



AviChina

AviChina Industry & Technology Company Limited

中国航空科技工业股份有限公司

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code : 2357)



2024

ENVIRONMENTAL, SOCIAL,
AND GOVERNANCE (ESG) REPORT

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ABOUT THE REPORT

This report is an Environmental, Social and Governance (ESG) report issued by AviChina Industry & Technology Company Limited (中國航空科技工業股份有限公司), focusing on disclosing the Group's strategies, actions and achievements in sustainable development. This report has been considered and approved by the Board.

REPORTING PERIOD

This report is an annual report. The time range covers 1 January 2024 to 31 December 2024. In order to ensure the continuity of the report, some contents beyond the aforementioned scope are incorporated.

REPORTING SCOPE

All data and information disclosed in this report come from AviChina and its subsidiaries.

COMPILATION BASIS



This report is based on the *Environmental, Social and Governance Reporting Code* in Appendix C2 of the *Hong Kong Listing Rules* (the "**ESG Code**") and with reference to the *GRI Sustainability Reporting Standards (2021 Edition)*, the *Reference Indicator System for Special ESG Reports of Listed Companies Controlled by Central Enterprises* issued by the State-owned Assets Supervision and Administration Commission of the State Council (SASAC), the *Guidance on Social Responsibility* by the International Organization for Standardization (ISO 26000), and the *IFRS Sustainability Disclosure Standards* of the International Sustainability Standards Board (ISSB).

REPORTING PRINCIPLE



This report has been prepared in accordance with the reporting principles stipulated in the *ESG Code*:

Materiality: The Board of the Company and the Sustainable Development Committee thereunder reviewed and assessed material issues relating to environmental, social and governance that are of concern to stakeholders, and focused on the impact of climate-related risks and opportunities, which shall be disclosed accordingly in this report.

Quantitative: This report adopts quantitative method to disclose applicable ESG key performance indicators and goals in 2024 and indicates reference standards, calculation methods and parameters.

Balance: Both positive and negative information are disclosed objectively in this report to ensure unbiased content.

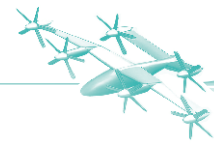
Consistency: The statistical methods used in the data disclosed in this report remain consistent, and if there is any inconsistency, explanations has been made.

DATA SOURCES

Unless otherwise specified, the financial data quoted in this report are derived from the audited financial reports of the Group, and other data come from the internal official documents and relevant statistics of the Group. Unless otherwise specified, the monetary unit used in this report is RMB (yuan).

ACCESS TO THE REPORT

The electronic version of this report will be published on the website of the Hong Kong Stock Exchange and the "Announcement and Governance" column on the official website of the Company. AviChina encourages all stakeholders to provide feedback on any suggestions and opinions regarding the Group's ESG-related work.

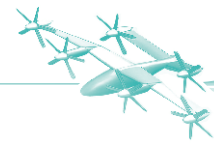


DEFINITIONS |

"Articles of Association"	Articles of Association of the Company (as amended from time to time)
"AVIC"	Aviation Industry Corporation of China, Ltd. (中國航空工業集團有限公司), a controlling Shareholder of the Company holding directly and indirectly 59.63% equity interest of the Company at the date of the report
"AVIC Airborne"	AVIC Airborne Systems Co., Ltd. (中航機載系統股份有限公司), a joint stock limited liability company whose shares are listed on the Shanghai Stock Exchange, a subsidiary of the Company
"AVIC CAPDI"	China Aviation Planning and Design Institute Co., Ltd. (中國航空規劃設計研究總院有限公司), a wholly-owned subsidiary of the Company
"AVIC Kaitian"	Chengdu CAIC Electronics Co., Ltd. (成都凱天電子股份有限公司), a subsidiary of AVIC Airborne
"AVIC Lanfei"	Lanzhou Flight Control Co., Ltd. (蘭州飛行控制有限責任公司), a subsidiary of AVIC Airborne
"AVIC Precision Machinery Technology"	Hubei AVIC Precision Machinery Technology Co., Ltd. (湖北中航精機科技有限公司), a subsidiary of AVIC Airborne
"AVIC Xinxiang Aviation Group"	AVIC Xinxiang Aviation Industry (Group) Co., Ltd. (新鄉航空工業(集團)有限公司), a subsidiary of AVIC Airborne
"AviChina ", "Company"	AviChina Industry & Technology Company Limited (中國航空科技工業股份有限公司), a joint stock limited company established in the PRC with limited liability on 30 April 2003
"AviChina Hong Kong"	AviChina Hong Kong Limited (中航科工香港有限公司), a wholly-owned subsidiary of the Company
"AVICOPTER"	AVICOPTER PLC (中航直升機股份有限公司), a joint stock limited company whose shares are listed on the Shanghai Stock Exchange, a subsidiary of the Company
"Board" or "Board of Directors"	the board of directors of the Company
"Changfeng Avionics"	Suzhou Changfeng Avionics Co., Ltd. (蘇州長風航空電子有限公司), a subsidiary of AVIC Airborne
"Changhe Aircraft"	Changhe Aircraft Industries (Group) Co., Ltd. (昌河飛機工業(集團)有限責任公司), a wholly-owned subsidiary of AVICOPTER
"Chuanxi Machinery"	Sichuan Aviation Industry Chuanxi Machinery Co., Ltd. (四川航空工業川西機器有限責任公司), a subsidiary of AVIC Airborne
"Director(s)"	the director(s) of the Company

DEFINITIONS

"Fengyang Hydraulic"	Guizhou Fengyang Hydraulic Co., Ltd. (貴州楓陽液壓有限責任公司), a subsidiary of AVIC Airborne
"Forstar"	AVIC Forstar S&T Company Limited (中航富士達科技股份有限公司), a subsidiary of JONHON
"Group"	the Company and its subsidiaries
"GuiZhou FengLei"	GuiZhou FengLei Aviation Ordnance Co., Ltd. (貴州風雷航空軍械有限責任公司), a subsidiary of AVIC Airborne
"H Share(s)"	overseas listed foreign invested share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Hong Kong Stock Exchange
"Harbin Aircraft"	Harbin Aircraft Industry Group Co., Ltd. (哈爾濱飛機工業集團有限責任公司), a wholly-owned subsidiary of AVICOPTER
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (as amended from time to time)
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited (香港聯合交易所有限公司)
"Hongdu Aviation"	Jiangxi Hongdu Aviation Industry Co., Ltd. (江西洪都航空工業股份有限公司), a joint stock limited company whose shares are listed on the Shanghai Stock Exchange, a subsidiary of the Company
"Huiyang Company"	Huiyang Aviation Propeller Limited (惠陽航空螺旋槳有限責任公司), a wholly-owned subsidiary of AVICOPTER
"JONHON"	Jonhon Optronic Technology Co., Ltd. (中航光電科技股份有限公司), a joint stock limited liability company whose shares are listed on the Shenzhen Stock Exchange, a subsidiary of the Company
"Keeven Instrument"	Beijing Keeven Aviation Instrument Co., Ltd. (北京青雲航空儀錶有限公司), a subsidiary of AVIC Airborne
"Lanzhou Aviation Electric"	Lanzhou Wanli Aviation Electric Co., Ltd. (蘭州萬里航空機電有限責任公司), a subsidiary of AVIC Airborne
"Nanjing Hangjian"	Nanjing Hangjian Aviation Equipment Technology Service Co., Ltd. (南京航健航空裝備技術服務有限公司), a subsidiary of AVIC Airborne
"Oriental Instrument"	Shaanxi Oriental Aeronautic Instrument Manufacture Co., Ltd. (陝西東方航空儀錶有限責任公司), a subsidiary of AVIC Airborne



DEFINITIONS

"PRC" or "China"	the People's Republic of China
"Qianshan Avionics"	AVIC Shaanxi Qianshan Avionics Co., Ltd. (陝西千山航空電子有限責任公司), a subsidiary of AVIC Airborne
"Qing'an Company"	Qing'an Group Co., Ltd. (慶安集團有限公司), a subsidiary of AVIC Airborne
"reporting period"	the period from 1 January 2024 to 31 December 2024
"SAEC"	Shaanxi Aero Electric Co., Ltd. (陝西航空電氣有限責任公司), a subsidiary of AVIC Airborne
"Shaanxi Huayan"	AVIC Shaanxi Huayan Aero-Instrument Co., Ltd. (陝西華燕航空儀錶有限公司), a subsidiary of AVIC Airborne
"Shanghai Aviation Electric"	Shanghai Aviation Electric Co., Ltd. (上海航空電器有限公司), a subsidiary of AVIC Airborne
"Shareholder(s)"	holder(s) of Share(s) of the Company
"Sichuan Fanhua"	AVIC Sichuan Fanhua Aviation Instrument and Electric Co., Ltd. (四川泛華航空儀錶電器有限公司), a subsidiary of AVIC Airborne
"Sichuan Hydraulic"	Sichuan Lingfeng Aero Hydraulic Machinery Co., Ltd. (四川凌峰航空液壓機械有限公司), a subsidiary of AVIC Airborne
"Supervisor(s)"	the supervisor(s) of the Company
"Supervisory Committee"	the supervisory committee of the Company
"Taiyuan Instrument"	AVIC Taiyuan Aviation Instrument Co., Ltd. (太原航空儀錶有限公司), a subsidiary of AVIC Airborne
"Tianjin Aviation"	Tianjin Aviation Mechanical and Electrical Co., Ltd. (天津航空機電有限公司), a wholly-owned subsidiary of the Company
"trainer"	aeroplanes designed and used for pilot training purposes
"Yibin Sanjiang"	Yibin Sanjiang Machinery Co., Ltd. (宜賓三江機械有限責任公司), a subsidiary of AVIC Airborne
"Zhengzhou Aircraft"	Zhengzhou Aircraft Equipment Co., Ltd. (鄭州飛機裝備有限責任公司), a subsidiary of AVIC Airborne

* The English names of the entities of mainland China referred to in the definitions above are translations from their Chinese names and are for identification purposes. If there is any inconsistency, the Chinese names shall prevail.

STATEMENT OF THE BOARD

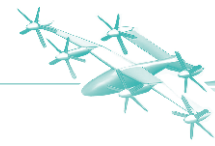
As the challenges of global climate change become increasingly severe, the Environment, Social and Governance (ESG) concept has been an important guideline for promoting sustainable development of enterprises. Being the sole aviation high-tech industry group in the Hong Kong capital market, AviChina shoulders a significant mission of promoting the green transformation in the aviation industry and facilitating the realization of the national “Dual Carbon” goal. We are deeply conscious of that ESG is not only a reflection of corporate social responsibility, but also a critical pathway to achieving high-quality development and higher corporate core competitiveness.

Since 2016, AviChina has taken the lead in responding to the ESG disclosure requirements of the Hong Kong Stock Exchange, publishing ESG reports consecutively and outlining the Group’s trajectory in the field of ESG with solid steps and outstanding fruits. Under the strategic oversight of the Board, we continue to optimize the ESG governance structure, including the establishment of Sustainable Development Committee of the Board in 2024, which has been responsible for the regular review, supervision and management of the Group’s ESG strategy, goals and major ESG risks, further reinforcing the foundation of the coordination and supervision over ESG work by the Board. Meanwhile, we actively benchmark against the international framework for addressing climate change, proactively carrying out identification, analysis and response work of climate risk, strengthening climate change management, and elaborately mapping a blueprint to resist climate risk.



To innovate with integrity, pioneering new frontiers in tech-driven advancement of technological innovation development

Technology innovation is not only the fundamental driving force for the steady and long-term development of aviation manufacturing, but also a robust engine that leads the industry to break through development bottlenecks and move towards the international forefront. AviChina upholds independent research and development as its primary focus, continuously increases investment in innovative research and development, so as to build a high-level aviation technology innovation system. Through the industry-academia-research model, we deepened cooperation with universities and scientific research institutes to promote technological innovation and breakthroughs in research and development, as well as the collaborative development of the industrial chain, propelling aviation manufacturing business to develop in a systematic, integrated and intelligent manner. In 2024, we achieved fruitful results in scientific research and innovation, with 2,416 patent applications filed and 1,665 patents licensed, and subsidiaries won multiple honors such as the first prize of the National Defense Science and Technology Progress Awards and the grand prize of the AVIC Science and Technology Awards.



STATEMENT OF THE BOARD



To advance clean development, co-creating a green aviation future

AviChina is firmly implementing the “Dual Carbon” strategy, incorporating climate change response into the core of strategic development. Through the dual drive of management innovation and technological innovation, we actively explore new paths for energy conservation and carbon reduction in the aviation field to accelerate the green and low-carbon technological revolution in aviation industry, and promote the green transformation of the entire industry chain. We continue to optimize our energy structure, promote the application of clean energy and refine production processes to reduce energy consumption and carbon emissions. At the same time, we are actively establishing our presence in the field of clean energy, and promoting the green and low-carbon transformation of production and operations through photovoltaic power generation, green power procurement and the application of new energy vehicles. In 2024, several subsidiaries were awarded the title of “Green Factory”, demonstrating our solid progress on the road of green development.



To practice public welfare, jointly painting a picture of bright future

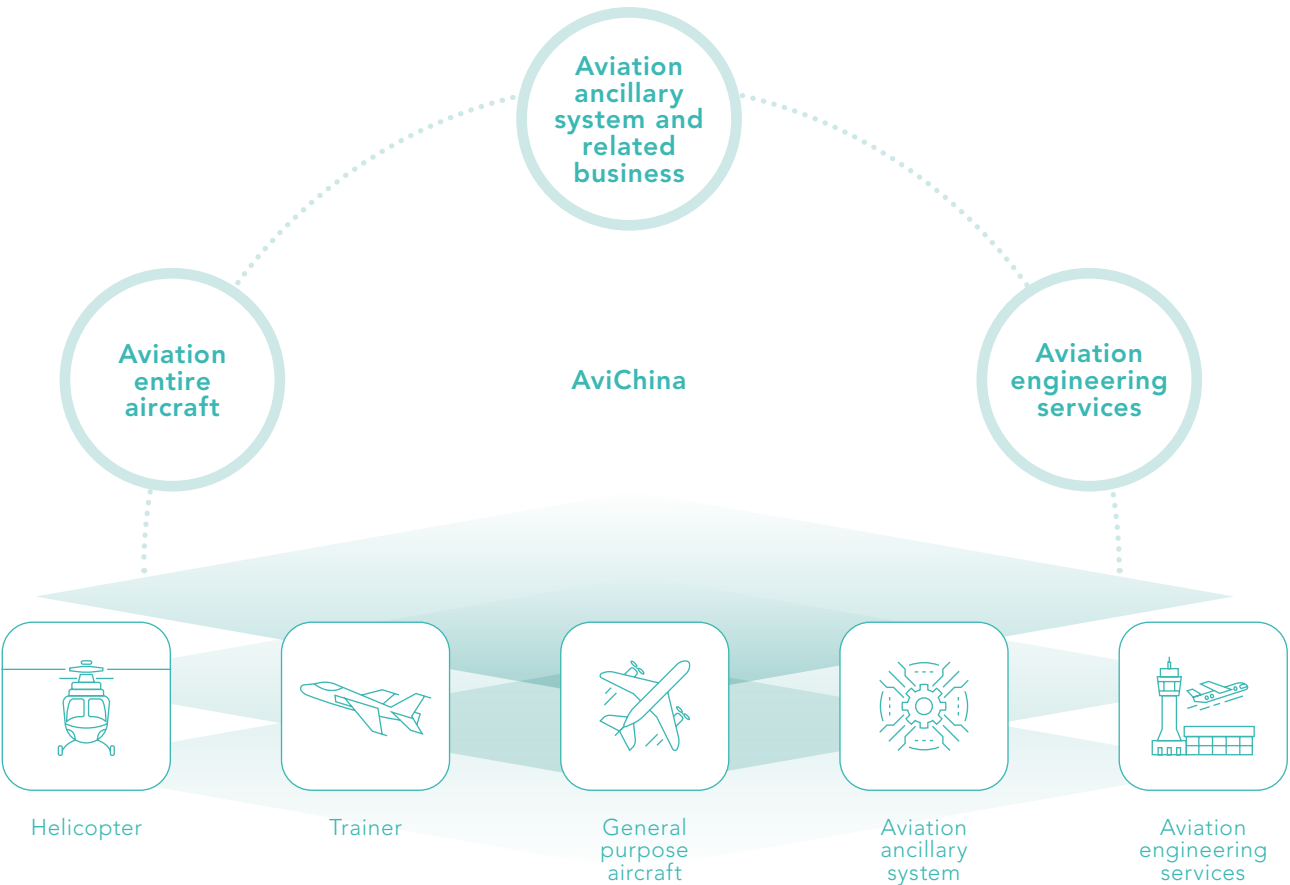
AviChina has always integrated social responsibility into its corporate development strategy and actively fulfilled its mission and responsibility as a central enterprise. In 2024, in response to major disasters such as the Yajiang forest fire in Sichuan and the Nagqu earthquake in Tibet swiftly, we, making full use of aviation power, urgently mobilized aviation rescue forces to provide support for emergency rescue and disaster relief, which demonstrated the spirit of emergency rescue and the responsibility of state-owned enterprise. At the same time, some activities such as the “Caring for Puding and Dream of Blue Skies” talent-based assistance and the “Aviation Supporting Agriculture and Full of Love in Golden Autumn” consumption-based assistance have been carried out in depth, to promote rural revitalization and the institutionalization and normalization of volunteer services in the spirit of Lei Feng, and volunteer service activities have been widely organized to promote the spirit of dedication. Besides, we have also proactively carried out aviation science popularization activities on campus to spread aviation culture and stimulate the interest of young people. In 2024, we invested a total of RMB0.7938 million in volunteer services, with a cumulative volunteer service duration of 17,884.09 hours.

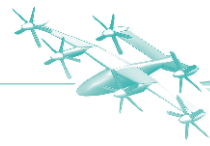
Looking forward, insisting on the “Dual Carbon” strategic goal and taking the ESG concept as guidance, AviChina is committed to shouldering the mission and responsibility of being a leader among the green aviation enterprises, and to embarking on a path of sustainable development with aviation characteristics, so that we can contribute to safeguarding the country’s core assets as a security barrier, building a solid foundation for the cultivation of new quality productive forces, and usher in a new horizon of high-quality development. Let us collaborate to construct a promising future for green aviation.

ABOUT AVICHINA

AviChina (stock code: 2357.HK) was incorporated in Beijing on 30 April 2003. It was listed on the Main Board of the Hong Kong Stock Exchange on 30 October 2003, with a registered capital of RMB7,972,854,242. Its controlling shareholder, AVIC, which stands as the leader in the PRC’s aviation manufacturing industry has consistently ranked among the Fortune Global 500 companies, and achieved a top position in the Aerospace and Defense sub-list in 2024.

Over the past 21 years of development, AviChina has gone through three stages: start-up development, industrial adjustment and industrial focus and extension. With its business structure becoming increasingly consummate and its comprehensive operational capabilities in the aviation industry continuously strengthening, AviChina has stepped into a new stage of building a world-class high-tech aviation industry conglomerate. AviChina is the only aviation high-tech industry group in the Hong Kong capital market. It controls five A-share listed companies including AVICOPTER (600038.SH), Hongdu Aviation (600316.SH), AVIC Airborne (600372.SH), JONHON (002179.SZ) and Forstar (835640.BJ) and holds number of companies such as AVIC CAPDI, Tianjin Aviation and AviChina Hong Kong, and its main businesses cover helicopter, trainer, general-purpose aircraft, aviation ancillary system and related business and aviation engineering services, etc.





HONORS AND AWARDS IN 2024 |

ESG Awards



"Best ESG Information Disclosure Award" by the Hong Kong International ESG List Annual Selection in 2024



Outstanding Cases of Low-carbon Practice in the 3rd Xinhua Credit Jinlan Cup

Included in ESG Index



"Hang Seng Climate Change 1.5°C Target Index"



"Hang Seng SCHK China Central SOEs ESG Index"



ESG PERFORMANCE OVERVIEW IN 2024



ECONOMIC PERFORMANCE

Indicator	Unit	Data
Total assets	RMB billion	202.044
Operating income	RMB billion	86.971
Profit before tax	RMB billion	6.092
Net profit attributable to the owners of the parent company	RMB billion	2.187
Research and development expenses	RMB billion	6.661



ENVIRONMENTAL PERFORMANCE

Indicator	Unit	Data
GHG emission intensity	tCO ₂ e/RMB10,000 revenue	0.06
Energy consumption intensity	tonnes of standard coal/RMB10,000 revenue	0.016
Water consumption intensity	tonnes/RMB10,000 revenue	0.76



SOCIAL PERFORMANCE

Indicator	Unit	Data
Total employees	person	71,847
Percentage of employees trained	%	96.24
Percentage of female employees trained	%	96.61
Number of patent applications	piece	2,416
Number of patents granted	piece	1,665



GOVERNANCE PERFORMANCE

Indicator	Unit	Data
Number of directors	person	9
Anti-corruption training coverage for directors	%	100
Total hours of anti-corruption training for directors	hour	1,521.72
Anti-corruption training coverage for employees	%	96.8
Total hours of anti-corruption training for employees	hour	139,422.50



1 RESPONSIBLE AVICHINA : PRACTICE OF SUSTAINABLE DEVELOPMENT PHILOSOPHY

1.1 SUSTAINABLE DEVELOPMENT GOVERNANCE

AviChina has always integrated ESG concepts into the Group's development, continuously improved its ESG governance structure, and made every effort to promote the Group's steady progress on the road of sustainable development through the coordination of decision-making supervisory executive, management and executor.

The Board of Directors serves as the supreme decision-making body on ESG matters of the Company and takes on the responsibility of comprehensive supervision of the ESG issues, being responsible for making decisions on major ESG-related matters of the Group, reviewing the annual ESG work plan and its implementation and progress review thereunder, and considering and approving the ESG disclosure. In July 2024, in order to further strengthen the coordination and supervision effectiveness of the Board of Directors in ESG matters, the Company took active actions to optimize and adjust the ESG governance structure of the Board of Directors, formally established a Sustainable Development Committee under the Board of Directors, and clarified the committee's responsibilities and authority, workflow and decision-making mechanism, laying a solid foundation for the professional and standardized development of ESG matters.

The specific functions of the Sustainable Development Committee are as follows:

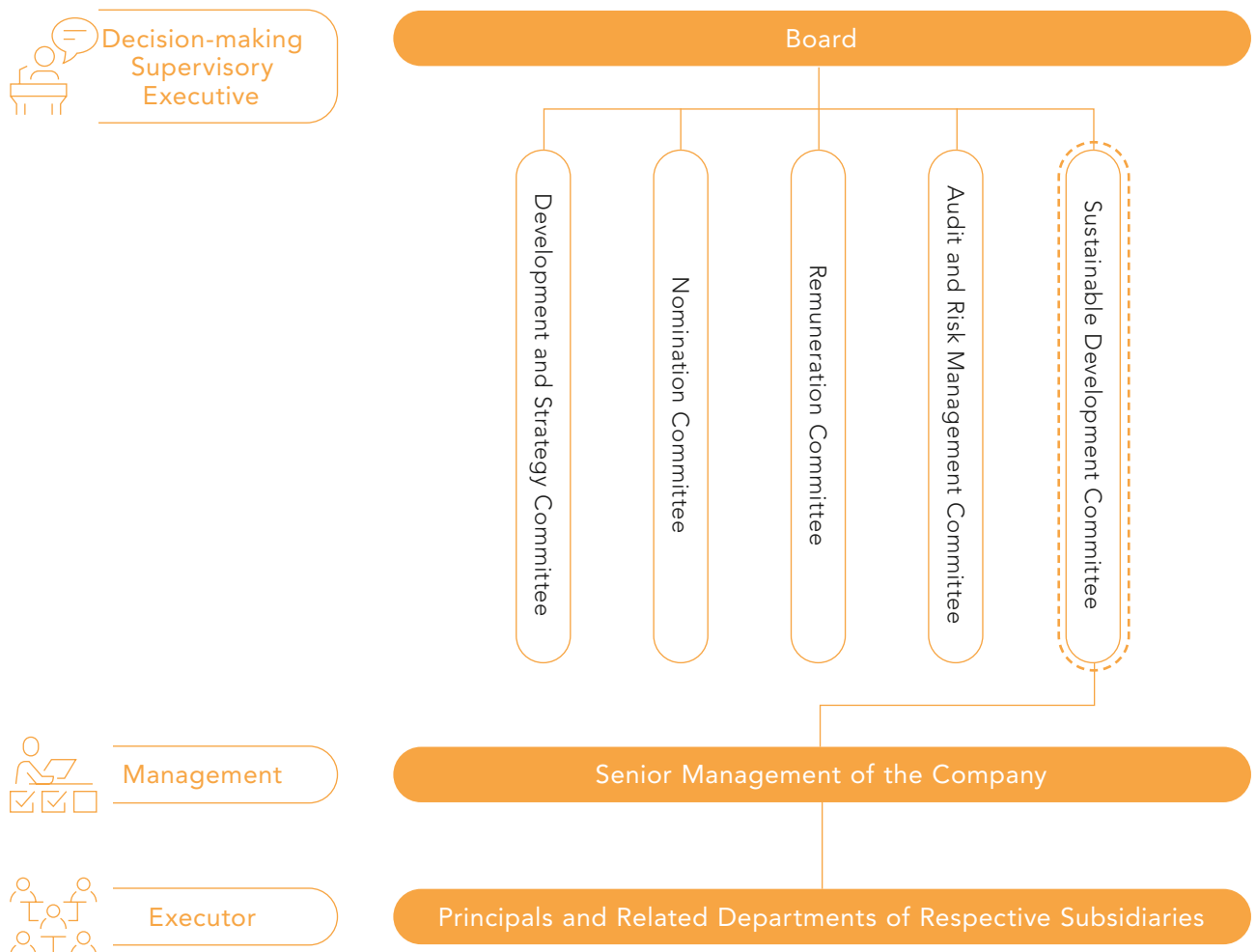
- Coordinating and supervising the planning and implementation of the Group's ESG-related matters;
- Analyzing and researching the Group's ESG-related risks and opportunities, guiding relevant departments to formulate countermeasures and supervising implementation;
- Incorporating sustainable development-related impacts, risks and opportunities into decision-making during the Group's process of strategy formulation, major transaction decisions, and risk management;
- Guiding and supervising the target setting, strategy implementation, and the progress on achieving the objectives related to the impacts, risks and opportunities of sustainable development;
- Making recommendations to the Board of Directors or general manager on major issues in the Group's ESG fields, including but not limited to low-carbon environmental protection, climate risk response, biodiversity, major safety, occupational health, social welfare, and anti-corruption;
- Raising inquiries about material accidents occurring in the Group's production and operation, employee health, product quality, after-sales service, and facilities, and supervising and inspecting the follow-up handling of accidents;
- Reviewing the Group's annual ESG report;
- Other functions and duties authorized by the Board of Directors.



