CHINA AIRLINES

永續華航
SUSTAINABILITY WE CARE

2025 SUSTAINABILITY REPORT

Content

Preface

01 Sustainability Management

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

CONTENTS

Preface 3

- About the Report 4
- Letter from Management 6
- Business Overview 8
- 2025 ESG Performance and Recognition 9

01 Sustainability Management 14

- 1.1 Sustainability Vision and Strategies 15
- 1.2 Sustainability Management Structure 16
- 1.3 CAL's Sustainability Value 17
- 1.4 Stakeholder Communication and Materiality Analysis 22
- 1.5 Achieving Sustainable Development Goals 34

02 Value Creation 40

- G 2.1 Trust 41
- G 2.2 Cooperation 68
- E 2.3 Environment 78
- S 2.4 Human Resources 105
- S 2.5 Society 126

03 Corporate Governance 137

- 3.1 Governance Framework 139
- 3.2 Operational Achievements 143
- 3.3 Risk Management 145
- 3.4 Regulatory Compliance 152

ESG Data and Appendix 154

- Financial Performance 155
- Trust Value Related Data 158
- Environmental Performance 158
- The Climate-related Information Comparison Table for TWSE/TPEx Listed Companies 160
- TCFD Index 161
- TNFD Index 161
- Relevant Data Statistics of Human Resources 162
- Progress Report on the Implementation of IFRS S1/S2 166
- GRI Content Index 166
- Sustainability Accounting Standards Board (SASB) Table 169
- United Nations Global Compact Comparison Table 169
- Independent Limited Assurance Report 170

CHINA AIRLINES

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

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

Reference Icon
More information on other pages of the Report

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

China Airlines Mandarin Airlines Tigerair Taiwan

Content

Preface
About the Report
Letter from Management
Business Overview
2025 ESG Performance and Recognition

01 Sustainability Management

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

CHINA AIRLINES

Preface

About the Report 4
Letter from Management 6
Business Overview 8
2025 ESG Performance and Recognition 9

Content

Preface
About the Report
Letter from Management
Business Overview
2025 ESG Performance and Recognition

01 Sustainability Management

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

About the Report

GRI 2-1, 2-2, 2-3, 2-4, 2-5, 2-14

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 the Company's 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. The Company addresses the sustainability concerns of its eight key stakeholders through specific sustainability policies and action plans. China Airlines actively responds to international sustainability initiatives by continuously advancing climate action and governance. In addition to following the Science Based Targets initiative (SBTi) to drive greenhouse gas reduction pathways, the Company has set a long-term goal of achieving net-zero emissions by 2050. The Company continues to implement its fleet renewal program, accelerating the introduction of next-generation, high-efficiency aircraft to improve fuel efficiency and overall operational performance. At the same time, CAL has continued to serve as a key driver of low-carbon transformation in Taiwan's aviation industry. In addition to expanding the practical use of Sustainable Aviation Fuel (SAF), the company has gradually increased the proportion of SAF used in passenger and cargo flights through demonstration flights, corporate travel carbon reduction collaborations, and value chain partner cooperation. This supports the development of the domestic SAF supply chain and promotes low-carbon transportation and energy transition. CAL also remains committed to biodiversity conservation efforts, responding to initiatives related to natural carbon sinks and sustainable forestry, thereby demonstrating the Company's dedication to environmental and ecological sustainability.

Cover Story

Butterflies Soar, Sustainable Transformation — Every Beat of Their Wings Is a Commitment to a Green Future. Inspired by Taiwan's "Kingdom of Butterflies," the design weaves the vibrant wings of butterflies with CAL's corporate primary color, Dawn Blue, and the blended Plum Blossom Red, embodying a graceful and dynamic sense of flight in harmony with the infinity symbol ∞. The design employed stacked geometric color blocks to reflect the digital-driven core and sustainable development, symbolizing CAL's rigorous construction of its various ESG indicator into solid, sustainable outcomes.

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 Content Index, Sustainability Accounting Standards Board (SASB) Table, Climate-related Information Index for Listed Companies, TCFD Index, TNFD Index, and UN Global Compact Index.

- 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, 2025 to December 31, 2025 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 31, 2026.

Report Boundary

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. Additionally, the progress of IFRS implementation is more strongly disclosed to align with the Financial Supervisory Commission's roadmap for integrating International Financial Reporting Standards (IFRS) sustainability disclosure standards.

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)

Content

Preface
About the Report
Letter from Management
Business Overview
2025 ESG Performance and Recognition

01 Sustainability Management

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

Guarantee of Truthful Reporting

Internal Audit

The data and information disclosed in this report are provided by the respective responsible units of our company. In accordance with the Quality Document Specifications for the Preparation and Verification Procedures of the Corporate Sustainability Development and Information Disclosure Measures and incorporated into the internal control system. It is compiled and submitted by the Executive Secretary Group of the Corporate Sustainability Committee (Sustainable Development Center of the Corporate Development Office) to the Corporate Sustainability Committee. The content of this report (including materiality analysis) is then submitted to the Sustainability & Risk Management Committee and the Board of Directors, and is approved for issuance following a resolution by the Board.

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 the 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 in accordance with ISAE 3000	KPMG
Financial Data	Deloitte Taiwan
ISO 9001 Quality Management System	DNV
ISO 27001 Information Security Management System	SGS
ISO 27701 Privacy Information Management System	SGS
ISO 14001 Environmental Management System	DNV
ISO 50001 Energy Management System	DNV
ISO 14064-1 Greenhouse Gas Emissions	DNV
ISO 45001 Occupational Health and Safety Management System	SGS
TOSHMS Taiwan Occupational Safety and Health Management System	SGS

Certification Information

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
Previous edition release date	August 2025
Current edition release date	August 2026
Next edition release date	August 2027

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 comments or questions regarding this report, please contact.

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Corporate Sustainability Website

Stakeholder Contact

Content

Preface
About the Report
Letter from Management
Business Overview
2025 ESG Performance and Recognition

01 Sustainability Management

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

Letter from Management

GRI 2-22

Steady Operations Created Historic Results

Looking back on 2025, the global aviation industry continued to move forward amid intertwined challenges and opportunities. On one hand, rising geopolitical risks, an imbalance in the aerospace supply chain, trade barriers, and cost fluctuations tested corporate operational resilience and risk management capabilities; on the other hand, the gradual recovery of the global economy drove a steady rebound in passenger demand. In addition, the rapid development of AI and high-tech industries, along with the continuing trend of supply chain restructuring, boosted cargo demand, and under an environment of relatively stable energy prices, provided support for the operating momentum of the aviation industry.

In response to the rapid changes in the external environment, CAL has adopted a strategy centered on the parallel development of passenger and cargo businesses. Through close collaboration with the Group and supplier partners, CAL flexibly adjusted route capacity, allocated resources precisely, and continued to optimize the fleet structure and operating efficiency. In 2025, we successively introduced A321neo passenger aircraft and 777F Cargo Aircraft, strengthening regional passenger and cargo service capacity and further enhancing operating flexibility, market responsiveness, and profitability. We thank all CAL colleagues, group partners, suppliers, and customers for their support and recognition. In 2025, CAL's overall operating performance reached another all-time high, and the three financial indicators of revenue, profit, and earnings per share (EPS) all set historic records, demonstrating CAL Group's strength in sound management, agile response, and sustained value creation.

While operational growth continues, we will further deepen the sustainable connotations of corporate governance. In 2025, the Board of Directors adjusted and established the "Sustainability & Risk Management Committee". Based on the operating characteristics of the air transport industry and domestic and international governance trends, it strengthened the responsibilities, reporting, and supervision mechanisms of the existing Risk Management Committee, and further integrated the operating risk, sustainable development, climate-related, and nature-related risk management functions within the corporate governance structure, so as to enhance decision-making consistency and governance effectiveness. Through a more robust governance mechanism, CAL will continue to balance operational growth, shareholder equity, and sustainable value, laying a solid and resilient operating foundation.

Integrating Sustainability into Operations, Advancing Sustainable Transformation through Action

CAL, with safety, risk management, and corporate governance as its foundation, has fully incorporated sustainability (ESG) into its corporate development strategy and annual targets, and, through the working platform of the Corporate Sustainability Committee and its subordinate value groups, regularly formulated, implemented, and tracked short-, medium-, and long-term as well as annual sustainability targets. While expanding operations in 2025, we also effectively controlled and enhanced various environmental performance and eco-efficiency. At the same time, we continued to deepen our TCFD/TNFD-related efforts and, in response to the international sustainability disclosure trends of IFRS S1 and S2, strengthened the linkage between disclosure quality and management mechanisms to create long term, sound, and positive value for stakeholders.

In response to the challenges of climate change and the energy transition, CAL continued to reduce the impact of air transport on the environment and enhance the effectiveness of passenger and cargo service through fleet renewal, network management, improved fuel efficiency, and the addition of SAF. In 2025, we announced the introduction of 15 A350-1000 aircraft, 15 777-9 aircraft, and 8 777-8F aircraft as new-generation, highly efficient, environmentally friendly models, and launched a full-cabin upgrade program for the A350-900, enabling medium- and long-haul passenger and cargo services to continue advancing toward high-efficiency, low-carbon, and high-quality innovative services; by the end of 2025, the A321neo fleet has reached 21 aircraft, gradually replacing the aging 737-800 models and becoming an important mainstay and environmental standard-bearer for regional routes.

In promoting sustainable aviation fuel (SAF), CAL has continued to deepen and expand its related initiatives on the basis of its past achievements in leading Taiwan’s aviation industry in the early adoption of SAF and in Stakeholder Engagement, including implementing its blending target and signing Memoranda of Understanding to steadily establish a global supply chain. At the same time, we supported the government’s SAF pilot program through concrete actions and participated in consultations and actions on subsequent response strategies. CAL also drew on international trends and practices to lead the industry in Taiwan in launching the “SAF Corporate Customer Cooperation Program,” and received action support from benchmark corporate partners. Together, they promoted collaboration with suppliers and corporate customers to reduce scope 3 carbon emissions, marking an important milestone for cross-industry cooperation in Taiwan’s aviation sector in response to climate change.

CAL also highly values the SkyTeam "The Aviation Challenge (TAC)" for its significance in international peer benchmarking, value chain sustainability cooperation, innovative stakeholder communication, and its role in leading sustainability within Taiwan's aviation industry. Participating in the TAC for the fourth consecutive year in 2025, CAL continued to introduce innovative practices built upon existing eco-friendly service elements. These initiatives included adding 40% SAF to designated flights and expanding the promotion of Taiwan’s specialty plant-based cuisine. Through its outstanding performance, CAL was honored with the "Sustainable Aviation Fuel Transition Impact Award" under the Organizational Transformation category, showcasing

Content

Preface
About the Report
Letter from Management
Business Overview
2025 ESG Performance and Recognition

01 Sustainability Management

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

the concrete achievements of China Airlines in accelerating the low-carbon transition of aviation and the sustainable competitiveness of Taiwan's aviation industry value chain.

Talent is the foundation of corporate operations and sustainable development. CAL, upholding the principle of "people-oriented," has continued to devote itself to cultivating aviation professionals and to creating a safe, healthy, friendly, and labor-management-harmonious workplace environment. It once again received recognition as the "Best Employer in Asia Award." With "diversity, equity, and inclusion" as our guiding principles, we promoted a number of inclusive workplace measures in 2025 that were leading initiatives among Taiwan's peer companies. Key achievements included allowing women employees to wear pants as part of their uniforms and permitting flight attendants to wear glasses and black athletic shoes while on duty, thereby safeguarding employee health and fostering a more inclusive corporate culture.

In terms of Social Philanthropy, CAL has long leveraged its aviation transport expertise and operational resources to give back to society, focusing on initiatives such as "internationalization of education," "medical and humanitarian assistance," "support for employment for disadvantaged groups," and "environmental and ecological initiatives." CAL has continuously invested in actions including education in remote areas, care for disadvantaged groups, beach cleanup environmental protection activities, ecological conservation, the Satoyama Initiative, and international emergency relief, and has joined with stakeholders and partners to jointly implement the United Nations Sustainable Development Goals (SDGs), moving toward the vision of "sustainability, care, and mutual prosperity.

CAL's achievements from many years of continuous dedication to ESG were further recognized in 2025 by authoritative domestic and international rankings, including: for the second time, it received the highest score in the global airline industry in the S&P Global Corporate Sustainability Assessment (CSA), and for the ninth time, it was selected for the S&P Sustainability Yearbook, earning the distinction of being the only airline in the world to be named in the Top 1% in the "2026 Sustainability Yearbook"; at the same time, CAL received the Taiwan Enterprise Sustainability Award (TCSA) "Taiwan Top 10 Sustainable Model Enterprises Award" for the second time, and retained the highest honor of "Best Annual Report in the Services Industry" for four consecutive years; it won the Gold Award in the "ESG Transport Sustainability Award" for two consecutive editions; and, for its support of the domestic energy transition, it was awarded the "Sustainable Development Award" by the Civil Aeronautics Administration. These affirmations are not only encouragement for CAL's sustainable governance and innovative practices, but also provide us with the impetus and confidence to continue improving.

Strengthening Resilience to Meet Future Challenges and Opportunities

Looking ahead to 2026, the global political and economic environment still contains many uncertainties. Geopolitical risks triggered by regional wars, fluctuations in energy prices, and the restructuring of industrial supply chains and the risk of supply chain disruptions will continue to test the operating resilience of the aviation industry. At the same time, the development of AI technology and the continued deepening of Taiwan's key position in the global supply chain will also create new growth opportunities for the passenger and cargo markets. Facing a future interwoven with challenges and opportunities, CAL and its group partners will uphold the corporate vision of "Leading Asia-Pacific, Flying Worldwide" and the service declaration of "Touching every moment", and will continue to strengthen corporate governance, enhance operational resilience, and deepen stakeholder communication and value chain collaboration through business strategies of proactive planning, sound planning, and prudent risk management.

CAL will continue to implement stakeholder communication and engagement in the course of its corporate development, taking into account environmental eco-efficiency and fulfilling social responsibility, and will work with value chain partners and supply chain management to appropriately identify and address short-, medium-, and long-term sustainable development issues. From operational innovation and low-carbon transition to talent development and the co-prosperity of society and the environment, CAL will continue to enhance operational quality and expand brand value and sustainable influence. We will continue to deepen CAL's and the Group's development across all ESG dimensions through sound operations and sustainable actions, and create long-term, trustworthy, and happiness-oriented sustainable value and development niches for current and intergenerational stakeholders.

Kao Shing-Hwang
Chairman

Chen, Han-Ming
President

Content

Preface
About the Report
Letter from Management
Business Overview
2025 ESG Performance and Recognition

01 Sustainability Management

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

Business Overview

GRI 2-1, 2-6

CAL (2610) is the largest airline in Taiwan and operates within the air transportation industry. Based in Taiwan Taoyuan International Airport, CAL mainly provides international passenger and freight air transport services. CAL has two airline 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 2025, China Airlines and Mandarin Airlines jointly operated flights to 29 countries/regions with other operators, serving 191 destinations, while Tigerair Taiwan served 30 destinations across 45 routes. In the first half of 2025, although global trade protectionism intensified and caused market fluctuations, its substantive impact on the economy was relatively limited. Cross-border travel and logistics demand remained highly resilient, supporting the steady development of the air transportation market. Although capacity expansion was constrained by supply chain disruptions, aircraft delivery delays, and labor shortages, strong demand, coupled with effective market strategies, operational scheduling, and management enabled CAL to maintain high passenger and cargo load factors, thereby supporting ticket revenue and overall corporate revenue performance. With strong demand in both passenger and cargo transportation, favorable conditions have been created for CAL to achieve breakthrough revenue growth. CAL Group's consolidated pre-tax net profit reached TWD20.059 billion, with net profit after tax attributable to the parent company amounting to TWD14.700 billion.

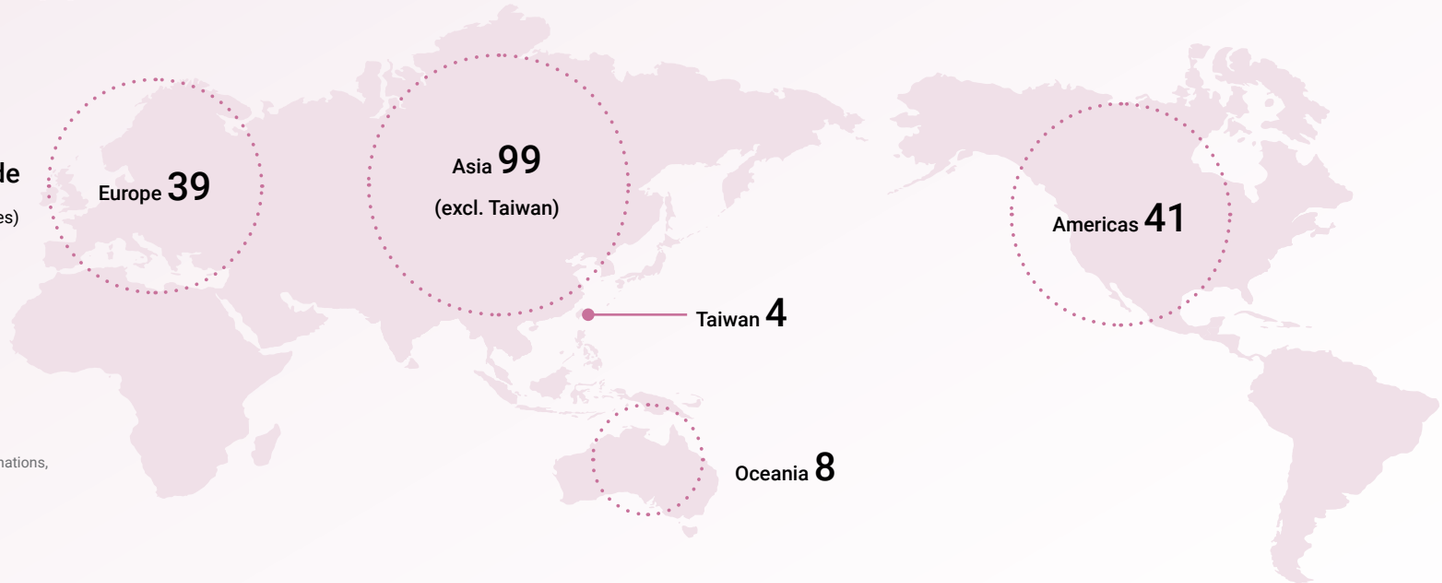
Refer to 3.2 Operational Achievements

Destinations

29 countries

191 destinations worldwide

(including CAL Group and code-shared routes)



Note: As of December 31, 2025. For the latest destinations, please refer to the CAL website.

China Airlines

Capital: TWD 60.8 billion
Employees: 11,803

Headquarters
Taoyuan (No.1, Hangzhan S. Rd., Dayuan Dist., Taoyuan City)

Fleet Size and Average Fleet Age
86(Note)/9.5 years
68 passenger aircraft/9.1years,18 cargo aircraft/11.1 years

Mandarin Airlines

Capital: TWD 4 billion
Employees: 954

Headquarters
Taipei (No.3, Alley 123, Ln. 405, Dunhua N. Rd., Songshan Dist., Taipei City)

Fleet Size and Average Fleet Age
13(Note)/3.7 years

Tigerair Taiwan

Capital: TWD 4.595 billion
Employees: 874

Headquarters
Taipei (No.3, Alley 123, Ln. 405, Dunhua N. Rd., Songshan Dist., Taipei City)

Fleet Size and Average Fleet Age
17(Note)/6.9 years

Passenger Load Factor (CAL Group)

Oceania	83.3%
Northeast Asia	81.1%
Europe	80.6%
Southeast Asia	77.8%
North America	75.9%
Mainland China	75.6%
Hong Kong and Macau	68.5%

Note: Data is compiled as of December 31, 2025; the number of operational aircraft and aircraft age data are compiled as of April 30, 2026. The latest information on the number of operational aircraft and aircraft age is available on the official website.

Content

Preface
About the Report
Letter from Management
Business Overview
2025 ESG Performance and Recognition

01 Sustainability Management

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

2025 ESG Performance and Recognition

Selected for the FTSE4Good Index Series for 10th consecutive years

CAL has been included in the FTSE4Good Index Series for ten consecutive years and has also been selected as a constituent of the Taiwan ESG Index seven times.

9th time included in the S&P Global Sustainability Yearbook

CAL achieved the highest CSA score among global airlines in 2025. In 2026, it was selected for the Sustainability Yearbook for the ninth time and received Top 1% recognition for the second time, making it the only airline in Taiwan to achieve this distinction.

4th time selected for the MSCI Index

Since 2022, CAL has been selected as a constituent of the MSCI Global Standard Index for the fourth time.

2nd time receiving the Taiwan Top 10 Sustainability Model Enterprises Award

In 2025, CAL received the TAISE "Taiwan Top 10 Sustainability Model Enterprises Award" for the second time. It has also received the Taiwan Corporate Sustainability Awards for 12 consecutive years, the Global Corporate Sustainability Award – Sustainability Reporting for seven consecutive years, and the Best Sustainability Report (Service Industry) award for four consecutive years.

2nd time awarded Gold in the ESG Transportation Sustainability Award

With a well-established ESG governance framework and concrete sustainability practices, CAL has been awarded the ESG Transportation Sustainability Award – Gold for two consecutive terms and is the only recipient recognized for "Innovation Advancement."

10th time awarded APEX Five-Star Airline Award

CAL continues to implement its service CAL continues to implement its service declaration of "Touching every moment" and enhance operational and service quality, earning the APEX Five-Star Airline Award for ten consecutive years.

Governance

Long-term credit rating remained at "twA-"

In October 2025, Taiwan Ratings affirmed CAL's long-term credit rating at "twA-" and short-term credit rating at "twA-2," with a stable outlook.

Top 6%-20% in Corporate Governance Evaluation

CAL was ranked among the top 6%–20% of companies in the 12th Corporate Governance Evaluation.

100% signing rate of the Supplier Code of Conduct

The signing rate of the Supplier Code of Conduct among critical Tier-1 suppliers reached 100%.

Received the highest 7-Star safety rating from AirlineRatings

CAL was awarded the highest 7-star safety rating by AirlineRatings, demonstrating strong operational capability and safety management aligned with international aviation standards. The rating is based on comprehensive assessments including safety audit results, operational safety standards, major incident records, and regulatory evaluations.

12th time receiving IOSA safety certification

Since first obtaining the IATA Operational Safety Audit (IOSA) certification in 2005, CAL has undergone biennial audits in accordance with IATA requirements. In 2025, CAL successfully maintained IOSA certification, continuing to uphold the highest international safety standards.

9th time consecutive inclusion in the Taiwan Employment 99 and Taiwan High Compensation 100 Indices

CAL has been selected for both indices for nine consecutive years.

Content

Preface
About the Report
Letter from Management
Business Overview
2025 ESG Performance and Recognition

01 Sustainability Management

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

Environmental

Highest environmental score in S&P Global CSA

In 2025, CAL achieved a score of 90 in the environmental dimension of the S&P Global CSA, the highest among airlines. Full scores were obtained in environmental policy and management, energy, water resources, and climate change.

5th consecutive year achieving CDP SER Leadership level

Since 2012, CAL has responded to the CDP climate questionnaire for 13 consecutive years and has actively advanced supply chain and value chain management. The Company has achieved the CDP Supplier Engagement Rating (SER) Leadership level for five consecutive years and was included in the A List for the second time in 2025.

12th consecutive TCSA Climate Leadership Award

Since 2014, CAL has received the TCSA Climate Leadership Award for 12 consecutive years, making it the only company in Taiwan's transportation service industry to achieve this distinction.

Leading and expanding SAF value chain collaboration initiatives

CAL actively supports national net-zero transition policies by participating in government pilot programs and developing both domestic and international SAF supplier networks. As a pioneer in Taiwan, CAL introduced a corporate SAF collaboration model, working with passenger and cargo customers to adopt SAF, reduce aviation emissions, and lower carbon footprints from passenger travel and cargo transportation, while driving energy transition across the aviation value chain.

4th participation in the Aviation Challenge (TAC) with recognition

In 2025, CAL participated in the SkyTeam Aviation Challenge for the fourth time. Through a demonstration flight using 40% sustainable aviation fuel—first of its kind in Taiwan—and by promoting transformation across local and international organizations and industry value chains, CAL received the "Organizational Transformation Award – SAF Transformation Impact." Building on prior sustainability initiatives, CAL continues to expand low-carbon meal options, fully adopt electronic menus, and introduce recycled materials to achieve comprehensive carbon reduction.

Protecting biodiversity and supporting ecological and carbon sink initiatives

CAL continues to implement concrete actions such as beach cleanups, participation in national afforestation and trail maintenance programs in Nanzhuang, wildlife rescue and conservation support, environmental education promotion, and alignment with international initiatives including the Buckingham Palace Declaration and the Satoyama Initiative. These efforts demonstrate CAL's commitment to biodiversity and forest conservation while creating shared environmental and social value.

Aligning with international cabin waste investigation mechanisms and advancing circular economy opportunities

Through collaboration among cabin crew, catering, and ground handling teams, CAL continuously optimizes operational processes to reduce waste and incorporate recyclables into the circular economy. The Company also participates in domestic sustainability platforms, integrating industry, government, and academic resources to enhance overall impact and effectiveness.

Continued recognition in leading domestic sustainability rankings

In 2025, CAL was rated at the highest level aligned with the 1.5°C pathway in the "Carbon Reduction Thermometer" by Commonwealth Magazine and was listed among the "Top 100 Carbon Competitiveness Companies" by Business Weekly for four consecutive years, demonstrating strong capability and leadership in low-carbon transition. CAL also maintains validation of its science-based targets (SBTi) to ensure alignment with international decarbonization standards.

Content

Preface
About the Report
Letter from Management
Business Overview
2025 ESG Performance and Recognition

01 Sustainability Management

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

Social

Highest social dimension score in the S&P Global CSA

In 2025, CAL attained the highest score among airlines in the social dimension of the S&P Global CSA, achieving full or leading scores in key areas including human rights, safety, and customer relations.

Recognized as HR Asia Best Companies to Work for in Asia for 3 consecutive years

CAL received the HR Asia Best Companies to Work for in Asia award in 2025, marking its third consecutive year of recognition.

8th consecutive TCSA Social Inclusion Leadership Award

Since 2017, CAL has received the TCSA Social Inclusion Leadership Award for eight consecutive years.

99.14% union participation rate

The employee union participation rate reached 99.14%.

Continuing involvement in the “TALENT, in Taiwan”

On March 24, 2026, CAL announced its continued support for “TALENT, in Taiwan”.

Employee training investment of 456 million

Actively conducting management and various professional training programs with a total investment of approximately TWD 456 million.

Over 71.69 million invested in charitable activities

In 2025, CAL invested a total of TWD 71,694,349 in charitable activities. The total number of beneficiaries from business activities, charity events, and community investments reached 1,950,189.

Nearly 2,000 rural students benefited

In 2025, CAL volunteer groups traveled to remote areas to provide aviation education, benefiting nearly 2,000 students.

Care provided to 506 senior citizens

In 2025, three events were held to provide care for disadvantaged senior citizens, benefiting 506 individuals.

Content

Preface
About the Report
Letter from Management
Business Overview
2025 ESG Performance and Recognition

01 Sustainability Management

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

2025 Award Records

1

SkyTeam received the "Future Proofing Strategies" award for aviation flight challenges and was also nominated for four additional prestigious awards: the "Maximized Adoption of TAC Solutions," the "Best Team Collaborations," and the "Best Climate Literacy" awards.

2

Selected eight times for the 2025 S&P Global Sustainability Yearbook, ranking in the Top 5% of the global airline industry (Recognized in the S&P Global Sustainability Yearbook for the ninth time and awarded Top 1% in February 2026).

4

The global professional aviation magazine PAX International readers' choice awards honored CAL with the dual distinctions of "Best Business Class Amenity Asia" and "Best Premium Economy Class Amenity Asia."

"Best Onboard Special Meal or Product" award by Onboard Hospitality magazine.

Global Brands awarded CAL the "Asia's Leading Airline Award."

6

Selected in the Taiwan High Compensation 100 Index for nine consecutive years.

Selected in the FTSE4Good TIP Taiwan ESG Index for the seventh time.

TIP
TAIWAN INDEX PLUS
A wholly-owned subsidiary of TWSE

FTSE4Good
TIP Taiwan ESG Index

Content

Preface
About the Report
Letter from Management
Business Overview
2025 ESG Performance and Recognition

01 Sustainability Management

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

2025 Award Records

7

According to the S&P Global CSA rankings for 2024, S&P Global ranked the aviation industry first in the global CSA rankings after a rebalance.

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

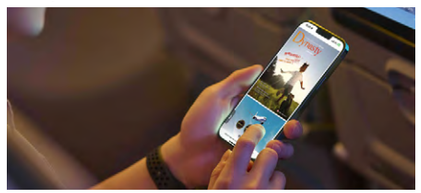
Selected in the FTSE4Good Index for 10 consecutive years

8

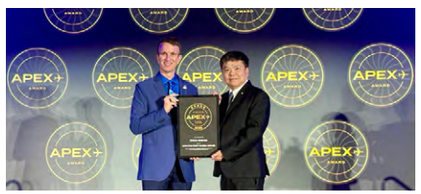
Received the "HR Asia Best Companies to Work for In Asia" award for three consecutive years.

9

CAL's magazine, Dynasty, received two Awards for Publication Excellence (APEX) in 2025 from the United States, including the Design & Layout Award and the Electronic Award.



Awarded the APEX Five Star Global Airline for ten consecutive years.



Taiwan Ratings long-term credit rating of "twA-".

11

Awarded the "Green Procurement" Excellence Enterprise by the Taoyuan City Government for three consecutive years.

Honored at the "2025 18th Global and Taiwan Corporate Sustainability Award," winning five major awards in the 12th consecutive winning year, including four consecutive years receiving the "Best Annual Report in the Service Industry," placing in the "Top 10 Sustainable Exemplary Enterprise Award in Taiwan" for a second year, placing first in individual sustainability performance awards in the "Climate Leadership Award" and the "Social Inclusion Leadership Award," and earning the "Silver Award for Sustainability Reporting" global corporate sustainability award.

APEX "2026 Best Cabin Service Award for the Greater China Region."

12

Awarded the Gold Prize in the second "ESG Transportation Sustainability Award," becoming the only two-time recipient in the aviation industry.

Content

Preface

01 Sustainability Management
1.1 Sustainability Vision and Strategies
1.2 Sustainability Management Structure
1.3 CAL's Sustainability Value
1.4 Stakeholder Communication and Materiality Analysis
1.5 Achieving Sustainable Development Goals

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

CHINA AIRLINES

01 Sustainability Management

1.1 Sustainability Vision and Strategies 15
1.2 Sustainability Management Structure 16
1.3 CAL's Sustainability Value 17
1.4 Stakeholder Communication and Materiality Analysis 22
1.5 Achieving Sustainable Development Goals 34

Content

Preface

01 Sustainability Management
1.1 Sustainability Vision and Strategies
1.2 Sustainability Management Structure
1.3 CAL's Sustainability Value
1.4 Stakeholder Communication and Materiality Analysis
1.5 Achieving Sustainable Development Goals

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

1.1 Sustainability Vision and Strategies

1.1.1 CAL's Sustainability Vision

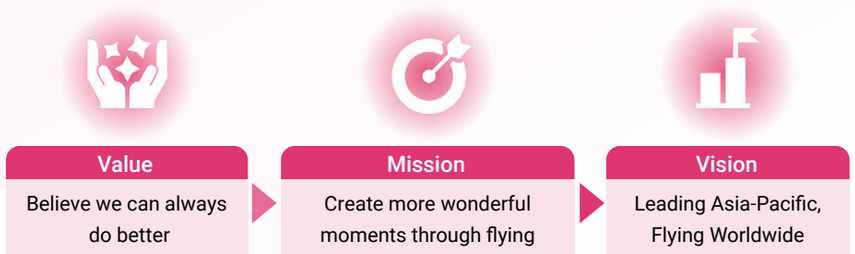
In response to changes in market and operational demands, CAL continuously reviews its strategic indicators. After analyzing the internal and external competitive environment, CAL reassessed its medium- and long-term strategic development and revised its vision, mission, and values in 2024. CAL upholds the value of "believing we can always do better," with the mission of "creating more wonderful moments through flying," to achieve the vision of "leading Asia-Pacific, flying worldwide." CAL supports the 17 Sustainable Development Goals (SDGs) announced by the United Nations in 2016 and follows the SDG Compass and related sustainability reports of the International Civil Aviation Organization (ICAO), the Air Transportation Action Group (ATAG), and the international transportation industry. We now focus on 13 SDGs that form the basis of CAL's sustainability efforts for achieving sustainability and creating value for stakeholders.

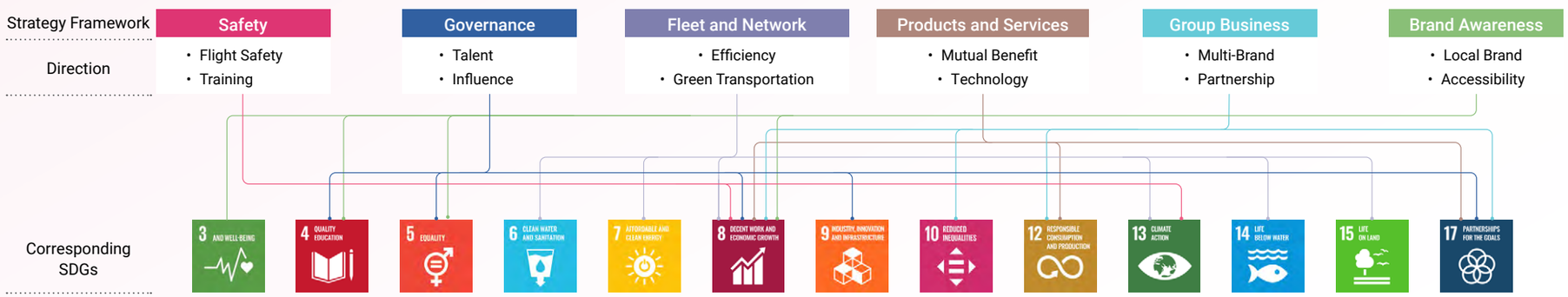
1.1.2 Sustainability Strategy

China Airlines is committed to the mission of "creating more wonderful moments through flying," and is advancing towards the vision of "Leading Asia-Pacific, Flying Worldwide." We adopted "Safety" and "Governance" as the basis for sustainable development and incorporated our main strategies of "Fleet and Network", "Products and Services", and "Group Business" to continue to enhance CAL's "Brand Awareness" in the minds of customers. We continue to implement a range of action initiatives to demonstrate our sustainable development performance, with key highlights including "Smart Resilience: building a resilient foundation to address public health challenges and extreme climate risks in the environmental dimension", "Localized Global Operations: showcasing Taiwan's local culture to enhance international visibility in the social dimension", and "Youth Innovation: embracing a youthful mindset to connect with and lead the next generation of innovation in the governance dimension". CAL's six strategic strategies correspond to the United Nations Sustainable Development Goals (SDGs) and establish a comprehensive sustainable development strategy framework. In 2025, the direction and goals of the sustainable development strategy were continuously reviewed, and medium- to long-term goals were adjusted on a rolling basis. The sustainable strategy of CAL is executed by the Corporate Sustainability Committee led by the President and supervised by the Board-level Corporate Sustainability and Risk Management Committees and the highest governance body, the Board of Directors.

13 Sustainable Development Goals Focused from CAL

China Airlines Sustainability Strategy





Content

Preface

01 Sustainability Management
1.1 Sustainability Vision and Strategies
1.2 Sustainability Management Structure
1.3 CAL's Sustainability Value
1.4 Stakeholder Communication and Materiality Analysis
1.5 Achieving Sustainable Development Goals

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

1.2 Sustainability Management Structure

GRI 2-9, 2-12, 2-13, 2-14, 2-16, 2-18

1.2.1 Corporate Sustainability Committee

In 2014, CAL established the "Corporate Sustainability Committee" to oversee and manage the Company's operational impacts on the economy, environment, and People (including human rights), as well as the corresponding response measures. In 2024, the Corporate Development Office established the Sustainability Development Center, which serves as the executive secretariat of the Corporate Sustainability Committee, and a Chief Sustainability Officer was appointed to support and advance sustainability-related initiatives. To address the trends in corporate sustainability development and governance needs, a board-level functional committee, the "Sustainability & Risk Management Committee," was established in 2025 to strengthen the board's oversight and guidance on ESG-related issues. In 2025, the Corporate Sustainability Committee convened three times. The meetings were chaired by CAL's President, with the Chairman attending as an advisor. The committee led six core value working groups and the risk management team to formulate sustainability strategies and development goals in accordance with CAL's Sustainability Practice Guidelines, thereby advancing corporate sustainability. The outcomes of corporate sustainability governance and external reporting information (Note 1) were submitted biannually by the Chief Sustainability Officer to the Sustainability and Risk Committee and the Board of Directors. Additionally, starting in 2025, the Chief Sustainability Officer provided quarterly reports on the implementation progress of the International Financial Reporting Standards—Sustainability Disclosure Standards (IFRS S1/S2) to the Sustainability & Risk Management Committee and the Board.

As the highest governance body of the Company, the Board of Directors supervises and identifies CAL's impact on the economy, environment, and people (including human rights). It also established internal control and audit for due diligence of ESG information. The Board of Directors delegates senior management to engage in consultations with identified impacts and stakeholders through diverse communication channels and platforms.

Refer to 1.4.1 Stakeholder Engagement

In 2025, the Board held 10 meetings to oversee CAL's due diligence and response measures regarding key significant events (Note 2), financial status, internal audit operations, safety management, operational risk management, information security and personal data risk, greenhouse gas inventory and verification, climate governance reporting, human rights risks, information and communication security, and Board performance outcomes, including 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

Note 1: The ESG sustainability performance report for 2025 was approved by the Sustainability & Risk Management Committee and the Board of Directors on March 11, 2026. The disclosure content of the 2025 Sustainability Report was submitted to the Sustainability and Risk Committee on August 5, 2026, and approved by the Board of Directors on August 7, 2026.

Note 2: Key material events include those confirmed through the grievance mechanism and communication channels with stakeholders. Depending on their nature, all verified significant events are communicated and reported at the Board of Directors meetings. In 2025, the Board of Directors made a total of 68 important resolutions. For detailed information, please refer to the Annual Report, pages 95–98.

Sustainable Development Best Practice Principles

Corporate Sustainability Committee Organization

Highest Level (Chairman, Directors)

Board of Directors

Sustainability & Risk Management Committee

Executive Secretary

Corporate Development Office – Sustainability Development Center

Corporate Sustainability Committee

Second Level (Chair: President)

Risk Management Team

Twice / 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 / Year — Convene the meeting.

Once / Quarter — Report the progress of each task force.

Management in Charge (Senior Vice Presidents)

	Coordinating Division	Support Divisions
Foundation for Sustainable Development	Corporate Development Office	• Finance Division • Legal & Insurance Division • Secretarial Office, Board of Directors • General Audit Office • Corporate Safety Office
Cooperation	Administration Division	• Engineering Division • Finance Division • Ground Services Division • Inflight Supply Chain & Marketing Division
Trust	Cyber Security & Personal Data Protection Division	• Passenger Sales & Marketing Division • Corporate Safety Office • Cabin Crew Division • System Operation Contral Division • Ground Services Division • Information Management Division • Flight Operations Division • Cargo Services Department • Maintenance Division • Inflight Supply Chain & Marketing 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	• Corporate Development Office • Maintenance Division • Occupational Safety & Health Department

Content

Preface

01 Sustainability Management
1.1 Sustainability Vision and Strategies
1.2 Sustainability Management Structure
1.3 CAL's Sustainability Value
1.4 Stakeholder Communication and Materiality Analysis
1.5 Achieving Sustainable Development Goals

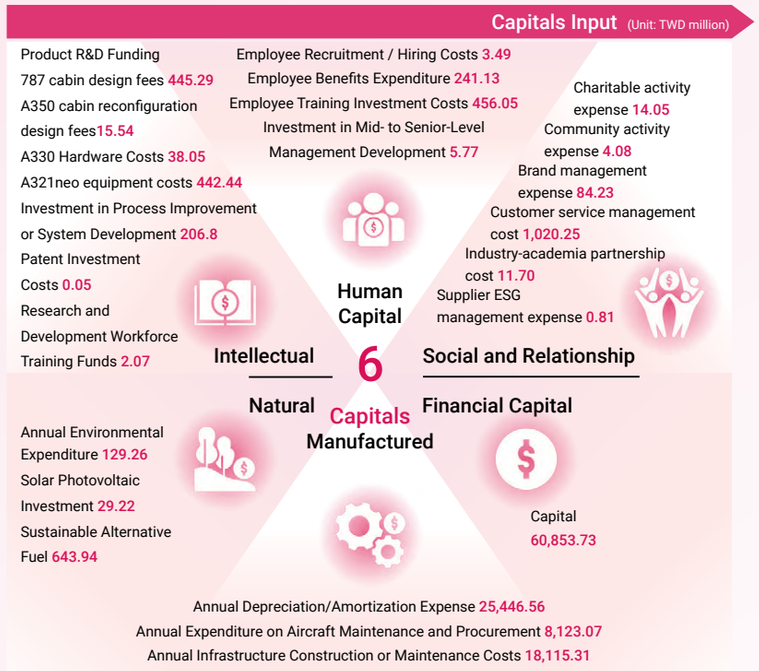
02 Value Creation

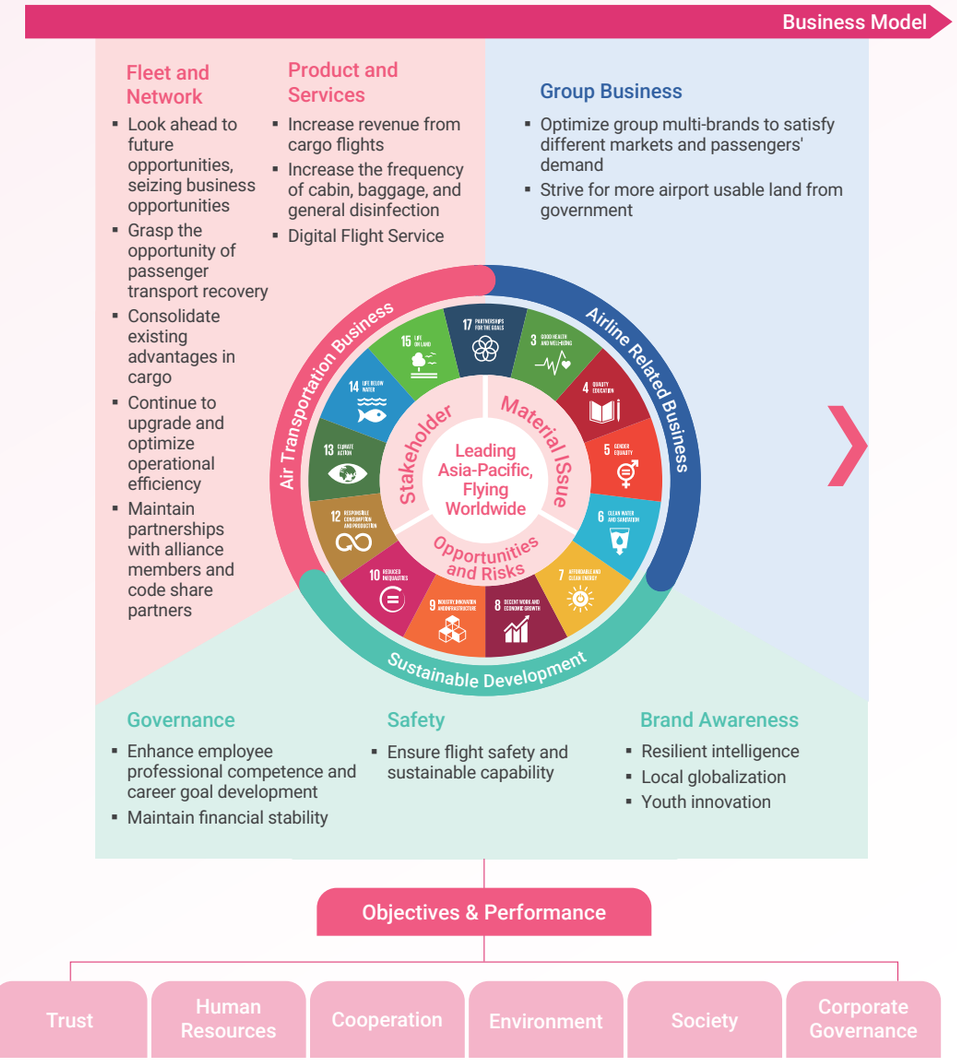
03 Corporate Governance

ESG Data and Appendix

1.3 CAL's Sustainability Value

1.3.1 Business Model and Value Creation





Sustainability Strategies	Definition of Strategy
Governance	Deepening CAL's sustainability concept throughout its internal operations and value chain to create a positive social impact
Safety	Rooting a Safety Culture into Products and Services
Brand Awareness	Showcase Taiwan's unique local identity and provide accessible, customer-friendly transportation services, while strengthening the Company's local brand and corporate citizenship.
Fleet and Route Network	Advance an Efficient Fleet and Route Network by Embedding Environmental Sustainability into the DNA of Our Flight Operations.
Products and Services	Interpreting and Creating CAL's Sustainable Services through Sustainable Values and Technological Innovation
Group Collaboration	Extend China Airlines' Sustainability Mindset Across the Group, Strengthen Collaboration, and Foster a More Sustainable Value Chain.

Content

Preface

01 Sustainability Management
1.1 Sustainability Vision and Strategies
1.2 Sustainability Management Structure
1.3 CAL's Sustainability Value
1.4 Stakeholder Communication and Materiality Analysis
1.5 Achieving Sustainable Development Goals

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

Value Creation

Item	Output		Outcome	Relevant Report Sections
Financial Capital	Operating revenue	178,953,945,000	Operating revenue increased by 2% compared to 2024, while traditional financial performance (EBITDA) remained unchanged from 2024.	3.2 Operational Achievements (P.143)
Manufactured	Number of New Fleet Aircraft	• One 777F Cargo Aircraft • Seven A321neo aircraft (four owned and three leased, of which two leased aircraft have not yet completed the five-stage inspection and did not operate flight missions in 2025)	• Between 2014 and 2016, we introduced ten 777-300ER passenger aircraft, achieving significant fuel savings. The 777F cargo aircraft, developed in collaboration with Boeing, is part of the same series and is equipped with GE90 engines, identical to those on the passenger aircraft. This will aid in optimizing engine management and reducing maintenance costs. After completing the differential training, flight crew members can perform flight duties, enhancing the flexibility of crew resource management. • The A321neo is a new narrow-body aircraft with advantages in fuel consumption, unit cost, range, payload, and noise reduction. Its fuel-efficient design helps reduce carbon emissions and promotes environmental friendliness, enhancing our company's operational efficiency and overall competitiveness on regional routes.	3.2 Operational Achievements (P.143) 2.1 Trust (P.41)
	Passenger Capacity of the New Fleet	Seat capacity increased by 900 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)	• 72 Passenger Destinations • 33 Cargo Destinations (Including Destinations Served by Passenger Aircraft and Dedicated Freighters)	• Added one new passenger service destination, PHX, in 2025. • Added one new cargo destination, YYZ, in 2025.	
	New Flight Destinations	• Added one new passenger service destination, PHX, in 2025. • Added one new cargo destination, YYZ, in 2025.	• Added one new passenger service destination, PHX, in 2025. • Added one new cargo destination, YYZ, in 2025.	
	Global Passenger/Freight Transport Volume (RPK/FRTK)	• RPK: 37,336,000,000 • FRTK: 5,673,947,899	• RPK increased by 0.2% compared with 2024 (37,267,000,000). • Cargo transport volume reached 5,674 million ton-kilometers in 2025, an increase of 7.35% compared to 5,285 million ton-kilometers in 2024.	
Intellectual	Number of Newly Launched Products or Services	• One 777F Cargo Aircraft • Seven A321neo aircraft (four owned and three leased, of which two leased aircraft have not yet completed the five-stage inspection and did not operate flight missions in 2025)	Fuel Conservation and Noise Reduction	2.1 Trust (P.41) 2.4 Human Resources (P.105)
	Research and Development Achievements	0	NIL	
	Cost savings (such as labor and materials)	99 items	Labor savings of 61 person-months per year	
	Number of Patents	1	1	
	Number of R&D personnel trained	1,058	Enhance IT skills to support the development or updates of various information systems within the company for 99 recent projects.	
	Revenue/Passenger Numbers Generated by Newly Launched Products or Services	I. 787 New Aircraft Project • In accordance with Boeing's planned schedule, the 787-9 seats and related equipment entered the testing and certification phase, and First Article Inspection (FAI) acceptance meetings for the finished equipment were progressively completed. Commercial service is planned to commence in 2026. • The 787-10 completed the scheduled In-Flight Technical Coordination Meeting (ITCM) and Preliminary Design Review (PDR) on time. II. A350 Reconfiguration Project • In accordance with Airbus's scheduled timeline, CAL hascompleted the definition of standard equipment specifications and held the Preliminary Design Review (PDR) for seats and other equipment. The Cabin Equipment Critical Design Review (CDR) is planned for 2026, after which the project will proceed to the testing and certification phase. III.A330-300 Wireless IFE • Completed the software and hardware certification and installation of the portable onboard wireless streaming video equipment.	I. 787 New Aircraft Project • Completed technical meetings and specification definitions for 16 787-9 and 8 787-10 aircraft. II. A350 Cabin Reconfiguration Project • Completed technical meetings and the definition of specifications for 15 aircraft, comprising 14 company-owned aircraft and 1 leased aircraft. III.A330-300 Wireless IFE • Equipment hardware and software certification and installation activities for all 13 aircraft in the fleet were completed.	

Content

Preface

01 Sustainability Management
1.1 Sustainability Vision and Strategies
1.2 Sustainability Management Structure
1.3 CAL's Sustainability Value
1.4 Stakeholder Communication and Materiality Analysis
1.5 Achieving Sustainable Development Goals

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

Value Creation

Item	Output		Outcome	Relevant Report Sections
Intellectual	Revenue/Passenger Numbers Generated by Newly Launched Products or Services	IV.A321neo New Aircraft Project • Added three A321neo leased aircraft. In accordance with Airbus's planned schedule, CAL completed the definition of standard equipment specifications and held the In-Flight Technical Coordination Meeting (ITCM) for cabin equipment such as seats. The Cabin Equipment Design Review (CDR) meeting is scheduled to be held this year (2026). • In-house Aircraft Cabin Inspections for Passenger Pick-up V.New Aircraft Projects: 777-9 and A350-1000 • In coordination with Boeing and Airbus scheduling, CAL completed the project kickoff meeting and selected a cabin design consultant. The plan for 2026 includes advancing cabin design work and holding the In-Flight Cabin Equipment Technical Meeting (ITCM).	IV.A321neo • Completed the definition of standard equipment specifications for three newly added leased aircraft. • Completed the reception and cabin inspection of 4 self-owned aircraft. V.New Aircraft Projects: 777-9 and A350-1000 • Completed the kickoff meetings for 15 Boeing 777-9 and 15 Airbus A350-1000 aircraft, and proceeded with the related specifications definition and cabin design.	2.1 Trust (P.41) 2.4 Human Resources (P.105)
Human Capital	Number of New Employees of the Year	645	Continue to attract diverse talent to enhance the company's operational capacity.	2.4 Human Resources (P.105)
	Employee Retention Rate	The employee retention rate for new hires/recruits in 2025 was 89.15%. The employee retention rate at CAL before 2025 was 94.46%.	Compared to 2024, the employee retention rate increased by approximately 2% in 2025.	
	Employee Turnover Rate	4.41%	The turnover rate decreased by approximately 0.85% compared to 2024.	
	Total Training Hours for Employees	427,669 hours	Facilitate educational training to support operational needs.	
	Training Hours for Mid- to Senior-Level Management	13,087 hours	Conduct job-related training and provide additional development resources to enhance management skills and build consensus.	
Natural	Electricity Consumption	31,679,000 kWh	2,193 kWh	2.3 Environment (P.78)
	Carbon Emissions	8,074,239 tons	Carbon emissions reduction: 49,780 tons	
	Waste Volume	4,854,521 kilograms	Waste reduction: 11,498 kg	
	Water Consumption	105.90 tons	N/A	
	Number of Green Buildings	2	Replacement of the system resulted in the loss of regenerative power information.	
	Percentage of Green Buildings in Total Construction	66.67%	66.67%	
	Solar Photovoltaic Investment (Increase)	Electricity generated: 369,000 kWh	Electricity savings: 369,000 kWh	
	Sustainable Alternative Fuel (Increase)	10264.70 tons	Carbon emissions reduction: 27,605.18 tCO2e	
Social and Relationship	**Number of Public Welfare Activities**	10	CAL, with social contribution as its core value, leverages its own capabilities and aviation expertise to engage in long-term public welfare initiatives. During this year's major traditional festivals, CAL continued to care for local elderly in Taoyuan experiencing the "three losses" (disability, lack of support, and dementia) by delivering care packages to convey holiday blessings and warmth. At the same time, CAL utilized its transportation capacity to assist in the transfer and support of disaster relief supplies. In addition, to deepen sustainable development and expand public welfare impact, CAL has continuously allocated resources to multiple disadvantaged groups, foundations, and rural students, ensuring that support initiatives are sustained and achieve long-term benefits. This demonstrates the company's commitment to corporate responsibility and promotes social well-being.	2.1 Trust (P.41) 2.2 Cooperation (P.68) 2.4 Human Resources (P.105) 2.5 Society (P.126)
	Number of Beneficiaries	263,284		
	Community activity number	18	CAL conducts annual educational activities at schools near its corporate locations and in remote rural areas. Through these initiatives, CAL actively shares aviation expertise and English teaching resources to promote local educational development and enhance international perspectives. At the same time, through beach cleanup activities and wildlife conservation advocacy, CAL concretely implements its ESG sustainability principles. CAL aims to create a positive cycle between corporate operations and community development through continuous investment, working together with society to build a sustainable future. In 2025, CAL will hold one charity basketball camp, one charity baseball camp, and one charity table tennis camp, combining sports promotion with philanthropic values to support children in courageously pursuing their dreams and taking flight.	
	Number of Community Participants	28,006		

Content

Preface

01 Sustainability Management
1.1 Sustainability Vision and Strategies
1.2 Sustainability Management Structure
1.3 CAL's Sustainability Value
1.4 Stakeholder Communication and Materiality Analysis
1.5 Achieving Sustainable Development Goals

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

Value Creation

Item	Output		Outcome	Relevant Report Sections
Social and Relationship	**Number of External Sponsorships**	45	As a member of the international community, CAL has long been committed to public welfare and humanitarian efforts, viewing corporate responsibility as a core mission. In 2025, CAL continued to participate in multinational rescue and relief efforts, leveraging its aviation expertise to support disaster relief operations for the March 28 Myanmar earthquake. CAL provided free transportation services for relief supplies to the Myanmar-Thailand region. At the same time, CAL collaborated with Médecins Sans Frontières and the 3rd Love Without Limits Medical Charity Event, actively engaging in international medical and rescue initiatives. These efforts demonstrate the company's commitment to humanitarian values and its dedication to amplifying social impact through concrete actions. In addition, CAL has long been committed to promoting tourism in Taiwan, supporting arts and culture development, and backing various athletes in international competitions, thereby helping to enhance Taiwan's brand image and expand its visibility on the global stage.	2.1 Trust (P.41) 2.2 Cooperation (P.68) 2.4 Human Resources (P.105) 2.5 Society (P.126)
	Number of Brand Promotion and Advertising Projects	4	**Sustainable Environmental Practices:** The 2026 calendar production fully implemented environmental protection measures and obtained FSC certification for the first time, with both paper materials and printing inks certified by FSC. The 2025 ITF exhibition lighted signage and inflatable balloons continued the previous year's designs, ensuring visual consistency and resource reuse, thereby embodying the spirit of sustainability. The Public Relations Department discloses ESG awards and actual initiatives through its own platforms and the annual PR report, strengthening CAL's brand positioning in sustainable development. **Phoenix City Launch Integrated Marketing:** In response to the launch of direct flights to Phoenix (PHX), CAL began rolling out two phases of print advertisements and the promotional video "The Trailblazer" starting in July. The media coverage includes outdoor media in the Taipei Metro, Taoyuan Metro, Taiwan High-Speed Rail, Xinyi, and Hsinchu commercial districts, as well as television news channels, taxi media, digital networks, and print media. Overall media reach totaled 460 million impressions, successfully driving an average load factor of nearly 80% after the commencement of operations. **2025 ITF Taipei International Travel Fair:** After eight months of preparation and cross-departmental coordination, the exhibition featured aerial suspended scenery combined with LINE digital stamp collection technology interaction, showcasing an innovative brand image and winning the event's "Best Exhibition Award." The total attendance over four days reached 365,000 visitors. CAL's booth participation hit a recent high, distributing 22,000 challenge gifts and gaining 9,493 new LINE official friends. A total of 28,802 tickets were issued both online and at the physical travel exhibition, representing a 71.98% increase compared to last year, effectively boosting sales momentum. **Zootopia 2 Special Livery Project:** Completed the installation of aircraft decal materials and related coordination. In October, launched the print drafts "Aircraft Painting Edition" and "Phoenix City Edition," as well as the video "Takeoff Edition." Starting in November, outdoor advertisements were placed at Shin Kong Mitsukoshi A8, reaching over 4.25 million impressions. Additionally, a documentary video was produced, supporting the visual production for a private film screening event and promotional materials for various departments, sustaining public engagement. **Promotion of the 2026 Desk Calendar:** On October 28, a press release was issued, resulting in 20 reports by online media; the calendar promotional video received over 28,000 social media exposures and was integrated with a check-in activity at the ITF Travel Fair to enhance engagement and brand visibility.	
	Brand Promotion Project Results	101,000,000		
	Customer Satisfaction Results	Passenger Net Promoter Score (NPS): 73.3	According to the passenger satisfaction survey results from January to December 2025, the Net Promoter Score (NPS) reached 73.3, exceeding the target of 69 and improving from 72.5 in 2024. This demonstrates passengers' strong recognition of CAL's overall service quality. Looking ahead to 2026, CAL will continue to use the passenger satisfaction questionnaire as an important management tool for service improvement, and has completed the optimization of the questionnaire's overall framework to more accurately collect passengers' service experiences as a basis for strengthening subsequent service improvement. Additionally, the NPS target will be increased from 69 in 2025 to 70.5, as part of ongoing efforts to meet passenger expectations and to deliver a flight experience with greater competitiveness.	
	Number of Customer Complaints	23,675	In 2025, CAL carried a total of 11,746,082 passengers, an increase of 281,660 passengers or 2.46% compared to 11,464,422 passengers in 2024. The number of customer complaints in 2025 was 23,675, rising by 2,905 cases or 13.99% from 20,770 cases in 2024.	
	Cargo Satisfaction Results	89.1	In 2025, CAL carried a total of 11,746,082 passengers, an increase of 281,660 passengers or 2.46% compared to 11,464,422 passengers in 2024. The number of customer complaints in 2025 was 23,675, rising by 2,905 cases or 13.99% from 20,770 cases in 2024.	
	Number of Cargo Complaints	0	All destinations continue to provide customers with relevant cargo services and are committed to further improving service quality.	
	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	
	Number of sustainable supply chain risk assessments conducted in the reporting year	121	The number of sustainable supply chain risk assessments in 2025 increased by approximately 109% compared to 2024. Scores across all four dimensions and the overall average also improved compared to last year. Among them, the average scores in the environment and society dimensions each increased by more than 5 points, and the average score for each dimension exceeded 90 points.	
	Number of sustainable supply chain audits conducted in the reporting year	79	The number of sustainable supply chain audits increased by approximately 14% in 2025 compared to 2024.	

Content

Preface

01 Sustainability Management
1.1 Sustainability Vision and Strategies
1.2 Sustainability Management Structure
1.3 CAL's Sustainability Value
1.4 Stakeholder Communication and Materiality Analysis
1.5 Achieving Sustainable Development Goals

02 Value Creation

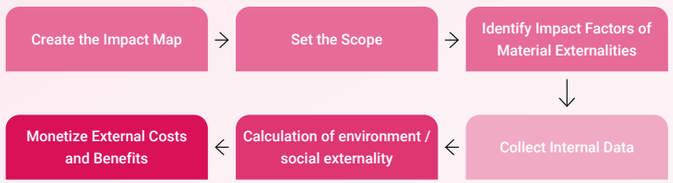
03 Corporate Governance

ESG Data and Appendix

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



True Value

The assessment results indicate that in 2025, CAL's traditional financial performance (EBITA) increased slightly from 2024, reaching TWD 42.99 billion. The true value generated by CAL across economic, environmental, and social dimensions amounted to approximately TWD 59.33 billion in 2025, representing an increase of approximately TWD 16.35 billion over traditional financial performance (EBITA) and TWD 4.55 billion more than the true value generated in 2024.

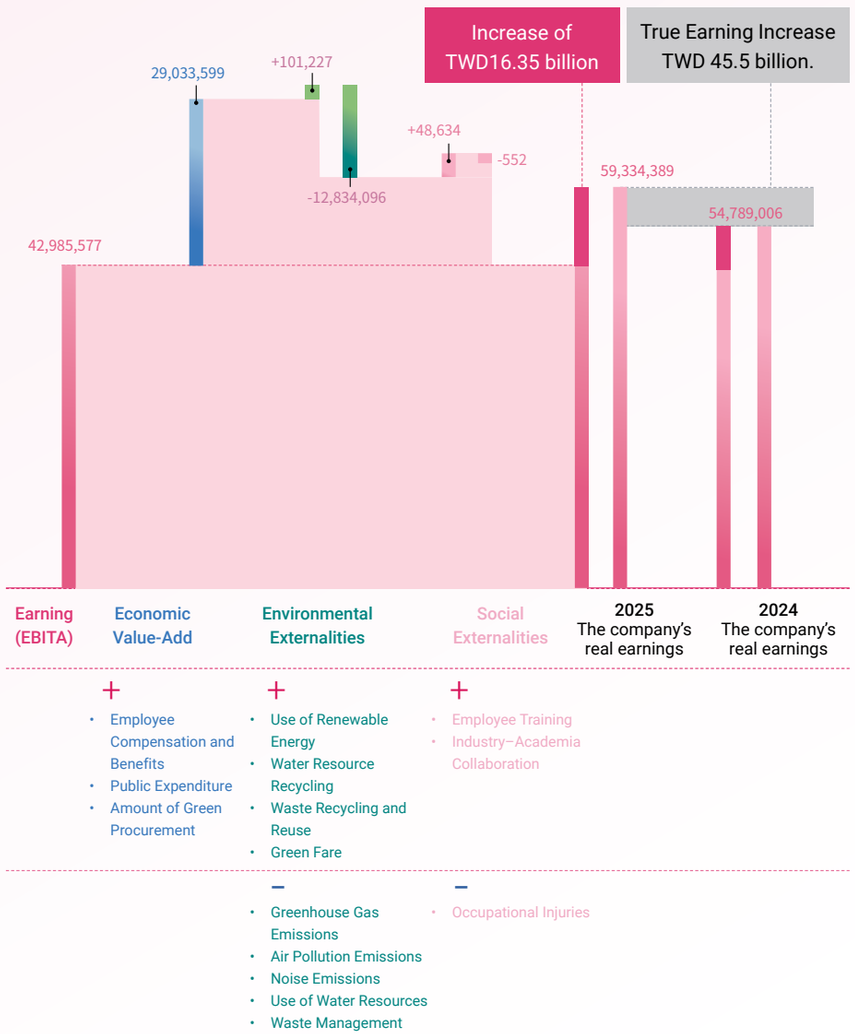
Notably, the positive environmental impacts of "renewable energy usage" and "waste recycling and reuse" increased significantly in 2025 compared to 2024, rising by 99.54% and 14.33%, respectively. In addition, due to the operational characteristics of the aviation industry, "greenhouse gas emissions" and "noise pollution" continued to be the primary sources of negative impacts. These negative impacts decreased by 1.47% and 22.85%, respectively, compared to 2024.

The results demonstrate CAL's active investment in environmental sustainability initiatives such as "fleet modernization," renewable energy use, and waste recycling and reuse. In response to the negative impact of greenhouse gas emissions, CAL has continued to allocate resources toward fleet renewal and has further strengthened fuel-efficiency enhancement measures through its dedicated Aircraft Fuel Efficiency Management Team to reduce greenhouse gas emission impacts.

Overall, of the true value generated by CAL in 2025, environmental external costs amounted to approximately TWD 12.73 billion, while positive impacts from economic value added and positive social externalities generated approximately TWD 29.08 billion in benefits.

True Value of China Airlines

(Unit: TWD thousand)



Content

Preface

01 Sustainability Management
1.1 Sustainability Vision and Strategies
1.2 Sustainability Management Structure
1.3 CAL's Sustainability Value
1.4 Stakeholder Communication and Materiality Analysis
1.5 Achieving Sustainable Development Goals

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

1.4 Stakeholder Communication and Materiality Analysis

GRI 2-26, 2-29

1.4.1 Stakeholder Engagement

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 2025 were reported to the Board on March 11, 2026.)

Stakeholder Contact

Communication frequency icon diagram

On demand	1/365	Once every year	2/365	Twice every year	365	Every year	1/182	At least once every 6 months	4-6/365	Four to six times a year
N	As needed	R	Regularly, as needed	M	As needed every month	D	As needed, daily	R/M	As needed every month

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

- G Governance and Business Integrity
- G Customer Satisfaction
- G Information Security
- S Flight Safety Management
- S Occupational Safety and Health

Key Points

- Recruitment and Retention
- Employee development, rights and interests, healthy and safe workplace

Corresponding Chapter

2.4 Human Resources
2.3 Environment

Communication Channels and Frequency

- 4-6/365 Labor-management meetings
- Labor Unions
- Employee suggestion boxes
- Employee feedback website
- China Airlines newsletter
- China Airlines Retirees Portal
- M Meetings of the Occupational Safety and Health Committee

Communication Results

- Employee Engagement: The most recent employee engagement survey was conducted in December 2024, yielding a score of 7.9 out of 10. This score is higher than that of the previous survey conducted in 2022. (CAL generally conducts this survey every two to three years.)
- Attracting, Cultivating, and Retaining Talent: CAL invests generously in employee training and development. In 2025, training expenditures reached approximately TWD 456 million, continuously fostering professional and managerial talent.
- Labor Relations and Communication: In addition to clearly defined policies prohibiting discrimination, the company has established various communication channels and grievance procedures, with grievance handling statistics also publicly disclosed. In 2025, six labor-management meetings were held at the headquarters, and the process was peaceful without any deterioration.
- Information Security and Privacy Management Employee Training: CAL is committed to conveying the importance of information security and personal data protection, as well as the related codes of conduct, to all employees through multiple training sessions held annually. In 2025, a total of 10,950 participants attended privacy management education and training sessions.

Highlights of Communication Results

- On January 15, 2025, CAL and the China Airlines Employees Union signed their seventh collective agreement, reaching consensus on 79 articles with a term of three years. Both parties continue to enhance existing labor conditions and benefits, building on a solid foundation to maintain good labor relations. In this negotiation, both labor and management demonstrated utmost goodwill, working together to care for all employees. Additionally, CAL and the Taoyuan Union of Pilots signed a collective agreement on December 29, 2021. In principle, the group agreement is renegotiated every three years. Due to the continuation of a collective bargaining agreement before labor and management renew the contract, the stipulations concerning working conditions in the collective agreement remain applicable in accordance with the law during the transition period.
- 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.
- Awarded Asia's Best Employer: CAL's related efforts were recognized with the "HR Asia Best Companies to Work for in Asia" award in 2025, marking the third consecutive year receiving this honor.

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

- G Governance and Business Integrity
- G Customer Satisfaction
- G Information Security
- S Flight Safety Management
- S Privacy Management

Key Points

- Customer Relations Management
- Protecting customers' rights and interests: privacy, food safety, and in-flight drinking water quality
- Providing an information integration platform for flight changes during the pandemic
- Increase of green consumption awareness
- Demand increase on green transport

Corresponding Chapter

2.1 Trust
2.3 Environment

Communication Channels and Frequency

- Customer satisfaction survey
- 1/365 Global business meetings
- 2/365 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

Content

Preface

01 Sustainability Management
1.1 Sustainability Vision and Strategies
1.2 Sustainability Management Structure
1.3 CAL's Sustainability Value
1.4 Stakeholder Communication and Materiality Analysis
1.5 Achieving Sustainable Development Goals

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

Communication Results

- Overall Passenger Net Promoter Score (NPS): 73.3
- Cargo Satisfaction Score: 89.1 Points
- Maintenance Division satisfaction rate was 8.45 (score out of 10)
- Sustainable-themed Boarding Videos: A Selection of 23 Films
- 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.

Highlights of Communication Results

- CAL, with a focus on enhancing the passenger experience, continuously optimizes its website and booking functions. By integrating and streamlining system architecture, passengers can complete all travel-related services in one place on the official website, thereby strengthening the overall quality of the digital platform services. At the same time, CAL utilizes social media platforms such as Facebook, Instagram, and Line to communicate with fans and consumers, enhancing overall customer satisfaction.
- 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.

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

- G Governance and Business Integrity
- G Information Security
- G Customer Satisfaction
- S Flight Safety Management

Key Points

- Operational results
- Flight safety and passenger transport
- Risk management model

Corresponding Chapter

3.1 Governance Framework
2.1 Trust
2.3 Environment

Communication Channels and Frequency

- Shareholders' Meeting
- Shareholders hotline / mailbox
- Road shows
- Interviews

Communication Results

- Continue to announce and respond with operation-related results according to laws, regulations, and investors' demand
- To identify the related risks in processing of personal data, the Company has established standard operation procedures for the classification of personal data files and implements regular review as the basis for planning the risk management mechanisms.

Highlights of Communication Results

- The shareholders' meeting was held on May 28, 2025. During the meeting, shareholders raised questions regarding the financial report and aircraft acquisition evaluation. All inquiries were addressed and answered either directly by the Chairman or by designated personnel. For details, please refer to the minutes of the 2025 Annual Shareholders' Meeting.
- In 2025, CAL was invited to participate in four institutional investor conferences organized by securities firms on March 12, June 5, August 26, and November 12. During these sessions, CAL presented an overview of its overall operations, management plans, and outlook. For details, please refer to the presentations from the 2025 investor conferences.
- 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.

Government

The aviation industry is a regulated franchise sector. The China Aviation Development Foundation, a nonprofit foundation supervised by the Ministry of Transportation and Communications, is the largest shareholder of CAL and exerts influence over the Company's management.

Material Issues

- G Governance and Business Integrity
- G Fleet Development and Innovation
- G Information Security
- S Flight Safety Management

Key Points

- Communication and implementation of relevant laws and regulations
- Sharing of important industry information
- Supporting campaigns for business development, establishment, and research activities in civil aviation

Corresponding Chapter

3.1 Governance Framework
2.1 Trust
2.3 Environment

Communication Channels and Frequency

- N Missives
- N Visits
- N Participation in projects
- N Participation in public hearings, seminars, and negotiation forums
- N Organization of or participation in business seminars and audits
- N Participation in initiatives
- N Audits

Communication Results

- Selected as one of the top 21%-35% excellent companies in the 10th Corporate Governance Evaluation for listed companies.
- CAL was selected for the Taiwan High Compensation 100 Index and the Taiwan Employment Creation 99 Index
- Discussed flight safety issues and exchanged information in through seminars to improve flight safety
- Initiate the greenhouse gas inventory and verification guidance operation for subsidiary companies in the consolidated financial statements

Highlights of Communication Results

- At the "2025 International Summit on Aviation Safety Management" organized by the Civil Aviation Administration, CAL presented a special report on the "Impact of GNSS Interference on Flight Operations." CAL shared operational practices and risk management experiences, engaged in exchanges with international aviation authorities and industry stakeholders, and continued to deepen research and international cooperation on flight safety. These efforts aim to strengthen operational resilience, promote a culture of aviation safety, and actively ensure passenger safety and the company's sustainable development.
- To strengthen and consolidate the perspectives and awareness of aviation security personnel in response to the highly uncertain and diverse threats in the future aviation security environment, and to continuously enhance aviation security awareness by drawing on relevant experiences to truly implement the spirit of "Security for All," CAL hosted the 2025 Aviation Security Conference, hosted by the Civil Aviation Administration. Approximately 140 participants from the Civil Aviation Administration, Aviation Police Bureau, Taoyuan Airport Corporation, domestic airlines, and related enterprises attended the event.
- Participated in six sessions of the Civil Aviation Administration's Global Market-Based Measure (GMBM) Working Group meetings, the Ministry of Transportation's flagship decarbonization action plan social communication meetings, and Sustainable Aviation Fuel (SAF) consultation meetings.

Content

Preface

01 Sustainability Management
1.1 Sustainability Vision and Strategies
1.2 Sustainability Management Structure
1.3 CAL's Sustainability Value
1.4 Stakeholder Communication and Materiality Analysis
1.5 Achieving Sustainable Development Goals

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

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

- G Governance and Business Integrity
- G Customer Satisfaction
- G Information Security
- S Flight Safety Management
- S Privacy Management

Key Points

- Sustainable Supply Chain Management

Corresponding Chapter

2.1 Trust
2.2 Cooperation
2.3 Environment

Communication Channels and Frequency

- N TEL
- N email
- N Coordination meetings
- N Business visits
- 1 1&2 Site inspections

Communication Results

- Supplier Code of Conduct Signing Rate of Critical Tier-1 Suppliers 100%
- The amount of green procurement in 2025 increased by 62% compared to 2024.
- In 2025, the Group Sustainability Governance Communication Meeting and the Group Environmental Management Communication Meeting were convened.

