



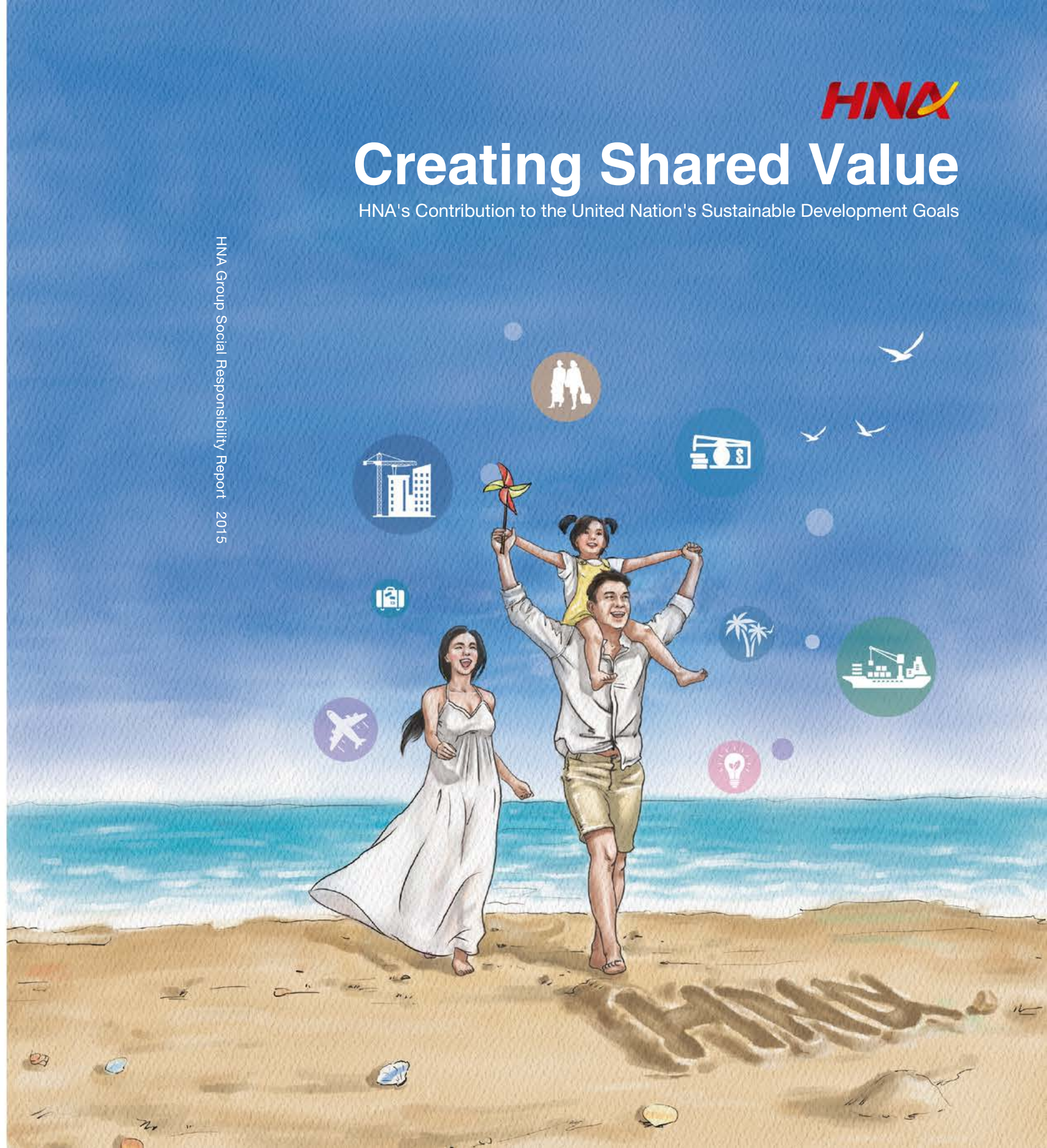
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Creating Shared Value

HNA's Contribution to the United Nation's Sustainable Development Goals

HNA Group Social Responsibility Report 2015



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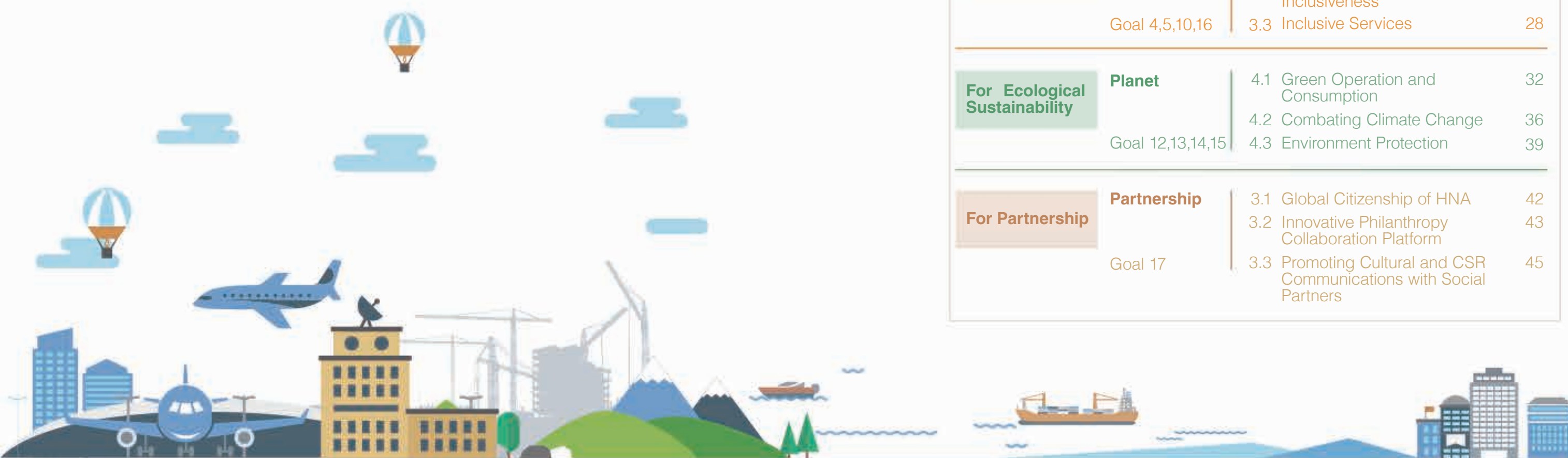
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As clarified by the UN, SDGs call on all countries to take effective actions on five key areas: people, planet, prosperity, peace and partnership. In order to systematically disclose HNA's contribution and vision for SDGs, this report is structured to follow the five key areas.

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Message from Chairman



Chen Feng
Chairman of HNA Group

At the turn of the century, the United Nations agreed on Millennium Development Goals (MDGs), which were a pledge to uphold the principles of human dignity, equality and equity, and free the world from extreme poverty. The MDGs established a blueprint for tackling the most pressing development challenges of that time. By the planned deadline (the year of 2015), the MDGs were partly accomplished and upgraded by a new agenda for global action – 2030 Sustainable Development Goals (SDGs) which gives a universal, integrated and transformative vision for the next 15 years.

The Chinese government attaches great importance to the SDGs and has embedded them into the National Thirteenth Five - year Plan. These world-changing objectives brought together governments, the international community, civil society and the private sector to achieve concrete goals for sustainable development and poverty eradication, and require private sector players to create a broader vision and sense of mission than business focus. HNA Group identifies its common ideals as “Contributing toward the well-being of mankind and a peaceful world”, which leads HNA to spare no efforts to support and contribute to the SDGs.

In addition, HNA has signed up the UN Global Compact (“UNGC”) initiative. As a member of UNGC China network, it is HNA’s accountability to maximize our contribution to SDGs. HNA has formed a corporate social responsibility practicing scheme that consists of Hainan Province Cihang Foundation (the largest single shareholder of the HNA Group) and HNA’s CSR Department. This practicing scheme supplies organizational support for HNA’s contribution for SDGs. By the end of 2015, HNA Group has invested an aggregate of over USD 154 million on diversified common weal projects.

The year of 2015 was a milestone for HNA. After continuously endeavoring for the last 23 years, HNA Group has landed on the 2015 Fortune Global 500 for the first time, ranking No. 464. In 2015, HNA’s annual revenue was over USD 25.6 billions, a 14% growth compare to the previous year. Transforming HNA from a local aviation company into a global conglomerate within the space of 20 years was a remarkable achievement. In the new century and specifically in the last six years, HNA has developed a sustainable development plan that has led to a continuous reduction of its liability to asset ratio, steady growth of benefits, increase in employees and corporate incomes. During the development process, HNA is committed to create a new business culture and a modern corporate system. By adhering to the traditional Chinese business culture, HNA will try always to contribute to all mankind welfare and world peace.

In the coming years, the global economy will experience a tortuous recovery, the traditional economic growth model will be constrained by a host of problems. HNA will face the risks of geopolitical instability, continuous depressed commodity prices, global deflation, tight global financial environment, and the financial fragility of emerging markets. The pain of surmounting these challenges will be aggravated by the deterioration of the global economies while the increasing demand for infrastructure and manufacture in the One Belt, One Road region will create new opportunities.

In the context of growing complexity in the external environment, the HNA Group will continue to make vigorous efforts to adapt itself to China’s and global social and environmental policies. HNA is doing this through business adjustments, and performing HNA’s social responsibilities conscientiously in line with our mission – to be a practitioner of the principles of compassion, altruism and wisdom, and a creator and disseminator of the New Commercial Civilization.

By attaching great efforts on sustainability, we strive to build HNA as a world class enterprise with an excellent corporate structure, management model, business culture and corporate citizenship.

A stylized, handwritten signature in black ink, representing the name Chen Feng. The characters are fluid and expressive, typical of Chinese calligraphy.

Chairman of HNA Group

Our Values

HNA Group formulated the value system of 'HNA spirit' where the core values of the 'HNA spirit' are defined in terms of a common ideal, beliefs, pursuit and philosophy (the "four commons"). This is the driving force and ultimate aspiration of what we do at the HNA Group.

Common ideal: 'Contributing toward the well-being of mankind and a peaceful world'. The objective of our internationally-oriented business and development vision is that the whole of humankind can share the fruits of globalization.

Common beliefs: 'Heaven keeps the good out of harm's way, we make our own decisions and are the master of our own fate'; spreading the boundless kindness in our quest for 'truth, goodness and beauty'.

Our beliefs are of an inclusive nature. We respect different faiths, lifestyles and others' right to choose.