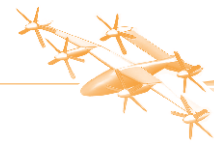
RESPONSIBLE AVICHINA: PRACTICE OF SUSTAINABLE DEVELOPMENT PHILOSOPHY

The management plays a key role in bridging the gap in the Group's ESG matters. The management is responsible for formulating, implementing and coordinating ESG plans to ensure the orderly advancement of ESG matters in all business segments of the Group. At the same time, management regularly reports the implementation of ESG matters to the Board of Directors and the Sustainable Development Committee, feeds back problems and results, and proposes optimization measures for problems to continuously improve the effectiveness of ESG matters.

The executor is composed of the principals and related departments of respective subsidiaries. It is responsible for implementing the Group's ESG objectives and indicators, regularly reporting progress to the Company's management, and accepting supervision and assessment.



In addition, the Company strictly abides by the latest rules and requirements of the Hong Kong Stock Exchange and actively responds to the concerns and expectations of stakeholders. It continues to update the *Environmental, Social and Governance (ESG) Information Management Manual of AviChina Industry & Technology Company Limited* annually. While improving the quality of ESG information disclosure, it further strengthens the management of internal ESG risks and effectively fulfills its sustainable development responsibilities.



RESPONSIBLE AVICHINA: PRACTICE OF SUSTAINABLE DEVELOPMENT PHILOSOPHY



Case

The first ESG certificate training and the 2024 ESG work seminar were held

From 16 to 18 October 2024, the Group successfully held the first ESG certificate training and the 2024 ESG work seminar with the theme of "AviChina Gathers ESG Intelligence, Empowering Sustainable Development". Nearly 50 ESG business principals from AviChina and 31 subsidiaries participated in the training and seminar. Through cutting-edge courses, case studies and group discussions, they further deepened their understanding of sustainable development and improved the Group's practical capabilities in ESG management.



1.2 SUSTAINABLE DEVELOPMENT STRATEGY

The Board of Directors of the Company attaches great importance to the long-term development value of the Group, being responsible for formulating the overall direction of ESG development and committed to building an efficient ESG management system. Through guiding the communication of stakeholders and the analysis of substantive issue, the Board pays attention to ESG material issues and risks, ensures that ESG management is consistent with business objectives, and continues to promote the improvement of the Company's sustainable development strategy. At the same time, through diversified internal and external responsibility communication, the Group promptly conveys the latest developments in the Group's performance of responsibilities.

During the reporting period, the Group thoroughly implemented the new development concept of innovation, coordination, green, openness and sharing, actively responded to the 2030 Sustainable Development Goals of the United Nations (UN SDGs), and built a sustainable development framework covering environment, society and governance by fully integrating ESG concepts into strategic decision-making and operational practices. In the environmental field, focusing on green and low-carbon transformation, the Group explores new paths for energy conservation and carbon reduction in the aviation field, accelerates the low-carbon technological revolution of green aviation, and helps achieve the goal of carbon neutrality; in the social field, strengthening inclusive growth, the Group empowers employees to develop and deeply participate in community co-construction, and promotes technological innovation on industrial platforms with technological innovation and technological renovation as the core; at the governance level, a transparent and efficient compliance system is in place to ensure long-term value creation.

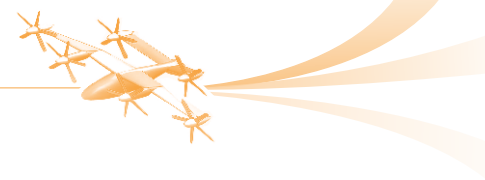
In the future, the Group will continue to take high-quality development as the theme, reform and innovation as the driving force, and core competitiveness improvement as its goal, so as to continuously promote the Group to achieve more quality, more efficient, fairer, more sustainable and safer development.

RESPONSIBLE AVICHINA: PRACTICE OF SUSTAINABLE DEVELOPMENT PHILOSOPHY

1.3 STAKEHOLDER COMMUNICATION

Vigorously managing its relationships with internal and external stakeholders such as Shareholders, investors, governments, regulatory authorities, customers, suppliers, partners, employees, communities and the public, the Group proactively understands and actively responds to the ESG issues of concern to stakeholders through diversified channels. At the same time, key issues are regarded as an important basis for sustainable development management decisions and effectiveness evaluation.

Stakeholders	Expectation and Demand	Communication and Response Channels
Shareholders and Investors	<ul style="list-style-type: none"> ● Protection of Shareholders' rights and interests ○ Participation in corporate governance ● Investment returns ○ Risk prevention ● Transparent information disclosure 	<ul style="list-style-type: none"> ● Periodic reports and announcements ○ General meetings ● Investor communication ○ Official website
Government and Regulatory Authorities	<ul style="list-style-type: none"> ● Compliance ○ Conservation of ecological environment ● Fulfillment of social responsibility ○ Tax payment according to law ● Promotion of industry development 	<ul style="list-style-type: none"> ● Government projects, policies and suggestions ○ Thematic reporting ● Meetings and communication ○ Field investigation
Customers	<ul style="list-style-type: none"> ● Lawful performance of contract ○ Operation integrity ● Product quality and safety ○ Privacy and information security 	<ul style="list-style-type: none"> ● Business communication ○ Exchange and discussion ● Email and phone communication ○ Customer satisfaction surveys ● Daily communication
Suppliers and Partners	<ul style="list-style-type: none"> ● Operation Integrity ○ Win-win development ● Fair and equitable procurement 	<ul style="list-style-type: none"> ● Project cooperation ○ Email and phone communication ● Communication through supplier and partners training ○ Daily communication
Employees	<ul style="list-style-type: none"> ● Rights safeguard ○ Occupational health and safety ● Salary and benefits ○ Training and development 	<ul style="list-style-type: none"> ● Staff congress ○ Employee satisfaction surveys ● Symposiums ○ Employee training ● Employee activity
Communities and the Public	<ul style="list-style-type: none"> ● Promotion of regional development ○ Participation in public welfare undertakings ● Information publicity and transparency 	<ul style="list-style-type: none"> ● Official website ○ Periodic reports and announcements ● Visit and communication ○ Public welfare volunteer activities



RESPONSIBLE AVICHINA: PRACTICE OF SUSTAINABLE DEVELOPMENT PHILOSOPHY

1.4 ASSESSMENT OF MATERIAL ISSUES

The Group carries out the identification and analysis of material ESG issues at least once a year to comprehensively understand and respond in a timely manner to issues that may have a significant impact on the Group's strategy, operations and ESG management. During the reporting period, the Group communicated with stakeholders by way of questionnaires, interviews and exchanges, and confirmed the material ESG issues for the year based on the results of the survey and interviews. The specific assessment steps are as follows:

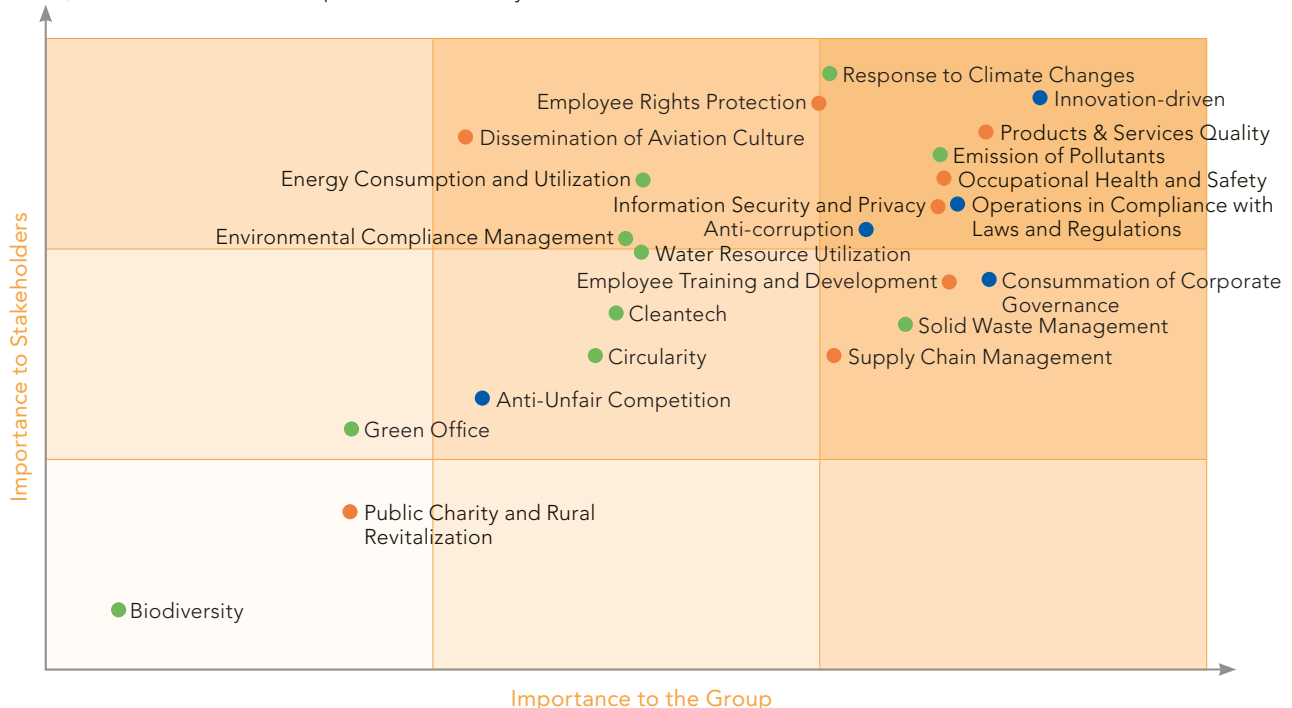
Step 1: Identification of ESG issues. In view of the ESG standards such as the *ESG Code* and the *GRI Sustainability Reporting Standards (2021 Edition)*, in combination with the Group's business background, and through peer benchmarking and expert judgment, we have preliminarily identified a total of 23 ESG issues related to the Group, including 10 environmental issues, 8 social issues and 5 governance issues.

Step 2: Stakeholder participation. On the one hand, by issuing questionnaires to internal and external stakeholders, we collected the degree of concern regarding different ESG issues from various stakeholders. A total of 550 valid responses were received in this survey. On the other hand, we conducted interviews and exchanges with some stakeholders in daily ESG work to collect their opinions on ESG issues.

Step 3: Materiality evaluation. According to the assessment and analysis of material ESG issues based on the survey and interview results, we identified 8 topics of high importance in 2024, including 2 environmental issues, 3 social issues and 3 governance issues. Among them, response to climate changes is a newly identified issue of high importance this year.

Step 4: Review and confirmation. The Board of Directors reviews and ultimately confirms the assessment results of material issues, and discloses the practice and performance of relevant issues accordingly in this report to respond to the expectations and demands of stakeholders.

In 2024, the results of the Group's ESG materiality matrix are as follows:



RESPONSIBLE AVICHINA: PRACTICE OF SUSTAINABLE DEVELOPMENT PHILOSOPHY

1.5 SUSTAINABILITY-RELATED TARGETS AND PERFORMANCE

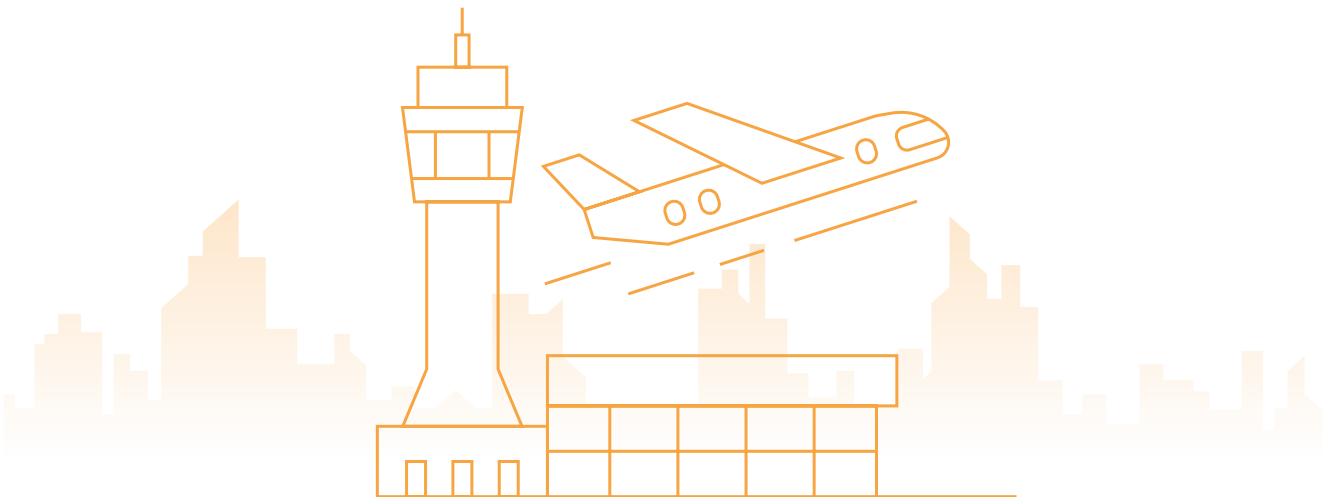
Based on the ESG materiality issues identified each year, the Group has formulated a series of ESG-related medium and long-term targets, including emission management, solid waste management, use of resources, protection of basic rights and interests, production safety and occupational health, etc., and prepared relevant plans and programs. The Board regularly inspects the progress of each target, and performs supervision, evaluation and reviews on the progress of goals to facilitate the realization of ESG targets.

ESG aspect	Indicator	Target setting
Environment	Emission Management	<ul style="list-style-type: none"> Each subsidiary has formulated emission reduction targets for exhaust gas and industrial wastewater based on actual business conditions. For example, Huiyang Company has formulated the goal of “amount of nitrogen oxide (NOx) emitted reduce by 3% in 2024 compared with the baseline in 2022”.
	Solid Waste Management	<ul style="list-style-type: none"> Some subsidiaries have set a goal of 100% disposal rate of hazardous waste; Some subsidiaries have set a target of 100% disposal rate of general industrial solid waste.
	Use of Resources	<ul style="list-style-type: none"> Some subsidiaries have set targets for water consumption of RMB10,000 of added value. For example, Harbin Aircraft has set a goal of “by 2024, water consumption of RMB10,000 of added value decrease by 12.8% compared with 2020”.
Employment and Labour Standards	Protection of Human Rights and Interests	<ul style="list-style-type: none"> The Group has achieved 100% coverage rate of labor contracts; The Group has achieved a 100% coverage rate of paying five social insurance and one housing fund; The Group has achieved the goal of ensuring that no child labor or forced labor occurs.
Health and Safety	Production Safety and Occupational Health	<ul style="list-style-type: none"> The Group has achieved 100% coverage of production safety liability insurance.
Development and Training	Employee Training	<ul style="list-style-type: none"> The Group has built an employee training system.



RESPONSIBLE AVICHINA: PRACTICE OF SUSTAINABLE DEVELOPMENT PHILOSOPHY

ESG aspect	Indicator	Target setting
Supply Chain Management	Supplier ESG Risk Management	<ul style="list-style-type: none"> ● The Group has incorporated ESG factors into its supplier whole life cycle management system.
Product Responsibility	Customer Satisfaction	<ul style="list-style-type: none"> ● The Group's customer satisfaction has continued to improve.
Anti-corruption	Anti-corruption Training Coverage	<ul style="list-style-type: none"> ● The Group achieved 100% coverage of anti-corruption training for directors; ○ The Group has achieved $\geq 90\%$ coverage of anti-corruption training for employees.
Community Investment	Voluntary Services	<ul style="list-style-type: none"> ● The Group provides no less than 15,000 hours of total number of hours of various voluntary services.
Response to Climate Change	Goal of Greenhouse Gas Emission Reduction	<ul style="list-style-type: none"> ● The Company has formulated "1 overall goal" and "3 phased goals" based on the <i>"Carbon Peaking and Carbon Neutrality" Action Plan of AviChina Industry & Technology Company Limited</i> ; ○ Each subsidiary has formulated the target for carbon dioxide emission reduction respectively.



2 COMPLIANT AVICHINA : FORTIFICATION OF THE CORNERSTONE FOR HIGH-QUALITY DEVELOPMENT

Response to the Sustainable Development Goals of the United Nations	 
Key ESG Performance Indicators of the Hong Kong Stock Exchange	B7 : Anti-corruption, B6.5

2.1 CORPORATE GOVERNANCE

2.1.1 Refinement of Governance System

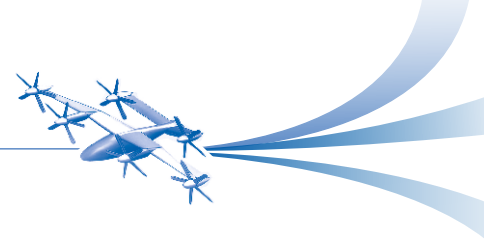
The Company strictly complies with the relevant laws, regulations and rules of China and the Hong Kong Stock Exchange on corporate governance, continues to improve the corporate governance structure and governance system. It clarifies the duties and authorities of the Shareholders’ meeting, Board and its professional committees, management, and Supervisory Committee to ensure that decision-making is scientific and reasonable, and promote the long-term sustainable development of the Group.

As the core decision-making organization of the Company, the Board undertakes important functions such as formulating Group strategies, supervising management implementation, and being accountable to Shareholders, and plays a key leading role in the overall operation and development of the Group. At the same time, the Board of Directors has five professional committees, including the Development and Strategy Committee, the Audit and Risk Management Committee, the Remuneration Committee, the Nomination Committee and the Sustainable Development Committee. Each committee is composed of the corresponding Directors as members and chairman. Under the guidance of the Board of Directors, they give full play to their professional advantages, carry out various works in depth, and provide strong support for the Board’s scientific decision-making.

2.1.2 Diversity of Directors

During the nomination and election of Directors, the Company strictly follows the relevant provisions of the Hong Kong Listing Rules and the Articles of Association to ensure that the procedures are standardized and fair. At the same time, the Company fully considers various factors such as the age, gender, experience and professional background of Board members, which presents diversified characteristics in the structure of the Board. From the perspective of professional background, Board members have rich experience in many professional fields such as aviation, management, finance, and law, providing comprehensive and diverse perspectives for the Company’s decision-making.

Currently, the Board of the Company consists of 9 Directors, including 2 executive Director, 4 non-executive Directors and 3 independent non-executive Directors, of which 11.11% is female Director and 33.33% are independent non-executive Directors.



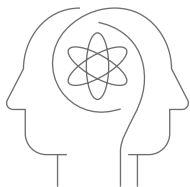
COMPLIANT AVICHINA: FORTIFICATION OF THE CORNERSTONE FOR HIGH-QUALITY DEVELOPMENT

2.1.3 Investor Relations Management

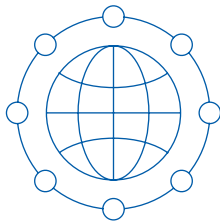
Always upholding the principles of openness, fairness and justice, the Group has actively explored and adopted a series of measures in investor management, and is committed to establishing long-term, stable, mutually beneficial and win-win relations with investors.



Standardizing the convening of Shareholders' meetings. The Company convenes Shareholders' meetings regularly in strict accordance with relevant laws, regulations and the *Articles of Association*. During the meeting, the Company attaches great importance to the protection of Shareholders' rights and interests, to ensure that all Shareholders, especially minority Shareholders, enjoy equal status and fully exercise their rights, and carefully listens to Shareholders' opinions and suggestions on the Group's major decisions, operating strategies, profit distribution, etc. In 2024, the Company held 3 Shareholders' meetings and reviewed and approved a total of 20 resolutions.



Carrying out multi-channel communication. The Company regards investor relations management as an important integral part of corporate governance. It actively carries out investor relations management based on the *Management Rules of Investor Relations of AviChina Industry & Technology Company Limited* and maintains close interaction with domestic and foreign investors through multi-level and multi-channel communication methods such as investor hotlines, emails, and investor exchange meetings.



Improving information disclosure. The Company strictly abides by relevant regulations on information disclosure by listed companies, and standardizes information disclosure management in accordance with institutional documents such as the *Information Disclosure Management Measures of AviChina Industry & Technology Company Limited* to ensure the authenticity, accuracy, completeness and timeliness of information. During the reporting period, the Company simultaneously released relevant information through the disclosure website of the Hong Kong Stock Exchange and the official website of the Company to guarantee the investors' right to know.

COMPLIANT AVICHINA: FORTIFICATION OF THE CORNERSTONE FOR HIGH-QUALITY DEVELOPMENT

2.2 RISK MANAGEMENT AND INTERNAL CONTROL

2.2.1 Risk Management

The Group adopts systematic and multi-level measures in risk management and has built a comprehensive risk management system that integrates risk control, compliance, audit and other aspects, providing a solid guarantee for the Group's stable operations and sustainable development.

In terms of risk management structure, the Board of the Company establishes the Audit and Risk Management Committee to assist the Board in performing its duties in risk management and internal control, and continuously supervises the Group's risk management and internal control systems. The Audit and Risk Management Committee reviews the effectiveness of the risk management and internal control system of the Group at least once a year, including change in the nature and extent of the significant risks, and the relevant handling capability of the Group, the ability of the management for monitoring the risk and internal control, the reporting of the monitoring results, significant weakness in monitoring and relevant foreseeable consequences and severity, and the effectiveness of the financial report of the Group and the procedures stipulated in the Hong Kong Listing Rules. The Directors are regularly informed of the major risks which may affect the performance of the Group through the Audit and Risk Management Committee.

In terms of risk management mechanisms, the Company continuously reviews and evaluates the potential risk conditions that may affect the realization of operation objectives based on the *Risk Management and Internal Control Manual of AviChina Industry & Technology Company Limited*, in order to comprehensively improve the risk management level of the Group. In daily management, the Group formulates risk management strategies and methods, and each subsidiary improves its risk management and internal control systems based on external supervision and its own business conditions. Based on the risk assessment results, the Group optimizes processes and systems to control business risks. In addition, each subsidiary further improves its risk management mechanism in accordance with the Group's overall risk management policy to effectively prevent various risks in operation and management.

2.2.2 Internal Control

The Group has established a sound internal control system to ensure that it operates steadily and effectively under the new situation and new environment. The internal supervision system has well-defined division of labor, clear responsibilities and sound systems, laying a solid foundation for the Group's operations and management.

The Company strictly complies with the requirements of the Hong Kong Listing Rules and relevant laws and regulations on inside information management, and has established the *Management Rules of Investor Relations of AviChina Industry & Technology Company Limited* and the *Management Rules of Registration of Inside Information and Insiders of AviChina Industry & Technology Company Limited* to strictly supervise the dealing and publishing of inside information to keep such information in confidentiality before being disclosed, and be disclosed in an accurate and timely manner to maintain fairness, justice and information transparency in the capital market.



COMPLIANT AVICHINA: FORTIFICATION OF THE CORNERSTONE FOR HIGH-QUALITY DEVELOPMENT

2.3 ADHERENCE TO BUSINESS ETHICS

2.3.1 Anti-corruption

In accordance with relevant laws and regulations on anti-corruption and business ethics and combined with business practice, the Group continuously improves the construction of its institutional system, provides comprehensive institutional support for anti-corruption, to guarantee the standardization, normalization and institutionalization of anti-corruption.

The Group has established a top-down anti-corruption supervision system. The Audit and Risk Management Committee regularly reviews and supervises business ethical risks to ensure that the Group's operations comply with integrity standards. Under the unified management framework by the Group, each subsidiary has formulated relevant systems addressing anti-corruption, and continued to strengthen main responsibilities, to ensure the implementation of anti-corruption work at all levels. During the reporting period, the subsidiary, Changhe Aircraft, formulated relevant systems to continue to deepen the construction of incorruptible management and anti-corruption work, promoted the extension of the preventive measures to mitigate integrity risks to the suppliers, jointly establishing "close yet transparent" partnerships to promote the regularized management of anti-corruption and integrity efforts; Keeven Instrument formulated the *Work Manual for Prevention and Control of Integrity Risks in Informatization Construction* to form a list of negative manifestations and responsive measures in the field of informatization construction, preventive measures to mitigate integrity risks and warning measures, to effectively prevent and control integrity risks existing in the field of informatization construction.

