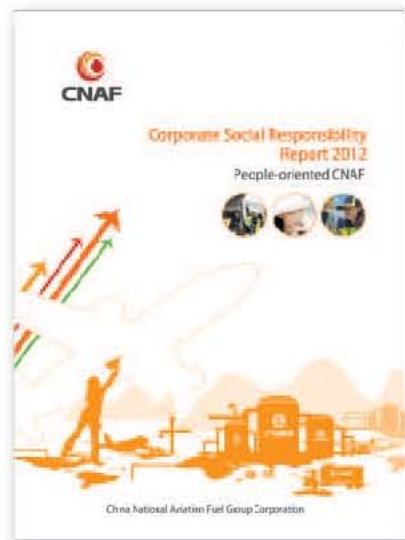




"CNAF Corporate Social Responsibility Report 2011"



"CNAF Corporate Social Responsibility Report 2012"



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China National Aviation Fuel Group Corporation 2012 Corporate Social Responsibility Report



Corporate Social Responsibility Report 2012

People-oriented CNAF



China National Aviation Fuel Group Corporation

Report Description

This report is the second corporate social responsibility report issued by the China National Aviation Fuel Group Corporation. For the convenience of indication and reading, the "China National Aviation Fuel Group Corporation" in this report is also expressed by the "CNAF", "Group Corporation", "Group" or "We".

Release cycle

Annual report; the first corporate social responsibility report was released in May, 2012.

Period scope

From January 1, 2012 to December 31, 2012; some contents surpass the above scope.

Content scope

This report is a special-topic one themed with "People-orientation". Without specification, the information data all comes from the formal documents, statistics reports and financial reports of the Group Corporation, as well as relevant information of various functional departments and member enterprises that collected, summarized and reviewed in accordance with the social responsibility management system of the Group Corporation.

Indicator selection

In terms of indicator disclosure, this report mainly takes the pertinence, substantiality, and availability of indicators relating to the theme into account. In other words, the indicators selected could effectively reflect the performance of the practices themed with "People-orientation" of the Group Corporation, and could be collected by the existing management system.

Compilation basis

* "Guiding Opinions on Fulfilling Social Responsibilities of the Central SOEs" issued by the State-Owned Assets Supervision and Administration Commission of the State Council

* "Implementation Program on Harmonious Development Strategy of the Central SOEs during the 12th Five-Year Plan Period" issued by the State-Owned Assets Supervision and Administration Commission of the State Council

* "ISO 26000:2010 -- Guidance on Social Responsibility" released by the International Organization for Standardization (ISO)

* "Sustainability Reporting Guidelines, Version 3.1" released by the Global Reporting Initiative (GRI)

Access to report

This report is published in both Chinese and English, offering the Print Edition and the electronic document (PDF Format). To access to the print report, please write to the China National Aviation Fuel Group Corporation.

Headquarters address: China National Aviation Fuel Plaza, No. 2 Madian Road, Haidian District, Beijing, China, 100088

Tel.: 0086-10-59890000

Log on to the website of the China National Aviation Fuel Group Corporation at <http://www.cnaf.com/> to browse or download the PDF format report, and stay up-to-date on the Group Corporation's dynamic information relating to corporate social responsibility activities.

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Message from the Chairman



As a social and economic organization, an enterprise should regard the people's development as its core development. The people's development determines the enterprise's development, while the fate of the enterprise determines the people's destiny, and that neither can exist effectively without the other. As a large-scale aviation fuel supplier enjoyed a great fame both home and abroad, the China National Aviation Fuel Group Corporation (CNAF) has adhered to the concept of "People-orientation" since its inception, always taking the concept of "For whom the development is being done, on whom the development is being depended, and with whom the achievement is being shared" as the core of the corporate reform, development and stability. We have actively implemented the mission of "Do our best to serve the global civil aviation clients, and guarantee the aviation fuel supply for our country", pressed forward to the corporate vision of "A great enterprise with happy employees", and strived to make the corporate reform and development results to benefit employees, the public and the society, so as to try the best to realize the harmony between the employees and enterprise, the enterprise and society, the development and environment, and the people and nature.

Chinese traditional culture attached great importance to the concept of "People-orientation". The ancient Chinese wise men emphasized such concepts as the "People-orientation is the foundation of great cause, and a solid foundation guarantees a great state while a weak basis leads to disorderly administration", the "People are the foundation of a state", the "People are the most important element of a state", "A state relies on people", and "People are like the water while emperor the boat, and the water that bears the boat is the same that swallows it

up", deeply reflecting the recognition and practices of the Chinese traditional culture to the concept of "People-orientation". The concept of "People-orientation" also embodied in the Western culture: from the humanism of the Renaissance period, the "Liberty, equality and fraternity" of the Age of Enlightenment to the "Anthropology" of the later times, all emphasized the importance of the People. As a local Chinese enterprise, we immersed ourselves in the atmosphere of Chinese traditional culture; As a multinational corporation in the world, we were deeply impressed by the advanced achievements of other civilizations.

With over 30 years of reform and opening-up, China's economy and society have witnessed profound changes, and the intension and extension of "People-orientation" experienced continuous development. In October 2003, the Chinese government put forward the development outlook of adhering to the concept of people-orientation, holding all-around, coordinated and sustainable concept of development, and promoting the comprehensive development of economy, society and the mankind. In October, 2007, the report of the 17th National Congress of the Communist Party of China noted that we must always put people's interests first. We must always make sure that the aim and outcome of all the work of the Party and the state is to realize, safeguard and expand the fundamental interests of the overwhelming majority of the people, to ensure that development is for the people, by the people and with the people sharing in its fruits. In March, 2013, Xi Jinping, president of the People's Republic of China, stressed that we will put people's interests first, strive for all-round progress in the economic, political, cultural, social and ecological fields, coordinate all aspects and links of our modernization drive, and make China a beautiful country. The concept of "People-orientation" has become the kernel of the socialist core values, and an inevitable choice of guiding the enterprise and the society to achieve sustainable development. With the requirements of the country and the expectations of employees, we have the responsibilities and obligations to implement the concept of "People-orientation" to various levels of the corporate development. Just based on these kinds of recognition and undertakings, we took the "People-oriented CNAF" as the theme of this report, showing the public, the society and the stakeholders of the thinking, the consideration, the work and the achievement of CNAF in this field in recent years. Though it was not "perfect", we have tried and will always try our best to do it.

We always hold that one important aspect for an enterprise to fulfill social responsibility is to highlight the concept of "People-orientation", which is the concentrative interpretation and diligently practice of "For whom the development is being done, on whom the development is being depended, and with whom the achievement is being shared". Whether the responsibilities for clients, employees, and safety, or environment, and public welfare, the ultimate goal is to realize the harmonious development between the enterprise and society, the development and environment, and the people and nature. Adhering consistently to the concept of "People-orientation", the CNAF has vigorously fulfilled social responsibility in such aspects as resource supply, client service, employee care, and public welfare in the past years, constantly enhancing the communication and exchange with stakeholders and actively responding the concerns and appeals of stakeholders, so as to make the more development fruits to better benefit the society and the public.

In the future, we will always adhere to the concept of "People-orientation", energetically fulfill the social responsibility and focus on the acceleration of enterprise development while pay more attention to the concerns and appeals of stakeholders, the safety and environmental protection, the energy-saving and emission reduction, and the support to the local economic and social development, actively undertaking the economic, social and environmental responsibilities, striving to build harmonious enterprise and making further accomplishment together with stakeholders, so as to jointly make contributions to the realization of the Chinese Dream.

Sun Li,
Chairman of the China National Aviation
Fuel Group Corporation

Figure in 2012

Top 500 rankings

Among World Top 500 Companies

318th

Among China Top 500 Companies

38th

Service capability

Length of pipe laying

2,500 plus kilometers

Length of railway special line

100 plus kilometers

Water transportation capability

237,000 tons

Reserve capability

4.7 million cubic meters

Assets and Profit

Total assets

40,236 billion yuan

Operating revenue

242,549 billion yuan

Total profit

3,052 billion yuan

Tax payment

2,135 billion yuan

Service scope

Providing service for

172 domestic airports

Providing service for

215 global aviation clients

Employee Development

Total number of employees

10,213

Proportion of employees with junior college degree or above

57%

Local employment rate of overseas companies under the CNAF

90%

Energy-saving and emission reduction

Emission reduction amount of SO2

84,200 tons

Emission reduction amount of NOx

7,700 tons

Social public welfare

Input for public welfare and charities

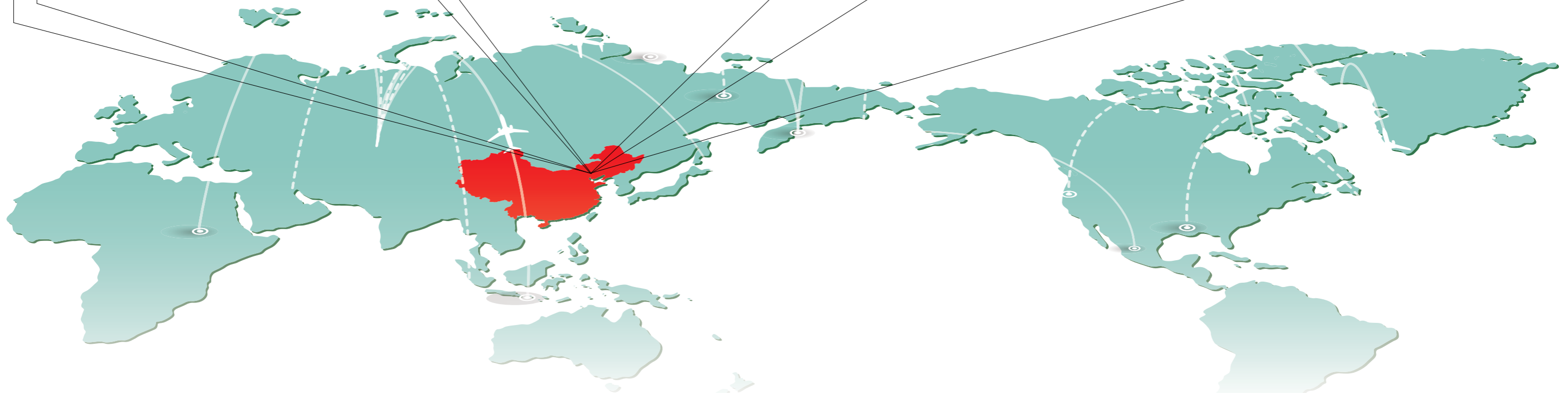
2 million yuan

Number of youth volunteer organization

33

Number of volunteers

876





About Us

- ◆ Corporate profile
- ◆ Corporate governance
- ◆ Corporate strategy
- ◆ Business segments



Corporate profile

Founded on the basis of the China Aviation Oil Supply Corporation on October 11, 2002, CNAF is a large-scale state-owned enterprise for aviation transportation service, the largest fuel supplier that integrates the purchase, transportation, storage, quality management, sales and into-plane service of aviation fuel in China, as well as the largest aviation oil supplier in Asia. The operating area of the Group covers 20 provinces (autonomous regions and municipalities), offering service to 172 domestic airports and 215 global aviation clients. Currently, the Group has 10,213 employees, and the total assets amounts to 40.236 billion yuan. In 2012, the Group ranked 318th among the Fortune Global 500, and 38th among China Top 500.