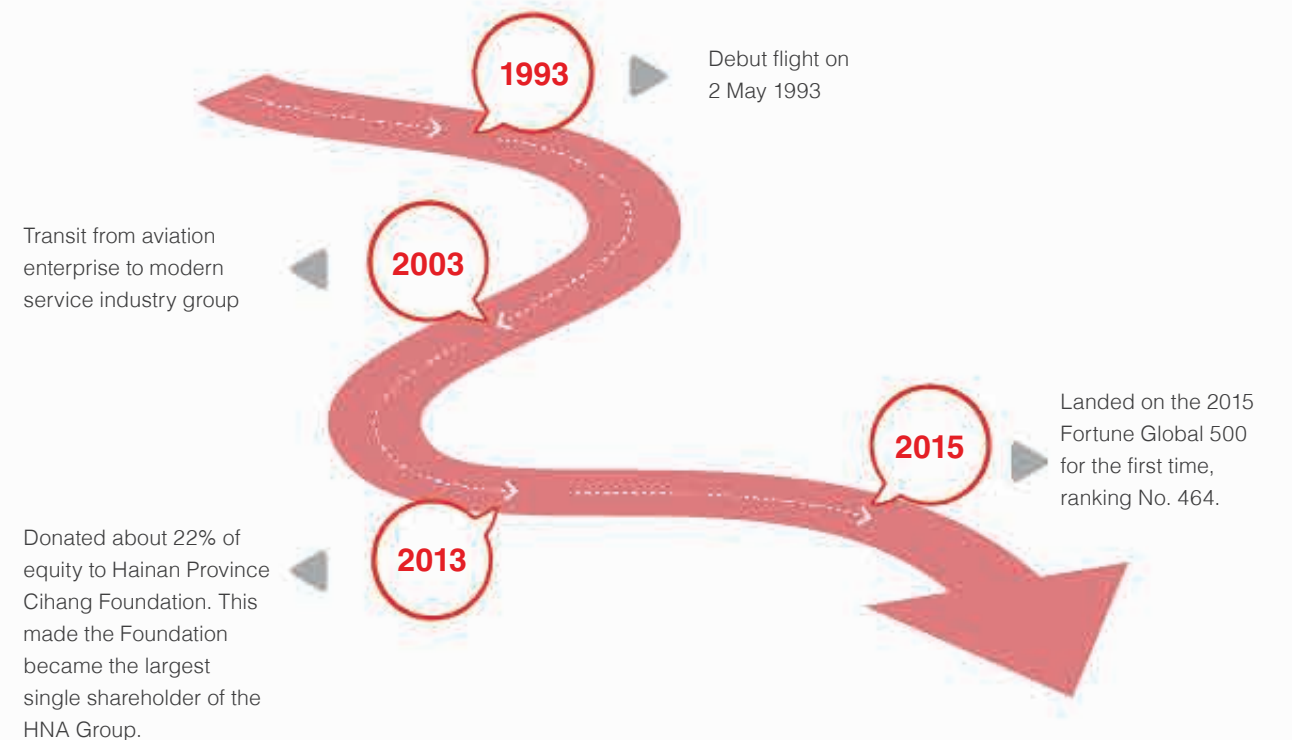
Common pursuit: 'Recognized by the public, participated by the public, achieved by the public, shared by the public. We believe in 'doing good for society, and doing good for others', striving for maximum economic benefits as well as social achievements.

Common philosophy: 'Integrity, performance and innovation'. 'Integrity-based quality' is our commitment to staff, society and the world; performance is the driving force behind sustainable development; and through innovation we maintain our vitality

The purpose of SDGs is to end poverty, to truly build a life of dignity for we the peoples, and ensure that no one is left behind. By defining itself as a group of people that agree on the value of the "four commons", HNA shares same common values and strategic objectives with SDGs. Therefore our business culture will support our contribution to SDGs.

Group Profile

HNA Group is a conglomerate grew and prospered against the backdrop of China's reform and opening up. Debut flight on 2 May 1993 signifies the beginning of its undertakings. Developed from a local aviation transportation operator to a global conglomerate that includes a new industrial structure featured with aviation, real estate, hotels, commodity retailing, tourism, finance, logistics, shipbuilding and ecological technology etc., HNA's business outreach has expanded from Hainan Island, holds assets valued at over USD 92.4 billion. In 2015, HNA Group reaped revenues of over USD 25.6 billion and has nearly 180,000 employees worldwide. After 20 years of endeavor, HNA was listed in the 2015 Fortune Global 500 for the first time, ranking No. 464.



Key figures of HNA in 2015

- Annual volume of passenger traffic: 77.42 million
- In possession of 1150 airplanes
- Approximately 200 international and domestic destinations
- Approximately 700 international and domestic air routes
- 13 airports
- 330 retail stores
- In possession and management of approximately 450 domestic and overseas hotels
- Operating approximately 50 ships of different types
- Providing approximately 180,000 jobs including approximately 80,000 overseas
- More than 200 tourist shops



HNA Aviation

HNA Aviation expands its global reach through its participation in the aviation transport industry, providing a one-stop service by integrating other ancillary services such as maintenance repair and overhaul (MRO), general aviation (aviation academy), business travel services (sales), ground support, and air logistics. Through the use of financial investments and modern trends, HNA Aviation strives to become China, or world-renowned, top global aviation groups both in terms of size and quality of service.

Business operation categories: Aviation Passenger and Freight Services, Aeronautical Maintenance, General Aviation, etc.

HNA Holding

HNA Holding devotes to forging an industrial financial investment stake-holding group with HNA Infrastructure and CCOOP as core business format, HNA Financial Group as investment and financing platform.

Business operation categories: Basic Industry, Supply Chain Operations, Financial Investment, Technology Innovation Business.

HNA Tourism

HNA Tourism is the only tourism group in China integrating aviation, tourism, hospitality, finance as well as online services. It strives to realize customers' dreams to discover the world by offering seamless travel services.

Business operation categories: Operating Aviation, Tourism, Hospitality, Finance and Online Services.

HNA Capital

HNA Capital acts as the financial function of HNA Group. Using the strong financial background of HNA Group, HNA Capital strives to become a versatile one-stop financial service enterprise, strengthening and establishing itself as a world-class finance brand.

Business operation categories: Leasing, Insurance, Security, Futures, Investment Bank, Fund, Factoring, Equity Investment, Guarantee.

HNA Logistics

HNA Logistics now developed four major business systems including specialized logistics, HNA smart manufacture, investment & finance, and logistics technology, striving to be a resource integrator and solution provider of the global logistics industry.

Business operation categories: Modern Marine Transportation, Cold Chain Logistics, Project Logistics, Equipment Manufacture, Smart Manufacture, Logistics Industry And Finance Investment, Aviation Interaction, Air And Sea Transportation Transaction, Internet Finance, Payment Technology, Cross-Border E-Commerce, etc.

HNA EcoTech

Positioned as the high-tech industry holding group, HNA EcoTech Group undertakes the historical responsibility of HNA's strategic transition in information age. We will integrate resources, link information, overturn conventional business and build a sharing and collaborative technological eco-system and boost HNA Group's evolvement to a giant in modern service industry+ technology industry.

Business operation categories: Cloud and Big Data, Social E-Commerce, Technological Finance, Intelligence Life, Innovation Laboratory, Incubation accelerator, etc.

Governance

HNA takes reliable governance as the basis of business operation. HNA's governance structure is as below:



HNA has established a governance system covering key sustainability related topics such as anti-corruption, compliance and fair trading.

In order to embed CSR principles into HNA's governance and operation, HNA has established a CSR department with reporting relationship as shown below. The CSR department is responsible for ensuring compliance of CSR.



01



Neutritious Meals for Ghana Schools

For Eradication of Poverty

HNA deeply cares for the survival and development of needy social groups, especially vulnerable groups. HNA has been fulfilling its social responsibilities and supporting poverty eradication, disaster rescue and relief, ensuring the availability of necessity of life, especially to the vulnerable groups and underdeveloped regions. HNA has carried out a number of charity and sustainable development projects including "Brightness Action", "Send Love Home", "Wells for Acid Areas", "Nutrition Meal for Ghana Schools", "Saving Children in Haiti". In September of 2014, HNA was honored by the China Charity Federation as the winner of the 2nd Outstanding Contribution to Charity Award. In October of 2015, HNA was honored by the organizing committee of "China Poverty Eradication Award" as the winner of "China Poverty Eradication Award' Nominated Donator Award".

HNA's contribution



NO POVERTY

- Brightness Action
- Send Love Home
- Disaster Relief
- Saving Children in Haiti



ZERO HUNGER

- Nutrition Meal for Ghana Schools
- Wells for Acid Areas



GOOD HEALTH AND WELL-BEING

- Brightness Action



CLEAN WATER AND SANITATION

- Wells for Acid Areas

Support People in Poverty

HNA has initiated a number of poverty alleviation programs in many parts of the world:

HNA Brightness Action

Chronic diseases can trap people in poverty. Poor people are unlikely to get suitable treatment and/or rehabilitation. Among all the chronic diseases, curable cataract is a very typical disease that put many people in poverty. HNA responded to the World Health Organization's appeal to eliminate the preventable blindness. Starting in 2004, HNA through its 10-Year HNA Brightness Action program in Banma County (Qinghai Province, China) has provided cataract surgery for people with low-incomes. By the end of 2015, 5,914 cataract surgeries have taken place in China, Zimbabwe, Malawi and Mozambique.

Time	Location (the province indicated in bracket)	Number of beneficiaries
July 2005	Lhasa, Nyingchi, Xigaze (Tibet), China	200
October 2005	Litang (Sichuan), China	200
July 2006	Nangqian (Qinghai), China	60
August 2006	Xing'an League, Bayannaer League, Alxa League, etc (Inner Mongolia), China	300
December 2006-May 2007	Hainan, China	500
September 2007	Korla, Ili (Xinjiang), China	1000
December 2007	Lintao County (Gansu), China	500
September 2010	Xiahe County (Gansu), China	66
November 2010	Malawi, Zimbabwe	612
March 2011	Zimbabwe	514
September 2011	Mozambique	300
October 2012	Yichang (Hubei), China	247
August 2013	Nangqian (Qinghai), China	240
August 2014	Nanqian, Banma (Qinghai) & Ganzi(Sichuan), China	538
June-July 2015	Xilingol League (Inner Mongolia), China	104
September 2015	Nangqian (Qinghai), China	533
Total		5914

HNA Brightness Action: Extra-curricular Activities Subsidy Scheme for Visually Impaired Students in Hong Kong

HNA International has supported the "HNA Brightness Action: Extra-curricular Activities Subsidy Scheme for Visually Impaired Students in Hong Kong of China" since 2015. Through this partnership with the Hong Kong Society for the Blind, the participation in extra-curricular activities of visually impaired students from disadvantaged families at primary to tertiary education levels is to be subsidized. The beneficiaries are provided with a greater opportunity to participate in wholesome extra-curricular activities on a more equitable basis and develop into well-rounded personalities.