In terms of reporting mechanism construction, the Group has zero tolerance for corruption and urges all subsidiaries to establish open and appropriate internal and external compliance management and communication mechanisms, and encourages employees and any other informed persons to participate in the Group's integrity supervision system and actively report corruption through dedicated physical mailbox for reporting issues and other reporting channels, including telephone and email addresses, etc. For the received clues for petition reports and tip-offs, the Group promptly conducts analysis and judgment, and classifies and disposes of them accordingly. It strictly follows the regulations of supervision and discipline enforcement.

In terms of anti-corruption management of suppliers, the Group has established a relevant information review and investigation mechanism before the introduction of suppliers, conducting information review of suppliers newly included in the list of cooperative suppliers to control supplier integrity risks from the source. The Group also requires its collaborating suppliers to sign an *Integrity Cooperation Agreement*, strictly prohibiting all forms of commercial bribery. And the Group comprehensively leverages information technology tools to dynamically monitor suppliers' integrity performance during the cooperation process, enabling timely identification and resolution of potential corruption risks.

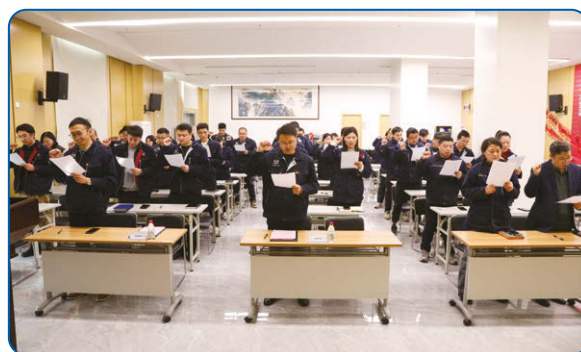
COMPLIANT AVICHINA: FORTIFICATION OF THE CORNERSTONE FOR HIGH-QUALITY DEVELOPMENT

In terms of the construction of integrity culture, the Group vigorously promotes the construction of integrity culture and has issued the *Implementation Plan for Integrity Culture Development of AviChina Industry & Technology Company Limited*, spreads anti-corruption management requirements through discipline education, publicity and training, and guides employees to compare and analyze, be vigilant at all times and be honest in their work. Based on the construction of an integrity culture, the Group has established an integrity education mechanism that is vertically integrated, and conducts training in a layered and classified manner according to job risks and responsibilities, covering rich content such as laws and regulations, case analysis and internal system norms. It adopts diverse methods such as offline lectures, online courses and on-site visits to implement integrity training. During the reporting period, the Group innovated education methods, expanded and applied resource pools such as integrity warning education films, typical cases of violations of regulations and discipline, updated the integrity warning education matrix, organized a series of activities such as "Integrity Culture Month", Integrity Calligraphy and Painting Exhibition, Integrity Culture Promotion Exhibition, Integrity Aviation Theme Day, etc., to instill a sense of awe, vigilance, and adherence to ethical baseline among employees, foster a ethical and upright atmosphere, and effectively promote the integration of integrity culture into operational development.

In 2024, the Group's total hours of anti-corruption training for Directors was 1,521.72 hours, and the anti-corruption training coverage for Directors was 100%. The total hours of anti-corruption training for employees was 139,422.50 hours, and the anti-corruption training coverage for employees was 96.80%. No litigation or administrative penalties were suffered due to business ethics.



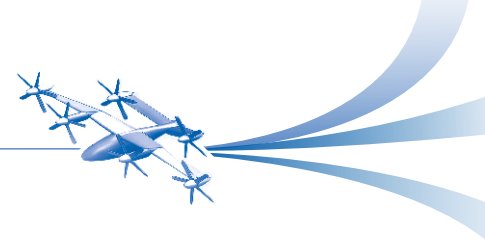
Training for integrity practice for managers in key positions in Huiyang Company



Nanjing Hangjian held an oath-taking ceremony for employee integrity commitment letter

2.3.2 Anti-unfair Competition

The Group strictly abides by the *Anti-Monopoly Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China* and other laws and regulations, and clearly prohibits unfair competition, such as false propaganda, collusion in bidding, infringement of business secrets, etc.; strengthens the constraints on employees' behavioral norms, and eliminates any behavior that may damage market competition; strictly manages business partners and ensures their compliance through due diligence management and supervision mechanisms. In 2024, the Group did not have legal proceedings against unfair competition, antitrust or anti-monopoly practices.



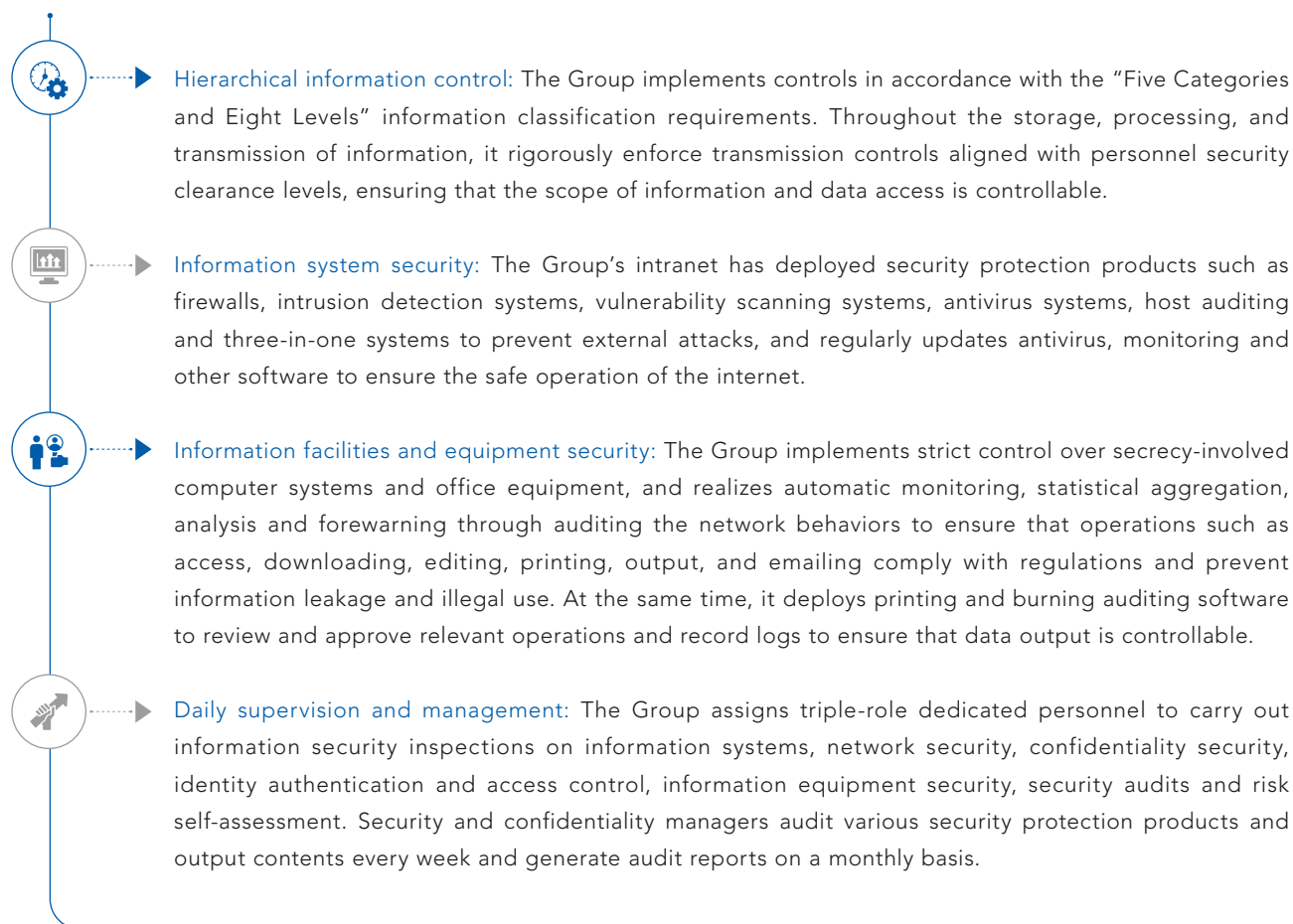
COMPLIANT AVICHINA: FORTIFICATION OF THE CORNERSTONE FOR HIGH-QUALITY DEVELOPMENT

2.4 INFORMATION SECURITY AND RESPONSIBILITY

2.4.1 Information Data Security

The Group strictly complies with the relevant laws and regulations such as the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, and the *Regulations on the Safety Protection of Computer Information System of the People's Republic of China* to continuously strengthens its capabilities in network and data security management. In accordance with the *Cybersecurity Management Measures*, the *Data Backup and Recovery Management Measures*, the *Commercial Secret Protection Plan* and other institutional norms, each subsidiary implements specific measures to maintain information security in a layered manner through multiple management and control methods such as confidentiality strategies, authority strategies, information security strategies, risk management and legal effectiveness. In terms of basic management measures that guarantee legal requirements, subsidiaries continue to study and implement effective and efficient management measures and technical prevention measures. In 2024, there were no major cybersecurity incidents in the Group.

During the reporting period, the Group effectively improved the security resilience of information data through measures such as refining the information security management system, strengthening network security protection capabilities, and promoting the security management of information across the entire life cycle.



COMPLIANT AVICHINA: FORTIFICATION OF THE CORNERSTONE FOR HIGH-QUALITY DEVELOPMENT

2.4.2 Privacy Protection

The Group attaches great importance to the protection of customer privacy and commercial secrets, and is committed to building a sound internal management system to ensure the security of customer information through multi-faceted management measures. Each subsidiary has formulated a series of rules and regulations, including the *Customer Management Measures*, the *Customer Business Information Confidentiality Management Measures*, the *Customer Information File Management Procedure Instructions*, etc., and has incorporated customer information and privacy security precautions into each business process of service assurance to prevent the illegal use, leakage, and sale of customer information and privacy. Meanwhile, the Group conducts unified management of the customer information obtained, defines the relevant template files as trade secrets, carries out relevant work in accordance with the regulations on the management of trade secrets, and stipulates and controls the scope of knowledge. In 2024, the Group did not engage in any illegal use, leakage or sale of customer information or privacy.

In terms of internal management, the Group strictly constrains and assesses the behaviors of employees by signing terms such as the *Labor Contract*, the *Confidentiality Agreement for Commercially Sensitive Personnel* and the *Confidentiality Undertaking* with employees. Customer information is registered, entered and kept by a dedicated person, and is regularly updated and subject to security checks. In order to strengthen employees' awareness of confidentiality and sense of responsibility for position authority, the Group carries out multiple top-down trainings on commercial secret management at irregular intervals every year to effectively reduce the risk of information leakage. In addition, in terms of authority division and control, the Group limits the scope of knowledge according to functions and adjusts the authority for confidential matters in a timely manner. Once there is a change in the position of a secrecy-involved employee, his or her authority shall be adjusted immediately.



2.5 PROTECTION OF INTELLECTUAL PROPERTY

The Group strictly abides by the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China* and other laws and regulations on intellectual property protection, continuously optimizes its intellectual property management system, improves the intellectual property management organization and the responsibilities thereunder, strengthens intellectual property risk management, and promotes the profound integration of intellectual property with scientific research, production, sales and other links. Some subsidiaries have formulated management measures such as the *Intellectual Property Protection Regulations*, the *Patent Management Regulations* and the *Copyright Management Regulations*, which have effectively protected the Group's technological innovation achievements and enhanced its superiority in intellectual property. During the reporting period, each subsidiary organized intellectual property-related training activities to provide training and guidance on corporate intellectual property practices, basic knowledge of intellectual property management, patent mining and the preparation of technical disclosure documents, in order to strengthen the R&D personnel's awareness of intellectual property protection. AVIC CAPDI organized the collection of projects for the "China Patent Award" and the "China Patent Gold Award Seeds" to be submitted in 2024, and screened the "China Patent Gold Award Seeds" for submission. In 2024, the Group filed a total of 2,416 patent applications, with a total of 1,665 patents licensed.

Meanwhile, each subsidiary organizes intellectual property risk identification and investigation to ensure that production and operation activities are in compliance with laws and regulations. In 2024, the intellectual property rights owned by the Group were clearly defined, and there were no disputes regarding rights, nor any instances of pledges, freezes or other restrictions on rights.



3 QUALITY AVICHINA : WIN-WIN DEVELOPMENT EMERGING FROM INDUSTRIAL CHAIN SYNERGY

Response to the Sustainable Development Goals of the United Nations



Key ESG Performance Indicators of the Hong Kong Stock Exchange

B5: Supply Chain Management,
B6: Product Responsibility

3.1 PRODUCT QUALITY AND SAFETY

3.1.1 Product Quality Management

The Group has always regarded product quality as the lifeline of the enterprise, while strictly abiding by the *Product Quality Law of the People's Republic of China*, the *Regulations on the Administration of Production Licenses of Industrial Products of the People's Republic of China*, the *Civil Aviation Law of the People's Republic of China* and other relevant laws and regulations to continuously improved the requirements and control of product quality. All subsidiaries attach great importance to the construction of product quality management system, and have formulated a number of product quality-related management systems, including the *Quality Management System Requirements*, the *Quality Control in Production Process*, the *Production Quality Control and Management Procedures*, the *Process Inspection Management*, and the *Quality Management System Assessment Method*, to continuously optimize the quality management process of the product throughout its life cycle. During the reporting period, a number of subsidiaries of the Company have passed ISO 9001, AS 9100D and other certifications concerning quality management system, further demonstrating the systematic, standardized and scientific nature of the Group's product quality control.

To ensure the effective implementation, accurate execution and continuous improvement of the quality management system, the Company's subsidiaries regularly carry out third-party audits, internal audits, special audits and annual reviews of the quality management system in accordance with the relevant requirements of AS 9100D (ISO 9001), comprehensively evaluate and verify the effectiveness and compliance of the quality management system, identify potential risks in a timely manner and take countermeasures to ensure that various quality control requirements are strictly implemented. Meanwhile, each subsidiary continuously optimizes and improves the quality management system processes and mechanisms based on the audit results, further enhances product quality control capabilities, and lays a solid quality foundation for the Group's high-quality and sustainable development. During the reporting period, the recycling rate of the products sold by the Group was 0.90%.

QUALITY AVICHINA: WIN-WIN DEVELOPMENT EMERGING FROM INDUSTRIAL CHAIN SYNERGY

3.1.2 Customer Service

The Group has consistently adhered to the service philosophy of “focusing on customers and decision-making based on customer satisfaction” and is committed to providing customers with high-quality products and services. Each subsidiary has formulated management systems such as the *After-sales Service Control Procedures*, the *After-sales Service Work Procedures*, the *Customer Management Measures* and the *Operation Instructions for Post-Product Delivery Activities*, which clearly define the responsibilities, processes, standards and assessment mechanisms for customer service work, ensure that it can respond to customer needs quickly, properly handle customer opinions, and continuously improve customer satisfaction.

• Customer complaint handling procedures

The Group attaches great importance to customer feedback and complaints, and regards them as an important means to optimize product design, improve product quality and satisfy customer needs. Each subsidiary has established a sound customer complaint handling process, clearly defining key aspects such as complaint classification, analysis of complaint causes, formulation of solutions, and implementation timelines, and linking customer complaints with the assessment of relevant persons in charge to ensure that every complaint is handled in a timely and accurate manner. During the reporting period, the Group’s average customer complaint resolution rate reached 97.83%.



Case

The reinforcement of security system contributed to providing quality services

Lanzhou Aviation Electric has established a product service guarantee center as a dedicated responsible organization for after-sales services. The center is staffed with 22 professional management and technical personnel, comprising a customer response assurance office and a product maintenance management office. It conducts refined management of customer needs and service work to ensure that professionals are promptly available when customer issues arise, providing the most convenient services to customers.

Meanwhile, Lanzhou Aviation Electric has set up an after-sales telephone hotline and customer service executives to be responsible for communication with customers. It has formulated special tracking and control measures in response to the suggestions and needs of users, and relies on digital innovation technology to achieve efficient information synchronization. It conducts tracking and assessment of the implementation of customer demands to ensure the timely handling and effective implementation of related work. In response to customer feedback, Lanzhou Aviation Electric requires a specific reply to be given on the same day. For scenarios requiring warranty-covered spare parts, spare parts must be dispatched within 4 hours. If on-site service is requested by the customer, engineers shall arrive at the site within 24 hours, ensuring rapid, high-quality, and timely fulfillment of customer needs.





QUALITY AVICHINA: WIN-WIN DEVELOPMENT EMERGING FROM INDUSTRIAL CHAIN SYNERGY



Case

The optimization of customer feedback management promoted the improvement of service quality

In 2024, Qing'an Company continued to optimize its customer feedback management system by setting up a *Customer Complaint Handling Form Template*, specifically designed for the resolution and closed-loop management of customer complaints and grievances. Through regular monitoring and evaluations, Qing'an Company ensures timely responses and effective resolution of feedback. The relevant work of Qing'an Company has been widely recognized and highly praised by customers. It has received a total of 12 letters of thanks and 2 banners of appreciation, fully demonstrating its continuous efforts and outstanding performance in terms of service quality and customer satisfaction.

● Customer satisfaction survey

The Group has been committed to continuously enhancing customer satisfaction. Each subsidiary has formulated its own *Customer Satisfaction Evaluation and Analysis Management Measures*, regularly conducting customer satisfaction surveys to comprehensively understand customers' needs and expectations, and promptly grasp customer feedback on products and services. Based on the analysis of customer satisfaction survey results, each subsidiary identifies the areas requiring improvement in products and services, formulates its own *Annual Customer Satisfaction Improvement Work Plan*, and implements targeted optimizations in product design, production processes, and after-sales services, thereby effectively enhancing customer experience and satisfaction. In 2024, the average customer satisfaction rate of the Group was 95.47%, representing an increase of 2.40% compared to the previous year.

● Customer training

The products of the Group include aviation entire aircraft and aviation ancillary system. Given the technically demanding nature for users imposed by the product features, in order to further optimize the overall user experience and enhance customer satisfaction, each subsidiary provides technical support such as training to customers. Through services such as product operation training, technical consultation and problem-solving, as well as on-site technical guidance, the Group ensures that customers can fully experience the superior performance and value of the products.



Case

The implementation of customer training facilitated the improvement of satisfaction of products and services

AVIC Lanfei continuously optimizes the after-sales service guarantee mechanism for its products, and has established a joint guarantee team, aiming at ensuring that the after-sales guarantee for products is implemented at 100%. To further enhance customer satisfaction with its products, AVIC Lanfei has established a user training mechanism to gather training needs from customers, which involves delivering targeted training programs through customer visits and on-site support, and anticipating in advance, promptly responding to, and providing subsequent guarantees for customers' product and service demands. In 2024, AVIC Lanfei carried out 15 quality visits and 15 on-site trainings, covering over 210 participants in total, and the outcomes were unanimously acknowledged by customers.

QUALITY AVICHINA:
WIN-WIN DEVELOPMENT EMERGING FROM INDUSTRIAL CHAIN SYNERGY

3.2 SUSTAINABLE SUPPLY CHAIN

3.2.1 Supply Chain Management System

The Group focuses on the construction of the supply chain ecosystem and is committed to building a more responsible, resilient and sustainable supply chain. Each subsidiary has thoroughly implemented the concept of sustainable development, incorporated ESG requirements into all links of supply chain management, and formulated a series of policies and systems such as the *Procurement and Supply Management Manual*, the *Regulations on Supplier Admittance Management*, the *Regulations on the Evaluation and Management of Qualified Suppliers*, the *Regulations on the Supervision and Management of Qualified Suppliers*, and the *Regulations on Supplier Exit Management* to improve the supplier management mechanism and promote suppliers to fulfill their social responsibilities and enhance their environmental awareness.

Meanwhile, the Group encourages suppliers to strengthen their sustainable development and social responsibility practices while improving their business capabilities. Therefore, the Group takes ESG factors into account when admitting suppliers. On the basis of comprehensive capability assessment, priority is given to suppliers with certifications such as ISO 14001 environmental management system, ISO 45001 occupational health and safety management system, and OHSAS 18000 safety and health management system, to promote the overall upgrade of the supply chain in terms of environmental protection, resource conservation, and social responsibility.

Table: Number of Suppliers

Regional distribution	Quantity	Proportion
Suppliers in Mainland China	15,206	98.54%
Suppliers in overseas and Hong Kong, Macao, and Taiwan	226	1.46%
Total	15,432	100%





QUALITY AVICHINA: WIN-WIN DEVELOPMENT EMERGING FROM INDUSTRIAL CHAIN SYNERGY



Case

The construction of suppliers' full life cycle evaluation system strengthened supply chain management

Changfeng Avionics has established a full life cycle evaluation system for suppliers. It conducts evaluation and assessment during both the pre-qualification phase and qualification admission phase of suppliers. For those suppliers that have been qualified and entered the database, regular evaluations are carried out to reduce potential supply chain risks and enhance the overall stability and sustainability of the supply chain.

Supplier Pre-qualification Evaluation

Changfeng Avionics conducts tiered reviews of new potential qualified suppliers, and when necessary, on-site inspections are carried out. Changfeng Avionics assesses and evaluates the suppliers' compliance with relevant national laws and regulations, the completeness of their management systems, ecological environment protection, and production safety conditions. Upon approval, such suppliers become potential qualified suppliers.

Supplier Qualification Admission Evaluation

Changfeng Avionics conducts an assessment of the supply quality and delivery performance during the probationary period for potential qualified suppliers, as well as the validity of relevant management system certificates. Upon approval, such suppliers become qualified suppliers.

Supplier Periodic Evaluation

Changfeng Avionics conducts regular evaluation activities for qualified suppliers, carrying out comprehensive evaluations from aspects such as quality compliance, delivery progress, price level, service level and the influence of quality issues. The results are classified into grades such as gold, silver, bronze, yellow, and red cards, etc., which shall be used as the basis for compiling the supplier directory.



Case

The adoption of new green management requirements promoted low-carbon development of the supply chain

In 2024, Taiyuan Instrument revised the *Management Measures for Research and Production Suppliers of AVIC Taiyuan Aviation Instrument Co., Ltd.* and added relevant clauses on green suppliers on the basis of the original management requirements. It clearly stipulates that during the process of supplier selection, priority shall be given to the suppliers that meet international environmental management standards, adopt clean production technologies and processes, and have the characteristics of low-pollution and low-energy consumption, thereby promoting suppliers to continuously improve environmental management and promote the overall supply chain to move towards green and low-carbon development.

QUALITY AVICHINA: WIN-WIN DEVELOPMENT EMERGING FROM INDUSTRIAL CHAIN SYNERGY

3.2.2 ESG Risk Management for Suppliers

The Group attaches great importance to the security and soundness of its supply chain and continues to strengthen its ESG risk prevention and response mechanisms of the supply chain. Each subsidiary has established a scientific and systematic risk management system based on its own business characteristics and development needs to effectively control supplier ESG risks and enhance the overall resilience of the supply chain. During the reporting period, the ESG risk management measures for suppliers of some subsidiaries are as follows:

▼ Intensified identification and oversight over ESG risks

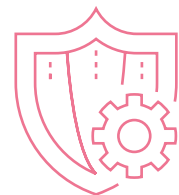
【 Taiyuan Instrument 】

- Taiyuan Instrument sets assessment indicators related to occupational health and safety, information management, social responsibility and corporate governance during the admission phase of suppliers, and strictly implements ESG risk screening for suppliers to ensure that potential risk factors can be fully identified when selecting suppliers.
- In the performance appraisal of daily supplier management, Taiyuan Instrument sets ESG-related indicators such as production safety, quality technology, restriction on employees' employment freedom, or employment of child labor, and whether or not administrative penalties have been imposed. Regular assessments and evaluations are carried out to ensure comprehensive and continuous management of suppliers' ESG risks and enhance the stability and security of the supply chain.



【 JONHON 】

- During the supplier selection and admission phases, JONHON strictly implements the supplier information solicitation process and conducts comprehensive research on potential suppliers' social responsibility performance, including environmental impact assessment, labor law compliance, fire safety adherence and the use of conflict mineral.
- JONHON has formulated a *Social Responsibility Audit Form*, pursuant to which suppliers' management measures in areas such as environmental management, management systems, business ethics, employment of child labor and forced labor, occupational health and safety, intellectual property protection, and compliance are verified, thereby screening out the suppliers that conform to the value concept of social responsibility.





QUALITY AVICHINA: WIN-WIN DEVELOPMENT EMERGING FROM INDUSTRIAL CHAIN SYNERGY

▼ Additional contractual provisions for constraints

【 Changhe Aircraft 】

- Changhe Aircraft has added safety and environmental protection clauses to the supplier contracts, clearly stipulating the requirements and standards for environmental protection. If any violations occur, the suppliers shall bear the corresponding liability for breach of contract.
- Suppliers also need to actively implement the relevant requirements of carbon peaking and carbon neutrality by prioritizing green and low-carbon solutions. Effective measures shall be adopted in material selection, energy consumption, carbon emission reduction, and waste management to ensure compliance of products and production processes with sustainable development requirements.



【 Harbin Aircraft 】

- During the phase of signing contracts with suppliers, Harbin Aircraft explicitly incorporates into the contracts the relevant requirements of green environmental protection, energy conservation and low-carbon practices, to prevent the suppliers from causing negative impacts on the environment or generating any ESG-related risks during the production process.



3.2.3 Value Chain Empowerment

The Group pays attention to the capacity building of suppliers, being committed to promoting the overall coordinated development of the value chain. Each subsidiary promotes the improvement of production processes, technological innovation, management systems, etc. of suppliers by providing relevant training and support to them, ensuring that suppliers can achieve continuous innovation and optimization on the basis of complying with quality and ESG standards.