Highlights of Communication Results

- In November 2025, a supplier conference was held with 23 suppliers in attendance, totaling 30 participants. The conference covered international sustainability trends, emphasizing the importance and urgency of environmental sustainability and the circular economy. It aimed to deepen suppliers' understanding of carbon reduction and biodiversity protection. Additionally, the conference shared how the aviation industry is responding to sustainable development, explored domestic and international sustainability governance and disclosure trends, and discussed topics such as CAL's sustainable operations and development, as well as the application of carbon reduction and sustainable aviation fuel (SAF). We distributed the briefing materials of the event in Chinese and English to tier-1 suppliers in Taiwan and overseas who could not attend the meeting so that all suppliers can gain a better understanding of CAL's sustainability philosophy
- Since 2018, China Airlines (CAL) has convened annual group management meetings and value chain sustainability communication sessions with its group partners.

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 responsibilities

Material Issues

- G Governance and Business Integrity
- G Customer Satisfaction
- G Information Security
- S Flight Safety Management
- S Privacy Management
- S Green Services and Sustainable Catering

Key Points

- Support for social development
- Assumption of social responsibility
- Create a sustainable society

Corresponding Chapter

2.1 Trust
2.3 Environment
2.4 Human Resources
2.5 Society

Communication Channels and Frequency

- N Charity events
- N Community activities
- R/M News releases
- D Online mailbox

Communication Results

- In 2025, CAL's charitable and public welfare initiatives benefited a total of 1,950,189 individuals.
- CAL prioritizes environmental protection as a key aspect of its corporate operations. In 2025, no major environmental pollution incidents occurred. The company continuously promoted energy conservation, carbon reduction, and environmental management measures, effectively implementing the concept of environmental sustainability and related policies.

Highlights of Communication Results

- As a member of the international community, CAL has long been committed to public welfare and humanitarian efforts, viewing corporate responsibility as a core mission. In 2025, CAL continued to participate in multinational rescue and relief efforts, leveraging its aviation expertise to support disaster relief operations for the March 28 Myanmar earthquake. CAL provided free transportation services for relief supplies to the Myanmar-Thailand region. At the same time, CAL collaborated with Médecins Sans Frontières and the 3rd Love Without Limits Medical Charity Event, actively engaging in international medical and rescue initiatives. These efforts demonstrate the company's commitment to humanitarian values and its dedication to amplifying social impact through concrete actions.
- In addition, CAL has long been committed to promoting tourism in Taiwan, supporting arts and culture development, and backing various athletes in international competitions, thereby helping to enhance Taiwan's brand image and expand its visibility on the global stage. In 2025, CAL held three Charity Sport Camps, integrating sports activities with social welfare to encourage children to bravely pursue their dreams and take flight.

Media

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

Material Issues

- G Fleet Development and Innovation
- S Flight Safety Management

Key Points

- Collection of issues of stakeholders' concern and promotion of transparent communication

Corresponding Chapter

2.1 Trust
2.3 Environment
2.4 Human Resource

Communication Channels and Frequency

- N News releases
- N Press Conference
- N Interviews
- N Proactive Communication of Industry Information

Communication Results

- Released 150 announcements (including press releases, statements, revenue reports, and news announcements) in 2025

Highlights of Communication Results

- CAL has long been committed to ESG sustainable development and continuously discloses its sustainability achievements proactively. These efforts include annual events supporting disadvantaged groups, employee beach cleanups, and charity sports camps. CAL also participates in the SkyTeam Sustainable Flight Challenge and once again hosted a marathon event in 2025. For different types of activities, CAL plans corresponding press releases, media interviews, and feature reports to strengthen its positive corporate image in sustainable development. In 2025, CAL held a total of 25 press conferences and media interview events, as well as 10 feature interviews.

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

- G Sustainable Supply Chain Management
- G Information Security
- S Flight Safety Management
- S Privacy Management

Key Points

- Collection of trends at home and abroad and promotion of business operations
- Coordination of business relationships and promotion of mutual benefits
- Improvement of flight safety through discussions on safety issues, information exchange, and sharing security management experience

Content

Preface

01 Sustainability Management
1.1 Sustainability Vision and Strategies
1.2 Sustainability Management Structure
1.3 CAL's Sustainability Value
1.4 Stakeholder Communication and Materiality Analysis
1.5 Achieving Sustainable Development Goals

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

Corresponding Chapter	Communication Channels and Frequency
2.1 Trust 2.3 Environment	M Participation in project meetings R Participation in work seminars R Telephone, e-mail, and exchange platforms R Organizing or participating in summits, executive summits, committees, and coordination meetings R Participation in government-convened meetings

Communication Results

- In 2025, we actively participated in over 46 meetings of domestic and international organizations and aviation alliances such as TAA, ICAO, IATA, SkyTeam, and AAPA. We engaged in in-depth discussions on the management, response strategies, and actions regarding environmental sustainability issues within the industry, actively seeking consensus and feasible solutions.

Highlights of Communication Results

- China Airlines expressed support for SkyTeam's sustainability initiatives and participated in the Airline Challenge (TAC) program competition, winning the "Best Forward-looking Strategy Award" in 2025.
- CAL regularly participates in IATA environmental sustainability policy communication meetings. Through the AAPA Environmental Committee (EC), CAL advocates for and promotes aviation sustainability. Additionally, CAL engages in over 20 discussions and exchanges on topics such as SAF, sustainable cabins, carbon footprint calculators, and illegal wildlife trafficking, through domestic and international organizations as well as airline alliances.
- Actively participated in over 10 sessions of communication and exchange on sustainability issues with airline alliances such as SkyTeam, including pre-meetings for the Aviation Challenge and Sustainable Development Goals (SDG) consultation meetings, to learn and deepen environmental sustainability management strategies and measures.
- CAL participates in the IATA CO_2 Connect flight carbon footprint data sharing program, aiming to understand the improvement and development trends of international carbon footprint calculation tools. Through data and practical experience exchange, we are committed to contributing to the sustainable development of the global airline industry.
- As SkyTeam increasingly emphasizes sustainability issues, we actively participate in discussions on sustainability, aligning with the specific United Nations Sustainable Development Goals (UNSDG) set by SkyTeam. We provide timely recommendations at high-level meetings such as the Executive Board and project groups like the Sustainability Advisory Group.

1.4.2 Participation in External Advocacy Organizations

GRI 2-28

Based on a position of political neutrality and to avoid lobbying expenditures or donations to other tax-exempt organizations that could harm the company's reputation and pose corruption risks, CAL has never engaged in political lobbying expenditures or provided political contributions. CAL's policy considerations for participating in organizational initiatives and paying membership fees focus primarily on international environmental initiative organizations and nonprofit organizations within the international aviation industry that influence public policy. Through participation in these initiatives and organizations, CAL aims to promote industry exchange and development to achieve contributions and benefits. Therefore, CAL actively participates in various initiatives and organizations related to aviation industry operations and development, corporate sustainability, environmental, and other professional fields. In 2025, approximately TWD 48.53 million was invested in organizational initiative activities (TWD 45.11 million, about 92.96%, in aviation industry operations and development; the remaining TWD 3.41 million, about 7.04%, in corporate sustainability, environmental, and other professional fields). Detailed participation expenses are provided in the ESG data and Appendix - Organizational Initiative Policy Donations and Other Expenditures.

Memberships

Airline Development

International Air Transport Association (IATA)

CSR Work Group, Carbon Offsetting and Reduction Scheme for International Aviation Work Group (CORSIA), Air Freight Carbon Footprint Work Group; observer of the Industry Affairs Advisory Council (IAAC)

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 (Member of the SEAC Operations Advisory Committee), 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.

Contributions and Benefits in 2025

- CAL helped the Executive Committee under IATA plan, supervised and implemented the policies and strategies for environmental management and sustainable development of the global aviation industry to ensure that related carbon reduction targets meet the global carbon reduction targets set in the Paris Agreement of the UN.
- Monitoring developments in sustainable aviation fuel to provide reference for government policy-making, continuously promoting industry training operations, and joining the IATA SAF Matchmaker platform to obtain supplier and pricing information related to the industry.
- In 2025, CAL continued to participate in the IATA Carbon Footprint Data Sharing Program, contributing substantively to the environmental sustainability of the global aviation industry through the sharing of industry-wide data and exchange of practical experiences.
- CAL participated in the IATA 25BY2025 program to periodically monitor aviation industry professionals, improve the gender balance, and enhance gender equality in the industry.

Association of Asia Pacific Airlines (AAPA)

Founding Member

CAL's Role and Participation

- The Company 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 actively participates in Environmental Working Group (EWG) meetings.

Contributions and Benefits in 2025

- In 2025, AAPA continued to focus on environmental issues, gathering member airlines' carbon reduction initiatives and experiences, and held in-person and virtual meetings to learn from the practices of other member airlines.
- In response to the Paris Agreement initiative and committed to achieving the AAPA member airlines' joint goal of reaching a 5% SAF usage rate by 2030, we call on governments in the Asia-Pacific region, fuel producers, regional airports, and other related industry organizations to collaborate. This collaboration aims to accelerate the global supply chain's ability to provide sufficient SAF to meet the aviation industry's needs and to continue efforts to reduce carbon emissions in the aviation sector.
- The AAPA continues to focus on sustainability issues in the aviation industry and regularly holds virtual and in-person meetings to gather information on the sustainable development strategies and regulatory changes of member airlines and various countries. It provides recommendations on policy and technology aspects as a reference for the future sustainable development strategy of our company.

Content

Preface

01 Sustainability Management
1.1 Sustainability Vision and Strategies
1.2 Sustainability Management Structure
1.3 CAL's Sustainability Value
1.4 Stakeholder Communication and Materiality Analysis
1.5 Achieving Sustainable Development Goals

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

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.

Contributions and Benefits in 2025

- SkyTeam helps CAL consolidate and strengthen our global flight network and cooperation with other member airlines enables CAL to connect Taiwan and major destinations around the world.
- Participated in the 2025 Aviation Challenge (TAC) to enhance the airline's international visibility.
- Actively participating in alliance Sustainable Development Goals (SDGs) communication meetings, seeking consensus and feasible environmental sustainability strategies and initiatives, and ensuring alignment with the goals of the Paris Agreement.

Taipei Airlines Association (Taipei Airlines Association, TAA)

Director

CAL's Role and Participation

TAA was established in March 1990, and our company was one of the founding member airlines. We serve in an advisory and coordinating capacity, acting as a bridge of communication between the government and the industry. Participating in the annual Member Representative Assembly (once a year) and board meetings, CAL regularly communicates and implements government directives and participates in various government meetings to actively advocate for the interests of the aviation industry.

Contributions and Benefits in 2025

- In coordination with various central agencies to combat human trafficking, CAL arranges training courses for relevant staff members to recognize and report human trafficking cases. Additionally, at airport operations, flexible reminders are provided to foreign travelers to fill out contact information at the counter desks upon arrival at the originating station, facilitating subsequent emergency contact and support operations.
- In light of global warming and extreme climate changes, there is an increasing trend in the risk of bird strikes on aircraft performing flight missions at our country's airports. TAA has therefore assisted in sending a letter to the Civil Aviation Administration and Taoyuan Airport Corporation, reflecting the risk situation of bird strike incidents at relevant domestic airports and providing recommendations to effectively improve flight safety management.

Flight Safety Foundation-Taiwan (FSFT)

Managing Director, Director

CAL's Role and Participation

CAL serves as the managing director and the conveners of director, 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.

Contributions and Benefits in 2025

- CAL is responsible for the promotion and establishment of mechanisms for collecting and studying laws and regulations, educational promotion related to international aviation safety and environmental sustainability, and to give advice on amendments or countermeasures for improving national legislation and aviation industry competitiveness.

Corporate Sustainability

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.

Contributions and Benefits in 2025

- 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.

Taiwan Center for Corporate Sustainability (TCCS)

Advisory Director

CAL's Role and Participation

CAL acted as one of the advisory directors to participate in the training and operation of the Center for Corporate Sustainability. CAL served as the lecturer to communicate the Company' s actions for sustainability from time to time based on the themes of the Center' s meetings. CAL participated in a series of training courses on corporate sustainable competitiveness and seminars on the corporate sustainability report and related issues organized by the Center for Corporate Sustainability to improve its knowledge of industrial practice and latest trends.

Contributions and Benefits in 2025

- CAL, serving as a board member of the Advisory Council—the highest decision-making body of the Taiwan Corporate Sustainability Research and Training Center—prioritizes staying informed on the development trends of sustainability regulations, policy analysis, technical specifications, and standards formulation. Through this platform, CAL also advocates for the industry.

Demonstration Alliance for Circular Light Oil from Waste Plastic Packaging

Member

CAL's Role and Participation

Participated in alliance activities by providing enterprises or related companies with information on waste plastics suitable for conversion into jet fuel, promoting the development of the SAF production industry chain and related technologies from waste plastics, and establishing a domestic low-carbon circular polyolefin raw material supply chain.

Contributions and Benefits in 2025

- On October 31, 2025, CAL participated in an alliance exchange meeting, engaging with six other industry players and the Industrial Technology Research Institute to discuss technological and market developments related to the conversion of waste plastics into recyclable light oil.
- Through cross-industry collaboration, the aviation sector can transform existing waste into reusable circular materials, thereby achieving resource recycling and carbon reduction goals, while working together with industry partners to promote sustainable development.

Content

Preface

01 Sustainability Management
1.1 Sustainability Vision and Strategies
1.2 Sustainability Management Structure
1.3 CAL's Sustainability Value
1.4 Stakeholder Communication and Materiality Analysis
1.5 Achieving Sustainable Development Goals

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

Environmental Protection Administration Net-Zero Green Lifestyle Partnership

Vice Chair and Advisory Group Member

CAL's Role and Participation

The "Net-Zero Net-Zero Green Lifestyle Partnership" is one of the 12 key strategies for Taiwan to achieve its 2050 net-zero emissions target. China Airlines has been invited to serve as a Vice Chair and a member of the Advisory Group, assisting the Ministry of Environment in connecting industries across sectors to promote green lifestyle concepts in various aspects of daily life and to build a net-zero sustainable lifestyle.

Contributions and Benefits in 2025

- Invited by the Ministry of Environment to deliver a keynote speech at the Alliance's inauguration.
- Invited to participate in the "2025 Information Month x Taiwan EdTech Expo," sharing experience in carbon reduction for business travel and serving as a keynote speaker.

External Advocacy and Evaluation Support

2017-2025

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.

Buckingham Palace Declaration

2016-2025

S&P Global Corporate Sustainability Assessment (CSA)

China Airlines supports S&P Global in promoting global sustainable development information disclosure. Since 2015, it has proactively completed the CSA questionnaire, disclosing management objectives, strategies, and practices in the environmental, social, and economic/governance dimensions. In 2025, CAL achieved the highest global score in the CSA and was honored in 2026 with a Top 1% ranking in the Sustainability Yearbook for the aviation industry.

2012-2025

Pacific Greenhouse Gases Measurement (PGGM)

Since 2012, the Company 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 CH4. 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 CH4. The project also promoted collaboration in scientific research between Taiwan, Japan, and the EU. By the end of December 2025, CAL assisted in collecting high-altitude atmospheric data from a total of 23,167 flights.

2012-2025

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, indicators and targets, greenhouse gas emissions, and reduction management and performance. CAL has been recognized as a benchmark enterprise. In the future, CAL will continue to review and improve carbon management strategies through participation in the CDP. For seven consecutive years, CAL has been rated at the Leadership level in the Supplier Engagement Assessment (SEA) by the CDP organization.

2022-2025

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. The company 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.

2008-2025

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.

2018-2025

Task Force on Climate-related Financial Disclosures (TCFD) / Task Force on Nature-Related Financial Disclosures (TNFD)

CAL became Taiwan's first airline to publicly sign and adopt the Task Force on Climate-Related Financial Disclosures (TCFD) in 2018. CAL works actively 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. In response to Taiwan's financial regulatory requirements and international sustainability disclosure trends, CAL launched the "IFRS Sustainability Disclosure Standards Implementation Project (IFRS S1/S2)" in 2025. Given the high consistency and continuity between the climate-related information disclosed under TCFD and the requirements of IFRS S2, CAL uses the TCFD management and disclosure framework as a key basis for aligning with the IFRS S2 climate.

TCFD/TNFD Report

Content

Preface

01 Sustainability Management
1.1 Sustainability Vision and Strategies
1.2 Sustainability Management Structure
1.3 CAL's Sustainability Value
1.4 Stakeholder Communication and Materiality Analysis
1.5 Achieving Sustainable Development Goals

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

Assessment of Climate-Related Lobbying Activities and Industry Association Participation

CAL actively participates in public affairs activities. In accordance with the "Procedures for Participation in Domestic and International Tourism Organizations" established by the Public Affairs Department under the Social Value Group of the Corporate Sustainability Committee, and the "Operational Guidelines for Participation in International Advocacy Organizations" set by the ESG Task Force of the Corporate Development Office under the Sustainable Development Basic Group, CAL evaluates and reviews all public affairs. Participation decisions are based on whether involvement will benefit ESG promotion, corporate policies, or operational objectives. All engagement in relevant industry policy formulation and membership in industry associations are conducted in compliance with these procedures. To fulfill corporate social responsibility and promote industry development, CAL has actively participated in climate-related communication meetings organized by the Taiwan government and industry associations. From 2018 to 2019, CAL hosted SAF industry-academia-government seminars and forums, inviting the Taiwan government and industry stakeholders to enhance domestic awareness of SAF issues. Since 2022, CAL has proactively developed SAF advocacy materials and, in collaboration with the Taipei Airlines Association, directly lobbied the Taiwan government on climate-related activities, facilitating the formation of a domestic SAF supply chain. CAL supported the Civil Aviation Administration's SAF pilot program held on April 23, 2025. In response, CAL not only participated in the practical application of SAF but also collaborated with domestic and international oil companies and supply chain enterprises. Together with CPC Corp., CAL added 40% internationally certified SAF, leading all domestic airlines in SAF volume added for the pilot program. This demonstrates CAL's strong commitment to the development of SAF in Taiwan and marks a milestone in SAF supply at Taiwan airports.

In addition, CAL actively engages with industry stakeholders through events and close communication to address public issues. In 2025, CAL attended the 38th Environmental Working Group (EWG) meeting of the AAPA, where it submitted SAF-related recommendations to international organizations. In December 2025, CAL participated in the AAPA SAF policy advocacy. CAL has established a review and supervision mechanism for its annual participation in public associations and activities, regularly assessing whether the values of the organizations align with the company's goals and policies. Regarding climate change measures, CAL complies with the Paris Agreement and expects the industry associations it participates in to do the same, ensuring that its involvement in climate-related public affairs aligns with sustainable development policies, environmental and energy policies, and the Paris Agreement. In 2025, CAL continued to evaluate its participation in climate-related lobbying activities and external organizations—including IATA, AAPA, SkyTeam, TAA, FSFT, AAPT, and TCCS—to confirm that their policies and operations comply with the global carbon reduction targets of the Paris Agreement. In 2025, CAL also joined the Demonstration Alliance for Circular Light Oil from Waste Plastic Packaging. This initiative aligns with national policies and industry benchmarks and supports the circular economy trend. The technology is expected to promote the application and development of WPPO (waste plastic pyrolysis oil) in the SAF industry. CAL has conducted lobbying efforts at relevant seminars, leveraging industry associations and alliance platforms to advocate that the Taiwan government relax cross-ministerial regulations to enhance resource circularity. CAL will continue to collaborate with relevant organizations to help limit global warming to below 1.5~2 degrees Celsius.

In 2025, 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			
	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.	Compliance Status (Are the objectives aligned?)
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 (TAAP)	●			●
Taiwan Center for Corporate Sustainability (TCCS)	●			●
Demonstration Alliance for Circular Light Oil from Waste Plastic Packaging	●			●
Net-Zero Net-Zero Green Lifestyle Partnership	●			●

1.4.3 Materiality Analysis

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

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 evaluate the significance of material issues every year in terms of their impact on the economy, environment, 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.

Corporate Sustainability Website

Content

Preface

01 Sustainability Management
1.1 Sustainability Vision and Strategies
1.2 Sustainability Management Structure
1.3 CAL's Sustainability Value
1.4 Stakeholder Communication and Materiality Analysis
1.5 Achieving Sustainable Development Goals

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

Step 1: Analyze the Organization

We analyzed the main activities of CAL and the airline industry, business relationships in the value chain, and risks and challenges of the industry in terms of the external legal environment, economy, environment, and human rights. We also identified stakeholders related to CAL's sustainability issues and referenced material issues related to the sustainability evaluations and standards of the aviation industry to measure CAL's potential impact on the economy, environment, and people.

Step2: Identify Actual and Potential Impact

CAL analyzed the organization and consulted experts to identify 17 sustainability issues related to CAL (divided into 34 sustainability topics with positive/negative impact). 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. 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

After establishing sustainability issues, the Company conducted an internal identification of material issues and survey. In terms of external entities, CAL consulted key partners at its annual supplier conference and conducted a survey to effectively incorporate internal and external perspectives. We organized a survey on our sustainability website to collect feedback and assess the impact on the economy, environment, people (including human rights) and company operations. We evaluate positive and negative impacts through different approaches based on their actual and potential as well as positive and negative impact and probability of occurrence. In the process, we also used the principle of double materiality to assess the scale and severity of an individual impact of on each part of the value chain. We also assessed the financial impact on CAL based on whether the impact was actual or potential. After scoring, we analyzed and compiled a list of material, minor, and ongoing issues of concern.

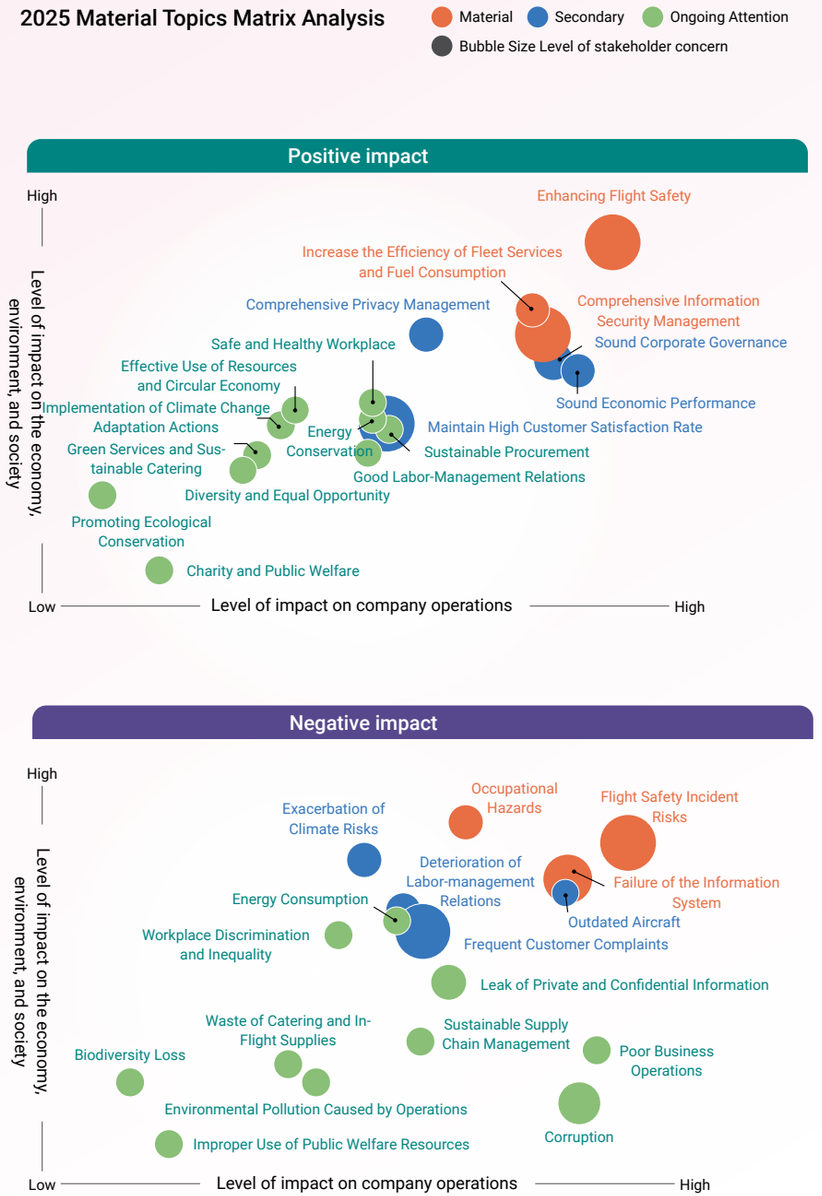
- Negative impact: Evaluate impact based on the severity and probability of occurrence and consider the negative impact of human rights violations
- Positive impact: Evaluate impact based on the scale and scope of the impact and the probability of occurrence

Step 4: Set Priorities for the most Significant Impact

Through the representatives of each subcommittee of the Corporate Sustainability Committee, supervisors, and stakeholders, a total of 409 valid questionnaires were collected to assess the impact level of sustainability issues. These assessments were subsequently approved by the respective department heads. In alignment with sustainability assessments and standards relevant to the aviation industry, CAL engaged experts to comprehensively identify three significant positive and three significant negative material topics. The materiality analysis matrix for 2025 was developed and submitted to the Corporate Sustainability Committee for resolution, and subsequently submitted to and approved by the Board of Directors. This report details the management policies for each material topic in its respective chapters and discloses responses to stakeholder concerns on material issues through CAL's Corporate Sustainability website.

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. These include the X-axis, which represents the impact on company operations (encompassing both negative impacts and positive influences), the Y-axis, which represents the impact on the economy, environment, and society, and the size of the circle on the Z-axis, which 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 secondary 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.

2025 Material Topics Matrix Analysis



Content

Preface

01 Sustainability Management
1.1 Sustainability Vision and Strategies
1.2 Sustainability Management Structure
1.3 CAL's Sustainability Value
1.4 Stakeholder Communication and Materiality Analysis
1.5 Achieving Sustainable Development Goals

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

Importance of and Changes in Material Topics for 2025

Material · Secondary · Ongoing Attention · Positive · Negative · Increasing · Declining · Maintaining · Newly Added

	Sustainability Issue No.	Sustainability Issues for 2025	Issues of Concern to Human Rights at CAL	Positive / Negative Impact of Sustainability Issues	Significance of Impact	Sustainability Issue Classification	Correspondence Regarding Changes in Material Topics in 2024
Economy	1	Governance and Business Integrity	√	+ Sound Corporate Governance	A robust corporate governance framework and sound ethical corporate management are fundamental to corporate sustainability. We must strengthen corporate governance, implement ethical corporate management, protect the company's reputation and positive image, and gain the trust of investors and customers.	Secondary	Declining
			√	− Corruption	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	Ongoing Attention	Maintaining
	2	Financial Performance		+ Sound Economic Performance	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	Secondary	Maintaining
				− Poor Business Operations	Poor business operations will affect the Company's smooth operations and even cause losses to investors	Ongoing Attention	Maintaining
	3	Fleet Development and Innovation		+ Increase the Efficiency of Fleet Services and Fuel Consumption (Note 1)	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	Material	Increasing
				− Outdated Aircraft	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.	Secondary	Declining
	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	Secondary	Increasing
				− 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.	Secondary	Maintaining
	5	Sustainable Supply Chain Management	√	+ Sustainable Procurement	By implementing a fair and equitable selection procedures, we consider factors such as quality, delivery time, local raw material priority sourcing, and the ESG performance of suppliers to create positive feedback in the overall value chain	Ongoing Attention	Maintaining
			√	− Sustainable Supply Chain Management	When the Company selects suppliers, it must avoid environmental and human impacts caused by their activities, such as environmental pollution, child labor, forced labor, occupational accidents, and labor relations	Ongoing Attention	Maintaining
	6	Information Security		+ Comprehensive Information Security Management (Note 2)	Implement robust information security management to ensure the company complies with government information security regulations, avoiding penalties from security incidents. Simultaneously, ensure the protection of trade secrets to safeguard the rights and interests of the company and its shareholders.	Material	Increasing
				− Failure of the Information System (Note 3)	An inadequately equipped information security system may cause the entire system to crash or be vulnerable to attacks by hackers, which may result in the leak of information and interrupt all business operations	Material	Increasing
Environment	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.	Ongoing Attention	Maintaining
				− Exacerbation of Climate Risks	Failure to effectively control greenhouse gas emissions will exacerbate global climate change and increase climate risks, resulting in a deterioration of the business environment for the aviation industry	Secondary	Increasing
	8	Energy Management		+ Energy Conservation	The aviation industry consumes a vast quantity of fuel in its operations and it uses electricity in its ground operations. Energy management can help companies to effectively monitor the current state of energy use and adopt energy conservation measures	Ongoing Attention	Maintaining
				− Energy Consumption	A lack of proactive energy usage transition planning for flight and ground operations would lead to a continuous increase in energy consumption, hindering the achievement of net-zero targets. This situation would adversely affect the sustainability and operational competitiveness of the enterprise and have further negative impacts on the environment.	Ongoing Attention	Maintaining
	9	Environmental Operational Efficiency 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	Ongoing Attention	Maintaining
				− Environmental Pollution Caused by Operations	Enterprises need to effectively manage various environmental indicators such as sewage, waste (general, hazardous, food waste), packaging materials, chemicals, and toxins, as well as noise, air pollution (nitrogen oxides, sulfur oxides), etc., to reduce environmental risks and prevent pollution of the environment and surrounding residents.	Ongoing Attention	Maintaining
	10	Green Services and Sustainable Catering	√	+ Green Services and Sustainable Catering	Promote green consumption, implement green and local procurement, introduce innovative ideas to optimize services and operations to reduce the amount of product and food waste and its associated disposal costs, and remain committed to increasing the environmental friendliness of services	Ongoing Attention	Maintaining
			√	− Waste of Catering and In-Flight Supplies	Being unable to effectively promote green consumption and resource recycling, would lead to unnecessary waste of in-flight catering and various supplies. This would result in additional handling costs and potentially increased waste generation.	Ongoing Attention	Maintaining
	11	Biodiversity		+ Promoting Ecological Conservation	CAL accurately identifies the potential impact of its operations on the natural environment and actively engages in various ecological conservation activities to enhance its sustainability influence and corporate image.	Ongoing Attention	Maintaining
				− Biodiversity Loss	If company operations impact biodiversity, such as through overexploitation of resources or improper resource utilization, and if there are no appropriate management measures in place, it can have adverse effects on natural ecosystems.	Ongoing Attention	Maintaining

Content

Preface

01 Sustainability Management
1.1 Sustainability Vision and Strategies
1.2 Sustainability Management Structure
1.3 CAL's Sustainability Value
1.4 Stakeholder Communication and Materiality Analysis
1.5 Achieving Sustainable Development Goals

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

	Sustainability Issue No.	Sustainability Issues for 2025	Issues of Concern to Human Rights at CAL	Positive / Negative Impact of Sustainability Issues	Significance of Impact	Sustainability Issue Classification	Correspondence Regarding Changes in Material Topics in 2024
People	12	Flight Safety Management	√	(+) Enhancing Flight Safety	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.	●	≈
			√	(−) Flight Safety Incident Risks(Note 4)	The highest level of achievement in the aviation industry is having zero flight safety accidents. Any severe flight safety accident can cause tremendous losses in human life and properties as well as customer trust	●	↗
	13	Attracting, Cultivating, and Retaining Diverse Talent	√	(+) 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	●	≈
			√	(−) 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	√	(+) Good Labor-Management Relations	There is an effective communication mechanism between labor and management at CAL, enhancing interaction and reducing conflicts, which effectively increases employees' identification with and trust in the company.	●	≈
			√	(−) Deterioration of Labor-management Relations	If the Company cannot effectively communicate with employees and learn about their opinions, it will be difficult to maintain harmonious labor management relations and provide a secure work environment for employees	●	≈
	15	Occupational Safety and Health	√	(+) 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.	●	↘
			√	(−) Occupational Hazards	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	√	(+) Comprehensive Privacy Management	CAL has established a comprehensive personal data management mechanism to prevent the risk of customer or employee data leaks and misuse. This not only helps us avoid penalties but also increases customer trust.	●	↘
			√	(−) Leak of Private and Confidential Information	If the Company fails to protect the personal information of employees and consumers and protect customer privacy, the security of personal information will be at risk and customer privacy will be infringed	●	↘
	17	Social Feedback and Engagement		(+) Charity and Public Welfare	The Company 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	The company has not established a comprehensive mechanism for selecting charitable organizations, leading to the allocation of resources to inappropriate or negatively perceived charities, which has resulted in a poor public perception of our corporate social responsibility.	●	≈

Note 1: This issue was identified through CAL's internal survey as having a high impact on external economic, environmental, and social factors. Considering that CAL continues to plan the introduction of new aircraft fleets, it is recommended to include this as a major topic for 2025.
Note 2: This issue is one of the key concerns of stakeholders, with six categories of stakeholders ranking it among their top 30% of concerns. Additionally, information security is one of the significantly changing topic groups in S&P Global CSA for 2025. Therefore, it is recommended to include this as a major theme in 2025.
Note 3: This issue is one of the key concerns of stakeholders, with six categories of stakeholders ranking it among their top 30% of concerns. Additionally, information security is one of the significantly changing topic groups in S&P Global CSA for 2025. Therefore, it is recommended to include this as a major theme in 2025.
Note 4: This issue is one of the key concerns of stakeholders. A total of seven categories of stakeholders have listed it among their top 30% of concerns. Therefore, it is recommended to include it as a major theme in 2025.

Sustainability Issues Corresponded to GRI Standards

	Sustainability Issue	Sustainability Topic	Corresponding to GRI Topic-Specific Standards	Initiatives and Organizations	Position of the Sustainability Issue on the Value Chain			Management Strategies (Corresponding Chapters and Page Number)
					Upstream (e.g., Suppliers and Contractors)	CAL Internal	Downstream (e.g., Customers and Travel Agencies)	
Economy	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 highest governance 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 2.4.1 Human Rights Due Diligence

Content

Preface

01 Sustainability Management
1.1 Sustainability Vision and Strategies
1.2 Sustainability Management Structure
1.3 CAL's Sustainability Value
1.4 Stakeholder Communication and Materiality Analysis
1.5 Achieving Sustainable Development Goals

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

	Sustainability Issue	Sustainability Topic	Corresponding to GRI Topic-Specific Standards		Initiatives and Organizations	Position of the Sustainability Issue on the Value Chain			Management Strategies (Corresponding Chapters and Page Number)
						Upstream (e.g., Suppliers and Contractors)	CAL Internal	Downstream (e.g., Customers and Travel Agencies)	
Economy	Financial Performance	+ Sound Economic Performance	• GRI 201-1 Direct economic value generated and distributed				●		3.2 Operational Achievements ESG Data and Appendix - Financial Performance Presentation
		− Poor Business Operations					●		
	Fleet Development and Innovation	+ Increase the Efficiency of Fleet Services and Fuel Consumption	• GRI 2 General Disclosures 2021 • 2-1 Organizational details 2-6 Activities, value chain and other business relationships		IATA, SkyTeam, AAPA	●	●		Preface, Business Overview 2.1 Trust
		− Outdated Aircraft				●	●	●	
	Customer Satisfaction	+ Maintain High Customer Satisfaction Rate					●	●	2.1.4 Customer Relations Management
		− Frequent Customer Complaints				●	●	●	
	Sustainable Supply Chain Management	+ Sustainable Procurement	• 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			●	●		
	Information Security	+ Comprehensive Information Security Management				●	●	●	2.1.5 Information Security Management
		− 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 • 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 significant air 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				●	●	●	
	Energy Management	+ Energy Conservation	• GRI 302-1 Energy consumption within 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		●	●		2.3 Environment ESG Data and Appendix - Environmental Performance
		− Energy Consumption				●	●		
	Environmental Operational Efficiency 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	• 306-1 Waste generation and significant waste-related impacts • 306-2 Management of significant waste-related impacts • 306-3 Waste generated • 306-4 Waste diverted from disposal • 306-5 Waste directed to disposal	ITRI Waste Plastic Conversion to Circular Light Oil Alliance	●	●		2.3 Environment ESG Data and Appendix - Environmental Performance
		− Environmental Pollution Caused by Operations			Buckingham Palace Declaration	●	●		

Content

Preface

01 Sustainability Management
1.1 Sustainability Vision and Strategies
1.2 Sustainability Management Structure
1.3 CAL's Sustainability Value
1.4 Stakeholder Communication and Materiality Analysis
1.5 Achieving Sustainable Development Goals

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

	Sustainability Issue	Sustainability Topic	Corresponding to GRI Topic-Specific Standards	Initiatives and Organizations	Position of the Sustainability Issue on the Value Chain: Upstream (e.g., Suppliers and Contractors)	Position of the Sustainability Issue on the Value Chain: CAL Internal	Position of the Sustainability Issue on the Value Chain: Downstream (e.g., Customers and Travel Agencies)	Management Strategies (Corresponding Chapters and Page Number)
Environment	Green Services and Sustainable Catering	⊕ Green Services and Sustainable Catering		United Nations Global Compact (UNGC)	●	●	●	2.3 Environment ESG Data and Appendix - Environmental Performance
		⊖ 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			●	●	●	
Population	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 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 • 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	United Nations Global Compact (UNGC)		●		2.4 Human Resources ESG Data and Appendix - Talent Value Data
		⊖ Deterioration of Labor-management Relations				●	●	
	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 403-3 Occupational health services • GRI 403-4 Worker participation, consultation, and communication on occupational health and safety • GRI 403-5 Worker training on occupational health and safety • GRI 403-6 Promotion of worker health • GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationshipsGRI 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: The sustainability topics impact assessments cover all CAL internal, upstream and downstream operation activities of the value chain, with a coverage rate of 100%.

Content

Preface

01 Sustainability Management
1.1 Sustainability Vision and Strategies
1.2 Sustainability Management Structure
1.3 CAL's Sustainability Value
1.4 Stakeholder Communication and Materiality Analysis
1.5 Achieving Sustainable Development Goals

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

1.5 Achieving Sustainable Development Goals

Sustainable Development Goals for Six Value Task Forces

Goal Exceeded | √ Goal Attained | X Goal Not Attained

Task Force Corresponding SDGs	2025 Objectives	Progress	Key Results and Performance	Short-term Targets (2027)	Medium-term Targets (2030)	Long-term Targets (2040)
Foundation for Sustainable Development G Governance and Business Integrity G Financial Performance G Fleet Development and Innovation 	Regularly reporting progress on ESG tasks to the Corporate Sustainability Committee and holding at least two ESG training sessions for affiliates	√	1. The SDG sustainability goals and action plans of each working group are re-viewed on a rolling annual basis. Each working group reports its implementation progress quarterly, and the Corporate Sustainability Committee reviews the groups' execution status quarterly. 2. To implement employee ESG awareness education and training, in addition to including it as a mandatory online course for all new hires each year, CAL conducted the "ESG Sustainable Development and Environmental Awareness Training" e-Learning program for all employees in 2025. A total of 11,763 employees completed the training. 3. Since 2018, CAL has cumulatively provided four company-wide e-Learning training sessions on "Sustainable Development Awareness Education" for its affiliated companies through 2025. 4. On November 25, 2025, CAL held a sustainability seminar featuring director Shu Meng-lan, who filmed the climate change and ecological documentary "Guardians of the Planet." The seminar, titled "From the News Desk to Guardians of the Planet," was attended by over 100 employees and group affiliates. Through the seminar and visual presentations, the impact of global warming on the natural environment and human life was conveyed.	Regularly reporting progress on ESG tasks to the Corporate Sustainability Committee and holding at least four ESG training sessions for affiliates	Disclosing sustainable development of airline transport affil-iates	Continuously cooperating with regulatory authorities and international trends to comprehensively disclose the boundaries of the group
	Supporting industry partners in developing sustainable capacity	√	1. In response to the IFRS Greenhouse Gas Inventory Standards, CAL conducted an introductory seminar on the Greenhouse Gas Protocol in December 2025 to enhance group awareness and establish greenhouse gas inventory capabilities. 2. Supporting international sustainability initiatives to leverage industry influence, CAL joined the Ministry of Economic Affairs' National Applied Research Laboratories technology team alliance, "Converting Waste Plastics into Circular Light Oil," in December 2025. This initiative advocates for the establishment of a domestic low-carbon circular polyolefin raw material supply chain.	Support international sustainability initiatives to enhance industry influence by participating in one initiative or public associations	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 G Customer Satisfaction G Information Security S Flight Safety Management S Privacy Management 	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 head-quarters)	√	1. The personal data management system is established in accordance with the law and follows the ISO international standards framework, supported by tier-1, tier-2, and tier-3 documents for implementation. The "Plan-Do-Check-Act (PDCA)" concept is employed to ensure effective control and management 2. Continuously conduct personal data inventories and carry out annual first-level self-inspections within each unit to promptly identify errors and implement improvements. 3. In accordance with functional requirements, CAL regularly conducts comprehensive personal data protection training for all employees. This training includes personal data regulations and management guidelines, information security and personal data incident case studies, and personal data protection training for new employees. Additionally, CAL publishes a quarterly electronic newsletter on information security and personal data awareness. 4. Establishing internal personal data audit standard operating procedures, planning the annual audit plan for the following year in the fourth quarter of each year, and reviewing the annual audit results at the "Information Security and Personal Information" 5. Conduct drills for information security and personal data response exercises in accordance with established procedures. These drills aim to improve the effectiveness of incident reporting mechanisms and operational procedures by providing practical exercises in reporting and response processes 6. The passenger service department, ground service department, and branch offices (Taipei, Kaohsiung, and European stations) have all obtained ISO 27701 certification for their passenger airline reservation, ticketing, and marketing business processes.	To protect passenger personal data security, CAL has expanded the scope of personal data collection, processing, and utilization verification within the "Passenger Service Management Procedure" and continues to maintain ISO 27701 Privacy Information Management certification.	Continuously maintain the validity of the ISO 27701 Privacy Information Management certification.	• Continuously maintain the validity of the ISO 27701 Privacy Information Management certification. • In compliance with regulations, international trends, and the company's operational status, CAL continuously adjusts its personal data management system on a rolling basis to reduce the risk of personal data leakage.

Content

Preface

01 Sustainability Management
1.1 Sustainability Vision and Strategies
1.2 Sustainability Management Structure
1.3 CAL's Sustainability Value
1.4 Stakeholder Communication and Materiality Analysis
1.5 Achieving Sustainable Development Goals

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

Task Force Corresponding SDGs	2025 Objectives	Progress	Key Results and Performance	Short-term Targets (2027)	Medium-term Targets (2030)	Long-term Targets (2040)
Trust G Customer Satisfaction G Information Security S Flight Safety Management S Privacy Management 	Increasing the cargo service customer satisfaction to 89 points	√	In 2025, the cargo customer satisfaction score was 89.1.	Customer Satisfaction of Cargo Transport		
				89	90 points	90 points
	Publishing the results of flight operations studies to improve the technical capacity of the aviation industry	√	1. Hosted the 2025 Aviation Security Seminar 2. Co-organizing the "2025 International Aviation Management Summit": CAL presented a special report on the impact of GNSS interference on flight operations, sharing practical experience in operations and risk management. CAL also engaged in exchanges with international aviation authorities and industry stakeholders. Through continued advancement in flight safety research and international collaboration, CAL aims to strengthen operational resilience, reinforce a safety culture, and actively promote passenger safety and the company's sustainable development. 3. Domestic Aviation Safety Seminars: "Ground Safety Management Seminar" and "Affiliated Companies and Agents Security Meeting."	Public Disclosure or Exchange of Aviation Research Results to Enhance the Techno-logical Capabilities of the Aviation Industry	Developing innovation plans with other airlines to drive innovation momentum	Expanding collaborative research projects with do-mestic 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 successfully obtaining the 12th IOSA recertification audit in 2025, CAL is required to undergo recertification every two years. CAL is currently actively preparing for the new, more rigorous Risk-based IOSA certification method introduced by IATA, scheduled for 2026, to continuously meet the highest international safety standards. 2. To strengthen the safety awareness of all employees and enhance the recognition of CAL's safety culture, as well as to promote the company's safety policies, safety objectives, and safety performance indicators, CAL completed training courses in Safety Risk Management (SRM), safety incident investigation, and safety champions in 2025, with a total of 264 participants completing the training. 3. In 2025, to deepen supervisors' understanding of the Safety Management System (SMS), enhance familiarity with the company-wide safety reporting system, and improve knowledge of anonymous report handling and the application of a just culture, CAL conducted advanced online SMS training for frontline supervisors in domestic operational units. Through continuous training, CAL aims to further advance safety management.	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
	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 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	√	1. Promoting Smart Airports: (1) Apple AirTag Baggage Tracking Application: Passengers who used AirTag were able to query the accessory's location through Apple's "Find My" feature. By integrating with existing airline baggage systems and, via the website or at service counters, sharing passengers' AirTag information with airlines, the system helped to locate lost or delayed baggage. Went live in April 2025. (2) AI Customer Service Upgrade: The upgraded online customer service system incorporates a generative AI platform that utilizes semantic analysis and logical reasoning technologies. This advancement overcomes the limitations of traditional keyword matching, enabling a deeper understanding of passengers' diverse and complex inquiries, and providing responses and recommendations that better meet their needs. The system went live in May 2025. (3) Tibi Ground Service Assistant: The generative AI platform (Dago), trained using operational manuals, ground service regulations, and the new membership system Q&A, employs a team+ service channel interface to provide a conversational AI assistant. This tool supports the Ground Services Department and ground staff across branches in real-time queries regarding operational regulations and passenger inquiries, reducing search and communication costs while enhancing frontline service quality and operational efficiency. It was launched in August 2025. (4) Transparent Display Bidirectional Translation System:Implemented AI real-time voice translation equipment, integrating generative artificial intelligence and speech recognition technologies to enhance cross-language communication efficiency and improve passenger service quality. Work commenced in May 2025 and was completed in December 2025.	1. Information Security and AI Trends: Information security remains a top priority. In response to the rise of AI technologies, particularly agentic AI, CAL will strengthen defenses against AI-related attacks and continue to invest in information security protection. 2. AI Implementation and Application: Continuing with the 3E process (Explore, Empower, Enrich), CAL will integrate generative AI and predictive AI, and promote on-premises AI deployment to enhance the adoption of AI applications across the enterprise.	1. Promoting smart tourism: Achieving horizontal and vertical integration of tourism-related industries to provide a one-stop smart travel eco-system.	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.

Content

Preface

01 Sustainability Management
1.1 Sustainability Vision and Strategies
1.2 Sustainability Management Structure
1.3 CAL's Sustainability Value
1.4 Stakeholder Communication and Materiality Analysis
1.5 Achieving Sustainable Development Goals

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

Task Force Corresponding SDGs	2025 Objectives	Progress	Key Results and Performance	Short-term Targets (2027)	Medium-term Targets (2030)	Long-term Targets (2040)
Trust G Customer Satisfaction G Information Security S Flight Safety Management S Privacy Management 	3. 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	√	(5) AI Interactive Virtual Humans: Generative AI was used to create virtual customer service representatives Aria and Miles, who debuted at the ITF Taipei International Travel Fair. Through a large transparent screen, visitors were able to interact with the virtual representatives for real-time responses and photo opportunities. The exhibition was completed in December 2025 at the Taipei and Kaohsiung travel fairs. Subsequent plans include installation to provide services in the VIP lounges. (6) Smartphone Baggage Check-in Service: The Airport Authority Hong Kong (AAHK) requires airlines operating more than five flights daily at Hong Kong International Airport to comply with the implementation deadline for the Flight Token Journey and to cooperate with the related policies of the Authority. Completed in September 2025. (7) VIP Lounge Digitalization: After passengers log into the member area, they can use the lounge services to send lounge invitations, reserve shower rooms, check the crowd density of each lounge, and order food via table-side QR code scanning. Completed in November 2025. (8) Airport Notice Electronic Version Design: In response to the policy prohibiting passengers from using power banks on board, CAL designed an A4 vertical notice and a horizontal layout for the Flight Information Display System according to the requirements of the Ground Services Department, and provided a power bank prohibition symbol. Deployed in March 2025. 2. High-Speed Information and Communication Network: (1) Continuing to upgrade domestic backbone network equipment to meet the future high-speed connectivity requirements of servers. (2) In 2025, CAL replaced a total of 12 high-speed network switches for the headquarters' external internet connection, upgrading to a 10G bandwidth network to support the new email system and various Microsoft services. 3. Continuous Improvement of the Disaster Recovery Plan: CAL continues to expand the application scope of the cloud disaster recovery system, optimize automated processes to shorten recovery time, and regularly conduct disaster recovery drills to verify the effectiveness of the plan. Completed in December 2025.	3. Mobile Applications and Edge Computing: Emphasizing edge computing in mobile device applications, CAL will introduce AI components into mobile devices in the future to reduce reliance on the cloud and enhance real-time responsiveness. 4. Virtual Employees and Digitally Empowered Employees: CAL implements virtual employee applications through various internal AI assistants and actively promotes the use of M365 tools and Copilot applications. By continuously offering related training courses, CAL supports employees in their digital transformation. 5. External AI Services: Passenger services have already implemented AI customer service and will further establish dynamic services related to transactions. AI agent services such as "reservation and ticketing" and "itinerary management" are expected to launch in 2027. In cargo, the "cargo status tracking" services will be launched first, and functionality will then be gradually developed with "text-based booking" as the target.	2. Evaluate the adoption and applications of new technologies and continuously optimize and expand the disaster recovery capacity	

Content

Preface

01 Sustainability Management
1.1 Sustainability Vision and Strategies
1.2 Sustainability Management Structure
1.3 CAL's Sustainability Value
1.4 Stakeholder Communication and Materiality Analysis
1.5 Achieving Sustainable Development Goals

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

Task Force Corresponding SDGs	2025 Objectives	Progress	Key Results and Performance	Short-term Targets (2027)	Medium-term Targets (2030)	Long-term Targets (2040)
Human Resources G Attracting, Cultivating, and Retaining Diverse Talent S Labor Relations and Communication S Occupational Safety and Health 	Organizing four expert seminars that provide an opportunity for internal crossdisciplinary networking	√	In 2025, CAL held four aviation expert sharing sessions covering topics such as passenger transport, maintenance, sales promotion, and public relations event man-agement, with a total participation of 502 attendees.	Between 2026 and 2027, six internal aviation knowledge-sharing sessions were conducted, with a total participation of 600 attendees.	Between 2026 and 2030, CAL will conduct a total of 15 inter-nal aviation knowledge-sharing sessions, with cumulative par-ticipation reaching 1,800 attendees.	From 2031 to 2040, CAL will conduct a total of 30 internal aviation knowledge-sharing sessions, with cumulative participation reaching 3,600 attendees.
	Optimizing CAL's aviation management talent training mech-anisms	√	Optimizing talent pools for different levels of management (including a master tal-ent pool, management training courses, and advanced management courses) and re-lated training mechanisms to develop talent for the company over the long term and lay the foundation for passing on knowledge and experience	The number of avia-tion management talents trained reached 50 in 2026–2027.	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 managers reaching 26%	☆	The proportion of female executives at CAL has gradually increased to 30.76% as of 2025.	Percentage of female executives reaching		
				26%	27%	30%
Cooperation G Sustainable Supply Chain Management 	1. Sustainability Risk Assessment Survey (SAQ): 100% of critical Tier-1 suppliers and 20% of all Tier-1 suppliers. 2. Purchasing units shall include ESG performance as 5% of the procurement evaluation criteria: evaluation plans shall be determined based on individual cases. 3. Percentage of suppliers signing the "Commitment to Forest and Biodiversity Conservation Compliance": upon contracting new suppliers and renewing contracts with existing suppliers.	√	1. Sustainability Risk Assessment Survey (SAQ) Risk Assessment Coverage: 100% of critical Tier-1 suppliers, 55% of all Tier-1 suppliers. 2. Purchasing units shall include ESG performance as 5% of the procurement evaluation criteria: evaluation plans shall be determined based on individual cases. 3. Achieve 100% compliance during the signing of new supplier contracts and the renewal of existing supplier contracts.	• SAQ for critical Tier-1 suppliers has achieved a risk assessment ratio of 100%. All Tier-1 suppliers have reached 25%. • 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. • Both new and existing suppliers shall be obligated to comply with the commitments of the "Forest and Biodiversity Conservation Commitment.	• The coverage rate of all critical Tier-1 suppliers reached 100%, with 40% of Tier-1 suppliers undergoing risk assessments. Additionally, 30% of critical non-Tier-1 suppliers were subject to risk assessments. • Include at least 5% ESG performance in procurement evaluation criteria for 40% of purchasing units. • 40% of suppliers signing contracts should be obligated to comply with the commitments of the "Forest and Biodiversity Conservation Commitment".	• Perform 100% SAQ risk assessment for both Tier-1 suppliers and critical non-Tier-1 suppliers. • Include at least 5% ESG performance in procurement evaluation criteria for 100% of purchasing units. • 100% of suppliers signing contracts should be obligated to comply with the commitments of the "Forest and Biodiversity Conservation Commitment".

Content

Preface

01 Sustainability Management
1.1 Sustainability Vision and Strategies
1.2 Sustainability Management Structure
1.3 CAL's Sustainability Value
1.4 Stakeholder Communication and Materiality Analysis
1.5 Achieving Sustainable Development Goals

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

Task Force Corresponding SDGs	2025 Objectives	Progress	Key Results and Performance	Short-term Targets (2027)	Medium-term Targets (2030)	Long-term Targets (2040)
Cooperation G Sustainable Supply Chain Management 	1. Establish a roster of critical non-Tier-1 suppliers. 2. Supplier Audit Coverage: 100% of critical Tier-1 suppliers and high-risk suppliers 3. Develop a comprehensive supply chain improvement measures and capacity building programs, aiming to implement 50% of improvement measures and 50% of capacity building programs.	√	1. Completed the establishment of a supplier list for critical non-Tier-1 suppliers accounting for 5%. 2. Review coverage rate for critical Tier-1 suppliers and high-risk suppliers: 100% 3. Develop a comprehensive supply chain improvement measures and capacity building programs, aiming to implement 50% of improvement measures and 50% of capacity building programs.	• Optimize the risk anagement for sus-tainable supply chain, assess 100% of critical Tier-1 suppliers and high-risk suppliers, and create a list of critical non-Tier-1 suppliers. • Develop a comprehensive supply chain improvement measures and capacity building programs, aiming to implement 50% of improvement measures and 50% of capacity building pro-grams.	• Continuously optimize risk management measures for sustainable supply chain policies, completing audits of 100% of critical Tier-1 suppliers and high-risk suppliers, as well as audits of 30% of critical non-Tier-1 suppliers. • Develop a comprehensive supply chain improvement measures and capacity building plan, aiming to implement 100% of improvement measures and 100% of capacity building measures.	• Assess 100% of both Tier-1 and critical non-Tier-1 suppliers. • 100% implementation of improvement measures for high-risk suppliers to ensure regulatory compliance.
Environment E Climate Change Mitigation and Adaptation E Energy Management E Environmental Operational Efficiency and Resource Management E Green Services and Sustainable Catering E Biodiversity 	Improving annual aviation fuel efficiency by 1.5% (flight operations) Used SAF : 0.5%	√	Maintain leading position among Asia Pacific airlines with fuel efficiency at 0.2292 tons per 1,000 RTK. Implemented 11 SAF improvement plans. Achieved the 0.5% SAF usage target.	Aviation fuel efficiency improves by 1.5% annually, maintaining zero carbon growth since 2020, with a target of achieving net zero carbon emissions by 2050 (Flight Operations) Used SAF 0.5%	5%	40%
	Reducing carbon emissions in ground operations by 5% compared to 2023	X	Carbon emissions from ground operations increased by 3% compared to 2023. Implemented 89 environment and energy improvement plans	Reduction in ground operations' carbon emissions compared to 2023: 10%	15%	60%
				Renewable energy installation capacity has reached contracted capacity: --	10%	15%
	Reducing general waste (non-recyclable) by 7% compared with 2018	☆	Decreased output in 2025 by 32% compared to 2018 Enhancing resource recycling through Management by Walking Around	Reducing general waste (non recyclable) compared with 2018 10%	12%	15%
	Increasing indus-trial waste recy-cling ratio to 45%	X	Industrial waste recycling ratio reached 35.8% in 2025 Renovate the temporary storage area for construction waste and optimize its layout.	Industrial waste recycling ratio 47%	50%	58%
	Reducing water consumption from ground operations by 7% compared to 2018	☆	Reduced water consumption from ground operations in 2025 by 28.55% compared to 2018 Review and optimize the irrigation process and timing.	Reduced water consumption from ground operations compared to 2018 8%	10%	12%
	Reducing paper consumption by 30% compared to 2018	☆	Reduced paper consumption in 2025 by 55.2% compared to 2018 Continuously promote the digitization of cabin service and air quality operation processes.	Reducing paper consumption compared to 2018 40%	50%	52%

Content

Preface

01 Sustainability Management
1.1 Sustainability Vision and Strategies
1.2 Sustainability Management Structure
1.3 CAL's Sustainability Value
1.4 Stakeholder Communication and Materiality Analysis
1.5 Achieving Sustainable Development Goals

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

Task Force Corresponding SDGs	2025 Objectives	Progress	Key Results and Performance	Short-term Targets (2027)	Medium-term Targets (2030)	Long-term Targets (2040)
Environment E Climate Change Mitigation and Adaptation E Energy Management E Environmental Operational Efficiency and Resource Management E Green Services and Sustainable Catering E Biodiversity	Embargoing transport of en-dangered species and prohibiting use of illegal spe-cies as food in-gredients	√	1. CAL did not transport illegal wild animals and plants 2. We expanded our collaboration with the Forestry and Nature Conservation Agen-cy, commissioning the local Saisiyat tribe to assist with reforestation and nurturing efforts. We increased the adoption area by 3.5 hectares in 2025, and continue to support the maintenance of the sustainable tourism hotspot: the Jialishan Trail.	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.		
				3	4	10
	Reducing total in-flight waste by 33% compared to 2018.	X	Total in-flight waste in 2025 increased by 7.8% compared to 2018. 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 2023		
				10%	25%	50%
Society Social Feedback and Engagement	Supporting inter-national initia-tives and organiz-ing at least one long-term charity project	√	In 2025, CAL continued to focus on international humanitarian issues in response to global developments, engaging in annual cooperative sponsorship with the international relief organization Médecins Sans Frontières, as well as providing long-term sponsorship for the "Love Without Limits Medical Charity Event" event. By investing corporate resources to fulfill social responsibility, CAL collaborates with society to promote sustainable values of co-creation, shared prosperity, and mutual well-being.	Supporting interna-tional initiatives and organizing at least one long-term charity pro-ject	Supporting international initia-tives and organizing at least one long-term charity project	Establishing long-term cooperation with interna-tional relief organizations to organize at least one long-term charity project
	Organize at least one educational event in rural areas to promote international educational opportunities for young students.	√	1. Volunteer Teaching Activities: In 2025, CAL continued to send volunteers to four elementary schools near corporate locations and three rural elementary schools (Note 1) to deliver core aviation knowledge, thereby enhancing the quality of education in Taiwan. 2. Charity Sport Camps: CAL organized a charity basketball camp in Taoyuan in collaboration with the P.League+ Taoyuan Pilots; a charity baseball camp in Hsinchu with players Cheng Tsung-che and Chen Po-yu; and a charity table tennis camp in Changhua with table tennis legend Chuang Chih-yuan. These three 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 two educational events in rural areas to promote international educa-tional opportunities for young students.	Integrate central and local re-sources 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 educa-tion.
	Organize an event aimed at promoting economic growth and providing employment assistance in rural areas, thereby enhancing social wellbeing.	√	In 2025, CAL specially selected locally produced plums from Xinyi Township, Nantou, Taiwan, to brew plum wine. The gift sets also feature carefully chosen Dong Ding Oolong tea from Lugu, Nantou, and Oriental Beauty tea from Taoyuan, Hsinchu, and Miaoli, fully supporting local Taiwanese small-scale farmers. Additionally, CAL has maintained a long-term partnership with The Wonderful Food to offer Taiwanese snacks in the onboard Sky Lounge. This collaboration continuously promotes local agricultural products, increases the income of farmers and producers, aims to support the development of local agriculture, and brings regional specialty products to an altitude of over 10,000 feet. CAL continues to collaborate with the Huashan Social Welfare Foundation to provide locally produced agricultural care gifts to three disadvantaged elderly groups (disabled, dependent, and dementia patients) in Taoyuan. This mutually beneficial approach aims to fulfill the commitment to equitable social welfare.	Organize an event aimed at promoting economic growth and providing employ-ment assistance in rural areas, thereby enhancing social well-being.	Boost the efficacy of sponsorship, sponsoring an event aimed at promoting regional economic growth and providing employ-ment assistance in rural areas, thereby enhancing social wellbe-ing.	Organize projects to sup-port economic development in underdeveloped regions or developing countries, enhancing em-ployment 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.

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

CHINA AIRLINES

02 Value Creation

2.1 Trust 41
2.2 Cooperation 68
2.3 Environment 78
2.4 Human Resources 105
2.5 Society 126

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

2.1 Trust

Highlights

Received the highest 7-star safety rating from AirlineRatings

CAL was awarded the highest 7-star safety rating by AirlineRatings, demonstrating strong operational capability and safety management aligned with international aviation standards. The rating is based on comprehensive assessments including safety audit results, operational safety standards, major incident records, and regulatory evaluations.

Organized the 2025 Aviation Security Conference

To strengthen and consolidate aviation security personnel's perspectives and understanding of aviation security to improve security awareness, in response to the highly uncertain and diverse threats in the future aviation security environment, thereby truly implementing the spirit of "Security by All." CAL, together with the Civil Aviation Administration, the China Aviation Development Foundation, and the Aviation Safety Foundation, held the "2025 Aviation Security Conference" at the Civil Aviation Administration International Conference Hall.

Co-organized the 2025 International Aviation Safety Management Summit

Hosted by the Civil Aviation Administration, the 2025 International Aviation Safety Management Summit featured a special report by CAL on the impact of GNSS interference on flight operations. CAL shared operational practices and risk management experiences, and engaged in exchanges with international aviation authorities and industry stakeholders. Through continued advancement of flight safety research and international cooperation, CAL aims to strengthen operational resilience, promote a culture of safety, and actively contribute to passenger safety and our sustainable development.

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 2025, CAL met the IATA Operational Safety Audit (IOSA) standards for the 12th time (the next certification will be in 2026), and continues to meet the highest international standards.

Digital × Service × People-Centered Sustainable Advancement

CAL is driving the digitalization of cabin operations, benchmarking against international standards, and enhancing service quality. The Department is also strengthening workforce supplementation and professional training. Meanwhile, a dedicated Customer Service System (CSS) team has been established to improve service governance. CAL actively promotes public welfare education, optimizes uniform policies and workplace environment, and is committed to building an efficient, friendly, and resilient sustainable service team.

10th time awarded APEX Five-Star Airline Award

CAL continues to implement its service declaration of "Touching every moment"and enhance operational and service quality, earning the APEX Five-Star Airline Award for ten consecutive years.

Management Approach

Material Issues

Flight Safety Management | Customer Satisfaction | Information Security | Privacy Management

Importance of Material Issues

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

CAL has always valued passenger satisfaction with our services and their willingness to recommend CAL flights to their friends and relatives. In addition to proactively sending out survey surveys to passengers, we have set up multiple channels for surveys or links, making it convenient for all passengers to participate. By continuously collecting and analyzing survey data, we submit the results to the relevant departments to research and improve areas that need strengthening, striving to provide the highest quality service to passengers on every flight.

As a multinational airline company, CAL understands that information security and personal privacy protection are critical in all operations. In addition to continuous enhancement of personal data protection mechanisms, CAL also complies with the requirements of personal data protection legislation in different countries and continuously amends the personal data operation regulations and specify a reasonable scope of personal data collection. We also use the latest encryption technologies and regular inspections to implement management. CAL provides contact information in accordance with laws to help passengers exercise their legal rights granted in the Personal Data Protection Act. 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.

Commitment

Flight safety is CAL's most solemn and important commitment to customers and the public in its 65 years of history. We are committed to compliance with regulations and zero flight safety accidents and we pledge that we shall do all we can to ensure the safety of all passengers and cargo on each journey. We shall also uphold our consistent service ideals of passenger-oriented service and protecting passenger rights during the global COVID-19 pandemic by monitoring international development while complying with national policies and full consideration of customer interests to create a reliable and high-quality service experience.

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Long-term Goals

2027

- To protect passenger personal data security, CAL has expanded the scope of personal data collection, processing, and utilization verification within the "Passenger Service Management Procedure" and continues to maintain ISO 27701 Privacy Information Management certification.
- Increasing the cargo service customer satisfaction to 89 points
- Publishing the results of flight operations studies to improve the technical capacity of the aviation industry
- Maintaining IOSA certification standards and improve the safety management system (SMS)
- 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
- 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
- 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 its high availability.

2030

- Maintaining validity of ISO27701 Privacy Information Management System (PIMS) certificate
- Increasing the cargo service customer satisfaction to 90 points
- Developing innovation plans with other airlines to drive innovation momentum
- Maintaining IOSA certification standards and improve the company safety culture
- Promoting smart tourism: Achieving horizontal and vertical integration of tourism-Evaluate the adoption and applications of new technologies and continuously optimize and expand the disaster recovery capacity

2040

- 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
- Maintaining the cargo service customer satisfaction at 90 points
- Expanding collaborative research projects with domestic and international transportation peers and manufacturers/suppliers to enhance environmental performance
- 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

Unit in Charge

Corporate Sustainability Committee – Trust Value 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 management review meeting, every year on a regular basis

Objectives and Plans

Key Point	SPI (Note 1)/KPI	2025			2026 Objectives
		Objectives	Performance	Achievement	
Flight Safety	Fatal & Hull Loss Accidents (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)	69	73.3	100%	70.5
	Overall Cargo Service Satisfaction (point)	89	89.1	100%	89
	Overall Maintenance Satisfaction (point)	8.4	9.0	100%	8.4

Note 1: SPI refers to Safety Performance Indicators.
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 (2022-2025), the Company has not experienced any incidents resulting in passenger fatalities or total aircraft destruction.

Grievance Mechanism

Stakeholder Contact

Global Passenger Operations
Passenger Branch Offices

Global Cargo Operations
Passenger Branch Offices

Maintenance Services
Engineering & Maintenance Organization
emo.customer@china-airlines.com

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

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 maintained the IOSA (IATA Operational Safety Audit) certification in 2025 (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.

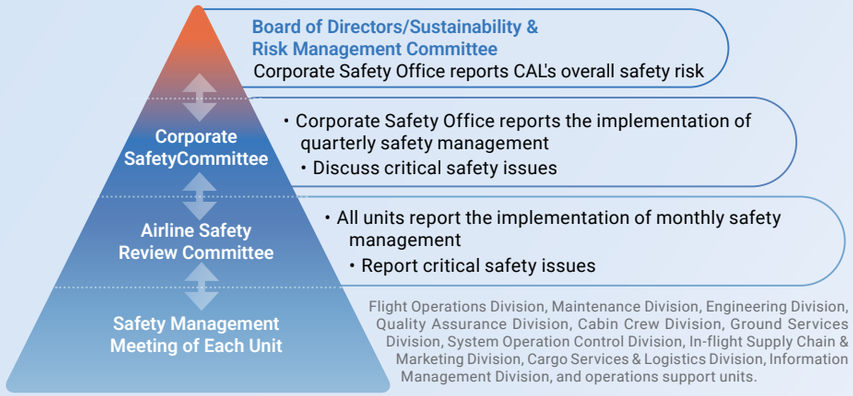
CAL Flight Safety Policy

Safety Risk Management

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

Based on past performance and Safety Reporting System, requirements of authorities in charge of civil aviation, plus official safety reports provided by International 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



2 Safety Reporting System

To enhance their awareness of flight safety, CAL encourages employees to use the Safety Reporting System to proactively identify potential risks and report possible safety issues in their daily work. Through information data collection and risk management, CAL prevents unsafe incidents from occurring and increases its overall safety and security level. In addition, CAL conducts risk analysis and assessments based on seasonality and features of flight operations, trends of flight safety, and changes in internal and external environments. Making a further effort to control risks, we also communicate safety-related discipline and conduct to our employees in announcements or meetings. CAL has a reward mechanism in place to encourage employees to report potential safety issues. In order to encourage all employees willing to report any abnormality and safety reports, since CAL introduced Mobile version of the reporting application software (AQD) in 2022, it allows all employees to conveniently complete the submission report. A total of 1,012 hazard reports were submitted in 2025, and rewards were presented to 150 individuals (including gifts and incentives), demonstrating the significant effectiveness of our proactive hazard reporting initiatives.

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Safety Risk Management

Safety Risk Management (SRM) is a key component of the Safety Management System (SMS). Safety risk management is intended to anticipate potential issues that might arise during normal system operations or to incorporate its risk assessment criteria into the development of products and services. Through management processes such as hazard identification, risk assessment, risk control, mitigation, and safety assurance, risks are reduced to a level that is reasonable, acceptable, and practicable (ALARP, As Low As Reasonably Practicable). To instill the concept of risk management throughout operational units and to strengthen personnel's application of risk management, CAL started to provide regular safety risk management (SRM) training beginning in 2015. Front-line units autonomously evaluate and carry out risk management activities and independently implemented safety risk management based on internal and external information, changes in the operational environment, regulatory adjustments, and changes in procedures and equipment. To assess the effectiveness of the implementation of safety management, CAL oversees and evaluate it through annual safety risk management inspections and the establishment and management of safety performance indicators and performance targets (SPI/SPT). CAL identifies, compiles statistics on, and analyzes the main hazards and risks in its operations. The main risks identified in 2025 are engineering-related and flight operations-related events. Regarding engineering-mechanical issues, the maintenance unit has completed the relevant review and proposed risk-control measures. Regarding flight operations issues, fight operations unit has implemented system-level improvements and conducted briefings for flight crew, including providing enhanced training for the crew members involved and placing them under a monitoring program. CAL also issues fleet-wide notification and uses monthly bulletin case studies to promote improvements in crew performance. CAL will continue to implement monitoring measures in accordance with the requirements issued by the Civil Aviation Administration.

In 2025, the Civil Aviation Administration announced a total of five administrative penalties resulting in fines against CAL

Administrative Penalties by Violation Type	Time of Incident	Number of Incidents	Penalty Details
Aircraft Maintenance	11/2023, 10/2024	2	Fines of NT$120,000 and NT$180,000, respectively
Air Traffic Control	01/2024, 02/2024	2	A fine of NT$900,000 for each instance.
Dispatch Management	04/2025	1	A fine of NT$600,000.

In 2025, CAL had no material aviation safety regulatory violations (defined as incidents subject to fines exceeding NT$1,000,000) and no cases resulting in non-monetary sanctions.

1 Flight Operations Quality Assurance

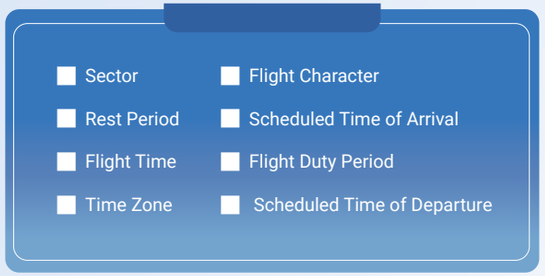
CAL utilizes flight data monitoring programs and the Flight Operations Quality Information System (FOQIS) developed by CAL to quickly identify the potential risks of the flight crew operations and promptly provide guidance for them to take corrective measures in compliance with the Civil Aviation Act of the R.O.C and Flight Operations Quality Assurance (FOQA) of the Convention on International Civil Aviation. Apart from producing trend analysis monthly report of FOQA for CAL's fleet as a reference, in case of a FOQA event (e.g., an anomaly in flight operation parameters), CAL shall conduct a necessary investigation and analysis, take corrective measures, and continuously monitor the effectiveness of subsequent improvements and remedial measures in accordance with the regulations for operations, thereby lowering flight operation risks and ensuring flight safety.

2 Fatigue Management

In addition to fatigue management regulations set forth in domestic civil aviation laws, CAL follows the Fatigue Management Guide for Airline Operators (2nd Edition) established by the International Air Transport Association (IATA), International Civil Aviation Organization (ICAO) and the International Federation of Air Line Pilots' Associations (IFALPA) in 2015 to implement crew fatigue management mechanism using a prescriptive approach. CAL incorporated the fatigue management system into the safety policy and introduced a new crew scheduling system (AIMS) and a flight crew fatigue management system (FRMSc-SAFE). Through predictive risk identification and proactive actions, CAL plans to optimize crew scheduling and fatigue management.

In 2025, a total of 10 crew fatigue reports were received. Upon review, all related flight assignments were found to be in compliance with regulatory requirements and fatigue assessments based on the Samn-Perelli Seven-Point Fatigue Scale (SPS). The reported cases were primarily attributed to unforeseen flight delays. The Company has communicated with crew members regarding their concerns, made timely adjustments to duty rosters as necessary, and encouraged crew members to seek fatigue management consultations and medical advice based on their individual conditions.

Flight Task Evaluation



Content

Preface

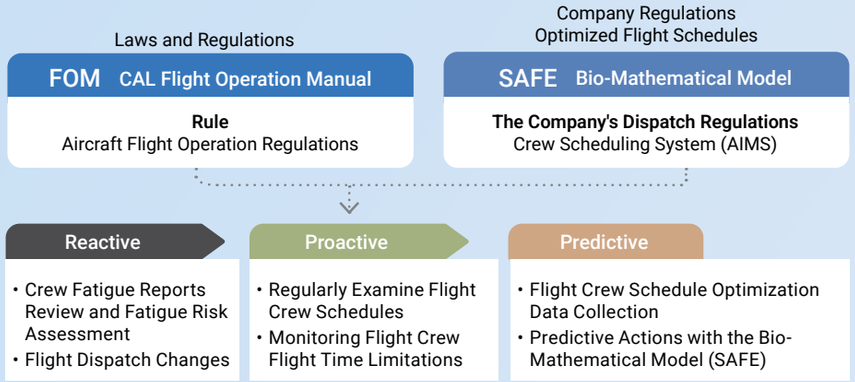
01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

CAL Fatigue Risk Management Framework and Implementation



❸ Alcohol Test Mechanism

According to Article 199 of the CAA Aircraft Flight Operation Regulations, CAL has established the alcohol test mechanism to conduct alcohol tests for operations personnel, such as flight crew, cabin crew, flight dispatchers, and maintenance personnel, and ensure they are not under the influence of alcohol while on duty. The number of tests on the aforementioned personnel must reach an average of 30% of the total average number of personnel each year (quarterly inspection rate of 7.5%). Any personnel who fail or refuse an alcohol test will be immediately removed from duty. This alcohol testing protocol is designed to enhance vigilance among personnel and uphold the quality and safety of flight operations.

