



Corporate Social Responsibility Report 2013

Management-improved CNAF



Report Description

This Report is the third corporate social responsibility report issued by the China National Aviation Fuel Group Corporation. For purpose of convenience, the China National Aviation Fuel Group Corporation is also referred to in this Report as “CNAF”, “Group Corporation”, “Group” or “We”.

Release Cycle

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

Time Span

From January 1, 2013 to December 31, 2013; some content relates to a period beyond this scope.

Content Scope

This Report is a special-topic one themed on “Management Improvement”. Unless otherwise specified, all data 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 was 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 into account the pertinence, substantiality, and availability of indicators relating to the theme. That is, the indicators selected are those that effectively reflect the performance of the practices themed on “Management Improvement” 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 (SASAC) 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, and is available in both the print edition and the online edition. To request a copy of the print report, please write to the China National Aviation Fuel Group Corporation.

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Log on to the website of the China National Aviation Fuel Group Corporation at <http://www.cnaf.com> to browse or download the electronic edition of the report, and stay up-to-date on the Group Corporation’s dynamic information relating to CSR activities.

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Message from the Leader



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

Management represents an eternal theme of corporate development. Today, with the development of global economic integration, enterprises striving for sustainable development are not only faced with increasingly fierce market competition at home and abroad, but are also faced with the pressure of improving their own level of scientific management and enhancing their core competitiveness. Enterprises must attach great importance to management, through which they shall create profits and be responsible for the interests of their shareholders, assume their responsibility for employees, society and environment, and be better exemplars in observing business ethics, ensuring work safety, safeguarding occupational health, protecting the lawful rights and interests of the workers and intensively and economically utilizing resources. In short, enterprises cannot develop and grow without management, nor can they fulfill social responsibility without management. During its more than 20 years of operation, CNAF has always taken it as its own responsibility to "Do our best to serve global civil aviation clients, and guarantee aviation fuel supply for our country". On the one hand, we have emphasized strategic transformation and optimization and upgrading, and laid stress on the economic aggregate, scale and speed of our corporate growth; on the other hand, we have emphasized up-skilling our workforce and improving management, and by focusing on consolidating enterprise management, we have better fulfilled social responsibility and achieved the harmonious development of enterprises and employees, society and environment.

For over 30 years since reform and opening up, through in-depth reform, mechanism transformation and innovative development, the central State-owned enterprises (SOEs) have considerably improved their management, vigorously promoted the improvement of their economic results and competitiveness, and made contributions to the rapid development of national economy. However, certain problems, such as the weak foundation in enterprise management and the shortcomings to be corrected in management, need to be effectively solved. In March 2012, according to the general thought on reform and development of the central SOEs during the "12th Five-Year" period, the SASAC of the State Council proposed ongoing management improvement in the central SOEs and concentrated on pushing ahead the improvement of their overall management, which has laid a solid foundation for their sustainable development.

As an important member of the central SOEs, in taking seriously the expectations of the society and fulfilling the goals set by the State, we must identify the gaps in management and strengthen management in the course of corporate development. Over the years, we have actively constructed the standard corporate governance structure with the Board of Directors at the core, shaped the check and balance mechanism among decision-making bodies, supervisory bodies and operation managers, and gradually realized the shift from traditional enterprise management to a modern corporate system. We have endeavored to put into practice the thinking of modern corporate management, highlighted strategic and people-oriented thinking, and focused on intensive mode of business, professional management and integrated operation to upgrade the Group's management and control capability and management efficiency. We have vigorously carried out the resources, market and internationalization strategies and organized and formed the four business segments of aviation fuel, oil product trade, logistics and overseas business to constantly push forward the development of main businesses and achieved a steady increase in operating performance. We have continuously strengthened basic management, laid stress on the quality and results of development, and constantly improved the levels of "three-basic" construction, safety management, risk control and social responsibility management, enabling our market competitiveness and anti-risk capability to be further reinforced. Through years of efforts, we have notably enhanced our scale and strength, continuously improved our economic results, constantly optimized our systems and mechanisms, further consolidated our management foundation, and remarkably upgraded our management efficiency. We have grown into the fifth largest aviation fuel supplier and the second largest aviation fuel service provider in the world and the largest aviation fuel supplier and aviation fuel service provider in Asia.

As management master Peter F. Drucker once said, "Management is a kind of practice whose essence doesn't lie in 'knowledge' but in 'practice' and whose verification doesn't lie in logic but in results." In the future, we will strengthen management and take it as the fundamental path and effective means of corporate development. We will follow the requirements of the modern corporate system to comprehensively deepen corporate reform and development, push ahead management innovation, accelerate the transformation of development modes, make efforts to enhance core competitiveness and conscientiously raise the overall management of the Group Corporation to a new height, thus laying a solid management foundation for building a first-rate global comprehensive aviation fuel corporation and for guaranteeing safe aviation fuel supply of the country. In the future, we will actively practice responsibility as a central SOE, continue to pay close attention to the impact of corporate activities on the economy, society and environment, maintain good communication with our stakeholders, employees and clients, share the corporate development results with all stakeholders, and join hands with all parties to help attain the "Chinese Dream" featuring the great rejuvenation of the Chinese nation through the success of the "CNAF Dream".

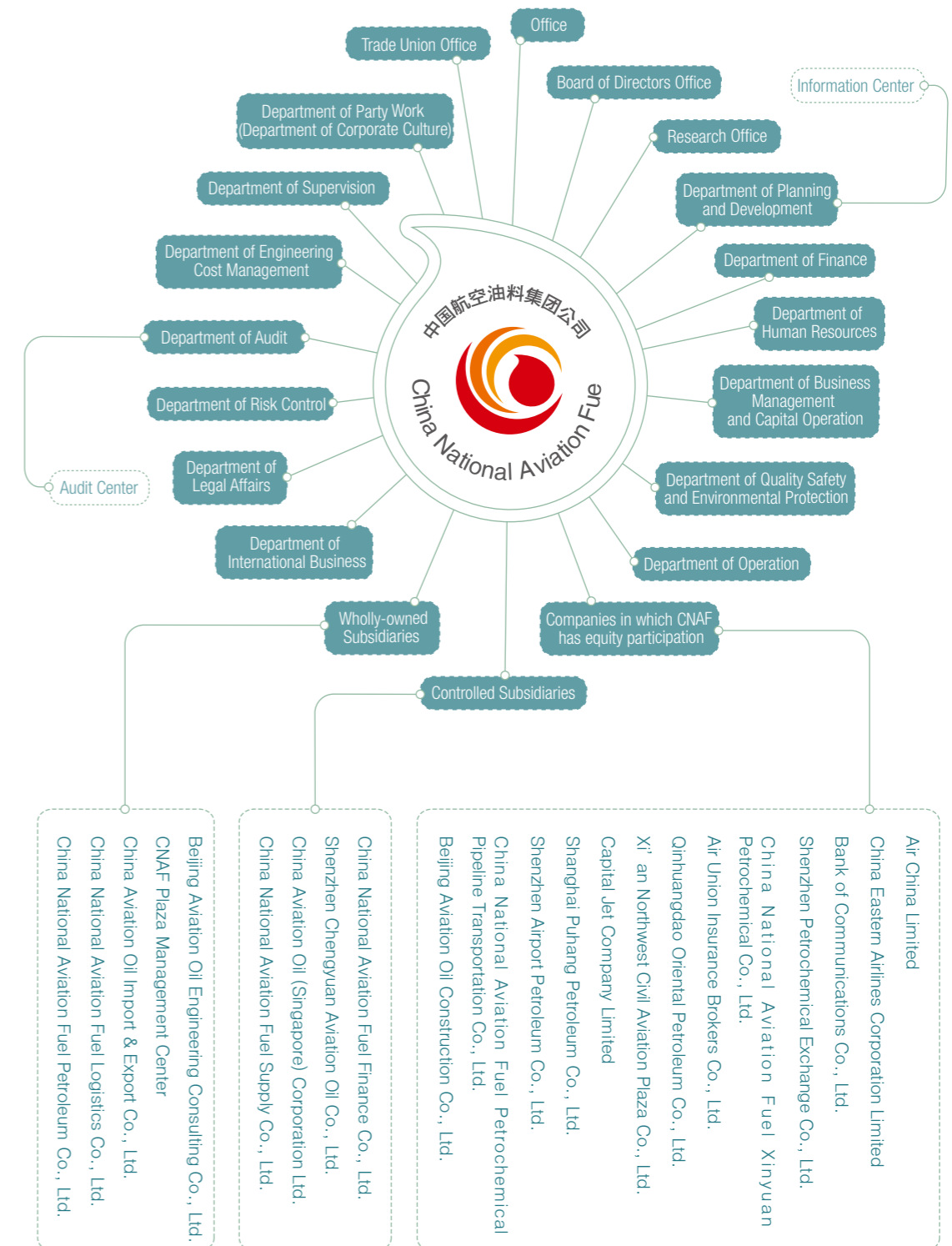
Our 2013

Incorporated on the basis of China National Aviation Oil Supply Corporation on October 11, 2002, China National Aviation Fuel Group Corporation (CNAF) is China's largest aviation fuel supplier that integrates the purchase, transportation, storage, testing, marketing and refueling of aviation fuel products. It is also the largest aviation fuel supplier and service provider in Asia.

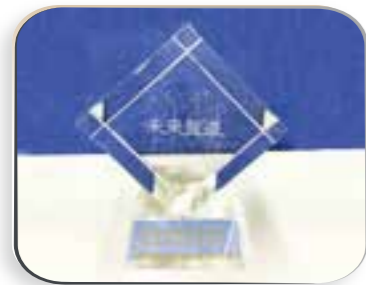
In 2013, we earnestly implemented strategies in the three areas of resources, market and internationalization, centered on improving the quality and benefits of development and focused on management improvement to greatly push forward strategic transformation and optimization and upgrading, actively implemented lean management and endeavored to practice social responsibility. While promoting the sound develop of enterprises, we were actively concerned with and responded to the appeals of our stakeholders, enabling the corporate development results to bring more numerous and higher quality benefits to the society and the public.



Organizational Structure



Awards



"2013 Social Responsibility Management Model Enterprise" of Talents China Annual Management Assembly



"2013 China Best Practices Award in Protection of Employees' Rights and Interests" by Global Compact Network China



Its Logistics Company won the title of Shanghai Civilization Unit for the first time



"Outstanding Performance Enterprise Award" for central SOEs of the SASAC of the State Council for performance assessment during the term of office in 2010-2012



"Corporate Governance Award" and "Most Transparent Enterprise Award" by Securities Investors Association of Singapore (SIAS)



CNAF Yunnan Company appraised as "Model Unit of Corporate Culture of Central SOEs"



"Excellent Organization Unit for 2013 National Event of Work Safety Month" by the Work Safety Committee of the State Council



"Outstanding Social Responsibility Report" in public transparency of China Top 50 Companies



GoldenBee Leader Enterprise of "GoldenBee Corporate Social Responsibility - China Ranking"

Membership of Associations



1 Promoting Strategic Transformation to Guide Sustainable Development

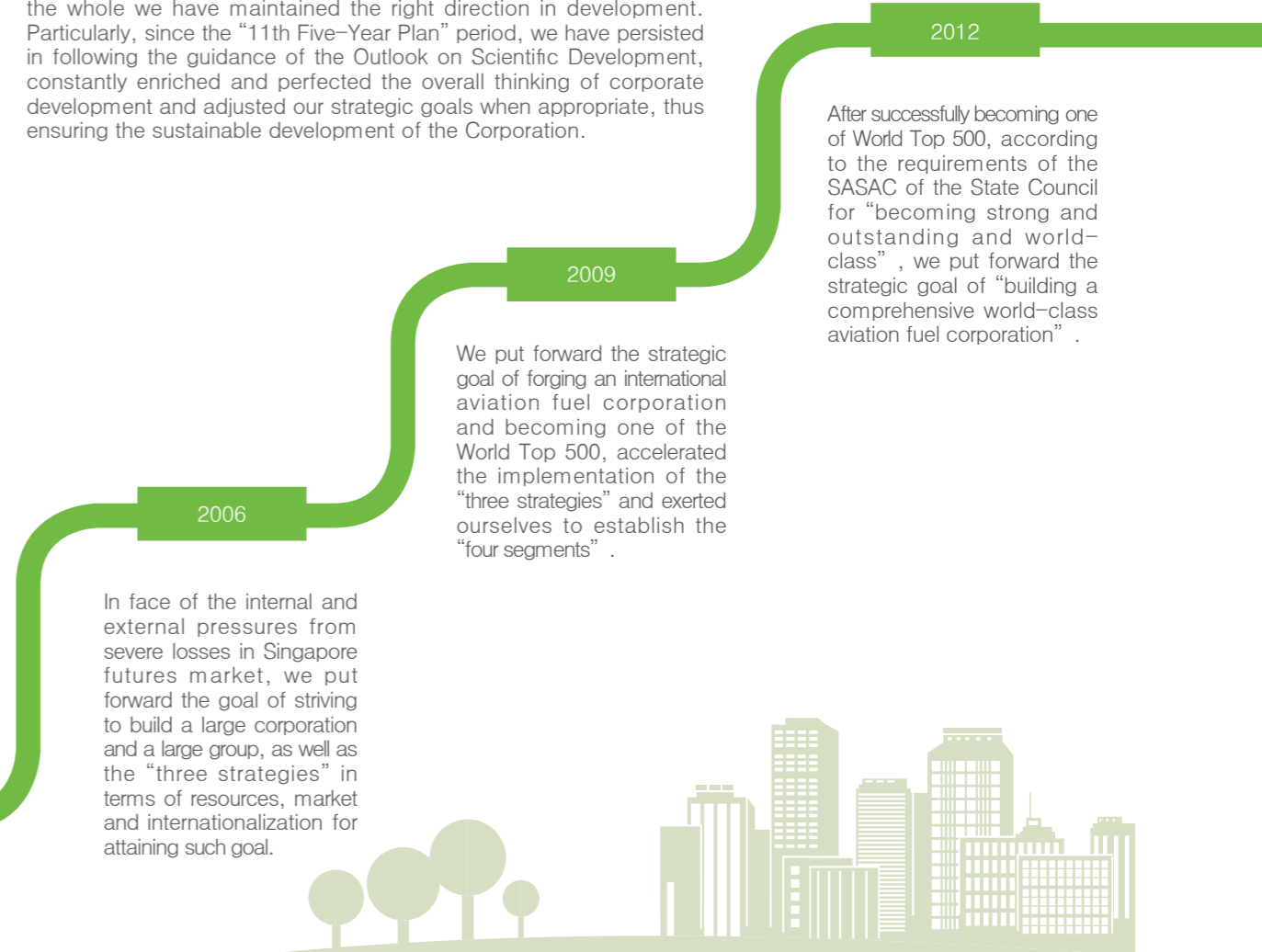
- Clear and Definite Strategic Goals
- Increasingly Refined Strategic Measures
- Gradually Emerging Strategic Results

