SMS eReports app in 2022, allowing employees to conveniently submit reports using their own devices. In 2024, 1,436 hazard reports were submitted, with 147 employee recognitions awarded (financial incentives). CAL has been ranked first in the number of hazard reports submitted at Taoyuan International Airport in hazard reports for five consecutive years, reflecting the success of its proactive safety culture.

Safety Risk Management

Safety Risk Management (SRM) is a key component of the Safety Management System (SMS). It predicts potential safety issues in normal system operations and incorporates risk criteria in the development of products and services. Through hazard identification, risk assessment, and continuous monitoring, CAL reduces risks to ALARP (As Low As Reasonably Practicable) levels. To instill the concept of risk management into the operation units and strengthen employees' use of risk management, Since 2015, CAL has provided regular Safety Risk Management (SRM) training and required frontline units to conduct self-audits based on internal and external information, changes in the operation environment, adjustment of regulations, and changes in procedures and equipment. To manage the effectiveness of the SRM, CAL conducts monitoring through SRM assessment and the yearly review of SPI/SPT.

CAL identifies, counts, and analyzes the main hazards and risks in the operating procedures. In 2024, the main risks CAL identified is the rise in extreme weather and unpredictable turbulence due to climate change. In response, CAL enhanced turbulence prevention and response procedures, issued awareness bulletins, and conducted joint Crew Resource Management (CRM) training for flight and cabin crews to strengthen coordination before, during, and after turbulence, thereby reducing the risk of injury. CAL also remains fully compliant with monitoring requirements set by Taiwan's Civil Aviation Administration.

- ▪ **Active Alertness and Compliance with Laws and Regulations**

In 2024, China Airlines was subject to one penalty issued by the Civil Aeronautics Administration for non-compliance. The violation involved the failure to perform aircraft maintenance in accordance with the procedures outlined in the manufacturer's maintenance manual. Upon discovering personnel operational negligence, CAL proactively submitted a report to the CAA. In addition to strengthening the training of the personnel involved, monitoring their job performance, and sharing case studies to inform relevant personnel, CAL reviewed and improved operating procedures based on the investigation result of the events and established preventive measures to prevent human error and recurrence of similar events. Related corrective action plans were all approved by the CAA, and we will continue to implement safety management and maintain flight safety.

Safety Assurance

1. Flight Operations Quality Assurance

CAL uses flight data monitoring programs and Flight Operations Quality Information System (FOQIS) developed by CAL to identify potential risks in flight crew operations and provide timely guidance, in line with the R.O.C. Civil Aviation Act and FOQA standards. Monthly FOQA trend reports support fleet safety oversight. In the event of a FOQA occurrence (e.g., an anomaly in flight operation parameters), CAL conducts investigations, implements corrective actions, and monitors their effectiveness to reduce operational risks and ensure flight safety.

2. Fatigue Management

In addition to complying with domestic civil aviation regulations 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 manage fatigue through a prescriptive approach. Since 2019, CAL has integrated fatigue management into its safety policy, adopting a new crew scheduling system (AIMS) and a flight crew fatigue management system (FRMSc-SAFE) to optimize crew planning through predictive risk management.

In 2024, CAL received 8 crew fatigue reports, all found compliant with regulations and assessed using the Samn-Perelli Seven-Point Fatigue Scale. Most cases were due to unforeseen delays. CAL addressed crew concerns, adjusted rosters as needed, and encouraging personnel to seek fatigue management consultations and medical advice based on their individual conditions.
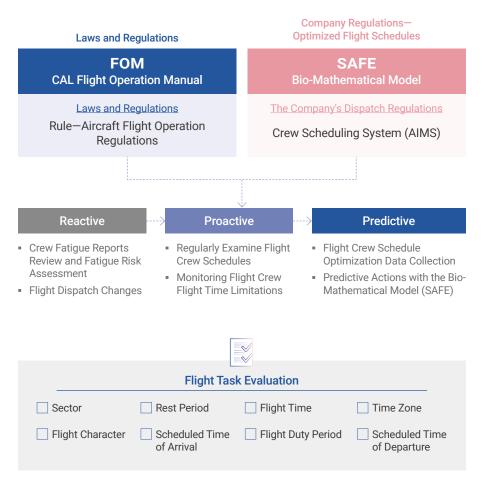
CAL Fatigue Risk Management Framework and Implementation

Laws and Regulations

Company Regulations—Optimized Flight Schedules

FOM
CAL Flight Operation Manual

SAFE
Bio-Mathematical Model

Laws and Regulations

The Company's Dispatch Regulations

Rule—Aircraft Flight Operation Regulations

Crew Scheduling System (AIMS)

Reactive	Proactive	Predictive
▪ Crew Fatigue Reports Review and Fatigue Risk Assessment ▪ Flight Dispatch Changes	▪ Regularly Examine Flight Crew Schedules ▪ Monitoring Flight Crew Flight Time Limitations	▪ Flight Crew Schedule Optimization Data Collection ▪ Predictive Actions with the Bio-Mathematical Model (SAFE)

Flight Task Evaluation

☐ Sector ☐ Rest Period ☐ Flight Time ☐ Time Zone

☐ Flight Character ☐ Scheduled Time of Arrival ☐ Flight Duty Period ☐ Scheduled Time of Departure

3. Alcohol Test Mechanism

In line with Article 199 of the CAA Aircraft Flight Operation Regulations, CAL has established the alcohol test mechanism to conduct alcohol testing for flight crew, cabin crew, dispatchers, and maintenance personnel to ensure they are alcohol-free while on duty. Tests cover at least 30% of personnel annually (7.5% per quarter). Anyone who fails or refuses a test is immediately removed from duty. This protocol reinforces vigilance and safeguards flight safety.

Safety Promotion

To ensure flight safety, CAL organizes annual educational and entertaining safety events to instill the significance of safety among all employees and constantly enhance their awareness of flight safety. The safety training activities in 2024 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. Externally, CAL promoted safety by hosting a Geopolitical Risk's Impact on Aviation Security Seminar and co-hosting an International Aviation Safety Management Summit in 2024.

1. Safety Education Training and Incentive Acitivity

① SMS e-Learning Program

To strengthen overall employee safety awareness, enhance alignment with the Company's safety culture, and promote the 2024 safety policy, objectives, and performance indicators, CAL completed the 2024 Safety Management System (SMS) training program as part of its ongoing efforts to advance safety practices. A total of 11,396 employees across domestic and international units successfully completed the training.

② Three Chapters of Online Breakthrough Campaign and Safety Knowledge Quiz Gashapon Event

In 2024, CAL launched an online breakthrough campaign featuring three levels, each focusing on key themes—(1) Cabin Operation, (2) Ground Services, and (3) Cargo Operations—using past case studies. Through engaging and interactive scenario-based learning, the activity encouraged cross-departmental safety knowledge sharing, fostering a culture where correct safety concepts and work attitudes are deeply instilled in all employees. Additionally, to promote active participation in the Safety Management System (SMS), CAL organized four Safety Knowledge Quiz Gashapon events in 2024. These events involved direct, real-time interactions with frontline operational units, enhancing employees' understanding of the Company's safety and security management practices.

"Three Chapters of Online Breakthrough Campaign" in 2024

May 14-17, 2024—Safety Knowledge Quiz Gashapon Event

③ SAG (Safety Action Group) Incentive Activity

In order to internalize safety into day-to-day work, and be part of every conversation and considered in every decision, SAG(Safety Action Group)Incentive Activity have been developed since 2016. This activity is designed based on the SMS framework and is evaluate every six months. The SAG(Safety Action Group) financial incentive shall be utilized in safety promotion.

2. Cross-industry and intra-industry exchange and improvement

① Safety Experience and Safety Seminars

Continuing its "learning by walking around" approach, CAL organized a site visit to Taiwan High Speed Rail for practical knowledge exchange. To deepen understanding of air traffic control and its Safety Management System, CAL invited the ROC Air Traffic Controllers' Association to deliver a lecture titled "Air Traffic Managers – A Discussion on the Role of Air Traffic Controllers", enhancing cross-unit awareness and reducing human error risks.

June 5 & 12, 2024 - Site Visit and Exchange Activities with Taiwan High Speed Rail Corporation

December 27, 2024-Aviation Lecture: "Air Traffic Managers–A Discussion on the Role of Air Traffic Controllers"

② Co-organized the 2024 International Aviation Safety Management Summit

At the 2024 International Aviation Safety Management Summit, CAL invited Japan Airlines to share insights on the JL516 Haneda runway collision, focusing on cabin crew response and passenger evacuation. Participants included major airlines, Airbus, Boeing, and the World Flight Safety Foundation, fostering a shared commitment to safety.

June 25, 2024–Co-hosted the "2024 International Aviation Safety Management Summit"

CAL also hosted a Ground Safety Management Seminar with nearly 90 attendees from aviation authorities, airport operators, and partners, featuring a lecture on ramp safety and runway incursions. We also organized meetings with affiliated companies and agents to

discuss security and ground safety, and held a "Geopolitical Risk's Impact on Aviation Security Seminar" at the CAA. The event was attended by 120 representatives from the Ministry of Transportation, Air Force Command, government agencies, domestic airlines, and related enterprises to raise awareness of new security threats and suspicious behaviors, enabling participants stay alert to people, events, and objects in their surroundings.

Flight Crew Management

Professional Training and Evaluation $\quad$ GRI 404-2

CAL manages risks through prediction, proactive, and reactive approaches, adapting to changes like new airports, routes, aircraft, and procedures. Through targeted training, systematic flight training, FOQA, and recurrent evaluation of instructors and examiners, CAL ensures flight crews maintain high professionalism and competency to guarantee passenger safety.

Note: FOQA aims to decrease the probability of accidents and hull damage by using past flight data and flight log excerpts to identify abnormal incidents and to analyze each fleet's operational characteristics. The outcomes are then assessed in order to identify and resolve any relevant safety risks.

1. Stringent Training and Objective Testing

To meet growing international demand, CAL enforces strict flight training and evaluations to uphold safety. Flight crew complete training for new aircraft models, promotions, type transfers, and requalification. Cadet pilots are required to successfully complete a 11-month of ab-initial training programs at reputable flight training facilities in the United States or Australia. Since 2018, CAL has adopted Evidence-Based Training (EBT) to replace conventional proficiency training and check. By leveraging big data analysis, including individual behavior, fleet performance, operation sites, and incident records etc. to enhance crew proficiency in handling abnormal situations. In 2024, CAL achieved 100% EBT on annual retraining for a total of 2,417 flight crew.

2. Professional Training Facilities

As the first airline to introduce Flight Simulation Training Devices 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 show the tolerance limits of aircraft designs and carry out training in any possible extreme and dangerous situations without incurring any risk during the exercise. The training process can also be recorded as a basis for reviewing and improving flight skill and expertise.

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CAL has certified Full Flight Simulators approved by CAA and Cabin Emergency Evacuation Trainers which are provided for training for other domestic airlines. In response to the introduction of the new B787 fleet, CSL incorporated advanced training capabilities in December 2024 by introducing a B787 flight simulator, flight training devices, and an emergency evacuation training cabin. This proactive approach aims to enhance flight safety through the early implementation of high-level training resources. Additionally, the emergency evacuation training cabin previously used for the B738 model was replaced with one designed for the A321neo, further optimizing the realism and functionality of training equipment. The Company will continuously invest in and upgrade training equipment to ensure flight safety.

3. A Comprehensive Management System

To enhance training management and digitize records, CAL launched the Integrated Pilot Training System (IPTS) in 2014. The system supports Evidence-Based Training (EBT) and programs for new aircraft models, type transitions, promotions, and requali-fication. Following the 2019 integration of IPTS with the new scheduling system (AIMS), training resources are now managed more efficiently. CAL regularly reviews and updates training content by aircraft type to improve quality and flight safety. With the introduction of aircraft such as the A321neo, B777F, and the upcoming B787, relevant training has continued. In 2024, CAL conducted 377 training sessions covering new hire, aircraft type transition, and promotion-related long-term and short-term training programs. Additionally, 55 instructor training sessions to expand capacity. All programs comply with national and international aviation standards and CAL's internal quality requirements to ensure safe operations.

Management by Walking Around

1. Managers Implement Management by Walking Around

Fleet supervisors assist in license inspections and pre-flight briefings as needed to ensure proper procedures are followed. They also conduct risk assessments related to special airports and weather conditions, offering operational guidance to support safe flight operations.

2. Supervisory Flight (S-Flight)

Fleet supervisors and Check Pilots (CPs) conduct Supervisory Flights (S-Flights) as needed to assess pilots' adherence to procedures, threat and error management (TEM) effectiveness, and crew resource management (CRM) skills. These reviews help identify areas for improvement and guide corrective actions to enhance flight safety. In 2024, 244 S-Flights were completed.

Flight Crew Health and Management

To ensure that flight crew can successfully complete every flight duty, 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 life 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 raise awareness of stress and mental health, CAL incorporates human factors and CRM training into flight crew training and retraining programs. While moderate stress enhances performance, excessive stress may impair focus and emotional stability. The training emphasizes recognizing personal stress and proposes prob-lem-solving and emotional regulation strategies for flight crew members to choose the most appropriate way to manage their stress. It also covers mental health topics, including symptoms, impacts, and challenges faced by pilots. CAL offers support channels such as free psychological counseling to help crew members address related issues.

3. Alcohol and Drug Management

CAL enforces strict rules prohibiting alcohol and drug use, including alcohol-contain-ing food and substances, as well as narcotic drugs or other drugs that may impair performance. Flight crews are banned from consuming alcohol within 12 hours before a flight. Since April 10, 2017, alcohol testing has been conducted for all flight crew on flights departing Taiwan to uphold safety standards.As for narcotic drugs testing, flight crews are required to cooperate with urine testing (the proportion of random testing should not be less than 10% of the total number of personnel tested each year), and the testing results are submitted to the CAA on a monthly basis. Should a flight crew member fail or refuse an alcohol test or narcotic drug test, he or she will be suspended from duty immediately, and the case will be carefully reviewed then followed up in accordance with relevant rules or regulations.

4. Improved Communication and Crew Services

To strengthen communication and cohesion, CAL holds meetings as needed and regularly checks on crew members on unpaid leave. Support is provided through group emails and instant messaging to address concerns during duty periods. These efforts aim to ensure a supportive and secure work environment.

Proactive Planning

- Monthly review and discuss next month schedules with fleet office
- Better rosters for flight crew's dispatch and rest time before/after flight duties
- If crew members 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

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

Prediction

- Following fleet evaluations for new routes, crew dispatch requirements and staffing configurations are determined accordingly. CAL
- continues to monitor health-related regulations in each country and incorporates these considerations into the evaluation criteria.

Inflight Monitoring and Control

To ensure safe and timely arrivals, CAL's System Operation Control Division monitors all flights and site operations in real time, tracking aircraft positions and coordinating with flight crews during irregularities. Operating 24/7, the division uses designated seats and communication tools to control of all factors that may cause abnormal flight operations (e.g., military exercise, geopolitical shifts, epidemics and epidemic prevention policies of different countries, weather forecast at different airports, emergencies such as volcano and tsunami, and status of ground operations at airports such as de-icing/anti-icing capacity and strike).

Main seats in the Control Center	Missions
Air traffic control seat	Monitors flights and operations of flight schedules
Weather monitoring seat	Provides the latest hazardous weather updates for aircraft in the air
Flight dispatcher seat	Plans routes and fuel quantities, and monitors airspace conditions
Repair management seat	Monitors flight maintenance status of aircraft
Flight status monitoring seat	Monitors the operational status of airports in various locations and maintains real-time awareness of aircraft positions to ensure compliance with civil aviation regulations.
Taoyuan International Airport management seat	Supervises the inbound/outbound operations of the Company's main hub

The System Operation Control Division leverages various software and hardware to support decision-making. This includes connecting to domestic and international Airport Collaborative Decision Making (A-CDM) systems for flight movement data, aircraft tracking systems for real-time positioning, TPE Airport CCTV for inbound/outbound operations, and WNI weather software to monitor hazardous conditions and assist in risk avoidance during flights.

To enhance communication, operational readiness, and risk management during adverse weather or emergencies, the System Operation Control Division conducts various situation drills and review meetings. Key 2024 initiatives included:

- Typhoon Response Drill: In preparation for the typhoon season, we understood this year's typhoon trends and created a simulated typhoon track through the drill process. We formulated contingency plans for System Operation Control Division and aircraft evacuation plans and promoted relevant safety concepts and operation safety during typhoon to colleagues.
- On-time Rate Review: To effectively improve flight on-time rate, meet passenger expectations, and ensure smooth outbound operations of flights with reduced delays, the Company conducts review on flight on-time rate every quarter, analyzing and evaluating the operation time of each unit.

Looking ahead, 2025 will be a pivotal year marked by innovation and recovery. The aviation industry is expected to adopt AI-driven solutions in scheduling, baggage handling, and security screening to boost efficiency and reduce delays.

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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 Maintenance Division holds aircraft maintenance organization certifications from 11 countries and regions, including the European Union and the United States, and plans to obtain certification from the CAA of Macau in 2025. As the largest and most modern airframe maintenance center in Taiwan, the facility features hangars capable of accommodating simultaneous maintenance for five wide-body aircraft, as well as an engine test cell rated for thrust levels up to 120,000 pounds—supporting advanced maintenance for a wide range of aircraft types.

2. Establishing a New Maintenance Training Center

In response to rapidly growing demand for maintenance service 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 321 training courses have been offered, and 3,324 trainees have completed training.

3. Elevating the Quality Management System

CAL's maintenance organization acquired ISO 9001 certification for its Quality Management System in 1996 and continuously maintained the effectiveness of the system. 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 (IAQG)(Note). CAL continuously renewed its re-evaluation contracts with the accreditation institution each year. 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 1. IAQG main 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.

2.1.2 Passenger Service

Modern Fleet, Top-Quality In-Flight Service

CAL continues its fleet renewal to strengthen its global passenger and cargo services. In 2024, we added one leased A350-900, four A321neo, and two 777F aircraft. In 2025, A321neo deliveries will continue, alongside the introduction of the Boeing 787. The modernized fleet enhances service quality and efficiency. The current 737-800 fleet (average age 9.5 years) will be gradually retired by 2028 in line with A321neo integration.

To meet the demands of fleet capacity adjustments and network expansion, China Airlines announced on December 19, 2024, the procurement of ten Airbus A350-1000 passenger aircraft, ten Boeing 777-9 passenger aircraft, and four Boeing 777-8F cargo aircraft. The new fleet is expected to be delivered starting in 2029 and will be utilized for long-haul passenger and cargo services to North America and Europe.

The new wide-body passenger aircraft will feature a three-class configuration, including luxurious business class, premium economy, and economy class, providing passengers with a more spacious, comfortable, and tranquil flying experience. This will offer an unprecedented journey experience, making long-haul flights more enjoyable. Furthermore, the Company remains committed to its corporate sustainability principles, focusing on the introduction of its new fleet to enhance service quality and strengthen overall operational efficiency.

The new aircraft demonstrate outstanding fuel efficiency, with an estimated 25% reduction in fuel consumption and carbon emissions compared to previous models, showcasing the airline's commitment to environmentally friendly flight operations. CAL will continue its journey toward achieving the goal of net-zero carbon emissions by 2050, setting a benchmark for sustainable development in the global aviation industry.

Premium Training Equipment Deployed for the 787 Fleet

By the end of 2024, CAL launched new single-aisle and twin-aisle Emergency Training Simulators, enhancing cabin crew's emergency response capabilities and strengthening flight safety. A 360-degree VR tour of the A321 was also introduced for flexible, self-directed learning, breaking the time and space limitations of classroom training. It allows trainees to review key procedures on demand, reinforcing essential areas and improving learning efficiency. Meanwhile, CAL leveraged advanced technologies to optimize training quality, establishing itself as a benchmark for learning excellence in the industry and showcasing an innovative corporate image. The VR training program will continue to expand with the introduction of new aircraft types, further enhancing overall training quality and effectiveness.

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In response to the recovery of the aviation market, CAL designed annual regulatory and service refresher trainings under the theme "Memory & Moment: Creating a Memorable Journey" to strengthen cabin crew competency, helping them better understand passengers' needs and uphold high service standards. Practical assessments ensured consistent professional skills across the team. In 2024, CAL completed seven new hire programs, certifying 147 cabin crew; provided high-class regional service training for 290 crew members; and held 26 cabin management competency sessions, with 244 passing the oral evaluations. These initiatives not only reinforced organizational succession and management capabilities, but also aimed to translate the learning journey into greater passenger satisfaction, brand trust, and customer loyalty, while ensuring flexible manpower deployment and improved operational efficiency.

Integrate passenger transport aircraft resources of CAL Group

In 2024, Mandarin Airlines introduced three new ATR aircraft. During the ferry flight of B-16861 from France to Taiwan, the aircraft used Sustainable Aviation Fuel (SAF) with a 30% biofuel blend—marking the first use of SAF by a Taiwanese domestic airline. All new ATRs feature upgraded PW127XT-M engines, reducing fuel consumption by over 3% and lowering carbon emissions, underscoring the airline's commitment to sustainability while enhancing domestic service quality. Leveraging CAL Group's fleet, Mandarin Airlines provided 2.25 million domestic seats, with AE/ATR-72 aircraft supplying 80% and CI/B738 aircraft 20%, effectively meeting demand for both tourism and homecoming travel.

Following the April 3 magnitude 7.2 earthquake in Hualien, Mandarin promptly added flights between Kaohsiung, Taichung, and Hualien on April 3–4 to support disrupted ground transport. To aid local recovery, the airline launched the "Dynasty Flyer Free Travel to Hualien and Taitung" campaign, alongside discounted student tickets and the "Mandarin Holidays" travel packages to boost regional tourism.

To improve air access to outlying islands, Mandarin Airlines resumed the Kaohsiung–Matsu route after a 20-year hiatus, launching its inaugural charter on November 6. The

Arrival of Mandarin Airlines' New ATR Aircraft at Songshan Airport

Inaugural charter flight on the Kaohsiung–Matsu route successfully launched

flight, welcomed with a water salute in Nangan, was attended by Distinguished guests, including the President of Mandarin Airlines, the Magistrate of Lienchiang County, Legislators, the Minister of Transportation and Communications, the Director General of the Civil Aeronautics Administration, and the Director General of the Tourism Administration, personally greeted the flight at the aircraft side. They joined VIP passengers from the Kaohsiung City Government, who traveled on the inaugural flight, in a red banner-holding group photo, creating a historic and memorable moment.

To provide enhanced passenger services, Mandarin Airlines launched a newly upgraded version of its mobile application (APP) on September 26, 2024. The new version offers significantly improved itinerary management functions, enabling passengers to more easily and efficiently book, purchase, and modify reservations. Personalized features have also been introduced, allowing users to save frequently used passenger profiles, contacts, and preferred routes, thereby reducing data entry time and optimizing the overall service experience. In addition, Mandarin Airlines implemented a new POS baggage check-in system, which provides passengers with clearer information on baggage policies. Baggage tags now include the passenger's flight details and name, effectively reducing the likelihood of baggage misrouting or misclaiming.

(left) Arrival of Mandarin Airlines' New ATR Aircraft at Songshan Airport

(right) POS baggage check-in system enhances passenger convenience

Flight Punctuality

In 2024, CAL's internal flight on-time rate was 84.96%, which was 1.96% higher than the KPI on-time rate target (KPI 83%). 76,421 flights were completed in the year, with a total of 375 abnormal flights (return, diversion, ground taxi back, cancellation, etc.) and a reliable dispatch rate of over 99.5%. According to the "international and cross-strait passenger flight punctuality rate" published by the CAA, the Company's on-time rate was 73.59% for international flights and 84.34% for cross-strait flights.

The on-time rate for 2024 was lower compared to the full-year average of 85.73% recorded in 2023. The primary reasons are as follows:

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01 Sustainability Management

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

1. In 2024, more extreme weather conditions compared to previous years, including an extended typhoon season lasting through November, led to widespread flight delays and cancellations. Additionally, jet stream anomalies impacted the flight times of long-haul routes, and volcanic eruptions necessitated airspace rerouting.

2. Flight delays were frequently caused by baggage transfer bottlenecks at airports and air traffic flow management restrictions along flight routes.

3. Geopolitical Tensions: Ongoing conflicts such as the Russia-Ukraine war and the Israel-Palestine conflict resulted in longer flight times on European and North American routes, subsequently affecting connecting flights and contributing to onward flight delays.

In this regard, the Company continuously pays close attention to the change of international situation, duration of long-haul flights, and ground operations for connecting passengers. It closely monitors flight operations and makes adjustments for abnormal flights.

Innovative in-flight services engage the New Generation of Youth

In alignment with the "Brand Awareness" pillar of its sustainability strategy, CAL actively embraces innovative thinking to resonate with the younger generation. CAL has initiated a comprehensive upgrade of its digital experience:

1. Launching premium in-flight entertainment enhancements, including a new high-quality Podcast service and upgraded movie resolutions. Through its digital publication platform, Dynasty Sky Reading, passengers across all cabin classes enjoy unlimited downloads of hundreds of magazines.

2. Passengers aboard A321neo and 737-800 aircraft can connect their personal electronic devices to the in-flight entertainment system, enabling high-altitude access to multimedia streaming services. Beyond audiovisual indulgence, CAL is equally dedicated to elevating the culinary experience.

3. In order to continuously provide passengers with a high-quality travel experience and enhance the competitiveness of its cabin products, China Airlines has initiated an upgrade of the A350-900 cabin facilities. The upgrade will include the installation of the latest generation of cabin seating, along with a new high-definition personal in-flight entertainment system. In line with the latest industry trends, the airline will also feature highly customized cabin configurations with advanced specifications.

All advertising and marketing content produced by China Airlines adheres strictly to the following ethical commitments:
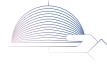
1. Providing accurate and balanced information regarding all products and services;

2. Truthfully disclosing the Company's actions related to ESG initiatives;

3. Protecting customers with limited access to information by ensuring the provision of correct and sufficient information;

4. Refraining from disparaging competitors' products and services.

China Airlines upholds integrity and accountability to deliver outstanding service and promote sustainability. In 2024, CAL was named "Best Airline in North Asia" by Global Traveler for the 11th time and received the APEX Five Star Global Airline rating for the ninth consecutive year.

Beyond service excellence, CAL enhances the inflight experience with gourmet cuisine and creative offerings. Depending on the route, passengers can enjoy dishes by Michelin Guide-recommended restaurants, artisanal desserts, and co-branded treats, including themed menus inspired by healing anime Intellectual Property (IP) and collaborations like BLAH BLAH Bar X SUNMAI. A new amenity kit designed with MOSCHINO also brings fashion to the skies.

By the end of 2024, CAL launched a new brand campaign featuring witty taglines, turning simple act of traveling between two points into a joyful and memorable curve of smiles—continuing CAL's mission: "create more wonderful moments through flying."

Local Sustainability at 30,000 Feet: Savoring the Flavors of Formosa

China Airlines is a leader in ESG-driven sustainable development in aviation. Its in-flight catering is designed around the UN SDGs, particularly "Responsible Consumption and Production" and "Decent Work and Economic Growth." Emphasizing sustainability, carbon reduction, and local sourcing, CAL promotes low-carbon dining and a zero food waste culture onboard.

With a focus on eco-friendly and health-conscious choices, the airline selects locally sourced ingredients with traceability and international certifications. Through cross-industry collaborations with like-minded local food providers, CAL supports local economies and advances shared sustainability goals.

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China Airlines In-flight Dining Experience

Business Class Welcome Cold-Pressed Juice

As a Business Class welcome drink, CAL partners with premium cold-pressed juice brand Natural Benefits to offer the exclusive "Taiwan Blueberry Juice," sourced from fresh blueberries cultivated at the foothills of Alishan in Taiwan. The juice preserves authentic fruit texture and flavor, delivering a naturally sweet, layered taste. Seasonal cold-pressed juices made from local fruits and vegetables are also served onboard, supporting CAL's vision of shifting from imported to locally sourced ingredients.

Business Class Assorted Fiber-Rich Fruits

Clean Label-certified mixed fruits and nuts—featuring unsalted, low-temperature baked almonds, cashews, cranberries, and raisins—are served in Business Class as a natural and healthy snack option.

China Airlines ✕ YOSHI BAKERY Co-branded Bread

In 2024, CAL launched co-branded in-flight breads across all cabin classes, featuring Taiwanese ingredients like tea, dried peaches, Tainong No. 57 and No. 66 sweet potatoes, purple glutinous rice, and Dahu strawberries.—merging classic techniques with local innovation.

Skylounge Snacks

Through its ongoing collaboration with "The Wonderful Food" platform, CAL promotes Taiwan's small-scale agriculture and creative industries via curated snack displays to increase visibility. This initiative aims to promote responsible consumption and production while contributing to the reduction of carbon footprints, fulfilling the airline's social responsibility towards the shared well-being of the planet.

China Airlines ✕ Yang Ming Spring-In-Flight Pure Plant-Based Cuisine

Since 2022, CAL has partnered with Michelin Green Star restaurant Yangming Spring to offer fully vegan business class meals made with natural, locally sourced ingredientss. A 2024 highlight is the :"Yangming Spring Golden Plum Golden Brick Fruit Crisp," combining aged plums and whole pumpkin in a nutrient-rich, plant-based dessert. These offerings reflect CAL's dedication to sustainability, local sourcing, and providing passengers with a refined and responsible dining journey in the sky.

In-flight catering is a key part of cabin service, and China Airlines continues to enhance it with sustainability in mind. To reduce food waste, CAL closely monitors meal orders and wastage while actively promoting its pre-selection service. Business Class and Premium Economy passengers receive reminders via email, SMS, and app to choose meals in advance, with Business Class passengers able to browse detailed menus and select according to preference.

To accommodate diverse needs, CAL offers 20 types of special meals across all classes. Business Class menus are printed using soy-based ink on FSC-certified paper, while digital menus are available on B777, A350-900, and A321neo aircraft, enabling all passengers to view detailed meal information.

These efforts improve the dining experience while demonstrating CAL's commitment to environmental responsibility and sustainable development.

Digital Platform Upgrade for Better Booking Experience

CAL is committed to optimizing the user experience on its website and mobile app by enhancing the booking and ticketing process and strengthening online itinerary management services. Continuous efforts have been made to streamline website content and optimize page design, enabling passengers to intuitively browse and access essential travel information, such as baggage policies, fare products, special service requests, and information on flight movement updates.

1. **CAL Website**:

   Continuously optimizing website functionality from the passenger's perspective, in May 2024, CAL upgraded its booking and ticketing process with a new user interface, featuring ticket card display, one-click selection, and simplified process steps. Additionally, the integration of the itinerary management page and optimization of online self-service modification features aim to enhance overall satisfaction with the CAL website.

2. **In-Flight Wi-Fi:**

   CAL provides complimentary Wi-Fi for business class passengers and high-tier members. In November 2024, the airline was honored with the "Best Wi-Fi Award" by the Airline Passenger Experience Association (APEX). ⌕ For more details, please visit: https://www.china-airlines.com/tw/en/discover/news/press-release/20241125

   CAL Website Booking and Ticketing

Building Brand Ambassadors and e-Services for Better In-Flight Experience

Smart Cabin: e-Processes and AI Assistant

To support CAL's commitment to promoting green energy initiatives and enhancing carbon reduction efforts, iPad minis have been fully distributed to cabin crew members as personal operational tools since 2023. In 2024, the application of these electronic devices was further optimized by integrating e-books, pre-recorded cabin announcement audio files, and enhancing flight time limit calculations and report compilation functionalities. These improvements not only strengthen information integration and cybersecurity control to mitigate information security risks, but also significantly reduce paper consumption, aligning with the Company's environmental sustainability vision. In addition, iPad minis were introduced to facilitate inflight meal ordering in Business Class, enabling digital operations to enhance cabin service efficiency and deliver a modernized passenger experience.

In response to the evolving landscape of AI, the Company also launched the "Cabin Crew AI Assistant" on the Team+ platform. In its initial phase, this smart customer service tool provides ground service personnel with keyword search and real-time response functions. Continuous testing and refinement are being conducted to improve the accuracy of AI-generated responses. In the second phase, the service will be fully extended to all cabin crew members, with the goal of fostering community interaction among crew and further advancing the Company's sustainability and shared prosperity objectives.

Create a "Brand Endorsement" with Professional Image of Cabin Crew

In alignment with the Company's corporate vision of "Leading Asia-Pacific, Flying Worldwide" and upholding the mission of "Create more wonderful moments through flying," we are guided by the core value of "Believe we can always do better." With this foundation, the Company is committed to elevating cabin service standards by focusing on the following four key service objectives:

- Implementing a Responsibility Area Accountability System — Cabin crew are expected to respond promptly to passenger needs, proactively assist in resolving issues, and ensure consistent service quality.
- Enhancing Premium Cabin Guest Services — Emphasis is placed on service attitude and professional knowledge to deliver a refined and attentive premium cabin experience.
- Greeting Elite Frequent Flyers — Crew members proactively greet elite passengers within their assigned responsibility areas, with the Cabin Manager extending formal greetings on behalf of the Company to strengthen customer relationships.
- Proactively Assisting Special Passengers (Elderly, Children, and Pregnant Women) — Special attention is given to passengers with specific needs, offering timely assistance to further enhance the Company's brand competitiveness and image.

Through these initiatives, the Company aims to cultivate a professional yet warm cabin crew image, positioning crew members as the Company's best brand ambassadors.

Service with Heart, Journey with Warmth

In 2024, 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:

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1. China Airlines Digital Boarding Pass: Delivering Exclusive Festive Surprises

China Airlines is committed to providing travelers with thoughtful and heartfelt service. To enhance the check-in experience through the China Airlines App, the design of the digital boarding pass dynamically reflects exclusive artwork aligned with various festive occasions. Whether it is the joyful atmosphere of Lunar New Year, the rich cultural heritage of Dragon Boat Festival and Mid-Autumn Festival, or the warm sentiment of Christmas, each digital boarding pass features meticulously crafted festive illustrations. These designs infuse the journey with a celebratory spirit, allowing passengers to immediately feel the joy of the season and the personalized care from CAL from the moment their travel begins.

2. Listen to the Needs of Employees and Strengthening Collaborative Partnerships

In 2024, China Airlines held 44 virtual Work Seminars with 705 participants and 113 Cabin Management Meetings attended by 1,400 crew members. These regular sessions fostered service commitment, team morale, and empathy through focused discussions and thematic guidance, encouraging staff to deliver thoughtful, customized service and uphold CAL's signature service excellence.

Internally, CAL leveraged interactive platforms such as "No problem, I'll help you," "Cabin Crew Loudspeaker", "Flight Training Magic Channel", and "Speak one's Mind" to collect real-time feedback. These tools enhanced communication, strengthened teamwork, and supported continuous improvement in safety, service quality, and crisis response.

3. Establishing a New Generation Management Model to Foster a Self-Disciplined and Trust-Based Cabin Crew Team

To ensure fair and comprehensive evaluations, China Airlines refined its annual performance assessments by adjusting evaluation weightings and introducing a two-way evaluation mechanism for Pursers. Through effective CRM-based communication, CAL upholds fairness and objectivity in implementing prevention, management, and improvement measures, enhancing safety, service quality, and fostering a high-performing, continuously improving cabin crew team.

4. Encouraging Physical and Mental Well-Being to Foster Lasting Happiness

In response to employees' internal and external needs, two "Cabin Crew Division Town Hall Meetings" were held in May and June 2024. Management proactively engaged with employees, providing appropriate support and fostering a sense of belonging through initiatives such as proxy mechanisms, process optimization, and resource alignment. Additionally, diverse emotional expression channels were established, incorporating human-centric needs into planning to enhance employees' happiness and satisfaction. These efforts aim to strengthen team cohesion, ensure consistent delivery of high-quality service, and enhance the Company's overall competitiveness.

Cabin Crew Division Town Hall Meetings

5. Fully Committed to Creating a Warm and Comfortable Work Environment, Promoting Physical and Mental Well-Being, and Fostering Lasting Happiness

To enhance the work environment and support sustainable development, China Airlines' Cabin Crew Division launched renovation projects at CAL Park and the Songshan Office in 2024. In October, the female crew changing room at CAL Park was upgraded into 21 multifunctional spaces combining makeup and changing areas, with added privacy curtains to improve usability and comfort.

At the Songshan Office, on-call areas were renovated in December with updated restrooms, new carpeting, added power outlets, and soft lighting to create a more welcoming space. Meanwhile, a comprehensive upgrade of the CAL Park briefing room began in December 2024. With all crew now equipped with iPad Minis, the outdated equipment will be replaced, and the room reconfigured for multifunctional use. Completion is expected by March 2025, further demonstrating CAL's commitment to employee well-being and workplace sustainability.

Renovation of the Female Cabin Crew Changing Room at the CAL Park

Renovation of the Cabin Crew On-Call Area at the Songshan Office

Customer Health and Safety and Sustainability

In-flight Catering Food Safety

CAL prioritizes in-flight food safety to protect passenger health. Catering providers must comply with international food safety and hygiene standards and operate comprehensive safety management systems. All processes—from sourcing and preparation to storage and transport—are strictly temperature-controlled and meet hygiene standards. Incoming ingredients undergo lab testing and microbiological sampling. CAL also conducts random audits, requiring corrective action or imposing penalties for non-compliance. Internally, all staff receive HACCP and related food safety training to ensure consistent implementation of food safety principles and maintain meal quality.

Examples of International Certifications for In-flight Catering		
ISO 22000	HACCP	Halal-certified Kitchen

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

2.1.3 Cargo transport service

Passenger and Cargo Services

In 2024, the air cargo market thrived, boosted by AI-driven inventory destocking, server and electronics replacement cycles, and steady cross-border e-commerce growth. Demand remained strong for high-value, time-sensitive goods like semiconductors, biopharmaceuticals, fresh produce, and automotive parts.

China Airlines optimized its dual cargo fleet—777F and 744F—to maximize fuel efficiency and payload advantages. The 777F excels on long-haul routes with superior fuel savings, while the 744F's high capacity and nose-loading capability suit regional consolidation and oversized shipments. This flexible deployment strengthened CAL's position as a key Asia-Pacific air cargo hub.

High-value cargo shipments, especially temperature-controlled containers, increased significantly—from 1,204 in 2021 to 2,640 in 2024—demonstrating CAL's excellence in handling sensitive pharmaceuticals and vaccines. Additionally, the transport of aviation parts rose to 824 units in 2024, reflecting strong trust in CAL's specialized cargo expertise.

Ramp Loading and Unloading Operations

Cold-chain Transportation

Quality Cargo Service

According to the IATA statistics, China Airlines achieved 5,285 million freight tonne-kilometers (FRTK) in 2024, maintaining a leading position in international air cargo. The fleet modernization continued with the addition of the 8th and 9th Boeing 777F in mid-2024, and a 10th expected in Q2 2025. In light of the post-pandemic recovery of passenger traffic and the progressive increase in belly transport volume, CAL will continue to review the operational scale of its cargo aircraft fleet, accelerating the retirement and replacement of 744F aircraft, strategically plan its cargo operations based on market conditions, fully leveraging the complementary advantages of its dual-aircraft types to enhance overall operational efficiency and profitability, while actively expanding its presence in the global cargo market.

Diversified Delivery Services

① Continuous Development of Special Cargo Service

CAL Cargo leads among Taiwanese carriers, with extensive experience in transporting a wide range of special cargo—from general goods and precision instruments to large-scale equipment. To meet the evolving needs of the logistics industry and provide tailored services, CAL continuously innovates with safety as the foundation. For example, the introduction of center-loaded 10-foot pallets on B777 freighters has enhanced cargo space flexibility, enabling higher capacity for diverse cargo types and long-haul flights. Under the oversight of a dedicated team, CAL is also expanding its capability to transport high-value items such as the full series of Rolls-Royce Trent engines using B777Fs. Combining deep expertise, soft power optimization, and the next-generation B777 freighters, CAL continues to grow steadily—delivering excellence in service quality, energy efficiency, and flight safety. CAL Cargo has become an indispensable force in global air logistics.

Ramp Operations

Transportation of Live Animals
(large animals)

② Upgraded Cold Chain Service

In response to increased demand for air transport of 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. CAL became the first airline company in Taiwan to obtain the CEIV Pharma certification and will continue to maintain this certification to provide diversified and quality temperature-controlled cargo service for customers around the world. Additionally, CAL demonstrates the innovation and flexibility of the CAL cargo transport team and support global customers in the post-epidemic era.

Temperature-control Containers

③ Embargo on Illegal Animals and Plants

Supporting IATA and UN SDGs, CAL signed the Buckingham Palace Declaration and implements four concrete actions against illegal wildlife trafficking, including "expression and demonstration of agreement to tackle the illegal wildlife trade," "information sharing and detection," "practical measures to stop the transportation," and "new mechanisms tackling illegal wildlife trade.

Professional Team's Commitment to Safety

① Cargo Safety Management

CAL has enhanced risk controls through systems like Safety Reporting, cargo service platforms, ground damage databases, and weather alerts. A risk prevention mechanism based on safety assessments and walk-around checks improves warehouse and apron management. Quarterly feedback from ground service agencies drives ongoing service quality improvements.

② Professional Training

CAL regularly provides training on dangerous goods, live animals, temperature-controlled cargo, and load balancing to ensure safe and professional handling. Starting in 2024, training materials have transitioned to digital formats to enhance efficiency and support paperless operations. CAL has also trained certified handlers and established operational procedures to ensure the secure transport of special cargo. With the easing of border restrictions, more in-person global training sessions are planned to continuously upgrade cargo service quality.

Special Cargo Delivery (car)

③ Authorized Economic Operator (AEO)

As an Authorized Economic Operator (AEO), CAL enhances its competitiveness in the global supply chain and fosters collaboration with international trade partners. Since receiving AEO certification in 2012, CAL has conducted annual self-assessments based on security review criteria and undergoes on-site validation audits by Customs every three years. The latest audit was conducted by Taipei Customs in late 2023, and CAL was officially re-certified in January 2024. In October 2024, the Cargo Sales, Marketing & Services Division has led a company-wide self-assessment, with participation from the Management Committee and key divisions including the Corporate Safety Office, Human Resources Division, Information Management Division, Administration Division, Cargo Sales & Service Taiwan, Engineering Division, and In-flight Services Division, and the results were submitted to the Customs Administration for verification.

Authorized Economic Operator
(AEO) On-site Calibration Meeting

Efficient Transportation Processes

① e-Air Waybill & e-Freight

CAL supports IATA's electronic air waybill and e-freight initiatives, enabling paperless data exchange with cargo information providers, contractors, customs authorities, and warehouses. This streamlines communication, reduces operational costs for all stakeholders, minimizes delays caused by input errors or document loss, and significantly lowers paper consumption, thereby advancing CAL's goal of achieving net-zero carbon emissions by 2050.

② Apron Mobility

Wireless transmission delivers real-time cargo and loading updates to mobile devices, preventing loading errors. Using PDAs to communicate with ground handlers reduces the idle time of ramp supervisors and improved cargo agents' productivity.

A Ramp Supervisor Uses a PDA for Ramp Monitoring Operations

③ iCargo New System Implementation

In 2024, China Airlines successfully integrated the iCargo system developed by IBS Software into its strategic management infrastructure. By adopting the industry-leading iCargo digital technology, China Airlines has taken a significant step forward in its digital transformation journey, reinforcing its position among the world's top 15 air cargo carriers. The implementation of iCargo has strengthened China Airlines' capabilities in cargo sales management and import/export operations, optimizing cargo operational efficiency and enhancing customer satisfaction.

This technological transformation forms a key component of China Airlines' broader digital transformation program. Through the gradual phase-out of legacy cargo systems and the proactive transition to a cloud-based SaaS model, the Company is expanding its cargo ecosystem, further integrating third-party software, streamlining operational processes, and improving overall efficiency. These initiatives also support China Airlines' commitment to achieving net-zero carbon emissions by 2050.

2.1.4 Customer Relations Management
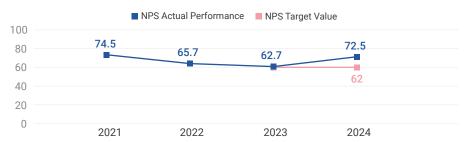
Passenger Service Customer Satisfaction

To enhance the travel experience, China Airlines has established a comprehensive feedback mechanism. In addition to continuously monitoring customer satisfaction and willingness to recommend through passenger satisfaction surveys, passengers are also encouraged to provide feedback and suggestions regarding services through customer feedback channels and other communication platforms. By leveraging diverse feedback sources, China Airlines continuously identifies and addresses service gaps to improve passenger satisfaction and loyalty.

According to the results of the passenger satisfaction surveys conducted from January to December 2024, the Net Promoter Score (NPS) reached 72.5, exceeding the target value and representing an improvement over 2023. Looking ahead to 2025, we have raised our NPS target from 62 in 2024 to 69, reflecting passengers' recognition of and expectations for China Airlines.

■ NPS Actual Performance　■ NPS Target Value

	2021	2022	2023	2024
NPS Actual Performance	74.5	65.7	62.7	72.5
NPS Target Value				62

Cargo Service Customer Satisfaction

The Cargo Sales, Marketing & Services Division distributes annual customer satisfaction surveys to cargo sales stations worldwide and actively encourages customers to provide feedback. In 2024, the customer satisfaction score reached 89.8. Due to the introduction of the new cargo system in the second half of 2024, some customers reported unfamiliarity with the new system interface, resulting in a slight decline in the satisfaction score compared to 2023. The Cargo Sales, Marketing & Services Division will continue to instruct all stations to enhance customer training and support to improve users' familiarity and experience with the new system.

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Maintenance and Repairs Customer Satisfaction

The Maintenance Division distributes customer satisfaction surveys semi-annually to customers of airframe, engine, and component services, encouraging them to provide feedback on areas such as maintenance quality, maintenance time, parts and materials supply, service, and responsiveness. In 2024, a total of 27 questionnaires were collected over the course of the year, and the annual customer satisfaction score was 9.0.

Customer Satisfaction Category	2021	2022	2023	2024	2024 Objectives	2024 Attainment	2025 Objectives
Passenger Net Promoter Score (NPS)	74.5	65.7	62.7	72.5	62	100%	69
Cargo Service Customer Satisfaction (point)	88.3	89.5	91.6	89.8	88.5	100%	89
Maintenance and Repairs Customer Satisfaction (point)	8.57	8.24	8.8	9.0	8.4	100%	8.4 (Note)

Note. The maintenance and repairs customer satisfaction is calculated based on a ten-point system.

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. In terms of the operation and maintenance of the official accounts on social media, CAL uses suitable online language in line with contemporary issues to engage fans. We also held online activities with fans from time to time to expand CAL's online sales channels. We support green energy initiatives for sustainability with the aim of taking real actions instead of adopting slogans to encourage other companies to fulfill their responsibilities for sustainable development.

Communication Channels

1. **Service Hotline**
2. **Regular Mail**
3. **Facebook Page**
   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.
4. **Customer Service E-mail**
   Instead of calling, customers can simply send e-mails to change reservations or confirm their itineraries.
5. **Customer Feedback — Online Feedback System**
6. **Online Customer Satisfaction Survey**

CAL continues to discuss to optimize website functions from passenger perspective, which include upgrading reservations and ticketing process, designing a new user interface, integrating service pages, and optimizing the self-service function for online changes. These efforts are aimed at optimizing service on an ongoing basis. In addition, CAL introduces real-time fare function, which provides passengers with dynamic references of fare and real-time flight information, enabling passengers to stay informed. The proportion of ticketing through CAL website significantly increased in 2024. The ratio of sales on CAL website increased to 35.3% for the year, with a sales amount of USD 1,035 million, which accounted for 37.4%.

🔍 Refer to the appendix: Online Sales Channels and Sales Amount Table

2.1.5 Information Security Management

Information Security Strategy

CAL's Information Security and Personal Information Management Division, led by the Data Protection Officer (DPO) and Chief Information Security Officer (CISO), oversees information security and data protection. They lead independent teams to implement management measures aligned with international standards. CAL's Information Security and Personal Data Management Committee, chaired by the President, meets at least annually to review and ensure effective system implementation and reports to the Board yearly. Board Director Chien-Hung Wei, an expert in Intelligent Transportation Systems (ITS) and AI, has relevant background in IT engaged on the cybersecurity strategy process, enabling him to provide independent and timely oversight to support information security.
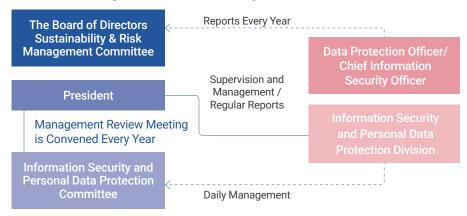
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Information Security and Personal Data Management Framework

Information Security Management

1. Information Security Management System

CAL's Information Security & Personal Data Protection Division oversees information security policies and governance to ensure regulatory compliance. The Information Management Division handles daily cybersecurity operations, while the Chief Information Security Officer works independently to maintain security management integrity.

2. Cyber Security Education and Training

In 2024, CAL conducted two rounds of mandatory security training for all employees (totaling three hours), along with a dedicated seminar for management. To enhance phishing awareness, three simulated email exercises were carried out; employees who clicked on links were given retraining. Additionally, four newsletters were issued to reinforce key messages on information security and data protection. CAL constantly reiterates to colleagues the importance of information security and personal data protection. For violations of regulations of information security or personal data, CAL shall impose penalties in accordance with reward and penalty regulations. If such violation incurs legal liabilities, employees shall be held accountable in accordance with related regulations.

Number of Trainees in Cyber Security Education and Training

CAL organized information security training for all personnel in June, and November 2024 to increase the information security awareness of all employees. A total of 21,648 attendances completed the training.

2022	2023	2024
43,992 attendances	34,104 attendances	21,648 attendances

Information Security Technologies

1. Regular Evaluations and Exercises

The objective is to promptly restore information services and minimize losses due to business interruption. CAL conducts annual risk assessments of information systems, evaluating confidentiality, integrity, availability, and compliance, and develops business continuity plans for core information systems. In 2024, two disaster recovery exercises ensured readiness to restore critical systems quickly and minimize business interruptions.

CAL completed the annual information security inspections in October and November 2024 to strengthen the Company's overall information security protection. We reviewed information security matters (e.g., network architecture design logic and regional network allocation) and used the judgments of professionals to provide recommendations for improving information security and effectively reduce information security risks. CAL conducts monthly vulnerability scans on internal and external application systems, analyzes the results, and defines standardized remediation procedures. In addition, annual penetration tests are performed by independent third parties to further strengthen cybersecurity. The main target is the information system that the Company provides external services. The penetration tests were completed in December 2024, which includes information probing and error handling tests for meeting the requirements in the TOP 20 Critical Security Controls of the SANS Institute, the OWASP Top Ten Vulnerabilities announced by the Open Web Application Security Project (OWASP) and other standards for tests. The operations included preliminary tests and repeated tests to confirm that the vulnerabilities have been addressed.

2. Information Security Incident Response and Reporting

CAL has an incident response procedure that applies to all employees and provides clear steps for reporting security incidents through the company's internal messaging system. When an incident occurs, response actions are promptly taken to contain the impact and restore operations.CAL reports incidents to authorities as required by law. Annual simulation exercises help teams practice response protocols, improving readiness and incident management.

Reporting Flowchart

Reporting Information Security Threats and Vulnerabilities

CAL's instant messaging system was used to send emails to all employees with reports on information security threats and vulnerabilities. A total of four reports were sent in 2024, continuously reminding all employees to stay alert to information security threats.

2022	2023	2024
Nine reports	Eight reports	Four reports

Information Security Certification and Audit

To strengthen CAL's information security, the Information Security and Personal Data Protection Department was established in March 2022 to lead the implementation of ISO 27001 certification, covering core passenger service systems and ICT infrastructure. All departments continuously improve security practices and conduct regular internal audits to ensure effective controls.

Audited by SGS, CAL obtained the ISO 27001:2013 Information Security Management System (ISMS) certificate in October 2022 and completed the annual recertification in October 2024, maintaining compliance with international standards and operational requirements. CAL also achieved Payment Card Industry Data Security Standard (PCI DSS) compliance certification issued by external security Qualified Security Assessors (QSA) in November 2024, ensuring secure credit card transactions and regulatory compliance.

In response to growing cybersecurity challenges, proactive monitoring and protection mechanisms were implemented.In 2024, there were no information security incidents, including data breaches, that resulted in regulatory penalties, and systems remained virus-free, stable, and fully operational.

2.1.6 Privacy Management   `GRI 418-1`
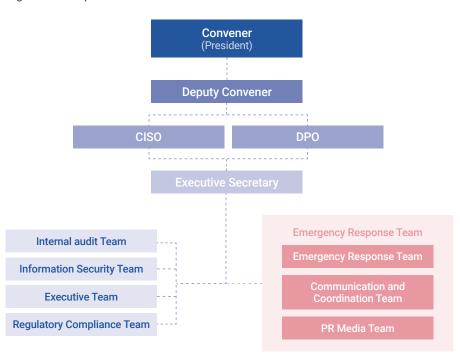
Personal Data and Privacy Protection

To ensure trustworthy personal data protection, CAL fully complies with relevant laws including Taiwan's Personal Data Protection Act, civil aviation regulations, and the EU's GDPR. CAL informs consumers about data protection and collects personal data only with their consent, detailed in the Company's "Privacy Protection Policy" and "Cookie Policy" on its website. The policy applies to all employees and subcontractors, who must also comply. CAL includes data protection clauses in supplier contracts, establishes management procedures, and regularly evaluates and audits subcontractors' data practices.