◎ Organization structure - Functional departments of the headquarters



Corporate governance

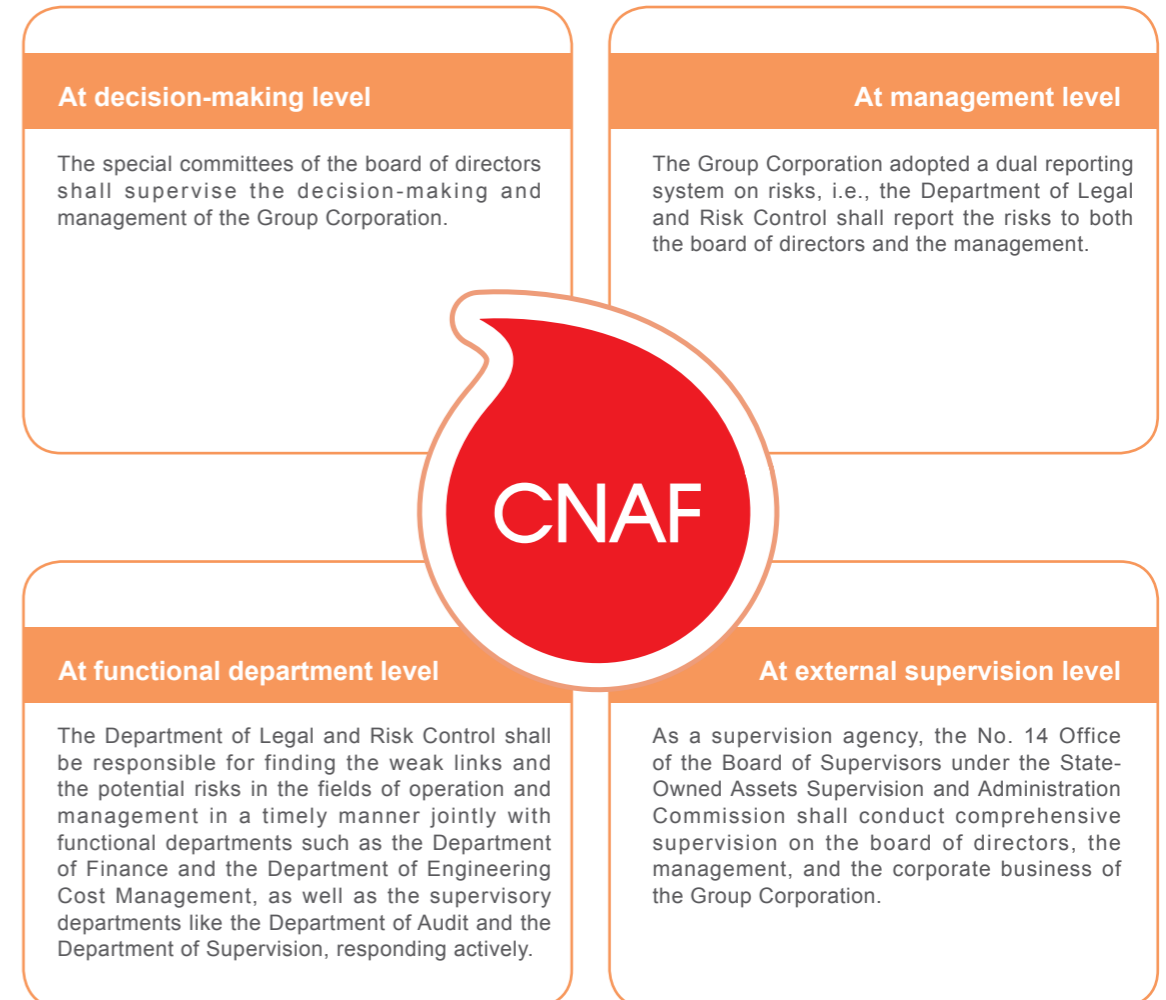
As one of the experimental units to establish standardized board of directors in accordance with relevant provisions of the State-Owned Assets Supervision and Administration Commission of the State Council, the China National Aviation Fuel Group Corporation established the first board of directors in December, 2011, setting up the modern enterprise legal person governance structure that consisted of the board of directors and the operation management. Sitting at the core of the corporate governance structure, the board of directors exercises its functions and powers in accordance with the articles of association of the Group Corporation. Part of functions and powers of the board of directors shall be authorized to general manager. Also, it set up four special committees of strategy committee, nomination committee, compensation & appraisal committee, and audit & risk management committee. The special committees shall be responsible to the board of directors, performing duties in accordance with the articles of association and the authorizations of the board of directors, and offering consulting service and advice for the board of directors in terms of decision-making. By formulating a series of administrative rules and regulations, and continuously improving the corporate governance mechanism featuring clearly defined rights and responsibilities, effective check and balance, and coordinated operation, the Group Corporation preliminarily formed a decision-making mechanism authorized by the board of directors with the principles of appropriate authorization, hierarchical decision making, and effective control in 2012, which enhanced the scientific decision-making and standardized management.



Members of the Board of Directors

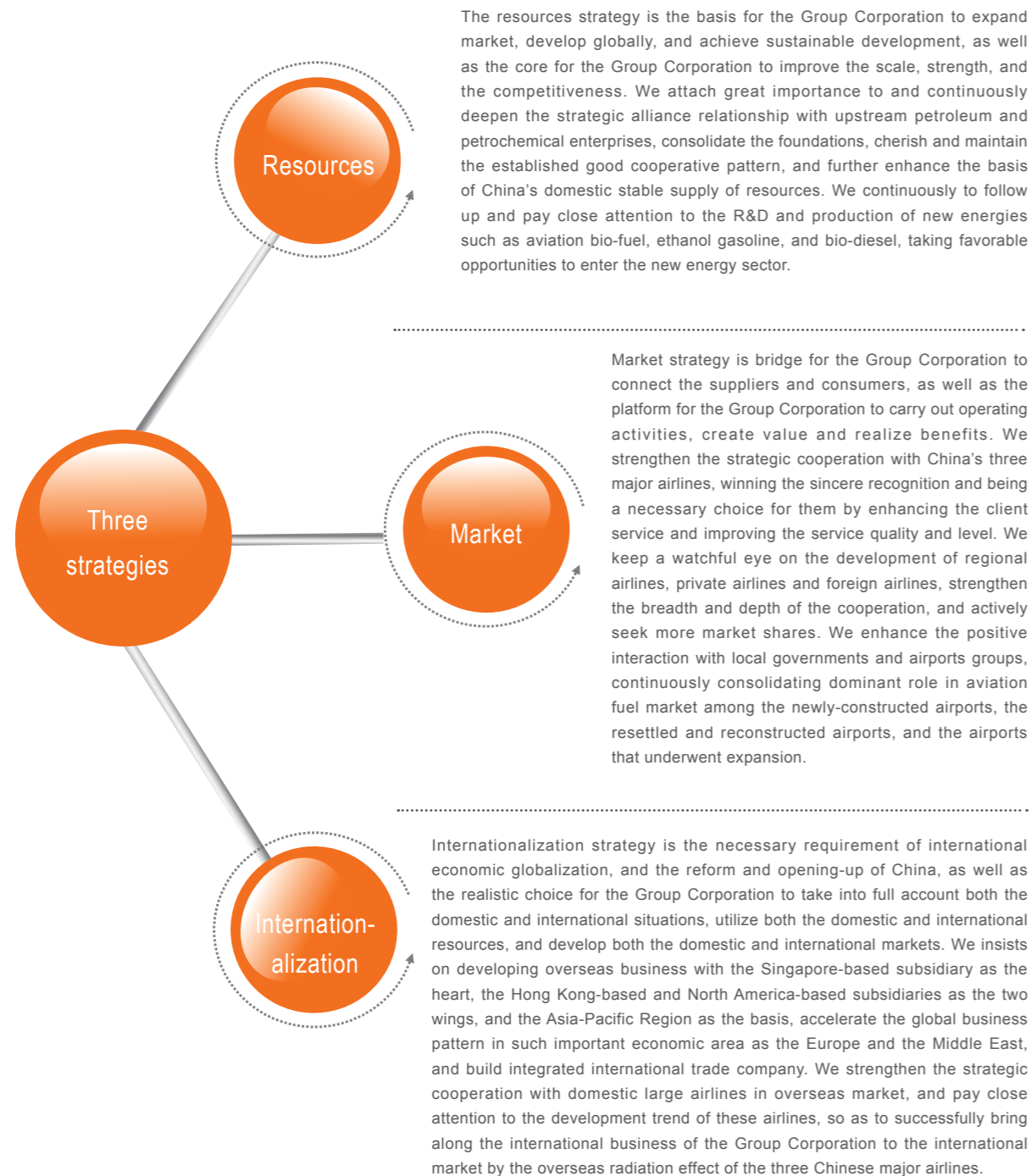
◎ Total risk management

In 2012, the Group Corporation strengthened the construction of the institutional system of risk management and control, and the audit & risk management committee reviewed and passed the "Risk control and management report in 2012" and the "Implementation plan on internal system construction". Also, the Group Corporation established a multi-level supervision system, which effectively enhanced the risk control and management level and played an important role in maintaining the sustainable and healthy development of the Group Corporation.



Corporate strategy

The CNAF plays an important role in China's civil aviation transportation system. With the mission of "Do our best to serve the global civil aviation clients, and guarantee the aviation fuel supply for our country", and with the duty of supporting the strategy implementation of building a civil aviation strong country and realizing the historical transformation from a large civil aviation country to a strong one, the CNAF insisted on and implemented three strategies in terms of resources, market, and internationalization, enhanced the coordinated operation among four business segments, strengthened safety and environmental protection, risk management and control, and other specialized management, boosted the scale, strength, profitability and competitiveness of the core main business, and accelerated the construction of itself as a world-class aviation oil company.



Business segments



The aviation fuel is core main business of the CNAF, and the major business entity is the China National Aviation Fuel Supply Co., Ltd., the largest aviation fuel transportation service enterprise that integrates the purchase, transportation, storage, quality management, sales and into-plane service of aviation fuel in China, as well as the largest aviation fuel supplier. It provides fuelling services to 215 domestic and foreign airlines with the established aviation fuel sales network at 172 airports across China. Currently, it has seven regional companies, one subordinate company, 22 branches, and 115 supply stations, as well as 33 representative offices at the refineries of major oil and petrochemical companies across the country. It also owns controlling stakes or equity stakes in several joint-venture companies in Beijing, Shanghai, Yantai, the Tibet Autonomous Region, and the central and southern China.

The major business entity of petrochemical is the China National Aviation Fuel Petroleum Co., Ltd., a wholly-owned subsidiary of the CNAF. Established in October, 2004, the China National Aviation Fuel Petroleum Co., Ltd. was formerly known as the China National Aviation Fuel Land Petroleum Co., Ltd. and changed the name in November, 2009. Its key business is the wholesale, retail, and storage of refined oil products and the petrochemical products trade. Currently, it has set up 25 branches across the country, established retail sales terminal networks in most key cities and airports, and built completed supporting infrastructure such as oil tanks, railway special lines, and shipping wharfs.



The major business entity of logistics is the China National Aviation Fuel Logistic Co., Ltd., a wholly-owned subsidiary of the CNAF. Established on December 16, 2004, the China National Aviation Fuel Logistics Co., Ltd. was formerly known as the China National Aviation Fuel Haitian Shipping Co., Ltd. and changed the name on December 28, 2007. As a large petrochemical logistics enterprise that integrates shipping, storage, wharf, and pipeline transportation service, it is responsible for the unified operation and management of the logistics business and logistics assets of the CNAF, actively carrying out the third-party logistics business outside the Group and participating in the R&D of plane refueller. It is committed to building up a professional logistics management team and highly integrated oil products distribution system, and constantly constructs safe, unified, and effective logistics supply chain. It has established 13 wholly-owned and joint-stock subsidiaries across the country, owned 57 oil tankers and one professional cleaning base for petrochemical and chemical tankers, and operated 50 plus shipping routes.



The major international business entity is the China Aviation Oil (Singapore) Corporation Ltd. Established on May 26, 1993. It is the main channel for the CNAF to provide aviation fuel supply service for overseas market, mainly engaging in the business of aviation fuel supply and trade, other oil products trade, and industrial investment on related oil products. The trade business of the company involves in the fields of aviation fuel, fuel oil, diesel oil, and chemical products, successfully realizing the cross-operation of several trade modes, and extending the market area to the Association of Southeast Asian Nations, the Far East, and the North America. The China Aviation Oil (Singapore) Corporation Ltd. has two wholly-owned subsidiaries – the China Aviation Oil (Hong Kong) Company Limited, and North American Fuel Corporation.





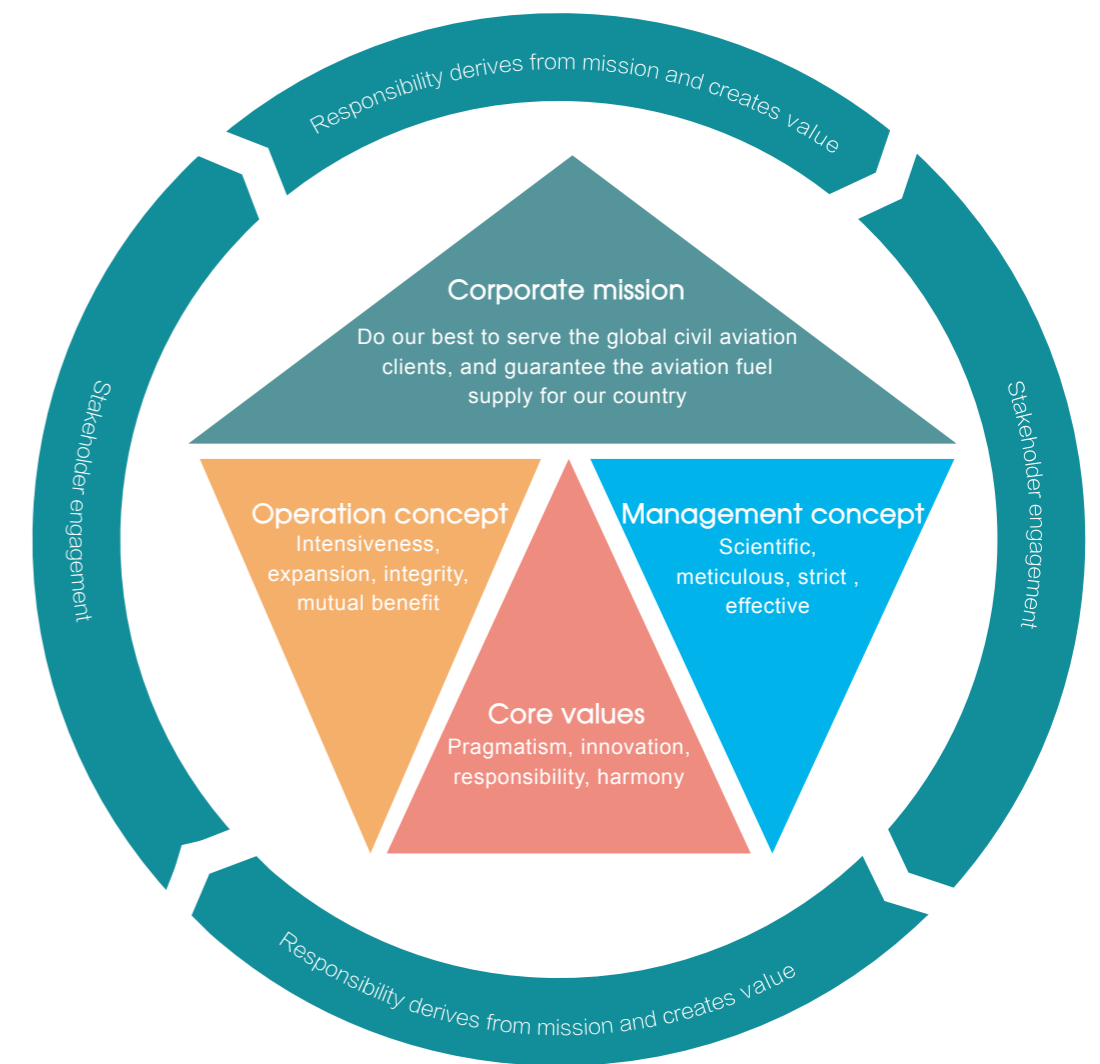
Social Responsibility Management

- ◆ Corporate social responsibility concept
- ◆ Social responsibility promotion management
- ◆ Stakeholder engagement
- ◆ Corporate social responsibility honor
- ◆ Associations the Group participated in