Safety Promotion and Training

To ensure flight safety, CAL organizes educational and entertaining safety events every year to instill the significance of safety among all employees and constantly enhance their awareness of flight safety. The safety training activities in 2025 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. CAL actively promotes safety externally, and organized an aviation security conference and co-hosted the International Aviation Safety Management Summit in 2025.

① "Advanced SMS Training for Supervisors" and "SMS e-Learning Course Training for All Employees"

To strengthen overall employee safety awareness, enhance alignment with the Company's safety culture, and promote the 2025 safety policy, targets, and safety performance indicators, CAL completed the 2025 Safety Risk Management (SRM), Safety Incident Investigation, and Safety Seed training courses. A total of 264 participants successfully completed the training. The Company conducts Safety Management System (SMS) retraining for all personnel on a three-year cycle. In 2023, a total of 11,191 personnel from domestic and international units completed the training. In 2025, to deepen supervisors' understanding of the Safety Management System (SMS), enhance familiarity with the company-wide safety reporting system, and improve knowledge of anonymous report handling and the application of a just culture, CAL conducted advanced online SMS training for junior management in domestic operational units. Through continuous training, CAL aims to further advance safety management.

② Seminars on Aviation Practice

In 2025, CAL held two seminars on aviation practices. In view of the fact that over 80% of existing flight safety-related incidents are associated with human factors, and that human factors are not limited to "personnel not following SOPs" but can also arise from the work environment, equipment design, or operational procedures, CAL sought to increase employees' sensitivity to potential risks and to prevent human errors resulting from improper design or use. To that end, on July 24, 2025, CAL invited the Industrial Management Department of National Taiwan University of Science and Technology for a seminar on the topic of "Human Factors Engineering and Flight Safety." Moreover, under the impact of global climate and environment change, flight safety across the aviation industry and among civil air carriers is significantly affected. On October 31, 2025, CAL invited an academic team from National Central University for a seminar on the topic "Flight Safety: Analysis of Flight SQ321's Encounter with Severe Turbulence on May 21, 2024," which was expected to benefit CAL's flight safety.

Held the "Human Factors Engineering and Flight Safety" seminar on July 24, 2025.

Held the "Flight Safety: An Analysis of the Severe Turbulence Encountered by Flight SQ321 on May 21, 2024" seminar on October 31, 2025.

③ 2025 International Aviation Safety Management Summit

At the 2025 International Aviation Safety Management Summit hosted by the CAA, CAL sent representatives who presented the technical paper "The Impact of GNSS Interference on Flight Operations," sharing frontline operational observations, risk assessment, and safety management experience. The report stated that, in recent years, GNSS interference has become increasingly frequent across multiple regions, affecting aircraft navigation, terrain warning, ADS-B, time synchronization, and data-link systems, and increasing flight crew workload and posing challenges to situational awareness. CAL also outlined the Company's response measures, which include the continued updating of operational procedures, the issuance of flight advisories, the strengthening of crew education and training, and the systematic collection and analysis of relevant cases to provide feedback to the appropriate units.

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Through exchanges with competent authorities and industry experts from various countries, CAL demonstrated a high level of commitment to flight safety. By deepening international cooperation, we strengthen operational resilience and continue to strive for passenger safety and the Company's sustainable operation.

In 2025, China Airlines hosted the “Ground Safety Management Seminar,” which was attended by nearly 90 participants from the Civil Aviation Administration, Taoyuan International Airport Corporation, affiliated companies, agents, and relevant units within the Company. The seminar featured special lectures by IATA on “Ground Operation Standards and Safety Information” and by agents on “Prevention of Ground Safety Incidents.” The event provided a platform for ongoing discussions and information exchange on ground operations safety with various stakeholders, including affiliated companies, group companies, and agents. Furthermore, to continue promoting and strengthening the aviation security culture, we held the "Affiliates and Agents Security Conference." Through the sharing of experiences, the conference helped establish a robust aviation security protection network and enhance individual security awareness. The meeting invited the former Director of the Criminal Investigation Bureau to deliver a presentation on the issue titled "The Aviation Industry's Strategy and Case Studies for Addressing Threatening Telephone Calls." Mandarin Airlines, Tigerair Taiwan, and other affiliates also exchanged experiences with the participating units concerning their aviation security drills and tests.

Furthermore, to bolster the perspectives and technical proficiency of aviation security professionals and to heighten security awareness in response to an increasingly volatile environment characterized by diverse threats, CAL—in collaboration with the Civil Aviation Administration (CAA), the China Aviation Development Foundation (CADF), and the Flight Safety Foundation (FSF)—convened the "2025 Aviation Security Conference" at the CAA International Conference Hall. This initiative, designed to institutionalize the spirit of "Total Security," brought together approximately 140 participants from the CAA, the Aviation Police Bureau, Taoyuan International Airport Corporation, domestic carriers, and affiliated companies. CAL specially invited a former professor from the Central Police University to deliver a keynote lecture titled “Aviation Terrorism: Case Studies and Response Strategies.” Additionally, the Corporate Safety Office led a presentation and panel discussion themed “Acts of Unlawful Interference Arising from Insider Threats in the Aviation Industry,” facilitating a professional exchange of insights with all attendees.

Held the "Ground Safety Management Seminar" on April 10, 2025

Co-hosted the “2025 International Aviation Safety Management Summit" on October 22, 2025

Hosted the “Affiliated Companies and Agents Security Meeting” on May 16, 2025

Organized the "2025 Aviation Security Conference" on November 28, 2025

④ "One day in the CAL—Online Challenges (SMS Edition)" and "Safety Knowledge Quiz"

CAL presented the "One day in the CAL — Online Challenges (SMS Edition)" in 2025, showing everyday operational scenarios related to SMS topics through frontline employees’ routine work and uses edutainment-style interactive, scenario-based learning to encourage cross-unit learning and to instill correct safety concepts and work attitudes in every colleague. Additionally, to promote active participation in the Safety Management System (SMS), CAL held four safety-knowledge quiz “color-ball” events in 2025.

"Safety Knowledge Quiz and Prize Draw" from May 13 to 16, 2025

These events involved visiting frontline operational units and inviting colleagues to complete online surveys to enhance their understanding of the Company’s safety and security-management–related knowledge.

2025 "One day in the CAL—Online Challenges (SMS Edition)"

⑤ 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.

Flight Crew Management

GRI 404-2

Professional Training and Evaluation

CAL recognizes risk factors and implements risk management mechanisms based on the three perspectives of "prediction," "proactive," and "reactive" through appropriate training to respond to internal and external environmental change, such as the introduction of new airports, routes, aircraft, systems and procedures, systematic flight training / qualification, flight

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

operation quality assurance (FOQA), and recurrent evaluation of instructors and examiners etc. By means of pertinent training measurements, we prepare flight crew members with the high level of professionalism and competency necessary to ensure passenger's flight safety.

Note: FOQA aims to decrease the probability of accidents and hull damage by using post flight data and flight logs 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

In view of the increased demand for flight crew on the international market, CAL strictly enforces the stringent requirements of flight training and objective evaluation for flight crew in order to carry out its commitment to flight safety. To ensure solid flight training, flight crew shall complete the relevant training programs for new aircraft type, upgrade, transferring between aircraft types and requalification. In addition, 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.

CAL has implemented Evidence-Based Training (EBT) to replace the conventional proficiency training and check. The EBT is guided by risk and crisis management, and make use of big data analysis, individual behavior, fleet performance, stations, previous incident records etc., to strengthen and improve training to enhance proficiency and competency of the flight crew to handle unusual/abnormal situations. CAL has implemented annual retraining and proficiency check by using "Flight Crew - Evidence-Based Training (EBT)," and achieved 100% EBT on annual retraining for a total of 2,531 flight crew in 2025.

② Professional Training Facilities

As the first airline to introduce Full Flight Simulator 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 training at any time; they also demonstrate aircraft performance limitations and faithfully reflect operational feedback, allowing for 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 skills and expertise.

CAL has certified Full Flight Simulators approved by CAA and Cabin Emergency Evacuation Trainers which are provided for training for other domestic and international airlines. In response to the robust expansion of the air cargo market, the Company ordered from the manufacturer a B777 freighter simulator and completed a system upgrade of the A350 flight simulator. The Company continues to invest in and enhance training equipment and thereby demonstrated its determination to safeguard aviation safety to the highest industry standards.

③ A Comprehensive Management System

In order to consolidate training course data and digitize training records, CAL unveiled the "Integrated Pilot Training System" (IPTS) in 2014. In addition to Evidence-Based Training (EBT), flight crew members participated in relevant training programs for new aircraft type, transferring, upgrade, and requalification. Followed by completing the system connection, integration, and regular upgrading for IPTS along with the new scheduling system (AIMS) released in 2019, the IPTS is scheduled to be fully upgraded to the "Flight Operations Resource Management System" (FORMS) in Q3 2026 to further enhance the effective integration and utilization of training resources. CAL also evaluated the training programs and course materials for each aircraft types the flight crew members operated, and modified them with the objectives of strengthening training quality to improve the safety of flight operations. In response to the introduction of new aircraft models such as the A321neo, A350, B777F, and the future B787, CAL continued to provide relevant training for flight crew members. In 2025, a total of 278 training sessions were completed, including new hire, aircraft type conversion, and promotion-related long-term and short-term training programs. Additionally, 57 sessions of new instructor training were completed to expand training capacity. CAL also provided training programs that adhere to national aircraft operation regulations, pertinent international regulations, and CAL quality standards in order to ensure that the flight operations of flight crew comply with international flight safety standards.

Management by Walking Around

①Managers Implement Management by Walking Around

Chief Pilot or Assistant Chief Pilot participates in the license inspections of flight crews and pre-flight briefings as needed to verify the completion of related operating procedures. Chief Pilot or Assistant Chief Pilot also conducts risk assessments for special airports and weather conditions, and provide operation recommendations for reference or compliance by the crew to ensure safety in flight operations.

②Supervisory Flight (S-Flight)

Chief Pilot or Assistant Chief Pilot and the Check Pilot (CP) conduct supervisory flight (S-Flight) as needed to review pilots' compliance with operating procedures, effectiveness in threat and error management (TEM), and their use of crew resource management (CRM) techniques. Through this process, crew's competencies which need to be enhanced could be identified and enhancement actions will be implemented accordingly to improve flight safety. A total of 456 S-Flights were completed in 2025.

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.

①Life 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.

②Risk Operations and Health Management

To protect the health and operational safety of flight crews, CAL arranges crew resource management (CRM) training as part of initial and recurrent flight crew training. The program incorporates team cooperation and Threat and Error Management (TEM)-related instruction, and through professional communication, risk identification, and mutual support, it helps crews

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

effectively manage operational workload and unexpected situations. The training covers the prevention of turbulence-related injuries, case studies on duty limitations, and the response to abnormal cabin conditions together with group drills. Through institutionalized training and scenario-based exercises, it reduces the risk of personnel injury and fatigue and enhanced crew members' ability to conduct coordinated operations in a high-pressure environment, thereby ensuring the safety of flight operations and implementing the commitment to employee health management and sustainable operations.

③Alcohol and Drug Management

CAL has established strict regulations and test procedures to prohibit the use of alcohol and drugs. This includes alcoholic beverages and food containing alcohol, as well as narcotic drugs or other drugs that may affect the normal performance of employees. CAL flight crews are not allowed to drink alcoholic beverages 12 hours prior to a flight. Since April 10, 2017, CAL has conducted alcohol test for all flight crew of forward cabin on flights departing from Taiwan to maintain the highest standards.

④Improved Communication and Crew Services

To improve communication with crew members and cohesion between them, CAL organizes all types of meetings when appropriate and provides care for crew members of unpaid leave and inquire about their physical and mental recovery conditions on a regular basis. Through various channels including the Company's group email and instant messaging software, we provide quick response and resolve their problems and needs during flight duty period. Through improved communication, we hope to provide a comfortable and secure work environment for all crew members.

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 period 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 that passengers can arrive safely and on time at their destinations according to the flight plans, CAL System Operation Control Division monitors all flight-related operations, monitors all flights and site operations in real time, and monitors the positions of aircraft in the air. In the event of abnormal flight operations, it gathers all necessary information and formulates response plans in coordination with flight crew to ensure the safety of the flight and passengers.

To ensure smooth flight operations and flight safety, CAL System Operation Control Division monitors real-time flight operations around the clock. It sets up designated seats for different operations and it uses communication tools to ensure real-time monitoring and 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). The main seats in the Control Center include:

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	Repair management seat: Monitors flight maintenance status of aircraft
Flight status monitoring seat	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

Each seat continues to effectively operate and meet on-time rate and safe operation needs.

System Operation Control Division also continues to use various software and hardware for monitoring and control to enhance the decision-making abilities of the Control Center. For instance, we obtain information on flight movements by connecting to the domestic and international airports' Airport Collaborative Decision Making (A-CDM) system, and we connect to aircraft tracking systems to verify the positions of aircraft in the air. We also use TPE Airport CCTV system to assist smooth inbound/outbound operations, and we use the weather monitoring software WNI to monitor hazardous weather at each airport to help aircraft avoid hazardous weather periods at airports and help pilots avoid hazardous flight airspaces to reduce risks in flight operations.

Disruptions are primarily attributable to weather conditions, airport operational constraints, airspace restrictions, and geopolitics. The Company continues to mitigate the impact of abnormal incidents on flights and passenger services through real-time dispatch and risk control mechanisms.

① Climate risk management: In 2025, multiple typhoons caused varying degrees of disruption to flight operations. The Company, through pre-event contingency planning, cross-unit coordination, and dynamic adjustment of flight operations, has effectively mitigated operational impacts and has continued to refine its typhoon emergency response mechanism.

② Strengthening interdepartmental response coordination: Through regular response exercises and operational reviews, the Company integrates the workflows of flight operations, ground

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

services, and customer service units to enhance response efficiency during contingencies, thereby minimizing passenger impact and mitigating the risk of complaints.

③ Response to geopolitical risks: In response to evolving international geopolitics and airspace restrictions, the Company continuously monitors route safety and airport conditions, adjusting flight schedules, routing, and operational strategies as necessary to ensure flight safety and minimize operational risks.

Maintenance Quality

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

① Maintenance Quality

CAL's Maintenance Division holds maintenance organization certificates issued by 11 civil aviation competent authorities, including Taiwan's Civil Aviation Administration (CAA), the U.S. Federal Aviation Administration (FAA), and the European Aviation Safety Agency (EASA), and was planning to obtain a maintenance organization certificate from the Macau Civil Aviation Authority (AACM) in 2026. It is a large-scale, modern airframe maintenance center in Taiwan, featuring maintenance hangars capable of accommodating five wide-body aircraft and one narrow-body aircraft simultaneously for heavy maintenance, a 120,000-pound large engine test cell, and a range of advanced component-repair facilities, enabling it to provide advanced maintenance services for aircraft, engines, and components.

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 355 training courses have been offered, and 3,658 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 April 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: 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

Upgrading the digital platform experience and optimizing reservations and ticket-purchasing experience.

CAL is committed to providing an optimized experience for users of its website and App. The new App went live in November 2025, introducing a redesigned interface and more intuitive workflows, including a personalized homepage, widget functionality, dynamic notifications for check-in, seat selection, and meal selection, quick access to boarding passes and member accounts, quick reservations and ticket purchases, and an illustrated meal-selection experience.

CAL website CAL App

Promoting cabin digitalization and intelligent services, and implemented low-carbon, sustainable operations policies

To support the Company'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 2025, the Company continued to advance the digitalization of cabin operations. Beyond optimizing the application of electronic devices, we also integrated e-books, cabin announcement audio files, and related service information resources to establish a comprehensive and efficient information support environment. At the same time, cabin managers are issued iPads with mobile network functionality, enabling more real-time management, smoother operational workflows, and an overall improvement in cabin operational efficiency.

Furthermore, we actively plan to extend the use of iPads to business-class meal-ordering services. By digitizing the process, we optimize the passenger service experience, strengthen operational accuracy and service efficiency, and deliver a more refined onboard service that was better aligned with contemporary trends.

Aligning with international evaluation benchmarks and enhancing service quality to shape a five-star professional image for the cabin crew

To actualize the corporate vision of "Leading Asia-Pacific, Flying Worldwide," the Cabin Crew Division has established "FLY WITH US" as the 2025 annual theme. Under this strategic framework, the Company is spearheading comprehensive service quality enhancements and readiness for international evaluations, while bolstering the operational capability of crew members to solidify a five-star brand image defined by professionalism, confidence, and hospitality.

By optimizing service details and refining operational standards, we set a consistent service rhythm, enhance the service experience, and make flights more comfortable. We implement a service improvement plan to align with international evaluation indicators and detailed service requirements, using these as verification criteria for service enhancements to strengthen

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

the effectiveness of evaluation preparedness. We combine internal training with awareness campaigns, implement a phased approach to advance the service enhancement key point, ensure consistency of service standards, and improve competitiveness.

In 2025, focus remained on four major service targets, with concrete actions demonstrating progress toward international service standards:

- Implementing Duty Zone Accountability — Cabin crew are expected to respond promptly to passenger needs, proactively assist in resolving issues, and ensure consistent service quality.
- Enhancing of PBC/BC Service — Emphasis is placed on service attitude and professional knowledge to deliver a refined and attentive premium cabin experience.
- Greeting VIP/High-Ranking Passengers — 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 Elderly, Children, and Pregnant Passengers — Special attention is given to passengers with specific needs, offering timely assistance to further enhance the Company's brand competitiveness and image.

Through the deepening and implementation of the aforementioned service target, the Company continues to enhance its international service standards and sought to advance toward a five-star airline brand image.

Strengthening workforce resilience and professional development, and building a sustainable service talent pipeline

As global routes gradually recover and the company fleet continue to expand, CAL actively recruits and trains cabin crew personnel in recent years to ensure that both operational requirements and service quality are met. In the competitive environment following the easing of the pandemic, outstanding cabin crew has become the key talent sought by the industry. The Company, adhering to the principle that "talent is the core force enabling a brand to soar," actively promotes various recruitment and training strategy initiatives.

In addition to externally recruiting new talent, the Cabin Crew Division also emphasizes internal promotion and leadership development. In November 2025, it conducted a cabin manager selection and ultimately selected 48 candidates. Newly appointed cabin managers are required to undergo intensive training focused on strengthening management competencies and service leadership. Candidates must successfully pass rigorous assessments to obtain formal management qualifications, ensuring that every flight is supported by robust cabin management capacity. This initiative establishes clear career development pathways for employees, thereby enhancing overall talent retention.

With respect to maintaining team members' professional competencies, in 2025 position suitability management was continuously strengthened, and annual regulatory training was fully implemented. During the year, 198 in-service crew competency-maintenance training classes (annual recurrent training) were conducted, with a total of 3,154 participants. The service recurrent training was delivered under the theme "FLY WITH US"; through discussion and practical exercises, service skills were deepened. A cumulative total of 119 classes were completed.

To enhance workforce flexibility and operational efficiency, we also conduct initial training for newly recruited crew members, business class training, and In-Charge cabin crew training for cabin managers. In 2025, a total of five domestic and three foreign new-crew training cohorts were completed, totaling 173 new employees (including 112 domestic and 61 foreign crew members). In addition, 448 crew members passed certification in comprehensive cabin training.

Through a solid and comprehensive training system and talent development framework, we not only strengthen organizational operational resilience and management effectiveness but also seek to translate professional training outcomes into an outstanding passenger service experience, which further enhance passenger satisfaction and brand loyalty and lay a solid foundation for sustainable service quality.

Establishing a dedicated Customer Service Section to enhance service governance and passenger satisfaction.

To strengthen cabin service quality management and enhance customer satisfaction, the Cabin Crew Management Department officially established a dedicated Customer Service System (CSS) Task Force in 2025. This specialized unit employs a centralized and institutionalized approach to manage cabin service-related grievances, establishing a consistent and professional mechanism for continuous service improvement.

The core task of the Customer Service Section is to receive and assess passenger-reported cases, maintaining a clear distinction between "Cabin Crew Service Complaint" and "Non-Crew Responsibility" to ensure consistency in the determination of accountability. Upon conclusion of an investigation, the unit promptly notifies relevant departments to initiate behavioral counseling and implement necessary corrective measures. This initiative not only enhanced the professionalism of customer-complaint handling, but also facilitated the organization's more systematic management of service quality.

The Customer Service Section focuses on improving the entire cabin service process. Through in-depth analysis of pain points in the passenger experience, it proposes specific and actionable improvement recommendations and advances the implementation of the passenger-oriented approach as a core value in the Company's sustainability efforts. By standardizing operating procedures and implementing a consistent response workflow, the Customer Service Section team effectively improves the efficiency and accuracy of handling customer complaints, while also strengthening the brand's credibility in service.

Integrating passenger transport aircraft resources of CAL Group

In 2025, Mandarin Airlines successively introduced two new ATR aircraft. During the ferry flight of aircraft B-16865 from the ATR Delivery Center in France, the aircraft operated using Sustainable Aviation Fuel (SAF) blended with biofuel content, marking the first use of SAF by a domestic airline on regional routes. Both newly delivered ATR aircraft are equipped with upgraded PW127XT-M engines, offering enhanced efficiency, fuel savings, and lower carbon emissions. These advanced engines are expected to reduce fuel consumption by at least 3% and significantly lower carbon dioxide emissions, demonstrating Mandarin Airlines' strong commitment to environmental protection and carbon reduction while providing higher quality and more convenient services on domestic routes. Leveraging the CAL Group's integrated fleet resources, the Company provides extensive seat capacity across domestic and outlying

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

island routes, effectively meeting passenger demand for homecoming and tourism travel.

To enhance the comprehensiveness of air network services to outlying islands, Mandarin Airlines successfully launched the inaugural scheduled flight on the Kaohsiung–Nangan route on June 6, 2025. This new service significantly reduces travel time between the outlying islands and the main island for local residents, while also narrowing the distance for tourists traveling between Kaohsiung and Matsu, thereby promoting tourism development in both regions. After more than two decades of suspension, the Kaohsiung–Matsu route was successfully reinstated through the concerted efforts of various parties. A celebration ceremony was held at Nangan Airport on the day of the inaugural flight. Upon arrival, the aircraft was welcomed with a water salute ceremony. Distinguished guests, including the President of Mandarin Airlines, the Magistrate of Lienchiang County, 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.

Expanding participation in public welfare and strengthened industry-academia collaboration, deepening the educational influence on society

To fulfill Corporate Social Responsibility and demonstrate the Cabin Crew Division's proactive efforts in sustainable development, the Division continues this year to leverage its departmental expertise and, through a variety of formats, expands the influence of public welfare education. During the year, a total of 33 sessions were assigned to instructors with both teaching and practical experience, who were invited to provide instruction at various industry organizations. The content covered service philosophy, reception etiquette, and customer care topic, promoting cross-industry exchange and further enhancing the overall service culture of society.

In addition, CAL actively hosted visits from corporate groups and higher education institutions, totaling 59 occasions. Through guided tours of the CAL Museum and hands-on experiences at training facilities, CAL demonstrates professional expertise in airline services, assists students in broadening their understanding of the aviation industry and in exploring career paths, and strengthens the effectiveness of industry–academia exchanges.

Also, the Cabin Crew Division collaborated with the Grand Hyatt Hotel to host the “Little Cabin Crew Experience Camp.” Utilizing an edutainment-based approach to promote aviation knowledge and the spirit of service, the initiative enabled children to cultivate positive values through immersive and interactive experiences. This initiative not only enhanced the Company's visibility in the field of public-welfare education, but also deepened CAL's sustainable influence in society through its engagement in social care and talent cultivation.

Flight Punctuality

In 2025, the Company operated a total of 63,950 passenger flights, of which 63,403 were passenger-carrying flights, representing a 1.76% increase compared with the same period in 2024, indicating steady growth in overall passenger demand. The overall route on-time rate averaged 84.80%, a slight fluctuation compared with the same period last year (84.96%), primarily attributable to congestion on certain route segments and to the ground operations environment. Regarding cargo flights, a total of 15,573 flights were operated during the year, representing a 13.8% increase compared with the same period in 2024, reflecting a recovery in global air cargo demand. The overall on-time rate was 80.97%, a slight improvement from the same period last year (80.83%), and operational efficiency continued to be optimized.

In addition, according to statistics from the Civil Aviation Administration, the 15-minute on-time rate for flights departing from Taiwan operated by the Company was 80.06%. Overall market performance still has room for improvement. Going forward, we will continue to enhance flight on-time performance and overall service quality through measures such as advance flight planning, strengthening coordination mechanisms for transfers and ground operations, and increasing flexibility in network scheduling.

The Company continuously improves its flight on-time rate management mechanism and, through cross-unit coordination and operational optimization, strengthens overall operational stability. The main measures are as follows:

① **Establishing a regular review and improvement mechanism**: Through daily and periodic review meetings, we analyze the causes of flight delays, jointly develop improvement plans with relevant units, and continuously monitor implementation to enhance overall on-time performance.

② **Optimizing transfer operation processes**: By streamlining processes for transfer passengers and baggage operations and strengthening coordination mechanisms at “key hubs,” we enhance transfer efficiency and mitigates negative impacts on flight punctuality.

③ **Implementing key flight management initiatives**: we apply project management to high-impact flights, strengthening departure and arrival monitoring along with real-time dispatch capabilities to ensure the operational stability of critical flights.

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.

Touching Every Moment

In alignment with the “Brand Awareness” pillar of our sustainability strategy, the core of the CAL brand is rooted in “Empathy from the Passenger’s Perspective.” This ensures that resources are precisely allocated to key areas that create passenger resonance and brand premium, elevating products and services from “compliance standards” to “touching every moment.” Our goal is to fulfill our service commitments through concrete actions and enhance

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

customer experience. From in-flight Wi-Fi and audiovisual entertainment to gourmet dining, we continuously refine every detail of the service experience. Specifically, the Fantasy Sky Wireless In-flight Entertainment system has been introduced on the 737-800 and A330-300 fleets, allowing passengers to enjoy streaming movies, TV, and music on their personal electronic devices. Furthermore, in-flight Wi-Fi is now available across all routes and cabin classes for our three major aircraft types—777, A350, and A321neo—providing unlimited web browsing or text messaging to achieve a seamless in-flight connectivity experience. In addition to providing an audio-visual feast, CAL also works to create memorable gustatory experiences. Passengers are able to enjoy on different routes, co-branded signature menus developed with Michelin-starred restaurants and well-known brands, as well as exclusively developed, in-flight-only specialty desserts and beverages. CAL also partners with a internationally renowned anime IP (Intellectual Property) to introduce novel creative touches, using special aircraft liveries and specially designed onboard amenities to create a unique in-flight journey for every passenger, continuously fulfilling CAL's mission of "Creating more wonderful moments through flying."

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.

We uphold the principles of integrity and accountability to convey CAL's commitment to providing customers with a great travel experience and promoting sustainability. CAL is decorated with international recognitions, having been named "Best Airline in North Asia" by Global Traveler for six consecutive years and awarded the "Five Star Global Airline" honor by the Airline Passenger Experience Association (APEX) for ten consecutive years.

Consistency Across Fleet Products and Enhancement of Cabin Product Competitiveness

1 Passengers are able to connect their personal electronic devices to the onboard In-Flight Wireless Entertainment system on A330-300, 737-800 and A321neo (32C) aircraft, enabling them to enjoy multimedia streaming services while airborne.

2 To enhance cross-fleet product consistency and the competitiveness of its cabin products, China Airlines has initiated an upgrade of the A350-900 cabin facilities. The suite of upgrades covering seating in all classes, along with personal In-Flight Entertainment system, will enhance the competitiveness of China Airlines through a more comfortable traveler experience and high-quality service.

Advancing Sustainable Flight with a New Fleet, Delivering Top-Quality In-Flight Service

China Airlines continues to implement its fleet renewal program, strategically positioning itself in the global passenger and cargo market. In 2024, the airline introduced one A350-900 leased aircraft, four A321neo passenger aircraft, and two 777F cargo Aircraft. In 2025, in addition to continuing the introduction of A321neo passenger aircraft, China Airlines will welcome a new fleet of Boeing 787 aircraft. This move, leveraging a fleet that is both innovative and youthful, will enhance its ability to provide superior passenger and cargo transportation services. Additionally, the Company currently operates ten 737-800 passenger aircraft, with an average fleet age of 9.5 years. In alignment with the introduction of the A321neo, these aircraft are expected to be gradually phased out by 2028.

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.

Customer Health and Safety and Sustainability

In-flight Catering Food Safety

CAL places the utmost importance on the food safety of in-flight catering. To ensure the "safety and health" of its passengers, CAL rigorously requires that catering providers comply with international aviation food safety and hygiene standards and maintain comprehensive safety management systems. All processes—from raw material procurement, food preparation, meal storage to transportation—must be conducted under strictly controlled temperature conditions as per standard regulations. Each operational stage is mandated to meet established hygiene and safety standards, with incoming food products and materials subject to laboratory testing and microbiological sampling. In addition, the Company conducts unscheduled audits of catering facilities to verify compliance with food safety standards. Any non-conformities identified are subject to mandatory corrective actions within a specified timeframe, or penalties are imposed in accordance with contractual agreements. To reinforce a comprehensive understanding of food safety, all internal personnel are required to undergo training programs in HACCP and other relevant food safety education courses. These efforts ensure the consistent application and deepening of the principle that food safety is paramount, thereby safeguarding the quality of meals provided to passengers.

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Examples of International Certifications for In-flight Catering

HACCP | ISO 22000 | 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 worldwide branch offices
- CAL implements a maintenance plan for potable water facilities according to the manufacturer manual

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

CAL serves as a benchmark for ESG-driven sustainable development within the global aviation industry. The planning and design of its in-flight catering services are aligned with the principles of "Responsible Consumption and Production," focusing on green energy, carbon reduction, and local procurement to contribute to "Decent Work and Economic Growth," in alignment with the United Nations Sustainable Development Goals (SDGs). Upholding the spirit of "sustainability, environmental responsibility, and locality," CAL actively promotes low-carbon dining and a zero food waste culture onboard. Guided by eco-friendly and health-conscious principles, the airline prioritizes the selection of Taiwanese local ingredients with traceability systems and international certifications for beverages, snacks, breads, and main courses. Furthermore, CAL actively engages in cross-industry collaborations with local food service providers who share the same sustainability values, thereby supporting local industries and fostering a shared path toward sustainable development.

China Airlines In-flight Dining Experience

CAL x Little Tree Food: Exclusive Creative Vegetarian Cuisine at Altitude

CAL continues to integrate the concept of sustainability into in-flight catering, actively promoting vegetarian cuisine, and also sought to enhance and meet the in-flight vegetarian dining needs and diversified services of travelers from different cultures around the world. Starting October 1, 2025, in collaboration with Michelin Green Star and Bib Gourmand-recommended restaurant "Little Tree Food," we launched a new co-branded ovo-lacto vegetarian meal.

Passengers traveling on transpacific routes and all routes departing from Taoyuan may choose either the Western-style breakfast or the vegetarian special meal jointly launched by CAL and "Little Tree Food." Through in-flight catering services, vegetarian options are extended to more passengers' everyday experiences.

"Little Tree Food" has long been dedicated to enhancing the acceptance and accessibility of plant-based diets, emphasizing healthy and delicious cuisine while caring for both body and mind with high-quality ingredients. Its brand philosophy is aligned with CAL's commitment to sustainability and its original intention of placing importance on passengers' dining experience. It hopes to convey this lifestyle attitude and sincerity to more passengers and to jointly put sustainable dining into practice.

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

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

Since 2022, CAL has continued its collaboration with the Michelin Green Star-certified Yang Ming Spring, a premier plant-based dining brand, to design a selection of pure plant-based in-flight meals across all cabin classes. The Yang Ming Spring team adheres to a strict selection of natural, locally sourced ingredients and presented a vegan menu through a variety of cooking methods. It also incorporates sustainability principles and local culture promotion into the snacks served in Premium Economy Class and Economy Class. In the fourth quarter of 2025, it launched a fully vegan cookie, "Fleur de Sel Pastry," for the first time. This handmade, traditional Taiwanese snack uses Rejoyce organic whole wheat flour for the crust, retaining the germ and bran and providing dietary fiber and a nutty aroma. It followed the principles of no pesticides, no herbicides, no chemical fertilizers, and no bird trapping or poisoning, thereby ensuring the purity of the ingredients. Slow-baked to release a rich wheat aroma, the biscuit is topped with France's delicate fleur de sel, creating layers of subtle savory notes and the sweetness of low-glycemic coconut sugar; every bite reflects the delicacy and purity of traditional craftsmanship. It not only takes health into account, but also provides passengers with an impressive and satisfying pure in-flight dining experience.

Business Class Welcome Cold-Pressed Juice

CAL maintains its strategic partnership with "Natural Benefits Cold Pressed Juice" for its Business Class welcome beverages. By incorporating strictly selected seasonal produce and implementing a rotation of flavor profiles, we provide passengers with a natural and refreshing culinary experience

"Natural Benefits Cold Pressed Juice" operates with environmental friendliness at its core. By utilizing streamlined, low-impact processing techniques, the brand preserves the natural integrity and authentic flavor profiles of its ingredients while effectively shortening the distance from farm to table.

This collaboration not only put the spirit of sustainability into practice through concrete actions, but also manifested CAL's sustainable vision of supporting the "import-to-local" transition of agricultural products and deepening local ties.

Premium Business Class/Business Class Assorted Fiber-Rich Fruits

CAL continuously offers Clean Label certified mixed fiber fruits in Business Class, featuring the TIC Clean international label. The mix includes crunchy cashew and almond nuts that are gently baked at low temperatures, non-fried, and naturally unsweetened, paired with pumpkin seeds, cranberries, and raisins. It is a flavorful, aromatic snack that is both nutritious and health-conscious, allowing passengers to enjoy a naturally delicious and wholesome treat with no added burden.

In-flight catering is a vital component of cabin services, and China Airlines continuously strives to enhance its offerings through more environmentally friendly and sustainability-driven practices, delivering a superior catering services for passengers. In order to avoid leftover food and reduce in-flight meal waste, in addition to compiling statistics on meal orders at each station and monitoring meal wastage, we also actively promote and optimized the online preselection service for in-flight meals. Through emails, SMS, and app notifications, Premium Business Class/ Business Class and Premium Economy Class passengers are reminded to complete their meal pre-selection before flight departure. Furthermore, CAL actively optimizes the meal selection interfaces on the China Airlines website and app and provides meal photo previews, guiding passengers to choose in-flight delicacies based on their preferences. Additionally, to satisfy diverse dietary requirements due to religious beliefs or health factors, 20 types of special meals are currently provided for passengers of all cabin classes to pre-order, offering passengers thoughtful, meticulous, and convenient pre-flight services. During in-flight catering services, printed Premium Business Class/Business Class menus are produced using eco-friendly soy-based ink and FSC-certified recyclable paper, while digital menus are available onboard B777, A359, and A321neo aircraft, allowing passengers in all classes to browse detailed meal information. These initiatives not only enhance the in-flight dining experience but also reinforce CAL's commitment to environmental protection and sustainable development.

Innovative Services

In 2025, CAL introduced a number of innovations and employee training programs to passenger services to improve service quality; in addition, CAL continuously studied sustainable practices in order to maintain customer service to the highest standards and stay in a leading position in the aviation industry; relevant achievements are listed below:

① Outcomes of the "Priority Boarding for Military Personnel" Program

CAL has long been committed to corporate social responsibility. Beginning on Armed Forces Day 2025, it launched the "Priority Boarding for Military Personnel" program, which covers Taiwan's major airports like Songshan, Taoyuan, and Kaohsiung. Ground Services Division would assign dedicated personnel to plan the project timeline for priority boarding of active-duty military personnel, and redrafted broadcast scripts and distributed them to each airport to ensure the Company's service quality remain consistent. On Armed Forces Day, military personnel enjoy priority boarding privileges. We also provide complimentary upgrades for

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

service members and priority boarding for their dependents. These courtesies have been widely acclaimed by passengers and the broader community. This program demonstrates CAL's respect for military members, and further strengthens the Company's positive connections with society, thereby fulfilling the mission "Create more wonderful moments through flying."

② Promotion and Service Optimization of the AirTag Luggage-Tracking Application

To enhance passengers' confidence in baggage security and the transparency of related information, CAL officially joined the Apple AirTag data-sharing program in 2025. We are one of the first airlines in the Asia-Pacific region to introduce this feature. Passengers may use the built-in "Find My" feature on Apple devices to monitor the real-time location of their baggage and, when necessary, take proactive steps to generate a "Share Item Location" link to share that information with the Company via the website or the service desk, thereby facilitating the expedited recovery of delayed or lost baggage. The service complements CAL's existing baggage-tracking system, offers more intelligent baggage-management options, and optimizes passengers' overall flight experience.

③ Deployment and Effectiveness of the "Tibi" AI Assistant System

Ground Services Division introduced an AI-assisted system Tibi in 2025. The system integrates the detailed contents of the Passenger Services Manual (PSM) and provides frontline employees with rapid and accurate operational query guidance, which helps improve on-site responsiveness, reduces the risk of human interpretation errors, and effectively shortens the time required to consult paper-based procedures. During the testing phase, various operational sites were invited to participate in trials. The feedback received was consistently positive, demonstrating the practicality and scalability of the initiative. In addition, Tibi further reduces redundant processes and enhances overall service efficiency and consistency by decreasing paper-based inquiries, lowering the need for back-and-forth communications, and shortening wait times. The introduction of this AI tool not only optimizes internal operational processes, but also embodies the continued commitment of the Company to pursuing excellence and improving service quality.

④ Strengthening communication and employee care to cultivate a cohesive, mission-focused service team.

In 2025, the Cabin Crew Division continued to promote company-wide communication and the deepening of service culture. Following the model established in previous years, it hosted a total of 46 “Work Seminars” via video conferencing, engaging 672 participants, and convened 113 “Cabin Management Meetings” with a total attendance of 1,374 participants. Through regular, institutionalized communication mechanisms, all team members fully understand the importance of the annual service target and become familiar with the relevant standard operating procedures. By incorporating thematic guidance and small group interactions within meetings, the Company strengthens the sense of identity with the service mission among crew members, while fostering team morale through the exchange of care and empathy. Crew members are also encouraged to independently consider ways to deliver thoughtful, prestigious, and customized services, further enhancing the passenger experience and shaping a professional service brand identity unique to China Airlines.

In addition, three Cabin Crew Division ground staff Town Hall Meetings were held in the year, demonstrating management's proactive care of and support for employee welfare. During the meeting, in addition to providing timely assistance to colleagues' needs, diversified channels for emotional expression and feedback have been established, and human-centered needs are brought into management considerations to enhance employee well-being and satisfaction. This measure not only strengthens team cohesion and helps stabilize service quality, but also enhances the Company's overall competitiveness and propels the organization toward more exemplary sustainable development.

⑤ Optimizing uniform policies through human-centered design to create a healthy and employee-friendly work experience.

As society places greater emphasis on workplace friendliness and gender equality, the airline industry's uniform policies for crew have been progressively adjusted toward greater flexibility and a more human-centered approach. CAL, in adherence to the principles of safeguarding employee health and creating a supportive workplace, continuously reviews and adjusts cabin crew uniform standards to better align with operational duty requirements while maintaining a professional appearance.

Beginning in 2025, CAL began permitting female flight attendants to wear pants while on duty, providing crew members with a more comfortable and mobile uniform option and demonstrating support for a gender-friendly and diverse workplace. On December 4 of the same year, the Company authorized all cabin crew to wear framed eyeglasses while on duty, given the frames are simple and single-color (black or brown) with clear lenses, in order to both protect vision and uphold a professional image. This adjustment has substantially improved crew members' comfort and operational efficiency during long-haul flights.

In addition, at the end of 2025 the Company resolved to permit crew members to wear black athletic shoes while on duty onboard aircraft effective January 1, 2026. Athletic shoes provide superior support, effectively reducing the burdens associated with prolonged standing and walking, and lowered the risk of work-related injury.

Through optimization of the uniform policy, crew members are better able to concentrate on service during duty and experienced improved health and well-being. We also receive passenger understanding and support by demonstrating CAL’s ongoing commitment to a people-centered, safe, and modern service image.

⑥ Improving workplace facilities to foster a safe and comfortable work environment.

To provide air service crew members with a higher-quality, more welcoming work environment and to implement CAL's sustainable development principles, the Cabin Crew Division has, beginning in 2024, progressively implemented multiple renovation projects at CAL Park and Songshan Office. These programs aim to comprehensively enhance the functionality, comfort, and safety of operational spaces, while addressing the practical needs of crew members and creating a workplace environment consistent with modern air service operations.

The refurbishment project for the CAL Park Cabin Crew Division's on-call lounge and mission briefing room commenced on December 27, 2024, and was successfully completed on May 18, 2025. The new space is designed using CAL’s color palette for a cohesive aesthetic. It features a bright, open lobby, comfortable reading and rest areas, and computer workstations that provide charging and information-access capabilities. Crew operational flows have been reconfigured, and the standards for briefing room space and equipment have been unified. Furthermore, by relocating the crew service counter directly opposite the briefing room, the company has streamlined daily administrative processes, ensuring greater convenience and operational efficiency.

Content

Preface

01 Sustainability Management

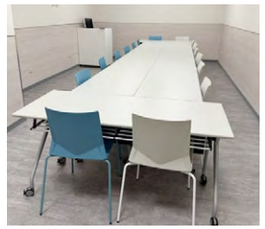
02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

CAL Park Environment Improvement Project

On-call lobby


Briefing room

Remote dispatch counter

Women's changing room

Pantry

Crew service counter

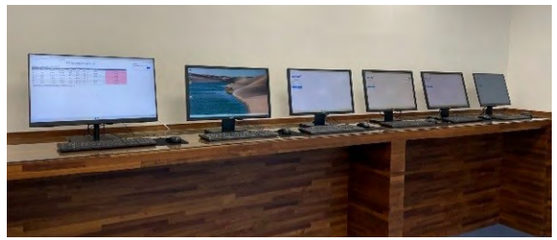
Renovation of the Cabin Crew On-Call Area at the Songshan Office

On-call room

Briefing room

Changing room

Personal computer area


Self-service check-in area

2.1.3 Cargo Services

Cargo Service Momentum

In 2025, the air transport market continued to demonstrate strong resilience and growth momentum. In H1, driven by anticipation of US tariff policies, businesses shifted shipments from ocean to air and frontloaded inventory, boosting overall market volumes. In H2, rapid AI industry growth significantly lifted shipments of AI servers and server racks, further driving air freight demand. Demand remained stable for high-value and time-sensitive commodities, which are the mainstay of air cargo, including semiconductor equipment, biopharmaceuticals, fresh produce, and automotive parts. The Company continued to leverage the operational synergies of its two cargo aircraft types, optimizing their respective advantages based on market characteristics. Through the ongoing introduction of 777F aircraft alongside the efficient utilization of existing 744F, aircraft utilization rates and fuel efficiency have been effectively improved. The 777F delivers superior fuel efficiency, with significant fuel-saving performance on long-haul routes. Conversely, the 744F features a high payload capacity and possesses an irreplaceable advantage in regional cargo consolidation and the transport of special cargo, such as oversized or over-length shipments that necessitate nose-loading. This dual-fleet strategy of 777F and 744F aircraft facilitates cargo diversification. The Company will flexibly deploy different freighter types based on the operational status of various stations and elastically allocate capacity to maximize overall fleet efficiency. These efforts reinforce the Company's role as an Asia-Pacific cargo transshipment hub and maintain its leading position among national carriers.

In recent years, the Company has actively expanded its carriage of high-value cargo, including cold chain shipments and aviation parts and engines. In 2025, temperature-controlled container volume reached 2,677 units, representing a 3-year CAGR of 11.21%. In addition to contributing to revenue growth, this achievement demonstrates CAL's strict quality management and air cargo service excellence, reaching international standards in the transportation of time- and temperature-sensitive pharmaceuticals and vaccines.

Ramp Loading and Unloading Operations

Moreover, as the aviation industry recovers post-pandemic, the expansion of passenger aircraft fleets has driven increasing demand for maintenance aviation parts. In 2025, the Company transported 800 aircraft engines, reflecting strong customer trust and recognition of China Airlines' expertise and professionalism in handling special cargo.

Content

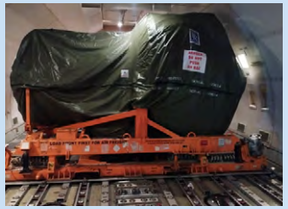
Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix



Special Cargo (Engine) Transportation

Specialized Cargo Transportation (Overlength Cargo)

Cold-chain Transportation

Quality Cargo Service

According to the 2024 global ranking for international revenue freight tonne-kilometres (FRTK), we are ranked 15th worldwide and the highest-ranked domestic carrier. The Company has continued to renew the Cargo Aircraft fleet by phasing out older aircraft and introducing newer ones, and has flexibly optimized the cargo fleet route network in response to market trends and operational requirements. CAL is scheduled to take delivery of four 777F aircraft in 2027, bringing its 777F fleet size to 14. Concurrently, four long-serving 747-400F freighters will be phased out, further enhancing overall fleet efficiency and operational stability. Meanwhile, as new passenger aircraft are delivered and the network recovers, belly capacity continues to grow, the Company will continue to optimize its cargo fleet capacity and strategically plan its cargo operations based on market conditions. By fully leveraging the complementary advantages of its dual-aircraft types to enhance overall operational efficiency and profitability, the Company is committed to fully developing global cargo business opportunities.

Diversified Delivery Services

① Continuous Development of Special Cargo Service

CAL Cargo ranks first among domestic carriers. We have a wealth of experience in carrying general goods, precision instruments, large equipment, and other special goods. In order to keep up with the rapid development and customized service needs of the industry, the cargo team relies on experience and professionalism to continuously develop, optimize, supervise, and review special cargo space, based on the premise of safe operation. For example, the development of new aircraft engine loading methods has enhanced the capacity for diverse cargo types and long-haul transportation. The dedicated unit continues to monitor development and strengthens the contracting of special high-priced goods. For example, all series of Rolls-Royce Trent engines are now all transported Boeing 777 cargo aircraft. **Through continuous optimization and improvement of soft power and the introduction of the next-generation Boeing 777 high-efficiency cargo aircraft, CAL has grown steadily while balancing service quality, energy conservation and flight safety. CAL's cargo transport has played an indispensable role in international transportation.**

Ramp Operations

Transportation of Live Animals (Dogs)

Temperature-controlled Containers

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 was again granted an IATA certification extension in October 2025. We 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-pandemic era.

③ Embargo on Illegal Animals and Plants

CAL supports IATA and UN's Sustainable Development Goals by signing the Buckingham Palace Declaration. CAL has also taken the following four concrete actions to fight against illegal wildlife trade and achieve environmental and ecological sustainability including "expression and demonstration of agreement to tackle the illegal wildlife trade," "information sharing and detection," "practical measures to stop the transportation," and "new mechanisms tackling illegal wildlife trade."

Professional Team's Commitment to Safety

① Cargo Safety Management

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

② Professional Training

CAL organizes professional training courses, including dangerous goods regulations initial training / recurrent retraining, live animal and temperature-controlled cargo and pharma handling training, and load control training on a regular basis to improve service quality and ensure that goods are carefully managed and professionally handled throughout the transportation process. In 2025, cargo dangerous goods training courses achieved the transition from traditional printed materials to electronic courseware, achieving both improved learning efficiency and the goal of paperless operations. To transport special goods, CAL has

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

also trained professional handlers and formulated operational regulations to provide safe and professional transportation services. As border restrictions are relaxed, the Company will organize more in-person courses to provide training for employees and agents across the world and improve the quality of services.

③ Authorized Economic Operator (AEO)

Being an authorized economic operator (AEO) helps CAL stay competitive in expanding business in the international trade supply chain and to cooperate with trading partners After obtaining AEO certification in 2012, CAL has conducted annual self-assessments based on security review items and verification standards, and has applied to Customs for on-site validation audits every three years. At the end of 2023, customs officers from Taipei Customs, Customs Administration, conducted the triennial on-site validation at the Company. In early January 2024, the Company was officially notified of having successfully passed the audit and the continuation of its AEO certification. In August 2025, the Cargo Services & Logistics Division convened the Management Committee—comprising representatives from the Cargo Services & Logistics Division, Corporate Safety Office, Human Resources Division, Information Management Division, Administration Division, Cargo Sales & Service, Taiwan, Engineering Division, and Service Quality Division—to execute the 2025 Corporate Self-Assessment. The findings were subsequently submitted to the Customs Administration for formal verification and audit.

A Ramp Supervisor Uses a PDA for Ramp Monitoring Operations

2025 AEO Management Review Meeting

Highly Efficient Transport Process

① Expanding sales channels through digital integration.

In 2025, CAL cargo completed the integration of its core system with internationally recognized sales platforms, including WebCargo and Cargo.one. This enables real-time integration of flight information, freight rates, and booking information, expands market reach, simplifies the customer reservations process, and improves employee work efficiency. We will further strengthen big data and dynamic fare analysis by integrating standardized data structures with cloud analytics capabilities. We will record customer habits to deliver personalized services, more accurately track market fare fluctuations, and reinforce revenue management and market penetration, while enhancing the warmth of the service experience.

② Ramp Mobility

Through wireless transmission, all cargo information and loading statuses are instantly transmitted to mobile devices for users to monitor cargo status after palletized from the warehouse and whole loading and unloading operations. It prevents errors and omissions in the loading of pallets and containers in aircraft. By using Personal Digital Assistant (PDA) as a channel of communication with GHAs, CAL has reduced the idle time of ramp supervisors and improved cargo agents' productivity.

③ Service quality is comprehensively enhanced through digitalization, transparency, and alignment with international standards.

To promote the digitization and transparency of CAL cargo operational processes and to achieve a low-carbon transition and sustainable operation, CAL not only continues to promote eAWB operations to reduce paper documentation, but also enhances the accuracy and efficiency of customs clearance and electronic security screening through real-time connectivity. Beginning in 2026, we start planning to deploy IoT devices for container tracking to enhance the transparency of cargo transportation. Moreover, we actively participate in the Taoyuan Airport Information Integration Platform Project. In addition to supporting implementation of the IATA ONE Record standard, we further enhances supply chain information-sharing capabilities through international standardization, helping upstream and downstream customers reduce carbon emissions, demonstrating our shared responsibility for the green supply chain, and comprehensively upgrading service quality.

2.1.4 Customer Relations Management

Passenger Service Customer Satisfaction

To continuously enhance passengers' overall travel experience, CAL conducted a passenger satisfaction survey and systematically collected passengers' satisfaction with service quality and their willingness to recommend, using the findings as an important basis for service improvement. By periodically analyzing survey results, we are able to identify passengers' key points of concern and continuously improve various service processes to enhance passenger satisfaction and brand loyalty.

We send monthly proactive invitations to participate in online surveys to members and to non-member passengers who have provided an email address. We also place a survey access point on the CAL website's homepage for all passengers to submit feedback, in order to comprehensively collect passengers' feedback on their perceptions of the Company's services. The total passenger volume in 2025 was 11,419,585, and calculated on the statistical principle basis, the estimated minimum required sample size is approximately 16,000 to 17,000. More than 400,000 valid questionnaires were collected, which is significantly higher than the sample size threshold, demonstrating that the sample is statistically representative and can effectively serve as a basis for enhancing the overall passenger service experience and satisfaction. Additionally, to ensure service quality, we periodically review the suitability of survey design and methodology and incorporate them into service improvement and management tracking mechanisms.

Content

Preface

01 Sustainability Management

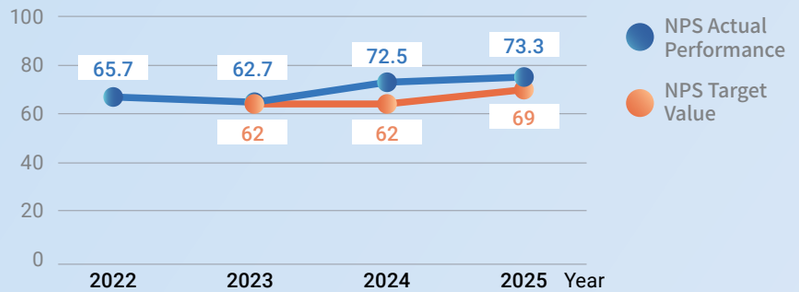
02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

According to the passenger satisfaction survey results from January to December 2025, the Net Promoter Score (NPS) reached 73.3, exceeding the target of 69 and improving from 72.5 in 2024. This demonstrates passengers' strong recognition of CAL's overall service quality.

Looking ahead to 2026, CAL will continue to use the passenger satisfaction survey as an important management tool for service improvement, and has completed the optimization of the survey's overall framework to more accurately collect passengers' service experiences as a basis for strengthening subsequent service improvement. Additionally, the NPS target will be increased from 69 in 2025 to 70.5, as part of ongoing efforts to meet passenger expectations and to deliver a flight experience with greater competitiveness.



Freight 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 2025, the customer satisfaction score reached 89.1. 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 from 89.8 compared to 2024. 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.

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 2025, a total of 20 surveys were collected over the course of the year, and the annual customer satisfaction score was 9.05.

Customer Satisfaction Category	2022	2023	2024	2025	2025 Objectives	2025 Attainment	2026 Target
Passenger Net Promoter Score (NPS)	65.7	62.7	72.5	73.3	69	100%	70.5
Freight Service Customer Satisfaction (points)	89.5	91.6	89.8	89.1	89	100%	89
Maintenance and Repairs Customer Satisfaction (points)	8.24	8.8	9.0	9.05	8.4	100%	8.4

Note 1: 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. AI Customer Service: A generative AI-powered chatbot that supports multiple languages and provides intelligent responses to diverse and complex customer inquiries.
2. Service Hotline
3. Regular Mail
4. Ticketing Offices: Provide in-person assistance, allowing customers to obtain support and service directly from company representatives.
5. 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.
6. Customer Service E-mail:Instead of calling, customers can simply send e-mails to change reservations or confirm their itineraries.
7. Customer Feedback — Online Feedback System
8. Online Customer Satisfaction Survey

CAL continues to implement improvements to website functionality from the passengers' perspective, including the integration of a one-stop itinerary management page, which aims to provide a smoother user experience. This is done while the website homepage features dynamic pricing display, enabling passengers to access real-time fare information at any time. In January 2026, the app underwent a complete redesign, and the members' area was further integrated to improve the convenience of querying mileage information and to create a more intuitive mobile operation flow. The proportion of ticketing through the CAL website steadily increased in 2025. The ratio of sales on the CAL website increased to 36.6% for the year, with a sales amount of USD 1,052 million, which accounted for 37.2%. Refer to the appendix: Online Sales Channels and Sales Amount Table

Customer Feedback

CAL is committed to establishing a comprehensive and diversified mechanism for communicating passenger opinions, providing multiple channels for feedback, including the Service Hotline, official website, customer service mailbox, and written correspondence, and accepting grievances and suggestions referred by external agencies, so as to ensure that passenger opinions were received in a timely manner, handled appropriately, and responded to.

With regard to the complaint handling mechanism, the Company follows the operating procedures of "case acceptance and filing, verification and analysis, response and handling, and continuous improvement." The responsible units conduct cross-departmental verification and passenger opinion analysis, review the relevant operating procedures in light of each case,

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

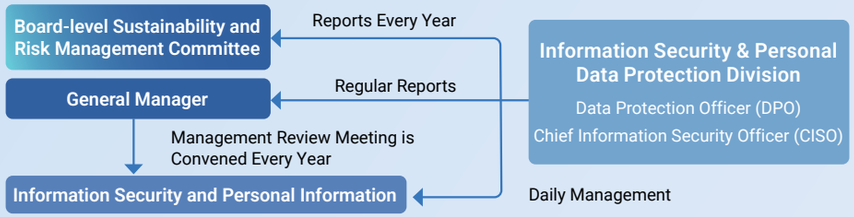
and, depending on the nature of the case, provide necessary explanations, care, or service adjustment measures, so as to balance handling efficiency, a factual basis, and the protection of passenger equity. In addition, CAL also incorporates passenger feedback into the reference basis for service optimization and operational enhancement, and continue to conduct rolling reviews of related processes and systems in order to improve overall service quality.

2.1.5 Information Security Management

CAL considers information security a core issue of corporate sustainable operation and operational resilience and has incorporated it into its overall risk management framework. Senior management regularly oversees the related strategy and execution results. The Company has established a comprehensive Information Security Policy and management regulations, clearly defined the authorities and responsibilities of each unit, and established a dedicated organization to coordinate information security governance, conduct inventories of information assets, and manage incident response operations, in order to ensure that the system operated effectively and was continually improved.

CAL has established the Information Security & Personal Data Protection Division as the dedicated management unit for information security and personal data protection. The Data Protection Officer and the Chief Information Security Officer coordinate the promotion of the Information Security Policy, cross-departmental coordination, and the implementation of related systems, and lead an information security professional team to establish management mechanisms in accordance with international standards. They continuously strengthen overall information protection capabilities to ensure operational stability and to protect stakeholder equity.

Information Security and artificial intelligence Policy



Information Security Governance

1. Information Security Management System

CAL's "Information Security & Personal Data Protection Division" coordinates and plans the Company's information security policies, regulatory compliance, and information security governance measures. Daily information security operations and maintenance and infrastructure protection are executed by the Information Management Division based on the division of responsibilities. The CISO's duties are independent from the information management unit to ensure the objectivity and independence of information security management.

The Company has also established the Information Security & Personal Data Protection Division with the President serving as convener. At least one management review meeting is held every year to assess the adequacy and continued effective operation of information security and related management systems. The Data Protection Officer and the Chief Information Security Officer of the Information Security & Personal Data Protection Division present the implementation status annually to the Sustainability and Risk Management Committee of the Board of Directors to strengthen the oversight mechanism at the highest governance level.

Board member with information security background. Director. Wei, Chien-Hung previously served as a Member of the Financial Cybersecurity Laboratory at the FinTech Innovation and Entrepreneurship Research Center, National Cheng Kung University. He has a background in financial information security and, with experience in telecommunications management and smart transportation, possesses cross-disciplinary capabilities in information security management and digital risk governance.

2. Cyber Security Education and Training

In 2025, all employees completed one session of "Information Security and Personal Data Awareness Training," representing a total of 0.5 training hours. Furthermore, to enhance the information security competencies of departmental liaisons, leverage their roles as "knowledge seeds," and establish them as communication bridges for business operations, a specialized three-hour seminar was conducted. In addition, training on information security management guidelines was also provided to outstation supervisors. To strengthen colleagues' information security awareness of phishing emails, a total of three email social engineering exercises were carried out this year, and retraining were provided to those who clicked on the links. Four information security and personal data promotion e-newsletters were also sent to communicate the Company's requirements on information security and personal data protection to all colleagues. CAL constantly reiterates to colleagues the importance of information security and personal data protection. For violations of regulations of information security or personal data, the Company handles violations 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

The Company organized for information security and personal data awareness training all personnel in July 2025 to increase the information security awareness of all employees. A total of 10,260 attendances completed the training.

2023	34,104 attendances
2024	21,648 attendances
2025	10,260 attendances

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Implementation of international information security standards and enhancement of institutional systems.

CAL continues to adhere to international information security management standards and has set a comprehensive governance system and technical protection framework. After establishing a dedicated information security unit in 2022, we have progressively implemented the ISO 27001 Information Security Management System (ISMS), and extended the scope of certification to include the core passenger transport information systems and the information and communications infrastructure environment. We also strengthen the execution of information security operations and improvement mechanisms across departments and conduct regular internal audit activities to ensure that the various control measures were continuously implemented.

In response to the International Organization for Standardization's announcement of the ISO 27001:2022 revision, the Company completed comprehensive adjustments to its information security management system and strengthened its controls in 2025. Internal operating procedures and information security internal audit operations are also fully conducted in accordance with the ISO 27001:2022 standard. The external information security audit conducted in the same year was completed on site by a third-party certification body, which confirmed that the Company's information security management system complied with the requirements of ISO 27001:2022. The Company obtained the updated compliance certificate in October 2025, laying a solid foundation for subsequent information security governance and legal compliance.

Furthermore, CAL complies with the Payment Card Industry Data Security Standard (PCI DSS) and undergoes biennial compliance audits conducted by an external Qualified Security Assessor (QSA). This ensures a secure transaction environment and safeguards passenger data privacy and interests. The latest PCI DSS compliance certification was successfully completed in November 2024.

Faced with the trend of increasingly complex information security threats, the Company's cyber security operation and maintenance units continue to establish proactive monitoring and real-time protection mechanisms to strengthen information security defense and threat detection capabilities. For example, in 2025 the Company did not incur penalties from competent authorities as a result of information security incidents. Critical information systems remained in normal operation, indicating that the current protective measures contributed to maintaining operational stability.

Resilience of Information Security Protection

1. Regular Assessments and Drills

CAL conducts annual information system risk assessments to classify security requirements based on confidentiality, integrity, availability, and regulatory compliance. Furthermore, we establish business continuity plans for core information systems. In 2025, a Disaster Recovery (DR) and business restoration drill was conducted. This exercise focused on the critical infrastructure and applications essential for operations, ensuring technical proficiency in recovery procedures. These efforts aim to facilitate rapid service restoration and mitigate the impact of business interruptions.

To bolster overall information security defense, CAL conducted two information security inspections in October and December 2025. These inspections involved a comprehensive review of network architecture design and network segmentation strategies, supplemented by expert analysis to provide actionable improvement recommendations and effectively mitigate risks. Furthermore, CAL commissions external third parties annually to perform penetration testing on public-facing information systems. Two rounds of testing were completed in October and December 2025. The scope included information reconnaissance and error handling assessments in accordance with the SANS Top 20 Critical Security Controls and the OWASP Top 10 web application security risks. Each engagement comprised both initial testing and retesting to ensure that all identified vulnerabilities were successfully remediated.

2. Responsible AI and Digital Governance

The Company has implemented a Responsible AI Program, integrating AI-related applications into its existing information security governance framework, internal policies, and information system development and maintenance procedures. In accordance with applicable governance, information security, and internal control requirements, the Company implements relevant technical controls, operational procedures, and supporting measures to ensure appropriate oversight, risk management, and the maintenance of auditable records for AI applications.

As part of the Responsible AI Program, the Company has established access control mechanisms for sensitive AI functionalities. High-sensitivity applications involving facial recognition and surveillance technologies are subject to rigorous evaluation and control in accordance with applicable regulations, information security requirements, and internal management standards. To enhance transparency and traceability, the Company continuously strengthens distinct labeling and explanation mechanisms for AI-generated content and AI-assisted decision outcomes, enabling users to clearly identify instances where content or recommendations are generated or supported by AI.

The Company provides multiple channels for feedback and complaints, including customer service hotlines, online customer feedback forms, and email communication channels. Relevant departments are responsible for responding to, tracking, and improving issues in accordance with established customer service procedures. If users have queries regarding content generated by the AI Customer Service, they may submit their inquiries through the AI Customer Service platform. The system will guide users to existing customer service channels for further assistance, ensuring effective feedback handling, human intervention, and appropriate follow-up actions when necessary.

In addition, for deployed AI models and related applications, the Company has established model performance monitoring, anomaly detection, and periodic review mechanisms to identify and mitigate model drift or degradation that may occur over time. Fairness and bias assessments are also integrated throughout the entire AI application lifecycle. Through continuous evaluation of data, models, and application outcomes, the Company mitigates the risks of potential unfairness or bias, ensuring that AI technologies are developed and utilized in accordance with the principles of safety, transparency, fairness, and responsible AI governance.

3. 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 eleven reports were sent in 2025, continuously reminding all employees to stay alert to information security threats.

2023	8 reports
2024	4 reports
2025	11 reports

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

4. Information Security Incident Response and Reporting

CAL has established an information security incident response management procedure that is applicable to every employee. It clearly specifies the reporting process to be followed when an employee discovered an incident, a vulnerability, or suspicious activity, and stipulates that reporting is to be performed via the Company's internal instant messaging system. When an incident occurred, the established procedures are activated, damage is promptly controlled, and post-disaster recovery is rapidly initiated; if notification to the competent authorities is required by law, such notification is completed within the prescribed time limit. The Company conducts information security incident simulation exercises at least once a year to perform simulated responses based on different scenarios, enabling each unit to become more familiar with information security incident response management procedures and to effectively manage and respond to incidents when they occur.

2.1.6 Privacy Management

GRI 418-1

Personal Data and Privacy Protection

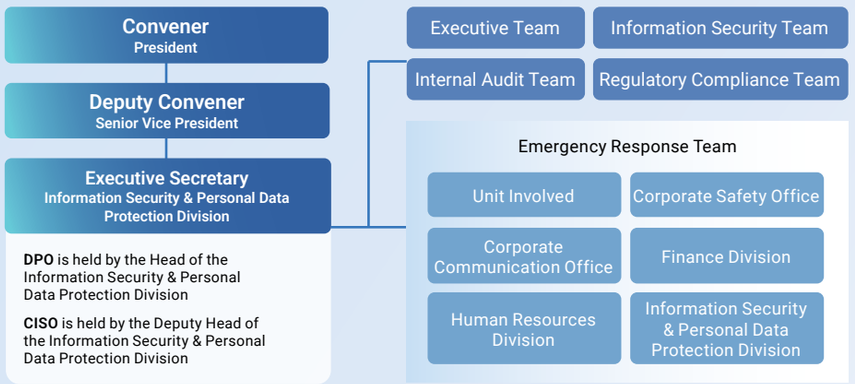
In order to create a trustworthy personal data protection and privacy environment, CAL fully complies with the Personal Data Protection Act of Taiwan, the Regulations Governing Personal Data File Security Maintenance Plan and Processing Method for the Civil Aviation Enterprise, the General Data Protection Regulation (GDPR) of the EU, and other applicable personal data privacy laws and regulations when collecting, processing or utilizing personal data. When consumers use products or services provided by CAL, the Company expressly inform consumers of protection measures for all personal data, privacy, and rights and interests, and will only collect and process personal data after obtaining consumers' consent. Related provisions are stated in CAL's official website's "Privacy Protection Policy and Statement." The aforementioned policy applies to all employees of the Company. CAL also requires outsourced suppliers and their personnel to comply with the policy when the Company has outsourcing requirements that involve the processing of personal data. In addition to including personal data protection clauses in outsourced contracts or signing personal data protection addendum, the Company has formulated management operation procedures for outsourced suppliers and performs evaluations and personal data audits on a regular basis or from time to time.

Privacy Protection Policy and Statement

Personal Data Management Framework

"Information Security & Personal Data Protection Division" is the Company's dedicated management unit for information security and personal data protection and management. The Data Protection Officer (DPO) and the Chief Information Security Officer (CISO) oversee the promotion of information security policies and resource scheduling, leading independent information security and personal data teams to adopt management measures in line with international standards to promote information security and personal data protection. The Company has established the Information Security and Personal Data Management Committee, with the President serving as the Convener, and the Information Security & Personal Data Protection Division serving as executive secretary. The Committee holds management review meeting at least once a year to ensure the continuous and effective implementation of the information security and personal data management system. It also submits reports to the Board of Directors every year. The organization of the Information Security and Personal Data Management Committee is shown in the figure below. The responsibilities of the units are stipulated in the organizational procedure document.

Information Security and Personal Data Management Committee Organizational Chart



Inquiry Channels for Personal Data Rights

The "Privacy Protection Policy and Statement" on CAL's official website states that CAL will collect, process, or use personal data in a reasonably secure manner only within the specific purpose authorized by the data subject, and may not use such data in secondary use other than the purposes authorized by the data subject. If the data subject wish to exercise their rights to inquiries, corrections, deletions, restriction of processing, and withdrawal of consent in accordance with laws, the data subject may exercise their rights through the "Enquiry and Request for Personal Data" of the "privacy protection" link on the "Privacy Protection" page on CAL's official website or write to DPO@china-airlines.com. The Company will respond to the data subject within the statutory period. In 2025, the Company has not had any personal data or privacy cases in which the data subject made a complaint to the competent authorities resulting in punishment.

Personal Data Risk Assessment

To identify the related risks in processing of personal data, the Company has established standard operation procedures for the classification of personal data files and implements regular review as the basis for planning the risk management mechanisms. In the aforementioned personal data inventory, the members of the Information Security and Personal Data Management Committee execution team shall review the business procedures under their management. They shall conduct personal data inventories, impact evaluation, implement self-audit, and perform risk assessments each year. If the risk assessed is higher than the acceptable value, they shall propose risk improvement solutions and implement them thoroughly to ensure the effective implementation of the "Plan-Do-Check-Act (PDCA)" system. The Executive Secretary of the Information Security & Personal Data Protection Division presents, at the information security and personal data protection management review meeting, the implementation status

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

of the annual risk assessment and the proposed acceptable risk values for the next year, which is approved by the Convener, President.

Personal Data Breach Response Mechanisms

CAL has established the standard operation procedure "Personal Data Breach Response Management Procedure" to address breaches involving inappropriate access, disclosure, unauthorized use of personal data, or other damages that harm the data subject rights, and has prescribed a contingency plan. The Company organizes simulation exercises for personal data breaches each year to ensure the effectiveness of operating procedures and enables all personnel to be familiar with the contingency procedures. In addition, the timely breach notification of personal data breachers and evidence preservation are required in the contract signed with outsource suppliers.

Personal Data Accident Contingency Flow

Personal Data Internal Audit and Training

To review the personal data management goals and comply with the requirements of privacy information management systems, CAL establishes internal audit standard operation procedures, plans the audit program for the next year in Q4 of each year, and conducts the personal data audits as scheduled. The annual audit results will be reviewed by the Convener, President, in the information security and personal data protection management review meeting to ensure the effectiveness of the personal data management system.

The Company organizes multiple training each year to promote the concept of personal data protection and codes of conduct to all employees. Specialized lectures are held from time to time for senior management, expatriates, and internal personnel responsible for personal data based on their roles. The Company issues quarterly E-newsletters, which publish recent personal data related cases, information on new regulations and key points of annual personal data management requirements to enhance the personal data protection awareness of all employees.

The results of personal data protection seminars and training programs in 2025 are shown in the table below:

Training Title	Frequency	Target	Number of people
Information Security and Personal Data Protection Training	23	New Employees	509
First Information Security and Personal Data Protection Awareness Training of 2025	1	All Staff	10,260
Information Security and Personal Data Protection Management Guidelines	12	All supervisors of Level 2 and below in the Company	87
Seminar on Information Security and Personal Data Protection Liaison Competencies	1	Personal data contact persons for each unit	75
Information Security and Personal Data E-newsletter	4	All Staff	All Staff

CAL Personal Data Protection Key Points in 2025

1. CAL has continuously maintained external certification to ISO 27701 Personal Information Management System (PIMS). The current certificate is valid from October 31, 2025, to October 31, 2028, and disclosed under CAL's corporate sustainability verification.
2. Completed personal data inventories, internal audit, and risk assessment across units in Taiwan and oversea branch offices.
3. Conducted awareness training and issued quarterly E-newsletters as personal data protection awareness promotion for all employees.
4. Organized annual simulation exercise on personal data breaches.
5. Held the annual information security and personal data management review meeting.

2.1.7 Development of AI Application Services

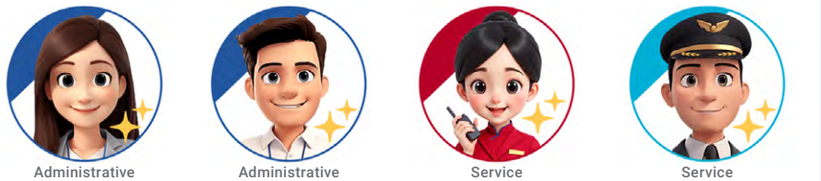
CAL began promoting an AI application development program in 2023, advancing through the 3E phases (Explore, Empower, Enrich). With "technological innovation" as its core pillar, the program systematically advances digitization, intelligentization, and cloudification, comprehensively enhancing operational efficiency and customer experience, and driving the company steadily toward digital transformation.

By 2025, AI-driven initiatives had encompassed multiple core application areas, including operations, administration, customer service, flight operations, and cargo. These initiatives have not only effectively improved overall operational efficiency but also continued to expand the depth and breadth of innovative applications, thereby laying a firmer foundation for subsequent intelligent transformation.

Internal operations: Optimized internal process efficiency and cultivated employees' AI literacy

1. Internal AI Assistants

The Company progressively launched several internal AI assistants in 2025, including the "AI HR Assistant," "AI IT Assistant," "AI Ground Services Assistant," and "AI Flight Operations Assistant." These tools empower employees to quickly retrieve the information and resources required for their operations, reducing the burden of repetitive administrative tasks. Consequently, this enables the workforce to focus more effectively on high-value activities and professional judgment-based missions.



Administrative (HR Assistant) | Administrative (IT Assistant) | Service (Ground Services Assistant) | Service (Flight Operations Assistant)

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

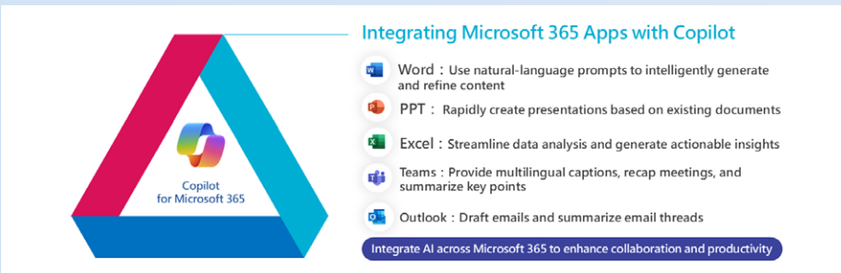
ESG Data and Appendix

2. Using generative AI to create CAL's virtual human persona

We used generative AI to render chibi-style virtual characters into realistic human avatars for internal corporate communication scenarios, and we further experimented with generative video-imaging technologies to produce interactive dialogues with virtual human avatars. We will continue developing the CI Family virtual-world storyline to enrich the Company's internal culture and communication experience.