Privacy Protection
Policy and Statement

Personal Data Management Framework

The Information Security and Personal Data Management Division oversees the Company's information security and data protection efforts. Led by the Data Protection Officer (DPO) and Chief Information Security Officer (CISO), the division implements management measures aligned with international standards. The Information Security and Personal Data Management Committee, chaired by the President, meets at least annually to review and ensure effective system implementation and reports to the Board of Directors. Unit responsibilities are defined in the organizational procedure document.

Inquiry Channels for Personal Data Rights

CAL's official website has a page of "privacy protection," and the "Privacy Protection Policy and Statement" on the page outlining how personal data is securely collected, processed, and used only within authorized purposes. Data subjects may exercise their rights, including inquiry, correction, deletion, restriction, and withdrawal of consent, through the "Enquiry and Request for Personal Data" link on the CAL website or by contacting the Data Protection Officer at DPO@china-airlines.com. CAL will respond within the statutory timeframe. Since 2024, no privacy complaints have led to penalties.

Contents

Personal Data Risk Assessment Mechanisms

CAL has established procedures to classify personal data and identify risks in data processing. The Information Security and Personal Data Protection Committee leads annual inventories, impact assessments, self-inspections, and risk evaluations across business units. If risks exceed acceptable levels, mitigation plans must be proposed and implemented to ensure effective operation of the PDCA (Plan-Do-Check-Act) management system.

Personal Data Internal Audit and Training

To review personal data management goals and meet privacy information management system requirements, CAL establishes internal audit procedures, plans annual audits in Q4, and conducts audits as scheduled. Results are reviewed by the President during the Information Security and Personal Data Management Committee meetings to ensure system effectiveness.

CAL provides regular training to promote personal data protection and codes of conduct among all staff. Specialized lectures are held for senior management, expatriates, and internal auditors based on their roles. Additionally, quarterly e-newsletters share real-case studies, regulatory updates, and key management highlights to raise awareness.

The results of personal data protection seminars and training programs in 2024 are shown in the table below:

Training Title	Frequency	Target	Number of people
Information Security and Personal Data Protection Training	20	New Employees	485
First Information Security and Personal Data Protection Awareness Training of 2024	1	All Staff	10,118
Second Information Security and Personal Data Protection Awareness Training of 2024	1	All Staff	11,530
Information Security and Personal Data Protection Management Guidelines	1	All supervisors of Level 2 and below in the Company	608
Executive Management Seminars	1	Senior Management	94
Information Security and Personal Data For Your Information E-newsletter	4	All Staff	All Staff

Personal Data Breach Response Mechanisms

CAL has established "Personal Data Breach Response Management Procedures" and a contingency plan to address unauthorized access, disclosure, or misuse of personal data. Annual response exercises ensure staff readiness. Contracts with subcontractors require timely breach notification and evidence preservation.

Personal Data Breach Contingency Flow

CAL's Personal Data Protection Milestones in 2024

1. Completed personal data inventories, internal audit, and risk assessment across unit in Taiwan and oversea branch offices.

2. Issued quarterly Information Security and Personal Data For Your Information E-newsletters as personal data protection awareness promotion for all employees.

3. Organized annual response exercises on personal data breaches.

4. Held the annual information security and personal data review meeting.

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Future Plans

Flight Safety

1 Renewing Flight Safety Certifications

Since first obtaining IATA Operational Safety Audit (IOSA) certification in 2005, CAL has undergone biennial renewals to uphold high flight safety standards. In preparation for the more rigorous Risk-Based IOSA framework, CAL actively aligns daily operations with the latest international standards, participates in global forums and training, and remains committed to the highest levels of aviation safety.

2 Regular Emergency Response Drills and Continuous Improvement of Procedures

Establishing a comprehensive emergency response mechanism is a critical component to ensuring business continuity. Therefore, China Airlines continually enhances the capabilities of its control personnel in handling aircraft and weather-related anomalies, while strengthening its monitoring and forecasting capabilities for extreme weather events arising from climate change. In 2024, the Company regularly conducts emergency response drills and reviews the response procedures to ensure that personnel can swiftly and accurately address unforeseen events in accordance with Standard Operating Procedures (SOP). Issues identified during the drills are analyzed and addressed to improve overall operational efficiency and response capabilities. Through continuous improvement, the organization maintains its competitive edge in a rapidly changing environment, ensuring operational stability and safety.

3 Digitalization of Flight Planning

CAL has digitized cockpit flight documents to improve pilot efficiency and flight safety. With real-time access via iPad apps to flight plans, weather data, airport information, and notices, pilots operate with enhanced situational awareness. The transition to digital systems also eliminates printed flight plans and delivery costs at airports, supporting sustainability goals.

Passenger Service

1 Enhancing Mobile Devices and Official Website Services

CAL redesigned its website with a new user interface, simplified structure, and improved system functions. Integrated itinerary management for both website and app makes trip planning easier. Personalized features like interactive marketing, countdown timers for promotions, and real-time dynamic fares on the homepage enable faster and more convenient booking. The app will expand to 12 languages with a refreshed design to enhance user experience.

2 Enhancement of In-Flight Wi-Fi Service

To meet passenger demand, CAL plans to offer free Wi-Fi for all passengers across all aircraft, including free text messaging. Premium cabin passengers and Gold members will enjoy unlimited free internet access. Collaborations with global network providers aim to optimize connection speed, stability, and simplify login and redemption processes, ensuring a smooth and quality online experience onboard.

3 Friendly Environment and Ecological Coexistence

Amid rising concerns over global warming and climate change, CAL is advancing paperless operations at airports to protect forests and reduce carbon emissions. For boarding passes and other printed materials, CAL prioritizes suppliers with international eco-certifications, sourcing forest-friendly paper products. Promoting digital and self-service check-in through online and mobile apps encourages passengers to reduce paper use and support carbon reduction efforts.

Cargo Service

1 Responsive Evaluation and Optimization of the Flight Network to Market Demand Changes

In addition to handling Taiwan's import/export cargo, CAL leverages Taiwan's geographic advantage as a cargo transshipment hub, especially via Taichung, strengthening its position. CAL maintains a dense and flexible passenger-cargo network, adapting to regional market needs:

1. From February 2025, CAL will add Toronto (YYZ) to expand North American coverage beyond the U.S. and increase operational flexibility.

2. Focusing on Japanese cargo (machinery and vehicle parts), CAL maintains intermediate stops in Osaka (KIX) and Nagoya (NGO) on transpacific flights to Chicago (ORD) and adjusts LAX-NRT flights to optimize capacity.

3. To expand Asia-Europe cargo, CAL plans intermediate stops in Delhi (DEL), Mumbai (BOM), and Dubai (DWC), creating multi-leg revenue and strengthening Middle East and India markets.

4. The fuel-efficient 777F is prioritized on long-haul routes like LAX, SFO, JFK, ATL, MIA, FRA, and AMS to meet cargo demand and optimize capacity.

5. With manufacturing shifting from China to Southeast Asia, CAL strengthens connections between Taiwan, Southeast Asia, North America, and Europe, enhancing intra-Asia cargo and exploring Oceania, Middle East, and India markets. Passenger belly cargo and freighters are flexibly deployed based on local market and yield, with rolling reviews to optimize capacity and load factor.

2 Fleet Renewal for Enhanced Fuel Efficiency
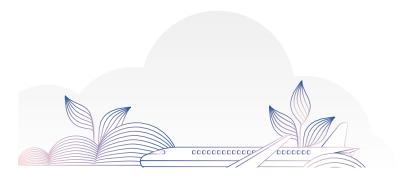
In 2024, CAL retired five 744F freighters, operating eight 744Fs and added two 777Fs mid-year. By Q2 2025, the fleet totals 18 freighters: eight 744Fs and ten 777Fs. The 777F offers competitive payload, 20-25% fuel savings over 744F, better reliability, lower fuel and maintenance costs, and shared crew and engine types with 777 passenger aircraft, improving operational efficiency. The 777F is mainly deployed on long-haul routes to North America and Europe, enhancing cost efficiency and revenue. CAL also ordered four new 777-8Fs expected from 2031, promising further fuel and emission reductions for environmentally friendly operations.

3 Synergistic Multi-Dimensional Operational Strategy: Leveraging Passenger and Cargo Aircraft Capacity

As Taiwan's only airline operating both 744F and 777F freighters, CAL flexibly matches aircraft types to market demand and cargo types. The 744F's large payload and nose-loading capabilities suit oversized, high-value cargo like semiconductor equipment and engines, mainly on Japan and Southeast Asia routes, boosting regional consolidation and transshipment. Combining passenger belly cargo with freighter capacity aligns fleet operations with market trends and cargo demand. Beyond scheduled flights, CAL expands customized charters and additional flights, integrates express and interline partnerships to seize cargo growth opportunities. CAL's cargo team has rich expertise handling high-value, precision cargo such as semiconductors, biotech cold chain products, and aircraft parts, ensuring quality and reliability as a strong competitive advantage.

In addition, by leveraging the extensive network of passenger flights, the Company maximizes synergy by utilizing both passenger aircraft bellyhold and cargo aircraft capacity. This ensures that the overall fleet operations align with market trends and cargo business demands. Apart from scheduled flights, the Company also caters to specific customer needs by expanding customized chartered flights, dedicated freighter services, and supplementary flights. This further strengthens integrated express and code-sharing partnerships, capturing opportunities for cargo growth. China Airlines has gained strong trust from customers due to its expertise in air cargo, particularly in transporting high-value or delicate items. This includes semiconductor wafers and equipment, pharmaceutical and biotech cold-chain products, as well as aviation parts. With rich and skilled operational experience in handling such cargo, the cargo team works diligently at every stage to ensure the quality of shipments, providing a strong foundation for securing cargo contracts.

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Customer Relations Management

👍 Passenger Service Customer Satisfaction

In 2024, the Net Promoter Score (NPS) for passengers reached 72.5, exceeding the target and showing an improvement from the 62.7 performance in 2023. Through innovation and a commitment to excellence, China Airlines continuously enhances the passenger service experience, aiming to maintain a competitive edge in the highly competitive aviation market.

Information Security

Information Security Management Certification

In 2024, CAL completed recertification and passed the ISO 27001:2013 Information Security Management System (ISMS) audit, ensuring operational information security meets international standards. CAL will maintain the certificate and aims to certify to the ISO 27001:2022 version in 2025, further strengthening information security and expanding the certification scope.

2 PCI DSS Compliance

CAL obtained the PCI DSS compliance certification in November 2024, which ensures the effectiveness of the Company's credit card transactions security and safeguards the rights and interests of passengers. This certification is conducted every two years, with the next certification scheduled for the end of 2026.

Privacy Information Management

1 Personal Data Management System

CAL's passenger reservations, ticketing and marketing service business processes have been officially issued with the ISO27701:2019 Privacy Information Management System (PIMS) certificate in 2023, with all personal data protection regulations within the scope of verification complying with regulatory requirements and international standards. We will continue to maintain the validity of the certificate in the future, and expand the scope of verification year by year.

2 Personal Data Protection Audit

CAL will continue to execute the personal data audit plan for oversea branch offices in 2025. By implementing onsite audits, we confirm that the personal data protection operations of oversea branch offices meet requirements in the Company's regulations and local laws.

AI Applications and Development

CAL continuously applies innovative technologies in system development to enhance technological capabilities and reduce operational costs. Through data analytics, CAL extracts deep insights to drive precise decision-making and optimize resource allocation, embedding innovation as a core driver for long-term competitiveness and sustainable growth. The 2025 AI strategy focuses on three key directions:

1. Joining advanced industry ecosystems to connect with diverse sectors.
2. Partnering with leading institutions to accelerate AI business development.
3. Implementing an in-house large language model (LLM) to accumulate and train domain knowledge across company units.

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2.2 Cooperation

✦ Highlights

100% signing rate for Supplier Code of Conduct

> Supplier Code of Conduct Signing Rate of Critical Tier-1 Suppliers 100%

Awarded for **Green Procurement**

> CAL Park, Maintenance Division, and Mandarin Airlines support green procurement and have been awarded related accolades by local government.

1st Taiwanese airline to conduct and continuously enhance supplier sustainability assessments

> 1st Taiwanese airline to perform and continuously enhance supplier sustainability assessments.

Management Approach

Material Issues

Ⓖ Sustainable Supply Chain Management

Importance of Material Issues

CAL's vision of "Leading Asia-Pacific, Flying Worldwide" has firmly established its reputation in Taiwan and around the world, and is committed to the operational objectives of corporate sustainable development. We deeply understand that only by cooperating with business partners can we truly implement corporate sustainable development and create sustainable value. Thus, we have formulated the CAL Sustainable Supply Chain Management Policy according to international standards and guidelines such as the United Nations Global Compact (UNGC), International Labour Organization (ILO), and ISO 26000:2010 Guidance on Social Responsibility. The Sustainable Supply Chain Management Policy applies to the suppliers and contractors of CAL and its subsidiaries and joint ventures. Hence, we urge that the principles of sustainable development be implemented as part of our overall supply chain management to jointly fulfill our corporate social responsibility.

Sustainable supply chain management policy statement

Commitment

Commitment and Long-term Goals

To achieve supply chain sustainability

▪ We are committed to

1. Conducting risk and impact assessments to ensure supply chain sustainability and establish fair, transparent mechanisms for supplier management.

2. Selecting economically feasible products and services by considering their environmental and social effects.

3. Adhere to business ethics and morality and eradicate leakages, illegal benefits, and all forms of corruption.

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▪ **We require all suppliers and contractors to**
1. Strictly abide by local and international laws and regulations.
2. Implement quality control systems that ensure the quality and safety of products or services provided.
3. Establish information security mechanisms that prevent the misuse of confidential and sensitive information.
4. Comply with local and international human rights and labor standards, rejecting child labor and discriminatory practices.
5. Provide a safe working environment and secure workplace over health and safety issues.
6. Discontinue forced labor and guarantee freedom of association as well as proper working conditions and pay.
7. Reduce the negative impact of products and services on the environment and society in accordance with sustainability-related regulations.

Commitment and Long-term Goals

Long-term Goals

2025
1. SAQ for critical tier-1 suppliers has achieved a risk assessment ratio of 100%. All tier-1 suppliers have reached 20%.
2. Before making a purchase, the purchasing unit should establish a selection plan that takes into account the specific case. The plan should include ESG-related issues as at least 5%of the evaluation criteria.
3. Both new suppliers signing contracts and existing suppliers renewing contracts should be obligated to comply with the commitments of the "Forest and Biodiversity Conservation Commitment".
4. Optimize the risk management for sustainable supply chain, audit 100% of critical tier-1 suppliers and high-risk suppliers, and create a list of critical non-tier-1 suppliers.
5. Develop a comprehensive supply chain improvement measures and capacity building programs, aiming to implement 50% of improvement measures and 50% of capacity building programs.

2030
1. All critical tier-1 suppliers and SAQ for critical tier-1 suppliers have achieved a risk assessment ratio of 40%. Critical non-tier-1 suppliers have reached a risk assessment ratio of 30%.
2. Include at least 5% ESG performance in procurement evaluation criteria for 40% of purchasing units.
3. 40% of suppliers signing contracts should be obligated to comply with the commitments of the "Forest and Biodiversity Conservation Commitment".
4. Continue to optimize risk management for sustainable supply chain, audit 100% of critical tier-1 suppliers and high-risk suppliers, and assess 30% of critical non-tier-1 suppliers.
5. Develop a comprehensive supply chain improvement measures and capacity building plan, aiming to implement 100% of improvement measures and 100% of capacity building programs.

2040
1. Perform 100% SAQ risk assessment for both critical tier-1 suppliers and critical non-tier-1 suppliers.
2. Include at least 5% ESG performance in procurement evaluation criteria for 100% of purchasing units.
3. 100% of suppliers signing contracts should be obligated to comply with the commitments of the "Forest and Biodiversity Conservation Commitment".
4. Audit 100% of both critical tier-1 suppliers and critical non-tier-1 suppliers.
5. 100% implementation of improvement measures for high-risk suppliers to ensure regulatory compliance.

Note: "Critical non-tier-1 suppliers" refers to suppliers who provide products and services to CAL through tier-1 suppliers, and meet the current definition of critical suppliers as defined by CAL.

Unit in Charge	Corporate Sustainability Committee — Cooperation Task Force (in charge of aviation supplies, jet fuel, in-flight catering, and service procurement as well as general affairs)
Management Mechanisms	• The meeting of the Corporate Sustainability Committee, at least twice a year • Cooperation Task Force reports to Corporate Sustainability Committee, every quarter • The President is the highest-ranking decision-maker for the Supplier Sustainability Management Plan • Perform supplier risk management through supplier risk assessment and supplier risk audit

Objectives and Plans

KPI	2024		
	Objectives	**Performance**	**Achievement**
Convene Annual Supplier Conference	One session	Held at the Novotel Taipei Taoyuan International Airport on November 29	100%
Conduct SAQ	Response rate at least 75%	Recycling Rate: 69%	92%
Critical Supplier SAQ Score	89	94.38	100%
ESG Training for Procurement Staff	Three sessions each year	Participated in three sessions of internal / external ESG online sustainability seminars	100%
Commitments to forest and biodiversity conservation	New(existing) suppliers signing contracts (renewing contracts) have reached 100% compliance rate	Both new suppliers signing contracts and existing suppliers renewing contracts are obligated to comply with the commitments of the "Forest and Biodiversity Conservation Commitment"	100%
Establishment of Supply Chain Corrective Action Plans and Capability Building Programs	• The implemented corrective action plans have reached 25% • The implemented capacity building measures have reached 25%	• Implement corrective action plans for four high-risk suppliers • Capacity building initiatives for 16 suppliers	• The implemented corrective action plans have reached 100% • Capacity building measures have reached 33%
2024 Annual high-risk suppliers review	Coverage rate 100%	100% review completion	100%

Note: In order to continue the objectives and plans outlined in the 2023 Sustainability Report, the 2024 Sustainability Report will maintain the annual supplier conference, conduct supplier sustainability risk assessments, and evaluate the sustainability performance of critical suppliers, establishment of supply chain corrective action plans and capacity building programs, and continuous review coverage rate for high-risk suppliers.

✉️ Grievance Mechanism

CAL's suppliers access information on grievance mechanisms through the QR code below. Grievances will be handled by our dedicated personnel immediately.

Stakeholder Contact

Item	Department	E-mail
General Products	Administration Division	tpeuo@china-airlines.com
Aviation Parts	Engineering Division	AOG_DESK@email.china-airlines.com
E-shopping /Duty free	In-flight Service Supply Division	eShopping@china-airlines.com

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2.2.1 CAL Value Chain

GRI 2-6

The aviation industry supply chain is highly unique compared to other industries.As of the end of 2024, the CAL Group had established 28 joint ventures in business sectors including air transport, ground handling service, tourism, aerospace technology, air transport support, and logistics and warehousing. By integrating their strengths, the Group will optimize its overall quality of service, competitiveness, and value chain.

AIR TRANSPORT　AEROSPACE TECHNOLOGY　GROUND HANDLING SERVICE　AIR TRANSPORT SUPPORT　TOURISM　LOGISTICS & WAREHOUSING

Definition of Material Procurement Types and Suppliers

Category (No. of Tier-1 Suppliers / Critical Tier-1 Suppliers)	Aviation Materials Aircraft Parts (8/26)	Aviation Fuel Fuel Required for Flight (27/ 5)	In-Flight Catering In-Flight Meals Offered to Passengers (21/3)	Ground Handling Service Airport Manpower (27/1)	General Products Goods Required for Overall Operations (163/14)
Importance	Aviation materials are critical for flight safety. Therefore, aviation materials must have certificates of qualification, and their airworthiness must be confirmed by related units /divisions / departments	Fuel is vital for flight and its cost of procurement forms one contributor to operating costs	In-flight catering stands as one of CAL's crucial quality services. CAL provides passengers with a complete in-flight experience based on the needs of long-haul and short-haul passengers and nationality requirements	CAL provides excellent airport services, and improves passengers' satisfaction throughout the journey with the help of its ground staff and agents	General products refer to basic supplies required for business operations to improve operational efficiency and quality
Definitions of Critical Suppliers	▪ Irreplaceable suppliers ▪ Cumulative annual procurement amount in the top 80%	▪ Irreplaceable suppliers ▪ The procurement amount is accounted for over certain jet fuel cost in whole year	▪ Suppliers offer long-haul service to provide return meals for a minimum of 4 stations (including the China Pacific Catering Services at Taipei Station)	▪ Irreplaceable suppliers. ▪ Exclusive ground handling agent which is not affiliated with airlines ▪ Yearly flights handling by the suppliers are accounted for over certain total flights of CAL	▪ Irreplaceable suppliers ▪ Annual procurement amount in the top 15
Definitions of Tier-1 Suppliers	Annual procurement amount exceeds USD 1 million	Suppliers that supplied and produced fuel in the current year	Suppliers that offer meals for flights with passenger services in the current year	Ground handling agents that processed scheduled flights in the current year	All suppliers with transactions in the current year
Definitions of High-Risk Suppliers	Based on the result of SAQ, tier-1 suppliers with an SAQ score below 80 points are categorized as "high-risk suppliers". In cases where there are no suppliers with a score below 80 points, the lowest 1% of suppliers in the five major categories will be selected. Critical non-tier-1 suppliers who have an SAQ score below 80 points are classified as "high-risk suppliers"				
Definitions of Critical Non-tier-1 Suppliers	Suppliers who provide products and services to CAL through tier-1 suppliers, and meet the current definition of critical suppliers as defined by CAL.				
Definitions of Significant Suppliers	Critical Suppliers and High-Risk Suppliers				

Note: Material procurement types are defined by the volume of procurement.

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Upstream
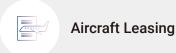
Aircraft Manufacturing

Aircraft Engine Manufacturing

Ground Handling Service Equipment Manufacturing

Aircraft Leasing

Midstream

Ground Handling Service
- Taoyuan International Airport Service Co., Ltd.
- Taiwan Airport Service Co., Ltd.
- Dynasty Aerotech International Corp.

Logistics and Warehouse
- Taiwan Air Cargo Terminal Limited
- Arport Cargo Terminal (Xiamen) Co., Ltd.
- Arport Cargo Service (Xiamen) Co., Ltd.
- Global Sky Express (Taiwan) Ltd. [Note 2]
- Eastern United International Logistics (Holdings) Ltd.

Investment and Leasing Business Group
- CAL-Dynasty International, Inc.
- Dynasty Properties Co., Ltd.
- CAL Park Co., Ltd.
- CAL-Asia Investment Inc.
- Taiwan Airport Service (Samoa) Company, Limited

Air Transport Support
- Sabre Travel Network Taiwan Ltd.
- Everest Investment Holdings Ltd.
- China Pacific Laundry Services Ltd.
- Delica International Co., Ltd. [Note 1]
- China Pacific Catering Services Ltd.
- Kaohsiung Airport Catering Services Ltd.

Aerospace Technology
- China Aircraft Services Limited
- Taikoo (Xiamen) Landing Gear Services Co., Ltd.
- Taiwan Aircraft Maintenance and Engineering Co., Ltd.
- HAECO Composite Structures (Jinjiang) Co., Ltd.

Airlines
- Mandarin Airlines Co., Ltd.
- Tigerair Taiwan Co., Ltd.

Downstream

Tourism and Leisure
- CAL Hotel Co., Ltd.
- Dynasty Hotel of Hawaii, Inc.

Customer

Express Delivery
- CHUNG-HWA Express Co., Ltd.

[Note 1] Delica International was dissolved in March 2024, and the liquidation process was completed in August 2024.

[Note 2] Global Sky Express (Taiwan) convened an extraordinary shareholders' meeting in September 2024, during which a resolution was passed to dissolve the company.

CHINA AIRLINES

2.2.2 Sustainable Supply Chain Management

GRI 204-1.308-2.407-1.414-2

CAL has been promoting sustainable supply chain management since the beginning of 2014. Subsequently, we established a Cooperation Task Force Team for important procurement categories, including "aviation materials, aviation fuel, in-flight meals, service procurement, and general business affairs"; formulated long-term sustainability goals based on the United Nations' Sustainable Development Goals (SDGs); and established China Airlines' Sustainable Supply Chain Management Policy Statement and Supplier Code of Conduct with reference to the Global Reporting Initiative (GRI), ISO 26000, United Nations Global Compact (UNGC), International Labour Organization (ILO), and other international standards. CAL has also established a risk investigation mechanism and performed audit operations. Each year, CAL continuously reviews its procurement procedures and existing sustainable supply chain management mechanisms to ensure that suppliers comply with the CAL Supplier Code of Conduct, thereby preventing any violations of ESG requirements by suppliers. If a supplier violates the terms of the Supplier Code of Conduct, CAL may terminate the partnership. We also organize annual supplier conferences to improve suppliers' sustainability risk awareness and regularly report the management results to the Corporate Sustainability Committee for follow-up inspection on a quarterly basis. The President is the highest-ranking decision-maker of the Corporate Sustainability Committee.

Supplier Code of Conduct
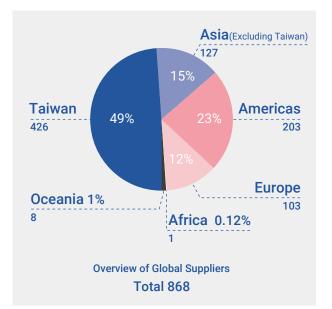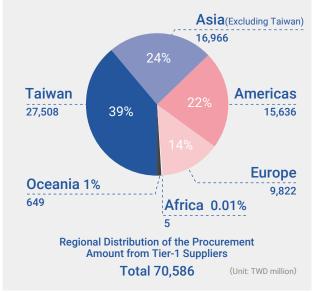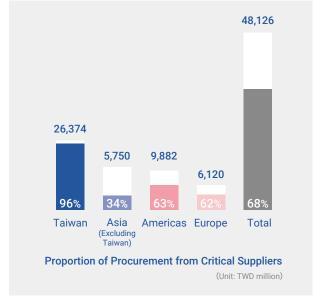
Supply Chain Management Objectives and Exit Mechanism

CAL's primary operations and supply chain are based in Taiwan, where 49% of all suppliers are located, accounting for 39% of the total procurement amount, the highest proportion globally. This is followed by the Americas, Asia, Europe, Oceania, and Africa. Furthermore, CAL's operational bases and suppliers have not violated workers' rights to freedom of association or collective bargaining. CAL continues to monitor whether its partner suppliers engage in any illegal practices related to forced labor and other human rights issues. Additionally, it prioritizes collaboration with suppliers that demonstrate strong performance in Environmental, Social, and Governance (ESG) criteria to ensure the stability of the supply chain. CAL also uses the SAQ for sustainability risk assessments each year to track the identified actual social impact in the supply chain and observe whether there is potential negative social impact and regional political and economic risks. The contracts between CAL and suppliers include provisions that require the completion of improvement operations within a specified timeframe (e.g.180 days) if there is a violation of the CAL Supplier Code of Conduct. Failure to meet the improvement requirements will lead to the termination of the partnership. Additionally, ongoing monitoring will be conducted to further enhance the overall sustainability performance of the supply chain.

Regional Distribution of Suppliers (incl. Tier-1)

Overview of Global Suppliers

Total 868

Asia (Excluding Taiwan) 127 — 15%
Americas 203 — 23%
Europe 103 — 12%
Africa 0.12% — 1
Oceania 1% — 8
Taiwan 426 — 49%

Regional Distribution of the Procurement Amount from Tier-1 Suppliers

Total 70,586 (Unit: TWD million)

Asia (Excluding Taiwan) 16,966 — 24%
Americas 15,636 — 22%
Europe 9,822 — 14%
Africa 0.01% — 5
Oceania 1% — 649
Taiwan 27,508 — 39%

Proportion of Procurement from Critical Suppliers

(Unit: TWD million)

Region	Value	Percentage
Taiwan	26,374	96%
Asia (Excluding Taiwan)	5,750	34%
Americas	9,882	63%
Europe	6,120	62%
Total	48,126	68%

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2024 Supplier ESG Program Achievements

01.Sustainable Supply Chain Procurement Practices

☆ Best Practices

CAL Expands Application of SAF, Pioneering Low-Carbon Aviation

CAL is actively promoting the use of Sustainable Aviation Fuels (SAF) and once again participated in The Aviation Challenge (TAC) of the SkyTeam Alliance in 2024. The airline operated the CI100/CI101 demonstration flight from Taoyuan to Tokyo Narita using the A350-900, a new generation of fuel-efficient aircraft, to demonstrate its commitment to sustainable development. This flight utilized 20% SAF, representing a pioneering collaboration within the domestic aviation industry regarding the value chain of a single passenger flight. This initiative was supported by China Trust Bank, the issuing institution of the joint card with China Airlines, as part of a concerted effort to promote low-carbon flying.

CAL has been utilizing SAF since 2017, putting it to use on passenger flights for the first time in 2023. This year, this has been further expanded on through collaboration with its long-term aviation fuel supplier, Japan's ENEOS, to implement SAF operations and execute voluntary carbon offsets, achieving full carbon neutrality for flights CI100 and CI101, thereby realizing net-zero carbon flight. According to information from the International Air Transport Association (IATA), SAF has the potential to reduce carbon emissions by approximately 80%. This initiative will not only provide environmental benefits to CAL but also help foster energy transition and the advancement of low-carbon transportation within the aviation industry.

CAL continues its commitment to environmental sustainability by integrating carbon reduction practices into daily operations. We prioritize using paper boarding passes made from materials certified by forest verification standards and promote online check-in and electronic boarding pass services to reduce paper usage in the boarding process. In-flight services encourage passengers to choose the low-carbon Michelin Green Star Yang Ming Spring vegetarian meals and offer electronic menu services. Economy class has switched to eco-friendly, recycled stainless steel cutlery, which is being gradually implemented across all routes. We provide eco-friendly materials for pillowcases, headrest covers, tray covers, plastic cups, dental floss picks, and restroom product containers. Additionally, we continue to promote a paperless cloud-based library, encouraging the use of personal devices to read digital newspapers and magazines, reducing the load of physical publications. Since its launch, this initiative has reduced weight by over 2,000 metric tons.

Unit : TWD thousand

item	Scope	2020	2021	2022	2023	2024
Environmental Management	O&M of environmental protection equipment and management systems, and investment in research projects. (Note 1)	23,390	29,811	27,081	25,357	25,960
Green Procurement	Category I, II, and III products prescribed in the Regulations for Priority Procurement of Eco-Products (dated January 15, 2001)	10,199	6,455	9,221	46,844	79,894
Waste Management	Waste disposal fees	3,854	4,107	4,261	5,980	6,307
Noise Prevention	Noise control fees	136,812	136,136	129,674	151,005	153,881
Air Pollution Prevention	Air Pollution prevention fees	819	589	615	384	461
Total Investment Amount		175,074	177,098	170,852	229,570	266,503

Note 1. Depreciation, renewal, operation and maintenance, of pollution prevention equipment; environmental testing; implementation of the environmental management system; and investment in research projects

Note 2. Annual special investments and promotional projects are not included in this table. (Please refer to the financial yearbook for more detailed information.)
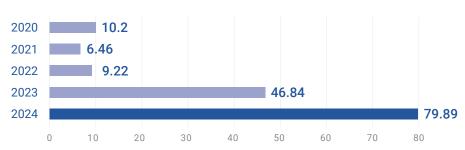
Green Procurement

As CAL enhances its operations, it continues to implement its green procurement policy. In 2024, green procurement spending increased by 71% compared to 2023, earning CAL recognition from the Taoyuan City Government as an outstanding enterprise. In addition to selecting environmentally certified products for daily use—such as stationery, office equipment, and high-efficiency air conditioning and appliances—CAL allocates annual budgets to electrify outdated vehicles and equipment, balancing operational efficiency with air pollution and carbon emission reductions. Sustainability certifications are also a key consideration in selecting passenger service items. CAL uses FSC/PEFC-certified products, including paper boarding passes, menus, napkins, luggage tags, and eco-friendly hand towels, demonstrating its commitment to forest and biodiversity conservation. Additionally, we continue to promote systematic, digital, and mobile operations to raise awareness of green consumption and reduce environmental impact at the source.

Amount of Green Procurement

(Unit: TWD Million)

Year	Amount
2020	10.2
2021	6.46
2022	9.22
2023	46.84
2024	79.89

Note: Green procurement includes Category I, II, and III products prescribed in the Regulations for Priority Procurement of Eco-Products.

CAL Group's Mandarin Airlines is committed to implementing environmental and energy management principles to ensure sustainable development. The company has also focused on procurement to practice green consumption, contributing to environmental sustainability. On May 15, 2024, Mandarin Airlines was recognized by the Taipei City Environmental Protection Bureau as an outstanding private enterprise in green procurement.

Director Huang of the Public Relations Office at Mandarin Airlines received recognition for outstanding performance in green procurement from Taipei City.
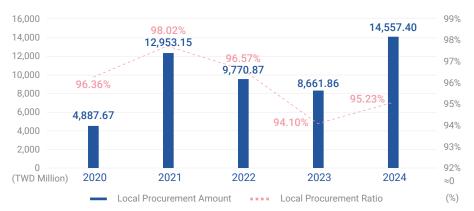
The Deputy Manager of the Maintenance Division represented CAL in receiving recognition as an Outstanding Enterprise for Green Procurement from Taoyuan City.

Local Procurement

From 2020 to 2024, CAL has continuously refined its procurement strategy to increase local sourcing and reduce its carbon footprint. In 2024, the proportion of local procurement rose by 1.13% compared to 2023, with a 68% increase in total procurement spending. The share of local suppliers grew by 0.34%, and their total number increased by 6% year-over-year.

CAL actively promotes local procurement at its operational bases and destinations served by CAL flights. Through strategic adjustments, CAL has steadily increased both the volume of local procurement and the number of local suppliers. These efforts have enhanced supply chain resilience, improved operational efficiency, and supported environmental goals—demonstrating CAL's commitment to corporate social responsibility.

Amount of Local Procurement

Year	Local Procurement Amount (TWD Million)	Local Procurement Ratio
2020	4,887.67	96.36%
2021	12,953.15	98.02%
2022	9,770.87	96.57%
2023	8,661.86	94.10%
2024	14,557.40	95.23%

Local Procurement Amount ········ Local Procurement Ratio

Number of Local Suppliers

Year	Number of Local Suppliers	Percentage of Local Suppliers
2020	611	95.62%
2021	669	95.16%
2022	705	95.27%
2023	723	93.41%
2024	765	93.75%

Number of Local Suppliers ········ Percentage of Local Suppliers

Note: The statistics include the Administration Division and the maintenance park.

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03 Corporate Governance

ESG Data and Appendix

02. Risk Assessment of Supply Chain Sustainability (Supplier Screening)

To strictly control supply chain sustainability risk, CAL has conducted a survey for supply chain sustainability risk and formulated our Sustainability Assessment Questionnaire (SAQ) since 2015 based on international initiatives and evaluations such as the GRI Standards, ILO, UNGC, Dow Jones Sustainability Index (DJSI), CDP, and the Universal Declaration of Human Rights. CAL also established a sustainable supply chain management system to improve the accuracy of the results of the SAQ in 2017, the functions of which include specifying the definition of critical suppliers, conducting the Sustainability Assessment Questionnaire (hereinafter SAQ), formulating regulations for review and designing relevant forms, setting different goals for short-term, mid-term, and long-term reviews, and improving the follow-up tracking mechanism, ensuring that CAL fully identifies high-risk suppliers and implements review procedures to mitigate sustainability risks in the supply chain.

In the SAQ section, CAL conducted a survey of 49 critical tier-1 suppliers for 2024, achieving a response rate of 69%. Analysis of the survey results shows that the total number of valid questionnaires for 2024 reached 58, an increase of 10 compared to 2023. The average score was 94.38. Upon further examination of the four survey dimensions, the average scores ranged from 90 to 97, indicating that key suppliers possess a sustainable concept in all four areas.

Note: "Governance" includes ethics and regulatory compliance. "Environment" refers to energy and resource management and conservation "Society" includes human rights and labor conditions, and occupational safety and health. "General" includes quality and safety and information security.

Dimensions of Consideration and Risks in Supplier Screening

Dimension / Risk	Explanation
Environmental Criterion (E)	This includes but is not limited to waste management, energy management, and biodiversity
Society Criterion (S)	This includes but is not limited to human rights and labor rights
Governance Criterion (G)	This includes but is not limited to anti-corruption and bribery
Country-specific Risks	Appropriate management mechanisms and monitoring measures, such as audits, should be implemented to ensure that the company's procurement does not originate from countries known for high levels of corruption, instability, political conflict, or weak regulatory capacity
Sector-specific Risk	Identify suppliers that are more likely to have negative environmental, social, and corporate governance risks based on the attributes of the procurement category and strengthen management
Commodity-specific Risk	This includes, but is not limited to, the acceptance of regular inspections of oil products, operations, or equipment; compliance with food safety control systems; and the provision of airworthiness certificates or quality assurance documents for each transaction related to aviation materials

Procedures of Identifying Risk of Supply Chain Sustainability

Send the Questionnaire (SAQ) → Analyze Questionnaire Responses → Notify Risk Results → On-Site Assessment → Track and Make Improvements
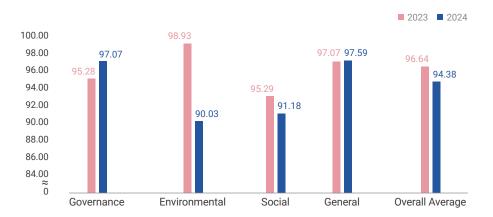
Supply Chain Sustainability Risk Assessment Implementation Status

Suppliers	2023	2024
Tier-1 Suppliers	838	246
Critical Tier-1 Suppliers (Share of Total Procurement Spent %)	50 (59%)	49 (68%)
Non-tier-1 Suppliers	1	0
Tier-1 Significant Suppliers	50	53
Proportion of Procurement from Tier-1 Significant Suppliers	59%	72%
Non-Tier-1 Significant Suppliers	1	0
Risk Assessment of Supply Chain Sustainability (Supplier Screening)		
Tier-1 Suppliers Assessed Annually	48	58
Significant Suppliers Assessed Annually	49	38
High-Risk Suppliers		
Tier-1 Suppliers Classified as High-risk (Share of Total Procurement Spent %)	5 (9%)	4 (4%)
Number of Non-tier 1 Suppliers Classified as High-risk	0	0

Note: Significant suppliers include both critical suppliers and high-risk suppliers.When calculating the quantity, if a supplier is classified as both a key supplier and a high-risk supplier, it will not be counted more than once.

2024 Risk Survey of Supply Chain Sustainability

Overall Performance of Supply Chain Sustainability

Overall Average

In 2024, the score of supply chain sustainability risk assessment was 94.38 points.

Governance

The score of 97.07 represents an improvement over last year's score of 95.28, indicating that suppliers have made progress in regulatory compliance and governance structures. However, ongoing attention and enhancement of governance mechanisms remain essential.

Environmental

The score of 90.03 represents a decrease from last year's score of 98.93, indicating a decline in supplier performance concerning environmental issues. In response to this trend, we will revise our approach to enhance requirements for suppliers to focus on environmental considerations and propose relevant environmental policies.

Social

The score has decreased to 91.18 from 95.29 last year, indicating that occupational safety and social responsibility within the supply chain continue to require ongoing attention.We will continue to require suppliers to strengthen their management of occupational injuries, ensuring compliance with safety standards and reducing the incidence of workplace accidents.

General

The score of 97.59 shows a slight improvement compared to last year's score of 97.07, marking the best performance across all aspects. Moving forward, we will continue to monitor the implementation of privacy management and the overall operational standards upheld by our suppliers.

03. Sustainable Supply Chain Assessment

The results of the 2024 China Airlines Supply Chain SAQ analysis indicate that there are four high-risk suppliers for the year. Audit investigations have revealed that some suppliers still need to improve their performance in environmental and social aspects. In the areas of establishing an environmental management system, waste classification and recycling, and monitoring suppliers' environmental performance, some suppliers still need improvement. Additionally, the management of human rights and labor conditions has not met the standards.

To enhance supply chain management efficiency, CAL will continue to monitor and guide suppliers, requiring improvements to elevate their sustainability management capabilities. This year, we selected one high-risk supplier for in-depth analysis. Using a radar chart, we compared its scores with the category average to identify areas with significant gaps and provided benchmark cases and improvement suggestions.

To ensure the sustainable development management of supply chain partners, CAL continues to promote audit programs at various stages to monitor the actual implementation of environmental and social practices by its suppliers.

No critical tier-1 suppliers have terminated the partnership in 2024. In the future, CAL will enhance guidance and supervision for suppliers that have room for improvement in environmental and social aspects. We will also strengthen their awareness of and compliance with regulations to ensure that supply chain partners can achieve higher sustainability standards.

Supply Chain Sustainability Assessment Implementation Status

Suppliers	2022	2023	2024
Critical Tier-One Suppliers Assessed for the Year (Percentage of Total Critical Suppliers)	9 (20.45%)	13 (26%)	22 (45%)
Assessed in the Past 3 Years (Percentage of Total Critical Suppliers)	79.55%	90%	98%
High-Risk Suppliers			
High-risk Suppliers Assessed in the Current Year (Percentage of Total High-Risk Suppliers)	0 / 0% (No high-risk suppliers in the current year)	1 / 20%	0 / 0%
High-risk Suppliers Assessed At Least Once Every 3 Years (Percentage of Total High-Risk Suppliers)	0%	0%	25%
High-risk Suppliers with Corrective Action Plans and Completed Improvements	0% (No high-risk suppliers in the current year)	0% (The implementation of Corrective Action Plans is planned to begin in 2024)	0%
Significant Suppliers			
Assessed in the Current Year (Percentage of Total Significant Suppliers)	Beginning in 2023, we conduct inventories of our significant suppliers	25%	42%
On-site Assessments		3	10
Desk Assessments		10	59

04. Assisting Suppliers Reduce Risks

Corrective Action Plans and Capacity Building

In 2024, one high-risk supplier was supported in completing corrective actions through the SAQ and audit process. In terms of capacity building, the supplier identified through the SAQ analysis was Taiwan Airport Service Co., Ltd. (TASCO).

This training program marks CAL's inaugural sustainability education course tailored specifically for suppliers, with a particular emphasis on the group's subsidiaries, thereby enhancing its overall purpose. The headquarters of TASCO has demonstrated strong support for this event by actively participating in discussions and

enthusiastically sharing their experiences and challenges. Through this guidance, the supplier has strengthened their understanding and practical application of sustainable management, laying a solid foundation for the sustainable development of future supply chain partners.

Capacity Building	Project of Capacity Building	2024 Achievements / Results
Deepening Environmental and Sustainable Governance	To enhance the integrity and performance of CAL Group's environmental and sustainability governance, a Group Sustainability Governance Communication Meeting was scheduled for November 7, 2024. General managers from all Group companies gathered to understand international trends in sustainability and environmental governance, market competitive pressures, and development opportunities, and to build consensus on the Group's environmental and sustainability governance.	During the meeting, subsidiaries were invited to establish environmental or ESG committees, as well as other cross-unit promotional organizations, to continuously enhance environmental and energy performance and objectives. Additionally, CAL Group is committed to implementing and expanding the environmental management system in phases, taking into account factors such as company size, environmental risks, and competitive advantages.
Enhancing Environmental and Carbon Management Performance	1. CAL conducts regular surveys to monitor resource use and identify environmental risks and opportunities. It also engages external consultants to help group partners build ISO 14064-1 GHG inventory capabilities, covering requirements analysis, data collection, and internal verification. 2. Under the Corporate Environmental Committee and ISO 14001 framework, we manage suppliers, conduct audits, and promote environmental and energy-saving measures.	1. Assisted 12 Group partners in setting 24 energy and resource management targets with 100% attainment for 19 targets. Implemented environmental protection and energy conservation measures to reduce electricity consumption by 654,000 kWh and reduce diesel consumption by 374 liters. 2. Assisted 14 Group partners in achieving 100% completion of carbon inventory; in 2023, total emissions for Categories 1 and 2 were 504,926 tons CO_2e, and for Categories 3 to 6 were 114,669 tons CO_2e, with all verified by a third party in 2024.
Fostering Consensus on Environmental Sustainability	In alignment with international trends and practical operational requirements, thematic workshops, courses, communication meetings, and lectures will be conducted periodically, inviting Group partners to participate.	In 2024, CAL conducted seven training sessions on environmental sustainability topics, including "Environmental Energy Management Systems," "TCFD Climate Risk Disclosures," "CORSIA," and the "Corporate SAF Collaboration Program." Additionally, one Group Sustainable Governance and Environmental Management Communication Meeting was held, along with an environmental lecture featuring a section chief from the Ministry of Agriculture's Forestry and Nature Conservation Agency, who shared insights on ecotourism management.

In Alignment with the Global Trend, Continuing Education and Training Courses on Sustainability

In 2024, CAL continued to promote sustainability education and training for procurement personnel to deepen their understanding of sustainable practices. The training focused on the development, core concepts, and operational impacts of the EU Corporate Sustainability Due Diligence Directive (CSDDD), along with corresponding measures in Taiwan, such as the Guidelines for Taiwanese Supply Chain Enterprises to Respect Human Rights.

CAL also invited external experts to deliver practical training on sustainability audits, ensuring procurement practices aligned with the Company's sustainable supply chain policies and systems. Through its supplier conference platform, CAL actively engaged supplier partners, reiterating its sustainability policies, principles, and commitments. CAL also shared its environmental initiatives, including sustainable aviation fuel practices and biodiversity conservation, to reinforce ESG values throughout the supply chain.

2.2.3 Sustainable Supply Chain Engagement

Convene Annual CAL's Sustainable Supplier Conference

CAL convened the 9th Annual Sustainable Supplier Conference on November 29, 2024, at Novotel Taipei Taoyuan International Airport, with 28 domestic suppliers (42 partners) in attendance. Sam Lin, Executive Vice President of KPMG Taiwan, delivered a presentation on global sustainability trends to help suppliers understand the urgency of environmental sustainability and the circular economy, while raising awareness of carbon reduction and biodiversity conservation.

Mr. James Chung, Chief Sustainability Officer of CAL's Sustainable Development Center, shared insights on the aviation industry's approach to sustainability, covering governance and disclosure trends both in Taiwan and globally, as well as CAL's sustainable operations. He also addressed key topics such as carbon reduction and the use of SAF. From 2022 to 2024, CAL participated in the SkyTeam The Aviation Challenge, integrating innovation and service to realize sustainable flight. In 2024, CAL led the Taiwanese aviation industry in advancing sustainability across the value chain.

During the meeting, a workshop was held to present CAL's sustainable supply chain strategy, risk assessment, and procurement outcomes, emphasizing the creation of sustainable value with partners. CAL aims to strengthen its procurement mechanisms and reduce workplace safety risks through effective supply chain management and training, enhancing sustainability across the value chain. We also outlined our future

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goals and plans for a sustainable supply chain.

CAL regularly shares sustainable practices and benchmark cases to help suppliers adapt to emerging trends. This support focuses on: (1) promoting sustainable strategies and encouraging supplier commitment, and (2) addressing key risks—such as high injury rates—based on assessments and audit findings, to improve supplier safety and operational stability. To further deepen supplier understanding of global best practices, CAL invited dnata, one of its suppliers, to share its international experience and successful cases in sustainable operations, offering valuable insights and references.

Future Plans

CAL will continuously survey supply chain partners on their sustainability practices and advance sustainable supply chain management by completing 100% SAQ for critical tier-1 suppliers and 40% for all tier-1 suppliers by 2030, implementing corrective action plans and capacity-building programs, establishing evaluation criteria for purchasing units, and incorporating at least 5% ESG performance into procurement evaluations.

CAL continues to provide sustainability training for its personnel through internal courses and external programs. It also offers all domestic suppliers sustainability training—both written and in-person—to enhance their procurement teams' knowledge.

CAL is intensifying its sustainable development strategy by advancing low-carbon transition, optimizing environmental management, and minimizing environmental impacts. Collaborating with supply chain partners, CAL strengthens carbon reduction efforts, promotes green procurement, resource reuse, and environmentally friendly technologies to boost value chain sustainability and competitiveness, aiming for long-term carbon reduction and net-zero targets.

2.3 Environment

✦ Highlights

First Transportation Company in Taiwan to Pass SBTi Validation

In June 2024, CAL became the first transportation service provider in Taiwan to officially pass the review of the Science Based Targets initiative (SBTi), setting a 1.5°C-aligned emissions reduction pathway. This target aligns with the global climate goals under the UN Paris Agreement and demonstrates CAL's commitment to science-based climate action and the transition to net-zero emissions.

CDP SER **A List** Recognition

CAL has responded to the CDP climate change questionnaire for 12 consecutive years since 2012, and actively promotes and implements supply chain/value chain management. After receiving a Leadership-level A- rating for five straight years, CAL was named to the CDP SER A List in 2024 for its active efforts in climate action and supply/value chain management.

11th Time Receiving TCSA Climate Leadership Award

CAL has received the Climate Leadership Award for eleven consecutive years since 2014, an unrivaled feat in Taiwan's transportation service industry.

Co-create Carbon Reduction Value with Customer Partners through Sustainable Aviation Fuel (SAF)

CAL is the first in the Taiwanese aviation industry to introduce a SAF procurement cooperation model, providing traceable and verifiable carbon reduction reports. Leading the way in collaborating with passenger and cargo enterprises to use SAF, collectively reducing aviation carbon emissions and the carbon footprint of customer employees traveling by air and transporting goods, driving cooperation with industry supply chains to promote the aviation industry's energy transition.

Conducting Cabin Waste Investigation to Explore the Possibilities of Innovative Circular Economy

Through ongoing communication among cabin service, in-flight supply operations, and ground handling teams at CAL, we continuously optimize our operational processes to create opportunities for recyclable materials to re-enter the circular economy.

Supporting Reforestation Initiatives to Foster a Shared Journey Toward Ecological Sustainability

CAL hosted the "Exploration of the Mountains' Beauty" Event, bringing corporate resources to Indigenous tribal communities, with the aim of setting an example for others and inviting business partners to join in experiencing eco-friendly journeys together.

CHINA AIRLINES

⭐ Best Practices

To reduce cabin waste, China Airlines partnered with its ground handling agent in December 2019 to collect and analyze waste from selected short- and long-haul flights. In August 2024, CAL further optimized waste audit procedures and task allocation, referencing Aviation Sustainability Forum (ASF) practices to strengthen pre-flight data collection, post-flight analysis, and strategic feedback.

The 2024 Cabin Waste Weighing Project found per-passenger waste averaged 0.5 kg on short-haul and 0.81 kg on long-haul flights—both lower than 2019 levels and ASF benchmarks. Analysis identified future focus areas including flight duration, passenger schedules, and packaging design to balance customer experience with waste reduction.

2024 Cabin Waste Weighing Project: Figure A - Weighing of Cabin Cleaning Waste; Figure B - Weighing of Cabin Catering Waste.

Management Approach

Material Issues	Ⓔ Climate Change Mitigation and Adaptation Ⓔ Energy Management	Ⓔ Environmental Operational Efficiency and Resource Management Ⓔ Green Services and Sustainable Catering	Ⓔ Biodiversity

Importance of Material Issues

According to the latest Global Risks Report 2025 published by the World Economic Forum, various industries, including the aviation sector, have faced diverse and rapidly changing operational challenges over the past two years. These challenges include extreme weather events, geopolitical shifts, and cyber espionage activities. In addition to addressing short-term risks, as time goes on, high concentrations of greenhouse gases will exacerbate the intensity of extreme weather events, disrupt biodiversity, and lead to ecosystem collapse, resulting in the irreversible degradation of living conditions such as shortages of natural resources. As a sustainability leader in the aviation industry, China Airlines recognizes that achieving long-term sustainability goes beyond continuously improving internal management practices and optimizing operational processes. It also requires integrating both internal and external resources, building collaborative models, and fostering a shared sustainability vision across the value chain. This is a key strategy that demands ongoing attention and investment, aiming to deepen sustainability and environmental awareness. Through collective collaboration, we can unlock even greater possibilities.

Commitment and Long-term Goals

Commitment

CAL is committed to abiding by relevant regulations in civil aviation, environmental protection, and energy strengthen risk management mechanisms, actively participating in environmental sustainability-related organizations and initiatives both domestically and abroad, and implementation of the Company's environment and energy policies. CAL continues to strengthen and optimize its own environmental sustainability as its momentum, reducing environmental impact and cherishing the limited resources on the planet. With its own role, CAL will lead the Group and the aviation industry to jointly protect our planet for the sustainable development of future generations.