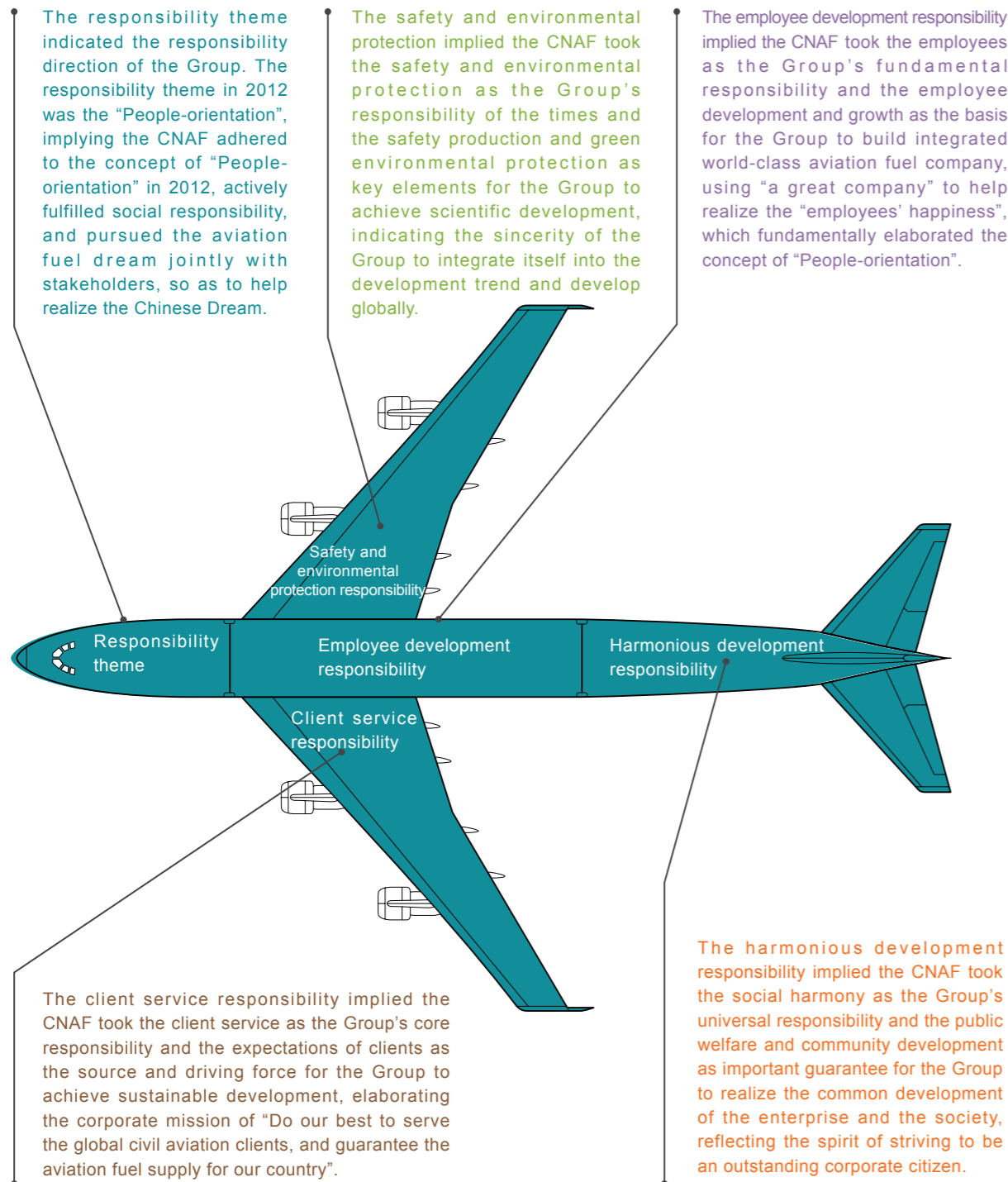
Corporate social responsibility concept

Responsibility derives from mission and creates value. Bearing in mind the mission of "Do our best to serve the global civil aviation clients, and guarantee the aviation fuel supply for our country", adhering to the core values of "Pragmatism, innovation, responsibility, and harmony", and insisting on the corporate vision of "A great enterprise with happy employees", we practice the responsibility in the process of development, create value in the fulfillment of responsibility, and closely integrate the social responsibility concept and the corporate culture of the Group Corporation jointly with stakeholders, which preliminarily formed the corporate social responsibility outlook with the aviation fuel characteristics.



◎ Corporate social responsibility model

Based on the model airplane, the corporate social responsibility model of the CNAF that integrated the social responsibility concept and the social responsibility key fields comprehensively exhibited the industry characteristics of the CNAF's service to civil aviation industry, and fully presented the responsibility characteristics of the Group Corporation's concerns to stakeholders.



Social responsibility promotion management

In 2012, guiding by the social responsibility concept and responsibility strategy, and centering on the overall development strategic goal of the Group, we actively promoted the normalized and standardized development of social responsibility management.

◎ Organizational system construction

The Group established Steering Committee for Social Responsibility Work with the chairman of board of directors and the general manager acted as director and deputy director of the committee respectively, being responsible for the decision-making and supervision of social responsibility work. The Steering Committee for Social Responsibility Work has an editing office, and the liaisons of various departments and member enterprises were also appointed, so as to help promote the social responsibility work of the Group. The Research Office operated as the daily executive body, being responsible for the planning and carrying out the social responsibility social work of the Group.



◎ Responsibility capability enhancement

The Group Corporation attached importance to improve social responsibility awareness and capability of the directors in charge of social responsibility and the employees, earnestly learnt the "Implementation Program on Harmonious Development Strategy of the Central SOEs during the 12th Five-Year Plan Period" issued by the State-Owned Assets Supervision and Administration Commission and other relevant documents, actively organized related personnel to participate in various social responsibility trainings, and thoroughly realized the latest developments in the field of social responsibility, so as to provide guarantee for the smooth promotion of social responsibility work.

In 2012, the Group Corporation organized training courses on social responsibility to train the management staff in charge of social responsibility at the grassroots units, in which a total of 60 plus people participated. The Group Corporation organized its management staff in charge of social responsibility to participate in four special topic training courses held by the State-Owned Assets Supervision and Administration Commission, the China Enterprise Confederation, and other organizations successively.

Case The Group Corporation actively participated in special topic training on corporate social responsibility held by the SASAC

In June, 2012, the Group Corporation actively participated in the situational training on corporate social responsibility held by the State-Owned Assets Supervision and Administration Commission (SASAC), revealing the responsibility awareness of the Group. During the training, the directors in charge of social responsibility of the Group also conducted in-depth communication and exchange with their counterparts from other central state-owned enterprises, expanding the vision and improving the capability.



"By adopting the form of situational training, and with the trainees' engagement and the experts' comments, we conducted a more comprehensive training on the topic of how to integrate the social responsibility concept into the corporate operation and management. The trainees reacted enthusiastically to this new form of training and said it was productive."

—Shao Ning, deputy director of the SASAC of the State Council

Peng Huagang and Chu Xuping, director and deputy director respectively of the Research Office under the SASAC of the State Council were presented at the training



◎ Responsibility information disclosure

The Group Corporation attached great importance to the social responsibility information disclosure, took the initiative to enhance the communication and exchange with stakeholders, so as to make them to know and understand the CNAF, and that make them to support the implementation of various works of the CNAF.

In 2012, the Group released its first corporate social responsibility report to the public, delivered the corporate concept and commitment to stakeholders, and exhibited the corporate practices, performance and commitment in terms of social responsibility fulfillment. We strengthened the construction of social responsibility channel at the corporate website, and added social responsibility column at its homepage, so as to disclose the latest developments in the aspect of social responsibility work in a timely manner. We took the initiative to make communication and cooperation with various media, and organized 12 national media including the People's Daily, the Xinhua News Agency, and the CCTV to the Group Corporation to conduct on-site interview, so as to exhibit the highlights and features of social responsibility fulfillment to stakeholders, and improve the responsibility image of the Group.



2011 Corporate Social Responsibility Report of CNAF



The press conference site of the 2011 Corporate Social Responsibility Report of CNAF

Stakeholder engagement



◎ Stakeholders, expectations, and responding measures

Stakeholders	Expectations and demands	Responding measures
 Government	Tax payment Providing opportunities of employment Promoting economic development	Issuing policies and directives Participating in meetings held by national ministries and commissions as well as local governments Special-topic reporting Reporting and visiting
 SASAC	Improving profitability and core competitiveness Safeguarding the value preservation and increment of state-owned assets Exerting the social and economic value of state-owned enterprises	Work reporting Participating important meetings Keeping daily communication
 Shareholder	Reducing business risk Increasing the corporate value and market capitalization Publicly disclosing important corporate information Protecting shareholders' interests Operating in accordance with laws and regulations	Intensive operation Professional management Integrated development Conducting corporate governance in accordance with laws Risk management and control
 Client	Providing high-quality client service Guaranteeing high-quality aviation fuel supply	Safeguarding the security of aviation fuel supply Improving the client service value
 Employee	Respecting the rights and interests of employees Providing a good development space Offering a safe and healthy work environment	Abiding by labor laws and regulations Offering career planning for employees Promoting the "Care Project" for employees
 Partner	Establishing good cooperative relations Achieving common development of industry chain	Carrying out strategic cooperation; Strengthening information communication
 Community	Being a good corporate citizen Information transparency Ensuring a safe and environmentally-friendly surroundings	Poverty alleviation Volunteering activities Public welfare donations
 Environment	Environmental protection Energy-saving Countering the climate change in a positive way	Energy-saving and emission reduction Promoting the "Green Office" practices Participating in the R&D and application of bio-fuel

Corporate social responsibility honor



The "Most Transparent Company" of Singapore

One of the Singapore International 100 Companies

"Outstanding Contribution Prize for Fixed-Point Poverty Alleviation" awarded by the Hebei Province

China's most valuable role model in terms of management in 2011

Associations the Group participated in





Safeguarding Aviation Fuel Supply

- ◆ Safeguarding stable aviation fuel supply
- ◆ Helping realize coordinated regional development
- ◆ Actively expanding international business
- ◆ Comprehensively promoting management improvement
- ◆ Constantly improving service level



As the "national team" of aviation fuel, the CNAF has been working hard to serve the national economic and social development, and the civil aviation industry development, comprehensively improving the service quality and level, trying the best to guarantee the security of national aviation fuel supply, earnestly fulfilling the service commitment of "Where there is a plane, there is into-plane fuelling service provided by CNAF", and making great contributions to the development of civil aviation transportation industry and the convenient travel of the public.

Safeguarding stable aviation fuel supply

◎ Enhancing resources supporting capability

The CNAF constantly enhanced the strategic cooperative relations with petroleum and petrochemical enterprises, and strengthened the communication and coordination with oil refineries, railway authorities and other related parties. It overcame the difficulties of oil refinery overhaul, shipping suspension of the Yangtze River, and airport transition, and took multi-measure to ensure the main channel of aviation fuel resources supply, making the proportion of aviation fuel purchasing from the three major oil enterprise to reach 68.5 percent of the total supply amount by completing regular coordination and communication mechanism, and signing aviation fuel supply framework agreements, which effectively guaranteed the stable supply of aviation fuel resources. It continuously strengthened the cooperation with international resources suppliers, and increased the channels of resources acquisition by means of joint venture partnership and equity participation, so as to form effective supplement to domestic resources.



Signing framework agreement with the Sinopec Group



Signing framework agreement with the CNPC

◎ Completing aviation fuel supply system

The CNAF actively promoted the construction of airport oil supply facilities, and accelerated the construction of dual pipeline system at international airports and pipeline system at regional airports. It speeded up the construction of four major oil storage bases in the Bohai Rim, the Yangtze River Delta, the Pearl River Delta and the Southwest region, forming a nationwide logistics network. It optimized various modes of transportation such as the railway, waterway, pipeline and highway, completed the oil products distribution system, and established an independent and integrated aviation fuel supply system across the country.

Currently, the CNAF has established the nationwide aviation sales network and oil products distribution system, owning 15 special wharfs, more than 2,500-kilometer-long pipe laying, 54 railway special lines, 85 operation routes, nearly 240,000 tons of water transportation capability, and 4.7 million cubic meters of petrochemical reserve capability. It offered fuelling services to 215 domestic and foreign airlines at 172 airports across China.

Accomplishing important support tasks

The CNAF attached great importance to aviation fuel resources support in key periods and under special circumstances, always taking the aviation fuel supply in key periods of holding national important events and responding to the major natural disasters as the core of fulfilling political and social responsibilities, increasing transportation capability, carrying out scientific dispatching, and sparing no efforts to guarantee the successful completion of tasks. In 2012, the CNAF successfully completed the aviation fuel transportation support task in key periods such as the period of holding the 18th National Congress of the Communist Party of China (CPC). Especially, it creatively conquered the oil unloading at high flood water level during the period of Yangtze River flood disaster, solving the pressing need of aviation fuel supply in the Southwest region, which guaranteed the development of civil aviation industry of this region.



The North China branch of the CNAF provided support for special planes of the 18th CPC National Congress

Case Xinjiang branch escorted "China-Eurasia Expo"

In September, 2012, the Xinjiang branch of the CNAF successfully completed the aviation fuel supply and air defense security tasks for the second "China-Eurasia Expo" by overcoming various difficulties, supporting 4,846 sorties of flights, and fuelling 25,328 tons of aviation fuel.