3. Active promotion of M365 Copilot as an office collaboration tool in daily operations

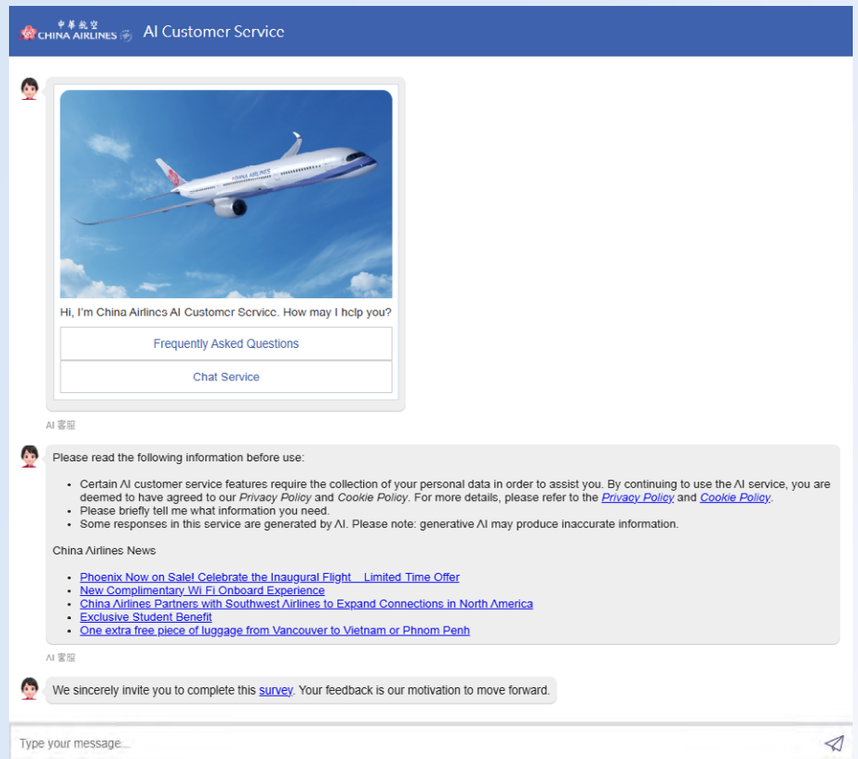
We introduced Microsoft's new-generation AI assistant, Microsoft 365 Copilot, and, through systematic training, expert in-person lectures, short video tutorials, creative competitions, and a digital ambassador program, empowered employees' practical application capability for AI tools. By seamlessly integrating AI into employee-facing Office software used daily, individual productivity and the quality of team collaboration have been enhanced, and the foundational office environment for human-machine collaboration and intelligent operations has been progressively established.



External Services: Promoting innovative applications to optimize passengers' digital experience and service quality

1. All-new upgrade "AI Customer Service"

CAL became one of the global aviation industry's pioneers in adopting generative AI, and was also the first domestic carrier to fully optimize its online customer-service experience with generative AI as its core approach. The upgraded AI customer service features more advanced semantic understanding and dynamic query capabilities, supports dozens of languages, and integrated intelligent functions such as computational reasoning and itinerary recommendations. It is able to more deeply understand passengers' diverse and complex inquiry contexts and to provide timely responses and recommendations tailored to their needs. CAL also clearly indicates in the dialogue interface of its AI customer service that the response content is generated by generative AI, enabling passengers to immediately identify the nature of the information source when using the service, thereby safeguarding users' right to be informed and enhancing the transparency of AI applications.



Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

2. "AI Bidirectional Translation" passenger Service

Deployment of an intelligent service system capable of real-time speech recognition and translation, enabling seamless and natural communication between service personnel and passengers from diverse linguistic backgrounds. CAL continues to advance its smart service upgrades. In October 2025, it officially introduced AI bidirectional translation interactive displays at the ticketing counters in Terminals 1 and 2 of Taoyuan International Airport. The displays feature high-transmittance interactive panels, provide a clear, real-time, and highly efficient cross-language communication experience, support real-time bidirectional translation for 32 languages, and significantly enhance the quality of service for international passengers.

3. CAL Brand Ambassadors

CAL launched a new AI virtual-human interactive panel that combines intelligent conversational capabilities with photo-taking functions to create an immersive virtual interaction experience. CAL expanded the foundation of its virtual human image and AI customer-service applications by introducing the AI virtual characters Aria and Miles as brand image ambassadors. They made their first appearance at the ITF Taipei International Travel Fair in November 2025, offering the public an immersive interactive experience and serving as an innovative exhibition service for major domestic travel fairs and new-route inaugurations. The initiative successfully demonstrates CAL's diverse applications in smart interaction, brand marketing,and experiential innovation.

Future Plans

Flight Safety

1. Renewing Flight Safety Certifications

After obtaining the IATA Operational Safety Audit (IOSA) certification in 2005, CAL has participated in revaluation every two years in accordance with IATA regulations to ensure flight safety. In response to the latest international trends in flight safety management, IATA is implementing a more rigorous IOSA certification approach (Risk-based IOSA) to strengthen airlines' substantive implementation of flight safety management. In addition to having continuously monitored the latest international regulations and standards and incorporated them into daily operating procedures, CAL also actively participates in international seminar and training courses for new industry safety knowledge to enhance the organization's overall safety management capabilities. CAL upholds its unwavering commitment to safety with a steadfast and uncompromising attitude, continuously implements the highest international safety standards, endeavoring to bolster a culture of safety, providing passengers with high-quality and reliable services.

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 2025, 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

China Airlines has implemented the digitization of cockpit flight documents to enhance the operational efficiency of flight crews during flight missions. By replacing paper-based documents with electronic versions, flight crews can access essential information such as flight documents, route weather, airport information, and flight notices in real-time via an iPad app, thereby strengthening flight safety. The establishment of a digital flight planning system also eliminates the need to print large volumes of paper-based flight plans for each flight and reduces the costs associated with ground handling agents delivering paper flight plans to the cockpit at various airports, aligning with environmental sustainability trends.

Passenger Service

1. Completely New Official Website and Mobile Service Experience

To continuously strengthen passengers' user experience on mobile devices and the official website, we will comprehensively implement an optimization plan for the official website and App. With regard to the website, we revised the user interface and simplified the information architecture. The homepage offers a "Dynamic Fares" feature that offers passengers with real-time

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

fares for selected routes; selecting an option will lead directly into the ticket-purchasing process. Furthermore, the Company will implement a more flexible promotional code framework, enabling passengers to utilize offers dynamically across various scenarios. Plans are also underway to roll out a more comprehensive one-stop itinerary management service, featuring a new 'Dynamic Trip Management Display' function. With respect to the mobile platform, the app will continue to be upgraded and optimized to ensure intuitive operation and a more user-friendly design, thereby delivering a consistent and comprehensive cross-platform digital service experience.

2. Unified Inflight Wi-Fi Experience Across the Fleet

Starting in August 2025, CAL will fully provide free Wi-Fi services to passengers on 777, A350, and A321 aircraft, including complimentary text messaging for all passengers on board. Premium cabin passengers and Elite members will also enjoy exclusive unlimited free internet access. To further optimize the passenger online experience, CAL continues to collaborate with international inflight connectivity (IFC) providers to enhance connection speeds and stability. By overcoming the technical limitations inherent in different aircraft systems, the Company has integrated a harmonized cross-fleet user experience. This initiative simplifies usage steps and strengthens interface usability with clear operating instructions, ensuring the delivery of a more intuitive, seamless, and high-quality inflight internet service.

Cargo Service

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

In addition to handling import and export cargo within Taiwan, the Company has also developed a long-term focus on transshipment cargo via Taiwan, fully leveraging the geographic advantage of the region. Through the development of an extensive air cargo network and the flexible adjustment of flight schedules and network routes, the Company continues to strengthen its position as a key air cargo hub in Taiwan. It operates with a location-specific strategy for different market characteristics, as described below:

- To expand its market share in North America, the Company plans to convert its Toronto (YYZ) route into a scheduled commercial service and increase flight frequencies starting in March 2026.
- Primarily focus on the cargo sources of car materials from Japan, with the goal of maximizing fifth-freedom benefits and beyond-traffic revenue from Japan. Additionally, we continue to operate transpacific freighter services to Chicago (ORD) via intermediate stops in Osaka (KIX) and Nagoya (NGO), while leveraging the Los Angeles (LAX)-Tokyo (NRT) route to adjust the number of nonstop services from Japan and enhance capacity utilization.
- To expand our goods sourcing from Asia to Europe and enhance flight profitability, we continue to plan to incorporate Delhi (DEL), Mumbai (BOM) of India, and Dubai (DWC) of the Middle East as stopovers in our flights of European routes. By increasing transit stops for loading and unloading cargo while optimizing the composition of cargo sources, we create beyond-traffic revenue and ensure a stable operation in the Middle East and Indian markets.
- In line with the shift of the manufacturing supply chain from China to Southeast Asia, the Company connects Taiwan, Southeast Asia to North America and Europe through ongoing intensive passenger and cargo transport networks, strengthens cargo sources between Northeast Asia and Southeast Asia, and develops potential markets such as Oceania, the Middle East, and India. Most of the destinations in Asia are major supply stations, primarily utilizing passenger bellyhold capacity, complemented by cargo aircraft deployments. The Company strengthens the space supply according to local market needs and revenue conditions. We also review market supply and demand changes and freight rates at each station on a rolling basis, and flexibly adjust capacity to improve load factors and overall profitability.

2. Fleet Renewal for Enhanced Fuel Efficiency

In 2025, the Company introduced one new 777F, bringing the 777F fleet to a total of 10 aircraft, while the 744F remains in operation with eight aircraft. The Company plans to take delivery of four additional 777F in 2027 while retiring four 744F aircraft. At that time, the CAL Cargo Aircraft fleet will operate with 14 777F aircraft and 4 744F aircraft, maintaining a total fleet size of 18.

The 777F offers a competitive cargo capacity and excellent fuel efficiency (saving 20-25% fuel compared to the 744F), with enhanced stability, which improves on-time performance, reduces fuel and maintenance costs. Moreover, its shared crew and engine system with the 777 passenger aircraft facilitates aircraft scheduling, engine management, and crew assignments. The 777F is primarily deployed on long-haul routes, the transpacific route to Los Angeles (LAX), San Francisco (SFO), and Seattle (SEA), and on longer flight-time route to New York (JFK), Atlanta (ATL), Miami (MIA), and Chicago (ORD), as well as the European route to Frankfurt (FRA) and Amsterdam (AMS), strengthening the cost-saving advantages and boosting air cargo revenue. In addition, China Airlines has purchased eight new 777-8F aircrafts, expected to be delivered starting in 2031. This new model is anticipated to further reduce fuel consumption and carbon emissions compared to the previous generation, contributing to more environmentally friendly operations.

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

China Airlines is currently the only airline in Taiwan with the advantage of operating two types of cargo aircraft. This allows the Company to deploy different aircraft types based on varying market demands and cargo types, ensuring flexibility in both aircraft scheduling and crew assignments to fully capitalize on operational advantages. With the continuous growth in demand for air cargo products such as semiconductor equipment, AI servers, engines, and machinery, the 744F offers a significant payload advantage and is especially suitable for effectively carrying specialized cargo, such as oversized aircraft parts and high-value engines, due to its unique upper deck loading design. It is primarily deployed on regional routes to Japan and Southeast Asia, enhancing cargo consolidation and transshipment efficiency, while seizing multiple business opportunities.

In addition, by leveraging the extensive network of passenger flights, the Company maximizes synergy by utilizing both passenger bellyhold capacity 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 charter services, block space services, and extra flights services. This further strengthens partnerships with integrators and interline partners, 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 sources.

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Customer Relations Management

Passenger Service Customer Satisfaction

In 2025, the Net Promoter Score (NPS) for passengers reached 73.3, exceeding the target of 69 and showing an improvement from the 72.5 performance in 2024. Looking ahead to 2026, the NPS target will be increased from 69 in 2025 to 70.5, as part of ongoing efforts to continuously improve the passenger service experience, meet passenger expectations, and enhance overall competitiveness.

Information Security

① Information Security Management Certification

The Company'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 PCI DSS Compliance

The Company 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

The Company's core information systems and data networks associated with passenger airline reservations, ticketing and marketing operations have been officially audited and obtained the ISO27701:2019 Privacy Information Management System (PIMS) certificate since 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

The Company 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 management system and local laws.

Planning for AI Application Services

CAL continues to deploy innovative technologies in the field of systems development to reinforce its overall technological innovation capabilities and to effectively reduce operating costs. The Company also leverages data analytics to extract key insights, driving precision decision-making and optimal resource allocation. This further deepens the implementation of corporate innovative thinking, establishing it as the core driver of the Company’s long-term competitive advantage and sustainable development.

Three major directions of the AI strategy formulated in the second half of 2025:

1. Integrating into advanced industry ecosystems to connect with various sectors in the future.
2. Collaborating with leading institutions to form partnerships that accelerate AI business development.
3. Implementing a proprietary Large Language Model (LLM) to accumulate and train the model on the Company's operational knowledge across various departments.

In 2026, CAL’s AI application services will be externally focused on cargo, passenger transport, and service-oriented agent-based AI applications. CAL actively advances local AI deployment and emphasizes the practical application of edge computing on mobile devices to enhance real-time responsiveness and operational agility. Internally, we will continue to expand virtual employee applications to help address staffing needs, while strengthening physical employees' digital capabilities and deepening the practical application of AI in internal and external process optimization, predictive decision support, and personalized service experiences.

Faced with the aviation industry's highly complex operating environment and globalization challenges, CAL will combine frontline units' business insights and proactive proposal capabilities with the information units' technical integration and translational strengths to establish a cross-departmental, cross-disciplinary collaborative innovation model. Together, they will drive the comprehensive realization of smart aviation and lead industry upgrading and service innovation.

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

2.2 Cooperation

Highlights

Supplier Code of Conduct Signing Rate 100%

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

Supporting Green Procurement and Earning Recognition

CAL Park, Maintenance Division, and Mandarin Airlines have actively implemented green procurement and have been awarded related green procurement 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.

CAL Expands Application of SAF, Pioneering Low-Carbon Aviation

CAL took the lead in the industry by launching the "Corporate Business Travel SAF Emission Reduction Program," actively inviting supply chain partners and corporate clients to participate.

Management Approach

Material Issues

Sustainable Supply Chain Management

Importance of Material Issues

CAL's vision of "Becoming the preferred airline in Taiwan" has firmly established its reputation in Taiwan and around the world, and is committed to the operational objectives of corporate sustainable development. We are committed to the pursuit of 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.

Commitment

To achieve supply chain sustainability, CAL has committed itself to the development and continuous improvement in the three dimensions of governance, society, and the environment.

We are committed to

- Conducting risk and impact assessments to ensure supply chain sustainability and establish fair, transparent mechanisms for supplier management.
- Selecting cost-effective and sustainable products and services by considering their environmental and social effects.
- Adhere to business ethics and morality and eradicate leakages, illegal benefits, and all forms of corruption.

We require all suppliers and contractors to

- Strictly abide by local and international laws and regulations.
- Implement quality control systems that ensure the quality and safety of products or services provided.
- Establish information security mechanisms that prevent the misuse of confidential and sensitive information.
- Comply with local and international human rights and labor standards, and prohibit child labor and discriminatory practices.
- Provide a safe and healthy working environment and effectively manage occupational health and safety risks.
- Prohibit all forms of forced labor and guarantee freedom of association as well as proper working conditions and pay.
- Reduce the negative impact of products and services on the environment and society in accordance with sustainability-related regulations.

Sustainable Supply Chain Management Policy Statement

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Long-term Goals

2027

- SAQ for critical Tier-1 suppliers has achieved a risk assessment coverage ratio of 100%. All Tier-1 suppliers have reached 25%.
- 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.
- Both new and existing suppliers shall be obligated to comply with the commitments of the "Forest and Biodiversity Conservation Commitment".
- Optimize the risk management for sustainable supply chain, assess 100% of critical Tier-1 suppliers and high-risk suppliers, and create a list of critical non-Tier-1 suppliers.
- Develop comprehensive supply chain improvement measures and capacity building programs, aiming to implement 50% of improvement measures and 50% of capacity building programs.

2030

- The risk assessment coverage rate for all critical Tier-1 suppliers reached 100%, and the SAQ risk assessment proportion for Tier-1 suppliers reached 40%; the risk assessment proportion for critical non-Tier-1 suppliers reached 30%.
- Include at least 5% ESG performance in procurement evaluation criteria for 40% of purchasing units.
- 40% of suppliers signing contracts should be obligated to comply with the commitments of the "Forest and Biodiversity Conservation Commitment".
- Continue to optimize risk management for sustainable supply chain, and assess 100% of critical Tier-1 suppliers and high-risk suppliers. Assess 30% of critical non-Tier-1 suppliers.
- Develop comprehensive supply chain improvement measures and capacity building plan, aiming to implement 100% of improvement measures and 100% of capacity building measures.

2040

- Perform 100% SAQ risk assessment for both Tier-1 and critical non-Tier-1 suppliers.
- Include at least 5% ESG performance in procurement evaluation criteria for 100% of purchasing units.
- 100% of suppliers signing contracts should be obligated to comply with the commitments of the "Forest and Biodiversity Conservation Commitment".
- Assess 100% of both Tier-1 and critical non-Tier-1 suppliers.
- 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 the Company through Tier-1 suppliers, and meet the current definition of critical suppliers as defined by CAL.

Unit in Charge

Corporate Sustainability Committee — Supply Chain 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
- Supply Chain 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	2025		
	Objectives	Performance	Achievement
Convene Annual Supplier Conference	One session	Held on November 21, at the Hyatt Regency Taoyuan International Airport	100%
Conduct SAQ	Coverage rate reached 75%+.	Coverage rate 100%	100%
Critical Supplier SAQ Score	89	97.45	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	All new (existing) suppliers have completed the signing (renewing) of contracts.	100%
Establish Supply Chain Improvement Measures and Capacity-Building Programs	Implemented improvement measures have reached 50%. Implemented capacity building measures have reached 50%	Implement improvement measures for four high-risk suppliers. Capacity building initiatives for 46 suppliers.	The implemented improvement measures have reached 100%. Capacity building measures have reached 100%.
2025 Annual High-Risk Suppliers Review	Coverage rate 100%	Completed.	100%

Note: In order to continue the objectives and plans outlined in the 2024 Sustainability Report, the 2025 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 improvement measures and capacity building programs, and continuous review coverage rate for high-risk suppliers.

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

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

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

2.2.1 CAL value chain

GRI 2-6

CAL is the largest airline in Taiwan and operates within the air transportation industry, mainly providing international passenger and freight air transport services. In 2025, China Airlines and Mandarin Airlines jointly operated flights to 29 countries/regions with other operators, serving 191 destinations, while Tigerair Taiwan served 30 destinations across 45 routes. Compared with other industries, the aviation industry is unique in respect of safety concerns. As of the end of 2025, the CAL Group had established 26 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.

Definition Procurement Types and Suppliers

Category (Tier-1 Suppliers/ Critical Tier-1 Suppliers)	**Aviation Materials** Aircraft Parts (26/22)	**Aviation Fuel** Fuel Required for Flight (22 / 5)	**In-Flight Catering** In-Flight Meals Offered to Passengers (21 / 3)	**Ground Handling Service** Airport Manpower (26 / 1)	**General Products** Goods Required for Overall Operations (76/15) (Note)
Description of 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 is one of CAL's key service offerings. 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.	Annual procurement amount accounting for more than 0.1% of the total annual procurement amount.
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 are listed separately; if a supplier qualifies as both a critical supplier and a high-risk supplier, it is counted only once.				

Note: General administrative matters: In 2024, Tier-1 suppliers were defined as "suppliers with transactions during the year." In 2025, the definition was adjusted to "suppliers whose annual procurement amount accounts for more than 0.1% of the total annual procurement amount," totaling 76 suppliers; the number of suppliers with transactions was 168.

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Upstream

- **Aircraft Manufacturing**
- **Aircraft Engine Manufacturing**
- **Ground Handling Service Equipment Manufacturing**
- **Aircraft Leasing**

Midstream

Logistics and Warehouse
- Taiwan Air Cargo Terminal Limited
- Arport Cargo Terminal (Xiamen) Co., Ltd.
- Arport Cargo Service (Xiamen) Co., Ltd.
- Eastern United International Logistics (Holdings) Ltd.

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

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

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

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: On January 19, 2026, CAL's Board of Directors resolved to acquire the 49% equity interest held by the original joint venture partner of China Airlines Catering Services. The transaction was completed on February 25, 2026, making it a wholly owned subsidiary of CAL.
Note 2: Global Sky Express (Taiwan) was dissolved in September 2024, and the liquidation process was completed in December 2025.

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 Joint Creation Value 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, the Company 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

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Supply Chain Management Objectives and Exit Strategy

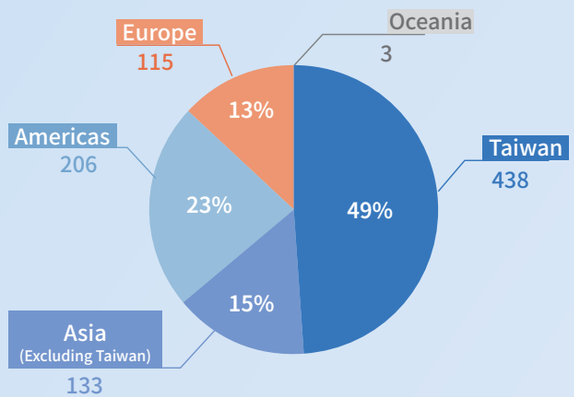
CAL's primary operations and supply chain are based in Taiwan, where suppliers account for 49% of the total number of suppliers and 37% of the total procurement amount, representing the highest global proportion. This is followed by suppliers in Asia, the Americas, Europe, and Oceania. Furthermore, CAL's 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, suppliers with better ESG performance are preferred in supplier selection and contract awarding. 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. CAL's contracts with suppliers include provisions that require suppliers to complete corrective actions within a specified period (e.g., 180 days) if they violate CAL's Supplier Code of Conduct. Failure to comply with these corrective measures may result in termination of the partnership. CAL will continue to monitor suppliers to enhance the overall sustainability performance of the supply chain. Additionally, ESG considerations are incorporated into the new supplier selection process, and information is collected through supplier self-assessment surveys to serve as a comprehensive reference during supplier evaluation, thereby continuously strengthening supply chain sustainability management.

Regional Distribution of Suppliers (incl. Critical Suppliers)

Regional Distribution of Suppliers

Overview of Global Suppliers

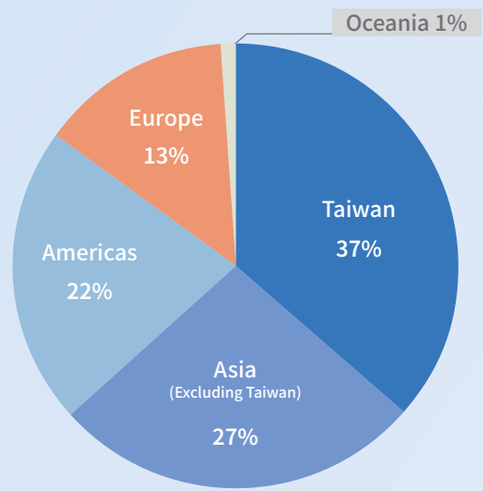
Total 895



Regional Distribution of the Procurement Amount from Suppliers

Overview of Global Procurement

Total 83,061,404,851

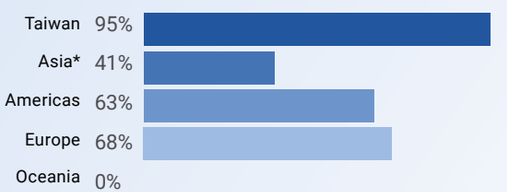


Proportion of Procurement from Critical Suppliers

Procurement from Critical Suppliers

Total 57,444,298,324

Region	Critical Tier-1 Procurement Amount
Taiwan	29,290,956,017
Asia (Excluding Taiwan)	9,166,931,497
Americas	11,328,534,207
Europe	7,657,876,604
Oceania	-



*Excluding Taiwan

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

1. Sustainable Supply Chain Procurement Practices

Since 2025, China Airlines has partnered with CPC Corporation, Taiwan and Formosa Petrochemical Corporation to procure Sustainable Aviation Fuel (SAF) certified under ISCC CORSIA standards. The Company has also signed a three-year memorandum of understanding (MOU) with Formosa Petrochemical to advance the development of domestic SAF supply. Building on this foundation, China Airlines continues to expand international SAF sourcing, aligning with SAF mandates in the UK and Europe, and promoting SAF usage at key international stations, including Singapore, Tokyo (Japan), and Bangkok (Thailand). In addition, the Company has established a strategic partnership with Neste, a leading global SAF supplier, extending SAF deployment to U.S.-originating flights. Approximately 160 SAF-powered flights have been implemented on the Los Angeles–Taipei route, demonstrating progressive advancement toward aviation decarbonization and strengthening the resilience of the aviation value chain. In terms of social impact, CAL has taken the lead in the industry by launching the "Corporate Business Travel SAF Carbon Reduction Program." In 2025, CAL collaborated with technology companies and international accounting firms to integrate sustainable aviation fuel applications and carbon offset mechanisms into business travel, providing corporate clients with solutions to reduce carbon emissions from their business travel and cargo transportation. China Airlines' next-generation fleet renewal program includes a total of 62 Airbus A350-1000 and Boeing 787, 777-9, and 777-8F aircraft. With superior fuel efficiency and environmental performance, these new aircraft are expected to reduce fuel consumption and carbon emissions by up to 25%. CAL has actively engaged supply chain partners and corporate clients to jointly contribute, laying a foundation for the energy transition of Taiwan's aviation industry and continuing progress toward the net-zero emissions goal.

CAL continuously promotes sustainability concepts through its in-flight services, actively advocating a low-carbon diet centered on vegetarian and vegan options. In 2025, CAL continued its collaboration with cross-industry partner Yang Ming Spring to launch a new vegan menu. Additionally, in the fourth quarter of 2025, CAL partnered for the first time with Little Tree Food, a Michelin Green Star and Bib Gourmand–recommended vegetarian restaurant, to jointly introduce Western-style breakfast and Western-style lacto-ovo vegetarian special meals. This initiative aims to meet the diverse dietary needs of global travelers and deepen passengers' recognition of in-flight vegetarian cuisine. At the same time, CAL continues to implement in-flight electronic menu services. In addition to regular scheduled flights, this service is also applied to project charter flights, considering their short-term operational characteristics. By using electronic menus instead of printed paper menus, CAL effectively reduces resource waste, thereby advancing sustainable environmental and carbon reduction efforts. CAL continuously encourages passengers to use e-services on personal electronic devices, such as the Cloud Bookstore for reading digital newspapers and magazines. At the same time, CAL promotes duty-free online pre-order services to reduce physical cargo. The in-flight entertainment system offers environmental boarding videos and selected eco-friendly short films, inviting passengers to participate in green initiatives. All CAL routes have fully adopted environmentally friendly, reusable stainless steel cutlery and have selected eco-friendly materials for pillowcases, headrest covers, various tray lids, plastic cups, dental floss sticks, and restroom supply containers. CAL encourages suppliers to collaborate in practicing a circular economy. Ground services provide online check-in, pre-selected meals to reduce food waste, automated check-in, and digital electronic boarding passes, facilitating passenger journeys while reducing paper use to protect forests. Additionally, the electrified ground vehicle fleet has reduced annual carbon emissions by 2,000 metric tons. CAL's services are progressively implementing sustainable practices.

Unit: TWD thousand

Item	Scope	2021	2022	2023	2024	2025
Environmental Protection Equipment, Management System O&M, and Research Projects	Depreciation, renewal, operation and maintenance, of pollution prevention equipment, environmental testing, establishment and implementation of the environmental management system, and strategy research projects	29,811	27,081	25,357	25,960	32,329
Green Procurement	Category I, II, and III products prescribed in the Regulations for Priority Procurement of Eco-Products (dated January 15, 2001)	6,455	9,221	46,844	79,894	129,257
Waste Management	Waste disposal fees	4,107	4,261	5,980	6,307	8,201
Noise Prevention	Noise control fees	136,136	129,674	151,005	153,881	167,496
Air Pollution Prevention	Air Pollution prevention fees	589	615	384	461	295
Total Investment Amount		177,098	170,852	229,570	266,503	337,578

Note: 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 environmental policy of green procurement. In 2025, the amount spent on green procurement increased by 62% compared to 2024, earning recognition from the Taoyuan City Government as an outstanding enterprise in green procurement. In addition to selecting environmentally certified products for daily use, such as stationery and office equipment (including computers), and choosing top-tier energy-efficient air conditioning and household appliances, we also allocate budgets annually to promote the electrification of outdated vehicles and equipment, balancing operational efficiency with the benefits of reducing air pollution and carbon emissions. In addition, CAL prioritizes sustainability-related certifications when selecting passenger service items, opting for products certified by FSC/PEFC, such as thermal boarding passes, luggage name tags, coasters, double-layer tri-fold paper napkins, onboard eco-friendly hand towels, and copy paper. CAL also uses rPET pillowcases and drawstring eco-friendly trash bags to fulfill its commitment to forest and biodiversity conservation. Furthermore, CAL continues to promote systematic, digital, and mobile operations to foster green consumer awareness and reduce environmental impact at the source.

Content

Preface

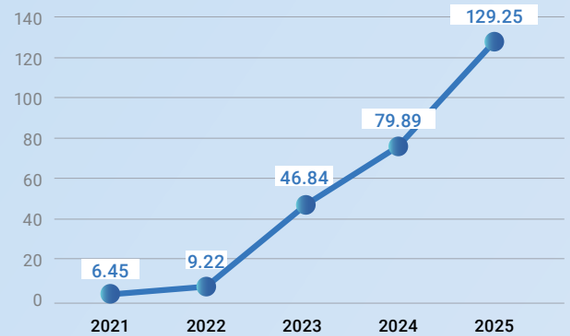
01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Green Procurement Amounts



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 07, 2025, Mandarin Airlines was recognized by the Taipei City Environmental Protection Bureau as an outstanding private enterprise in green procurement.

Manager Chen of Mandarin Airlines' Flight Safety Management Office accepted Taipei City's Excellence in Green Purchasing recognition on behalf of Mandarin Airlines.

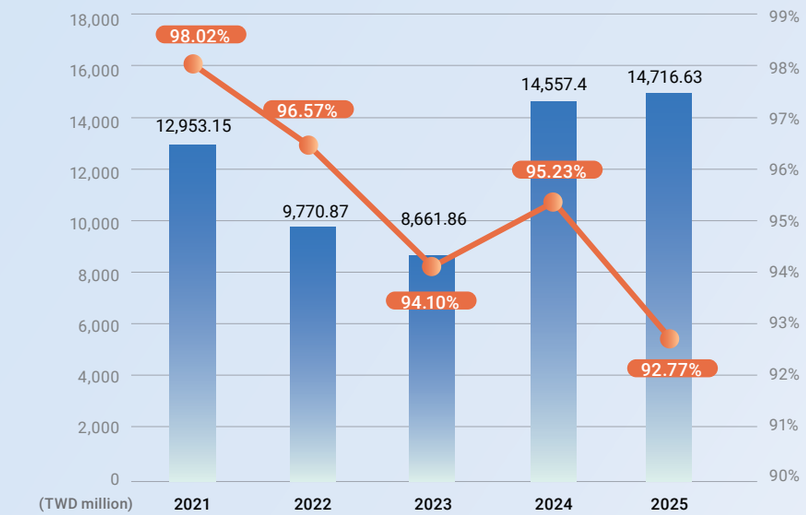
The Maintenance Division, represented by the Assistant Vice President, received the Excellence in Green Purchasing award from Taoyuan City.

CAL Honored as an Outstanding Enterprise in Green Procurement by Taoyuan City's Net Zero Sustainable Living Initiative

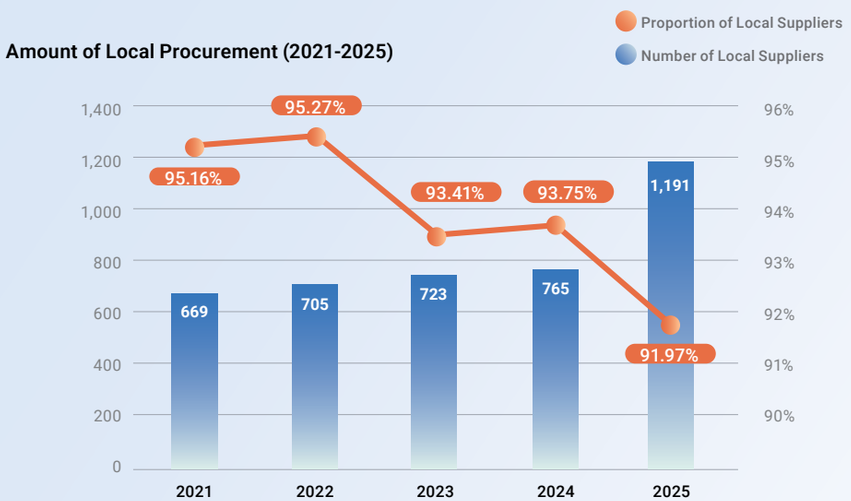
Local Procurement

From 2021 to 2025, CAL continuously optimized its procurement strategy to increase the proportion of local sourcing and reduce its carbon footprint. By redefining and adjusting its procurement approach, the number of local suppliers grew by 56% compared to the previous year. Between 2021 and 2025, CAL actively promoted local procurement (at locations where it has operational bases and transports via CAL flights), gradually increasing the amount of local procurement and the number of cooperating suppliers. By redefining and adjusting procurement strategies, China Airlines has strengthened the resilience of the local supply chain, balancing operational efficiency with environmental goals, demonstrating its commitment to corporate social responsibility.

Amount of Local Procurement



Amount of Local Procurement (2021-2025)



Note: The statistics include the Administration Division and the EMO Park

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

2. 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 survey (SAQ) since 2015 based on international initiatives and evaluations such as the GRI Standards, ILO, UNGC, S&P Global CSA, CDP, the Universal Declaration of Human Rights, and the RBA Code of Conduct. 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 survey (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 46 critical Tier-1 suppliers for 2025, achieving a response rate of 59%. Analysis of the survey results shows that the total number of valid surveys for 2025 reached 121, an increase of 63 compared to 2024. The average score was 97.45, a significant increase on the previous year's 94.38. Upon further examination of the four survey dimensions, the scores ranged from 95 to 99, indicating that key suppliers possess a sustainable concept in all four areas.

Note: "Governance" includes ethics and regulatory compliance. "Environment" refers to environmental protection. "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

Environmental (E) Criterion

This includes but is not limited to waste management, energy management, and biodiversity.

Society (S) Criterion

This includes but is not limited to human rights and labor rights.

Governance (G) Criterion

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.

Product-specific Risks

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.

Industry-specific Risks

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.

Business Relevance Category

Exclusive domestic and international suppliers, as well as key primary transaction suppliers, ensure that CAL, its products, or its operations possess value, practicality, and innovation. This approach maintains competitive advantage and actively engages in industry affairs.

Process for Identifying Supply Chain Sustainability Risks

Supply Chain Sustainability Risk Assessment Implementation Status

Suppliers		2024	2025
Total suppliers	Number	295	218
	Percentage of Procurement Amount	98%	98%
Critical Tier-1 Suppliers	Number	49	46
	Percentage of Procurement Amount	68%	69%
Tier-1 Significant Suppliers	Number	53	49
	Percentage of Procurement Amount	72%	69%

Note: The total number of suppliers is the sum of Tier-1 suppliers and critical Tier-1 suppliers.

Risk Assessment of Supply Chain Sustainability	2024	2025
Tier-1 Suppliers Assessed Annually	58	121
Significant Suppliers Assessed Annually	38	30

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

Overall Performance of Supply Chain Sustainability

- The sustainable supply chain risk assessment score for 2025 was 97.45, a significant increase from 94.38 in 2024.
- Governance: The score of 98.48, an improvement from 97.07 last year, demonstrates that suppliers have continuously strengthened compliance with regulations and governance systems.
- Environment: The score of 95.55 represents a significant increase compared to last year's 90.03, indicating that suppliers continue to place strong emphasis on environmental issues.
- Social: The score of 97.95 represents a significant improvement compared to last year's 91.18, reflecting enhanced maturity among suppliers in human rights protection and occupational health and safety management.
- General: The score of 97.63 is comparable to last year's 97.59 and the previous year's performance, maintaining an overall good level.

Content

Preface

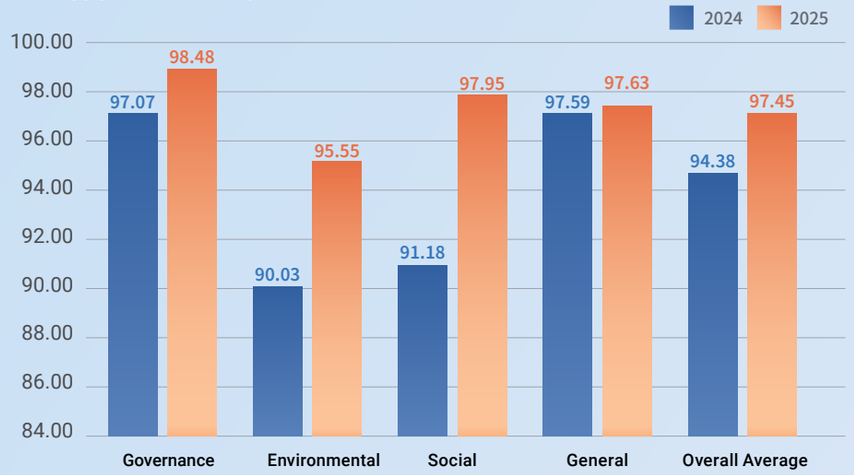
01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

2025 Supply Chain SAQ Analysis Results



3. Sustainable Supply Chain Assessment

According to the 2025 supply chain SAQ analysis results, there are a total of four high-risk suppliers, primarily concentrated among aviation material suppliers. Analysis indicates that some suppliers still have room for improvement in environmental aspects and general areas, particularly in information security. Accordingly, CAL has identified key risk sources as the basis for subsequent supplier management and guidance.

In addition, CAL continuously updates its SAQs and subsequent audit plans based on SAQ analysis results. Through phased audits and management mechanisms, CAL monitors suppliers' actual performance in environmental and social aspects to ensure that supply chain partners progressively achieve higher sustainability standards.

Supply Chain Sustainability Assessment Implementation Status

Suppliers	2024	2025
Number of unique significant suppliers supported with development measures	20	49
Number of unique significant suppliers assessed via desk assessments/on-site assessments (percentage of significant suppliers)	22(45%)	14(29%)
Number of unique significant suppliers assessedwith substantial actual/ potential negative impacts	4	4
Number of unique significant suppliers with substantial actual/ potential negative impacts with agreed corrective action/ improvement plan	0	1
Number of unique significant suppliers with substantial actual/ potential negative impacts that were terminated	0	0
Number of On-Site and Desk Assessments	69	79

4. Assisting Suppliers in Reducing Risks

Improvement Measures and Capacity Building

In 2025, CAL selected a well-known domestic food company as the target for capability development in accordance with the supply chain audit management process. CAL, together with a third-party professional consulting team, conducted multiple interviews and document reviews with suppliers to assist them in strengthening relevant management systems and internal regulations, and to verify the completeness and effectiveness of the improvement measures. During the capacity-building process, CAL simultaneously shares international sustainability development trends, relevant regulatory updates, and best practices from benchmark enterprises to assist suppliers in enhancing their sustainability governance maturity. In the future, CAL will continue to deepen collaboration with supply chain partners through risk assessment, audits, and capacity-building mechanisms to jointly enhance the overall sustainability resilience and value-creation capabilities of the supply chain.

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Deepening Environmental and Sustainable Governance

Capacity Building Programs	To enhance the integrity and performance of CAL Group's environmental and sustainability governance, a Group Sustainability Governance Communication Meeting was scheduled for December 17, 2025. Presidents 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.
2025 Achievements/ Results	During the meeting, subsidiaries from each group 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

Capacity Building Programs	• CAL regularly distributes surveys to assess resource consumption and investigate potential environmental risks and opportunities in operations. Additionally, external consultants are commissioned to assist group partners in establishing ISO 14064-1 Greenhouse Gas Inventory capabilities, including requirements analysis, data collection processes, and internal verification techniques. • In alignment with the operational framework of the Corporate Environmental Committee and ISO 14001, we implement supplier management, conduct audits, and promote measures for environmental protection and energy conservation.
2025 Achievements/ Results	• Assisted 12 group partners in setting 24 energy and resource management goals, of which 15 have been 100% achieved. • Assisted 13 group affiliates in achieving 100% completion of greenhouse gas inventories across Scopes 1, 2, and 3, with all inventories successfully verified by independent third parties.

Fostering Consensus on Environmental Sustainability

Capacity Building Programs	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.
2025 Achievements/ Results	In 2025, CAL conducted six environmental sustainability-themed training sessions, including: "Environmental Energy Management Systems," "Supply Chain Management and Information Disclosure Principles," "All-Staff Sustainability Seminar – From the News Desk to Protecting Our Planet," "ESG Sustainable Development and Environmental Awareness Training," "Introduction to the Greenhouse Gas Protocol (GHG Protocol)," and "ISO 14001 Advanced Training." Additionally, CAL held one group governance communication meeting.

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

CAL continuously participates in international conferences, such as communication meetings organized by IATA, to stay informed and exchange insights on the carbon market and overall development trends of sustainable aviation fuel in the global aviation industry. Internally, all employees are required to complete online training courses, including ESG sustainable development and environmental awareness education, sustainable supply chain management, and information disclosure. Additionally, with the guidance of external consultants, employees establish standard operating procedures and processes for sustainable supply chain management, as well as standardized supply chain operations, aiming to ensure that procurement practices comply with CAL's sustainable supply chain management policies and management system operations.

2.2.3 Enhancing Sustainability Value through Supply Chain Engagement

Convene Annual CAL's Sustainable Supplier Conference

On November 21, 2025, CAL held its annual Sustainable Suppliers Conference at the Hyatt Regency Taoyuan International Airport, inviting supplier partners to participate. The event aimed to help suppliers stay informed about international sustainability trends and promote collaborative efforts with CAL to achieve sustainable development across the value chain.

The Manager of CAL's Sustainability Development Center shared strategies for sustainable development in the net-zero era, establishing carbon reduction targets for both air and ground operations, and promoting net-zero transformation in collaboration with supply chain partners. An external expert also presented on international sustainability trends, explaining the impacts of global climate change, geopolitical issues, and supply chain risks on corporate operations. This helped suppliers stay informed on the latest sustainability topics and regulatory developments. Through a supply chain sustainability risk awareness workshop, CAL outlined its sustainable supply chain management strategies, risk assessment, and audit practices, enhancing suppliers' understanding of human rights, occupational health and safety, and operational risk management. CAL aims to work together with supply chain partners to strengthen the overall sustainability resilience of the value chain. China Airlines invited its industry peer, Menzies Aviation, to share insights during the meeting. Through its "All In" sustainability strategy, Menzies drives ESG management across six core pillars—Environment, People, Safety, Ethics, Community, and Governance—fully aligning with the UN Global Compact and the Sustainable Development Goals (SDGs). On the Environmental Front: Menzies has set a net-zero emissions target by 2045. The company is actively promoting the electrification of ground support equipment (GSE), aiming for 25% by 2025 and 50% by 2030. It is also introducing the IATA Environmental Assessment (IEnvA) system, targeting 75% of its stations by 2026, while reducing operational carbon emissions through biofuels and the circular economy. On the Social Front: The strategy emphasizes employee safety (with a zero-accident goal), Diversity, Equity, and Inclusion (DEI), and female leadership development.

Content

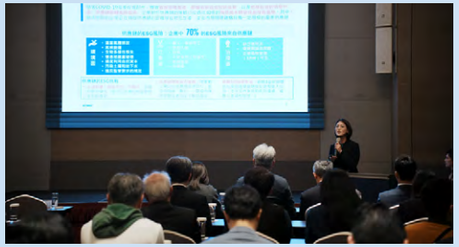
Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix



Additionally, Menzies actively promotes refugee employment and community engagement. On the Governance Front: Transparency and accountability are reinforced through their code of conduct, supply chain sustainability, and alignment with recognized international standards such as the Science Based Targets initiative (SBTi) and IEnvA. Overall, Menzies has established a concrete, institutionalized, and quantifiable ESG management model that closely aligns with the distinct characteristics of the aviation sector.

Future Plans

1 CAL actively exerts influence across the supply chain and continues to strengthen supplier management mechanisms through its annual Sustainability survey (SAQ). To demonstrate value chain resilience, a specific target for 2030 has been established: 100% risk assessment coverage will be achieved for critical Tier-1 suppliers, and the scope will be extended to 40% of Tier-1 suppliers and 30% of non-Tier-1 suppliers. Also, we plan to incorporate ESG indicators into the weighting by at least 5% in 40% of procurement evaluations, and to complete 100% of supplier improvement and capacity-building plans, joining hands with partners to advance sustainable transformation.

2 To implement our sustainability governance target, we continue to promote sustainability training and integrated internal and external resources to enhance employees' understanding of sustainability issues. Regarding supply chain management, in-person courses and written outreach are used to strengthen the ESG awareness and practical capabilities of domestic and international partners, ensuring a high degree of alignment between procurement operations and sustainability knowledge, and enhancing value chain resilience.

3 CAL will further cooperate with suppliers to drive the aviation industry's low-carbon transition, and, through operational optimization and innovative environmental management strategy, maximize resource efficiency and minimize the environmental impact footprint. In the future, we will move toward a green supply chain, introducing carbon reduction technologies and a circular economy into the procurement system, and working with value chain partners to move toward the 2050 net zero emissions target.

2.3 Environment

Highlights

Highest environmental score in S&P Global CSA

In 2025, CAL achieved a score of 90 in the environmental dimension of the S&P Global CSA, the highest among airlines. Full scores were obtained in environmental policy and management, energy, water resources, and climate change.

5th consecutive year achieving CDP SEA Leadership level

Since 2012, CAL has responded to the CDP climate questionnaire for 13 consecutive years and has actively advanced supply chain and value chain management. The Company has achieved the CDP Supplier Engagement Assessment (SEA) Leadership level for five consecutive years and was included in the A List for the second time in 2025.

12th consecutive TCSA Climate Leadership Award

Since 2014, CAL has received the TCSA Climate Leadership Award for 12 consecutive years, making it the only company in Taiwan's transportation service industry to achieve this distinction.

Leading and expanding SAF value chain collaboration initiatives

CAL actively supports national net-zero transition policies by participating in government pilot programs and developing both domestic and international SAF supplier networks. As a pioneer in Taiwan, CAL introduced a corporate SAF collaboration model, working with passenger and cargo customers to adopt SAF, reduce aviation emissions, and lower carbon footprints from passenger travel and cargo transportation, while driving energy transition across the aviation value chain.

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

4th participation in the Aviation Challenge (TAC) with recognition

In 2025, CAL participated in the SkyTeam Aviation Challenge for the fourth time. Through a demonstration flight using 40% sustainable aviation fuel—first of its kind in Taiwan—and by promoting transformation across local and international organizations and industry value chains, CAL received the "Organizational Transformation Award – SAF Transformation Impact." Building on prior sustainability initiatives, CAL continues to expand low-carbon meal options, fully adopt electronic menus, and introduce recycled materials to achieve comprehensive carbon reduction.

Protecting biodiversity and supporting ecological and carbon sink initiatives

CAL continues to implement concrete actions such as beach cleanups, participation in national afforestation and trail maintenance programs in Nanzhuang, wildlife rescue and conservation support, environmental education promotion, and alignment with international initiatives including the Buckingham Palace Declaration and the Satoyama Initiative. These efforts demonstrate CAL's commitment to biodiversity and forest conservation while creating shared environmental and social value.

Aligning with international cabin waste investigation mechanisms and advancing circular economy opportunities

Through collaboration among cabin crew, catering, and ground handling teams, CAL continuously optimizes operational processes to reduce waste and incorporate recyclables into the circular economy. The Company also participates in domestic sustainability platforms, integrating industry, government, and academic resources to enhance overall impact and effectiveness.

Continued recognition in leading domestic sustainability rankings

In 2025, CAL was rated at the highest level aligned with the 1.5°C pathway in the "Carbon Reduction Thermometer" by Commonwealth Magazine and was listed among the "Top 100 Carbon Competitiveness Companies" by Business Weekly for four consecutive years, demonstrating strong capability and leadership in low-carbon transition. CAL also maintains validation of its science-based targets (SBTi) to ensure alignment with international decarbonization standards.

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 2026 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

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.

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Commitment and Long-term Goals

	2027	2030	2040
	• 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 10% compared to 2023	• 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% of the contract capacity **(Note 1)**	• 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 8% 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 10% compared with 2018 • Increasing industrial waste recycling ratio to 47% • Reducing paper consumption by 40% compared to 2018 • Reducing total in-flight waste by 10% compared to 2023 **(Note 2)**	• 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 • Reducing total in-flight waste by 25% compared to 2023 **(Note 2)**	• 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 • Reducing total in-flight waste by 50% compared to 2023 **(Note 2)**
	• Embargoing transport of illegal wildlife and prohibiting use of illegal species as food ingredients • A total of 3 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. 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 cabin waste reduction goal, and "meal overage rate" is used as a performance indicator for monitoring and evaluation purposes.

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/climate change/biodiversity 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 surveys, including CSA, FTSE, and CDP

Unit in Charge

Corporate Sustainability Committee - Environmental Task Force (Corporate Environmental Committee)

Grievance Mechanism

Corporate Sustainable Development: Corporate Sustainability Center
Email: csr@china-airlines.com

Stakeholder Contact

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Objectives and Plans

Issue	KPI	2025			2026 Objectives
		Objectives	Performance	Achievement Rate	
Climate Action and Renewable Energy	Enhancing Aviation Fuel Efficiency	Increase by 1.5%	Increased by 3.7%	>100%	Increase by 1.5%
	Using SAF Reducing Carbon	Increase by 0.5%	>0.5%	>100%	Increase by 0.5%
	Emissions from Ground Operations	Decrease by 5% compared to 2023	Reduced by 2%	Not achieved (Note 1)	Decrease by 8% compared to 2023
Water Resource Conservation	Reducing tap water withdrawal	Decrease by 7% compared to 2018	Reduced by 23%	>100%	Decrease by 8% compared to 2018
Responsible Consumption and Waste Management	Reducing general waste	Decrease by 7% compared to 2018	Reduced by 7%	>100%	Decrease by 8% compared to 2018
	Reducing in-flight waste	Decrease by 50%	Increase by 7.7%	Not achieved (Note 2)	Decrease by 5% compared to 2023
	Reducing the use of photocopy paper	Decrease by 30%	Reduced by 30%	>100%	Decrease by 35% compared to 2018
	Increasing industrial waste recycling ratio	45%	35.8%	Not achieved (Note 3)	45%
Ecological Conservation Initiatives	Participate in biodiversity conservation activities/initiatives	A cumulative total of two events since 2023	A total of three events	>100%	A cumulative total of 3 events since 2023

Note 1: In response to increased operational activities, carbon reduction measures have been reviewed and optimized to identify more effective decarbonization approaches.
Note 2: In light of the increasing trend in flight operations, the target has been reviewed and recalibrated by adjusting the baseline year boundary to better reflect the Company's operational profile.
Note 3: Employee awareness of waste segregation has been strengthened, and waste contractors are reminded to conduct monthly waste weighing and sorting.

2.3.1 Governance of Environmental Sustainability

"Net-zero carbon emissions by 2050" has become a focal point of attention both domestically and internationally. In response, the Taiwanese government approved the draft of the "Phase III Greenhouse Gas Phase Control Targets" in May 2025, raising the 2030 net greenhouse gas emission reduction target to "a reduction of 28±2% compared to the base year (2005)". In addition to transforming its service models, operational practices, and corporate values to reduce raw material consumption and carbon emissions, China Airlines is also committed to enhancing ecological benefits in its operations and promoting a circular economy. These efforts aim to minimize environmental impact and foster ecological harmony in a collective effort to combat climate change.

Policy and Structure of Environmental Governance

China Airlines, under the guiding principles of the "Sustainable Environmental Development" outlined in the "Sustainable Development Best Practice Principles" issued by the Board of Directors, has established its "Environmental and Energy Management Philosophy" based on the commitment to "comply with environmental regulations, conserve Earth's resources, enhance ecological benefits, and fulfill social responsibility". The Company has successively formulated and revised its "Environmental and Energy Policy Statement" and "Forest and Biodiversity Conservation Commitment," expanding their scope to include not only the Company's directly managed group operations but also its suppliers, joint ventures, and other business partners. With a strong emphasis on valuing resources such as air, water, minerals, and timber, China Airlines aims to minimize resource consumption and environmental/ecological impact across the entire value chain while delivering high-quality services. At the same time, the Company aspires to show the utmost respect and give back to the land and ecosystems from which it benefits. Through the Circular Economy Management Approach, we aim to create a business model that aligns with fairness and justice, achieves a transition towards net-zero or near-zero emissions, and promotes ecological prosperity.

To implement the "Environmental and Energy Policy Statement" and the "Forest and Biodiversity Conservation Commitment," China Airlines constructs environmental and energy management systems in accordance with international standards such as ISO 14001, ISO 50001, and ISO 14064-1. Led by the President as the highest level of management, through the "Corporate Environmental Committee" and its five major environmental management committees and fuel management group, China Airlines regularly identifies and manages environmental, energy, and climate change-related risks and opportunities across its operations—including headquarters, domestic and international branches, maintenance activities, passenger and cargo services—as well as within its supply chain, value chain, and group partners, accordingly promoting diversified environmental protection and energy-saving measures. Additionally, through internal regular audits and verifications, as well as external audits and validation mechanisms, it continuously ensures the effective implementation of various environmental sustainability targets and performance of the CAL Group, such as the achievement and continuous improvement of environmental aspects including energy, water resources, and waste.

In 2024, China Airlines officially consolidated relevant departments to establish the "Sustainable Development Center", appointing a "Chief Sustainability Officer" to lead as the dedicated organization responsible for overseeing company-wide sustainability governance and performance. Acting as the Executive Secretary of the Corporate Environmental Committee, the CSO collaborates with five specialized Environmental Management Committees—each representing different business functions—as well as the Aviation Fuel Management Team, to jointly advance China Airlines' environmental sustainability governance and establish robust environmental policies and governance frameworks. The Center also regularly reports environmental and sustainability risks and corresponding actions to the Board's Sustainability and Risk Committee, reinforcing the effectiveness of CAL Group's environmental governance and risk management.

Content

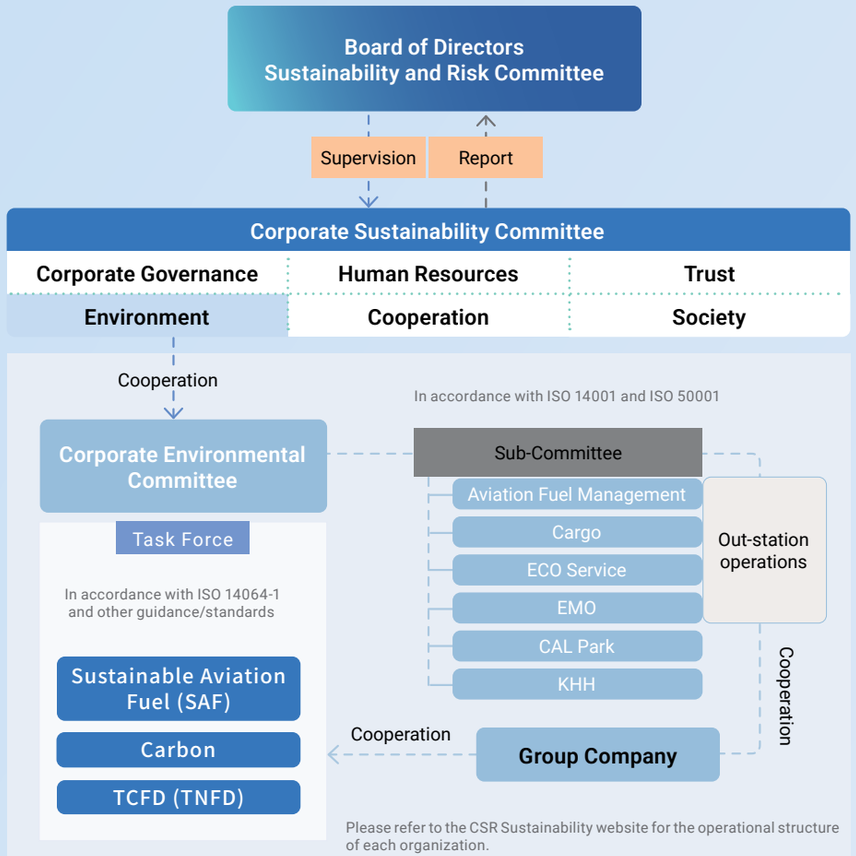
Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix



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

Carbon Management

TCFD/TNFD

Sustainable Aviation Fuel (SAF)

CAL Environmental and Energy Policy

CAL is committed to achieving net-zero emissions by 2050, zero deforestation, and a net positive impact on biodiversity, and 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 operational bases, air transport and passenger/cargo services, upstream and downstream transport, and warehousing activities. Furthermore, we will endeavor to understand the needs and expectations of interested parties, assesses 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	Implementation Strategy
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 and enhanced the effectiveness of corporate environmental and energy management systems • Set and tracked environmental sustainability targets and commitments, driving ongoing performance improvement • Organized the "Excellent Environmental Management Committee Competition" to recognize top-performing Environmental Management Committee/Aviation Fuel Management Working Group in 2025. The awards were presented in person by the President, along with administrative and monetary 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 • Promote employees' awareness and understanding of the environmental impacts associated with their work activities through diverse training programs, awareness initiatives, and incentive mechanisms.
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 the proportion of low-carbon and renewable energy used in commercial facilities and transportation services throughout the entire value chain

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Environmental and Energy Policy	Content
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

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 Fuel Research Task Force
Environmental Issues	ISO 14001, ISO 50001, CSA, 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 (business partners)	Corporate Environmental Committee, Five Environmental Management Committees

Note 1: Coverage is calculated based on group revenue (including station operations and Group entities). 100% of global stations and group operational management are externally verified under the ISO 14001 management system. For certification details, please refer to the Corporate Sustainability website.
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.

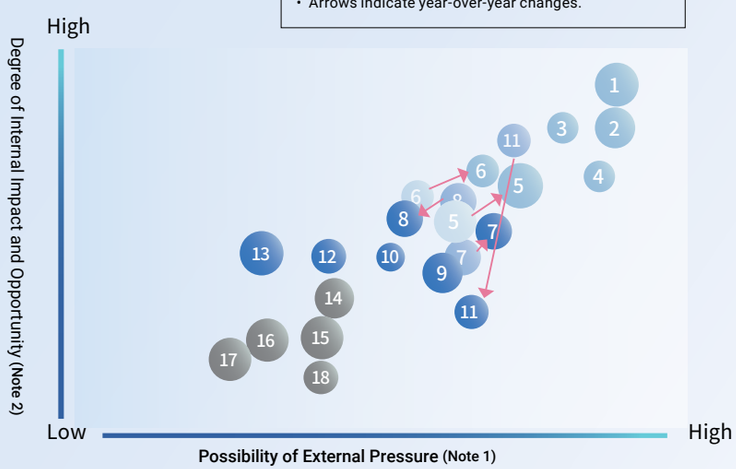
2025 Ranking

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

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

CAL Environmental Risk and Opportunity Matrix

- The size of the circle represents the adaptation of CAL to the issue (a larger circle means better action and adaptation)
- O Circles: light = previous year; dark = current year
- Arrows indicate year-over-year changes.



Note 1: X-axis represents the possibility of the issue in the global trend of development and control.
Note 2: Y-axis represents the degree of impact and opportunity of the issue on CAL.

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Material Environmental Risk Topic	Risk	Opportunity	Management Method
1. 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. • China Airlines has partnered with supply chain manufacturers and cargo transportation corporate clients to participate in the Sustainable Aviation Fuel (SAF) collaboration project. By using SAF, which can reduce carbon emissions by over 80% compared to conventional jet fuel, the Company aims to jointly lower its carbon footprint. • Conduct annual assessments of climate change mitigation and adaptation risks across global stations. Refer to 2.3.3 Net Zero Carbon Emissions
2. 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.	
3. Green Supply Chain Management Requirements	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 2025, bringing together the First-level Manager of various group companies to foster a consensus on environmental and sustainability governance across the Group. CAL has supported its group companies in developing a comprehensive capability for greenhouse gas inventory operations, including inventory tools, internal verification, and management mechanisms.
4. 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 aviation fuel efficiency while reducing fuel consumption and carbon emissions, which will reduce operational and regulatory costs.	Implementing fleet updates, introducing fuel-saving technologies and sustainable aviation fuels, enhancing passenger and cargo load factors, and optimizing flight routes and air traffic management operations. Refer to 2.1.2 Passenger Service and 2.1.3 Cargo Services
5. Ground Operations Energy (Carbon) Management	The domestic carbon fee mechanism is currently being planned for implementation, 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, and solar power facilities 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. 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.
6. Circular Economy Innovation	Uncertainties in balancing supply chain dynamics with operational adjustments, along with variability in recycled material quality and regulatory differences, may affect compliance and service delivery, potentially increasing operating costs and challenging existing corporate systems.	Enhancing resource efficiency and reducing waste can drive sustainable transformation across the supply chain, strengthen brand reputation and ESG performance, and support the development of new business models centered on recycled materials and circular products.	CAL has implemented a range of initiatives to support environmental sustainability, including promoting digitalization to reduce paper consumption; reducing 18 categories of single-use plastic cabin service items and packaging; and advancing resource recycling and reuse. The Company has also upcycled retired in-flight life vests into "Sustainable Life Vest Bags," contributing to the development of a circular economy.

"2025 Group Sustainability Governance Communication Conference" Built Consensus on Sustainability

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 enhance the Group's sustainability value.

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

2.3.2 Nature & Climate Change Mitigation and Adaptation

GRI 101-1, 101-4

Management Mechanisms for Natural and Climate Change

CAL was the first airline in Taiwan to adopt the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and has since published a standalone “TCFD Report” annually. In 2024, the Company further integrated the recommendations of the Task Force on Nature-related Financial Disclosures (TNFD) with its TCFD framework, strengthening the management scope of nature- and climate-related issues and aligning with the Kunming-Montreal Global Biodiversity Framework. In response to Taiwan’s financial regulatory requirements and international sustainability disclosure trends, CAL launched the "IFRS Sustainability Disclosure Standards Implementation Project (IFRS S1/S2)" in 2025. Given the high consistency and continuity between the climate-related information disclosed under TCFD and the requirements of IFRS S2, CAL uses the TCFD management and disclosure framework as a key basis for aligning with the IFRS S2 climate disclosure standards.

TCFD/TNFD Report

Concern for Climate Change

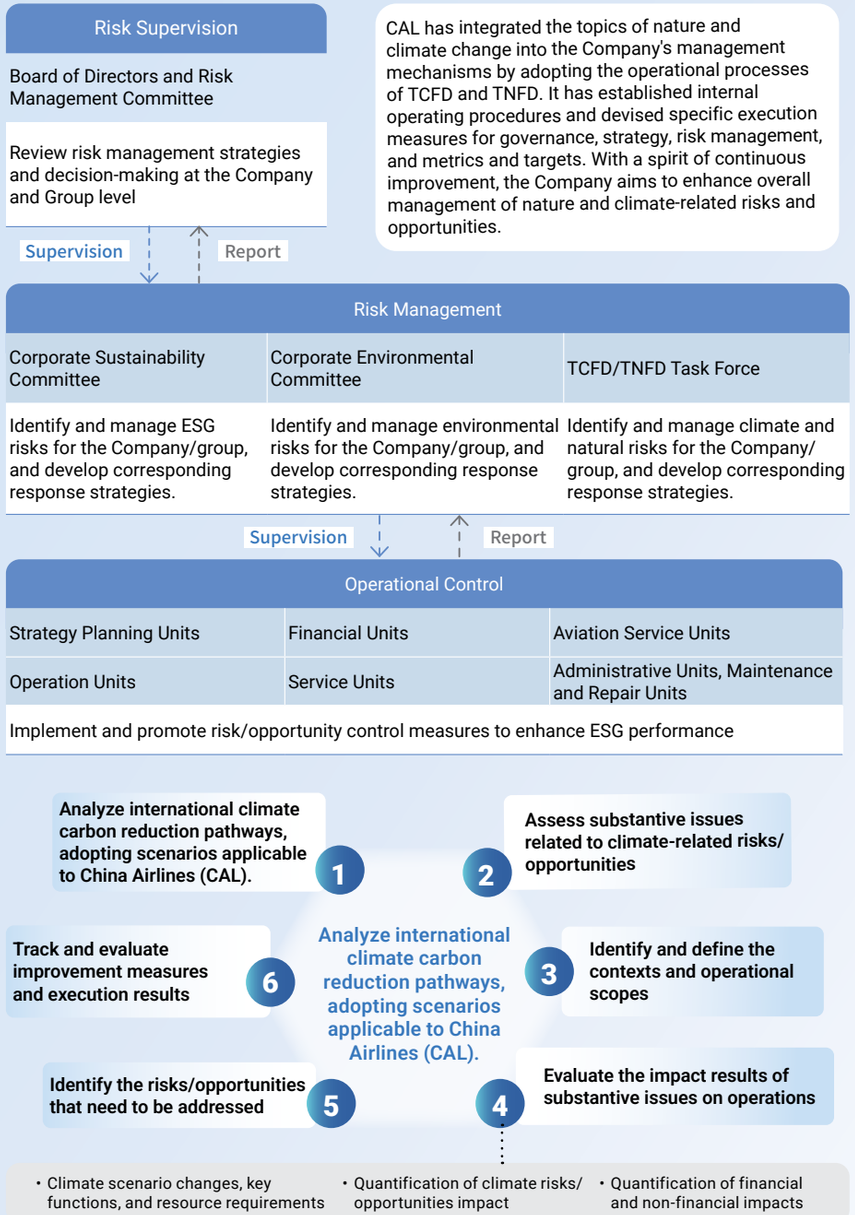
Governance Framework and Risk Management Processes for Nature and Climate Change

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. In addition, in 2025, based on the existing TCFD framework, the Company further adopted International Financial Reporting Standards Sustainability Disclosure Standard (IFRS S2) to strengthen the completeness and consistency of climate-related financial disclosures, thereby aligning with international disclosure standards and regulatory requirements.

Financial implications and other risks and opportunities due to climate change

GRI 201-2

CAL TCFD Task Force evaluates the impact of various factors on its global operations and destinations, company assets (including aircraft, offices, and plants), 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:



Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

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	Transtion Risk - Current Regulatory 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 self-determined contribution the target including the target of achieving net-zero carbon emissions by 2050.)	Short, medium and long term (High/Impact on EBITDA approximately 1.9% to 3.7%)	Own Operations	• 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%)	Own Operations/ Upstream Supply Chain	• The EU ReFuelEU Aviation regulation mandates that EU airports gradually increase the share of Sustainable Aviation Fuel (SAF) from 0.5% 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 Sustainable Aviation Fuel (SAF) initiatives by engaging with the government and suppliers to facilitate the development of the SAF industry and mitigate supply risks. • Invite corporate clients to participate in the SAF collaboration project.
	Transition Risk - Emerging Regulatory Risk		Medium and long-term (Low/ Impact on EBITDA < 0.1%)	Own Operations/ Upstream and Downstream Supply Chain	• Countries continue to promote policies for the collection of environmental energy and carbon 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, helping to create revenue opportunities. • In response to carbon emission reporting, implementing digitized operations to improve operational efficiency and reduce administrative costs.	• Implement and execute an 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%)	Own Operations/ Upstream and Downstream Supply Chain	• 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%)	Own Operations (Passenger Service, Cargo Service, Flight Safety)/ Upstream and Downstream Supply Chain	• Limited SAF supply and high prices • Hydrogen and electric aircraft technology still not fully mature	• 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 introducing 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.

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Issue	Risk Type	Scenario Analysis	Impact Timelines (Severity)	Impact Level	Risks and Financial Impacts	Opportunities and Financial Benefits	Response Management Methods
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 self-determined contribution the target including the target of achieving net-zero carbon emissions by 2050.)	Short and medium-term (Low/Impact on EBITDA < 0.1%)	Own Operations/ Upstream and Downstream Supply Chain	• 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 clients. • Shifting consumer preferences, with low-carbon travel becoming a trend • Offer carbon offset and green ticket options, allowing passengers to select their preferred carbon reduction solutions	• Implement a robust third-party carbon emission verification mechanism to ensure the transparency and credibility of ESG communications. • Develop various new products and innovative service models (such as direct flights) to enhance service efficiency and meet market demand. • Offering customers carbon offset/green ticket options and SAF partnership programs to reduce customers' Scope 3 Greenhouse Gas Emissions
	Transition Risk - Market Risk		Medium and long-term (Medium/ Impact on EBITDA < 1%)	Own Operations (Passenger Service, Cargo Service)/ Upstream and Downstream Supply Chain	• The consumer market attaches importance to companies' low-carbon and environmentally friendly actions, which affects brand trust and leads to lower revenue. • Violation of regulatory requirements leading to penalties.	• Shifting consumer preferences, with low-carbon travel becoming a trend • Offer carbon offset and green ticket options, allowing passengers 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/green ticket 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%)	Own Operations (Passenger Service, Cargo Service)	• The consumer market attaches importance to companies' low-carbon and environmentally friendly actions, which affects brand trust and leads to lower revenue. • Violation of regulatory requirements leading to penalties.	• Promoting communication with stakeholders on corporate environmental philosophy and actions to gain recognition and support, enhancing corporate reputation and brand value • Aligning with and supporting government environmental policies to enhance industry collaboration opportunities and boost industry competitiveness.	• Continuously strengthen communication with external stakeholders, support scientific research, and participate in environmental and sustainability international rankings to enhance corporate environmental and sustainability image. • Strengthen collaboration with both domestic and international low-carbon product suppliers to enhance supply chain sustainability.
Increased Frequency of Extreme Weather Events Leading to Aviation Safety Risks	Physical Risk - Acute Physical Risk		Short and medium term (Medium/Impact on EBITDA < 1%)	Own Operations (Business Development, Passenger Service, Cargo Service, Flight Safety)/ Upstream and Downstream Supply Chain	• 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 (cargo aircraft delays), 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. • - Effectively managing customer needs during flight disruptions helps increase customer loyalty and retention, leading to higher revenue. • - Enhancing passenger and cargo integration and scheduling capabilities to improve operational efficiency and revenue generation.	• Expand and strengthen the content of operational procedures and emergency response mechanisms, enhance training for all operational personnel, and improve cross-departmental coordination and operational efficiency within the organization.

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

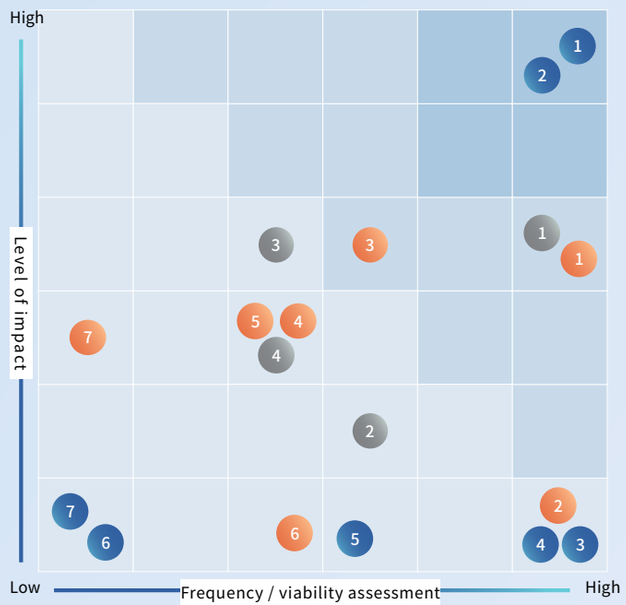
03 Corporate Governance

ESG Data and Appendix

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	• 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 self-determined contribution the target including the target of achieving net-zero carbon emissions by 2050.)	Long-term (Low/ Impact on EBITDA < 0.1%)	Own Operations (Business Development, Passenger Service, Cargo Service, Flight Safety)/ Upstream and Downstream Supply Chain	• Rising average temperatures lead to increased energy demand and costs. • Due to changes in rainfall patterns, the frequency and duration of droughts have increased, impacting water supply, passengers, employee service quality, hygiene and food safety, resulting in higher response costs.	• Changes in operational processes and behaviors to reduce cost expenditures. • Plan for renewable energy to reduce dependence on fossil fuels, minimize the risk of power shortages, and mitigate associated costs. • Develop or introduce water-saving measures in manufacturing processes to reduce water consumption and its associated costs. • Improvement of service processes and tools, and development of new eco-tourism attractions to increase the Group's revenue and competitiveness.	• Set annual reduction targets and implement energy and resource-saving measures to reduce unnecessary consumption of energy and resources. • 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 2027), 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.