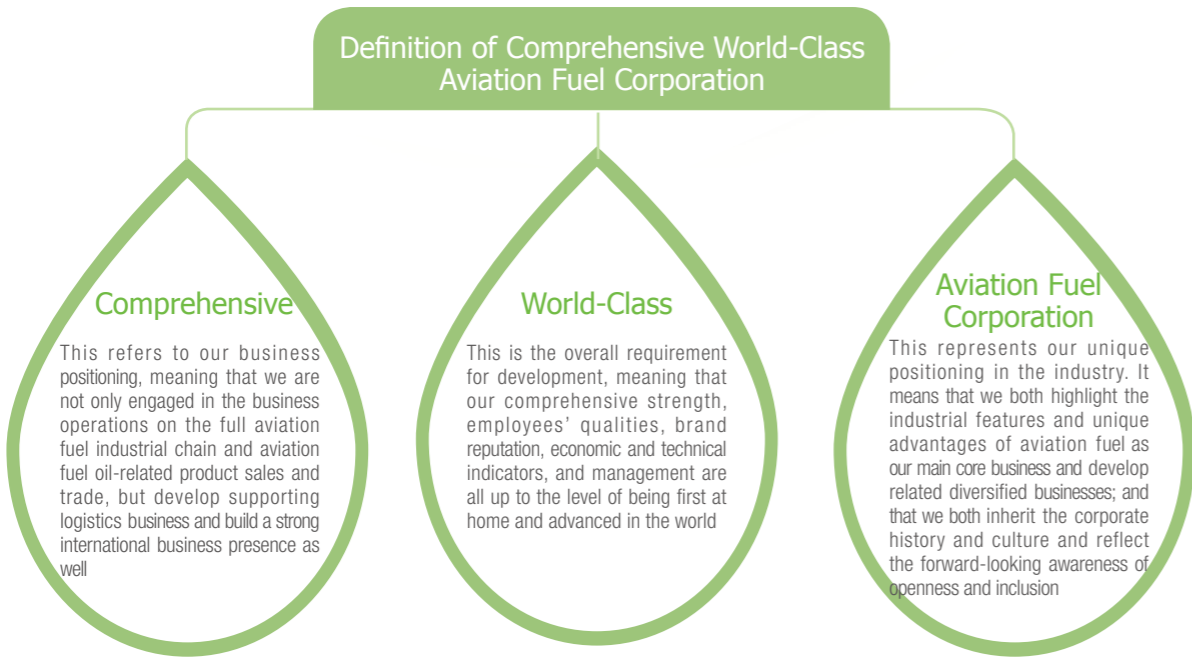
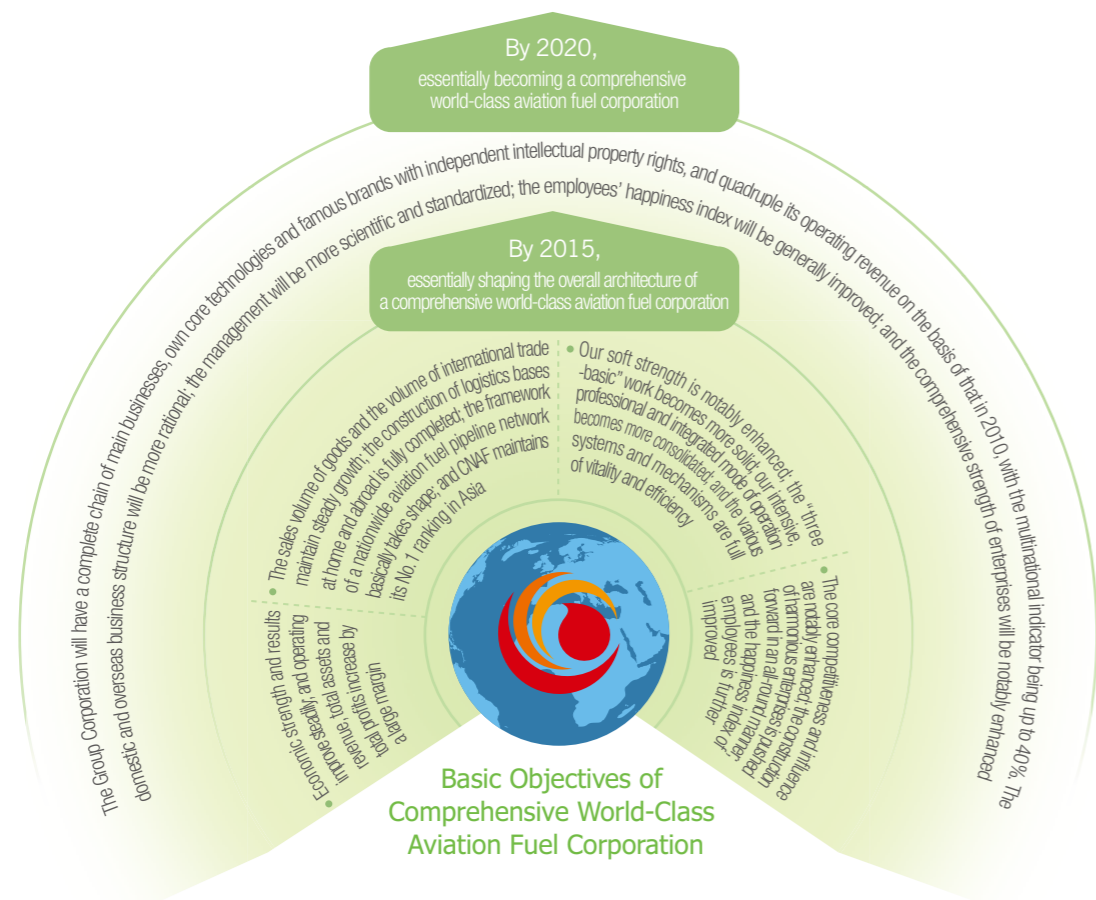


CNAF has adhered to the mission to “Do our best to serve global civil aviation clients, and guarantee aviation fuel supply for our country”, fused “responsibility” into its core values and strategic system, firmly implemented strategies in the areas of resources, market and internationalization and continuously adjusted and improved its strategic path and measures, thus shaping a favorable pattern with strategies guiding its development.

(I) Clear and Definite Strategic Goals

Looking back at the course of more than 20 years’ development of CNAF, we have undergone some setbacks and difficulties, but on the whole we have maintained the right direction in development. Particularly, since the “11th Five-Year Plan” period, we have persisted in following the guidance of the Outlook on Scientific Development, constantly enriched and perfected the overall thinking of corporate development and adjusted our strategic goals when appropriate, thus ensuring the sustainable development of the Corporation.

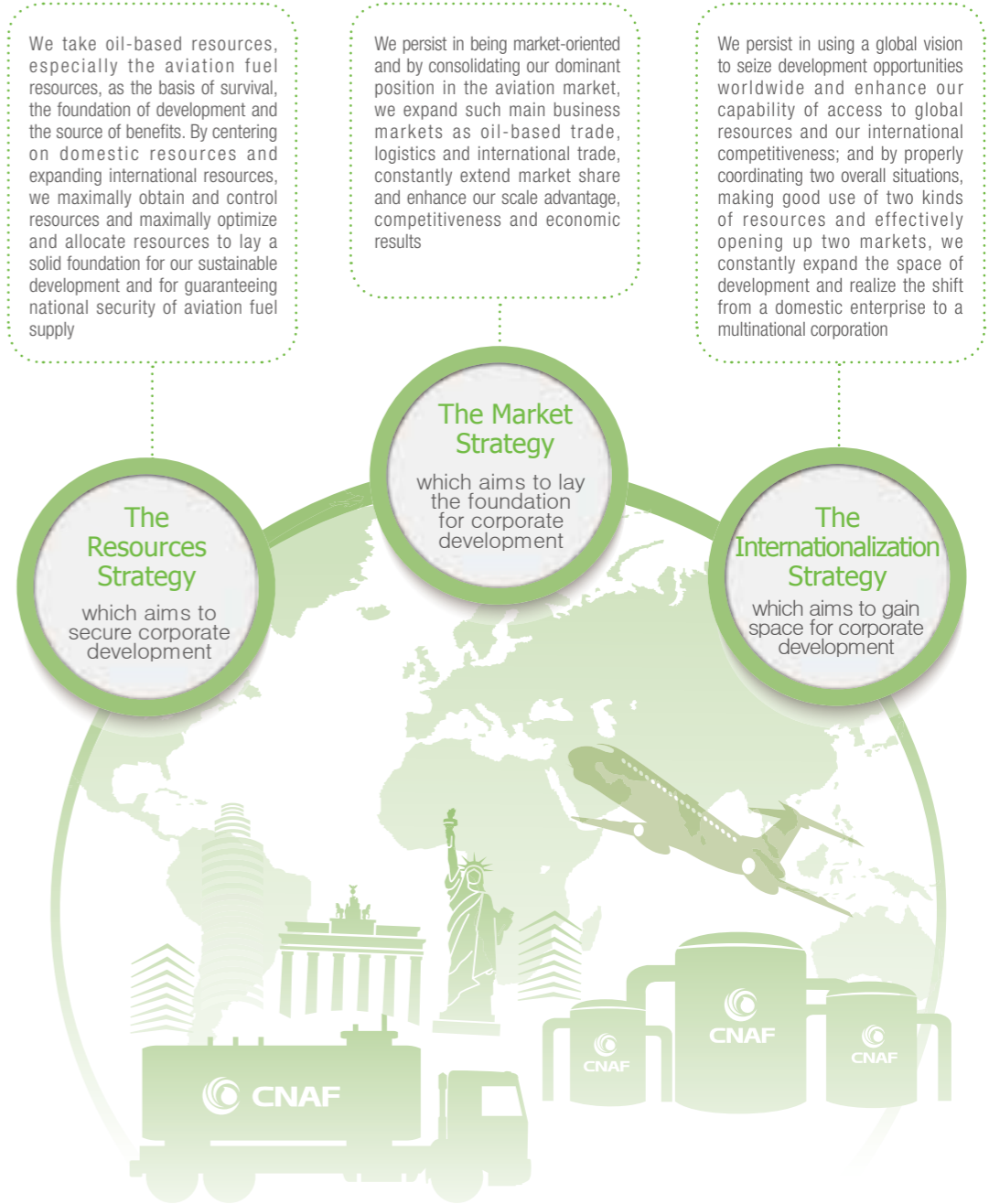




(II) Increasingly Refined Strategic Measures

We have carried out dynamic amendment, supplement and improvement of our strategic goals in development and, according to the changes in our internal and external situations and development status, put forward the “three strategies” regarding resources, market and internationalization that can better reflect the overall requirements of the SASAC of the State Council for “becoming strong and outstanding and world-class” and can better conform to our actual development conditions. We have been persevering and consistent in implementing the strategies, thus ensuring the correct direction of corporate development.

“Three Strategies” regarding Resources, Market and Internationalization



(III) Gradually Emerging Strategic Results

Results in Implementing the Strategies

2012..... The Group Corporation ranked No. **318** among World Top 500 and No. **38** among China Top 500; and was rated as a Class-A enterprise during the operating performance assessment by the SASAC of the State Council.

2011..... The Group Corporation ranked No. **431** among World Top 500 and No. **54** among China Top 500; and was rated as a Class-A enterprise during the operating performance assessment by the SASAC of the State Council.

2010..... The Group Corporation became the No. **1** aviation fuel supplier in Asia and the fifth in the world; and was granted the "Special Award for Management Progress during Assessment of 2007-2009 Term of Office" by the SASAC of the State Council.

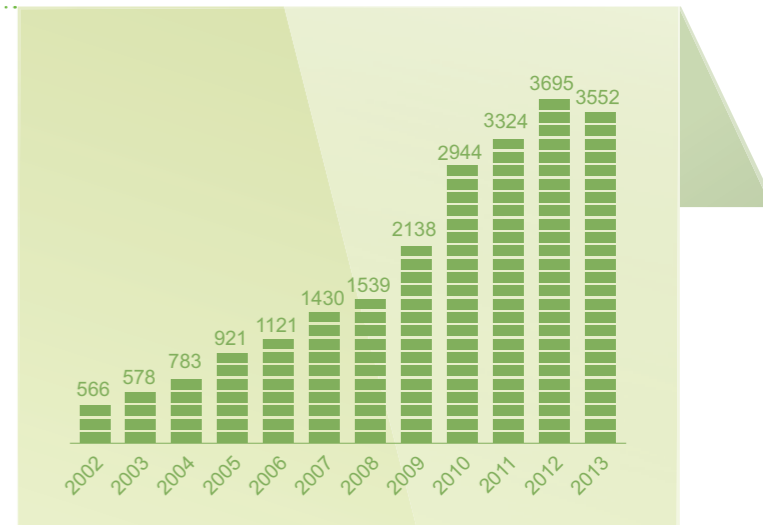
2009..... The Group Corporation ranked No. **37** in sales revenue and No. **50** in profits among the central SOEs.

2008..... The Group Corporation first recorded a sales revenue of more than RMB100 billion and attained the goal of ranking among Top 80-100 central SOEs two years in advance.

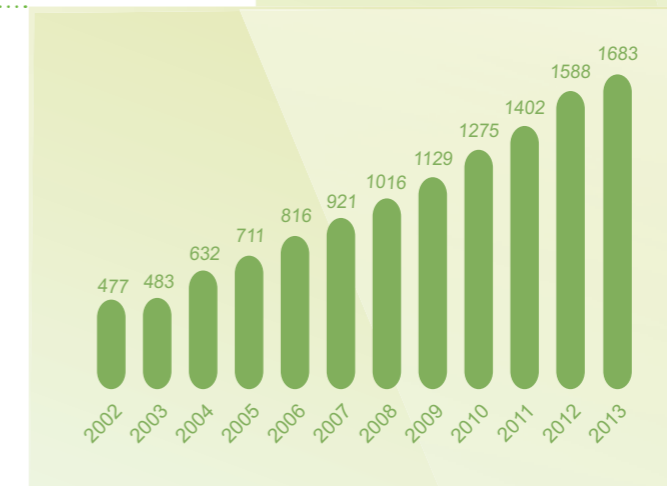
2006..... The Group Corporation accomplished a historical breakthrough with the supply of **1000** tons of aviation fuel, and ranked No. **38** in sales revenue and No. **58** in profits among

2013..... The Group Corporation ranked No. **277** among World Top 500 and No. **37** among China Top 500; was rated as a Class-A enterprise during the operating performance assessment by the SASAC of the State Council; and won the "Outstanding Performance Enterprise Award during Term of Office in 2010-2012" granted by the SASAC of the State Council.

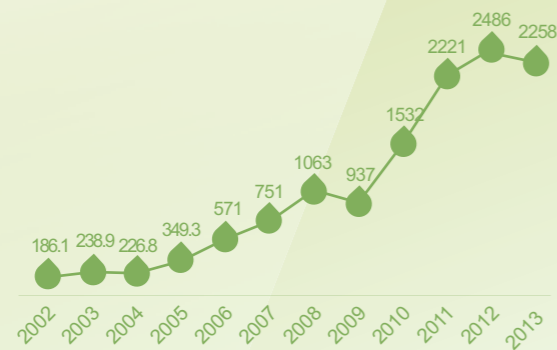
Sales volume of goods in 2002-2013
Unit: 10, 000 tons



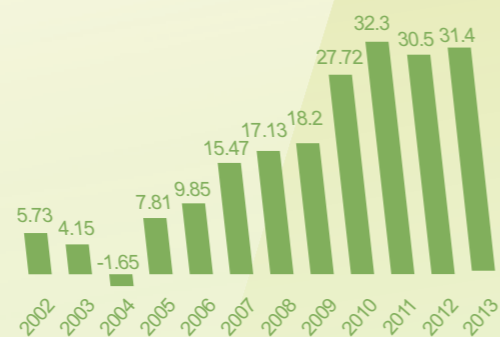
Refueling volume of aviation fuel in 2002-2013
Unit: 10, 000 tons