CASE | Send Love Home

HNA and the Hainan Province Cihang Foundation launched Send Love Home in 2013 to offer free flight tickets for people to travel home and celebrate Chinese New Year with their families. This Program has helped 557 university students from low-income families, overseas students on the work-study basis, volunteers serving in undeveloped west regions, migrant workers from rural areas and their children and family members.

CASE | HNA Global Charity Run

On 27 December 2015, "2016 HNA Global Charity Run" Haikou kicked off at HNA Culture Plaza Haikou, China. Over 5000 people participated in this activity. The distance participants ran was converted to "Caring Mileage" at the ratio of 1:1 which combined with the caring mileage donated by HNA, could be redeemed for flight tickets for students with financial difficulties to go back home on the Spring Festival under the rubric of charity project of "Send Love Home". All donated funds through this activity after costs were used for charity causes. This activity was first launched in 2013 in Haikou and was carried out in places where HNA's business were located. The charity run has been done in 15 cities in China and 13 cities in Asia, Oceania, Africa and North America.



HNA Global Charity Run in Amsterdam

CASE | Saving Children in Haiti

Since 2010, HNA has made an annual donation of around USD 307,996 to UNICEF, to be used for UNICEF's Save the Children in Haiti program.



CASE | Social Project of SEACO in Vietnam

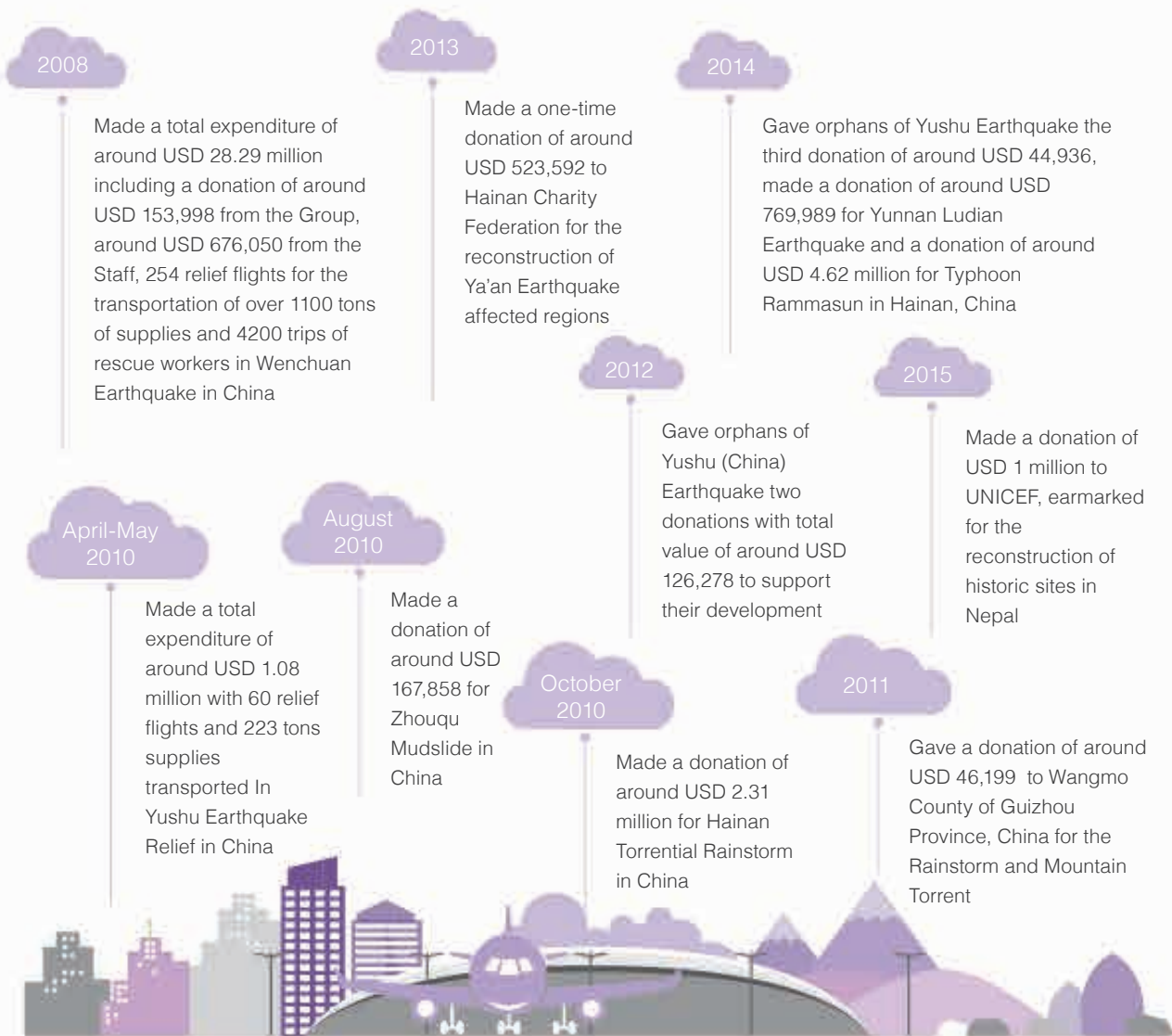
SEACO of HNA has been carrying out a project of building school facilities and a community center in North and South Vietnam since 2014. The major SEACO project launched with the Australian Foundation for the Peoples of Asia and the Pacific (AFAP) in South Vietnam was implemented at a village in the Nga Nam district called Vinh Quoi. The goal of the project is to fight poverty by providing infrastructure support, as well as environmental and educational projects.

Disaster Relief

Natural disasters like earthquakes, rainstorms and mudslides disturb everyday life and production in affected regions, and are among the main causes of short-term or chronic poverty. Rescue and assistance to disaster victims and affected regions are important for alleviating and eradicating poverty. Whenever a severe natural disaster happens, HNA always lends its helping hand.

From the 2008 Wenchuan Earthquake, 2010 Yushu Earthquake, Zhouqu mudslide, Hainan torrential rainstorm, to 2013 Ya'an Earthquake and 2014 Hainan Typhoon Rammasun, HNA has been actively devoted to disaster rescue and relief by using its own resources. HNA arranged special flights to transport emergency relief supplies and rescue team. In addition, HNA Group and its subsidiaries offered donations of money and materials to disaster victims. In 2015, HNA made a donation of USD 1 million to earthquake affected regions in Nepal, earmarked for the reconstruction of historic sites.

Donations and Actions in Disaster Relief



Ensuring the Supply of Food, Water and Necessities of life

The provision of food, water and necessities of life is critical for lifting people out of poverty. HNA has been helping through HNA's charity activities and professional services specific people and social groups in most need to acquire necessary resources.

CASE | Wells for Acid Areas

Water shortage is a serious problem on Hainan of China because of its topography. Water storage practices are often unhygienic. In 2003, upon HNA's 10th anniversary, the "Wells for Acid Areas" program was inaugurated to address the issues of livelihoods and irrigation under vulnerable water supply conditions. As of 2015, HNA has drilled 91 wells in 18 cities and countries including Haikou, Qionghai and Lingao, benefiting over 200,000 local residents.



Wells for Acid Areas

In 2015, HNA and Hainan Province Cihang Foundation inspected 91 completed wells, and 9 planned well drilling sites. In 2016, HNA will fulfill its promise and will have completed drilling of 100 wells for acid areas.

CASE | Delivering freshwater for people in Male

In December 2014, generator units at the desalination plant of Male, capital of Maldives, were damaged in a fire. The incident led to a severe freshwater emergency in the country, affecting approximately 150,000 local residents. Ten tons of bottled mineral water was donated by China and delivered by Hainan Airlines flight HU7951 from Beijing to Male.

CASE | Nutritious Meals for Ghana Schools

In 2013, HNA via the Hainan Province Cihang Foundation signed a 5-year cooperation agreement with the World Food Programme (WFP) to donate around USD 1.54 million to for the "Nutritious Meals" program for Ghana schools. The programme provides food for local schoolgirls that can be brought home. Since its launch in 2013, the program has helped provide 3,900 Ghanaian girls with a free lunch every school day. On a monthly basis, each student receives 8 kg cereals, 33 g salt and 2 kg of cooking oil. The efforts have been well received by people across the local communities.



Ghana Pupils Enjoying Nutrition Meal

02



Dayingshan CBD in Haikou, China

For Economic Prosperity

HNA has significant direct and indirect impacts on local economies. By focusing on investment that generate long-term interest rather than short-term income, HNA is committed to creating sustainable economic growth through its own investments and operations.

Industrial investment is a direct way to motivate a local economy. HNA has globally invested in a number of infrastructure and industrial projects, such as the Dayingshan Road network project, CCOOP and HNA China D. J. These projects not only improve local infrastructure/industry development, but also motivate economic growth through job creation and supply chain prosperity. In addition to investments, HNA's operations can contribute to economic development indirectly.

HNA's distinctive innovation initiative promotes both internal and external innovation culture which is the core engine of economic development. Besides, because of its operation in financial and aviation industry, HNA is able to positively influence small and medium sized enterprises (SMEs) and people from less developed regions by supplying inclusive and accessible service such as financial services for SMEs. Aviation products are supplied to less developed regions and people with less income.

HNA's contribution



ZERO HUNGER

Innovative business model for agriculture, rural areas and farmers issues



DECENT WORK AND ECONOMIC GROWTH

Jobs creation; Motivating economic growth through long-term investments



INDUSTRY, INNOVATION AND INFRASTRUCTURE

Infrastructure investments
Development of regional/low cost airlines in less-developed regions
Investments on innovation initiatives



SUSTAINABLE CITIES AND COMMUNIT

Innovative community solutions

Local Economic Development



After completion in 2017

HNA's contribution for urban construction and economic development is expressed by its emphasis on investing in infrastructures: and in modern industry (high added value and labor-intensive industries).



CASE | Dayingshan CBD road network

HNA invested around USD 6.11 million in 2015 in the Dayingshan CBD road network that covers 14 roads in the Dayingshan CBD and Haikou, China. After completion in 2017, the investment amount will reach around USD 94.2 million. Dayingshan CBD road network will smooth the traffic circulation and will also greatly ease the traffic pressure on the surrounding area.



CASE | CCOOP and HNA China D. J.

HNA and China Federation of Supply and Marketing Cooperative co-founded CCOOP. CCOOP is a national O2O goods circulation platform that provides integrated services for rural area and farmers. Not only does it have an online mall (www.ccoop.com.cn), but a physical network in the 33 provinces of China, covering food industry O2O, finance, and logistics. Through the integration of the urban and rural shops, online shops and the logistics and financial services, it promotes urban and rural trade flows and provides innovative solutions to a series of rural problems. In 2015, CCOOP invested around USD 201.74 million resulting in service to 0.23 billion people. By the end of April 2016, the online platform of CCOOP has generated 6.68 million orders with a total order amount of around USD 368.05 million. In 2018, overall annual turnover volume is expected to exceed USD 154 billion.