Case The implementation of targeted training fostered capabilities improvement

Nanjing Hangjian is committed to enhancing the overall ESG awareness and learning concept for the supply chain by conducting customized supplier training. In 2024, Nanjing Hangjian organized two supplier training sessions, covering environmental risks, environmental awareness, and production safety, effectively promoting the improvement of suppliers' comprehensive ESG capabilities and avoiding potential ESG risks in advance.



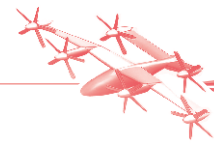
Photo: ESG training for suppliers

QUALITY AVICHINA: WIN-WIN DEVELOPMENT EMERGING FROM INDUSTRIAL CHAIN SYNERGY

3.3 DRIVEN BY TECHNOLOGICAL INNOVATION

The Group takes technological innovation and development as the core driving force to forge a high-level aviation technological innovation system. By increasing investment in research and development, intensifying technological breakthroughs, and promoting cooperation among industry, universities and research institutes, the Group continuously enhances its core technological strength to propel industrial technological upgrading, cultivate technological innovation capabilities with international competitiveness, and is committed to building itself as a world-class aviation high-tech industry group.





QUALITY AVICHINA: WIN-WIN DEVELOPMENT EMERGING FROM INDUSTRIAL CHAIN SYNERGY

3.3.1 R&D and Innovation

Rooted in independent research and development, the Group persistently enhances its original innovation capabilities. Each subsidiary systematically allocates resources to tackle technical problems in key domains based on their operational requirements, propelling technological breakthroughs and industrial applications. During the reporting period, each subsidiary continuously optimized its scientific research and innovation management system, revised management rules including the *Technology Innovation Project Management Measures*, the *Company Technology Breakthrough Management Measures*, and the *Implementation and Incentive Measures for Research Topics and Technological Improvements*, and further improved the R&D management process and system. Each subsidiary is committed to building an innovation-driven technology R&D platform to enhance R&D efficiency and the ability to transform technological achievements. During the reporting period, the research and development expenses of the Group amounted to RMB6,661 million.



Case

The establishment of high-level innovation platforms architected an open and synergetic innovation ecosystem

Qing'an Company, based on its actual business operations, focused on the field of aviation actuation technology, built a "1+N" innovation platform, established an aviation actuation laboratory. In the future, Qing'an Company will rely on this to accelerate the construction of an innovation system, gather the synergy of scientific and technological innovation, and form an innovative development model with gradually increasing innovation value and gradually expanding industrial scale.



Photo: Qing'an Company holds an unveiling ceremony for its aviation actuation technology laboratory



Case

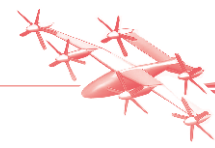
The in-depth exploration in professional R&D field strengthened the impetus of independent innovation

In 2024, Chuanxi Machinery rigorously implemented the "Innovation-Driven 30 Directives" and developed and released its 2024 annual technological innovation work plan by adhering to a problem-driven and demand-oriented approach. Meanwhile, it established and refined the incentive mechanism for technological innovation to further strengthen the impetus of independent innovation, while soliciting and promoting 11 technological innovation projects. In virtue of the outstanding innovation ability and market competitiveness in its focused field, Chuanxi Machinery was successfully recognized as a Specialized, Refined, Differential and Innovative "Little Giant" Enterprise at National Level in September 2024.

QUALITY AVICHINA: WIN-WIN DEVELOPMENT EMERGING FROM INDUSTRIAL CHAIN SYNERGY

In 2024, the subsidiaries achieved remarkable achievements in scientific research and innovation. Multiple technology research and development projects received external recognition and awards. The technical R&D awards of some subsidiaries are as follows:

No.	Honors and Awards	Recipient of Award
1	First Prize of the National Defense Science and Technology Progress Award of the Ministry of Industry and Information Technology Third Prize of the National Defense Technology Invention Award of the Ministry of Industry and Information Technology Third Prize of the Science and Technology Progress Award of Chinese Society of Aeronautics and Astronautics Special Prize of the AVIC Progress Award First Prize of the AVIC Progress Award	Changhe Aircraft
2	Second Prize of National Defense Science and Technology Award of the Ministry of Industry and Information Technology Third Prize of the Science and Technology Progress Award of Chinese Society of Aeronautics and Astronautics Second prize of the AVIC Science and Technology Award Third prize of the AVIC Science and Technology Award	Harbin Aircraft
3	First Prize of the AVIC Science and Technology Award Third Prize of the AVIC Science and Technology Award	Taiyuan Instrument
4	Second Prize of the China Innovation Method Competition Outstanding Award of the China Innovation Method Competition 2 first prizes in the China Innovation Method Competition Tianjin Division 2 second prizes in the China Innovation Method Competition Tianjin Division	Tianjin Aviation
5	Special Prize of the AVIC Science and Technology Award First Prize of the AVIC Science and Technology Award	AVIC Kaitian
6	3 Henan Science and Technology Progress Awards	JONHON
7	Beijing Science and Technology Progress Award Technology Innovation Award from China Steel Structure Association	AVIC CAPDI



QUALITY AVICHINA: WIN-WIN DEVELOPMENT EMERGING FROM INDUSTRIAL CHAIN SYNERGY



Case

Proactive participation in competitions contributed to the attainment of numerous honors

Keeven Instrument achieved fruitful results in the 2024 China Innovation Method Competition, winning 1 first prize in the national competition, as well as 1 first prize, 2 second prizes and 1 third prize in the Beijing competition area. In particular, it broke through the siege in the national competition and stood out among 200 participating teams across the country. It represented the Beijing division in the TV quiz competition and competed with outstanding teams from various industries across the country, demonstrating the spirit of Keeven Instrument.

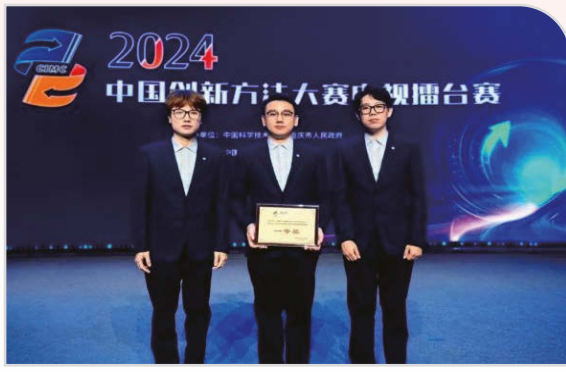


Photo: Keeven Instrument participates in the China Innovation Method Competition

3.3.2 Development of Digital Intelligence

The Group continuously promotes the construction of digital intelligence capabilities, aiming at building a sustainable digital ecosystem which efficiently empowers R&D, production and operation management. Each subsidiary actively seizes the opportunities brought by the development of digital technology, accelerates the in-depth application of information technology, and promotes the integration of digital tools throughout all aspects of value creation. During the reporting period, some subsidiaries further refined relevant policies and systems, revised and released policies and systems such as the *Cybersecurity and Information Technology Work Management Measures*, the *Information Technology Project Construction Management Procedures*, and the *Information Technology Project Management Measures*, and continuously promoted the construction of digital platforms and the optimization of digital management systems, laying a solid "digital foundation" for high-quality and sustainable development.

▼ During the reporting period, the digital intelligence construction achievements of some subsidiaries are as follows:

【 JONHON 】

- In 2024, JONHON established its Digital Transformation Office and Digital Intelligence Equipment Engineering Center. JONHON formulated a transformation solution named *Construction of Aviation Enterprise Digital Transformation-Oriented Factory Planning Framework* and implemented key projects including PLM, ERP, and MES, realizing the visual display of the businesses of the source information system, the automated task routing to individual portal workbench, as well as the informatization upgrading of production.

QUALITY AVICHINA: WIN-WIN DEVELOPMENT EMERGING FROM INDUSTRIAL CHAIN SYNERGY

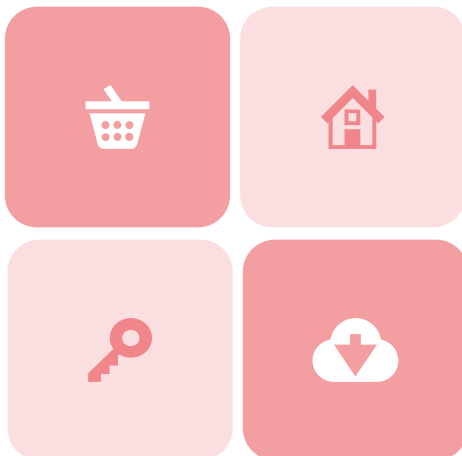
【 Taiyuan Instrument 】

Taiyuan Instrument actively promoted the in-depth application of digital technology in various fields to comprehensively improve operational efficiency and management level.

- In the field of R&D and design, Taiyuan Instrument focused on the product data management system, promoted the deep integration of the product data management system with the tool end, thereby further improving the EBOM data.
- In the field of process design, Taiyuan Instrument successfully achieved unified management of process specifications on the basis of EBOM data, thereby improving the standardization and synergistic efficiency of process design.
- In the field of manufacturing, Taiyuan Instrument comprehensively implemented the lean production planning system, and promoted the plan-to-purchase model, which improved the response speed and accuracy of the supply chain.
- In the field of comprehensive management, Taiyuan Instrument restructured the Internet portal, which built platforms such as energy management and contract management, which improved the digitalization and informatization of business processes.
- In terms of data governance, Taiyuan Instrument deepened the application of data analysis, realized the automatic collection and statistical computation of operating data, and provided more accurate and real-time business data support for decision-makers.



Photo: Digital platform application of Taiyuan Instrument



3.4 PROMOTING THE DEVELOPMENT OF INDUSTRY

The Group attaches great importance to the coordinated development of industries and is committed to promoting the overall transformation and upgrading of the industry towards high-end, intelligent, digital and green directions through the integration of industry, academia and research institutes. The Group has been deepening its cooperation with universities and research institutes, integrating the superior resources of all parties to actively promote technological innovation and R&D breakthroughs, thereby facilitating the coordinated development of the upstream and downstream of the industrial chain and injecting new impetus into regional economic development.



QUALITY AVICHINA: WIN-WIN DEVELOPMENT EMERGING FROM INDUSTRIAL CHAIN SYNERGY



Case

Comprehensively promoted the construction of the sensor industry ecosystem of “1 innovation center + 1 industry association + 1 industrial park”

AVIC Kaitian has been committed to promoting the full vitality of all elements of technological innovation throughout the industrial chain through its own development, and enhancing the core competitiveness of the industry. AVIC Kaitian, under the guidance of local government, collaborated with Sichuan University, the University of Electronic Science and Technology of China, and the Aeronautical Power Technology Innovation Center to advance the construction of the sensor industry ecosystem of “1 innovation center + 1 industry association + 1 industrial park” model. This initiative achieved objectives including “industry-driven growth, technology incubation, commercialization, and talent cultivation”, providing support for industrial advancement while stimulating regional economic growth. Meanwhile, AVIC Kaitian actively played the role of “chain leader”, built a platform for supply and demand matching and communication, and formed an exhibition group with the upstream and downstream of the industrial chain to make an appearance at the second Shenzhen International Sensor Exhibition.








Photo: Organizing industrial chain activities such as policy guidance, exhibition forums, and industrial planning



Photo: Exhibition group made an appearance at the second Shenzhen International Sensor Exhibition

4 LOW-CARBON AVICHINA : CO-CONSTRUCTION OF A RESPLENDENT CHINA AND FUTURE

Response to the Sustainable Development Goals of the United Nations					
Key ESG Performance Indicators of the Hong Kong Stock Exchange	A1: Emissions, A2: Use of Resources, A3: The Environment and Natural Resources, Part D: Climate-related Disclosures				

4.1 RESPONSE TO CLIMATE CHANGE

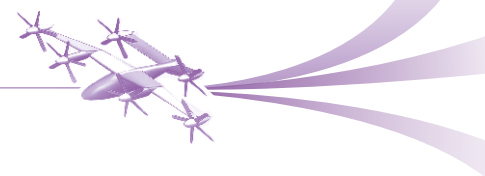
4.1.1 Climate Governance

The Group attaches great importance to climate issues and regards them as a key element of corporate sustainable development. To this end, the Sustainable Development Committee under the Board of Directors is fully responsible for the supervision and management of the Group's climate governance-related matters, including coordinating and guiding the formulation and implementation of the Group's climate-related policies, strategies and measures, and supervising the identification and response to climate risks and opportunities. The Company's management organizes and implements the decisions of the Board of Directors and the Sustainable Development Committee, rationally allocates resources to ensure the execution of climate governance work, and regularly reports to the Board of Directors on the management of climate risks and opportunities. Each subsidiary, serving as the specific executive body, has established a "dual carbon" leadership working group or an equivalent organization. Based on the overall climate strategy and goals of the Group, each subsidiary has formulated and implemented its own annual climate action plans, with a view to gradually achieving climate-related targets year by year.

4.1.2 Climate Strategy

The Company has integrated the issues of climate change into its strategic planning. Guided by the *"Carbon Peaking and Carbon Neutrality" Action Plan of AviChina Industry & Technology Company Limited*, the Company has proposed definitive goals and strategic deployments. Through synergistic advancements in both management innovation and technological innovation, the Company is exploring new paths for energy conservation and carbon reduction in the aviation sector, accelerating the green aviation low-carbon technological revolution, and gradually promoting the green and low-carbon transformation of the entire industrial chain, thereby making due contributions to the sustainable development of the industry.

The Group proactively responds to physical and transition risks stemming from climate change, ensuring business continuity while fulfilling its environmental responsibilities. During the reporting period, the Group carried out the identification and assessment of climate risks and opportunities, and presented the results of the impact analysis of climate risks and opportunities in the form of heat map.



LOW-CARBON AVICHINA: CO-CONSTRUCTION OF A RESPLENDENT CHINA AND FUTURE

Type of Risk/Opportunity		Risk/Opportunity Description	Impact on Supply Chain	Risk/Opportunity Probability	Impact Severity	Difficulty of Irremediability	Impact Cycle
Physical Risk	Acute Risk	Extreme weather conditions such as summer floods, earthquakes and freezing rain may cause short circuits and damage to the power system at the production site in the factory area, leading to production halts, affecting the stability of the supply chain and even endangering the safety of employees.	Operations, downstream	Unlikely			Short-term
	Chronic Risk	Continuous high temperatures will indirectly increase the use of electricity and water resources. High temperatures will cause failures and instability in production equipment, bringing quality risks, and pose a threat to the health of some employees who need to work outdoors or provide field support.	Operations	Unlikely			Long-term
Transition Risk	Policy & Legal Risk	Changes in the industry's green and low-carbon development policies will affect the progress of the Group's "dual carbon" work.	Operations, upstream, downstream	Probable			Medium-to-long term
	Market & Economic Risk	The global market's demand for green and low-carbon products is on the rise, and the Group is faced with the need to improve production processes and use green energy.	Operations, downstream	Unlikely			Medium-term
		Carbon tariffs and carbon emissions trading will have an impact on the Group.	Operations	Unlikely			Medium-term
	Technology Risk	Due to the lagging technological updates, the market competitiveness including product quality and production costs will decline.	Operations, downstream	Unlikely			Short-to-medium term
	Reputation Risk	If the low-carbon requirements of stakeholders for the Group are not satisfied, it will lead to increased uncertainty in cooperation.	Operations	Unlikely			Short-to-medium term
Opportunity	Resource Efficiency Opportunity	To reduce pollutant emissions and lower operating costs through the promotion and application of advanced green and low-carbon technologies.	Operations, upstream	Probable			Long-term
	Energy Source Opportunity	To promote lower carbon emissions and operating costs by using clean energy.	Operations, upstream	Probable			Long-term
	Product & Service Opportunity	Innovatively developed new green and energy-efficient products, that align with the requirements of green and low-carbon development and reduce both manufacturing and service costs associated with the products.	Operations, downstream	Unlikely			Medium-to-long term
	Market Opportunity	To seek business growth by responding to customers' demands for green and low-carbon products.	Operations, downstream	Probable			Long-term
		The benefits of the green and low-carbon market.	Operations	Unlikely			Long-term

Note: The color gradient in the heat map (from light to dark) corresponds to an escalation in both impact severity and the difficulty of irremediability.

LOW-CARBON AVICHINA: CO-CONSTRUCTION OF A RESPLENDENT CHINA AND FUTURE

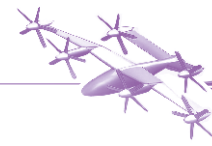
4.1.3 Climate Risk and Opportunity Management

The Company has further strengthened its support for its subsidiaries, assisting them in the daily management of climate-related work, promoting the identification and information disclosure of climate risks and opportunities, and closely monitoring the implementation of climate-related indicators and targets to ensure that the Group remains proactive in addressing climate change and continuously improves its climate governance.

During the reporting period, each subsidiary established and continuously improved climate risk assessment and management systems to strengthen the management of climate risks and opportunities; enhanced infrastructure construction to ensure that assets have the ability to withstand extreme weather events; built a flexible supply chain system to guarantee the stability and flexibility of the supply chain in the face of climate change; and advocated a green culture to encourage employees to collectively participate in climate actions.

The Group's initiatives to address climate risks and opportunities are as follows:

Type of Risk/Opportunity		Countermeasures
Physical Risk	Acute Risk	GuiZhou FengLei's office space and production plant are earthquake-resistant and fire-resistant, with safe and solid building structure, which can prevent a certain degree of disasters.
	Chronic Risk	Qianshan Avionics issues weather forewarning signals during the hot season and takes measures to prevent heatstroke and cool down.
Transition Risk	Policy & Legal Risk	Harbin Aircraft's energy conservation and environmental protection managers hold training sessions and exchange meetings in relation to energy conservation and environmental protection, to understand the national laws and regulations in response to climate-related risks, opportunities, challenges, etc., and improve their skills.
	Market & Economic Risk	Sichuan Hydraulic promotes a green manufacturing system, and in the design of new products, it tries to select eco-friendly new materials as far as possible to optimize resource utilization.
	Technology Risk	Harbin Aircraft implements energy-saving and carbon-reduction engineering projects, while focusing on the digitalization and intelligentization of production processes to forge a green and efficient process and production system.
	Reputation Risk	The Group discloses information related to climate issues in its ESG report.
Opportunity	Resource Efficiency Opportunity	Through intelligent design, AVIC Xinxiang Aviation Group has combined the original two sets of circulating water systems into one system to provide circulating water supply for the air compressor station and achieve efficient resource utilization.
	Energy Source Opportunity	Zhengzhou Aircraft actively participated in the green electricity market transactions in Henan Province, purchasing 4 million kWh of green electricity throughout the year and reducing carbon emissions by more than 2,000 tons.
	Product & Service Opportunity	Huiyang Company continuously strengthens the management of its green supply chain, conveys green and low-carbon management requirements to its suppliers, prioritizes the use of green materials, and further promotes eco-conscious manufacturing procurement.
	Market Opportunity	Nanjing Hangjian piloted carbon pricing accounting and estimated that the internal carbon price was approximately RMB100 per ton.



LOW-CARBON AVICHINA: CO-CONSTRUCTION OF A RESPLENDENT CHINA AND FUTURE



Case Balanced scorecard for climate strategy implementation

Nanjing Hangjian takes the balanced scorecard as a tool for climate strategy management, incorporating “effective operation of the environmental management system” and “timely completion rate of environmental improvement measures” into the strategic map and balanced scorecard, and promotes the implementation of its climate strategy through quantitative indicators. Meanwhile, in order to implement the environmental protection regulations, strengthen supervision and inspection, and enhance the environmental awareness of all employees, the company has adopted a monthly assessment system. The results of these assessments are linked to salaries and annual performance bonuses, promoting the implementation of the climate strategy and sustainable development.

4.1.4 Climate Indicators and Goals

Pursuant to the “Carbon Peaking and Carbon Neutrality” Action Plan of AviChina Industry & Technology Company Limited, the Company systematically defined “1 overall objective” and “3 phased objectives”, providing clear strategic guidance and action framework for the Group’s low-carbon transformation.

1 overall objective

To align with the national strategy known as “Carbon Peaking & Carbon Neutrality”, establish ourselves as a green aviation enterprise, achieve the Carbon Peaking by 2030 and the Carbon Neutrality by 2060.

3 phased objectives

By 2025, the green aviation construction system will be substantially established. The level of synergies in pollution and carbon reduction will be significantly improved, while our comprehensive energy consumption per RMB10,000 of industrial output value will be reduced by 15% compared with 2020; carbon dioxide emissions per RMB10,000 of industrial output value will fall by 18% compared with 2020.

By 2030, we will benchmark against the green aviation manufacturing system of the AVIC to strengthen the operation of the energy management system and further optimize our energy efficiency. Comprehensive energy consumption per RMB10,000 of industrial output value will drop by 25% compared with 2020; carbon dioxide emissions per RMB10,000 of industrial output value will fall by at least 65% compared with 2020, with carbon dioxide emissions reaching a peak and declining steadily.

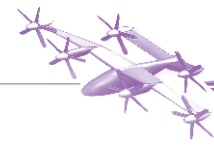
By 2060, a green and zero-carbon aviation product and service system will be fully established to achieve the goal of carbon neutrality for sites and products in all aspects.

Under the leadership of the Company, various subsidiaries responded actively, formulating feasible greenhouse gas emission reduction targets and action plans based on their own business characteristics and development needs. In setting their targets, each subsidiary systematically reviews its Scope 1 and Scope 2 greenhouse gas inventories to ensure they are in line with the greenhouse gas emission inventory requirements of the *GHG Protocol*; based on the Science Based Targets initiative (SBTi), they set carbon reduction targets with their own actual situation and development strategy; relevant business departments are organized to hold review meetings to communicate carbon reduction targets and plans with stakeholders; and the progress of greenhouse gas emissions has been regularly reported.

LOW-CARBON AVICHINA: CO-CONSTRUCTION OF A RESPLENDENT CHINA AND FUTURE

Greenhouse Gas Emissions Targets of Subsidiaries

JONHON	To reduce carbon dioxide emissions by 20% per RMB10,000 of industrial output value by 2025 compared to 2020.
Harbin Aircraft	To reduce carbon dioxide emissions by 20% per RMB10,000 of industrial output value by 2025 compared to 2020, and to reduce carbon dioxide emissions by over 25% per RMB10,000 of industrial output value by 2030 compared to 2020.
Changhe Aircraft	To reduce carbon dioxide emissions by 18% per RMB10,000 of industrial output value by 2025 compared to 2020.
Huiyang Company	Target to reduce carbon dioxide emissions by 18% per RMB10,000 of output value by 2025 compared to 2020.
Keeven Instrument	To reduce carbon dioxide emissions by 8% per RMB10,000 of output value compared to 2022.
Nanjing Hangjian	To reduce greenhouse gas emissions by 10% by 2025 compared to 2020.
AVIC Lanfei	To reduce carbon dioxide emissions by 18% per RMB10,000 of added value by 2025 compared to 2020.
AVIC Kaitian	To reduce carbon dioxide emissions by 18% per RMB10,000 of industrial output value by 2025 compared to 2020, and to reduce carbon dioxide emissions by over 25% per RMB10,000 of industrial output value by 2030.
GuiZhou FengLei	To reduce carbon dioxide emissions by 3.6% per RMB10,000 of output value by 2024 compared to 2023, covering Scope 1.
Fengyang Hydraulic	To reduce carbon dioxide emissions by 8% per RMB10,000 of output value by 2024 compared to 2022 (at comparable prices). The goal has been achieved in 2024.
AVIC Precision Machinery Technology	To reduce carbon dioxide emissions by 8% per RMB10,000 of output value by 2024 compared to 2022. The goal has been achieved in 2024.
Lanzhou Aviation Electric	To reduce carbon dioxide emissions by 18% per RMB10,000 of output value by 2025 compared to 2020.
Oriental Instrument	To reduce carbon dioxide emissions by 18% per RMB10,000 of industrial output value by 2025 compared to 2020, and to reduce carbon dioxide emissions by over 65% per RMB10,000 of output value by 2030 compared to 2000.
Qianshan Avionics	To reduce carbon dioxide emissions by 18% per RMB10,000 of industrial output value by 2025 compared to 2020, and to reduce carbon dioxide emissions by over 65% per RMB10,000 of output value by 2030 compared to 2005.
Shanghai Aviation Electric	To reduce carbon dioxide emissions by 18% per RMB10,000 of industrial output value by 2025 compared to 2020.
Sichuan Hydraulic	To reduce carbon dioxide emissions by 18% per RMB10,000 of industrial output value by 2025 compared to 2020.
Changfeng Avionics	To reduce carbon dioxide emissions by 8% per RMB10,000 of output value by 2024 compared to 2022, covering Scope 1, Scope 2 and Scope 3 of greenhouse gas emission.
Taiyuan Instrument	To reduce carbon dioxide emissions by 18% per RMB10,000 of industrial output value by 2025 compared to 2020.