Sales revenue in 2002-2013
Unit: RMB100 million



Total profits in 2002-2013
Unit: RMB100 million

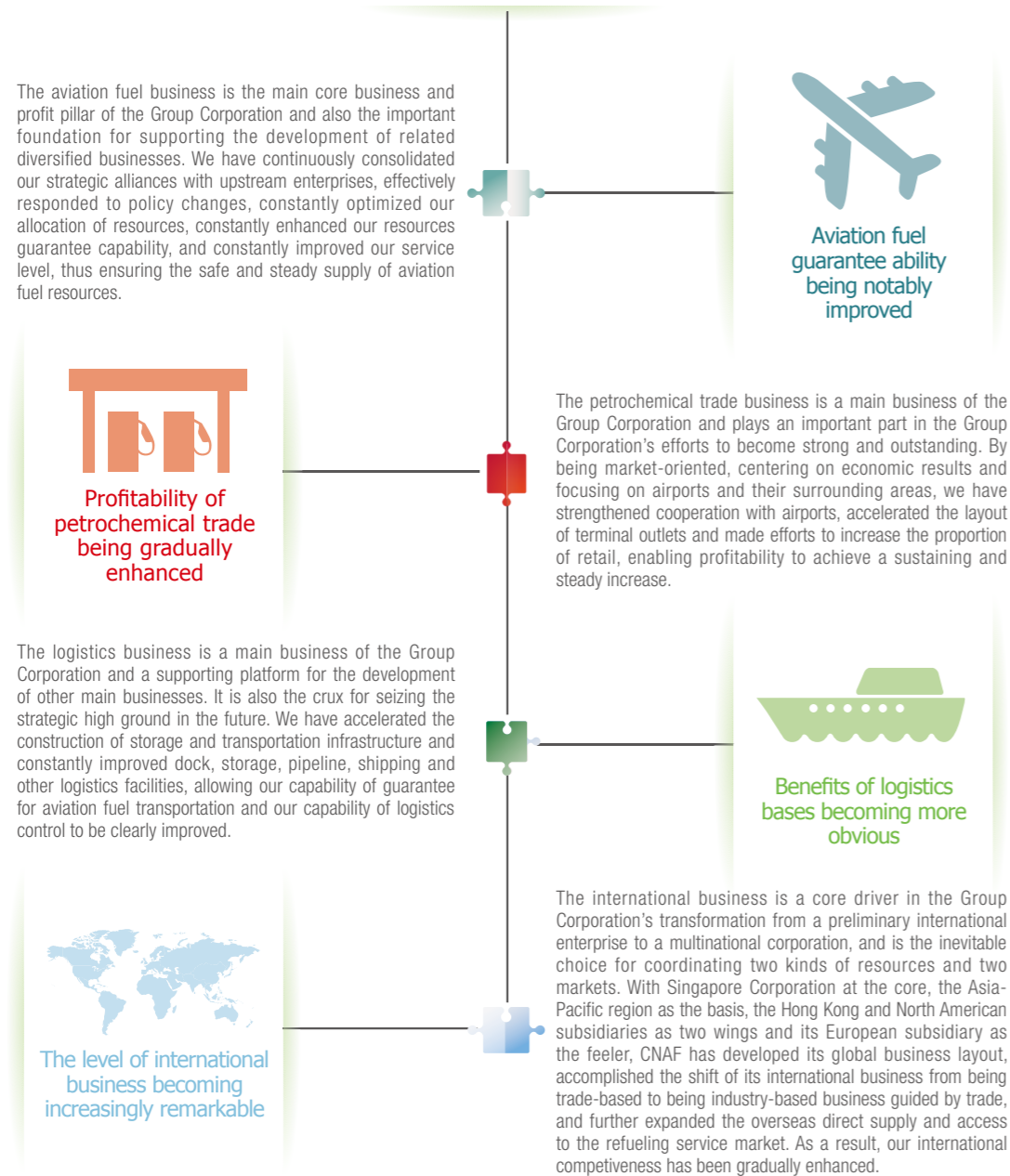


Total assets in 2002-2013
Unit: RMB100 million

Establishing the pattern of joint development with four segments as the pillars

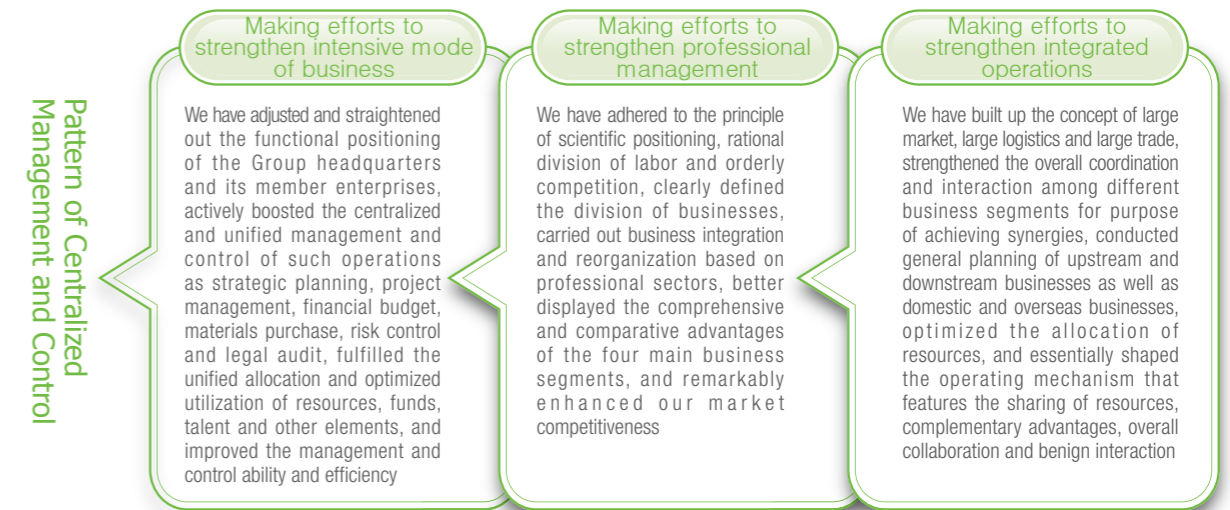
According to the overall requirements of "three strategies", we have actively adapted to the development needs of the market economy; highlighted the main core business of aviation fuel; continuously adjusted and optimized the business layout; closed down, suspended, merged or shifted more than 40 tertiary-industry enterprises to other lines of production; reorganized and integrated 19 member enterprises; and shaped four professional segments as its primary business, namely, aviation fuel, petrochemical trade, logistics and international business, which have been performing soundly and highly efficiently.

Pattern of Joint Development



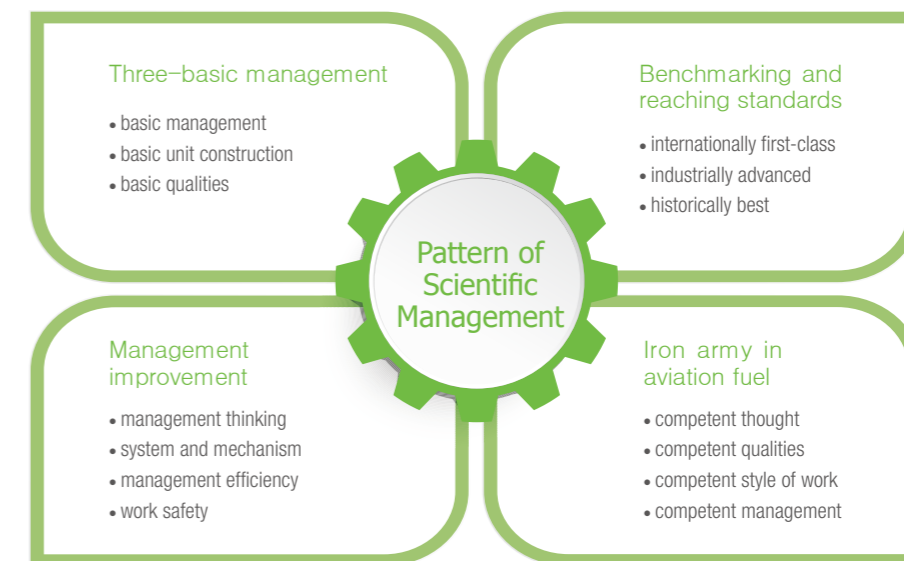
Establishing the centralized management and control pattern supported by three types of management

Supported by intensive mode of business, professional management and integrated operations, we have exerted ourselves to promote the implementation of strategies, substantially enhanced the Group's control ability and its operation management level and essentially shaped the management architecture featuring centralization and unification, equal rights and liabilities, standardized management and highly efficient operations.



Establishing the pattern of scientific management based on "three-basic" construction

We have strengthened management and taken it as the foundation for promoting the implementation of strategies, fully strengthened the "three-basic" construction, deeply carried out the activities of benchmarking and reaching standards, pushed ahead the building of the "iron army in aviation fuel industry", fully implemented the management improvement activities and effectively tamped the foundation of corporate management. Our corporate management has been brought to a new level.



2 Improving Corporate Governance to Lay a Solid Foundation for Responsibility Fulfillment

- Historical Background of Corporate Development
- Changes in Corporate Governance Systems
- Framework of Modern Corporate Governance



The process of constantly deepening corporate policies is the process of constantly improving the corporate governance structure. In the development course of CNAF, to adapt to the changes in the inside and outside operation environment, we have accordingly developed corporate governance practices and gradually shaped the governance framework that conforms to the requirements of a modern corporate system. Taking the corporate governance structure as the main body, we have constantly improved the decision-making and system guarantee mechanisms for corporate governance, made more scientific and effective decisions, and freed up the corporate development vitality.

(I) Historical Background of Corporate Development

In 1949, when the PRC was founded, the State established the Civil Aviation Administration under the Military Commission of the CPC Central Committee, under which the aviation fuel management bodies were set up. Until 1989, the aviation fuel supply system was comprised of entities both functioning as enterprises and government agencies, with no right of independent operation, which served as institutions for guaranteeing civil aviation fuel supply in China.

In 1990, China National Aviation Oil Supply Company was founded and became an enterprise for safeguarding China's civil aviation fuel supply, marking a gradual shift of direction of China's aviation fuel sector toward market-oriented enterprises.

Date	Corporate Name (Modified)
February 8, 1990	China National Aviation Oil Supply Company
May 15, 1992	China National Aviation Oil Supply Corporation
October 11, 2002	China National Aviation Fuel Group Corporation



▲ Original office address of CNAF
--- Anzhen Plaza, Andingmenwai Street, Chaoyang District, Beijing



▲ Current office address of CNAF
--- CNAF Plaza, Madian Road, Haidian District, Beijing

(II) Changes in Corporate Governance Systems



Stage of military organizational system (1949-1980)

- It was subordinate to different regional authorities of Civil Aviation Administration and belonged to the organizational system of the Air Force.

Stage of decentralized management (1980-1989)

- After separation from the army, it was subordinate to the Civil Aviation Administration under the State Council and became an entity functioning both as an enterprise and a government agency. The personnel, finance and materials relating to aviation fuel business were taken charge of by the fuel supply divisions (departments) of different regional authorities and provincial authorities.

Stage of centralized management (1990-2001)

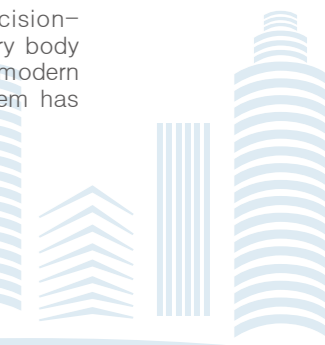
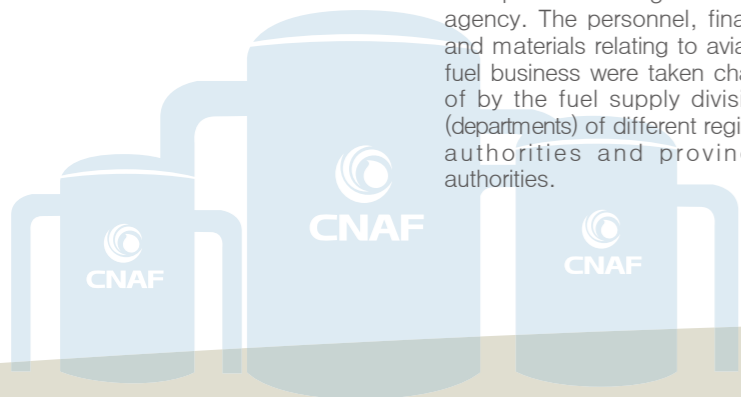
- In February 1990, upon approval by the State Council, the China National Aviation Oil Supply Company subordinate to China Civil Aviation Administration (CAAC) was founded, forming the centralized aviation fuel supply management system integrating the purchase, transportation, storage, testing, marketing and refueling of aviation oil products.
- In May 1992, China National Aviation Oil Supply Company changed its name to China National Aviation Oil Supply Corporation, which became a first-level accounting unit.

Stage of government-enterprise separation and independent operation (2002-2011)

- On October 11, 2002, China National Aviation Fuel Group Corporation was officially founded and became a central SOE directly under the leadership of the State Council.
- In 2005, the Group Corporation restructured its core enterprise (former China National Aviation Oil Supply Corporation) as a limited liability company, which is controlled by the Group and in which CNPC and SINOPEC have shareholding.

Stage of modern corporate management system (2011 -)

- In December 2011, the Group Corporation became one of the experimental units of the SASAC of the State Council to establish standardized board of directors. It set up the first Board of Directors, built a standardized corporate governance structure with the Board of Directors at the core, and initially shaped a mutual check and balance mechanism among the decision-making body, the supervisory body and operation managers. A modern corporate management system has basically taken shape.

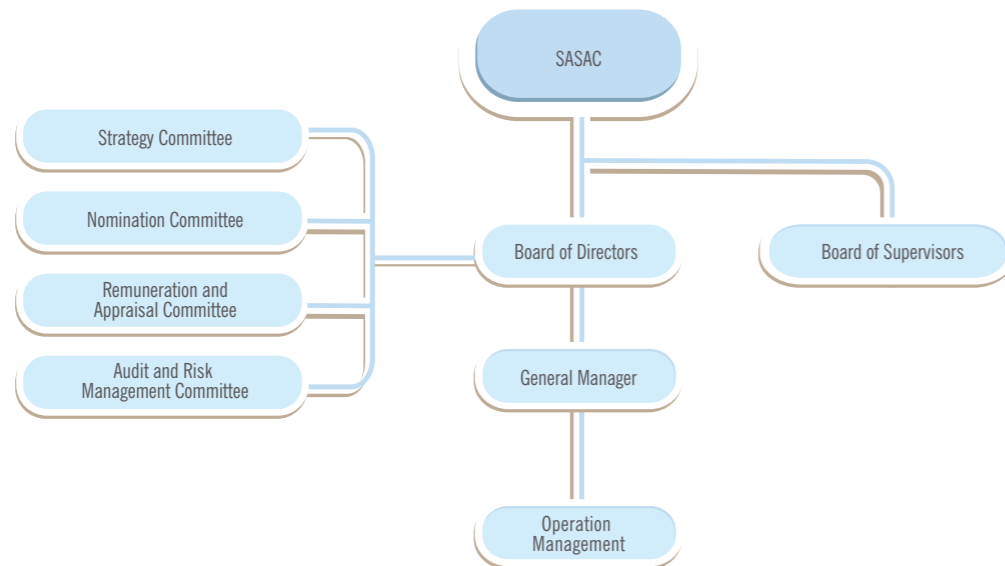


(III) Framework of Modern Corporate Governance

To adapt to the new situation where the State-owned enterprises become market-oriented and international, we have deepened enterprise reforms. In 2011, we established a modern corporate governance structure consisting of the Board of Directors and the operation and management team. Sitting at the core of corporate governance, the Board of Directors exercises its functions and powers in accordance with the articles of association of the Group Corporation. The Board of Directors of the Group Corporation consists of 9 directors including 6 external directors and 3 non-external directors (including 1 employee directors). The Board members, who have extensive management experience and complement each other in their professional fields, can provide solid intellectual support for the scientific decision making. The Board of Directors has four special committees, namely, Strategy Committee, Nomination Committee, Remuneration and Appraisal Committee, and Audit and Risk Management Committee, whose members shall be directors of the Corporation. The special committees perform their duties in accordance with the articles of association and the authorizations of the Board of Directors.



▲ In December 2011, the Group Corporation convened a working meeting on establishing a standardized board of directors



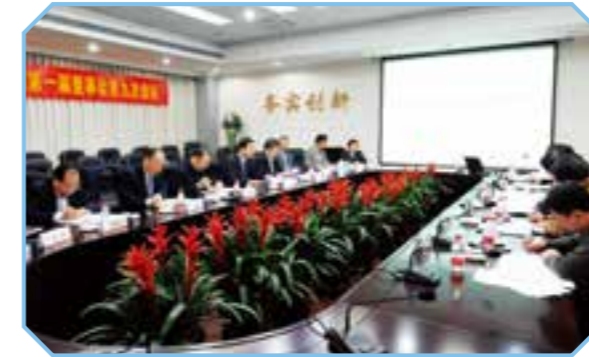
Corporate Governance Structure of CNAF

● Improving the working mechanism of the Board of Directors

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 operations, we have formed a decision-making mechanism authorized by the Board of Directors with the principles of appropriate authorization, hierarchical decision making and effective control, which have enhanced the scientific decision making and standardized management. We have constructed a working institutional system of the Board of Directors based on the Articles of Association, the "Working System of the Board of Directors" and the "Rules of Procedures for the Special Committees of the Board of Directors", providing institutional guarantee for the standardized work of the Board of Directors.

● Facilitating the functions of the Board of Directors

According to the requirements of the "Interim Measures for Standardized Operation of the Board of Directors of the Central Enterprises as Experimental Units to Establish Boards of Directors", the Group Corporation has optimized the discussion mode of the Board of Directors, rationally made plans for the Board to organize external directors to conduct in-depth investigation of different business segments, and perfected the auxiliary decision-making functions of the special committees, thus laying a solid foundation for the Board of Directors to correctly exercise its functions and powers and make scientific decisions. For two years since its establishment, the Board of Directors has convened 14 Board meetings, deliberated 63 proposals and fully displayed its decision-making role.