1.Fuel-efficient route network
2.Reducing energy costs
3.Enhancing brand image and revenue
4.Enhancing resilience to extreme weather events
5.Enhancing water resource management capabilities
6.Issuing green bonds to invest in renewable energy
7.Investing in renewable energy to achieve net-zero emissions

Opportunity

1.SAF Costs
2.Carbon Offsetting Costs
3.Renewable Energy Costs
4.Supplier Management
5.Issues of Concern to Stakeholders
6.High temperatures lead to increased energy costs
7.Impacts of carbon tariffs on the costs of aviation parts

Transition Risk

1.Potential loss of routes serving low-lying areas
2.Flooding (heavy rainfall and sea-level rise)
3.Drought
4.Impacts of extreme weather on aviation operations

Physical risks

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Climate Change Targets, Mitigation and Adaptation, Strategy and Actions

	Response Item	Objectives	Specific Actions in 2025
Governance	Strengthen climate governance	Continue to submit climate governance reports to the Board of Directors	• The report on climate governance, encompassing issues related to natural resources and biodiversity, has been submitted to the Sustainability and Risk Management Committee. • Report corporate and group-wide greenhouse gas management performance and IFRS implementation progress to the Board of Directors.
	Enhance management supervision and cross-departmental operations	Meet corporate governance and green finance requirements	• Implemented the promotion of TCFD and the introduction of related standards and guidelines such as SASB, IFRS S2, and TNFD.
Strategy	Enhance TCFD capabilities	Increase the comprehensiveness and depth of quantified financial information	• Implemented standard operating procedures (SOP) • Continued to implement the cross-unit operation information platform
	Climate response strategies and management	Increase resilience for responding to climate change risks	• Incorporated issues of climate risks and opportunities into the Company's overall strategies and plans and implement related response actions • Integrated climate change impact issues into company route planning, operational performance review, and other operations. Developed timely contingency strategies and adjust operational planning accordingly. Incorporated discussions of the impact of climate change in the Company's flight plans, business performance management, and other operations and formulate response strategies and business operation adjustments when necessary. • Formulated policies and management measures on the Forest and Biodiversity Conservation, integrating them into supply chain management operations
	Participate in important engagements	Increase the understanding of international climate change issues and regulatory requirements	• Participated in international and Taiwan's important climate policy engagement platforms, monitored policy development trends, and gained influence • Promoted the development strategy for domestic sustainable aviation fuel by fostering collaboration among industry, government, and academia, and actively participated in the national SAF pilot program. • Continued to intensify participation in the IAGOS-PGGM international climate change scientific research program • 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	• Combined the CAL value chain and the environmental risk management mechanism, continue to implement and expand the GHG inventory and environmental (including natural resources) and energy risk assessments of key suppliers, strengthened the detection of climate change risks and opportunities as well as management, and enhanced the capability of continuous operations in response to extreme weather • Responded to Financial Supervisory Commission work requirements and expanded the inventory of greenhouse gas emissions of overseas subsidiaries and help subsidiaries in the Consolidated Financial Statements gradually set up greenhouse gas management operations and capabilities
	Strengthen the existing enterprise risk management mechanism	Implement risk management and strengthen emergency response mechanisms	• Incorporated climate factors into the existing enterprise risk management mechanism to strengthen climate risk/opportunity detection, response, and control capabilities in all units • By integrating data from the IAGOS-PGGM project with outputs from the Company's 777F turbulence detection algorithm software, we contributed to the United Nations' international climate change research and the global turbulence research of IATA, and also strengthened our own climate resilience in route management and operations.
	Respond to international carbon transition risks	Meet ICAO, EU, and other international regulations for carbon reduction	• Participated in the carbon offsetting and reduction plans of the international aviation industry • Continued to enhance MRV capacity for EU ETS, UK ETS, CORSIA, and Refuel EU mechanisms • Studied and performed carbon rights/credit transactions

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

	Response Item	Objectives	Specific Actions in 2025
Risk Management	Implement carbon reduction and energy transformation	Net zero emissions in operating activities by 2050	• Enhanced monitoring of electricity consumption and installed dedicated electricity meters on equipment/processes with high energy consumption • Continued to perform replacement and renewal of high-energy-consuming facilities • Installed renewable energy facilities such as solar PV, set and implemented installed capacity targets • Enhanced energy management systems and improvement of their effectiveness • 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 to increase the quality of the data	• Conducted an inventory of greenhouse gas emissions - ISO 14064:2018 Categories 1-6 greenhouse gas emissions inventory - inside and outside the organization every year to iancrease the quality of the data on greenhouse gas emissions • 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	• 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). • Established approximately 76 KPIs in environmental protection and carbon emission reduction and the President convened quarterly meetings of the Environmental Committee to review the outcomes of implementation
	Attain flight carbon reduction objectives	Attain short, medium, and long term GHG reduction targets and net zero emission target for 2050.	• Continued to promote plans for fleet update, aircraft weight reduction, flight optimization, and O&M improvement • Implemented fleet plans in accordance with medium and long-term business growth and carbon reduction trends • Continued to improve aviation fuel efficiency, increased loading rate, and focused on the development of new technologies and new low carbon aircraft for purchase at an appropriate time • Continuously promoted SAF usage and invited corporate customers to support and participate
	Increase fuel efficiency	Increase the efficiency of company operations and energy usage	• Continued to promote aviation fuel-saving operations. Continued to increase fuel efficiency rate each year • Optimized route planning and developed the most suitable passenger/cargo fleet in response to the epidemic and market development trends

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Strategies and Risk Management for Mitigating Natural-related Impacts

CAL recognizes that humans share the Earth and its ecosystems with wildlife, plants, and other species. More importantly, we are only one part of the natural ecosystem, and we should coexist harmoniously with other species to ensure the sustainability of the Earth and its environment. To fulfill its "Forest and Biodiversity Commitment," China Airlines has adopted the TNFD framework and the LEAP approach, using biodiversity databases and risk assessment tools to assess spatial biodiversity risks across its domestic and overseas operating locations, Group companies under direct management, the top 10% of key Tier-1 suppliers by procurement value, and downstream partners (e.g., airport hotels). Additionally, by referencing tools and resources such as the Natural Capital Protocol and the Science Based Targets Network, the Company has identified high-impact commodities associated with its own operations and upstream and downstream value chain activities. It has also evaluated its impacts and dependencies on nature and biodiversity under various scenarios, identified associated issues of risks and opportunities, and developed corresponding strategies, management indicators, and operational objectives. To manage upstream high-risk services and products, the Company enforces its "Supplier Code of Conduct" and sustainable and green procurement mechanisms. Following the LEAP approach and using the ENCORE database rating system, we fully assessed our dependence and impact on nature this year, covering its upstream value chain, internal operations, and downstream activities. We identified air passenger and cargo transportation services as having a significant degree of natural dependence and impact, making it a stage in the value chain that required priority attention, and selected Taiwan Taoyuan International Airport, which handles the Company's largest transportation volume, as the core base. Using the airport and a 7-km surrounding area as the assessment boundary, we conducted analyses of natural ecological sensitive areas and species, and combined data on Important Bird Areas (IBAs), GBIF, and Taiwan's local ecological mapping databases, GBIF, and other international databases with Taiwan local ecological mapping data to identify ecological hotspots. In consideration of the connection between CAL operations and the natural environment, we assessed material nature-related factors, as well as the corresponding material nature-related risks and opportunities, through a dependency and impact matrix analysis, and formulated more comprehensive response measures, indicators, and targets to implement nature-related risk and opportunity management assessed material nature-related factors. The results are reported through the corporate climate risk reporting mechanism. They are submitted to the Corporate Sustainability Committee and the Environmental Committee for risk and opportunity control. Summaries are then provided to the Board of Directors for supervision and management.

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

GRI 101-4

CAL utilizes the Biodiversity Risk Filter (BRF), a biodiversity assessment tool developed by the international organization WWF, in conjunction with integrated tools developed by the Forestry and Nature Conservation Agency to overlay maps of biodiversity hotspots, important habitats for wildlife, areas protected for wildlife and nature, conservation areas, and state-owned forestry areas for verification purposes. The results indicate that none of our operational locations in Taiwan are located within or adjacent to the aforementioned areas. However, approximately 3% of overseas operating locations are classified as being in high biodiversity risk areas. It should be noted that the current BRF tool categorizes aviation under the airport transportation services sector, which may not fully align with the actual operations and potential impacts of airlines. Furthermore, upon detailed examination and assessment, it has been determined that the aforementioned high-risk airport areas are all subject to strict regulations and rigorous monitoring by local governments. As for our main operational activities, they are primarily located within airport areas where we strictly adhere to regulations set by airport authorities and government bodies. CAL's ticketing and sales offices are situated in downtown commercial areas, which have relatively limited impacts on local ecosystems and biodiversity. Therefore, the overall impact is considered low. The Company also follows the SBTN high-impact commodity list to identify products and services within the supply chain that have significant environmental impacts. Among these, paper- and wood-based products, as well as coffee beans, have been prioritized for monitoring and response actions in the first phase. The Company will continue to engage in discussions with key suppliers to promote the reduction of ecological disturbances caused by their operational activities. Additionally, we will allocate more resources toward risk identification and the implementation of mitigation measures, including avoidance, minimization, restoration, and compensation.

2. Impact/Dependency and Risk/Opportunity Assessment Results

China Airlines has selected its headquarters located in the Taoyuan Airport Special Zone as the assessment site for identifying and assessing its overall transportation service value chain, including planning, procurement, supply of materials, flight, maintenance, and other upstream and downstream business processes. Using the life cycle perspective and environmental aspects defined in ISO 14001 and environmental considerations, taking into account the scenario setting of the TNFD framework, LEAP analysis tools, and ecoregion and biome classifications, the Company 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 policy 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, to identify and assess the resulting nature-related risks, opportunities, and their materiality. Summary of Material Short-term and Medium- to Long-term Risks/Opportunities is as follows.

Content

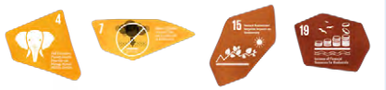
Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Short-term Material Issues				
	Impact/ Dependency	Risk/Opportunity	Response Strategies	Corresponding Action Targets under the Kunming-Montreal Global Biodiversity Framework
Aircraft technology enhancement can reduce greenhouse gas and air pollutant emissions.	Impact	Transition Opportunity	• Participating in international collaborative engagement platforms to enhance dialogue • Considering fuel efficiency and ESG performance when purchasing aircraft • Engaging in ESG-related dialogues and collaborations with aircraft and equipment manufacturers.	
Utilizing Single Use Plastic products or packaging materials	Impact	Transition Risk	• Inviting suppliers to sign the Supplier Code of Conduct • Packaging reduction, plastic/single-use 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	• Continue to promote fuel-saving and noise-reduction operations • Using SAF • Continue to promote fleet renewal • Promote eco-friendly carbon offsetting projects • Support for bird conservation and restoration initiatives	
Medium to Long-Term Material Issues				
Damage to stations due to loss of ecosystem protection, leading to impact on operations	Dependency	Physical Risk	• Implementation of carbon reduction and climate change mitigation and adaptation measures • Appropriately promote TCFD and TNFD operations • 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	• Implementation of carbon reduction and climate change mitigation and adaptation measures • Appropriately promote TCFD and TNFD operations • Monitor trends in passenger/cargo volume changes and implement appropriate response measures.	
Domestic and international ecosystem changes have led to the emer-gence of new ecotourism destinations and demands.	Dependency	Transition Opportunity	Monitor changes in passenger travel intent and implement appropriate response measures. Strengthening supplier/industry chain collaboration Enhance awareness of ecotourism and implement supportive maintenance measures	
Passenger/cargo operations mistakenly purchasing fuels, high biodi-versity risk ingredients, products, or packaging that contribute to de-forestation or ecosystem destruction	Impact	Physical Risk	• Request suppliers to adhere to the Supplier Code of Conduct • Strengthen traceability management and implement due diligence in procurement • Enhance the percentage of sustainable procurement • Increase the percentage of resource recycling and reuse, and the use of recycled materials • Strengthening supplier/industry chain collaboration	
Supply of agricultural products and packaging materials from ecosys-tems	Dependency	Physical Opportunity	• Collaborating with local small-scale farmers to implement the Satoyama Initiative • Promoting sustainability certifications to implement local procurement practices • 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	• Improving cabin cleanliness • Improving the preparation and drills of epidemic prevention • 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

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

	Indicator Content	Operational Objectives
Driver Indicators	Carbon emissions and fuel procurement volume	1. Improving annual aviation fuel efficiency by 1.5% 2. Attain net zero emissions by 2050 3. Reducing carbon emissions in ground operations by 10%, 15%, and 60%, compared to 2023 levels, by 2027, 2030, and 2040, respectively 4. With renewable energy installed capacity reaching 10% and 15% of the contract capacity by 2030 and 2040. 5. Increasing SAF usage by 0.5%, 5%, and 40% by 2027, 2030, and 2040, respectively
	Sources of Ingredients	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 3, 4, and 10 biodiversity conservation-related activities or initiatives have been participated in and implemented since 2023 by 2027, 2030, and 2040, respectively.
	Asset value and annual revenue from ecotourism operations in areas affected by physical risks	

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.

Stakeholder Engagement

CAL is committed to sustainable development and strives to achieve environmental sustainability and shared social prosperity. We recognize the close interrelationship between climate change and biodiversity. Accordingly, climate change mitigation efforts should be implemented in a manner that balances biodiversity conservation and community well-being. Therefore, CAL has incorporated biodiversity-related issues into risk management questionnaires, analyses, assessments, and response procedures for the Group, overseas stations, and suppliers to comprehensively understand biodiversity-related risks across its own operations and the upstream and downstream value chain. China Airlines organizes ecological tours at its collaborative reforestation site in Nanzhuang to organize ecological tours, inviting business partners to explore the mountains and experience the essence of the forest. At the same time, we adhere to the Company's Human Rights Policy to safeguard the rights of stakeholders. Through education and training and by implementing the Group Code of Conduct and the Supplier Code of Conduct, we require colleagues and suppliers to fulfill their due diligence responsibilities.

Refer to 2.4.1 Human Rights Management Framework

Supporting Civic Collaboration to Co-Create an Ecological Journey

China Airlines recognizes the vital role of ecological resources in addressing climate change and providing economic, ecological, cultural, informational, and psychological value to society. In 2022, the Company partnered with the Taoyuan City Government to plant hundreds of native Taiwanese saplings at the cultural landmark "Hengshan Calligraphy Art Park". Since 2023, the Company has further engaged in a national-level afforestation project initiated by the Forestry and Nature Conservation Agency under Ministry of Agriculture, adopting nearly 10 hectares of forest land in Nanzhuang, Miaoli, where 27,000 native tree species "Taiwania" and "Taiwan Zelkova " were planted in collaboration with the local Saisiyat Indigenous community, who also supported the site's afforestation and forest tending activities.The Company also supports the maintenance of the Jiali Mountain Trail, a popular sustainable tourism destination, as a practical demonstration of its commitment to forest conservation and shared prosperity with Indigenous communities.

In 2025, CAL further deepened its collaboration with the Hsinchu Branch of the Forestry and Nature Conservation Agency under the Ministry of Agriculture, expanding its adopted forest area by an additional 3.5 hectares. The Company planted 8,750 Taiwania trees (or other native species) and extended its trail stewardship efforts to include the 0.3–0.6 KM section of the Jiali Mountain Trail (Daping section). In addition, corporate partners were invited to participate in the “Forest Breathing” program, offering immersive experiences in a forest area certified under the sustainable forest management standards of the Forest Stewardship Council (FSC). Through these initiatives, the Company aims to inspire broader participation, promote sustainability awareness, and embody the Satoyama Initiative by bringing together diverse stakeholders to achieve a triple-win outcome for society, the economy, and forest conservation.

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. Trail maintenance and facility devel-opment for the 0.3–0.6KM Daping section of the Jiali Mountain Trail are undertaken by local Saisiyat ethnic group. Through Indigenous community participation, the initiative promotes local employment and skills transfer, while strengthening mutually beneficial relationships with local stakeholders.

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

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 SBTs 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, the Company 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 to limit global warming to within 1.5 degrees Celsius.

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

CAL implements 5 core strategies to achieve long-term carbon emission reduction targets. They include: 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), , and advancing emerging low-carbon technologies, including the continuous introduction of next-generation fuel-efficient aircraft, evaluation of investment opportunities in permanent carbon removal solutions, and monitoring developments in hydrogen-powered and electric aviation technologies to identify cost-effective deployment opportunities and support long-term decarbonization.

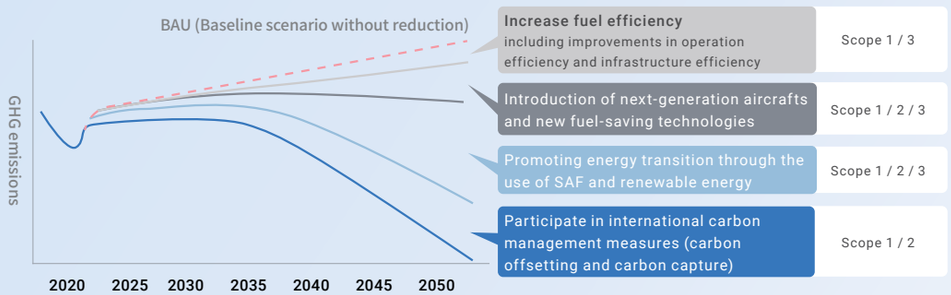
CAL has established an internal carbon pricing mechanism covering Scope 1 and Scope 2 emissions, taking into account international and domestic GHG regulations (e.g., global carbon regulatory frameworks), Sustainable Aviation Fuel (SAF) costs, low-carbon investments (e.g., renewable energy), and internal behavioral changes. A shadow carbon price of EUR 100 per tCO_2e (approximately USD 117) has been adopted.

This internal carbon pricing mechanism is applied not only for cost-benefit analysis, but also serves as a key input for enterprise risk management, strategic decision-making, driving energy efficiency, identifying and seizing low-carbon opportunities, advancing decarbonization initiatives, and evaluating low-carbon investments. It is progressively embedded into CAL's operational decision-making processes and enterprise-wide risk assessment framework to support the achievement of climate-related policies and emissions reduction targets, reduce upstream value chain emissions, inform carbon offset budget planning, and facilitate the continuous deployment of emissions reduction measures and low-carbon investments.

In addition, CAL continues to strengthen its value chain decarbonization management, enhancing overall emissions reduction effectiveness and improve its climate transition resilience and capability.

From a governance perspective, the CAL has established a comprehensive climate governance framework through its Sustainability Committee, Environmental Management Committee, and TCFD task force/ platform. Implementation progress and performance outcomes are reported to and overseen by the Board of Directors on an annual basis, ensuring alignment with the defined decarbonization pathway and reinforcing board-level supervision and accountability. Refer to 2.3.2 Climate Change Mitigation and Adaptation for the relevantmanagement framework and processes

CAL Carbon Reduction Path



CAL's Net Zero Carbon Emission Targets and Key Strategies

Net Zero Emission Strategies	Contribution of 26% Improvement in Fuel Effi-ciency by 2030	2025 Key Initiatives
Continuous improvement of fuel efficiency	2-4%	• Implemented 11 initiatives for saving aviation fuel and reducing carbon emissions, with a total carbon reduction of approximately 47,755 metric tons. • Enhance passenger and freight load factors
Supporting the development of emerging tech-nologies	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 2026.
Promoting SAF	3-5%	• Maintaining the regular use of SAF in Taiwan and overseas, with usage reaching 0.5%. • Implemented the SAF Collaboration Project for corporate customers • Participated in SAF negotiations and cooperation between the government and oil companies • Supported the government's SAF pilot program
Participate in international carbon management mechanisms	2-11%	• Completed the CORSIA international flight carbon emissions MRV operation • Evaluated the purchase and management of carbon credits

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Engaging in international collaboration to support global carbon reduction initiatives

Since 2023, CAL has collaborated with the IATA on the CO_2 Connect initiative, sharing flight emissions data to enhance the application of aviation carbon emissions information. Starting in 2024, CAL joined the CO_2 Connect Advisory Group of the IATA, contributing to the monitoring of passenger and cargo models and providing recommendations for refinement to improve the accuracy of aviation emissions calculations. In addition, CAL continues to deepen its international collaboration with IAGOS–PGGM, integrating collected data to support scientific research. In 2023, the Company deployed IAGOS's latest P2b and P2d observational instruments, assisting international climate research teams in validating and calibrating greenhouse gas observation, remote sensing, and estimation data from the Japan Aerospace Exploration Agency satellite programs. This initiative promotes substantive scientific collaboration among Taiwan, Japan, and the European Union, contributes to global climate change research efforts led by organizations such as the United Nations, and enhances the Company's own route management and operational climate resilience.

Continuously engaging corporate clients and supply chain partners to jointly support SAF collaboration initiatives

Promoting energy transition is crucial for the aviation industry to achieve the net-zero carbon goal. However, this can only be effectively accomplished with the support and assistance from the entire industry chain. As a sustainability leader in the transportation sector, CAL was the first airline in Taiwan to adopt SAF. Since 2017, SAF has been used in delivery flights for its A350-900 and A321neo aircraft. From 2017 to 2022, the Company remained the only airline in Taiwan to utilize SAF.

In addition, CAL was the first among Taiwanese airline companies to participate in the Sustainable Aviation Fuel program established by international oil companies and blockchain platforms in 2023. CAL was also the first in Taiwan to introduce the SAF collaboration model for corporate procurement and provide traceable and verifiable carbon reduction reports. CAL cooperated with supply chain vendors and corporate passenger and cargo customers to participate in the SAF Collaboration Project, utilizing SAF that can reduce carbon emissions by over 80% compared to traditional aviation fuel, thereby collectively reducing the carbon footprint. In 2023–2025, China Airlines continued to operate commercial demonstration flights using Sustainable Aviation Fuel (SAF) as part of the SkyTeam Sustainable Flight Challenge, steadily accumulating operational experience. This has decreased CAL's direct GHG emissions (Scope 1) and indirect GHG emissions from customer transportation (Scope 3) by approximately 72 metric tons of CO2e in total. CAL will continue to invite supply chain partners to actively support the global sustainable energy transition, enhance corporate net-zero collaboration, and achieve mutually beneficial carbon reduction outcomes.

Since 2025, CAL has partnered with domestic fuel suppliers to introduce Sustainable Aviation Fuel (SAF) at Taipei Songshan, Taoyuan, and Kaohsiung airports under a three-year Memorandum of Understanding (MOU), supporting the development of the local SAF supply chain. CAL has also collaborated with leading technology companies to incorporate SAF into business travel programs, helping customers achieve decarbonization goals while expanding the impact of sustainable transformation.

In the planning for 2026, China Airlines continues to monitor the development of domestic and international Sustainable Aviation Fuel (SAF) technologies and supply markets. Based on global SAF sourcing and procurement experience, the Company will timely assess the feasibility of domestic and international supply, policy requirements, and operational conditions. China Airlines actively participates in government and supplier-related initiatives to pragmatically advance its SAF procurement strategy, aiming to fulfill its short, medium, and long term sustainability goals.

CAL and Formosa Petrochemical Corporation expand procurement of Sustainable Aviation Fuel to tens of thousands of tons, advancing toward a net-zero future.

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 to our customers, we also leverage the operations of the Corporate Environmental Committee to plan and promote a wide range of environmental protection and energy-saving initiatives tailored to the nature of each business unit, continuously enhancing the ecological efficiency of our operations. In 2025, China Airlines introduced seven A321neo passenger aircrafts and one 777F cargo aircraft. In 2026, in addition to continuing the introduction of A321neo aircraft, CAL will welcome the brand-new Boeing 787 fleet. With this new and younger fleet, CAL will lay the foundation for improving aviation fuel efficiency. The aviation fuel management team will then monitor the fuel efficiency of each fleet and implement fuel-saving measures across various aspects, including planning, operations, logistics, and management to minimize the environmental impact of passenger and cargo services. The headquarters and worldwide branch offices' operations and maintenance processes will follow a lifecycle approach, considering the interaction between design, procurement, use, maintenance, and disposal stages with the environment and ecology. Through a robust environmental and energy management system, the Company will continue to achieve operational goals without significant penalties, enhance energy resource efficiency, reduce waste, and move towards a circular economy.

In 2025, CAL implemented 65 environmental protection and energy-saving measures, along with 11 flight fuel-saving measures, resulting in a total carbon reduction of 49,780 tons, achieving the achievement rate of 128%. In 2026, additional plans are being made to implement 76 measures, with an expected carbon reduction of 40,510 tons.

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Management Target	Important Management Strategies/Measures		2025 Outcomes and Performance
Zero Penalties and Implementation of the Envi-ronmental Management Cycle (PDCA)	1. Identify compliance obligations and conduct compliance checks quarterly. 2. Implementation of Environmental Management Audits in accordance with ISO 14001/50001 Standards: Conduct two internal audits and one external audit annually; Each Environmental Management Committee/Aviation Fuel Management Working Group conduct audits of worldwide branch offices and suppliers based on their business functions.		No significant incidents of environmental penalties **(Note 1)**
Increase Aviation Fuel Efficiency	Promoting green-energy 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. Deliveries are scheduled to begin in 2029 for deployment on long-haul passenger and cargo routes to North America and Europe. 2. Adopt environmentally friendly and fuel-efficient flight operations to improve fuel efficiency where such operations are permitted under software, hardware, and weather conditions. For example: Reduce the APU activation time and adopt engine out taxi. 3. Optimize the monitoring and measurement mechanism for fleet fuel efficiency to identify opportunities for energy performance improvement. 4. Implement station audit operations to enhance the execution rate of fuel-saving measures. 5. Promoted air–ground intermodal transport and developed a low-carbon transportation network, in collaboration with ground transport operators to generate transfer synergies, thereby reducing passenger-related carbon emissions and waiting times.	CAL carried out 11 fuel saving measures and saved 18,866 kiloliters of fuel with an achievement rate of 129%.
	Improving ground service con-trol	• Incorporate fuel efficiency as a factor for setting flight plans and systematically improve routes and selection of backup landing sites. Optimize the center of gravity on aircraft and implement fuel conservation during planning. • Implement ground operations such as using trailer power supply and airport ground power supply instead of APU to save aviation fuel consumption.	
	Continuous regular repair and maintenance	• Continue to monitor and maintain aircraft performance and manage and improve fuel conservation measures. Regularly clean critical equipment to maintain optimal conditions of aircraft. • Regularly clean critical equipment to maintain the aircraft in optimal condition. • Maintain good communication channels with the original manufacturer to obtain information on the latest technology developments and performance optimization solutions. • Select environmentally friendly paint or paint remover, ensuring a balance between fuel efficiency and the reduction of air pollution. • A350 and 787 aircrafts are coated with low-drag BC/CC (basecoat/clearcoat) paint systems.	
	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.	
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. Ad-ditionally, assess energy resilience facilities.		CAL reduced electricity consumption by 219 MWh with an achievement rate of 99%.
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 257 kiloliters of fuel and reduced carbon emissions by 665 tons with an achievement rate of 107%.
Increase the Percentage of Renewable Energy	Develop diverse cooperation plans to promote the use of Sustainable Aviation Fuel and to increase the installation of ground-based solar power facilities.		A total of 13,154 kiloliters of SAF was added, representing a 503% increase compared to 2024; solar power generation reached 197,000 kWh.
Reduced Resource Consumption and Increase Environmental Protection Awareness	Continuously improve the digitization of operations in cargo, flight services, cabin service, and administration. Implement environmental measures such as introducing food waste processing machines, optimizing the performance of wastewater treatment facil-ities, selecting and leasing eco-friendly energy-saving photocopiers, and recycling of waste paper containers/slurry for reuse.		Reduced 56 tons of paper consumption and waste and reduced car-bon emissions by 241 tons with an implementation rate of 100%.

Note 1: Environmental penalties exceeding USD$10,000 are classified as material incidents. No material environmental penalties were recorded from 2022 to 2025.
Note 2: Source of the carbon emission factor: 2020 electricity emission factor, Greenhouse Gas Inventory v.6.0.4 (gasoline/diesel).

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Carbon Emissions from Air and Ground

GRI 305-1, 305-2, 305-3, 305-5

The greenhouse gas produced through the incineration of aviation fuel accounts for more than 90% of total emissions. Therefore, in addition to continuously promoting fleet renewal Refer to 2.1.2 Passenger Service, CAL continues to strengthen the countermeasures to improve overall fuel efficiency through the dedicated "Aviation Fuel Management Team", and formulate various specific measures from the aspects of planning, management and execution.

In terms of ground operations, CAL continues to adhere to and operate management systems such as ISO 50001 and ISO 14001 systematically, promoting various energy-saving and environmental protection measures. In addition to reducing energy consumption such as electricity and fuel, measures such as digitizing operational processes, waste management, sourcing local ingredients, and promoting ride-sharing are implemented to reduce carbon emissions in categories three to six. Furthermore, in accordance with 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. To implement GHG management, CAL has been inviting third-party verification agencies certified by the IAF system annually since 2009 to conduct verification operations in accordance with ISO 14064-1 reasonable level of assurance and the guidelines outlined in ISO 14064-3.

In 2025, CAL's total greenhouse gas emissions amounted to 8,074,239 metric tons of CO_2e, representing a slight increase of 5.17% compared with 2024. Meanwhile, greenhouse gas emissions from ground operations decreased by 0.06% year over year.

GHG Emissions of CAL, Mandarin Airlines, and Tigerair Taiwan

Unit: tons CO2e

Company	Scope of GHG	Item	2019	2022	2023	2024	2025
	Category 1	Flight Operations	7,059,083	5,435,050	6,048,568	6,224,228	6,525,728
		Ground Operations	4,981	4,041	3,028	3,328	3,114
		Carbon Intensity (ton CO2e/Million NTD)	44.49	38.56	37.44	35.55	36.48
		Flight Operations	237,701	89,500	126,743	119,492	120,024
		Flight Operations	362,794	31,306	289,358	399,684	422,563
	Category 2	Ground Operations	18,169	16,468	15,767	15,079	16,138
		Carbon Intensity (ton CO2e/Million NTD)	0.13	0.12	0.10	0.09	0.09
		Ground Operations	901	805	742	735	718
		Ground Operations	106	265	220	240	245
	Categories 3-6 (Note)	Ground Operations	1,607,690	1,240,935	1,389,211	1,432,790	1,529,257
		Carbon Intensity (ton CO2e/Million NTD)	10.98	8.80	8.59	8.18	8.55

Note 1: The calculation boundary covers 100% of the aviation fuels used by China Airlines (including all global operations, encompassing domestic and overseas branches and offices, and are subject to third-party verification since 2023), Mandarin Airlines, and Tigerair Taiwan, and includes 100% of aviation fuel consumption.

Note 2: Of the total greenhouse gas emissions of China Airlines in 2025, 8,074,237 metric tons of CO2e (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.

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 (tons CO2e/Thousand RTK) = GHG emissions/Total RTK; (ton CO2e/Million Dollars) = GHG emissions/Revenue.

Aviation Fuel Efficiency Performance

GRI 302-3, 305-4

In 2025, the overall aviation fuel efficiency was 0.2292 tons per thousand Revenue Ton Kilometers (RTK) compared with the target value of 0.2373 tonnes per thousand RTK, the achievement rate was approximately 103%. 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	2021	2022	2023	2024	2025
Fuel Consumption (tons/PJ)	1,857,073/82	1,717,758/76	1,911,669/84	1,967,183/87	2,064,318/91
CO2 Emissions (tons CO2e)	5,875,530	5,435,050	6,048,568	6,224,228	6,525,728
Transport Volume (thousand RTK)	7,605,201	6,949,143	8,359,335	8,611,404	9,007,557
Fuel Efficiency (tons/thousand RTK)	0.2442	0.2472	0.2287	0.2284	0.2292
Carbon intensity (ton CO2e/thousand RTK)	0.7726	0.7821	0.7236	0.7228	0.7245

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

	Fuel Consumption (tons/PJ)	-	29,709 /1.31	39,903/1.76	37,676/1.66	37,723/1.66
	CO2 Emissions (tons CO2e)	-	93,881	126,093	119,055	119,203
	Transport Volume (thousand RTK)	-	41,169	66,367	69,250	72,720
	Fuel Efficiency (tons/thousand RTK)	-	0.7216	0.6012	0.5441	0.5188
	Carbon intensity (ton CO2e/thousand RTK)	-	2.2804	1.8999	1.7192	1.6392
	Fuel Consumption (tons/PJ)	-	9,895/0.41	91,738/4.04	125,882/5.55	133,169/5.87
	CO2 Emissions (tons CO2e)	-	31,268	289,892	397,787	421,073
	Transport Volume (thousand RTK)	-	27,129	380,879	560,068	597,629
	Fuel Efficiency (tons/thousand RTK)	-	0.3647	0.2409	0.2248	0.2228
	Carbon intensity (ton CO2e/thousand RTK)		1.1526	0.7611	0.7102	0.7046

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

Energy Consumption Data Unit: MWh/GJ

Types of Energy	2022	2023	2024	2025
Non-renewable Fuels	21,053,443 / 75,786,331	23,429,847 / 84,340,702	24,109,748 / 86,788,148	25,454,114 / 91,627,481
Renewable fuels (SAF)	291 / 1,046	418 / 1,505	369 / 1,327	128,633 / 463,041
Electricity (purchased)	32,354 / 116,465	31,853 / 114,662	31,813 / 114,518	34,259 / 123,321
Electricity generation from solar photovoltaic systems (self-consumption)	110 / 396	119 / 428	108 / 389	197 /710

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: Renewable fuels include sustainable aviation fuels and solar photovoltaic.
Note 3: The calorific 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.
Note 4: All were included in the data of overseas branches and have been externally verified since 2023.
Note 5: In 2019, CAL obtained Renewable Energy Certificates, and solar photovoltaic power began being used for self-consumption. Therefore, there was no solar photovoltaic systems power generation in 2019; statistics have been collected since 2020.

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 during the design/procurement stages of material energy usage. It incorporates these considerations into decision-making factors and establishes energy information monitoring equipment and mechanisms that exceed regulatory standards. CAL also optimizes fuel management for official vehicles, implements internal audits, and integrates concerns from stakeholders (such as the reporting 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.

Since optimizing its energy monitoring systems and management mechanisms in 2023, CAL has strengthened energy management through external expert sharing and employee training in 2025, covering regulatory trends, industry developments, and energy performance indicator establishment to enhance energy-saving awareness.

CAL's total electricity consumption in 2025 was 34,456 thousand kilowatt-hours, an increase of 1.07% compared with 2024 (31,921 thousand kilowatt-hours). As of 2025, CAL has installed 4 solar photovoltaic (PV) systems, including capacities of 276 kW and 178 kW at CAL Park, as well as 193kW and 197kW at EMO Park facilities. Total installed capacity, with solar generation efficiency maintained at around 9,800 kWh per kW. To support the electrification of vehicles and ground support equipment, the Company continues to install charging infrastructure across its headquarters campus and maintenance facilities, further strengthening the foundation for transport electrification. 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.

Fuel consumption (gasoline and diesel) for ground operations totaled 1057 kiloliters in 2025, representing a 19% increase from 886 kiloliters in 2024. 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, 13,154 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 installation of renewable energy equipment. Additionally, through the implementation of various measures promoting green office practices, the Company aims to achieve the objectives and plans of 10% renewable energy installation capacity by 2030 and 15% by 2040.

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

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 44%. 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 5,263 tons of water in 2025, achieving a recycling rate of 8%.

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 methods and technologies, which reduce the water consumption for cleaning aircraft with an efficiency of 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. They 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.

CAL promotes water conservation awareness through employee training programs that emphasize the importance of responsible water use in daily operations. Water-saving messages and educational materials are displayed in water-use areas, such as restrooms and washbasins, and are also made available on the company's internal website to reinforce the importance of water conservation among employees.

In 2025, CAL's tap water withdrawal totaled 105,904 cubic meters, a 7.4% decrease compared to 2024. This also achieved the SDG target of reducing water usage by 7% from 2018 levels. CAL will continue to strengthen change management through water-saving advocacy, improvement in wastewater treatment efficiency, technological upgrades, and other means. The Company is committed to achieving its targets of reducing water consumption by 8%, 10%, and 12% compared to 2018 levels by 2027, 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: Taoyuan Airport Sewage Treatment Plant (secondary treatment)	Nankan River (River with Category C water bodies)	pH: 6 ~ 9 BOD: <30 mg / L	COD: <100 mg / L SS: <30 mg / L
EMO Park			Domestic sewage: Taoyuan Airport Sewage Treatment Plant (secondary treatment)			
			Industrial wastewater: CAL's first and second wastewater treatment plants (biological treatment)		pH: 6-9 COD: <100 mg/L SS: <30 mg/L	Cd: < 0.03 mg/L Cr (III) & Cr (VI): < 2 mg/L
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 SS: < 30 mg / L	COD: < 100 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 2025.

Water Usage Area (Source Type)	Water Withdrawal (Note 1) (Kilotons)				Water Consumption (Note 2) (Kilotons)	Water Discharge (Note 3) (Kilotons)	Recycled Volume (Note 4) (thousand tonnes)	Recycling Ratio (%)
	2022	2023	2024	2025	2025	2025	2025	2025
CAL Park (tap water)	28.70	36.46	40.82	39.30	19.03	27.05	14.36	31.16%
CAL Park (rainwater)	9.35	6.07	9.65	6.79				
EMO Park (tap water)	55.81	61.55	58.17	63.93	38.33	Domestic: 11.50 Industrial: 14.10	N/A Industrial: 3.51	-- 5.49%
Taipei Branch (tap water)	4.02	4.18	3.91	4.23	2.07	2.17	N/A	--
Songshan Office (tap water)	10.68	15.97	11.53	12.65	4.88	7.77	N/A	--
Total	108.56	124.23	124.08	126.90	64.31	62.59	17.87	14.08%

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 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.

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Emissions

GRI 305-7

Emissions from aircraft engines, particularly nitrogen oxides (NOx) and sulfur oxides (SOx), significantly affect local air quality. China Airlines is actively engaged in reducing unit 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. Due to increased flight operations, VOC emissions from maintenance activities in 2025 amounted to approximately 20 metric tons, representing a 5% increase from 19 metric tons in 2024. In addition, CAL established the work environment monitoring plan and operating procedures to protect the workplace environment for employees. The Company also monitors the changes in CO_2 concentration in office spaces.

項目			單位										
				2022	2023	2024	2025	2023	2024	2025	2023	2024	2025
Passenger Aircraft	SOx	Emissions	Tons	29.59	38.36	46.17	47.27	26.58	27.81	28.66	11.56	15.17	16.04
		Emission Efficiency	g/RTK	0.0130	0.0094	0.0104	0.0108	0.4004	0.4016	0.3941	0.0304	0.0271	0.0268
	NOx	Emissions	Tons	120.64	400.60	482.23	493.70	277.54	290.45	299.30	120.77	158.41	167.50
		Emission Efficiency	g/RPK	0.0183	0.0119	0.0130	0.0133	0.3863	0.3933	0.3951	0.0279	0.0285	0.0283
Cargo Aircraft	SOx	Emissions	Tons	13.03	11.37	11.02	12.56						
		Emission Efficiency	g/RTK	0.0028	0.0027	0.0026	0.0027						
	NOx	Emissions	Tons	135.84	118.79	115.14	131.22						
		Emission Efficiency	g/RTK	0.0291	0.0278	0.0276	0.0284						

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

GRI 306-2, 306-3

CAL implements waste segregation management across its workplaces as part of daily operations. After waste is sorted by category at each unit, a contracted cleaning service conducts a secondary inspection and verification process following collection. In addition, all waste bags are weighed individually to monitor and control waste generation, improve sorting quality, and enhance recycling performance.To strengthen waste management and auditing mechanisms, CAL conducts two internal audits and one external audit annually. Through on-site inspections, process reviews, and verification of waste segregation practices, the effectiveness of waste management measures is regularly evaluated. In 2025, both internal and external audits were successfully completed with results meeting all applicable requirements, demonstrating CAL's continued commitment to effective waste segregation management and audit practices.

CAL promotes proper waste segregation through employee training programs that emphasize the importance of waste classification and recycling. Educational posters and reminders are displayed in waste disposal and recycling areas, while related awareness materials are also published on the company's internal website to reinforce employees' understanding of proper waste sorting practices and the importance of effective waste management.

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 minimize the volume of waste sent to landfill (achieving zero waste to landfill), CAL follows a hierarchical waste management strategy: refuse, reduce, reuse, and recycle. The Company 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, the Company collaborates on the development and design of several eco-friendly and plastic-reducing in-flight service items.

In order to mitigate the environmental and ecological impacts associated with food waste, China Airlines has partnered with its catering partner, China Pacific Catering Services, to promote a green transformation. This collaboration focuses on three core strategies—energy saving and carbon reduction, food waste minimization, and eco-friendly packaging—across the entire catering process, from ingredient sourcing and production management to meal delivery, establishing a comprehensive model for sustainable airline catering management. China Pacific Catering Services has obtained ISO and HACCP international quality certifications, ensuring food hygiene and safety in accordance with global standards. Furthermore, monthly kitchen inspections and bi-monthly meal audits are conducted to maintain transparent production processes and consistent

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

quality, allowing passengers to enjoy every meal with peace of mind at the altitude of ten thousand meters. In addition to in-flight catering, China Pacific Catering Services is actively expanding its non-aviation business sector by developing a diverse product line that includes frozen ready-to-eat meals, takeout bento boxes, and corporate catering services. This initiative aims to create a new value chain for the in-flight catering brand, extending high-quality food manufacturing standards into everyday life and advancing the reach of sustainability principles.

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.

Energy Conservation and Carbon Reduction

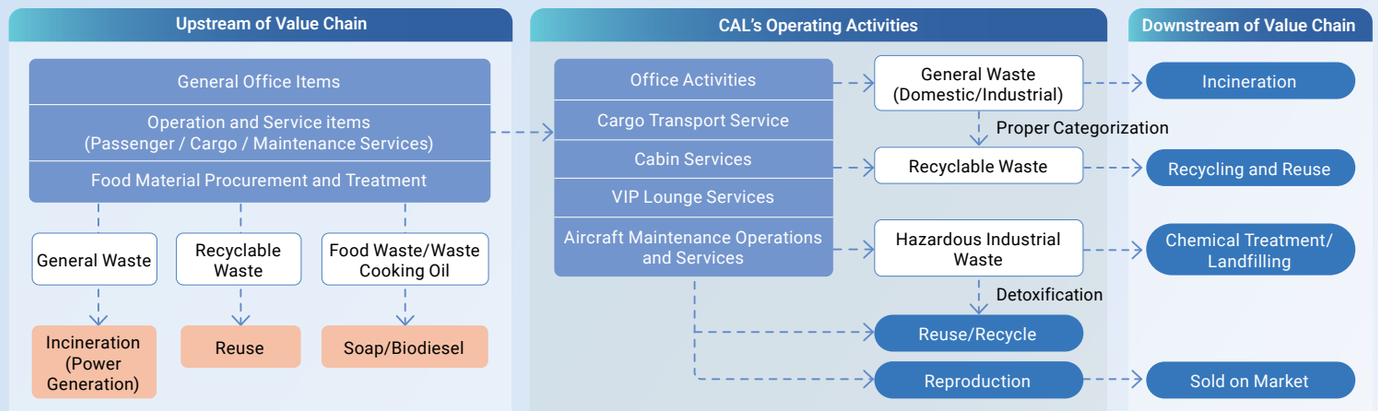
Implement green procurement by selecting environmentally friendly refrigerant food carts and introducing high-energy efficiency facilities to improve operational efficiency and sustainability outcomes.

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.

The recycling rate of ground waste increased from 32.1% in 2025 to 36%, while total waste generated in 2025 amounted to 2,441 metric tons. 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.

Waste management Flowchart



	Waste Produced				Disposal Method
	2022	2023	2024	2025	
General Domestic Waste	113	122	118	138	Incineration - with Energy Recovery
	629	986	948	839	Incineration - without Energy Recovery (Delivered to the airport incineration plant in accordance with regulations and rec-ommended the installation of electricity generation facilities)
Recycling and reuse	622	973	1,112	1,098	Recycling and Reuse
Hazardous Industrial	12	11	7	12	Other treatment – Chemical Treatment (e.g., electroplating solutions)
Waste	2	1	1	0.72	Other treatment - Offshore Treatment (e.g., Nickel-cadmium batteries)
Non-hazardous	147	194	193	153	Recycling and Reuse - Resource Recycling (e.g., waste lubricants)
Industrial Waste	47	127	113	200	Other Treatment - Heat Treatment (e.g., waste paint)
Total	1,572	2,414	2,491	2,441	--

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 the EMO park, the CAL Park, the Kaohsiung branch office operations, VIP Lounge services at Taiwan locations, in-flight supplies for flights returning to TPE, catering operations, and cargo services at Taoyuan International Airport.
Note 3: Due to changes in the reporting process in 2024, the category of non-hazardous waste—waste wood—was newly included in the statistics starting in 2024. In 2025, the amount for this category was 166.41 metric tons (recycled).

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Food Waste Management

In response to the growing international focus on food loss and waste, CAL has separately calculated and reviewed its food waste management performance since 2024. In 2025, a food waste processing machine was installed at CAL Park headquarters. Through a process of heating, dehydration, and grinding, food waste is reduced in volume by approximately 90% compared with its original form. In 2025, a total of 5,637.8 kg of food waste was processed, generating 1,021 kg of food waste residue, which was reused for composting and landscaping soil improvement within the CAL Park, effectively reducing waste while maximizing resource utilization.

CAL inventories all food loss and waste generated throughout its transport services, including food waste from employee canteens during ground operations, surplus ingredients generated during airline catering meal preparation, and food waste arising from VIP lounges and inflight services during the service phase. By collecting and categorizing data according to service stages, CAL is able to develop targeted reduction measures that address the specific characteristics of food loss and waste from different sources.

In 2025, the amount of meal-related waste generated on return flights was 0.35 kg per passenger meal. To reduce waste meals resulting from changes in passengers' travel plans, CAL implemented incentive-based adjustments in 2025, reducing waste meals per passenger from 0.76 g in 2024 to 0.33 g in 2025, successfully achieving the annual management target.

Recognizing the differences among cabin classes, CAL uses meal uplift rates by cabin class (ranging from 0.09% to 0.28%) as key indicators for cabin food waste management. The 2025 targets were 0.25% for Business Class, 0.28% for Premium Economy Class, and 0.09% for Economy Class. Actual 2025 performance was 0.15% for Business Class (target achieved), 0.08% for Premium Economy Class (target achieved), and 0.11% for Economy Class (target not achieved).

For 2026, the meal uplift rate targets have been set at 0.24% for Business Class (2.5% lower than the 2025 target), 0.27% for Premium Economy Class (2.5% lower than the 2025 target), and 0.09% for Economy Class. Although the overall network average for Economy Class in 2025 was 0.11%, exceeding the target, 30 stations successfully achieved the KPI. Therefore, the original target of 0.09% will be maintained in 2026. CAL will continue to optimize related system functions and strengthen awareness efforts to support more accurate meal forecasting and ordering across all stations.

To continuously improve cabin waste management, CAL has implemented onboard waste segregation and recycling services on all twin-aisle aircraft. Dedicated recycling carts (eco-carts) are loaded onboard to enable cabin crew to properly separate recyclable materials from other waste. In addition, CAL continues to adopt source-reduction strategies through material selection and meal optimization, including replacing single-use plastic packaging, increasing the use of recycled and sustainability-certified materials, promoting pre-order meal services, and developing co-branded specialty meals. These initiatives aim to minimize the environmental impacts of operations while meeting the growing demand for international travel and maintaining high-quality cabin services.

Performance Indicators		Waste Produced				Disposal Method
		2022	2023	2024	2025	
VIP Lounge, Employee Cafeteria, and In-flight Meal Preparation	Amount Generated (metric tons)	142	541	462	370	Recycling and Reuse
	Per Capita Generation – VIP Lounge (kg/person)	0.017	0.034	0.032	0.029	
In-Flight Meal Service	Amount Generated (metric tons)	632	1,610	1,863	2,095	Incineration - with energy recovery (in accordance with quarantine re-quirements) **(Note 1)**
	Per Capita Generation – In-flight Service (kg/person)	0.65	0.33	0.31	0.35	
	Total	774	2,151	2,324	2,465	

Note 1: Food waste incinerated in accordance with quarantine regulations and most general household waste that employees are unable to recycle are utilized for power generation through the cogeneration system at the incineration plant (Waste To Energy, WTE).
Note 2: The scope covers the EMO park, the CAL Park, the Kaohsiung branch employee cafeteria, VIP Lounge services at Taiwan locations, in-flight supplies for flights returning to TPE, and catering operations at Taoyuan International Airport. Excludes food waste generated by the employee cafeteria at the CAL Park in 2025, as it has been processed into soil amendment materials using a food waste processing unit.

Packaging Material Information

In alignment with phased updates to service items, CAL conducted a comprehensive review in 2025 of passenger-facing items and their packaging materials across its passenger service processes. By gaining a clear understanding of packaging material usage, the Company seeks to identify further opportunities for packaging reduction. CAL has incorporated environmentally friendly design principles into its co-branded travel and amenity kits (Highlight: Eco-friendly overnight kits), covering both packaging and contents. In addition, headrest covers across all cabin classes are made from 100% recycled RPET materials. Furthermore, plastic items used for inflight service operations, including supply bags, plastic seals, garbage bags, and plastic cups, are all manufactured from 100% recycled RPET. Paper-based packaging used for individually wrapped items is required to be plastic-free and FSC-certified. All wood- and paper-based materials (e.g., playing cards, paper cups, and stirrers) are specified to carry FSC or PEFC certification. For disposable cutlery kits used due to flight time constraints, all wooden or bamboo utensils, napkins, and packaging are FSC-certified and made from plastic-free, uncoated paper materials.

In addition, CAL seeks to leverage its influence to enhance the use of recycled packaging materials during the logistics stage through ongoing communication and engagement with suppliers. This includes working with e-commerce platform (EMall) partners to increase recycled content in paper packaging and the use of recycled materials in plastic packaging. The Company has also set a target to reduce the average weight of packaging by 35% by 2030 compared to 2023. For cargo packaging materials, CAL has adopted a mixed tarpaulin made from 40% to 60% recycled materials for coverings. Additionally, plastic film is being recycled and reused. 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

Item		2025
Plastic Materials	Packaging Material Weight (kg)	1,638,374
	Proportion of Recycled Materials (%)	37.39%
	Biodegradable Percentage (%)	1.05%
	Proportion of Recycling and Reuse (%)	61.56%
Wood and Paper Materials	Packaging Material Weight (kg)	254,798
	Proportion of Recycled Materials (%)	0%
	Proportion of Certified Materials (%)	18.14%
Metal Materials	Packaging Material Weight (kg)	147,605
	Proportion of Recycled and Certified Materials (%)	33.96%
Glass Materials	Packaging Material Weight (kg)	35,875
	Proportion of Recycled and Certified Materials (%)	0%

Note 1: The scope covers 100% of procurement for passenger-facing passenger and cargo service items.
Note 2: Wood- and paper Materials are sourced from materials certified by the Forest Stewardship Council (FSC) or the Programme for the Endorsement of Forest Certification (PEFC).

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Key Packaging Management Strategies

Programs / Actions

Increasing the use of reusable packaging: Bamboo chopsticks and slippers in Premium Business Class are labeled with the message: "Please help conserve Earth's resources by taking these items with you after use for reuse."

Increasing the use of recyclable packaging: Prioritizing the use of RPET materials in products and packaging to enhance recyclability and reuse potential

Phasing out single-use plastic packaging: Items such as stirrers, dental floss picks/ toothpick brushes, and eco-friendly toothbrush kits have been transitioned to FSC-certified paper packaging

Increasing the use of recycled materials: Plastic supply bags, garbage bags, bowl/plate covers, and PY/EY headrest covers are all made from 100% recycled RPET materials.

Ensuring the recycling of recyclable packaging: Deploying eco-friendly service vehicles to conduct inflight resource recovery operations, while strengthening engagement with overseas stations

Investing in the development of sustainable packaging solutions: Project-based R&D for specialized items, including:

1. Both the packaging and contents of travel and amenity kits are made from environmentally friendly materials. In Economy Class, the toothbrush handle and protective cap are made from 20% recycled materials, and the packaging is also plastic-free.
2. For disposable cutlery kits used due to flight time constraints, all wooden or bamboo utensils, napkins, and packaging are FSC-certified and made from plastic-free, uncoated paper materials.

Eco-Friendly and Stylish In-Flight Amenity Kit

CAL has launched a newly upgraded inflight travel kit, marking its first collaboration with Marc Jacobs and FRAMA. Centered on the concept of "Designed for the Journey," the kit integrates sustainable design with practical functionality to enhance reusability and reduce reliance on single-use items. Developed in collaboration with suppliers, the amenity kit incorporates eco-friendly materials and sustainability considerations throughout its design and development process, featuring low-impact products such as bamboo dental care sets. Through refined, high-quality design, it enhances reusability, allowing inflight amenities to extend into everyday use and thereby reducing waste generation. The Company also prioritizes brands that embody both quality and environmental values, such as FRAMA, whose products emphasize natural ingredients and minimalist design, helping to reduce unnecessary packaging and resource consumption. Through the upgrading and design optimization of inflight service items, CAL continues to advance source reduction and circular use, implement plastic reduction and sustainable procurement strategies, and strengthen the integration of aviation services with environmental responsibility.

Premium Business Class

Premium Economy Class

To support green services, you can...

Ground Operations

- 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.
- Utilize the e-menu service available in the VIP lounge at Taoyuan Airport.
- Participate in the voluntary carbon offset program, "ECO Travel Carbon Offset".
- Not to illegally transport endangered species of plants and animals.

Takeoff/Landing Process

- (In summer) Close the sun-facing window shades to help conserve energy.
- Experience fuel-efficient flight operations, such as executing continuous descents to achieve fuel savings.

During Flights

- Enjoy in-flight meals made with locally sourced or seasonal ingredients.
- Offers pre-order meal services and electronic menus on selected aircraft types to improve meal planning and catering management efficiency.
- Browse a variety of publications in the cloud bookstore to support weight reduction and fuel savings in the cabin.
- Support resource recycling operations on twin-aisle aircraft.
- Enjoy and support eco-friendly in-flight service items, use your own headphones to listen to music.

Preparing for the Next Journey

- eMALL e-commerce and sustainable consumption
- Support and follow China Airlines' participation in the "Pacific Greenhouse Gases Measurement (PGGM)" initiative and the SkyTeam Sustainable Flight Challenge.

e-Service

Green Services and Communication

The support and encouragement of passengers serve as the driving force for CAL to advance towards its environmental sustainability goals. 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 surveys, CAL conducts surveys to assess employee satisfaction with environmental information dissemination and gathers suggestions for improvement. In 2025, a total of 4,236 employees participated, with an overall satisfaction rate of 94.7%.

Content

Preface

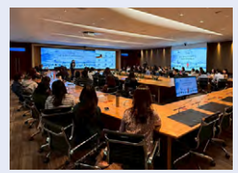
01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Environmental Communication

Targets	Key Points	Communication Channels	Performance in 2025
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, surveys, and quizzes	The completion rate of environmental training for new employees and outstation supervisors reached 100%. • A 100% completion rate was achieved for professional training on environmental, energy, and carbon management systems. • Interactive employee engagement activities recorded a total of 4,236 participant attendances.
	Organized experience activities to consolidate environmental protection and sustainability consensus	Environmental Lectures	1 environmental seminar titled “Protecting Our Planet” was held, with a total of 94 employees participating. 1/ Lecturer: Anchor Shu, Meng-Lan 2/ Group photo of the instructor with colleagues both physically present and joining online 
Environmental/Energy/ Carbon Management Personnel (includ-ing 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. • One session of the Group's "Sustainability Governance Communication Meeting and Environmental Management Communication Meeting" • The total number of participants was 610.
Passengers and ShippersPassengers 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 23 in-flight environmental and ecological films. • 7 environmental feature articles and reports were shared on social media, reaching a total of approximately 269,629 people.
Group (joint venture) Companies and Business Partners	Enhance environmental risk and opportunity management, carbon management, and operational efficiency in adaptation Expand sustainable influence by adding value to products and services	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. • The Group has completed its carbon inventory, and all greenhouse gas emissions across the relevant scopes has obtained third-party assurance statements. Refer to ESG Appendix - Environmental Performance • Group partners have set 24 energy and resource management goals, of which 15 have been 100% achieved. • The up-to-date "CAL Code of Conduct" and "Supplier Code of Conduct"

Future Plans

	Strategy	Plans
Optimize Climate Governance	• Steadfastly implement the carbon reduction pathway • Effectively address climate change	• Strengthen the management and implementation of the carbon reduction pathway, including Science-Based Targets (SBTs): Robustly advance net-zero carbon measures based on the cus-tomized carbon reduction pathway, in alignment with international climate regulations and market expectations. • 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. • Deepen climate risk management and adaptation strategies: Optimize the climate risk assessment mechanism based on practical operational needs, continuously enhance the climate resili-ence of the supply chain and business model, and ensure the stable development of the Company.
Support Environmental Sustainability	• Steadfastly Enhance environmental sustainability across the value chain • Deepen communication on sustainability awareness	• 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. • 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. • 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.

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

2.4 Human Resources

Highlight

Highest Social Score in the 2025 S&P Global CSA

Achieved the highest Social Dimension score in the airline industry in the 2025 S&P Global Corporate Sustainability Assessment (CSA), with full marks and the highest ratings in Human Rights, Safety, and Customer Relations.

Recognized as HR Asia Best Companies to Work for in Asia for 3 Consecutive Years

Received the 2025 HR Asia Best Companies to Work for in Asia award, marking the third consecutive year of recognition.

99.14% Union Participation Rate

Achieved an employee union participation rate of 99.14%.

Continued Support for the "TALENT, in Taiwan" Initiative

Continued to support the "TALENT, in Taiwan – Taiwan Talent Sustainability Action Alliance" on March 24, 2026, while investing approximately TWD 456 million in management and professional training programs.

TWD 24.28 billion Invested in Employee Compensation and Benefits

Invested TWD 24.28 billion in employee compensation and benefits.

Employee Training Investment of TWD 456 million

Invested approximately TWD 456 million in management and professional training programs to strengthen employee capabilities.

Management Approach

Material Issues

Occupational Safety and Health

Attracting, Cultivating, and Retaining Diverse Talent

Labor-Management Relations and Communication

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

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.

Long-term Goals

2027

- Between 2026 and 2027, six internal aviation knowledge-sharing sessions were conducted, with a total participation of 600 attendees.
- The number of aviation management talents trained reached 50 in 2026–2027.
- The target proportion of female executives for 2026–2027 is 26%.

2030

- Between 2026 and 2030, CAL will conduct a total of 15 internal aviation knowledge-sharing sessions, with cumulative participation reaching 1,800 attendees.
- The cumulative number of CAL's aviation management talent training reaching 150 individuals by 2030.
- Percentage of female executives reaching 27%

2040

- Between 2031 and 2040, CAL will conduct a total of 30 internal aviation knowledge-sharing sessions, with cumulative participation reaching 3,600 attendees.
- The cumulative number of CAL's aviation management talent training reaching 400 individuals by 2040.
- Percentage of female executives reaching 30%

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Management Mechanisms

- The meeting of the Corporate Sustainability Committee, at least twice a year
- The Talent Value Task Force reports the KPI progress to the Corporate Sustainability 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

Note: Tigerair Taiwan has issued a standalone Sustainability Report. For more information, please refer to the Tigerair Taiwan Sustainability Report.

Unit in Charge

Corporate Sustainability Committee - Human Resources Task Force

Grievance Mechanism

Employee Relations Department:
Human Resources Division

E-Mail:
wecare@china-airlines.com

Stakeholder Contact

Objectives and Plans

Issue	KPI	2025			2026 Target
		Objectives	Performance	Achievement	
Occupational Safety and Health (IS)	Reduce the Frequency-Severity Indicator (FSI) by 5%	FSI 0.42	FSI 0.19	Above Target Value	FSI 0.42
	Pass the certification of occupational safety-related manage-ment systems	Passing ISO45001:2018, CNS45001:2018 and TOSHMS	Passed	100%	Passing ISO45001:2018, CNS45001:2018 and TOSHMS Regular tracking and auditing
Labor-management Relations	Convene labor-management meetings	4 times	6 times	100%	4 times
Labor Rights	Organizing training on sexual harassment prevention	1 time	1 time	100%	1 time

2.4.1 Human Rights Due Diligence

GRI 2-23, 2-24, 2-25, 406-1,412-1,412-2

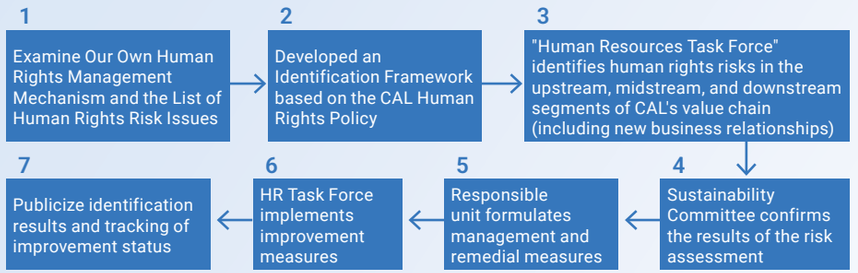
To enforce the idea of human rights, CAL has established its human rights policies and management mechanisms based on the UN Guiding Principles on Business and Human Rights, international trends, and local laws and regulations. The establishment and amendment of CAL's Human Rights Policy require the 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

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 October 2025, the Company organized online training courses for sexual prevention and 10,479 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 anti-discriminatory policy courses for boarding passengers with physical and mental disabilities to ensure the interests of passengers.

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 2025, 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.

Procedures for Identifying Material Human Rights Issues



Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

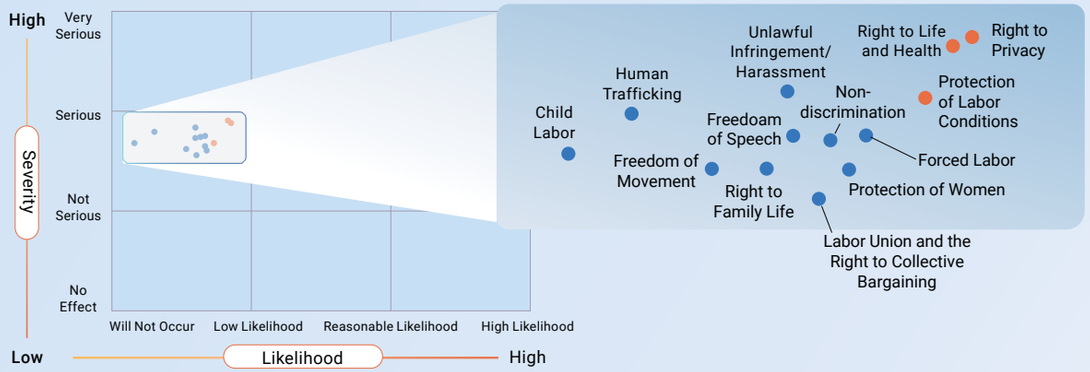
03 Corporate Governance

ESG Data and Appendix

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 surveys to stakeholders in the entire value chain (no new business relationships were established in 2025, such as material mergers & acquisitions). In 2025, it analyzed the material human rights risk issues of the year based on 265 valid surveys, 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 2025 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 the protection of labor conditions.

Human Rights Risks Identification Results in 2025



Mitigation and Remedial Measures for Material Human Rights Risks

GRI 2-25, 406-1

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 contracted labor, and local communities). CAL also adapted the measures for all locations of operations across the globe based on the regulations of the host countries (66 branch offices, coverage 100%). In response to potential risks, CAL adopts early warning and mitigation 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 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 to outsource suppliers, travel agencies, interline partners, and other specified third parties for use, it would require the third parties to comply accordingly.	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 Life and Health	• The "China Airlines Sustainable Supply Chain Management Policy Statement" and the "China Airlines Supplier Code of Conduct" have been established, requiring all suppliers to establish quality control systems to ensure the quality and safety of products or services. • For general products 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	
		Protection of Labor Conditions	• 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 2025 Supplier Conference, CAL promoted guidelines on human rights and labor conditions.	

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Node of Value Chain		Human Rights Issues	Mitigation Measures (Prevention)	Remedial Measures (Response)
Midstream	CAL's Operations	Right to Privacy	CAL established a "personal data management system" in accordance with applicable laws and regulations and the ISO international standard framework, creating standard operating procedures for the collection, processing, and use of personal data, and adopting organizational and technical personal data security maintenance measures. It also provides relevant education and training and lectures for personnel to strengthen awareness of personal data protection.	CAL has stipulated the "Personal Data Breach Response Management Procedures" to address breaches involving inappropriate access, disclosure, or unauthorized use of personal data that damage the data subject rights, and has prescribed a contingency plan. The Company organizes response exercises each year to ensure the effectiveness of operating procedure.
		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 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 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. • Provide employee health examinations that exceeded regulatory requirements 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 addition, multiple measures to strengthen measles protection are also promoted, including the provision of MMR vaccination and subsidy programs, in order to enhance measles immunity among employees in various positions. • 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 2.4.5 Health and Safety in the Workplaceix • 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 • Through the safety reporting system, the progress of case handling is monitored and controlled, while a comprehensive and effective control mechanism has been established through statistical analysis of the data.
		Protection of Labor Conditions	• 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. • Air crew scheduling adopts practices that exceed regulatory requirements, supported by fatigue management mechanisms and system monitoring. Regular review meetings are conducted to ensure continuous improvement and to prevent exceeding working hour limits. • Ground staff working hours are managed through shift scheduling or attendance systems to comply with legal limits (monthly overtime not exceeding 46 hours and daily working hours not exceeding 12 hours). • Held regular labor-management meetings at Head Office and each unit to negotiate labor conditions and welfare with employee representatives. • Jointly formed the Pension Committee and the Employee Welfare Committee with employee representatives, working together to protect employee labor rights and interests and enhance the workplace environment. • 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.	Established a grievance reporting channel to ensure that employees are informed of the avenues available for seeking assistance for their labor rights and interests to be handled properly and immediately. Refer to ESG Appendix - Relevant Data Statistics of Human Resources / other matters
	Joint venture	Right to Privacy	• In accordance with the systematic standards of the Taiwan Personal Information Protection Management System, CAL has established comprehensive standard operating procedures to ensure that the collection, processing, and use of personal data comply with relevant regulatory requirements. • Conduct relevant training and seminars to enhance awareness of personal data protection.	Formulated a standard operating procedure in accordance with the "Personal Information Protection Management System" for collecting, handling, and using personal information to ensure regulatory compliance.
		Right to Life and Health	• Regularly conduct employee health examinations to achieve the goals of early detection, early prevention, and early treatment. • In collaboration with contracted health examination hospitals, CAL implements employee health management. Employees can access past health examination reports, schedule doctor consultation services, and record self-monitoring indices to facilitate self-health management and disease prevention. • Established an Occupational Safety and Health Committee, which meets quarterly to review, coordinate, and make recommendations on safety and health related matters • Launched a Safety Management System to prevent potential risks or hazards through continuous risk identification and management	• Based on regular employee health examinations, we have identified various high-risk groups. Our company medical staff provides health care and education or recommends further outpatient consultations. • Through the operation of occupational safety meetings and the implementation of various preventive measures and guidelines, we regularly conduct statistics and analyses of occupational hazards, followed by subsequent reporting and tracking. Through risk identification and proactive measures, we prevent and mitigate incidents in advance.

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Node of Value Chain		Human Rights Issues	Mitigation Measures (Prevention)	Remedial Measures (Response)
Downstream	Joint venture	Protection of Labor Conditions	• The personnel operations manual and employee work regulations include procedures for employees to perform their duties in compliance with the human rights policy. • Labor-management meetings are held regularly in accordance with the law to facilitate two-way communication and establish a mutually beneficial communication mechanism between both sides. Broad exchanges of views are conducted on various issues, such as labor conditions and the work environment. In addition, labor union representatives are invited from time to time to discuss various employee matters. • Jointly formed the Employee Welfare Committee with employee representatives, working together to protect employee labor rights and interests and enhance the workplace environment. • Flexible scheduling to reduce employee overwork; avoid compulsory overtime and respect individuals' willingness to work overtime.	Established a grievance reporting channel to ensure that employees are informed of the avenues available for seeking assistance for their labor rights and interests to be handled properly and immediately. Refer to Appendix/Relevant Data Statistics of Human Resources / other matters
	Customers	Right to Privacy	In order to create a trustworthy personal information protection and privacy environment for consumers, the Company complies with the Personal Data Protection Act of the R.O.C., the Regulations Governing Personal Data File Security Maintenance Plan and Processing Method for the Civil Aviation Enterprise, the European Union's General Data Protection Regulation (GDPR), and other applicable personal information privacy laws and regulations, and collects, processes, or utilizes personal information within the scope of the specific purpose authorized by the individual concerned in a reasonable and safe manner and ensure that the individual concerned can exercise the relevant rights conferred by the personal information law to inquire, modify, delete, restrict the use of, 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
		Right to Life and Health	• In terms of aviation safety, CAL promotes a Safety Management System to prevent potential risks or hazards through continuous risk identification and management • In terms of in-flight food safety, CAL has established the "Caterer Selection Procedures", whereby local caterers can become CAL's in-flight meal suppliers only if they have third-party certificates related to food safety or certificates or proofs issued by local governmental health organizations • Implement pre-departure and in-flight meal quality verification, and carry out the relevant tasks in accordance with standardized service procedures. • Cabin crew members carry out cabin operations in accordance with the operations manual and safety procedures, and conduct case analyses during the annual emergency medical training to enhance onboard medical response.	• The Safety Management System is used to carry out relevant assessments and eliminate hazardous factors through risk control and safety assuarance, in order to maintain the safety of passenger flights • CAL has set up the "In-Flight Medical Consultation Service", a system that allows passengers to obtain professional medical advice if they feel unwell during check-in, boarding or travel. With the support of the Taiwan Medical Association, CAL has also launched the "Caring Doctors on Board" program, which allows caring doctors to provide immediate and professional assistance in the event of an in-flight medical emergency
		Protection of Labor Conditions	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.

In addition to the material human rights risks identified in 2025, 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 2025, there were a total of 15 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 2023 to 2025

	2023	2024	2025
Performance Review	1	2	0
Concessional Flight Tickets	3	0	4
Leave of Absence	0	0	1
Disciplinary Actions	1	2	4
Occupational Disasters	0	0	0
Salary	1	0	1
Illegal Infringement at the Workplace	6	3	4
Others	2	4	1
Total	14	11	15

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

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 2025, CAL handled nine cases of sexual harassment. Depending on the severity of each case, personnel were either reassigned or given administrative penalties. Since March 8, 2024, in accordance with legal requirements, CAL has reported all received sexual harassment complaints through the Ministry of Labor’s workplace sexual harassment reporting system. Mandarin Airlines had no sexual harassment incidents in 2025. To continuously prevent sexual harassment, annual employee training and related prevention courses are conducted, and informational posters outlining the definition, types, and complaint channels of sexual harassment are displayed in office areas.

Grievances Against Sexual Harassment from 2023-2025

	2023	2024	2025
Number of Grievances	6	8	15
Number of Filing	5	5	9
Category	Improper behavior		
Outcome	Administrative disciplinary actions		

CAL Employee Grievance
wecare@china-airlines.com

CAL Grievances against Sexual Harassment
(03) 399-8922
SHC@china-airlines.com

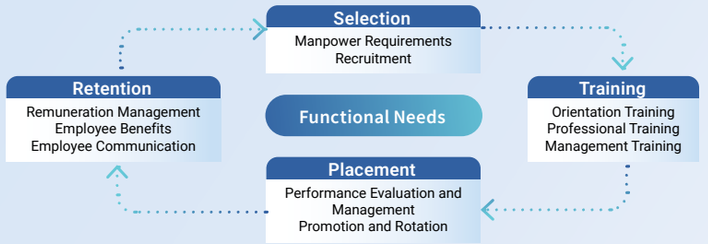
Mandarin Airlines Employee Grievance / Grievances against Sexual Harassment
(02) 2514-2050
SHC@email.mandarin-airlines.com

2.4.2 Recruitment and Retention

GRI 2-7, 2-8, 202-2, 401-1, 405-1

Human Resource Management System

CAL recruits and selects employees according to the needs of human resources and the duties required. The recruited employees receive orientation training based on their duties and take up their posts after passing orientation training. They also continue to receive related training. CAL conducts evaluates their performance on a regular basis. Outstanding performers will be rewarded or reported for promotion, and appropriate rotations will be arranged to enhance the abilities of talents. At the end of each year, employees will be rewarded based on Company’s business performance. The Company has also established favorable employee benefits and multiple channels of communication. CAL regularly conducts employee engagement surveys, and continuously reviews feedback and makes improvement accordingly in order to increase employee retention.



Workforce Structure of CAL Group

As of the end of 2025, the total number of employees of CAL and Mandarin Airlines were 11,640 and 954, respectively. Compared to the number of employees in 2024, CAL added 122 employees and Mandarin Airlines added 0. 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 145 dispatched workers. Refer to ESG Appendix - Detailed Workforce Structure Tables

2025 Overview of CAL Group Employees

Employees	Total	Male	Female	Total	Male	Female
Full-time	11,530	5,637	5,893	949	449	500
Non-full-time	94	17	77	5	2	3
Temporary	16	14	2	0	0	0
Total	11,640	5,668	5,972	954	451	503
Interns	58	16	42	29	10	19
Interns not Included in the Number of Employees)	Employs a total of 87 Indigenous individuals (44 males, 43 females) and 99 disabled individuals (69 males, 30 females).			Employs a total of 9 Indigenous individuals (0 males, 9 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.