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Commitment and Long-term Goals

Long-term Goals

2025 Short-term Targets

- Improving annual aviation fuel efficiency by 1.5% and achieving carbon-neutral growth (ICAO CORSIA CNG2020)
- Use 0.5% SAF
- Reducing carbon emissions in ground operations by 5% compared to 2023

2030 Medium-term Targets

- Improving annual aviation fuel efficiency by 1.5% and achieving carbon-neutral growth (ICAO CORSIA CNG2020) (An additional SBTi target is set to improve fuel efficiency by 26% compared to the 2019 baseline.)
- Use 5% SAF
- Reducing carbon emissions in ground operations by 15% compared to 2023
- With renewable energy installed capacity reaching 10%(Note 1) of the contract capacity

2040 Long-term Targets

- Improving annual aviation fuel efficiency by 1.5% and achieving carbon-neutral growth (ICAO CORSIA CNG2020) (net-zero emissions by 2050)
- Used 40% SAF
- Reducing carbon emissions in ground operations by 60% compared to 2023 (net-zero emissions by 2050)
- With renewable energy installed capacity reaching 15% of the contract capacity (Note 1)

Reducing tap water withdrawal by 7% compared to 2018	Reducing tap water withdrawal by 10% compared to 2018	Reducing tap water withdrawal by 12% compared to 2018

- Reducing general waste (non-recyclable) by 7% compared with 2018 - Increasing industrial waste recycling ratio to 45% - Reducing paper consumption by 30% compared to 2018 - Use a 10% of sustainably certified paper/wood items for air/ground service needs - Reducing total in-flight waste by 50% compared to 2018 - Reducing use of single use plastics items and packaging for in-flight services by 90%	- Reducing general waste (non-recyclable) by 12% compared with 2018 - Increasing industrial waste recycling ratio to 50% - Reducing paper consumption by 50% compared to 2018 - Use a 50% of sustainably certified paper/wood items for air/ground service needs - Reducing total in-flight waste by 65% compared to 2018 - Reducing use of single use plastic items and packaging for in-flight services by 100%	- Reducing general waste (non-recyclable) by 15% compared with 2018 - Increasing industrial waste recycling ratio to 58% - Reducing paper consumption by 52% compared to 2018 - Use 80% of sustainably certified paper/wood items for air/ground service needs - Reducing total in-flight waste by 70% compared to 2018 - Reducing use of single use plastic items and packaging for in-flight services by 100%

- Embargoing transport of illegal wildlife and prohibiting use of illegal species as food ingredients - A total of 2 biodiversity conservation-related activities or initiatives have been participated in and implemented since 2023	- Embargoing transport of illegal wildlife and prohibiting use of illegal species as food ingredients - A total of 4 biodiversity conservation-related activities or initiatives have been participated in and implemented since 2023	- Embargoing transport of illegal wildlife and prohibiting use of illegal species as food ingredients - A total of 10 biodiversity conservation-related activities or initiatives have been participated in and implemented since 2023

Note 1. This is not the proportion of electricity use. This is an additional target beside the Taiwan national power grid target (https://www.ndc.gov.tw/en/Content_List.aspx?n=2D918002A913582A). China Airlines expects to use 40% renewable energy by 2030 if Taiwan National Grid target is included

Note 2. The target for reducing average food waste produced per person for in-flight services has been incorporated into the overall in-flight waste reduction goal, and "over-catering rate" is used as a performance indicator for monitoring and evaluation purposes.

Unit in Charge	Corporate Sustainability Committee - Environmental Task Force (Corporate Environmental Committee)	
Management Mechanisms	▪ The meeting of the Board of Directors and Sustainability and Risk Management Committee, every quarter ▪ The meeting of the Corporate Sustainability Committee, at least twice a year ▪ The meeting of Corporate Environmental Committee and Environmental Management Committees, every quarter on a regular basis ▪ Environmental/energy/risk issues are included into routine executive reports ▪ Yearly execution of ISO 14001, ISO 50001, and ISO 14064-1 third-party verification ▪ Regularly response and review of important international sustainability and environmental protection questionnaires	
Grievance Mechanism	Corporate Sustainable Development: Corporate Sustainability Center ✉ csr@china-airlines.com	**Stakeholder Contact**

Objectives and Plans

Issue	KPI	2024			2025
		Objectives	Performance	Achievement Rate	Objectives
Climate Action and Renewable Energy	Enhancing Aviation Fuel Efficiency	Increase by 1.5%	Increased by 3.7%	>100%	Increase by 1.5%
	Using SAF	Use 0.001%	0.0011%	100%	Use 0.5% (Note)
	Reducing Carbon Emissions from Ground Operations	Decrease by 3% compared to 2023	Reduced by 2%	Not achieved	Decrease by 5% compared to 2023
Water Resource Conservation	Reducing tap water withdrawal	Decrease by 6% compared to 2018	Reduced by 23%	>100%	Decrease by 7% compared to 2018
Responsible Consumption and Waste Management	Reducing general waste	Decrease by 6% compared to 2018	Increase by 5%	Not achieved	Decrease by 7% compared to 2018
	Reducing in-flight waste	Decrease by 33% compared to 2018	Reduced by 20%	Not achieved	Decrease by 50% compared to 2018
	Reducing the use of paper	Decrease by 22% compared to 2018	Reduced by 30%	>100%	Decrease by 30% compared to 2018
	Reducing use of single use plastic items and packaging for in-flight services	An 80% reduction compared to the baseline scenario.	Reduced by 81%	>100%	An 90% reduction compared to the baseline scenario
	Increasing industrial waste recycling ratio	44%	61%	>100%	45%
	Increasing the proportion of sustainably certified paper and wood products	5%	20.9%	>100%	10%
Ecological Conservation Action	Participate in biodiversity conservation activities/initiatives	A cumulative total of one event since 2023	A total of three events	>100%	A cumulative total of two events since 2023

Note: Due to early-stage global SAF supply and cost challenges, China Airlines adjusts its phased SAF usage target to 0.5% while maintaining its long-term commitment to SAF development and net-zero carbon goals.

2.3.1 Governance of Environmental Sustainability

Achieving "Net-zero carbon emissions by 2050" has become a global priority. In line with Taiwan's proposed 2030 target of a 28±2% reduction from 2005 levels, China Airlines is transforming its service models, operations, and corporate values to reduce raw material consumption and carbon emissions. China Airlines also committed to enhancing ecological benefits in its operations and promoting a circular economy to minimize environmental impact and foster ecological harmony in a collective effort to combat climate change.
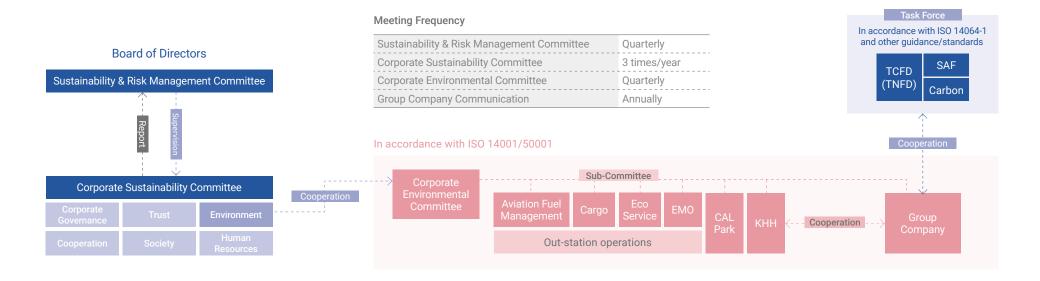
Policy and Structure of Environmental Governance

China Airlines, guided by the "Sustainable Environmental Development" principles outlined in its Board-approved "Sustainable Development Best Practice Principles," has established the "Environmental and Energy Management Principles," committing to legal compliance, resource conservation, eco-efficiency, and social responsibility. CAL has developed and updated its "Environmental and Energy Policy Statement" and "Forest and Biodiversity Conservation Commitment," extending their scope beyond internal operations to include suppliers, joint ventures, and business partners. With a focus on minimizing resource use and environmental impact across the value chain, CAL seeks to give back to nature while providing quality services. Through a Circular Economy Management Approach, it aims to achieve a fair, just, and net-zero (or near-zero) business model that fosters ecological prosperity.

To implement these commitments, CAL adheres to ISO 14001, ISO 50001, and ISO 14064-1 standards. Led by the President, the Corporate Environmental Committee regularly identifies and manages environmental, energy, and climate-related risks across all operations—including headquarters, branches, maintenance, passenger and cargo services, and the supply/value chain—enabling the implementation of appropriate environmental and energy-saving measures. Internal audits and third-party validations ensure continuous improvement in areas such as energy, water, and waste management.

In August 2024, CAL established the "Sustainable Development Center" and appointed a Chief Sustainability Officer (CSO) to oversee group-wide sustainability governance. Acting as Executive Secretary of the Corporate Environmental Committee, the Center coordinates with five business-function-based Environmental Management Committees and the Aviation Fuel Management Team. The Center also regularly reports environmental and sustainability risks and corresponding actions to the Board's Sustainability and Risk Committee, reinforcing the effectiveness of the CAL Group's environmental governance and risk management.

Carbon Management

Sustainable Aviation Fuel

TCFD

Meeting Frequency

Sustainability & Risk Management Committee	Quarterly
Corporate Sustainability Committee	3 times/year
Corporate Environmental Committee	Quarterly
Group Company Communication	Annually

Board of Directors

Sustainability & Risk Management Committee

Report / Supervision

Corporate Sustainability Committee

| Corporate Governance | Trust | Environment |
| Cooperation | Society | Human Resources |

Cooperation

In accordance with ISO 14001/50001

Corporate Environmental Committee

Sub-Committee

| Aviation Fuel Management | Cargo | Eco Service | EMO | CAL Park | KHH |

Out-station operations

Cooperation

Task Force

In accordance with ISO 14064-1 and other guidance/standards

| TCFD (TNFD) | SAF |
| | Carbon |

Cooperation

Group Company

CAL Environmental and Energy Policy

CAL commits to achieve the 2050 net-zero, No Gross Deforestation and net positive impact (NPI) on biodiversity targets, also continues to optimize environmental and energy management system, incorporates the life-cycle concept to examine our corporate context, including but not limited to global operations, air transport, passenger/cargo services, upstream and downstream distribution and logistics activities. Furthermore, we will endeavor to understand the needs and expectations of interested parties, assess related environmental risks and opportunities, establishes and reviews performance indicators and allocates sufficient resources to the implementation and ongoing improvement of the following environmental and energy policies as well as management measures.

Environmental and Energy Policy	Policy Framework
Enforcing compliance obligations to fulfill the Company's responsibilities in environmental protection and energy conservation	▪ Through regular and irregular compliance review and internal and external auditing mechanisms to perform a zero-penalty target ▪ Acted as a member of the IATA SEAC, monitoring global environmental trends to effectively implement risk and opportunity management
Improving environmental and energy management systems, setting and achieving management objectives to verify compliance with established policies	▪ Continuously optimized the environmental and energy management systems ▪ Set and tracked environmental sustainability targets and commitments, driving ongoing performance improvement ▪ Held the 2024 "Excellent Environmental Management Committee Competition," with awards personally presented by the President and supported by incentives
Promoting environmental and energy conservation education to foster employees' eco-awareness	▪ Encouraged employees to submit suggestions through platforms such as "Employee Proposals" and "Fuel-Saving Proposals" and offered corresponding monetary rewards ▪ Provided diverse training channels to raise awareness of the environmental impacts of job functions
Supporting green design and procurement to increase overall eco-efficiency	▪ Implemented green design, sustainable/local procurement, and due diligence in mergers and acquisitions, investment, vendor selection, and procurement operations ▪ Invested in R&D activities focused on environmentally sustainable services and products ▪ Promoted and fostered awareness and culture of green consumption
Fostering a low-carbon operating environment to establish continual improvement of environmental and energy efficiency performance	▪ Implemented environmental and energy-saving measures according to business activities (including products, services, transport, and administrative support) to reduce environmental impact ▪ Increased use of low-carbon and renewable energy in facilities and transportation across the value chain
Practicing waste management and circular economy to minimize resource consumption and negative environmental impacts	▪ Minimized energy and resource consumption while maximizing their efficiency and effectiveness ▪ Adopt circular economy principles to realize waste-to-resource conversion by increasing the recycling rate, reducing packaging materials and food waste, phasing out single-use plastic, and promoting the use of recycled materials. ▪ Inventorying energy and resource consumption and environmental impact hotspots, and devised corresponding strategies and mitigation measures
Strengthening suppliers and partners engagement to optimize green supply chain management	▪ Managed and audited environmental risks in the supply chain via the Supplier and Group Code of Conduct ▪ Promoted environmental initiatives and enhanced stakeholder awareness through communication, consultation, and collaboration

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Management Tools, Objectives, and Management Organization for the Environmental Task Force

Topic	Management Tools*	Objectives	Management Authority/Organization
Climate Change	ISO 14001, ISO 50001, ISO 14064-1, TCFD, CDP, SBTi	Attain net-zero emissions by 2050 and increase resilience for responding to climate change	Corporate Environmental Committee, each Environmental Management Committees, Carbon Management Task Force, TCFD Task Force
Aviation Fuel (Including SAF)	ISO 14001, ISO 50001, ISO 14064-1	Increase aviation fuel efficiency and establish efficient fleets and networks	Aviation Fuel Management Team, Sustainable Aviation Fuel Task Force
Environmental Issues	ISO 14001, ISO 50001, DJSI, TNFD, and domestic and international sustainability evaluation indicators	▪ Improve business eco efficiency, create an environmental sustainability brand ▪ Enhance the sustainable value of the supply chain and value chain, including business partners	Corporate Environmental Committee, Five Environmental Management Committees

Note 1. With coverage based on group revenue—including stations and group operations—100% of entities successfully passed external verification under the ISO 14001 environmental management system. For certification details, please visit the Corporate Sustainability website: https://calec.china-airlines.com/csr/en/index.html

Note 2. TCFD refers to Task Force on Climate-related Financial Disclosures

Identification of Environmental Risks and Opportunities

`GRI 201-2`

CAL provides passenger and cargo services as well as aircraft maintenance services, involving issues such as climate change mitigation and adaptation, resource consumption, pollution prevention, waste and food waste management, toxic and chemical substances, reduction to single-use plastic products, and biodiversity conservation. By actively engaging with stakeholders both domestically and internationally and staying abreast of environmental trends, CAL has identified six major environmental issues relevant to its operations. These have been integrated into key points of the Company's environmental risk and opportunity management, with proactive measures put in place to address them. Additionally, other issues are continuously being improved through the operation of the Company's environmental management system.

2024 Ranking			
1	Aviation carbon emission management (3)	11	New technology and energy development (1)
2	Climate change adaptation (3)	12	Control of toxic and chemical substances (2)
3	Green supply chain management (2)	13	In-flight drinking water management (3)
4	Aircraft energy efficiency improvement (2)	14	Control of waste and sewage (3)
5	Single Use Plastic (SUP) (2)	15	Ground operation waste management (2)
6	Ground operations energy (carbon) management (3)	16	Ground water resources management (3)
7	Biodiversity conservation (2)	17	Aircraft takeoff and landing noise control (3)
8	Circular economy and innovation model (2)	18	Ground operation air pollution control (3)
9	Cabin waste and food waste management (3)	19	Aircraft air pollution control (2)
10	Environmental Awareness (2)		

Note: The numbers in parentheses represent adaptivity, i.e., the size of the circles in the following diagram.

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Environmental Issues	Risk	Opportunity	Management Method
Aviation Carbon Emission Management	International carbon emission regulations and public awareness are increasingly stringent, adding pressure on carbon reduction actions and compliance costs.	By reducing carbon emissions and creating carbon credits, costs can be saved and revenue increased.	• China Airlines has established a "Net Zero Carbon Reduction Pathway" along with corresponding strategies, which include enhancing fuel efficiency in flight operations, fleet renewal, and the promotion of sustainable aviation fuel.
Climate Change Adaptation	Increasing frequency of extreme weather events such as heat waves and heavy rainfall will impact the Company's daily operations.	Proper response will strengthen corporate resilience, reduce impact costs, and maintain reputation.	• China Airlines has partnered with supply chain manufacturers and cargo corporate clients to participate in the Sustainable Aviation Fuel (SAF) collaboration project to jointly reduce the carbon footprint, as SAF emits over 90% less carbon compared to conventional jet fuel. 🔍 For detailed information, please refer to Section 2.3.3 regarding Net Zero Carbon Emissions
Green Supply Chain Management	The international financial system is highly focused on sustainability issues, continuously enhancing governance and disclosure requirements to promote sustainable investment, resulting in increased regulatory risks and operating costs.	It enhances the sustainability competitiveness in terms of the value chain of the industry and promotes green business opportunities and new business models.	• Continuously promote the Supplier Code of Conduct, strengthen sustainable risk management, and enhance collaboration and project cooperation to improve the achievements in environmental sustainability of suppliers and value chain partners. • To enhance the integrity and performance of environmental and sustainable governance within the CAL Group, CAL convened the "Group Sustainability Governance Communication Conference" in 2024, bringing together the general managers of various group companies to build consensus across the Group. • CAL has supported its group companies in building capabilities for greenhouse gas inventory, including inventory tools, internal verification, and management mechanisms.
Aircraft Energy Efficiency Improvement	Accelerate the introduction of new generation energy-efficient aircraft and fuel-saving technologies as well as expand the proportion of sustainable aviation fuel utilized, which will increase operational costs.	Improve aircraft fuel efficiency while reducing fuel consumption and carbon emissions intensity, which will reduce operational and regulatory costs.	Implementing fleet renewal, introducing fuel-saving technologies and sustainable aviation fuels, enhancing passenger load factors, and optimizing flight routes and air traffic management operations. 🔍 For further details, please refer to sections 2.1.2 Passenger Service and 2.1.3 Cargo Service
Single Use Plastic (SUP)	Restrictions on the use of the Single Use Plastic products have been expanded from Europe to other countries/routes, and there is also a focus on packaging reduction, leading to increased regulatory costs.	Systematically inventorying and planning alternatives, considering performance in fuel consumption, waste and plastic reduction, etc., to reduce compliance risks and regulatory costs, thus adding value to sustainable services.	• Monitoring regulatory trends and the market development of alternatives, integrating with supply chain and cross-industry collaborations, devising alternative solutions and setting reduction targets, continuously reviewing and improving with consideration of both the Company's operations and supply chain conditions. • Economy class tableware has been fully upgraded to 100% certified recycled stainless steel, reducing the use of plastic products.
Ground Operations Energy (Carbon) Management	The domestic carbon fee mechanism is currently being implemented, while the Financial Supervisory Commission (FSC) is expanding the scope of GHG inventory and verification requirements. It is anticipated that there will be increased regulatory efforts on carbon emissions control in the future, leading to higher operating costs.	Early deployment of renewable energy facilities and related resilient infrastructure in line with international trends can help save on electricity costs and alleviate long-term regulatory costs.	In addition to implementing an energy efficiency monitoring system that exceeds regulatory requirements, CAL continues to expand its renewable energy installations and EV charging infrastructure. As of December 2024, three solar power facilities with a total installed capacity of 469 kW have been established across the CAL Park and EMO Park. EV charging stations have also been installed in employee parking lots, accompanied by preferential parking programs to encourage their use. The EMO Park is gradually advancing the electrification of operational equipment and vehicles, in conjunction with the utilization of charging facilities at both the airport and EMO Park, to progressively establish an electrified operational environment at the airport.

⭐ **Best Practices**

2024 Group Sustainability Governance Communication Conference

During the meeting, the China Airlines Group reaffirmed its commitment to continuously improving its environmental and energy performance and objectives. The Group will implement and expand its environmental management system in phases, considering factors such as corporate scale, environmental risks, and competitive advantages, to build Group's consensus on sustainability and enhance the value.

Economy Class 100% Recycled Stainless Steel Tableware Set
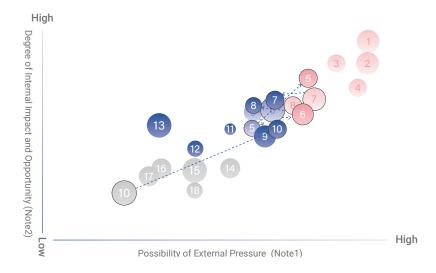
China Airlines' economy class tableware embodies the concept of green design, by upgrading the original plastic cutlery set (a set of three pieces: knife, fork and spoon) to 100% certified recycled stainless steel. The innovative "spork" design combines the functions of a spoon, fork, and teaspoon, used alongside the dinner knife, effectively reducing the weight on board.

Dedicated charging area in the EMO Park

China Airlines continues to expand infrastructure such as renewable energy power generation capacity and charging stations to support the electrification of vehicles/equipment operations.

CAL Environmental Risk and Opportunity Matrix

X-axis : represents the possibility of the issue in the global trend of development and control

Y-axis : represents the degree of impact and opportunity of the issue on CAL

○ : The size of the circle represents the adaptation of CAL to the issue (a larger circle means better actionand adaptation)

○ : Light circles represent data from the previous year and darker circles represent data from this year

--➤ The arrow indicates the difference in displacement from last year

2.3.2 Natural and Climate Change Mitigation and Adaptation

`GRI 304-1.304-2.`
`304-3.304-4`

Management Mechanisms for Natural and Climate Change

CAL became the first airline in Taiwan to adopt the Task Force on Climate-Related Financial Disclosures (TCFD), and has published the independent "Climate-Related Financial Disclosure Report" on an annual basis. In 2024, CAL further integrated the principles recommended by the "Task Force on Nature-related Financial Disclosures (TNFD)" with the existing TCFD operational mechanisms, enhancing the scope of management for issues related to nature and climate change, resonating with the "Kunming-Montreal Global Biodiversity Framework".

Concern for Climate Change

Governance Framework and Risk Management Processes for Nature and Climate Change

CAL established a TCFD Task Force composed of multiple units in 2019 and the Corporate Sustainability Committee and Environmental Committee have monitored climate-related risks and opportunities. In 2024, further integration of nature and climate-related issues has been undertaken, incorporating considerations within the TNFD scope. Key achievements will also be reported annually to the Board of Directors for supervision and management.

The Nature and Climate Governance Framework

Risk Supervision

Board of Directors / Sustainability and Risk Management Committee
Review risk management strategies and decision-making at the Company and Group Level

Report   Supervision

Riks Management

Continuous Improvement

Corporate Sustainability Committee
Identify and manage ESG risks for the Company/group, and develop corresponding response strategies

Corporate Environmental Committee
Identify and manage environmental risks for the Company/group, and develop corresponding response strategies

TCFD Task Force
Identify and manage climate and natural risks for the Company/group, and develop corresponding response strategies

Report   Supervision

Operational Control

- Strategy Planning Units
- Service Units
- Financial Units
- Sales and Marketing Units
- Aviation Operations Units
- Administrative Maintenance and Repair Units

Implement and promote risk/opportunity control measures to enhance ESG performance

Caption: CAL has integrated the topics of nature and climate change into the Company's management mechanisms by adopting the operational processes of TCFD and TNFD. It has established internal operating procedures and devised specific execution measures for governance, strategy, risk management, and metrics and targets. With a spirit of continuous improvement, the Company aims to enhance overall management of nature and climate-related risks and opportunities.

Analysis of the Impact of Climate Scenarios on Business Operations

CAL TCFD Task Force evaluates the impact of various factors on its global operations and destinations, company assets (including aircraft, offices, and facilities), upstream supply chain, and downstream customers, with reference to reports such as the IPCC Sixth Assessment Report (AR6) SSP1-1.9, SSP2-4.5, and SSP5-8.5, IEA B2DS and B2DS, and national NDCs, etc. Scenarios at 1.5°C, 2°C, and 4°C are considered, taking into account factors such as regulatory requirements, market demands and changes, technological developments and trends, market competition, and natural environmental factors. This analysis helps assess the short, medium, and long-term impacts on the Company's global operations, financial situation, resources, and reputation. The process and results of the analysis on the impact of climate scenarios are as follows:

☆ Best Practices

Aviation Support for Ecological Conservation
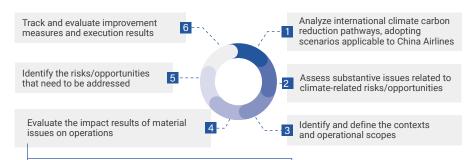
Mandarin Airlines is dedicated to support conservation through its flight operations and has been a long-term participant in the Taipei Zoo's Blue-tailed Bee-eater Conservation Program. In 2024, research teams collected abandoned Blue-tailed Bee-eater eggs from their natural habitat in Kinmen. Mandarin Airlines carefully and safely transported the eggs from Kinmen to Taipei, where they were subsequently incubated and cared for by the Taipei Zoo. Mandarin Airlines has been actively and consistently involved in wildlife conservation efforts, contributing to the preservation of nature. Through cross-departmental collaboration and corporate support, the program has gradually achieved remarkable results—successfully incubating and raising 12 adult Blue-tailed Bee-eaters, which now thrive and fly freely within the Taipei Zoo Pangolin Dome.

Mandarin Airlines assisted in the transportation of abandoned eggs of the Blue-tailed Bee-eater.

Mandarin Airlines customized special incubator boxes for the transportation of these delicate passengers, equipped with insulation bags and shock-absorbing materials.

1. Analyze international climate carbon reduction pathways, adopting scenarios applicable to China Airlines
2. Assess substantive issues related to climate-related risks/opportunities
3. Identify and define the contexts and operational scopes
4. Evaluate the impact results of material issues on operations
5. Identify the risks/opportunities that need to be addressed
6. Track and evaluate improvement measures and execution results

- Climate scenario changes, key functions, and resource requirements
- Quantification of climate risks/opportunities impact
- Quantification of financial and non-financial impacts

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Issue	Risk Type	Scenario Analysis	Impact Timelines (Severity)	Impact Level	Risks and Financial Impacts	Opportunities and Financial Benefits	Response Management Methods
International Environmental Protection, Energy Conservation, and Carbon Management Regulations	Transition Risk — Current Legal Risk	• IEA 2DS (Aligning with the Paris Agreement Goals to Limit Global Warming to Below 2°C) • IEA B2DS (Aligning with the Paris Agreement Goals to Limit Global Warming to Close to 1.5°C) • NDCs (According to the Paris Agreement, Taiwan's nationally determined contribution includes the goal of achieving net-zero carbon emissions by 2050)	Short, medium and long term (High/Impact on EBITDA approximately 1.9~3.7 %)	◌	Tighter international carbon regulations (e.g., ICAO CORSIA, EU ETS, etc.), leading to increased compliance costs	▪ Enhance fuel efficiency to reduce the Company's energy procurement, carbon offset trading, and regulatory compliance costs ▪ Revenue derived from carbon credit sales	▪ Continue to enhance MRV capacity for CORSIA and EUETS mechanisms ▪ Research and implementation of carbon credit/quota trading mechanisms ▪ Planning and implementation of various carbon reduction measures
			Short, medium and long term (High/Impact on EBITDA approximately 5.6 %)	⇧ ◌	The EU ReFuelEU Aviation regulation mandates that EU airports gradually increase the share of Sustainable Aviation Fuel (SAF) from 2% in 2025 to 70% by 2050, impacting the Company's fuel procurement strategy and costs	▪ Using more fuel-efficient aircraft effectively reduces operational costs ▪ Using SAF to meet ICAO requirements and respond to carbon reduction policies of various countries ▪ Opportunities to generate carbon assets through renewable energy investments	▪ Establish SAF procurement and partnership agreements to ensure fuel supply and price stability ▪ Promote domestic collaboration on SAFinitiatives by engaging with the government and suppliers to facilitate the development of the SAF and mitigate supply risks ▪ Invite corporate clients to participate in the SAF collaboration project
	Transition Risk — Emerging Legal Risk		Medium and long-term (Low/Impact on EBITDA < 0.1%)	⇧ ◌ ⇩	▪ Countries continue to adopt environmental/ energy and carbon fees or taxes, resulting in increased operating costs ▪ The environmental protection authority has implemented carbon emission reporting and regulations for the transportation sector, leading to increased administrative costs	▪ Increasing passenger load factor as part of the Company's operational strategy, creating opportunities to increase revenue ▪ Implementing digitized operations in response to carbon emissions reporting can improve operational efficiency and reduce administrative costs	▪ Implement environmental and energy management system, set annual goals for environmental protection, energy conservation, and energy efficiency ▪ Promote the greenhouse gas inventory and management within the Group companies
			Medium and long-term (Medium/Impact on EBITDA < 1%)	⇧ ◌ ⇩	Large electricity users are required to use renewable energy for 10% of their consumption, along with rising supplier costs	Opportunities to generate carbon assets through renewable energy investments	Continuously plan to expand renewable energy facilities
Energy Transition	Transition Risk Technology Risk		Medium and long-term (Medium/Impact on EBITDA < 1%)	⇧ ◌ (Passenger Service, Cargo Service, Flight Safety) ⇩	▪ Limited SAF supply and high prices ▪ Hydrogen and electric aircraft technologies are still under development	▪ Participate in the development of technologies aimed at enhancing flight efficiency ▪ Invest in Sustainable Aviation Fuel (SAF) and innovative energy-saving technologies	▪ Continuously evaluate the effectiveness of new technologies (new energy-saving aircraft, fuel-saving technologies) ▪ Accelerate the procurement of more efficient, low-carbon aircraft models; engage in technology research and development; and reduce fuel consumption and carbon emissions through optimized flight planning and operations

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Corporate Reputation and Low-Carbon Environmental Image	Transition Risk — Legal Risk	• IEA 2DS (Aligning with the Paris Agreement Goals to Limit Global Warming to Below 2°C) • IEA B2DS (Aligning with the Paris Agreement Goals to Limit Global Warming to Close to 1.5°C) • NDCs (According to the Paris Agreement, Taiwan's nationally determined contribution includes the goal of achieving net-zero carbon emissions by 2050)	Short and medium-term (Low/Impact on EBITDA < 0.1%)	⬆⬡⬇	• Environmental penalties in various countries have become stricter, increasing financial risks • Increasing pressure from environmental groups over greenwashing, leading to potential greenwashing lawsuit risks	Provide transparent ESG information to establish credibility and attract ESG investors and customers	Implement a robust third-party carbon emission verification mechanism to ensure the transparency and credibility of ESG communications
	Transition Risk — Market Risk		Medium and long-term (Medium/Impact on EBITDA < 1%)	⬆ ⬡ (Passenger Service, Cargo Service) ⬇	• High carbon emission flights may face additional costs and restrictions • Increasing market demand for low-carbon transportation, such as replacing short-haul flights with land transportation	• Shifting consumer preferences, with low-carbon travel becoming a trend • Offer customers carbon offset options, allowing travelers to select their preferred carbon reduction solutions	• Develop various new products and innovative service models (such as direct flights) to enhance service efficiency and meet market demand • Offering customers carbon offset options and SAF partnership programs to reduce customers' Scope 3 Greenhouse Gas Emissions
	Transition Risk — Reputational Risk		Short and medium-term (Low/Impact on EBITDA < 0.1%)	⬡ (Passenger Service, Cargo Safety)	• Growing consumer emphasis on low-carbon and eco-friendly practices affects brand trust and may reduce revenue • Regulatory violations may result in penalties	• Strengthen communication with stakeholders to build recognition and support for environmental actions, enhancing reputation and brand value • Align with government environmental policies to foster industry collaboration and boost competitiveness	• Support scientific research, engage with external stakeholders, and participate in ESG rankings to elevate corporate image • Collaborate with domestic and international low-carbon product suppliers to improve supply chain sustainability
Increased Frequency of Extreme Weather Events Leading to Aviation Safety Risks	Physical Risk — Acute Physical Risk	• Referring to the IPCC Sixth Assessment Report Scenarios, such as:RCP 1.9 / SSP1 1.9 (Global Temperature Increase ≤ 1.5°C by 2100) • RCP 4.5 / SSP2 4.5 (Global Temperature Increase of 2.4-2.6°C by 2100) • RCP 8.5 / SSP5 8.5 (Global Temperature Increase of 4.3-4.8°C by 2100)	Short and medium term (Medium/Impact on EBITDA < 1%)	⬆ ⬡ (Business Development, Passenger Service, Cargo Service, Flight Safety) ⬇	• Impacts of extreme weather events such as flooding, strong winds, heavy rain, and fog can lead to flight disruptions or cancellations, hinder passenger connections, and cause delays in cargo transport, resulting in increased operational costs (diversion, passenger arrangements) • Extreme weather disrupts raw material supply, impacts market cycles, and reduces load factor and revenue	• Enhance risk forecasting and emergency response capabilities to effectively address customer needs and travel arrangements, improving service quality and reputation • Manage customer needs effectively during disruptions to boost loyalty, retention, and revenue • Enhance integration and scheduling of passenger and cargo operations to improve efficiency and revenue	• Expand operational procedures and emergency mechanisms, enhance staff training, and improve cross-department coordination • Introduce a professional meteorological team to improve weather forecast accuracy and to facilitate timely aircraft scheduling operations • Enhance the coordination of supply chain and partnership collaboration to ensure the safety and smooth flow of cargo and personnel transportation

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Issue	Risk Type	Scenario Analysis	Impact Timelines (Severity)	Impact Level	Risks and Financial Impacts	Opportunities and Financial Benefits	Response Management Methods
Impacts of Rising Average Temperatures and Uneven Rainfall Intensity on Businesses	Physical Risk — Chronic Physical Risk	▪ Referring to the IPCC Sixth Assessment Report Scenarios, such as:RCP 1.9 / SSP1 1.9 (Global Temperature Increase ≤ 1.5°C by 2100) ▪ RCP 4.5 / SSP2 4.5 (Global Temperature Increase of 2.4-2.6°C by 2100) ▪ RCP 8.5 / SSP5 8.5 (Global Temperature Increase of 4.3-4.8°C by 2100)	Long-term (Low/Impact on EBITDA < 0.1%)	⬆ 🔴 (Business Development, Passenger Service, Cargo Service, Flight Safety) ⬇	▪ Rising average temperatures lead to increased energy demand and costs ▪ Shifts in rainfall patterns and prolonged droughts affect water supply, service quality, hygiene, and food safety, leading to higher response costs	▪ Changes in operational processes and behaviors to reduce cost expenditures ▪ Plan and adopt renewable energy to lower fossil fuel reliance, reduce power shortage risks, and control costs ▪ Implement water-saving measures in operations to cut water usage and related costs ▪ Improve service processes and tools; develop eco-tourism offerings to boost revenue and competitiveness	▪ Set annual reduction targets and apply energy/resource-saving strategies to reduce waste ▪ Plan renewable energy facilities and apply for renewable energy certificates ▪ Improve water-saving, water storage equipment, and rainwater harvesting measures ▪ Strengthen drinking water management procedures and quality ▪ Enhance service processes and innovate business models

Financial Impact Analysis of Short, Medium and Long-Term Climate-Related Risks and Opportunities

Through the internal risk management mechanisms, CAL conducts identification, evaluation, responses, and review processes for the aforementioned climate issues. This includes risk matrix analysis for the short (by 2025), medium (by 2030), and long term (by 2040 to 2050) periods, as illustrated in the figure below, along with quantification of financial impacts. Please refer to the "CAL Task Force on Climate-Related Financial Disclosures (TCFD)" for the comprehensive analysis.

Opportunities

- Fuel saving flight network
- Reduce energy costs
- Improve the Company's image and revenue
- Increase resilience to extreme weather
- Improve management of water resources
- Issue green bonds to invest in renewable energy
- Invest in renewable energy to achieve net zero emissions targets

Transition risks

- Cost of sustainable fuels
- Cost of carbon offsetting and trading
- Cost of renewable energy
- Supplier management
- Issues of concern to stakeholders
- Impact of high temperatures on increased energy costs
- Impact of carbon tax on the cost of aviation materials

Physical risks

- Disappearance of routes (low terrain)
- Flooding (torrential rain, rise in sea level)
- Drought
- Impact of extreme weather on Flight operation

Climate Change Targets, Mitigation and Adaptation, Strategy and Actions

	Item	Objective	Actions in 2024
Governance	Strengthen climate governance	Continue to submit climate governance reports to the Board of Directors	1. Submitted climate governance reports—covering natural resources and biodiversity issues—to the Board Risk Management Committee (renamed the Sustainability and Risk Management Committee in 2025). 2. Reported quarterly to the Board on the progress and performance of corporate and group greenhouse gas management
	Enhance management supervision and cross-departmental operations	Meet corporate governance and green finance requirements	1. Implemented the promotion of TCFD and the introduction of related standards and guidelines such as SASB, IFRS S2, and TNFD 2. Implemented continuous management of short, medium, and long-term ESG performance
Strategy	Enhance TCFD capabilities	Increase the comprehensiveness and depth of quantified financial information	1. Implemented standard operating procedures (SOP) 2. Continued to implement the cross-unit information platform
	Climate response strategies and management	Increase resilience for responding to climate change risks	1. Incorporated issues of climate risks and opportunities into the Company's overall strategies and plans and executed related response actions 2. Integrated climate change impact issues into route planning, operational performance review, and other operations to develop timely contingency strategies and adjust operational planning accordingly 3. Formulated policies and management measures on the Forest and Biodiversity Conservation, integrating them into supply chain management
	Participate in important engagements	Increase the understanding of international climate change issues and regulatory requirements	1. Participated in key international and domestic climate policy platforms to monitor regulatory trends and enhance influence 2. Advanced domestic SAF strategy by promoting industry-government-academia collaboration and engaging in the national SAF pilot program 3. Continued active involvement in the IAGOS-PGGM international scientific research program on climate change 4. Participated in and implemented forest and biodiversity conservation initiatives
Risk Management	Strengthen the risk management mechanisms for the corporate value chain	Increase resilience for responding to climate change risks	1. Integrated environmental risk management across the value chain by expanding GHG inventories and environmental (including natural resources) and energy risk assessments of key suppliers, strengthening climate risk and opportunity detection and management, and enhancing business continuity in response to extreme weather 2. Complied with Financial Supervisory Commission requirements by extending GHG inventories to overseas branches and supporting subsidiaries in the Consolidated Financial Statements to gradually build GHG management capabilities
	Strengthen the existing enterprise risk management mechanism	Implement risk management and strengthen emergency response mechanisms	1. Integrated climate factors into the enterprise risk management system to enhance climate risk and opportunity detection, response, and control across all units 2. Combined IAGOS-PGGM project data with outputs from the 777F turbulence detection algorithm to contribute to UN climate research and IATA's global turbulence studies, while strengthening climate resilience in route management and operations

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	Item	Objective	Actions in 2024
Risk Management	Respond to international carbon transition risks	Comply with ICAO, EU, and other international regulations for carbon reduction	1. Participated in the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) mechanism 2. Continued to enhance MRV capacity for EU ETS, UK ETS, and CORSIA mechanisms 3. Studied and performed carbon allowance /credit transactions
	Implement carbon reduction and energy transformation	Net zero emissions in operating activities by 2050	1. Enhanced monitoring of electricity consumption and installed dedicated electricity meters on equipment/processes with high energy consumption 2. Continued to perform replacement and retrofitting of high-energy-consuming facilities 3. Installed renewable energy facilities such as solar PV, set and implemented installed capacity targets 4. Enhanced energy management systems and improvement of their effectiveness 5. Collaborated with international oil companies on Sustainable Aviation Fuel (SAF) promotion initiatives
Metrics and Targets	Continuously optimize GHG inventory	Expand the scope of the inventory and increase the quality of the data	1. Continued to conduct energy resource surveys at global operational sites, implemented GHG inventory and verification processes in accordance with ISO 14064:2018 Categories 1−6, and enhanced the quality of greenhouse gas emissions data 2. Deepened and expanded GHG inventory and verification operations for group companies and overseas branches
	Implement carbon emission reduction targets and KPIs	Attain short, medium, and long term GHG reduction targets and net zero emission target for 2050 and pass SBTi certification	1. Achieved Science Based Targets initiative (SBTi) approval: By 2030, improve fuel efficiency by 26% compared to the 2019 baseline. The targeted emissions include Scope 1 (Category 1) and Scope 3 emissions related to fuel and energy-related activities (Category 4). 2. Established approximately 89 KPIs in environmental protection and carbon emission reduction, which are reviewed quarterly by the Environmental Committee chaired by the President
	Attain flight carbon reduction targets	Attain short, medium, and long term GHG reduction targets and net zero emission target for 2050	1. Continued to promote fleet renewal, aircraft weight reduction, flight optimization, and O&M improvement plans 2. Implemented fleet plans in accordance with medium and long-term business growth and carbon reduction trends 3. Continued to improve aviation fuel efficiency, increased load factor, and focused on the development of new technologies and new low carbon aircraft for purchase at an appropriate time 4. Continuously promoted SAF usage and invited corporate customers to support and participate
	Increase fuel efficiency	Increase the efficiency of corporate operations and energy usage	1. Continued to promote aviation fuel-saving operations, thereby increasing fuel efficiency year by year 2. Optimized route planning and developed the most suitable passenger/cargo fleet in response to the epidemic and market development trends

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Strategies and Risk Management Related to Natural Impact Mitigation

China Airlines (CAL) recognizes that humanity shares the Earth with wildlife, plants, and other species, and that we are only one part of this interconnected ecosystem. In fulfilling its "Forest and Biodiversity Commitment," CAL has adopted the TNFD framework and LEAP approach, using biodiversity databases and risk analysis tools to assess spatial risks across its own stations and outstations, directly managed Group companies, the top 10% of Tier-1 suppliers by procurement value, and downstream partners such as airport hotels.

With reference to tools like the Natural Capital Protocol and Science Based Targets Network, CAL has identified high-impact commodities across its operations and supply chain. The Company evaluates biodiversity impacts and dependencies under different scenarios, identifies related risks and opportunities, and sets corresponding strategies, indicators, and objectives.

To manage high-risk upstream products and services, CAL enforces its "Supplier Code of Conduct" and implements sustainable procurement mechanisms. Looking ahead, CAL will further refine its biodiversity risk assessment through tools such as ENCORE, IBAT, and Aqueduct to determine the most suitable application scenarios or tool combinations. These efforts aim to align with the lates trends, tools, and industry practices, and to explore collaborative solutions with partners.

All findings are reported through CAL's climate risk reporting mechanism, submitted to the Corporate Sustainability Committee and the Environmental Committee for control and oversight, and summarized for the Board of Directors for governance and supervision.

1. Identification Results of Areas, Supplier Products and Services with Significant Impacts

CAL uses the Biodiversity Risk Filter (BRF), developed by WWF, alongside mapping tools from Taiwan's Forestry and Nature Conservation Agency to assess biodiversity risks. These tools overlay biodiversity hotspots, wildlife habitats, protected and conservation areas, and state-owned forests for validation. Findings show that none of CAL's operational sites in Taiwan fall within or near these sensitive areas. However, about 3% of overseas outstations are located in areas classified as high biodiversity risk.

It is important to note that the BRF currently groups the aviation industry under the broader "transport services" sector, which may not fully reflect the specific nature of airline operations. CAL's detailed assessment confirms that high-risk overseas locations operate within tightly regulated airport zones subject to government oversight. Most operational activities are within airport boundaries, while sales offices are located in urban commercial areas with minimal impact on local ecosystems—leading to a low overall biodiversity impact.

In line with the Science Based Targets Network (SBTN) guidance, CAL has identified high-impact commodities in its supply chain. Paper, wood products, and coffee beans have been prioritized for initial monitoring and response. CAL continues to engage with key suppliers to reduce ecological disturbance from their operations and is investing in enhanced risk identification and mitigation measures, including avoidance, minimization, restoration, and compensation strategies.

2. Impact/Dependency and Risk/Opportunity Assessment Results

CAL has selected its headquarters located in the Taoyuan Airport Zone as the target site for identifying and assessing its overall transportation service processes, including planning, procurement, supply of materials, flight, maintenance, and other upstream and downstream business processes. Using ISO 14001 life cycle perspective and environmental considerations, taking into account the scenario setting of the TNFD framework, LEAP analysis tools, and ecological realms classification, CAL distinguishes between short-term and medium- to long-term scenarios, with a division set for 2035. This approach involves considering the changes in natural ecosystems, national policies and regulations, the scale of actions, and customer awareness as scenario conditions. This includes Scenario 1 - "Ahead of the game" and Scenario 2 - "Go fast or go home," analyzing direct drivers and potential impacts and dependencies on ecosystem services, identifying and assessing resulting risks and opportunities, and their significance. Summary of Material Short-term and Medium- to Long-term Risks/Opportunities is as follows.

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Short-term				
Material Issues	Impact/ Dependency	Risk/ Opportunity	Response Strategies	Targets
Aircraft technology enhancement can reduce greenhouse gas and air pollutant emissions	Impact	Transition Opportunity	1. Participating in international collaborative platforms to enhance dialogue 2. Considering fuel efficiency and ESG performance when purchasing aircraft 3. Engaging in ESG-related dialogues and collaborations with aircraft and equipment manufacturers	
Utilizing Single Use Plastic products or packaging materials	Impact	Transition Risk	1. Inviting suppliers to sign the Supplier Code of Conduct 2. Packaging reduction, single-use plastic alternatives, recycling and reuse, usage of recycled materials	
Illegal transport of wild animals and plants	Impact	Transition Risk	Implement the Buckingham Palace Declaration and action plan	
Emissions of greenhouse gases, air pollutants (GHG/SOx/NOx) and noise during aircraft takeoff, landing, and flight processes	Impact	Physical Risk	1. Continue to promote fuel-saving and noise-reduction operations 2. Using SAF 3. Continue to promote fleet renewal 4. Promote eco-friendly carbon offsetting projects 5. Support for bird conservation and restoration initiatives	

Medium to Long-Term				
Material Issues	Impact/ Dependency	Risk/ Opportunity	Response Strategies	Targets
Damage to stations due to loss of ecosystem protection, leading to impact on operations	Dependency	Physical Risk	1. Implementation of climate change mitigation and adaptation measures 2. Appropriately promote TCFD and TNFD operations 3. Monitor changes in operational conditions at the stations and implement appropriate response measures	
Deterioration of ecosystems affecting the demand for passenger/cargo services	Dependency	Transition Risk	1. Implementation of climate change mitigation and adaptation measures 2. Appropriately promote TCFD and TNFD operations 3. Monitor trends in passenger/cargo volume changes and implement appropriate response measures	
Domestic and international ecosystem changes have led to the emergence of new ecotourism destinations and demands	Dependency	Transition Opportunity	1. Monitor changes in passenger travel intent and implement appropriate response measures 2. Strengthening supplier/industry chain collaboration 3. Enhance awareness of ecotourism and implement supportive maintenance measures	
Passenger/cargo operations mistakenly purchasing high biodiversity risk ingredients, products, or packaging that contribute to deforestation or ecosystem destruction	Impact	Physical Risk	1. Request suppliers to adhere to the Supplier Code of Conduct 2. Strengthen traceability management and implement due diligence in procurement 3. Enhance the percentage of sustainable procurement 4. Increase the percentage of resource recycling and reuse, and the use of recycled materials 5. Strengthening supplier/industry chain collaboration	
Supply of agricultural products and packaging materials from ecosystems	Dependency	Physical Opportunity	1. Collaborating with local small-scale farmers to implement the Satoyama Initiative 2. Promoting sustainability certifications to implement local procurement practices 3. Strengthening collaboration with suppliers on eco-friendly design and product development	
Ecological degradation leading to large-scale outbreaks of infectious diseases, resulting in decreased demand for transportation	Dependency	Transition Risk	1. Improving cabin cleanliness 2. Improving the preparation and drills of epidemic prevention 3. Support ecological conservation, enhance diverse ecosystems, and strengthen ecological resilience	

Note: If it is a short-term material issue, it is not listed again in this table for response strategies and management targets and indicators.

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To effectively manage the progress and performance of response strategies and actions, China Airlines also refers to the objective/indicator recommendations from the TNFD, the Natural Capital Protocol, and the Science Based Targets Network (SBTN) in formulating corresponding management indicators and operational objectives.

Indicator Category	Indicator Content	Operational Objectives
Driver Indicators	Carbon emissions and fuel procurement volume	1. Improve annual aviation fuel efficiency by 1.5% 2. Attain net zero emissions by 2050 3. Reduce carbon emissions in ground operations by 5%, 15%, and 60%, compared to 2023 levels, by 2025, 2030, and 2040, respectively 4. Use 0.5%, 5%, and 40% of SAF by 2025, 2030, and 2040, respectively
	Use of food ingredients, products, and wood/paper packaging materials	Reduce use of Single Use Plastic (SUP) for in-flight services by 90% by 2025, and by 100% by 2030. Embargoing transport of illegal wildlife and prohibiting use of illegal species as food ingredients
Impact Level Indicators	Changes in operational conditions at stations (such as flooding, rainfall, high temperatures), including the frequency of abnormalities, exposure to physical risks of enterprise locations, production lines, facilities, and equipment	A total of 2, 4, and 10 biodiversity conservation-related activities or initiatives have been participated in and implemented since 2023 by 2025, 2030, and 2040, respectively
	Asset value and annual revenue from ecotourism operations in areas affected by physical risks	
Key Performance Indicators	The proportion of locally sourced ingredients/products and procurement of sustainable labels/certifications	Use 10%, 50%, and 80% of sustainably certified paper/wood items for air/ground service needs by 2025, 2030, and 2040, respectively

Stakeholder Engagement

China Airlines (CAL) is dedicated to sustainable development, emphasizing environmental coexistence and social prosperity. Recognizing the close link between climate change and biodiversity, CAL balances climate mitigation efforts with ecological conservation and community well-being. Biodiversity considerations have been integrated into risk management processes across CAL's group operations, outstations, and suppliers, covering analysis, assessment, and response throughout the entire value chain.

In 2024, CAL supported the Forestry and Nature Conservation Agency and Saisiyat tribal elders in attending a side event at COP16 hosted by the International Partnership for the Satoyama Initia-

tive (IPSI). The event highlighted successful co-management cases of forests between indigenous peoples and the government, fostering multi-stakeholder dialogue and shared growth. CAL also leveraged the collaborative reforestation site in Nanzhuang to organize ecological tours for business partners, promoting firsthand forest experience.

Adhering to the Company's human rights policy, CAL safeguards stakeholder rights and requires employees and suppliers to conduct due diligence through education, training, and the Supplier Code of Conduct.

⭐ Best Practices

Supporting Civic Collaboration to Co-Create an Ecological Journey

China Airlines recognizes the critical importance of ecological resources in addressing climate change and providing economic, service, informational, and psychological values to human society. In 2022, CAL partnered with the Taoyuan City Government to plant hundreds of native Taiwanese saplings at the cultural landmark "Hengshan Calligraphy Art Park". In 2023, CAL further engaged in a national-level afforestation project initiated by the Forestry and Nature Conservation Agency under Ministry of Agriculture (FANCA), adopting nearly 2 hectares of forest land in Nanzhuang, Miaoli, where 4,250 native tree species "Taiwania" were planted with the collaboration of the local Saisiyat tribe, who also supported the site's afforestation and nurturing efforts. CAL also supports sustainable tourism by commissioning the local Saisiyat tribe to maintain the Jiali Mountain Trail, demonstrating its commitment to forest co-existence and shared prosperity with indigenous communities.

The Senior Vice President of China Airlines led core members of the Corporate Environmental Committee to the national-level afforestation project site, which has been designated as a key development case by the International Partnership for Satoyama Initiative (IPSI), to conduct tree planting.

In 2024, CAL expanded its collaboration with the Hsinchu Branch of the FANCA. This initiative includes the adoption of an additional 5.25 hectares of forest land, as well as new responsibilities for maintaining and upgrading facilities along the Daping Section (0–0.3K) of the Jialishan Trail. Led by the Senior Vice

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President, core members of the Corporate Environmental Committee joined the FANCA and the Saisiyat Indigenous Forestry and Labor Cooperative in exploring the beauty of the mountains. On April 15, 2025, China Airlines took a further step by inviting business partners to "breathe with the forest" and explored this site which was certified under the Forest Stewardship Council (FSC) "Sustainable Forest Management Standards". This initiative aims to spark broader participation and raise sustainability awareness, embodying the spirit of the Satoyama Initiative. By uniting diverse forces, CAL seeks to realize a sustainable vision that balances social, economic, and forest resource preservation—a win-win-win for all.

China Airlines invited business partners to explore the beauty of the mountains and forests, actively supporting forest co-existence and mutual prosperity with Indigenous communities. The initiative also aimed to raise sustainability awareness and embody the spirit of the Satoyama Initiative.

2.3.3 Net Zero Carbon Emissions

Net Zero by 2050 and SBTi Objectives
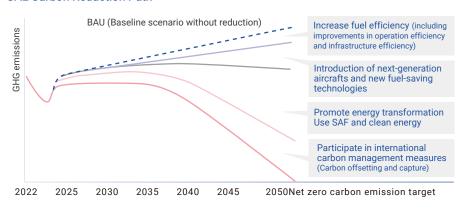
CAL complies with the IATA and national carbon reduction targets by leading the industry in announcing the "target for achieving net-zero carbon emissions by 2050" in October 2021. Following this declaration, CAL outlined short, medium, and long-term objectives for flight operations, ground operations, and use of sustainable aviation fuel. China Airlines has been actively involved in discussions on carbon reduction technologies since 2017 and continues to engage in dialogues regarding reduction strategy targets for the aviation industry through the International Air Transport Association (IATA) platform. Building on this operational foundation, CAL officially signed onto the Science Based Targets initiative (SBTi) in 2022, setting a target to improve fuel efficiency by 26% by 2030 compared to the 2019 baseline. This target encompasses Scope 1 (Category 1) and Scope 3 emissions, as well as fuel and energy-related activities (Category 4). This target was approved by the Science Based Targets initiative (SBTi) in 2024, ensuring compliance with the global carbon reduction goals outlined in the United Nations Paris Agreement.

Strategy, Approach, and Carbon Reduction Pathway for Attaining Net Zero Carbon Emissions

CAL implements 5 core strategies to achieve long-term carbon emission reduction targets, including fuel efficiency improvement (e.g., implementation of various fuel saving and carbon reduction measures and continuous improvement of load factor), upgraded TCFD operations and emergency response systems, promotion of the use of sustainable aviation fuel (SAF), timely participation in international carbon control mechanisms (e.g., CORSIA, EU TS, and UK ETS), timely introduction of new technologies (e.g., continuous introduction of energy-efficient aircraft, and the monitoring and evaluation of developments of hydrogen-fueled aircraft/short-range electric aircraft, aiming to strive for the best price and timing of entry introduction).

In addition, China Airlines has introduced an internal carbon pricing mechanism, incorporating cost-benefit analysis of factors such as compliance with domestic and international GHG regulations (such as international carbon regulations and the operational costs of SAF), promotion of energy efficiency and low-carbon investments (such as the use of renewable energy), and encouragement of internal behavioral changes. The proposed carbon pricing is set at a shadow price of €100 per ton of carbon, serving as a reference point for risk analysis, operational decision-making on carbon reduction initiatives and planning for low-carbon investments. China Airlines has established a climate governance framework through its Sustainability Committee, Environmental Committee, and TCFD operational platform. Each year, the results of these efforts will be reported to the Board of Directors for oversight and management, ensuring continued progress in accordance with the carbon reduction pathway.