Case CNAF provided full support for aviation fuel supply of Chongqing

In July, 2012, Chongqing suffered five peak floods as for the continuous strong rainfall at the Yangtze River upper reaches, resulting in limited supply of aviation fuel at the Chongqing Jiangbei International Airport. The CNAF promptly set up joint emergency office to support the aviation fuel supply in a unified and coordinated way, successfully completing the aviation fuel resources support task for Chongqing.



Case CNAF accomplished support task for "Spring Festival Travel"

During the 40-day-long "Spring Festival Travel" season, which was from January 8, 2012 to February 16, 2012, the CNAF provided full support to guarantee the stability of aviation fuel supply and the safety civil aviation transportation, fuelling 1.55 million tons of aviation fuel for 253,000 sorties of flights both from China and abroad, up 12.1 percent and eight percent from a year earlier respectively.



Helping realize coordinated regional development

Supporting regional aviation

To develop regional aviation is the demand of implementing the strategy of making China as a strong civil aviation country, as well as the inevitable trend of China's aviation transportation industry for the regional aviation plays an important role in improving the local traffic conditions, promoting tourism, and boosting regional economic and cultural development. Though the loss resulted from the regional airport aviation fuel market brought along great effects to the operation of the Group Corporation, the CNAF always took the aviation fuel supply to regional airports as the key to support local economic and social development, overcoming difficulties of the long-distance of aviation fuel resources transportation as well as the high-cost of operation, enhancing coordination, improving support capability, taking the initiative to undertake the aviation fuel supply for all the regional airports with operating loss, and making outstanding contributions to economic prosperity and stability of less developed regions. In 2012, the CNAF took over the business of supplying aviation fuel to four regional airports of Wuzhou, Baise, Zunyi and Jiagedaqi, making the number of airports with aviation fuel supply from the CNAF to 172, among which 147 were regional airports, taking a proportion of 86 percent.



Enhancing infrastructure construction

In 2012, the CNAF continuously promoted the construction of key projects. It has completed a batch of major aviation fuel projects such as the Kunming's new airport project and the second-phase expansion project of Xi'an Xianyang International Airport, as well as 11 national oil reserve projects, all of which have been put into production, greatly boosting the CNAF's support capability of aviation fuel. Also, the Pinghu logistics base has put into operation, the Tianjin Nanjing storage and transportation base would be completed by 2013, and the Pengzhou pipeline project, the Lianyungang base project, and other projects all went smoothly. The Group Corporation strengthened key project construction management, released 13 documents for project management, and preliminarily established project construction management system and project pricing reference system, which further improved the project construction management level.

Case CNAF signed cooperative agreement on aviation fuel storage and transportation base with Lianyungang

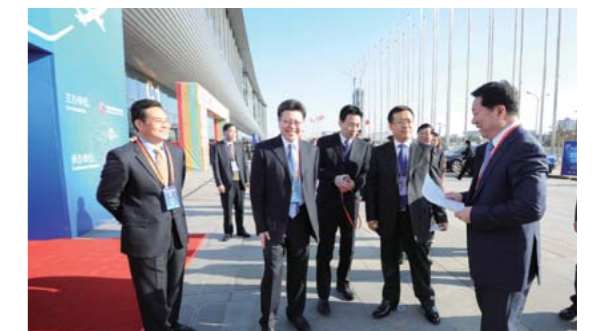
In May, 2012, the CNAF signed the cooperative agreement on aviation fuel storage and transportation base with the Lianyungang city, marking the storage and transportation base project to enter the substantial development phase. Once the project completed, the CNAF would provide strong support for the national aviation fuel supply security, meet the aviation fuel demand of the Lianyungang city and its surrounding areas, and offer better energy support service for the rejuvenation of northern Jiangsu and the development of areas along the east Lianyungang-Lanzhou Railway.

Actively expanding international business

The CNAF actively strengthened the cooperative relations with companies both at the upstream and downstream of the industry chain, vigorously expanded overseas oil supply business, and established and accelerated the strategic cooperation with China's three major airlines of the Air China Limited, the China Southern Air Holding Company, and the China Eastern Air Holding Company in international market. It realized the goal of offering aviation fuel supply service in Asia-Pacific, North America, Middle East, Europe, and other important regions for these three airlines in less than two years. In 2012, the international oil supply business of the CNAF covered 20 plus airports from 13 countries and regions across four continents, and the amount of oil supply reached more than 600,000 tons, breaking through the historical record.

Case CNAF organized international aviation fuel meeting successfully

In April, 2012, the CNAF successfully hosted the "2012 International Aviation Fuel Conference & Exhibition" in Beijing, which was the first international conference on aviation fuel held in China with such high profile and such scale. A total of more than 600 people from relevant departments of the Chinese government, international industry associations and leading companies of the industry both at home and abroad participated in the conference, focusing on industry development, and carrying out in-depth discussion from various perspectives on such hot topics as energy, future development of civil aviation industry development, quality safety, energy-saving and environmental protection, and bio-fuel.



Comprehensively promoting management improvement

In 2012, the CNAF attached great importance to management improvement activities, and established a leading group for management improvement with the chairman of the board of directors and the general manager as the heads, being responsible for the promotion of management improvement activities. The Group Corporation earnestly summarized the working experience of the "Three Basics" construction in the past years, and formulated detailed management improvement activity plan and specific tasks and measures in a process of four-stage promotion in accordance with the overall concept of intensive operation, professional management, integrated engagement, so as to practically implement the various measures for management improvement, and achieve effective results.



Scene of the management improvement conference

Holding meeting

Organized video mobilization meeting on the promotion of management improvement activities, and 300 plus management personnel at various levels of the Group Corporation participated in the meeting

Putting forward methods

Put forward "matrix" self-diagnosis method, found a total of 664 vulnerable items of management, and identified 72 items to be improved specially

Conducting self-diagnosis

Organized various departments to carry out the construction of regulatory institutions, reviewing 36 regulations and revising seven regulations

Issuing opinions

Issued "Guiding Opinions on Management Improvement Activities", and based on the actual situation of the Group Corporation, clarifying the goals, time points, assessment requirements and other contents relating to management improvement

Formulating detained rules

Formulated and issued the "Implementing Measures on Management Improvement Activities Assessment", expanded the assessment indicators of work, and formed 27 assessment points from 13 indicators across four categories

Promoting work process

Formed overall disposal plan for the "tertiary industry" enterprises (referring to enterprises established by the state-owned enterprises but registered as collective enterprises), and actively coordinated the work process promotion with related units and departments, so as to complete all the cleanup work as soon as possible



Constantly improving service level



Case CNAF Cheng Fei implemented "Golden Idea" activity

The CNAF actively built the client demand-oriented high-quality service system, constantly strengthened the strategic cooperation with aviation transportation enterprises both at home and abroad, and strived to become the easy choice of domestic airlines in terms of oil supply at airports across the country by enhancing client service and improving service quality and level. The Group Corporation actively expanded and enlarged the aviation fuel bonds marketing, promoted the airports located in coastal cities and cities along rivers to set up aviation fuel bonded warehouse, and tried the best to offer value-added service level.

In 2012, the Shanghai Cheng Fei Aviation Special Equipment Company Limited, a subsidiary of the CNAF, carried out the award-winning solicitation activity of "Golden Idea - Offering Advice for Plane Refueller", inviting clients across the country to offer advice and make suggestions for improving performance of various refueller and supporting vehicles manufactured by the company. By the brainstorming and understanding the customized demand of clients, the company constantly improved the product design and further enhanced the product quality as well as the after-sales service awareness.



Case CNAF Tianjin branch actively explored new approach for client management

In October, 2012, the CNAF Tianjin branch and the Tianjin Airlines Co., Ltd. held exchange meeting on businesses of payment settlement and VAT (value-added tax) special invoice, which was a step the Tianjin branch took to explore new approach for client management. The main contents of meeting included the payment settlement, payment review and mode of payment, and the drawing up of VAT special invoice. The branch took this opportunity to explore new thinking on client service, make innovation on new mode of client service, improve client service quality, and meet the new demand of client cooperative relations under new situations, so as to realize further management improvement of client service capability and client relations.

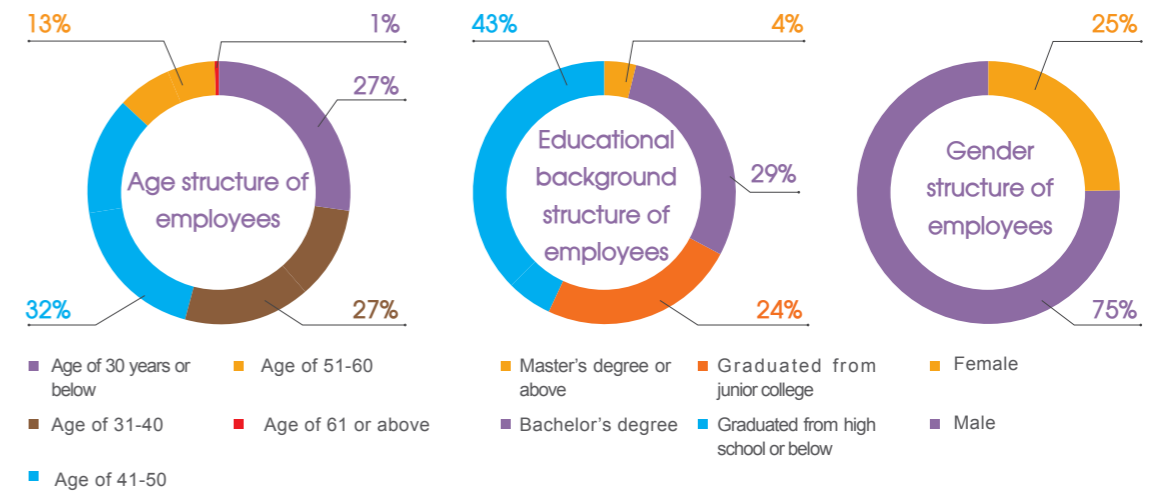




Paying Attention to Employee Care

- ◆ Safeguarding legitimate rights and interests of employees
- ◆ Fostering career development of employees
- ◆ Promoting employee care project
- ◆ Enhancing professional ethics of employees
- ◆ Enriching spiritual life of employees

Adhering to the corporate vision of "A great enterprise with happy employees", the CNAF always took the realization, maintenance, and development of the fundamental interests of employees as the starting point and the ultimate objective, protecting their legitimate rights and interests, fostering their career development, actively boosting the "Care Project", enriching their cultural life, solving their most practical problems of the greatest and most direct concern, striving to provide favorable development opportunities and broad space for them, and promoting the harmonious unification as well as the common growth of the Group and the employees.



Safeguarding legitimate rights and interests of employees

◎ Signing labor contracts in accordance with laws and regulations

Strictly abiding by the Labor Law of the People's Republic of China and other laws and regulations, the CNAF signed labor contracts with employees in accordance with laws, and earnestly implemented such employment policies as gender equality and equal pay for equal work. In 2012, the labor contract signing rate was 100 percent.

◎ Protecting occupational health of employees

The CNAF attached importance to protect the occupational health of employees. The Group Corporation provided good medical care coverage for employees, and carried out mental health tutoring, so as to guarantee their physical and psychological health. It monitored the occupational hazard factors of workplace, formulated responding labor protection standards in accordance with different conditions, and constantly improved the equipment construction and labor protection level. It also tracked closely and conducted research on the influence of operational environment change of key posts such as into-plane fuelling and the operation change to employees, putting forward responding prevention measures and solutions.

◎ Completing compensation and benefit system

The CNAF further completed the construction of compensation and benefit system. In 2012, the Group Corporation issued the "Notice on Further Regulating Compensation and Benefit Management Work", deepening and regulating the management of compensation and benefit of employees.



The Group Corporation held seminar on traditional Chinese medicine and health maintenance in Autumn

◎ Perfecting democratic management mechanism

The CNAF attached importance to the principal status of the masses, guided the employees to participate in the corporate management, and strengthened the democratic management mechanism. In 2012, the Group Corporation researched and formulated the "Implementing Measures on Democratic Management of China National Aviation Fuel Group Corporation", further completed the democratic management system that adopted the workers' representative congress as the basic mode, combined the democratic management with the corporate production and operation, the vital interests of employees, and the integrity and self-discipline of cadres, and fully exerted the role of employees in democratic participation and democratic supervision. It implemented the work system on openness of enterprise affairs in a deep-going way, and publicized and released information of appointment and dismissal of cadres, as well as establishment and implementation of rules and regulations, so as to guarantee the information and supervision

rights of employees to major corporate events. It also improved the equally-consulted collective contract system, perfected the articles of collective contract, and urged and assisted member enterprises to sign collective contract with their employees, so as to better safeguard the rights and interests of employees.