HNA China D. J. is HNA group's practice of integrated sustainable urbanization service platform that provides residents with fully developed public amenities, business facilities and an enjoyable environment in keeping with the design concepts focusing on "centralized urban-rural development and integration, industry city interaction, intensive development and energy conservation, eco-friendliness and harmonious development". HNA China D. J. is an integration of modern urban function and services, commodity distribution centers and an urban employment project incubator. HNA China D.J. is a core product of the CCOOP and serves as an important component of CCOOP's industry eco-system.

HNA China D. J.'s first project was Tianjin China located in Tianjin's urban-rural interface. HNA China D. J.'s expected total investment is around USD 2.31 billion. Tianjin China D.J. supplies accommodation/job and entrepreneurship support for about 35,000 people. Tianjin China D.J. cooperates with the government to build secondary schools, primary schools, kindergartens, hospitals, parks and other public facilities.



Tianjin China D.J.

Innovative Initiatives

Innovation is the core competitiveness of enterprises, as well the driving force of economic performance improvement. HNA Group is devoted to internally and externally promote innovation culture through its innovation motivation schemes:

Social innovation and venture investment contest (hereafter "the contest") is a "social innovation" communication platform that aims to explore and cultivate new modes of social innovation. As an annual event in the field of domestic social innovation, the contest is one of the highest level Chinese social innovation contests. Nationwide college groups, civil society organizations, social enterprises, NPO/NGO and social individuals are invited to provide solutions for the sustainable development of economy and society.

"HaiChuang" incubator is an integrated internal and external innovation motivation scheme that supplies technical, capital, management, resource and planning supports and investment consulting services over the whole generation process of an innovative project. As the end of 2015, the scheme has successfully incubated 10 projects while 24 projects are under incubating.



CASE | XIAO'ER Car Rental

"XIAO'ER Car Rental" is an innovative B2B2C car rental platform established in China in December 2014. By integrating middle and small car rental companies with concerted marketing and advanced dispatch techniques, its innovative business model bridges middle and small car rental companies and the self-driving travelers. Besides, it firstly started to practice the new energy vehicles in a car rental company. Since 14 November 2015, the first batch of 200 electric vehicles has been put into use in Haikou and Sanya (China), with 100 charging piles.

It is a successful case inspired and incubated internally in HNA's innovative initiatives.



Supplying Accessible Services

Efforts of supplying inclusive and accessible service in HNA context are identified as: increasing service accessibility for small and medium sized enterprises (SMEs) and people from less-developed regions.

Airline service for less developed-regions

HNA attaches great efforts in developing regional airlines that provide accessibility to and within less developed regions. So far, HNA has established/invested the following regional airlines: Tianjin Airlines, Urumuqi Air, Fuzhou Airlines and Guangxi Beibu Gulf Airlines. Supporting the West Development Strategy of Chinese National Economy, HNA operates Yunnan Lucky Air in Yunnan, and the West Air in Chongqing. These two low cost airlines companies are expected to improve the investment environment in Yunnan and the Chongqing/Sichuan areas and help lowering the travel cost. In addition, HNA invested in Ghana to establish Africa World Airlines (AWA). AWA's route network is structured to create a hub-and-spoke model centered upon Accra, Ghana. This route network structure will allow a seamless one-change connection between multiple city pairs and helps in motivating local economies and improving local air service accessibility.

Low Cost Carriers (LCCs) Alliance:

On 18th January 2016, HNA's West Air, HK Express, Lucky Air and Urumuqi Airlines launched the world's first Low Cost Carriers (LCCs) Alliance – U-fly Alliance. The newly established U-fly Alliance offers an expanded network for low-fare travel across Asia. Providing greater choice for low-fare travel by combining the networks of independent LCC's, U-fly Alliance facilitates the travelling to less developed/difficult to reach destinations. So far, 168 routes between 85 cities across Asia are offered by a total fleet of 67. By the year of 2020, the fleet number is expected to total 218.



Launching Ceremony of U-fly Alliance

HK Express Gained Recognition as Asia's Safest Low-Fare Airline:

Announced on 6 January 2016, the independent authority AirlineRatings.com shortlisted 20 full service airlines and 10 low-fare airlines around the world. With a proven track record of best safety practices, HK Express was named one of the 10 safest low-fare airlines in the world, followed by the recognition of a top 7-star safety ranking from the renowned website. The only low-fare airline in Asia to receive the accolade, HK Express solidified its position as one of the region's most trustworthy and reliable airlines.

Financial services for SMEs

Bohai Guarantee Corporation of the HNA group has developed guarantee and loan services for SMEs. These services are designed to solve the financing difficulties of SMEs. As of the end of 2015, it has supplied guarantee services for a total of 27 SMEs, the total amount of guarantee is around USD 96.63 million. Meanwhile, Bohai Guarantee Corporation has signed guarantee business cooperation agreements with 16 banks, with a credit balance of around USD 254.1 million.

"Zhuye Baojie" is a performance bonds product developed by Sinosafe Insurance of HNA. Zhuye Baojie was designed for increasing loan accessibility of small and micro enterprises without assets for mortgage or a sound financial system. In this innovative business model, Sinosafe Insurance is in charge of client development and takes 100% of the loan risk. Banks and P2P investment platforms provide loans less than USD 154,000 to loan clients and charge a fixed interest rate. As of the end of 2015, "Zhuye Baojie" has supplied insurance for 1989 loans of 1776 small/micro enterprises and individuals. The total loan amount reached USD 110.54 million.

As of the end of 2015

the total amount of guarantee is around
96.63
million USD

The total loan amount reached

110.54
million USD



03



Beneficiary Student from "Wings of Kindness"

For Social Equality

HNA's people-centered philosophy combines ideas in traditional Chinese culture and thoughts in modern management. HNA's philosophy highlights a harmonious and common development of employees and company, and the harmonious and common development of company and society. HNA puts forward "make achievements together and share results together" as a spirit, calling for company sharing the results of prosperity and development with employees and society.

HNA's contribution



QUALITY EDUCATION

Educational assistance
Education protection for women in Africa and Asia
Change for good project



GENDER EQUALITY

Education protection for women in Africa and Asia



REDUCED INEQUALITIES

Service for customers in vulnerable and special needs



SUSTAINABLE CITIES AND COMMUNIT

Communication and engagement mechanism for employees

Inclusiveness, Development and Engagement of Employees

HNA implements an equality-based employment policy, creates an equal working environment, ensures equal opportunity for everybody, eradicates all forms of discrimination, and fully realizes an equal and inclusive employee development policy. HNA ensures employees' voices are heard by providing systematic and diversified employees engagement mechanisms and channels for communication.

Inclusiveness and equal opportunity

HNA abides by international labor standards, and fully respects the principles of equal opportunity, staff diversity, gender equality (female employees currently account for 45% of HNA's total headcount, and 25% in the management level), no discrimination on any ground, and equal pay for equal work. In addition, HNA Group's open, fair and impartial employment environment helps avoiding any discrimination on the ground of race, color, religion, gender, nationality, ethnicity or age, and ensures that all employees are enabled to fulfill their full potential.



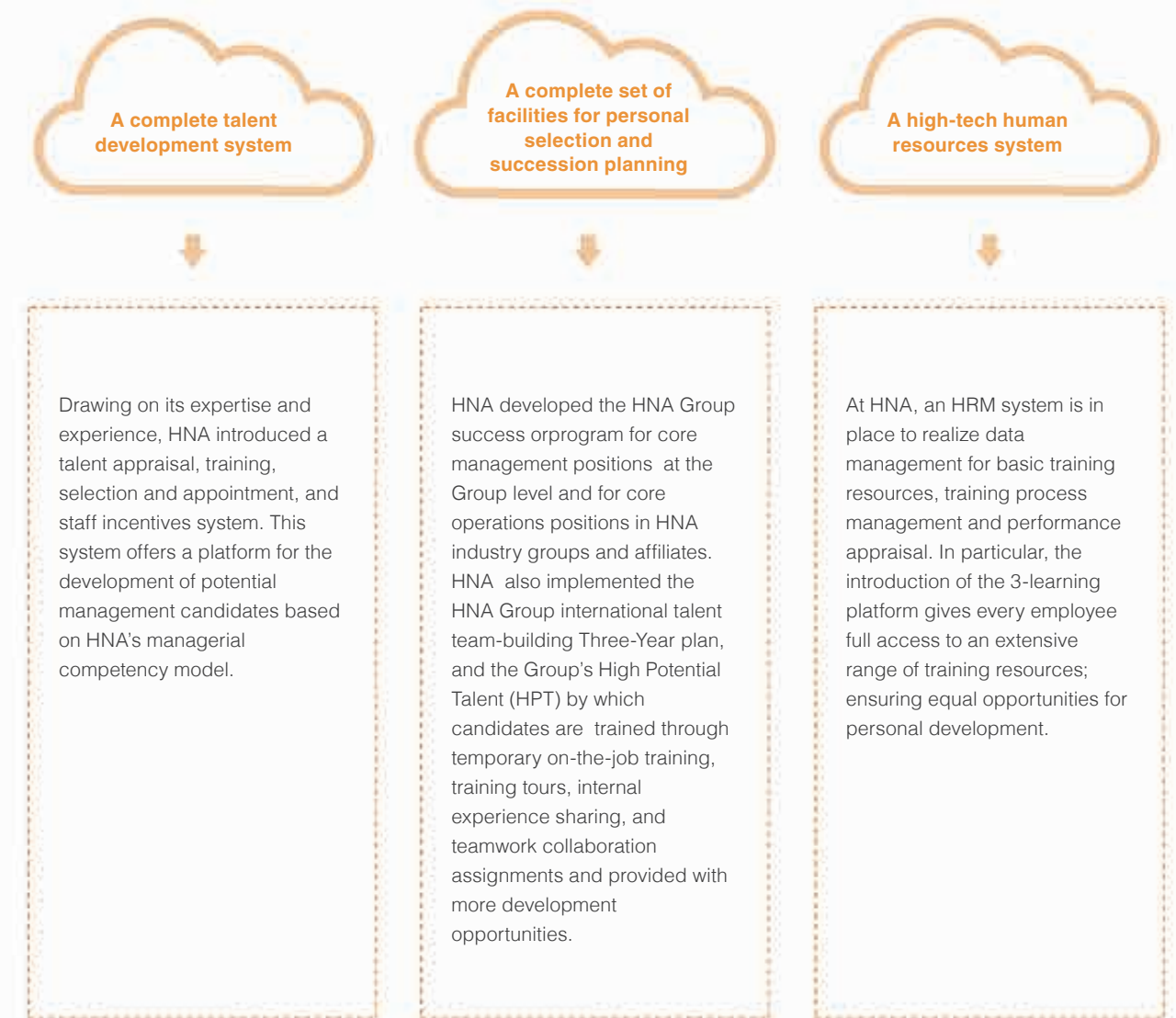
By the end of 2015, the number of HNA employees working overseas increased approximately to half of total staff of the HNA Group; and foreign managers accounted for 57% in the overseas management. In the case of myCARGO (Turkey), in particular, local residents represent 98.8% of the entire work forces.