CAL Carbon Reduction Path

BAU (Baseline scenario without reduction)

GHG emissions

Increase fuel efficiency (including improvements in operation efficiency and infrastructure efficiency)

Introduction of next-generation aircrafts and new fuel-saving technologies

Promote energy transformation Use SAF and clean energy

Participate in international carbon management measures (Carbon offsetting and capture)

2022 2025 2030 2035 2040 2045 2050 Net zero carbon emission target

CAL's Net Zero Carbon Emission Targets and Key Strategies

Strategies	Contribution to 2030 Targets	2024 Key Initiatives
Increase fuel efficiency	2-4%	1. Implemented 11 initiatives for saving aviation fuel and reducing carbon emissions, with a total carbon reduction of approximately 47,477 metric tons 2. Enhance passenger and freight load factors
Develop new technology	10-15%	Continued to introduce A321neo and 777F cargo aircraft, along with the launch of the new generation of fuel-efficient 787 aircraft starting in 2025
Promote sustainable aviation fuels	3-5%	1. Conducted sustainable flight and became Taiwan's first airline to use SAF on commercial flights 2. Implement SAF collaboration project with corporate passenger and cargo customers 3. Participated in SAF negotiations and cooperation between the government and oil companies 4. Supported the government's SAF pilot program
Participate in international carbon management mechanisms	2-11%	1. Completed the CORSIA international flight carbon emissions MRV operation 2. Evaluated the purchase and management of carbon credits

Best Practices

Engaging in international collaboration to support global carbon reduction initiatives.

In 2023, CAL and IATA have signed the CO2 Connect collaboration program, which involves sharing and collaborating on aviation carbon footprint emission data to enhance the application of information on aviation carbon emissions.

In addition, China Airlines continues to deepen its international cooperation with the IAGOS-PGGM Pacific Greenhouse Gases Measurement Project. By integrating the collected data and information, CAL not only contributes to international climate change research led by the United Nations but also enhances its own route management and operational climate resilience.

SAF Collaboration Project – Invite Customers to Jointly Support the SAF Collaboration Project

Promoting energy transition is essential for the aviation industry to achieve net-zero carbon goals, requiring collaboration across the entire industry chain. As a sustainability leader in transportation, China Airlines (CAL) was the first Taiwanese airline to incorporate Sustainable Aviation Fuel (SAF). Since 2017, CAL has used SAF on delivery flights for new A350-900 and A321neo aircraft, remaining the only Taiwanese airline utilizing SAF from 2017 to 2022. In 2024, Mandarin Airlines, part of the CAL Group, continued this commitment by using 30% SAF on its new ATR aircraft delivery flight.

In 2023, CAL became the first Taiwanese airline to join an international SAF program initiated by oil companies and blockchain platforms, pioneering a corporate SAF procurement collaboration model with traceable carbon reduction reports. Partnering with supply chain vendors and corporate customers, CAL's SAF Collaboration Project uses SAF that reduces carbon emissions by over 90% compared to traditional jet fuel, collectively lowering the Group's carbon footprint.

During 2023–2024, China Airlines operated commercial demonstration flights using SAF as part of SkyTeam's "The Aviation Challenge" campaign, reducing both our direct (Scope 1) and client transportation-related indirect (Scope 3) GHG emissions by approximately 72 metric tons of CO2e. CAL will continue collaborating with supply chain partners to support the global sustainable energy transition and drive joint carbon reduction efforts.

Looking ahead to 2025, China Airlines will closely monitor domestic and international SAF technologies and markets. Leveraging global sourcing experience, CAL will assess supply feasibility, policy developments, and operational conditions to advance its SAF procurement strategy. Active participation in government and supplier initiatives will support the achievement of CAL's short-, medium-, and long-term sustainability goals.

China Airlines has partnered with corporate customers to adopt SAF. In 2024, it collaborated with Morrison Express Corp. to operate Taiwan's first cargo flight incorporating SAF, and worked with CTBC Bank to implement SAF on the passenger flight, effectively reducing carbon emissions during the transportation process.

Mandarin Airlines' new aircraft, during its delivery flight from the ATR Delivery Center in France back to Taiwan, utilized fuel containing 30% Sustainable Aviation Fuel (SAF).

2.3.4 Achievements in Environmental Sustainability

GRI 302-1.302-2, 302-3.302-4.302-5. 303-1.303-2.303-3.303-4. 303-5.305-1. 305-2.305-3.305-4. 305-5.305-7.306-1. 306-2.306-3. 306-4.306-5

While delivering quality services, China Airlines leverages its Corporate Environmental Committee to plan and promote a range of environmental and energy-saving initiatives tailored to each business unit, continuously improving ecological efficiency. In 2024, CAL introduced one leased A350-900, four A321neo passenger aircraft, and two 777F cargo aircraft. In 2025, CAL will continue introducing A321neo aircraft and welcome the new Boeing 787 fleet, laying the foundation for enhanced fuel efficiency. The aviation fuel management team monitors fleet performance and implements fuel-saving measures across planning, operations, maintenance, and management to minimize the environmental impact of passenger and cargo services. CAL applies a lifecycle approach across headquarters and outstation operations, integrating environmental considerations from design and procurement to use, maintenance, and disposal. Through a robust environmental and energy management system, CAL aims to achieve operational goals without significant penalties, enhance energy efficiency, reduce waste, and advance circular economy practices.

In 2024, CAL implemented 78 environmental and energy-saving measures and 11 flight fuel-saving initiatives, reducing carbon emissions by 47,477 tons with an achievement rate of 146%. In 2025, 76 measures are planned, with an expected reduction of 38,926 tons.

Management Target	Strategies/Measures		2024 Outcomes and Performance
Zero Penalties and Implementation of the Environmental Management Cycle (PDCA)	1. Identify compliance obligations and assess conformity quarterly. 2. Implementation of Environmental Management Audits in accordance with ISO 14001/50001 Standards, including two internal audits and one external audit annually. Each Environmental Management Committee/Aviation Fuel Management Working Group also conduct audits of outstations and suppliers based on their business functions.		No significant environmental penalty events (Note 1)
Increase Aviation Fuel Efficiency	Promoting energy efficient flights	1. Continuously enhance fleet renewal by acquiring additional Airbus A350-1000 passenger aircraft, Boeing 777-9 passenger aircraft, and Boeing 777-8F cargo aircraft, with deliveries starting in 2029 for long-haul routes to North America and Europe	

Management Target	Management Strategies/Measures		2024 Outcomes and Performance
Increase Aviation Fuel Efficiency	Promoting energy efficient flights	2. Adopt environmentally friendly, fuel-efficient flight operations where software, hardware, and weather conditions permit, such as reducing APU activation time and implementing engine-out taxi 3. Optimize fleet fuel efficiency monitoring and measurement mechanisms to identify improvement opportunities 4. Implement station audit to enhance the execution rate of fuel-saving measures 5. Engage on intermodal transport to achieve low-carbon journeys	CAL carried out 11 fuel saving measures and saved 18,649 kiloliters of fuel with an achievement rate of 147%
	Improving ground service control	1. Improve fuel efficiency from the planning stage by incorporating fuel use into flight planning, optimizing routes and alternate airport selection, and refining aircraft center of gravity 2. Refine ground operations such as using trailer power supply and airport ground power supply instead of APU to save aircraft fuel consumption	
	Fortifying regular repair and maintenance	1. Continue to monitor and maintain aircraft performance and manage and improve fuel conservation measures 2. Regularly clean critical equipment to maintain optimal conditions of aircraft 3. Maintain good communication channels with the original manufacturer to obtain information on the latest technology developments and performance optimization solutions 4. Select environmentally friendly paint or paint remover, ensuring a balance between fuel efficiency and the reduction of air pollution 5. CAL's A350 fleet uses the BC/CC paint system and will apply to newly purchased 787 aircraft as well	
	Aircraft weight reduction	1. Reduce aircraft loading and fuel consumption with precision measures. For example: Precision refueling, precision water supply, and weight reduction for in-flight supplies 2. Implement the digitization of pilot paper manuals	

Management Target	Management Strategies/Measures	2024 Outcomes and Performance
Increase Building Energy Efficiency	Maintain Green Building certification, expand the installation of renewable energy facilities, fully implement regenerative power systems in headquarters elevators, and replace outdated high-energy-consuming equipment as part of energy-saving measures. Additionally, assess energy resilience facilities	Saved 261,000 kilo-watt-hours of electricity, achieving 78% of the target (Note 2)
Increase Ground Vehicle Fuel Efficiency	Fuel conservation measures such as enhancing the management of the use and efficiency of company vehicles, promoting electrification of transportation and equipment, establishing charging infrastructure to support electric vehicles, promoting ride-merging/ride-sharing mechanisms, and the idling shutdown policy	Reduced 8 kiloliters of fuel and reduced carbon emissions by 20 tons with an achievement rate of 175%
Increase the Percentage of Renewable Energy	Develop diverse cooperation plans to promote the use of Sustainable Aviation Fuel and to increase the installation of solar power facilities	Added 26.6 kiloliters of Sustainable Aviation Fuel (SAF); generated 297,000 kWh of solar power, reducing approximately 214 metric tons of carbon emissions; installed an additional 371 kW of solar energy capacity, achieving a 100% implementation rate Mandarin Airlines added 30% SAF during the delivery flight of their ATR aircraft
Reduced Resource Consumption and Increase Environmental Protection Awareness	Continuously enhance digitalization in cargo, flight, cabin, and administrative operations. Implement environmental measures including food waste processors, upgraded wastewater treatment, energy-saving photocopiers, and recycling of paper containers and slurry for reuse	Reduced 28 tons of paper consumption and waste and reduced carbon emissions by 120 tons with an implementation rate of 100%

Note 1. Environmental penalties exceeding USD 10,000 are considered significant. No such penalties were recorded during 2021–2024.

Note 2. The installation of solar power facilities was delayed due to weather factors, resulting in the energy-saving measures not achieving the expected benefits.

Note 3. Source of the carbon emission factor: 2020 electricity emission factor, Greenhouse Gas Inventory v.6.0.4 (gasoline/diesel).

CO2 Carbon Emissions from Air and Ground

GRI 305-1.305-2. 305-3.305-5

Greenhouse gas emissions from aviation fuel combustion account for over 90% of China Airlines' total emissions. In response, CAL continues to promote fleet renewal (see section2.1.2) and improve fuel efficiency through the dedicated Aviation Fuel Management Team, which develops targeted measures spanning planning, management, and execution.

On the ground, CAL systematically operates ISO 50001 and ISO 14001 management systems to promote energy-saving and environmental initiatives. These include reducing electricity and fuel use, digitizing operations, managing waste, sourcing local ingredients, and encouraging ride-sharing—efforts aimed at reducing Scope 3−6 emissions. Following the GHG Protocol Scope 3 guidelines, CAL calculates emissions across 15 categories, including purchased goods, capital goods, energy-related activities not included in Scope 1 and 2, transportation and distribution, waste disposal, commuting, leased assets, investments, and others. To ensure robust GHG management, CAL has engaged third-party verification bodies accredited by the IAF system since 2009. Verifications are conducted annually based on ISO 14064-1 (reasonable assurance) and ISO 14064-3 standards.

In 2024, despite a 15% year-over-year increase in flight operations, CAL's total GHG emissions rose only 2.93%, reaching 7,677,233 tons CO_2e. Ground operation emissions decreased by 2.06% to 18,408 tons, continuing a downward trend.

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Scope of GHG	Company	Item	2019	2021	2022	2023	2024
Category 1		Flight Operations	7,059,083	5,875,531	5,435,050	6,048,568	6,224,228
		Ground Operations in Taiwan	4,981	2,897	4,041	3,028	3,328
		Ground Operations in Outstations (Note)	362	197	497	1,242	806
		Carbon Intensity (ton CO_2e/Million NTD)	48.26	44.49	38.56	37.44	35.55
		Flight Operations	237,701	63,987	89,500	126,743	119,492
		Flight Operations	362,794	988	31,306	289,358	399,684
Category 2		Ground Operations	18,169	16,697	16,468	15,767	15,079
		Ground Operations in Outstations (Note)	1,033	551	863	1,072	1,045
		Carbon Intensity (ton CO_2e/Million NTD)	0.13	0.13	0.12	0.10	0.09
		Ground Operations	901	839	805	742	735
		Ground Operations	106	108	265	220	240
Categories 3-6 (Note)	CAL's Operating Activities	Ground Operations	1,607,690	1,364,016	1,240,935	1,389,211	1,432,790
		Carbon Intensity (ton CO_2e/Million NTD)	10.98	10.32	8.80	8.59	8.18

Note 1. The statistics contain 100% of the aviation fuels used by China Airlines (including both domestic and overseas branches, outstations), Mandarin Airlines, and Tigerair Taiwan.

Note 2. Of the total greenhouse gas emissions of China Airlines in 2024, 7,677,277 metric tons of CO_2e (accounting for 100% of total emissions) were verified by an independent verification organization in accordance with the ISO 14064-1:2018 inventory standard, the certification and verification criteria of ISO 14066:2011, ISO 14065:2020, and ISO 14064-3:2019. The verification was conducted at a reasonable assurance level, and the conclusion was that the data passed verification. Prior to 2022, only the ground operations data from outstations (accounting for less than 0.03% of the total emissions) were not subject to external verification.

Note 3. CAL adheres to ISO 14064-1:2018 and the GHG Protocol Scope 3 guidelines, 15 categories of emissions are calculated, including emissions from purchased goods, capital goods, fuel and energy-related activities not included in Scope 1 and 2, upstream and downstream transportation and distribution, waste disposal, employee commuting, upstream and downstream leased assets, investments, and others.

Note 4. Carbon intensity(ton CO_2e/Thousand RTK) = GHG emissions/Total RTK; (ton CO_2e/Million Dollars) = GHG emissions/Revenue.

Note 5. In 2024, other Group Subsidiaries reported total emissions of 590,061 tons of CO_2e for Categories 1 and 2, and 134,347 tons of CO_2e for Categories 3-6.

Best Practices

Solar Power Supporting the Airport's Net-Zero Transition

To steadily achieve carbon reduction targets in ground operations, CAL has installed a 276 kW solar photovoltaic (PV) system at CAL Park. The Maintenance Division is also phasing in additional systems, with 193 kW installed in 2024 and 197 kW planned for 2025. CAL is actively phasing out outdated equipment and promoting vehicle and equipment electrification. In 2024, 14 electric units were added, including 2 small tow tractors, 8 supply vehicles, and 4 forklifts. Dedicated charging areas were also installed to support airport-wide net-zero efforts alongside existing airport infrastructure.

(left) CAL continues to procure various types of electric vehicles and equipment, including small tow tractors, supply vehicles; a total of 14 units were introduced in 2024.

(right) CAL EMO Park has completed the first phase of its solar photovoltaic system in 2024, with the second phase scheduled to begin power generation in Q3 of 2025.

Aviation Fuel Efficiency Performance `GRI 302-3.305-4`

In 2024, the overall aviation fuel efficiency was 0.2284 tons per thousand Revenue Ton Kilometers (RTK), achieving approximately 102% of the target value of 0.2338 tons per 1,000 RTK. In 2024, the total fuel consumption increased by 2.9% compared to 2023, while the performance per RTK saw an increase of 3.02%. In the future, we will continue to refine and implement fuel-saving measures to achieve the objectives and plans of increasing fuel efficiency by 1.5% annually.

	Item	Fuel Consumption (tons/PJ)	CO$_2$ Emissions (tons CO$_2$e)	Transport Volume (thousand RTK)	Fuel Efficiency (tons/ thousand RTK)	Carbon intensity (ton CO$_2$e/ thousand RTK)
	2019	2,230,971/98	7,059,083	9,072,762	0.2459	0.7781
	2021	1,857,073/82	5,875,530	7,605,201	0.2442	0.7726
	2022	1,717,758/76	5,435,050	6,949,143	0.2472	0.7821
	2023	1,911,669/84	6,048,568	8,359,335	0.2287	0.7236
	2024	1,967,183/87	6,224,228	8,611,404	0.2284	0.7228
	2021	26,614/1.17	84,101	25,723	1.0346	3.2694
	2022	29,709/1.31	93,881	41,169	0.7216	2.2804
	2023	39,903/1.76	126,093	66,367	0.6012	1.8999
	2024	37,676/1.66	119,055	69,250	0.5441	1.7192
	2021	308 /0.01	973	521	0.5910	1.8676
	2022	9,895/0.41	31,268	27,129	0.3647	1.1526
	2023	91,738/4.04	289,892	380,879	0.2409	0.7611
	2024	125,882/5.55	397,787	560,068	0.2248	0.7102

Note 1. The lower the fuel efficiency and carbon intensity, the better the performance.

Note 2. The aviation fuel calorific value is calculated using the IPCC-announced coefficient, source: 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2: Energy, TABLE 1.2

Best Practices

Applying PDCA to Enhance Fuel-saving Efforts

In 2024, the Aviation Fuel Management Team implemented 11 fuel-saving initiatives, with the use of Ground Power Units (GPU) instead of Auxiliary Power Units (APU) at outstations proving especially effective. By using GPUs to supply electricity and air while aircraft are on the ground, APUs can be shut down, improving energy efficiency and reducing carbon emissions.

To increase GPU usage, the team conducted a comprehensive outstation assessment and issued Threat and Error Management (TEM) guidelines to flight crews. A Level 1 internal audit revealed lower-than-expected GPU use at the Hong Kong station. In response, on-site inspections were carried out, and the team worked with the local ground handling agent to introduce targeted improvements, including increased staffing, enhanced training, incentive programs, and detailed operational tracking.

As a result, GPU usage at Hong Kong improved by approximately 30%, leading to annual fuel savings of about 429,000 pounds.

Replacing APU with GPU via Jet Bridge for Enhanced Efficiency and Emission Reduction

Energy Usage `GRI 302-1.302-2.302-4.302-5`

CAL continues to implement ISO 50001 Energy Management by fully considering energy-saving and carbon reduction benefits into decision-making during the design/procurement stages of significant energy use, and by establishing energy monitoring systems that exceed regulatory requirements. CAL also optimizes fuel management for official vehicles, implements internal audits, and integrates concerns from stakeholders (such as the reporting requirement of major energy users and adjustments to electricity-saving targets, and evaluations of energy storage system benefits) to comprehensively enhance energy management integrity and implementation. This effort aims to create a low-carbon operational and office environment. In response to the upgrade of energy monitoring system in 2023, CAL launched the "Energy Management System Enhancement Project" in 2024. External consultants were invited to share recent trends and regulatory developments in domestic and international energy management. They also assisted in reviewing and optimizing the energy review forms. Additionally, through targeted training sessions, practical approaches to establishing energy performance indicators, tracking estimated energy consumption results,

and implementing improvements were introduced. These initiatives aimed to enhance employee awareness of energy conservation and promote energy use efficiency.

In 2024, CAL's total electricity consumption was 31,921 kWh, representing a decrease of 1.5% compared to 2023 (31,972 kWh). As of March 2025, China Airlines has established three solar photovoltaic power generation facilities, including a 276 kW facility at CAL Park and a 193 kW facility at the EMO Park. The installed capacity represents approximately 6% of the contracted capacity, and the solar power generation efficiency is maintained at 9,800 kWh/kW. In 2025, we will continue to plan for the installation of a 194 kW solar photovoltaic power generation facility. Additionally, to support the electrification of vehicles and equipment, charging stations are being continuously installed across the CAL Park and EMO Park, thereby enhancing the foundational infrastructure for electric operations. In addition, with respect to enhancing building energy efficiency, CAL Park will commence elevator renovation operations in 2025, opting for innovative technology in the regenerative power system to consistently adhere to green building standards and principles.

Regarding ground operations, despite the increase in operational flight numbers in 2024, which led to a rise in back-end support demands, total gasoline and diesel consumption was 886 kiloliters, --a 4% reduction compared to 921 kiloliters in 2023. Fuel efficiency also showed a positive trend. Going forward, we will continue to enhance the management of fuel consumption for company vehicles, implement a reminder system, and accelerate the replacement of aging vehicles and electrification operations. Furthermore, 26.6 kiloliters of SAF was continuously used to the aviation sector.

To achieve the 2050 net-zero target, CAL will continue to inventory and increase the install renewable energy equipment, alongside green office practices, and aims to achieve 10% renewable energy installation capacity by 2030 and 15% by 2040.

Energy Consumption Data					
Types of Energy	Unit	2021	2022	2023	2024
Non-renewable Fuels	MWh/GJ	22,761,510 / 81,934,882	21,053,443 / 75,786,331	23,429,847 / 84,340,702	24,109,748 / 86,788,148
Renewable Fuels (SAF)	MWh/GJ	94 / 338	181 / 650	299 / 1,076	261 / 938
Electricity (purchased)	MWh/GJ	33,260 / 119,728	32,354 / 116,465	31,853 / 114,662	31,813 / 114,518
Solar PV system generation (self-consumption)	MWh/GJ	127 / 457	110 / 396	119 / 428	108 / 389
Elevator Power Regeneration System (recycled for own use)	KWh/GJ	889 / 3.20	11,213 / 40.36	12,111 / 43.60	11,304 / 40.69

Note 1. Non-renewable fuels include gasoline, diesel, liquefied petroleum gas (LPG), liquefied natural gas (LNG), and aviation fuel. All CAL aircraft are counted as part of the calculation of aircraft fuel consumption.

Note 2. The scope of purchased electricity covers park areas (CAL Park, Taipei Branch, Songshan Office), maintenance divisions (Hangars 2 and 3, Engine Maintenance Plant), and Kaohsiung Branch. It included purchased electricity which accounted for 11.6% or approximately 3,690MWh of renewable energy in 2024 (source: https://reurl.cc/eXMEr7)

Note 3. The 98.21 kW solar project in CAL Park obtained 108 renewable energy certificates in 2024.

Note 4. The caloric value of aviation fuel is calculated using the IPCC-announced coefficients, while the calorific values for natural gas and sustainable aviation fuel are derived from the actual values provided by the suppliers. The calorific values for residual fuel oil and diesel are calculated using the latest energy product unit calorific value table from the Energy Bureau.

Water and Wastewater

GRI 303-1.303-2. 303-3.303-4.303-5

CAL conducts a water balance survey to identify hotspots of water resource consumption, including water consumption from cleaning aircraft, domestic water consumption, and air-conditioning water consumption. Subsequently, we improve facilities and optimize operating procedures to reduce water resource consumption and adequately process sewage and wastewater.

1. Water source development (Increasing supply)

The water recycling concept was included in the scope of green building design of CAL Park in the preliminary development process. We set up a rainwater recovery system with a capacity of 1,300 tons and updated pipelines afterwards to direct wastewater from the central drinking water system and the condensate from the chiller into the rainwater recovery system for use in plant watering and flushing in CAL Park, achieving a recycling rate of 48%. We carried out optimization of the pipelines and wastewater treatment facilities in the EMO Park for industrial (organic) wastewater treatment and reuse the water for cleaning vehicles and watering plants according to regulations and permit measures. We recycled approximately 3,753 tons of water in 2024, achieving a recycling rate of 6.5%.

2. Conservation (Reducing consumption)

We fully incorporated water conservation label products into the CAL Park. We also selected equipment with water conservation label and water-saving functions for subsequent equipment replacements or upgrades.

EMO Park implements process and management improvements to reduce the water consumption in maintenance and repairs and domestic water consumption. The measures include adoption of environmentally friendly water-saving cleaning solutions, which reduce aircraft cleaning water consumption by 90%. We also installed water meters comprehensively to monitor the consumption of water resource and implement hotspot inventory and management.

3. Strengthening management

CAL is dedicated to water stewardship, and has actively set short, medium, and long-term water conservation targets and annual performance targets and management plans for water resource management. We have been placed under the management of the Corporate Environmental Committee. We also continued to invest and upgrade wastewater treatment equipment to enhance the treatment performance, and by implementing internal/external audits and emergency response and evacuation drills, we aimed at enhancing processing

efficiency and preventive measures. To maintain the capacity and stability of the wastewater treatment plant, the domestic wastewater from the EMO park undergoes grease traps and pre-treatment facilities to reduce the BOD concentration, before being discharged into the wastewater treatment plant.

In the first quarter of 2024, there was an abnormal and significant increase in water usage at the CAL Park. After investigation, it was determined that this rise was due to higher irrigation demand for plant maintenance. Following a detailed review, adjustments were made to the irrigation schedule, and horticultural maintenance training

was conducted. As a result, water usage stabilized starting from the second quarter. In 2024, CAL's tap water withdrawal totaled 114,367 cubic meters, a 3.2% reduction compared to 2023. This also achieved the Sustainable Development Goal (SDG) of reducing water consumption by 6% in 2024 compared to 2018. CAL will continue to raise awareness of water conservation, improve wastewater treatment efficiency, upgrade technologies, reinforce change management, among other initiatives. CAL is committed to achieving its targets of reducing water consumption by 7%, 10%, and 12% compared to 2018 levels by 2025, 2030, and 2040, respectively.

Water Usage Area	Water Shortage Level	Water Supply Unit (Water Type)	Wastewater Processing Unit (level)	Effluent Site	Effluent Standard	
CAL Park	Located in Taoyuan City with high water resource risks	Taiwan Water Corporation (freshwater)	Domestic sewage	Nankan River (River with Category C water bodies)	pH: 6 ~ 9 COD: <100 mg / L	BOD: <30 mg / L SS: <30 mg / L
			Taoyuan Airport Sewage Treatment Plant (secondary treatment)			
			Domestic sewage			
			Taoyuan Airport Sewage Treatment Plant (secondary treatment)			
EMO Park			Industrial wastewater		pH: 6 ~ 9 COD: < 100 mg / L SS: < 30 mg / L	Cd: < 0.03 mg/L Total chromium: < 2 mg/L
			CAL's first and second wastewater treatment plants (tertiary treatment)			
Taipei Branch	Located in Taipei City with low water resource risks	Taipei Water Department (freshwater)	Dihua Sewage Treatment Plant (secondary treatment)	Tamsui River (River with Category D water bodies)	pH: 6 ~ 9 COD: < 100 mg / L	SS: < 30 mg / L NH₃-N: < 10 mg / L
Songshan Office						

Note 1. Source: A study on the adaptation indicators for the high water resource risk area in Taiwan, Water Resources Agency, Ministry of Economic Affairs, 2016
Note 2. There were no violations of regulations regarding wastewater or sewage in 2024.

Water Usage Area (Source Type)	Water Withdrawal (Note 1) (Kilotons)				Water Consumption(Note 2)(Kilotons)	Water Discharge (Note 3) (Kilotons)	Water Recycling (Note 4) (Kilotons)	Recycling Ratio (%)
	2021	2022	2023	2024	2024	2024	2024	2024
CAL Park (tap water)	33.42	28.70	36.46	40.82	19.97	30.50	19.43	38.5%
CAL Park (rainwater)	5.65	9.35	6.07	9.65				
EMO Park (tap water)	65.4	55.81	61.55	58.11	30.71	Domestic: 12.10	NA	-
						Industrial: 15.30	Industrial：3.75	6.5%
Taipei Branch (tap water)	4.56	4.02	4.18	3.91	2.17	1.74	NA	-
Songshan Office (tap water)	9.39	10.68	15.97	11.53	5.13	6.40	NA	-
Total	118.42	108.56	124.23	124.02	57.98	66.04	23.18	18.69%

Note 1. Scope covered by water meters: CAL Park, EMO Park, Songshan Office, and Taipei Branch.
Note 2. The water consumption volume of CAL Park is calculated based on the water consumption of the equipment. The water consumption volume of Taipei Branch and Songshan Office is calculated proportionally based on the ratio of water consumption of CAL Park.
Note 3. Wastewater treatment for the EMO Park includes industrial wastewater from Taiwan Aircraft Maintenance and Engineering Co., Ltd.
Note 4. Water recycling includes rainwater and intermediate water recovery in the Park and wastewater recycled in the EMO Park.

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Emissions

Emissions from aircraft engines, particularly nitrogen oxides (NOx) and sulfur oxides (SOx), significantly affect local air quality. China Airlines is actively engaged in reducing emissions and enhancing emission efficiency through initiatives such as fleet renewal, optimized flight operations, and operational enhancements, striving to minimize environmental impact. In addition, a small amount of volatile organic compounds (VOCs) is also emitted during aircraft painting processes. CAL actively communicates with the manufacturers of aircraft to increase and promote the use of new environmentally friendly paint and environmentally friendly paint remover for reducing the concentration of VOC and toxicity in the work environment and atmosphere and reducing the toxicity of wastewater and the burden of treatment plants. CAL also continues to invest in improvements of the air pollution prevention facilities of the maintenance and repairs hangars to increase energy efficiency and exhaust efficiency. In 2024, the emissions of VOCs from maintenance were approximately 19 tons, representing a 5% reduction compared to 2023. In addition, CAL established the workplace environment monitoring plan and operating procedures to track changes in CO_2 concentration in office spaces, ensuring a safe and healthy environment. CAL also.

Item			Unit	2021	2022	2023	2024	2022	2023	2024	2022	2023	2024
Passenger Aircraft	SOx	Emissions	Ton	27.43	29.59	38.36	46.17	24.99	26.58	27.81	1.24	11.56	15.17
		Emission Efficiency	g/RTK	0.0150	0.0130	0.0094	0.0104	0.6070	0.4004	0.4016	0.0458	0.0304	0.0271
	NOx	Emissions	Ton	34.18	120.64	400.60	482.23	260.49	277.54	290.45	12.95	120.77	158.41
		Emission Efficiency	g/RPK	0.0538	0.0183	0.0119	0.0130	0.5908	0.3863	0.3933	0.0434	0.0279	0.0285
Cargo Aircraft	SOx	Emissions	Ton	16.06	13.03	11.37	11.02						
		Emission Efficiency	g/RTK	0.0028	0.0028	0.0027	0.0026						
	NOx	Emissions	Ton	167.43	135.84	118.79	115.14						
		Emission Efficiency	g/RTK	0.0290	0.0291	0.0278	0.0276						

Note 1. The emissions of SOx and NOx are calculated using the formula "Total annual emissions = Number of flights x SOx/NOx Emission Factor (Tons/LTO)," where the emission factors are based on the latest numerical values announced by the Environmental Protection Agency (EPA) of the United States for that year.

Note 2. LTO: refers to the landing take-off.

Note 3. Mandarin Airlines and Tigerair Taiwan have no cargo aircraft.

Note 4. Amendment of calculation method and coverage on CAL's NOx emissions from 2021 to 2022, excluding the pandemic's effect on flight dispatch.

Circular Economy

CAL's waste mainly comes from industrial waste (general/hazardous) from ground operations, domestic waste, and food and toilet waste from catering service companies and cabin service (refer to the waste flowchart). To achieve zero waste to landfill, CAL follows a hierarchical waste management strategy: refuse, reduce, reuse, and recycle. CAL implements various waste reduction initiatives, which include proper sorting processes, promoting detoxification measures, actively collaborating with recycling vendors, and establishing recycling and reuse workflows. These efforts ensure that packaging and other waste generated from the Group's operations are effectively recycled and reused, thereby minimizing the volume sent for incineration or disposal in landfills. As for the waste destined for the incineration plant, opt for waste to energy (WTE) treatment whenever possible. In response to growing international attention on issues such as packaging, restrictions on single-use plastics, and food waste management, CAL—though not directly involved in manufacturing or product production—actively engages with suppliers to address emerging environmental trends. Embracing circular economy principles, CAL collaborates on the development and design of several eco-friendly and plastic-reducing in-flight service items.

In 2024, CAL installed a food waste processing machine at its headquarters to convert canteen leftovers into plant maintenance resources, demonstrating zero food waste practices. Onboard, CAL implements in-flight waste sorting on twin-aisle aircraft using eco-carts. For detailed procedures and outcomes, please refer to The Story Behind Twin-Aisle Cabin Waste Recycling section. CAL also resumed waste

weighing and auditing programs following IATA and ASF guidelines to optimize meal planning and supply by improving waste categorization and comparing results with those from 2019. Training sessions were conducted for relevant colleagues and partner vendors prior to the project's execution to communicate goals, workflows, and expected contributions, ensuring operational quality and maximizing the effectiveness of feedback for planning and design. For detailed results, please refer to the Focus Story section.

CAL partners with China Pacific Catering Services to promote sustainable catering through energy saving, food waste reduction, and eco-friendly packaging. The catering partner holds ISO and HACCP certifications and conducts regular inspections and audits to maintain quality and safety. Beyond aviation, they are expanding into frozen meals, takeout, and corporate catering to extend sustainability into everyday life.

Energy Conservation and Carbon Reduction
Implement green procurement by selecting environmentally friendly refrigerant food carts and introducing high-energy efficiency facilities to improve operational efficiency and sustainability outcomes

Food Waste Reduction
- By implementing an intelligent analytics system, CAL accurately forecasts passenger meal demands, effectively reducing excess production and food waste. Special meals are available by reservation, ensuring that every meal prepared can be cherished and enjoyed
- 100% recycling of waste cooking oil, process sludge, and kitchen waste, transforming them into energy or renewable resources, thereby achieving waste-to-resource conversion

Environmentally Friendly Packaging
Implement green design by collaborating with suppliers to develop and select environmentally friendly packaging materials that meet international standards, thereby reducing the carbon footprint from the source

Waste management Flowchart

In 2024, China Airlines improved its ground waste recycling rate from 22.9% in 2023 to 32.41% through on-site inspections, strengthened advocacy, source control, and the reduction of project-based/non-routine waste. The total waste generated in 2024 was 2,491 tons, maintaining the level of 2023. CAL will continue to collaborate with its suppliers to explore more opportunities for environmentally sustainable designs at the source, resource recycling and reuse, and waste management. Additionally, it will persist in implementing and expanding resource recycling mechanisms to achieve zero landfill waste, thereby advancing towards the sustainable vision of zero waste.

In response to the growing international attention on food waste issues, China Airlines began individually calculating, tracking, and reviewing food waste management performance starting in 2024. In 2024, with the installation of food waste machines at the CAL Park headquarter and the implementation of twin-aisle aircraft waste recycling operations, the food waste generated from ground operations decreased by 15% compared to 2023. The amount of meal waste produced per passenger-meal on return flights was 0.31 kg, reflecting an improvement of nearly 6% from 0.33 kg in 2023. Furthermore, to mitigate meal waste resulting from changes in passenger itineraries, CAL adjusted economic incentives, reducing the per capita meal waste from 1.15 grams in 2023 to 0.93 grams, successfully achieving the annual control target. Considering differences across cabin classes, CAL plans to use the over-catering rate (ranging from 0.09% to 0.28%) for each class as a control indicator for managing in-flight food waste in 2025.

Waste Information

(Unit: metric tons)

	Waste Produced				Disposal Method
	2021	2022	2023	2024	
General Domestic Waste	94	113	122	118	Incineration - with Energy Recovery
	410	629	986	948	Incineration - without Energy Recovery (Delivered to the airport incineration plant, and the installation of energy recovery facilities has been recommended.)
Recycling and reuse	507	622	973	1,111	Recycling and Reuse
Hazardous Industrial Waste	12	12	11	7	Other treatment - chemical treatment (e.g., electroplating solutions)
	1	2	1	1	Other treatment - Offshore Treatment (e.g., Nickel-cadmium batteries)
Non-hazardous Industrial Waste	100	147	194	193	Recycling and Reuse (e.g., waste lubricants)
	64	47	127	113	Other Treatment - Heat Treatment (e.g., waste paint)
Total	1,188	1,572	2,414	2,491	--

Note 1.　Third-party contractors were appointed for removing and offsite processing of waste for disposal. CAL implements inspections in accordance with the contract to ensure compliance with regulations.

Note 2.　The scope covers waste generated from the EMO Park, CAL Park, Kaohsiung Branch office operations, VIP lounge services across Taiwan, return flights to TPE, as well as meal preparation and cargo services at TPE.

Note 3.　In 2024, 99.32 tons of non-hazardous industrial waste-waste wood (recycled) were newly included due to reporting process changes.

Food Waste Management

Source of waste	Performance Indicators	Waste Produced (Note 2)				Disposal Method
		2021	2022	2023	2024	
VIP Lounge, Employee Canteen, and In-flight Meal Preparation	Amount Generated (ton)	68	142	541 (Note1)	461	Recycling: Composting and Pig Farming
	Per Capita Generation – VIP Lounge (kg/person)	--	0.017	0.034	0.032	
In-Flight Meal Service	Amount Generated (ton)	177	632	1,610	1,863	Incineration - with energy recovery (in accordance with quarantine requirements) (Note3)
	Per Capita-meal Generation – In-flight Service (kg/person-meal)	1.73	0.65	0.33	0.31	
Total		245	774	2,151	2,324	

Note 1.　Corrected data entry error for 2023..

Note 2.　The scope covers waste generated from the EMO Park, CAL Park, Kaohsiung Branch employee canteen, VIP lounge services across Taiwan, return flights to TPE, as well as meal preparation at TPE. The amount of food waste generated by the employee canteen at the CAL Park has been deducted starting from August 1, 2024, as it has already been processed into soil materials by the food waste machine.

Note 3.　Food waste incinerated in accordance with quarantine regulations, along with most general domestic waste that cannot be recycled, is used for power generation through the cogeneration system at the incineration plant (Waste To Energy, WTE). It is estimated to contribute 1,010 MWh of electricity, based on the power generation efficiency of Taiwan's incinerators in 2024.

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In response to the global trend of reducing plastic pollution, China Airlines continuously allocates dedicated R&D resources to explore and implement sustainable packaging alternatives, and began gradually replacing its in-flight cutlery sets with stainless steel materials starting in November 2024. The new cutlery sets featured a combined fork and spoon design, prioritizing both practicality and oil efficiency. Regarding packaging material reduction, CAL continue phasing out plastic products and packaging, while increasing the proportion of sustainably certified paper and wood-based service items and packaging. Corresponding reduction goals and measures have been established, including the development of recycled stainless steel cutlery sets in collaboration with suppliers, eco-friendly toothbrush sets for economy class, eco-friendly dental floss sticks for business class, recycled plastic (RPET) headrest paper, pillowcases, plastic cups, and salad bowl lids. In-flight trash bags are also made from 100% recycled materials. Additionally, to reduce the impact of product consumption on biodiversity, the disposable eco-friendly cutlery kits, face/hand wipes, napkins, eco-friendly paper cups, and playing cards provided on board have all been sourced from sustainably certified products.

For cargo packaging materials, CAL has adopted a mixed rain cover made from 40% to 60% recycled materials, which is recycled and reused alongside with the plastic wrapping. Cargo pallets and containers are regularly maintained in compliance with safety regulations. If deemed necessary, those that require replacement are sold in batches for recycling and reuse.

Packaging Material Information

Materials	Item	2021	2022	2023	2024
Plastic	Packaging Weight (kg)	1,420,971	1,694,954	1,900,168	1,749,973
	Proportion of Recycled Materials (%)	42.69%	39.46%	40.20%	45.05%
	Proportion of Recycling and Reuse(%)	97.6%	94.9%	87.7%	82.1%
Wood and Paper	Packaging Weight (kg)	40,045	84,198	241,753	340,917
	Proportion of Recycled and Certified Materials (%)	82.55%	72.12%	78.35%	74.65%
Metal	Packaging Weight (kg)	55,351	288,802	126,988	133,982
	Proportion of Recycled and Certified Materials (%)	100%	100%	100%	100%
Glass Materials	Packaging Weight (kg)	139	44,614	169,307	200,256
	Proportion of Recycled and Certified Materials (%)	100%	100%	100%	100%

Note: The scope covers the proportion of 100% in-flight passenger and cargo service item procurement.

⚑ Best Practices

The Story of "Waste Recycling in Twin-Aisle Cabins"

In alignment with China Airlines' Environmental and Energy Policy, and to provide opportunities for the development of a circular economy, recycling operations for twin-aisle aircraft were implemented in phases on transoceanic and regional routes in 2023 and 2024, using dedicated recycling carts "ECO CART".

Workflow

✈	Flight Preparation	• Confirm that the flight is loaded with ECO CART for recycling. The designated kitchen crew member shall verify that there is no waste inside the ECO CART. • Confirm that the recycling bags (green eco-friendly vest bags) are loaded into the trolley, and that the quantity is correct and sufficient.
✈	During Flights	• Crew members are required to execute the classification and recycling process as specified, using eco-friendly vest bags or transparent plastic bags to load and categorize recyclable items. The bags are securely tied and placed into the ECO CART. • Priority order for recyclable items (excluding VIE station): PET bottles > metal and aluminum cans > paper (e.g., empty oolong tea boxes, empty cartons for milk balls, empty juice boxes) > clear glass bottles. • Glass bottles should be placed at the bottom of the ECO CART to prevent breakage and avoid affecting other recyclable items.
✈	After Landing	• If the cleaning staff does not proactively clean the cart during the kitchen cleaning operation, the crew members are required to remind them to unload the recyclable items from the ECO CART.

Challenges and Responses

All colleagues have reached a consensus on the operations of " recycling." However, due to limitations in service processes, operational space, and travel time, numerous challenges were encountered during the implementation process. Through repeated communication among the cabin crew, Cabin service product team, and ground handling agents, the operation processes were continuously optimized. Ultimately, the challenges were overcome, providing an opportunity for recyclables to re-enter the circular economy.

Cabin Waste Recycling on board

Obstacles Encountered	Methods for Overcoming
For short-haul flights or when flights are full, recycling may not be completed in time.	Optimize recycling procedures to enable recycling operations to run concurrently with meal collection activities, thereby reducing the operational burden.
The limited cabin space causes conflicts between the ECO CART and the meal/galley carts.	Optimize the ECO CART by using it to load service items, which are retrieved and used after takeoff, allowing for more efficient use of cabin space.
Differences in national regulations affect the consistency of recycling practices.	Adjust the standards according to station-specific regulations to ensure that recyclable items comply with local laws.

Best Practices

Eco-Friendly and Stylish In-Flight Amenity Kit

In line with CAL's commitment to environmental sustainability, the airline invested in the development of sustainable in-flight service items in 2024, collaborating with luxury brand MOSCHINO and Canadian lifestyle brand Roots, offering a compact and convenient travel pouch. The contents are provided in collaboration with the highly acclaimed brand Moroccanoil, featuring a selection of practical skincare products. Furthermore, every element—from the pouch and contents to the packaging materials—is designed with environmental sustainability in mind. Recycled plastic is used in the production of the pouch, skincare bottles, eye mask, comb, and luggage tag. The toothbrush is made from wheat-based materials, while the outer bags for skincare products are composed of PLA material, and the outer bags for travel pouches utilize CPE biodegradable plastic. Additionally, the paper belly bands, wax paper for the dental kits, kraft paper box for earplugs, and informational cards are all made from FSC-certified materials sourced from legally and responsibly managed forests, reducing the environmental impact of both the products and their packaging.

A newly designed, eco-friendly in-flight amenity kit for Premium Economy Class

A newly designed, eco-friendly in-flight amenity kit for Premium Business Class

Best Practices

Achieving Zero Food Waste in the Park

China Airlines invested in two commercial food waste machines in mid-2024, which have been in operation since August 1, effectively handling food waste generated in the park. This commercial food waste machine employs heating, dehydration, and grinding methods for processing, as opposed to traditional enzyme degradation or chemical decomposition techniques. This approach further reduces environmental impact, and the process generates almost no odor. The food waste residue after processing is reduced by approximately 90% in volume compared to the original food waste. It is primarily utilized for composting and enhancing horticultural soil within the park, effectively achieving the goals of waste reduction and resource maximization.

The food waste machine helps achieve zero waste.

The processed food waste residue is applied on-site for horticultural activities.

Leafy vegetables · Peels · Food waste · Shells · Poultry bones · Bones

Stirring/Crushing — 30-40 min

Stirring/Heating — 7-11 hr

Stirring/Drying

Stirring/Cooling — 30 min

Treatment Flow of Food Waste Machine

CHINA AIRLINES

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Green Services and Communication

With passenger support as a key driver,. China Airlines offers a diverse range of eco-friendly services and invites passengers to join in supporting environmental sustainability. Through various channels and formats, CAL communicates environmental knowledge, corporate environmental initiatives, and outcomes to different audiences, fostering an internal culture of environmental conservation and shaping an eco-friendly brand. Additionally, each year, through prize-winning questionnaires, CAL conducts surveys to assess employee satisfaction with environmental information dissemination and gathers suggestions for improvement. In 2024, a total of 3,749 employees participated, with an overall satisfaction rate of 95.2%.

Targets	Key Points	Communication Channels	Performance in 2024
New Employees and All Employees	Cultivate sustainability awareness of employees and shape a culture of environmental protection	New Employee Training "China Airlines and Me'" Company email, China Airlines newsletter, startup screen, questionnaires, and quizzes	▪ A total of 23 mandatory in-person training courses for new employees were conducted, achieving a 100% execution rate. ▪ 20 articles on environmental sustainability and related activities. ▪ 3 sessions of environmental knowledge quiz events were held, attracting 3,749 participants with a satisfaction rate of 95.2%.
	Organized experience activities to consolidate environmental protection and sustainability consensus	Environmental Lectures	One environmental seminar titled "The Seasonal Variations of Taiwan's Forests: Lessons from the Mountains" was held, with a total of 98 employees participating. Instructor: Shu-Han Yang, Section Chief of Forest Recreation Division, Hsinchu Branch, Forestry and Nature Conservation Agency, Ministry of Agriculture. Group photo of the instructor with colleagues both physically present and joining online
Environmental/ Energy/Carbon Management Personnel (including partners of the Group)	Increase environmental protection and energy conservation knowledge and improve management capacity	In-person courses/ workshops and online e-learning courses	▪ 8 sessions of professional training on climate and sustainability governance to help mitigate negative effects of industrial and climate translation changes. The total number of participants was 610 ▪ One session of the Group's "Sustainability Governance Communication Meeting and Environmental Management Communication Meeting"
Passengers and Shippers	Share new knowledge on environmental sustainability and increase green consumption awareness	In-flight entertainment system, in-flight magazine (Dynasty), official website, and social media posts	▪ A selection of 12 in-flight environmental and ecological films. ▪ 12 environmental feature articles and reports were shared on social media, reaching a total of approximately 255,641 people. · · · ▪ Continue to disclose information of carbon footprint of routes. ▪ Set up the "Green Life Select section" on CAL's eMALL website.
Group (joint venture) Companies and Business Partners	▪ Expand sustainable influence by adding value to products and services ▪ Enhance environmental risk and opportunity management, strengthen carbon management, and build adaptive capacity	Regular/periodic risk and opportunity surveys, invitations to physical/online courses, annual management communication meetings, etc.	▪ CAL Group subsidiaries implemented and expanded the environmental management system in phases. ▪ 14 Group partners have completed 100% of the carbon inventory system implementation; in 2024, total greenhouse gas emissions for Categories 1 and 2 were 590,061 tons CO_2e, and for Categories 3-6 were 134,347 tons CO_2e. · · · ▪ 12 Group partners have set 24 energy and resource management goals, of which 19 have been 100% achieved. ▪ The up-to-date "CAL Group Code of Conduct" and "Supplier Code of Conduct".

CHINA AIRLINES

Green Services: You Can...

Ground Operations	Takeoff/Landing Process	During Flights	Preparing for the Next Journey
1. Use the China Airlines app for online check-in (if a paper boarding pass is still needed, paper boarding passes will be printed on FSC-certified paper), pre-select meals.(Note 1) 2. Utilize the e-menu service available in the VIP lounge at Taoyuan Airport. 3. Participate in the voluntary carbon offset program, "ECO Travel Carbon Offset." 4. Not to illegally transport endangered species of plants and animals. 5. Use "Eco Points (Green Points)" to offset the fare of the Mandarin Airlines Taipei-Kinmen flight.	1. (In summer) Close the sun-facing window shades to help conserve energy. 2. Experience fuel-efficient flight operations, such as executing continuous descents to achieve fuel savings.	1. Enjoy in-flight meals made with locally sourced or seasonal ingredients. 2. (Business class passengers) Place the order using the electronic menu. 3. Browse a variety of publications in the cloud bookstore to support weight reduction and fuel savings in the cabin. 4. Support recycling operations on twin-aisle aircraft. 5. Enjoy and support eco-friendly in-flight service items, use your own headphones to listen to music.	1. Apply the eMALL e-commerce platform to support sustainable procurement. 2. Support and follow China Airlines' participation in the "Pacific Greenhouse Gases Measurement (PGGM)" initiative and the SkyTeam The Aviation Challenge Campaign (Note2).

Note 1. In 2024, the pre-selection rate for Business Class increased by 0.11% compared to 2023, reaching 23.67%. Additionally, starting from July 2024, the pre-selection service has been available for Premium Economy Class on regional routes.

Note 2. In 2024, CAL was honored with the Future Proofing Strategies Award.

Future Plans

Optimize Climate Governance

Strategy

1. Steadfastly implement the carbon reduction pathway
2. Effectively address climate change

Plans

1. Strengthen the management and implementation of the carbon reduction pathway, including Science-Based Targets (SBTs): Robustly advance net-zero carbon measures based on the customized carbon reduction pathway, in alignment with international climate regulations and market expectations.

2. Promote low-carbon technologies and green innovation: Expand the installation of renewable energy facilities and energy storage systems, invest in emerging low-carbon technologies such as Sustainable Aviation Fuel (SAF) and new aircraft models, and continue to advance flight operations and innovative fuel-saving measures.

3. Deepen climate risk management and adaptation strategies: Optimize the climate risk assessment mechanism based on practical operational needs, continuously enhance the climate resilience of the supply chain and business model, and ensure the stable development of the Company.

Support Environmental Sustainability

Strategy

1. Steadfastly Enhance environmental sustainability across the value chain
2. Deepen communication on sustainability awareness

Plans

1. Promote the green transformation of the supply chain: Engage with suppliers through various channels to ensure compliance with environmental regulations or standards, and collaborate to improve environmental performance, including encouraging the use of renewable resources and carbon-reducing processes, while establishing green procurement and collaboration mechanisms.

2. Strengthen internal and external sustainability education: Deepen employees' environmental sustainability awareness and professional skills internally, while collaborating with suppliers and enhancing communication with passengers and shippers externally to jointly promote sustainable actions.

3. Expand green initiatives and collaborate with stakeholders: Work with governments, NGOs, and industry partners to jointly promote environmentally friendly policies and actions, enhancing the Company's impact.

2.4 Human Resources

✳ Highlights

TWD 209.5 billion in salary and benefits

Invested TWD 209.5 billion in salary and benefits

99.14% Union Participation

99.14% of employees participating in corporate union

Employee health examination superior to regulatory requirements

The items and frequency of health examination offered by CAL are superior to regulatory requirements

TWD 4.33 million in employee training

CAL actively organizes and manages professional training and invested TWD 4.33 million

Continuous Support for TALENT in Taiwan

On March 24, 2025, CAL announced its continued support for "TALENT, in Taiwan"

Recognition as one of the Best Companies to Work for in Asia

CAL awarded HR Asia Best Companies to Work for in Asia 2024

Management Approach

Material Issues

Ⓢ Attracting, Cultivating, and Retaining Diverse Talent

Ⓢ Labor Relations and Communication

Ⓢ Occupational Safety and Health

Importance of Material Issues

CAL regards employees as family. We are always willing to communicate with respect and strive to reach a mutual understanding through negotiation. We endeavor to create a more harmonious work environment based on an equitable, cooperative, and mutually respectful relationship. In such a work environment, labor and management reach a consensus through open and transparent negotiations and are more willing to engage in positive communication on collective agreement issues. CAL values the safety and health of passengers, employees, and all stakeholders. In addition to promoting the systematic management of occupational safety and health, we are committed to reducing occupational hazards, creating a friendly, safe, and healthy workplace, and pursuing a sustainable future.

Commitment

Commitment and Long-term Goals

We view our employees as our most valuable assets. CAL has improved and optimized working conditions and the work environment to establish a safe and growing workplace. CAL respects each individual labor union and communicates on their stated demands with empathy, views the labor rights of every employee as our first priority, and gives the same level of respect and resources to all labor unions by maintaining neutrality in accordance with laws.

Apart from regular labor-management meetings held by the Head Office and the China Airlines Employees Union (CAEU), a number of functional committees formed by management and CAEU have been established. CAL follows up and reports the results of follow-ups in the following meetings. CAL is dedicated to maintaining harmonious labor-management relations through open, efficient channels of communication, hoping that both the management and employees can work together to achieve equality and reciprocal outcomes.