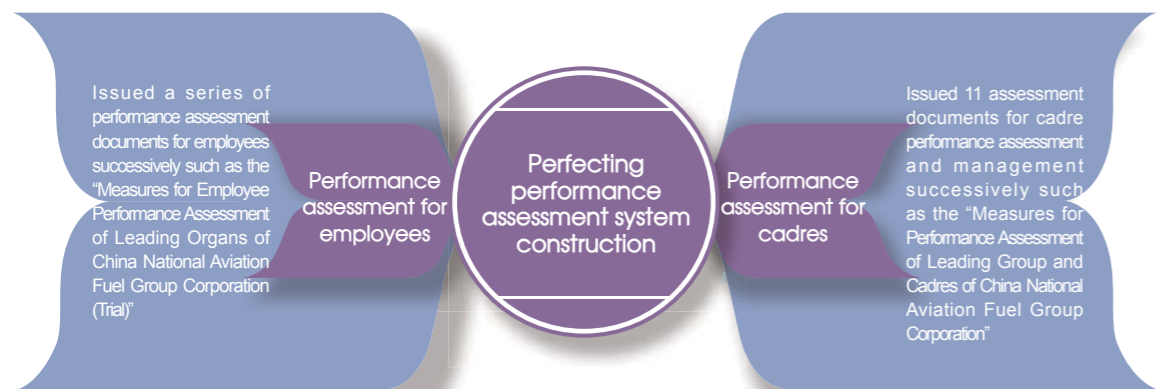


The Employee Directors of the first Directorate elected by the Worker's Representative Congress of the Group Corporation

Fostering career development of employees

◎ Optimizing performance assessment system

The CNAF established performance-oriented performance assessment system, regulated performance assessment procedure and operation process for employees, and combined the performance assessment with the compensation, training, promotion and outstanding-performance awarding, and so on. Meanwhile, it further completed cadre management system, practically promoted the normalization of cadre assessment, urged cadres to fulfill their responsibilities, constantly improved the operation management level, and continuously boosted the organizational behavior performance, so as to fully exert the function of value-orientation of performance assessment.



◎ Strengthening career development planning

The CNAF formulated "Guiding Opinions on Employee Career Development Planning of China National Aviation Fuel Group Corporation", and established different career development paths in accordance with the principles of systematization, long-term development, and dynamic management, provided three development paths for employees, i.e., managerial path, technical path, and path of professional skills, promoted the combination of individual development requirements and the corporate development strategy, and boosted the consistency of corporate sustainable development and individual career development of employees. In 2012, the Group Corporation opened up a promotion channel for ordinary management personnel, and guided the measures for ordinary management personnel promotion of member enterprises, guaranteeing comprehensive coverage of promotion work. In addition, it paid special attention to strengthen the construction of team of professional technical employees and team of employees with skills, building platform, creating opportunities, and enhancing cultivation, so as to constantly improve the working capabilities and comprehensive qualities of employees.



CNAF northwest branch promoted oil depot duty manager system

To further optimize the human resources and improve production and operation management efficiency, the CNAF northwest branch adopted various measures to promote the implementation of oil depot duty manager system, which provided broader platform for entry-level management personnel to exploit their talent, practically improved the management level of team leaders at grassroots units, and ensured the smooth implementation of aviation fuel support work at the T3 Terminal of Xi'an Xianyang International Airport.



◎ Deepening training mechanism construction

Centering on the corporate development strategy and talent team construction planning, the CNAF completed the cultivation and training management mechanism, formulated training management measures, and organized and carried out four kinds of trainings, i.e., training course, qualification-oriented training, post-based training and induction training. By holding training courses for backbone personnel and middle-aged and young cadres, the Group Corporation trained a total of 300 executives and middle-aged and young cadres, effectively improving the working capabilities and professional qualities of employees. It also comprehensively conducted "CNAF Iron Army" building activity, carried out classified trainings for all the cadres and employees, and organized large-scale post-oriented trainings and technological competitions, so as to increase the working experience of employees in different posts. Meanwhile, it established the "CNAF College of Online Education", and jointly launched digital library with the portal of cnki.net to provide learning materials for management staff and professional personnel of the Group, further improving the basic management quality.



The CNAF held advanced training course on modern enterprise management jointly with Tsinghua University



The CNAF Fujian branch carried out oil depot equipment training

Promoting employee care project

During the process of carrying out and promoting the "Care Project" for employees, the CNAF stressed repeatedly that the Group must adhere to the purpose of "People-orientation", respecting and safeguarding the principal status and mastership position of employees, taking their rights and interest as priorities of the work, caring their benefits, improving their qualities, and realizing their development. Gathering wisdom and strength from employees in the process of joint construction and results-sharing, the Group Corporation strived to make employees as the strong driving force and power source for corporate reform and development.

"The 'Care Project' and the practices of gradually solving the equal pay for equal work problem of the labor dispatching workers are doing just fine, so the experience must be earnestly summarized."

—Wang Zhaoguo, Member of the Political Bureau of the Central Committee of the CPC and Chairman of the All-China Federation of Trade Unions

Feature



To ease the pressures of high-skilled talent shortage in professional skills posts as well as the employment of staffs offspring, the Civil Aviation Management Institute of China offered junior college-level aviation fuel course with the approval of the Ministry of Education. Currently, a total of 314 students have been enlisted. The graduates would be recruited on a selective basis in accordance with the requirements of various posts.

By the end of 2012, a total of 323 dispatching workers with high-performance have turned into regular employees of the Group Corporation. Based on the pilot work, the system for selecting dispatching workers has fully implemented, and some member enterprises also launched a system for selecting regular employees from the recruited non-regular workers.

More than 7,000 employees, 600 plus retirees, and more than 3,000 children of employees all covered by the supplementary medical insurance of the Group Corporation. Thanks to the basic medical insurance and the supplementary medical insurance, the expenses paid by employees themselves for medical treatment almost reduced to zero, and that for employees suffering major diseases also decreased greatly.

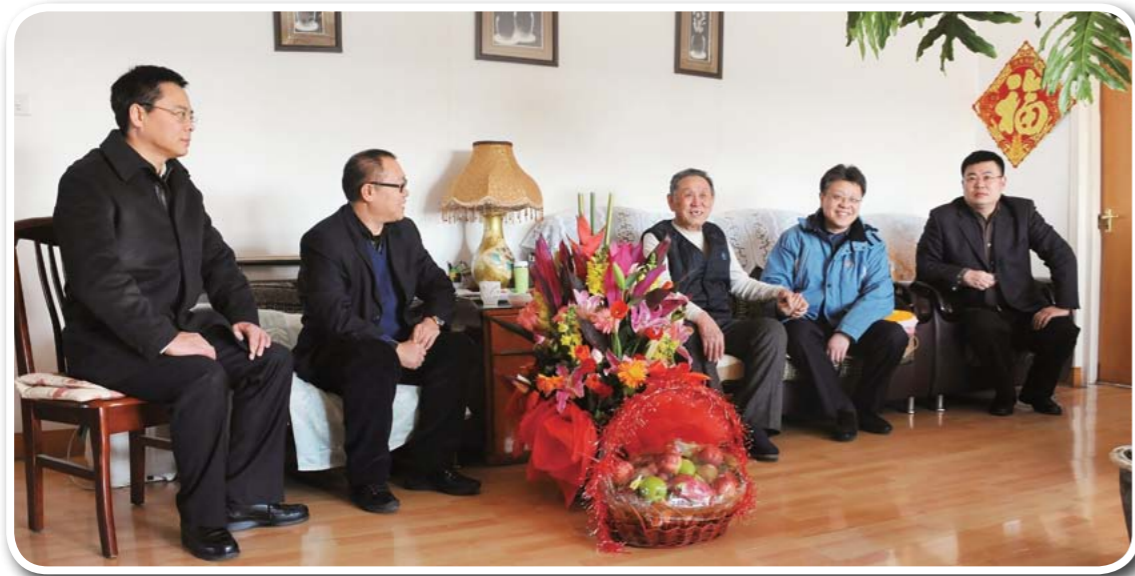
It accumulatively raised more than five million yuan, supporting 100 plus families with difficulties. Once unexpected disaster happened, it promptly lent a helping hand. By the end of 2012, it has allocated 1.419 million yuan of relief fund.

With a total of 380 billion yuan, the Group Corporation granted one-off housing subsidy to 5,000 long-time employees, and extended monthly house subsidy to nearly 500 newly-recruited employees, which not only basically solved the historical problems in terms of housing for employees, but also established new mechanism of housing distribution featuring monetization, socialization and marketization.

The Group Corporation further enhanced the support for employees at the production line and in the remote areas, improving the allowance and subsidy level. In 2011, though with limited gross payroll, the Group Corporation raised the salaries of all employees, and doubled the allowances of night duty, occupational skill appraisal, and professional skills. The income of the Group leaders was strictly in line with the standards authorized by the SASAC, the post-related consumption was regulated, and all the subsidies were cancelled.



The Group Corporation vigorously carried out the "Considerate Care" activity, delivering considerate care to employees at the production line and model workers. In Summer, the leader of Group sent beverage and fruits such as mineral water and watermelons to employees at the grassroots units, and in Winter, they sent materials defending against the cold like cotton clothes to them.



◎ Cultivating youth employees

To promote the rapid career development and inspire the work enthusiasm of youth employees, the CNAF attached great importance to their cultivation and training. The Group Corporation urged the youth employees to make great achievements and build "Youth Aviation Fuel Iron Army" by carrying out a series of activities such as conducting post-oriented trainings, creating learning organizations, striving to be knowledge workers, selecting role models, and publicizing exemplary deeds. It also implemented youth innovation- and efficiency-achieving activities like "Youth professional skills month", "Youth professional skills exchange month", and post-oriented technological innovation, exerting the subjective initiative and fully mobilizing the innovatory enthusiasm of youth employees.



China Aviation Oil Import & Export Co. held youth lecture activity

In September, 2012, the China Aviation Oil Import & Export Co., Ltd. held the "Youth Lecture" themed with "Fundamentals of economics – market demand, supply and equilibrium price", using vivid charts and simple words to explain and review the knowledge relating to market demand, supply and equilibrium price. All League members and some youth employees of the company participated in this activity.



CNAF Qingdao branch held youth knowledge contest

To actively promote the in-depth implementation of "Youth-led management improvement" and constantly enhance the creativity, cohesion and combat capability of youth team, as well as educate and guide the youth to exert the functions of vital forces and storm troops in the safety and service work, the company organized the youth knowledge contest themed with "Youthful vitality and 'Iron Army' spirit" in September, 2012.



◎ Concerning with dispatching workers

The CNAF always paid attention to and cared for the dispatching workers, actively formulated system for turning them into regular employees, and implemented the policy of equal pay for equal work. Based on the pilot work in 2010 and the comprehensive implementation of the system of turning dispatching workers into regular employees in 2011, the Group Corporation turned another 198 dispatching workers into regular employees in 2012, accumulatively turning 323 people into regular employees since 2010. By the implementation of this work, it established a new salary system linking to agreement salary and post-performance salary, which fully mobilized the work enthusiasm of the dispatching workers and increased their sense of belonging and identification.



A newly dispatching worker-turned refueller operator was in an interview with CCTV reporter

◎ Caring for female employees

To safeguard the legitimate rights and interests as well as the special interests, and promote the common development between female employees and the Group, the CNAF signed "Contract for Special Protection of Female Employees of China Aviation Fuel Group Corporation" with female employees in accordance the "Labor Law of the People's Republic of China", "Law on the Protection of Women's Rights and Interests" and "Implementing Measures for Labor Protection of Rights and Interests of Female Employees in Civil Aviation System", and so on, implementing the mutual fund for major diseases of female employees, enhancing labor protection, and safeguarding the physical health of female employees. The Group earnestly implemented the "Regulation on the Work of Female Employee Committee of Labor Union", and established and completed management measures on "Outstanding female employee" and "Outstanding female employee demonstration post", commending outstanding female employees and promoting the heroines' spirit.



Nanjing branch organized female employees for travelling

The CNAF Nanjing branch organized all female employees to visit Wuxi, effectively integrating the publicity and implementation of being outstanding female employees into the tour. The company encouraged and called on the female employees to fully demonstrate the aviation heroines' spirit of "Beyond outstanding" under the guidance of the new corporate goal by working hard.



"Frontier Flowers" post of Xinjiang branch awarded "National May 1st Outstanding Female Employees"

In 2012, the post of "Frontier Flowers" of the Quality Measurement Center under the CNAF was awarded the "National May 1st Outstanding Female Employee Post" by the labor union of the Civil Aviation Administration of China on March 8, the International Women's Day, voicing loudly of the contributions made by female employees.



◎ Supporting employees with difficulties

Keeping its promises of not letting one employee family live under the poverty line, not letting one child of the corporate staff cannot afford to go to school, and not letting one employee cannot afford to see a doctor, the CNAF paid great attention to special groups of employees in poverty and employees with sick. The Group Corporation formulated "Management Measures on Mutual Fund for Employees with Difficulties of China National Aviation Fuel Group Corporation", established and completed the archive of employees with difficulties, provided support for employees in such four categories as with difficulties in life, with difficulties in medical care, with difficulties for children to go to school and with special difficulties (unexpected disaster), and realized the institutionalization and normalization of the support and assistance work. By the end of 2012, it has allocated 1.419 million yuan of relief fund.



Leaders of grassroots units visited a sick employee

◎ Taking care of retired employees

The CNAF always paid great attention for the care of retirees, strengthened the retiree management mechanism construction, and established retiree management center of the Group Corporation, offering service for retirees and providing organizational support for their life. In 2012, the Group Corporation organized retirees to carry out learning, discussion, excursion, artistic performance and other activities, enriching the spiritual and culture life of retirees. It cared for the life of the retirees, visited them on every major festival, promptly solved their difficulties encountered in life, and took care of the retired comrades in sick or being hospitalized, offering considerate and satisfactory service for retirees.



The Group Corporation organized retirees of the leading organs to participate in the Double Ninth Festival picking activity



The CNAF Southwest branch held various activities for retirees of the Group

◎ Improving work and life environment

The Group Corporation seriously researched and actively implemented the employee care measures. The affiliated companies at all levels paid special attention to improve the life environment and work conditions for employees in terms of hardware, offering favorable work and life environment for them.



Tibet branch comprehensively improved life and working conditions of employees

In 2012, the CNAF Tibet branch made special efforts to improve the life and working conditions of employees, constructed new dormitory and toilets, completed workplace facilities, built sun roof for oil unloading platform, and increased multimedia conference room, providing a good work environment for employees in remote areas.