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Gender Equality and Diversity

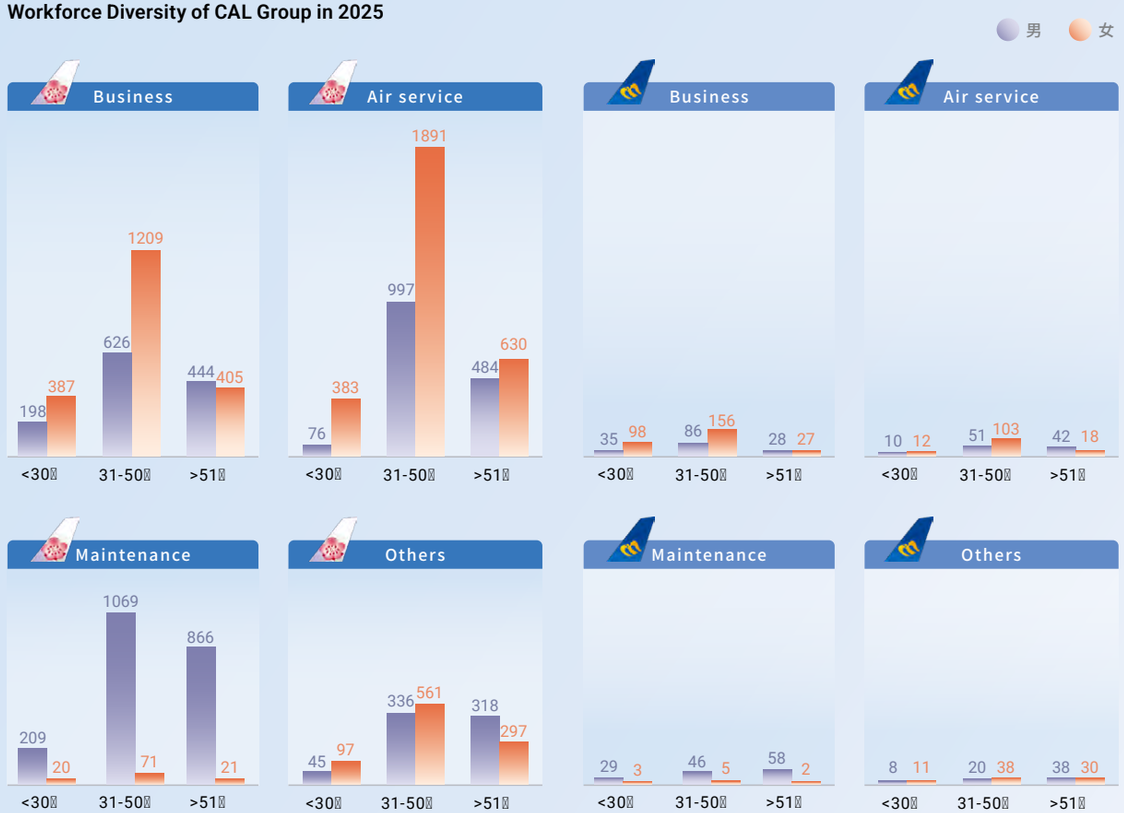
We place great importance on gender equality. In 2025, female employees of CAL accounted for 51.31% of the total CAL workforce and 30.76% of all managerial positions were held by females. At Mandarin Airlines, female employees accounted for 52.73% of the total workforce, and 28.57% of the managerial positions were held by females. Due to the nature of the aviation industry, CAL has a higher demand for professionals in certain fields of expertise, leading to a male / female gap that is common in society. Refer to ESG Appendix - Workforce Gender Diversity Target tables CAL is committed to providing a comfortable work environment that is conducive of balanced career development for all employees, regardless of gender. In order to safeguard the well-being and right to work of female employees, when a female flight attendant is pregnant, she may apply for unpaid leave or request a transfer to ground services. Upon completion of maternity leave, she may then apply to resume her duties as a flight attendant. In addition, two breastfeeding rooms have been set up at CAL Park for female employees to use at any time. For our male employees, they may apply for 7-day paternity leave with full pay during childbirth. In addition, to help our employees achieve work-life balance, CAL has signed agreements with 7 daycare centers and kindergartens in 2025 to provide special discounts for CAL employees.

CAL values diversity in the workforce. In 2025, CAL employed 87 (0.74%) Indigenous employees and 99 (0.85%) employees with disabilities. In addition to our commitment to expanding employment among indigenous people, we have employed staff with disabilities at a higher proportion than prescribed by law since September 2015. We have redesigned job descriptions for employees with disabilities with a focus on improving working conditions and making adjustments to job requirements and career development. We also provide shuttle buses and regularly-scheduled health examinations for our employees with disabilities. In addition, we have signed long-term service contracts with visually impaired massage therapists to provide employees with free on-site massages, thereby providing job opportunities for the visually impaired and enhancing our employees' health at the same time.

Local Employment of CAL Group in 2025

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 98.21% of all CAL employees are based in Taiwan. The composition of CAL's international employees includes foreign pilots from 22 countries, and flight attendants 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.

Workforce Diversity of CAL Group in 2025



Local Employment of CAL Group in 2025

Region	Taiwan	China	Asia	Americas	Europe	Oceania	Taiwan	China
Employees	98.21%	95.27%	94.60%	63.07%	45.36%	35.90%	100.00%	75.00%
Management	100.00%	44.44%	40.57%	22.45%	11.54%	28.57%	100.00%	29.17%

Note: Local employees refer to employees of the local nationality.

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

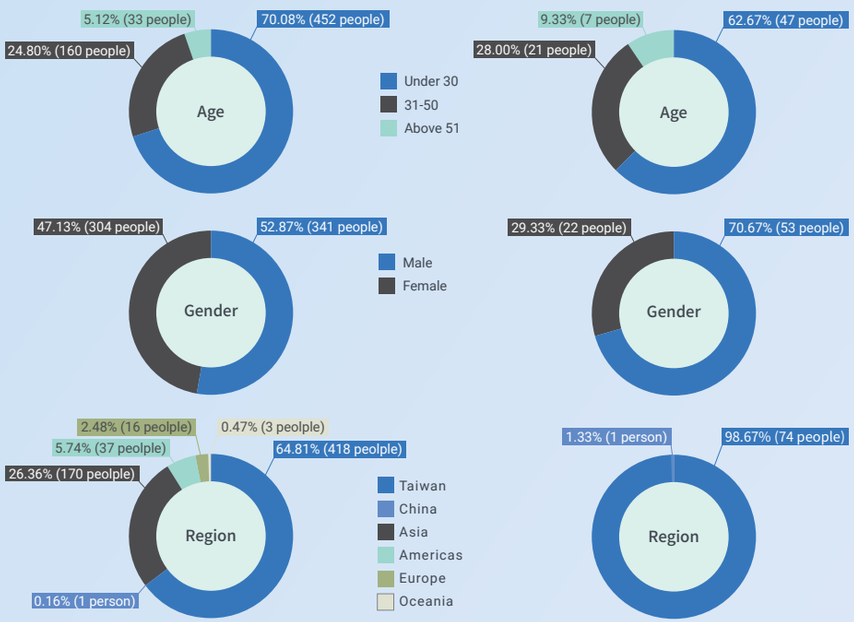
ESG Data and Appendix

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 2025, CAL recruited 645 employees, including 623 full-time employees and 22 contract employees, accounting for 5.6% of the total workforce. Mandarin Airlines recruited 75 full-time employees, accounting for 7.86% of the total workforce.

New Employees of CAL Group in 2025

	Full-time Employees	Total	Contracted Employees
CAL	623	645	22
Mandarin Airlines	75	75	0



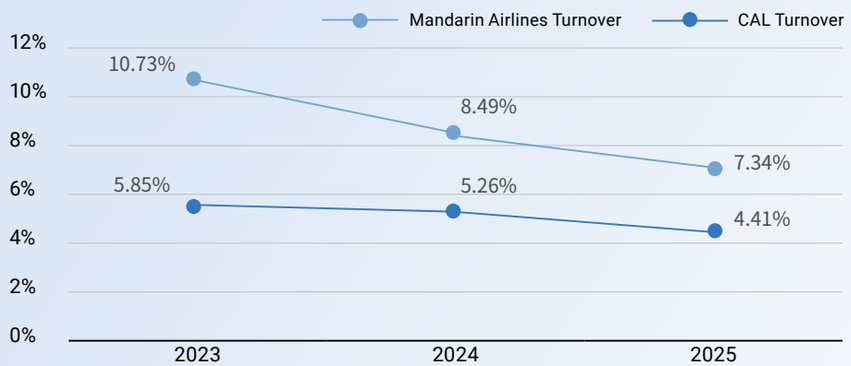
Employee Turnover

Over the past three years, the average employee turnover of CAL has been 5.17%. Each of our employees is protected by an employment contract, and each contract clearly sets forth provisions regarding rewards, disciplinary actions, and employment termination. In addition, rules concerning termination of employment and the number of days required for a notice of resignation comply with the Labor Standards Act. With respect to locations where employee turnover rates are relatively high, we evaluate local labor-related regulations and wage levels and refer to comments made by resigning employees and local managers to see whether adjustments are needed in our salary and benefit practices. We also utilize internal systems and incentive programs to reduce turnover rates. Refer to ESG Data and Appendix Employee Turnover Rate Table In 2025, CAL's total number of employee departures decreased slightly by approximately 0.85% compared to 2024. Among these, the involuntary turnover rate declined by 0.58%, while the voluntary turnover rate decreased by 0.27% compared to 2024. In recent years, CAL has not only focused on enhancing employee welfare but also continuously conducted management training to strengthen leadership. Additionally, CAL has organized refresher training for new employees to reinforce care and has consistently held diverse employee activities to improve cohesion. These efforts have contributed to improving the company's talent retention, resulting in a lower turnover rate compared to last year. CAL will continuously optimize internal management to maintain low turnover.

At Mandarin Airlines, employee turnover in 2025 decreased by approximately 1.15% compared to 2024, 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 2023-2025

Year	CAL Turnover	CAL Turnover (Voluntary)	CAL Turnover (Involuntary)	Mandarin Airlines Turnover
2023	5.85%	4.57%	1.28%	10.73%
2024	5.26%	3.63%	1.63%	8.49%
2025	4.41%	3.36%	1.05%	7.34%
Average	5.17%	3.85%	1.32%	8.85%



Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Employee Retention

Periodic Performance Evaluations Conducted on a Fair and Objective Basis

CAL has established a comprehensive performance management system, conducting employee performance evaluations three times annually. The evaluations cover all employees, except those who have not yet completed a specified minimum period of employment, ensuring 100% inclusion in the performance assessment. To provide positive feedback and support, CAL not only conducts regular evaluations but also implements a performance interview mechanism. Through these interviews, supervisors offer feedback on work performance, assist employees in identifying areas for improvement, and arrange agile conversations and support when needed. This approach fosters two-way communication and connection between supervisors and employees, enhances work engagement and organizational cohesion, and promotes talent development and sustainable corporate growth.

To ensure fairness and objectivity, each employee undergoes a multidimensional performance appraisal conducted by multiple supervisors. Performance ratings are assigned according to different job levels. In designing the evaluation criteria, in addition to common core competencies, specific competency indicators and assessment methods are established for each professional field to better reflect employees' actual work situations. For supervisors at all levels, besides competency indicators, concrete annual objectives (MBO) aligned with the company's business strategy are set to link performance with operational goals.

For flight attendants, besides the evaluations mentioned above, two-way performance feedback has been also adopted. Flight attendants who have worked for more than one year are evaluated and assigned ratings based on their attendance, reward / disciplinary actions, and performance within a reasonable range and based on employee classification to avoid subjective impressions which could detract from the impartiality of the performance evaluation.

At the same time, to motivate employees, CAL has established a "Group Bonus" mechanism. Units that demonstrate team spirit, integrate collective intelligence, utilize the full strength of group members, successfully accomplish major tasks, and make significant contributions to CAL, or whose achievements are exceptional and serve as exemplary models for all employees, may be recognized and awarded based on their contributions and accomplishments.

Sound Remuneration System

CAL annually provides competitive and reasonable compensation, related benefits, and insurance in accordance with its overall salary policy, operational performance, and revenue conditions. The company has established mechanisms for performance-based salary adjustments and promotion-related salary increases to cultivate and retain outstanding employees, ensuring that promotion processes adhere to principles of fairness and transparency. In the process of compensation planning and review, CAL regularly considers the company's operational status, minimum wage adjustments, price fluctuations, overall living standards, and industry salary levels. This comprehensive evaluation ensures that employee compensation is reasonable, competitive, and aligned with local living standards.

In addition, CAL offers a variety of allowances and benefits, including dividend bonuses, education and training, employee stock purchase plans, concessional flight tickets, and work subsidies. The company also implements flexible welfare measures, such as retirement benefits, to meet the diverse needs of employees at different stages. These initiatives not only help strengthen the partnership between labor and management but also enhance employee satisfaction and retention. Employees' working hours and related labor conditions are managed in accordance with the applicable labor laws in each location, complying with local statutory working hours and relevant regulations.

To ensure long-term employee retention and optimal performance, in addition to annual bonuses based on operational conditions, CAL has implemented a system for gradually increasing work allowances linked to performance evaluations. Furthermore, the employee stock ownership trust includes a mechanism for annually increasing company incentive amounts, both capped at maximum proportions after five years.

2.4.3 Employee Development

GRI 404-1

Sound Training System and Framework Training Framework

CAL has established a sound training system and framework to train aviation professionals. We adopt diversified training methods, including on-site and online training courses, invest in training hardware and software. CAL values the functional development of employees and integrates fundamental aviation training with hands-on practice. In addition, CAL organizes management training and general aviation training in line with the Company's development strategy for all managerial levels and employees with potential on a regular basis to improve their horizons and expertise, enhance their knowledge and skills, help employees with different expertise understand each other, and foster cooperation between units.

The Training Advisory Committee has been established to plan annual education and training activities for all employees based on training requirements in the CAL training framework. The primary strategic goal of CAL's training and development program is to enhance employees' job skills. We use the existing training framework to ensure that all employees are equipped with skills to perform their duties and job functions.

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

In 2025, CAL invested about TWD 456 million in employee training and development (the average amount was approximately TWD 39,200). The total number of training hours (including onsite and online courses) totaled approximately 427,700 (the average number of hours per employee was approximately 33.76 hours), and the completion rate of training reached 98.03%. Refer to Training Statistics of CAL Group Table in the ESG Data and Appendix

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Average hours and Average mount spent on training and development for CAL employee in 2022-2025

	2022	2023	2024	2025
Average hours per FTE of training and development	38.76	43.00	37.18	33.76
Average amount spent per FTE on training and development (Currency: TWD)	21,200	32,300	37,600	39,200

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 / cabin manager / supervisor)
Management	Knowledge and skills required for managerial positions	New manager training	Management skill training	Senior managment 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 upholding the principle of assigning each staff member to an appropriate position. We offer regular job rotations and internal training courses to support employees' diverse development. Each department determines whether to rotate employees based on their labor needs. CAL has established an internal recruitment system, so that employees can participate in the selection processes in accordance with their wishes and career plans. This allows CAL to utilize its human resources in a flexible manner and ensures that employees are assigned to the most suitable positions, resulting in a win-win situation for both parties. The internal hiring rate this year (2025) was 58.74%, slightly higher than that of 2024.

To utilize management with flexibility and to ensure that they are assigned to the most appropriate positions with improved competency, CAL conducts a management review and rotation evaluation on a regular basis. Managers working in domestic departments and worldwide branch offices or joint venture companies for three years will be included in the management review and rotation evaluation based on relevant regulations.

Human Capital ROI

Through 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 2025 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	2025
Human Capital ROI*	1.29	1.27	1.42	1.50

Note: Human Capital ROI = Income - [Operating expenses - (Salary + Benefits)] / (Salary + Benefits)

Details of Employee Development Programs to Accommodate the Company's Business Objectives for 2025

In alignment with CAL's operational development, talent cultivation, and retention needs, as well as in response to environmental changes such as digital transformation trends, we have conducted various related training and learning activities. Our ongoing talent development programs (Advanced Management Program and Management Training Program, each with a two-year training period) include courses on leadership development and digital transformation trends. These courses cover topics such as upward and downward communication, team morale enhancement, accountable leadership, and sharing of new technology application trends. Additionally, we have arranged for mentors to guide participants in their development and organized study groups and internal sharing sessions for mutual learning. The program has developed several leadership and management talents to lead teams, supplemented by offering various courses related to "diversity, equality, and inclusion" for employees at all levels (as detailed in the section on training to enhance awareness of "diversity, equality, and inclusion"). This has effectively reduced the voluntary turnover rate to 3.36% in 2025, down from 3.63% in 2024, and increased employee engagement See section 2.4.4 on employee rights/communication/engagement. Regarding the promotion of employee digital transformation, CAL continues to conduct training courses on AI and big data application tools and organizes competitions to encourage employees to use AI-related tools as aids to improve their work skills and efficiency. In this way, we equip our staff to respond effectively to changes in the aviation industry.

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 2025. These included "Courage to Act and Agile Adaptation" retraining for domestic managers to enhance managers' diverse thinking and stimulate cross-team brainstorming and a collaborative atmosphere, and "Team Leadership and Combat Readiness" courses for frontline supervisors to enhance on-site leadership and communication skills. We also provided courses on "Cross-Departmental Collaboration" for all employees (regardless of full-time or part-time status). Additionally, we continued the Aviation General Knowledge Expert Sharing Series to raise awareness of different cultures and values across generations and departments, aiming to enhance mutual understanding, respect, inclusion, and promote knowledge inheritance within the Company. 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

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

resources for employees at all levels. Furthermore, in 2025, 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 begin an internship, interns are required to first complete the training courses. In recent years, career orientation seminars have also been held at relevant senior high and vocational schools to establish a solid foundation. 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 2025, operations gradually returned to normal, allowing us to resume various industry-academia collaborations (totaling 40 participants across 20 schools). In 2025, Mandarin Airlines conducted industry-academia collaborations (totaling 29 participants across 9 schools).

*Erratum: The number of industry-academia collaboration participants conducted by CAL in 2024 should be 43 employees from 16 schools.

Continuous Support for TALENT in Taiwan

Talent development has always been one of CAL's key objectives. To enhance the competitiveness of talent in Taiwanese society and in response to ESG trends and the global emphasis on talent, CAL announced on March 24, 2026, its continued support for "TALENT, in Taiwan." In collaboration with CommonWealth Learning and various Taiwanese enterprises, we are committed to promoting and advocating for sustainable talent development. CAL pledges to align with our operational strategies and enhance our products and services by continuously conducting professional training across various roles and preserving our corporate culture and values. In line with this year's (2026) alliance theme of "Diversity, Equality, and Inclusion", CAL's annual training will offer employees more resources for personal growth and learning, as well as opportunities for cross-departmental exchange. We aim for full integration and shared success among all employees, maximizing team performance and jointly achieving the company's sustainable development goals. We hope to use the project of hope for talent development to develop every worker, strengthen their professional skills, and create better career development and a brighter future.

2.4.4 Employee Rights

GRI 2-30, 201-3, 401-2, 401-3, 402-1, 405-2

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

Employee Care

Salary and Benefits

CAL firmly believes that employees are the most valuable assets and that it is important to protect both employee benefits and shareholders' equity. For these reasons, CAL provides competitive salaries and benefits for all employees. The salary and benefit package of each employee will not differ according to gender, race, religion, political affiliation, or marital status. Whenever the minimum wage of a particular global location is raised, we promptly review our salary standards and make necessary adjustments in a timely manner. In 2025, CAL's average salary increase was 4.36%. Employees who are required to work overtime due to the nature of their employment received reasonable overtime pay in accordance with regulations. No employee was forced to work against his or her will.

Male:Female Salary Ratio of CAL Group in 2025 (Female Salary is 1)

	Category	Base Salary	Bonus	Remuneration
	Business Operations	1.13	1.11	1.12
	Flight and Cabin Crews	1.06	1.06	1.06
	Maintenance Personnel	1.12	1.07	1.10
	Others	1.14	1.09	1.12
	Business Operations	1.03	1.08	1.06
	Flight and Cabin Crews	1.39	2.70	2.27
	Maintenance Personnel	1.13	1.25	1.20
	Others	1.07	1.15	1.12

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 flight attendants, pilots were mostly male, while flight attendants were mostly female. Pilots' salaries are higher than flight attendants', resulting in a large difference in the male / female salary ratios. Others: 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: CAL: Base Pay: basic salary and other allowances; Remuneration: payments other than base pay (e.g., bonuses, incentive payments)
Mandarin Airlines (AE): Base Pay : basic salary; Remuneration: payments other than base pay.

In accordance with the Taiwan Stock Exchange Corporation Rules, CAL reports that in 2025 it employed 9,921 full-time non-managerial staff, an increase of 45 from the previous year. Total salary was TWD 23,345.149 million, with an average of TWD 2.353 million and a median of TWD 1.793 million. Compared to 2024, total salary increased by TWD 1,195.987 million, the average salary by TWD 110,000, and the median by TWD 71,000. (Details of the annual total compensation ratio are provided in the appendix)

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Full-time Employees not in a Managerial Position	Number of people	Total Salary (TWD million)	Average Salary (TWD million)	Median Salary (TWD million)
Numerical Value	9921	23345.149	2.353	1.793
Difference from the Previous Year	↑ 45	↑ 1195.987	↑ 0.11	↑ 0.071

Note: Please refer to the Appendix for more information on the gender pay gap analysis.

Pension Scheme

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

2025 CAL and Mandarin Airlines Salaries, Benefits, and Labor Retirement Funds

Unit: TWD million

Item	Salary	Benefits	Pension Reserve Fund	Salary	Benefits	Pension Reserve Fund
2023	17,291	194	7,740	800	4.8	437
2024	20,756	197	8,469	990	5.3	465
2025	24,037	241	9,473	1,174	5.4	513

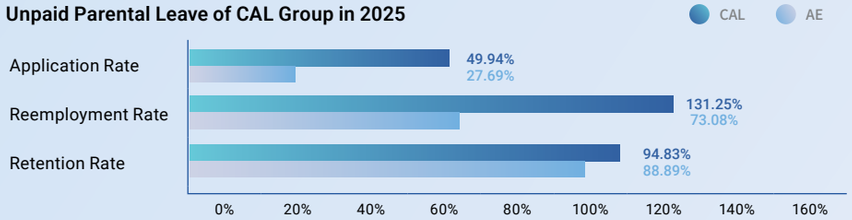
Note: Benefits offered by CAL / Mandarin Airlines included travel allowances, allowances for the elderly, scholarships for employees' children, Labor Day gift money, spring parties, and anniversary expenses.

Unpaid Parental Leave

CAL responds to the government's policy of parental leave without pay so that employees can take care of their families and work in peace. According to the Gender Equality in Employment Act, employees may apply for parental leave without pay for two years after their children reach the age of three; employees may apply for reinstatement before the expiration of the parental leave period according to family needs or career planning. In 2025, a total of 439 applications were received for leave without pay for baby-sitting.

In addition, employees are entitled to 8 weeks of paid maternity leave before and after giving birth, and may also apply for 7 days of paid paternity leave before and after their spouse's delivery. If the paternity leave falls on a business trip, regular holiday, or national holiday, the leave may be taken within 15 days from the day after the end of the business trip, and the overall system is designed to be more favorable than that required by the Gender Equality in Employment Act. Refer to The Appendix Unpaid Parental Leave of CAL Group Tables

Unpaid Parental Leave of CAL Group in 2025



Benefits for CAL Employees

Item	Explanation		Superior to Regulations
Unpaid Leave	Care for Family Members	Applicable when an employee's spouse or direct relative is seriously ill or when necessary.	✓
	Illness	Applicable when an employee is seriously ill and has not recovered after taking relevant leave in accordance with regulations.	✓
	Joining Family on Overseas Assignment	When an employee is assigned overseas, his/her dependents in the Company may apply for unpaid leave.	✓
	Advanced Education	All employees, regardless of school or discipline, must be enrolled in a discipline that is relevant to their current position or meets the needs of the company and is recognized by the Ministry of Education of the Republic of China.	✓
Benefits and Compensatory Leave	Each year, CAL grants its ground service personnel a total of 7 days of welfare compensatory leave for vacation arrangements (including 3 additional national holidays added in 2025 and 4 national memorial days observed without leave).		✓
Paid Sick Leave	The employee shall receive full salary for the first 5 days of sick leave without hospitalization each year; the employee shall receive half the salary from the 6th to 30th day. The employee shall receive full salary for sick leave with hospitalization for up to 45 days.		✓
Year-end Bonuses / Dividends	At the end of each year, a year-end bonus is allocated from CAL earnings. Employee dividends are also distributed in accordance with employee performance and CAL's yearly management goals.		✓
CAL Retiree Association	CAL has assisted its retirees and employees in establishing the CAL Retiree Association. The Retiree Association organizes quarterly activities to promote interchange between retirees. CAL also offers grants to the Retiree Association to provide positive assistance and encouragement.		✓
Employee Benefits	Employee benefits include wedding cash gifts, childbirth cash gifts, disaster subsidies, travel allowances, scholarships, allowances for the elderly, emergency loans, birthday cash gifts, Labor Day gift vouchers / cash gifts, and allowances for funerals.		✓
Paid Annual Leave Scheme	Number of days granted exceeds the provisions outlined in the Labor Standards Act. (All Annual Leaves were paid by CAL.)		✓

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Item	Explanation	Superior to Regulations
Childcare	CAL has entered into preferential childcare contracts with 7 daycare centers across Taiwan to assist employees with childcare arrangements.	✓
Breastfeeding Environment	CAL provides friendly and welcoming breastfeeding (collection) rooms at the workplace to create a comfortable breastfeeding (collection) environment. For female employees who are pregnant or less than 1 year after giving birth, CAL provides guidance on doctor interviews, work suitability assessments, and hazard control suggestions.	✓
Group Health Insurance	Group health insurance covers medical, accident and serious illness insurance. Dependents may also be enrolled in the group insurance scheme at favorable rates.	✓
Commuting	Apart from regular commuter shuttles at fixed sites, there are also shuttle buses for shift workers, cabin crew members, and employees with disabilities stretching from Keelung, Taipei City and New Taipei City to Taoyuan and Zhongli.	✓
Flexible Working Hours	Ground employees in CAL Park who do not use the shuttle buses may, with the approval of their supervisor, apply for flexible work hours (up to one hour each day). Each application must be for a duration of at least three months.	✓
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.	✓
Employee Stock Ownership Trust	Participation is voluntary. For employees who agree to join the employee stock ownership trust, a fixed amount is deducted from their monthly salary based on their pay grade.	✓
Resignation Program	Employees are eligible for CAL's resignation benefits if they apply for resignation after 10 years of service and meet the requirements.	✓
Psychological Counseling	The Company provides psychological counseling services to take care of the needs (such as coping with work stress) of employees, promote their growth, and increase their work satisfaction.	✓
Health Examinations and Promotion	CAL provides health examination items and frequencies that exceed regulatory requirements, covering advanced screenings for common cancer markers and cerebrovascular and cardiovascular diseases. Additionally, exclusive health checkup discounts are extended to employees' family members. A health risk analysis is conducted based on the medical examination results, with healthcare personnel providing personalized health guidance and necessary medical referral recommendations. At the same time, attention is given to the health needs of female employees during pregnancy and lactation through survey surveys and professional evaluation and interviews conducted by physicians. In addition, CAL continuously invites experts from various fields to conduct diverse health promotion activities and promotes vaccination for infectious disease prevention, thereby implementing employee health management and enhancing overall workplace health resilience.	✓
Sport Initiatives	CAL has sports facilities such as basketball courts and badminton courts in the Songshan Office. The Employee Welfare Committee also organizes sports competitions such as softball, basketball, badminton, table tennis, golf, and tennis to encourage everyone to exercise, and also provides subsidies for sports club activities.	✓
Job Transfer	Offer the opportunity for part-timers for application of transferring to full-timers	✓

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

- **Labor-management Meetings**: The head office holds regular meetings with representatives of the CAEU and all front-line units also convene meetings with the respective branches of the union.
- **Supervisor Mailbox**: CAL encourages employees to express opinions and give suggestions through the level 1 manager mailbox.
- **"Speak Your Mind" Employee Portal**: CAL encourages employees to express opinions and give suggestions through the "Speak Your Mind" Employee Portal on the Intranet.
- **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.
- **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.
- **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.

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Labor Union

GRI 2-30

CAL cooperates with different labor unions and remains committed to communication and negotiation. We also show the same respect to all unions in accordance with law. As CAL continues to communicate with labor unions, CAL did not have any major labor disputes or strikes in 2025. In particular, the China Airlines Employees Union (CAEU), which has the highest participation rate of CAL employees, is a nationwide trade union of the aviation industry and a member of the Taiwan Confederation of Trade Unions. There are six subordinate branches under CAEU, which are classified based on the location of members / business:

Branch 1	Divisions in Head Office	Branch 4	Maintenance Division, Engineering Division, and Quality Assurance Division
Branch 2	Flight Operations Division	Branch 5	Taipei Branch, Ground Services Division, and Cargo Sales, Marketing & Services Division
Branch 3	Cabin Crew Division and In-flight Supply Chain & Marketing Division	Branch 6	Kaohsiung Branch, Kaohsiung Cargo Department, Kaohsiung Maintenance Group

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

Branch 1	Divisions in Taipei Head Office	Branch 4	Customer Service Division (Taipei, Kinmen, Taitung, and Nangan)
Branch 2	Flight Operations Division and Operation Control Center	Branch 5	Engineering & Maintenance Division
Branch 3	Inflight Services Department	Branch 6	Customer Service Division (Taichung, Magong, Hualien, and Kaohsiung)

All employees of CAL, with the exception of the senior managers as stipulated in the union constitution, have joined the China Airlines Employees Union, and are governed by a collective agreement signed by both parties in 2002. The collective bargaining agreement was the first in the domestic aviation industry and the parties renewed the agreement for the seventh time on January 15, 2025. After CAL concluded negotiations with the Pilots Union Taoyuan, they signed a collective bargaining agreement on December 29, 2021. In January 2017, Mandarin Airlines entered into a collective bargaining agreement with the Employees Union. The agreement includes union assistance, labor-management cooperation, dispute resolution, employment and termination, working hours, leave and vacation, salary, allowances and bonuses, personnel transfers, rewards, disciplinary actions, benefits, training, and occupational safety and health clauses. The parties negotiate the renewal of the agreement every three years. Due to the continuation of a collective bargaining agreement before labor and management renew the contract, the stipulations concerning working conditions in the collective agreement remain applicable in accordance with the law during the transition period.

CAL / Mandarin Airlines cooperates and communicates with CAEU/MDAEU through various channels as a partner and based on mutual dependence, and the two parties have established various channels of communication over the years. All resolutions will be handled once they are reported. In addition, meeting minutes taken at labor-management meetings held at the Head Office are published and made available to all employees on CAL's website / Mandarin Airlines' website. CAL / Mandarin Airlines is dedicated to maintaining harmonious labor-management relations through open, efficient channels of communication. In 2025, CAL and CAEU held six labor-management meetings to ensure smooth communication between the two parties; in 2025, Mandarin Airlines held a total of four quarterly labor-management meetings with MDAEU in accordance with the law.

Union Participation Rate of CAL and Mandarin Airlines

	Item	2022	2023	2024	2025
	Number of Participants	9,382	9,621	9,794	9,918
	Participation Rate	98.41%	99.17%	99.14%	99.14%
	Number of Participants	747	829	902	923
	Participation Rate	99.34%	98.57%	97.72%	99.78%

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 diversified and unobstructed communication channels to listen to employees' suggestions attentively in line with its belief that employees are the Company's most important asset. Through an employee satisfaction survey, CAL understood employees' opinions of and needs for the Company and each unit, which served as a reference for CAL to provide a stable work environment. This would further increase employees' work efficiency and create a virtuous circle-based excellent corporate culture. CAL conducted an employee engagement survey in 2024, administered anonymously via an online survey by an external professional consulting firm. It covered six major dimensions: "Corporate Culture," "Leadership Culture," "Work and Development," "Employee Engagement," "Work Environment," and "Compensation and Benefits." The survey also included items related to job satisfaction, purpose, happiness, stress, psychological resilience, and multiculturalism. Examples of 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 can manage and find outlets for the sense of powerlessness caused by unreasonable customer demands." . A total of 6,161 valid surveys were collected (with a valid response rate of 61.6%, including 3,126 males accounting for 50.74% and 3,035 females accounting for 49.26%), representing the highest number in the history of the survey. Overall, compared to 2022, the effective response rate increased by 8.62%, with the number of valid respondents rising by 1,104. Compared to 2019 (the previous prior survey), the effective response rate increased by 16.95%, with the number of valid respondents increasing by 1,325. The results indicate that employees have become increasingly positive and optimistic regarding the employee opinion survey and CAL's subsequent improvement actions. The survey results show that overall recognition of salary and benefits ranked highest, followed in order by employee engagement, corporate culture and career development, leadership culture, and work environment. The overall score was 7.9, an increase from 7.8 in the previous survey conducted in 2022 (CAL's principle is to conduct the survey every 2 to 3 years), and a significant improvement compared to 6.4 in the 2019 survey, demonstrating continuous and steady progress. In this survey, the most significant improvement was observed in the recognition of work development and leadership culture.

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

In 2025, CAL organized several employee events, including six employee family visits (two of which were themed around the Double Ninth Festival to honor parents). These events introduced family members to our colleagues' work environment, fostering empathy among employees' families and a sense of shared prosperity with CAL. We also held corporate health and stress relief days, holiday care activities, and private movie screening events. Through these various activities, we enhanced employee well-being and addressed corporate sustainability issues. CAL provides a better workplace environment for its employees in three ways: "Work Side" to create a pleasant workplace environment, "Family Side" with family-friendly measures, and "Health Side" with physical and mental health promotion to create a positive and supportive workplace environment. Additionally, for new employees who have completed one year, we conduct the "Me and CAL" retraining program. This program not only assesses their learning and development but also provides support and gathers their suggestions for future improvement measures.

In addition, to enable colleagues to work more comfortably and conveniently and thereby improve work quality, CAL has made the existing women's trouser uniform available for selection by front-line service personnel since 2025. Further, effective December 4, 2025, CAL took the lead in allowing cabin crew to wear bezel eyeglasses on duty according to their own health needs, and, effective January 1, 2026, allowed cabin crew to purchase their own black athletic walking shoes, in order to create a friendly and happy workplace that also aligns with the current trend toward diversity, equality, and inclusion.

Awarded the HR Asia Best Companies to Work for In Asia in 2025

The Best Companies to Work For in Asia Award is organized by the veteran human resources professional magazine "HR Asia" and is a prestigious award in the field of human resources management in Asia. CAL has participated in the selection for three consecutive years and has distinguished itself with outstanding results from among 360 excellent companies.

CAL actively cultivates aviation industry professionals by providing comprehensive training programs and diverse career development opportunities, establishing smooth communication channels, and creating a healthy and safe workplace environment. We also offer competitive compensation and employee benefits. This year, we have been awarded the "Asia's Best Employer Award" for the third consecutive time, demonstrating our commitment to sustainable talent development as Taiwan's preferred airline. Together with our employees, we continue to achieve shared success and reach new milestones.

2.4.5 Healthy and Safe Workplace

GRI 403, 403-1, 403-8

International Safety and Health Management System Dual Certification

In response to globalization and international labor development trends, CAL has implemented systematic management measures in accordance with domestic and international occupational safety and health standards to enhance the effectiveness of occupational safety and health management. Since 2016, CAL has established an autonomous occupational safety and health management system, continuously enhancing its risk control capabilities and aligning with international management trends.

The Taoyuan head office obtained OHSAS 18001 and TOSHMS certifications between 2016 and 2018. In 2019, the system was transitioned and successfully certified under ISO 45001:2018, CNS 45001:2018, and the Taiwan Occupational Safety and Health Management System (TOSHMS). To ensure the effective operation of the occupational health and safety management system, CAL annually establishes a hierarchical management mechanism based on operational types and job categories in accordance with the "Internal Audit Management Procedures for Safety and Health." Regular internal audits are conducted accordingly. Additionally, CAL commissions the third-party certification body SGS to perform annual external follow-up audits to continuously review and improve management effectiveness.

In 2025, CAL's Head Office in the Taoyuan area and the Maintenance Division successfully renewed their ISO 45001:2018, CNS 45001:2018, and TOSHMS certifications in February and September, respectively. The scope of these certifications covers core operational areas including aviation transport management, passenger and cargo services, and aircraft maintenance operations. CAL's occupational health and safety management system applies to all workers within CAL's operational scope, including 10,313 employees (95.3%) and 505 non-employees (4.7%), achieving a total coverage rate of 100%. Overseas locations comply with local regulations and the Group's occupational health and safety management principles to ensure consistent management standards.

Note: The Taipei Branch and Kaohsiung Branch operate in accordance with the occupational health and safety management system standards of the Head Office Taoyuan area; the Maintenance Division has additionally obtained ISO 45001:2018 certification since 2022, with the scope of certification covering aircraft maintenance operations.

Strengthening the Risk-Based Tiered Management System.

Given the diverse nature of CAL's operations, the work content, environment, and potential hazard risks vary among employees. CAL conducts risk identification and assessment based on operational types and job categories, establishing a risk classification management mechanism as a critical foundation for occupational safety and health management. Through a systematic risk classification, workers are categorized according to their level of exposure to risk, ensuring that management resources are focused on high-risk operations and key groups.

The risk classification results are used not only as the basis for internal audit grading management and audit frequency planning but also for the design of training programs and health management measures. For high-risk operations and job categories, CAL has enhanced the content and frequency of professional safety and health training, while increasing the intensity of health monitoring and on-site inspections to promptly identify changes in risk. For job categories with relatively lower risks, appropriate management and tracking methods are implemented according to their risk characteristics to ensure the overall effectiveness of protective measures.

Category	Hazard Risk Classification	Job Type (Examples)
Category 1	Significant Occupational Risk	Maintenance personnel, 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

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Occupational Safety and Health Policy and Governance Commitment

GRI 403-4

CAL has established and announced its "Occupational Safety and Health Policy" in accordance with the ISO 45001 standard, with core principles centered on compliance with laws and regulations, effective risk management, employee engagement, continuous improvement, and support for physical and mental health. This policy applies to all employees, contract staff, outsourced personnel, and contractors within CAL's operational scope. To ensure the appropriateness and effectiveness of the policy, CAL conducts regular annual reviews and assessments. After discussions with labor representatives, the policy is jointly signed and announced by the Chairman and the President. The most recent revision was dated April 30, 2025.

Following the PDCA (Plan-Do-Check-Act) management cycle, CAL establishes annual management objectives based on its Occupational Safety and Health Policy. The key focus areas include:

- The Frequency Severity Index (FSI) remained below 0.42.
- The employee annual health examination participation rate reached over 70%.
- The health education completion rate for major abnormal cases reached over 80%.

The annual performance and management effectiveness related to these targets will be disclosed in subsequent sections to demonstrate CAL's ongoing commitment to improving occupational safety and health management and ensuring employee health and safety.

Five Major Goals of CAL's Occupational Safety and Health Policy

1. **Compliance with Laws and Regulations**: Strictly adhere to occupational safety and health laws and standards related to operations.
2. **Implementing Risk Management**: Identify and assess hazards while simultaneously controlling occupational safety and health-related risks.
3. **Encouraging Employee Participation**: Provide necessary training and resources, and actively encourage employee engagement.
4. **Commitment to Continuous Improvement**: CAL continuously enhances its occupational health and safety management system and conducts regular reviews and updates.
5. **Physical and Mental Health Support**: Provide necessary resources and assistance to promote employees' physical and mental well-being.

Occupational Safety and Health Policy

Labor Participation and Communication Mechanisms

To promote worker participation in occupational safety and health-related decision-making, CAL has established the "Occupational Safety and Health Committee" in accordance with legal requirements. The committee is chaired by the President and comprises 52 members, including first-level supervisors, engineering and technical personnel, medical staff, occupational safety personnel, and workers' representatives. The proportion of workers' representatives exceeds one-third. The committee convenes quarterly to discuss, coordinate, and address employee concerns related to occupational safety and health issues, as well as occupational injury cases.

Note: The Taipei Branch, Kaohsiung Branch, and Maintenance Division have each established their own Occupational Safety and Health Committee in accordance with organizational structure. The President of each respective region or the Chief of the Maintenance Division serves as the Chairperson, and the committee membership complies with regulatory requirements.

In 2025, the Occupational Safety and Health Committee reviewed, coordinated, and addressed a total of 83 safety and health management initiatives, including 58 proposals submitted by various departments and 25 safety and health proposals from regional committee members. All items were fully implemented or improved, achieving a completion rate of 100%, demonstrating CAL's commitment to the continuous improvement of workplace safety and health.

Proportion of Labor Representatives in Occupational Health and Safety — Unit: %

2023	2024	2025	2025 Number of Labor Representatives	2025 Total Number of Committee Members	2024 Number of Labor Representatives	2024 Total Number of Committee Members	2023 Number of Labor Representatives	2023 Total Number of Committee Members
33.33	33.33	33.33	5	15	5	15	5	15

	2023			2024			2025		
	Labor Representation Ratio	Number of Labor Representatives	Total Number of Committee Members	Labor Representation Ratio	Number of Labor Representatives	Total Number of Committee Members	Labor Representation Ratio	Number of Labor Representatives	Total Number of Committee Members
Taipei Branch	36.36	4	11	33.33	3	9	33.33	3	9
Taoyuan Head Office	37.74	20	53	38.46	20	52	38.46	20	52
Kaohsiung Branch	35.29	6	17	37.50	6	16	37.50	6	16
EMO Park	34.78	8	23	34.29	12	35	42.86	15	35

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

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Participation and Communication through Multiple Channels

To promote proactive and continuous employee participation in occupational safety and health matters, CAL values employee feedback and two-way communication. CAL has established diverse, accessible, and effective communication and feedback channels to enhance workplace safety culture and management transparency. CAL encourages employees to promptly report potential hazards, abnormal incidents, and improvement suggestions through multiple platforms, including the Safety Reporting System (HSE type), the UIP Suspected Workplace Bullying Complaint Hotline, and the Occupational Safety and Health Portal. This ensures that all occupational safety and health information is disclosed in a timely manner, effectively communicated, and properly addressed. In 2025, a total of 191 occupational safety cases were reported through the All-Employee Safety Reporting System. All cases were incorporated into control measures and improvements were completed, achieving a 100% improvement completion rate.

Note: HSE (Health, Safety and Environment); UIP (Unlawful Infringement Prevention).

Through this mechanism, CAL not only enhances frontline personnel's engagement in risk identification and prevention but also establishes a bottom-up communication channel, enabling management to promptly grasp on-site safety and health conditions as a critical basis for continuous improvement of management measures. At the same time, CAL regularly compiles and analyzes relevant feedback, incorporating it into the operation and decision-making processes of the occupational health and safety management system. This ensures that employee opinions are effectively reflected in system improvements and risk control measures, further fostering a safe, healthy, and trustworthy work environment.

Enhancing Operational Safety and Improving Hazard Identification, Risk Assessment, and Accident Investigation

GRI 403-2, 403-9

Occupational Safety and Health Management System and Procedures

To enhance employee operational safety, CAL has established the "Occupational Safety and Health Management Rules" in accordance with relevant laws and regulations. In line with these regulations, CAL has developed related occupational safety and health management procedures, including the "Emergency Preparedness and Response Procedures," "Occupational Injury Reporting Procedures," "Occupational Accident Investigation and Management Procedures," "Management of Change (MoC) Procedures," and the "Occupational Injury Recognition and Assistance Program." These procedures are systematically implemented to promote and enforce various occupational safety and health management measures.

In addition, to ensure the safety and fundamental rights of employees, if any immediate danger is detected during the performance of their duties, employees may, following proper procedures, suspend operations or evacuate the workplace without facing any adverse consequences.

Hazard Identification and Risk Assessment Mechanism

CAL, in accordance with the occupational health and safety management system ISO 45001:2018, CNS 45001:2018, and TOSHMS standards, requires each unit to regularly conduct workplace hazard identification and risk assessment based on the nature of their operations and the characteristics of their work environment. The assessment covers common types of occupational hazards over the years, including falls, collisions, falls from heights, cuts, turbulence, and commuting accidents. Relevant prevention and control measures have been fully implemented in accordance with internal management procedures. Simultaneously, each unit conducts comprehensive assessments and continuous improvements regarding potential physical, human factor, chemical, biological, psychosocial, and other hazards in the workplace. A summary is provided as follows:

1. **Physical Hazard (Noise)**: Suspected noise operation sites undergo environmental monitoring every six months; in 2025, monitoring results across all regions complied with regulations, with all management levels classified as Level 1 health management. In accordance with the Hearing Protection Program, CAL provides soundproof protective equipment and conducts regular training for employees working in high-noise risk areas. Special (physical) health examinations are arranged based on monitoring results.

2. **Ergonomic Hazards**: In accordance with the "Ergonomic Hazard Prevention Program," a musculoskeletal disorder survey was conducted involving 334 individuals. The results indicated that one employee (office staff) was suspected of being affected. Based on on-site observations and interviews, the operational environment was assessed to have no ergonomic hazard risks.

3. **Chemical Hazards**: CAL maintains a complete inventory of all chemicals used in accordance with regulations and manages hazard labeling and Safety Data Sheets (SDS) as required. The Maintenance Division is the primary unit responsible for the procurement, storage, use, and disposal of chemicals, all of which are conducted in accordance with regulations and internal procedures. Regular chemical safety education and operational briefings are conducted, and necessary personal protective equipment is provided to reduce exposure risks, ensuring operational safety and personnel health.

4. **Biological Hazards**: CAL proactively provided influenza vaccination services, with 3,067 employees vaccinated in 2025, achieving a vaccination rate of 30.2%. Additionally, multiple measles protection measures were continuously promoted, including the MMR vaccination program. Besides designated-site vaccinations, subsidies for vaccinations at external medical institutions were also offered. The proportion of employees with measles immunity across all job categories significantly increased, showing an eightfold growth compared to the previous year.

5. **Psychosocial Hazards**: In compliance with government regulatory revisions, CAL has completed the addition and amendment of the "Prevention Plan for Illegal Infringement during Duty Execution and the Complaint and Handling Regulations for Workplace Bullying among Employees," and has accepted related complaints. In 2025, there were a total of 55 workplace misconduct complaints at CAL, including 16 cases of sexual harassment, 39 cases of workplace bullying (violence), and zero cases of employment discrimination. All cases were properly handled in accordance with regulations to safeguard employees' physical and mental well-being.

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Occupational Injury Reporting, Investigation, and Improvement

The company has established an Occupational Injury Management System to systematically handle the reporting of occupational injury incidents, case investigations, and root cause analyses. It also tracks the implementation of corrective measures to continuously enhance accident prevention and management effectiveness. In 2025, a total of 79 occupational accident investigation reports were completed (including 37 commuting accidents). All related corrective and improvement measures have been implemented, achieving a 100% improvement completion rate.

At the same time, CAL continues to promote the near-miss incident reporting system, encouraging employees to proactively identify and report potential risks in order to take preventive measures in advance. In 2025, a total of 27 near-miss incidents were reported, representing an approximately 35% increase compared to 20 cases in 2024. This demonstrates the continued strengthening of employees' risk awareness and proactive safety reporting culture at CAL.

Occupational Injury Performance and Trend Analysis

In 2025, CAL recorded a total of 42 occupational injuries, 37 commuting accidents, and 0 cases of occupational disease. The annual disabling injury frequency rate (FR) for all employees was 2.06, the disabling injury severity rate (SR) was 18, the frequency-severity indicator (FSI) was 0.19, and the absence rate (AR) was 1.42%. All related indicators are below the Ministry of Labor's announced average values for the air transportation industry from 2023 to 2025 (FR 3.59, SR 48, and FSI 0.41). This demonstrates that CAL has effectively reduced occupational hazard risks through high-risk operation controls, behavioral safety management, and enhanced education and training measures. Refer to ESG Appendix - Comparing the Frequency-Severity Indicator (FSI) in the Past 3 Years / Occupational Injury and Occupational Disease Statistics

Comparison of the Total Frequency-Severity Indicator (FSI) at Major Operational Sites Over the Past Three Years:

Years	Unit	Taoyuan Head Office	Maintenance Division	Taipei Branch	Kaohsiung Branch	Total
2023	FSI	0.37	0.13	0.09	0.75	0.33
2024		0.32	1.51	0.0	0.07	0.88
2025		0.21	0.04	0.0	0.62	0.19

Analysis of Occupational Injury Causes and Preventive Measures

An investigation and analysis of the causes of 42 occupational accidents across CAL in 2025 revealed that unsafe behaviors were the primary cause in 22 cases, followed by unsafe conditions in 13 cases. Additionally, there were 7 incidents of uncontrollable turbulence. The main types of occupational injuries include slips (trips) and falls, collisions and entanglements, cuts, falling objects, and sprains, indicating that human factors and operational environment safety remain key focuses of risk management. An analysis was conducted on the causes of 37 commuting accidents. The results showed that the majority, 22 cases, were due to negligence by the other party's motor vehicle drivers; this was followed by 9 cases of self-negligence (such as falling while riding a motorcycle or walking). Additionally, there were 6 cases attributed to negligence by our own motor vehicle drivers. The primary mode involved in commuting accidents was motorcycles, accounting for 23 cases, reflecting that motorcycle incidents remain the main concern regarding commuting traffic risks.

To effectively prevent occupational accidents, CAL has identified common types of occupational hazards based on historical data. In addition to planning and implementing safety and health education and training, CAL continuously conducts workplace risk assessments and improves the working environment to systematically eliminate potential hazards. To further strengthen the management of commuting accident risks, CAL continuously plans and implements relevant occupational safety and health training as well as traffic safety awareness campaigns. These efforts aim to enhance employees' risk identification and self-protection awareness, thereby reducing the incidence of accidents.

(1) Main Hazard Mitigation Action Plan

Main Hazard Mitigation Action Plan

① To further enhance accident prevention effectiveness and deepen the safety culture, CAL continuously enforces rigorous controls over key occupational health and safety processes, including contractor management, procurement management, and Management of Change. All reviews and management operations are implemented in accordance with internal regulations. In 2025, CAL handled a total of 509 contract management cases, 51 procurement management cases, and 19 Management of Change cases, all of which were completed in accordance with internal regulations and control procedures. In addition, upon completion of contracted operations or the closing of procurement cases, vendor evaluations are conducted to identify suppliers with high occupational safety and health risks and to carry out regular audits. The evaluation results serve as an important reference for subsequent bidding and cooperation, thereby strengthening occupational safety and health management within the supply chain.

② In 2025, CAL proactively conducted accident investigations, completing 27 near-miss incident investigations and 79 occupational accident investigations (including 37 commuting accidents), totaling 106 cases. All investigations were completed with cause analyses and the implementation of corrective and improvement measures.

③ 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%.

④ CAL proactively conducts physical and chemical workplace environment monitoring every six months. The annual monitoring results across all regions comply with regulatory requirements. If monitoring results reveal abnormalities, the Occupational Safety Unit, together with the Medical Department and occupational medicine physicians, will conduct on-site visits for assessment and improvement. At the same time, necessary protective equipment will be additionally procured and training sessions conducted as needed to enhance employee hearing protection.

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Education and Training on Occupational Safety and Health GRI 403-5

CAL has established the "Safety and Health Education and Training Management Procedure" to systematically plan and conduct safety and health education and training for new employees, current employees, supervisors, safety and health officers, and other related personnel. In 2025, CAL conducted a total of 111 training sessions, with 12,897 participants completing the courses, ensuring that employees at all job levels possess the necessary safety and health knowledge and skills to perform their duties. Specifically for supervisors and safety and health officers, CAL has enhanced professional training content, including workplace hazard identification methods, risk classification principles, occupational safety and health management program development, as well as occupational accident recognition and handling procedures. Concurrently, CAL provides guidance to all levels of units to implement risk assessment operations, plan and execute occupational accident prevention and improvement measures, thereby strengthening management's professional capabilities and responsibilities in occupational safety and health management.

In addition, CAL operates according to the five major objectives and related implementation measures of the occupational health and safety management system. Through regular annual internal and external audits, CAL continuously reviews the effectiveness of education, training, and management systems to effectively control occupational hazard risks, strengthen occupational disease prevention management, enhance occupational health and safety performance, and implement occupational safety policies. This ensures that employees can perform their duties in a safe, healthy, and comfortable working environment.

Annual Implementation Status of Education, Training, and Outreach Activities

Safety and Health Training for Newcomers:

In 2025, CAL conducted 46 general occupational safety and health training sessions for new employees, with a total of 845 participants completing the training.

Safety and Health Training for In-service Personnel:

In 2025, CAL conducted 37 occupational safety and health training sessions for employees, with a total of 9,302 participants completing the training.

Safety and Health Training for Supervisors:

In 2025, CAL conducted 13 safety and health training sessions for managerial personnel, with a total of 256 participants completing the training.

Other Related Safety and Health Education and Training:

In 2025, CAL participated in 15 external occupational safety training sessions and seminars, with a total attendance of 2,494 participants.

Safety and Health Promotion:

In 2025, a total of 105 safety and health advisories were issued.

Prevention and Mitigation of Health Impacts Caused by Work Activities GRI 403-7

The company established a comprehensive occupational safety and health management system to prevent and reduce the impact on worker health caused by work activities, and, based on the annual risk assessment results, continuously planned and implemented systematic prevention and control measures. These measures encompass operational environment monitoring, hazard identification and risk assessment, prevention of ergonomic hazards, and management of work-related health risks, all aimed at reducing the adverse health impacts of work activities.

Regarding physical, chemical, biological, and ergonomic hazards that may affect workers' health, CAL conducts regular workplace environment monitoring in accordance with regulations. Based on the monitoring results, CAL implements necessary engineering improvements, operational management, and personal protective measures. Additionally, through the Ergonomic Hazard Prevention Program and proactive investigations, CAL identifies risk exposures such as musculoskeletal disorders to inform improvements in work design and workload management.

In addition, considering the potential psychosocial health risks arising from work patterns and operational characteristics, CAL provides six free psychological counseling and support sessions annually. In coordination with health examinations and abnormal workload assessments, CAL offers medical consultations and health guidance to high-risk groups to reduce the risk of work-related illnesses. Through the continuous operation of the above prevention and control mechanisms, CAL effectively reduces the impact of work activities on health and promotes the physical and mental well-being of its employees.

Occupational Health Services, Worker Health and Promotion of Work-related Disease Prevention GRI 403-3, 403-6, 403-10

Health Risk Identification and Tiered Health Management

① CAL has established a dedicated medical department staffed with a professional healthcare team that exceeds regulatory requirements. The company employs occupational health nurses in accordance with legal standards and provides on-site physician services. In addition to providing employee health consultation services, the Medical Department assists CAL in conducting job selection, placement, and return-to-work evaluations based on the physical examination results of new hires. The department also promotes the "Workplace Maternal Health Protection" and "Prevention of Diseases Triggered by Abnormal Workloads" programs to ensure employee fitness and operational safety. By integrating employee health examination data with operational patterns, CAL conducts hazard assessments and identifies high-risk groups, thereby formulating corresponding improvement and follow-up management measures to ensure the protection of employee safety and health. In 2025, a total of 1,825 medical consultation cases were reviewed.

② In 2025, the Occupational Safety and Health Unit and the Medical Department collaboratively completed health risk classification management for 170 employees under maternal health protection. The Occupational Safety Department and various organizational levels were responsible for inspecting and improving workplace environmental hazards for these employees, while the Medical Department arranged physician consultations and provided

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

guidance on precautions and health education during work. A total of 157 individuals completed physician consultations or health guidance during the year, representing a completion rate of 93%. All assessment results were classified as Level 1 health management. In addition, the Company established four lactation (nursing/pumping) rooms equipped with bottle sterilizers and refrigerators designated for breast milk, and implemented access control systems with dedicated maintenance personnel to enhance user safety. Annual statistics showed the Company had 80 live births, yielding an annual birth rate of 20.1 per 1,000.

③ In 2025, the health examination participation rate was 96.8% (a total of 7,198 participants). For special operations health examinations, there were 418 participants with a 100% participation rate. Among those with significant abnormalities identified in the health examinations, 70 individuals were provided with health guidance and follow-up management, achieving a 100% completion rate. In addition, based on the results of health examinations, health risk classification management is conducted, and healthcare personnel provide personalized one-on-one health guidance and outpatient referral information.

④ If flight crew members experience any abnormal health conditions requiring a temporary suspension from duty, CAL will follow the Civil Aviation Act and relevant aviation personnel medical examination standards to submit the case to the Aeromedical Center for suspension, reinstatement evaluation, and subsequent procedures to ensure flight safety.

⑤ Based on health examination results and risk analysis conducted through an abnormal workload risk identification survey, 140 employees were identified as having a high 10-year risk of cardiovascular disease (13 flight crew and 127 ground staff), and 135 employees were identified as having a high occupational risk of cerebrovascular and cardiovascular disease (9 flight crew and 126 ground staff). All of these individuals proactively arranged physician consultations and health education guidance. To date, 66 have completed physician assessments and consultations, 91 cases are under continuous follow-up, and 10 cases have been closed due to resignation or retirement.

⑥ In managing work fitness for middle-aged and senior employees, CAL conducted work fitness assessments for a total of 186 individuals (13 flight crew and 173 ground staff) in conjunction with abnormal workload monitoring, senior management health care programs, and health promotion activities. Employees suspected of being overloaded have been provided with health education or included in subsequent follow-up.

Diverse Health Promotion Initiatives

① To encourage employees to develop habits of autonomous health management and disease prevention, CAL organizes a variety of health promotion activities and seminars based on health examination results, employee needs, and seasonal changes. These programs cover topics including weight management, nutrition, exercise, prevention of musculoskeletal disorders, and mental health.

② In 2025, CAL organized the "Age is a Mystery, Body is Invincible" health challenge for middle-aged and senior employees. A total of 41 employees participated, with a completion rate of 84%. Approximately 20% of participants achieved a weight loss exceeding 4 kilograms, demonstrating significant effectiveness in weight management.

③ Additionally, multiple health-promotion seminars and all-employee health activities were conducted, covering the topic areas of nutrition, exercise, ergonomic injury prevention, and stress management. Overall satisfaction exceeded 90 percent, indicating that the health-promotion measures had received positive employee feedback.

03/07	A weight-loss specialist physician held a session entitled, “How Can Stress-Induced Weight Gain Be Addressed?” The "Breaking Free from Metabolic Syndrome" lecture had a total of 143 participants, and the overall satisfaction rate was 91%.
03/26	A nutritionist-led seminar titled "Building a Healthy Body That Can Eat Well and Stay Slim" was held, with a total of 104 participants. The overall satisfaction rate was 96.5%.
04/09	A sports coach workshop titled "Work Without Fatigue, Stronger Body!" was conducted. The "Comprehensive Exercise Seminar" was attended by a total of 84 participants, with an overall satisfaction rate of 93.4%.
07/29	CAL invited a professional physical therapist to conduct a health promotion seminar titled "Self-Care for Muscle and Bone Relief: A Physical Therapist’s Guide to Using Resistance Bands and Massage Balls." A total of 103 employees participated, with an overall satisfaction rate of 93.2%.
08/06	A professional physical therapist was invited to conduct a health promotion seminar titled "Change Your Work Posture, No More Pain." A total of 93 employees participated, with an overall satisfaction rate of 93.2%.
08/25	CAL held a "CAL Park Health and Stress Relief Day" for all employees. The event featured six health-themed booths, including static human factor AI motion analysis, foot pressure testing services, electronic cigarette and drug abuse prevention education, massage and stress relief stations, and an AED and CPR first aid challenge station, accompanied by a mobile food truck. The overall satisfaction rate was 91.03%, with a total of 342 participants.
10/01	A professional physical therapist was invited to conduct a health promotion seminar titled "Avoiding Human Factor Injuries and Creating a Healthy Office Life." A total of 80 employees participated, with an overall satisfaction rate of 99%.

④ In 2025, 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 80 bags, totaling 20,250 cc of blood.

Creating a Secure and Healthy Work Environment

① Due to frequent international exchanges, and to prevent communicable diseases from posing health threats to first-line employees and passengers that could escalate into public health incidents, the Company continued to promote infectious disease prevention and health protection measures. It established a “Vaccine Registration System” to enable colleagues to review real-time information about their own immunity, and offered free measles (MMR) vaccination to first-line employees as a proactive measure. The proportion of employees with measles immunity across all job categories has significantly increased, growing nearly eightfold compared to the previous year. In 2025, measles immunity rates were as follows: flight crew 69%, cabin crew 95%, and ground operations staff 74%. Additionally, CAL provides annual workplace influenza vaccination services. Considering the nature of

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

shift work, CAL offers employees multiple vaccination options, including regional on-site clinics, designated airport vaccination points, and subsidies for external medical facilities. In 2025, the overall influenza vaccination rate among domestic employees was 30.2%, with a total of 3,067 individuals vaccinated. This represents a slight increase compared to the 27.3% vaccination rate in 2024.

② In order to provide employee with more comprehensive health care, the company provided multiple examination items and screening frequencies that exceeded regulatory requirements. As the workforce's average age rose and the proportion of middle-aged and older employee reached 44%, beginning in 2023 the company added advanced screening items related to common cancers and cerebrovascular and cardiovascular diseases—such as gastrointestinal endoscopy, chest computed tomography, and cardiac ultrasonic examinations—to strengthen early disease detection and prevention. At the same time, employee dependents were also offered discounted health-check pricing, thereby broadening the impact of health-promotion efforts.

③ To provide employees with a safe working environment and immediate emergency medical support, CAL has installed automated external defibrillators (AEDs) on its aircraft in accordance with legal requirements. Additionally, AEDs are installed in all office locations at levels exceeding regulatory standards. CAL also regularly conducts CPR and AED training courses for all staff, ensuring that employees can promptly locate and proficiently operate AEDs in emergencies to maximize the critical rescue window. Additionally, CAL has a total of 311 first aid personnel, all of whom are registered on the corporate website for unit reference. The ratio of first aid personnel deployed also exceeds the minimum requirements for "workplace first aid personnel" as stipulated by regulations.

④ 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.

Future Plans

1. Recruitment

In 2026, CAL will continue to recruit flight crew members, maintenance personnel, and other relevant professionals in accordance with the business plan, strengthen 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 2026 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 2026, the target is set at 26%.

2. Employee Training

In 2026, CAL will have reached its 66th year. In addition to aligning with the company's operational strategies to continuously enhance product services and conduct professional training across various roles, our training focus will continue to be on "Innovation, Breakthrough, and Immediate Combat Readiness." We will plan and expand management and general competency courses, embedding the company's culture and values deeply while enhancing innovation. The planned courses include: general management competencies such as management seminars and team leadership readiness; professional competencies for roles like instructors and HR personnel; and general knowledge for all employees, including courses on aviation management, enhancing market sensitivity, cross-generational communication, and applying AI to improve work efficiency. We will also continue to optimize our management talent development mechanism to cultivate the talent needed for the company's future growth.

Mandarin Airlines established comprehensive training programs to increase the overall competitiveness of the Company, support the Company's overall strategic goals, comply with applicable laws and regulations, and train professional aviation talents. It uses online courses and other diverse learning methods to integrate fundamental aviation training with hands-on practice. Mandarin Airlines organizes management training and general aviation training in line with the Company's development strategy for all employees from time to time to enhance their knowledge and skills, help employees with different expertise understand each other, and foster cooperation between units.

4. Implementing Occupational Health and Safety Management System and Incorporating Occupational Safety and Health in Corporate Culture

Over the past three years, the proportion of female employees at China Airlines has remained stable at approximately 48.00%, with the objective of maintaining female workforce representation at 48.00% in 2026. Regarding management roles, the percentage of female managers has demonstrated a steady upward trend over the past three years; the Company will continue to track and review this metric, aiming to achieve a target of 26% by 2026.

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

2.5 Society

Highlights

Charitable Investment of Over 71.69 million

In 2025, CAL allocated a total of NT$71,694,349 for charitable contributions.

Benefitting 1.95 million people

In 2025, a total of 1,950,189 individuals benefited from China Airlines' commercial activities, charitable initiatives, and community investments.

Caring for 506 elderly individuals

In 2025, a total of 3 events were held to care for vulnerable elderly individuals, with 506 people receiving assistance.

Benefitting nearly 2,000 rural students

In 2025, CAL Volunteers Club, Rural Cultivate Service Team, and PAPAGO Team took it upon themselves to share aviation knowledge in remote rural areas, benefiting nearly 2,000 students.

8th 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 eighth time CAL has received this award.

Management Approach

Material Issues

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

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

2027

- Supporting international initiatives and organizing at least one long-term charity project
- Organize at least two educational events in rural areas to promote international educational opportunities for young students.
- Organize an event aimed at promoting economic growth and providing employment assistance in rural areas, thereby enhancing social wellbeing.

2030

- Supporting international initiatives and organizing at least one long-term charity project
- Integrate central and local resources to host at least one rural education event, ensuring equal access to education for all.
- 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.

2040

- Establishing long-term cooperation with international relief organizations to organize at least one long-term charity project
- Partner with international education organizations to coordinate a minimum of one rural education event, thereby improving the quality of national education.
- Organize projects to support economic development in underdeveloped regions or developing countries, enhancing employment opportunities in those areas

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Management Mechanisms

- The meeting of the Corporate Sustainability Committee, at least twice a year
- The Social Value Subcommittee reports KPI progress to the Corporate Sustainability Committee every quarter

Unit in Charge

Corporate Sustainability Committee - Social Value Subcommittee

Grievance Mechanism

Investor Relations and Media Contacts — Investors Service Website

Stakeholder Contact

Investors Service Website

Objectives and Plans

Direction	KPI	2025			2026 Objectives
		Objectives	Performance	Achievement Rate	
Enhance the overall quality of national education	Organize long-term education charity projects	Organize at least one educational event in rural areas to promote international educational opportunities for young students.	• Volunteer Teaching Activities: In 2025, CAL continued to send volunteers to four elementary schools near corporate locations and three rural elementary schools (Note 1) to deliver core aviation knowledge, thereby enhancing the quality of education in Taiwan. • Charity Sport Camps: CAL organized a charity basketball camp in Taoyuan in collaboration with the P.League+ Taoyuan Pilots; a charity baseball camp in Hsinchu with players Cheng Tsung-che and Chen Po-yu; and a charity table tennis camp in Changhua with table tennis legend Chuang Chih-yuan. These three charity sport camps were all inspired by Rthe personal experiences shared by star athletes, encouraging young players to bravely pursue their dreams. (Note 2)	100%	Organize at least one educational event in rural areas to promote international educational opportunities for young students.
Increasing Taiwan's international visibility	Increasing the number of sponsored international activities	Supporting international initiatives and organizing at least one long-term charity project	In 2025, CAL continued to focus on international humanitarian issues and respond to global developments by engaging in an annual sponsorship collaboration with the international relief organization Médecins Sans Frontières. Through the investment of corporate resources, CAL fulfills its social responsibility and jointly promotes sustainable values of co-creation, shared prosperity, and mutual benefit with society.	100%	Supporting international initiatives and organizing at least one long-term charity project
Empowering the disadvantaged to gain equal social opportunities	Increase level of sponsorship in charity events	Organize an event aimed at promoting economic growth and providing employment assistance in rural areas, thereby enhancing social wellbeing.	• In 2025, CAL specially selected locally produced plums from Xinyi Township, Nantou, Taiwan, to brew plum wine. The gift sets also feature carefully chosen Dong Ding Oolong tea from Lugu, Nantou, and Oriental Beauty tea from Taoyuan, Hsinchu, and Miaoli, fully supporting local Taiwanese small-scale farmers. • Additionally, CAL has maintained a long-term partnership with The Wonderful Food to offer Taiwanese snacks in the onboard Sky Lounge. This collaboration continuously promotes local agricultural products, increases the income of farmers and producers, aims to support the development of local agriculture, and brings regional specialty products to an altitude of over 10,000 feet. CAL continues to collaborate with the Huashan Social Welfare Foundation to provide locally produced agricultural care gifts to three disadvantaged elderly groups (disabled, dependent, and dementia patients) in Taoyuan. This mutually beneficial approach aims to fulfill the commitment to equitable social welfare.	100%	Organize an event aimed at promoting economic growth and providing employment assistance in rural areas, thereby enhancing social wellbeing.

Note 1: In 2025, volunteers from the CAL Volunteers Club and Rural Development Team visited four elementary schools near Taoyuan and three rural elementary schools to provide volunteer teaching. Through aviation expertise, the aim was to enrich the learning experience for children.
Note 2: Collaborating with local Taiwanese sports brands, we organized one charity basketball camp, one charity baseball camp, and one charity table tennis camp. Through integrated marketing approaches, we aim to enhance the sponsorship benefits and strengthen the connection with the local community.
Note 3: 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 employment and development opportunities." In 2025, CAL continued to advance its sustainability strategy with the core focus on "brand awareness," 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.

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

China Airlines' Sustainable Development Strategy

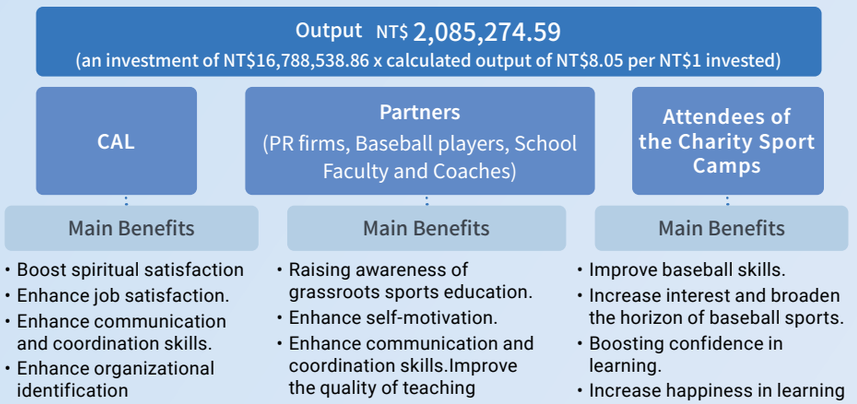
Social Welfare International disaster relief and domestic charitable assistance Education foundation, environmental education, cultural heritage, and Sport Activist Enhancing the overall quality of education in Taiwan and strengthening Taiwan's international visibility Social Sustainability Development Strategy Providing employment development opportunities for disadvantaged groups (SDG 8: Decent Work and Economic Growth) Enhancing medical aid and humanitarian relief efforts (SDG 3: Good Health and Well-being) Promoting local education and international development (SDG 4: Quality Education) Sustainability Strategic Blueprint (One of the strategic pillars/action plans) Assisting disadvantaged groups in improving their circumstances Strengthening Taiwan's international visibility and brand awareness/ local-global integration

Create a sustainable society

In 2025, 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. Moreover, analysis is conducted to quantify the contribution of social investment and its impact on the operation of CAL. This analysis combines social investment with financial information. Adjustments are promptly made to enable CAL to create greater value in collaboration with society.

Social Investment Assessment

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 2025, CAL continued to use the China Airlines Charity Sport Camp as the calculation target. According to the SROI evaluation method, the calculated result of this activity was 8.05, meaning that for every NT$1 invested, it generated NT$8.05 in social benefits.



In 2025, CAL's total corporate social responsibility investment amounted to NT$71,694,349. The allocation breakdown by type of activities was 75% for commercial activities, 20% for charitable activities, and 5% for community investments. The distribution by donation type was 49% for goods donations, 47% for cash donations, 1% for volunteer labor, and 3% for management costs. The detailed breakdown of the investment percentages is provided in the table below.

Types of Social Involvement

Item	Amount (NT$)			2025	
	2023	2024	2025	Content	Percentage
Commercial Activities	36,594,093	54,932,735	53,566,169	• Support for international sporting events, public welfare forums, and cultural activities. • Sponsoring Taiwan-based athletes for international competitions	75%
Charitable Events	3,822,991	3,602,190	14,052,696	• 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.	20%
Community Investments	6,049,436	3,849,735	4,075,484	• Organizing care activities and providing resources for vulnerable groups • Teaching aviation knowledge to elementary schools in remote communities • Beach cleanup • Charity basketball and baseball camps	5%
Total	46,466,520	62,384,660	71,694,349	All activities including business activities, charitable events, and community investment	100%

Input of Social Investment

Item	Amount (NT$)			2025	
	2023	2024	2025	Content	Percentage
Material Donations	19,119,980	44,154,350	35,303,430	Ticket Donation and Freight Discount Amounts	49%
Monetary Donations	21,622,104	14,380,575	33,637,035	Cash input for each event	47%
Employee Volunteers	226,336	286,578	275,388	Volunteer manpower invested in activities such as volunteer teaching, beach cleaning, and charity sport camps.	1%
Management Overhead	5,498,100	3,563,157	2,478,496	Costs related to volunteer teaching, beach cleaning activities, and charity sport camp activities	3%

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Effectiveness of Social Investment

Item	2023	2024	2025
Amount of Social Investments (NT$)	41,145,948	53,810,231	68,826,575
Number of Beneficiaries (Persons)	1,285,784	1,460,687	1,950,189
Number of News Exposures / Facebook Page Likes	148/ 1,141,233	124/ 1,254,622	531/ 1,337,111
Number of Flight Tickets Sponsored	1,095	251	264

Environmental/Social Effectiveness

Sponsorship Project Name	Content/Reach	Amount (NT$)
Arts and Culture, Charitable Sponsorships, and Cash Donations	17 sponsorship projects※	34,703,430
Donations of Proceeds from Charity Sales	Approximately 1,000 beneficiaries	600,000
Coastal Cleanup	Approximately 400 participants	558,150(Note 1)
Charity Basketball Camp	Approximately 60 beneficiaries	**452,600** (Note 2)
Charity Baseball Camp	Approximately 125 beneficiaries	**661,400** (Note 3)
Charity Table Tennis Camp	Approximately 100 beneficiaries	**488,400** (Note 4)
Charity Badminton Camp	Approximately 35 beneficiaries	**276,734** (Note 5)
Aviation Knowledge Lecture for Remote Rural Areas	1,026 students from various elementary schools	**359,100** (Note 6)

※In 2025, CAL sponsored the Taiwan Lantern Festival in Taoyuan, the Taipei International Travel Fair, and provided free transportation of relief supplies to the Myanmar-Thailand region following the March 28 earthquake in Myanmar. CAL also sponsored the goodwill visit of Japanese sumo wrestlers to southern Taiwan, supported the Department of Architecture at National Cheng Kung University for participation in the Venice Architecture Biennale, and contributed to the dual-volume graphic novel fundraising project "Gale Phantom – The Aircraft Makers." Additional sponsorships included the "Three-in-One Children's Picture Book Fundraising Project," the Puzangalan Hope Children's Choir in Pingtung, the 2nd FOCASA Circus Arts Festival, and airfare sponsorship for the Vox Nativa Choir's performances in Japan and cultural exchange tour in Europe. Collaboration with CommonWealth Publishing on the "Shared Knowledge Platform Public Welfare Project"; sponsorship of excess baggage for the "3rd Love Without Limits Medical Charity Event"; sponsorship of the "2025 NTHU Racing Factory European Student Formula Competition"; ticket sponsorship for Xpark's "Taoyuan Sea Turtle Conservation Education and Rescue Center"; ticket sponsorship for Médecins Sans Frontières; disaster relief donation for Typhoon Danas; and support for the Huashan Social Welfare Foundation.