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Long-term Goals

2025
1. We conducted four internal aviation knowledge-sharing sessions, with a total participation of 350 people.
2. Establishing the optimal learning path for CAL's aviation manage-ment talent pool
3. Percentage of female managers reaching 26%

2030
1. Between 2026 and 2030, CAL will conduct a total of 15 internal aviation knowledge-sharing sessions, with cumulative participation reaching 1,800 attendees.
2. Cultivating aviation management talents to reach 150
3. Percentage of female executives reaching 27%

2040
1. From 2031 to 2040, CAL will conduct a total of 30 internal aviation knowledge-sharing sessions, with cumulative participation reaching 3,600 attendees.
2. Cultivating aviation management talents to reach 400
3. Percentage of female executives reaching 30%

Unit in Charge — Corporate Sustainability Committee - Human Resources Task Force

Management Mechanisms
- The meeting of the Corporate Sustainability Committee, at least twice a year
- The Human Resource Task Force reports the KPI progress to the Corporate Sustain-ability Committee, every quarter
- A labor-management meeting, at least once every three months on a regular basis
- The meeting of Occupational Safety and Health Committee, every quarter on a regular basis
- Formulate Occupational Safety and Health Management Plan, Safety and Health Management Self-Inspection Plan, Workers' Health service plan to implement every year
- A personal information protection management review meeting, every year on a regular basis

Grievance Mechanism — Employee Relations Department: Human Resources Division
✉ wecare@china-airlines.com

Stakeholder Contact

Issue	KPI	2024			2025
		Objectives	Performance	Level of Compliance (Note 3)	Objectives
Occupational Safety and Health	Reduce the Frequency-Severity Indicator (FSI) by 5%	FSI 0.42	FSI 0.88	Above Target Value	FSI 0.42
	Pass the certification of occupational safety-related management systems	Passing ISO45001:2018, CNS45001:2018 and TOSHMS	Passed	100%	Passing ISO45001:2018, CNS45001:2018 and TOSHMS follow-up audits
Labor-manage-ment Relations	Convene labor-management meetings	4 times	6 times	100%	4 times
Labor Rights	Organizing training on sexual harass-ment prevention	1 time	1 time	100%	1 time

Note 1. Frequency-Severity Indicator (FSI) = $\sqrt{\text{Disabling Injury Frequency Rate, FR} \times \text{Disabling Injury Severity Rate, SR} \div 1,000}$

Note 2. 2022-2024 averages in the air transport industry published by the Ministry of Labor: FR=2.46, SR=36, FSI=0.29

2.4.1 Human Rights Due Diligence

`GRI 2-23.2-25.406-1.412-1`

To enforce the idea of human rights, CAL has established its human rights policies and management mechanisms based on the UN Guiding Principles on Business and Human Rights, international trends, and local laws and regulations. The establishment and amendment of CAL's Human Rights Policy require the signatures of the Company's Chairman and President. CAL's Human Rights Policy applies to CAL Group members, suppliers, partners, and all sites of operations. The Human Resources Task Force under the Corporate Sustainability Committee is responsible for the management of human rights management in order to enhance CAL's ability to respond to human rights risks in the value chain. In addition to ensuring CAL's respect for human rights, CAL supported the government business and human rights campaign and signed the "Letter of Intent for Promoting Business and Human Rights in Taiwan" in November 2022. CAL joined hands with several other companies in signing the "National Action Plan on Business and Human Rights". CAL also requires suppliers to sign the Supplier Code of Conduct during procurement to ensure that suppliers meet CAL's Human Rights Policy.

CAL's Human Rights Policy

In addition to complying with CAL Group's human rights policies, Mandarin Airlines has incorporated management measures for equality and anti-discrimination and whistle-blowing channels into their regulations and organized training on a regular basis. In 2024, Mandarin Airlines organized a "Mandarin Airlines and Me" workshop on sexual harassment prevention, a course on gender equality and friendly workplace and sexual harassment prevention for managers and regular employees, and safety and health training for preventing illegal infringement.

Regulations and Procedures on Human Rights	
Employee Code of Conduct	Employees should support company policies on human rights, fairly treat and respect for every employee, avoid infringing on the rights of others or become accomplices to human rights abuses. We not only implement policies to protect the human rights of employees, but have also established a management mechanism to ensure employee care. We do not use forced labor. We do not adopt race, gender, age, family, political affiliation, or religious beliefs as the criteria for employee assignment, performance evaluation, or promotion.
Human Resource Manual / Employee Complaints Regulation / Sexual Harassment Complaints and Disciplinary Actions Regulation	▪ Proclaimed employee human rights protection includes basic stipulations, freedom of employment, humane treatment, and prohibition of discrimination or sexual harassment. ▪ In January 2024, CAL conducted a "Sexual Harassment Prevention" seminar, and in November, we held an "E-Learning Course on Sexual Harassment Prevention." A total of 9,881 employees completed the training.
Sustainable Development Best Practice Principles — Child Labor Prohibited	Hiring people younger less than 16 years old is strictly prohibited to ensure full compliance with legal minimum age for employment. To safeguard the physical and psychological health and safety of employees whose age are below 18, hazardous assignments are strictly prohibited.
Supplier Code of Conduct	Human rights standards were specified in the Supplier Code of Conduct include: 1. Prohibition of child labor 2. Anti-discrimination 3. Remuneration and working hours 4. Freedom of labor 5. Respect for freedom of assembly and association, and the right to collective agreement.
Anti-discrimination Policies and Courses	Front-line staff must attend non-discriminatory policy courses for boarding passengers with physical and mental disabilities to ensure the interests of passengers.

Procedures for Identifying Material Human Rights Issues
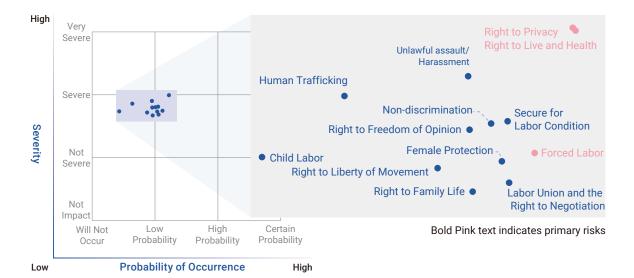
1 Examine Our Own Human Rights Management Mechanism and the List of Human Rights Risk Issues

2 Developed an Identification Framework based on the CAL Human Rights Policy

3 "Human Resources Task Force" identifies human rights risks in the upstream, midstream, and downstream segments of CAL's value chain (including new business relationships)

4 Sustainability Committee confirms the results of the risk assessment

5 Responsible unit formulates management and remedial measures

6 HR Task Force implements improvement measures

7 Publicize identification results and tracking of improvement status

Human Rights Risks Identification Results

CAL has identified human rights risks independently in accordance with the United Nations Guiding Principles on Business and Human Rights. The Human Resources Task Force first selects material human rights issues of the year through internal and external stakeholder engagement and issues risk identification questionnaires to stakeholders in the entire value chain (no new business relationships were established in 2024, such as material mergers & acquisitions). In 2024, it analyzed the material human rights risk issues of the year based on 340 valid questionnaires, while reviewing the occurrence nodes of human rights risks and material risk issues throughout the value chain in order to perform human rights due diligence and develop mitigation and remedial measures. The overall human rights risk level for CAL in 2024 was low, but we are still responding to three relatively major risk issues, including the right to privacy, the right to life and health, and forced labor.

Bold Pink text indicates primary risks

Mitigation and Remedial Measures for Material Human Rights Risks

In order to ensure the integrity of the human rights framework, CAL, in accordance with the United Nations Guiding Principles on Business and Human Rights on due diligence, worked with external consultants to develop and implement a human rights due diligence mechanism to review the mitigation and remedial measures for material human rights risk issues. Based on the three material risks identified, except that forced labor does not apply to the downstream of CAL's value chain, CAL has launched three major risk mitigation and remedial measures at each node of the value chain for various groups (including own employees, women, children, indigenous people, migrant workers, third-party employees, local communities) in the upstream and midstream as well as in the downstream. CAL also adapted the measures for all locations of operations across the globe based on the regulations of the host countries (65 branch offices, coverage 100%). In response to potential risks, CAL adopts early warning and remedial measures. Relevant information is described below.

Management of Material Human Rights Issues

Node of Value Chain		Human Rights Issues	Mitigation Measures (Prevention)	Remedial Measures (Response)
Upstream	Supply Chain Partners	Right to Life and Health	For general merchandise suppliers, there are quality assurance obligations in the terms of the purchase contract, stating that the supplier shall guarantee that its products are free from safety or hygiene hazards; if the nature of its products is inherently hazardous, warning labels and methods of handling should be prominently displayed	CAL has established a sustainable supply chain management mechanism, and the high-risk sustainability issues of supply chain partners are audited, guided, and improved through review
		Right to Privacy	Formulated the "Personal Information Entrustment Management Procedure" to regulate the matters requiring attention and rights and responsibilities for product / service providers entrusted to handle personal information. The Privacy Protection Policy and Statement on CAL's official website also specify that when CAL provides the involved party's personal information for the third party to use, the third party is requested to comply with the relevant policies, rules, and regulations	
		Forced Labor	▪ CAL has established the "Policy Statement on Sustainable Supply Chain Management" and "CAL Supplier Code of Conduct," requiring all suppliers to adhere to the elimination of forced labor and the protection of labor freedom. ▪ Kept abreast of the current status of critical suppliers management through the periodic supply chain sustainability risk survey. ▪ Through the 2024 Supplier Conference, CAL promoted guidelines on human rights and labor conditions.	

Node of Value Chain		Human Rights Issues	Mitigation Measures (Prevention)	Remedial Measures (Response)
Midstream	CAL's Operations	Right to Life and Health	▪ Established an Occupational Safety and Health Committee, which meets regularly every three months to review, coordinate, and make recommendations on safety and health related matters. ▪ CAL has been certified by ISO45001:2018, CNS45001:2018 and TOSHMS, and regularly conducts internal audits once a year as well as external follow-up audits once a year. Through the risk management mechanism, risk classification is carried out according to each type of operation and job category. ▪ The establishment of the "Occupational Hazard Management System" allows for the inquiry of historical occupational hazard-related information and facilitates statistical analysis to aid in the control and prevention of occupational hazards. ▪ Regularly conduct employee health checkups to achieve the goals of early detection, early prevention, and early treatment ▪ An "Employee Health Management System" has been set up so that employees can inquire about health check reports over the years, make appointments for physician consultation services, and record self-monitoring indexes to facilitate independent health management and disease prevention ▪ Regularly provide free influenza vaccination every year, and offer multiple channels for vaccination (stationed at various workplaces, subsidized by external hospitals, and scheduled vaccination at the airport medical center) to take care of employees' health ▪ In terms of aviation safety, CAL promotes a Safety Management System to prevent potential risks or hazards through continuous risk identification and management ▪ Established a safety reporting system to encourage all employees to proactively identify possible safety impact factors and strengthen risk control	▪ CAL operates through the Occupational Safety and Health Committee and follows the guidelines of the ISO 45001:2018 and TOSHMS occupational safety and health management systems. Utilizing the "Occupational Accident Management System," CAL regularly conducts statistical analysis of the company's occupational accident cases and reports and tracks subsequent safety and health management plans. ⌕ refer to section 2.4.5 of this report on Health and Safety in the Workplace ▪ Classified management based on health examination results, screening out high-risk groups and referring them to the Company's medical staff for one-on-one health care interviews to provide customized health guidance and referral to outpatient clinics ▪ Conducted relevant investigations through the Safety Management System, continuously optimized management through risk identification and proactive actions, and established a containment mechanism
		Right to Privacy	▪ According to CAL's "Personal Information Management System," we have established standard operating procedures for the collection, processing, and use of personal data to ensure compliance with regulations. We also conduct relevant training and seminars to enhance awareness of personal data protection.	▪ Formulated a standard operating procedure in accordance with CAL's "Personal Information Protection Management System" for collecting, handling, and using personal information to ensure regulatory compliance
		Forced Labor	▪ In our human rights policy, we declare a prohibition on forced labor. Additionally, our personnel operations manual and employee work regulations include procedures for employees to perform their duties in compliance with the human rights policy. ▪ Our crew scheduling employs a dispatch method that exceeds regulatory requirements, supplemented by a fatigue management mechanism and system as a reference for reviewing and adjusting schedules. We strive to distribute flight assignments as evenly as possible and conduct regular meetings to review and improve, proactively preventing potential factors leading to fatigue, and for avoiding or reducing overtime or excessive working hours. ▪ Conduct training to enhance flight crew members' understanding and awareness of relevant regulations. ▪ On specific flight segments, CAL reserves passenger seats or crew bunks to appropriately schedule in-flight crew rest periods, thereby alleviating work fatigue. ▪ We use scheduling or attendance systems to manage employees' daily working hours in compliance with regulations. ▪ We conducted personnel regulations training for managers to ensure they are well-versed in relevant government regulations and company policy requirements. ▪ All overtime work must be agreed upon by the employee and their supervisor; it is not mandatory. ▪ Conduct an expatriate willingness survey, respecting employees' preferences, and do not force those unwilling to be assigned overseas or to affiliated companies.	▪ We have established diverse channels for feedback and grievances. After employees submit their concerns according to the Employee Grievance Procedures, CAL addresses and responds to them, ensuring that employees receive appropriate handling when their labor rights are compromised. ▪ We operate various committees with employee participation to communicate on matters such as labor conditions, work environment, and workplace safety, and to ensure remedial improvements and preventive measures for the protection of rights. ▪ CAL consistently prioritizes human rights and the protection of employee rights. The number of special leave days and related benefits for employees exceed labor law requirements.

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02 Value Creation

03 Corporate Governance

ESG Data and Appendix

Node of Value Chain		Human Rights Issues	Mitigation Measures (Prevention)	Remedial Measures (Response)
Midstream	Joint venture	Right to Life and Health	▪ Conduct regular health checkups for early detection, prevention, and treatment. ▪ Partner with health exam hospitals to provide employees access to past reports, doctor consultations, and self-monitoring tools for better health management. ▪ Operate a quarterly Occupational Safety and Health Committee to review and coordinate safety matters. ▪ Implement a Safety Management System to identify and manage risks continuously.	▪ Based on regular health checkups, high-risk groups are identified, and company medical staff offer care, education, or referrals for further consultation. ▪ Occupational safety meetings and preventive measures are supported by regular analysis, reporting, and tracking of hazards to enable early risk detection and incident prevention.
		Right to Privacy	▪ Following the Taiwan Personal Information Protection Management System, CAL has established SOPs to ensure compliant collection, processing, and use of personal data, along with training to raise awareness.	▪ Established SOPs under the Personal Information Protection Management System to ensure compliant collection, handling, and use of personal data.
		Forced Labor	▪ Overtime requires mutual consent between employees and supervisors, respecting employee preferences. ▪ Work regulations define hours, overtime procedures, shift changes, and rest periods to ensure compliance with the Labor Standards Act. ▪ Training is provided to keep managers informed of regulations and aligned with company policies.	▪ Employees can file grievances via form, email, phone, or verbally, following the Employee Grievance Implementation Measures. ▪ CAL handles grievances per regulations to ensure proper treatment when labor rights are affected. ▪ Regular labor-management and occupational safety meetings are held to address labor conditions, work environment, and safety, ensuring ongoing improvement and risk prevention. ▪ CAL upholds human rights and protects employee interests through clear standards on special leave and compensatory benefits.
Downstream	Customers	Right to Life and Health	▪ CAL promotes a Safety Management System to proactively prevent aviation risks through continuous identification and management. ▪ For in-flight food safety, CAL follows "Caterer Selection Procedures," requiring local suppliers to hold third-party food safety certifications or official documentation from local health authorities.	▪ The Safety Management System conducts assessments to identify and control hazards, ensuring passenger flight safety through ongoing monitoring and review. ▪ CAL's "In-Flight Medical Consultation Service" offers passengers professional medical advice during travel, supported by the Taiwan Medical Association's "Caring Doctors on Board" program for immediate in-flight medical assistance.
		Right to Privacy	To ensure consumer trust in personal data protection, the Company complies with the R.O.C. Personal Data Protection Act, Civil Aviation personal data regulations, the EU GDPR, and other relevant laws. Personal information is collected, processed, and used only for authorized purposes, safely and reasonably, while enabling individuals to exercise their rights to access, correct, delete, restrict use, and withdraw consent.	CAL has formulated a link for "Inquiry and Application for Personal Data Rights" and set the DPO mailbox for customers to consult and apply for personal data rights; we also respond to customers within the period specified in the Personal Data Protection Act.
		Forced Labor	Not applicable (customer is not employed, no labor condition issue)	Not applicable (customer is not employed, no labor condition issue)

Note: For more information on privacy management practices, please refer to the Privacy Management section of this report at 2.1.6.

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In addition to the material human rights risks identified in 2024, CAL has always maintained an open attitude toward employees' membership in the union. As each CAL employee is an ex-officio member of the corporate union, they can freely participate in various union affairs or be directly selected as leaders in the union. CAL regularly holds negotiation meetings with the Employees Union to listen to the opinions of the union; employees can also join occupational unions outside the Company according to their own wishes, and CAL maintains an equally open attitude toward employees' membership in external occupational unions and does not resist substantive negotiations with any union.

CAL has established diversified communication channels, including regular labor management negotiation meetings, an employee care mailbox, a sexual harassment mailbox and associated grievance hotline, the "Speak Your Mind" Employee Portal, and Team+, an internal messaging software so that employees can put forward their opinions or suggestions. In addition, CAL has formulated the Employee Grievance Regulations. When employees' rights and interests are infringed or handled improperly, they can file a complaint in accordance with the regulations. If they disagree with the results of the complaint, they can also re-file the complaint to protect their rights. In 2024, there were a total of 11 grievances from CAL employees, which were mainly about the use of concessional flight tickets and workplace harassment, and all of the complaints have been answered and closed, and there were no discriminatory incidents.

Employee Grievance Cases from 2022 to 2024

	2022	2023	2024
Performance Review	0	1	2
Concessional Flight Tickets	1	3	0
Leave of Absence	1	0	0
Disciplinary Actions	5	1	2
Occupational Disasters	0	0	0
Salary	0	1	0
Illegal Infringement at the Workplace	1	6	3
Others	2	2	4
Total	10	14	11

CAL is committed to eradicating sexual harassment. We conduct annual training courses on the prevention of sexual harassment for both new and current employees. Information on the definition and types of sexual harassment, as well as the company's complaint channels, is disseminated through posters on our website and in the workplace. Employees can file complaints via a dedicated sexual harassment complaint mailbox or hotline. For cases falling under the Gender Equality in Employment Act, the Human Resources Department will form an investigation team within seven days of receiving a complaint. This team includes an external lawyer. Upon completion of the investigation, a "Sexual Harassment Incident Investigation Report and Handling Recommendations" is prepared, and a complaint committee meeting is convened. The committee is composed of at least 50% female members. If sexual harassment is confirmed, appropriate disciplinary action or other measures will be decided, and psychological counseling may be offered to both parties as needed. If the perpetrator of the incident is not a CAL employee, CAL will assist the victim and provide legal aid. Mandarin Airlines requires all new employees to take the "Mandarin Airlines and Me" course, which includes maintaining a friendly workplace and sexual harassment prevention. Mandarin Airlines also published a statement about the ban on sexual assault and harassment and posted information on sexual harassment prevention on the EIP website. In 2024, CAL had a total of five sexual harassment cases. Depending on the severity of each case, we implemented job transfers or administrative penalties. Starting from March 8, 2024, in accordance with legal regulations, we reported any sexual harassment complaints received from employees to the Ministry of Labor's Workplace Sexual Harassment Reporting System. In 2024, Mandarin Airlines had three sexual harassment incidents. Based on the severity, job transfers or administrative penalties were applied. In accordance with current legal regulations, if the cases fell under the Sexual Harassment Prevention Act, they were also reported to the competent authorities.

Grievances Against Sexual Harassment from 2022-2024

	2022	2023	2024
Number of Grievances	5	6	8
Number of Filing	3	5	5
Category	Improper behavior		
Outcome	Administrative disciplinary actions		

Employee Grievance
✉ wecare@china-airlines.com

Grievances against Sexual Harassment
📞 03-399-8922
✉ SHC@china-airlines.com

Employee Grievance/ Grievances against Sexual Harassment
📞 02-2514-2050
✉ SHC@email.mandarin-airlines.com

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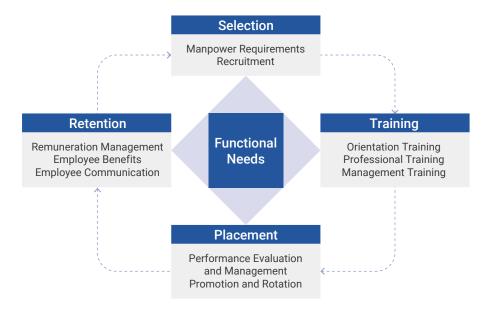
2.4.2 Recruitment and Retention

GRI 2-7.2-8.
202-2.401-1.405-1

Human Resource Management System

CAL recruits employees based on human resource needs and job requirements. New hires undergo duty-specific orientation training and begin work upon passing, followed by continuous training. Performance is regularly evaluated; outstanding staff may receive rewards, promotions, or job rotations to enhance capabilities. Annual bonuses are issued based on business performance. CAL provides competitive benefits and maintains multiple communication channels. Regular employee satisfaction surveys are conducted, with feedback reviewed and improvements made to boost retention.

Selection
Manpower Requirements
Recruitment

Retention
Remuneration Management
Employee Benefits
Employee Communication

Functional Needs

Training
Orientation Training
Professional Training
Management Training

Placement
Performance Evaluation
and Management
Promotion and Rotation

Workforce Structure of CAL Group

As of the end of 2024, the total number of employees of CAL and Mandarin Airlines were 11,518 and 954, respectively. Compared to the number of employees in 2023, CAL added 260 employees and Mandarin Airlines added 69. The number of employees employed by the two airlines is in compliance with the regulations. CAL responded to flexible work requirements for basic ground service and employed 141 dispatched workers. 🔍 Refer to Detailed Workforce Structure Tables in the Appendix

2024 Overview of CAL Group Employees

Employees	Total	Male	Female	Total	Male	Female
Full-time Employees	11,392	5,560	5,832	944	446	498
Non-full-time Employees	105	20	85	10	2	8
Temporary Employees	21	15	6	0	0	0
Total	11,518	5,595	5,923	954	448	506
Interns (Not Included in the Number of Employees)	34	8	26	16	7	9

Employs a total of 82 Indigenous individuals (43 males, 39 females) and 101 disabled individuals (63 males, 38 females)

Employs a total of 8 Indigenous individuals (0 males, 8 females) and 7 disabled individuals (4 males, 3 females)

Note 1.   Full-time employees are those whose contracted work hours are normal work hours.

Note 2.   Non-full-time employees are those whose contracted work hours are lower than normal work hours.

Gender Equality and Diversity

We value gender equality. In 2024, female employees accounted for 51.42% of CAL's total workforce, with 30.33% in managerial positions; at Mandarin Airlines, the figures were 53.04% and 26.97%, respectively. Due to the specialized nature of aviation roles, recruitment often reflects gender imbalances in relevant academic fields, which is a common societal trend 🔍 gender diversity targets are detailed in the appendix . CAL is committed to balanced career development, with equal pay for equal work regardless of gender. Female cabin crew may apply for unpaid leave or transfer to ground duties during pregnancy and may request to resume flight duties after maternity leave. Two breastfeeding rooms are available 24/7 at CAL Park. Male employees are entitled to seven days of fully paid paternity leave. To support work-life balance, CAL signed agreements with seven daycare centers and kindergartens in 2024 to offer employee discounts.

In terms of workforce diversity, CAL employed 82 Indigenous employees (0.71%) and 101 employees with disabilities (0.88%) in 2024, exceeding the legal quota since September 2015. Job redesign has been implemented for employees with disabilities, focusing on improving the work environment, conditions, and development opportunities. CAL also provides dedicated shuttle buses and regular health checkups. In addition, visually impaired massage therapists have been employed long-term to offer free on-site massage services, enhancing employee well-being while supporting employment for the visually impaired.

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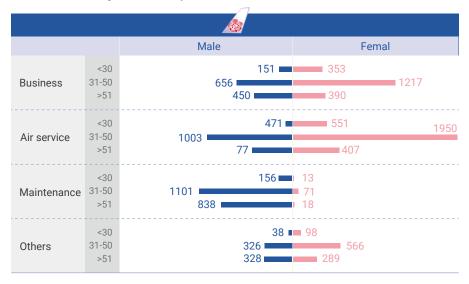
ESG Data and Appendix

Workforce Diversity of CAL Group in 2024

		Male	Femal
Business	<30	151	353
	31-50	656	1217
	>51	450	390
Air service	<30	471	551
	31-50	1003	1950
	>51	77	407
Maintenance	<30	156	13
	31-50	1101	71
	>51	838	18
Others	<30	38	98
	31-50	326	566
	>51	328	289

		Male	Femal
Business	<30	34	104
	31-50	86	153
	>51	24	22
Air service	<30	14	15
	31-50	49	102
	>51	41	17
Maintenance	<30	28	4
	31-50	49	6
	>51	57	2
Others	<30	10	19
	31-50	20	34
	>51	36	28

Local Employees

The flight network of CAL spans across the globe, and a large number of job opportunities are available. This results in contributions to local employment and economic development. About 85.89% of all CAL employees are based in Taiwan. The composition of CAL's international employees includes foreign pilots from 22 countries, and cabin crew from Vietnam, Japan, and Thailand. We also employ local employees in 25 countries around the world. CAL endeavors to provide a friendly work environment for our international employees, with equal opportunities and benefits to our Taiwanese employees.

Recruitment

Due to CAL Group's business growth and fleet/flight network expansion in recent years, we have recruited in various areas to meet the requirements of our growing business. To fulfill our commitment to social responsibility, we continue to promote industry-academia collaboration programs and employ people with disabilities. In 2024, CAL recruited 864 employees, including 846 full-time employees and 18 contract employees, accounting for 7.5% of the total workforce. Mandarin Airlines recruited 140 full-time employees, accounting for 14.68% of the total workforce.

Local Employment of CAL Group in 2024			
Company	Region	Employees	Management
	Taiwan	98.24%	100.00%
	China	95.36%	42.86%
	Asia	94.53%	42.99%
	Americas	62.81%	24.44%
	Europe	45.74%	18.52%
	Oceania	35.00%	21.43%
	Taiwan	100.00%	100.00%
	China	75.00%	29.17%

Note: Local employees refer to employees of the local nationality.
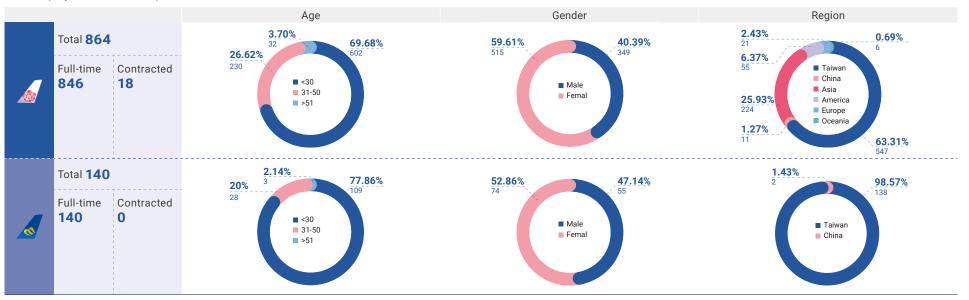
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New Employees of CAL Group in 2024

	Age	Gender	Region
Total **864** Full-time **846** / Contracted **18**	<30 69.68% / 602 · 31-50 26.62% / 230 · >51 3.70% / 32	Male 40.39% / 349 · Femal 59.61% / 515	Taiwan 63.31% / 547 · China 25.93% / 224 · Asia 1.27% / 11 · America 6.37% / 55 · Europe 2.43% / 21 · Oceania 0.69% / 6
Total **140** Full-time **140** / Contracted **0**	<30 77.86% / 109 · 31-50 20% / 28 · >51 2.14% / 3	Male 47.14% / 55 · Femal 52.86% / 74	Taiwan 98.57% / 138 · China 1.43% / 2

Employee Turnover

Over the past three years, CAL's average employee turnover rate was 5.36%. All employees are protected by employment contracts that clearly define rewards, disciplinary actions, and termination provisions, in compliance with the Labor Standards Act, including notice periods for resignation. In areas with higher turnover, we assess local labor laws, wage levels, and feedback from departing employees and managers to evaluate potential adjustments in compensation and benefits. Internal systems and incentive programs are also used to reduce turnover.

🔍 Refer to ESG Data and Appendix Employee Turnover Rate Table

In 2024, the number of employees leaving CAL decreased by approximately 0.59% compared to 2023. The proportion of involuntary departures increased by 0.35%, while the voluntary departure rate decreased by 0.94%. CAL will continuously optimize internal management to maintain low turnover.

At Mandarin Airlines, employee turnover in 2024 decreased by approximately 2.24% compared to 2023, mainly due to personal career plans with applications for retirement or resignation. Despite the decrease in the turnover rate, Mandarin Airlines will continue to provide diversified channels of communication for its employees and gradually enhance its employee benefit system to retain talent.

Employee Turnover Statistics of CAL Group for 2022-2024

Year	Turnover	Voluntary	Non-Voluntary	Turnover
2022	4.96%	3.66%	1.30%	13.44%
2023	5.85%	4.57%	1.28%	10.73%
2024	5.26%	3.63%	1.63%	8.49%
Average	5.36%	3.95%	1.40%	8.06%

CAL: 4.96% (2022), 5.85% (2023), 5.26% (2024), 5.36% (The average of the past 3 years)

MDA: 13.44% (2022), 10.73% (2023), 8.49% (2024), 8.06% (The average of the past 3 years)

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Employee Retention

Periodic Performance Evaluations Conducted on a Fair and Objective Basis

CAL conducts performance evaluations three times a year, covering all employees except those with insufficient service periods, with a 100% execution rate. The system includes performance interviews to provide feedback and support. If an employee requires assistance in improving their work performance or needs other consultations, the respective department will arrange agile conversations as needed to enhance communication and connection between supervisors and employees.

To ensure fairness, each employee at CAL is evaluated through multidimensional performance appraisal by several supervisors. Evaluation criteria are tailored by job level and professional function, covering core competencies and role-specific requirements. For managers, evaluations also include annual Management by Objectives (MBO) aligned with company strategy.

Cabin crew receive two-way performance feedback. Those with over one year of service are assessed based on attendance, rewards/disciplinary records, and job performance within standardized guidelines to ensure objectivity and avoid bias.

Sound Remuneration System

CAL offers competitive remuneration, benefits, and insurance based on company policy and overall earnings. Employees with outstanding performance may receive performance-based salary adjustments and promotions, ensuring transparency and fairness. Additional benefits include dividends, training, stock options, concessional airfares, work allowances, and flexible programs such as retirement packages—designed to meet diverse employee needs, strengthen employee-management relations, and enhance satisfaction and retention.

To support long-term retention and performance, CAL provides annual bonuses tied to business results and implements performance-linked increases in work allowances(eligible when achieving a certain performance rating or above). The employee stock ownership trust also features a mechanism for annually increasing company contributions, incentivizing long-term participation, with both components subject to caps after five years.

2.4.3 Employee Development

GRI 404-1
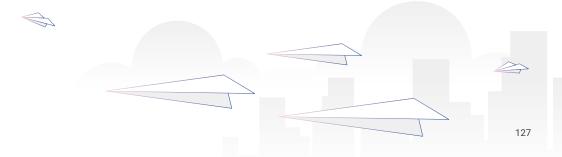
Sound Training System and Framework Training Framework

CAL has established a comprehensive training system to cultivate aviation professionals, combining on-site and online learning with investments in training hardware and software. Emphasizing both fundamental aviation knowledge and practical experience, CAL regularly offers management and general training aligned with its development strategy to strengthen employee expertise, cross-functional understanding, and interdepartmental collaboration.

The Training Advisory Committee oversees annual training plans based on the CAL training framework, aiming to equip all employees with the skills required for their roles. CAL also established the Talent Development Committee, chaired by the President, with senior vice presidents serving as members. The Talent Development Committee is responsible for regularly reviewing and improving training for potential talents. Each department refers potential talents to the Talent Development Committee, which then determines their qualifications and development paths. During training, potential talents are provided with appropriate job rotations and management skill training to build their management capacity and experience. In addition to the annual talent recommendations, CAL also selects talents from different levels and sets up management improvement courses and management training courses. CAL provides two-year courses based on the ranks of the employees to continue to enhance their management skills. CAL has always sought out and successfully trained many potential talents to serve as unit chiefs both at home and abroad. CAL will continue to provide them with opportunities to develop their careers, in hopes of achieving corporate sustainability.

In 2024, CAL invested approximately TWD 433 million in training and development, averaging TWD 37,600 per employee. Total training hours reached around 461,400 (average of 37.18 hours per employee), with a completion rate of 98.08%.

Training Framework				
	Skill Type	Orientation Training	On-the-job Training	Advanced Training
Strategic	Abilities required for employees to perform projects according to CAL business strategies	Organized ad hoc based on CAL's business operations and strategic development needs		
Professional	Qualities and skills required to perform specific duties or tasks	Basic Training for Various Professional Roles (divided into four main categories: Flight Crew, Maintenance, Operations, and Others)	• Model/class training • Annual retraining for each professional position	• Instructor training • Advanced job training (pilot in command / purser / supervisor)
Management	Knowledge and skills required for managerial positions	New manager training	Management skill training	Executive training / seminars
General	Knowledge, skills, and conduct required for every employee	"CAL and me" orientation training	Career experience camp	General aviation management training

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

Sound Internal Recruitment and Rotation System

CAL is committed to assigning employees to suitable positions through regular job rotations and internal training. Departments decide on rotations based on labor needs. An internal recruitment system allows employees to participate in selection according to their career plans, enabling flexible human resource use and optimal job placement. The internal hiring rate in 2024 was 56.46%, slightly up from 2023.

To ensure management flexibility and competency, CAL conducts regular management reviews and rotation evaluations. Managers serving three years in domestic departments, outstations, or joint ventures are included in these evaluations per relevant regulations.

Employee Development Programs Supporting CAL's 2024 Business Objectives

To align with CAL's operational growth, talent cultivation, and digital transformation, we have implemented comprehensive training initiatives. Our two-year Management Advancement Program and Management Training Program focus on leadership development, digital transformation trends, communication, team morale, and accountable leadership. These programs include mentorship, study groups, and internal sharing sessions to foster mutual learning and develop leadership talents.

We also provide diversity, equity, and inclusion (DEI) courses across all employee levels, contributing to a reduction in voluntary turnover from 4.57% in 2023 to 3.63% in 2024 and increased employee engagement.

see section 2.4.4 on employee rights/communication/engagement

In support of digital transformation, CAL offers ongoing AI and big data training to enhance employees' skills and improve work efficiency.

Human Capital ROI

Through educational training, we can align our employees with the company's strategies and business objectives, fostering mutual growth and continuously enhancing corporate assets, thereby establishing a foundation for sustainable operations. In recent years, CAL has adopted the Human Capital ROI metric to estimate the returns generated from human capital investments and to serve as an indicator of the company's medium- and long-term performance. Although 2024 saw rising operational costs related to inflation and oil prices, employee salaries and benefits also increased. However, due to the continued growth in demand for passenger and cargo services, the company's revenue increased significantly, resulting in an improvement in this metric compared to the previous year.

Human Capital ROI			
	2022	2023	2024
Human Capital ROI	1.29	1.27	1.42

Note: Human Capital ROI = Income - [Operating expenses - (Salary + Benefits)] / (Salary + Benefits)

Training to Promote Awareness of Diversity, Equality, and Inclusion

To create a positive workplace environment and promote a "diverse, equal, and inclusive" work setting, CAL continued to offer relevant courses in 2024. These included "Team Synergy" retraining for domestic managers to further strengthen trust between supervisors and colleagues, and "Team Leadership and Skills" courses for frontline supervisors to enhance on-site leadership and communication skills. We also provided courses on "Intergenerational Communication" and "Cross-Departmental Collaboration" for all employees, regardless of full-time, contractual or part-time status. Additionally, we continued the Expert Sharing Series to raise awareness of different cultures and values across generations and departments, aiming to enhance mutual understanding, respect, inclusion, and promote legacy. We increased offerings of various courses to improve work efficiency and skills for grassroots employees, including work management, business negotiation, and problem-solving, striving to provide self-development resources for employees at all

levels. Furthermore, starting in 2024, we continued the "Me and CAL" retraining for new employees who have completed one year, to assess learning and development progress and feedback, serving as a channel for care and two-way communication.

Industry-Academia Collaboration

CAL has a wealth of practical experience sound aviation training facilities and courses. We actively support the "Industry-Academia Collaboration for Technical Colleges and Universities and Talent Cultivation" initiative promoted by the Ministry of Education and we have promoted the campus talent development program since 2013. CAL has cooperated with colleges and universities nationwide to offer internship programs that last for six months to one year in a wide variety of fields. CAL also offers interns scholarships and allowances and arranges training courses for them. To start an internship, interns are required to pass the training courses first. CAL will continue to strengthen industry-academia collaboration and provide students with opportunities to gain aviation expertise and make their career plans, and thus help CAL recruit potential talents.

In 2024, operations gradually returned to normal, allowing us to resume various industry-academia collaborations (totaling 40 participants across 20 schools). In 2024, Mandarin Airlines conducted industry-academia collaborations (totaling 16 participants across 6 schools).

☆ Best Practices

Continuous Support for TALENT in Taiwan

Talent development has always been a core focus for CAL. On March 24, 2025, CAL reaffirmed its support for "TALENT, in Taiwan" in partnership with CommonWealth Learning and other enterprises, promoting sustainable talent development in line with ESG trends and global emphasis on human capital. CAL continues to align training programs with its operational strategies, enhancing service quality while preserving corporate culture and values.

In line with the 2025 alliance theme, "Diversity, Equality, and Inclusion 3.0," CAL will offer employees more resources for personal growth, cross-departmental exchange, and professional development. These efforts aim to strengthen team performance, foster shared success, and support the company's long-term sustainability goals by empowering every employee to build a stronger, brighter future.

CAL announces its continued participation in TALENT in Taiwan

☆ Best Practices

Honored as a mentor for the National Civil Service Academy-Take-Off Program for Senior Civil Service

Since 2022, China Airlines has accepted the invitation of the National Civil Service Academy's "Take-Off Program for Senior Civil Service" every year to help cultivate government talents, planning relevant units to arrange job internship courses for senior civil servants trained in the company, and the chairman will serve as the mentor.

2.4.4 Employee Rights `GRI 2-30.201-3.401-2.401-3.402-1.405-2`

CAL values employee well-being and feedback. In addition to regular salary and benefits reviews and labor-management meetings, CAL has established multiple communication channels and activities to strengthen cohesion. We also respect the independence of labor unions and maintain positive communication in accordance with the law.

Employee Care

Salary and Benefits

CAL believes employees are its most valuable assets and is committed to balancing employee welfare with shareholder interests. We offer competitive, non-discriminatory salaries and benefits regardless of gender, race, religion, political affiliation, or marital status. In principle, salary adjustments are planned every year based on the company's operating conditions, changes in the minimum wage, living standards such as prices, and relevant information such as the situation of other airlines, so that colleagues can share the consequent of company operations and be more engaged to work. In 2024, the average salary increase was 5.01%. Employees required to work overtime received fair compensation in accordance with regulations, and no one was forced to work against their will.

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Male:Female Salary Ratio of CAL Group in 2024 (Female Salary is 1)				
Company	Category	Base Salary	Bonus	Remuneration
	Business Operations	1.13	1.16	1.14
	Flight and Cabin Crews	1.08	1.09	1.08
	Maintenance Personnel	1.12	1.06	1.09
	Others	1.16	1.13	1.15
	Business Operations	1.04	1.07	1.06
	Flight and Cabin Crews	1.4	2.73	2.27
	Maintenance Personnel	1.16	1.43	1.31
	Others	1.07	1.19	1.14

Note 1. Remuneration = base salary + bonus

Note 2. Female salary is 1 in this Salary Ratio Table.

Note 3. Flight and cabin crews: Flight and cabin crews include pilots and cabin crew, pilots were mostly male, while cabin crew were mostly female. Pilots' salaries are higher than cabin crew', resulting in a large difference in the male / female salary ratios. Others: others include executives higher than the rank of vice president, auditors, accountants, information technology personnel, and other employees that are not within the aforesaid categories.

Note 4. Base salary: Basic pay; bonus: pay outside base pay.

In accordance with the Taiwan Stock Exchange Corporation Rules, CAL reports that in 2024 it employed 9,876 full-time non-managerial staff, an increase of 223 from the previous year. Total salary was TWD 22,149.162 million, with an average of TWD 2.243 million and a median of TWD 1.722 million. Compared to 2023, total salary increased by TWD 2,120.172 million, the average salary by TWD 168,000, and the median by TWD 177,000.

🔍 Details of the annual total compensation ratio are provided in the appendix.

Full-time Employees not in a Managerial Position	Numerical Value	Difference from the Previous Year
Number of people	9,876	⬆ 223
Total Salary (TWD million)	22,149.162	⬆ 2,120.172
Average Salary (TWD million)	2.243	⬆ 0.168
Median Salary (TWD million)	1.722	⬆ 0.177

🔍 refer to the Appendix for more information on the gender pay gap analysis

Pension Scheme

CAL places great importance on protecting employee rights. Pension fund management is reported quarterly to the Labor Pension Reserve Supervisory Committee. Each year, contributions are allocated based on actuarial assessments and legal requirements. The contribution rate is 6% under the new pension system and 15% under the old system—the legal maximum—fully allocated in accordance with Paragraph 2, Article 56 of the Labor Standards Act to ensure employees receive their entitled retirement benefits.

(Unit: TWD million)

Salary, Benefits and Pension Reserve Fund of CAL Group in 2024				
	Item	2022	2023	2024
	Salary	17,372	17,291	20,756
	Benefits	197	194	197
	Pension Reserve Fund	7,437	7,740	8,469
	Salary	740	800	990
	Benefits	3.6	4.8	5.3
	Pension Reserve Fund	409	437	465

Note: Benefits offered by CAL/Mandarin Airlines included travel allowances, allowances for the elderly, scholarships for employees' children, Labor Day gift money, spring parties, and anniversary expenses.
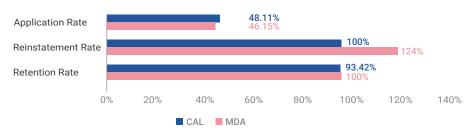
Unpaid Parental Leave

CAL supports the government's unpaid parental leave policy, enabling employees to balance work and family. In line with the Gender Equality in Employment Act, employees may take up to two years of unpaid leave before their child turns three and may apply for early reinstatement based on family or career needs. In 2024, CAL received 456 applications for unpaid childcare leave.

Employees are also entitled to 8 weeks of paid maternity leave and 7 days of paid paternity leave. If paternity leave overlaps with business trips or holidays, it may be deferred within 15 days. CAL's leave policies are more favorable than statutory requirements. 🔍 Refer to the Appendix Unpaid Parental Leave of CAL Group Tables

	CAL	MDA
Application Rate	48.11%	46.15%
Reinstatement Rate	100%	124%
Retention Rate	93.42%	100%

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Benefits for CAL Employees

Item		Explanation	Compliance Level
Unpaid Leave	Care for Family Members	Applicable when an employee's spouse or direct relative is seriously ill or when necessary	Beyond Compliance
	Illness	Applicable when an employee is seriously ill and has not recovered after taking relevant leave in accordance with regulations	Beyond Compliance
	Joining Family on Overseas Assignment	Dependents of employees assigned overseas may apply for unpaid leave	Beyond Compliance
	Advanced Education	All employees are eligible to apply, regardless of their school or major, provided that the field of study is related to their current position or aligns with company needs and is recognized by the Ministry of Education	Beyond Compliance
Paid Benefits and Compensatory Leave		Ground service personnel receive 7 additional leave days annually in lieu of working national holidays. This leave is paid and is provided for employees to use for various needs (such as temporarily taking care of family members or other personal matters)	Beyond Compliance
Paid Sick Leave		Employees receive full salary for the first 5 days of non-hospitalized sick leave annually; from the 6th to 30th day, half salary is provided. Hospitalized sick leave is fully paid for up to 45 days	Beyond Compliance
Year-end Bonuses / Dividends		Year-end bonuses are distributed based on CAL earnings. Employee dividends are issued in accordance with individual performance and annual business goals	Beyond Compliance
CAL Retiree Association		CAL supports the CAL Retiree Association, which holds quarterly gatherings to promote interaction among retirees. The company provides funding and support	Beyond Compliance
Employee Benefits		Employee benefits include wedding and childbirth cash gifts, disaster relief subsidies, travel subsidies, scholarships, elder allowances, emergency loans, birthday gifts, Labor Day vouchers/cash, and funeral allowances	Beyond Compliance
Paid Annual Leave Scheme		Leave days provided by CAL exceed the requirements under the Labor Standards Act	Beyond Compliance
Childcare		CAL has contracts with 7 daycare centers across Taiwan to support childcare needs	Beyond Compliance

Item	Explanation	Compliance Level
Breastfeeding Environment	Breastfeeding (collection) rooms are provided at the workplace, along with maternity health consultations, job suitability evaluations, and risk control advice for pregnant or postpartum employees	In Compliance
Group Health Insurance	Group insurance includes medical, accident, and critical illness coverage. Dependents may join at preferential rates	Beyond Compliance
Commuting	Shuttle services are available for general commuters, shift workers, cabin crew, and employees with disabilities, covering routes from Keelung, Taipei, and New Taipei City to Taoyuan and Zhongli	Beyond Compliance
Flexible Work Hours	Ground staff in CAL Park who do not use shuttle services may apply for flexible work hours (up to one hour daily) with supervisor approval; each application must cover at least three months	Beyond Compliance
Concessional Flight Tickets	Employees and their dependents enjoy free and concessional flight tickets on CAL flights and code-shared concessional flight tickets from other airlines.	Beyond Compliance
Employee Stock Ownership Trust	Participation in the employee stock ownership trust is voluntary. Contributions are deducted monthly based on salary grade	Beyond Compliance
Resignation Program	Employees are eligible for CAL's resignation benefits if they apply for resignation after 10 years of service and meet the requirements.	Beyond Compliance
Psychological Counseling	Psychological counseling is available to support employee well-being and stress management	Beyond Compliance
Health Check and Promotion	Health check-up programs exceed regulatory requirements, including advanced cancer and cardiovascular screenings from 2023 onwards. Family members are also eligible. Based on results, health risk classifications, one-on-one consultations, and referral services are provided. Maternity health protection surveys are distributed to pregnant or breast-feeding employees, with results reviewed by contracted physicians. CAL regularly invites doctors, nutritionists, and experts to host diverse health promotion activities	Beyond Compliance
Sport Initiatives	CAL offers sports facilities (basketball courts, badminton courts, fitness rooms) and organizes activities such as softball, basketball, and badminton competitions. Sports club activities are also subsidized	Beyond Compliance
Job Transfer	Offer the opportunity for part-timers for application of transferring to full-timers	Beyond Compliance

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Employee Communication

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

Diverse employee communication channels

1. **Labor-management Meetings**
   The head office holds regular meetings with representatives of the China Airlines Employees Union(CAEU) and all front-line units also convene meetings with the respective branches of the union.

2. **Supervisor Mailbox**
   CAL encourages employees to express opinions and give suggestions through the level 1 manager mailbox.

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

4. **wecare@china-airlines.com e-mail**
   The Human Resources Division has set up a dedicated mailbox to provide employees with grievance channels and protect employee rights and interests.

5. **Sexual Harassment Mailbox and Hotline**
   CAL's Human Resources Department has established a confidential mailbox (SHC@china-airlines.com) and hotline (03-399-8922), with dedicated personnel handling cases.

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

Note: In the event of a mass redundancy due to a major change in operations, CAL shall process related matters in accordance with the Act for Worker Protection of Mass Redundancy. Under general conditions, CAL shall, at least 60 days prior to the occurrence of the mass redundancy, inform the competent authority and other relevant agencies or personnel of its redundancy plan and announce it by publishing an announcement.

Labor Unions   GRI 102-41

CAL maintains open communication and cooperation with all labor unions, treating each with equal respect in accordance with the law. In 2024, there were no major labor disputes or strikes. The China Airlines Employees Union (CAEU), which has the highest employee participation rate at CAL, is a member of the National Federation of Aviation Industry Employees' Unions and the Taiwan Confederation of Trade Unions. CAEU has six subordinate branches, classified according to the members' or operations' locations:

Branch 1	Divisions in Head Office
Branch 2	Flight Operations Division
Branch 3	Cabin Crew Division and In-flight Supply Chain & Marketing Division
Branch 4	Maintenance Division, Engineering Division, and Quality Assurance Division
Branch 5	Taipei Branch, Ground Service Division, and Cargo Sales, Marketing & Service Division
Branch 6	Kaohsiung Branch, Kaohsiung Cargo Department, Kaohsiung Maintenance Group

The Mandarin Airlines Employees Union (MDAEU) comprises six subordinate branches:

Branch 1	Divisions in Taipei Head Office
Branch 2	Flight Operations Division and Operation Control Center
Branch 3	Inflight Services Department
Branch 4	Customer Service Division (Taipei, Kinmen, Taitung, and Nangan)
Branch 5	Engineering & Maintenance Division
Branch 6	Customer Service Division (Taichung, Magong, Hualien, and Kaohsiung)

All CAL employees, except senior managers as defined by the union constitution, are members of the China Airlines Employees Union and are covered by a collective agreement first signed in 2002—the first of its kind in Taiwan's aviation industry. The agreement was renewed for the seventh time on January 14, 2025. CAL also signed a collective agreement with the Pilots Union Taoyuan on December 29, 2021. Mandarin Airlines signed its collective agreement with the Employees Union in January 2017. These agreements cover union support, labor-management cooperation, dispute resolution, employment and termination, working hours, leave, salary, allowances and bonuses, transfers, rewards and disciplinary actions, benefits, training, and occupational safety and health. Each agreement is reviewed and renegotiated every three years. During the renewal process, the existing terms regarding working conditions remain in effect by law.

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CAL and Mandarin Airlines maintain cooperative and communicative relationships with CAEU and MDAEU, respectively, based on mutual dependence and partnership. Over the years, both parties have established diverse communication channels, and all resolutions are addressed upon reporting. Minutes from labor-management meetings held at the Head Office are made available to all employees via the CAL and Mandarin Airlines websites. In 2024, CAL and CAEU held six labor-management meetings, while Mandarin Airlines held three quarterly meetings with MDAEU in accordance with legal requirements. Both companies remain committed to fostering harmonious labor relations through open and efficient communication.

Union Participation Rate of CAL and Mandarin Airlines

Company	Item	2022	2023	2024
	Number of Participants	9,382	9,621	9,794
	Participation Rate	98.41%	99.17%	99.14%
	Number of Participants	747	829	902
	Participation Rate	99.34%	98.57%	97.72%

Note 1. The number of CAL participants refers to the number of people being members of CAEU in the year (including employees in Taiwan and expatriates); part-time and contracted employees are not included.

Note 2. The number of Mandarin Airlines participants refers to the number of people being members of MDAEU in the year (including employees in Taiwan below the rank of vice president (inclusive) and expatriate executives in mainland China); temporary employees (interns), hourly-paid work-study students, executives transferred from CAL, and employees in mainland China are not included.

Note 3. The collective bargaining coverage rate of CAL/Mandarin Airlines is equal to the labor union participation rate.

Employee Engagement

CAL has established diverse and accessible communication channels to reflect its belief that employees are the Company's most valuable asset. To understand employee perspectives and needs, CAL conducted an employee engagement survey from December 9 to 27, 2024. Administered anonymously via online questionnaire by an external consulting firm, the survey covered six major dimensions: Corporate Culture, Leadership Culture, Work and Development, Employee Engagement, Work Environment, and Compensation and Benefits. The questionnaire also included items related to job satisfaction, purpose, happiness, stress, psychological resilience, and multiculturalism. Sample statements included: "I am proud to serve at CAL," "Overall, I am satisfied with my compensation," "My supervisor effectively communicates company policies and goals to colleagues," "My team's work atmosphere values diverse perspectives," "I am able to maintain a balance between work and personal life," and "I will not let personal emotions affect my work performance".

A total of 6,161 valid responses were received (response rate: 61.6%; male: 3,126 [50.74%], female: 3,035 [49.26%]), marking the highest participation rate in the survey's history. This reflects growing employee confidence in the survey and CAL's

follow-up actions. Survey results indicated the highest approval for compensation and benefits, followed by employee engagement, corporate culture and career development, leadership culture, and work environment. The overall satisfaction score rose to 7.9, up from 7.8 in 2022. Notably, career development and leadership culture saw the greatest improvements.

Following the previous survey, CAL launched improvement programs focused on accountability, cross-generational communication, and workplace friendliness. The latest survey results not only helped assess the effectiveness of these initiatives but will also be reviewed internally to design a new round of actions aimed at continuously enhancing the employee experience.

In 2024, CAL organized a variety of employee engagement activities, including six corporate visits—two of which were themed around the Double Ninth Festival to honor parents—allowing employees' families to better understand the workplace and strengthen shared connection with the Company. CAL also hosted retirement planning seminars, health and stress-relief days, and holiday care events, reinforcing employee well-being and aligning with corporate sustainability goals. We promote a positive and supportive work environment through three pillars: the "Work Side" (pleasant workplace), "Family Side" (family-friendly measures), and "Health Side" (physical and mental wellness). Additionally, CAL conducts the "Me and CAL" retraining program for employees after one year of service to assess development, provide continued support, and gather suggestions for future improvements.

To further enhance workplace comfort and inclusiveness, CAL will allow frontline employees to choose women's trouser uniforms starting in 2025, aligning with trends in diversity, equality, and inclusion.

⭐ Best Practices

Recognition as One of the "Best Companies to Work for in Asia" in 2024

The Best Companies to Work For in Asia Award, organized by the renowned HR publication HR Asia, is one of the most prestigious honors in the field of human resources management across Asia. CAL has been recognized for two consecutive years, standing out among 368 outstanding companies.

This achievement reflects our ongoing efforts to cultivate aviation professionals through comprehensive training programs, diverse career development opportunities, effective communication channels, and a healthy, safe, and inclusive workplace. In addition to providing competitive compensation and benefits, CAL was once again honored with the "Asia's Best Employer Award" this year, underscoring our dedication to sustainable talent development and reinforcing our reputation as Taiwan's airline of choice. Together with our employees, we continue to achieve shared success and reach new milestones.

2.4.5 Healthy and Safe Workplace GRI 403

International Safety and Health Management System Dual Certification GRI403-1.403-8

In response to the trend of globalization and international labor development, we comply with domestic and international safety and health standards, as well as enhance the efficiency of safety and health management and promote systematic management measures. Since 2016, we have established an independent safety and health management system, and are committed to aligning our risk management capabilities with those of the rest of the world.