For instance, myCARGO is committed to becoming a trustworthy company that will not sacrifice value, respect, quality, or security given to the employees and partners. MyCARGO ensure equal employment policies and practices throughout the employment process starting from an open and fair recruitment process. To ensure a fair corporate culture, local culture is incorporated in many company policies including the CSR policies.

HNA helped employees balance work and family, making switching between roles at work and at home. HNA organized several lectures on women's health and health checks for frontline workers to draw attention to the health of our female staff members. "Women as Advocates of the Rule of Law" lectures were conducted to raise women's awareness of the importance of their rights under law. In addition, female fitness courses were provided together with ballet classes, to offer fun, leisure activities for women employees.

Diversified development platforms for employees in different levels

Perceived as a stage for staff members to fulfill their personal values, HNA has created various development platforms for employees with different needs.



Building a participatory enterprise

Labor unions at various levels take staff representative conferences seriously as an important system for safeguarding employees' collective rights and economic interests. These conferences provide systematic and diversified employees engagement mechanisms and channels for communication.

Furthermore, HNA has put in place a staff complaint and feedback platform with the introduction of new Apps and channels to allow direct, online contact with the Group Chairman, as well as HNA forum and Correspondence communication channels developed by using latest internet-based information technologies. Since the introduction of the HNA Chairman Mailbox in August 2007, 2,048 emails have been received and replied to. The mailbox has proven to be an effective tool for communication between the staff and the leadership.

Promoting Social Equality and Inclusiveness

HNA promotes equal rights for all social groups, especially vulnerable groups like women, children, disabled persons, indigenous people and migrant workers in poverty-stricken areas through providing support in poverty alleviation, education, job creation etc. to realize equal development.

Educational assistance in China

Since its inception, HNA has supported 47 educational assistance projects with an aggregate investment of over USD 9.86 million, involving prestigious higher education institutions in Hainan, central and western regions and other parts in China. In addition, HNA has also carried out project through the Hainan Province Cihang Foundation to support education such as donations for constructing a graduate building in Civil Flight University, scholarship donations to institutes of learning such as Confucius Institute Scholarship project, and the Tianjin University of Commerce Scholarship Project.

Charity Program	Year	Number of Beneficiaries	Investment(USD)
	2011	70	Around 92,399
	2012	70	Around 92,399
	2013	97	Around 138,598
	2014	200	Around 230,997
	2015	200	Around 384,994



CASE Education Protection for Women in Africa and Asia

In February 2014, the HNA Group began cooperation with UNESCO, pledging to donate a total of USD 5 million during the next five years to support UNESCO's women education protection efforts in Africa and Asia.



Launching Ceremony of "Education Protection for Women in Africa and Asia"



CASE HNA "Wings of Kindness" Project

HNA started the "Wings of Kindness" project in 2013. "Wings of Kindness" has helped over 200 people such as patients with leukemia, children with AIDS, students in poverty, "left-behind" children, migrant workers, disabled persons and disaster rescue workers to travel with free flight tickets etc. For example, in order to help some candidates with difficult family financial conditions to sit college entrance exams in July and August of 2015, HNA carried out "Wings of Kindness-realizing my college dream" project in 7 cities across China, helping over 60 excellent candidates to get free flights ticket to travel to their college.



CASE "TANGLA Hotel – Hope Project 1 YUAN Action" Project

In October of 2015, HNA and China Youth Development Foundation jointly kicked off "Giving warmth through giving books, creating hope through inspiring reading -- TANGLA Hotel - Hope Project 1 YUAN Action" project in Beijing TANGLA Hotel. This project built upon "Hope Project Happy Reading" activities, providing a charity platform by using HNA hotel group's advantage in resources, mobilizing donation of outstanding children's books to poverty-stricken rural areas in middle and west part of China, providing reading guidance trainings to rural teachers, helping children in these areas to read more books and read good books, forming reading interest and habit.



CASE | HNA Self-independent Laundry Project

HNA Self-Independent Laundry helps disabled persons to get employment, support them to go outdoor, get integrated in society, realize self-independence, so as to live a life with dignity. On January 8 2015, the first project was initiated by the Hainan Province Cihang Foundation and established a laundry in Haikou.

As the project grows mature, there will be more and more such laundries created in facilities housing HNA's core business activities, such as Haikou Meilan International Airport, Sanya Phoenix Airport, Beijing HNA Building, and even many HNA hotels. HNA expects that the Self-Independent Laundry will become an independently-operating, continuously-developing service provider not only for HNA but also other clients and customers in society, providing more jobs and career development opportunities for disabled persons.



Disabled Workers in HNA Self-Independent Laundry



CASE | Change for Good

Hainan Airlines became the first airline in China to participate in UNICEF's "Change for Good" on 1 September, 2013, "HNA Change for Good" was launched on the Beijing-Haikou flights, appealing for passengers to donate their spare change to the UNICEF program and help poverty-stricken children to fulfill their full potential. Since July, 2015, this project has been extended to additional 29 domestic and international airlines.



CASE | SEACO Singapore Celebrated MINDS Children's Day

On 8 October 2015, the SEACO Singapore office celebrated MINDS Children's Day with 250 students (age from 7 to 18) from MINDS Lee Kong Chian Gardens School (one of MIND's special education schools). With history dating back to 1970s, LGS nowadays is a full-facility school committed to teaching, equipping and training intellectually disabled pupils, enabling them to have a more fulfilling and purposeful life.

It's SEACO's fourth year supporting and celebrating MINDS Children's day. The students enjoyed themselves with a bouncy castle, magic show, dancing and delicious meals served by our volunteers. Each student was presented with a lovely goodie bag filled with sweets and stationery arranged by SEACO's employees. This event gave volunteers an opportunity to gather for a meaningful cause and make a difference – for the students at MINDS Lee Kong Chian Gardens School. All the participating volunteers found it a truly rewarding and uplifting experience.



SEACO Singapore Celebrated MINDS Children's Day



CASE | TIP's "Fat Bottom Boys" Ride Off into Europe Again for Charity

After two successful charity bike rides, TIP's "Fat Bottom Boys" are once again hitting the road. In May of 2016. The inaugural trip went from TIP headquarters in Manchester to Amsterdam, following the year 2015 by an epic trip from the headquarters to Galway on the West coast of Ireland. Donations this year will be divided between the Donna Louise Trust in Stoke on Trent, that cares for terminally ill children, and the Douglas MacMillan Hospice that provides essential care for cancer patients. More than £60,000 was donated from the rides and more rides are expected this year. There has been a fantastic initial response from TIP's staff, customers and suppliers to support the charity activity.

In May of 2016





CASE | Plaque of Gratitude to myTECHNIC

Anatolian University has given a plaque of gratitude to the HNA Group's myTECHNIC for the support given to the University. Recently the Faculty of Aviation and Space Technologies received an old aircraft donated by Fedex from the USA. myTECHNIC has supported the organization and coordination of delivering the aircraft safely to the Aviation Faculty which is stationed in Eskisehir, very close to Ankara, the capital of Turkey. The students of the Aviation Faculty enjoyed practicing their theoretical knowledge with a real aircraft.

Inclusive Services

HNA attaches great importance to providing diversified and inclusive services to consumers but with special care given to pregnant women, children, senior citizen, disabled persons, patients and other groups of customers with special needs.



CASE | "Little Travellers" services—HNA cares for unaccompanied children

In 2012, HNA introduced "Little Travelers" services, in order to provide better services to passengers with special needs, and allowing parents of children from 5 to 12 years old to apply for unaccompanied children services 60 minutes before takeoff. With this service, children can fly under the care of HNA staff throughout the journey. HNA staff will pick the children up from the departure hall, help them go through security check, board the plane and ensure the flight attendant smoothly takes over. HNA even provides each unaccompanied child with an "Handover Bag" carrying information about the child such as the child's name, home address, flight number, and relevant information about whom to contact.



CASE | "10m² of Kindness" for breast-feeding mothers and babies

With passengers' needs as the top priority, Meilan airport provides personalized services for customers. In 2014, it was approved as a certified airport for the "10m² of kindness" initiative sponsored by UNICEF and National Center for Women and Children's Health (China CDC). Five well signposted, private spaces for breast feeding have been set up in the departure, secure and arrival areas of the domestic and international terminals. The initiative aims to encourage and show respect for breast-feeding in public areas.



CASE | Air rescue system safeguarding citizen's life

On 11 October, 2011, the HNA Capital Helicopter and the Beijing Red-Cross Emergency Rescue Center (999) jointly carried out a "Ground-Air Joint Medical Rescue Exercise" and agreed on a long-term Emergency Rescue Transport Cooperation Agreement. On 28 October, 2014, the first professional medical rescue helicopter in China was formally put in service.



On 19 March, 2014, Deer Jet, a subsidiary of HNA, signed a strategic cooperation agreement for Chinese aeromedical jet services with Golden Meditech (Hong Kong) and CSOS (Shenzhen), inaugurating Deer Jet medical Co, Ltd -- the largest and most professional aeromedical jet service provider in China. The company serves as a lifeline for patients in danger, wherever they are in the world, through seamless integration of ground-to-air rescue operations.



Rescue Helicopter of HNA Capital Helicopter



CASE | Hong Thai Travel Services promotes accessible travel

Hong Thai Travel Services under HNA Tourism organized the "Accessible Travel to create fun for the Physically Handicapped and Able-Bodied (PHAB)" campaign with Hong Kong PHAB Association to promote the accessible traveling. The campaign was supported by School of Hotel and Tourism Management, Hong Kong Polytechnic University, Hong Kong Institute of Vocational Education and Hong Kong Tourist Guide Association with participations from 200 teachers, students, outbound and inland tourist guides. Apart from attending basic trainings, the 200 volunteers applied their learning on the spot by leading 100 PHABs and their families to the Hong Kong Disneyland for a fantastic one-day trip. Through collaboration and integration, the group successfully completed a number of missions assigned inside the park and enjoyed a valuable experience of PHAB integration.



Hong Thai Travel Services at PHAB Campaign Site

04



Haikou Meilan International Airport

For Ecological Sustainability

HNA group strategically positions itself as a promoter of a green lifestyle, a provider of green services, a green industry leader, and a pioneer of green development. In order to minimize adverse impacts on the environment and to combat the climate change, HNA Group strives to practice green operations to achieve sustainable growth.