LOW-CARBON AVICHINA: CO-CONSTRUCTION OF A RESPLENDENT CHINA AND FUTURE

AVIC Xinxiang Aviation Group	To reduce GHG emissions by 14.5% by 2025 compared to 2020.
Yibin Sanjiang	To reduce carbon dioxide emissions by 18% per RMB10,000 of output value by 2025 compared to 2020, and to reduce carbon dioxide emissions by 30% per RMB10,000 of industrial output value by 2030 compared to 2020.
Qing'an Company	To reduce carbon dioxide emissions by 18% per RMB10,000 of output value by 2025 compared to 2020.
Shaanxi Huayan	To reduce carbon dioxide emissions by 18% per RMB10,000 of industrial output value by 2025 compared to 2020, and to reduce carbon dioxide emissions by over 40% per RMB10,000 of industrial output value by 2030 compared to 2020.
SAEC	To reduce carbon dioxide emissions by 18% per RMB10,000 of industrial output value by 2025 compared to 2020, and to reduce carbon dioxide emissions by over 65% per RMB10,000 of industrial output value by 2030 compared to 2005.
Sichuan Fanhua	To reduce carbon dioxide emissions by 18% per RMB10,000 of industrial output value by 2025 compared to 2020, and to reduce carbon dioxide emissions by over 65% per RMB10,000 of industrial output value by 2030 compared to 2005.
Chuanxi Machinery	The statistical data shows that the carbon dioxide emissions have decreased by 10.18% compared to 2022, achieving the annual energy-saving and consumption-reduction targets.
Zhengzhou Aircraft	To reduce carbon dioxide emissions by 8% per RMB10,000 of output value by 2024 compared to 2022, covering Scope 1. The goal has been achieved in 2024.

Besides, during the reporting period, some subsidiaries carried out pilot calculation of Scope 3 of greenhouse gas emissions. Nanjing Hangjian took the lead in carrying out pilot calculation, calculating the caliber of vehicle transportation including self-owned vehicles and logistics vehicle transportation, employee commuting and business travel, under which the greenhouse gas emissions (Scope 3) for the whole year were 272.68 tons of equivalent CO₂ emissions.

In 2024, the total greenhouse gas emissions of the Group were 52.10 ten thousand tons of equivalent CO₂ emissions.

Greenhouse gas emissions from the production activities of the Group¹

Indicator	Unit	2024
Greenhouse gas emissions (Scope 1)	Ten thousand tons of equivalent CO ₂ emissions	4.42
Greenhouse gas emissions (Scope 2)	Ten thousand tons of equivalent CO ₂ emissions	47.68
Total greenhouse gas emissions (Scope 1+Scope 2)	Ten thousand tons of equivalent CO ₂ emissions	52.10

¹ Scope 1 and Scope 2 of greenhouse gas emissions are calculated with reference to the *Corporate Greenhouse Gas Emissions Accounting and Reporting Guidelines* published by the Ministry of Ecology and Environment, and the coefficients used in the calculation are mainly sourced from the *Corporate Greenhouse Gas Emissions Accounting and Reporting Guidelines* and the National Greenhouse Gas Emission Factor Database.

LOW-CARBON AVICHINA: CO-CONSTRUCTION OF A RESPLENDENT CHINA AND FUTURE

4.2 POLLUTION AND WASTE MANAGEMENT

4.2.1 Environmental Management System

The Group has strictly complied with relevant laws and regulations such as the *Environmental Protection Law of the People's Republic of China* and the *Regulations on Environmental Protection Management of Construction Projects*, establishing and improving its environmental management system. Under the Group's overarching principles, each subsidiary has developed institutional documents such as the *Management Manual of Environmental Management System* and the *Environmental Protection Management System*. These documents comprehensively address pollution prevention, hazardous waste management, soil pollution management, environmental protection equipment and facilities management, environmental management of construction projects, environmental protection supervision and inspection, environmental statistics management, and environmental performance evaluation. The Group is committed to achieving a harmonious balance between economic benefits and ecological responsibilities. During the reporting period, a number of subsidiaries have successfully renewed their GB/T 24001 and ISO 14001 environmental management system certifications.

To address potential environmental emergencies, each subsidiary has developed the *Response Plans for Environmental Emergencies*. During the reporting period, various emergency drills for abrupt environmental incidents were actively conducted, enhancing the operational staff's ability to respond to environmental risks. Additionally, to address potential environmental risks during production, each subsidiary has established an environmental risk screening mechanism. Identified environmental risks were assessed in determining their severity levels, and corresponding prevention and control measures for environmental risks were formulated. Necessary emergency supplies were also stockpiled to ensure preparedness.

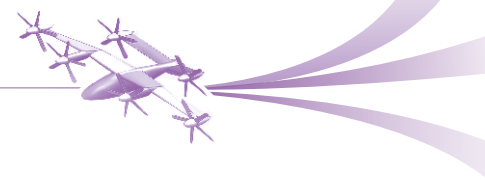
Furthermore, the Group has adhered to the principle of "those who oversee operations are responsible for environmental protection", and each subsidiary implemented environmental goals and indicator to ensure "dual responsibility for one post and accountability for negligence" in environmental management. This ensures that environmental responsibilities are fully implemented.

In 2024, the Group did not incur administrative penalties for environmental violations.

4.2.2 Exhaust Gas Management

In accordance with the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China* and other laws and regulations, closely centering on the concept of "source control and end-of-pipe treatment", the Group, with the aim of establishing an environmentally friendly enterprise, has continued to promote the treatment of exhaust gas emissions, to ensure that the Group's exhaust gas emissions are in compliance with the national standards. In accordance with the Group's requirements and with reference to the regular environmental monitoring reports, each of the subsidiaries has set its own emission reduction targets on the basis of meeting the regulatory requirements and in conjunction with its own production capacity planning and industrial transformation prospects.

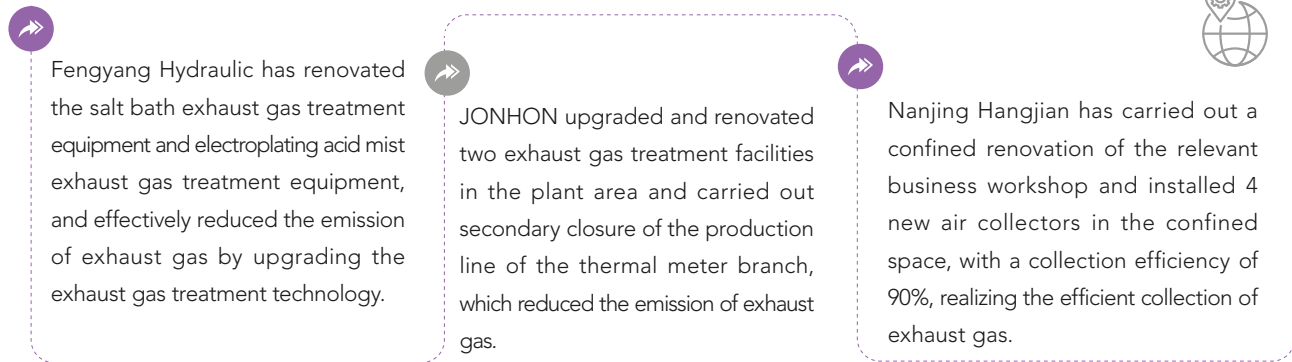
During the reporting period, each subsidiary comprehensively implemented measures to reduce exhaust gas emissions. By systematically addressing fugitive emissions within the plant area, phasing out outdated exhaust gas treatment facilities, and upgrading exhaust gas equipment, subsidiaries have promoted the achievement of phased emission reduction targets. Taking Huiyang Company as an example, as it adopted low-nitrogen burners to reduce NOx emissions, the actual NOx emissions in 2024 decreased by 14% compared to 2022, exceeding the annual target of a 3% reduction.



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In 2024, the total emission of exhaust gas of the Group amounted to 14,522,961,900 standard cubic meters, representing a decrease of 16.53% compared with the previous year, and the total emissions were effectively controlled.

The exhaust gas emission reduction initiatives of some subsidiaries are as follows:



4.2.3 Wastewater Management

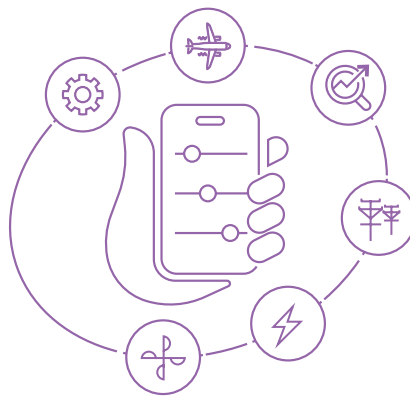
The Group has strictly adhered to the *Water Pollution Prevention and Control Law of the People's Republic of China*, implementing effective control over wastewater discharge generated from production and operations to ensure that wastewater treatment complies with national and local environmental standards. During the reporting period, each subsidiary set its own management goals for wastewater pollutant discharge, conducted self-inspections and corrections in accordance with the Group's requirements, regularly engaged qualified third parties to conduct environmental monitoring of wastewater within the plant areas, and continuously reduced wastewater discharge through process improvements.

In 2024, the total amount of wastewater discharged from the Group's plants was 4,349,418.44 tons, of which the major wastewater pollutants, COD and total nitrogen, separately decreased compared with the previous year.

Wastewater reduction initiatives of some subsidiaries are as follows:

- GuiZhou FengLei utilized reverse osmosis concentration MVR evaporation crystallization units and secondary reverse osmosis membrane separation technology to achieve water conservation in production. This marked a transformation and upgrade from traditional wastewater treatment processes to modern wastewater treatment technologies. The project aligned with Article 18 of the *Comprehensive Utilization Industry for Environmental Protection and Natural Resource Conservation*, which emphasizes "zero wastewater discharge and the application of water reuse technologies."
- Shaanxi Huayan has been actively advancing projects such as "Research on Cyanide-Free Plating Processes (Cyanide-Free Gold Plating, Cyanide-Free Silver Plating, Cyanide-Free Copper Plating)" and "Secondary Separation of Cutting Fluid Oil Contamination." Guided by the principles of "elimination, substitution, and reduction," the company has been fully exploring potential opportunities for green manufacturing.
- A newly constructed surface treatment facility at Zhengzhou Aircraft has adopted a drainage system that separates rainwater from sewage, clean water from wastewater, and collects different types of wastewater separately. The wastewater treatment and disposal system was designed and built based on the principles of "separate treatment for different pollutants, advanced treatment, and reuse based on water quality." This achieved zero discharge of heavy metal wastewater, fundamentally preventing the impact of wastewater discharge on the water environment.

LOW-CARBON AVICHINA: CO-CONSTRUCTION OF A RESPLENDENT CHINA AND FUTURE



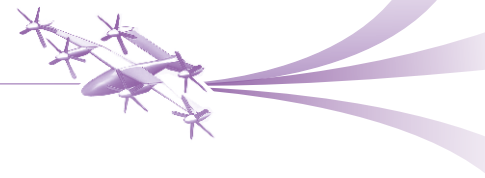
4.2.4 Waste and Packaging Materials Disposal

(1) Waste treatment

The Group strictly complied with the Law of the *People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, the *Directory of National Hazardous Wastes*, the *Standards on Storage and Pollution Control of Hazardous Wastes*, and other laws and regulations and national standards, and endeavored to reduce the emission of hazardous and non-hazardous solid waste through the optimization of production process, the promotion of the recycling of resources and the strengthening of waste management. During the reporting period, each subsidiary continues to regulate the disposal of waste, to manage and control all aspects of waste generation, to store and dispose of all types of waste in accordance with the law, to comprehensively reduce the environmental risks of its operations and to realize the coordinated development of production and operation and environmental protection.

With regard to hazardous waste management, each subsidiary has established an industrial solid waste management list and a hazardous waste management list, and set up hazardous waste storage points at each production site with leak-proof measures, hazardous waste signals, limited quantity mark, and production stage ledgers, etc. The relevant departments precisely recorded the ledgers according to the requirements, and collected and managed the hazardous wastes in a unified manner. At the same time, the subsidiaries continued to strengthen the standardized management of the whole process of hazardous waste, and selected transportation companies and treatment plants with corresponding qualifications for transportation and treatment, so as to reduce the risk of environmental damage and realize the compliant disposal of hazardous waste.

With regard to general industrial solid waste management, each subsidiary has classified general industrial solid waste, established company-level valuable and non-valuable general industrial solid waste management ledgers in accordance with the *Guidelines for Establishing General Industrial Solid Waste Management Ledger*, and established management ledgers for the generation stage, the outbound stage and the disposal stage in accordance with the requirements, so as to standardize the management of the whole process and reduce the amount of general solid waste generated. In addition, wastes with recycling value, such as iron scraps, used cardboard boxes and offcuts, are entrusted to qualified third party for recycling.



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In 2024, the total amount of hazardous waste disposed of by the Group was 5,843.68 tons and the total amount of general industrial solid waste disposed of was 8,071.72 tons.

The waste management measures of some subsidiaries are as follows:



Nanjing Hangjian has established specialized remanufacturing positions, and in 2024, it completed the remanufacturing of more than 40 types of products and 1,264 items. Through professional repair of wearable parts, these components were ensured to be restored to their original usage standards. The remanufacturing operations have significantly reduced the product scrap rate, decreased energy consumption, achieved a material saving rate of 70%, and effectively alleviated the environmental burden caused by waste disposal.



Harbin Aircraft's composite materials plant, through research and analysis of the characteristics of composite materials, classified and treated the re-cured breathable felt and vacuum bag as non-recyclable industrial solid waste to reduce the generation of hazardous waste; and used the overdue paint that can not be used for production in other daily activities.



AVIC Kaitian utilized 20 idle plate racks to increase rack space, save storage space and enhance material storage capacity; converted 40 wooden pallets into wooden cushion squares to optimize storage facilities; utilized 22 intact wooden crates for external packaging of materials to pack and classify, which optimized 50m² of rack space, and reduced the cost of solid waste disposal.

(2) Disposal of packaging materials

The Group actively practiced the concept of green development in the handling and recycling of packaging materials, and promoted the recycling of resources and cost savings by simplifying the use of packaging materials, reusing internal product packaging and avoiding redundant packaging when purchasing materials as far as possible. During the reporting period, the subsidiaries promoted the standardization of packaging materials and the recycling and reuse of packaging materials in accordance with the *Management Measures for Disposal of Waste and Used Materials* and other institutional documents.

In 2024, the total volume of packaging materials used by the Group was 5,495.81 tons.



Case Harbin Aircraft promotes the return and reuse of packaging boxes

Harbin Aircraft reasonably categorized and sorted the packaging boxes and packaging materials used by suppliers for shipment according to the different materials and purposes, and clearly stipulated the requirements and standards for the return of packaging boxes with the suppliers, so that the cleaned and maintained packaging boxes were returned to the suppliers for reuse, which reduced the manufacturing of new packaging boxes and lowered the procurement costs.



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4.3 CONSUMPTION OF RESOURCES

4.3.1 Energy Use

The Group actively implemented the national “Dual Carbon” strategy in energy management, being committed to build an efficient, green, and sustainable development framework. During the reporting period, the Group continued to optimize the energy mix, promoted the application of clean energy, and improved production processes to reduce energy consumption and carbon emissions during production. In accordance with energy management and energy-saving management standards, subsidiaries have strengthened energy-saving assessments and incentive management, linking the effectiveness of energy usage management to performance evaluations. The Group recognized and rewarded individuals and teams with outstanding energy-saving performance, while conducting management effectiveness assessments on units that waste energy. Furthermore, several subsidiaries have obtained GB/T23331 and ISO 50001 energy management system certification.

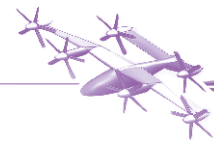
In 2024, the Group’s comprehensive energy consumption was 136,600 tons of standard coal.

The Group’s specific initiatives for energy conservation management:

- ▶ **Enhanced energy management:** The Group formulated an energy management system to clarify the energy management responsibilities of each department, strengthen the statistics and analysis of energy consumption, formulated energy consumption quotas, and provided forewarning and assessment for departments whose energy consumption exceeds the caps.
- ▶ **Reduced energy consumption:** Through optimizing operational processes and equipment management, the Group reduced energy consumption, such as electricity, water and fuel to reduce the impact on the environment.
- ▶ **Improved efficiency of resource utilization:** The Group strengthened the management and deployment of various types of resources, improved the efficiency of resource utilization, reduced the consumption of resources per unit of output, and realized the sustainable utilization of resources.
- ▶ **Equipment operation management:** The Group enhanced equipment operation monitoring, and adjusted equipment operation parameters in a timely manner to ensure that the equipment operated under optimal conditions, thereby reducing energy wastage.
- ▶ **Promotion of energy-saving technologies and products:** The Group actively promoted the application of new energy-saving technologies and products, such as energy-saving lamps, energy-saving air-conditioners and energy-saving motors, so as to improve the energy efficiency of equipment and reduce energy consumption.
- ▶ **Enhanced staff training and publicity:** The Group launched energy-saving training and publicity activities to enhance employees’ energy-saving awareness and skills, encouraging them to actively participate in energy-saving activities, and to form a favorable atmosphere for energy conservation.

4.3.2 Water Resources Management

Currently, the Group’s sources of water supply mainly come from municipal water supply and natural water bodies, with stable and reliable access to water resources. In terms of water resources management, the Group has adopted a series of practical and effective measures to rationally utilize and protect water resources. During the reporting period, some of the subsidiaries set specific targets for the management of water resources consumption and carried out refined water management to ensure that water was used in a compliant and efficient manner to satisfy the daily operational needs of production and office and to eliminate wastage of water resources.



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In 2024, the Group's total water consumption was 6,635,687.53 tons.

The Group's specific initiatives for water resources management:

- ▶ **Water supply pipeline networks management:** The Group strengthened daily inspections and maintenance to promptly detect and repair issues of leaks, spills, and drips; regularly checked water supply equipment and facilities to prevent leakage, overflow, and breakage, and repaired any leaks immediately upon discovery; and maintained accurate records of water intake at pumping stations to ensure the accuracy of water usage data.
- ▶ **Production process optimization:** The Group streamlined the water usage in the production process, eliminates unnecessary water consumption, rationalized production arrangements, and reduced wastage caused by idle equipment and repeated flushing; optimized water usage system to improve water resource utilization; and switched to variable-frequency water pumps to reduce energy consumption.
- ▶ **Upgrading of water facilities:** The Group upgraded water facilities in both office and production areas; installed water-saving faucets tailored to the specific requirements and characteristics of each water usage point; transformed the green space maintenance and watering system within plant area to a micro-sprinkler irrigation system, which conserved energy and water while also beautifying the plant premises.
- ▶ **Water monitoring and management:** The Group established an energy-efficient operation and supervision system to enhance the overall level of management of energy-saving operation; monitored and managed water usage and promptly investigated any abnormal water consumption and ensured timely resolution.
- ▶ **Employee water conservation management:** The Group altered the water management approach for the single staff bathhouse by installing digital water control all-in-one machine to minimize water wastage; conducted regular water-saving training sessions for employees to share tips on water conservation and explain the importance of saving water; and posted water-saving signs to foster an atmosphere of water conservation among all staff.



Case Leveraging the power of publicity to lay a foundation for water conservation

In 2024, AVIC Kaitian continued to strengthen water conservation management, actively carried out water-saving publicity, and jointly carried out the activities including the "2024 National Urban Water Conservation Publicity Week" and the "2024 National Energy Conservation Publicity Week and Low-carbon Day" with the community. Through various platforms such as producing and distributing more than 600 energy-saving and water-saving brochures, producing 22 billboards, and posting 50 water-saving signboards, the water-saving awareness of the staff and their families was promoted.



Photo: Energy and Water
Conservation Billboards

LOW-CARBON AVICHINA: CO-CONSTRUCTION OF A RESPLENDENT CHINA AND FUTURE

4.3.3 Clean Technology

The Group regarded the development of clean energy as a crucial approach for corporate transformation, upgrading, and sustainable development. It actively established its presence in the field of clean energy, enhanced the proportion and generation efficiency of clean energy through innovative cooperation models and technological research and development. By implementing photovoltaic power generation projects, procuring green electricity, and promoting the application of new energy vehicles, it drove the green and low-carbon transformation of production and operations.



Case

Concentrating efforts on new energy, green innovation and efficiency facilitates the achievement of the "Dual Carbon" goals

During the reporting period, Changhe Aircraft completed the construction of the Lü Meng Phase II 6MW distributed photovoltaic project and achieved grid-connected power generation. Through a new energy cooperation model, the project was completed without any capital investment, and electricity price was paid at 79% of the national grid electricity rate. This has resulted in a total installed photovoltaic capacity of 12MW, providing 12 million kilowatt-hours of green electricity annually, reducing carbon dioxide emissions by 6,800 tons, and saving more than RMB2 million in electricity costs.



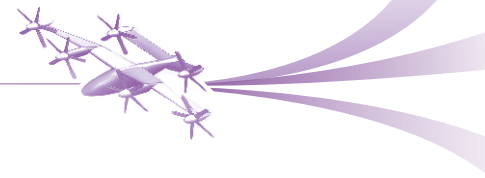
Photo: Changhe Aircraft successfully completed the grid connection of its 6MW distributed photovoltaic project



Case

Using clean energy to promote green upgrading of energy structure

In accordance with the concept of green and low-carbon development, Harbin Aircraft made strategic adjustment to its energy consumption from the aspects of "coal to gas", centralized heating, and energy structure adjustment. During the reporting period, Harbin Aircraft "coal-to-gas" project for the kinetic energy system was officially launched, and coal-fired steam boilers were dismantled in succession and replaced with gas-fired steam boilers to ensure the demand for steam for scientific research and production. The ratio of the use of clean energy continued to increase, reducing carbon dioxide emissions by approximately 12,000 tons per year.



LOW-CARBON AVICHINA: CO-CONSTRUCTION OF A RESPLENDENT CHINA AND FUTURE

4.4 LOW-CARBON PRACTICES

4.4.1 Green Factory

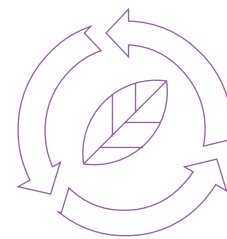
The Group always adhered to the concept of green development, takes energy conservation and emission reduction as an important starting point for mode transformation and structural adjustment, vigorously promoting technological transformation and energy conservation and emission reduction, and has been committed to building a green factory system with high-techs, low resource consumption and less environmental pollution. During the reporting period, Qing'an Company and its subsidiary Xi'an Qing'an Refrigeration Equipment Co., Ltd.* (西安慶安製冷設備股份有限公司) won the title of "Green Factory" in the ninth batch of national Green Manufacturing List in 2024; JONHON was awarded the title of "Provincial Green Factory" in Henan Province in 2024; Changfeng Avionics was recognized as a 2A Green Factory of Suzhou City ; Hubei HAPM Magna Seating System Co., Ltd.* (湖北航嘉麥格納座椅系統有限公司), a subsidiary of AVIC Precision Machinery Technology, won the title of "Provincial Green Factory" in Hubei Province in 2024.

4.4.2 Green Office

The Group advocates for green office and integrates the concept of green office into its daily operation. By formulating a green office management system and promoting paperless office, the Group guided its staff to save energy, reduce resource wastage and lower its carbon footprint. During the reporting period, the Group launched energy-saving publicity through various platforms, organized and carried out publicity work for "Energy Conservation Publicity Week" and "Low-Carbon Day", and encouraged green procurement, green office and green travel, so as to make the concept of environmental protection deeply rooted in people's minds.

The Group's specific green office initiatives:

- **Electricity management:** The Group promoted the reduction of elevator usage and encouraged employees to take the stairs; it modified the lighting system in office areas and replaced it with energy-saving LED lamps; it posted electricity-saving slogans and signs in office buildings, and advocated turning off air conditioners and computers after work.
- **Water management:** The Group posted water conservation slogans at prominent locations; and installed water-saving faucets.
- **Paper management:** The Group configured OA collaborative office systems to promote paperless offices; set up printing approval processes to reduce paper, ink cartridges and electricity consumption; and encouraged the use of duplex printing to save office paper.
- **Vehicle management:** The Group built dedicated parking lots for electric vehicles, installed electric vehicles charging piles, and encouraged employees to use electric vehicles instead of fuel vehicles for commuting.



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- **Environmental protection publicity:** The Group launched the Green Aviation Basic Level Energy Saving and Environmental Protection Knowledge Test; distributed promotional materials such as paintings, brochures, and energy-saving logos.



Photo: World Earth Day poster



Photo: Employees promising to green initiative

4.4.3 Biodiversity

Adhering to the ecological civilization concept of “respecting, adapting to and protecting nature”, the Group deeply recognizes that biodiversity is the foundation of the Earth’s life community and an important support for the Group’s sustainable development. During the reporting period, during the design, construction and operation of the project, each subsidiary determined the corresponding avoidance and protection measures through ecological impact assessment to ensure that the habitat of rare species was not invaded. The Company has developed sustainable resource procurement and usage strategies, prioritized raw and auxiliary materials that have less impact on biodiversity, and timely grasped changes in biodiversity to ensure that biodiversity was effectively maintained and improved. There were no ecological protection targets such as nature reserves and drinking water source reserves around the site of the project, which met the requirements of ecological protection red line.

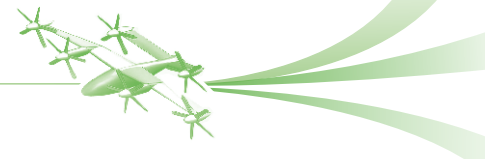
In addition, the planting of street trees and bushes in the areas of the subsidiaries has effectively increased the vegetation coverage and species richness, further demonstrating the Group’s proactive efforts in ecological protection.



Photo: Squirrels in Yibin Sanjiang factory area



Photo: Greenery in Qing'an Company park area



5 PEOPLE-ORIENTED AVICHINA : NURTURING OF A NEW CULTURE FOR INCLUSIVE DEVELOPMENT

Response to the Sustainable Development Goals of the United Nations



Key ESG Performance Indicators of the Hong Kong Stock Exchange

B1: Employment, B2: Health and Safety,
B3: Development and Training,
B4: Labour Standards

5.1 EMPLOYEE RIGHTS AND CARE

The Group firmly believes that talents are the core driving force for the continuous innovation and growth of an enterprise, and that a good talent cultivation mechanism and staff development environment are the key elements for high-quality and sustainable development. Therefore, the Group always adheres to the core concept of “people-oriented”, strictly abides by the principle of compliant employment, protects the legal rights and interests of employees, continuously optimizes the remuneration and benefit system, and is committed to creating a fair, harmonious and healthy working environment for its employees.