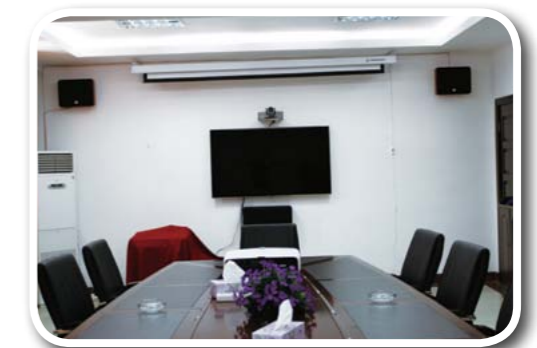


The old accommodation environment

The new accommodation environment



Sun roof for oil unloading platform



Multimedia conference room

Enhancing professional ethics of employees

Professional ethics is the code of ethics and standard of behavior that should be abided by employees in occupational activities. Observing professional ethics and improving personal cultivation not only concern the professional reputation and career planning, but also affect the establishment and maintenance of corporate image, influencing the corporate sustainable development. In 2012, the Group Corporation made special efforts to enhance professional ethics construction, requiring the employees and managers to practice the standards of behavior of "Love CNAF and dedicated to work, positive and respectful, keep learning and being disciplined" and "Ambitious and learned, act as role model and cherish the present, self-discipline and communication" respectively, and integrating the punishment and prevention system construction and the anti-corruption and advocacy of integrity education into the professional ethics education, so as to promote leaders at different levels to be honest and self-disciplined, and employees to be dedicated, developing good occupational habit.

◎ Strengthened anti-corruption system construction

System construction is the necessary demand of strengthening anti-corruption and advocacy of integrity. The Group Corporation strived to effectively implement the anti-corruption and advocacy of integrity work by formulating and issuing the "Implementing Measures on Democratic Decision-Making of 'Three-Important and One-Large' Issues of China National Aviation Fuel Group Corporation" and the "Implementing Measures on Responsibility System of Party Work Style and Clean Administration Construction of China National Aviation Fuel Group Corporation", and arranging Party committees (Party branches) of subsidiaries to sign the "Letter of Responsibility on Annual Party Work Style and Clean Administration Construction" and "Letter of Commitment on Clean-Working for Corporate Leaders", so as to prevent and solve the corruption issue from institutional aspect, and lay a solid foundation for the work of anti-corruption and advocacy of integrity.



CNAF inspected the Party work style and clean administration construction

At the end of 2012, the Group Corporation completed the on-the-spot assessment and inspection of the implementation of responsibility system on Party work style and clean administration construction at respective unit. According to the corporate policy, it increased the gross payroll of the subsidiaries winning the title of advanced units, and rewarded them with points in comprehensive performance assessment. For those unqualified subsidiaries, they would lose the qualifications to participate in advanced unit assessment in other fields. This time, the Group Corporation inspected a total of 16 units, and the outstanding rate reached 93.7 percent.

◎ Implementing professional ethics publicity

In 2012, the CNAF formulated "Implementing Measures on Integrity Culture of China National Aviation Fuel Group Corporation". Taking the integrity culture as its carrier, the Group identified the guiding ideology, fundamental principle, schedule arrangement, and work guaranteeing of integrity culture construction, focusing on the enhancement of professional ethics construction as well as the publicity and education, improving the self-consciousness of leaders and employees in terms of integrity and self-discipline, urging them to cherish posts, devote wholeheartedly to work, observe disciplines and obey laws.



Warning education exhibition themed with "Punishing bribery crime and maintaining fair competition order"

Enriching spiritual life of employees

The CNAF actively carried out the social and ethnical progress activity, promoted the corporate culture construction in a deep-going way, and held various recreational and sports activities, which broadened the employee care channel, enriched the spiritual and cultural life of employees, relieved the working pressure, and invigorated the employee group.



CNAF organized the 2nd rehabilitation activity for model workers

In August, 2012, the Group Corporation organized model workers to Dalian to participate in rehabilitation, learning and exchange activity, vigorously promoted the model worker's spirit, practically cared for their life and health, and protected and mobilized their work enthusiasm. During the activity, the model workers visited the Dalian West Pacific Petrochemical Company Ltd., fully understanding the production technique and quality control of aviation fuel, and conducting exchange on production safety and operational management.



The East China branch held Spring sports games



The logistics branch held debate contest



Yantai branch held sea angling activity



Fujian branch carried out the considerate care activity themed with "Cool Summer"

5

Focusing on Safety and Environmental Protection

- ◆ Completing safety and environmental protection system
- ◆ Strengthening safety and environmental protection management
- ◆ Enhancing emergency management
- ◆ Promoting energy-saving and emission cut
- ◆ Constructing safety and environmental protection culture



The CNAF regarded the safety production and environmental protection as the lifeline of corporate development, adhered to the concept of "People-orientation and safe development" and safety work guidelines of "Safety first and prevention first, comprehensive management and constant improvement", highlighted institution construction, responsibility implementation, hidden danger treatment, focused on safety of employees and safety in the process of operation, took the initiative to practice the concepts of environmental protection and low-carbon, created safe and environmentally-friendly work environment for employees, and shared safe and environmental protection value with stakeholders.

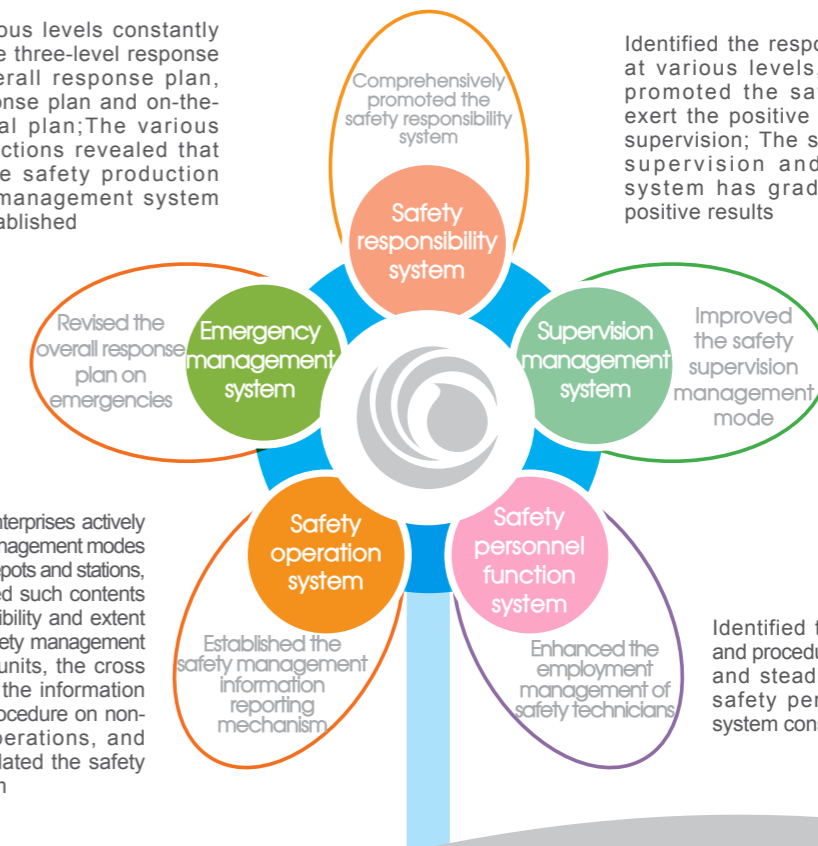
Completing safety and environmental protection system

In 2012, the CNAF comprehensively combed the rules and regulations on safety production, researched and formulated the "Safety Production Plan of China National Aviation Fuel Group Corporation During the 12th Five-Year Plan Period" and the "Emergency Management Measures of China National Aviation Fuel Group Corporation", revised the "Management Measures on Safety Production Expert Database of China National Aviation Fuel Group Corporation", launched construction on safety production management information platform, further guaranteed the safe and environmentally-friendly operation environment of employees from the aspects of system and institution, and safeguarded the personal safety of employees, laying a solid foundation for realizing the goal of "Zero accident, zero injury, and zero pollution" in terms of safety and environmental protection.

Signed letter of responsibility with all units of the CNAF; Promoted the effective implementation of safety responsibility and basic completion of safety responsibility system by enhancing supervision, evaluation and other measures

Units at various levels constantly completed the three-level response plans of overall response plan, special response plan and on-the-spot disposal plan; The various reality inspections revealed that the complete safety production emergency management system has been established

Identified the responsibility of units at various levels, and gradually promoted the safety experts to exert the positive role of in safety supervision; The safety production supervision and management system has gradually achieved positive results



The member enterprises actively explored the management modes on grassroots depots and stations, basically clarified such contents as the responsibility and extent of power on safety management at grassroots units, the cross operation and the information transfer and procedure on non-traditional operations, and gradually regulated the safety operation system

Strengthening safety and environmental protection management

◎ Enhancing operation field management

In 2012, the CNAF continuously completed the system on job qualification review and validation, promoted the permit implementation work on production posts, and formed the long-term mechanism of combating "Three violation behaviors". The Group Corporation launched special operations to crack down "Illegal activities against safety production" and held the "Looking back" activities, preliminarily set up the normalized work mechanism on the crackdown of "Illegal activities against safety production", and consolidated the achievements of special operations. It constantly enhanced the safety supervision on such links as the hazard identification, and responsibility fulfillment of principal leaders and management staff at operation field, and strengthened safety management and control on dangerous sections and key links. For high-risk operations, it conducted overall management and control from the link of examination and approval to the completion of operations, so as to avoid safety issued resulted from human factors, guaranteeing the operation safety of employees.



CNAF carried out special inspection on illegal activities against safety production

In June, 2012, the Group Corporation organized and carried out oil depot safety and special inspection on "Illegal activities against safety production". Led by of the Group Corporation leaders, the inspection group conducted spot checks on 16 units located in Beijing, Tianjin, Shanghai, Chongqing, Guangzhou and Shenzhen, focusing on the special inspection on oil depot safety, the special operation on "Illegal activities against safety production", and the implementation of investigation and rectification on "Illegal activities against safety production" after the "5/11 accident". For the problems found in the inspection, the units at various levels established archive for them in accordance with the regulations on hidden danger treatment and the assessment on these problems, conducting dynamic monitoring and closed-loop management.



◎ Ensuring oil quality safety

The CNAF established and implemented unified industry standard and support system on oil product quality in its system. The aviation fuel must meet the product specifications and demands of moisture content and particulate pollutant, and the quality control procedure covers all processes from oil refinery to filling station at airport. The quality control procedure include facilities and equipment, operation process, product inspection, personnel training, and relevant supporting records, reducing the interference of moisture content, impurities, and other pollutants, so as to ensure the quality and the traceability of oil products and provide quality guarantees to clients.



The CNAF Henan branch carried out oil quality control training

◎ Enhancing elimination of hidden dangers

Taking the safeguarding of employees' personal safety as the starting point and elimination of hidden dangers in production process as the objective, the CNAF carried out hidden danger treatment and crackdown on the "Three violation behaviors" in a deep-going way in 2012. Insisting on normalization, institutionalization, and systematization, the Group Corporation took the treatment of hidden dangers as important contents for the completion of safety production system, constantly enhanced the treatment of important and major hidden dangers, earnestly carried out special inspection on oil depot safety, and strengthened the special treatment on "Zero leakage" of key valves of ramp pipeline network, which practically solved the degradation of plane refueller, eliminated the hidden dangers of "Haixin 606" tanker and docking barge of Tangjiatuo wharf in Chongqing, ensuring the intrinsic safety of equipment.

In 2012, the whole system of the CNAF carried out 1,557 inspections on hidden dangers, finding 2,994 common hidden dangers and rectifying 2,789 with rectification rate of 97.4 percent.



North China branch inspected hidden dangers to guarantee safety

During the period of the 18th CPC National Congress, the CNAF North China branch carried out special activity for the supporting of the 18th CPC National Congress themed with "Inspecting each and every hidden danger to guarantee safety and stability". With the suddenly changed weather and temperature drop, the company identified and reassessed the potential hazards and environmental factors under conditions of destructive snow and ice disaster, continuously eliminating and reducing risks, so as to minimize the happening of various unsafe accidents. As for the routine work of oil loading, unloading, transfer and transportation, it focused on the inspection of facilities and equipment relating to existing posts such as explosion proof electric apparatus, equipment for fire and lightning protection, and antistatic equipment. It made special efforts to ensure the strict implementation of safety operation in oil unloading place. Also, it reexamined the parts and components of vehicles such as the engine, chassis, braking system, steering system, lubrication system, and lighting system, and so on to ensure their smooth operation during the period of the 18th CPC National Congress.



South China Bluesky Aviation Oil Co. won the President Award for hidden danger inspection in Q3, 2012

David Gilmour, Chief Executive of Air BP, presented the President Award to the South China Bluesky Aviation Oil Co., Ltd. for its outstanding work in carrying out inspection on hidden dangers during the third quarter of 2012. David spoke highly of the excellent work of the company in inspecting hidden dangers. The hidden danger of "rubble and gravel washed up to ramp by heavy rain could result in traffic accident" reported by Chen Zhihui, an plane refueller operator of the CNAF Guangdong branch, revealing the heightened senses of refueller operators to work environment, which was of great importance to eliminate risks to refueller and other vehicles at airport.



Enhancing emergency management

In 2012, the CNAF formulated the “Emergency Management Measures of China National Aviation Fuel Group Corporations” in accordance with the requirements of “People-orientation and harm reduction” of the “National Emergency Response Program for Public Incidents”, further completing the emergency management mechanism. The Group Corporation strengthened the arrangement and completion of various special preplans, organized and carried out trainings and seminars on emergency management, earnestly summarized the experience and shortages in emergency management, and promoted the emergency drilling week activity in a deep-going way, laying a solid foundation for the constant enhancement of emergency management and improvement of emergency handling level. Meanwhile, aiming at the special disaster weather of extremely cold and low temperature, freezing rain, drought, and flood that were emerged in some areas, it seriously implemented the safety support measures under the conditions of special disaster weather, guaranteeing the safety production in special periods.