Benefits to Business Operations

Indicator	Content/Reach	Amount (NT$)
Media Exposure	Number of News Exposures: 531 Facebook Page Likes: 1,337,111	53,100,000 (Note 7)
Airfare Sales/Transportation Fees from Sponsored Events	Flight tickets/transportation fee sponsored at a discount	15,977,471 (Note 8)
Flight Tickets Sponsored	Total of 264 flight tickets sponsored	17,659,564

Explanation of the Monetary Benefits of Social Involvement

Note 1: Meals, events, transportation, and miscellaneous expenses amounted to approximately NT$546,750, plus volunteer labor costs calculated as 20 people × the Labor Standards Act minimum hourly wage of NT$190 × 3 hours, totaling NT$558,150

Note 2: Expenses for meals, events, transportation, and miscellaneous items amounted to approximately NT$445,000, plus volunteer labor costs calculated as 10 people × NT$190 per hour (minimum wage under the Labor Standards Act) × 4 hours, totaling NT$452,600.

Note 3: Meals, events, transportation, and miscellaneous expenses amounted to approximately NT$650,000, plus volunteer labor costs calculated as 10 people × NT$190 per hour (minimum wage under the Labor Standards Act) × 6 hours, totaling NT$661,400.

Note 4: Postponed to January 5, 2026, due to unforeseen circumstances. Meals, events, transportation, and miscellaneous expenses amounted to approximately NT$477,000, plus volunteer labor costs calculated as 10 people × the Labor Standards Act minimum hourly wage of NT$190 × 6 hours, totaling NT$488,400.

Note 5: Due to cancellation caused by a typhoon, the event was held in the form of a donation. The donation and miscellaneous expenses amounted to approximately NT$276,734.

Note 6: With 1,026 participants, each class lasting 4 hours and including materials, calculated at NT$350 per hour, the total amounts to NT$359,100.

Note 7: 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 × 531 pieces = NT$53,100,000.

Note 8: Sponsorship was provided in the form of ticket/freight discount offers, with total ticket/freight amounts of NT$17,659,564. The sponsored discount amount was NT$15,977,471, resulting in actual ticket revenue of NT$33,637,035. As the aforementioned effectiveness of social involvement is hard to quantify, the environmental/social effectiveness is represented by cost.

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

2.5.2 Enhancing the Internationalization of Local Education

CAL Group has long been committed to education, environmental sustainability, 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.

Topic	Item	2025 Performance	
		Number of Participants/ Beneficiaries (persons)	Investment Amount (NT$)
Educational Foundation	Corporate visits, volunteer teaching, charity sports camps, sports activists, and the creation of a shared knowledge platform for elementary schools	9,252	25,161,134
Environmental Coexistence	Beach cleaning activity, animal conservation charity event	1,650	671,750
Cultural Heritage	Advancing Taiwanese culture globally	1,673,555	36,041,003

Company Visit

CAL annually continues to open its corporate campus to visits from relevant university and college departments. Through guided tours, CAL introduces its corporate culture, flight attendant training facilities, emergency evacuation training facilities, and flight operations training facilities. This initiative promotes practical industry-academia exchange and helps students deepen their understanding and knowledge of the aviation industry. In 2025, CAL organized a total of 40 campus visit events for colleges and universities, with a cumulative participation of 1,000 students. Through sharing practical experience, CAL conveyed the core management concepts of the aviation industry, integrating resources from academia and industry to promote the sustainable cultivation and development of aviation professionals.

Developing a Unified 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 2025, a total of 84 schools benefited, with approximately 38,640 students impacted.

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

Educational Foundation

CAL upholds the core philosophy of "Rooted in Education, Sustainable Talent," firmly believing that only through long-term investment in education can the key talents needed for the future be cultivated. In line with its commitment to community engagement, social responsibility, and support for vulnerable groups, CAL has been implementing an educational volunteer program since 2010. This program assists students in broadening their international perspectives and cultivating reading habits, thereby strengthening the foundation of basic education. Since 2013, CAL has established long-term cooperative relationships with multiple domestic universities and colleges, providing students with opportunities to engage in professional knowledge and practical skills. This strengthens the industry-academia collaboration mechanism, promotes the integration of academic learning and practical application, and advances toward the long-term goal of talent development. At the same time, CAL has long supported the development of sports and culture by organizing charity sport camps. Through company-sponsored athletes personally instructing students in ball game skills, CAL facilitates the transfer of experience and deepens the core theme of education. Environmental protection concepts are also integrated into related activities to continuously promote positive social impact and advance the goals of sustainable development.

PAPAGO Team Cares for Vulnerable Groups, Integrating Resources to Convey Corporate Core Values

The PAPAGO Team volunteer team, composed voluntarily of colleagues from CAL's cabin crew, maintenance, flight operations, and ground services departments, has been dedicated to supporting vulnerable groups since its establishment in 2011. Over the years, the team has organized numerous public welfare and care activities, earning recognition and support from various sectors of society and partner organizations. To continuously support the needs of children with special needs and their families, the PAPAGO Team visited Keelung Gangxi Elementary School in 2025. Through aviation knowledge sharing and interactive experience activities, the team helped students broaden their learning horizons and conveyed positive values and hope. By actively participating in local education promotion, CAL advances the development of domestic education and its integration with international standards, fulfilling corporate social responsibility and expanding positive social impact.

CAL's PAPAGO Team Fulfills Children's Dreams

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Lectures by Volunteers: The CAL Volunteers Club Promotes Aviation Knowledge and Encourages Students to Develop a Global Perspective

Since its establishment in 2011, the "CAL Volunteers Club" has focused on supporting socially disadvantaged groups and has been committed to long-term educational volunteer services. Every year, CAL regularly sends volunteers to nearby schools to provide lessons covering aviation knowledge and English language instruction. This initiative helps students broaden their international perspectives and cultivate proactive learning and reading habits. Through these practical efforts, CAL supports local educational development and international integration, aligning with the United Nations Sustainable Development Goal 4, "Quality Education," thereby enhancing students' opportunities for diverse learning and growth. In 2025, CAL organized a total of 13 volunteer training sessions, serving seven schools: Taoyuan Xihai Elementary School, Zhuwei Elementary School, Shanfeng Elementary School, Guolin Elementary School, Sanmin Elementary School, Baiji Elementary School, and Fuan Elementary School. A total of 1,206 students benefited from these activities. The CAL Volunteers Club, upholding the spirit of mutual support and love, continues to give back to society and the community through concrete actions. Moving forward, it will expand its services to reach more schools, enriching learning experiences through the sharing of aviation knowledge and promoting diverse and balanced sustainable development among students.

1/ CAL volunteers and students celebrate together
2/ CAL Volunteers recognized with school appreciation certificates
3/ Volunteers from CAL educate children on aviation-related topics
4/ CAL volunteers and students actively participate in discussion

Rural Cultivate Service Team Encourages Diverse Growth Opportunities for Children in Remote Taiwanese Schools

CAL's dedicated Rural Cultivate Service Team annually visits remote schools in Taiwan to deliver aviation expertise. By 2025, the team conducted seven educational sessions and four holiday gift-giving events at multiple remote schools, benefiting approximately 700 students.

Charity Sport Camps / Sports Activists

CAL has long supported the development of national sports. In 2025, the Company sponsored multiple sports events to enhance the sports environment in Taiwan and boost Taiwan's international visibility. In 2025, China Airlines sponsored multiple domestic athletes to compete, leveraging its expertise in aviation transportation to support Chinese athletes participating in international sporting events. In addition, CAL organized a charity baseball camp with professional baseball players Cheng Tsung-Che and Chen Po-Yu; a charity basketball camp with the Taoyuan Pauian Pilots basketball team; and a charity table tennis camp with table tennis legend Chuan Chih-Yuan. CAL has a long-standing tradition of inviting well-known athletes from various fields to personally mentor young athletes at Charity Sport 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 320 children have benefited from this program.

Sports Events

The 2025 U12 Baseball World Cup, the 2025 U15 Asian Baseball Championship, the 2025 Pocari Sweat Run, the 2025 League of Legends Pacific Championship (LCP), the 2025 Six Cities Esports Championship, visually impaired runner Hong Guozhan's diplomatic participation in the Amsterdam Marathon course, and the Beijing World Chinese Basketball Tournament.

2025 Performance
TWD
4,506,580

Athletes and Teams

Golf players Tsai Pei-Ying and Lin Tzu-Han; fencer Chen Yi-Tung; speed skating athlete Huang Chien-Hua; table tennis players Lin Chin-Ting, Chang Yu-An, and Chuang Chih-Yuan; baseball players Lin Yu-Min, Cheng Tsung-Che, and Chen Po-Yu; tennis players Tseng Chun-Hsin and Yang Ya-Yi; badminton player Lin Chun-Yi; ultramarathon runner Chen Yen-Po; P. LEAGUE+ Taoyuan Pauian Pilots; elite athletes from the Chih-Yuan Table Tennis Training Center; and the Rising Star Rhythmic Gymnastics Association.

2025 Performance
TWD
22,620,000

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 Cheng Tsung-Che and Chen Po-Yu shared their experiences with students at a charity baseball camp.

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Environmental Education

While pursuing corporate development, CAL Group deeply appreciates the preciousness and irreversibility of the Earth's environment. The Group understands the responsibility and obligation it has towards natural resources and environmental protection, and thus actively cares for the environment, cherishes the Earth, and integrates social welfare and environmental education, passing on the significant duty of "sustainable environmental development" through generations.

Coastal Cleanup

CAL has long supported international beach cleanup initiatives and has regularly organized beach cleanup activities at Zhuwei Fishing Port annually since 2011, continuously contributing to marine environmental conservation. In May 2025, CAL further expanded its north-south joint beach cleanup event, inviting employees from various CAL units in the northern and Kaohsiung regions, along with their family and friends and CAL Volunteers Club members, to participate together, demonstrating cross-regional collaboration and strong employee engagement in sustainability efforts. This event attracted approximately 400 employees to participate in the beach cleanup, actively engaging in the global environmental protection movement. Through this initiative, CAL fulfills its ESG sustainability commitments, raises employees' environmental awareness, and contributes to corporate responsibility for marine and ecological conservation.

CAL supports international beach clean-up activities, collecting a total of 600 kilograms of garbage in 2025

Conservation of Wildlife

CAL continues to implement biodiversity conservation initiatives. In 2025, CAL partnered with Xpark for the first time to sponsor the Taoyuan Sea Turtle Conservation Education and Rescue Center. Through adoption programs, CAL supports the rescue and educational promotion of endangered protected species, aiming to leverage corporate influence to inspire others and rally public attention to wildlife conservation issues. In addition, CAL invited teachers and students from Baiji Elementary School in Taoyuan City to visit Xpark Aquarium and the Taoyuan Sea Turtle Conservation Education and Rescue Center free of charge. Through professional guided tours and explanations provided by the facilities, the students' understanding of marine ecology and animal conservation was enhanced, thereby fostering environmental education at the grassroots level and collaborating with all sectors of society to create a sustainable future.

Tree Planting

CAL responded to the government's biodiversity initiative by collaborating with the Forestry Bureau of the Ministry of Agriculture and the Hsinchu Branch to further expand the adoption of 3.5 hectares of mountain forest in Nanzhuang in 2025, planting 8,750 native trees, including Taiwan cedar. Additionally, they added maintenance of the mountain trail and volunteer cooperation, continuing to actively support the concept of symbiosis with the mountains and the well-being of indigenous communities. This not only aligns with the international trend of enhancing carbon sequestration functions but also embodies the spirit of the mountain initiative.

Cultural Heritage

CAL recognizes that cultural development is both a process of learning and inheritance. In 2025, CAL continued to leverage its advantages in the aviation industry to actively promote Taiwanese culture on the international stage. This included sponsorship of the "Original Sound Choir European Tour Cultural Exchange and Invitation to Perform in Japan," support for the Republic of China National Dance Sports Association's "2025 CTC World Cup International Standard Dance Open," and offering discounted tickets for the National Cheng Kung University Department of Architecture's participation in the "Venice Architecture Biennale" in Europe, as well as for the National Tsing Hua University Racing Factory's "2025 European Student Formula Competition." Additionally, CAL sponsored the "Pingtung Puzangalan Hope Choir" to support indigenous youth from tribal communities in participating in international competitions, thereby enhancing the diverse capabilities of indigenous young people.

Mandarin Airlines Hosts Aviation Career Exploration to Help Rural Students Realize Their Dreams of Flying (Provided by Mandarin Airlines)

Mandarin Airlines has long supported the education of children in remote areas. In 2025, Mandarin Airlines partnered with the Basegarden Foundation to host a large-scale aviation career exploration charity event at Taichung International Airport. The event encouraged baseball team children to not only improve their athletic skills but also balance their studies and develop diverse career knowledge. Mandarin Airlines flight crew, flight attendants, and maintenance personnel transformed the event venue into a simulated aircraft cabin. From welcoming passengers, pilot announcements, and flight attendants demonstrating life jackets to simulating the aircraft landing process, the entire experience was presented in both Chinese and English broadcasts, allowing the children to feel as if they were truly on board. In particular, the maintenance personnel's sharing of the 360-degree pre-flight inspection amazed the children and sparked their curiosity. To deepen students' understanding of the aviation industry, Mandarin Airlines arranged a special visit to the aircraft maintenance hangar, allowing children to have close-up exposure to airplanes. Professional maintenance personnel provided an introduction to the hangar facilities and maintenance procedures. Mandarin Airlines fulfills its corporate social responsibility by caring for disadvantaged groups and injecting warmth and positive energy into society. Moving forward, Mandarin Airlines will continue to support children from rural baseball teams in their upward journey, nurturing the seeds of flight in every heart to grow strong and soar higher, farther, and broader.

Mandarin Airlines hosts aviation career exploration experience camp to help rural students realize their dreams of flying.

Basegarden Foundation sincerely thanks Mandarin Airlines for supporting diverse learning opportunities for children in rural areas

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

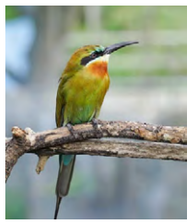
03 Corporate Governance

ESG Data and Appendix

Mandarin Airlines Promotes the Blue-tailed Bee-eater Conservation Program (Provided by Mandarin Airlines)

Mandarin Airlines, in response to conservation efforts in aviation, has collaborated since 2015 with the Taipei Zoo and the Department of Forestry at National Taiwan University to jointly promote a conservation research project on the abandoned eggs of the blue-tailed bee-eater, assisting in the air transport of these abandoned eggs to Taipei. The blue-tailed bee-eater is a summer migratory bird unique to Kinmen, arriving each year to breed. Mandarin Airlines has continuously contributed to the conservation of this rare species. For ten consecutive years, a research team has annually collected abandoned eggs that were kicked out of the nest by the birds in Kinmen. Mandarin Airlines carefully and safely transports these eggs from Kinmen to Taipei, where they are handed over to the zoo for subsequent incubation and care. Mandarin Airlines has long and continuously supported animal conservation efforts, contributing to the preservation of nature. In 2025, the blue-tailed bee-eater at the Taipei Zoo's Pangolin Pavilion successfully bred and raised offspring naturally for the first time, marking a new milestone in the zoo's conservation initiatives.

Mandarin Airlines assisted in the transportation of abandoned eggs of the blue-tailed bee-eater.



The stunning appearance of the blue-tailed bee-eater.

2.5.3 Enhancing Medical Assistance for Vulnerable Groups and Humanitarian Aid

Social responsibility is the foundation of CAL's implementation of its social sustainability strategy. We have long responded to the global situation by actively participating in domestic and international humanitarian relief efforts. We regard social sustainability as an important mission, leveraging our core strengths and capabilities to consistently fulfill our commitment to creating social value.

Topic	Item	2025 Performance Amount Invested
International Emergency Relief Support	Donation of cargo freight for transporting relief supplies to the Myanmar-Thailand region following the Myanmar earthquake and luggage sponsorship for the Third Love Without Limits Medical Charity Event, and airline ticket sponsorship for the international humanitarian medical aid organization Médecins Sans Frontières.	TWD 3,130,382
Domestic Humanitarian Support	Typhoon Danas disaster relief donations and support for elderly care	TWD 10,463,000

International Emergency Relief

CAL upholds the spirit of "Taiwan Can Help" and, as a member of the international community, has long embraced corporate social responsibility by continuously supporting international humanitarian relief efforts. In 2025, CAL continued its commitment to care regardless of nationality by leveraging its core aviation resources to support multiple international rescue and medical aid efforts. These included assisting in the transportation of relief supplies to the Myanmar-Thailand region affected by the earthquake in Myanmar, providing luggage sponsorship for the Third Love Without Limits Medical Charity Event team, and supporting the ticket sponsorship program for the international humanitarian medical organization Doctors Without Borders.
Through concrete actions in international relief efforts, CAL leverages its corporate influence to demonstrate a spirit of humanitarian care, working together with society to create sustainable value characterized by shared creation, shared prosperity, and mutual benefit. The promotion of social responsibility is a fundamental basis for CAL to implement its social sustainability strategy. In addition to playing a key role in facilitating global economic and personnel exchanges, CAL strives to be a socially influential enterprise, continuously leveraging its core strengths and professional capabilities to fulfill its long-term commitment to creating social value.

The third "Love Without Limits Medical Charity Event" doctor and volunteer team take a group photo in Cambodia

Domestic Humanitarian Relief Support

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), thereby reinforcing its commitment to the well-being of the senior population. Over the year, three charitable events were held: "Love the Elderly — Love Reunion," "Love the Elderly — Dragon Boat Festival in Motion," and "Love the Elderly — Mid-Autumn Festival Lights Up." Care packages were distributed to seniors, which included rice, nutritional cereal, and other daily-living and nutritional supplies. During the event period, on-site blood pressure measurement services were also provided to monitor the health status of the elderly. In collaboration with the Huashan Social Welfare Foundation's long-term care services and social enterprise resources, CAL offered comprehensive physical and mental well-being support. In 2025, CAL provided care for a total of 506 elderly individuals. Through continued investment in local senior care initiatives, CAL strengthened community support networks, fulfilling its corporate social responsibility and commitment to social sustainability.

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.

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Typhoon Danas Disaster Relief Donation to Assist Victims in Rebuilding Their Homes

Typhoon Danas severely impacted southern Taiwan in 2025. CAL donated NT$10 million for disaster relief, aiming to contribute to the reconstruction of the affected areas and assist disaster victims in restoring their homes as soon as possible, fully fulfilling its corporate social responsibility.

Mandarin Airlines Initiates Emergency Seat Reservation System for Penghu Residents (Provided by Mandarin Airlines)

Mandarin Airlines initiates emergency seat reservation system for Penghu residents

Recently, passenger demand on the Penghu route has continued to rise. Government and legislative leaders hope to coordinate with airlines to reserve seats, prioritizing assistance for Penghu residents traveling to Taiwan for medical treatment and urgent round-trip travel needs. On November 4, 2025, the Minister of Transportation convened a special meeting with the head of the Civil Aviation Administration and Mandarin Airlines to discuss and formulate concrete supporting measures. Through extensive coordination by the Minister of Transportation, Mandarin Airlines will, starting November 11, 2025, align with the outlying island transportation policy to enhance capacity allocation. A fixed number of seats will be reserved daily to accommodate urgent travel needs of Penghu residents, such as medical appointments and funerals. Capacity will be monitored daily and aircraft size adjusted accordingly.

Mandarin Airlines fully cooperates with the outlying island transportation policy and properly allocates capacity. While meeting the needs of general passengers, it has officially launched an emergency seat reservation mechanism for residents of Penghu. CAL will continue to fulfill its corporate social responsibility by assisting residents of outlying islands with their urgent and essential air travel needs, demonstrating its service commitment of "Local Care, Heartfelt Support" through concrete actions.

Mandarin Airlines Assisted Hualien Disaster Relief by Launching a 50% Discount on Hualien Routes (Provided by Mandarin Airlines)

Hualien was severely impacted by flooding, and post-disaster reconstruction work is urgent. To support the rebuilding efforts in the Guangfu area of Hualien, Mandarin Airlines offered a 50% discount on airfares for the Taichung–Hualien and Kaohsiung–Hualien routes to assist disaster relief volunteers and local residents with their transportation needs. This initiative contributes to the disaster relief efforts and aligns with the government's and private sector's rescue requirements, aiming to reduce transportation burdens and ensure timely delivery of personnel and supplies. Mandarin Airlines has long been committed to supporting disadvantaged groups in the remote areas of Hualien and Taitung. During the post-disaster recovery period in Hualien, it continued to provide the public and volunteers with convenient, safe, and reliable air transportation options, working hand in hand with the residents of Hualien to overcome difficulties together.

2.5.4 Empowering the Disadvantaged to Gain Equal Social Opportunities

CAL Group is deeply committed to promoting social equality and development. This commitment goes beyond financial support to emphasize practical actions, leveraging existing expertise and resources to assist disadvantaged groups in improving their quality of life and educational attainment. The ultimate goal is to achieve balanced social development.

Topic	Item	2025 Performance	
		Number of Beneficiaries (Persons)	Investment Amount (NT$)
Caring for the Disadvantaged	Disadvantaged students and members of the public	274,608	17,280,596
	In-flight meals support local small farmers	286,670	10,320,000
	Charitable Donations	706	1,123,000

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.

Leverage the advantages of the aviation industry to achieve the goal of balanced social development

CAL continues to leverage its core business strengths to provide more development opportunities for disadvantaged groups. In 2025, CAL launched Taiwan's first "Zootopia 2" themed livery aircraft and hosted a special screening of the film. Partnering with local organizations in Taoyuan, including Muhsiang Sweet Home Childcare Center, the Taoyuan Branch of the Taiwan Fund for Children and Families, and rural elementary schools, CAL invited children of all ages to enjoy Disney's latest animated movie together. Through the positive messages conveyed by the film, CAL aims to encourage viewers to bravely pursue their dreams. The event atmosphere was joyful and heartwarming. CAL is committed to actively engaging in social participation through concrete actions, aiming to support disadvantaged groups in obtaining equal opportunities within society.

CAL hosted a special screening of the movie "Zootopia 2," partnering with Muhsiang Sweet Home Childcare Center and the Taoyuan Branch of the Taiwan Fund for Children and Families to share the experience with children of all ages

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Purchasing Local Agricultural Products to Increase Employment and Development Opportunities

To help more individuals access employment and development opportunities, CAL increased its purchase of agricultural product gift boxes this year to include in the Lunar New Year care packages. These were provided to 160 beneficiaries/households of local elderly individuals in Taoyuan experiencing three types of loss (disability, lack of support, and dementia) through the Huashan Foundation. This initiative aims to fulfill the commitment to equitable social welfare through a mutually beneficial approach.

CAL Increases Procurement of Local Agricultural Product Gift Boxes, Committed to Promoting Equal Social Opportunities

Charitable Donations

To implement corporate social responsibility and continue supporting underprivileged groups and rural children, CAL plans to make further donations of goods and funds to extend the impact of sponsorship projects, fulfill corporate responsibilities, and contribute to sustainability. To align with the United Nations Sustainable Development Goals, CAL's Public Relations Office annually donates supplies to rural schools based on their needs during the Charity Sport Camps. At the end of each year, the office organizes a "Limited-Edition Merchandise Charity Sale," which serves to replace outdated promotional gifts. All proceeds from the sale are fully donated, with additional contributions, to the Taoyuan branch of the Taiwan Fund for Children and Families and the Taoyuan Yude Children's Home. Through these concrete actions, CAL demonstrates care for and support of vulnerable social groups to improve their quality of life, striving to achieve social equality and shared prosperity. CAL aims to leverage its position as a leading airline to contribute to Taiwan's sustainable development.

Supporting Local Farmers and Charitable Organizations

To fulfill its corporate social responsibility and support high-quality Taiwanese agricultural products, CAL has long partnered with The Wonderful Food to offer Taiwanese snacks in the onboard Sky Lounge. This initiative continuously promotes local agricultural products, increases the income of farmers and producers, and aims to foster the development of local agriculture while bringing specialty products to altitudes above 10,000 feet. In addition, CAL continues to sell gift boxes from the Down Syndrome Foundation ROC and the Sunshine Social Welfare Foundation on eMall. Through this positive influence, CAL strives to create a better society by enhancing employment opportunities and providing economic assistance to disadvantaged groups.

CAL eMall Actively Promotes Employment Opportunities for Disadvantaged Groups

Mandarin Airlines Launches New Kaohsiung–Matsu Nangan Route, Creating New Employment Opportunities for Offshore Island Residents (Provided by Mandarin Airlines)

Mandarin Airlines has added a new Kaohsiung–Matsu Nangan route! Following the Taipei–Matsu Nangan route, Mandarin Airlines officially launched a regular direct flight from Kaohsiung to Matsu on June 6, 2025. Operating one round trip every Friday, this service provides the most convenient air transportation between Kaohsiung and Matsu, meeting the travel needs of military personnel, residents returning home, and tourists from both locations. The inaugural flight AE7925 departed Kaohsiung Airport at 11:15 and arrived at Matsu Nangan Airport at 12:55. Mandarin Airlines' inaugural Kaohsiung–Matsu Nangan flight arrived at Nangan Airport, where it was greeted with a water salute ceremony. VIP passengers disembarked and took photos with the aircraft, jointly witnessing this historic moment. With the launch of the Kaohsiung–Matsu Nangan route, demand for tourism and airport-related services has increased, providing more diverse employment opportunities for disadvantaged groups, the elderly, and people with disabilities in the Matsu area.

Mandarin Airlines' regular Kaohsiung–Matsu flights officially commenced on June 6, 2025.

VIP passengers disembarking from the inaugural Mandarin Airlines flight from Kaohsiung to Matsu pose for a group photo at the aircraft.

Mandarin Airlines launched the "Priceless Love, Zero Fare Companion" program for individuals with disabilities. (Provided by Mandarin Airlines)

Mandarin Airlines has launched the "Compassionate Travel" program to support individuals with physical and mental disabilities. This program offers a special promotion for groups of four, where passengers buy two tickets and receive two free. As long as one passenger in the group presents a disability certificate, both the person with a disability and one accompanying individual can travel free of charge. This initiative enables more families with disabled members to overcome daily limitations and enjoy a joyful travel experience together. Mandarin Airlines' Compassionate Travel Package includes not only airfare and accommodation but also comprehensive accessibility planning. Thoughtful services are provided from airport boarding through the entire flight, including professional one-on-one assistance from ground staff and complete wheelchair and mobility aid handling services, ensuring passengers a worry-free journey from departure to arrival and fully fulfilling the commitment to accessible travel.

1. Mandarin Airlines' Compassionate Travel program has established dedicated check-in counters at the airport, providing professional one-on-one assistance. 2. Group photo for Compassionate Travel

Content

Preface

01 Sustainability Management

02 Value Creation
2.1 Trust
2.2 Cooperation
2.3 Environment
2.4 Human Resources
2.5 Society

03 Corporate Governance

ESG Data and Appendix

Mandarin Airlines Holds Christmas Charity Sale (Provided by Mandarin Airlines)

Mandarin Airlines spread holiday cheer by hosting a "Christmas Charity Sale" on the eve of Christmas 2025 at CAL Group's Songshan Office. The event showcased a variety of discontinued aircraft models, logo merchandise, and co-branded products, attracting aviation enthusiasts and colleagues who enjoy collecting aircraft models. Through this Christmas charity sale, Mandarin Airlines transformed discontinued promotional items into meaningful support for education in remote areas. Mandarin Airlines has long been committed to supporting the learning and growth of children on rural baseball teams. During the warm and festive Christmas season, the airline organized a charity sale, donating all proceeds of NT$109,500 to the Basegarden Foundation to help improve the educational environment, foster reading skills, and promote diverse development for children in rural areas.

Executive Director of the Basegarden Foundation accepts a donation from Mandarin Airlines.

proceeds from Mandarin Airlines' charity sale were fully donated to the Basegarden Foundation

Future Plans

1. Enhancing the Internationalization of Local Education

To continuously deepen educational foundations and social impact, CAL will leverage its aviation expertise and brand influence to persistently promote related educational courses and outreach activities. CAL also plans to gradually expand these efforts to cover all regions of Taiwan, including outlying islands, in order to increase participation scale and resource investment effectiveness, thereby further enhancing the quality of education in remote and resource-limited areas. At the same time, CAL will continue to assess, based on international aviation conditions and resource availability, the potential investment in promoting international education and exchange opportunities for young students. Leveraging its core business strengths, CAL aims to encourage students to broaden their academic and global perspectives, support educational development in underprivileged and developing regions, and cultivate future aviation professionals with international competitiveness, thereby continuously creating long-term and positive social value.

2. Enhancing Medical Assistance to Fulfill Humanitarian Aid (Increasing Taiwan's International Visibility)

CAL has consistently dedicated significant efforts to international humanitarian relief operations. In addition to long-term collaboration with government projects, CAL actively promotes sustainable charitable programs in response to global developments, demonstrating corporate social responsibility and helping to enhance the nation's positive image in the international community. Looking ahead, CAL will evaluate collaboration opportunities with diverse partners in Taiwan, including nonprofit organizations, corporations, and athletes. The company plans to organize co-branded corporate social responsibility events or charitable products, leveraging corporate resources and the core values of the aviation business to expand its social impact. Through cross-industry collaboration, CAL aims to simultaneously enhance the international visibility of local brands while continuously implementing the sustainable development concept of corporate social responsibility and creating shared value.

3. Creating Job Opportunities for the Disadvantaged

The CAL Group firmly believes that the core of corporate social responsibility lies in effectively utilizing its resources and aviation expertise to take concrete actions in caring for vulnerable social groups, helping to improve quality of life and enhance opportunities for education and employment development. For a long time, CAL has continuously invested in diverse areas such as elderly care, support for disadvantaged students, and assistance to charitable organizations, aiming to promote social equity and welfare and to fulfill the company's long-term commitment to society. Looking ahead, CAL will continue to invest corporate resources and plans to collaborate with diverse partners, including public welfare organizations in Taiwan, corporations, and athletes, to jointly participate in charitable projects. Through cross-sector cooperation, CAL aims to promote two-way positive communication and expand the impact of its philanthropic efforts. At the same time, CAL will support small-scale farmers and indigenous cultures in reaching the international stage, enhancing the visibility of local value. By integrating resources, CAL aims to expand the scope and impact of its services, continuously improving social welfare in remote areas and among disadvantaged groups. This effort is dedicated to fostering a positive social cycle and realizing the vision of sustainable development.

Content

Preface

01 Sustainability Management

02 Value Creation

03 Corporate Governance
3.1 Governance Framework
3.2 Operational Achievements
3.3 Risk Management
3.4 Regulatory Compliance

ESG Data and Appendix

CHINA AIRLINES

03 Corporate Governance

3.1 Governance Framework 138
3.2 Operational Achievements 143
3.3 Risk Management 145
3.4 Regulatory Compliance 152

Content

Preface

01 Sustainability Management

02 Value Creation

03 Corporate Governance
3.1 Governance Framework
3.2 Operational Achievements
3.3 Risk Management
3.4 Regulatory Compliance

ESG Data and Appendix

Highlights

Selected for the FTSE4Good Index Series for the 10th consecutive year

CAL has been included in the FTSE4Good Index Series for ten consecutive years and has also been selected as a constituent of the Taiwan ESG Index seven times.

9th time included in the S&P Global Sustainability Yearbook

CAL achieved the highest CSA score among global airlines in 2025. In 2026, it was selected for the Sustainability Yearbook for the ninth time and received Top 1% recognition for the second time, making it the only airline in Taiwan to achieve this distinction.

4th time selected for the MSCI Index

Since 2022, CAL has been selected as a constituent of the MSCI Global Standard Index for the fourth time.

2nd time receiving the Taiwan Top 10 Sustainability Model Enterprises Award

In 2025, CAL received the TAISE "Taiwan Top 10 Sustainability Model Enterprises Award" for the second time. It has also received the Taiwan Corporate Sustainability Awards for 12 consecutive years, the Global Corporate Sustainability Award – Sustainability Reporting for seven consecutive years, and the Best Sustainability Report (Service Industry) award for four consecutive years.

2nd time awarded Gold in the ESG Transportation Sustainability Award

With a well-established ESG governance framework and concrete sustainability practices, CAL has been awarded the ESG Transportation Sustainability Award – Gold for two consecutive terms and is the only recipient recognized for "Innovation Advancement."

Long-term credit rating maintained at "twA-"

Benefiting from the continued recovery in passenger market demand and the robust growth of the AI industry driving strong cargo performance, CAL's operational results have been outstanding. This is expected to continue supporting overall operating cash flow and enhancing profitability. Taiwan Ratings announced in October 2025 that CAL's long-term credit rating remains at "twA-," the short-term credit rating at "twA-2," with a stable outlook.

Top 6%–20% in Corporate Governance Evaluation

CAL was ranked among the top 6%–20% of companies in the 12th Corporate Governance Evaluation.

Content

Preface

01 Sustainability Management

02 Value Creation

03 Corporate Governance
3.1 Governance Framework
3.2 Operational Achievements
3.3 Risk Management
3.4 Regulatory Compliance

ESG Data and Appendix

3.1 Governance Framework

GRI 2-9, 2-10, 2-11, 2-15, 2-17, 2-19, 2-20

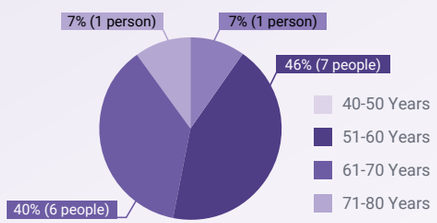
Board of Directors

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.

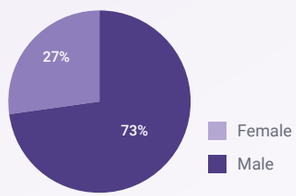
1.Director Nomination and Selection

The composition of the Board of Directors is diverse. According to Article 198-1 of the Company 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. The Company 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 four female directors, comprising 27% 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



Gender of Board Members



Shareholders with at least 5% of CAL's shares as of March 2026 are listed below:

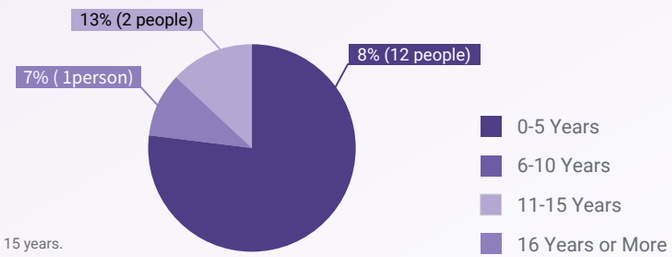
Major Shareholders	Contributions to Taiwan	Percentage of Shares Held
China Aviation Development Foundation	Striving for the development of Taiwan's aviation business, national traffic construction, research, and event promotion	30.52%
National Development Fund, Executive Yuan	Accelerating industrial innovation, economic transformation, and national development	8.50%

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 5.5 years.

Term of Office for Directors



Note: 0% for 11 to 15 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. For detailed information on concurrent positions, please refer to the CAL 2025 Annual Report, pages 19-21. To ensure the effective implementation of directors' independence, CAL also conducts assessments of directors' external independence. The target for directors meeting external independence criteria is set at 80% of total seats. In 2026, the proportion of directors meeting external independence reached 100%, exceeding the target.

CAL deficiencies identified by regulators at home and abroad and in internal/external audit reports and their corresponding improvements, and major issues concerning operation and business were reported to the Board of Directors for timely responses. Additionally, CAL has established clear regulations on the avoidance of conflicts of interests for directors who shall uphold a high level of discipline. When the resolutions listed by the Board of Directors have an interest in themselves or the legal person they represent, they shall explain the important content of their interest in the current board meeting, and withdraw from the discussion and voting, and do not exercise voting rights on behalf of other directors. The Board of Directors convenes meetings as needed for business purposes, with at least one meeting held each quarter. According to the Company's "Rules for Board Meetings," a quorum of more than half of the directors must be present to declare the meeting open For details on the key resolutions of the Board of Directors, please refer to pages 95–98 of the 2025 Annual Report.

Content

Preface

01 Sustainability Management

02 Value Creation

03 Corporate Governance
3.1 Governance Framework
3.2 Operational Achievements
3.3 Risk Management
3.4 Regulatory Compliance

ESG Data and Appendix

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 to pages 22-24 of the 2025 CAL Annual Report. CAL organizes annual continuing education courses for its board members based on the company's characteristics and industry requirements. The topics cover corporate governance, ethical management and corporate social responsibility, risk management, corporate sustainability, and information security. In 2025, each director completed a total of 6 hours of continuing education in accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies," consisting of a 3-hour course on "Current Global Economic Conditions and the Effects of Trump's New Policies" and a 3-hour course on "Sustainable Risk Management and Disclosure Development Trends (Including Anti-Corruption)."

✓ indicates the director has the capability ○ indicates the director has some capability

Name	Title	Title (Note 1)	Has Employee Status	Nationality	Gender	Age				Industrial Experience (Note 2)	Professional Background								Professional Competence				
						40-50 Years	51-60 Years	61-70 Years	71-80 Years		Airlines	Transport	Professional Services and Marketing	Financial and Finance	Construction and Engineering	Banking, Insurance and Real Estate	Business and Supply	Information and Technology	Metal and Machinery	Law	Accounting	Risk Management	Sustainability-related competencies
Kao Shing-Hwang	Chairman	Independent Director	-	R.O.C.	Male	-	-	✓	-	Industry	✓	✓	✓	○	-	-	✓	○	○	-	○	✓	✓
Chen Chih-Yuan	Director		-		Male	-	-	✓		Industry	-	✓	✓	○	-	✓	✓	○	-	-	-	✓	✓
Ting Kwang-Hung	Director		-		Male	-	✓	-	-	Industry	-	-	✓	✓	✓	✓	-	-	-	-	○	✓	✓
Chen Ta-Chun	Director		-		Male	-	-	✓	-	Industry	✓	✓	✓	○	-	-	✓	-	-	○	-	✓	✓
Chen Maun-Jen	Director		-		Male	-	-	-	✓	Industry	-	-	✓	-	○	-	✓	✓	✓	-	-	✓	✓
Chang Gwo-Wei	Director		✓		Male		✓	-	-	Industry	✓	✓	✓	-	✓	-	-	-	✓	-	-	○	○
Huang Huei-Jen	Director		✓		Female	✓	-	-	-	Industry	✓	✓	-	-	-	-	-	-	-	✓	-	○	○
Huang Shih-Hui	Director		✓		Female	-	✓	-	-	Industry	✓	✓	✓	○	-	-	✓	○	-	-	○	✓	✓
Wei Chien-Hung	Director		-		Male	-	-	✓	-	Industry	-	✓	✓	-	✓	○	-	✓	-	-	-	✓	✓
Shon Zheng-Yi	Director		-		Male	-	✓	-	-	Industry	✓	✓	○	○	-	-	○	✓	-	-	○	✓	✓
Lin Kuo-Chang	Independent Director		-		Male	-	✓	-	-	Industry	-	-	✓	-	-	-	-	-	-	✓	-	✓	✓
Huang Hsieh-Hsing			-		Male	-	-	✓	-	Finance	-	-	✓	✓	-	○	-	-	-	-	✓	✓	○
Chang Hsieh Gen-Sen			-		Female	-	-	✓	-	Finance	-	-	✓	✓	-	-	-	-	-	-	✓	✓	○
Hwang Yih-Ray			-		Male	-	✓	-	-	Finance	-	-	✓	✓	-	✓	-	-	-	-	✓	✓	✓
Lin Yu-Fen			-		Female	-	✓	-	-	Industry	-	-	✓	-	-	-	-	✓	-	✓	-	✓	✓

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:
- The director must not have been employed by the company in an executive capacity within the last year.
- 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.
- 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".
- 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.
- The director must not be affiliated with a significant customer or supplier of the company.
- The director must have no personal services contract(s) with the company or a member of the company's senior management.
- The director must not be affiliated with a not-for-profit entity that receives significant contributions from the company.
- The director must not have been a partner or employee of the company's outside auditor during the past year.
- The director must not have any other conflict of interest that the board itself determines to mean they cannot be considered independent.

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: Classification is based on the Global Industry Classification Standard (GICS) Level 1. For the educational background and concurrent positions held by board members, please refer to CAL's 2025 Annual Report, p. 12-17.

Content

Preface

01 Sustainability Management

02 Value Creation

03 Corporate Governance
3.1 Governance Framework
3.2 Operational Achievements
3.3 Risk Management
3.4 Regulatory Compliance

ESG Data and Appendix

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.

The members of the Sustainability & Risk Management Committee possess diverse and complementary professional backgrounds and practical experience, enabling the Board of Directors to effectively oversee and make decisions regarding sustainability and climate-related risks and opportunities. Independent Directors Hwang Yih-Ray, Lin Yu-fen, and Lin Kuo-chang possess expertise in financial accounting and legal matters, as well as practical experience in sustainability management and corporate governance and management; from the perspectives of governance, legal compliance, and risk control, they are able to assist in assessing the impact of sustainability and climate issue on the company's operations and finances. Director Ting Kwang-Hung and Director Chen Chih-yuan possess abilities in commercial judgment, leadership and decision-making, business management, crisis handling, sustainability management, and international market insight; from the perspective of business strategy and industry practice, they are able to evaluate the impact of sustainability- and climate-related risks and opportunities on the company's long term development and competitiveness. Through the integration of the aforementioned professional expertise, the committee is able to comprehensively oversee CAL's governance and response measures related to sustainability and climate issues.

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 Hwang Yih-Ray, Independent Director Lin, Yu-Fen, Independent Director	Hsieh-Hsing Huang, Convener (Independent Director) Chang Hsieh, Gen-Sen, Independent Director Ho Chun-Hui, Member	Hwang, Yih-Ray, Independent Director Lin, Kuo-Chang, Indepedent Director Lin, Yu-Fen, Independent Director Ting, Kwang-Hung, Director Chen, Chih-Yuan, Director
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 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.
Nomination and Selection Procedures	The entire body of independent directors shall be composed of no fewer than three members, with at least one member possessing accounting or financial expertise. The appointment shall be finalized by resolution of the Board of Directors.	The members of the Committee shall be appointed by resolution of the Board of Directors, and the number of members shall be three to five. More than half of the members shall be Independent Directors, and one of them shall serve as convener. The remaining members are served by Independent Directors or external professionals with qualifications set forth in Article 5 of the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange" and meet the independence requirements set forth in Article 6.	More than half of the members must be independent directors. Three independent directors are recommended to serve, while the remaining two committee members are appointed from among directors with extensive financial management experience. The final appointments are approved by the Board of Directors.

Note:The Company has not yet appointed a remuneration consultant independent of the Board of Directors and executives.

Content

Preface

01 Sustainability Management

02 Value Creation

03 Corporate Governance
3.1 Governance Framework
3.2 Operational Achievements
3.3 Risk Management
3.4 Regulatory Compliance

ESG Data and Appendix

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 CAL's Articles of Incorporation, the Board of Directors is authorized to determine the remuneration of the Chairman in accordance with CAL's regulations for the remuneration for managerial officers based on the Chairman's participation in the operations of CAL. 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 2025 are summarized below by category. All of the cases have been reported to the General Audit Office.

Audited Cases in 2025

Type of Cases	Number of Cases Audited	Number of Comments	Number of Corrections
Head Office	15	92	92
Branch	37	208	208
Subsidiary	10	70	70
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	None, full compliance with regulations	-
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	-
Sustainability Information Management Procedures	1	3	3

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

Content

Preface

01 Sustainability Management

02 Value Creation

03 Corporate Governance
3.1 Governance Framework
3.2 Operational Achievements
3.3 Risk Management
3.4 Regulatory Compliance

ESG Data and Appendix

3.2 Operational Achievements

GRI 201-1

3.2.1 CAL Group Operational Achievements

In 2025, the global economy remained resilient amid volatility. Although the United States' Reciprocal Tariff policies introduced uncertainty to the trade environment, the easing of global inflation and the shift toward accommodative monetary policies by major economies effectively boosted domestic consumption and intercontinental travel demand in advanced economies. CAL monitors market trends and expands long-haul services to Europe and the United States, catering to both business and leisure travel demand, thereby maintaining high passenger load factors and revenue performance. In the cargo sector, the innovative application and development of AI servers and high-performance computing products have driven demand for the transportation of high-value electronic components. Additionally, companies' advance stocking in response to tariff changes has further boosted export momentum in cargo transport. CAL has leveraged a dual passenger and cargo strategy to transform challenges into growth momentum during a critical period of global economic and trade changes, achieving dual growth in both passenger and cargo operations. In addition, CAL continues to implement its fleet renewal program by introducing new aircraft such as the A321neo and 777F, and has ordered 18 Boeing 787-9 passenger aircraft, 6 Boeing 787-10 passenger aircraft, 10 Airbus A350-1000 passenger aircraft, 10 Boeing 777-9 passenger aircraft, and 4 Boeing 777-8F freighters. CAL plans to gradually retire its 737-800, A330-300 passenger aircraft, and 747-400F freighters. In 2025, CAL converted options for 5 A350-1000s, 5 777-9s, and 4 777-8Fs into firm orders. These aircraft will be deployed on long-haul passenger and cargo routes to North America and Europe. Through fleet optimization and renewal, CAL flexibly adjusts passenger and cargo flight operations and strategically arranges the overall network to offer more competitive products and services that meet passenger needs, actively capturing passenger and cargo business opportunities.

Consolidated Financial Data

In 2025, CAL's consolidated operating revenue totaled TWD209.139 billion, comprising passenger revenue of TWD124.908 billion, cargo revenue of TWD66.831 billion, and other revenue of TWD17.400 billion. Consolidated operating profit reached TWD20.836 billion, consolidated Pretax profit was TWD20.059 billion, and net income attributable to Shareholders of the Parent company after tax amounted to TWD14.700 billion. Refer to ESG appendix - Financial Performance

Operational Achievements

(Unit: TWD100 million)

Item	2021	2022	2023	2024	2025
Passenger Revenue	60.64	254.81	1,157.23	1,279.19	1,249.08
Cargo Revenue	1,245.41	1,162.5	571.46	607.12	668.31
Other Revenue	82.36	89.91	119.48	152.48	174.00
Consolidated Operating Revenue	1,388.41	1,507.22	1,848.17	2,038.79	2,091.39
Consolidated Pretax Profit	111.27	26.61	93.05	192.76	200.59

Parent Company-Only Financial Data

(Unit: TWD100 million)

Item	2021	2022	2023	2024	2025
Operating revenue	1,321.4	1,410.7	1,616.76	1,751.82	1,789.54
Operating Cost	1,062.3	1,280.89	1,440.4	1,498.99	1,506.38
Operating Expense	65.9	70.63	110.41	125.03	128.52
Income Tax Expense (Benefit)	25.94	10.29	12.37	27.04	28.39
Total Salary Expenses	161.88	144.94	168.37	213.73	221.10
Total Employee Benefits	225.96	204.65	244.58	304.98	310.20
Total Pension	15.27	14.66	14.76	15.39	14.22

2025 CAL Group Passenger and Cargo Operations Performance

Routes	Company	Number of Departures (Flights)	Passenger Transport					Cargo Transport				
			Passengers (Persons)	Market Share (%)	Revenue Passenger Kilometers (RPK)	Available Seat Kilometer (ASK)	Passenger Load Factor (%)	Tonnage (Metric Ton)	Market Share (%)	Freight Revenue Ton Kilometers(FATK)	Freight Available Tonne Kilometers(FATK)	Freight Load Factor (%)
International		68,884	11,419,585	34.31	37,062,786,539	47,242,956,331	78.45	1,266,861	54.37	5,669,980,574	8,462,118,015	67.00
		2,266	334,159	1.00	281,597,555	357,601,290	78.75	10,132	0.43	2,396,352	8,302,281	28.86
		19,790	3,108,756	9.34	5,922,093,794	6,802,087,761	87.06	33,431	1.43	64,641,036	132,262,818	48.87
	CAL Group	**90,940**	**14,862,500**	**44.66**	**43,266,477,888**	**54,402,645,382**	**79.53**	**1,310,424**	**56.24**	**5,737,017,962**	**8,602,683,114**	**66.69**
Domestic		33,245	2,102,743	39.85	892,734,884	1,092,361,402	81.73	19,019	37.32	2,100,781	13,869,789	15.15
Global	**CAL Group**	**124,185**	**16,965,243**	**44.00**	**44,159,212,772**	**55,495,006,784**	**79.57**	**1,329,443**	**55.83**	**5,739,118,743**	**8,616,552,903**	**66.61**

Source: "Civil Air Transport Statistics (Table 18 Overview of Global Passenger and Cargo Transport on Global Routes by Domestic Airlines)" by CAA of MOTC.

Content

Preface

01 Sustainability Management

02 Value Creation

03 Corporate Governance
3.1 Governance Framework
3.2 Operational Achievements
3.3 Risk Management
3.4 Regulatory Compliance

ESG Data and Appendix

3.2.2 Analysis of Risks and Opportunities in the Business Environment

According to the International Air Transport Association (IATA) report of December 2025, the global aviation market is projected to carry 4.982 billion passengers, representing a 4.36% year-over-year increase. In the long term, the revenue passenger kilometers (RPK) has consistently outpaced overall economic performance, averaging approximately 2.3 times the global GDP growth rate. However, from 2024 to 2026, this trend has slowed, with growth declining to about 1.5 times the GDP growth rate. This phenomenon is primarily attributed to ongoing capacity constraints caused by supply chain issues, including aircraft delivery delays, maintenance backlogs, and labor shortages, which limit airlines' ability to expand operations in response to demand. At the same time, airlines face risks related to decarbonization transitions, limited sustainable aviation fuel (SAF) supply, tightening environmental regulations, and increasing capital expenditure pressures, all of which pose long-term challenges to overall operational resilience and cost structures. 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.

Global Airline Industry	2024	2025 Forecast	2025 Compared to 2024	
Passengers (100 million persons)	47.74	49.82	2.08	4.36%
RPK (trillion km)	9.039	9.505	0.466	5.16%
Passenger Revenue (US$100mn)	6,870	7,160	290	4.22%
CTK (100mn km)	2,738	2,823	85	3.10%
Cargo Revenue (US$100mn)	1,510	1,550	40	2.65%
Fuel Expense (US$100mn)	-2,610	-2,530	80	-3.07%
Non-fuel Expenses (US$100mn)	-6,450	-6,890	-440	6.82%
Net Profit (US$100mn)	283	395	112	39.58%

Source: International Air Transport Association (IATA)

Business Opportunities

Demand for International Travel Remains Robust

As global economic activity continues to thrive, the public's willingness to travel has transformed into sustained long-term consumer behavior, driving a significant increase in air passenger demand. Airlines worldwide actively optimize their global route networks. In addition to strengthening operations on existing core routes, they strategically develop new destinations to comprehensively expand their market presence. According to the latest analysis by the International Air Transport Association (IATA), the global passenger market demonstrated strong growth momentum in 2025, with the Asia-Pacific region serving as the key driver of the global aviation industry's development. Taiwan is in a relatively advantageous position in the recovery of air passenger traffic. Transit demand between Southeast Asia and North America has surged significantly; however, the slow recovery of long-haul routes at airports in China and Hong Kong has resulted in spillover benefits of transit passenger flow to the nearby 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 transfer services. According to statistics from Taoyuan Airport, the number of transfer passengers in 2025 reached approximately 6.69 million, representing a 25.8% increase compared to 2019. This demonstrates the successful efforts of airlines in actively expanding the transfer market, with Taoyuan Airport gradually becoming 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, Taoyuan Airport is aligning with the government's "Taoyuan International Airport Conceptual Plan II" 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 Fleet in Coming into Place

To implement sustainable development, CAL continues to advance its fleet renewal program. The new-generation fleet offers advantages in aircraft design, fuel efficiency, and operational effectiveness, significantly optimizing cost structure and serving as a major contributor toward achieving net-zero carbon emissions by 2050. By 2025, CAL had completed the delivery of 10 Boeing 777F aircraft and will gradually phase out the Boeing 747-400F freighters based on market demand. 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 fleet. CAL also ordered 18 Boeing 787-9 and 6 Boeing 787-10 aircraft to replace the A330-300 fleet. Additionally, in 2024, CAL announced the procurement of 10 Airbus A350-1000, 10 Boeing 777-9 passenger aircraft,

Content

Preface

01 Sustainability Management

02 Value Creation

03 Corporate Governance
3.1 Governance Framework
3.2 Operational Achievements
3.3 Risk Management
3.4 Regulatory Compliance

ESG Data and Appendix

and 4 Boeing 777-8F freighters. The new fleet is expected to begin delivery in 2029. In 2025, CAL converted options for 5 A350-1000, 5 777-9, and 4 777-8F aircraft into firm orders. Moving forward, CAL will embrace a new generation of aircraft characterized by fuel efficiency, high performance, and environmental sustainability.

The 787 aircraft soon to be introduced are flagship new-generation products. The 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 2025 from the Airline Passenger Experience Association (APEX) for the 10th 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

Uncertain Economic Outlook

The global economic outlook remains highly uncertain, with the aviation industry facing dual challenges from geopolitical instability and changes in trade tariff policies. In this dynamic environment, the industry must maintain flexibility and adjust capacity in response to shifts in national policies and economic trends. CAL closely monitors the potential impact of economic downturn risks on passenger demand and responds precisely by improving fleet utilization. In the cargo sector, in response to the cancellation of small cargo tariff exemptions and ongoing trade tensions, CAL has developed network adjustment strategies to flexibly allocate capacity to Southeast Asian and European markets, while focusing on high-value cargo such as AI and semiconductors to maintain stable profitability momentum.

Supply Chain Capacity Bottlenecks Remain Severe

The pressure caused by supply chain disruptions and certification bottlenecks has evolved into a structural issue. Aircraft manufacturers have had order backlogs exceeding ten years, and supply chain problems are not expected to be resolved until 2034. Airlines have been forced to adjust their fleet planning and investment schedules, making originally planned expansion projects difficult to realize. This has compelled airlines to rely on older, less efficient aircraft, increasing operating costs, stagnating improvements in fuel efficiency, and delaying fleet renewal. In addition to bottlenecks in aircraft and engine manufacturing, the high degree of customization in cabin seats has complicated design and supply chain composition. Coupled with stringent certification requirements, this has significantly extended manufacturing and certification timelines. In response to external pressures, CAL has demonstrated proactive operational resilience by actively adjusting its fleet planning to protect passenger rights and implementing multiple countermeasures. First, CAL precisely controlled the delivery schedule of the Boeing 787 new aircraft and proactively initiated backup plans to reinforce the A321neo and A350 fleets. Second, through new leases and aircraft purchases, CAL has ensured a stable transition in retiring older aircraft while supplementing capacity to maintain steady operations.

SAF Supply Scarce and Expensive

The IATA report indicates that the aviation industry is at a crossroads in energy transition; however, the limited supply and high cost of Sustainable Aviation Fuels (SAF) remain significant challenges. According to the latest data from IATA, the production of SAF in 2025 is expected to meet only 0.6% of the global fuel demand, with prices 2 to 5 times higher than conventional fuel, resulting in an additional industry cost of US$3.6 billion. Under the dual pressures of slowing capacity growth and insufficient policy incentives, advancing the carbon reduction mission remains a formidable challenge. 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 re-examines its risk management governance structure, risk management components and operations, and risk management processes, including a three line of defense model consisting of an operational risk ownership unit (first line of defense), a risk management and compliance oversight unit (second line of defense), and an independent audit unit (third line of defense). The first line of defense is responsible for managing and controlling risks in day-to-day operations, the second line of defense is responsible for setting control standards and monitoring compliance, and the third line of defense is responsible for auditing and providing recommendations to ensure that the policy compliance and implementation process is in line with the management's chosen performance objectives and risk tolerance. Through the aforementioned three lines of defense, the responsibilities for risk management are clearly defined to ensure that risk management is promoted in a more systematic and structured manner.

CAL has established a dedicated Sustainability and Risk Management Committee under the Board of Directors, which convenes regularly. The Sustainability and Risk Management Committee assists the Board quarterly in reviewing the formulation, implementation outcomes, and response measures of the company's risk management strategies. It also requires the responsible units to manage each major category of risk. The Auditor General is the highest risk auditor to assist the Board of Directors in reviewing the Company's risk management strategies, implementation results, and countermeasures, and to require each unit to be responsible for the control of each major type of risk, and the independent audit unit (third line of defense) closely monitors or even assists in advising on all the processes of risk management. Audits of the main risks are carried out annually, depending on their significance and the status of the response. The Risk Management Committee is independent of the business units and is responsible for the promotion of

Content

Preface

01 Sustainability Management

02 Value Creation

03 Corporate Governance
3.1 Governance Framework
3.2 Operational Achievements
3.3 Risk Management
3.4 Regulatory Compliance

ESG Data and Appendix

risk management processes and quarterly review of risk tracking implementation status. The responsible supervisor is responsible for the preparation of risk response measures and the actual implementation of risk items. The senior vice president of flight operations, who is the head of the Risk Management Committee, is the highest risk management responsible person (second line of defense), who integrates and supervises all business units in the implementation of the risk management policy promotion of all aspects, and regularly reports to the Corporate Sustainability Committee (chaired by the President) on the results of the control of the different operational risk responsible units (first line of defense).

The Board of Directors serves as the highest governance body for risk management. The Sustainability and Risk Management Committee is composed of directors and independent directors, with an independent director serving as convener and more than half of the members being independent directors. In addition to directly overseeing traditional risks—including safety, operational, financial, cybersecurity, and personal data protection risks—as well as medium- and long-term strategic risks through the Sustainability and Risk Management Committee, CAL also supervises medium- and long-term strategic risks (including environmental and emerging risks) through the Corporate Sustainability Committee's Risk Management Team.

Enterprise Risk Management Framework and Procedures

CAL's risk management framework mainly makes reference to Enterprise Risk Management (ERM) in order to establish and identify, accurately measure, effectively supervise and strictly control risk management mechanisms, and makes reference to the ISO 31000 guidelines and spirit of risk management, and continues to manage and control CAL's overall risks through a multi-level organization, as well as emphasizing possible correlations among risks to reduce impacts and seek sustainable operations. CAL's enterprise risk management is based on the principle of materiality, and identifies traditional risks and mid-term/long-term strategic risks. CAL analyzes and evaluates the impact of risk events on the Company and develops contingency plans in accordance with the four major steps of "event identification, risk analysis, risk assessment, and risk control", and follows and reviews them on a regular basis through the quarterly meetings of the Board of Directors' Sustainability and Risk Management Committee and the Corporate Sustainability Committee. CAL integrates the results of materiality analysis with its risk management mechanism, and considers the relationship between traditional risks, medium- and long-term strategic risks, and the results of materiality analysis on sustainability issues to ensure that the impacts and potential risks to the economy, environment and people (including human rights) are included in the corporate risk management and identification process.

In 2025, CAL identified three keysustainability risks:

1. rising costs of low-carbon transition, (related to the materiality assessment of Fleet Development and Innovation, driven by increasingly stringent regulations and decarbonization requirements, resulting in increased operating costs)

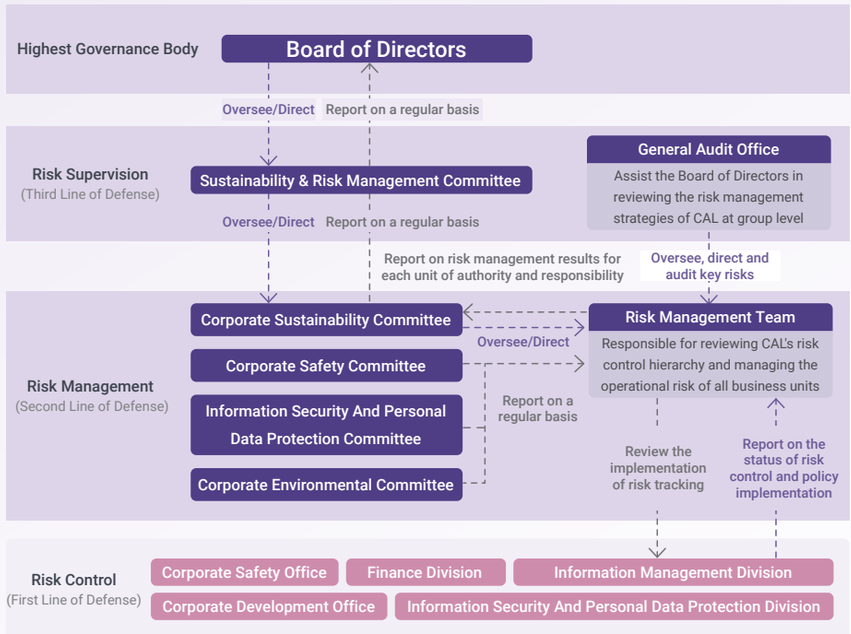
2. inadequate maintenance quality and safetymanagement, (related to the materiality assessment of Flight Safety Management, representing a critical operational risk affecting personnel safety and operational performance)

3. improper customer information management and cybersecurity protection. (related to the materiality assessment of Information Security, posing significant operational and compliance risks to data protection and system stability)

The results of the materiality assessment are integrated into CAL's risk management process, and these risks are rigorously monitored and managed through established objectives, action plans, and corresponding mitigation measures.

Refer to 2.1 Trust, 2.1.5 Information Security Management, 2.3 Environment

CAL Risk Management Model/Procedures



Content

Preface

01 Sustainability Management

02 Value Creation

03 Corporate Governance
3.1 Governance Framework
3.2 Operational Achievements
3.3 Risk Management
3.4 Regulatory Compliance

ESG Data and Appendix

Risk Control — Risk Analysis and Assessment

In addition, CAL has established an effective internal control system and internal audit mechanism in accordance with the "Regulations Governing the Establishment of Internal Control Systems by Public Companies." After each responsible unit formulates the internal control system, the Information Security And Personal Data Protection Division compiles and submits it to the Board of Directors for approval and implementation. The General Audit Office then formulates detailed internal audit implementation rules, which are submitted to the Board of Directors for approval and serve as the basis for executing internal audit activities. The purpose of internal audits is to assist the Board of Directors and management in examining and reviewing deficiencies in internal systems and assessing the effectiveness and efficiency of operations. This serves as a basis for reviewing and revising internal controls and providing timely improvement suggestions to ensure the continuous and effective implementation of the internal control system. The internal control system is divided into five components: control environment, risk assessment, control activities, information and communication, and monitoring activities. To evaluate the internal control system and its effectiveness, an annual audit plan is developed each year. This plan includes routine audits, annual audits, audits required by the Financial Supervisory Commission, special audits, Board of Directors business reports, subsidiary supervision, supervisory matters, inventory checks, internal control system statement operations, and management of the official website Auditor mailbox. The internal audit unit conducts evaluations according to the "Internal Audit Implementation Rules" and reports and communicates the evaluation results to the appropriate management levels and the Board of Directors for timely improvements. This ensures the implementation of integrity management, reduces related risks to an acceptable level, and prevents fraud and corruption.

Each unit independently evaluates its internal audit reports and improvement status, as well as the professional review results from external regulatory authorities, audit institutions, and certified public accountants. The General Audit Office conducts a comprehensive review and consolidates the overall assessment of internal controls, including the effectiveness evaluation of the internal control system. The Internal Control System Statement is approved by the Chairman, resolved by the Board of Directors, and signed by the Chairman and the President. It is published in the annual report and prospectus. Relevant materials are retained for five years for reference and are filed online in accordance with the Financial Supervisory Commission's regulations. Related units complete the internal control element assessment forms and internal control system and internal audit flowcharts.

Content

Preface

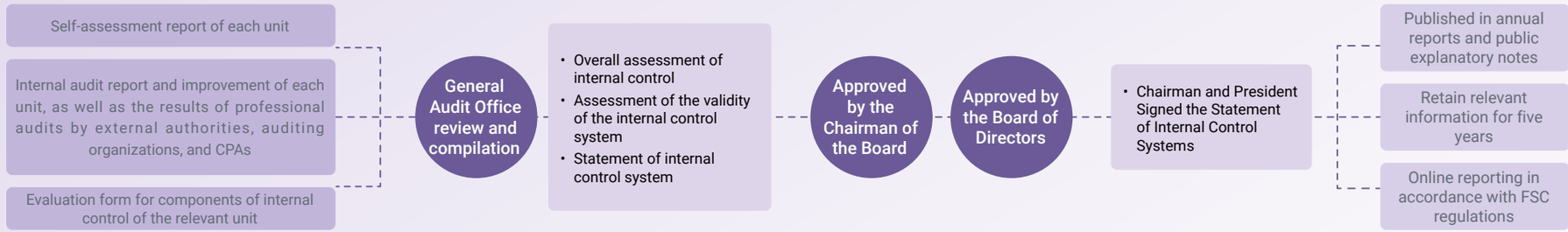
01 Sustainability Management

02 Value Creation

03 Corporate Governance
3.1 Governance Framework
3.2 Operational Achievements
3.3 Risk Management
3.4 Regulatory Compliance

ESG Data and Appendix

Internal Control System and Internal Audit Flowchart



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 and 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.

CAL's Risk Management Operations in 2025

The Sustainability and Risk Committee reports to the Board of Directors on risk management operations each quarter. A summary of the identified risk exposures for the year 2025 (considering the likelihood of occurrence and impact) and the key mitigation actions taken by CAL is as follows:

- Risks were identified and categorized in accordance with the "Risk Management Procedures" and corresponding measures were formulated.
- The number of higher-risk items in 2025 was zero. Among the risk items, aerospace supply chain difficulties were evaluated as higher-risk items, but improvement measures through aircraft lease extension, additional leases, and introduction of new aircraft have been formulated and implemented, and therefore, the risk items have been downgraded to medium-risk items.
- We have selected four operating risks as follows to review the possible impacts and their countermeasures:

I. Global Economic Outlook (Economic Outlook Uncertainty): CAL continuously reviews and adjusts passenger and cargo pricing strategies in response to market dynamics and industry development trends.

II. Geopolitical Tensions Affecting Routes between Asia and Europe: CAL prudently adjusted flight routes in accordance with the development of the conflict and the international situation.

III. US Reciprocal Tariff Policy (Increasing Uncertainty in Passenger and Cargo Transport): CAL continues to resume flights and increase flight frequencies based on market demand while maintaining a high-fare strategy to maximize revenue. Additionally, CAL monitors transpacific air cargo market demand and flexibly adjusts capacity in response to supply chain shifts.

IV. Challenges in the aviation and aerospace supply chain, with no improvement in delivery delays: The Company maintains passenger aircraft capacity through lease extensions, additional leases, and new introductions, while simultaneously integrating passenger and cargo aircraft capacity and optimizing capacity utilization.

Content

Preface

01 Sustainability Management

02 Value Creation

03 Corporate Governance
3.1 Governance Framework
3.2 Operational Achievements
3.3 Risk Management
3.4 Regulatory Compliance

ESG Data and Appendix

Risk Management Analysis

Traditional Risks

Traditional risks refer to short-term risk incidents that have an impact on business operations for less than one year. 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.

Safety and Security Risk Management

Safety is the foundation of the aviation industry. Customer trust can only be earned by having an outstanding record of flight safety. Based on the Safety Management System (SMS) and the procedures for safety risk management, the Corporate Safety Office reviews and evaluates internal and external operational risks with respect to flight operations, maintenance, cabin services, and ground operations, then proposes corrective measures. Refer to 2.1 Trust

Business Operational Risk Management

The Corporate Development Office analyzes potential events that may affect CAL'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

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

Information Security and Personal Data Risk Management

In accordance with international standards, CAL has strengthened information security and personal data protection by implementing classification management, response mechanisms, and regular drills to reduce risks and enhance overall protection capabilities.

Refer to 2.1.5 Information Security Management, 2.1.6 Privacy Management

Content

Preface

01 Sustainability Management

02 Value Creation

03 Corporate Governance
3.1 Governance Framework
3.2 Operational Achievements
3.3 Risk Management
3.4 Regulatory Compliance

ESG Data and Appendix

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.

Environmental Risk Management

CAL recognizes the direct impact and importance of the climate issue on the aviation industry. In addition to supporting and responding to the initiatives of the International Civil Aviation Organization (ICAO), the International Air Transport Association (IATA), and the Civil Aviation Administration to promote voluntary carbon reduction by setting up three major milestones for corporate flight and ground operations, we established an inter-unit working group for the TCFD in 2019, and managed climate-related risks and opportunities through our Corporate Sustainability Committee and Environmental Committee. In 2022, we formulated and published the "Forest and Biodiversity Conservation Commitment" signed by the Chairman and the President, and in 2023, we further utilized tools such as the Biodiversity Risk Analysis Tool, the TNFD, the Natural Capital Protocol, and the Natural Target Network based on Science, to identify the impacts, dependencies, risks, and opportunities on biodiversity of our own and upstream and downstream operations, and to develop a response strategy and corresponding management targets and indicators. In addition, we have set two additional objectives for the sustainable development of biodiversity conservation. In 2024, we further integrated considerations of natural and climate-related issues into the scope of TCFD. In 2025, we also aligned with the government's regulatory roadmap by incorporating IFRS sustainability disclosure compliance into our operations. Key outcomes are reported annually to the Board of Directors for oversight and governance, enabling proactive risk management and opportunity identification, while strengthening our carbon management practices and enhancing climate resilience.

Refer to 2.3.2 Nature & Climate Change Mitigation and Adaptation

Emerging Risk Management

Emerging risks are those that have not yet fully manifested or been widely recognized. Due to their high level of uncertainty, they may change over time or as a result of technological, regulatory, social, or environmental factors, significantly impacting the operations, finances, or reputation of CAL. Although emerging risks have not yet fully manifested, their potential impact could be significant. Therefore, the airline must regularly assess, monitor, and address these risks; otherwise, the inability to respond promptly to emergencies may threaten the operations and safety of the airline. Emerging risks have the following characteristics

I. the risk is new or its significance is increasing markedly
II. the potential impact of the risk is long-term and may be unknown, possibly already affecting CAL,
III. the potential impact of the risk is significant and could severely affect the Company's operations
IV. the risk is external, caused by events outside the Company
V. the risk has a specific impact on the Company, rather than affecting the entire industry uniformly
VI. the risk should be publicly disclosed

The Global Risks Report published by the World Economic Forum (WEF) every January divides risks into five categories of critical risks, namely economic, environmental, geopolitical, social, and technological risks. New risk categories arising from the rapid development of emerging technologies, climate, demographic changes, information security, and cyber attacks have increased, along with gradually increasing likelihoods of such risk incidents. Therefore, CAL has incorporated these identified emerging risks within the scope of risk management, reviews emerging risks on a regular basis, and develops 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 management unit (first line of defense). • Identify new risks or ones of significantly increasing importance, the potential impact of which is long-term or has already begun to manifest.	• 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 responsibility unit (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.

Content

Preface

01 Sustainability Management

02 Value Creation

03 Corporate Governance
3.1 Governance Framework
3.2 Operational Achievements
3.3 Risk Management
3.4 Regulatory Compliance

ESG Data and Appendix

Emerging Risk Identification Results

Category	Name and Description of Emerging Risk	Impact	Mitigating actions
Technological	**Integrity and Security Risks Arising from Deepfake Technology** With the advancement of generative AI technology, deepfake techniques have become capable of highly realistic synthesis of images, audio, and video. Cybercriminals use this technology to commit identity theft, fraud, or to disseminate highly realistic misinformation. This technology is not only used in business email compromise (BEC) to deceive financial remittances but can also be employed to forge instructions from senior executives or official company statements. It poses significant challenges to corporate reputation, social trust, and legal compliance. The level of threat is rapidly escalating in tandem with advancements in AI technology.	• Executive Impersonation and Financial Fraud (CEO Fraud): Criminals may use deepfake technology to fabricate the voices or video images of CAL's senior executives, requesting employees during online meetings or phone calls to make urgent fund transfers, provide confidential customer information, or change contract accounts, resulting in significant financial losses. • Brand Reputation and Crisis Management Pressure: In the event that fabricated videos of aviation safety incidents, inappropriate conduct by cabin crew, or false official announcements of layoffs or bankruptcy appear on social media, their high visual realism can easily trigger public panic, stock price fluctuations, and a surge in ticket cancellations. Even after subsequent clarifications, the negative impact on CAL's brand is difficult to fully recover.	• We focus 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. • 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.
Economic	**Polarization of Consumption Triggered by K-Shaped Economic Divergence** The global economy in the post-pandemic era and under a high inflation environment has exhibited a "K-shaped" development trend. High-asset groups and the technology and digital industries have benefited from asset inflation and technological dividends, resulting in continued wealth growth. However, low- to middle-income groups and traditional manufacturing sectors have been severely affected by rising prices, monetary tightening, and declining real wages, leading to reduced purchasing power. Consequently, the consumption capacity of the middle class has contracted, and market demand has shifted toward both extreme high-end and extreme low-cost segments, increasing the difficulty and uncertainty of corporate business planning.	• Polarization of Passenger Demand: With increasing wealth disparity, demand for premium business class and luxury travel remains strong and price inelastic; however, economy class passengers, who constitute the majority of traffic, have become significantly more price sensitive, affecting CAL's ability to optimize revenue balance across different cabin configurations. • Changes in the Air Cargo Market Structure: Demand for air freight of high-end electronic products, semiconductors, and luxury goods remains stable; however, demand for general consumer goods may weaken due to reduced purchasing power, impacting the overall air cargo revenue structure.	• Promoting Product Differentiation and Precision Marketing: CAL enhances premium cabin services and digitalized personalized experiences to increase loyalty among high-yield customer segments. For price-sensitive customers, CAL offers more flexible options through dynamic pricing and ancillary revenues such as baggage fees and seat selection surcharges. • Fleet Optimization: CAL evaluates cabin reconfiguration plans based on market demand trends; introduces new-generation aircraft with high fuel efficiency to reduce operating costs and provide hardware that meets modern environmental standards and comfort requirements. • Monitor changes in the supply chain and seize opportunities for overseas factory setups, personnel, and logistics. • Utilize existing freighters in conjunction with passenger aircraft belly capacity to build an efficient cargo and passenger network as supply chains become increasingly fragmented.