▲ In January 2013, all the Board members of CNAF and the relevant personnel of the Enterprise Reorganization Bureau of SASAC had a discussion about the standardized operation of the board of directors



▲ In May 2013, the Group Corporation organized its external directors to go to CNAF Northwest Company and CNAF Petroleum Shaanxi Company for investigations

● Bringing into play the role of special committees

According to the institutional provisions of the Board of Directors, the special committees shall respectively perform their functions and assume duties, and assist the Board of Directors in carrying out studies regarding certain matters. The special committees can bring into full play the expertise and managerial experience of the directors and put forward consulting opinions and suggestions to the Board for its reference in the course of formulating investment plans, working out financial budget, carrying out assessment of senior executives' performance, determining senior executives' remunerations, and drawing up risk control measures. This is designed to make the decisions more pertinent and scientific and provide important support for the scientific decision making of the Board of Directors.

Year	2013	2012
Main Meetings	4 Strategy Committee meetings 4 Audit and Risk Management Committee meetings 2 Remuneration and Appraisal Committee meetings	4 Strategy Committee meetings 3 Audit and Risk Management Committee meetings 2 Remuneration and Appraisal Committee meetings 1 Nomination Committee meetings

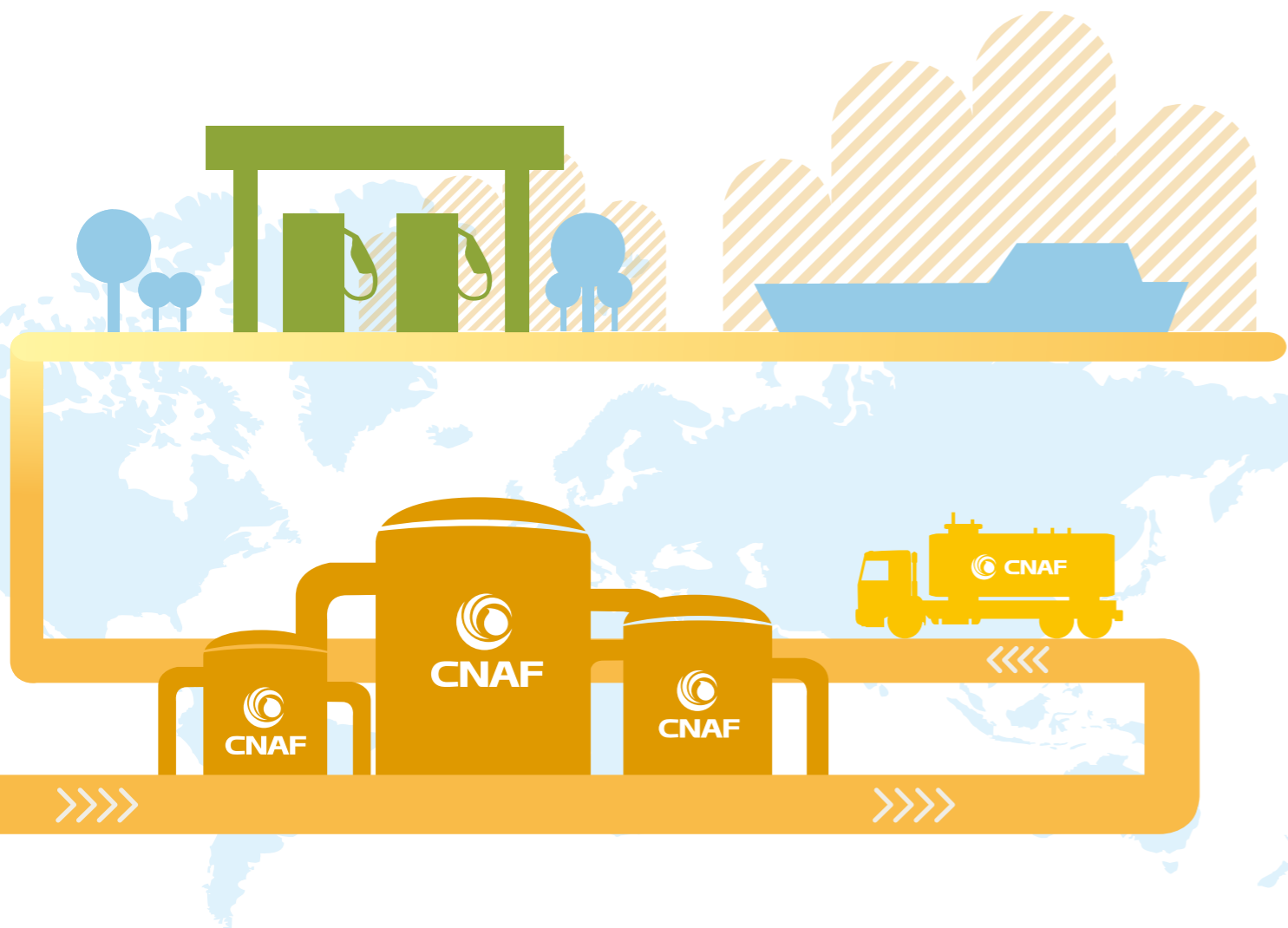
● Guiding the activities of the operation and management team

According to the decision-making requirements of the Board of Directors for appropriate authorization, hierarchical decision making and effective control, the Group Corporation has established the "Working System for the General Manager" and clearly defined the rights and responsibilities of the operation and management team as well as the procedures for the General Manager's office meetings, which have laid the institutional foundation for the General Manager to organize and carry out daily operation and management activities. The operation and management team carries out and materializes all decisions and deployments of the Group Corporation's Board of Directors, implements the strategies regarding resources, market and internationalization, supervises work safety and enterprise management, improves enterprise development quality and economic results, fulfills all tasks and goals assigned and set by the Board of Directors, and ensures the steady and scientific development of the Corporation.

3

Boosting Business Development to Provide Material Guarantee for Responsibility Fulfillment

- Safeguarding Aviation Fuel Supply
- Strengthening Petrochemical Trade
- Improving Logistics Network
- Expanding International Business



Good operating performance represents the material foundation and important precondition for enterprises to fulfill its social responsibilities. Since its establishment, the Group Corporation has always taken development as its first priority and on the basis of making efforts to promote the sound development of its main core business of aviation fuel, it has actively promoted the rapid development of petrochemical trade, logistics and international business. Currently, the Group Corporation's four business segments are advancing side by side and achieving balanced development; its business layout is tending towards becoming more rational, its operation efficiency and economic results are notably improved and its market competitiveness and anti-risk capability are constantly enhanced.

Aviation fuel segment

The aviation fuel segment mainly consists of CNAF Supply Co., Ltd and Shenzhen Chengyuan Co., Ltd. CNAF Supply Co., Ltd is a joint venture established by CNAF, SINOPEC and CNPC and currently provides aviation refueling and services at 185 domestic airports and 30 overseas airports.

International business segment

The major business entity of this segment is China Aviation Oil (Singapore) Corporation Ltd. Established in May 1993, the Singapore Corporation is mainly engaged in the purchase of imported aviation fuel, international oil trading and industrial investment in petroleum. In 2012, Hong Kong Company, North America Corporation and Singapore Corporation were reorganized and integrated. In 2013, it obtained the qualification for refueling at Hong Kong Airport and completed the establishment of its European subsidiary.

Petrochemical trade segment

The petrochemical trade segment mainly consists of CNAF Petroleum Co., Ltd and Shenzhen Airport Petroleum Co., Ltd. In December 2004, CNAF Land Petroleum Co., Ltd was incorporated; and in November 2009, it was renamed as CNAF Petroleum Co. Ltd.

Logistics segment

The major business entity of the logistics segment is CNAF Logistics Co., Ltd, which was formerly called Haitian Shipping Company. It was established in December 2004 and renamed as CNAF Logistics Co., Ltd in December 2007. It is a wholly-controlled subsidiary of CNAF.





Completing important guarantee task

We have attached great importance to the guarantee for fuel supply during the crucial periods such as Spring Festival transport and earthquake relief and under special circumstances, worked out the emergency response plan for aviation fuel guarantee and made every endeavor to enhance our capability of safeguarding the secure and stable supply of fuel. In 2013, we successfully completed the tasks of guarantee for Davos Forum and China-South Asia Fair; made all efforts to provide guarantee for the earthquake relief work in Ya'an, Sichuan Province, refueling 1021.26 tons of fuel for relief planes and providing guarantee for 144 sorties of flights, accounting for 77% of all the relief flights.



Case Shenzhen Chengyuan Co., Ltd. successfully completes the task of fuel supply guarantee for site change of Shenzhen Airport

On November 28, 2013, the new terminal of Shenzhen Airport was officially put into use, marking the successful completion of the site change of China's largest airport. To ensure the success of the site change of T3, Shenzhen Chengyuan Co., Ltd. set up a site-change leadership group and executive group one year in advance and formulated a detailed operation preparation plan and an emergency response plan. Through construction of supporting projects, provision of personnel, equipment and facilities, and guarantee of oil quality, Chengyuan made full preparations and maintained steady operation in all aspects, thus successfully passing the test of first flight.

Serving the development of regional aviation

The development of regional aviation plays an important role in improving local traffic conditions and promoting regional economic and social development. We have endeavored to overcome such difficulties as risk of loss for ensuring oil supply to regional airlines, hard supply conditions and backward living conditions, and vigorously guaranteed the aviation fuel supply for feeder airports to boost the development of regional aviation. In 2013, under the circumstance that the feeder airports largely ran in the red, we still took the initiative of accepting the business of fuel supply for 13 feeder airports including Shangrao, Bijie, Kaili and Yading and provided services for as many as 160 feeder airports.

(I) Safeguarding Aviation Fuel Supply

We commit ourselves to serving the sound development of the civil aviation transportation industry, constantly improve our service quality and level, and make all efforts to guarantee the safe aviation fuel supply of the country; and we have made important contributions to facilitating the convenience and ease of travel of the general public. In 2013, we sold 1683 tons of aviation fuel, an increase of 131.8% over 2007; and guaranteed 273.6 sorties of flights, an increase of 93.4% over 2007.

Constantly deepening strategic cooperation

We have deepened the communication, exchange and cooperation with resource suppliers, clients, logistics providers and competent government departments, and ensured the stability of resource channels and the optimized allocation of resource supply. In 2013, we continued to enter into the annual supply framework agreements with such resource suppliers as CNPC, SINOPEC and CNOOC and further improved the regular coordination and communication mechanism, laying a solid foundation for the steady supply of resources; we successfully responded to the aviation oil supply difficulties caused by the overhaul of a series of refinery plants including Yanshan Petrochemical and the shutdown of SINOPEC riverside refinery plants, ensuring the steady supply of aviation oil resources; and we unfolded in-depth cooperation with the three airports in Beijing, Shanghai and Guangzhou and succeeded in signing strategic cooperation agreements with Shanghai and Guangdong Airport Groups. In addition, we held communications and exchanges with such companies as BP and Shell and actively promoted cooperation at deeper levels and in broader fields.



▲ CNAF signed the 2013 aviation fuel supply framework agreements with upstream enterprises





(II) Strengthening Petrochemical Trade

The petrochemical trade business is mainly related to wholesale, retail and storage of oil products as well as trade of petrochemical products. By focusing on airports and their surrounding areas, we have strengthened cooperation with numerous airports, accelerated the layout of terminal outlets, endeavored to increase the retail proportion and enhanced our sustaining and stable profitability. In 2013, we realized the sale of 424 tons of petrochemical products, the transportation of 283 tons of aviation fuel and the storage of 100 tons of oil products.

Improving retail distribution capability

We have focused on laying out our retail terminals, strengthened our efforts in establishing joint ventures and partnership with local SOEs and private enterprises with resources, financial strength and sound reputation, accelerated the construction of high-quality gas stations, strengthened cooperation with governments and airports, deployed sales outlets around the airports, disposed of inefficient sites in a timely manner, and improved our central distribution service to the retail terminals. In 2013, we put into operation 13 new gas stations.



Strengthening cooperation in petrochemical trade

We have strengthened our cooperation with upstream resource suppliers and focused on cooperation with such petroleum enterprises as CNPC, SINOPEC and Yanchang Petroleum to obtain the sustaining and stable supply of resources. In 2013, the amount of first-hand resources purchased by CNAF Petroleum Co., Ltd. accounted for 40% of the total.

Improving customer service capability

We have intensified on-site guidance for gas stations, imposed strict control over their oil product quantity and quality management, focused on product quality monitoring under extreme weather conditions, and mandated the implementation of all workflow requirements in a bid to improve service quality and operation management level. We have optimized the structure of customers, reinforced the protection of core customers, and implemented the customer manager system to provide considerate services for customers, which has greatly improved customer satisfaction.

Petroleum Yunnan Company

Gas stations provide such convenient services as free filling of water, door-to-door services and "green channel" to fully meet the customers' needs for convenience and individuality

Petroleum Guizhou Company

Increased visits to customers in Guiyang, Bijie and Zunyi to ensure the stability of cooperative relations

Enriching Customer Service Modes

Petroleum Sichuan Company

Carried out a differentiated sales strategy for 25 large terminal customers in the province and accomplished win-win results for the company and its customers

Petroleum Chongqing Company

Deepened the "customer manager system" and through the "point-to-point" contact of customer managers, ensured the problems reported by customers were rapidly and effectively solved



Case

Petroleum Co., Ltd holds depot director training class to improve depot management capability

In May 2013, CNAF Petroleum Co., Ltd. held the training class for depot directors. A total of 25 persons, including the company's depot directors of all the in-use depots and the personnel of the headquarters' Department of Safety Technology Supervision, participated in the training, during which they explored and studied the root causes of Shenzhen 5/11 accident and the emergency response process thereof, the depot management knowledge and skills, and the advanced depot management experience. The training further enriched the depot directors' safety management knowledge and laid a good foundation for improving depot management.

Petroleum Shandong Company carries out the work of upgrading oil products to improve oil quality

To further implement the Announcement of Shandong Provincial People's Government Regarding the Upgrade of Motor Oil Products in Shandong, we actively fulfilled the social responsibility as a central enterprise and made contributions to the improvement of ambient air quality. In 2013, Petroleum Shandong Company organized and held the special meeting of the Oil Product Operation Committee, at which they worked out the implementation plan for upgrading oil products in light of their actual conditions of production and operation so as to improve the quality of oil products for sale.



(III) Improving Logistics Network

With the logistic bases as supporting points and with shipping, the pipeline network and docks as veins, we have gradually constructed a safe and orderly, convenient and efficient modern logistics service system that covers the whole country.

In 2013, the logistics segment recorded a sales revenue of RMB 95546 yuan, a total of 185 kilometers of oil pipelines, a water transport capacity of 27.5 tons and a storage capacity of 60 cubic meters.

Accelerating the construction of logistics infrastructure

We have actively unfolded cooperation with the refinery, port, airport and logistics enterprises, strengthened the construction of such logistics infrastructure as docks, storage, pipeline and shipping, accelerated the construction of the pipelines of oil supply networks for hub airports, regional hub airports and trunk airports, constructed the storage, transportation and distribution pattern with the aviation fuel transport pipeline networks as the veins, and formed a relatively faultless logistics supply chain and distribution network.