5.1.1 Protection of Employees’ Rights and Interests



Compliant employment and human rights protection.

The Group strictly abides by the *Labor Law of the People’s Republic of China*, the *Labor Contract Law of the People’s Republic of China*, the *Law of the People’s Republic of China on Protection of Minors* and other employment-related laws and regulations, and adheres to the bottom line of compliant employment. The subsidiaries have formulated relevant management systems such as the *Norms for the Management of Prohibition of Forced Labor* and the *Management Regulations on Prohibition of Employment of Child and Minors* to regulate the recruitment and employment process, while ensuring the implementation of the relevant laws and regulations within the labor contracts, and resolutely eliminating the occurrence of illegal acts such as the employment of child labor and forced labor. During the reporting period, the Group did not have any incidents of child labor or forced labor.



Case Nanjing Hangjian sticks to the bottom line of compliant employment

Nanjing Hangjian adopts a zero-tolerance attitude towards illegal acts such as employing child labor. It has formulated and published the *Recruitment Management Regulations of Nanjing Hangjian Aviation Equipment Technology Service Co., Ltd.* and the *Work Requirements and Remedial Process for Prohibiting Child Labor and Minors*, which clearly stipulates that child labor is prohibited. In the recruitment process, ID identification, facial features comparison, academic qualification verification through CHSI website and other methods are adopted to ensure the authenticity and validity of the applicant’s age and documents. At the same time, Nanjing Hangjian has established a comprehensive process for handling child labor and forced labor incidents, including reporting to the local labor department, stopping employment and arranging for a medical examination, releasing wages, escorting home and bearing the relevant costs, and dealing with the responsible parties in a serious manner in accordance with the law, etc., so as to ensure that such incidents, if they occur, can be resolved appropriately.

PEOPLE-ORIENTED AVICHINA: NURTURING OF A NEW CULTURE FOR INCLUSIVE DEVELOPMENT



Enhanced protection of basic rights and interests.

The Group consistently respects and protects all legal rights and interests of its employees. It abides by the *PRC Social Insurance Law*, the *Regulations on Paid Annual Leave for Employees*, and the *Regulations of Insurance for Employment Injury* and other laws and regulations, and practically guarantees employees' basic welfare. The Group strictly implements the "eight-hour" working system to make sure that employees enjoy legal rights and interests such as paid leaves, maternity leave, and statutory holidays in accordance with laws, and makes timely and full contribution to social insurance and housing fund. At the same time, the Group emphasizes on the protection of the rights and interests of female employees by providing breastfeeding leave, maternity leave and maternity check-up leave to female employees during pregnancy and breastfeeding. In addition, in accordance with relevant national regulations and the Group's requirements, each subsidiary has negotiated and signed *Collective Contract* with representatives of employees, which clarifies the rights and obligations of both parties and effectively protects the rights and interests of laborers. In 2024, the Group achieved a 100% labor contract signing rate and a 100% coverage rate of social insurance and housing fund.



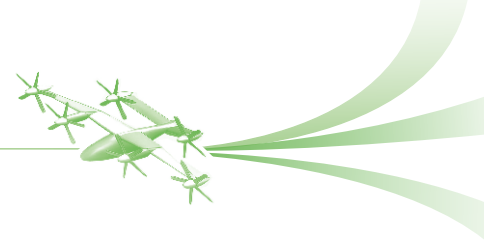
Fair recruitment and anti-discrimination.

The Group consistently adheres to a fair and open employment policy, forbids all workplace discrimination based on gender, region, religious beliefs, cultural background and other factors, and resolutely resists any form of workplace harassment and bullying to create a harmonious, diversified, healthy and inclusive workplace environment. Each subsidiary adheres to the employment philosophy of determining positions based on capabilities of employees, formulates systems such as the *Employee Recruitment Management Measures*, the *Market-oriented Talent Recruitment Management Measures*, and the *Employee Recruitment and Position Management System*, and clarifies the recruitment requirements for various positions to insure that the talent recruitment process is fair, equitable and transparent.



Democratic management.

The Group attaches great importance to the implementation of the system of congress workers and staff, and have actively promoted the building of Labor Union. Congress of workers and staff and election of new Labor Union are regularly organized, on which opinions and suggestions of employees are properly heard. Based on its own actual situation, each subsidiary has formulated democratic management systems such as the *Regulations on the Management of Proposals of the Congress of Workers and Staff*, the *Implementation Measures for the Company's Collective Contract by Equal Consultation*, the *System for the Disclosure of Factory Affairs*, and the *Measures for the Management of Rationalized Suggestions*, while disclosing information through various channels such as the open bar, OA system, "Voice of the People Channel", Mailbox of the Chairman to guarantee the openness and transparency of information and timely respond to and properly handle suggestions and feedbacks from employees, which has effectively guaranteed that the employees have the rights to know, participation rights, expression rights and supervision rights of employees, further strengthening communication and collaboration within the Company and injecting energy to the Group's high-quality and sustainable development.



PEOPLE-ORIENTED AVICHINA: NURTURING OF A NEW CULTURE FOR INCLUSIVE DEVELOPMENT

5.1.2 Employee Remuneration and Benefits

The Group consistently insists on building a remuneration incentive mechanism closely connected with value creation, included it within the Group's remuneration management system and further standardized the management of remuneration for job grades. Each subsidiary has formulated relevant internal systems such as the *Remuneration Management Measures*, the *Measures for Total Wage Management* and the *Employee Performance Management Systems*, based on their own actual situation and the requirements of the Group's management. Such regulations regulate and clarify the remuneration structure, remuneration standards, remuneration issuance management and remuneration appeals, concretely refined the wage for seniority, subsidies and allowances, special prizes and so on, thus ensuring the transparency and fairness of the remuneration system, which has further enhanced the competitiveness of the remuneration.

To enhance the effectiveness of remuneration incentives, the Group has actively explored a compensation evaluation and incentive system aligned with business development. This includes conducting regular and diversified performance assessments to strengthen the motivational effectiveness of remuneration. In 2024, each subsidiary continued to optimize their remuneration incentive mechanisms based on operational needs and development strategies, further boosting employee enthusiasm.

Key initiatives in remuneration evaluation and incentive systems of subsidiaries include:

- ▶ Harbin Aircraft revised its *Provisions on Management of Employee Performance Evaluation*, integrating talent development and business requirements to comprehensively evaluate employee performance and capabilities. This further enhances the scientific rigor and effectiveness of its evaluation framework for employees.
- ▶ AVIC Kaitian refined its employee management policies and systems, introducing or revising 15 management guidelines including the *Employee Performance Management Measures*. These updates provide clearer and more standardized guidance for performance evaluation and remuneration incentive system, ensuring fair and reasonable rewards for employee contributions.
- ▶ Lanzhou Aviation Electric updated its *Annual Employee Performance Assessment Measures*, standardizing annual performance evaluations across critical areas such as annual recognition awards, performance bonuses, promotions, and professional title appointments. This ensures performance results directly link to incentives, career growth, and promotion opportunities of employees.



In addition, beyond the competitive remuneration salaries for employees, the Group has continuously enhanced its employee benefits system through diversified non-monetary perks to further improve overall welfare. Subsidiaries have formulated a series of supplementary welfare policies such as the *Interim Management Measures for Enterprise Supplementary Medical Insurance*, the *Procedures for the Administration of Employee Housing Allowances and Settlement Fees*, the *Implementing Rules for Corporate Annuity* and the *Administrative Measures for Employee Recuperation* according to the requirements of the Group. These initiatives, including enterprise annuities and winter heating subsidies, aim to effectively elevate employee satisfaction and well-being.

PEOPLE-ORIENTED AVICHINA: NURTURING OF A NEW CULTURE FOR INCLUSIVE DEVELOPMENT

5.1.3 Employee Care Communication

The Group cares for every employee and is committed to being their strongest support, fostering a warm and harmonious work environment. Subsidiaries continuously optimize employee care systems, integrating compassion into daily work and life through a series of practical initiatives.

▼ Supporting Employees in Need, Helping Them Overcome Difficulties

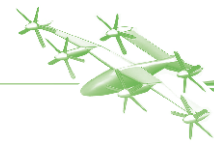
- In 2024, Changhe Aircraft provided nearly RMB50,000 in subsidies to over 150 employees facing financial hardships and distributed RMB140,000 in consolation funds to more than 460 grassroots employees who were ill or injured. Additionally, Changhe Aircraft offered financial assistance to cover tuition fees for children of struggling employees admitted to universities in the forms of bursary and subsidy funds.
- Shanghai Aviation Electric established comprehensive employee records of hardship, focusing on addressing urgent needs. Shanghai Aviation Electric conducts biannual support campaigns, assisting over 90 employees in 2024 with a total investment of nearly RMB150,000.
- Zhengzhou Aircraft developed an employee career-cycle care system to enhance its hardship assistance mechanism. A RMB1 million relief fund was established to effectively address urgent needs, covering medical aid, golden autumn tuition support, and double-festival warmth delivery. In 2024, Zhengzhou Aircraft allocated RMB240,000 to support 12 employees in need and 52 students through its autumn scholarship program, solving the practical difficulties of employees to the maximum extent.

▼ Festive Care Initiatives, Conveying Corporate Warmth

- Huiyang Company consistently organizes “Summer Cooling and Winter Warming” campaigns, conducting five frontline encouraging visits events annually.
- AVIC Lanfei continuously carried out a series of care activities, including spring care initiative, summer cooling support, autumn scholarships, and winter warmth initiatives. During the Spring Festival, over RMB50,000 was distributed to support employees in difficulties, model workers, and retired veterans. In summer, RMB160,000 was invested to provide cooling supplies (e.g., mineral water, towels) and multiple online air conditioners were installed for the production frontline, with total investments exceeding RMB4 million to fundamentally address heat-related challenges.

▼ Childcare Support, Empowering Research and Production

- SAEC launched the “Work with Peace of Mind: Our Loving Care for Your Little Ones” caretaking service, for children being left unattended during holidays. The initiative combines aviation-themed education with outdoor activities to enrich employees’ children’s extracurricular lives and alleviate family burdens in feasible supports.



PEOPLE-ORIENTED AVICHINA: NURTURING OF A NEW CULTURE FOR INCLUSIVE DEVELOPMENT

▼ Mental Health Focus, Building a Happy Workplace

- Harbin Aircraft prioritized mental health by establishing a 7x24-hour “921 Mood Hotline” for professional counseling. Harbin Aircraft also formed an internal Staff Psychological Care Mentor Team through professional certified training to support employee’s mental health.

▼ Caring for Female Employees, Uniting Women’s Strength

- During the 2024 International Women’s Day, Chuanxi Machinery partnered with Ya’an Mingshan District Maternal and Child Health Hospital to host a “Women’s Health Care” lecture on cervical and breast cancer prevention, promoting healthy lifestyles among female employees as well as self-care abilities.
- SAEC created “Mother and Infant Care Rooms” to provide private spaces for pregnant and nursing employees, easing psychological stress and anxiety during special periods.
- AVIC Kaitian organized an evaluation and commendation event named “Outstanding Women’s Contributions”, and held a recognition ceremony on International Women’s Day to celebrate female employees’ achievements and career growth.

Photo: Celebration of International Women’s Day and the Outstanding Women’s Contributions Recognition Ceremony



In addition, the Group organizes various cultural and sports activities to enrich employees’ leisure time and strengthen team cohesion. During the reporting period, subsidiaries established a diverse cultural matrix and innovatively planned a wide range of activities, effectively energizing internal organizational vitality and further fostering an open, inclusive, and collaborative development model.

Photo: Harbin Aircraft participating in the Aviation Games Table Tennis Northeast Regional Competition



Photo: Sichuan Hydraulics’ “Aviation Spirit” New Year-themed Running Competition

Photo: GuiZhou FengLei Cultural Performance Event



Photo: Nanjing Hangjian Dragon Boat Festival Race

PEOPLE-ORIENTED AVICHINA: NURTURING OF A NEW CULTURE FOR INCLUSIVE DEVELOPMENT

5.2 EMPLOYEE TRAINING AND DEVELOPMENT

The Group is committed to building a high-quality, competent, and dedicated workforce, consistently prioritizing talent as the core driving force while emphasizing comprehensive employee development and career advancement. Subsidiaries continuously establish systematic training programs and diversified career development pathways, providing employees with expansive growth opportunities that unlock their potential and creativity. This approach delivers robust talent support for long-term objectives and strategic layout.

5.2.1 Strategic Planning in Allocation of Human Resources

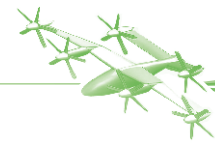
Recognizing talent as the cornerstone of high-quality sustainable development, the Group maintains human capital management at strategic importance, introduces talents through diversified channels including social recruitment, campus recruitment, and internal training, standardizes the promotion of management personnel, and continuously strengthens the construction of strategic talent echelons. During the reporting period, subsidiaries continuously implemented full-cycle career development programs aligned with operational needs, “Dissemination, Assisting and Mentoring” mechanism and talent cultivation initiatives like “Eagle Training” and “Young Eagles Programs”. These systematic development frameworks for emerging talents facilitate deep implementation of talent strategies, steadily building talent reserves and fostering a virtuous cycle of leadership emergence and innovative talent growth.

5.2.2 Employee Development and Training

Guided by talent development principles, the Group continuously optimizes the comprehensiveness, scientific rigor, and standardization of its training systems to ensure alignment with strategic goals. Subsidiaries have formulated policies including the *Management Measures for Employee Education and Training*, the *Management Measures for Employee Education and Training Effectiveness Evaluation* and the *Company Training Management Measures* in light of their own business needs, further refining training content, assessment criteria, and implementation processes to holistically enhance the comprehensive quality and professional capabilities of employees. During the reporting period, the Group’s average training hours per employee reached 67.00 hours.

The Group emphasizes comprehensive and diversified training curricula, employing multi-level, multi-format and multi-content programs to comprehensively upgrade employee capabilities. Subsidiaries design tailored learning paths for different positions and occupational development, spanning from onboarding programs to executive leadership courses, ensuring necessary skill development at appropriate career stage for each employee. Blended online-offline learning modalities deliver not only training for professional expertise but also cultivate soft skills in teamwork, leadership, and innovative thinking.

Furthermore, through regular internal lectures, external expert forums, and cross-departmental exchanges, the Group fosters a culture of continuous learning. These initiatives encourage knowledge expansion, stimulate innovative vitality, and elevate professional competencies and working abilities in a comprehensive manner.



PEOPLE-ORIENTED AVICHINA: NURTURING OF A NEW CULTURE FOR INCLUSIVE DEVELOPMENT



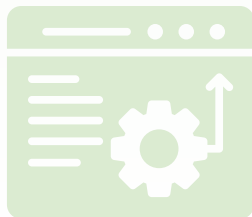
Case Holistic Coordination, Tailored Development, and High-Efficiency Talent Cultivation

Qing'an Company established a comprehensive and collaborative talent cultivation system with centralized oversight by leveraging annual training priorities, while ensuring the effective execution of the training program. In 2024, Qing'an Company implemented 101 corporate-level training programs totaling 830 training hours with 8,942 participants, alongside 668 department-level training initiatives spanning 3,292 hours and involving over 42,000 participants, achieving an overall satisfaction rate exceeding 96%. Concurrently, Qing'an Company has constantly strengthened its internal trainer team, with the first cohort of 58 internal trainers actively contributing to diverse training sessions and technical exchanges. Six internal trainers delivered over 40 annual teaching hours, effectively harnessing the empowering role of internal training to solidify the talent foundation for sustainable development.



Photo: Middle Management Training Program – Study Tour at Leading Enterprises in Shenzhen

Photo: Newly Appointed Middle Management Training Program



PEOPLE-ORIENTED AVICHINA: NURTURING OF A NEW CULTURE FOR INCLUSIVE DEVELOPMENT

5.3 OCCUPATIONAL HEALTH AND SAFETY

5.3.1 Employee Occupational Health

The Group is committed to providing a healthy and safe working environment, strictly abides by relevant laws, regulations, and policies, including the *Code of Occupational Disease Prevention of People's Republic of China* and the *National Plan for the Prevention and Control of Occupational Diseases (2021-2025)*. The Group continuously refine its occupational health management system. Subsidiaries have established policies including the *Management System of Occupational Hazard Protection Equipment and Facilities*, the *Occupational Hazard Post Allowance Management Rules*, the *Environmental and Occupational Health and Safety Management Manual* and the *Regulations on the Management of Labor Protection Supplies* in light of their own actual conditions to solidly institutionalize occupational health protection measures. Additionally, personnel management files for occupational hazard posts that are established by subsidiaries based on the management requirements of the Group have been implemented to effectively advance scientific and standardized occupational health management. During the reporting period, the Group achieved remarkable results in safeguarding employee occupational health and safety through multifaceted initiatives.



Improving working conditions

【 Fengyang Hydraulic 】

- Air conditioning and heating equipment has been installed in offices and breakrooms, alongside ergonomic desks and chairs to reduce physical strain, ensuring a comfortable working environment for employees.
- Large side windows on windward side of the factory to strengthen natural airflow, optimizing the production environment.
- Forced ventilation equipment deployed in surface treatment plants and paint-spraying workshops, combining partial ventilation and natural ventilation to ensure compliance with occupational health requirements in terms of air circulation.

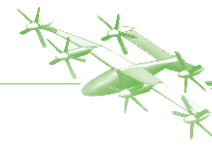


Providing protective equipment

【 Oriental Instrument 】

- Strict adherence to the *Management Regulations on Distribution of Labor Protective Equipment* with detailed tracking of issuance and collection, ensuring the standardized management and use of protective equipment.
- Regular special inspections annually focusing on the distribution, collection, and proper wearing of labor protection equipment.
- Monthly “Three Violations” video inspections to identify and correct improper wearing; penalties (e.g., red, orange or yellow card warnings, or monetary fines on employees who violate regulations) enforced to ensure sufficient occupational health guarantees for each employee and minimize occupational disease risks.





PEOPLE-ORIENTED AVICHINA: NURTURING OF A NEW CULTURE FOR INCLUSIVE DEVELOPMENT



Organizing occupational health screenings

【Qing'an Company】

- In 2024, it optimized employee health check-up frequency and standards per the *Measures for the Implementation of Employee Health Checking* and the *Proposal No. 3 of Qing'an Group Co., Ltd.'s Second Meeting of the 17th Session of Employee Congress*.
- Shifted from originally scheduled biennial check-ups to annual health examinations for on-the-job staff, with enhanced check-up criteria to effectively safeguard the physical health of employees and promote the synchronous improvement of enterprise development and employee well-being.



Workplace safety inspections

【Huiyang Company】

- In 2024, a professional third-party organization was commissioned to conduct comprehensive monitoring of workplaces with potential occupational health hazards. The test results showed that all the monitoring points complied with the safety standards and the corresponding qualified reports were obtained, effectively protecting the occupational health and work safety of employees.



Intelligent production transformation enhancing occupational safety and security

【JONHON】

- Through the introduction of advanced technologies such as systematic automatic paint mixing, AI spraying and automatic transportation, the risk of direct contact with hazardous substances by employees has been significantly reduced, effectively minimizing the potential health hazards of chemical exposure to employees.



Occupational health education and publicity

【AVIC Lanfei】

- In 2024, 15 different types of safety education and training were organized throughout the year, covering a total of 6,831 employees and a total of 224 hours of training, which enhanced employees' awareness of occupational health risks and provided strong support for the effective prevention of occupational hazards.

【Yibin Sanjiang】

- During the Safe Production Month, a variety of safety activities were organized, including the production of promotional materials and the setting up of signature boards for safety pledges, to strengthen the safety awareness of its staff.
- By launching the safety knowledge and occupational health protection knowledge competition, it has effectively enhanced the safety awareness and occupational health protection consciousness of the employees and promoted the implementation of safety responsibility and occupational health protection.

PEOPLE-ORIENTED AVICHINA: NURTURING OF A NEW CULTURE FOR INCLUSIVE DEVELOPMENT

5.3.2 Production Safety

The Group adheres to the "People First, Life First" safety philosophy, while strictly abiding with relevant laws and regulations of the *Production Safety Law of the People's Republic of China* and the *Fire Control Law of the People's Republic of China*, with the production safety responsibility system strengthened, the concept of safe development implemented, the production safety investment expanded, and the safety education training emphasized, aiming to comprehensively build an inherently safe enterprise.

(1) Construction of Safety Management System

In 2024, the Group refined its safety management framework to enhance risk control, and advanced the implementation of safety accountability under the principle of safety first, prevention-focused and comprehensive governance, ensuring effective execution of safety measures.

► Strengthening production safety systems.

AVIC Precision Machinery Technology revised policies and regulations including the *Safe Production and Environmental Protection Accountability System*, the *Safety and Measures for Safety and Environmental Protection Assessment and Management*, and the *Measures for Supervision and Administration of Production Safety*, clarifying responsibilities across individuals and departments while optimizing incentive and constraint mechanism to achieve safety and environmental protection goals and effectively prevent potential incidents.

▷ Enforcing production safety accountability system.

Keeven Instrument formulated the *Production Safety Accountability System*, defining responsibilities at all levels and creating a layered accountability framework covering leadership and frontline employees to strengthen oversight on production safety work.

► Developing a safe production action plan.

Nanjing Hangjian has revised relevant policies and systems, such as the *Safe Production and Environmental Protection Accountability System*, the *Measures for Safety and Environmental Protection Assessment and Management* and the *Measures for Supervision and Administration of Production Safety*, to clarify the responsibilities of personnel and departments at all levels in relation to production safety, to optimize the incentive and constraint mechanism, to promote the realization of safety and environmental protection objectives, and to effectively prevent the occurrence of potential accidents.

▷ Optimizing the production safety management system.

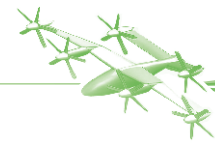
AVIC Xinxiang Aviation Group renewed and adjusted its Occupational Health and Safety and Energy Conservation and Environmental Protection Committee, and clarified the responsibilities and division of work among the members of the Production Safety Committee, so as to ensure the effective organization and implementation of various safety management work. AVIC Xinxiang Aviation Group has organized professional safety training for key persons in charge and safety management personnel, and ensured that they have obtained the corresponding qualification certificates to enhance safety management standards and compliance.

► Promoting standard system certifications.

AVIC Precision Machinery Technology has always regarded production safety as its core work and has established a perfect safety management system, which has been certified by ISO 45001 occupational health and safety management system certification.

▷ Enhancing efforts in production safety evaluation.

Qianshan Avionics has formulated policies and systems such as the *Production Safety Accountability System for Company Personnel at All Levels*, which clearly stipulates the production safety responsibilities of the leaders of each department, and links the production safety targets to the performance of each department to ensure the implementation of production safety work through the quarterly KPI assessment and evaluation.



PEOPLE-ORIENTED AVICHINA: NURTURING OF A NEW CULTURE FOR INCLUSIVE DEVELOPMENT

(2) Safety Risk Management and Control Measures

The Group has always made safety risk management and control a key task, and is committed to preventing and resolving major safety risks at source to ensure that various safety prevention measures are put into practice. Each subsidiary has established a comprehensive mechanism for the investigation of potential risks and regularly carries out all-round and whole-process safety inspections, taking preventive and corrective measures against various risks. At the same time, the Group attaches great importance to the construction of an emergency management system and strictly complies with the requirements of the *Measures for the Administration of Contingency Plans for Work Safety Incidents*, and other national regulations, continuously improves the emergency response plans, and upgrades the emergency response capability of the staff to ensure prompt and efficient response to emergencies and minimize losses.



Risk identification and targeted prevention

【Qianshan Avionics】

● In 2024, Qianshan Avionics strictly followed the *Dual Prevention Manual for Risk Grading and Control and Hidden Trouble Detection and Management* and systematically launched comprehensive risk hierarchical management and hidden trouble detection work. In response to the identified risks, Qianshan Avionics adopted multi-dimensional control measures, including comprehensive management in five major areas, including engineering technology, management system, employee education and training, personal protection, and emergency preparedness, to significantly improve the overall safety management level, and provide a solid guarantee for safe production and stable operation.

【Shaanxi Huayan】

● In 2024, Shaanxi Huayan comprehensively promoted the risk and hidden danger investigation and management work, and carried out a total of 19 inspections of various types of risks and hidden dangers throughout the year, covering summer fire and flood prevention, fire safety of electroplating production lines, lifting machinery and other specialized inspections, with a total of 394 hidden dangers identified and solved, effectively promoting the rectification and prevention of safety issues, and ensuring that the potential risks of the production process have been comprehensively investigated and properly disposed.



Emergency drills



【Case】Strengthening security inputs and building security defenses

In 2024, Lanzhou Aviation Electric organized 5 emergency drills and trainings for more than 350 people, further enhancing the emergency response capability of its employees. At the same time, Lanzhou Aviation Electric has invested more than RMB1.65 million in various security measures for production safety. Through a series of safety activities and rectification of hidden dangers, Lanzhou Aviation Electric has laid a solid foundation for ensuring safe production and preventing accidents, which provides a strong guarantee for stable operation.