HNA's contribution



RESPONSIBLE CONSUMPTION AND PRODUCTION

Motivating green operations and consumptions

Operating sustainable models, such as eco-airports and green hotels



CLIMATE ACTION

Promoting sustainable management of the forest

Consideration and management of the impacts on biodiversity in raw materials procurement

Forest Protection



LIFE BELOW WATER

Protecting marine resources and controlling sea and oceans' pollution

Coastline cleaning



LIFE ON LAND

Taking measures for Energy Saving to reduce the GHGs emissions

Green Tour



HNA Building in Haikou, China

Green Operation and Consumption

In 2008, HNA established an energy conservation working group and developed an energy consumption reduction plan, calling on the whole group to implement energy saving, promote green, low-carbon lifestyle.



CASE

myTECHNIC's Establishment of Comprehensive Waste Management System

Waste management has been established in myTECHNIC and operated by all the staff. All the wastes occurred were managed and disposed according to the local "Environmental Permits and Licenses Regulation". The hazardous wastes and nonhazardous wastes were transferred to licensed waste companies and properly disposed.



Waste Quality of myTECHNIC 2015

Waste	Quantities
paint wastes	2440 kg
printer cartridges	49 kg
hydraulic oil waste	2400 kg
contaminated packages	5120 kg
contaminated wastes	14600 kg
oil filters	300 kg
hazardous organic wastes	6240 kg
batteries	143 kg
fluorescent lamp wastes	49 kg
electronic wastes	40 kg
waste metal	15550 kg



CASE

Green Operation of Haikou Meilan International Airport

The Haikou Meilan International Airport in China has completed an energy saving retrofitting project that saved 1,500 GWh electricity by the end of December 31, 2015.



Key Environment Performance at Meilan Airport

Item	Measures	Key performance 2015
Energy saving	BKS expert system for central air conditioning management	saving 1 million kWh electricity power per year
	Electricity-saving lighting appliance	Saving 0.4 million kWh electricity power per year
	Energy-saving lamps in the terminal buildings	Saving 0.1 million kWh electricity power per year
	Replacing the gasoline powered airports vehicles with electric ones	Saving 247,080 liter fuel per year
	Replacing aircraft APU with bridge loading equipment	Saving 410 tons of fuel per year
	Using solar energy for the road and landscape lights	
Sustainable use of water	Waste water reclamation project	300,000 tons of waste water reused per year



CASE | Green Operation of Sanya Phoenix Airport

Sanya Phoenix Airport in China has taken several actions to implement the energy saving and waste management.

- Central air conditioning system retrofitting project: The retrofitting project was completed and put into trial operation in December 2015. It is monitored that the new system can save roughly 10~15% energy use.
- Wastewater treatment project: the WWTPs of airport treated 240,375 tons of wastewater in 2015, and reclaimed 230,375 tons water resource.
- The oil-gas recovery project of gas station: the airport invested approximately USD 11.33 thousand to implement the oil-gas recovery project. This project mainly used to control the evaporation process of oil gas and reduced the pollution as well as improves the safety level of gas station.

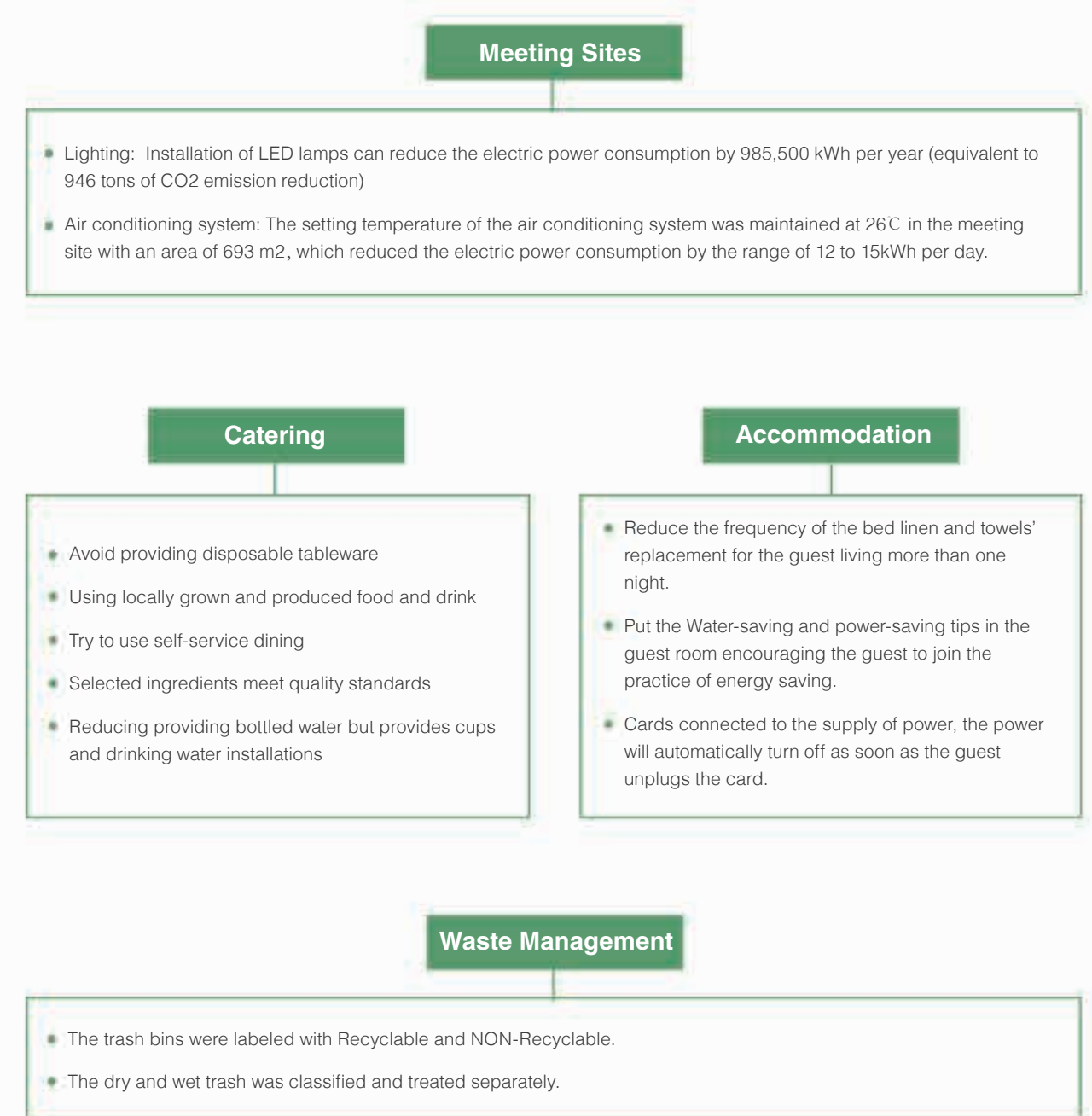
Air conditioning system Retrofitting project: **10~15%** energy consumption

Wastewater treatment project: **240,375** tons of wastewater treated in 2015
230,375 tons of water reclaimed after treatment



CASE | Beijing Tangla Hotel Practiced Green Meeting

Tangla Hotel – Beijing has established a sustainable management system based on “Event Sustainability Management Systems” (ISO20121) to practice the idea of green meetings. The concept of green and sustainability is practically integrated into the whole process of meetings management and implementation, for the aspects of meeting sites, catering, accommodation, and waste management.



On 6 November 2015, the 1st HNA Social Responsibility Forum was held at Tangla Hotel – Beijing, which was implemented in the concept of a “Green Meeting”. On that day, more than 15kWh electricity were saved and more than 300 pieces of paper were reused. Compared to ordinary meetings, the “Green Meeting” also reduced by two-thirds condiment consumption by not providing packaged condiment.



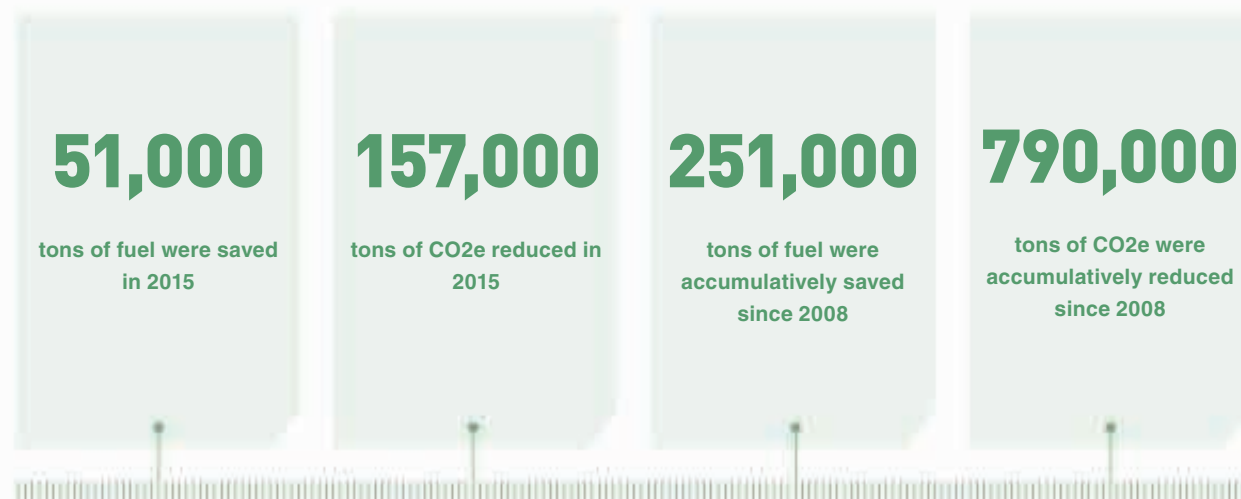
Green Meeting at Beijing Tangla Hotel

Combating Climate Change

Climate change is a significant issue for aviation. Hainan Airlines has always been concerned about climate change and take active actions to reduce the GHG emissions.

Hainan Airlines——Green Tour

In 2015, Hainan Airlines try their best to implement the “Green Tour” project, committed to practice the concept of green aviation.



Measures of CO2 emission reduction

- Replacing the low-fuel-efficiency old planes with Boeing’s B787 Dreamliner which can reduce the CO2 emission reduction up to 18%.
- Upgrading the water-cleaning equipment of engines can increase 0.5% of fuel efficiency with approximately an annual emission reduction 3,700tons of CO2.
- Upgrading the engine performance can approximately increase the fuel efficiency by 2.6%.
- Retrofitting the 737NG aircraft with Sharklets. This upgrading can reduce CO2 emission by 3~5% and reduce the noise of takeoff and landing stage by 6.5%.
- Reducing the weights of the aircrafts to achieve an annual emission reduction of 4,000 tons of CO2.by measures such as Carbon brake renovation of 787 aircraft, Lighter aircraft kitchen renovation of 737-800, Lighter aircraft unit equipment and new type aircraft painting.



Hainan Airlines Aircraft

Biofuel Flight

The use of Biofuels can reduce the CO2 emission by 50% -80% compared to the conventional fuel.

Hainan Airlines records the first commercial flight in application of biofuels in China.