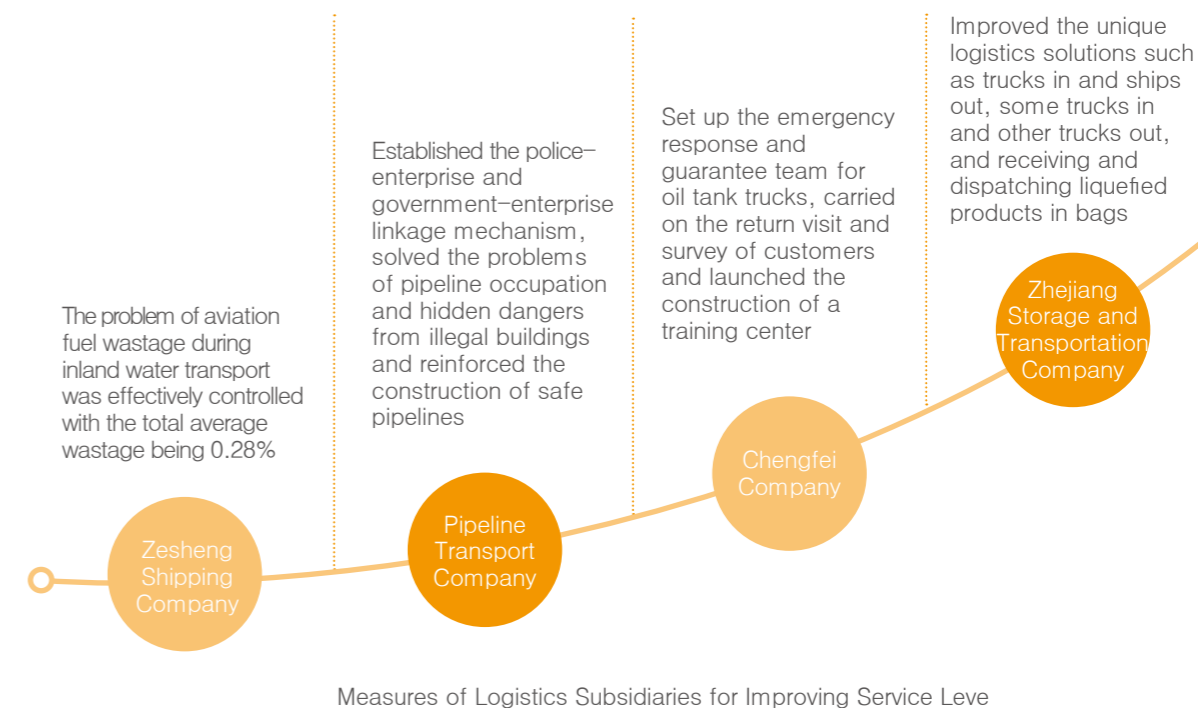
Case Logistics Chongqing Company guarantees aviation fuel supply for Jiangbei Airport



To guarantee the supply of aviation fuel for Chongqing Jiangbei Airport and solve the problem of inadequate oil discharge capacity of the depot at Tangjiatuo dock, Chongqing Company implemented the 3000-tonne new barge project of Tangjiatuo depot discharge dock, completed the renovation of the supporting and power distribution systems and bank slope anchor-tying facilities for new barges at the said depot, and built two 7000-m³ new oil tanks.

Making efforts to improve the level of logistics services

We have continuously improved our aviation fuel transport guarantee capability and logistics control capability, actively expanded the external market, started the third-party logistics business, strengthened the construction of the logistics business information system, renovated and optimized the management process of logistics business and improved business efficiency and service quality to provide customers with more professional logistics services.

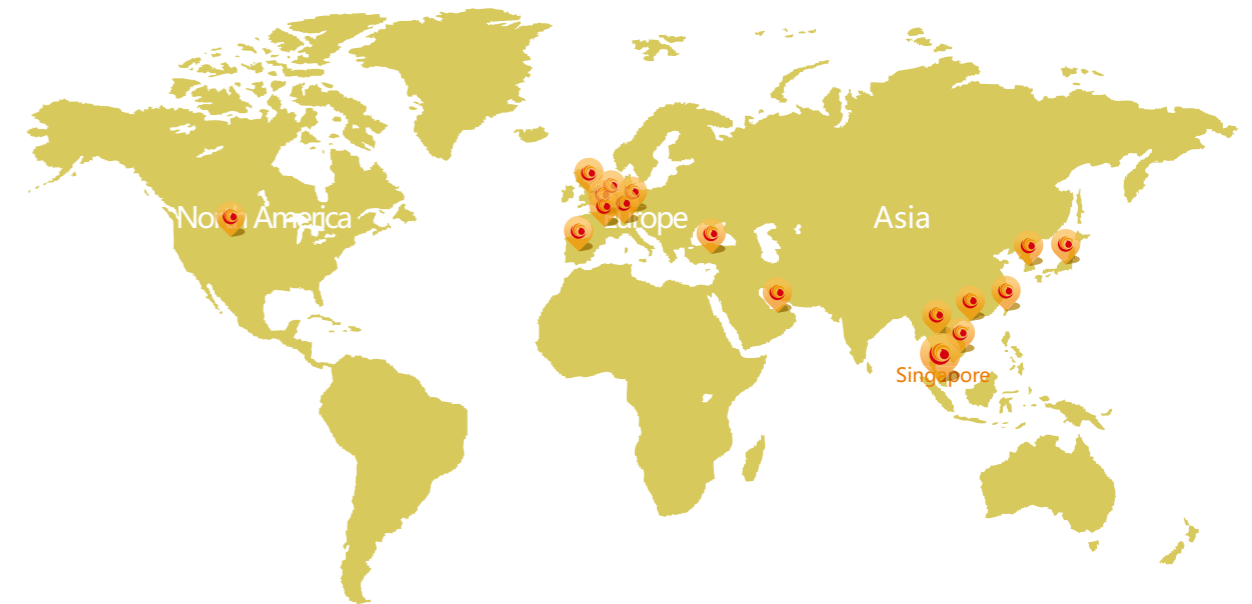


Case Logistics Zhejiang Storage and Transportation Company launch certification of "three standard management systems"

To promote the construction of its standard management systems, in 2013, Zhejiang Storage and Transportation Company conducted training on "three standard management systems" certification centered on the requirements of ISO9000, ISO14000 and OHSAS18000. In light of the actual conditions of the company, the training carefully analyzed the core elements regarding how employees identify the environmental factors and danger sources in work, reduce or avoid risks and improve the company's safety and environmental performance, thus improving their quality, safety and environmental protection awareness.

Case Logistics TJIPST Company successfully completes the task of receiving and unloading the first batch of aviation fuel during the period of supply guarantee

In June 2013, the ship "Nuodi'anna" was berthed at Nanjiang Harbor. On the ship was more than 62,000 tons of foreign trade aviation fuel waiting to be unloaded. Despite the tight schedule and heavy task, Tianjin International Petroleum Storage and Transportation (TJIPST) Company completed the task of receiving and unloading the first batch of aviation fuel during the period of supply guarantee after over 40 hours of ongoing operation. Logistics TJIPST Company successfully completed the task of receiving and unloading the first batch of aviation fuel during the period of supply guarantee.



International business layout CNAF (Asia, North America, Europe and Singapore)

(IV) Expanding International Business

The international business relates to the supply and trade of aviation fuel, trade of other petrochemicals and petrochemical-related industrial investment, and the trade business relates to the fields of aviation fuel, fuel oil, diesel oil and chemical products. In recent years, we have constantly expanded our international business and extended the market regions to ASEAN, Far East, North America and Europe, thus further improving our internationalization. In 2013, the international business recorded a total sales volume of 1283 tons, accounting for 36% of the Group's total; the sales revenue of RMB 752 yuan, accounting for 33% of the Group; and an internationalization index of 22%.

International development of aviation fuel business

We have constantly deepened the strategic cooperation with petroleum and aviation companies. Within less than three years, we have realized the business of fuel supply in Asia-Pacific, North America, Middle East and Europe, covering 17 airports in 30 countries and regions and becoming the largest supplier of overseas fuel for China Southern Airlines and the second largest supplier of overseas fuel for Air China and China Eastern Airlines; and we have gradually expanded the overseas fuel supply services for other aviation companies including Taiwan TransAsia Airways and Asiana Airlines. In 2013, we successfully obtained the qualifications of refueling for Hong Kong Airport, further improving our international competitiveness.



Case CNAF successfully wins the bid of aircraft refueling project of Hong Kong Airport

On August 30, 2013, Airport Authority Hong Kong announced that the joint bidding consortium mainly consisting of CNAF Hong Kong Company and Shenzhen Chengyuan Company-CNAF Hong Kong Oil Supply Co., Ltd successfully won the bid of the aircraft refueling service operation rights of HK International Airport. As the first project through which CNAF's core main business advances towards the international market and participates in international competition, it is a historical breakthrough to win the bid of this project. It will become an important platform for domestic aviation fuel enterprises to know, study and introduce the operation rules of the international market, innovate on management philosophy and foster international talents, and it also marks a solid step forward for CNAF on the path of internationalization.

Optimizing the layout of international business

Centering on the core business, we have endeavored to expand new trade areas and business fields, actively carried out capital operation and gradually accomplished the shift of international business from trade-based type to trade-guided industry-based type. In 2013, the Europe Subsidiary of Singapore Corporation was established, and our international business network with Singapore Corporation at the core, the Asia-Pacific region as the foundation, the Hong Kong and North America Companies as two wings and the Europe Company as the feeler initially took shape.

Carrying out international research and exchange

We have established the mechanism of communication with such organizations as airline companies, international aviation fuel companies and IATA, organized exchange meetings on international trade and risk management, and participated in international industrial meetings such as IATA Global Air Transport Summit and IATA Aviation Fuel Forum. Through extensive exchanges, we have explored in-depth cooperation with all sides to jointly promote the rapid and sound development of the industry.



The Group's leaders are having talks with BP's senior management



CNAF delegation attends IATA Aviation Fuel Forum

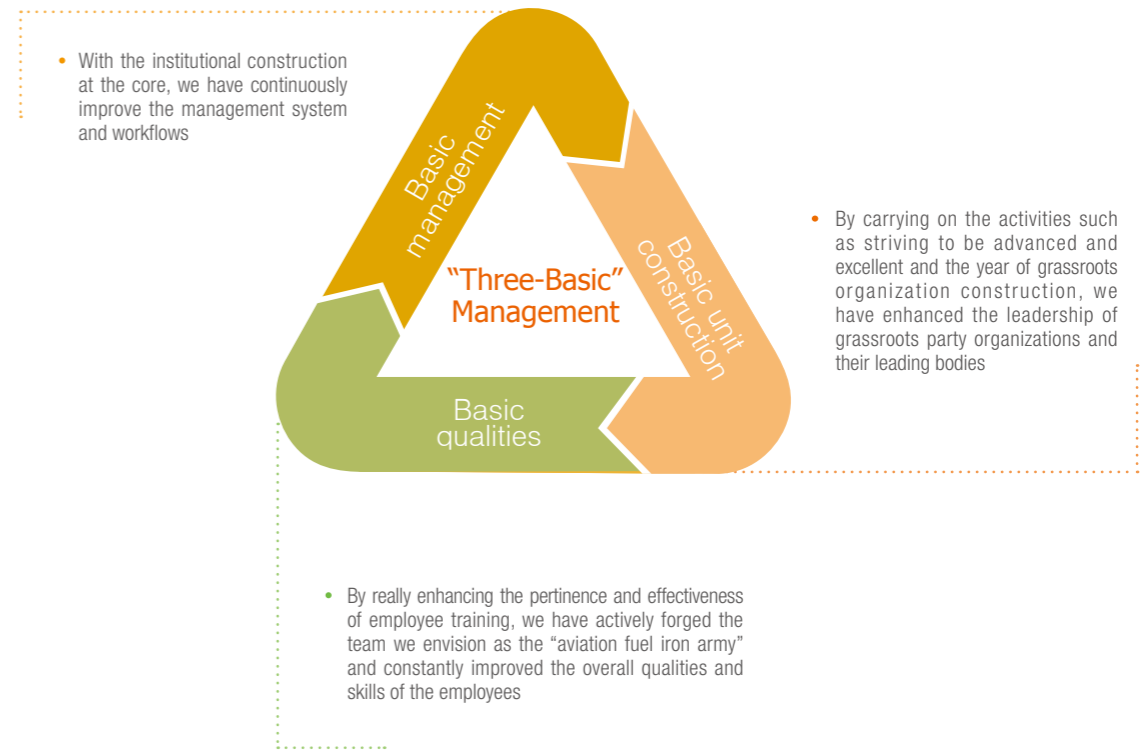
4 Reinforcing the Management of Special Matters to Inject Impetus of Development for Responsibility Fulfillment

- Management of Three-Basic Construction
- Safety and Environmental Protection Management
- Comprehensive Risk Management
- Employee Development Management
- Social Responsibility Management

Strengthening enterprise management is critical to enhancing development vigor and improving the quality and benefits of development. By continuously strengthening the “three-basic” construction, we have materialized the responsibilities for safe and environment-friendly production, improved the risk control mechanism, reinforced the building of a talented workforce and the management of social responsibility, and conscientiously upgraded the level of enterprise management, thus providing the source of sustaining power for fulfilling our social responsibilities.

(I) Management of “Three-Basic” Construction

Since 2007, we have carried out the “three-basic” work centering on basic management, basic unit construction and basic qualities in the whole corporation, and we have always taken the strengthening of “three-basic” construction as the fundamental way and effective means to improve management. Through more than 6 years of practice, significant results have been achieved in “three-basic” construction with the basic management, basic unit construction and basic quality being notably improved and enterprise management being further tamped.



● Solidifying basic management

We have followed the standards featuring “well-planned and sound control system, rigorous and standardized business process, scientific and orderly on-site operation, and elaborate and in-place professional management”, centered on the institutional construction and highlighted work safety, cost and other emphases of management. Through the benchmarking with the advanced and the dynamic improvement, we have ensured that management be institutionalized, normalized and standardized in all aspects and further tamped the management foundation. From 2007 to 2013, we have revised a total of 1116 systems of various kinds.

● Greatly advancing basic unit construction

Centering on the activities of striving to be advanced and excellent in the year of grassroots organization construction, we have thoroughly carried out the building of “four-good” leading bodies and clearly defined the grassroots leading bodies’ “three tasks”, i.e. work safety, performance indicator and team construction and their “four responsibilities”, i.e. safety, performance, integrity and stability, all of which have constantly enhanced the ability of the grassroots organizations and their leading bodies to serve the sustainable development of enterprises.

Case

Group Corporation goes to grassroots unit for diagnosis of management

In July-August, 2013, according to the overall arrangements for fully carrying out the activities of management improvement, the Group Corporation organized for professional management experts to implement the on-site management diagnosis for CNAF Guizhou Company, CNAF Tianjin Company, Petroleum Yunnan Company and Logistics Haixin Company. They summed up the highlights, found problems and proposed recommendations for improvement in 16 special fields including work safety and on-site management, which vigorously promoted the management improvement of grassroots units.

● Continuously improving basic qualities

According to the standards of “observing laws and disciplines, cherishing posts and devotion to work, outstanding ability, exquisite skills, diligence and steadfastness, competent style of work, unity and collaboration, and being courageous to innovate, and through the appraisal of occupational skills, classified training, post training and technical competition, we have forged the “aviation fuel iron army” and fully improved the employees’ overall qualities and capabilities. Currently, we have 13 training bases. In 2013, we trained 6887 employees, a total of 34429 employees participated in job skill training and post training, and 3 employees became “National Skill and Technical Masters”.



▲ CNAF carries out in-depth on-post training activities



(II) Safety and Environmental Protection Management

We have stuck to the work safety policies featuring “safety first, prevention foremost, comprehensive control and continuous improvement” and continuously carried out the construction of compliance, adaptation and effectiveness. By “reinforcing management, materializing responsibility, and controlling hidden dangers”, we have ensured the attainment of the safety goal of “zero accident, zero injury and zero pollution”, and we have really taken on the safety and environmental protection responsibility to serve the stakeholders.

● Improving the safety responsibility system

Each year, the Group Corporation signs a safety responsibility letter with the main leader of each unit and enters into the safe production contract with all its employees to implement the safe production goals and tasks at all levels. In 2013, according to the general requirements of the State for work safety, we strictly implemented the system of “equal responsibility for party and administrative organizations” and “double responsibility for each post” and further established and improved the work safety responsibility system, thus forming the situation where safety management is fully covered and jointly supervised.



▲ The Group Corporation signs safety responsibility letters with the leaders of all units

Carrying out thorough inspection and control of hidden dangers

In light of the characteristics that the production units have numerous sites, production lines and wide coverage, we have established the mechanism for the thorough inspection of hidden dangers and the control of "three violations" and continuously carried out such work to improve the safety and reliability of production equipment and operating personnel. In 2013, we organized and conducted special safety inspection activities in a dragnet manner, which covered all grassroots units, oil depots and oil and gas loading/unloading docks, eliminated the hidden dangers and improved their work safety level. During the year, we conducted 552 thorough inspections of hidden dangers, found 2627 ordinary dangers and corrected 2572 of them, with the correction rate rising to 98%.