Photo: Electrical and Mechanical
Emergency evacuation exercise of
Lanzhou Aviation Electric

PEOPLE-ORIENTED AVICHINA: NURTURING OF A NEW CULTURE FOR INCLUSIVE DEVELOPMENT



Emergency drills and training



【Case】 Strengthening emergency drills to enhance ability to handle emergencies

In order to enhance its emergency response capability, Fengyang Hydraulic has formulated the 2024 emergency drill plan and organized a series of emergency drills to ensure the effectiveness and practicability of the emergency plan. 25 emergency drills on production safety were held in Fengyang Hydraulic in 2024, with a cumulative total of 910 people participating in the drills. By widely popularizing safety and emergency knowledge, the company further strengthened the emergency response capability of its employees to deal with emergencies, and ensured that employees in key positions and key sites were able to master emergency response skills, thus realizing the goal of “everyone knows how to respond to emergencies”.



Photo: Emergency Drill Site

(3) Safety Education Training

The Group focuses on production safety as an important tool to safeguard the occupational health of employees and to strengthen the foundation of the enterprise’s intrinsic safety. All subsidiaries have developed a series of production safety training courses to promote the in-depth integration of safety concepts and production operations through scenario-based practical training.

【GuiZhou FengLei】

- In 2024, GuiZhou FengLei continued to carry out safety warning publicity and training, and carried out related training 15 times throughout the year, with a cumulative total of 1,253 participants.

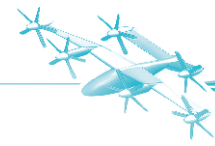
【AVIC Xinxiang Aviation Group】

- During the reporting period, AVIC Xinxiang Aviation Group organized a series of specialized safety training activities covering key areas such as prevention of occupational diseases and work-related injuries, education on typical accident cases, fire escape and self-rescue skills, use of fire extinguishers, road traffic safety, safety management and cardiopulmonary resuscitation. Through these trainings, the safety awareness and prevention skills of the employees were significantly enhanced, and their ability to cope with various safety risks was strengthened.

【Lanzhou Aviation Electric】

- In 2024, Lanzhou Aviation Electric actively promoted production safety publicity and education, and organized a number of publicity and education activities such as “Safe Production Month”, “Promotion Week of the Prevention and Treatment of Occupational Disease” and “11.9 Fire Control Publicity Month” to further enhance employees’ learning and understanding of production safety laws, regulations and related knowledge. For employees in safety positions, Lanzhou Aviation Electric conducted targeted training, focusing on explaining relevant laws and regulations, risk identification, criteria for determining major accident hazards, and safety management of workgroups.

In addition, Lanzhou Aviation Electric invited experts from the Gansu Provincial Center for Disease Control and Prevention to conduct occupational health training for special operation positions and management personnel to ensure that the health and safety of the employees are effectively protected, to enhance the employees’ awareness of safe production, and to improve the overall safety management level.



6 GREAT LOVE IN AVICHINA : GIVE BACK TO SOCIETY WITH RESPONSIBILITY

Response to the Sustainable Development Goals of the United Nations



Key ESG Performance Indicators of the Hong Kong Stock Exchange

B8: Community Investment

6.1 SUPPORT TO RURAL REVITALIZATION

The Group actively responds to the national strategies to continuously promote the work of rural revitalization and common prosperity and dedicates itself to social development and people's well-being. Combined with their resource advantages, each subsidiary is committed to promoting the diversified development of the rural economy, carrying out a number of assistance activities such as village-based support, consumption, industry, and free medical consultation, and deeply exploring new sustainable models for rural revitalization.

Village-based Assistance

AVIC Lanfei elects high-quality cadres to join the ranks of village cadres. They insist on doing practical things for the villagers, visit in depth to understand the village conditions and people's sentiments, help villagers solve "urgent needs and worries", and carry out care activities and visits in major festivals especially for left-behind elderly people, women and children and people in need.

Consumption Assistance

During the festivals such as the Spring Festival, Dragon Boat Festival and Mid-Autumn Festival, Zhengzhou Aircraft continues to purchase agricultural products (including rice, noodles, oil, coarse cereals, honey etc.) from designated assistance areas such as Puding County and Ziyun County through the "Caring Aviation" platform, with a total purchase amount of RMB1.3349 million, actively contributing to the national rural revitalization.



Photo: Consumption assistance-purchase in Dragon Boat Festival



Qing'an Company helped the collective economic organization of Zhifei Village, Yaohe Town, Baishui County, Weinan City, Shaanxi Province to increase its income by more than RMB50,000 through the approach of "assisting through consumption" and "supporting through purchasing".



Photo: Consumption assistance-purchase of agricultural and characteristic products

GREAT LOVE IN AVICHINA: GIVE BACK TO SOCIETY WITH RESPONSIBILITY

Industrial Assistance



The village-based assistance team of Lanzhou Aviation Electric led the villagers to plant more than 40 acres of sorghum and rapeseed, established a mulberry planting demonstration garden, expanded the scale of silkworm and mulberry breeding, and tried to carry out the Sanhuang chicken breeding project. Also, it promoted the Chinese bee breeding project, with an annual honey production of more than 1,500 kilograms and sales exceeding RMB150,000; villagers are helped to plant Chinese medicinal herbs such as epimedium and Sophora flavescens, and assisted in developing diversified industries to effectively increase farmers' income and enhance the sustainable development capacity of the countryside.

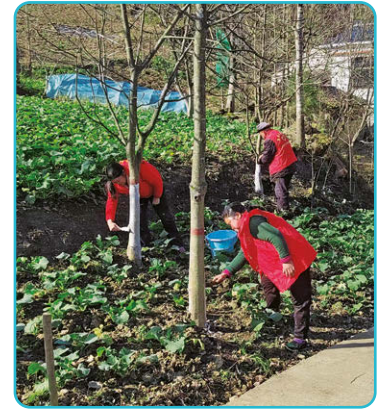


Photo: Conduct of the work of rural revitalization

Education Assistance

Changfeng Avionics donated 90 sets of tables and chairs to designated poverty alleviation schools, with a total value of RMB3,000, demonstrating its positive role in education support and social responsibilities.

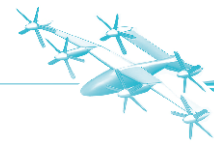
Medical Assistance



Changhe Aircraft endeavors to promote the popularization of medical resources, with health poverty alleviation activities carried out, such as free medical consultation, and professional medical teams dispatched to villages to provide free health examinations, consultations and treatment services, so as to enhance the health awareness of local residents and solve health problems caused by the lack of medical resources.



Photo: Free medical consultation in Guandong Village



GREAT LOVE IN AVICHINA: GIVE BACK TO SOCIETY WITH RESPONSIBILITY

6.2 EMERGENCY RESCUE OPERATIONS

The Group always adheres to its social responsibilities to safeguard the safety of people's lives and property. Faced with unexpected disasters, the Group actively responded to the emergency needs of local governments and enterprises by virtue of its product advantages and technical strength, and quickly organized forces to aid the disaster-stricken areas, demonstrating its sense of corporate responsibility.



Case Aid the forest fire, demonstrating emergency responsibilities



Photo: Commendation banner received by Chuanxi Machinery

In March 2024, a forest fire occurred in Baizi Village, Xiaola Town, Yajiang County, Ganzi Prefecture, Sichuan Province. Chuanxi Machinery paid close attention to the development of the disaster situation and responded quickly to the needs of the disaster-stricken areas, with RMB15,900 worth of firefighting resources urgently purchased and delivered to the disaster area as soon as possible to provide support for rescue work. After the disaster, the director of the Party Committee Office in Yajiang County and the Yajiang Working Team presented a flag of "Getting People out of Trouble and Difficulty with Dedication" to express their gratitude to Chuanxi Machinery for its active support and help in the post-disaster rescue work.



Case Earthquake relief, delivering Changhe Aircraft's great love

In June 2024, a 5.9-magnitude earthquake occurred in Nima County, Nagchu City, Tibet Autonomous Region. Changhe Aircraft dispatched a work team to Lhasa, Tibet immediately, and coordinated with Tibet General Aviation to send one AC311A helicopter to join the post-earthquake preparedness work in Nima County, Nagchu City. Changhe Aircraft dispatched its aircraft to make 4 flights for 4 hours during the whole disaster relief support operation.



Photo: AC311A helicopter assisting disaster-stricken areas in Tibet

GREAT LOVE IN AVICHINA: GIVE BACK TO SOCIETY WITH RESPONSIBILITY

6.3 DEDICATION TO CHARITY

The Group is deeply aware of its social responsibility and is committed to realizing the deep integration of its own values and social values, vigorously promoting public welfare undertakings and conveying warmth and love to the society. The subsidiaries continuously strengthened the institutionalization and regularization of the Lei Feng Volunteer Service, organized various forms of volunteer activities, promoted the volunteer spirit of dedication, fraternity, mutual assistance and progress, strengthened the sense of corporate social responsibility, and contributed to the promotion of social harmony and progress. In 2024, the Group's total investment in service for volunteer activities amounted to RMB793,800, with an accumulated total of 17,884.09 hours of volunteer activities.



Case

"Aviation Youth in Action" – building a youth volunteer program

SAEC registered 403 volunteers on sxy.wenming.cn, and categorized them into 7 specialized volunteer service teams (e.g., science lecturers, etiquette trainers, medical aid) based on expertise, which were managed in a dynamic manner. In 2024, SAEC organized 14 volunteer events in total, actively practicing social responsibility and promoting the spirit of volunteerism, while demonstrating its corporate commitment. Additionally, aligning with Shaanxi Province's "Advanced Unit for Cultural and Ethical Development" initiative, SAEC has carried out practical activities such as promoting civilized dining, civilized traffic, civilized internet use, civilized travel, and civilized etiquette, and has conducted over 20 volunteer service campaigns in total.



Case

Caring for the elderly and children – Harbin Aircraft's Wu Daguan Volunteer Service Team embodies the "Lei Feng" spirit

In 2024, Harbin Aircraft's Wu Daguan Volunteer Service Team conducted activities such as "Spring Lei Feng Campaign: Warmth for Nursing Homes," "Love Lights Up Smiles," and "Emulating Lei Feng in the Workplace," showcasing the values of "dedication, fraternity, mutual assistance and progress." These efforts highlighted the social responsibility of aviation enterprises and the positive image of youth in the aviation industry.



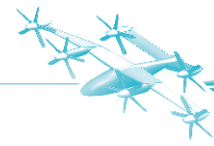
Photo: "Love Lights Up Smiles" volunteer activity



Photo: Heartwarming outreach event



Photo: "Emulating Lei Feng in the Workplace" volunteer activity



GREAT LOVE IN AVICHINA: GIVE BACK TO SOCIETY WITH RESPONSIBILITY

6.4 DISSEMINATION OF AVIATION CULTURE

The Group continued to deepen the construction of the aviation science popularization and education system and systematically promoted the enhancement of youth's scientific and technological literacy through "science popularization on campus". During the reporting period, the subsidiaries popularized cutting-edge knowledge of aviation science and technology among young people and promoted the dissemination of aviation culture and popularization of science and technology through a variety of forms such as lectures, scientific popularization exhibitions and practical experiences.



Case

Launching a number of science popularization activities to disseminate aviation culture in a fun and educational way

During the reporting period, Harbin Aircraft organized a number of aviation science popularization activities in schools, including "Aviation Science Popularization, Igniting Futures", "Aviation Science Popularization and Love for Fellowship", "Young Minds Reaching for the Skies, Creating Dreams of Flight", and "Science Popularization 'Flight' in Schools, School-Enterprise Partnership Cultivates Aerospace Dreams", through the interpretation of aviation theories, aircraft model assembly, paper airplane competition and other interesting interactive forms of fun which stimulate students' interest in aviation science and technology and enhance their scientific literacy.

Photo: "Young Minds Reaching for the Skies, Creating Dreams of Flight" aviation science popularization thematic activity



Photo: "Aviation Science Popularization, Igniting Futures" aviation science popularization event



Case

"Building Aviation Dreams Together – Science Outreach for the Future"

In order to further popularize aviation knowledge and enrich students' scientific and technological cultural life, Yibin Sanjiang organized an aviation science popularization activity in schools, which went into Yibin Sanjiang School and brought an immersive science popularization experience to more than 100 teachers and students of the third grade. Through the activities such as science lectures and airplane models assembly, the young people were interested in aviation knowledge and promoted for learning and exploration of aviation science and technology.

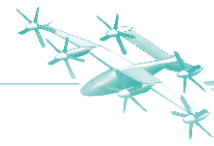


Photo: Yibin Sanjiang's science outreach event in schools

APPENDIX

LIST OF POLICIES AND REGULATIONS

ESG Dimension	Environmental
Major Laws, Regulations, Normative Documents, Policy Documents and Rules Complied with	<p><i>Environmental Protection Law of the People's Republic of China</i> (《中華人民共和國環境保護法》)</p> <p><i>Atmospheric Pollution Prevention and Control Law of the People's Republic of China</i> (《中華人民共和國大氣污染防治法》)</p> <p><i>Water Pollution Prevention and Control Law of the People's Republic of China</i> (《中華人民共和國水污染防治法》)</p> <p><i>Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste</i> (《中華人民共和國固體廢物污染環境防治法》)</p> <p><i>Directory of National Hazardous Wastes</i> (《國家危險廢物名錄》)</p> <p><i>PRC Law on Prevention and Control of Soil Pollution</i> (《中華人民共和國土壤污染防治法》)</p> <p><i>Law of the People's Republic of China on Prevention and Control of Pollution from Noise</i> (《中華人民共和國噪聲污染防治法》)</p> <p><i>Energy Conservation Law of the People's Republic of China</i> (《中華人民共和國節約能源法》)</p> <p><i>Law of the People's Republic of China on Appraising of Environmental Impacts</i> (《中華人民共和國環境影響評價法》)</p> <p><i>Regulations on Environmental Protection Management of Construction Projects</i> (《建設項目環境保護管理條例》)</p> <p><i>Regulations of the People's Republic of China on Natural Reserves</i> (《中華人民共和國自然保護區條例》)</p>
Group Policies and Systems	<p>Subsidiaries (enumerated) :</p> <p><i>Environmental Protection Management Standards</i> (《環境保護管理標準》)</p> <p><i>Energy Management System</i> (《能源管理制度》)</p> <p><i>Management System for Identification and Evaluation of Environmental Factors</i> (《環境因素識別、評價管理制度》)</p> <p><i>Management System for Pollution Sources Including Wastewater, Waste Gas, Noise and Soil</i> (《廢水、廢氣、噪聲和土壤等污染源管理制度》)</p> <p><i>Environmental Protection Management System for Construction Projects</i> (《建設項目環境保護管理制度》)</p> <p><i>Environmental Protection Equipment and Facilities Management System</i> (《環保設備設施管理制度》)</p> <p><i>Solid Waste Management System</i> (《固體廢物管理制度》)</p> <p><i>Hazardous Wastes Management System</i> (《危險廢物管理制度》)</p> <p><i>Environmental Monitoring Management System</i> (《環境監測管理制度》)</p> <p><i>Environmental Protection Supervision and Inspection System</i> (《環保監督檢查制度》)</p> <p><i>Environmental Protection Reward and Punishment System</i> (《環保獎懲制度》)</p> <p><i>Emergency Management System for Environmental Events</i> (《環境事件應急管理制度》)</p> <p><i>Environmental Protection Management System for Related Parties</i> (《相關方環保管理制度》)</p> <p><i>System for Investigation and Handling of Environmental Incidents and Disputes</i> (《環境事件和糾紛調查處理制度》)</p> <p><i>Environmental Protection Publicity, Education and Training System</i> (《環保宣傳教育培訓制度》)</p>

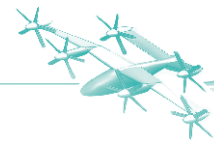


APPENDIX

ESG Dimension	Employment and Labor Standards
Major Laws, Regulations, Normative Documents, Policy Documents and Rules Complied with	<p><i>Labor Law of the People's Republic of China</i> (《中華人民共和國勞動法》)</p> <p><i>Labor Contract Law of the People's Republic of China</i> (《中華人民共和國勞動合同法》)</p> <p><i>Law of the People's Republic of China on Protection of Minors</i> (《中華人民共和國未成年人保護法》)</p> <p><i>PRC Social Insurance Law</i> (《中華人民共和國社會保險法》)</p> <p><i>Regulations on Paid Annual Leave for Employees</i> (《職工帶薪年休假條例》)</p> <p><i>Regulations of Insurance for Employment Injury</i> (《工傷保險條例》)</p>
Group Policies and Systems	<p>The Company :</p> <p><i>Interim Measures for the Administration of Labor Contracts of AviChina Industry & Technology Company Limited</i> (《中國航空科技工業股份有限公司勞動合同管理暫行辦法》)</p> <p><i>Interim Measures for the Administration of Employee Remuneration of AviChina Industry & Technology Company Limited</i> (《中國航空科技工業股份有限公司員工薪酬管理暫行辦法》)</p> <p><i>Measures for the Administration of Employee Performance Assessment of AviChina Industry & Technology Company Limited (for trial implementation)</i> (《中國航空科技工業股份有限公司員工績效考核管理辦法(試行)》)</p> <p><i>Interim Measures for the Administration of Supplementary Medical Insurance of AviChina Industry & Technology Company Limited</i> (《中國航空科技工業股份有限公司補充醫療保險暫行管理辦法》)</p> <p><i>Measures for Subsidizing Large Medical Expenses Borne by Individuals for Major Diseases of AviChina Industry & Technology Company Limited</i> (《中國航空科技工業股份有限公司關於重大疾病個人負擔大額醫療費用補助辦法》)</p> <p>Subsidiaries (enumerated) :</p> <p><i>Norms for the Management of Prohibition of Forced Labor</i> (《禁止強迫勞動管理規範》)</p> <p><i>Management Regulations on Prohibition of Employment of Child and Minors</i> (《禁止僱傭童工、青少年工管理規範》)</p> <p><i>Employee Recruitment and Position Management System</i> (《員工聘用及崗位管理制度》)</p> <p><i>Regulations on the Management of Proposals of the Congress of Workers and Staff</i> (《職工代表大會提案工作管理規定》)</p> <p><i>Implementing Measures for the Collective Contract by Equal Consultation</i> (《平等協商集體合同實施辦法》)</p> <p><i>System for the Disclosure of Factory Affairs</i> (《廠務公開制度》)</p> <p><i>Measures for the Management of Rationalized Suggestions</i> (《合理化建議管理辦法》)</p> <p><i>Salary Management Measures for the Company</i> (《公司薪酬管理辦法》)</p> <p><i>Measures for Total Wage Management</i> (《工資總額管理辦法》)</p> <p><i>Employee Performance Management Systems</i> (《員工績效管理制度》)</p> <p><i>Provisions on Management of Employee Performance Evaluation</i> (《員工績效考核管理規定》)</p> <p><i>Interim Management Measures for Enterprise Supplementary Medical Insurance</i> (《企業補充醫療保險暫行管理辦法》)</p> <p><i>Procedures for the Administration of Employee Housing Allowances and Settlement Fees</i> (《員工住房補貼和安家費管理程序》)</p> <p><i>Implementing Rules for Corporate Annuity</i> (《企業年金實施細則》)</p> <p><i>Administrative Measures for Employee Recuperation</i> (《職工療休養管理辦法》)</p>

APPENDIX

ESG Dimension	Health and Safety
Major Laws, Regulations, Normative Documents, Policy Documents and Rules Complied with	<p><i>Code of Occupational Disease Prevention of People's Republic of China</i> (《中華人民共和國職業病防治法》)</p> <p><i>National Plan for the Prevention and Control of Occupational Diseases (2021-2025)</i> (《國家職業病防治規劃(2021-2025年)》)</p> <p><i>Production Safety Law of the People's Republic of China</i> (《中華人民共和國安全生產法》)</p> <p><i>Fire Control Law of the People's Republic of China</i> (《中華人民共和國消防法》)</p> <p><i>Measures for the Administration of Contingency Plans for Work Safety Incidents</i> (《生產安全事故應急預案管理辦法》)</p>
Group Policies and Systems	<p>The Company:</p> <p><i>Emergency Response Plan for Fire Emergencies at the Headquarters of AviChina Industry & Technology Company Limited</i> (《中國航空科技工業股份有限公司總部突發火災事故應急預案》)</p> <p><i>Provisions on Emergency Management for Emergencies at the Headquarters of AviChina Industry & Technology Company Limited</i> (《中國航空科技工業股份有限公司總部突發事件應急管理規定》)</p> <p>Subsidiaries (enumerated) :</p> <p><i>Management System of Occupational Hazard Protection Equipment and Facilities</i> (《職業危害防護設備設施管理制度》)</p> <p><i>Occupational Hazard Post Allowance Management Rules</i> (《職業病危害崗位津貼管理制度》)</p> <p><i>Environmental and Occupational Health and Safety Management Manual</i> (《環境與職業健康安全手冊》)</p> <p><i>Management Regulations on Distribution of Labor Protective Equipment</i> (《勞動防護用品發放管理規定》)</p> <p><i>Measures for the Implementation of Employee Health Checking</i> (《員工健康查體實施辦法》)</p> <p><i>Safe Production and Environmental Protection Accountability System</i> (《安全生產與環境保護責任制》)</p> <p><i>Measures for Safety and Environmental Protection Assessment and Management</i> (《安全環保考核管理辦法》)</p> <p><i>Measures for Supervision and Administration of Production Safety</i> (《安全生產監督管理辦法》)</p> <p><i>Production Safety Accountability System for Company Personnel at All Levels</i> (《公司各級人員安全生產責任制度》)</p> <p><i>Dual Prevention Manual for Risk Grading and Control and Hidden Trouble Detection and Management</i> (《風險分級管控和隱患排查治理雙重預防手冊》)</p>

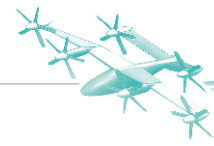


APPENDIX

ESG Dimension	Development and Training
Major Laws, Regulations, Normative Documents, Policy Documents and Rules Complied with	/
Group Policies and Systems	<p>The Company: <i>Management Measures for Staff Selection of AviChina Industry & Technology Company Limited</i> (《中國航空科技工業股份有限公司員工選用管理辦法》) <i>Implementation Rules for the Promotion of Management of AviChina Industry & Technology Company Limited</i> (《中國航空科技工業股份有限公司管理人員職級晉升實施細則》) <i>Training Management Measures of AviChina Industry & Technology Company Limited</i> (《中國航空科技工業股份有限公司培訓工作管理辦法》)</p> <p>Subsidiaries (enumerated): <i>Management Measures for Employee Education and Training</i> (《員工教育培訓管理辦法》) <i>Management Measures for Employee Education and Training Effectiveness Evaluation</i> (《員工教育培訓效果評價考核管理辦法》) <i>Company Training Management Measures</i> (《公司培訓管理辦法》) <i>Staff Training Management Measures</i> (《員工培訓管理辦法》) <i>Management Measures for Employee Employment Certificate</i> (《員工上崗證管理辦法》)</p>
ESG Dimension	Supply Chain Management
Major Laws, Regulations, Normative Documents, Policy Documents and Rules Complied with	<p><i>Civil Code of the People's Republic of China</i> (《中華人民共和國民法典》) <i>Tendering and Bidding Law of the People's Republic of China</i> (《中華人民共和國招標投標法》)</p>
Group Policies and Systems	<p>Subsidiaries (enumerated): <i>Procurement and Supply Management Manual</i> (《採購供應管理手冊》) <i>Regulations on Supplier Admittance Management</i> (《供應商准入管理規定》) <i>Regulations on the Evaluation and Management of Qualified Suppliers</i> (《合格供應商評價管理規定》) <i>Regulations on the Supervision and Management of Qualified Suppliers</i> (《合格供應商監督管理規定》) <i>Regulations on Supplier Exit Management</i> (《供應商退出管理規定》) <i>Qualified Suppliers List</i> (《合格供方名錄》) <i>Social Responsibility Audit Form</i> (《社會責任審核表》) <i>Part Supplier Cooperation Agreement</i> (《成件供方合作協議》)</p>

APPENDIX

ESG Dimension	Product Responsibility
Major Laws, Regulations, Normative Documents, Policy Documents and Rules Complied with	<p><i>Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》)</i></p> <p><i>Regulations on the Administration of Production Licenses of Industrial Products of the People's Republic of China (《中華人民共和國工業產品生產許可證管理條例》)</i></p> <p><i>Civil Aviation Law of the People's Republic of China (《中華人民共和國民用航空法》)</i></p>
Group Policies and Systems	<p><i>Subsidiaries (enumerated) :</i></p> <p><i>Quality Management System Requirements (《質量管理體系要求》)</i></p> <p><i>Quality Control in Production Process (《生產過程質量控制》)</i></p> <p><i>Production Quality Control and Management Procedures (《生產質量控制管理程序》)</i></p> <p><i>Process Inspection Management (《過程檢驗管理》)</i></p> <p><i>Quality Management System Assessment Method (《質量管理體系考核辦法》)</i></p> <p><i>After-sales Service Control Procedures (《售后服务控制程序》)</i></p> <p><i>Regulations on the Guarantee Management of Special Tasks (《專項任務保障管理規定》)</i></p> <p><i>Regulations on the Maintenance Management of Returned Products (《退廠產品維修管理規定》)</i></p> <p><i>Customer Satisfaction Control Procedure (《顧客滿意控制程序》)</i></p> <p><i>Outfield Information Management Process File (《外場信息管理流程文件》)</i></p> <p><i>On-site Troubleshooting Process File (《現場排故流程文件》)</i></p> <p><i>Accompanying Guarantee Process File (《伴隨保障流程文件》)</i></p> <p><i>Customer Satisfaction Evaluation and Analysis Management Measures (《顧客滿意度測評與分析管理辦法》)</i></p>