In 2012, the whole system of the CNAF carried out 2,689 emergency drillings, among which 290 were comprehensive drillings and 2,115 were special drillings, constantly enhancing the level and capability of emergency handling.



The CNAF Southwest branch actively participated in specialized support emergency drilling



The CNAF Anhui branch carried out “Safety Education Month” fire drilling



The CNAF Shanxi branch carried out comprehensive actual combat drilling against terror attacks

Promoting energy-saving and emission cut

◎ Implementing energy-saving and emission cut actions

The CNAF earnestly implemented the spirit of conference on energy-saving and emission cut for central SOEs, and vigorously promoted energy-saving and emission cut. In 2012, the CNAF issued “Notice on Further Enhancement of Energy-Saving and Emission Cut”, arranged the Group’s energy-saving and emission cut work, carried out dynamic monitoring on assessment indicators of energy-saving and emission cut, and conducted strict assessment on energy-saving and emission cut of member enterprises, which strongly improved the management level on energy-saving and emission cut work.



Petroleum branch integrated energy-saving and environmental protection into project design and construction

The CNAF petroleum branch took full account of the requirements and regulations on energy-saving and emission cut as well as the environmental protection in the process of project design and construction. For example, the newly-built light oil tanks all adopted inner floating roof design, reducing both the oil vapor emission and oil product loss; supporting transformers and pump motors all adopted low-energy consumption products; the newly-built oil depots all equipped with sewage discharge treatment system. The equipment with backward technology and high energy consumption was eliminated or upgraded. The CNAF also reconstructed the lighting system of oil depots of Beijing and Shaanxi branches, and the boiler room and pump house of Shanxi branch, which reduced the energy consumption and the pollutant emission.

◎ Exploring new energy application

At present, bio-fuel is the research and developmental direction of the CNAF. In terms of infrastructure construction, to ensure the security of aviation bio-fuel, the design and construction of storage and transportation facilities of CNAF were conducted in strict accordance with national and industry standards as well as the special requirements of bio-fuel blending. As for the process management, the CNAF combed the whole process from the bio-fuel acceptance to its refueling, formulated process-based procedure, and compiled operation guide book. In the aspect of quality measurement, the CNAF conducted independent testing for bio-fuel and blended fuel in the light of national and industry standards and regulations.



◎ Actively promotion “Green Office” practices

The CNAF kept the general goal in sight and started with small steps, vigorously advocated the concept of “People-orientation”, and actively promote the “Green Office” and energy-saving practices, starting small to construct a beautiful environment with blue sky, green land and clean water. To save resources and protect environment, the CNAF constantly promoted the “Green Office” and “Paperless Office” practices, and comprehensively utilized the information platform to realize the total electronic management of various documents as well as the informationization management of human resources, financial and material assets. It conducted unified management on the paper use for printing and copying, reducing the unnecessary use of printing paper and the waster of paper, decreasing the office expenses, and improving the work efficiency.

Constructing safety and environmental protection culture

Enhancing safety and environmental protection awareness of employees

The CNAF enhanced the publicity and education of safety culture concept, further clarified that safety is the political responsibility of central SOEs, the basis of corporate development, and the principal responsibility of leaders at various levels, practically integrated a series of safety and environmental protection concepts such as the "Three-zero and five-100 percent", and the "Taking leaders as key, grassroots units as priority, and responsibility implementation as core" of safety and environmental protection work, the "Three major tasks and four important responsibilities" of grassroots units, the use of "Zero three violation behaviors and zero error" to ensure the goal of "Zero accident, zero injury, and zero pollution", and the "Using people-orientation as core, equipment intrinsic safety as key and constant safety as goal" into the daily works as well as the minds of employees, so as to realize the transition of safety and environmental protection concepts from the single safety production to all-around safety management featuring overall process and total involvement, as well as the transition of the mode of safety and environmental protection management and control from focusing on result control to paying more attention to prior control and process control, ensuring the leap and distillation of safety and environmental protection concepts.



Singapore branch carried out environmental protection activities

To enhance the recognition of employees to environment, the CNAF Singapore branch carried out a series of environmental protection activities jointly with the Singapore's National Environment Agency and local bio-diesel companies successively.



CNAF vigorously carried out safety production activities

In 2012, the Group Corporation formulated the "Plan for In-Depth Implementation of 'Safety Production Year' Activity of China National Aviation Fuel Group Corporation", constantly carrying out the "Safety Production Year" activity in a deep-going way. It also formulated the "Plan for Implementation of 'Safety Production Month' Activity of China National Aviation Fuel Group Corporation 2012", carrying out the "Safety Production Month" activity among the whole system of the CNAF. These activities increased the safety and environmental protection awareness of employees, and laid a solid foundation for safety production of the Group.



Carrying out safety and environmental protection training and assessment

The CNAF attached great importance to trainings on safety specialized knowledge and professional skills, and constantly improved the safety quality and emergency handling capability of employees, sparing no efforts to guarantee the safety production. In 2012, the CNAF promoted the Certified Safety Engineer training in a deep-going way, organized and carried out centralized training before the test and annual recurrent training, and constantly enhanced the construction of the certified safety engineer team. It organized and carried out assessment and employment work for the previous safety experts of the Group, and conducted safety management and specialized knowledge trainings for the newly appointed safety experts. It also conducted special topic training on oil depot safety management for directors in charges of the first-class and second-class oil depots, realized 100 percent of employment with certificate in terms of production post, strengthened the safety responsibility awareness of the directors, and improved their management level and specialized capabilities.



CNAF carried out oil depot safety management training course

The CNAF carried out special topic trainings for directors in charge of oil depot in such aspects as leadership, communication capability, quality management, measurement management and explosion proof electric management, and so on, and conducted exchanges and discussion on oil depot safety management and entity responsibility implementation, etc., so as to constantly improve the basic quality of the directors, enhanced their safety responsibility awareness, and promoted the regulated construction of oil depot, boosting the safety management level.



Xiamen branch held aviation fuel pipeline safety protection meeting successfully



In December, 2012, the CNAF Xiamen branch organized and held the Xiamen Gaoqi International Airport Aviation Fuel Pipeline Safety Protection Symposium. The participants of the symposium exchanged views on such issues as conducting joint law enforcement and constructing the four-in-one (government, enterprises, public security department and the masses) work mechanism in the aviation fuel pipeline safety protection work, and discussed and passed the "Joint Conference System of Xiamen Gaoqi International Airport Aviation Fuel Pipeline Safety Protection", and identified the member units and their coordinators, clarifying the respective responsibility. The success of the symposium further enhanced the communication and coordination between the CNAF branch and relevant units protecting the aviation fuel pipeline, which solidly strengthened the prevention and control system for aviation fuel pipeline safety.



Supporting Public Welfare and Charity Cause

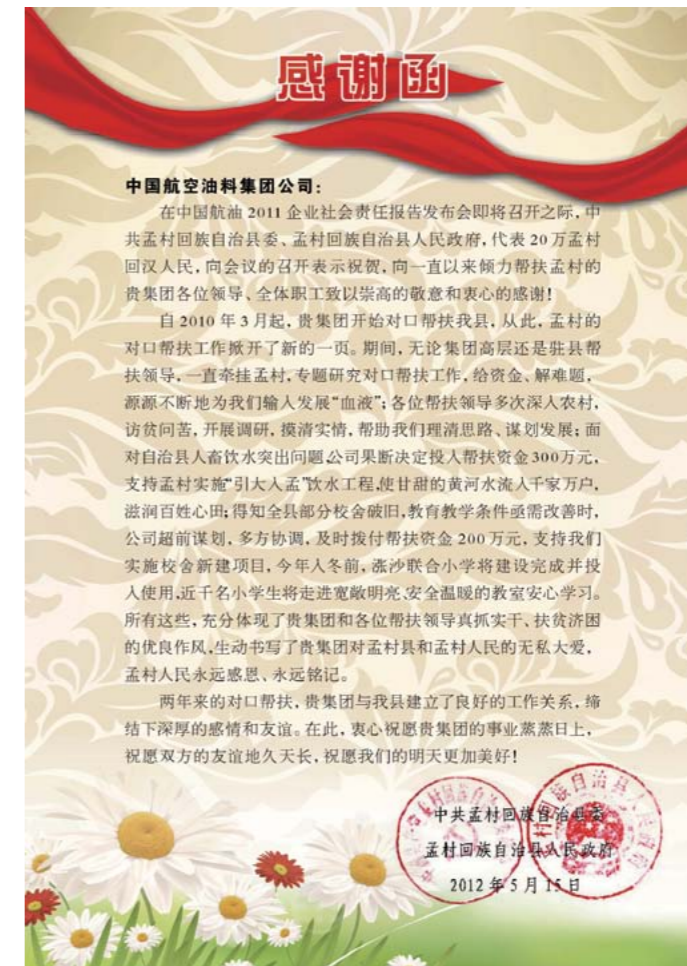
- ◆ Helping the poor and needy heartily
- ◆ Carrying out voluntary service activity diligently
- ◆ Supporting education cause cordially
- ◆ Promoting community construction sincerely
- ◆ Participating in overseas public welfare activity earnestly



Performing the charity and public welfare responsibilities is the obligations for a good corporate citizen. An enterprise cannot last long without support from the society, so it must be grateful and practice the concept of "Take from society, and then give back to society", making the development fruits to benefit the society and the public, and establishing the good responsible image of a large-scale enterprise. The CNAF cared for the social livelihood, actively devoted itself to the public welfare cause, vigorously carried out volunteering service activities, and tried the best to do such works as poverty alleviation and donations for education, making positive contributions to the building of a caring and harmonious society.

Helping the poor and needy heartily

For years, the Group Corporation has helped the construction and development of remote areas, poverty-stricken areas, and urban and rural linking areas by means of money-donating and technological support, and tried the best to make contributions to the improvement of livelihood and the promotion of local prosperity, winning good social repercussions.





South China Bluesky Aviation Oil Co. offered a helping hand to Dabeitou Village

In 2012, South China Bluesky Aviation Oil Co., Ltd. carried out partner assistance to Dabeitou Village of Jintan Town in Qingxin County, Qingyuan City, vigorously implementing the poverty alleviation work with "Household-based plan and clear individual responsibility". It focused on the increase of farmers' incomes and the village's economic capability, and raised and invested about 1.4 million yuan to promote the infrastructure construction and the building of the "two rural committees", helping villagers improve incomes.



Establishing breeding base for poverty alleviation and development. The company helped the Dabeitou Village establish pig breeding base, offering breeding technology training and providing sales channel for low-income families for free. The project could bring along 23,000 yuan of annual collective income for the Dabeitou Village, realizing great increase of village collective economic income and lifting low-income families out of poverty.

Promoting infrastructure construction. The company installed street lamps at main roads, solving the lighting issue at night. It carried out Irrigation and water conservancy management project, covering 300 plus mu of farmland, which benefited more than 900 people of 230 households. It also constructed waste collecting facilities and basketball court, completing the public service facilities of the Dabeitou Village. It helped 40 households complete housing improvement.

According to investigation in 2012, the per capita net income of low-income families with labor ability increased from 2,500 in 2010 to 6,859 yuan in 2012, reaching the provincial escaping poverty standard with an escaping poverty rate of 100 percent.



Caring for child orphaned by AIDS

Yu Youshui, an employee with the No. 2 Oil Depot of the CNAF North branch, has tried the best to help Jingjing, who's parents died of AIDS, for seven years in a row, paving a way to happiness for her with selfless love. In 2009, Jingjing was admitted to the Shenyang Medical College with excellent grades, studying nursing major.



Jingjing, a medical student with Shenyang Medical College, was conducting physical examination for employees of the No. 2 Oil Depot of the CNAF North China branch



Carrying out voluntary service activity diligently

The CNAF constantly expanded the scale of youth volunteer team. By the end of 2012, the Group Corporation has established 33 youth volunteer organizations with a total of 876 volunteers, carrying out various volunteering activities.



1. Employees of the CNAF Guizhou branch participated in the "Tree-Planting Day" activity

2. The CNAF Fujian branch carried out voluntary blood donation activity

3. Volunteers of the CNAF Nanjing branch visited elderly people of no family at an old people's home



Supporting education cause cordially

The CNAF actively devoted itself to the education and charity cause, providing financial support to dropouts to back to school, and improving the teaching condition of schools in poverty-stricken and remote areas. The affiliated units of the Group Corporation also supported the educational cause development via different approaches.



1. The CNAF Shenzhen Chengyuan Aviation Oil Co. organized employees to carry out caring donation activity at Lingdong Village Primary School
2. The CNAF Singapore branch offered help to Luojiang Hope Primary School in Sichuan Province jointly with international charity organization -- The Library Project
3. The CNAF Guizhou branch carried out "Supporting spring seedling" activity, providing assistance to Xiaopu Primary School in Guiding County

Promoting community construction sincerely

The CNAF actively participated in community construction, took the initiative to provide field for communal activities, dedicated to communal environmental protection campaign, took part in the communal activity of "Party member responsibility post", and supported the communal charity cause, making contributions to the construction of beautiful community.



Worker of leading organs of the CNAF Northeast branch participated in voluntary labor activity



Responding to the call of society, the CNAF North China branch actively carried out civilization construction activity

Participating in overseas public welfare activity earnestly

The China Aviation Oil (Singapore) Corporation Ltd. and the Singapore Tian Fu Association, a local social organization consisted of new immigrants, jointly established "CNAF-Tian Fu Scholarship Fund", offering scholarship to children of new immigrants. In 2012, the Fund granted a total of 30,000 Singapore dollars of scholarship, helping unskilled and low-income immigrants improve professional skills and lift employability.