▲ The First Aviation Gas Station and Equipment Maintenance Center of CNAF North China Company jointly carry out the inspection and elimination of hidden dangers



Shenzhen Airport Petroleum Co., Ltd actively responds o "5/11" production accident

In May 2012, an accident occurred at Shenzhen Airport Petroleum Co., Ltd while the valves of No.5 oil tank at its depot were being repaired, resulting in the leakage of large quantities of 93# gasoline in No.5 oil tank. After the accident occurred, the company launched the emergency response plan without delay and took the measures of stopping operation at the depot area, evacuating the oil trucks there and reporting the accident to the superior. The company also closely collaborated with the fire-fighting and medical departments of the government to jointly respond to the accident, effectively prevented the occurrence of fire, ensured the safety of personnel, reduced the losses of property and caused no environmental pollution. As a result, airport flights and the social and living order within the jurisdiction remained normal. Meanwhile, the Group Corporation demanded that all relevant units should draw a lesson from this accident, lay ceaseless emphasis on work safety, improve the safety rules and regulations, reinforce training on work safety, check the equipment and facilities on a regular basis, constantly enhance the employees' safety awareness and occupational qualities and quickly eliminate the hidden dangers to avoid the occurrence of similar cases.

Actively reinforcing emergency response management

We have taken it as one of our work priorities to establish the emergency response plan for oil pipeline accidents and constantly improved the comprehensive response plan, special response plan and on-site disposal plan. Meanwhile, we have strengthened the communication and coordination with the local government and jointly carried out emergency response drilling to improve our capability of responding to sudden events. In 2013, we carried out 2937 emergency response drillings of various kinds, including 402 comprehensive drilling and 2535 special drillings, which constantly enhanced our level and capability of emergency disposal.



▲ CNAF Tibet Company holds a joint drilling of fire-fighting



▲ CNAF Zhuhai Company launches the emergency response plan to fully defend against a typhoon

Deepening the construction of safety culture

We have continuously strengthened the construction of safety responsibility culture, crisis management culture and safe practices culture and laid emphasis on pushing ahead the "six-step working method of aircraft refueling" to promote the employee' s cultivation of good operation habits and avoid safety accidents.



CNAF carries out the event of "Work Safety Month"

In 2013, CNAF carried out the event of "Work Safety Month" and won the "Excellent Organizing Unit Award for 2013 National Work Safety Month Event" granted by the Work Safety Committee of the State Council.

Contents of the Event:

- Organizing employees to watch and study the publicity film on the event of national work safety month to strengthen the learning, publicity and implementation of national safety policies;
- Organizing and convening the urgent video meeting on work safety to make detailed arrangements for fully strengthening the work safety efforts of the Group Corporation;
- Organizing all the units within the sector to take part in the knowledge contest on "cracking down on illegal production activities";
- Carrying out "Work Safety Emergency Response Plan Drill Week" to reinforce emergency response drilling.

Pushing ahead energy efficiency and environmental protection

In 2013, we earnestly carried out the spirit of the Working Meeting on Energy Efficiency and Emissions Reduction (EEER) of Central Enterprises, vigorously boosted the EEER work, and cooperated with China Eastern Airlines and SINOPEC to support the former to successfully carry out the verification flight with bio-fuel. We actively promoted environment-friendly office work and built the information management and control platform, thus realizing the IT-based management of personnel, finance and materials, improving the efficiency of office work and reducing carbon emissions.

CNAF helps Eastern Airlines to successfully carry out a verification flight with bio-fuel



In April 2013, China Eastern Airlines successfully carried out China's first verification flight using an aviation bio-fuel with our independent property rights. This marks the complete success of the aviation bio-fuel project jointly promoted by CNAF together with Eastern Airlines and SINOPEC and it will produce an extensive and far-reaching influence on the sustainable development of the homemade new energy application and the green low-carbon flight.

CNAF Northeast Company rolls out the publicity event of "Practicing Energy Efficiency and Low Carbon to Build a Beautiful Home"

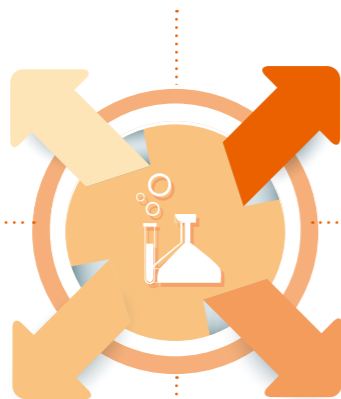
In June 2013, Northeast Company launched the publicity event with the theme of "Practicing Energy Efficiency and Low Carbon to Build a Beautiful Home". Through publicity pictures, they popularized energy efficiency and environmental protection knowledge to employees and called on everyone to play a role in building an energy-saving society and promoting ecological progress.



Strengthening oil quality management

The management of oil quality and quantity is of great signification for controlling the quality of oil products. In strict accordance with the Quality Control and Operation Procedures for Civil Aviation Fuel (MH/T6020-2012) and all the latest national standards (GB/T) and industrial standards (MH/T), we have strengthened the verification and inspection work before receiving oil and the quality inspection and control in the process of oil storage and strictly standardized the sampling and inspection process for reassessment and testing after the receipt of oil, which has effectively ensured the oil quality and quantity. In 2013, there was no occurrence of accident or measurement complaint caused due to oil quality throughout the Corporation.

- Participating in and completing the compilation of IATA Management Manual on Supply Chain Oil Quality



- Actively participating in the work of the Aviation Fuel Authentication Commission, completing the authentication of newly added aviation fuel products of refineries and their products made after the change in technique, and coordinating and solving the oil quality problem of Qinzhou Refinery Plant

- Organizing and completing the application, review and change of airworthiness certificates upon expiration for newly added airports of the companies

- Strengthening oil quantity management, completing the Flow Standard Device Using Standard Meter Method, completing the research, report and analysis concerning the custody transfer of shipped oil in Southwestern region, and standardizing and segmenting relevant work thereof to reduce wastage



(III) Comprehensive Risk Management

We have set up "three lines of defense" consisting of business, control and auditing in our risk control system, continuously improved "six systems", namely, organizational function system, institutional system, risk assessment and internal control system, information and communication system, training system, and supervision and inspection system, and effectively prevented "five risks", namely, strategic risk, financial risk, market risk, operational risk, and legal risk.



Improving risk control system

In 2013, we improved the internal control system and process handbook, streamlined the internal control process and system documents, clearly defined operating procedures on risk-based business inspection, and assessed the implementation work, and realized the joint auditing among new business departments according to the measures for risk assessment of newly added businesses. We optimized and improved the composition and main responsibilities of the risk control leading bodies, first proposed the setup of a system construction and operation working group and a supervision and accountability working group under the risk control leading group, and clearly defined the composition and main responsibilities of such groups.



Organizational Structure of CNAF Risk Control



Strengthening important risk control

In 2013, we continuously improved the level of risk control, optimized the risk control organizational and leading system, perfected the internal control process and system handbook, established the mechanism for regular update of transaction counterparties' information and the "blacklist" database, strengthened the thorough inspection, prevention and control of the business risks in bulk commodities, reinforced the compliance review and joint risk assessment of newly added businesses, newly established business patterns and major matters, and promoted the organic integration of risk control with day-to-day operation management.



The Group Corporation holds the meeting to launch the project of the contract management information system

The Group Corporation optimizes its legal management modemanagement mode

The Group Corporation fully enhanced the work of legal management on the general principle of "unified leadership, centralized deployment, hierarchical management and double responsibility".

- ▶ Comprehensively summing up the status quo of legal management, formulating the "Temporary Provisions of the Group Corporation on the Management of Legal Affairs", and clearly defining the major principles and matters of legal management;
- ▶ Comprehensively revising and perfecting relevant supporting systems including the "Management Measures for Legal Auditing of Important Operating Decisions" and the "Measures for Management of External Lawyers";
- ▶ Carrying out the construction of its contract auditing information system and strengthening contract life-cycle management.



The Group Corporation properly handles legal risk events

In 2012, the Import and Export Co., Ltd. successively suffered from 4 legal dispute cases and risk management events. The Group Corporation promptly adopted response measures, set up a special handling group and brought into full play the special functions of financial, legal and risk control departments. In 2013, by taking legal actions and signing settlement agreements, the Group Corporation properly handled and effectively prevented major business risks, thus maximally safeguarding the safety of State-owned assets. Meanwhile, in carrying on the trade-related businesses, the Group Corporation reinforced business supervision, strengthened risk control, initiatively and comprehensively straightened out high-risk businesses, promptly found, identified, assessed, responded to and rectified major hidden risks, proposed the detailed risk control measures for controllable risks, internal control compliance and lawful operation, and forcefully eradicated the recurrence of major risks in high-risk businesses and non-main businesses.

Fully enhancing the risk awareness of all employees

We have strengthened the experience exchange among the member enterprises and by various means such as sorting out and compiling risk cases, holding risk control training symposiums and participating external risk management training, we have allowed the member enterprises to correctly grasp the new requirements of external regulation, understand the risk management trends of large international companies, share the experience of the Group Corporation in the construction of the comprehensive risk control system, clearly understand the major work of current risk control and improve the risk awareness and risk control capability of all the employees.



CNAF holds training on the preparation of risk control handbooks



(IV) Employee Development Management

We have insisted on the corporate vision of "A great enterprise with happy employees", actively pushed forward democratic management, continuously improved employees' qualities, deeply implemented the "care project" for employees, transformed the employees' happiness into the impetus for driving the scientific development of enterprises and endeavored to accomplish the harmonious unification between corporate development and employee development.

Safeguarding the basic rights and interests of employees

Signing labor contracts according to law

We have implemented the Labor Contract Law and ensured the employees to have equal pay for equal work. In 2013, we established the annual employment plan examination and approval system under the unified management of the Corporation, incorporated all the dispatched labor force into the corporate employment plan and continued to carry out the practice of choosing the excellent workers and changing the system for them so as to really safeguard the employees' lawful rights and interests.

CNAF South China Lantian Company holds employees representatives congress



In May 2013, South China Lantian Company held the third meeting of the Third Employees' Representative Congress and the Trade Union Members' Representative Congress. A total of 60 delegates including employees' representatives and trade union members attended the meeting. The meeting proposed smoothing the channels for democratic management and promoting democratic corporate management, deliberated the eight HR systems, the System of Special Committees of Employees' Representative Congress and the list of members of such committees, and conducted democratic assessment of the company's management.

Intensifying democratic management of employee

We have actively perfected various working systems of the employees' representative congress, continuously broadened the channel for employees' participation in democratic management, smoothed the passage for employees to provide suggestions and democratic supervision and mobilized the employees' enthusiasm and initiative to participate in democratic management. We have perfected the system of opening corporate affairs to the public, made definite the corporate matters to be opened and ensured that significant matters and hot issues be fully opened to the public.



Promoting employees' career development

We have made efforts to broaden the channel for absorbing talents, reinforced the system of open recruitment, established new mechanisms for selecting and using talent, which conform to the corporate development requirements, and actively forged three talent contingents of operational managers, professional technicians and skilled operators.

- Conducting workshops for shift/group leaders, technicians and senior technicians;
- Making efforts to enhance the capability of teams and crews.

- Promoting open competition for the posts of senior executives, setting up executive management personnel assessment standards based on multi-dimensional evaluation such as operating performance, management level and public recognition;

- Reinforcing the management of reserve talents, continuously promoting dynamic management of reserve officers through democratic recommendation, assessment and interviews, deliberation and proposal of suggested candidates.

- Innovating on the policy relating to the development of professional and technical personnel and absorbing such personnel in key and emerging business fields;

- Optimizing the professional qualification system, streamlining jobs and roles based on categories and levels of professional titles, and smoothing channels for development of professional and technical personnel.



The Group Corporation makes efforts to reinforce HR management system

In 2013, the Group Corporation made efforts to enhance the delicacy of HR management, perfected the standards and procedures for absorbing talents, worked out the "Temporary Measures for Management of Employees' Personnel Archives" and the Detailed Working Rules for Sorting Out Employees' Personnel File Management, preparing the instructions for the office posts at the Group's Headquarters, and taking various measures to provide institutional guarantee for employee development. The Group Corporation made efforts to reinforce the HR management system.

CNAF Southwest Company carries out two-way plan for tempering young employees through titular positions

To broaden the career development channels for young employees and increase their work experience in more than one post, CNAF Southwest Company let the excellent young employees at the offices serve as manager's assistants at the grassroots units so that they could know about the actual conditions there and help improve their leadership; and the company let the excellent young employees at the grassroots units serve as assistants at the office departments so as to enhance their writing skills and communication and coordination abilities. CNAF Southwest Company carried out the two-way plan for tempering young employees through titular positions.

CNAF Yantai Company optimizes talent recruitment and selection mechanism

Yantai Company conducted open competition for all the posts of team and group leaders, adhered to the principle of openness, fairness and democracy and highlighted the management thinking of the hierarchical responsibility system. The company's leaders were not involved in the assessment and evaluation of the competing employees and really transferred the selection authority to the department leaders and grassroots employees so that the grassroots employees could fully exercise their democratic rights and selected the candidates that they trusted.



Public speech

The competing employees talked freely about their management thought

On-the-spot reply

The appraisal group asked questions to test the competitors' overall qualities

Democratic assessment:

All the employees graded the participating competitors on the spot



Conducting professional training for employees

We have constantly improved the talent cultivation and evaluation system and shaped the training pattern led by the personnel departments, supported by the office departments and focused on the grassroots units. Through authentication of professional skills, reinforcement of classified training, post training and technical competition, we have endeavored to forge the high-level, multidisciplinary and internationalized operation management contingents that meet the corporate needs of strategic development. In 2013, we carried out 39 training projects in which 1200 employees participated.

CNAF actively participates in CAAC Professional Skill Competition for Aviation Fuel Metering Statisticians



In November 2013, CNAF organized its employees to participate in CAAC Professional Skill Competition for Aviation Fuel Metering Statisticians. This competition gathered the most outstanding 33 aviation fuel metering statisticians from 16 teams nationwide. After three days of fierce competition, Wen Xinjian from CNAF North China Company, Zhang Fuxing from CNAF East China Company and Zhang Yueju from CNAF North China Company took the top three places for their individual performance in the finals.

CNAF South China Company holds training on special equipment maintenance

In March 2013, South China Company held training on special equipment maintenance. The training covered professional knowledge concerning the working principles and breakdown maintenance of various fuelling vehicles, and 30 trainees participated. Through the training, the technical level and business skills of the company's professional team for special equipment maintenance was steadily improved.



Pushing ahead the project of caring for employees

We have standardized the pilot program of "Home of Staff", established a fund for supporting the exceptionally poverty-stricken employees and improved the supplementary medical insurance and enterprise annuity system; continued to carry out the activities of "sending coolness in summer and warmth in winter" and improved the employees' working environment and living quality; and held such events as the Spring Festival party, calligraphy and photography works exhibition and spring outings, and set up tennis and badminton teams to create a relaxed and enjoyable atmosphere of corporate culture for the employees. In 2013, we expended RMB 30 yuan from the earmarked outlay for the activity of "sending coolness in summer and warmth in winter" and supported 52 employees in financial difficulty.

The Group Corporation completes the first subsidy with the long-term medical fund for supplementary medical insurance

By working out the Measures of China National Aviation Fuel Group Corporation for Management and Use of Long-term Medical Fund for Supplementary Medical Insurance, the Group Corporation further alleviated the burden of the employees suffering from illness and reduced the cases where employees became poor or financially troubled due to illness. In 2013, it helped 38 employees and 2 children of employees, granting a total subsidy of RMB 357752.35 yuan.

Since falling ill in 2007, Li Yuegao, an employee from CNAF Guangdong Company, has long been battling against the serious illness with chemotherapy treatment at his own expense. In 2013, he received an autologous bone marrow transplantation operation and the high medical costs further burdened his already needy family. The Group Corporation provided the long-term subsidy of RMB79000 yuan to help him receive treatment.



Case

CNAF Xinjiang Company forges the "Home of Staff"

Faced with hard living environment of the supply stations, Xinjiang Company put forward the slogan that "there is only a bleak Gobi but no bleak life", and actively forged the "Home of Staff" to improve the employees' happiness. They carried out the activity of building "green supply stations" to improve the bleak look of the oil depots at the supply stations; constructed employees' activity and cultural rooms equipped with cultural and sports facilities and books for learning to enrich the employees' spare-time cultural life; and improved the standards for meal allowances and coordinated with the airport canteen to solve the dining problems of the station employees.