Biofuel Flight

On 21 March, 2015, Hainan Airlines operated the flight HU7604 from Shanghai to Beijing powered by blended biofuels (50% biofuels with the conventional fuel).

It was the milestones in the history of domestic commercial flights.

It is shown that flying on biofuel can be done both safely and sustainably.

Environment Protection

HNA encourages environmental protection activities, and to take concrete actions to practice the concept of green development.

- HNA actively engages in environmental protection. In April 2002, Hainan Airlines plant 15 acres of trees in Haikou Evergreen Park. In May 2007, HNA donated almost USD 0.77 million, to help construction of Hainan coastal protection forest, called "HNA Coastal forest". In August 2011, HNA donated the Hainan environmental protection project called "green footprint" to improve the ecological environment of Hainan province. In March 2013, HNA Capital and HNA Tourism organized volunteers to carry out the public welfare forest subscription in Beijing.
- "Earth Hour" was held for the fifth consecutive year. Between 20:30 and 21:30, lights in HNA offices, decorative lighting in HNA hotels, reading lights and the entertainment system on HNA flights and lighting in staff working areas of HNA cruises were all switched off during the "Earth Hour".
- "Cleaning Coastline" in 2015, HNA Holding organized volunteers to carry out a coast zone cleaning activity in Hainan Province; they cleared a total of nearly 20 km of coast lines and collected more than 50 bags of rubbish.
- HNA Infrastructure's volunteer team joined in the tree planting. On 12 March 2015, HNA Infrastructure organized almost 100 people to take participate in the tree planting activity in Haikou and plant 50 trees in total.
- DEER JET tree planting: On 12 March 2015, DEER JET organized a tree planting activity in Qiaozhi town, Huairou district. 30 people including the workers from DEER JET and the students and teachers from Jiawei deaf Children School joined in this activity and planted more than 270 trees in total.
- Always being keen to exploring new ideas, The SEACO Singapore CSR Committee carried out a Beach cleaning event on 24th July to gather 30 people at East Coast in Singapore and collected 60kgs of rubbish.



05



Auction Session of HNA Charity Night 2015

For Partnership

To contribute to people's welfare and world peace, HNA has partnered with governments, international organizations, NGOs, research institutes and other stakeholder to advance sustainable development in China and in the world. HNA became signatory to UN Global Compact in 2010, respecting and implementing GC Ten Principles. HNA has continuous or newly established cooperation ties with 95 Chinese and international non-profit organizations.

HNA's partnership with local partners in Ghana and Kenya in advancing its aviation industry has strongly boosted sustainable development in Africa.

HNA has promoted cultural and CSR communications with social partners and has been honored by the Global Compact Network China for several times.

HNA's contribution



PARTNERSHIPS
FOR THE GOALS

Creating innovative philanthropy collaboration platform

Joining the UN Global Compact

Establishing AWA

Global Citizenship of HNA

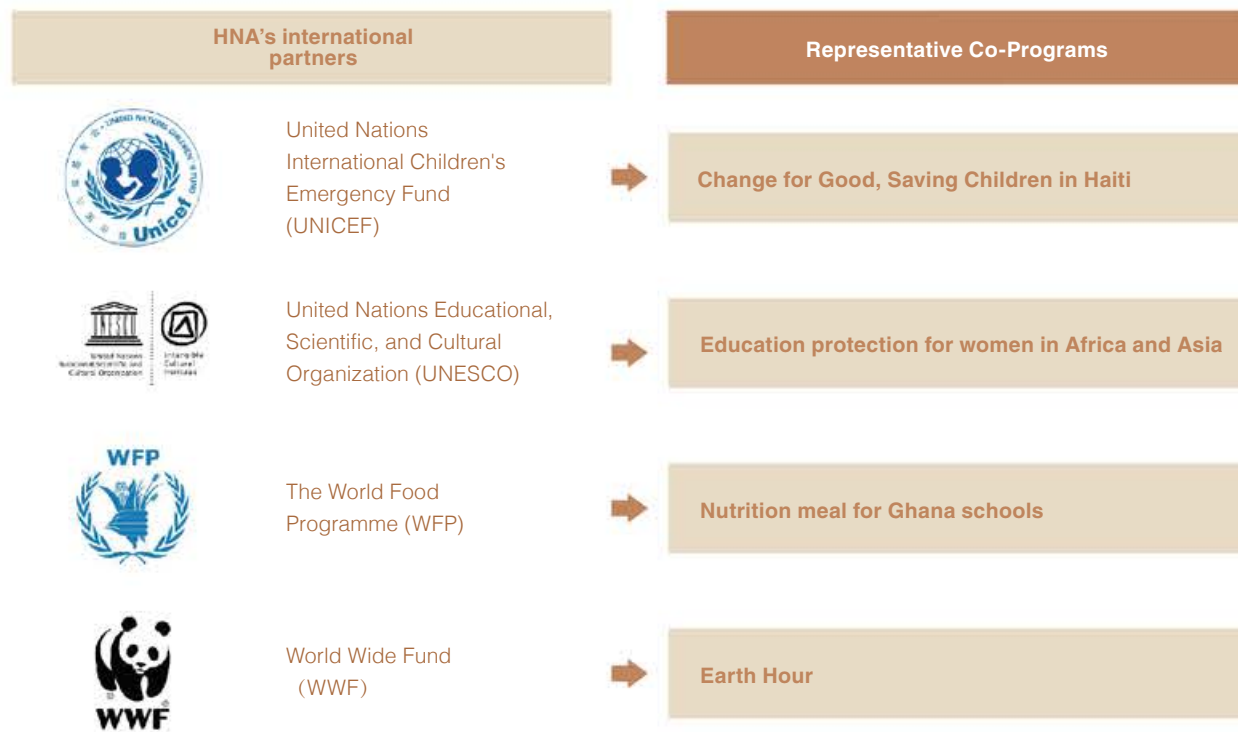
In HNA's view, it is its important mission as a transnational company to actively participate in global sustainable development agenda, take initiatives to undertake the social responsibility of a global corporate citizen and contribute to the sustainable development of the world through partnering with UN agencies and other international partners.

HNA and United Nations Global Compact

In 2010, HNA formally submitted its application to join the UN Global Compact, committing to respect the Global Compact Ten Principles, fulfill corporate social responsibilities in an all-round way and make its own contribution to sustainable development in China and in the world. From 10 to 11 June, 2014, HNA attended the UN Global Compact online forum in the Ethiopian capital, Addis Ababa, and shared its experience on sustainable development and challenges in routine operations during the special forum on sustainable development in Africa.



HNA's Partnership with International Organizations



Contribution to the development of Africa with partners

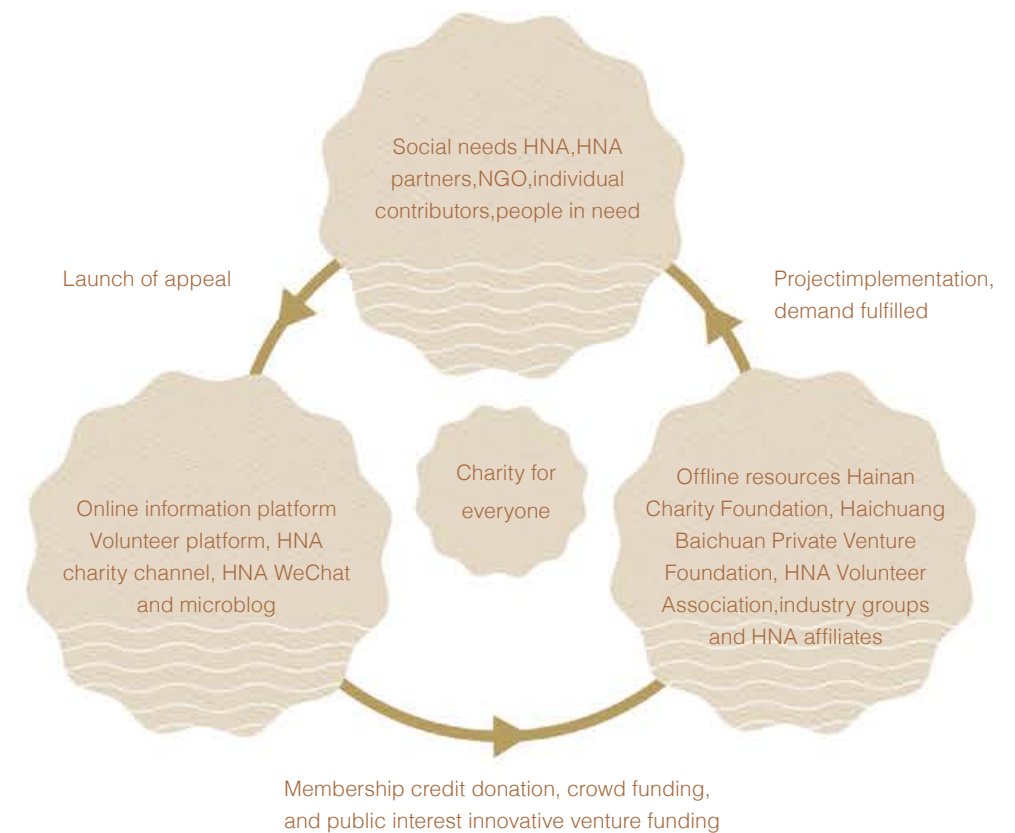
In 2012, HNA established Africa World Airlines (AWA) in Ghana jointly with the China-Africa Development Fund, the SAS Finance Group and SSNIT.AWA. This Airline greatly boosted Ghana's endeavor to become an aviation hub in the West Africa region, made the travel of local people significantly more convenient, and gave great impetus to local economic and social development.

In 2014, HNA signed a Memorandum of Understanding with the China-Africa Development Fund, Astral Aviation, and the Consolidated Bank of Kenya to explore the aviation market in Africa. This cooperation agreement is supposed to greatly improve aviation and transportation in Kenya and to helpboosting local economic and social development in the future.

Innovative Philanthropy Collaboration Platform

Since 2010, the HNA Group has developed an effective model for undertaking philanthropy with social partners to solve social issues through innovative technologies, including integrating online and offline activities, corporate and social resources, organizations and the general public.

Via innovative platforms such as the Hainan Province Cihang Foundation, HNA Volunteer Platform and HNA Philanthropy Platform, HNA has continued or newly established cooperation ties with 95 Chinese and international non-profit organizations including UNICEF, UNESCO, WFP, China Youth Development Foundation, China Foundation for Poverty Alleviation, Confucius Institutes.



Hainan Province Cihang Foundation

Hainan Province Cihang Foundation is a private foundation established by HNA Group in 2010. In October 2013, HNA took the bold decision to donate 22% of its total equity to the Hainan Province Cihang Foundation, making the foundation become the largest single shareholder of HNA Group. Now, the foundation has become an important charity platform for HNA to implement CSR and gratitude to the society. As a non-profit public welfare organization, this foundation widely keeps implementing public welfare projects in education aid, poverty alleviation, disaster relief, cultural advocates, medical aid, environmental protection, scientific innovation and other fields.