In addition, the China Aviation Oil (Singapore) Corporation Ltd. took the carrying out of voluntary service activity as normalized mechanism. In 2012, the volunteers of the company led the children of the Healthy Start Child Development Centre (HSCDC), a Singapore-based charity organization acting as a safety net for disadvantaged children who cannot access mainstream early childhood education to visit ecological farm and bird park. It also organized disadvantaged middle school students to participate in middle school auto racing activity, letting the students enjoy the competition and learn auto racing knowledge.



Volunteers of the CNAF Singapore branch participated in G1 environmental protection activity



The CNAF Singapore branch sponsored the activity of "Painting Party 2012"

Outlook 2013

In the new year, the CNAF will unswervingly adhere to the three major strategies of resources, market and internationalization, and firmly grasp the general keynote of work to seek improvement in stability. Centering on the promotion of development quality and benefits with management improvement as carrier and implementation capacity as start point, the Group Corporation will constantly safeguard the safe and stable supply of aviation fuel resources, constantly promote the local economic and social development, constantly enhance the safety management and environmental protection, and constantly support the public welfare and charity cause. The Group Corporation will strive to promote the integration of social responsibility concept into the corporate daily operation, and shape a good and responsible image of a large-scale enterprise.

Enhancing development foundation with management improvement as core

The Group Corporation will take the management improvement activities as opportunities to practically enhance various management works, lay a solid foundation for corporate management, boost the capabilities of serving society, clients and employees, increase the development quality and benefits, and make positive efforts to maximize the comprehensive value in economic, environmental and social aspects.

Winning extensive recognition with client service as focus

The Group Corporation will steadily promote the coordinated development among the four business segments of aviation fuel, petrochemical trade, logistics and international business, strive to improve the resources grasping and acquisition capability, enhance the resources balance support capability, boost the market expanding capability, constantly lift the quality and level of client service, expand market share while win understanding, recognition and support of clients, and realize the leap-forward development of the enterprise.

Accomplishing resplendence with employee care as foundation

Starting from the spiritual and material aspects, the Group Corporation will constantly promote the "Care Project" for employees, pay attention to the selection, promotion and evaluation of talents, focus on the growth and development as well as the training and cultivation, attach importance to the construction of the three teams of management staff, specialized personnel and employees with professional skills, continuously complete the democratic management, mobilize employees' enthusiasm and initiative of management participation, make employees to care about corporate development, and let employee share in the fruits of development.

Promoting green development with safety and environmental protection as life

The Group Corporation will constantly improve the safety and environmental protection management level, complete the safety and environmental protection management system, make special efforts to boost the safety and environmental protection awareness of employees, continuously enhance the capability of employees in terms of guaranteeing safety and protecting environment, actively promote the bio-fuel application, effectively implement the measures on energy-saving and emission cut, vigorously advocate the "Green Office" practice, and strive to realize the clean and green development of the enterprise.

Constructing beautiful China with public welfare as basis

The Group Corporation will, as always, actively support the development of public welfare and charity cause, extensively participate in social donation activities, enhance the volunteer team construction, assist the construction and development of poverty-stricken areas and the urban and rural linking areas, and make contributions to construct a beautiful China.

Appendix

Comments by stakeholder

The CNAF is one of important strategic partners of the China National Petroleum Corporation (CNPC). In recent years, with China's fast economic and social growth as well as the rapid development of civil aviation industry, the amount of resources demand of the CNAF has increased gradually. As an integrated international energy corporation with strong strength, the CNPC has extraordinary advantages in the aspect of aviation fuel resources, ensuring the broad prospect and promising future of the cooperation between the CNPC and CNAF.

As China's civil aviation transportation support service enterprise, the CNAF unswervingly adhere to the mission of "Do our best to serve the global civil aviation clients, and guarantee the aviation fuel supply for our country". With the constant and rapid development of the enterprise, the CNAF paid more attention to the concerns and appeals of stakeholders, to the safety and environmental protection as well as the energy-saving and emission cut, and to the support of local economic and social development. The CNAF took the initiative to undertake the economic, political and social responsibilities, fully exhibiting the good and responsible image of a state-owned enterprise, which was well demonstrated in the "CNAF Corporate Social Responsibility Report 2012".

Adhering to the development concept of "People-orientation", and with the pursuit of economic benefits and the promotion of scientific development, the CNAF paid more attention to the development of the people, to the respect of the people's value, and to the concern of the people, which all highlighted in this annual social responsibility report, impressing me deeply and being completely in conformity with the requirements of "People-orientation", the core of the Scientific Outlook on Development. This is corporate social responsibility report featuring distinctive theme, clear mainline, vivid contents, and major points focused.

With this as a starting point, I hope the CNAF could further complete social responsibility management, practice the concept of "People-orientation" in a deep-going way, exemplarily fulfill the corporate social responsibility, strive to realize the harmony between the development and environment, the enterprise and society, and the people and nature, and make new and greater contributions to realize the "Chinese Dream" – the Chinese nation's great rejuvenation.



Zhou Jiping,
Chairman of China National Petroleum
Corporation ,April 24,2013

Key performance indicators table

Economic performance

Financial Performance	2010	2011	2012
Operating revenue (100 million yuan)	1531.87	2220.89	2425.49
Total assets (100 million yuan)	301.01	368.57	402.36
Total profit (100 million yuan)	27.74	32.43	30.52
Return on equity (%)	11.62	12.65	9.16
Debt to assets ratio (%)	52.13	60.51	61.57
Total tax payment (10,000 yuan)	23.99	19.61	21.35
Ratio of value preservation and increment of state-owned assets (%)	114.75	95.17	108.00
Operating efficiency	2010	2011	2012
Overall labor productivity (10,000 yuan/person per year)	63.58	67.79	61.83
Days of total assets turnover	5.26	6.63	6.29

Environmental performance

	2010	2011	2012
Comprehensive energy consumption of 10,000 yuan of operating revenue (ton, standard coal/10,000 yuan)	0.0029	0.0024	0.0022
Comprehensive energy consumption of 10,000 yuan of value-added (ton, standard coal/10,000 yuan)	0.0820	0.0839	0.0872
SO2 discharge (ton)	297.584	514.865	506.447
COD discharge (ton)	16.044	15.673	14.903

Social performance

Client service	2010	2011	2012
Number of domestic airport served by the Group	160	167	172
Employee care	2010	2011	2012
Proportion of localization of overseas subsidiaries (%)	81	84	90
Public welfare	2010	2011	2012
Total donations (10,000 yuan)	468.39	312.00	200.00

GRI index table

	CRI	content	Content Index
Strategy and Analysis	1.1	Statement from the most senior decision-maker of the organization	P4, P 56
	1.2	Description of key impacts, risks, and opportunities	P 4, P 5, P 11
Organizational Profile	2.1	Name of the organization	P 9
	2.2	Primary brands, products, and/or services	P 13
	2.3	Operational structure of the organization, including main divisions, operating companies subsidiaries, and joint ventures	P 9
	2.4	Location of organization's headquarters	P 26
	2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	P 27
	2.6	Nature of ownership and legal form	P 9, P 10
	2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	P 13
	2.8	Scale of the reporting organization	P 6, P 7, P 9, P 58
	2.9	Significant changes during the reporting period regarding size, structure, or ownership	P 9, P 10
	2.10	Awards received in the reporting period	P 21
Report Parameters	3.1	Reporting period (e.g., fiscal/calendar year) for information provided	P 1
	3.2	Date of most recent previous report (if any)	P 1
	3.3	Reporting cycle (annual, biennial, etc.)	P 1
	3.4	Contact point for questions	P 1, P 62
	3.5	Process for defining report content	P 1, P 16, P 19
	3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures suppliers). See GRI Boundary Protocol for further guidance	P 1
	3.7	State any specific limitations on the scope or boundary of the report (see completeness Principle for explanation of scope)	P 1
	3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations	P 9
	3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report	P 1
	3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/ acquisitions, change of base years/periods, nature of business, measurement methods)	P 1
	3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	P 1
	3.12	Table identifying the location of the Standard Disclosures in the report	P 2, P 3
	3.13	Policy and current practice with regard to seeking external assurance for the report	P 57

Governance, Commitments, and Engagement	4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	P 9, P 10, P 17
	4.2	Indicate whether the Chair of the highest governance body is also an executive officer	P 17
	4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members	-
	4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	-
	4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives	-
	4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	P 11
	4.7	Process for determining the composition, qualifications and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity	-
	4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	P 4, P 15, P 23, P 31, P 51
	4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	P 11
	4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	-
	4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	P 11
	4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	P 4, P 5
	4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization	P 21
	4.14	List of stakeholder groups engaged by the organization	P 20
	4.15	Basis for identification and selection of stakeholders with whom to engage	P 19
	4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	P 20
	4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	P 20
Economic	EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	P 6, P 7, P 9, P 55, P 58
	EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	P 12
	EC3	Coverage of the organization's defined benefit plan obligations	P 34
	EC4	Significant financial assistance received from government.	
	EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	

Economic	EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	P 23
	EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	-
	EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	P 34, P 35, P 38, P 52, P 53
	EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	P 21, P 24, P 54, P 55
	EN1	Materials used by weight or volume	-
	EN2	Percentage of materials used that are recycled input materials	-
	EN3	Direct energy consumption by primary energy source	P 58
	EN4	Indirect energy consumption by primary source	P 58
	EN5	Energy saved due to conservation and efficiency improvements	P 47-P 48
Environment	EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	P 58
	EN7	Initiatives to reduce indirect energy consumption and reductions achieved	P 47-P 48
	EN8	Total water withdrawal by source	-
	EN9	Water sources significantly affected by withdrawal of water	-
	EN10	Percentage and total volume of water recycled and reused	-
	EN11	Percentage and total volume of water recycled and reused	-
	EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	-
	EN13	Habitats protected or restored	-
	EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	-
	EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	-
	EN16	Total direct and indirect greenhouse gas emissions by weight	P 58
	EN17	Other relevant indirect greenhouse gas emissions by weight	P 58
	EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	P 47-P 48, P 58
	EN19	Emissions of ozone-depleting substances by weight	P 58
	EN20	NOx, SOx, and other significant air emissions by type and weight	P 58
	EN21	Total water discharge by quality and destination	-
	EN22	Total weight of waste by type and disposal method	-
	EN23	Total number and volume of significant spills	-
	EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	-
	EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff	-
	EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	P 47-P 48
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	-	
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	-	
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	-	
EN30	Total environmental protection expenditures and investments by type	-	

Labor Practices & Decent Work	LA1	Total workforce by employment type, employment contract, and region broken down by gender	P7, P9, P31, P37
	LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region	P31, P36
	LA3	Percentage of employees covered by collective bargaining agreements.	P31
	LA4	Percentage of employees covered by collective bargaining agreements.	P41
	LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	-
	LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	P32, P38
	LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	-
	LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	P38
	LA9	Health and safety topics covered in formal agreements with trade unions	P31, P34-P35, P38, P48
	LA10	Average hours of training per year per employee by gender and by employee category	P34-P36
	LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	P32-P36
	LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	P32-P33, P37
	LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	P31
	LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	-
	LA15	Return to work and retention rates after parental leave, by gender.	-
Human Rights	HR1	Percentage and total number of significant investment agreements and contracts that include human rights clauses or that have undergone human rights screening.	P23, P27
	HR2	Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken	-
	HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	P34-P35
	HR4	Total number of incidents of discrimination and corrective actions taken.	-
	HR5	Operations and significant suppliers identified in which the right to exercise freedom of association or collective bargaining may be violated or at significant risk, and actions taken to support these rights.	P32
	HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	P31
	HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of all forms of forced or compulsory labor.	P32
	HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	P4-P5, P34-P35
	HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	-
	HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	-
	HR11	Number of grievances related to human rights filed, addressed, and resolved through formal grievance mechanisms.	-

Society	SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	P23, P27, P51-P55
	SO2	Percentage and total number of business units analyzed for risks related to corruption	P40
	SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	P40
	SO4	Actions taken in response to incidents of corruption.	P40
	SO5	Public policy positions and participation in public policy development and lobbying	-
	SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	P7, P52, P55, P58
	SO7	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.	-
	SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations	-
	SO9	Operations with significant potential or actual negative impacts on local communities	-
	SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	-
Product Responsibility	PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	P44-P46
	PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes.	-
	PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	-
	PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	-
	PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	P29
	PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	P20
	PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	-
	PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	-
	PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	-

Readers' feedback table

Dear readers,

Thank you very much for taking the time in your busy schedule to read the CNAF Corporate Social Responsibility Report 2012. There are inevitable flaws and omissions in compiling preparation process of the report. We are willing to listen to your comments and suggestions.

If you have any expectation for our work in the future, please feel free to advise us.

Thank you!

Compilation Group of the CNAF Corporate Social Responsibility Report

May, 2013

1.What's your overall impression to this report?

Very Good Good Fair Poor Very poor

2.What do you think about the quality of the disclosed social responsibility information in this report?

Very high High Fair Low Very Low

3.What do you think about the report structure?

Very reasonable Reasonable Fair Poor Very poor

4.What do you think about the format design of this report?

Very reasonable Reasonable Fair Poor Very poor

5. What do you think about the readability of this report?

Very Good Good Fair Poor Very poor

6.What's your opinion on the deficiencies of this report?

7.What's your suggestion to the social responsibility work of the CNAF?

8.What's your expectation to the next corporate social responsibility report?

2012The report is available for free. (Please specify the number of copies and your address).

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