CNAF Xinjiang Company forges "Home of Staff"



Outdoor scene of Xinjiang Tacheng Supply Station



Employee activity room of Xinjiang Yining Supply Station

Caring for women employees



CNAF Tianjin Company: Composing the music of love

Based on the theme of "Special Care for Special You", Tianjin Company carried out the Women's Day activities consisting of "Gift of Caring", "Delivery of Care" and "Dedication of Caring". Through the online platform, women employees selected the "Gift of Caring" they most hoped to receive. The company also arranged the workplace etiquette training themed as "Delivery of Care" for women employees and advocated all the men employees to do more work to practice the "Dedication of Caring".



CNAF Guizhou Company: Going into grassroots units to pass on loving care

Guizhou Company set up the Women Employees Committee to safeguard women employees' rights and interests; carried out such activities as health examination, health knowledge lectures, hairdressing and health preservation and etiquette culture workshop for women employees to relieve their work and life pressures and guarantee their physical and mental health.



CNAF Dalian Company: Improving women's charm through charm lectures

Dalian Company provided the charm lectures themed as "Women's Professional Image" to improve women's charm by inviting professional image design teachers to explain how to shape a graceful professional image in the aspects of color matching, professional light makeup, physique training and skillful use of scarves.



Case



- ① CNAF Tangshan Supply Station elaborately forges the real-life "Happy Farm"
- ② CNAF Chongqing Company holds the thematic spring fun games

- ③ CNAF Ningxia Company holds the traditional football league
- ④ CNAF Hebei Company organizes employees to have outdoor training

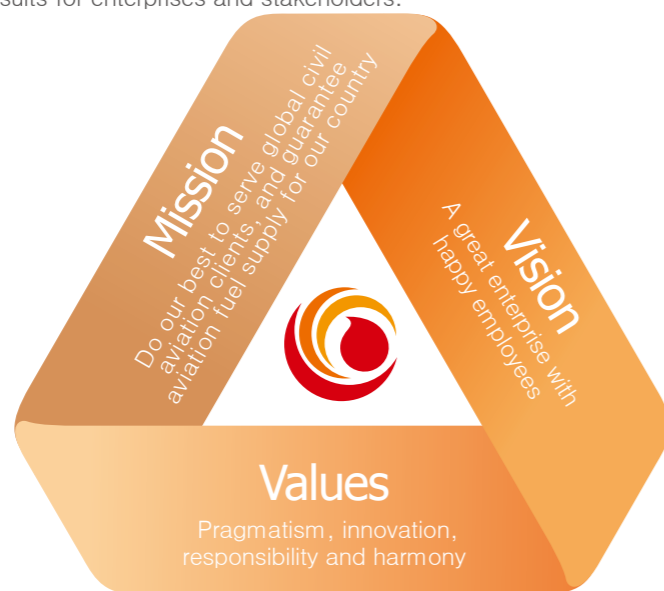


(V) Social Responsibility Management

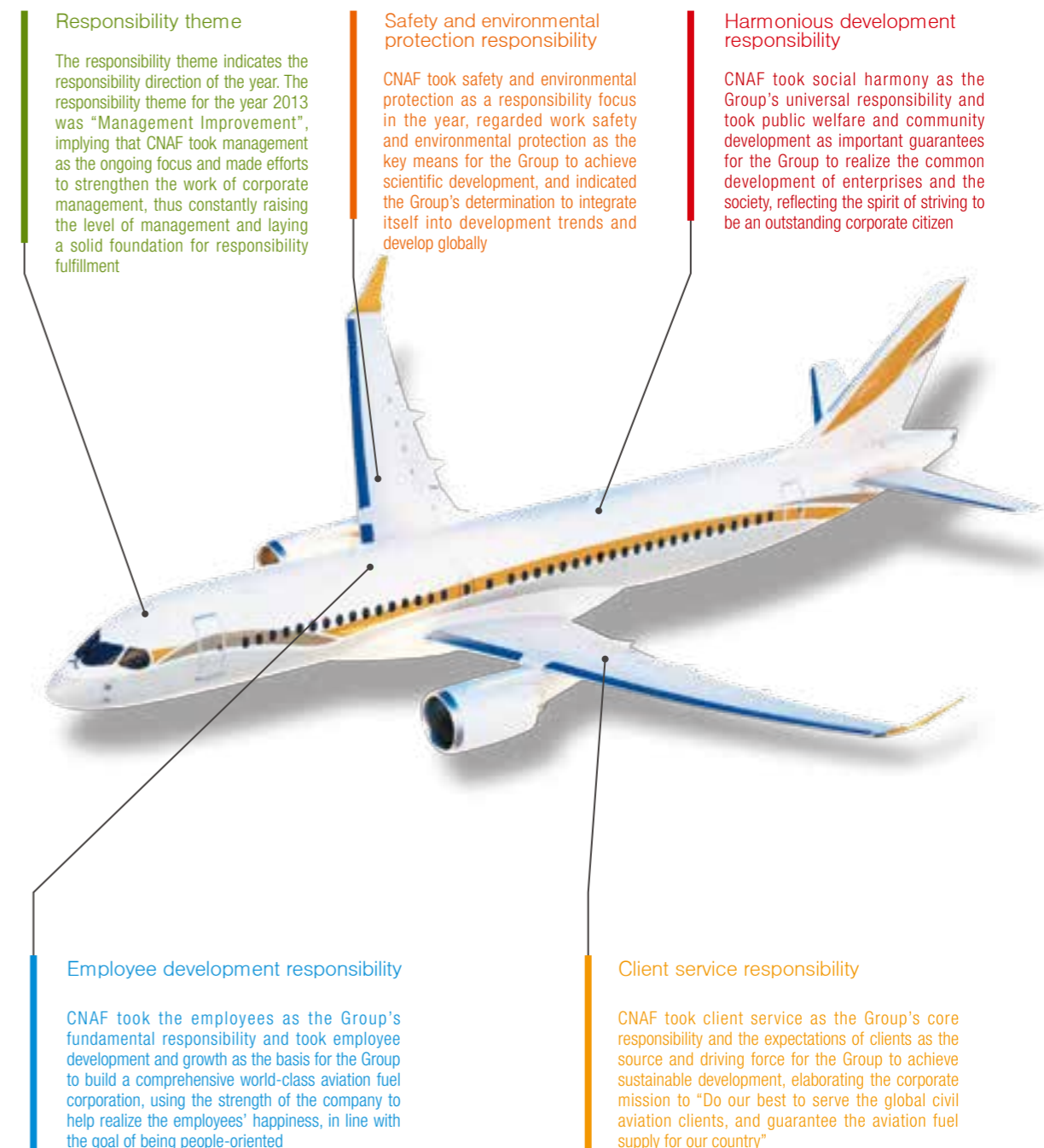
We have exerted ourselves to push ahead social responsibility management, persisted in fusing the responsibility concept into our strategic system and day-to-day management and continuously perfected social responsibility management mechanisms. We have actively paid attention and responded to the stakeholders' appeals and earnestly involved ourselves in social public good undertakings to conscientiously steer corporate development results to produce greater and more numerous benefits for the country, society and general public.

● Social responsibility concept model

We have followed the mission to "Do our best to serve global civil aviation clients, and guarantee aviation fuel supply for our country" and adhered to the core values of "pragmatism, innovation, responsibility and harmony." We have practiced responsibility in development, created value in the fulfillment of responsibility and accomplished win-win results for enterprises and stakeholders.



Our corporate social responsibility model, signified by the image of an airplane, integrates the concept and key fields of social responsibility, exhibits all the industrial characteristics of CNAF's service to the civil aviation industry, and fully represents the responsibility characteristics of the Group Corporation's concerns for stakeholders.



Responsibility theme

The responsibility theme indicates the responsibility direction of the year. The responsibility theme for the year 2013 was "Management Improvement", implying that CNAF took management as the ongoing focus and made efforts to strengthen the work of corporate management, thus constantly raising the level of management and laying a solid foundation for responsibility fulfillment

Safety and environmental protection responsibility

CNAF took safety and environmental protection as a responsibility focus in the year, regarded work safety and environmental protection as the key means for the Group to achieve scientific development, and indicated the Group's determination to integrate itself into development trends and develop globally

Harmonious development responsibility

CNAF took social harmony as the Group's universal responsibility and took public welfare and community development as important guarantees for the Group to realize the common development of enterprises and the society, reflecting the spirit of striving to be an outstanding corporate citizen

Employee development responsibility

CNAF took the employees as the Group's fundamental responsibility and took employee development and growth as the basis for the Group to build a comprehensive world-class aviation fuel corporation, using the strength of the company to help realize the employees' happiness, in line with the goal of being people-oriented

Client service responsibility

CNAF took client service as the Group's core responsibility and the expectations of clients as the source and driving force for the Group to achieve sustainable development, elaborating the corporate mission to "Do our best to serve the global civil aviation clients, and guarantee the aviation fuel supply for our country"

CNAF Social Responsibility Model

Social responsibility promotion management

We have actively carried out the spirit of the "Guiding Opinions on Fulfillment of Social Responsibility by Central Enterprises", improved the social responsibility management system, and perfected the social responsibility management regulations to comprehensively strengthen and promote the Group Corporation's CSR management work and achieve the Group Corporation's sustainable development.

Improving social responsibility management system

The Group established the Steering Committee for Social Responsibility Work with the Board Chairman and the General Manager serving as director and deputy director of the committee respectively and being responsible for the decision-making and supervision of social responsibility work. The Steering Committee for Social Responsibility Work has an editing office and designated CSR focal points from various departments and member enterprises, so as to help promote the social responsibility work of the Group.

In 2013, we deliberated and worked out the Implementation Opinions of China National Aviation Fuel Group Corporation on Active Fulfillment of Corporate Social Responsibility, clearly defined the guiding thought, working principle, organizational bodies and main measures for the Group Corporation's CSR fulfillment and made overall arrangements for promoting the fusion of the social responsibility concept into operational management.



Strengthening social responsibility communication and publicity

We have prepared and published the annual CSR reports for two consecutive years and formed the standardized preparation method and process. By disclosing the progress of our responsibility fulfillment to the society through public channels, we have realized regular exchanges with the stakeholders.

CNAF publishes the 2012 Social Responsibility Report



In May 2013, CNAF published the CNAF 2012 Corporate Social Responsibility Report at the CSR release conference held by the China Federation of Industrial Economics, actively disclosed the Group's relevant work to the society to indicate the Group's commitment and performance in the fulfillment of economic, environmental and social responsibility, and made in-depth exchanges on social responsibility with other industrial enterprises on the scene.



Participating in domestic and foreign exchange and cooperation

We have actively participated in the CSR events carried out by such organizations as China Association of Enterprises and China Federation of Industrial Economics, and held CSR dialogs with NGOs. In July 2013, we officially became a member of UN Global Compact, actively set up the international platform for social responsibility and more extensively passed on the responsibility concept and practice of CNAF.

The Global Compact Network China Yearbook 2013 incorporates CNAF's case of "Caring for Employees Inspires the Motive Force of Development"



CNAF has actively fused the ten fundamental principles of Global Compact into the corporate management, further enhanced social responsibility management capability and improved the value of the corporate brand and the image of responsibility fulfillment. During the event of "2012 Global Compact China Best Practice", the case of Caring for Employees Inspired the Motive Force of Development submitted by CNAF was appraised as best practice in protection of employees' rights and interests and included in the Global Compact Network China Yearbook 2013.



Stakeholder engagement

We have attached great importance to the identification of stakeholders, and paid close attention and actively responded to their expectations and appeals.



Public welfare practices

We have been concerned with social and public good programs, actively helped and supported the needy, and vigorously carried out such activities as volunteer services and donation of money to sponsor students, enabling corporate development results to benefit the general public.

Helping the poor and needy heartily

We have fulfilled the relevant requirements of the State Council Leading Group Office of Poverty Alleviation and Development and the SASAC Leading Group Office of Poverty Alleviation and Development, strengthened communication with Yanchi County, the designated unit we support, in Ningxia Hui Autonomous Region, jointly deliberated and worked out the poverty alleviation plan, and finalized and implemented the poverty alleviation programs. In 2013, we allocated RMB 500 yuan as funds for poverty alleviation.



▲ The leaders of the Group Corporation go to the designated county we support for poverty alleviation to carry out investigations

Helping educational development

By holding exchange meetings on helping students, carrying out thematic public welfare activities and donating money and goods, we have helped poverty-stricken areas to improve the school conditions and helped promote educational development.



▲ The Youth League Committee of CNAF Northwest Company and Petroleum Shaanxi Company jointly organize a themed public welfare event: "Let Love Warm His/Her Hand-Gift Box of Loving Care"

CNAF Guangxi Company shows loving care and donates to Dongke Primary School



Due to its isolated position, poor traffic conditions and hard living conditions, Dongke Primary School, located in Lianhua Town of Gongcheng Yao Autonomous County, used to be short of educational resources and cultural and sports activities for the pupils. Guangxi Company organized employees to buy cultural and sports articles such as stationery, balls and chess sets and visited the children there to show their loving care.



Joining hands with communities for common construction

We have joined hands with the communities where we operate for common development. At home, we have irregularly got involved in such activities as charitable donations to the communities and cultural exchanges with them. Abroad, we have strengthened cooperation with local public good organizations, helped solve the problem of education for new immigrants, cared for children and protected environment to make contributions to the harmonious development of the communities.

Singapore Corporation cares for new immigrants over education issues



Singapore Corporation and Tianfu Association cooperated in establishing the "CNAF-Tianfu Association Student Subsidy", provided subsidies for the children of the local new immigrants in Singapore for 3 consecutive years and helped the low-skilled and low-income new immigrants to improve their skills and enhance their employment opportunities. In 2013, it granted the subsidies of 20,100 Singapore dollars for the children of new immigrants to encourage them to study diligently.



Carrying out volunteer activities

We have strengthened the construction of volunteer teams, organized our employees to get involved in volunteer services and successfully carried out the activities in many fields such as disaster relief and rescue, helping the aged and the disabled, and environmental protection. In 2013, the Group Corporation had 45 youth volunteer organizations with a total of 1422 volunteers.



▲ Shenzhen Chengyuan Co., Ltd. holds volunteer service activities during the site change of Shenzhen Airport

"Tiger Swallowtail" Action of Nanjing Airport Petroleum Co., Ltd.



Nanjing Airport Petroleum Co., Ltd. organized its employees to participate in the "Tiger Swallowtail" action themed as "Picking up Every Bit of Rubbish to Make the Purple Mountain Breathe Easy". Along the route from the mountain entrance to Mayao, the employees picked up domestic waste such as cigarette butts, fruit skins, paper litter, waste paper boxes and packing bags to create a favorable living environment for the endangered Tiger Swallowtail.



CNAF quickly moves to support the earthquake-stricken areas of Lushan

On April 20, 2013, Lushan County in Ya'an, Sichuan Province was hit by a violent earthquake of 7.0 Richter scale, affecting 1.52 million victims in 19 cities and prefectures. CNAF immediately launched the emergency response plan for aviation fuel supply and ensured the civil aviation lifeline to the disaster areas was secured within the shortest time and at the fastest speed. Meanwhile, the employees of the Group Corporation and the grassroots units eagerly donated money and goods to make their contributions to the relief work and post-disaster restoration of production and living there.



"Life and Death Rescue" in violent storm and roaring waves

On October 8, 2013, the coal ship "Jiye 88" met with emergency when water flowed into the cargo holds in the Yangtze estuary. The "Haixin Oil 603" ship of CNAF Logistics Co., Ltd, which was sailing on the surrounding waters, overcame the danger from force 12 typhoon and the huge waves surging more than 9 meters high, carried out the rescue of the sailors and successfully saved 10 sailors in distress.



The rescued sailors are leaving "Haixin Oil 603" ship one after another



Outlook

CNAF will forge ahead with comprehensive deepening reforms, implement reforms in every sector and field of its business development, further enhance its business vitality for growth, continuously push forward the process of building a comprehensive world-class aviation fuel corporation, constantly increase its overall capability for fully coordinated sustainable development, and begin a new journey towards the success of the CNAF Dream in an all-round way.



Pushing ahead reform and innovation to enhance the vitality of corporate development

We will continuously perfect the institutional system of the Board of Directors, fully materialize the decision-making power of the Board of Directors and the operating power of the management and further improve the corporate governance structure featuring coordinated operation and effective check and balance. We will adapt to the new requirements of market competition, shape the market-oriented operation mechanism and preferentially orient the resources, funds and investment projects towards highly efficient markets and strategic focuses.