Headquarter's Taoyuan area has been qualified by OHSAS18001 and TOSHMS since 2016~2018; in 2019, it was converted to ISO45001:2018, CNS45001:2018, and TOSHMS. In accordance with the "Safety and Health Internal Audit Management Procedures", we will perform internal audits of each unit once a year. We continue to accept external audits and commission SGS to conduct regular tracking audits once a year. Through the risk management mechanism, risk classification is carried out according to each type of operation and job category. The scope of application includes 10,016 employees (95.1%) and 381 non-employees (4.9%), accounting for 100% of the total number of employees and non-employees of CAL, except for overseas employees and non-employees who are not included in the consolidated statistics, e.g., overseas locations are not included in the consolidated statistics because the occupational safety and health management system is established in accordance with the laws and regulations of the respective countries.

Category	Hazard Risk Classification	Job Type (Examples)
Category 1	Significant Occupational Risk	Maintenance staff, flight crew, cabin crew, transportation staff, cargo loading personnel
Category 2	Moderate Occupational Risk	Information equipment, plant electrical and mechanical air conditioning equipment maintenance personnel
Category 3	Low Occupational Risk	Office administrators

Taipei Branch and Kaohsiung Branch operate under the Occupational Safety and Health Management System of the head office in Taoyuan, Taiwan, and the Engineering & Maintenance Organization has been certified as ISO45001:2018 compliant from 2022 onwards. The scope of verification covers aircraft maintenance operations.

The Occupational Safety and Health Policy of CAL is committed to the goal of "complying with legal regulations and building a healthy workplace." by establishing a robust occupational safety and health management system. We actively allocate necessary resources, provide training, implement risk management, eliminate potential hazards, and pursue continuous improvement to support sustainable corporate development. In 2024, we continued to monitor and improve our performance through safety and health indicators—both proactive (e.g., safety program proposals) and reactive (e.g., occupational accidents, penalties, audit findings). Performance metrics for each unit were regularly reviewed during Occupational Safety and Health Committee meetings to enhance workplace safety and promote employee well-being.

Unfortunately, a fatal workplace accident occurred at a maintenance facility in 2024, resulting in 6,000 lost days and preventing us from meeting our FSI (Frequency-Severity Index) target of 0.42. In response, CAL has implemented daily inspections of high-risk operations at all maintenance production units to prevent recurrence. Despite the incident, CAL's disabling injury frequency rate (FR) stood at 2.29—remaining below the pre-pandemic 2019 average (FR 2.97) and the post-pandemic 2022–2024 air transportation industry average (FR 2.46). Additionally, one minor contractor injury occurred in 2024, resulting in a 3-day loss. A total of 1,565 occupational safety inspections were conducted across CAL workplaces, identifying 146 deficiencies. All issues were promptly addressed and rectified, with a 100% completion rate under the supervision of the occupational safety management unit.

Establishing an Occupational Safety and Health Policy GRI 403-4

CAL has established an occupational safety and health policy with the following targets: a total injury index (FSI) below 0.42, an employee annual health check-up participation rate of over 70%, and an achievement rate of over 80% for health education among those with significant abnormalities. Upholding the principle of "Safety First," we are committed to "providing a safe working environment" and "safeguarding the rights and interests of stakeholders" to achieve the five major goals of our safety and health policy. Additionally, we have implemented an occupational safety and health management system, actively providing necessary resources and training, enforcing risk management, eliminating potential hazards, and continuously conducting hazard identification, assessment, and improvement to pursue sustainable corporate development. After discussing with labor representatives and signed by the chairman of the board of directors and the president, the Occupational Safety and Health Policy was formulated and published on December 1, 2016 in accordance with the ISO45001 standard, and is regularly reviewed annually. The Occupational Safety and Health Policy applies to all employees in our own operations, contracted employees, outsourced manpower, and contractors, and we provide a variety of channels, such as questionnaires, committees, and occupational safety and health zones, to promote consultation and participation of workers in the field of occupational safety and health.

The Occupational Safety and Health Committee is established by law to oversee workplace safety and health. It is chaired by the president, with one deputy chairperson and one executive secretary appointed. The committee members include supervisors from designated units, occupational safety and health personnel, engineering and technical staff, medical personnel, and labor representatives who make up over one-third of the members, designated by the labor union. The committee meets quarterly to review occupational accident statistics, analyze cases, and monitor the implementation of safety and health management plans. In 2024, the committee reviewed and completed 15 safety and health proposals.

Occupational Safety and Health Policy

Five Major Goals of CAL's Occupational Safety and Health

1 Establish and implement a comprehensive Occupational Safety and Health Management System

2 Encourage employee participation in occupational safety and health matters

3 Provide a safe and comfortable working environment to protect employees' physical and mental well-being

4 Effectively identify and assess risks to reduce the occurrence of occupational accidents

5 Regularly review and optimize the performance of occupational safety and health management

Proportion of Labor Representatives in Occupational Health and Safety

Company	2022	2022	2024	2024 Number of Labor Representatives	2024 Total Number of Committee Members
Taipei Branch	36.36	36.36	33.33	3	9
Taoyuan (%)	37.73	37.74	38.46	20	52
Kaohsiung Branch (%)	35.29	35.29	37.50	6	16
EMO Park (%)	34.78	34.78	34.29	12	35
	33.33	33.33	33.33	5	15

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

Enhancing Operational Safety and Implementing Hazard Identification, Risk Assessment, and Accident Investigation GRI 403-2.403-9

CAL has established an "Occupational Safety and Health Management Manual" and follows procedures for emergency response, accident notification, investigation, and assistance. Employees can stop work or leave immediately if they encounter immediate hazards without fear of punishment.

In 2024, CAL's occupational injury frequency rate (FR) was 2.29, severity rate (SR) 339, total injury index (FSI) 0.88, and absenteeism rate (AR) 1.42%. The main cause was unsafe employee behavior causing falls and injuries. A fatal work accident at the maintenance facility led to 6,000 lost workdays, increasing the SR and FSI. Despite this, the FR remained below the 2019 pre-pandemic rate (2.97) and the 2022–2024 industry average (2.46). CAL had 141 outsourced personnel and 381 contractors; one minor contractor injury caused 3 lost days. CAL continues to promote injury prevention and training. 🔍 Refer to the appendix for injury statistics and trends

Comparing the Frequency-Severity Indicator (FSI) Over the Past 3 Years

Legend: 2022, 2023, 2024

	2022	2023	2024
Taoyuan Head Office	0.03	0.37	0.32
Maintenance Division	0.16	0.13	1.51
Taipei Branch	0.69	0.09	
Kaohsiung Branch		0.75	0.07
Total	0.10	0.33	0.88

In 2024, following the "Health Risk and Opportunity Management Procedure," "Safety and Health Performance Monitoring and Measurement Procedures," and "Corrective and Preventive Measures for Safety and Health Non-conformities," CAL received 212 safety reports from staff, all of which were addressed and closed. An additional 91 cases were handled, achieving a 100% completion rate. The false alarm report rate improved by 75% compared to 2023.

The Occupational Safety and Health units conducted risk assessments on occupational hazards and sensitive groups, implemented hazard identification, and applied hierarchical controls to eliminate or reduce risks. They also established performance evaluation systems for continuous improvement. In 2024, these units developed 58 occupational safety and health management programs, achieving over 100% of the target.

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Identification of Major Hazards

China Airlines achieved 100% completion in hazard identification and risk assessments for common safety risks (e.g., slips, falls, collisions). Slip injuries from unsafe behavior were most common, with corrective actions completed. All departments also completed assessments for physical, ergonomic, chemical, biological, and psychosocial hazards. Key measures as below:

Ergonomic Hazards

Under the "Ergonomic Hazard Prevention Program" a proactive health status survey was conducted for 230 employees. Among them, 23 were identified as potential cases of ergonomic hazard exposure. Workplace assessments were completed for these individuals to understand their work patterns and provide appropriate occupational safety and health recommendations. Additionally, one seminar on ergonomic hazard prevention was held, with a total of 115 participants, to enhance employees awareness of related risks.

Noise Hazards

According to the "Hearing Conservation Program" employees are provided with hearing protection equipment and receive enhanced education and training. Regular risk monitoring and health examinations are also conducted. Noise monitoring is carried out on the apron for 7 person-times every six months, and special health examinations are conducted annually to ensure the hearing health of employees.

Maternity Health Protection

In 2024, hazard identification and risk assessment of the work environment were conducted for 202 employees potentially exposed to maternity health risks. All assessment results were classified as Level 1 (lowest level of risk management).

Prevention of Workplace Violence

To foster a safe and friendly workplace, a total of 226 managerial and newly appointed supervisors completed a self-assessment on unlawful conduct in 2024. Each department also carried out hazard identification and risk assessment based on the nature of their work, achieving a 100% completion rate.

Main Hazard Mitigation Action Plan

1. CAL implemented and completed investigation reports on 80 cases of occupational accidents (including 34 cases of commuting), with a 100% correction rate.

2. The construction of chemical management mechanism has been completed. Hazardous chemicals are posted with hazard labels, preparation lists, and disclosure safety data sheets, and necessary hazard prevention measures have been taken, with a completion rate of 100%.

3. Operational environmental monitoring was conducted twice a year. Carbon dioxide monitoring was conducted at 128 locations, and the monitoring results all met the legal value of 5,000 PPM or less. Noise environmental monitoring was conducted by a total of 14 sampling trips, and an on-site visit by occupational medicine physicians to the workplace was conducted to assess the units and personnel whose average sound pressure levels exceeded the legal limit of 85 decibels or more over an eight-hour day during the workday of noise exposure, and to provide protective gears and education and training to enhance hearing protection for the employees.

Education and Training on Occupational Safety and Health GRI 403-5

In accordance with CAL's "Safety and Health Education and Training Management Procedures," we have completed the establishment of safety and health officers and on-the-job training for each unit, with a total of 12,386 participants completing the training. The report includes guidance on identifying workplace hazards, classifying risks, drafting management plans, and the process for determining occupational accidents. We assist various units in risk assessment and implementing preventive improvements. Based on the five key elements of the occupational safety and health management system and related execution items, we conduct regular internal and external audits annually. This effectively controls occupational accident risks, strengthens occupational disease prevention management, enhances occupational safety and health management performance, and enforces occupational safety policies to ensure employees work in a safe, healthy, and comfortable environment.

No.	Key Projects	Content
1	Safety and Health Training for Newcomers	In 2024, in cooperation with the "CAL and Me" program of the Human Resources Division, the 19th tier of general safety and health education training for new recruits was implemented for 3 hours, with a total of 482 people completing the training. Training completion rate: 100%; training satisfaction rate: 94.3%.
2	Safety and Health Training for In-service Personnel	In 2024, the following safety and health education and training for in-service personnel was organized: ▪ On March 12 and March 13, we conducted two sessions of a 3-hour internal training course titled "Occupational Accident Prevention and Management Education and Training for the Taoyuan Area Head Office." A total of 51 employees completed the training. Training completion rate: 100%; training satisfaction rate: 95%. ▪ On July 3, we conducted a one-hour 2024 Human Factors Hazard Prevention Seminar at the CAL campus, with a total of 115 participants. Training completion rate: 100%; training satisfaction rate: 97%. ▪ On October 7 and October 16, we conducted two sessions of occupational safety and health education and training for safety and health officers, with a total of 55 participants. The completion rate was 100%, and the training satisfaction rate was 98%. ▪ In December, CAL conducted a company-wide e-Learning safety and health training on "Unlawful Acts Encountered While Performing Duties." ▪ 1 hour, with a total of 10,203 trainees completing the program. Training completion rate: 100%; training satisfaction rate: 89%. ▪ In December, we conducted a one-hour occupational safety and health committee member training session, with a total of 57 participants. Training completion rate: 100%; training satisfaction rate: 91%.
3	Safety and Health Training for Supervisors	▪ On September 23, we organized a 6-hour training on occupational safety and health for new supervisors, with a total of 34 people completing the training. Training completion rate: 100%; training satisfaction rate: 94%. ▪ In 2024, we cooperated with the Human Resources Division to organize the 9th tier of occupational safety and health education training for new outstation supervisors for 0.5 hours, with a total of 19 people completing the training, and the satisfaction rate of the training: 97.1%
4	Other Related Safety and Health Education and Training	In 2024, the Occupational Safety and Health Department participated in a total of 11 times in occupational safety and health external training and seminars, totaling 15 attendances.
5	Safety and Health Promotion	In 2024, a total of 25 safety and health advisories were issued.

Preventing and Minimizing Occupational Health and Safety Impacts on Those Directly Associated with the Business `GRI 403-7`

In accordance with the "Procurement Safety and Health Management Procedures" and "Contractor Safety and Health Management Procedures", to ensure the safety of contractors' workers, the eight existing regular contractors have included CAL's "Safety and Health Code for Contractors" in the "Notice to Bidders" and the "Contracts" at the time of the delivery of the contract to each delivery organizer to be used as the basis for the subsequent implementation of the contract by the two parties.

For those who have not signed a contract or whose contract does not include safety and health regulations, the organizer of the contract should provide the "Safety and Health Code for Contractors" to the contractors for their signature and keep the record of the signature for reference.

Before, during, and after the actual operation of the contractors, each delivery contractor organizer, in accordance with occupational safety and health related laws and regulations and the "Contractor Safety and Health Management Procedures", convenes a safety coordination meeting for the contractor's operation, notifies the contractor of hazards, and carries out coordination, command, supervision, and inspection to enhance the quality of the contractor's construction and to prevent occupational accidents. Upon completion of the project, a contractor evaluation is conducted to identify manufacturers with high occupational health and safety risks, and periodic audits are conducted to serve as a reference for the next solicitation.

Occupational Health Services, Worker Health and Promotion of Work-related Disease Prevention `GRI403-3. 403-6.403-10`

Implementation of the Health Management Grading System

1. CAL has an established medical department with a professional healthcare team that exceeds regulatory standards. We have occupational health nurses and provide on-site physician services in accordance with the law. In addition to offering employee health consultation services, we assist employers in assigning work based on the physical examination results of new employees, as well as in implementing return-to-work and workplace maternal health protection programs, among other services. We implemented the Employee Health Protection Plan to assist in executing the Abnormal Workload-Induced Disease Prevention Program. This involves assessing related hazards and high-risk groups, formulating improvement methods, and ensuring the safety and health of our employees. In 2024, we reviewed a total of 904 medical consultation cases.

2. To care for our employees, CAL offers several health check items and frequencies that exceed regulatory requirements. As the average age of our workforce increases, with 48% being middle-aged or older, we have added advanced screening items related to common cancers and cerebrovascular and cardiovascular diseases (such as endoscopy, lung CT scans, and cardiac ultrasounds) since 2023. This ensures more comprehensive care for our employees. Additionally, employees' family members receive discounted health check prices. In 2024, the health check participation rate was 93.08%. For the 150 employees with significant abnormalities in their health check results, we provided health guidance and follow-up management, achieving a 100% follow-up rate.

3. Based on the results of employee health examinations, CAL implements a graded health risk management system. We provide one-on-one health guidance conducted by medical professionals, offering personalized health advice and outpatient referral information. If a flight crew member experiences any health abnormalities, they must temporarily suspend their duties and report to the Aviation Medical Center in accordance with the Civil Aviation Act and the standards for the physical examination of aviation personnel. An assessment and related procedures for grounding and resuming flights will be conducted.

4. In 2024, a total of 464 maternal health protection employees underwent health risk classification and management, with the Occupational Safety and Health Department and each subordinate unit carrying out risk assessments of environmental hazards in the workplace and identifying obvious and hidden hazards in the workplace and related operations, all of which were classified as level 1 management; pregnant employees were adjusted to work in units with low risk of hazards, and a total of 388 were interviewed by a doctor, with an achievement rate of 91.45%, informing them of safety and related health education during pregnancy and after giving birth. The Company has also equipped four breastfeeding rooms with bottle sterilizers and breastmilk refrigerators, as well as an access-control system and dedicated personnel to maintain them for increased safety.

5. In order to encourage employees to actively and conveniently manage their own health and disease prevention, in addition to installing "tunnel-type" blood pressure monitors in each office to provide employees with the opportunity to measure their blood pressure and pulse at any time, and to develop the habit of self-health management, the Company has also established the "E-Employee Health Management System", which allows employees to check their health examination reports from previous years, make appointments for physician consulting services, and record their self-monitoring indexes at any time.

Creating a Secure and Healthy Work Environment

1. With the increase in international exchanges, to prevent infectious diseases from posing a threat to frontline employees and passengers and causing public health incidents, CAL continues to offer free MMR (measles, mumps, and rubella) vaccinations to frontline employees. In 2024, the measles immunity rate reached 80.4% for cabin crew, 68.4% for flight crew, and 73.1% for ground staff. Each year, CAL implements on-site influenza vaccination services at various workplaces. Considering the nature of shift work, we offer employees diverse vaccination options, such as fixed-site vaccinations at airports and subsidies for external clinics. In 2024, the influenza vaccination rate among all domestic employees was 27.3%, with a total of 2,711 employees vaccinated.

2. To provide a safe working environment for our employees, CAL has installed AEDs on passenger aircraft in compliance with legal requirements and has exceeded regulatory standards by installing AEDs at all office locations. We also regularly conduct CPR and AED training courses for all employees, ensuring that in emergencies, our staff can quickly locate and proficiently use AEDs to save time in rescue efforts. A total of 277 of our first aid personnel are registered on the company website for departmental reference, and the ratio of first aid personnel to employees surpasses the legal requirements for "workplace first aid personnel."

3. CAL "tunnel-type" blood pressure monitors in each office to provide employees with the opportunity to measure their blood pressure and pulse at any time, and to develop the habit of self-health management, as well as establishing the "E-Employee Health Management System", which allows employees to check their health examination reports from previous years, make appointments for physician consulting services, and record their self-monitoring indexes at any time.

Diverse Health Promotion Initiatives

1. Based on health check results, employee needs, and seasonal changes, CAL organized a variety of health promotion activities, such as weight loss and fat-burning super slow jogging, cancer prevention and healthy eating, and traditional Chinese medicine guidance on musculoskeletal health.

2. CAL held a "Health and Stress Relief Day" at the CAL campus, offering various health promotion activities and incorporating food trucks to create a fair-like atmosphere. This event encouraged our colleagues to step outside, enjoy delicious food, and participate in activities. The health promotion activities include 3D AI body analysis and InBody testing services, eye care to prevent poor vision, and advocacy for the prevention of e-cigarette and drug abuse.

3. We called on our employees to actively participate in a blood donation drive, collaborating with the Taiwan Blood Services Foundation - Hsinchu Blood Donation Center, and successfully collected over 70 bags, totaling 17,500 cc of blood.

Future Plans

1 Recruitment

In 2025, CAL will continue to recruit flight crew members, maintenance staff, and other relevant professionals in accordance with the recovery of operations, resume industry-academia collaboration, and continue to hire people with disabilities to fulfill our commitment to corporate social responsibility

2 Diversification

Over the past three years, CAL's female employees have accounted for 48.00% of the total workforce. The 2025 target is also set at 48.00%. In terms of CAL's female managers, the proportion has increased year by year over the past three years. In 2025, the target is set at 26%

3 Employee Training

In 2025, CAL will celebrate its 65th anniversary by enhancing service quality and professional training under the theme "Innovation, Breakthrough, and Immediate Combat Readiness." The focus includes expanding courses on management and general competencies, embedding corporate culture, and fostering innovation. Key offerings include management seminars, leadership readiness, training for instructors and HR, and courses on aviation management, market awareness, communication, and emerging technologies. CAL will also optimize its talent development system to support future growth

Mandarin Airlines implements comprehensive training aligned with strategic goals and regulatory requirements to develop aviation professionals. By combining online learning with hands-on training, it enhances employee expertise and interdepartmental collaboration. Management and aviation training are regularly held to improve skills and foster teamwork across functions

4 OHS System Implementation & Cultural Integration

We will continue strengthening CAL's occupational safety and health management system by deepening audits and driving continuous improvements. Through fostering safety awareness, values, and commitment, we aim to minimize occupational accidents, prevent major incidents, and provide a safe, healthy, and secure workplace—laying a solid foundation for CAL's sustainable development

2.5 Society

Highlights

Over TWD 62.38 million in charity activities

In 2024, CAL allocated a total of TWD **62,384,660** for charitable contributions

Benefitting 1.46 million people

In 2024, a total of 1,460,687 individuals benefited from China Airlines' commercial activities, charitable initiatives, and community investments

Benefitting nearly 3,000 rural students

In 2024, CAL Volunteers Club, Rural Development Team, and Love Walking Club took it upon themselves to share aviation knowledge in remote rural areas, benefiting nearly 3,000 students

Caring for 420 senior citizens

In 2024, a total of 3 events were held to care for vulnerable elderly individuals, with 420 people receiving assistance.

7th Social Inclusion Leadership Award from TCSA

This award recognizes organizations for their outstanding performance in specific sustainability issues and their benchmarking leadership positions. This marks the seventh time CAL has received this award.

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Management Approach

Material Issues	⑤ Social Feedback and Engagement.
Importance of Material Issues	Without the support of society, CAL would not be what it is today. Social support is a key factor in China Airlines' success, and so we continue to contribute its efforts and uphold the core belief of "taking from society and giving back to society," creating a society of love, promoting a culture of kindness, and fulfilling our corporate responsibility as a part of Taiwan.

Commitment and Long-term Goals

Commitment

As a leader in Taiwan's aviation industry and a global citizen, CAL responds to international situations annually, assuming social responsibilities and fulfilling its mission to contribute to society and generate social value.
This commitment is vital for the sustainable development of CAL.

Long-term Goals

● **2025**
1. Supporting international initiatives and organizing at least one long-term charity project.
2. Organizing at least one educational event in rural areas to promote international educational opportunities for young students.
3. Organizing an event aimed at promoting economic growth and providing employment assistance in rural areas, thereby enhancing social wellbeing.

● **2030**
1. Supporting international initiatives and organizing at least one long-term charity project.
2. Integrating central and local resources to host at least one rural education event, ensuring equal access to education for all.
3. Boosting the efficacy of sponsorship, sponsoring an event aimed at promoting regional economic growth and providing employment assistance in rural areas, thereby enhancing social wellbeing.

● **2040**
1. Establishing long-term cooperation with international relief organizations to organize at least one long-term charity project.
2. Partnering with international education organizations to coordinate a minimum of one rural education event, thereby improving the quality of national education.
3. Organizing at least one project to support economic development in underdeveloped regions or developing countries, enhancing employment opportunities in those areas.

Unit in Charge	Corporate Sustainability Committee — Society Task Force
Management Mechanisms	▪ The Corporate Sustainability Committee holds at least two meetings annually. ▪ The Society Task Force reports KPI progress to the Corporate Sustainability Committee every quarter.

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| ✉⚠ **Grievance Mechanism** | **Investor Relations and Media Contacts** — Investors Service Website **Charitable Activities:** Corporate Communication Office — ✉ tpepp@china-airlines.com | Stakeholder Contact | Investor Services Website |

Objectives and Plans

Direction	KPI	2024			2025
		Objectives	Performance	Level of Compliance (Note 4)	Objectives
Enhance the overall quality of national education	Organize long-term education charity projects	CAL has long been committed to volunteer teaching activities and public sports camps. Each year, we hold at least one educational charity event in rural areas outside of Taoyuan to expand the reach of our beneficiaries	1. Volunteer Teaching Activities: In 2024, in addition to continuing to visit six nearby elementary schools, we expanded volunteer teaching (Note 1) to four rural elementary schools in Orchid Island, Miaoli, and Taitung, delivering essential aviation knowledge and enhancing the quality of education in Taiwan 2. Public Sports Camps: CAL hosted four charity sports camps—basketball (with P.League+ Taoyuan Pilots), baseball (with stars Chen Wei-Yin, Chen Yung-Chi, and Chen Po-Yu), table tennis (with Chuan Chih-Yuan), and badminton (with gold medalists Lee Yang and Lin Chun-Yi)—all inspired by athletes' personal stories to motivate youth to pursue their dreams	100%	Organizing at least one educational event in rural areas to promote international educational opportunities for young students
Increasing Taiwan's international visibility	Increase international sponsorships	We aim to boost Taiwan's global presence through sponsorships and corporate support for humanitarian rescue efforts	This year, we continued to support international relief by assisting Tzu Chi Foundation in delivering supplies after Japan's New Year earthquake and backing two cross-border medical missions (Note 3), reflecting our commitment to shared growth and social good	100%	Supporting international initiatives and organizing at least one long- term charity project
Empowering the disadvantaged for equal opportunity	Increase sponsorship in charity events	To fulfill our corporate social respon-sibility, we will collaborate with indigenous peoples or local farmers in Taiwan to provide PR gifts, while supporting other vulnerable groups to create shared value and enhance our sponsorship impact	CAL purchased 326 cans of cookies produced by non-profit organizations and Indigenous communities this year to include in care packages, in collaboration with the Huashan Foundation, for elderly residents in Taoyuan who are disabled, dependent, or suffering from cognitive impairment. This mutually beneficial partnership aims to fulfill the commitment to achieving social equality and welfare	100%	Organizing an event aimed at promoting economic growth and providing employment assistance in rural areas, thereby enhancing social wellbeing

Note 1. In 2024, volunteers from the CAL Volunteers Club and Rural Development Team visited six elementary schools near Taoyuan and four rural elementary schools in Taitung, Miaoli, and Orchid Island to provide volunteer teaching. Through aviation expertise, the aim was to enrich the learning experience for children.

Note 2.   In collaboration with local sports brands, we held charity camps in basketball, baseball, table tennis, and badminton, using integrated marketing to boost sponsorship value and community ties.

Note 3. We supported the "2nd Love Without Boundaries International Medical Mission" and the "31st Sprout of Hope Love Without Borders Medical Mission" through sponsored baggage services in 2024.

Note 4. The degree of compliance is expressed as a percentage of the achievement rate.

2.5.1 Charity Strategy Blueprint
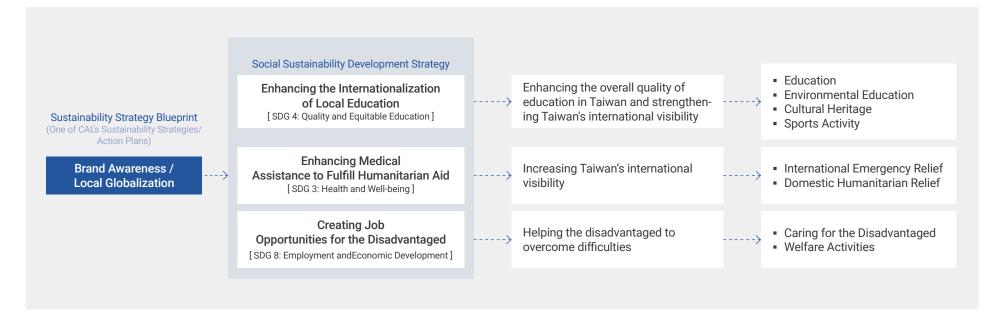
As a leader in Taiwan's aviation industry and a responsible member of society, China Airlines is committed to sustainable development with the core values of "giving back to society and continuously creating social value." In 2023, CAL continued to advance its sustainability strategy with the core focus on "brand perception," extending the development of social sustainability strategies. This includes enhancing the internationalization of local education, enhancing medical assistance to fulfill humanitarian aid, and providing employment opportunities for vulnerable groups. These efforts aim to enhance the international visibility of Taiwan's local brands and align with the United Nations Sustainable Development Goals (SDGs) such as SDG 4 (Quality Education), SDG 3 (Good Health and Well-being), and SDG 8 (Decent Work and Economic Growth). The goal is to ensure that the CAL's contributions to social development create a positive cycle that complements the company's commercial operations, fostering sustainable collaboration with society.

Create a sustainable society

In 2024, China Airlines strengthened the integration of its core resources to fulfill social responsibilities, continued to invest in social welfare, and supported equal social development, aiming to achieve a positive cycle of social and corporate development. Furthermore, by quantitatively evaluating the contribution of social investments and combining financial information, we analyze and understand the impact of social investments on CAL's operations. Adjustments are made in a timely manner to enable CAL to create higher value in collaboration with society.

In 2024, CAL's total corporate social responsibility investment amounted to NT$62,384,660. The allocation breakdown by type of activities was 88% for commercial activities, 6% for charitable activities, and 6% for community investments. The distribution by donation type was 70.8% for material donations, 23.1% for monetary donations, 1% for volunteer labor, and 5% for management costs.

China Airlines' Sustainable Development Strategy

Sustainability Strategy Blueprint
(One of CAL's Sustainability Strategies/ Action Plans)

Brand Awareness / Local Globalization

Social Sustainability Development Strategy

Enhancing the Internationalization of Local Education
[SDG 4: Quality and Equitable Education]

Enhancing the overall quality of education in Taiwan and strengthening Taiwan's international visibility

- Education
- Environmental Education
- Cultural Heritage
- Sports Activity

Enhancing Medical Assistance to Fulfill Humanitarian Aid
[SDG 3: Health and Well-being]

Increasing Taiwan's international visibility

- International Emergency Relief
- Domestic Humanitarian Relief

Creating Job Opportunities for the Disadvantaged
[SDG 8: Employment and Economic Development]

Helping the disadvantaged to overcome difficulties

- Caring for the Disadvantaged
- Welfare Activities

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Types of Social Involvement

Item	Amount		(TWD)	2024	
	2022	2023	2,024	Content	Percentage
Commercial Activities	16,763,394	36,594,093	54,932,735	▪ Support for international sporting events, public welfare forums, and cultural activities. ▪ Sponsoring Taiwan-based athletes for international competitions	88%
Charitable Events	14,687,100	3,822,991	3,602,190	▪ Transportation of relief supplies and resources for domestic and international disaster relief ▪ Continuously caring for local vulnerable groups and supporting agricultural production and marketing in rural areas	6%
Community Investments	7,950,552	6,049,436	3,849,735	▪ Organizing care activities and providing resources for vulnerable groups ▪ Beach cleanup ▪ Teaching aviation knowledge to elementary schools in remote communities ▪ Charity basketball, baseball, table tennis, and badminton camps	6%
Total	39,401,046	46,466,520	62,384,660	▪ All activities including business activities, charitable events, and community investment	100%

Input of Social Investment

Item	Amount		(TWD)	2024	
	2022	2023	2,024	Content	Percentage
Material Donations	5,602,870	19,119,980	44,154,350	▪ Donation of airline tickets	71%
Monetary Donations	30,697,624	21,622,104	14,380,575	▪ Cash amounts and freight discount offers for different activity investments	23%
Employee Volunteers	149,376	226,336	286,578	▪ Volunteer manpower invested in activities such as volunteer teaching, beach cleaning, and public welfare sports camps.	1%
Management Overhead	2,951,176	5,498,100	3,563,157	▪ Costs related to volunteer teaching, beach cleaning activities, and public welfare sports camp activities	5%

Effectiveness of Social Investment

Item	2022	2023	2024	Item	2022	2023	2024
Amount of Social Investments (TWD)	63,496,247	41,145,948	53,810,231	Number of News Exposures / Facebook Page Likes	123 /1,106,652	148/1,141,233	124/1,254,622
Number of Beneficiaries (Persons)	4,913,310	1,285,784	1,460,687	Number of Flight Tickets Sponsored	75	1,095	251

CHINA AIRLINES

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Environmental/Social Effectiveness		
Sponsorship Project Name	Beneficiaries / participants	Amount (TWD)
Other Donations for Art and Charitable Events	12 events (Note 2)	10,728,100
Annual Donations (Note 1)	300	566,750
65th Anniversary Donation	252	1,400,000
Coastal Cleanup	450	463,146 (Note 3)
Charity Basketball Camp	150	345,312 (Note 3)
Charity Baseball Camp	102	1,445,444 (Note 3)
Charity Table Tennis Camp	60	515,372 (Note 3)
Charity Badminton Camp	56	420,247 (Note 3)
Chi Mei Museum Charity Visit	100	65,856 (Note 3)
Zoo Charity Visit	50	55,490 (Note 3)
Charity Concert	150	31,842 (Note 3)
Aviation Knowledge Lecture for Remote Rural Areas	2,661 students	3,725,400 (Note 4)

Benefits to Business Operations		
Sponsorship Project Name	Beneficiaries / participants	Amount (TWD)
Media Exposure	100 beneficiaries	12,400,000 (Note 5)
Airfare Sales/Transportation Fees from Sponsored Events	▪ Media Reports: 124 ▪ Facebook Page Likes 1,246,611	51,141,278 (Note 6)
Flight Tickets Sponsored	Total of 251 flight tickets sponsored	21,647,272

Explanation of the Monetary Benefits of Social Involvement

Note 1. Annual donations include proceeds from employee charity sales, donations of worship materials, and retired seats from the Flight Attendant Department to schools.

Note 2. 2024-2025 Taiwan Lantern Festival, 2024 Taoyuan Lantern Festival, Taipei International Tourism Expo, Taiwan Festival 2024, National Youth Symphony Orchestra tour ticket promotion, Chi Mei Museum's "Treasures from the National Gallery, London World Tour Exhibition" sponsorship, "National Taiwan University Racing Team 2024 Formula SAE Japan (FSAEJ)" ticket promotion, Hsinchu City Philharmonic Orchestra's "Building a City with Heart, Praying for Love" concert sponsorship, sponsorship for the European tour tickets of the movie "BIG," 2024 Pingtung Puzangalan Hope Chorus group ticket promotion, "Nebun Chorus" ticket promotion, Okinawa Nishizono High School Wind Ensemble ticket promotion, and Huashan Foundation, etc.

Note 3. Calculated based on expenses for meals, activities, transportation, and miscellaneous fees and volunteer compensation.

Note 4. ICalculated based on participant count and teaching fees (incl. materials) at NT$350/hour.

Note 5. Media exposure benefits cannot be accurately estimated, so they are calculated based on advertising space rates at an assumed price of NT$100,000 per piece × 124 pieces = NT$12,400,000.

Note 6. Sponsorship provided in the form of discounted airfare/shipping fees, the effectiveness is calculated as the actual airfare revenue after deducting the sponsored discount from the total airfare/shipping fees.

Note 7. As the aforementioned effectiveness of social involvement is hard to quantify, the environmental/social effectiveness is represented by cost.

Social Investment Evaluation

Since 2015, CAL has adopted the London Benchmarking Group (LBG) model to analyze the effectiveness of social investment and quantify the influences of various resources invested in society and the business itself. CAL adopted the Social Return on Investment (SROI) model in 2019 to analyze the benefits of individual charity programs. In 2024, CAL continued to use the China Airlines Public Welfare Sports Camp as the calculation target. According to the SROI evaluation method, the calculated result of this activity was 8.81, meaning that for every TWD 1 invested, it generated TWD 8.81 in social benefits.

TWD 1 ➡ TWD 8.81

Results

CAL benefits
1. Boost spiritual satisfaction
2. Enhance job satisfaction
3. Enhance communication and coordination skills
4. Enhance organizational identification

TWD 1,705,647

Input

Partners
(PR agencies, baseball players, school principals, and coaches) benefits
1. Raising awareness of grassroots sports education
2. Enhance self-motivation
3. Enhance communication and coordination skills
4. Improve the quality of teaching

TWD 15,023,044

Output

Attendees of the Charity Sport Camps benefits
1. Improve baseball skills
2. Increase interest and broaden the horizon of baseball sports
3. Boosting confidence in learning
4. Increase happiness in learning

CHINA AIRLINES

2.5.2 Enhancing the Internationalization of Local Education

CAL Group has long been committed to education, environmental coexistence, and cultural heritage, channeling group resources back into society to ensure substantial improvements in student education. Through years of organizing beach clean-up activities to advocate for environmental sustainability, the Group also continues to effectively support the stable development of local athletes and enhance Taiwan's international visibility through practical actions. Additionally, numerous charity sports camps are held to foster sustainability through the joint creation of resources between the company and society.

Topics	Item	2024 Performance	
		Number of Participants/ Beneficiaries (persons)	Investment Amount (TWD)
Education	Corporate visits, volunteer teaching, public sports camps, sports promotion, and the creation of a shared knowledge platform for elementary schools	30,701	52,862,485
Environmental Coexistence	Beach cleaning activity, animal conservation charity event	500	518,636
Cultural Heritage	Advancing Taiwanese culture globally	425,385	4,080,530

Education

CAL firmly believes that only through education can more future talents be nurtured. Therefore, since 2010, we have upheld the spirit of deep community engagement, giving back to our hometowns, caring for the underprivileged and society. We have been cultivating children's international perspectives and reading habits through educational volunteers. Since 2013, we have established long-term partnerships with major universities in Taiwan, providing opportunities for learning professional knowledge and practical skills, strengthening industry-academia collaboration, with the ultimate goal of talent development. At the same time, we have long supported sports culture by organizing charitable sports camps. Through the sponsorship of CAL, star athletes teach young players various sports skills. This initiative not only facilitates the transfer of experience but also strengthens our commitment to educational foundations. Additionally, we actively promote environmental awareness, aiming to implement positive and sustainable social development.

Company Visit

CAL welcomes university students to visit its corporate campus.

In 2024, we hosted 15 campus visits for 575 students, offering guided tours of our facilities, including cabin crew and emergency training centers. These visits aim to deepen students' understanding of the aviation industry and foster sustainable talent development through academic–industry collaboration.

College students happily take a group photo after visiting the company

Lectures by Volunteers

CAL Volunteers Bringing Classrooms Closer to the Skies

Since 2011, the CAL Volunteers Club has supported underserved communities through educational outreach, sharing aviation knowledge and teaching English to foster global awareness. In 2024, volunteers held 12 sessions at 8 schools (Taoyuan Xihai, Zhuwei, Shanfeng, Guolin, Zhongfu, Qingxi, Daxi, and Baji Elementary Schools), benefiting 1,350 students. Aligned with UN SDG 4 on quality education, the club continues its mission with compassion and aims to reach more schools, inspiring the next generation through action.

CAL Volunteers recognized with school appreciation certificates

CAL volunteers and students celebrate together

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Rural Development Team Fostering Growth in Rural Education

In 2024, our Rural Development Team conducted six aviation education sessions at remote schools, including Dongqing Elementary (Orchid Island), Penglai Elementary (Miaoli), and three schools (Baosang, Taoyuan Junior High School, and Taoyuan Elementary School) in Taitung, reaching 1,311 students.

Children from Dongqing Elementary School in Orchid Island happily put on mini flight attendant uniforms for a group photo

Students at Taoyuan Elementary School in Taitung actively participate in discussions during class

Love Walking Club Cares for Vulnerable Groups

The Love Walking Club, formed by cabin crew, maintenance, flight service, and operations units, has been supporting vulnerable groups since 2011. Over the years, the team has organized numerous charity events, gaining support and recognition from society. In 2024, they visited the Taoyuan-based non-profit Happy Work to share aviation knowledge with special children, helping fulfill their dreams and bring hope. Through these actions, the team continues to promote local education and international development.

Happy Work welcomes CAL's Love Walking Club to help fulfill children's dreams

Partner with community resources to organize a children's art exhibition.

To encourage students to develop artistic talents and promote community Mandarin Airlines invited the Minquan Elementary School Orchestra to present a "Sparkling Christmas, Orchestra Flash Mob" at Songshan Airport on December 24, 2024, near counter 2A. Co-organized with Taipei Songshan Airport, 7-Eleven, and the orchestra, the event featured 100 student performers. The Recorder Ensemble, Choir, String Orchestra, Chinese Orchestra, and Wind Band delivered vibrant performances that brought festive cheer to travelers. In appreciation of Mandarin Airlines' support for grassroots arts and cultural education, the principal of Minquan Elementary School presented a certificate of gratitude.

A group photo of all participating students in front of the Mandarin Airlines counter

Mandarin Airlines presents gifts to honor outstanding students

Knowledge Platform for Elementary Schools

Since 2014, CAL has participated in the "Common Knowledge Platform Charity Project" sponsored by Global Views Educational Foundation. We have provided subscriptions to the magazines "Global Kids Junior Monthly" and "Global Kids Monthly " to several elementary schools in Taoyuan City, Taitung County, Nantou County, Hualien County, and other areas.

This initiative aims to enhance children's reading habits and thirst for knowledge, contributing to cultural education through tangible actions. In 2024, a total of 90 schools were served, benefiting approximately 41,400 students.

Note: The estimated number of beneficiary students is calculated by multiplying the average number of students in a single elementary school in Taiwan by the number of recipient schools, as per the Ministry of Education's Department of Statistics.

Students from Dacheng Elementary Schoo diligently read the magazine "Future Children"

Students who received the donation happily take a photo with the magazine and thank China Airlines for the donation

Charity Sports Camps / Sports Promoter

CAL has long supported the development of national sports by sponsoring various athletic events, working to strengthen Taiwan's sports environment and enhance its international visibility. In 2024, China Airlines sponsored multiple domestic athletes to compete, leveraging its expertise in aviation transportation to support Chinese athletes participating in international sporting events. Additionally, we organized a charity baseball camp with professional baseball players Chen Wei-Yin, Chen Yung-Chi, and Chen Po-Yu; a charity basketball camp with the Taoyuan Pauian Pilots basketball team; a charity table tennis camp with the table tennis master Chuan Chih-Yuan; and a charity badminton camp with gold medalists Lee Yang and Lin Chun-Yi. CAL has a long-standing tradition of inviting well-known athletes from various fields to personally mentor young athletes at charitable sports camps, combining sports activities with philanthropy. This initiative aims to provide children with valuable experience and encouragement to courageously pursue their dreams and be fully prepared for a successful future. So far, a total of 368 children have benefited from this program.

Supported Projects	Events and Athletes	Amount (TWD)
Sports Events	The League of Legends Pacific Championship Series (PCS) Professional League, the National Youth Table Tennis Elite Tournament, the Taipei and New Taipei City World Games, the CTC Ballroom Dance Championships, and the Taiwan Ladies Professional Golf Association Party Golfers' Open.	30,841,978
Athletes and Teams	P.LEAGUE+ Taoyuan Pauian Pilots, Republic of China (Taiwan) Rhythmic Gymnastics Association, visually impaired runner Chang Ya-Hui "Flying to Boston 2024 - Boston Marathon" sponsorship proposal, visually impaired runner Hung Kuo-Chan "San Francisco Marathon Diplomatic Mission" sponsorship proposal, ultra-marathon athlete Tommy Chen, table tennis coach Chuang Chih-Yuan, fencer Chen Yi-Tung, tennis player Yang Ya-Yi, Taiwanese short track speed skater Huang Chien-Hua, tennis player Tseng Chun-Hsin, golfer Tsai Pei-Ying, table tennis player Lin Chin-Ting, badminton player Lin Chun-Yi.	15,234,732

China Airlines partners with esteemed badminton athletes Lee Yang and Lin Chun-Yi to organize a charity badminton camp.

Members of the Taoyuan Pauian Pilots basketball team instruct students on dribbling techniques during a charity basketball camp.

Table tennis master Chuang Chih-Yuan instructs children in table tennis skills at a charity camp.

Baseball players Chen Wei-Yin, Chen Yung-Chi, and Chen Bo-Yu share their experiences with students at a charity baseball camp.

Environmental Coexistence

While pursuing corporate growth, the CAL Group recognizes the value and fragility of the environment. Committed to environmental protection and resource responsibility, the Group actively promotes sustainability by integrating social welfare and environmental education, passing on the mission of sustainable development across generations.

Coastal Cleanup

CAL has actively supported international beach cleanups and has organized regular events at Zhubei Fishing Port since 2011. In May 2024, we held our first simultaneous beach cleanups in both northern and southern Taiwan. Employees from various CAL units, along with their families, friends, and members of the CAL Volunteer Club, took part. A total of 450 participants joined this global effort, demonstrating our commitment to protecting the planet.

CAL supports international beach clean-up activities, collecting a total of 300 kilograms of garbage in 2024

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Animal conservation

China Airlines collaborated with Taipei Zoo to adopt a pangolin, enhancing advocacy for animal conservation issues

CAL actively promotes biodiversity conservation by partnering with the Taipei Zoo for the first time to adopt and protect pangolins. Pangolins live in low-altitude mountain areas, are low-key, gentle, and timid. However, due to people mistakenly believing in the healing properties of their scales, they have become the most commonly trafficked mammal globally. As a result, their population has rapidly declined, leading the International Union for Conservation of Nature to classify them as "critically endangered" facing imminent extinction. China Airlines hopes to raise awareness of endangered species through its adoption initiative, encouraging the public to care for these animals. The airline has invited students and teachers from Baiji Elementary School in Taoyuan to visit the zoo for free, where they will receive professional guidance on animal conservation issues, fostering a collaborative effort towards sustainability in society.

Tree Planting

In support of the government's biodiversity initiative, China Airlines partnered with the Hsinchu Branch of the Forestry and Nature Conservation Agency in 2024 to expand its forest adoption in Nanzhuang, covering 5.25 hectares with 15,000 Taiwania and Zelkova trees. The initiative also introduced Satoyama

trail maintenance and volunteer collaboration, reinforcing the principles of forest coexistence and mutual prosperity with Indigenous communities. This effort aligns with global carbon sink goals and the spirit of the Satoyama Initiative.

CAL Group expands its adoption of Nanzhuang Forest to protect the environment together

Cultural Heritage

China Airlines recognizes that cultural construction involves both learning and inheritance. In 2024, China Airlines leveraged its aviation strengths to promote Taiwanese culture globally. This included offering ticket discounts for the National Symphony Youth Orchestra of Taiwan (NSYO) tour, the Okinawa Seion High School Wind Ensemble ticket discounts, the Chi Mei Museum's "Treasures from the National Gallery, London World Tour Exhibition," the UK's "Taiwan Festival 2024," and the European tour of the movie "BIG." Additionally, ticket discounts were provided for the "Puzangalan Hope Choir" from Pingtung and the "Nebun Choir," assisting indigenous youth in participating in international events and expanding the diverse capabilities of indigenous youth.

China Airlines collaborated with Taipei Zoo to adopt a pangolin, enhancing advocacy for animal conservation issues

2.5.3 Enhancing Medical Assistance for Vulnerable Groups and Humanitarian Aid

Social responsibility forms the foundation of CAL's social sustainability strategy. By leveraging our core strengths, we actively engage in domestic and international humanitarian efforts, demonstrating our long-term commitment to creating social value.

Topics	Item	2024 Performance
		Investment Amount (TWD)
International Emergency Relief	▪ Support for Japan Earthquake Relief ▪ Sponsorship of Two Medical Missions	191,797
Domestic Humanitarian Relief	Corporate blood drive and care for the elderly	212,796

International Emergency Relief

As a global citizen, CAL upholds the spirit of "Taiwan Can Help" and actively fulfills its social responsibility by participating in international relief efforts each year. In 2024, we continued to engage in humanitarian missions regardless of nationality, utilizing its resources to assist in transporting relief supplies for the Tzu Chi Foundation following the New Year earthquake in Japan. Additionally, China Airlines supported the "Second Love Without Borders International Medical Mission" and sponsored luggage for the "31st Formosa Budding Hope Association Love Without Borders Medical Mission," demonstrating it's commitment to international humanitarian aid and collaboration for the betterment of society.

The second "Love Without Boundaries International Medical Mission" doctor and volunteer team take a group photo in Cambodia

Tzu Chi Foundation shows its appreciation to CAL for assisting in transporting disaster relief supplies following the New Year's earthquake in Japan.

Domestic Humanitarian Relief

Blood Drive

In 2024, China Airlines organized a corporate blood drive, receiving enthusiastic support from employees across departments, collecting over 70 bags (17,500 cc) of blood.

CAL colleagues participated in the blood donation activities

Providing Care for Senior Citizens

CAL is once again partnering with the Huashan Social Welfare Foundation (Dayuan) to offer support to the elderly in Taoyuan who face the challenges of physical disability, loss of support, and cognitive impairment during the three major traditional holidays (Lunar New Year, Dragon Boat Festival, and Mid-Autumn Festival). This year, a total of three charity events were held under the themes of "Love the Elderly and Love Team Members," "Love the Elderly by Exercising," and "Love the Elderly by Lighting up Mid-Autumn Festival." These events provided care packages to the elderly, including rice, nutritious cereal, and on-site blood pressure measurements, comprehensively addressing the physical and mental well-being of the elderly. Through the integration of the association's services with the social enterprise "Elderly Support in the Pandemic," a total of 509 elderly individuals were cared for.

CAL Volunteers Club visits and supports the elderly during Mid-Autumn Festival.

CAL donates care gifts to the elderly at the Huashan Social Welfare Foundation.

2.5.4 Empowering the Disadvantaged to Gain Equal Social Opportunities

💝 Caring for the Disadvantaged
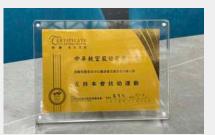
CAL Group is deeply aware of corporate social responsibility, which is not about top-down financial sponsorship, but about utilizing its own resources and aviation expertise to actively care for and assist socially vulnerable groups in improving their quality of life and enhancing education levels. Whether it is caring for the elderly, disadvantaged children, the general public, supporting Taiwan's small farmers through action, or providing assistance through donations, the goal is to achieve a commitment to social welfare equality and help more people have employment and development opportunities.

Topics	Item	2024 Performance	
		Number of Beneficiaries (Persons)	Investment Amount (TWD)
Caring for the Disadvantaged	Disadvantaged students and members of the public	655,458	1,123,360
	In-flight meals support local small farmers	316,800	11,518,500
	Charitable Donations	252	1,400,000

Using Aviation Strengths to Advance Social Equity

In 2024, CAL continued to leverage its core strengths to provide more development opportunities for vulnerable groups. We sponsored events such as the "Bitter-Sweet Life Festival" and "Parent-Child Love Fair" organized by the Home of Love Foundation, the "2024 Happy Children's Festival" by the Eden Social Welfare Foundation, the "2024 Dream Fulfillment Program for Make-a-Wish Families" by the Republic of China Make-a-Wish Foundation, and subscribed to the Hualien Children and Families Center's "Study Aid Red Packets" for underprivileged students. Through tangible actions, China Airlines aims to actively engage in caring and assisting the community, helping vulnerable groups access social equality opportunities.

CAL actively supports the "Bitter-Sweet Life Festival" organized by the Taiwan Fund for Children and Families.

The Taiwan Fund for Children and Families expresses its gratitude to CAL.

Little Pilot Experience Camp Helps Make Dreams Come True for Sick Children

In 2024, CAL partnered with the Make-A-Wish Foundation of the Republic of China to host the "Little Pilot Experience Camp," bringing joy to around 10 seriously ill children and their families through aviation and cabin crew activities. The event aimed to fulfill their dreams, inspire hope, and encourage strength in their treatment journey.

"Make-a-Wish Dream Fulfillment Project" helps children fulfill their dreams in a simulated cabin.

Year-End Charity Concert - Charity Starry Night Gala

On December 7, 2024, CAL's "Love in Action" team held a Year-End Charity Concert, inviting children and parents from the Make-A-Wish Foundation and the Down Syndrome Foundation ROC. Through music, the event offered encouragement to caregiving families, raised public awareness of children with special needs, and demonstrated CAL's influence in fulfilling its social responsibility.

"Year-end Charity Concert Charity Starry Night Gala" brings hope to life through beautiful singing voices

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Supporting Local Farmers and Charities

To support Taiwanese agriculture and fulfill corporate social responsibility, CAL has long partnered with The Wonderful Food to offer local snacks in its Sky Lounge. In response to the April 2024 Hualien earthquake, CAL introduced new Hualien specialties—"Forget Your Worries Five Elements Pastry" and "Vanilla Red Quinoa Bar"—onboard to boost local farmers' income and aid regional recovery. Additionally, CAL promotes gift boxes from charitable groups like the Down Syndrome Foundation, Sunshine Foundation, and Taipei

Association of Parents of Visually Impaired People on its eMall without charging shelf fees, helping create jobs and support vulnerable communities.

The "Abrazo" section of CAL's eMall is actively promoting employment opportunities for vulnerable groups

Supporting Nonprofits and Indigenous Foods to Boost Employment

To help more individuals access employment opportunities, China Airlines this year purchased 143 handmade cookie gift boxes produced by the Youth with Disabilities Turnaround Project, and 183 entrepreneurial handmade cookies from Taoyuan Indigenous communities. These items were included

in three holiday care packages provided to the elderly individuals with disabilities, dependence, or cognitive impairment in Taoyuan by the Huashan Foundation. A total of 326 individuals/households benefited from this initiative, aiming to fulfill the commitment to achieving social welfare equality through mutual benefit.

China Airlines increases procurement of Indigenous handmade cookies to promote social equality

Sponsorship of Offshore Medical Team

Mandarin Airlines assisted and provided discounted air tickets to sponsor the Taipei Medical University Maple Medical Team to travel to Penghu for a charitable medical mission, injecting warmth into rural healthcare. To enable local students in Kinmen and Matsu to learn about the medical field, medical camps were held in both areas, allowing students to gain a better understanding of the healthcare resources available in their communities. The aim is to inspire students' interest in the medical field, with the hope that they will return to their

hometowns in the future through healthcare personnel programs to work in medical-related industries, bringing health and happiness to the island residents.

Taipei Medical University awards a Certificate of Appreciation to Mandarin Airlines.

Refurbished Computer Donation for Digital Learning

In celebration of the 33rd anniversary of AE, and in line with the Company's initiative to update information equipment and implement the environmental concept of resource recycling, a special donation was made to Hualien's Taibalang Elementary School and Ruibei Elementary School. Forty refurbished computers were provided to support students' information technology learning. The entire faculty and students of Taibalang Elementary School expressed deep gratitude to AE for the generous donation of refurbished computers.

These devices, which support teaching, can be used to promote diverse digital learning education at the school, making students more eager to learn.