Content

Preface

01 Sustainability Management

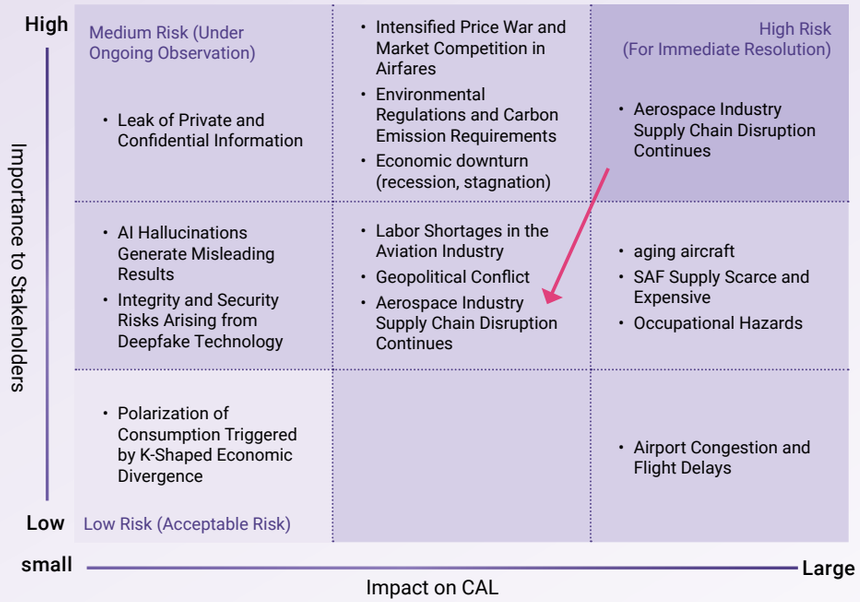
02 Value Creation

03 Corporate Governance
3.1 Governance Framework
3.2 Operational Achievements
3.3 Risk Management
3.4 Regulatory Compliance

ESG Data and Appendix

Risk Identification Results

Following the risk management process and conducting a risk assessment, CAL has identified "continued aerospace industry supply chain disruptions" as high-risk items for 2025. 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. Refer to 3.3.2 Risk Identification and Countermeasures



3-4 Regulatory Compliance

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 basis of business management. CAL shapes its corporate culture and values through the formulation of internal regulations and codes of conduct that emphasize business integrity. The Board of Directors, employees, and business partners have completed related training programs in accordance with the code of conduct and commitments. 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, Sustainable Development Best Practice Principles, the Ethical Corporate Management Best Practice Principles,and the Procedures for Ethical Management and Guidelines for Conduct. CAL fully complies with related laws and regulations and is committed to six major principles: protecting shareholders' rights and interests, strengthening Board of Directors functions, adhering to regulations concerning the Board, adopting decision-making procedures of the Board (including avoidance of conflicts of interests), respecting stakeholders' rights and interests, and enhancing information transparency. In accordance with Article 9 of the Procedures for Ethical Management and Guidelines for Conduct, CAL takes a politically neutral stance and has never provided political donations.

In addition, to ensure that CAL's Board of Directors and all employees comply with integrity-related conduct, including anti-corruption, CAL has established the Board of Directors Code of Ethical Conduct and the Employee Workplace Code of Conduct. Since 2017, CAL has implemented a three-year awareness enhancement program, introduced the China Airlines Group Code of Conduct, including on anti-bribery, anti-corruption, and the use of reporting channels, and conducted related training, completing all sessions by 2020. Training for new employees has continued thereafter to ensure 100% participation across all locations and employee categories (training details since 2017 are available in the respective years' Corporate Social Responsibility/ESG Report regulatory compliance sections). In 2025, CAL provided training to 698 new employees, maintaining a total completion rate of 100% (Notes 1, 2). Furthermore, if a CAL employee violates the China Airlines Group Code of Conduct, disciplinary action will be taken in accordance with relevant employee reward and punishment regulations and incorporated into the performance evaluation system. Depending on the circumstances, annual bonuses and salary increases may be withheld in accordance with established policies. In 2025, CAL employees had no incidents of corruption/bribery, customer privacy violations, conflicts of interest, money laundering, or insider trading (no fines or numbers of convictions related to corruption or bribery were recorded, both being zero.) In 2025, CAL arranged for directors to participate in the continuing education course "Sustainable Risk Management and Disclosure Development Trends (Including Anti-Corruption)," achieving an 80% attendance rate. Additionally, new directors received orientation on the "China Airlines Board of Directors Code of Ethical Conduct," with a attendance rate of 100%.

CAL continues to promote a code of conduct to its affiliated enterprises, and in 2020 and 2023, conducted training on this code and corporate sustainability vision education to enhance ESG awareness. These trainings were conducted for 5,140 and 7,829 participants, respectively, achieving CAL's short-term sustainability goal of providing more than two ESG training sessions for affiliated enterprises by 2025. Additionally, in 2023, CAL communicated the use of AI in information security and key points of personal data law amendments. In 2024, CAL communicated the conditions and regulatory compliance for initial public offerings, providing operational management references for affiliated enterprises. The Company will continue to promote related training in the future. Recognizing that suppliers are also important partners, CAL required that in 2025, 100% of contracted suppliers sign and effectively implement the Supplier Code of Conduct, which includes compliance with laws and anti-corruption principles.

Note 1:Trainees include separated employees.
Note 2:Only applicable to CAL.

Content

Preface

01 Sustainability Management

02 Value Creation

03 Corporate Governance
3.1 Governance Framework
3.2 Operational Achievements
3.3 Risk Management
3.4 Regulatory Compliance

ESG Data and Appendix

Antitrust

In recent years, CAL has continuously strengthened education regarding compliance with the Fair Trade Act and antitrust regulations. By using major international antitrust cases as examples, the Company 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 invited the Fair Trade Commission to conduct training on regulatory compliance with the Fair Trade Act. In 2021, CAL intensified its efforts to educate employees in both passenger and cargo units to refrain from engaging in negotiations or collusive behavior with competitors. In 2022, Stellex Law Firm was appointed to produce training materials and organized in-person and online training for all passenger and cargo service employees of CAL (including worldwide branch offices), and uploaded the Antitrust Audit Checklist for future reference. In 2023 and 2024, CAL conducted antitrust compliance courses during business meetings in the Americas and Europe regions. These courses were directly taught by local attorneys, completing antitrust compliance training for overseas branches in the two major operational regions. In 2025, CAL cooperated with the Fair Trade Commission to hold a G2B Direct Shuttle Enterprise Regulatory Compliance Seminar, with the section chief from the competent authority attending in person to provide guidance.

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 2025, 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	Implementing an integrity management policy and actively preventing dishonest conduct, CAL has established specific guidelines for its personnel to observe when performing their duties.
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 representative (Chairman of the Board) and Managerial Officers (including the President, Vice Presidents and equivalent positions, heads of the Finance Department, heads of the Accounting Department, and other executives authorized to manage company affairs and sign on behalf of the company).	To guide executives to follow the ethics and conduct and to help stakeholders better understand CAL'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
Group 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
Sustainable Development Best Practice Principles	CAL and its subsidiaries	To fulfill corporate social responsibility and achieve the objectives of sustainable development, CAL has established this Principles to manage its economic, environmental, and social risks and impacts, and to enhance its sustainable competitiveness.

Content

Preface

01 Sustainability Management

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

- Financial Performance
- Trust Value Related Data
- Environmental Performance
- The Climate-related Information Comparison Table for TWSE/TPEx Listed Companies
- TCFD Index
- TNFD Index
- Relevant Data Statistics of Human Resources
- Progress Report on the Implementation of IFRS S1/S2
- GRI Content Index
- Sustainability Accounting Standards Board (SASB) Table
- United Nations Global Compact Comparison Table
- Independent Limited Assurance Report

CHINA AIRLINES

ESG Data and Appendix

Financial Performance 155
Trust Value Related Data 158
Environmental Performance 158
The Climate-related Information Comparison Table for TWSE/TPEx Listed Companies 160
TCFD Index 161
TNFD Index 161
Relevant Data Statistics of Human Resources 162
Progress Report on the Implementation of IFRS S1/S2 166
GRI Content Index 166
Sustainability Accounting Standards Board (SASB) Table 169
United Nations Global Compact Comparison Table 169
Independent Limited Assurance Report 170

Content

Preface

01 Sustainability Management

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

- Financial Performance
- Trust Value Related Data
- Environmental Performance
- The Climate-related Information Comparison Table for TWSE/TPEx Listed Companies
- TCFD Index
- TNFD Index
- Relevant Data Statistics of Human Resources
- Progress Report on the Implementation of IFRS S1/S2
- GRI Content Index
- Sustainability Accounting Standards Board (SASB) Table
- United Nations Global Compact Comparison Table
- Independent Limited Assurance Report

Financial Performance

I.Financial Summary

i.Consolidated Condensed Balance Sheet - Based on IFRS (CAL Group)

Unit: TWD thousands

Item\Year		2021	2022	2023	2024	2025
Current assets		85,849,590	69,822,343	69,693,315	97,806,882	86,902,257
Property, plant and equipment		129,632,046	128,207,404	123,342,731	125,987,963	133,115,153
Intangible assets		1,008,992	883,420	791,567	784,799	866,123
Other assets		78,230,453	95,499,026	97,414,818	102,803,894	133,940,384
Total assets		294,721,081	294,412,193	291,242,431	327,383,538	354,823,917
Current liabilities	Before distribution	53,239,105	71,255,078	90,045,667	89,484,009	95,442,655
	After distribution	58,239,105	74,027,285	94,222,247	94,326,024	-
Non-current liabilities		164,276,958	150,703,673	123,717,894	147,350,672	156,841,044
Total liabilities	Before distribution	217,516,063	221,958,751	213,763,561	236,834,681	252,283,699
	After distribution	222,516,063	224,730,958	217,940,141	241,676,696	-
Equity attributable to shareholders of the parent		74,043,573	70,000,201	74,591,115	86,000,631	97,583,792
Capital stock		59,412,243	60,135,374	60,513,407	60,769,350	60,853,733
Capital surplus	Before distribution	2,694,529	3,120,311	3,887,046	5,829,477	5,892,301
	After distribution	2,694,529	3,120,311	3,887,046	5,829,477	-
Retained earnings	Before distribution	9,253,848	7,309,766	10,911,551	20,977,498	31,098,554
	After distribution	4,253,848	4,537,559	6,734,971	16,135,483	-
Other equity interest		2,713,828	-534,375	-690,014	-1,544,819	-229,921
Treasury shares		-30,875	-30,875	-30,875	-30,875	-30,875
Non-controlling interest		3,161,445	2,453,241	2,887,755	4,548,226	4,956,426
Total equity	Before distribution	77,205,018	72,453,442	77,478,870	90,548,857	102,540,218
	After distribution	72,205,018	69,681,235	73,302,290	85,706,842	-

ii. Consolidated Condensed Statement of Comprehensive Income - Based on IFRS (CAL Group)

Unit: TWD thousands; EPS (net) = TWD

Item\Year	2021	2022	2023	2024	2025
Operating revenue	138,841,403	150,722,471	184,816,790	203,879,338	209,138,766
Gross profit	23,354,457	11,370,213	23,830,774	34,160,304	37,226,516
Operating Profit (Loss)	14,968,035	2,584,734	10,157,421	18,202,347	20,836,218
Non-operating income and expenses	-3,841,430	76,026	-851,949	1,073,715	-777,608
Pretax profit (loss)	11,126,605	2,660,760	9,305,472	19,276,062	20,058,610
Net income (loss) from continuing operations for the current period	8,956,664	2,245,401	7,471,201	15,495,188	16,173,472
Income from discontinued operations	-	-	-	-	-
Net income (loss)	8,956,664	2,245,401	7,471,201	15,495,188	16,173,472
Other comprehensive income (loss) (net after tax)	30,581	-3,043,929	-902,960	-851,753	1,340,860
Total comprehensive gain (loss) for the year	8,987,245	-798,528	6,568,241	14,643,435	17,514,332
Net Income (Loss) Attributable to Shareholders of the Parent	9,379,905	2,859,503	6,818,552	14,383,345	14,700,319
Net Income (Loss) Attributable to Noncontrolling Interest	-423,241	-614,102	652,649	1,111,843	1,473,153
Comprehensive income attributable to Shareholders of the parent	9,429,042	-292,972	6,049,509	13,680,658	16,039,805
Comprehensive income attributable to non-controlling interest	-441,797	-505,556	518,732	962,777	1,474,527
Earnings (loss) per share	1.67	0.48	1.13	2.38	2.42

Content

Preface

01 Sustainability Management

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

- Financial Performance
- Trust Value Related Data
- Environmental Performance
- The Climate-related Information Comparison Table for TWSE/TPEx Listed Companies
- TCFD Index
- TNFD Index
- Relevant Data Statistics of Human Resources
- Progress Report on the Implementation of IFRS S1/S2
- GRI Content Index
- Sustainability Accounting Standards Board (SASB) Table
- United Nations Global Compact Comparison Table
- Independent Limited Assurance Report

iii. Condensed Balance Sheet - Based on IFRS (CAL Only)

Unit: TWD thousands

Item\Year		2021	2022	2023	2024	2025
Current assets		73,846,790	59,536,245	56,588,780	77,250,911	66,732,777
Property, plant and equipment		115,174,548	114,770,352	110,932,284	112,582,072	117,804,274
Intangible assets		754,349	654,596	584,756	607,904	668,109
Other assets		80,875,029	93,131,005	96,860,586	106,944,671	136,599,585
Total assets		270,650,716	268,092,198	264,966,406	297,385,558	321,804,745
Current liabilities	Before distribution	45,666,704	62,280,883	79,671,963	76,661,191	80,458,571
	After distribution	50,666,704	65,053,090	83,848,543	81,503,206	-
Non-current liabilities		150,940,439	135,811,114	110,703,328	134,723,736	143,762,382
Total liabilities	Before distribution	196,607,143	198,091,997	190,375,291	211,384,927	224,220,953
	After distribution	201,607,143	200,864,204	194,551,871	216,226,942	-
Equity attributable to shareholders of the parent		74,043,573	70,000,201	74,591,115	86,000,631	97,583,792
Capital stock		59,412,243	60,135,374	60,513,407	60,769,350	60,853,733
Capital surplus	Before distribution	2,694,529	3,120,311	3,887,046	5,829,477	5,892,301
	After distribution	2,694,529	3,120,311	3,887,046	5,829,477	-
Retained earnings	Before distribution	9,253,848	7,309,766	10,911,551	20,977,498	31,098,554
	After distribution	4,253,848	4,537,559	6,734,971	16,135,483	-
Other equity interest		2,713,828	-534,375	-690,014	-1,544,819	-229,921
Treasury shares		-30,875	-30,875	-30,875	-30,875	-30,875
Non-controlling interest		-	-	-	-	-
Total equity	Before distribution	74,043,573	70,000,201	74,591,115	86,000,631	97,583,792
	After distribution	69,043,573	67,227,994	70,414,535	81,158,616	-

iv. Condensed Statement of Comprehensive Income - Based on IFRS (CAL Only)

Unit: TWD thousands; EPS (net) = TWD

Item\Year	2021	2022	2023	2024	2025
Operating revenue	132,140,248	141,069,849	161,675,533	175,182,455	178,953,945
Gross profit	25,910,694	12,980,501	17,635,529	25,283,107	28,315,846
Operating profit (loss)	19,320,396	5,917,040	6,594,363	12,780,110	15,464,405
Non-operating income and expenses	-7,346,456	-2,028,138	1,461,091	4,306,790	2,074,612
Pretax profit (loss)	11,973,940	3,888,902	8,055,454	17,086,900	17,539,017
Net income (loss) from continuing operations for the current period	9,379,905	2,859,503	6,818,552	14,383,345	14,700,319
Income from discontinued operations	-	-	-	-	-
Net income (loss)	9,379,905	2,859,503	6,818,552	14,383,345	14,700,319
Other comprehensive income (loss) (net after tax)	49,137	-3,152,475	-769,043	-702,687	1,339,486
Total comprehensive gain (loss) for the year	9,429,042	-292,972	6,049,509	13,680,658	16,039,805
Earnings (loss) per share	1.67	0.48	1.13	2.38	2.42

v.Sustainable Revenues

Unit: TWD thousands

Item	2021	2022	2023	2024	2025
Sustainable Revenues	0	2,178	8,948	5,016	2,489,574
Total Revenues	132,140,248	141,069,849	161,675,533	175,182,455	178,953,945
Percentage of Sustainable Revenues	0	0	0.006%	0.003%	1.39%

Product/Service Description: China Airlines' main revenue is derived from passenger and freight air transport services. In accordance with Article 6.19(d) "Passenger and Freight Air Transport" of the EU Taxonomy, aircraft operated using Sustainable Aviation Fuel (SAF) are considered eligible for sustainable economic activities under the applicable technical screening criteria. Since 2022, SAF usage has been benchmarked at 5%, with the required level increasing by 2 percentage points annually. Accordingly, China Airlines continues to expand the adoption of SAF across its operations to reduce aviation emissions, enhance decarbonization performance, and support the transition to sustainable air transport.

Content

Preface

01 Sustainability Management

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

- Financial Performance
- Trust Value Related Data
- Environmental Performance
- The Climate-related Information Comparison Table for TWSE/TPEx Listed Companies
- TCFD Index
- TNFD Index
- Relevant Data Statistics of Human Resources
- Progress Report on the Implementation of IFRS S1/S2
- GRI Content Index
- Sustainability Accounting Standards Board (SASB) Table
- United Nations Global Compact Comparison Table
- Independent Limited Assurance Report

II. Financial analysis

i. Based on IFRS (CAL Group)

Item\Year		2021	2022	2023	2024	2025
Financial structure %	Debt ratio	73.80	75.39	73.40	72.34	71.10
	Ratio of long-term capital to fixed assets	186.28	174.06	163.12	188.83	194.85
Solvency %	Current ratio	161.25	97.99	77.40	109.30	91.05
	Quick ratio	144.08	81.48	64.73	94.62	78.32
	Interest earned ratio (times)	566.29	194.07	496.82	666.48	602.01
Operating performance	Accounts receivable turnover (times)	11.98	12.25	17.48	19.32	19.29
	Average collection period	30.46	29.80	20.88	18.90	18.92
	Inventory turnover (times)	-	-	-	-	-
	Accounts payable turnover (times)	-	-	-	-	-
	Average days in sales	-	-	-	-	-
	Property, plant and equipment turnover (times)	1.02	1.17	1.47	1.64	1.61
	Total assets turnover (times)	0.48	0.51	0.63	0.66	0.61
Profitability	Return on total assets (%)	3.76	1.45	3.26	5.72	5.45
	Return on stockholders' equity (%)	12.99	3.00	9.97	18.44	16.75
	Pre-tax income to paid-in capital (%)	18.73	4.42	15.38	31.72	32.96
	Profit ratio (%)	6.45	1.49	4.04	7.60	7.73
	Earnings per share (TWD)	1.67	0.48	1.13	2.38	2.42
Cash flow	Cash flow ratio (%)	93.70	65.75	62.02	60.66	57.74
	Cash flow adequacy ratio (%)	825.91	678.90	764.39	639.17	578.40
	Cash reinvestment ratio (%)	15.20	13.23	19.12	16.89	13.49
Leverage	Operating leverage	3.11	13.40	4.20	2.74	2.53
	Financial leverage	1.19	58.82	1.35	1.18	1.17

ii. Financial Analysis - Based on IFRS (CAL Only)

Item\Year		2021	2022	2023	2024	2025
Financial structure %	Debt ratio	72.64	73.89	71.85	71.08	69.68
	Ratio of long-term capital to fixed assets	195.34	179.32	167.03	196.06	204.87
Solvency %	Current ratio	161.71	95.59	71.03	100.77	82.94
	Quick ratio	142.97	77.14	57.27	84.27	68.55
	Interest earned ratio (times)	660.63	258.73	401.44	675.64	594.47
Operating performance	Accounts receivable turnover (times)	11.83	11.90	16.28	18.17	18.17
	Average collection period	30.86	30.67	22.41	20.08	20.09
	Inventory turnover (times)	-	-	-	-	-
	Accounts payable turnover (times)	-	-	-	-	-
	Average days in sales	-	-	-	-	-
	Property, plant and equipment turnover (times)	1.09	1.23	1.43	1.57	1.55
	Total assets turnover (times)	0.50	0.52	0.61	0.62	0.58
Profitability	Return on total assets (%)	4.18	1.72	3.23	5.78	5.42
	Return on stockholders' equity (%)	14.25	3.97	9.43	17.91	16.01
	Pre-tax income to paid-in capital (%)	20.15	6.47	13.31	28.12	28.82
	Profit ratio (%)	7.10	2.03	4.22	8.21	8.21
	Earnings per share (TWD)	1.67	0.48	1.13	2.38	2.42
Cash flow	Cash flow ratio (%)	109.78	73.20	60.11	57.18	51.02
	Cash flow adequacy ratio (%)	708.23	600.13	617.51	516.10	499.86
	Cash reinvestment ratio (%)	16.38	13.80	17.64	14.65	11.95
Leverage	Operating leverage	2.46	5.82	5.38	3.17	2.79
	Financial leverage	1.13	1.60	1.52	1.22	1.20

Content

Preface

01 Sustainability Management

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

- Financial Performance
- Trust Value Related Data
- Environmental Performance
- The Climate-related Information Comparison Table for TWSE/TPEx Listed Companies
- TCFD Index
- TNFD Index
- Relevant Data Statistics of Human Resources
- Progress Report on the Implementation of IFRS S1/S2
- GRI Content Index
- Sustainability Accounting Standards Board (SASB) Table
- United Nations Global Compact Comparison Table
- Independent Limited Assurance Report

III. Organizations, Initiatives, Policies, Contributions and Other Expenses

Unit: TWD thousand

Item	2021	2022	2023	2024	2025
Lobbying, interest representation or similar	0	0	0	0	0
Local, regional or national political campaigns/ organizations/candidates	0	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	48,525,167
Other (e.g. spending related to ballot measures or referendums)	0	0	0	0	0
Total contributions and other spending	30,734,332	36,942,418	56,564,101	50,334,643	48,525,167
Data coverage (as % of denominator, indicating the organizational scope of the reported data)	100	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 has not experienced any personnel fatalities or total aircraft destruction incidents between 2022 and 2025.

Passenger Fatalities	2022	2023	2024	2025
Number	0	0	0	0

China Airlines successfully passed the IATA Operational Safety Audit (IOSA) certification for the 12th consecutive time in 2025. The most recent certification is as follow:

III. Fleet Age

	2022	2023	2024	2025
Average fleet age	9.9	9.9	9.6	9.5

III. Online Sales Channels and Sales Amount for China Airlines

	2022	2023	2024	2025	2025 Objectives
Percentage of Ticket Buyers (%)	25.3	28.2	35.3	36.6	38
Percentage of Sales Amount (%)	28.5	30.5	37.4	37.2	38

Environmental Performance

CAL Greenhouse Gas Emissions

(Unit: Tons CO_2e)

Primary	Secondery Item	2022		2023		2024		2025		2025 Objective	Achievement Rate
Category 1 GHG Emissions	Flight Operations	5,435,050	5,439,091	6,048,568	6,052,838	6,224,228	6,228,363	6,525,728	6,528,842	6,851,199	105%
	Ground Operations	4,041		4,270		4,135		3,114			
Category 2 GHG Emissions	Ground Operations	16,468		16,839		16,124		16,138		17,736	110%
Category 3-6 GHG Emissions	Ground Operations	1,240,935		1,389,211		1,432,746		1,529,257		1,576,069	103%

Note: From 2023, emission figures incorporate global site data and have passed verification by external sources.

Content

Preface

01 Sustainability Management

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

- Financial Performance
- Trust Value Related Data
- Environmental Performance
- The Climate-related Information Comparison Table for TWSE/TPEx Listed Companies
- TCFD Index
- TNFD Index
- Relevant Data Statistics of Human Resources
- Progress Report on the Implementation of IFRS S1/S2
- GRI Content Index
- Sustainability Accounting Standards Board (SASB) Table
- United Nations Global Compact Comparison Table
- Independent Limited Assurance Report

CAL Energy Usage

Primary Item	Secondary Item	Unit	2022	2023	2024	2025	2025 Objectives	Achievement Rate
Aviation Fuel Usage	All Aircraft (non-renewable energy)	Tons	1,717,758	1,911,669	1,967,183	2,053,794	Overall Fleet Fuel Efficiency 0.2373 tons/1000 RTK	100%
	Sustainable Aviation/ Alternative Fuel	Tons (%)	23.1	24.05 (0.0013)	21.31 (0.0011)	10,524 (0.51)	0.5%	100%
Aviation Fuel Efficiency	Passenger Aircraft	L/RPK*100	7.2469	4.3343	4.2825	4.3093	4.3343	101%
	Cargo Aircraft	L/FRTK	0.2060	0.2099	0.2039	0.2080	0.2099	101%
	All Aircrafts(Note)	Tons/Thousand RTK	0.2472	0.2287	0.2284	0.2292	0.2304	100%
Aviation Fuel Efficiency	Passenger Aircraft	tonsCO2e equivalent per thousand Revenue Passenger Kilometers (RPK)	0.1834	0.1097	0.1084	0.1091	0.1097	101%
	Cargo Aircraft		0.5213	0.5313	0.5162	0.5264	0.5313	101%
	All Aircrafts(Note)		0.7821	0.7236	0.7228	0.6992	0.7284	104%
Energy Consumption	Aviation Fuel	MWh(GJ)	21,044,032 (75,752,456)	23,419,521 (84,303,532)	24,099,663 (86,751,847)	25,160,998 (90,572,348)	Energy Consumption 26,568,150 megawatt-hours	105%
	Gasoline	MWh(GJ)	2,248 (8,091)	2,443 (8,795)	2,296 (8,266)	2,485 (8,945)		
	LPG (Liquefied Petroleum Gas)	MWh(GJ)	0.66 (2.38)	0.88 (3.18)	0.22 (0.81)	281,959 (1,014,972)		
	Diesel	MWh(GJ)	6,871 (24,733)	7,610 (27,394)	7,545 (27,159)	7,973 (28,702)		
	Natural Gas	MWh(GJ)	291 (1,049)	272 (978)	243 (875)	698 (2,513)		
	Electricity Purchased	MWh(GJ)	32,354 (116,465)	31,853 (114,662)	31,813 (114.518)	34,259 (123,321)		
	Renewable Energy (Solar)	MWh(GJ)	110 (296)	119 (428)	108 (389)	197 (710)	195	101%

Note: CAL's aviation fuel efficiency for the entire fleet includes training aircraft and maintenance oil; the aviation fuel efficiency for passenger/cargo aircraft only collects the operational use of aviation fuel.

CAL Resource Management

Primary Item	Secondary Item	Unit	2022	2023	2024	2025	2025 Objectives	Achievement Rate
Water Resources	Water withdrawal	Million tons	0.108553	0.124226	0.124017	0.126897	0.136419	108%
	Water consumption	Million tons	0.05384	0.06302	0.057971	0.064309	0.063768	99%
	Water discharge	Million tons	0.05471	0.06121	0.066046	0.062588	N/A	N/A
Plastic packaging (plastic packaging related to passenger / cargotransport)	Weight of Plastic Packaging	Tons	1,768	1,915	1,765	1,638	1,915	117%
	Percentage of Purchase of Plastic Packaging (Note 1)	%	100%	100%	100%	100%	100%	100%
	Percentage of Recyclable Plastic Packaging	%	62.84%	62.40%	63.95%	61.56%	62.40%	101%
	Percentage of Biodegradable Plastic Packaging	%	0.12%	0.69%	0.88%	1.05%	N/A	N/A
	Percentage of Recycled Plastic Packaging (Note 2)	%	37.04%	36.91%	35.16%	37.39%	36.91%	99%
Environmental investment (Note 4)	Total Investment Amount	TWD thousand	170,852	229,570	266,503	366,433	N/A	N/A
	Saving and Cost Avoidance	TWD thousand	360,552	386,467	331,085	355,033	N/A	N/A

Note 1: The procurement percentage is calculated as: procurement expenditure / cost of goods sold.
Note 2: The weight-based percentage is calculated as: Total Weight of Recycled Content (including certified materials) within the specific packaging category / Total Packaging Weight.
Note 3: The reporting boundary includes the weight of packaging materials confirmed to be recovered and recycled through the Company's recycling programs.
Note 4: Annual special investments and promotional projects are not included in this table. (Pleaserefer to the financial yearbook for more detailed information.)

Content

Preface

01 Sustainability Management

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

- Financial Performance
- Trust Value Related Data
- Environmental Performance
- The Climate-related Information Comparison Table for TWSE/TPEx Listed Companies
- TCFD Index
- TNFD Index
- Relevant Data Statistics of Human Resources
- Progress Report on the Implementation of IFRS S1/S2
- GRI Content Index
- Sustainability Accounting Standards Board (SASB) Table
- United Nations Global Compact Comparison Table
- Independent Limited Assurance Report

CAL Pollution and Emissions

Primary Item	Secondary Item	Unit	2022	2023	2024	2025	2025 Objectives	Achievement Rate
NOx Emissions	Passenger Aircraft	g/RPK	0.0183	0.0119	0.0130	0.0133	0.0183	141%
	Cargo Aircraft	g/RTK	0.0291	0.0278	0.0276	0.0284	0.0291	103%
Waste Management (Note 1)	Total waste recycling and reuse	Tons	769	1,166	1,304	1,251	1,891	151%
	Total Waste Disposal	Tons	803	1,247	1,187	1,190	1,722	145%
	Incineration (energy recovery)	Tons	113	122	118	138	171	124%
	Incineration (without energy recovery)	Tons	629	986	948	839	1,375	164%
	Alternative waste disposal methods, including chemical treatment and stabilization, are available for managing waste volume.	Tons	61	139	121	213	218	102%
Food Waste Management (Note 2)	Food Waste Produced	Tons	774	2,151	2,324	2,465	3,369	137%
	Percentage of Alternative Disposal	%	100%	100%	100%	100%	100%	100%
	Global Average Waste per Airport(Note 3)	grams per capita	1.84	1.15	0.93	0.70	0.93	133%
	Food Waste Generation Rate for Return Flights to Taiwan	kg/meal	0.65	0.33	0.31	0.35	0.37	106%

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 cafeterias.
Note 3: The data includes in-flight meals served at global airports, representing 100% of the operational scope of China Airlines.

The Climate-related Information Comparison Table for TWSE/TPEx Listed Companies

Item	Execution Status/Page Number
1. Describe Supervision and Management of Climate-Related Risks and Opportunities by Board of Directors and Management	P.85
2. Describe Impact of Identified Climate Risks and Opportunities on Company's Business, Strategy, and Finance in Short, Medium, and Long Term	P.86-88
3. Describe Effects of Extreme Weather Events and Transition Actions on Financial Sector	P.86-88
4. Describe How Climate Risk Identification, Assessment and Management Processes are Integrated into the Overall Risk Management System	P.86-90
5. Describe the Scenarios, Parameters, Assumptions, Analysis Factors, and Significant Financial Impacts Considered in Formulation of Strategies to Strengthen Resilience Against Climate and Nature-Related Risks	P.86-88
6. If a Transition Plan Is in Place to Mitigate Climate-Related Risks, Please Provide a Detailed Description of the Plan's Content. Additionally, Include Indicators and Objectives Utilized to Identify and Manage Both Physical and Transitional Risks	P.86-88
7. If Utilizing Internal Carbon Pricing as a Tool for Climate Governance Planning, Provide an Explanation for the Basis of Price Determination	P.94
8. If Climate-Related Goals Are Established, Provide an Explanation of the Activities Covered, Scope of GHG Emissions, Planning Schedule, and the Annual Progress. If Carbon Offsetting or Renewable Energy Certificates (RECs) Are Utilized to Meet These Goals, Specify the Source and Quantity of Carbon Offset or the Quantity of RECs	P.94. 97, 98
9. Inventory and Verification of Greenhouse Gas Emissions, Reduction Targets, Strategies, and Action Plans	P.160
1-1-1 GHG Inventory Information: Provide Data on Emissions (in Metric Tons of CO2e), Intensity (in Metric Tons of CO2e/Million Dollars), and Data Coverage for the Past Two Years.	P.160
1-1-2 GHG Assurance Information: Describe Assurance Status over Past Two Fiscal Years, Including Assurance Scope, Institutions, Criteria, and Opinions.	P.161
1-2 GHG Reduction Targets, Strategies, and Specific Action Plans: Describe Baseline Year and Relevant Data for Greenhouse Gas Reduction, Together with Reduction Targets, Strategies, Specific Action Plans, and Achievement of Reduction Targets.	P.89, 90, 94, 97

1.1 Recent Two-Year Company Greenhouse Gas Inventory and Verification Status Company Profile

- Companies with capital exceeding TWD10 billion, the steel industry, and the cement industry
- In accordance with the Sustainable Development Roadmap for TWSE and TPEx Listed Companies, the following, at a minimum, must be disclosed:
  1. Parent company individual inventory and consolidated financial report subsidiary inventory
  2. Parent company standalone financial statements and consolidated financial statements of subsidiaries

1.1.1 Greenhouse gas inventory information

Disclosure of greenhouse gas emissions (metric tons CO_2e), intensity (metric tons CO_2e per TWD1 million), and data coverage for the most recent two years. (See below)

Content

Preface

01 Sustainability Management

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

- Financial Performance
- Trust Value Related Data
- Environmental Performance
- The Climate-related Information Comparison Table for TWSE/TPEx Listed Companies
- TCFD Index
- TNFD Index
- Relevant Data Statistics of Human Resources
- Progress Report on the Implementation of IFRS S1/S2
- GRI Content Index
- Sustainability Accounting Standards Board (SASB) Table
- United Nations Global Compact Comparison Table
- Independent Limited Assurance Report

1.1.2 Greenhouse gas assurance information

Describe Assurance Status over Past Two Fiscal Years, Including Assurance Scope, Institutions, Criteria, and Opinions. (See below)

Year		2024				2025			
Item (Unit)	Scope	CO2 Emissions (tons CO2e)	Intensity (tons CO2e per TWD1,000,000 of revenue)	Assurance Organization	Circumstances Regarding Assurance	CO2 Emissions (tons CO2e)	Intensity (tons CO2e per TWD1,000,000 of revenue)	Assurance Organization	Circumstances Regarding Assurance
The Company	Scope 1	6,228,363	-	DNV	Scope 1 and 2: Reasonable Assurance Scope 3: Limited Assurance	6,528,842.0	-	DNV	Scope 1 and 2: Reasonable Assurance Scope 3: Limited Assurance
	Scope 2	16,124	-			16,138.3	-		
	Scope 3	1,432,790	-			1,529,257.2	-		
	Subtotal	7,677,277	-			8,074,237.5	-		
All subsidiaries included in the consolidated financial statements	Scope 1	563,145.61	-	• DNV • ETC • TÜV NORD • DestBest • Afnor • ARES • PWC • CPC	Scope 1 and 2: Reasonable Assurance Scope 3: Limited Assurance	590,597.0	-	• DNV • TÜV NORD • DestBest • Afnor • ARES • PWC • CPC	Scope 1 and 2: Reasonable Assurance Scope 3: Limited Assurance
	Scope 2	29,578.36	-			29,150.7	-		
	Scope 3	135,067.72	-			139,342.5	-		
	Subtotal	727,791.69	-			759,090.2	-		
Total		**8,405,069**	**41.23**			**8,833,327.7**	**42.25**		

Note 1: The energy intensity for 2025 and 2024 was calculated based on CAL Group's revenue of TWD209,090,310 thousand and TWD203,873,651 thousand, respectively, according to CAL's financial information.

Note 2: Scope 3 is subject to a materiality assessment

TCFD Index

Content Aligned with the TCFD Framework		ESG report pp.	TCFD/TNFD report pp.
Governance	1. Board of Directors' Supervision of Climate-Related Risks and Opportunities	P.85	P.8
	2. Management-level Responsibility for Assessing and Managing Climate-related Risks and Opportunities	P.85	P.9
Strategy	1.Identification of Short-, Medium-, and Long-term Climate-related Risks and Opportunities	P.86-88	P.11
	2. Impact of Climate-Related Risks and Opportunities on the Organization's Business, Strategy, and Finances	P.86-88	P.13
	3. Organizational Strategic Resilience Takes into Account Various Climate-related Scenarios (Including Scenarios that are 2°C or More Stringent)	P.86-88	P.21
Risk Management	1. Procedure for Identifying and Assessing Climate-Related Risks in Organizational Institutions	P.86-90	P.23
	2. Procedure for Managing Climate-Related Risks in Organizational Institutions	P.86-90	P.26
	3. Integration of Process for Identifying, Assessing, and Managing Climate-related Risks with Organization's Overall Risk Management Mechanism.	P.86-90	P.26
Indicators and Objectives	1. Organization Utilizes Indicators to Evaluate Climate-Related Risks and Opportunities in Alignment with Its Strategy and Risk Management Processes	P.85	P.37
	2. Disclosure of Greenhouse Gas Emissions and Associated Risks in Scopes 1, 2, and 3	P.97	P.38
	3. Objectives Utilized and Achievement Status in Managing Climate-Related Risks and Opportunities by the Organization	P.86-88	P.39

TNFD Index

Content Aligned with the TCFD and TNFD Frameworks		ESG report pp.
Governance	1. Board of Directors' Supervision of Nature-Related Dependencies, Impacts, and Risks/Opportunities	P.85
	2. Management-level Responsibility for Assessing and Managing Nature-related Dependencies, Impacts, and Risks/Opportunities	P.85
	3. Methods for Engaging with Stakeholders Who Are Affected by and Involved in Assessing and Managing Nature-Related Dependencies, Impacts, and Risks/Opportunities	P.91, 93
Strategy	1. Identification of Short-, Medium-, and Long-term Nature-related Dependencies, Impacts, and Risks/Opportunities	P.91-92
	2. Impact of Nature-Related Dependencies, Impacts, Risks/Opportunities, and Transitional Actions on the Organization's Business, Strategy, and Finances	P.91
	3. Enhancing Strategic Capacity for Responding to Nature-Related Risks by Considering a Range of Potential Scenarios	P.91
	4. Disclosure of Information Regarding Locations of Assets and/or Activities That Pose Higher Risks to Biodiversity in Direct Operations and Upstream/Downstream Value Chain	P.91

Content

Preface

01 Sustainability Management

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

- Financial Performance
- Trust Value Related Data
- Environmental Performance
- The Climate-related Information Comparison Table for TWSE/TPEx Listed Companies
- TCFD Index
- TNFD Index
- Relevant Data Statistics of Human Resources
- Progress Report on the Implementation of IFRS S1/S2
- GRI Content Index
- Sustainability Accounting Standards Board (SASB) Table
- United Nations Global Compact Comparison Table
- Independent Limited Assurance Report

Content Aligned with the TCFD and TNFD Frameworks		ESG report pp.
Risk Management	Process for Identification and Assessment of Nature-related Dependencies, Impacts, and Risks/Opportunities (Including Upstream and Downstream)	P.91
	Process for Management of Nature-related Dependencies, Impacts, and Risks/Opportunities	P.85, 91-92
	Integration of Process for Identifying, Assessing, Prioritizing, and Monitoring Nature-related Risks with Organization's Overall Risk Management Mechanism	P.85
Indicators and Objectives	Organization Utilizes Indicators to Evaluate Nature-Related Risks and Opportunities in Alignment with Its Strategy and Risk Management Processes	P.93
	Disclosure of Indicators for Assessing and Managing Nature-Related Dependencies and Impacts	P.93
	Objectives Utilized and Achievement Status in Managing Nature-Related Dependencies, Impacts, and Risks/Opportunities by the Organization	P.81, 93

Relevant Data Statistics of Human Resources

GRI 2-21

Category	Groups	Total	Male	Female	Total	Male	Female
Full-time Employees		11,530	5,637	5,893	949	449	500
Non-full-time Employees		94	17	77	5	2	3
Temporary Employees		16	14	2	0	0	0
Age	Under 30	1,415	528	887	207	82	125
	30 to 50	6,760	3,028	3,732	505	204	301
	Above 51	3,465	2,112	1,353	242	165	77
Job Category	Business	3,269	1,268	2,001	430	149	281
	Air service	4,461	1,557	2,904	236	103	133
	Maintenance	2,256	2,144	112	143	133	10
	Others(Note 1)	1,654	699	955	144	65	79
Ranking	Senior Management(Note 2)	130	90	40	20	17	3
	Mid-level Management	363	246	117	33	22	11
	Junior Management	180	130	50	38	26	12
	Non-executive Employees	10,967	5,202	5,765	863	386	477
Region	Taiwan	10,022	5,057	4,965	930	440	490
	China	175	93	82	24	11	13
	Asia	977	314	663	-	-	-
	Americas	290	128	162	-	-	-
	Europe	123	55	68	-	-	-
	Oceania	53	21	32	-	-	-
Education	Master/PhD	1,492	837	655	68	42	26
	Bachelor/Associate	9,595	4,435	5,160	823	360	463
	Senior High	470	350	120	62	48	14
	Others	83	46	37	1	1	-
Indigenous Employees		87	44	43	9	-	9
Disabled Employees		99	69	30	7	4	3
Total		**11,640**	**5,668**	**5,972**	**954**	**451**	**503**
Interns (Not Included in the Number of Employees)		58	16	42	29	10	19

Workforce Structure of CAL Group in 2025

CAL: Employs a total of 87 Indigenous individuals (44 males, 43 females) and 99 disabled individuals (69 males, 30 females).
AE: Employs a total of 9 Indigenous individuals (0 males, 9 females) and 7 disabled individuals (4 males, 3 females).

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.

Content

Preface

01 Sustainability Management

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

- Financial Performance
- Trust Value Related Data
- Environmental Performance
- The Climate-related Information Comparison Table for TWSE/TPEx Listed Companies
- TCFD Index
- TNFD Index
- Relevant Data Statistics of Human Resources
- Progress Report on the Implementation of IFRS S1/S2
- GRI Content Index
- Sustainability Accounting Standards Board (SASB) Table
- United Nations Global Compact Comparison Table
- Independent Limited Assurance Report

Workforce Structure of CAL Group by Region in 2025

	Category	Taiwan	China	Asia	Americas	Europe	Oceania
	Full-time Employees	9,931	175	964	287	122	51
	Non-full-time Employees	75	-	13	3	1	2
	Temporary Employees	16	-	-	-	-	-
	Number of People	10,022	175	977	290	123	53
	Full-time Employees	925	24	-	-	-	-
	Non-full-time Employees	5	-	-	-	-	-
	Temporary Employees	-	-	-	-	-	-
	Number of People	930	24	-	-	-	-

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) in 2025

Distribution of Dispatched Workers			
Job Type	Male	Female	Total
Maintenance, Cleaning, Marshaling, and Other General Ground Services	77	25	102
Paperwork Processing	5	38	43
Number of People	82	63	145

Note 1: The calculation is based on the number of employees as of December 31, 2025.
Note 2: AE has no contracted employees.

2025 CAL Workforce Breakdown by Nationality

Countries	Share of Total Workforce (%)	Share of Management Positions (%)
R.O.C.	86.85%	87.96%
Thailand	2.64%	0.59%
Japan	1.95%	2.82%
China	1.57%	1.78%
United States	1.38%	1.63%
Others	5.60%	5.20%

Workplace Gender Diversity of CAL in 2025 and Targets

Indicator	Current Conditions (0-100%)	Objectives
Share of women in total workforce	51.31%	48%/Target year: 2026
Share of women in all management positions	30.33%	27%/Target year: 2030
Share of women in junior management positions	27.78%	27%/Target year: 2026
Share of women in top management positions	30.77%	25%/Target year: 2026
Share of women in management positions in revenue-generating functions	39.94%	29%/Target year: 2026
Share of women in STEM-related positions	11.73%	8%/Target year: 2026

Note: According to the S&P Global CSA definition, "STEM" refers to positions related to science, technology, engineering, and math.

Unpaid Parental Leave Statistics of CAL Group in 2025

Parental Leave Statistics						
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Number of Employees Eligible for Parental Leave in 2025 (A)	517	362	879	44	21	65
Actual Number of Parental Leave Applications in 2025 (B)	401	38	439	16	2	18
2025 Parental Leave Application Rate (B/Ax100%)	77.56%	10.50%	49.94%	36.36%	9.52%	27.69%
Number of Employees on Parental Leave Scheduled to Return in 2025 (C)	174	18	192	24	2	26
Number of Employees Reapplying for Parental Leave Reinstatement in 2025 (D)	231	21	252	17	2	19
2025 Parental Leave Return Rate (D/Cx100%)	132.76%	116.67%	131.25%	70.83%	100.00%	73.08%
Total Number of Employees Returning from Parental Leave in 2024 (E)	208	24	232	26	1	27
Number of Employees who Returned to Work after Parental Leave in 2024 and Completed One Year of Service (F)	199	21	220	23	1	24
2025 Parental Leave Return and Retention Rate (F/E*100%)	95.67%	87.50%	94.83%	88.46%	100.00%	88.89%

Note: (A): Number of employees with children born between January 1, 2022, and December 31, 2025.

Content

Preface

01 Sustainability Management

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

- Financial Performance
- Trust Value Related Data
- Environmental Performance
- The Climate-related Information Comparison Table for TWSE/TPEx Listed Companies
- TCFD Index
- TNFD Index
- Relevant Data Statistics of Human Resources
- Progress Report on the Implementation of IFRS S1/S2
- GRI Content Index
- Sustainability Accounting Standards Board (SASB) Table
- United Nations Global Compact Comparison Table
- Independent Limited Assurance Report

Employee Turnover Statistics of CAL Group in 2025

Category		2023		2024		2025	
		Number of people	Percentage	Number of people	Percentage	Number of people	Percentage
Age	Under 30	100	15.17%	134	22.11%	100	19.49%
	31 to 50	297	45.07%	205	33.83%	158	30.80%
	Above 51	262	39.76%	267	44.06%	255	49.71%
Gender	Male	308	46.74%	295	48.68%	254	49.51%
	Female	351	53.26%	311	51.32%	259	50.49%
Region	Taiwan	410	62.22%	355	58.58%	310	60.43%
	China	14	2.12%	21	3.47%	4	0.78%
	Asia	155	23.52%	171	28.22%	143	27.88%
	Americas	51	7.74%	41	6.77%	38	7.41%
	Europe	16	2.73%	16	2.64%	15	2.92%
	Oceania	8	1.67%	2	0.33%	3	0.58%
Voluntary		515	4.57%	418	3.63%	391	3.36%
Involuntary		144	1.28%	188	1.63%	122	1.05%
Total		659	5.85%	606	5.26%	513	4.41%

2023		2024		2025	
Number of people	Percentage	Number of people	Percentage	Number of people	Percentage
23	24.21%	32	39.51%	32	45.71%
52	54.74%	37	45.68%	21	30.00%
20	21.05%	12	14.81%	17	24.29%
53	55.79%	42	51.85%	47	67.14%
42	44.21%	39	48.15%	23	32.86%
86	90.53%	68	83.95%	68	97.14%
9	9.47%	13	16.05%	2	2.86%
0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%
77	8.70%	59	6.18%	44	4.61%
18	2.03%	22	2.31%	26	2.73%
95	10.73%	81	8.49%	70	7.34%

Note: Voluntary termination includes resignation, retirement prior to retirement age, application for dismissal, and other factors; involuntary termination includes reaching retirement age and layoffs.

Human Rights Assessment

Category	Percentage of the Total Assessed Amount over the Past 3 Years	Percentage of the Total Assessed Amount of Identified Risks	Risk Percentage after Mitigation Measures
CAL	100	26.76	100
Contractors and Tier 1 Suppliers	100	50	100
Joint venture	100	0	100

Gender Pay Gap Analysis of China Airlines in 2025

Indicator	Difference between Male and Female Employees (%)
Gender pay gap (mean)	17%
Gender pay gap (median)	18%
Bonus gap (mean)	10%
Bonus gap (median)	10%

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: CAL conducted an annual review and disclosure of this information.

Annual Total Compensation Ratio in 2025 (Other Employees as 1)

Indicator	CAL	AE
The annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees(excluding the highest-paid individual)	3.02	1.92
The percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual)	0.79	0.86

Note: pilots and managers are not included.

Other Matters (Major Violations)

GRI 2-27

On October 7, 2025, the Taoyuan City Government Labor Inspection Office sent personnel to CAL to conduct a labor inspection and review the duty arrangements for multiple Cargo Aircraft flights operated by CAL during the period from August to September 2025. CAL was found to have violated Article 35 of the Labor Standards Act by failing to schedule at least 30 consecutive minutes of rest, resulting in workers working continuously for more than four hours without rest, and was fined TWD1,000,000. CAL's current system complies with international civil aviation standards. When deploying the regional route standard (two-person) crew, crewmembers are permitted to use the restroom and take meals, and aside from aircraft takeoff and landing, the remaining work time is largely devoted to preparation, monitoring, and related duties. The relevant cases primarily arose from discrepancies between civil aviation regulations and labor laws. CAL is currently actively pursuing administrative remedies with the competent authorities to safeguard its rights and interests. 2025 labor-related penalties totaled 7 cases, with total fines amounting to TWD 3.375 million; information on relevant penalties for 2026 will be separately disclosed in CAL's annual report.

Note: Definition of a material violation: Cases that, due to violations of the provisions of the Labor Standards Act, have been fined by the competent authorities in an amount of no less than TWD1 million (inclusive) and constitute material information announced to the public pursuant to the Securities and Exchange Act and its related regulations. The determination is based on the sanction disposition formally rendered by the competent authorities, and, accordingly, material information reporting and disclosure are handled in accordance with the law.

Content

Preface

01 Sustainability Management

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

- Financial Performance
- Trust Value Related Data
- Environmental Performance
- The Climate-related Information Comparison Table for TWSE/TPEx Listed Companies
- TCFD Index
- TNFD Index
- Relevant Data Statistics of Human Resources
- Progress Report on the Implementation of IFRS S1/S2
- GRI Content Index
- Sustainability Accounting Standards Board (SASB) Table
- United Nations Global Compact Comparison Table
- Independent Limited Assurance Report

Employee Training Statistics of CAL Group from 2022 to 2025

	Category		2022			2023			2024			2025			Total Budget	Number of Classes Offered	Completion Rate
			Hours	Number of people	Training Hours per Person	Hours	Number of people	Training Hours per Person	Hours	Number of people	Training Hours per Person	Hours	Number of people	Training Hours per Person			
CAL	Job Category	Business	90,321	3,282	27,52	84,908	3,506	24.22	75,576	3,515	21.50	76,760	3,582	21.43	456,052,799	4,058	98.03%
		Air service	240,993	4,360	55,27	325,751	4,694	69.40	260,949	4,783	54.56	228,644	4,922	46.45			
		Maintenance	85,491	2,236	38,23	81,264	2,228	36.47	90,258	2,303	39.19	90,571	2,330	38.87			
		Others	34,504	1,767	19,53	35,602	1,843	19.32	34,712	1,809	19.19	31,693	1,834	17.28			
	Gender	Male	243,212	5,772	42,14	195,168	5,912	33.01	193,378	5,973	32.38	184,418	6,022	30.62			
		Female	208,097	5,873	35,43	332,357	6,359	52.27	268,117	6,437	41.65	243,251	6,646	36.60			
Mandarin Airlines	Job Category	Business	3,307	239	13,83	6,177.00	331.00	18.66	4,444.34	419.00	10.61	5,629.50	398.00	14.14	37,913,217	12,142	99.99%
		Air service	10,857	223	48,69	17,945.30	246.00	72.95	17,675.00	257.00	68.77	16,089.25	255.00	63.10			
		Maintenance	7,424	134	55,40	12,557.00	139.00	90.34	14,283.10	152.00	93.97	10,157.00	162.00	62.70			
		Others	1,796	65	27,63	1,920.00	56.00	34.29	1,869.62	148.00	12.63	1,822.75	73.00	24.97			
	Gender	Male	17,187	349	49,25	10,865.50	379.00	28.67	26,703.73	462.00	57.80	24,561.00	443.00	55.44			
		Female	6,196	312	19,86	27,733.80	393.00	70.57	11,568.33	514.00	22.51	9,137.50	445.00	20.53			

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 worldwide branch offices.
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

Year	Unit	Taoyuan Head Office	Maintenance Division	Taipei Branch	Kaohsiung Branch	Total
2023	Number of Annual Disabling Injuries	45	4	1	5	55
	Absence Days of Annual 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	Number of Annual Disabling Injuries	37	8	0	1	46
	Absence Days of Annual Disabling Injuries	583	6,206	0	3	6,792
	FR	2.62	1.72	0	1.43	2.29
	SR	41	1,335	0	4	339
	FSI	0.32	1.51	0	0.07	0.88
2025	Number of Annual Disabling Injuries	33	5	0	4	42
	Absence Days of Annual Disabling Injuries	281	11	0	76	368
	FR	2.35	1.06	0	4.56	2.06
	SR	20	2	0	86	18
	FSI	0.21	0.04	0	0.62	0.19

Note 1: Calculated at 8 hours per day per person.
Note 2: Disabling Frequency Rate (FR) refers to the number of disabling injuries per million work hours. The calculation method for the Disabling Frequency Rate is: (Total number of disabling injury cases for the year ÷ Total work hours) × 1,000,000. The total number of disabling injury cases includes 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 Severity Rate (SR) represents the total number of lost days due to disabling injuries per million work hours. The calculation method for the Disabling Severity Rate is: (Total lost days due to disabling injuries for the year ÷ Total work hours) × 1,000,000. The calculation method for the number of lost days for different types of disabling injuries follows the "Occupational Injury Statistics Reporting System." The precision of the calculated result is rounded to the nearest whole number, with any decimal points discarded.
Note 4: Frequency Severity Indicator (FSI) is calculated as the square root of (FR) multiplied by (SR) and divided by one thousand. FSI=√((FR×SR)/1000) Numerical approximation of calculation results: The calculation is rounded to two decimal places.
Note 5: 2023-2025 averages in the air transport industry published by the Ministry of Labor: FR=3.59, SR=48, FSI=0.41.
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.

Content

Preface

01 Sustainability Management

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

- Financial Performance
- Trust Value Related Data
- Environmental Performance
- The Climate-related Information Comparison Table for TWSE/TPEx Listed Companies
- TCFD Index
- TNFD Index
- Relevant Data Statistics of Human Resources
- Progress Report on the Implementation of IFRS S1/S2
- GRI Content Index
- Sustainability Accounting Standards Board (SASB) Table
- United Nations Global Compact Comparison Table
- Independent Limited Assurance Report

2025 Occupational Injury and Occupational Disease Statistics for CAL and Mandarin Airlines

Item		Male	Female	Total	Taoyuan Head Office	EMO Park	Taipei Branch	Kaohsiung Branch		Male	Female	Total
Number of Recordable Occupational Injuries		10	32	42	33	5	0	4		4	1	5
Disabling Injury Frequency Rate		0.96	3.23	2.06	2.35	1.06	0	4.56		4.54	0.99	2.65
Disabling Injury Severity Rate		11	25	18	20	2	0	86		19	57	39
Incidents Resulting in Work-Related Fatalities		0	0	0	0	0	0	0		0	0	0
Rate of Fatalities as a Result of Occupational Injury		0	0	0	0	0	0	0		0	0	0
Occupational Disease Rate		0	0	0	0	0	0	0		0	0	0
Number of High-consequence Occupational Injuries		0	0	0	0	0	0	0		0	0	0
Rate of High-consequence Occupational Injuries		0	0	0	0	0	0	0		0	0	0
Absence Rate		0.65%	2.32%	1.42%	1.72%	0.66%	2.47%	1.23%		0.65%	0.64%	0.64%
Total Working Hours		10,400,880	9,895,104	20,295,984	14,006,256	4,691,712	722,256	875,760		880,456	1,005,592	1,886,048

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 was 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: Disabling Injury Frequency Rate is equivalent to the definition of Recordable Occupational Injuries Rate in the GRI Standards.
Note 5: High-consequence Work-Related Injury Rate: 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 6: The primary type of occupational injury is incidents of falls caused by unsafe behavior by staff.
Note 7: In 2025, CAL's overall occupational injury disabling frequency rate (FR) was 2.06, disabling severity rate (SR) was 18, and the frequency-severity index (FSI) was 0.19. All three metrics were below the Ministry of Labor's announced 2023–2025 average values for the air transportation industry: FR (3.59), SR (48), and FSI (0.41). Overall, all indicators were effectively controlled in 2025.
Note 8: This statistic does not include commuting accidents caused by transportation that is not arranged by the company.
Note 9: Work-related fatality rate: (Number of occupational fatalities ÷ Total work hours) x 1,000,000.

Non-Employee Occupational Hazards Statistics of CAL Group in 2025

Company	Item	Contracted employees	Contractors
Non-employees of CAL	Number of Recordable Occupational Injuries	0	0
	Disabling Injury Frequency Rate	0	0
	Incidents Resulting in Work-Related Fatalities	0	0
	Rate of Fatalities as a Result of Occupational Injury	0.00	0.00
	Number of High-consequence Occupational Injuries	0	0
	Rate of High-consequence Occupational Injuries	0.00	0.00
	Total Working Hours	285,360	708,480

Note:There were no non-employee occupational hazards in Mandarin Airlines.

Progress Report on the Implementation of IFRS S1/S2

In 2023, the International Sustainability Standards Board (ISSB) officially issued IFRS S1, "General Requirements for Disclosure of Sustainability-related Financial Information," and IFRS S2, "Climate-related Disclosures." CAL actively responds to government policies by aligning with the IFRS Sustainability Disclosure Standards in accordance with the Taiwan Stock Exchange's "IFRS Sustainability Disclosure Standards Implementation Plan." CAL's implementation schedule completed the first phase, "Analysis and Planning," from the fourth quarter of 2024 to the first quarter of 2025. The second phase, "Design and Execution," was completed from the second quarter to the fourth quarter of 2025. Progress and control measures were reported quarterly to the Board of Directors to ensure that corporate governance practices remain consistent with international standards.

The current implementation plan and response strategy consist of three phases: Phase One involves establishing a cross-departmental IFRS project team to identify the reporting entities and complete the formulation of the implementation plan, while simultaneously assessing the significant differences and impacts between existing sustainability/climate information and the IFRS Sustainability Disclosure Standards. Phase Two focuses on identifying sustainability/climate-related risks, opportunities, and their potential financial impacts to evaluate material sustainability/climate-related financial information. This phase also includes further adjustments to company processes, financial and non-financial reporting procedures, information systems, supply chain management processes, internal controls, and daily operations across departments to ensure alignment between daily operations and disclosure requirements. Phase Three entails piloting the preparation of a dedicated sustainability information section in the annual report.

GRI Content Index

GRI 2-4, 2-6

GRI 1, GRI 2, and GRI 3 are based on the GRI Universal Standards 2021, GRI 101 updated to the 2024 version, GRI 306 updated to the 2020 version, and GRI 303 and GRI 403 updated to the 2018 version. Others remain as the 2016 versions.

Content

Preface

01 Sustainability Management

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

- Financial Performance
- Trust Value Related Data
- Environmental Performance
- The Climate-related Information Comparison Table for TWSE/TPEx Listed Companies
- TCFD Index
- TNFD Index
- Relevant Data Statistics of Human Resources
- Progress Report on the Implementation of IFRS S1/S2
- GRI Content Index
- Sustainability Accounting Standards Board (SASB) Table
- United Nations Global Compact Comparison Table
- Independent Limited Assurance Report

Usage Statement	CAL discloses information from January 1, 2025 to December 31, 2025 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]

GRI Guidelines/ Other Sources		Disclosure Item	Location (Page No.)
General Disclosures			
GRI 2: General Disclosures 2021	2-1	Organizational details	P.4, 8
	2-2	Entities included in the organization's sustainability reporting	P.4
	2-3	Reporting period, frequency and contact point	P.4
	2-4	Restatements of information (Note 1)	P.4
	2-5	External Assurance	P.4
	2-6	Activities, value chain and other business relationships	P.8, 70, 166
	2-7	Employees	P.110
	2-8	Workers who are not employees	P.110
	2-9	Governance structure and composition (Note 2)	P.16, 139
	2-10	Nomination and selection of the highest governance body	P.139
	2-11	Chair of the highest governance body (Note 2)	P.139
	2-12	Role of the highest governance body in overseeing the management of impacts	P.16
	2-13	Delegation of responsibility for managing impacts	P.16
	2-14	Role of the highest governance body in sustainability reporting (Note 3)	P.4, 16
	2-15	Conflicts of interest (Note 3)	P.139
	2-16	Communication of critical concerns	P.16
	2-17	Collective knowledge of the highest governance body	P.139
	2-18	Evaluation of the performance of the highest governance body	P.16
	2-19	Remuneration policies (Note 4)	P.139
	2-20	Process to determine remuneration (Note 5)	P.139
	2-21	Annual total compensation ratio	P.162
	2-22	Statement on sustainable development strategy	P.6
	2-23	Policy commitments	P.106, 152
	2-24	Embedding policy commitments	P.106, 152
	2-25	Processes to remediate negative impacts	P.106-107, 152
	2-26	Mechanisms for seeking advice and raising concerns	P.22
	2-27	Regulatory Compliance	P.152, 164
	2-28	Membership associations	P.25
	2-29	Approach to stakeholder engagement	P.22
	2-30	Collective bargaining agreements	P.115, 118

GRI Guidelines/ Other Sources		Disclosure Item	Location (Page No.)
Material Topics			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	P.28
	3-2	List of material topics	P.28
	3-3	Management of material topics	P.28
GRI Guidelines/ Other Sources		Disclosure Item	Location (Page No.)
Economy			
GRI 101: Biodiversity	101-1	Policy on Halting and Reversing Biodiversity Loss	P.85
	101-4	Identification of Biodiversity Impact	P.85, 91
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	P.143
	201-2	Financial implications and other risks and opportunities due to climate change	P.83, 85
	201-3	Defined benefit plan obligations and other retirement plans	P.155
	201-4	Financial assistance received from government (Note 6)	-
GRI 202: Market Presence	202-2	Proportion of senior management hired from the local community	P.110
GRI 204: Procurement Practice	204-1	Proportion of spending on local suppliers	P.71
GRI 205: Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	P.152
	205-3	Confirmed incidents of corruption and actions taken (Note 7)	-
GRI 206: Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	P.152
Environment			
GRI 301: Materials	301-1	Materials used by weight or volume	-
GRI 302: Energy	302-1	Energy consumption within the organization	P.95, 98
	302-2	Energy consumption outside of the organization	P.95, 98
	302-3	Energy intensity	P.95, 97
	302-4	Reduction of energy consumption	P.95, 98
	302-5	Reductions in the energy requirements of products and services	P.95, 98
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	P.95, 99
	303-2	Management of water discharge-related impacts	P.95, 99
	303-3	Water withdrawal	P.95, 99
	303-4	Water discharge	P.95, 99
	303-5	Water consumption	P.95, 99
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	P.95, 97
	305-2	Energy indirect (Scope 2) GHG emissions	P.95, 97

Content

Preface

01 Sustainability Management

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

- Financial Performance
- Trust Value Related Data
- Environmental Performance
- The Climate-related Information Comparison Table for TWSE/TPEx Listed Companies
- TCFD Index
- TNFD Index
- Relevant Data Statistics of Human Resources
- Progress Report on the Implementation of IFRS S1/S2
- GRI Content Index
- Sustainability Accounting Standards Board (SASB) Table
- United Nations Global Compact Comparison Table
- Independent Limited Assurance Report

GRI Guidelines/ Other Sources	Disclosure Item		Location (Page No.)
GRI 305: Emissions	305-3	Other indirect (Scope 3) GHG emissions	P.95, 97
	305-4	GHG emissions intensity	P.95, 97
	305-5	Reduction of GHG emissions	P.95, 97
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	P.95, 100
GRI 306: Waste 2020	306-2	Management of significant waste-related impacts	P.95, 100
	306-3	Waste generated	P.95, 100
GRI 307: Environmental Compliance	307-1	Non-compliance with environmental laws and regulations (Note 8)	-
GRI 308: Supplier Environment Assessment	308-2	Negative environmental impacts in the supply chain and actions taken	P.71
Society			
GRI 401: Employment	401-1	New employee hires and employee turnover	P.110
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	P.115
	401-3	Parental leave	P.115
GRI 402: Labor/ Management Relations	402-1	Minimum notice periods regarding operational changes	P.115
GRI 403: Occupational Health and Safety -2018	403-1	Occupational health and safety management system	P.119
	403-2	Hazard identification, risk assessment, and incident investigation	P.121
	403-3	Occupational health services	P.124
	403-4	Worker participation, consultation, and communication on occupational health and safety	P.120
	403-5	Worker training on occupational health and safety	P.124
	403-6	Promotion of worker health	P.124
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	P.124
	403-8	Workers covered by an occupational health and safety management system	P.119
	403-9	Work-related injuries	P.121
	403-10	Work-related ill health	P.124
GRI 404: Training and Education	404-1	Average hours of training per year per employee	P.113
	404-2	Programs for upgrading employee skills and transition assistance programs	P.46
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	P.110
	405-2	Ratio of basic salary and remuneration of women to men	P.115
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	P.106, 107
GRI 407: Freedom of Association andCollective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	P.71
GRI 408: Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	-
GRI 409: Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	-
GRI 412: Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	P.106
	412-2	Employee training on human rights policies or procedures	P.106
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	-
GRI 414: Supplier Social Assessment	414-2	Negative social impacts in the supply chain and actions taken	P.71
GRI 415: Public Policy	415-1	Political contributions	-
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	P.62

Note 1: No restatements of information
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.

Content

Preface

01 Sustainability Management

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

- Financial Performance
- Trust Value Related Data
- Environmental Performance
- The Climate-related Information Comparison Table for TWSE/TPEx Listed Companies
- TCFD Index
- TNFD Index
- Relevant Data Statistics of Human Resources
- Progress Report on the Implementation of IFRS S1/S2
- GRI Content Index
- Sustainability Accounting Standards Board (SASB) Table
- United Nations Global Compact Comparison Table
- Independent Limited Assurance Report

Sustainability Accounting Standards Board (SASB) Table

Airlines Sustainability Accounting Standard

Topic	Accounting Metric	Unit of Measure	Category	Code	Numerical Value	Corresponding Section	Page No.
Greenhouse Gas Emissions	Total Emissions in Scope 1	Tons (t) of CO2e	Quantitative	TR-AL-110a.1	6,528,842	Appendix Environmental Performance	P.158
	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	Quantitative	TR-AL-110a.2	NA	2.3 Environment	P.95-98
	Total fuel consumed Percentage alternative Percentage sustainable	Gigajoules Percentage (%)	Quantitative	TR-AL-110a.3	(1) 90,572,348 (2) 0 (%) (3) 0.51 (%)	Appendix Environmental Performance	P.159
Labor Practices	Percentage of active workforce covered under collective bargaining agreements	Percentage (%)	Quantitative	TR-AL-310a.1	99.14%	2.4.4 Employee Rights	P.118
	Number of work stoppages Total days idle	Number of people Number of days	Quantitative	TR-AL-310a.2	0	2.4.4 Employee Rights	P.118
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	P.152
Accident & Safety Management	Description of implementation and outcomes of a Safety Management System	NA	Quantitative	TR-AL-540a.1	NA	2.1.1 Flight Safety	P.43-48
	Number of aviation accidents	Frequency	Quantitative	TR-AL-540a.2	0	2.1 Trust	P.42
	Number of governmental enforcement actions of aviation safety regulations	Frequency	Quantitative	TR-AL-540a.3	5	2.1 Trust	P.44
Activity Metrics	Available seat kilometers (ASK)	ASK	Quantitative	TR-AL-000.A	55,495,006,784	3.2 Operational Achievements	P.143
	Passenger Load Factor	Percentage	Quantitative	TR-AL-000.B	79.57%	3.2 Operational Achievements	P.143
	Revenue passenger kilometers (RPK)	RPK	Quantitative	TR-AL-000.C	44,159,212,772	3.2 Operational Achievements	P.143
	Freight revenue ton-kilometers (FRTK)	RTK	Quantitative	TR-AL-000.D	5,739,118,743	3.2 Operational Achievements	P.143
	Number of departures	Number	Quantitative	TR-AL-000.E	124,185	3.2 Operational Achievements	P.143
	Average age of fleet	Years	Quantitative	TR-AL-000.F	Average age of aircraft: 9.5 years Passenger aircraft: Average age of aircraft is 9.1 years Cargo aircraft: Average age of aircraft is 11.1 years	Preface, Business Overview	P.8

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	2.4.1Human Rights Management Framework	P.106-110
	Principle 2: Make sure that they are not complicit in human rights abuses	3.4 Regulatory Compliance 2.2.2 Sustainable Supply Chain Management	P.152 P.71
Labor	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	2.4.1 Human Rights Management Framework	P.106-110
	Principle 4: The elimination of all forms of forced and compulsory labor	2.4.1 Human Rights Management Framework	P.106-110
	Principle 5: The effective abolition of child labor	2.4.1 Human Rights Management Framework	P.106-110
	Principle 6: The elimination of discrimination in respect of employment and occupation	2.4.1 Human Rights Management Framework	P.106-110
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges	2.3.2 Nature & Climate Change Mitigation and Adaptation 2.3.3 Net Zero Carbon Emissions	P.85-93 P.94-95
	Principle 8: Undertake initiatives to promote greater environmental responsibility	2.3.1 Governance of Environmental Sustainability	P.81-84
	Principle 9: Encourage the development and diffusion of environmentally friendly technologies	2.3.4 Achievements in Environmental Sustainability	P.95-104
Anti-corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	3.4 Regulatory Compliance	P.152

Content

Preface

01 Sustainability Management

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

- Financial Performance
- Trust Value Related Data
- Environmental Performance
- The Climate-related Information Comparison Table for TWSE/TPEx Listed Companies
- TCFD Index
- TNFD Index
- Relevant Data Statistics of Human Resources
- Progress Report on the Implementation of IFRS S1/S2
- GRI Content Index
- Sustainability Accounting Standards Board (SASB) Table
- United Nations Global Compact Comparison Table
- Independent Limited Assurance Report

Independent Limited Assurance Report

ISAE 3000

Independent Limited Assurance Report

To China Airlines Co., Ltd.:

We were engaged by China Airlines Co., Ltd. ("CAL") to provide limited assurance over the selected information ("the Subject Matter Information") on the 2025 Sustainability Report of CAL ("the Report") for the year ended December 31, 2025.

Applicable Criteria of the Subject Matter Information

CAL shall prepare the Subject Matter Information in accordance with applicable criteria required by Global Reporting Initiative Standards ("GRI Standards") issued by Global Sustainability Standards Board as set forth in Appendix I.

Management's Responsibilities

CAL is responsible for determining its objectives with respect to sustainable development performance and reporting, including the identification of stakeholders and material aspects, and using the applicable criteria to fairly prepare and present the Subject Matter Information. CAL is also responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We performed our work in accordance with International Standard on Assurance Engagements (ISAE) 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board and to issue a limited assurance conclusion on whether the Subject Matter Information is free from material misstatement. Also, we have considered appropriate limited assurance procedures according to the understanding of relevant internal controls in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the internal control over the design or implementation of the Report.

Independence and Standards on Quality Management

We have complied with the independence and other ethical requirements of the Code of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. In addition, we applied Standards on Quality Management. Accordingly, we maintained a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements and professional standards as well as applicable legal and regulatory requirements.

Summary of Work Performed

As stated in applicable criteria of the Subject Matter Information paragraph, our main work on the selected information included:

- Reading the Report of CAL;
- Inquiries with responsible management level and non-management level personnel to understand the operational processes and information systems used to collect and process the Subject Matter Information.
- On the basis of the understanding obtained mentioned above, perform analytical procedures on the Subject Matter Information and if necessary, inspect related documents to gather sufficient and appropriate evidence in a limited assurance engagement.

The work described above is based on professional judgment and consideration of the level of assurance and our assessment of the risk of material misstatement of the Subject Matter Information, whether due to fraud or error. We believe that the work performed and evidence we have obtained are sufficient and appropriate to provide a basis of our conclusion. However, the work performed in a limited assurance engagement varies in nature and timing from, and is less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent limitations

The Report for the year ended December 31, 2025 includes the disclosures of non-financial information that involved significant judgments, assumptions and interpretations by the management of CAL. Therefore, the different stakeholders may have different interpretations of such information.

Conclusion

Based on the work we have performed and the evidence we have obtained, as described above, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been properly prepared, in all material aspects, in accordance with the applicable criteria.

Other Matters

We shall not be responsible for conducting any further assurance work for any change of the subject matter information or the criteria applied after the issuance date of this report.

The engagement partners on the assurance resulting in this independent auditors' report are Wu, Cheng-Yen and Chuang, Chun-Wei.

KPMG

Taipei, Taiwan (Republic of China)
August 10, 2026

Notes to readers

The limited assurance report and the accompanying selected information are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language limited assurance report and the selected information, the Chinese version shall prevail.

Content

Preface

01 Sustainability Management

02 Value Creation

03 Corporate Governance

ESG Data and Appendix

- Financial Performance
- Trust Value Related Data
- Environmental Performance
- The Climate-related Information Comparison Table for TWSE/TPEx Listed Companies
- TCFD Index
- TNFD Index
- Relevant Data Statistics of Human Resources
- Progress Report on the Implementation of IFRS S1/S2
- GRI Content Index
- Sustainability Accounting Standards Board (SASB) Table
- United Nations Global Compact Comparison Table
- Independent Limited Assurance Report

Independent Limited Assurance Report