Consolidating main businesses to enhance the capability of scientific development

We will continuously promote the shift from the development of the single aviation fuel business of the past to the development of diversified businesses, improve and upgrade integrated operation, strengthen the collaborative operation among different business segments, optimize the allocation of resources and consolidate the business development pattern that has taken shape, thus providing a solid material foundation and technical support for sustainable corporate development.

Strengthening safety management to tamp the foundation for sustainable development

We will continue to perfect the safety management system, establish and improve the safety management measures for newly added businesses such as the construction of long-distance transport pipelines, and ensure the institutional system is pertinent, suitable and effective. We will reinforce the thorough inspection and control of hidden safety risks, strengthen safety skill training for all employees and conscientiously enhance the level of intrinsic safety management.

Promoting green development to allow all employees to share the development results

We will conscientiously realize the energy efficiency and emissions reduction measures, vigorously advocate the "green office" practices, actively follow up the R&D and production of the frontier technologies of aviation bio-fuel and other new energy resources, and endeavor to accomplish the clean and green development of enterprises.

We will give greater concern to the environment and make increased efforts to protect and improve the environment. We will also show concern for employees' welfare and continuously improve their working and living conditions so as to allow more development results to more fairly benefit all the employees.

Supporting public welfare programs to help the harmonious development of the society

We will continue to be concerned about the development of public welfare programs, actively organize and participate in activities such as volunteer services and donations to help needy students, and support the construction and development of poverty-stricken areas, so as to make positive contributions to the harmonious development of the society.

We "CNAF people" will, through the spirit of reform and innovation, unite as one and make concerted efforts to accelerate the construction of a comprehensive world-class aviation fuel corporation, and help attain the "Chinese Dream" of the great rejuvenation of the Chinese nation through the success of the "CNAF Dream" !



Appendixes

(I) Comments by Stakeholder

First, I'd like to express my congratulations on the release of the CNAF Corporate Social Responsibility Report 2013 (hereinafter referred to as the Report).

This Report is the third social responsibility report that China National Aviation Fuel Group Corporation ("CNAF") has successively released to the general public, which fully reflects the determination of CNAF to strengthen communication with stakeholders and accept social supervision. By reading the Report, I have come to understand that CNAF has adhered to the mission to "Do our best to serve the global civil aviation clients, and guarantee the aviation fuel supply for the country", proactively fulfilled social responsibility and made positive contributions to promoting the sustainable development of economy, society and environment.

Evaluation of the Report

The Report has been prepared by referring to the requirements of such international guidelines as Guidance on Social Responsibility (ISO26000) released by the International Organization for Standardization (ISO) and Sustainability Reporting Guidelines (Version 4.0) released by the Global Reporting Initiative (GRI), and provides a clear logical flow and detailed contents. The Report covers all the work and performance of CNAF in the relevant fields of social responsibility.

It mainly has the following characteristics:

First, this Report is a thematic report with the theme of "Management-Improved CNAF", and its main idea is remarkable and eye-catching. In its main body, the Report uses detailed texts and vivid data to expound the major work of CNAF in the four fields of corporate strategy, corporate governance, main business and special management and lays particular emphasis on the development and changes of the four fields from the past to the present, indicating that CNAF has constantly adapted to the development and changes of internal and external environments by reinforcing management and business, kept pace with the times and constantly freed up the corporate vitality to achieve sustainable development.

Second, the Report accurately and truthfully reflects that CNAF has organically integrated "management" with "responsibility", gradually fused the social responsibility concept and the stakeholder's concept into various kinds of management, accomplished the harmonious development of the Corporation and the society and environment in terms of economy, environment, safety, employees and community and, with a serious and responsible attitude, disclosed the detailed rules and results of handling work safety accidents that have occurred within the report period, thus giving a satisfactory explanation to the general public.

Third, the Report is designed in such a way that reflects the perfect link between inheritance and innovation. It not only keeps the design essence of the previous two reports, but also reflects the core implication of each chapter through illustrations, giving a fresh and flexible impression. I have also seen some small design elements such as fueling vehicles, oil depots and pipes, which are based on the equipment and facilities of CNAF. These elements are lively and appropriate, and help to highlight the characteristics of CNAF.

Recommendations for the Report

To further promote the CSR work of CNAF, I make the following recommendations:

First, more efforts should be made to conduct social responsibility training and publicity inside the Group Corporation, enhance the responsibility awareness and responsibility fulfillment capability of all the employees and further improve the CSR organizational management system so as to facilitate the Group Corporation's social responsibility work.


Second, efforts should be made to strengthen communication with stakeholders, more extensively participate in domestic and foreign CSR activities, and exchange and share successful experience with relevant parties so as to comprehensively enhance the social responsibility influence of the Group Corporation.


Third, efforts should be made to further improve the CSR report preparation system and promote the normalization and standardization of the preparation process.


In short, the Report has abundant contents and remarkable features and conforms to the mainstream requirements of the international corporate social responsibility. It is a high-level report. I expect that CNAF will continue to fulfill social responsibility and make greater achievements in management, business and many other aspects in the future course of development.

Former Director of UN Global Compact Council
Lifetime Honorary Director of Beijing Rongzhi CSR Institute

(II) Key Performance Indicators Table

 Economic Performance	Financial Performance	2011	2012	2013
	Sales revenue (100 million yuan)	2220.89	2425.49	2258.3
	Total assets (100 million yuan)	368.57	402.36	389.7
	Total profits (100 million yuan)	32.43	30.52	31.4
	Return on equity (%)	12.65	9.16	10.2
	Debt to assets ratio (%)	60.51	61.57	58.4
	Total tax payment (10,000 yuan)	19.61	21.35	27.8
	Ratio of value preservation and increment of State-owned assets (%)	95.17	108	104.6
	Operating Efficiency	2011	2012	2013
	Overall labor productivity (10,000 yuan/person per year)	67.79	61.83	74.64
Days of total assets turnover (day)	6.63	6.29	5.7	

 Social Performance	Client Service	2011	2012	2013
	Number of domestic airports served by the Group	167	172	185
	Employee Care	2011	2012	2013
	Proportion of localization of overseas companies (%)	84	90	90
	Public Welfare	2011	2012	2013
Total donations (10,000 yuan)	312	200	606	

 Environmental Performance		2011	2012	2013
	Comprehensive energy consumption of 10,000 yuan of sales revenue (ton, standard coal/10,000 yuan)	0.0024	0.0022	0.0024
	Comprehensive energy consumption of 10,000 yuan of added value (ton, standard coal/10,000 yuan)	0.0839	0.0872	0.0822
	SO2 discharge (ton)	5148650	5064470	5075670

(III) GRI 4.0 Index

GENERAL STANDARD DISCLOSURES			
Indicators classification	Ranking	Content	Page
Strategy and analysis	G4-1	Provide a statement from the most senior decision-maker of the organization.	P4- P5
	G4-2	Provide a description of key impacts, risks, and opportunities.	P5,P11- P13
Organizational profile	G4-3	Report the name of the organization.	P1
	G4-4	Report the primary brands, products, and services.	P6
	G4-5	Report the location of the organization's headquarters.	P19
	G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	P6,P16, P26- P33
	G4-7	Report the nature of ownership and legal form.	P20- P23
	G4-8	Report the markets served (including geographic break down, sectors served, and types of customers and beneficiaries).	P25- P33,P57
	G4-9	Report the scale of the organization, including: Total number of employees Total number of operations Net sales (for private sector organizations) or net revenues (for public sector organizations) Total capitalization broken down in terms of debt and equity (for private sector organizations) Quantity of products or services provided.	P6,P16
	G4-10	Report the total number of employees by employment contract and gender.	P6
		Report the total number of permanent employees by employment type and gender.	P6
		Report the total workforce by employees and supervised workers and by gender.	P6
		Report the total workforce by region and gender.	P6,P57
		Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors.	-
	G4-11	Report any significant variations in employment numbers.	-
		Report the percentage of total employees covered by collective bargaining agreements.	P43
	G4-12	Describe the organization's supply chain.	-
	G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	P57
	G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	P38,P42
	G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	P50
	G4-16	List memberships of associations (such as industry associations) and national or international advocacy	P9
Identified material aspects and boundaries	G4-17	List all entities included in the organization's consolidated financial statements or equivalent documents.	-
	G4-18	Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	-
		Explain the process for defining the report content and the Aspect Boundaries.	P1
	G4-19	Explain how the organization has implemented the Reporting Principles for Defining Report Content.	P1
		List all the material Aspects identified in the process for defining report content.	P1
	G4-20	For each material Aspect, report the Aspect Boundary within the organization	P1
	G4-21	For each material Aspect, report the Aspect Boundary outside the organization.	P1
	G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	P1
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	-	
G4-24	Provide a list of stakeholder groups engaged by the organization.	P51	
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	P51	

Indicators classification	Ranking	Content	Page	
Stakeholder engagement	G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	P51	
	G4-27	Report 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. Report the stakeholder groups that raised each of the key topics and concerns.	P51	
Report profile	G4-28	Reporting period (such as fiscal or calendar year) for information provided.	P1	
	G4-29	Date of most recent previous report (if any).	P1	
	G4-30	Reporting cycle (such as annual, biennial).	P1	
	G4-31	Provide the contact point for questions regarding the report or its contents.	P1,P63	
	G4-32	Report the 'in accordance' option the organization has chosen.	-	
		Report the GRI Content Index for the chosen option .	P58- P62	
	G4-33	Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines.	-	
		Report the organization's policy and current practice with regard to seeking external assurance for the report.	-	
		If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided.	-	
		Report the relationship between the organization and the assurance providers.	-	
	Governance	G4-34	Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	-
			Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	P22
		G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	P22- P23
G4-36		Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	P23,P50	
G4-37		Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	P50	
G4-38		Report the composition of the highest governance body and its committees.	P50	
G4-39		Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	P50	
G4-40		Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members.	P22	
G4-41		Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders.	P22- P23	
G4-42		Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	P22- P23	
G4-43		Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	P50	
G4-44		Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment.	-	
		Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.	-	
G4-45		Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes.	P22- P23	
	Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.	-		
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	P22- P23		



Indicators classification	Ranking	Content	Page
	G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	P22,P50
	G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	P50
	G4-49	Report the process for communicating critical concerns to the highest governance body.	P22
	G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	P22,P50
	G4-51	Report the remuneration policies for the highest governance body and senior executives	-
		Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.	-
	G4-52	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.	-
	G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	-
	G4-54	Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	-
	G4-55	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	-
Ethics and integrity	G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	P48
	G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	P50
	G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	P50

Indicators classification	Ranking	Content	Page	
Environmental	G4-EN10	Percentage and total volume of water recycled and reused.	-	
	G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	-	
	G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	-	
	G4-EN13	Habitats protected or restored.	-	
	G4-EN14	Total number of iucn red list species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	-	
	G4-EN15	Direct greenhouse gas (ghg) emissions (scope 1).	P57	
	G4-EN16	Energy indirect greenhouse gas (ghg) emissions (scope 2).	P57	
	G4-EN17	Other indirect greenhouse gas (ghg) emissions (scope 3).	P57	
	G4-EN18	Greenhouse gas (ghg) emissions intensity.	P57	
	G4-EN19	Reduction of greenhouse gas (ghg) emissions.	P57	
	G4-EN20	Emissions of ozone-depleting substances (ods).	-	
	G4-EN21	Nox, Sox, and other significant air emissions.	P57	
	G4-EN22	Total water discharge by quality and destination.	-	
	G4-EN23	Total weight of waste by type and disposal method.	-	
	G4-EN24	Total number and volume of significant spills.	-	
	G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the basel convention ² annex i, ii, iii, and viii, and percentage of transported waste shipped internationally.	-	
	G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff.	-	
	G4-EN27	Extent of impact mitigation of environmental impacts of products and services.	P40	
	G4-EN28	percentage of products sold and their packaging materials that are reclaimed by category.	-	
	G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	-	
	G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce.	-	
	G4-EN31	Total environmental protection expenditures and investments by type.	-	
	G4-EN32	Percentage of new suppliers that were screened using environmental criteria.	-	
	G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken.	-	
	G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms.	P36	
	Employment	G4-LA1	Total number and rates of new employee hires and employee turnover by age group,gender and region.	P6
		G4-LA2	Benefits provided to full-time employees that are not provided to temporary or parttime,employees, by significant locations of operation.	-
		G4-LA3	Return to work and retention rates after parental leave, by gender.	-
		G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements.	P43
		G4-LA5	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.	P41-P42
		G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism,and total number of work-related fatalities, by region and by gender.	-
		G4-LA7	Workers with high incidence or high risk of diseases related to their occupation.	-
		G4-LA8	Health and safety topics covered in formal agreements with trade unions.	P39,P43
		G4-LA9	Average hours of training per year per employee by gender, and by employee category.	P36
G4-LA10		Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	P44-P45	
G4-LA11		Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	P44	
G4-LA12		Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	P22	

SPECIFIC STANDARD DISCLOSURES

Indicators classification	Ranking	Content	Page
Economic	G4-EC1	Direct economic value generated and distributed.	P6,P14- P15
	G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	-
	G4-EC3	Coverage of the organization's defined benefit plan obligations.	-
	G4-EC4	Financial assistance received from government.	-
	G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	-
	G4-EC6	Proportion of senior management hired from the local community at significant locations of operation.	P57
	G4-EC7	Development and impact of infrastructure investments and services supported.	P26- P33
	G4-EC8	Significant indirect economic impacts, including the extent of impacts.	P57
	G4-EC9	Proportion of spending on local suppliers at significant locations of operation.	-
	G4-EN1	Materials used by weight or volume.	-
	G4-EN2	Percentage of materials used that are recycled input materials.	-
	G4-EN3	Energy consumption within the organization.	P57
	G4-EN4	Energy consumption outside of the organization.	P57
	G4-EN5	Energy intensity.	P57
	G4-EN6	Reduction of energy consumption.	-
	G4-EN7	Reductions in energy requirements of products and services.	P40
	G4-EN8	Total water withdrawal by source.	-
	G4-EN9	Water sources significantly affected by withdrawal of water.	-



指标分	指标排序	指标名称	索引位置
	G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	-
	G4-LA14	Percentage of new suppliers that were screened using labor practices criteria.	-
	G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken.	-
	G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms.	-
Human rights	G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	-
	G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	P36
	G4-HR3	Total number of incidents of discrimination and corrective actions taken.	-
	G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights.	-
	G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	-
	G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	-
	G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations.	-
	G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken.	-
	G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	-
	G4-HR10	Percentage of new suppliers that were screened using human rights criteria.	-
	G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken.	-
	G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.	-
Society	G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	-
	G4-SO2	Operations with significant actual and potential negative impacts on local communities.	-
	G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.	P42
	G4-SO4	Communication and training on anti-corruption policies and procedures.	P42
	G4-SO5	Confirmed incidents of corruption and actions taken.	P42
	G4-SO6	Total value of political contributions by country and recipient/beneficiary.	P52
	G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	P42
	G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	-
	G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society.	-
	G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken.	P38
	G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms.	P42
Product responsibility	G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	P40
	G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.	P40
	G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements.	P40
	G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	-
	G4-PR5	Results of surveys measuring customer satisfaction.	-
	G4-PR6	Sale of banned or disputed products.	-
	G4-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.	-
	G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	-
	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	-

(IV) Readers' Feedback Form

Dear readers,

Thank you very much for taking the time in your busy schedule to read the CNAF Corporate Social Responsibility Report 2013. There are inevitable flaws and omissions in the compiling and preparation process of the report. We are willing to listen to your comments and suggestions.

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

Thank you!
Compilation Group of the CNAF Corporate Social Responsibility Report
May 2014

1. Overall evaluation of the Report (Please place a tick "√" in the appropriate box)

(1) What is your overall impression of this Report?

Very Good good Fair Poor Very Poor

(2) What do you think of the quality of the social responsibility information disclosed in this Report?

Very Good good Fair Poor Very Poor

(3) What do you think of the structure of this Report?

Very Good good Fair Poor Very Poor

(4) What do you think of the format design of this Report?

Very Good good Fair Poor Very Poor

(5) What do you think of the readability of this Report?

Very Good good Fair Poor Very Poor

2. What do you think of the deficiencies of this Report?

3. What are your suggestions on the social responsibility work of CNAF?

4. What are your expectations for our next CSR report?

The CNAF Corporate Social Responsibility Report 2013 is available for free (Please specify the number of copies and your address)

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