HNA Volunteer Platform

The HNA volunteer platform is a nationwide volunteer service platform sponsored by the HNA Group to manage basic information of volunteers and their service hours via IT. In addition, by developing volunteer service mapping, clock cards and local event functionality, the platform serves to facilitate participation in volunteer activities, and attract more participants.

In the future, the HNA volunteer platform will tap into the resources available within the HNA Group which will be introduced to business partners, prestigious higher education institutions, local volunteer service organizations and the media in order to attract more volunteers to take part in philanthropic activities.

year	Person-times of volunteer activities organized by HNA	hours of volunteer service
2013	7,000	15,000
2014	24,000	136,000
2015	5,500	22,000

HNA Philanthropy Platform

The HNA Philanthropy Platform is designed to attract more members of the Chinese public to participate in public interest activities and projects. Specially, the "membership credit donation" element is an important section of the platform, calling for HNA members to show their support for HNA philanthropic undertakings by donating their member points or mileage. The donations are transferred into a credit pool, converted to flight tickets on a regular basis, and then donated to children from remote rural areas or low-income university students to help them make home journeys.

Promoting Cultural and CSR Communications with Social Partners

Promoting exchanges and deepening mutual understanding is an important means to consolidate and strengthen partnerships. To this end, HNA has been actively building cross-culture CSR platforms for making exchanges and forging cooperation with stakeholders, international and domestic social partners.

The Third HNA Group Case Selected by Harvard Business School

A case study of HNA Group (the "Group"), "HNA Group: Global Excellence with Chinese Characteristics", has recently been selected by Harvard University for its undergraduate courses, as well as Harvard Business School's MBA courses. The case study outlines HNA Group's development history — in particular its international experience — and highlights the Group's corporate culture, which is the key to its success. It also details how the Group has achieved its strategic goal of "establishing the business culture for a new era". This is the third time in which a case study involving HNA Group has been selected by Harvard Business School.



So far, three batches of scholarships have been granted



Promoting cultural exchanges between China and Africa

HNA Group promised to donate around USD 153,998 to the China-Africa cultural exchange project of Hainan Province Cihang Foundation. The funds have been used to set up an HNA scholarship program at the three African Confucius Institutes – at Cairo University in Egypt; the University of Khartoum in Sudan and at Rhodes University in South Africa. Over the four years, the Confucius Institutes have selected 24 candidates from the scholarship applicants for financial assistance. So far, three batches of scholarships have been granted – with 36 students receiving scholarships. The HNA scholarship program has been developed to promote cultural exchanges between China and African countries.



CASE | Sino-Western Culture Convergence Forum

On 29 July, 2015, HNA, Confucius Institute Headquarter jointly organized "Sino-Western Culture Convergence Forum" in Zurich Switzerland. Over 200 participants including renowned Chinese cultural scholars, western sinologists, faculty and students of a Confucius Institute in Switzerland and Chinese overseas students attended the Forum. The Forum made positive contribution to strengthening the mutual understanding between the Chinese and western cultural and academic circles and enhanced the awareness of Chinese culture among western academia and the general public.



Sino-Western Culture Convergence Forum



CASE | The 1st HNA CSR Forum

On 6 November 2015, HNA, in cooperation with the China Academy of Social Sciences Industrial and Economic Institute, Public Welfare Institute of Beijing Normal University China and Hainan Province Cihang Foundation, hosted the 1st HNA Forum in Beijing. Over 200 participants from UNICEF, UNESCO, Global Compact Network China, China Youth Development Foundation, China Foundation for Poverty Alleviation and other public welfare institutions as well as media, clients and business partners, attended the meeting. This forum was the first to be initiated in the name of HNA. The forum aims to build a platform for cooperation and sharing experience, exploring the direction of development of the "new era of commercial civilization" and promote the development of CSR in China.



The 1st HNA CSR Forum



CASE | "Meet HNA" Open Day

From 12 to 13 November 2015, the "Meet HNA" Open Day activity was carried out in Haikou. Over 30 people from business partners, CSR research institutes, and media participated. The open day activities included inviting business partners and stakeholders to visit the working sites or the place where a charity event was held to strengthen mutual understanding and exchanges. They visited several places including the MeiLan Base, Meilan Airport and the HNA building in Haikou. Visitors joined HNA volunteers in offering help and caring in Haikou Welfare Center.



"Meet HNA" Open Day



CASE | HNA Charity Night 2015

Since 2009, HNA Charity Night "With Love, With You" has been held to raise money for charitable purposes. The 2015 HNA Charity Night was launched successfully on 24 June, 2015 at the Conrad Hotel Hong Kong with over 60 participants, including senior management from the HNA Group and volunteer representatives, representatives from the Hainan Province Cihang Foundation, as well as friends and partners of HNA Group. The fundraising was a success exceeding the target of HK\$2.16 million, and the donation of 64 sunglasses for patients recovering from cataract surgeries provided under the Brightness Action program. HNA Group believes that the Charity Night will serve as a new starting point to draw society's attention to charity development and social awareness.



The Future

Various histories of HNA' s subsidiaries result in the varying CSR management levels of HNA' s subsidiaries. The leader companies of HNA have integrated CSR principles into daily operations while some others remains on the lower levels. In the future, HNA will attach more efforts on CSR management system building, especially on CSR management system of overseas companies. In addition, HNA will continue contributing to SDGs in the following five key areas:

For eradication of poverty

- Continue to support people in poverty. In the coming 10 years, approximately USD 154 million will be invested for ecological efforts and poverty alleviation;
- Help to build resilience of the poor and those in vulnerable situations through diversified supporting activities.

For economic prosperity

- Continue to invest overseas and increase infrastructure investment;
- Pay attention on responsible investment, strengthen social and environmental impact assessment and exercisedue diligence when conducting investment practices;
- Continue to encourage innovation.

For social equality

- Gradually improve the centralization of human resource system that facilitate the planning, implementation, monitoring and improvement process of inclusiveness and equality related policies;
- Externally promote social equality through innovative and inclusive services.

For ecological sustainability

- Continuously promote green operation and facilitate the formation of a green consumption model;
- Gradually establish the environmental accounting statistics system and continuously take actions in reducing greenhouse gas emissions, meanwhile minimizing the environmental impacts to finally achieve a green and low-carbon development model;
- Focus on environment protection activities and environmental welfare.

For partnership & engagement

- Continuously improve the partnership with local communities and NGOs to develop more effective practices for local development;
- Actively join industry associations to promote global knowledge sharing;
- Keep close relationship with the UN organizations such as UNDP, Global Compact and UNICEF.

HNA's Internationalization

Internationalization is one of HNA's most important strategies. HNA has experienced an exciting internationalization history:

HNA embarking on its journey of international development by starting its first international airline---a regular airline between Beijing and Budapest jointly operated by HNA and Air Austria.

2004

2005

Soros Fund became a shareholder of Xinhua Aviation Holding Company

HNA invested USD 150 million in the acquisition of Australian ALLCO Leasing Company, expanded aircraft leasing business, purchased share of Turkey myTECHINC maintenance company.

2010

2011

Purchased shares of Hong Kong Hong Thai Travel Services, promoting outbound tourism in Hong Kong and inbound tourism in South China Region.
Made strategic investment in the ACT Cargo Airlines
Made an investment of USD 1.5 billion in acquisition of SEACO, one of the world top 5 container leasing companies

Acquired the largest trailer rental company in Europe TIP Trailer Rental with an investment of 480 million Euros
Purchased 20% share of the 3rd largest hotel chain group in Europe NH Hotel Group
Purchased 80% share of Australia Arena Aviation School and renamed it Australia International Aviation College

2013

2012

Invested in the establishment of AWA airlines in Ghana
Purchased 48% share of the second largest airlines in France Aigle Azur

2014

Bohai Financial Holding completed acquisition of Cronos and became the biggest container leasing service provider in the world
Increased its stake in NH Hotel Group to 29.5% and became its largest shareholder

2015

Bohai Financial Holding completed acquisition of Avolon and became the 4th largest aircraft leasing company in the world
Purchased 23.7% share of Brazil 3rd largest airlines BLUE Airline and became its biggest single shareholder
Acquired 100% of Swissport which is the biggest air, ground cargo transport service provider

Taking First Step Through Aviation Industry, "Testing the Water" in Hong Kong	Aviation and Travel Services Business Going Global	Other Industrial Groups Going Global
Expand strategic deployment in Hong Kong	Aviation business	Make investment and acquisition encompassing core business
Meilan Airport got listed in Hong Kong in 2002	established Ghana AWA airlines and acquired France AigleAzur	acquired Hong Kong Hong Thai Travel Services,
Hong Kong Airlines was restructured in 2006	acquired myCARGO (previously Turkey ACT Cargo Airline) and Turkey myTECHINC maintenance company	acquired Australia ALLCO aircraft leasing business
Hong Kong Express was restructured in 2007	purchased 23.7% share of Brazil 3rd largest aviation company	Acquired the largest trailer rental company in Europe - TIP
HNA International Hong Kong Headquarter was established in 2010	acquired 100% of Swissport, which is the global largest air, ground cargo transport service provider	acquired GE SeaCo and Cronos, the two leaders of container leasing companies
	Travel services business	acquired 100% share equity of aircraft leasing company Avolon
	acquired US Aberdeen Travel Services and Caissa Travel Services	acquired New York Manhattan 1180 Office Building, Sydney One York Street Office Building and London Thomson Reuter's Office Building
	acquired Belgium SODE Hotel, New York Cassa Hotel, Red Lion Hotel and Carlson Hotel	
	agreed on equity investment for The Kuoni Travel Group	

About This Report

This is the seventh annual sustainability report published by HNA. The report informs stakeholders and interested public about HNA's approaches and performance of contributing to SDGs. You may find further details on the HNA Group website: www.hnagroup.com.

Reporting period: 1 January – 31 December 2015 (certain information contained herein falls outside this time range)

Reporting frequency: Annually
Reporting scope: HNA Group Co., Ltd. and all its subsidiaries

Sources of information: The information in this report has been extracted from: HNA's internal statistics, documents and reports, and third-party sources.

- Reporting references:**
References used in drafting the report include:
- 2030 Sustainable Development Goals (2015);
 - The Ten Principles of the UN Global Compact (1995);
 - ISO26000: Social Responsibility Guidelines (2010);
 - G4 Edition of the Global Reporting Initiative (GRI);
 - 'The HNA Group Corporate Social Responsibility Development Plan' (2015-2017).

Data consolidation and comparability: The monetary amounts disclosed in this report are calculated at the exchange rates of 31 December 2015. Reconciliation of the reports with previous years is limited because of changes in portfolios.