Representatives from Hualien's Taibalang and Ruibei Elementary Schools received refurbished computers and, in return, presented letters of appreciation

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Charitable Donations

As part of its 65th-anniversary celebration, CAL continues to support underprivileged groups and rural children, with a second round of cash or in-kind donations planned to amplify the impact of existing sponsorship initiatives, fulfill corporate social responsibilities, and advance sustainability. In alignment with the UN SDGs, the Corporate Communications Office donates supplies to rural schools during the annual charity sports camp. At year-end, a Limited Edition Merchandise Charity Sale—featuring outdated PR gifts—is held, with all proceeds donated to the Muhsiang Sweet Home Childcare Center and the Taoyuan Branch of the Taiwan Fund for Children and Families.

The Taoyuan Branch of the Taiwan Fund for Children and Families expresses its gratitude to CAL

These efforts reflect CAL's long-term commitment to supporting disadvantaged communities, promoting social equality, and enhancing quality of life. In 2024, offerings and donations were also made to the Muhsiang Sweet Home Childcare Center and the Ministry of Health and Welfare's Northern Children's Home, demonstrating the aviation industry's leadership and CAL's role in Taiwan's sustainable development.

Virtual Cabin Tour in Rural Areas

Mandarin Airlines (AE) once again partnered with the Kernel of Wheat Foundation to host a virtual cabin event, "Sending Love to Taitung," bringing early Christmas cheer to nearly 50 elderly residents from Jianan Nursing Home, Jinfeng, and Guanfu Day Care Center. Pilots, flight attendants, and volunteers from the Love Society transformed the first floor of the Jianan Senior Living Welfare Center into a simulated aircraft cabin. The full flight experience was recreated—from boarding announcements and pilot broadcasts to in-flight safety demonstrations and meal service—offering the elderly a chance to relive the joy of flying.

The Mandarin Airlines Charity Club and Foundation joyfully pose for a photo with the elderly participants.

During the event, AE made a charitable donation in support of the Kernel of Wheat Foundation's "Not Just Sunshine" project, aiding rural communities in eastern Taiwan. The donation was accepted by Lu Hsin-hsiung, CEO of Tungchi Charity. As Christmas gifts, participants received multifunctional neck pillows and food boxes made by individuals with disabilities at the Eden Foundation's Taitung Mana Sheltered Workshop. Engaging with the elderly through games and the immersive cabin experience made the event especially heartwarming and meaningful.

Future Plans

1 Enhancing the Internationalization of Local Education

To deepen our commitment to education and promote the China Airlines brand, we will expand educational activities across Taiwan to boost participation and sponsorship benefits, improving education quality for more rural students. We will also monitor international aviation trends to create opportunities for young students to pursue global education. By leveraging our industry expertise, we aim to support academic exchange and enhance education quality in underdeveloped regions and developing countries, nurturing future aviation professionals.

2 Enhancing Medical Assistance to Fulfill Humanitarian Aid (Increasing Taiwan's International Visibility)

CAL remains committed to international relief efforts, providing steadfast support for government-led projects and responding to global crises through long-term charitable initiatives. These efforts help to strengthen Taiwan's positive image on the international stage. Looking ahead, we plan to collaborate with local organizations, enterprises, and athletes to launch joint CSR initiatives or co-develop brandved products. By leveraging our corporate resources and the unique strengths of the aviation industry, we aim to elevate the global presence of Taiwanese brands and make meaningful contributions to society.

3 Creating Job Opportunities for the Disadvantaged

CAL Group understands that corporate social responsibility means leveraging its resources and aviation expertise to actively support vulnerable groups, improving their quality of life and education. Whether caring for the elderly, disadvantaged children, the public, or charitable organizations, we are committed to promoting social welfare equality and creating more employment and development opportunities. We plan to invite local nonprofits, businesses, and athletes to join charity projects, fostering two-way communication and helping small farmers and indigenous cultures expand their international visibility. Through partnerships, we aim to increase resources and beneficiaries, enhance rural and disadvantaged communities' welfare, and support a positive social cycle.

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Highlights

9th time selected for FTSE4Good Index Series

Selected in the FTSE4Good Index Series for ninth consecutive year

3rd time to be selected for the MSCI Index

Has been selected as a constituent stock of the MSCI Global Standard Indexes since 2022

6th time in GCSA Award

CAL is awarded the GCSA Award for Sustainability Reporting for a 6th time, receiving the Gold Class Award in 2024

11th received TCSA Award

Honored with the Taiwan Corporate Sustainability Award for 11 consecutive years, and has also won the Best Annual Report (Service Industry) in the Sustainability Reporting category for three years in a row

6th time selected for FTSE4Good TIP Taiwan ESG Index

Selected in the FTSE4Good TIP Taiwan ESG Index for the 6th time

8th time selected for the Sustainability Yearbook

CAL achieved the second highest score in ESG among global airlines in 2024, making it the only Taiwanese airline to be selected eight times in the Sustainability Yearbook. In 2025, it was honored as a top 5% airline in the Sustainability Yearbook

twA- long-term credit rating upgraded by Taiwan Ratings

CAL has demonstrated stable operational performance post-pandemic. Given the continued strong demand for passenger services and the growth in the air cargo market driven by global e-commerce and electronic product demand, it is expected to sustain overall operational cash flow and enhance the company's profitability. In October 2024, Taiwan Ratings Corp. announced an upgrade of CAL's long-term credit rating to "twA-" and maintained the short-term credit rating at "twA-2," with a "stable" outlook

Top 21%-35% of TWSE/TPEx listed companies

Selected as the top 21%-35% of the excellent corporation award in the 10th Corporate Governance Review

8th time selected for Taiwan EMP 99 Index and Taiwan HC100 Index

Selected in the Taiwan Employment Creation 99 Index and the Taiwan High Compensation 100 Index for eighth consecutive year

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3.1 Governance Framework
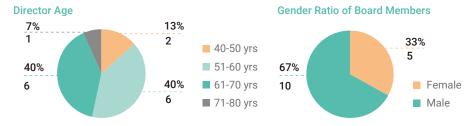
Board of Directors

`GRI 2-9.2-10.2-11.`
`2-15.2-17.2-19.2-20`

As the highest governing organization at CAL, the Board of Directors is responsible for supervising and resolving crucial issues, guiding management, and formulating and complying with policies and rules in accordance with laws and regulations and with the powers granted by the shareholders' meetings.

1. Director Nomination and Selection

The composition of the Board of Directors is diverse. According to Article 198-1 of CAL Act, candidates for directors are nominated by the shareholders. The selection is merit-based and does not discriminate based on gender, nationality, or race, and directors have good qualities and expertise or experience in the management of international companies. CAL also considers the views of the China Aviation Development Foundation and the government. A total of 15 directors have been elected to the 23rd Board of Directors, including five independent directors. The term of office for directors is three years (from May 30, 2024, to May 29, 2027). There are five female directors, comprising 33% of the board. The list for reappointment is based on performance evaluations and the directors' specific expertise. The board of directors meets at least five times a year and may convene additional meetings as needed for important or urgent business.

Director Age

7%
1

13%
2

40%
6

40%
6

- 40-50 yrs
- 51-60 yrs
- 61-70 yrs
- 71-80 yrs

Gender Ratio of Board Members

33%
5

67%
10

- Female
- Male

Shareholders with at least 5% of CAL's shares as of March 2025 are listed below:

Major Shareholders	Contributions to Taiwan	Percentage of Shares Held
China Aviation Development Foundation	Striving for the development of Taiwan's aviation business, national traffic construction, research, and event promotion	30.69%
National Development Fund, Executive Yuan	Accelerating industrial innovation, economic transformation, and national development	8.54%

Note: The China Aviation Development Foundation and National Development Fund of the Executive Yuan are also institutional directors of CAL.

2. Board Composition and Operation

CAL values the independence of directors. The Chairman and President are not the same individual or have relations such as spouses or relatives within the first degree of kinship. Directors also do not have relations within the second degree of kinship. To facilitate the objective performance of independent directors, CAL's Articles of Incorporation stipulate that independent director may not serve more than three consecutive terms to ensure that independence is not reduced by extended association. There were no cases where the independent directors served for more than nine years. The average term of office of the directors is 4.6 years.

The independent directors possess the independence as stipulated by the competent authorities. In accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," they do not concurrently serve as independent directors for more than three other companies. Additionally, all directors do not

Term of Office for Directors

7%
1

13%
2

80%
12

- 0-5 yrs
- 6-10 yrs
- 11-15 yrs
- 16 yrs and more

Note: 0% for 11 to 15 years.

concurrently serve as directors for more than two other listed companies. For detailed information on concurrent positions, please refer to CAL's 2024 Annual Report, page 22-25. To ensure the effective implementation of board independence, CAL also evaluates the independence of external directors, setting its board independence target to be 80% of the total seats. The current independence ratio stands at 86.67%, which exceeds the target.

CAL reports deficiencies identified by domestic and international regulators, as well as internal and external audits, along with related improvements and major business issues, to the Board of Directors for timely responses. CAL has also established clear rules to prevent conflicts of interest, requiring directors to uphold discipline. Directors must disclose relevant interests during meetings and recuse themselves from related discussions and voting, and may not vote on behalf of others. The Board meets as needed, with at least one meeting held each quarter. According to CAL's "Rules of Procedure for Board of Directors Meetings" a quorum of over half the directors is required to open a meeting.

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3. Board Diversity

For experience/education, concurrent posts, expertise, field of experience, compliance of independence, and the operations of the Board of Directors, please refer page 26-28 of the 2024 CAL Annual Report. Each year, CAL organizes an annual training program for its directors based on CAL's characteristics and industry needs. The topics include corporate governance, ethical business practices and corporate social responsibility, risk management, corporate sustainability, and information security. In 2024, each director completed a total of 6 hours of training in accordance with the "Guidelines for the Implementation of Director Training for Listed Companies." This included a 3-hour course on "Establishing a Friendly Workplace under the Labor Standards Act - Latest and Unlawful Infringement Cases" and a 3-hour course on "Corporate Information Security Posture under Digital Resilience."

✓ indicates the director has the capability   ○ indicates the director has some capability   Male   Female

Name	Title	Independence (Note 1)	Employee Status	Nationality	Gender	Age 40-50	Age 51-60	Age 61-70	Age 71-80	Industrial Experience (Note 2)	Airlines	Transport	Professional Services and Marketing	Financial and Finance	Construction and Engineering	Construction and Real Estate	Banking, Insurance and Real Estate	Business Insurance and Supply	Information and Technology	Metal and Machinery	Law	Accounting	Risk Management
Kao, Shing-Hwang	Chairman	Other Non-Executive Director	-	R.O.C.	Male	-	-	✓	-	Industry	✓	✓	✓	○	-	-	✓	○	○	○	-	○	✓
Chen, Chih-Yuan	Director	Independent Director	-	R.O.C.	Male	-	-	✓	-	Industry	-	✓	✓	○	-	✓	✓	○	-	-	-	-	✓
Ting, Kwang-Hung	Director	Independent Director	-	R.O.C.	Male	-	✓	-	-	Industry	-	-	✓	✓	✓	✓	-	-	-	-	-	○	✓
Chen, Ta-Chun	Director	Independent Director	-	R.O.C.	Male	-	-	✓	-	Industry	-	-	✓	○	-	-	✓	-	-	-	○	-	-
Chen, Maun-Jen	Director	Independent Director	-	R.O.C.	Male	-	-	-	✓	Industry	-	-	✓	-	○	-	✓	✓	✓	-	✓	-	✓
Su, Pei-Hsien	Director		✓	R.O.C.	Female	✓	-	-	-	Industry	✓	✓	-	-	-	-	-	-	-	-	-	-	○
Huang, Huei-Jen	Director		✓	R.O.C.	Female	✓	-	-	-	Industry	✓	✓	-	-	-	-	-	-	-	-	✓	-	○
Huang, Shih-Hui	Director	Other Non-Executive Director	✓	R.O.C.	Female	-	✓	-	-	Industry	✓	✓	-	○	-	-	-	✓	○	-	-	○	○
Wei, Chien-Hung	Director	Independent Director	-	R.O.C.	Male	-	-	✓	-	Industry	-	✓	✓	-	✓	○	-	✓	-	-	-	-	✓
Shon, Zheng-Yi	Director	Independent Director	-	R.O.C.	Male	-	✓	-	-	Industry	✓	✓	○	○	-	-	-	○	○	-	-	○	✓
Lin, Kuo-Chang	Independent Director	Independent Director	-	R.O.C.	Male	-	✓	-	-	Industry	-	-	✓	-	-	-	-	-	-	-	✓	✓	-
Huang, Hsieh-Hsing	Independent Director	Independent Director	-	R.O.C.	Male	-	-	✓	-	Finance	-	-	✓	✓	-	○	-	-	-	-	-	✓	✓
Chang, Hsieh Gen-Sen	Independent Director	Independent Director	-	R.O.C.	Female	-	-	✓	-	Finance	-	-	✓	✓	-	-	-	-	-	-	-	✓	✓
Hwang, Yih-Ray	Independent Director	Independent Director	-	R.O.C.	Male	-	✓	-	-	Finance	-	-	✓	✓	-	✓	-	-	-	-	-	✓	✓
Lin, Yu-Fen	Independent Director	Independent Director	-	R.O.C.	Female	-	✓	-	-	Industry	-	-	✓	-	-	-	-	-	-	✓	-	✓	✓

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Note 1.　The Board of Directors of CAL adopts the one-track system. The independent status of external directors adopts the following criteria. It must satisfy at least 4 items in following 9 items, and at least 2 items in the first 3 items:

① The director must not have been employed by the company in an executive capacity within the last year.

② The director must not accept or have a "Family Member who accepts any payments from the company or any parent or subsidiary of the company in excess of $60,000 during the current fiscal year", other than those permitted by SEC Rule 4200 Definitions.

③ The director must not be a "Family Member of an individual who is employed by the company or by any parent or subsidiary of the company as an executive officer".

④ The director must not be (and must not be affiliated with a company that is) an adviser or consultant to the company or a member of the company's senior management.

⑤ The director must not be affiliated with a significant customer or supplier of the company.

⑥ The director must have no personal services contract(s) with the company or a member of the company's senior management.

⑦ The director must not be affiliated with a not-for-profit entity that receives significant contributions from the company.

⑧ The director must not have been a partner or employee of the company's outside auditor during the past year.

⑨ The director must not have any other conflict of interest that the board itself determines to mean they cannot be considered independent.

⑩ In addition, pursuant to Article 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, the Company's independent director may not concurrently serve as an independent director of more than three other public companies.

Note 2.　Categorized according to the Global Industry Classification Standard (GICS) Level 1.

Functional Committees of the Board
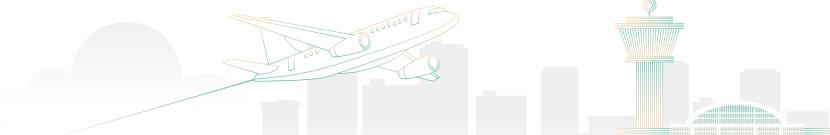
The Board of Directors has three functional committees including the Audit Committee, Remuneration Committee, and Sustainability & Risk Management Committee. They help the Board of Directors with its supervision and guidance and convene meetings in accordance with the respective organizational regulations adopted by the Board of Directors. These committees exercise the powers granted them by law to review and discuss relevant issues, then regularly submit their conclusions and recommendations to the Board of Directors for resolution. Based on the powers specified in the CAL's Remuneration Committee Charter, the Remuneration Committee periodically reviews performance evaluations and remuneration policies, systems, standards, and structures for directors and managerial officers.

Functional Committees

	Audit Committee	Remuneration Committee	Sustainability & Risk Management Committee
Members	Huang,Hsieh-Hsing　Independent Director Lin, Kuo-Chang　Indepedent Director Chang Hsieh, Gen-Sen　Independent Director Huang, Yi-Jui　Independent Director Lin, Yu-Fen　Independent Director	Hsieh-Hsing Huang, Convener (Independent Director) Chang Hsieh, Gen-Sen, Independent Director Chun-Hui Ho, Committee Member (new appointment on January 10, 2024)	Huang, Yi-Jui　Independent Director Huang,Hsieh-Hsing　Independent Director Lin, Yu-Fen　Independent Director Kwang-Hung Ting　Director Chih-Yuan Chen　Director Kuo-Yuan Liang　Consultant
Meeting Frequency	At least once per quarter	At least twice per year	Once per quarter
Functions	The Committee is composed of all independent directors and is responsible for helping the Board of Directors perform its duties, including supervision of fair presentation of CAL's financial statements, selection (dismissal), independence and performance of CPAs, implementation of internal controls, and compliance with corporate laws and regulations, as well as other statutory tasks.	The Committee regularly reviews the overall benefit and compensation policy for directors and executives. It also conducts board performance evaluation once a year. In addition, it appoints a qualified external independent institution or external expert team conduct the evaluation once every three years (last time being in 2023). CAL increases the long-term value of the management team to the company through performance evaluation and remuneration systems. The approach creates a sound corporate governance system, and helps CAL achieve sustainability goals. Note: Refer to the CAL Annual Report and the Remuneration Committee Charter for information on director and executive remuneration.	This committee assists the Board of Directors in reviewing CAL's overall risk management strategies in finance, economics, flight safety, personal data, and information security, as well as the formulation, execution results, and response measures. It also reviews the formulation and execution outcomes of sustainable development policies, systems, or related management guidelines and specific implementation plans.

Note: The Company has not yet appointed a remuneration consultant independent of the Board of Directors and executives.

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The performance evaluations and remuneration of directors and managerial officers shall be based on prevailing rates of the industry, as well as their individual achievements, the Company's overall performance, and the reasonableness of future risks. The Company's business performance and future risks also encompass the economic, environmental, and human rights impact on topics of concern to different stakeholders. Directors are paid transportation allowances but not director remuneration. The remuneration system for the Chairman, President, and executives (senior vice presidents) is based on the Company's current systems, including the hiring and salary standards, salary adjustments for promotions, performance evaluation (including ESG sustainable development and cost control items), and accounting standards for severance pay. According to Article 18 of the Company's Articles of Incorporation, the Board of Directors is authorized to determine the remuneration of the Chairman in accordance with the Company's regulations for the remuneration for managerial officers based on the Chairman's participation in the operations of the Company. The President's remuneration is based on the Company's remuneration standards for the President. The bonus and employee's remuneration are determined by the Company's overall performance and the existing operation regulations. The remuneration paid to managerial officers is determined based on factors such as their responsibility, position, number of years of service, personal abilities, and experience as well as the Company's remuneration standards for the position, and prevailing rates in the market. The Company has not yet set clawback mechanisms in the remuneration system of the Chairman, President, and executives.

General Audit Office
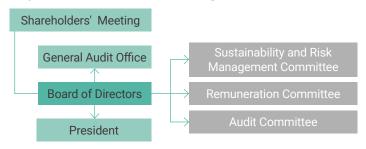
To enforce corporate sustainability, the General Audit Office is responsible for auditing the corporate governance system to prevent fraudulent activities and corruption. The results of audits are continually followed and required to be corrected by the given time limit. The audited cases in 2024 are summarized below by category. All of the cases have been reported to the General Audit Office.

Functional Committees

Type of Cases	Number of Cases Audited	Number of Comments	Number of Corrections
Head Office	12	76	76
Branch	22	133	133
Subsidiary	9	51	51
Transaction in Derivative Products	12	None, full compliance with regulations	-
Procedures for Lending Funds and Making Endorsements/Guarantees	4	None, full compliance with regulations	-
Subsidiary Supervision and Management Operations	1	1	1
Management of the Financial Statement Preparation Process	1	None, full compliance with regulations	-
Management Operations of the Board of Directors and Audit Committee Meetings	1	None, full compliance with regulations	-
Acquisition or Disposal of Assets Operations	1	None, full compliance with regulations	-
Information Security Inspection Operations	1	5	5
Regulatory Compliance Procedures	1	None, full compliance with regulations	-
Management Operations of the Compensation Committee	1	None, full compliance with regulations	-
Management of Related Party Transactions	1	None, full compliance with regulations	-

Every year, the General Audit Office compiles an "overall evaluation" based on self assessments performed by individual departments and improvement of errors and irregularities identified in the annual audits. The overall evaluation is used to verify the effectiveness of the internal control system, and provides the basis for the "Internal Control Statement", which will be submitted to the board of directors for review. The General Audit Office has also established a whistle-blowing mechanism to report fraudulent activities and unethical conduct. If it is found that an employee of CAL or its affiliates is misusing his/her position to take bribes or behave in violation of his/her duties for the purpose of obtaining unlawful benefits for himself/herself or others, thereby causing losses to CAL's property or reputation, an employee or an external partner (e.g., a supplier) is encouraged to report this matter through the management mechanism or through the independent mailbox (auditor@china-airlines.com) published on the website (Stakeholder Contact- Business Conduct) and in the Annual Report (Corporate Governance Report- Corporate Governance).

Corporate Governance Framework Diagram
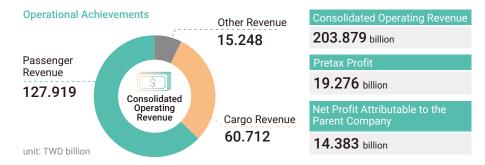
3.2 Operational Achievements `GRI 201-1`

3.2.1 CAL Group Operational Achievement

In 2024, the global aviation industry experienced an environment of both recovery and challenges. CAL demonstrated robust operational resilience despite the industry facing multiple influencing factors, such as geopolitical conflicts (the Russia-Ukraine war, the Israel-Palestine conflict), oil price fluctuations, supply chain bottlenecks, and rising labor costs. CAL actively responded to market changes, striving to enhance operational efficiency and profitability, achieving significant progress in both passenger and cargo markets. Global air passenger traffic rebounded strongly in 2024, providing growth momentum for CAL. In terms of cargo, driven by the booming development of cross-border e-commerce and limited sea freight capacity, CAL fully seized market opportunities by actively expanding passenger and cargo route networks and optimizing belly cargo capacity in passenger aircraft, achieving significant growth in both passenger and cargo revenue. Additionally, CAL continues its fleet renewal program by introducing new aircraft such as the A321neo and 777F, and has ordered 18 Boeing 787-9 and 6 Boeing 787-10 aircraft. The plan includes gradually phasing out the 737-800, A330-300 passenger aircraft, and 747-400F freighters. In 2024, CAL announced the procurement of 10 Airbus A350-1000 aircraft, 10 Boeing 777-9 aircraft, and 4 Boeing 777-8F freighters, with deliveries expected to begin in 2029. These aircraft will be deployed on long-haul passenger and cargo routes to North America and Europe. Through fleet optimization and renewal, flexible adjustment of passenger and cargo flights, and strategic planning of the overall operational network, CAL provides more competitive products and services to meet passenger needs, actively seizing passenger and cargo business opportunities. In 2024, the consolidated operating revenue was TWD 203.879 billion (with passenger revenue of TWD 127.919 billion, cargo revenue of TWD 60.712 billion, and other revenue of TWD 15.248 billion). The consolidated operating profit was TWD 18.202 billion, the consolidated profit before tax was TWD 19.276 billion, and the net profit attributable to the parent company after tax was TWD 14.383 billion. For detailed information. 🔍 refer to the appendix on financial performance

Operational Achievements

Other Revenue **15.248**

Passenger Revenue **127.919**

Consolidated Operating Revenue

Cargo Revenue **60.712**

unit: TWD billion

Consolidated Operating Revenue
203.879 billion

Pretax Profit
19.276 billion

Net Profit Attributable to the Parent Company
14.383 billion

Consolidated Financial Statement (Unit: TWD billion)

Item	2021	2022	2023	2024
Passenger Revenue	6.06	25.48	115.72	127.92
Cargo Revenue	124.54	116.25	57.15	60.71
Other Revenue	8.24	8.99	11.95	15.25
Consolidated Operating Revenue	138.84	150.72	184.82	203.88
Consolidated Pretax Profit	11.13	2.66	9.31	19.28

Individual Financial Statement (Unit: TWD billion)

Item	2021	2022	2023	2024
Operating Revenue	132.14	141.07	161.68	175.18
Operating Cost	106.23	128.09	144.04	149.90
Operating Expense	6.59	7.06	11.04	12.50
Income Tax Expense (Benefit)	2.59	1.03	1.24	2.70
Total Salary Expenses	16.19	14.49	16.84	21.37
Total Employee Benefits	22.60	20.47	24.46	30.50
Total Pension	1.53	1.47	1.48	1.54

2024 Performance of International Passenger and Cargo Transport

Routes	Company	Number of Departures (Flights)	Passengers (Persons)	Market Share (%)	Revenue Passenger Kilometers (RPK)	Available Seat Kilometer (ASK)	Passenger Load Factor (%)	Tonnage (Metric Ton)	Market Share (%)	Freight Revenue Ton Kilometers (FRTK)	Freight Available Tonne Kilometers (FATK)	Freight Load Factor (%)
International		66,593	11,155,236	35.1	36,985,273,931	47,007,257,822	78.7	1,180,786	55.3	5,282,850,350	7,728,177,711	68.4
		2,292	313,219	1.0	287,528,684	371,675,970	77.4	10,950	0.5	2,831,793	8,581,191	33.0
		18,716	2,903,383	9.1	5,563,418,339	6,430,274,190	86.5	30,380	1.4	59,360,124	125,033,109	47.5
	CAL Group	87,601	14,371,838	45.2	42,836,220,954	53,809,207,982	79.6	1,222,116	57.2	5,345,042,267	7,861,792,011	68.0
Domestic		32,169	2,044,143	39.3	868,397,598	1,072,380,934	81.0	17,692	36.8	1,858,383	11,929,527	15.6
Global	CAL Group	119,770	16,415,981	44.4	43,704,618,552	54,881,588,916	79.6	1,239,808	56.8	5,346,900,650	7,873,721,538	67.9

Source: "Civil Air Transport Statistics (Table 18 Overview of Global Passenger and Cargo Transport on Global Routes by Domestic Airlines)" by CAA of MOTC.

3.2.2 Analysis of Operational Environment Risks and Opportunities

The aviation industry connects the global flow of both people and logistics, and its development is closely linked to global economic growth and prosperity. According to a report released by the International Air Transport Association (IATA) in December 2024, the global aviation market in 2024 is estimated to have reached 4.893 billion passengers, with industry revenue rebounding to nearly US$1.19 trillion. Passenger volume is expected to surpass pre-pandemic levels, indicating strong recovery momentum in the aviation industry. However, the report also highlights that while the industry is experiencing recovery, it faces multiple challenges and risks, including aircraft delivery delays due to supply chain issues, an aging global fleet leading to increased maintenance costs, wage increases due to labor shortages, and rising costs in all non-fuel areas. CAL has continued to review the risks and opportunities in the business environment and regularly reviews medium and long-term business opportunities and risks. We also focus on material topics of concern to stakeholders and implement the Sustainable Development Strategy to fulfill the Sustainable Development Goals (SDGs) through real actions.

Item	2023	2024 Forecast	2024 Compared to 2023	
Production Value (US$ trillion)	1.13	1.19	+0.067	+5.96%
Contribution to Global GDP (%)	1.1%	1.1%	+0 ppt	
Passengers (100 million persons)	44.39	48.93	+4.54	+10.23%
RPK (trillion km)	8.172	9.091	+0.919	+11.25%
Passenger Revenue (US$100mn)	6,460	6,780	+320	+4.95%
CTK (100mn km)	2,460	2,750	+290	+11.79%
Cargo Revenue (US$100mn)	1,390	1,490	+100	+7.19%
Fuel Expense (US$100mn)	-2,690	-2,610	+80	-2.97%
Non-fuel Expenses (US$100mn)	-5,780	-6,430	-650	+11.25%
Net Profit (US$100mn)	352	315	-37	-10.51%

Source: International Air Transport Association (IATA)

Business Opportunities

Demand for International Travel Remains Robust

Global economic activity has continued to heat up post-pandemic, with a significant increase in the desire of travelers to go abroad, leading to a marked rise in demand for air passenger services. Airlines are actively responding to market demand by not only restoring existing route services but also actively opening new routes to expand their market presence. According to a report released by IATA in December 2024, the global passenger market is expected to experience strong growth in 2025, with the most significant growth occurring in the Asia-Pacific region. This region will become a key driver of global aviation industry development. The main reasons for this growth include economic development, improved living standards, and favorable demographic trends. In 2023, over one-third of trips had the Asia-Pacific as their origin or destination. It is estimated that by 2043, nearly half (46%) of trips will be to and from the Asia-Pacific. Taiwan is in a more favorable position in terms of air passenger transportation recovery, as the demand for Southeast Asia-North America transshipment has increased significantly after the pandemic, but the recovery of long-haul routes from China and Hong Kong airports has been slow, which has resulted in a spillover of connecting flights from neighboring Taoyuan Airport. As a national airline operator, CAL continues to actively plan for future market changes by expanding its passenger services. This includes a fleet renewal program to replace older aircraft with new-generation passenger planes, enhancing overall operational efficiency and aggressively seizing business opportunities.

Taking Advantage of Geographic Location as a Hub

Taiwan is strategically located as a key hub in the Asia-Pacific region, which is advantageous for developing passenger and cargo transit services. According to Taoyuan International Airport statistics, the number of transit passengers in 2024 exceeded 6.91 million. Among these, nearly 80% were passengers transiting between North America and Southeast Asia, indicating that airlines have successfully positioned themselves in the transit market. Taoyuan International Airport is gradually transforming into a major hub in East Asia. To provide enhanced services, Taoyuan Airport continues to invest resources in upgrading its software and hardware facilities to meet the needs of passengers and cargo. According to the second edition of the Taiwan Taoyuan International Airport Area Master Plan (the third edition will be approved in 2025), Taoyuan Airport is aligning with the government's "Asia-Pacific Operations Center - Air Transport Hub Plan" by planning the construction of the third terminal (2015-2026), the third runway (2025-2030), and the west satellite concourse (2028-2035). Additionally, a new aircraft maintenance area (2028-2029) and a new cargo area (2025-2034) are planned to meet future aviation traffic demands, continuously improve operational efficiency and international competitiveness, attract transit passengers, and create transshipment cargo opportunities, moving towards the goal of becoming an East Asian aviation hub airport. (Taoyuan International Airport aims to increase passenger traffic to 82 million passengers and increase cargo volume to 4.02 million tons by 2040)

New Generation of Fleet in Place to Enhance Operational Efficiency

CAL continues the fleet renewal programs to ensure sustainable development. The next-generation aircrafts offer advantages in terms of aircraft design, fuel economy, operating performance, and product acceptability, which significantly reduces the cost and support CAL's plans to attain net zero carbon emissions by 2050. By 2025, the Company plans to have a fleet of 10 Boeing 777F aircraft, gradually replacing the 747-400F freighters. The passenger aircraft replacement plan began at the end of 2021 with the introduction of the new-generation Airbus A321neo to replace the Boeing 737-800 aircraft. The Company has also ordered 18 Boeing 787-9 and 6 Boeing 787-10 aircraft to replace the A330-300 fleet. Additionally, in 2024, the Company announced the procurement of 10 Airbus A350-1000 aircraft, 10 Boeing 777-9 aircraft, and 4 Boeing 777-8F freighters. The new fleet is expected to be delivered starting in 2029, positioning the Company to embrace the new era with fuel-efficient, high-performance, and environmentally friendly aircraft.

In an effort to capture passenger business opportunities, the Company introduced a new fleet of A321neo aircraft in 2021, which featured a wide range of new hardware and software equipment, an upgraded fully lie-flat deluxe business class, the latest personal video system with the largest screen, high-speed in-flight Wi-Fi and free text messaging, among other services. The 787 aircraft to be introduced in the future are flagship new-generation products. The new fleet will feature the latest cabin seating equipment, equipped with high-definition personal in-flight entertainment systems and onboard internet, aiming to provide passengers with a superior and comfortable journey. The existing A350 fleet is already planned for cabin upgrades, expected to be operational starting in 2027, offering a consistent flight experience across the fleet with up-to-date cabin facilities. CAL won the APEX Five Star Global Airline in 2024 from the Airline Passenger Experience Association (APEX) for the 9th consecutive year. Through its global network, CAL promotes Taiwan's cultural and creative strength and lifestyle aesthetics on the international stage, and continues to optimize its services to make every flight a home away from home, and to make every journey a wonderful, reassuring, comfortable, and enjoyable experience.

Operational Challenges

Variability in the Global Economy

Challenges such as slowing economic growth, labor shortages, and geopolitical conflicts continue to affect the strength of global economic and trade growth and the performance of air transportation, and the global aviation industry needs to cope with multiple changes.

IATA estimates that in 2024, the overall passenger volume will increase by 11.2% year-on-year, reaching 4.893 billion passengers (107% of pre-pandemic levels), with passenger revenue increasing by 5.0% year-on-year to US$678 billion. Cargo revenue is expected to increase by 7% year-on-year, reaching US$149 billion. Looking ahead to 2025, the aviation industry will need to remain flexible in a dynamic and changing environment. In line with policy adjustments and economic trends in various countries, the aviation industry will need to proactively adjust its capacity, expand its scale of operations, refine its business and revenue management, and enhance its service quality, in order to ensure that the industry can continue to develop in a stable manner.

Labor Shortage and Delivery Delays in the Aviation Industry

Since 2023, the airline industry has continued to face the twin dilemmas of labor shortages and delays in aircraft delivery, which have had a significant impact on the overall industry. According to statistics from Oxford Economics, since the outbreak of the pandemic in 2019, the global aviation industry has lost over 23 million jobs, a 21% decrease compared to pre-pandemic levels. This highlights the severe extent of the labor shortage, which limits airlines' ability to meet travel demand. The shortage of key positions such as airport service personnel, pilots, and flight attendants has hindered operational efficiency, thereby affecting passengers' flight experience. In 2024, CAL actively recruited nearly one hundred aviation professionals and flexibly planned manpower allocation based on flight conditions and operational needs to effectively respond to changes in the travel market and lay a solid foundation for the new aircraft introduction plan. At the same time, aircraft delivery delays have further exacerbated the difficulties faced by airlines. These delays, caused by a weakened supply chain during the industry's freeze due to the pandemic or other technical challenges, have made it difficult for airlines to realize their original expansion plans. In response, CAL adopted a series of measures, including lease increases, lease extensions and deferred retirement of old aircraft, to maintain stable operations.

SAF Supply Scarce and Expensive

The IATA report indicates that to achieve the 2050 net-zero commitment, the global aviation industry in 2024 used Sustainable Aviation Fuels (SAF) at a price 3.1 times that of conventional fuel, increasing fuel costs by US$1.7 billion. Additionally, the Carbon Offset and Reduction Scheme for International Aviation (CORSIA) estimates that in 2025, the proportion of SAF usage will rise to 0.6%, increasing fuel costs by US$3.8 billion, with CORSIA projecting an additional cost increase of US$1 billion. This demonstrates the growing cost pressures on the aviation industry in terms of carbon reduction. In response to this challenge, CAL follows the carbon reduction strategy goals of the International Air Transport Association (IATA) and is actively formulating a 2050 net-zero strategy and a concrete roadmap, demonstrating our proactive efforts in addressing climate change.

3.3 Risk Management

3.3.1 Risk Management Mechanisms
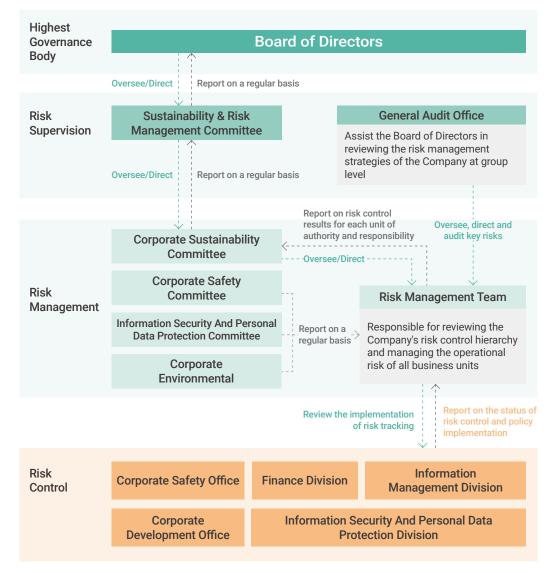
Risk Governance and Organizational Structure

CAL regularly reviews its risk management governance, structure, and processes, adopting a three lines of defense model: the first line (Operational risk ownership) manages day-to-day risks; the second line (Risk management and compliance oversight) sets standards and monitors compliance; and the third line (independent audit unit) audits and provides recommendations to ensure alignment with the Company's risk appetite and objectives. This structure clearly defines responsibilities and ensures systematic and structured risk management.

CAL has established a Sustainability & Risk Management Committee under the Board of Directors, which meets regularly. On November 8, 2024, the Board approved updated risk management policies and procedures. The Committee assists the Board in quarterly reviews of risk strategies, implementation outcomes, and response measures, and ensures responsible units manage major risks accordingly. The Auditor General, as the highest risk audit authority, supports the Board in reviewing the formulation and implementation of risk strategies, and ensures responsible units manage their assigned risks. The independent audit unit (third line of defense) closely monitors all aspects of risk management and provides advice. Major risks are audited annually based on their materiality and the effectiveness of response measures. Established in 2023, the Risk Management Team operates independently from business units. It promotes the risk management framework and conducts quarterly reviews of risk tracking progress. Designated supervisors are responsible for formulating and implementing risk response plans. The Senior Vice President of Flight Operations, as head of the Risk Management Team, serves as the chief risk officer (second line of defense), overseeing the implementation of risk management policies across all business units. Results from each operational risk owner (first line of defense) are regularly reported to the Corporate Sustainability Committee, chaired by the President.

The Board of Directors serves as the highest governing body for risk management. The Sustainability & Risk Management Committee, composed of independent and non-executive directors, directly oversees both traditional risks (e.g., safety, business, financial, information security, and personal data) and mid- to long-term strategic risks. Environmental and emerging risks are managed through the Corporate Sustainability Committee and its Risk Management Team.

CAL Risk Governance and Management Chart

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Enterprise Risk Management Framework and Procedures

CAL's risk management framework is primarily based on Enterprise Risk Management (ERM) principles, with reference to ISO 31000 guidelines, to ensure the accurate identification, measurement, supervision, and control of risks. CAL adopts a multi-level structure to manage overall risks while emphasizing inter-risk correlations to reduce potential impacts and support sustainable operations. Risk management follows the principle of materiality, identifying both traditional and mid- to long-term strategic risks. CAL assesses the potential impact of risk events and formulates contingency plans through four key steps: event identification, risk analysis, risk assessment, and risk control. These are regularly reviewed at quarterly meetings of the Board's Sustainability & Risk Management Committee and the Corporate Sustainability Committee.Materiality analysis results are integrated into the risk management mechanism, ensuring that the interconnections between traditional risks, strategic risks, and sustainability issues are addressed. This process helps incorporate potential impacts on the economy, environment, and people (including human rights) into enterprise risk identification and control. In 2024, CAL identified two key sustainability risks: the aging of fleet aircraft and the leakage of confidential information. These issues are being closely monitored through defined management objectives, action plans, and mitigation measures.

CAL has established an effective internal control system and audit mechanism in accordance with the Regulations Governing the Establishment of Internal Control Systems by Public Companies. After each unit drafts its internal control framework, the Information Security & Personal Data Protection Division consolidates and submits it to the Board of Directors for approval and implementation. The General Audit Office then prepares detailed internal audit procedures, which are also approved by the Board and serve as the basis for conducting audits.

Internal audits are designed to assist the Board and management in identifying deficiencies, evaluating operational effectiveness and efficiency, and recommending timely improvements to ensure the continuous effectiveness of internal controls. The internal control system is structured around five components: control environment, risk assessment, control activities, information and communication, and monitoring.

To assess system effectiveness, an annual audit plan is developed, covering routine audits, annual audits, audits required by the Financial Supervisory Commission, special audits, Board reports, subsidiary oversight, supervisory tasks, inventory checks, internal control declarations, and the management of the official website's Auditor mailbox. All evaluations follow the Internal Audit Implementation Rules and are reported to management and the Board to drive timely improvements. This process upholds integrity management, mitigates risks to acceptable levels, and helps prevent fraud and corruption.

CAL Risk Management Model/Procedures

| Risk Definitions | Risk Identification & Correlation | Analysis and Evaluation | Risk Management |

Traditional Risks

Safety Risks	Corporate Safety Office
Business Risks	Corporate Development Office
Financial Risks	Finance Division
Information Security and Personal Data Risks	▪ Information Management Division ▪ Information Security And Personal Data Protection Division

Mid-term/Long-term Strategic Risks

| Emerging Risks | Corporate Development Office |
| Environmental Risks | Corporate Development Office |

1. **Traditional Risks**
   The Sustainability & Risk Management Committee supervises cross-sectional traditional risk and reports to the Board

2. **Mid-term/Long-term Strategic Risks**
   The Corporate Sustainability Committee and Board of Directors Sustainability & Risk Management Committee supervise strategic risk and report to the Board

3. **Results of the Materiality Analysis of Sustainability Issues**
   Each working group of the Corporate Sustainability Committee identifies the material themes, evaluates the correlation with traditional risks and mid-term/long-term strategic risks, and presents them to the Corporate Sustainability Committee

| Top-down Risk Identification | Identify the most significant risks affecting the company at the organizational level and determine their interconnections. |
| Bottom-up Risk Identification | Responsible units periodically conduct risk event identification and report defined risks to the relevant committees. |

← - - Feedback - - - -

Supervising & Monitoring

Risk Matrix

By evaluating the risk severity and risk probability through sensitivity analysis, pressure test and all the identified risk events, in order to categorize the risk level to CAL

Based on the risk matrix, the unit responsible will track and review high-risk issues and formulate response measures

Communicating & Consulting

← - - - - Feedback - - - -

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Internal Control System and Internal Audit Flowchart

| Self-assessment report of each unit | Internal audit report and improvement of each unit, as well as the results of professional audits by external authorities, auditing organizations, and CPAs | Evaluation form for components of internal control of the relevant unit |

General Audit Office review and compilation

- Overall assessment of internal control
- Assessment of the validity of the internal control system
- Statement of internal control system

Approved by the Chairman of the Board

Approved by the Board of Directors

Chairman and President Signed the Statement of Internal Control Systems

| Published in annual reports and public explanatory notes | Retain relevant information for five years | Online reporting in accordance with FSC regulations |

3.3.2 Risk Identification and Countermeasures

Based on the characteristics of the aviation industry and considering the operating environment and daily operation characteristics, the impact of risk events on the Company's operation is not uniform in terms of area, degree and timing, which is both extensive and time-consuming. CAL conducts quarterly Sustainability & Risk Management Committee meetings to supervise the departments in charge of risk management policies, risk appetite level, and the progress of implementation and improvement of risk control, and conducts semi-annual risk health checks to evaluate and control the various financial risks by means of standardized methods. Financial risks are assessed in a standardized manner and introduced into the sensitivity analysis and stress testing mechanism. Every three to five years, we regularly collect industry information such as "internal and external forecasts on market trends and competitor dynamics" and conduct SWOT analyses to identify the sources of risks faced by the enterprise's operations, which are categorized into mid-term/long-term strategic risks and short-term traditional risks, and are monitored and controlled through the existing "Business Strategy Management" and the "Annual Business Plan/ Operational Risk Management" mechanisms.

2024 Financial Risk Assessment, Sensitivity Analysis, and Stress Test Operations

CAL has established the "AC-031 Financial Risk Management Procedures" and conducts a review and assessment of financial risk levels and stress tests every six months to effectively manage risks. The key highlights of the related operations for 2024 are as follows:

- Financial risks were identified and categorized in accordance with "AC-031 Financial Risk Control Practice", and corresponding measures were formulated.
- The primary and secondary indicators of financial risk were assessed to be "very low."
- Sensitivity analysis and stress testing: Financial risk could be effectively managed in a conservative scenario.
- The Company's financial risks are all at the very low-risk level. In the future, CAL will dynamically adjust its short-, medium-, and long-term financial planning and hedging positions in response to the needs of its operational development and changes in the fund-raising market environment in order to continue to manage its financial risks.

CAL's Risk Management Operations in 2024

The Sustainability & Risk Management Committee reports quarterly to the Board of Directors on risk management operations. The following summarizes the Company's key risk exposures identified in 2024—based on likelihood and impact—and the corresponding mitigation measures taken.

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- Risks were identified and categorized in accordance with the "Risk Management Procedures" and corresponding measures were formulated.
- In 2024, no items remained classified as high risk. Although aviation and aerospace supply chain challenges were initially assessed as high risk, the implementation of mitigation measures—including aircraft lease extensions, additional leases, and the introduction of new aircraft—effectively reduced the risk level to medium.
- Four Emerging Risks and Countermeasures

① **Economic slowdown**: In accordance with market and industry trends, we reviewed and adjusted our passenger and cargo pricing strategies on a rolling basis.

② **Geopolitical disputes**: Shipping routes were adjusted prudently based on developments in global conflicts and the geopolitical landscape.

③ **Stabilization of passenger and cargo markets**: CAL resumed and increased flight frequencies in line with demand, maintained a high-fare strategy to optimize revenue, and closely monitored trans-Pacific cargo market dynamics to adjust capacity flexibly.

④ **Aviation and Aerospace Supply Chain Challenges:** In light of continued delivery delays, CAL maintains passenger aircraft capacity through lease extensions, additional leases, and new introductions, while simultaneously integrating passenger and cargo aircraft capacity and optimizing capacity utilization.

CAL has established an emerging risk identification process, completed a risk matrix for emerging risks, regularly conducted risk assessment and develop countermeasures to mitigate the impact of emerging risks in the aviation industry.

Traditional Risks

Traditional risks refer to short-term risk incidents that have an impact on business operations for less than one year and can be solved in a short period of time. Traditional risks are divided into safety, operational, financial, personal information, and information security, and are managed with the goals of mitigating risks, strengthening resilience to crises, protecting stakeholders' interests, and enhancing corporate sustainability.

1. Safety and Security Risk Management
Safety is the cornerstone of aviation. CAL upholds rigorous flight safety standards through its Safety Management System (SMS) and risk management procedures. The Corporate Safety Office regularly assesses internal and external risks across flight operations, maintenance, cabin services, and ground handling, implementing corrective actions as needed. 🔍 Refer to 2.1 Trust

2. Business Operational Risk Management
The aviation industry operates in a rapidly changing environment, with significant political, economic, and other internal and external events greatly impacting CAL's operations. The Corporate Development Office analyzes potential events that may affect the Company's operations and proposes specific response plans to mitigate the impact on our strategic execution direction and annual business plan. For instance, when CAL undertakes the preparation for deploying a new terminal, relevant departments must adhere to operational procedures, conduct risk assessments, and incorporate risk standards into the development of products and services to ensure that new terminal operations comply with civil aviation regulations and Company standards. 🔍 Refer to 3.2.2 Analysis of Risks and Opportunities in the Business Environment

Risk Management Analysis

Level of Risk	Mid/Long-term Strategic Risks Mid/Long-term Strategic or Structural Impact/ More than One Year		Short-term Traditional Risks Short-term Business or Operational Impact/Less than One Year	
Monitoring Mechanisms	**Business Strategy Management** 1. Collect industry information, such as internal and external forecasts on market trends and competitor dynamics, every three to five years to conduct SWOT analysis 2. Develop the Company vision, mission, and mid-term/long-term strategies, based on the results of SWOT analysis		**Annual Business Plan/Operational Risk Management** (Reported to Sustainability & Risk Management Committee)	
			Risk Identification	Review internal and external environments and identify regular risk incidents that may have short-term impacts on business operations
			Risk Analysis	Analyze the impact of risk incidents on business operations in terms of Importance to Stakeholders (impact on society and economy/aviation industry; correlation with CAL or relevant departments) and Impact on CAL (impact on finances, operations, or sales; possibility of violations or fines; impact on corporate brand or reputation)
			Risk Assessment	Create an operational risk matrix based on two risk analysis aspects, to assess degree of risk appetite for each incident
			Risk Control	Develop countermeasures to mitigate impact of high-risk incidents on business operations

Change to Strategic Risks
Ongoing Impact a Year Later

Release from Control
Zero Impact a Year Later

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3. Financial Risk Management

An unexpected turn of events in the economic and financial world, both at home and abroad, can affect a company's operating results. In particular, interest rates, exchange rates, inflation, and fuel represent the principal costs for airlines; these costs are very sensitive to trends in the international economy and can become quite volatile. Therefore, the Finance Division employs financial hedging instruments to confine the major costs listed above to preset limits and to monitor financial risks on a regular basis. The Division is also responsible for developing relevant strategies and measures to fulfill the objectives of finance-related risk management.

🔍 Refer to 3.2.2 Analysis of Risks and Opportunities in the Business Environment

4. Information Security and Personal Data Risk Management

CAL's Information Security & Personal Data Protection Division is a dedicated management unit for information security and personal information protection. It is headed by the Data Protection Officer (DPO) and the Chief Information Security Officer (CISO), who are in charge of the promotion of information security policies and resource allocation, and who lead the independent information security and personal information teams to adopt management measures that meet the international standards in order to implement information security and personal information protection. In order to strengthen the information security framework planning and management system, we continue to improve the multi-level defense depth, staff education and training, social engineering drills, and emergency response drills, to enhance the awareness of employees on information security, and to establish compliance with laws, regulations, and international information security standards to reduce the overall risk of information security.

🔍 Refer to 2.1.5 Information Security Management

In order to identify the risks associated with the handling of personal information, CAL has established operating procedures to appropriately categorize and regularly review various personal information files as the basis for planning a risk control mechanism. In addition, CAL has established the "Personal Data Breach Response Management Procedures" for personal information incidents, which provides a contingency plan for incidents in which the rights of the subject are damaged due to the inappropriate access to, or disclosure of, or unauthorized use of, personal information. Contingency drills are held annually to ensure the validity of the contingency mechanism and to familiarize all personnel with the contingency procedures.

🔍 Refer to 2.1.6 Privacy Management

Mid-term/Long-term Strategic Risks

Mid-term/long-term strategic risks refer to risk incidents that have a strategic or structural impact on business operations for more than one year, and which cannot be solved in a short period of time. CAL reviews and analyzes its market position and collects industry information, such as internal and external forecasts on market trends and competitor dynamics, every three to five years, then conducts SWOT analysis, and accordingly develops the company vision, mission, and mid-term/long-term strategies.

1. Environmental Risk Management

CAL recognizes the critical impact of climate issues on aviation. Beyond supporting ICAO, IATA, and Civil Aviation Administration initiatives for voluntary carbon reduction with three major milestones, we established a TCFD inter-unit working group in 2019 and manage climate risks and opportunities through our Corporate Sustainability and Environmental Committees. In 2022, we published the "Forest and Biodiversity Conservation Commitment," signed by leadership. In 2023, we adopted tools like the Biodiversity Risk Analysis Tool, TNFD, Natural Capital Protocol, and Science-Based Targets to assess and manage biodiversity impacts and risks across our operations and supply chain, setting additional biodiversity conservation goals. In 2024, we further integrated natural and climate issues into TCFD reporting, submitting key results annually to the Board for proactive risk management, carbon practices, and climate resilience.

🔍 Refer to 2.3.2 Climate Change Mitigation and Adaptation

2. Emerging Risk Management

Emerging risks are those not yet fully realized or widely recognized, characterized by high uncertainty and evolving due to technological, regulatory, social, or environmental changes. These risks can significantly impact CAL's operations, finances, or reputation. Although not fully manifested, their potential effects may already be present and long-term. Therefore, CAL must regularly assess, monitor, and address emerging risks to avoid threats to operations and safety. Key characteristics of emerging risks are: (1) the risk is new, emerging, (2) The potential impact of the risk is long-term and may be unknown, possibly already affecting CAL, (3) potential to cause significant impact that could severely disrupt operations, (4) external origin, arising from outside the Company, (5) specific to CAL, not uniformly affecting the entire industry, (6) require public disclosure.

The World Economic Forum (WEF) publishes the Global Risks Report every January, outlining key global risks across five categories: economic, environmental, geopolitical, societal, and technological. In response to the rapid advancement of emerging technologies—such as misleading results caused by AI hallucinations—and growing protectionism and trade tensions driven by new government policies (including sanctions, tariffs, and investment reviews), the potential impact on businesses is rising. CAL has incorporated these identified emerging risks into its group-wide risk management framework, conducting regular reviews and establishing appropriate countermeasures.

Emerging Risk Management Mechanisms

Risk Identification	Analysis and Evaluation	Risk Management	Risk Report
Identify potential risks that may impact the organization's objectives, which are the responsibility of the operational risk ownership (first line of defense). Identify emerging or previously unaddressed risks that are growing in significance but lack sufficient knowledge or preparedness.	Assess the likelihood and impact of risks, and determine their priority, to be monitored and evaluated by Risk Management and Compliance Oversight (the second line of defense). The potential impact of risk analysis is significant and could severely affect the operations of CAL. The risk is classified as external, caused by events outside the Company. The assessment of the risk's impact is specific to CAL, rather than applicable to the entire industry.	Develop and implement strategies to reduce or eliminate the impact of risks. This process is executed by the operational risk ownership (first line of defense) and supervised by risk management and compliance oversight (second line of defense).	Regularly report on risk management activities and results, and disclose them publicly to ensure transparency and continuous improvement. This process is overseen by an independent audit unit (the third line of defense) and is supervised by the Corporate Sustainability Committee - Risk Management Group for medium- and long-term strategic risks.

Emerging Risk Management Mechanisms

	Name of the emerging risk	Description	Impact	Mitigating actions
Economic	Geoeconomic Confrontation (Sanctions, Tariffs, Investment Reviews)	▪ The escalation of protectionism due to tariffs may lead to a decline in global trade, accelerating a broader decoupling between the United States and China and their respective allies. The expansion of global geo-economic fragmentation will impact all economies. The risks began to gradually manifest after Trump took office, and their significance is notably increasing. Ultimately, emerging markets may be the most severely affected. ▪ While signs of risks have already emerged since Donald Trump's second inauguration, the overall impact has not yet truly materialized, leaving us facing unprecedented potential threats. As such risks have not been effectively addressed in the past, many countries are still exhibiting inadequacies in their response and management, particularly in emerging markets. If faced with such impacts in the future, the consequences may be even more profound and harder to predict.	▪ Taiwan is an export-oriented economy and is highly sensitive to changes in the global economy. High inflation, tightened monetary policies, decline in end-user demand, inventory adjustments in the industry chain, reduced demand, and an influx of belly capacity in passenger aircrafts on the market may result in a decline in cargo volume and prices. ▪ If geoeconomic confrontation leads to an economic slowdown, both business and leisure travel demand may decrease, potentially impacting air passenger transport demand.	▪ Monitor changes in the supply chain and seize opportunities for overseas factory setups, personnel, and logistics. ▪ CAL added cargo flights to Europe and the Americas and pursued business opportunities for high-price charter flights and medium to long-term customized services to expand competitive advantages and consolidate Taiwan's position as a hub. ▪ CAL expanded potential destinations in Southeast Asia for passenger services and added routes to Southeast Asia that connect to Europe and the Americas to target passengers on transfer flights. ▪ Maintain operational flexibility and continue strategic planning in line with the next phase of supply chain shifts. ▪ Utilize existing freighters in conjunction with passenger aircraft belly capacity to build an efficient cargo and passenger network as supply chains become increasingly fragmented.
Technology	AI Hallucinations Generate Misleading Results	As artificial intelligence has continued to develop rapidly, it has been accompanied by the rise of the phenomenon of "AI hallucination." AI systems, in the absence of real data support, may generate fictitious or erroneous information on their own, potentially providing responses that seem reasonable, but are actually incorrect. This has profound implications for digital data management and decision-making processes, impacting the online ecosystem. For example, the generation of false information or	▪ Airline Website or Mobile App Vulnerability: As AI technology continues to develop, airline websites and mobile apps are an increasingly important way for customers to book tickets and manage flights. If these systems have vulnerabilities or security weaknesses, it could lead to customers receiving incorrect flight information or cause panic and disrupt normal operations due to false emergency notifications, resulting in a crisis of confidence for CAL.	▪ CAL focuses on the advanced strengthening of information security framework planning and management system, and continue to refine the multi-level defense depth, staff education and training, social engineering drills and emergency response drills to enhance the information security awareness of our employees. ▪ Combine AI technology with human oversight to ensure the system's safety and reliability.

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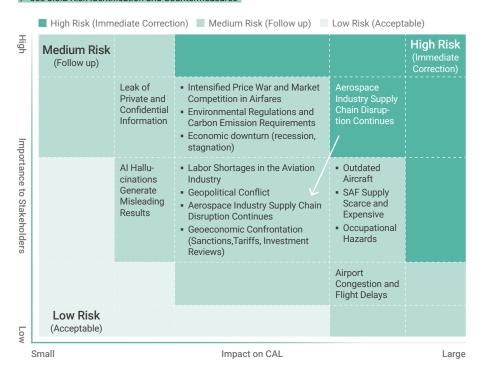
| Technology | AI Hallucinations Generate Misleading Results | misleading content through automation may impact social stability and public trust. Furthermore, while the application of AI to the Internet of Things (IoT) has made data processing and transmission more efficient, it has also introduced new challenges in digital management. Balancing innovative development with data privacy protection has become an even more vital issue. As technology continues to evolve, the significance of these challenges will only grow. | ▪ **Generation of misleading information by AI customer service**: Directly impacts customer experience and brand trust. For example, during itinerary changes, ticket inquiries, or delay notifications, incorrect information may prevent passengers from receiving timely and accurate guidance, leading to unnecessary inconvenience and customer complaints. Furthermore, if the smart customer service system is unable to accurately identify complex customer needs, it may trigger a chain reaction of information errors, further increasing the costs and risks associated with subsequent manual handling. | ▪ Establish an effective information verification mechanism to quickly verify information on the internet and media, promptly clarifying any false information to prevent damage to CAL's brand image and impact on business operations.

▪ Disseminate accurate information through official channels to remind stakeholders to be cautious of phishing websites and phishing emails, and to avoid clicking on links or opening attachments from unknown sources. |

Risk Identification Results

Following the risk management process and conducting a risk assessment, CAL has identified "protectionism and trade risks (sanctions, tariffs, investment reviews) sparked by new leadership policy" and "continued aerospace industry supply chain disruptions" as high-risk items for 2024. The responsible departments have implemented corresponding countermeasures, reducing the risk level to a tolerable moderate risk. The Corporate Sustainability Committee will continue to monitor these risks.

3.4 Compliance with Laws and Regulations

GRI 2-23.2-24.2-25.2-27.205-2.206-1

Internal Regulations and Code of Conduct

Regulatory compliance and integrity are the foundation of CAL's business. CAL builds its integrity culture and values through internal codes and conduct guidelines. The Board, all employees, and business partners follow these codes and complete related training. CAL has established comprehensive governance policies, which has been approved by the Board of Directors, including the Code of Corporate Governance, the Board Directors Code of Ethical Conduct, Executive Code of Ethical Conduct, the Procedure for Handling Material Inside Information, the Ethical Corporate Management Best Practice Principles, and the Procedures for Ethical Management and Guidelines for Conduct.

CAL strictly complies with laws and adheres to six key principles: protecting shareholder rights, strengthening Board functions, following Board procedures (including conflict of interest avoidance), respecting stakeholder rights, and enhancing transparency. In accordance with Article 9 of CAL's internal "Procedures and Guidelines for Ethical Management," CAL upholds political neutrality and has never made political donations.

To ensure directors and employees uphold integrity and anti-corruption standards, CAL implemented the Board's Code of Ethical Conduct along with anti-corruption and anti-bribery training starting in 2021 (see 2021 sustainability report 3.3 regulatory compliance) and promoted it to new directors. Since 2017, CAL launched a three-year employee awareness program, updated the Group Code of Conduct (including anti-bribery, anti-corruption, and the use of reporting channels, etc.), and completed related training by 2020, with ongoing training for new hires. Training details since 2017 are disclosed in the Legal Compliance section of each year's Sustainability Report. In 2024, 685 new employees completed training with a 100% completion rate (Notes 1, 2). Employees who violate the China Airlines Group Code of Conduct will be subject to disciplinary action in accordance with relevant regulations, with impacts on performance evaluation, bonuses, and salary adjustments as applicable. In 2024, no

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incidents of corruption, bribery, privacy breaches, conflicts of interest, money laundering, or insider trading were reported.

Since 2018, CAL has promoted the Code of Conduct to affiliates, conducting ESG and sustainability training in 2020 and 2023 with 5,140 and 7,829 participants respectively, meeting its 2025 goal of providing over two ESG trainings to affiliates. In 2023, CAL shared updates on AI applications in information security and personal data regulations, and in 2024, CAL provided IPO compliance guidance to support affiliates' business operations, with ongoing promotion and training. Supplier compliance is also a priority, with 100% of contracted suppliers in 2024 required to sign and implement the Supplier Code of Conduct, which includes legal compliance and anti-corruption measures.

Note 1.　Trainees include separated employees.
Note 2.　Only applicable to CAL.

Antitrust

In recent years, CAL has continuously strengthened the promotion of compliance with the Fair Trade Act and antitrust regulations. By using major international antitrust cases as examples, CAL reminds management and all sales personnel to remain vigilant. Since 2013, frontline sales unit supervisors have been required to complete an Antitrust Audit Checklist, which is included as an item for random checks by the audit department. In 2020, CAL held an in-person educational training on "Compliance with the Fair Trade Act," inviting officials from the Fair Trade Commission to present the concepts of compliance with the Fair Trade Act to colleagues at the headquarters, branches, and affiliated companies. Additionally, since 2021, we have conducted E-learning on antitrust compliance for personnel of the passenger units; for personnel of the cargo units, the Cargo Division instructed all stations across all lines to promote the idea of not negotiating with or inappropriately collaborating with competitors to avoid the risk of breaking the law. In 2022, Stellex Law Firm was appointed to produce antitrust compliance training materials and organized in-person and online training for all passenger and cargo service employees of the Company (including outstations). We uploaded the Antitrust Audit Checklist for trainees to fill out for future reference. In 2023, during the business conference in the Americas, CAL conducted an antitrust compliance course, taught in person by local professional lawyers to station managers. Similarly, at the beginning of 2024, a course was held during the business conference in Europe, completing antitrust compliance education and training for station managers in the two major operational regions.

In accordance with quality documentation standards, CAL's Passenger Sales & Marketing Division is required to conduct an annual Antitrust Compliance Training course. This mandatory course must be completed by relevant personnel from all branch offices and the headquarters' business units. The training aims to regularly establish and reinforce antitrust compliance awareness among business colleagues. From 2021 to 2024, CAL had no antitrust violations or penalties.

List of Standards Documents

Item	Regulating Object(s)	Purpose
Code of Corporate Governance	CAL and its subsidiaries	To establish a sound corporate governance system and an effective corporate governance framework
Ethical Corporate Management Best Practice Principles	Directors, managers, employees, and appointees of CAL and those having substantial control	To strengthen CAL's corporate culture that values business integrity and to improve the business environment for sustainable development
Procedures for Ethical Management and Guidelines for Conduct	Directors, managers, employees, and appointees of CAL and its subsidiary companies and organizations and those having substantial control	To implement the policy of business integrity, to actively prevent fraudulent conduct, and to regulate matters that should be taken care of by employees when performing business
China Airlines Ltd. Procedure for Handling Material Inside Information	Directors, managers, and employees of CAL and those knowing CAL's material inside information due to their identity, occupation or control	To avoid improper disclosure of information and to ensure the consistency and correctness of information published by CAL
Board Directors Code of Ethical Conduct	All directors	To regulate the ethics and conduct of directors when performing their duties in pursuit of CAL's maximum benefits and sustainable development
Executive Code of Ethical Conduct	CAL's representative (Chairman) and managers (including President, Senior Vice President and equivalents, head of Finance Division, head of Accounting Division, and officers managing affairs and having the right to sign on behalf of the Company)	To guide executives to follow the ethics and conduct and to help stakeholders better understand the Company's code of ethics
Employee Code of Conduct	All employees	To guide employees to follow the codes of conduct covering anti-corruption in the workplace
CAL Code of Conduct	Employees and suppliers of the Company and its subsidiaries, any foundation to which the Company's direct or indirect contribution of funds exceeds 50 percent of the total funds received, and other institutions or juridical persons which are substantially controlled by the Company	To guide the CAL Group to follow related laws and regulations and shape a corporate culture that creates sustainable value for stakeholders
Supplier Code of Conduct	All suppliers and contractors	To achieve the goal of sustainable supply chain management, so as to increase the sustainability of a large number of suppliers

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- The Sustainability Accounting Standards Board (SASB) Table
- Independent Limited Assurance Report

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Financial Performance

I. Five-Year Financial Summary

i. Consolidated Condensed Balance Sheet – Based on IFRS (CAL Group)

Unit: TWD thousands

Item\Years		2020	2021	2022	2023	2024
Current assets		61,872,468	85,849,590	69,822,343	69,693,315	97,806,882
Property, Plant and Equipment		141,481,694	129,632,046	128,207,404	123,342,731	125,987,963
Intangible assets		1,076,351	1,008,992	883,420	791,567	784,799
Other assets		79,763,571	78,230,453	95,499,026	97,414,818	102,803,894
Total assets		284,194,084	294,721,081	294,412,193	291,242,431	327,383,538
Current liabilities	Before distribution	62,649,715	53,239,105	71,255,078	90,045,667	89,484,009
	After distribution	62,649,715	58,239,105	74,027,285	94,222,247	-
Non-current liabilities		160,832,796	164,276,958	150,703,673	123,717,894	147,350,672
Total liabilities	Before distribution	223,482,511	217,516,063	221,958,751	213,763,561	236,834,681
	After distribution	223,482,511	222,516,063	224,730,958	217,940,141	-
Equity attributable to shareholders of the parent		57,559,483	74,043,573	70,000,201	74,591,115	86,000,631
Capital stock		54,209,846	59,412,243	60,135,374	60,513,407	60,769,350
Capital surplus	Before distribution	1,187,327	2,694,529	3,120,311	3,887,046	5,829,477
	After distribution	836,746	2,694,529	3,120,311	3,887,046	-
Retained earnings	Before distribution	-350,581	9,253,848	7,309,766	10,911,551	20,977,498
	After distribution	-	4,253,848	4,537,559	6,734,971	-
Other equity interest		2,543,766	2,713,828	-534,375	-690,014	-1,544,819
Treasury shares		-30,875	-30,875	-30,875	-30,875	-30,875
Non-controlling interest		3,152,090	3,161,445	2,453,241	2,887,755	4,548,226
Total equity	Before distribution	60,711,573	77,205,018	72,453,442	77,478,870	90,548,857
	After distribution	60,711,573	72,205,018	69,681,235	73,302,290	-

ii. Consolidated Condensed Statement of Comprehensive Income– Based on IFRS (CAL Group)

Unit: TWD thousands; EPS (net) = TWD

Item\Years	2020	2021	2022	2023	2024
Revenue	115,250,550	138,841,403	150,722,471	184,816,790	203,879,338
Gross profit	10,219,201	23,354,457	11,370,213	23,830,774	34,160,304
Operating Profit(Loss)	2,184,416	14,968,035	2,584,734	10,157,421	18,202,347
Non-operating Income and Expenses	-2,838,213	-3,841,430	76,026	-851,949	1,073,715
Pretax Profit (Loss)	-653,797	11,126,605	2,660,760	9,305,472	19,276,062
Income from operations of continued segments - after tax	-279,814	8,956,664	2,245,401	7,471,201	15,495,188
Income from discontinued operations	-	-	-	-	-
Net Income (Loss)	-279,814	8,956,664	2,245,401	7,471,201	15,495,188
Other comprehensive income (Income/Loss after taxes)	864,072	30,581	-3,043,929	-902,960	-851,753
Total Comprehensive Gain (Loss) for the Year	584,258	8,987,245	-798,528	6,568,241	14,643,435
Net income attributable to shareholders of the parent	140,000	9,379,905	2,859,503	6,818,552	14,383,345
Net income attributable to non-controlling interest	-419,814	-423,241	-614,102	652,649	1,111,843
Comprehensive income attributable to Shareholders of the parent	966,968	9,429,042	-292,972	6,049,509	13,680,658
Comprehensive income attributable to non-controlling interest	-382,710	-441,797	-505,556	518,732	962,777
Earnings (Loss) per share	0.03	1.67	0.48	1.13	2.38

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iii. Condensed Balance Sheet – Based on IFRS (CAL Only)

Unit: TWD thousands

Item\Years		2020	2021	2022	2023	2024
Current assets		51,858,785	73,846,790	59,536,245	56,588,780	77,250,911
Property, Plant and Equipment		126,414,462	115,174,548	114,770,352	110,932,284	112,582,072
Intangible assets		867,453	754,349	654,596	584,756	607,904
Other assets		81,769,065	80,875,029	93,131,005	96,860,586	106,944,671
Total assets		260,909,765	270,650,716	268,092,198	264,966,406	297,385,558
Current liabilities	Before distribution	56,740,010	45,666,704	62,280,883	79,671,963	76,661,191
	After distribution	56,740,010	50,666,704	65,053,090	0	0
Non-current liabilities		146,610,272	150,940,439	135,811,114	110,703,328	134,723,736
Total liabilities	Before distribution	203,350,282	196,607,143	198,091,997	190,375,291	211,384,927
	After distribution	203,350,282	201,607,143	200,864,204	0	0
Equity attributable to shareholders of the parent		57,559,483	74,043,573	70,000,201	74,591,115	86,000,631
Capital stock		54,209,846	59,412,243	60,135,374	60,513,407	60,769,350
Capital surplus	Before distribution	1,187,327	2,694,529	3,120,311	3,887,046	5,829,477
	After distribution	836,746	2,694,529	3,120,311	0	0
Retained earnings	Before distribution	-350,581	9,253,848	7,309,766	10,911,551	20,977,498
	After distribution	0	4,253,848	4,537,559	0	0
Other equity interest		2,543,766	2,713,828	-534,375	-690,014	-1,544,819
Treasury shares		-30,875	-30,875	-30,875	-30,875	-30,875
Non-controlling interest		0	0	0	0	0
Total equity	Before distribution	57,559,483	74,043,573	70,000,201	74,591,115	86,000,631
	After distribution	57,559,483	69,043,573	67,227,994	0	0

iv. Condensed Statement of Comprehensive Income – Based on IFRS (CAL Only)

Unit: TWD thousands; EPS (net) = TWD

Item\Years	2020	2021	2022	2023	2024
Revenue	106,327,123	132,140,248	141,069,849	161,675,533	175,182,455
Gross profit	11,136,944	25,910,694	12,980,501	17,635,529	25,283,107
Operating Profit	4,884,855	19,320,396	5,917,040	6,594,363	12,780,110
Non-operating Income and Expenses	-4,713,760	-7,346,456	-2,028,138	1,461,091	4,306,790
Pretax Profit (Loss)	171,095	11,973,940	3,888,902	8,055,454	17,086,900
Income from operations of continued segments - after tax	140,000	9,379,905	2,859,503	6,818,552	14,383,345
Income from discontinued operations	-	-	-	-	-
Net Income (Loss)	140,000	9,379,905	2,859,503	6,818,552	14,383,345
Other comprehensive income (Income/Loss after taxes)	826,968	49,137	-3,152,475	-769,043	-702,687
Total Comprehensive Gain (Loss) For The Year	966,968	9,429,042	-292,972	6,049,509	13,680,658
Net income attributable to shareholders of the parent	0.03	1.67	0.48	1.13	2.38

v. Sustainable Revenues

Unit:TWD

Revenues from	2021	2022	2023	2024
Sustainable Revenues	0	2,178,132	8,948,496	5,015,963
Total Revenues	132,140,000,000	141,069,850,000	161,675,533,000	175,182,455,000
Percentage of Sustainable Revenues	0	0	0.0055348%	0.0028633%

Product / Service Description:
The main revenue of CAL is passenger and freight air transport, so refer to the EU taxonomy's criteria 6.19 "Passenger and Freight Air Transport", Starting from 2022: Aircraft operated with SAF will also be considered as meeting the requirements of sustainable economic activities.

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II. Five-Year Financial Analysis

i. Consolidated Financial Analysis – Based on IFRS (CAL Group)

Unit: TWD thousands

	Item\Years	2020	2021	2022	2023	2024
Financial structure (%)	Debt Ratio	78.64	73.80	75.39	73.40	72.34
	Ratio of long-term capital to property, plant and equipment	156.59	186.28	174.06	163.12	188.83
Solvency (%)	Current ratio	98.76	161.25	97.99	77.40	109.30
	Quick ratio	84.18	144.08	81.48	64.73	94.62
	Interest earned ratio	74.92	566.29	194.07	406.82	666.48
Operating performance	Accounts receivable turnover(times)	12.64	11.98	12.25	17.48	19.32
	Average collection period	28.87	30.46	29.80	20.88	18.90
	Inventory turnover (times)	-	-	-	-	-
	Accounts payable turnover(times)	-	-	-	-	-
	Average days in sales	-	-	-	-	-
	Property, plant and equipment turnover (times)	0.80	1.02	1.17	1.47	1.64
	Total assets turnover (times)	0.40	0.48	0.51	0.63	0.66
Profitability	Return on total assets (%)	0.75	3.76	1.45	3.26	5.72
	Return on stockholders' equity (%)	-0.46	12.99	3.00	9.97	18.44
	Pre-tax income to paid-in capital (%)	-1.21	18.73	4.42	15.38	31.72
	Profit ratio (%)	-0.24	6.45	1.49	4.04	7.60
	Earnings per share (NT$)	0.03	1.67	0.48	1.13	2.38
Cash flow (%)	Cash flow ratio	15.52	93.70	65.75	62.02	60.66
	Cash flow adequacy ratio	579.28	825.91	678.90	764.39	639.17
	Cash reinvestment ratio	2.98	15.20	13.23	19.12	16.89
Leverage	Operating leverage	16.28	3.11	13.40	4.20	2.74
	Financial leverage	-2.50	1.19	58.82	1.35	1.18

ii. Financial Analysis - Based on IFRS (CAL Only)

Unit: TWD thousands; EPS (net) = TWD

	Item\Years	2020	2021	2022	2023	2024
Financial structure (%)	Debt Ratio	77.94	72.64	73.89	71.85	71.08
	Ratio of long-term capital to property, plant and equipment	161.51	195.34	179.32	167.03	196.06
Solvency (%)	Current ratio	91.40	161.71	95.59	71.03	100.77
	Quick ratio	76.90	142.97	77.14	57.27	84.27
	Interest earned ratio	99.48	660.63	258.73	401.44	675.64
Operating performance	Accounts receivable turnover(times)	12.34	11.83	11.90	16.28	18.17
	Average collection period	29.57	30.86	30.67	22.41	20.08
	Inventory turnover (times)	-	-	-	-	-
	Accounts payable turnover(times)	-	-	-	-	-
	Average days in sales	-	-	-	-	-
	Property, plant and equipment turnover (times)	0.83	1.09	1.23	1.43	1.57
	Total assets turnover (times)	0.40	0.50	0.52	0.61	0.62
Profitability	Return on total assets (%)	0.89	4.18	1.72	3.23	5.78
	Return on stockholders' equity (%)	0.25	14.25	3.97	9.43	17.91
	Pre-tax income to paid-in capital (%)	0.32	20.15	6.47	13.31	28.12
	Profit ratio (%)	0.13	7.10	2.03	4.22	8.21
	Earnings per share (NT$)	0.03	1.67	0.48	1.13	2.38
Cash flow (%)	Cash flow ratio	24.19	109.78	73.20	60.11	57.18
	Cash flow adequacy ratio	610.31	708.23	600.13	617.51	516.10
	Cash reinvestment ratio	4.50	16.38	13.80	17.64	14.65
Leverage	Operating leverage	7.15	2.46	5.82	5.38	3.17
	Financial leverage	2.32	1.13	1.60	1.52	1.22

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III. Organizations, Initiatives, Policies, Contributions and Other Expenses

(Unit: TWD thousand)

Item	2021	2022	2023	2024
Lobbying, interest representation or similar	0	0	0	0
Local, regional or national political campaigns/organizations/candidates	0	0	0	0
Trade associations or tax-exempt groups (e.g. think tanks)	30,734,332	36,942,418	56,564,101	50,334,643
Other (e.g. spending related to ballot measures or referendums)	0	0	0	0
Total contributions and other spending	30,734,332	36,942,418	56,564,101	50,334,643
Data coverage (as % of denominator, indicating the organizational scope of the reported data)	100%	100%	100%	100%

Note: This includes the total contributions and expenditures towards political activities, political organizations, lobbying or lobbying organizations, trade associations, and other tax-exempt groups in past years.

Trust Value Related Data

I. Flight Safety

China Airlines successfully passed the IATA Operational Safety Audit (IOSA) certification for the 12th consecutive time in 2024. The most recent certification is as follows:

China Airlines has not experienced any personnel fatalities or hull loss accidents incidents from 2021 to 2024.

Passenger Fatalities	2021	2022	2023	2024
Number	0	0	0	0

II. Online Sales Channels and Sales Amount for China Airlines

	2021	2,022	2,023	2024	2024 Objectives
Percentage of Ticket Buyers (%)	20.3	25.3	28.2	35.3	32
Percentage of Sales Amount (%)	26.5	28.5	30.5	37.4	36

III. Fleet Age

	2021	2022	2023	2024
Average fleet age	10.1	9.9	9.9	9.6

Environmental Performance

Greenhouse Gas Emissions

Primary Item	Secondary Item	Unit	2021		2022		2023		2024		2024 Objectives	Achievement Rate
Category 1 GHG Emissions	Flight Operations	Tons CO_2e	5,875,531	5,878,428	5,435,050	5,439,091	6,048,568	6,052,838	6,224,228	6,228,363	6,553,628	105%
	Ground Operations	Tons CO_2e	2,897		4,041		4,270		4,135			
Category 2 GHG Emissions	Ground Operations	Tons CO_2e	16,697		16,468		16,839		16,124		16,449	102%
Category 3-6 GHG Emissions	Ground Operations	Tons CO_2e	1,364,016		1,240,935		1,389,211		1,432,790		1,504,149	105%

Note: Starting in 2023, emission figures include global site data and have been externally verified.

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ESG Data and Appendix

Energy Usage

Primary Item	Secondary Item	Unit	2021	2022	2023	2024	2024 Objectives	Achievement Rate
Aviation Fuel Usage	All Aircraft (non-renewable nergy)	Tons	1,857,073	1,717,758	1,911,645	1,967,162	Overall Fleet Fuel Efficiency 0.2338 tons/1000 RTK	102%
	Sustainable Aviation/Alternative Fuel	Tons (%)	7.7 (4.15E-4)	23.1 (8.6E-4)	24.05 (0.0013)	21.31 (0.0011)	0.001%	100%
Aviation Fuel Efficiency	Passenger Aircraft	L/RPK*100	18.9433	7.2469	4.3343	4.2825	4.3343	101%
	Cargo Aircraft	L/FRTK	0.183	0.2060	0.2099	0.2039	0.2099	103%
	All Aircraft (Note)	Tons/1000 RTK	0.2442	0.2472	0.2287	0.2284	0.2338	102%
Aviation Carbon Intensity	Passenger Aircraft	Tons CO_2e / 1000 RPK	0.4795	0.1834	0.1097	0.1084	0.1097	101%
	Cargo Aircraft	Tons CO_2e / 1000 RTK	0.5334	0.5213	0.5313	0.5162	0.5313	103%
	All Aircraft (Note)	Tons CO_2e / 1000 RTK	0.7726	0.7821	0.7236	0.7228	0.7396	102%
Energy Consumption	Aviation Fuel	MWh (GJ)	22,750,962 (81,896,910)	21,044,032 (75,752,456)	23,419,521 (84,303,532)	24,099,663 (86,751,847)	Energy Consumption 25,402,833 MWh	105%
	Gasoline	MWh (GJ)	2,229 (8,024)	2,248 (8,091)	2,443 (8,795)	2,296(8,266)		
	Diesel	MWh (GJ)	8,032 (28,914)	6,871 (24,733)	7,610 (27,394)	7,545(27,159)		
	Natural Gas	MWh (GJ)	286 (1,030)	291 (1,049)	272 (978)	243 (875)		
	Electricity Purchased	MWh (GJ)	33,260 (119,728)	32,354 (116,465)	31,853 (114,662)	31,813 (114.518)		
	Elevator Power Regeneration	kWh (GJ)	889 (3.2)	11,213 (40.36)	12,111 (43,6)	11,304 (40.69)	Full Operation	100%
	Renewable Energy (Solar)	MWh (GJ)	127 (457)	110 (296)	119 (428)	108 (389)	110	98%

Note: The fuel efficiency of all aircraft includes training and maintenance fuel; the fuel efficiency of passenger/cargo aircraft only accounts for aviation fuel used in operational flights.

Pollution and Emissions

Primary Item	Secondary Item	Unit	2021	2022	2023	2024	2024 Objectives	Achievement Rate
NOx Emissions	Passenger Aircraft	g/RPK	0.0538	0.0183	0.0119	0.0130	0.0183	141%
	Cargo Aircraft	g/RTK	0.029	0.0291	0.0278	0.0276	0.0291	105%
Waste Management (Note 1)	Total waste recycling and reuse	Tons	607	769	1,166	1,304	1,400	107%
	Total Waste Disposal	Tons	581	803	1,247	1,187	1,497	126%
	Incineration (energy recovery)	Tons	94	113	122	118	146	124%
	Incineration (without energy recovery)	Tons	410	629	986	948	1,183	125%
	Alternative waste disposal methods, including chemical treatment and stabilization	Tons	77	61	139	121	168	138%
Food Waste Management (Note 2)	Food Waste Produced	Tons	245	774	2,151	2,324	2,582	111%
	Percentage of Alternative Disposal	%	100%	100%	100%	100%	100%	100%
	Global Average Waste meal (Note 3)	grams per capita	28.95	1.84	1.15	0.93	1.15	124%
	Food Waste Generation Rate for Return Flights to Taiwan	kg/meal	1.73	0.65	0.33	0.31	0.33	107%

Note 1. The data covers waste generated from air/ground services and ground handling operations within 100% of China Airlines' operational scope.

Note 2. The data includes the entirety of China Airlines' operational scope concerning leftover food from in-flight services, VIP Lounge services, and employee canteen.

Note 3. The data includes in-flight meals supplied in excess of actual demand at global airports,, representing 100% of the operational scope of China Airlines.

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Resource Management

Primary Item	Secondary Item	Unit	2021	2022	2023	2024	2024 Objectives	Achievement Rate
Water Resources	Water Withdrawal	Million tons	0.118422	0.108553	0.124226	0.124017	0.139323	112%
	Water Consumption	Million tons	0.06665	0.05384	0.06302	0.057971	0.064928	112%
	Water Discharge	Million tons	0.05178	0.05471	0.06121	0.066046		
Plastic Packaging (related to passenger/cargo transport service)	Weight of Plastic Packaging	Tons	1,421	1,695	1,900	1,750	1,919	110%
	Percentage of Purchase of Plastic Packaging (Note 1)	%	100%	100%	100%	100%	100%	100%
	Percentage of Recyclable Plastic Packaging	%	97.60%	94.90%	87.70%	82.10%	78%	105%
	Percentage of Recycled Plastic Packaging (Note 2)	%	42.69%	39.46%	40.20%	45.05%	40%	113%
Wood or Paper Packaging	Weight of Packaging	Tons	40	84	242	341		
	Percentage of Purchase	%	100%	100%	100%	100%		
	Percentage of Materials Recycled and Certified (Note 3)	%	82.55%	72.12%	78.35%	74.65%	72%	104%
Metal Packaging	Weight of Packaging	Tons	55	289	127	134		
	Percentage of Purchase	%	100%	100%	100%	100%		
	Percentage of Materials Recycled and Certified (Note 3)	%	100%	100%	100%	100%	100%	100%
Glass Packaging	Weight of Packaging	Tons	0.14	45	169	200		
	Percentage of Purchase	%	100%	100%	100%	100%		
	Percentage of Materials Recycled and Certified (Note 3)	%	100%	100%	100%	100%	100%	100%
Environmental Investment (Note 4)	Total Investment Amount	TWD thousand	177,100	170,852	229,570	266,503		
	Saving and Cost Avoidance	TWD thousand	411,413	360,552	386,467	331,085		

Note 1. The percentage of purchase is calculated as Purchase Amount/Cost of Goods Sold.
Note 2. The percentage of recycled materials and certified materials is calculated as follows: Weight of Recycled Packaging (including certified materials)/Total Weight of Packaging.
Note 3. Weight of Recyclable Packaging refers to the weight of packaging that has been verified by CAL as recycled.
Note 4. Annual special investments and promotional projects are not included in this table. (Please refer to the financial yearbook for more detailed information.)

Execution Status of Climate-related Information in Listed and Over-the-Counter (OTC) Companies

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Relevant Data Statistics of Human Resources GRI 2-21

Workforce Structure of CAL Group in 2024

Category	Groups	Total	Male	Female	Total	Male	Female
Full-time Employees		11,392	5,560	5,832	944	446	498
Non-full-time Employees		105	20	85	10	2	8
Temporary Employees		21	15	6	0	0	0
Age	Under 30	1,293	422	871	228	86	142
	31-50	6,890	3,086	3,804	499	204	295
	Above 51	3,335	2,087	1,248	227	158	69
Job Category	Business	3,217	1,257	1,960	423	144	279
	Air service	4,459	1,551	2,908	238	104	134
	Maintenance	2,197	2,095	102	146	134	12
	Other (Note 1)	1,645	692	953	147	66	81
Ranking	Senior Management (Note 2)	132	96	36	20	17	3
	Mid-level Management	355	239	116	36	25	11
	Junior Management	179	129	50	33	23	10
	Non-executive Employees	10,852	5,131	5,721	865	383	482
Region	Taiwan	9,893	4,987	4,906	930	436	494
	China	179	96	83	24	12	12
	Asia	984	310	674	-	-	-
	Americas	287	122	165	-	-	-
	Europe	121	56	65	-	-	-
	Oceania	54	24	30	-	-	-
Education	Master/PhD	1,472	827	645	73	45	28
	Bachelor/Associate	9,510	4,383	5,127	824	360	464
	Senior High	493	359	134	56	42	14
	Others	43	26	17	1	1	-
Indigenous Employees		82	43	39	8	-	8
Disabled Employees		101	63	38	7	4	3
Total		11,518	5,595	5,923	954	448	506
Interns		34	8	26	16	7	9

Note 1. Job duties - others: including senior executives at the level of vice president and above, auditing and accounting, information technology staff, and all other personnel not categorized above.

Note 2. Senior executives: Level 1 managers and deputies or above; Mid-level managers: Level 2 managers and deputies; Junior-level supervisors: Level 3 managers and deputies.

Note 3. Interns are not included in the total number of employees.

Workforce Structure of CAL Group in 2024

Category	Taiwan	China	Asia	Americas	Europe	Oceania
Full-time Employees	9,792	179	967	283	119	52
Non-full-time Employees	80	-	17	4	2	2
Temporary Employees	21	-	-	-	-	-
Number of People	9,893	179	984	287	121	54
Full-time Employees	920	24	-	-	-	-
Non-full-time Employees	10	-	-	-	-	-
Temporary Employees	930	24	-	-	-	-
Number of People	9,893	179	984	287	121	54

Note 1. Full-time Employees are those whose contracted work hours are normal work hours.
Note 2. Non-full-time employees are those whose contracted work hours are lower than normal work hours.

CAL Contracted Employees (Workers who are not Employees)

Distribution of Dispatched Workers			
Job Type	Male	Female	Total
Maintenance, Cleaning, Marshaling, and Other General Ground Services	71	20	91
Paperwork Processing	5	45	50
Number of People	76	65	141

Workforce Breakdown by Nationality

Countries	Share of Total Workforce (%)	Share of Management Positions (%)
R.O.C.	86.66%	87.39%
Thailand	2.61%	0.60%
Japan	2.08%	3.00%
China	1.62%	1.80%
United States	1.41%	1.65%
Others	5.62%	5.56%

Note 1. Calculations are based on the number of personnel as of December 31, 2024.
Note 2. AE has no contracted employees.

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Workplace Gender Diversity of CAL in 2024 and Targets

Indicator	Current Conditions(0-100%)	Objective
Share of women in total workforce	51.42%	48%/Target year: 2025
Share of women in all management positions	30.33%	27%/Target year: 2030
Share of women in junior management positions	27.93%	27%/Target year: 2025
Share of women in top management positions	27.27%	25%/Target year: 2025
Share of women in management positions in revenue-generating functions	33.10%	29%/Target year: 2025
Share of women in STEM-related positions	11.37%	8%/Target year: 2025

Note:According to DJSI definition, STEM refers to positions related to science, technology, engineering, and math.

Unpaid Parental Leave Statistics of CAL Group in 2024

Parental Leave Statistics	Female	Male	Total	Female	Male	Total
Eligible Employees for Parental Leave in 2024 (A)	578	372	950	45	20	65
Parental Leave Applications in 2024 (B)	417	40	457	28	2	30
2024 Application Rate (B/A×100%)	72.15%	10.75%	48.11%	62.22%	10%	46.15%
Scheduled to Return from Leave in 2024 (C)	216	16	232	22	3	25
Reapplying for Reinstatement in 2024 (D)	208	24	232	28	3	31
2024 Return Rate (D/C×100%)	96.30%	150.00%	100.00%	127.27%	100.00%	124.00%
Returned from Leave in 2023 (E)	284	35	319	14	3	17
Returned and Served One Year (F)	266	32	298	14	3	17
2024 Return & Retention Rate (F/E×100%)	93.66%	91.43%	93.42%	100.00%	0.00%	100%

Note: (A): Number of employees with children born between January 1, 2021, and December 31, 2024.

Employee Turnover Statistics of CAL Group in 2024

Category	Groups	2022 Number of people	2022 Percentage	2023 Number of people	2023 Percentage	2024 Number of people	2024 Percentage
Age	Under 30	106	20.11%	100	15.17%	134	22.11%
	31-50	227	42.67%	297	45.07%	205	33.83%
	Above 51	198	37.22%	262	39.76%	267	44.06%
Gender	Male	302	56.77%	308	46.74%	295	48.68%
	Female	230	43.23%	351	53.26%	311	51.32%
Region	Taiwan	310	58.27%	410	62.22%	355	58.58%
	China	58	10.90%	14	2.12%	21	3.47%
	Asia	98	18.42%	155	23.52%	171	28.22%
	Americas	40	7.52%	51	7.74%	41	6.77%
	Europe	10	1.88%	16	2.73%	16	2.64%
	Oceania	16	3.01%	8	1.67%	2	0.33%
Voluntary	-	393	3.66%	515	4.57%	418	3.63%
Involuntary	-	139	1.30%	144	1.28%	188	1.63%
Total		532	4.96%	659	5.85%	606	5.26%
Age	Under 30	25	23.36%	23	24.21%	32	39.51%
	31-50	58	54.21%	52	54.74%	37	45.68%
	Above 51	24	22.43%	20	21.05%	12	14.81%
Gender	Male	67	62.62%	53	55.79%	42	51.85%
	Female	40	37.38%	42	44.21%	39	48.15%
Region	Taiwan	75	70.09%	86	90.53%	68	83.95%
	China	32	29.91%	9	9.47%	13	16.05%
	Asia	0	0.00%	0	0.00%	0	0.00%
	Americas	0	0.00%	0	0.00%	0	0.00%
	Europe	0	0.00%	0	0.00%	0	0.00%
	Oceania	0	0.00%	0	0.00%	0	0.00%
Voluntary			0.00%		0.00%		0.00%
Involuntary			0.00%		0.00%		0.00%
Total		107	13.44%	95	10.73%	81	8.49%

Note:Voluntary termination includes resignation, retirement prior to retirement age, application for dismissal, and other factors; involuntary termination includes reaching retirement age and layoffs.

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Human Rights Assessment `GRI 412-2`

Category	A.% of total assessed in last three years	B.% of total assessed where risks have been identified	C.% of risk with mitigation action taken
Own operations	100	28.41	100
Contractors and Tier 1 suppliers	100	45.95	100
Joint ventures	100	6.25	100

Annual Total Compensation Ratio in 2024
(Other Employees as 1) `GRI 2-21`

Indicator	🔴	🔵
Pay Ratio (Highest vs. Median Employee Pay)	2.32	2.15
Pay Increase Ratio (Highest vs. Median Employee Increase)	0.93	3.84

Note: Exclude the highest-paid individual

Gender Pay Gap Analysis of China Airlines in 2024

Indicator	Gender Pay Difference (Male vs. Female, %)
Gender pay gap (mean)	18%
Gender pay gap (median)	20%
Gender bonus gap (mean)	12%
Gender bonus gap (median)	11%

Note 1. Due to the differences in salary structure, pilots and managers are not included in the scope of calculation of the table

Note 2. The formula for calculating the gender pay gap is as follows: (male salary/ female salary) - 1

Note 3. We routinely monitor and disclosed the gender pay gap every year

Explanation Regarding the Dispute on cabin Crew Transfers and Unpaid Leave in 2020

Since March 2020, operations at the Kaohsiung branch were nearly suspended due to the pandemic. To maintain operations and ease financial pressure, CAL implemented several measures starting May 2020 after consultation with union (CAEU, China Airlines Employees Union). These included supervisor salary reductions, shift adjustments, relaxed leave policies, special pandemic leave, and encouraged paid leave. Employees understood the severity and cooperated accordingly.

Previously, pregnant flight crew members could apply for unpaid maternity leave or transfer to ground duties. However, due to the near suspension of operations in Kaohsiung during the pandemic, no transfer positions were available. To protect employment rights, pregnant employees were advised to apply for unpaid maternity leave as a temporary solution. Flight/cabin crew members complied with company policies and applied for various types of unpaid leave during this period. This case is considered a special instance.

The company respects the court ruling and completed compensation after confirmation. When pregnant flight crew members request a transfer; the company assists in arranging general ground support duties. The company's welfare policies exceed industry standards, with established guidelines for pregnant crew members. All related procedures have returned to normal after the pandemic was resolved.

Employee Training Statistics of CAL Group from 2022 to 2024

Company	Category		2022 Hours	2022 Number of people	2022 Training Hours per Person	2023 Hours	2023 Number ofpeople	2023 Training Hours per Person	2024 Hours	2024 Number of people	2024 Training Hours per Person	Total Budget	Number of Classes Offered	Completion Rate
🔴	Job Category	Business	90,321	3,282	27.52	84,908	3,506	24.22	34,712	1,809	19.19	432,570,126	4,443	98.08%
		Airservice	240,993	4,360	55.27	325,751	4,694	69.40	260,949	4,783	54.56			
		Maintenance	85,491	2,236	38.23	81,264	2,228	36.47	90,258	2,303	39.19			
		Others	34,504	1,767	19.53	35,602	1,843	19.32	75,576	3,515	21.50			
	Gender	Male	243,212	5,772	42.14	195,168	5,912	33.01	193,378	5,973	32.38			
		Female	208,097	5,873	35.43	332,357	6,359	52.27	268,117	6,437	41.65			
🔵	Job Category	Business	3,307	239	13.83	6,177.00	331.00	18.66	4,444.34	419.00	10.61	38,359,965	13,197	100.00%
		Airservice	10,857	223	48.69	17,945.30	246.00	72.95	17,675.00	257.00	68.77			
		Maintenance	7,424	134	55.40	12,557.00	139.00	90.34	14,283.10	152.00	93.97			
		Others	1,796	65	27.63	1,920.00	56.00	34.29	1,869.62	148.00	12.63			
	Gender	Male	17,187	349	49.25	10,865.50	379.00	28.67	26,703.73	462.00	57.80			
		Female	6,196	312	19.86	27,733.80	393.00	70.57	11,568.33	514.00	22.51			

Note 1. Others" include executives higher than the rank of vice president, auditors, accountants, information technology personnel, and other employees that are not within the aforesaid categories.

Note 2. Training hours exclude those at outstations.

Note 3. Average training hours = Total training hours total number of employees in the category. For CAL, completion rate of training = average completion rate of training. For Mandarin Airlines, completion rate of training = completion rate of training in each unit number of units.

Comparing the Frequency-Severity Indicator (FSI) in the Past 3 Years

Years	Unit	Taoyuan Head Office	Maintenance Division	Taipei Branch	Kaohsiung Branch	Total
2022	Annual Disabling Injuries	7	5	2	0	14
	Lost Days from Disabling Injuries	44	119	132	0	295
	FR	0.53	1.11	2.72	0	0.72
	SR	3	26	180	0	15
	FSI	0.03	0.16	0.69	0	0.10
2023	Annual Disabling Injuries	45	4	1	5	55
	Lost Days from Disabling Injuries	588	101	5	84	778
	FR	3.33	0.88	1.39	5.84	2.80
	SR	43	22	6	98	39
	FSI	0.37	0.13	0.09	0.75	0.33
2024	Annual Disabling Injuries	37	8	0	1	46
	Lost Days from Disabling Injuries	583	6,206	0	3	6,792
	FR	2.62	1.72	0.00	1.43	2.29
	SR	41	1335	0	4	339
	FSI	0.32	1.51	0.00	0.07	0.88

Note 1. Calculated at 8 hours per day per person.

Note 2. Disabling injury frequency rate (FR) refers to the number of disabling injuries per million working hours. The calculation of the FR is as follows: (Number of annual disabling injuries ÷ annual working hours) × 1,000,000. The number of annual disabling injuries includes the number of annual fatalities, permanent total disabilities, permanent partial disabilities, and temporary total disabilities. Numerical approximation of calculation results: The calculation is rounded to two decimal places.

Note 3. Disabling injury severity rate (SR) refers to the total number of days of losses due to disability and injury per million working hours. The calculation of the SR is as follows: (Absence days of annual disabling injuries ÷ Annual working hours) × 1,000,000. The absence days of different types of disabling injuries are calculated based on the online Occupational Hazard System. Numerical approximation of calculation results: The calculation is rounded to the nearest integer.

Note 4. Frequency-Severity Indicator (FSI) is calculated as the square root of (FR) multiplied by (SR) and divided by one thousand. $FSI=\sqrt{((FR \times SR)/1000)}$. Numerical approximation of calculation results: The calculation is rounded to two decimal places.

Note 5. 2022-2024 averages in the air transport industry published by the Ministry of Labor: FR=2.46, SR=36, FSI=0.29.

Note 6. We continue to review the FSI to understand the operational performance of each unit's occupational disaster prevention and implement improvements.

Note 7. TPE established an Occupational Safety Unit in 2013.

Note 8. This statistic does not include commuting accidents caused by transportation that is not arranged by the company.

Occupational Hazards Statistics of CAL Group in 2024

Item	Male	Female	Total	Taoyuan Head Office	EMO Park	Taipei Branch	Kaohsiung Branch	Male	Female	Total
Number of Recordable Occupational Injuries	12	34	46	37	8	0	1	4	2	6
Disabling Injury Frequency Rate	1.18	3.43	2.29	2.62	1.72	0.00	1.43	4.65	2.02	3.24
Disabling Injury Severity Rate	638	32	339	41	1335	0	4	153	26	85
Incidents Resulting in Work-Related Fatalities	1	0	1	0	1	0	0	0	0	0
Rate of Fatalities as a Result of Occupational Injury	0.10	0.00	0.05	0.00	0.22	0.00	0.00	0.00	0.00	0.00
Occupational Disease Rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Number of High-consequence Occupational Injuries	2	1	3	1	2	0	0	0	0	0
Rate of High-consequence Occupational Injuries	0.20	0.10	0.15	0.07	0.43	0.00	0.00	0.00	0.00	0.00
Absence Rate	0.56%	2.30%	1.42%	1.61%	0.74%	2.03%	1.70%	0.73%	0.66%	0.69%
Total Working Hours	10,134,000	9,898,000	20,032,000	14,092,000	4,646,000	598,000	696,000	859,176	987,296	1,846,472

Note 1. Frequency of recordable occupational injuries (i.e., disabling injury frequency rate): (Number of annual disabling injuries ÷ Annual working hours) × 1,000,000.

Note 2. Disabling Injury Severity Rate: (Absence days of annual disabling injuries ÷ Annual working hours) × 1,000,000.

Note 3. Absence Rate: (Absence days ÷ Annual working days) × 100%. The absence rate target in 2024 is 1.8%. Due to the different labor laws and regulations across countries, the data coverage is based on all employees of China Airlines in Taiwan.

Note 4. Mandarin Airlines has only one business location in Taiwan.

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Note 5. Disabling Injury Frequency Rate is equivalent to the definition of Recordable Occupational Injuries Rate in the GRI Standards.

Note 6. Rate of High-consequence Work-Related Injuries: Occupational injuries that lead to fatalities or that are barely possible/difficult to completely recover within six months. Rate of high-consequence occupational injuries (excluding fatalities)=[Number of high-consequence occupational injuries (excluding fatalities) / Number of hours worked]x1,000,000.

Note 7. The primary type of occupational injury is incidents of falls caused by unsafe behavior by staff.

Note 8. In 2024, the frequency rate (FR) of all occupational disability injuries was 2.29, the severity rate (SR) was 339, and the total injury index (FSI) was 0.88. These figures are higher than the average values announced by the Ministry of Labor for the airline industry during the pandemic period from 2021 to 2023, which were FR (1.37), SR (28), and FSI (0.19). In 2024, CAL's maintenance facility experienced one work-related fatality, resulting in a loss of 6,000 days. This incident increased the Severity Rate (SR) to 339 and the Frequency-Severity Index (FSI) to 0.88. However, overall, the company's disabling injury frequency rate (FR) in 2024 was (2.29), which remains lower than the pre-pandemic 2019 FR of (2.97) and the post-pandemic 2022-2024 air transportation industry average FR (2.46)

Note 9. This statistic does not include commuting accidents caused by transportation that is not arranged by the company.

Note 10. Work-related fatality rate: (Number of occupational fatalities ÷ Total work hours) x 1,000,000.

Non-Employee Occupational Hazards Statistics of CAL Group in 2024

Company	Item	Contracted employees	Contractors
Non-employees of CAL	Number of Recordable Occupational Injuries	0	1
	Disabling Injury Frequency Rate	0	1.31
	Incidents Resulting in Work-Related Fatalities	0	0
	Rate of Fatalities as a Result of Occupational Injury	0	0
	Number of High-consequence Occupational Injuries	0	0
	Rate of High-consequence Occupational Injuries	0	0
	Total Working Hours	282,000	762,000

Note: There were no non-employee occupational hazards in Mandarin Airlines.

Progress Report on the Implementation of IFRS S1/S2

The International Sustainability Standards Board (ISSB) has released the Sustainability Disclosure Standards S1, titled "General Requirements for Sustainability-related Financial Information Disclosure," and S2, titled "Climate-related Disclosures." In light of these standards, our country's Financial Supervisory Commission (FSC) believes that alignment with them can enhance international visibility, guide sustainable investment, and accelerate corporate transformation. Consequently, starting from the 2026 fiscal year, the application of the IFRS Sustainability Disclosure Standards will be implemented in three phases. China Airlines, in accordance with the Taiwan Stock Exchange's "International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards Implementation Plan," will provide quarterly reports to the Board of Directors on the progress of this implementation plan.

GRI Content Index

GRI 2-4.2-6

GRI 1, GRI 2, and GRI 3 are based on the GRI Universal Standards 2021, GRI 306 updated to the 2020 version, and GRI 303 and GRI 403 updated to the 2018 version. Others remain as the 2016 versions.

Usage Statement	CAL discloses information from January 1, 2024 to December 31, 2024 in accordance with the GRI Standards
GRI 1 in use	GRI 1: Foundation 2021
Relevant Industry Guidelines According to GRI	Relevant Industry Guidelines According to GRI Header

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ESG Data and Appendix

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GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	P.66

Note 1: Corrected data entry for food waste management in 2023.
Note 2: See the Board of Directors section in the annual report.
Note 3: See the section on independence status in the annual report.
Note 4: Please refer to Article 5 of the Organizational Regulations of the Remuneration Committee of China Airlines Limited.
Note 5: Please refer to Article 4 of the Organizational Regulations of the Remuneration Committee of China Airlines Limited.
Note 6: No significant assistance.
Note 7: There were no relevant incidents.
Note 8: No relevant incidents that resulted in fines.

United Nations Global Compact Comparison Table

Category	The Ten Principles	Corresponding Section	Page No.
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	2.4.1: Human Rights Due Diligence	119-123
	Principle 2: Make sure that they are not complicit in human rights abuses	3.4: Compliance with Laws and Regulations / 2.2.2: Sustainable Supply Chain Management	168-169 / 76
Labor	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining		
	Principle 4: The elimination of all forms of forced and compulsory labor	2.4.1: Human Rights Due Diligence	119-123
	Principle 5: The effective abolition of child labor		

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Category	The Ten Principles	Corresponding Section	Page No.
Labor	Principle 6: The elimination of discrimination in respect of employment and occupation	2.4.1 Human Rights Due Diligence	119-123
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges	2.3.2 Nature and Climate Change Mitigation and Adaptation 2.3.3 Net Zero Carbon Emissions	92-102 102-103
	Principle 8: Undertake initiatives to promote greater environmental responsibility	2.3.1 Governance of Environmental Sustainability	88-92
	Principle 9: Encourage the development and diffusion of environmentally friendly technologies	2.3.4 Achievements in Environmental Sustainability	104-116
Anti-corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	3.4 Compliance with Laws and Regulations	168-169

Sustainability Accounting Standards Board (SASB) Table Airlines Sustainability Accounting Standard

Topic	Accounting Metric	Unit of Measure	Category	Code	Numerical Value	Corresponding Section	Page
Greenhouse Gas Emissions	Total Emissions in Scope 1	Tons (t) of CO_2e	Quantitative	TR-AL-110a.1	6,228,363		174
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	NA	Qualitative	TR-AL-110a.2	NA	2.3 Environment	85-103
	- Total fuel consumed - Percentage alternative - Percentage sustainable	Gigajoules Percentage (%)	Quantitative	TR-AL-110a.3	- 86,751,847 - 0 (%) - 0.0011 (%)		175
Labor Practices	Percentage of active workforce covered under collective bargaining agreements	Percentage (%)	Quantitative	TR-AL-310a.1	99.14%	2.4.4 Employee Benefits	133
	- Number of work stoppages - Total days idle	- Number of people - Number of days	Quantitative	TR-AL-310a.2	0		132
Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Currency	Quantitative	TR-AL-520a.1	0	3.4 Regulatory Compliance	169
Accident & Safety Management	Description of implementation and outcomes of a Safety Management System	NA	Qualitative	TR-AL-540a.1	NA	2.1.1 Flight Safety	49-52
	Number of aviation accidents	Frequency	Quantitative	TR-AL-540a.2	0	2.1 Trust	48
	Number of governmental enforcement actions of aviation safety regulations	Frequency	Quantitative	TR-AL-540a.3	1	2.1 Trust	50
Activity Metrics	Available seat kilometers (ASK)	ASK	Quantitative	TR-AL-000.A	54,881,588,916	3.2 Operational Achievements	159
	Passenger Load Factor	Percentage	Quantitative	TR-AL-000.B	79.60%		
	Revenue passenger kilometers (RPK)	RPK	Quantitative	TR-AL-000.C	43,704,618,552		
	Freight revenue ton-kilometers (FRTK)	RTK	Quantitative	TR-AL-000.D	5,346,900,650		
	Number of departures	Number	Quantitative	TR-AL-000.E	119,770		
	Average age of fleet	Years	Quantitative	TR-AL-000.F	- **Average age of aircraft**: 9.6 years - **Passenger aircraft**: 9.3 years - **Cargo aircraft**: 10.7 years	Preface, Business Overview	8

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