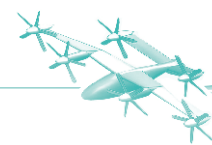


APPENDIX

ESG Dimension	Anti-corruption
Major Laws, Regulations, Normative Documents, Policy Documents and Rules Complied with	<p><i>Supervision Law of the People's Republic of China</i> (《中華人民共和國監察法》)</p> <p><i>Company Law of the People's Republic of China</i> (《中華人民共和國公司法》)</p> <p><i>Anti-Monopoly Law of the People's Republic of China</i> (《中華人民共和國反壟斷法》)</p> <p><i>Interim Provisions on Banning Commercial Bribery</i> (《關於禁止商業賄賂行為的暫行規定》)</p> <p><i>Anti-Unfair Competition Law of the People's Republic of China</i> (《中華人民共和國反不正當競爭法》)</p> <p><i>Anti-Money Laundering Law of the People's Republic of China</i> (《中華人民共和國反洗錢法》)</p> <p><i>Anti-Money Laundering and Counter-Terrorist Financing Ordinance of the Hong Kong Special Administrative Region</i> (香港特別行政區《打擊洗錢及恐怖分子資金籌集條例》)</p> <p><i>Corporate Governance Code of the Hong Kong Stock Exchange</i> (香港聯交所《企業管治守則》)</p>
Group Policies and Systems	<p>The Company :</p> <p><i>Guidelines for the Catalogue of Integrity Risk Prevention and Control of AviChina Industry & Technology Company Limited</i> (《中國航空科技工業股份有限公司廉潔風險防控目錄指引》)</p> <p><i>Implementation Rules for Integrity Construction and Anti-Corruption Interview Reminder Work of AviChina Industry & Technology Company Limited</i> (《中國航空科技工業股份有限公司廉政建設和反腐敗約談提醒工作實施細則》)</p> <p><i>Implementation Plan for Integrity Culture Development of AviChina Industry & Technology Company Limited</i> (《中國航空科技工業股份有限公司廉潔文化建設實施方案》)</p> <p>Subsidiaries (enumerated) :</p> <p><i>Code of Conduct for Employee Integrity Practices</i> (《員工廉潔從業行為守則》)</p> <p><i>Work Regulations of the Coordination Group for Integrity Construction and Anti-Corruption Work</i> (《廉政建設和反腐敗工作協調小組工作規定》)</p> <p><i>Implementation Rules for Integrity Construction and Anti-Corruption Interview Reminder Work</i> (《廉政建設和反腐敗約談提醒工作實施細則》)</p> <p><i>Regulations on Regular Job Rotation and Exchange of Company Personnel in Positions with High Integrity Risks</i> (《公司廉潔高風險崗位人員定期輪崗交流工作規定》)</p> <p><i>Work Manual for Prevention and Control of Integrity Risks of Informatization Construction</i> (《信息化建設領域廉潔風險防控工作手冊》)</p>

APPENDIX

ESG Dimension	Community Investment
Major Laws, Regulations, Normative Documents, Policy Documents and Rules Complied with	Charity Law of the People's Republic of China (《中華人民共和國慈善法》)
Group Policies and Systems	<p>The Company:</p> <p>Interim Measures for the Management of External Donations of AviChina Industry & Technology Company Limited (《中國航空科技工業股份有限公司對外捐贈管理暫行辦法》)</p> <p>Subsidiaries (enumerated):</p> <p>Management Ledger of Wu Daguan Youth Volunteer Service (《吳大觀青年志願者志願服務情況管理台賬》)</p>
ESG Dimension	Response to Climate Change
Major Laws, Regulations, Normative Documents, Policy Documents and Rules Complied with	<p>Opinions on the Complete and Accurate Implementation of the New Development Concept and Carbon Peaking and Carbon Neutrality Work (《關於完整準確全面貫徹新發展理念做好碳達峰碳中和工作的意見》)</p> <p>Action Plan to Achieve Carbon Peaking by 2030 (《2030年前碳達峰行動方案》)</p> <p>Opinions on Accelerating the Comprehensive Green Transformation of Economic and Social Development (《關於加快經濟社會發展全面綠色轉型的意見》)</p>
Group Policies and Systems	<p>The Company:</p> <p>"Carbon Peaking and Carbon Neutrality" Action Plan of AviChina Industry & Technology Company Limited (《中國航空科技工業股份有限公司「碳達峰碳中和」行動方案》)</p> <p>Subsidiaries (enumerated):</p> <p>Energy Conservation and Emission Reduction Management System (《節能減排管理制度》)</p> <p>Performance Assessment and Reward and Punishment Methods for Energy Conservation and Carbon Reduction of the Company (《公司節能降碳績效考核與獎懲辦法》)</p> <p>Statistical Analysis and Management Methods for Energy Consumption and Carbon Emissions (《能源消耗與碳排放統計分析管理辦法》)</p> <p>Implementation Plan for Carbon Emission Management Work of the Company (《公司碳排放管理工作實施方案》)</p>



ESG KPIs SUMMARY

ENVIRONMENTAL

Indicators	Unit	2022	2023	2024
Greenhouse Gas Emissions				
Greenhouse gas emissions (Scope 1)	Ten thousand tons of equivalent CO ₂ emissions	5.7	4.26	4.42
Greenhouse gas emissions (Scope 2)	Ten thousand tons of equivalent CO ₂ emissions	30.7	44.95	47.68
Total greenhouse gas emissions (Scope 1+Scope 2)	Ten thousand tons of equivalent CO ₂ emissions	36.4	49.21	52.10
Greenhouse gas Emissions Intensity	Tons of equivalent CO ₂ emissions per RMB10,000 revenue	0.06	0.058	0.06
Sewage Discharge and Exhaust Gas Emission				
Total emission of exhaust gas	Ten thousand standard cubic meters	794,645.4	1,739,809.0	1,452,296.19
Emission of SO ₂	Tons	18	2.95	1.87
Emission of NO _x	Tons	47	20.41	27.41
Total emission of soot	Tons	8	15.84	55.26
Total sewage discharge	Tons	2,830,084	4,177,152	4,349,418.44
Emission of COD	Tons	143	275	272.19
Amount of Hazardous Waste Generated				
Total hazardous waste	Tons	3,636	5,327	5,843.68
Disposal intensity of hazardous waste	Kg per RMB10,000 revenue	0.57	0.63	0.67
Amount of General Solid Waste Generated				
Total amount of general solid wastes ²	Tons	14,979	24,793	8,071.72
Disposal intensity of general solid wastes	Kg per RMB10,000 revenue	2.35	2.93	0.93
Total domestic waste	Tons	-	-	6,192.50

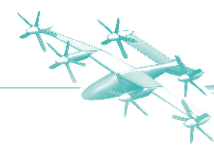
² In previous years, the total non-hazardous waste discharged covered the disposal of general solid waste and domestic waste. Non-hazardous waste was divided into total amount of general solid wastes and total domestic waste for separate statistical disclosure in the year.

ESG KPIs Summary

Indicators	Unit	2022	2023	2024
Packaging Material Use				
Total amount of packaging materials used ³	Tons	5,937	4,934.12	5,495.81
Intensity of use of packaging materials	Kg per RMB10,000 revenue	0.93	0.58	0.63
Energy Consumption				
Coal consumption	Tons	3,140	2	0
Gasoline consumption	Tons	707	1,038	1,225.59
Kerosene consumption	Tons	5,823	4,045	4,426.51
Diesel consumption	Tons	100	265	379.73
LNG consumption	Tons	-	-	6.42
Natural gas consumption	Ten thousand standard cubic meters	1,379	1,221	1,200.83
Electricity consumption	Ten thousand kWh	43,572	59,305	70,531.46
Outsourcing thermal power	Million kJ	529,671	1,011,961	894,138.47
Comprehensive energy consumption ⁴	Ten thousand tons of standard coal	10.2	13.3	13.66
Intensity of comprehensive energy consumption	Tons of standard coal per RMB10,000 revenue	0.02	0.016	0.016
Water Consumption				
Total water consumption	Tons	3,785,023	5,533,570	6,635,687.53
Water consumption intensity	Tons per RMB10,000 revenue	0.6	0.65	0.76

³ The categories of packaging materials used by the Group mainly include metals, plastics, composite materials and paper materials.

⁴ According to the national standards of the People's Republic of China *GB/T 2589-2020 General Principles of Comprehensive Energy Consumption Calculation*, the units of comprehensive energy consumption are usually: grams of standard coal equivalent (gce), kilograms of standard coal equivalent (kgce), tons of standard coal equivalent (tce), etc.; the units of comprehensive energy consumption per unit of output value are usually: kilograms of standard coal equivalent per RMB10,000 (kgce/RMB10,000), tons of standard coal equivalent per RMB10,000 (tce/RMB10,000), etc.



ESG KPIs Summary

SOCIAL

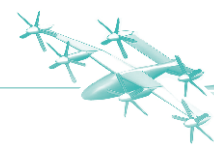
Indicators	Unit	2022	2023	2024
Employment				
Total number of employees	person	47,475	74,584	71,847
By gender				
Male employees	person	32,897	52,065	49,984
Female employees	person	14,578	22,519	21,863
By age				
30 and below	person	15,378	21,308	21,781
31-50	person	27,110	43,848	40,763
50 and above	person	4,987	9,428	9,309
By grade				
Senior management	person	223	279	283
Middle management	person	1,949	2,466	2,728
General employees	person	45,303	71,839	68,836
By region				
Chinese Mainland employees	person	47,403	74,507	71,733
Overseas and Hong Kong, Macau and Taiwan employees	person	72	77	114
Employee Turnover				
Employee turnover	person	-	2,037	2,145
Total turnover rate	%	-	3.97	2.99
By gender				
Male employees	%	5.9	3.91	3.04
Female employees	%	6.3	4.09	2.87

ESG KPIs Summary

Indicators	Unit	2022	2023	2024
By age				
30 and below	%	13.8	8.49	5.98
31-50	%	2.6	2.15	1.56
50 and above	%	0.9	2.17	2.25
By region				
Chinese Mainland employees	%	6.0	3.97	2.99
Overseas and Hong Kong, Macau and Taiwan employees	%	54.2	0	0
Employee Health and Safety				
Work-related fatalities ⁵	person	0	0	1
Lost hours due to work injury	hour	5,840	14,332	9,238
Employee Development and Training				
Percentage of trained employees	%	-	87.55	96.24
By grade				
Senior management	%	93	94.88	96.11
Middle management	%	98	93.40	95.93
General employees	%	95	87.32	96.25
By gender				
Male employees	%	96	87.13	96.07
Female employees	%	95	88.51	96.61
Average training hours of employees ⁶	hour	-	215.06	67.00

⁵ One work-related death occurred in 2024 when an employee of a subsidiary Yibin Sanjiang suddenly fell ill during a business trip. He passed away after emergency medical rescue. Yibin Sanjiang has appropriately handled relevant aftermath matters.

⁶ The statistical criterion of average training hours of employees is the sum of the training hours of employees of the Company and all subsidiaries divided by the total number of employees.



ESG KPIs Summary

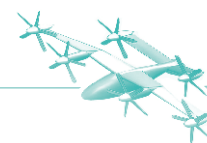
Indicators	Unit	2022	2023	2024
By grade				
Senior management	hour	58	121.58	135.84
Middle management	hour	46	101.52	85.13
General employees	hour	31	219.32	66.00
By gender				
Male employees	hour	32	203.13	65.39
Female employees	hour	30	242.64	70.69
Supplier Information				
Number of suppliers in Mainland China	/	9,076	11,521	15,206
Number of suppliers from overseas and Hong Kong, Macau and Taiwan	/	193	241	226
Product Quality				
Percentage of products to be recycled	%	-	1.25	0.90
Number of complaints on products and services	/	374	68	230
Number of complaints resolved on products and services	/	-	66	225
Technology Innovation				
Patent applications	/	1,923	2,879	2,416
Patents granted	/	1,174	1,748	1,665
Community Investment				
Number of service hours for volunteer activities	hour	55,436	52,598.53	17,884.09
Total investment in volunteer service activities	RMB10,000	82.47	192.80	79.38

ESG KPIs Summary

GOVERNANCE

Indicators	Unit	2022	2023	2024
Composition of Board of Directors				
Number of Directors	person	9	9	9
Executive Directors	person	2	2	2
Non-executive Directors	person	4	4	4
Independent non-executive Directors	person	3	3	3
Proportion of independent non-executive Directors	%	33.33	33.33	33.33
Anti-corruption ⁷				
Total hours of anti-corruption training	hour	-	139,633.00	140,944.22
Total hours of anti-corruption training for directors	hour	-	1,745.50	1,521.72
Total hours of anti-corruption training for employees	hour	28,047.50	137,887.50	139,422.50
Anti-corruption training coverage for directors	%	-	100	100
Anti-corruption training coverage for employees	%	93	95.5	96.80
Number of anti-corruption related litigations concluded	/	-	0	0

⁷ Anti-corruption training coverage for directors or anti-corruption training coverage for employees represents the average coverage rate of the Company and all subsidiaries; total hours of anti-corruption training for directors or total hours of anti-corruption training for employees is the sum of the training hours for the Company and all subsidiaries.



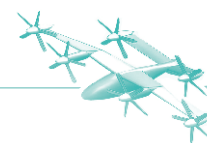
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CONTENT INDEX OF THE ENVIRONMENT, SOCIAL AND GOVERNANCE REPORTING GUIDE OF THE HONG KONG STOCK EXCHANGE

Content		Corresponding Disclosure Index
Mandatory Disclosure Requirements		
Governance Structure	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> (i) a disclosure of the board’s oversight of ESG issues; (ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritize and manage material ESG-related issues (including risks to the issuer’s businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses. 	<p>Sustainable Development Governance</p> <p>Sustainable Development Strategy</p> <p>Stakeholder Communication</p> <p>Assessment of Material Issues</p> <p>Sustainability-related Targets and Performance</p>
Reporting Principles	<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <p>Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement.</p> <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	About the Report
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About the Report

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Climate-related Disclosures			
	Governance	<p>19. Issuers shall disclose information on the following aspects:</p> <p>(a) the information of governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:</p> <p>(i) how the body(s) or individual(s) determines whether it currently or in the future has the appropriate skills and competencies to oversee the strategies to address climate-related risks and opportunities;</p> <p>(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;</p> <p>(iii) how the body(s) or individual(s) considers climate-related risks and opportunities in the process of overseeing the issuer's strategies, major transaction decisions and risk management procedures and related policies, including whether the body(s) or individual(s) has considered trade-offs related to such climate-related risks and opportunities;</p> <p>(iv) how the body(s) or individual(s) oversees the formulation of goals related to climate-related risks and opportunities and monitors progress towards achieving compliance (see paragraphs 37 to 40), including whether and how relevant performance indicators are incorporated into remuneration policies (see paragraph 35); and</p> <p>(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:</p> <p>(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and</p> <p>(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.</p>	Sustainable Development-Governance Response to Climate Change
Strategy	Climate-related risks and opportunities	<p>20. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:</p> <p>(a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;</p> <p>(b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;</p> <p>(c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and</p> <p>(d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.</p>	Response to Climate Change

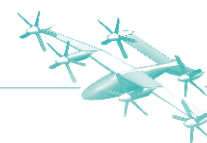


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Strategy	Business model and value chain	<p>21. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:</p> <p>(a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and</p> <p>(b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).</p>	Response to Climate Change
	Strategy and decision-making	<p>22. An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on the issuer's strategy and decision-making. Specifically, the issuer shall disclose:</p> <p>(a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:</p> <p>(i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;;</p> <p>(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect)</p> <p>(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan;</p> <p>(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and</p> <p>(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).</p> <p>23. Issuers shall disclose the progress of their plans in accordance with paragraph 22(a) during each previous reporting period.</p>	Response to Climate Change
	Financial position, financial performance and cash flows	<p>Current financial effect</p> <p>24. An issuer shall disclose qualitative and quantitative information about:</p> <p>(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and</p> <p>(b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.</p> <p>Anticipated financial effect</p> <p>25. The issuer shall provide qualitative and quantitative disclosures about:</p> <p>(a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:</p> <p>(i) its investment and disposal plans; and</p> <p>(ii) its planned sources of funding to implement its strategy; and</p> <p>(b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.</p>	Response to Climate Change

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Strategy	Climate resilience	<p>26. An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:</p> <p>(a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:</p> <p>(i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;</p> <p>(ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and</p> <p>(iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;</p> <p>(b) how and when the climate-related scenario analysis was carried out, including:</p> <p>(i) information about the inputs used, including:</p> <p>(1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;</p> <p>(2) whether the analysis included a diverse range of climate-related scenarios;</p> <p>(3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;</p> <p>(4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;</p> <p>(5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;</p> <p>(6) time horizons the issuer used in the analysis; and</p> <p>(7) what scope of operations the issuer used in the analysis (for example, the operation locations and business units used in the analysis);</p> <p>(ii) the key assumptions the issuer made in the analysis; and</p> <p>(iii) the reporting period in which the climate-related scenario analysis was carried out.</p>	Response to Climate Change
Risk Management		<p>27. An issuer shall disclose information about:</p> <p>(a) the processes and related policies it uses to identify, assess, prioritize and monitor climate-related risks, including information about:</p> <p>(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);</p> <p>(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;</p> <p>(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);</p> <p>(iv) whether and how the issuer prioritizes climate-related risks relative to other types of risks;</p> <p>(v) how the issuer monitors climate-related risks; and</p> <p>(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;</p> <p>(b) the processes the issuer uses to identify, assess, prioritize and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and</p> <p>(c) the extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into the issuer's overall risk management process.</p>	Response to Climate Change Assessment of Material Issues

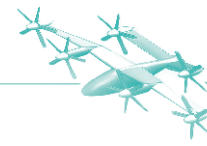


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Metrics and Targets	Greenhouse gas emissions	<p>28. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO₂ equivalent, classified as:</p> <ul style="list-style-type: none"> (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions. <p>29. An issuer shall:</p> <ul style="list-style-type: none"> (a) measure its greenhouse gas emissions in accordance with the <i>Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)</i> unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions; (b) disclose the approach it uses to measure its greenhouse gas emissions including: <ul style="list-style-type: none"> (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes; (c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and (d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the <i>Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)</i>. 	Response to Climate Change
	Climate-related transition risks	30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Response to Climate Change
	Climate-related physical risks	31. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Response to Climate Change
	Climate-related opportunities	32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Response to Climate Change
	Capital deployment	33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Response to Climate Change

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Metrics and Targets	Internal carbon prices	34. An issuer shall disclose: (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric ton of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	Response to Climate Change
	Remuneration	35. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	Response to Climate Change
	Industry-based metrics	36. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterize participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the <i>IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures</i> and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	Response to Climate Change
	Climate-related targets	37. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose: (a) the metric used to set the target; (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; and (h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target. 38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including: (a) whether the target and the methodology for setting the target has been validated by a third party; (b) the issuer's processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; and (d) any revisions to the target and an explanation for those revisions.	Response to Climate Change



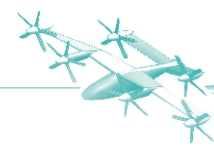
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Metrics and Targets	Climate-related targets	<p>39. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.</p> <p>40. For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:</p> <ul style="list-style-type: none"> (a) which greenhouse gases are covered by the target; (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; (d) whether the target was derived using a sectoral decarbonisation approach; and (e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose: <ul style="list-style-type: none"> (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset). 	Response to Climate Change
	Applicability of cross-sector indicators and industry indicators	<p>41. In preparing disclosures to comply with paragraphs 21 to 26 and 37 to 38, issuers should refer to and consider the applicability of (i) the cross-sectoral indicators (see paragraphs 28 to 35) and (ii) the industry indicators (see paragraph 36).</p>	Response to Climate Change

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"Comply or explain" Provisions

Subject Areas, Aspects, General Disclosures and KPIs			
A. Environmental			
Aspect A1: Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to exhaust air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.		Pollution and Waste Management List of Policies and Regulations
	KPI A1.1	The types of emissions and respective emissions data.	Pollution and Waste Management ESG KPIs Summary
	KPI A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
	KPI A1.4	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	
Aspect A2: Use of Resources	General Disclosure Policies on efficient use of resources including energy, water and other raw materials. Note: Resources may be used in production, storage, transportation, buildings, electronic equipment, etc.		Consumption of Resources List of Policies and Regulations
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Consumption of Resources ESG KPIs Summary
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	

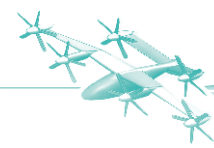


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Aspect A2: Use of Resources	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Consumption of Resources ESG KPIs Summary
	KPI A2.5	Total packaging material used for finished products (in tonnes) and if applicable, with reference to per unit produced.	
Aspect A3: The Environment and Natural Resources	General Disclosure Policies on minimizing the issuer's significant impacts on the environment and natural resources.		Low-carbon Prac- tices List of Policies and Regulations
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Low-carbon Prac- tices
B. Social			
Aspect B1: Employment	General Disclosure Information relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.		Employee Rights and Care List of Policies and Regulations
	KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employee Rights and Care ESG KPIs Summary
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	
Aspect B2: Health and Safety	General Disclosure Information relating to providing a safe working environment and protecting employees from occupational hazards: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.		Occupational Health and Safety List of Policies and Regulations
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Occupational Health and Safety ESG KPIs Summary
	KPI B2.2	Lost days due to work injury.	
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	

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Aspect B3: Development and Training	<p>General Disclosure</p> <p>Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.</p> <p>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</p>		Employee Training and Development List of Policies and Regulations
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Employee Training and Development ESG KPIs Summary
	KPI B3.2	The average training hours completed per employee by gender and employee category.	
Aspect B4: Labor Standards	<p>General Disclosure</p> <p>Information relating to preventing child and forced labor: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.</p>		Employee Rights and Care List of Policies and Regulations
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	Employee Rights and Care
	KPI B4.2	Description of steps taken to eliminate such violations when discovered.	
Aspect B5: Supply Chain Management	<p>General Disclosure</p> <p>Policies on managing environmental and social risks of the supply chain.</p>		Sustainable Supply Chain List of Policies and Regulations
	KPI B5.1	Number of suppliers by geographical region.	Sustainable Supply Chain ESG KPIs Summary
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	



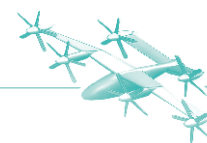
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Aspect B6: Product Responsibility	General Disclosure Information relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.		Product Quality and Safety List of Policies and Regulations
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Quality and Safety ESG KPIs Summary
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	
	KPI B6.4	Description of quality assurance process and recall procedures.	
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	
Aspect B7: Anti-corruption	General Disclosure Information relating to preventing bribery, extortion, fraud and money laundering: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.		Adherence to Business Ethics List of Policies and Regulations
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Adherence to Business Ethics ESG KPIs Summary
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	
	KPI B7.3	Description of anti-corruption training provided to directors and employees.	
Aspect B8: Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		Support to Rural Revitalization Emergency Rescue Operations Dedication to Charity Dissemination of Aviation Culture List of Policies and Regulations
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Support to Rural Revitalization Emergency Rescue Operations Dedication to Charity Dissemination of Aviation Culture ESG KPIs Summary
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	

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CONTENT INDEX OF GRI SUSTAINABILITY REPORTING STANDARDS (VERSION 2021)

No.	Contents	Section of disclosure
GRI 2: 2021 General Disclosures		
The Organization and its Reporting Practices		
2-1	Organizational details	About AviChina
2-2	Entities included in the organization’s sustainability reporting	About the Report
2-3	Reporting period, frequency and contact point	
2-4	Restatements of information	
2-5	External assurance	Not Include
Activities and Workers		
2-6	Activities, value chain and other business relationships	About AviChina
2-7	Employees	Employee Rights and Care
2-8	Workers who are not employees	
Governance		
2-9	Governance structure and composition	Corporate Governance
2-10	Nomination and selection of the highest governance body	
2-11	Chair of the highest governance body	
2-12	Role of the highest governance body in overseeing the management of impacts	
2-13	Delegation of responsibility for managing impacts	
2-14	Role of the highest governance body in sustainability reporting	Sustainable Development Governance
2-15	Conflicts of interest	Stakeholder Communication
2-16	Communication of critical concerns	
2-17	Collective knowledge of the highest governance body	Sustainable Development Strategy
2-18	Evaluation of the performance of the highest governance body	
2-19	Remuneration policies	Employee rights and care
2-20	Process to determine remuneration	
2-21	Annual total compensation ratio	Not Include

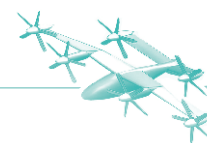


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Strategy, Policies and Practices		
2-22	Statement on sustainable development strategy	Sustainable Development Strategy
2-23	Policy commitments	Employee Rights and Care
2-24	Embedding policy commitments	
2-25	Processes to remediate negative impacts	Adherence to Business Ethics Product Quality and Safety Sustainable Supply Chain Response to Climate Change Pollution and Waste Management Occupational Health and Safety
2-26	Mechanisms for seeking advice and raising concerns	Stakeholder Communication Adherence to Business Ethics Employee Rights and Care
2-27	Compliance with laws and regulations	List of Policies and Regulations
2-28	Membership associations	Not Include
Stakeholder Engagement		
2-29	Approach to stakeholder engagement	Stakeholder Communication
2-30	Collective bargaining agreements	Employee Rights and Care
GRI 3: 2021 Material Topics		
3-1	Process to determine material topics	Assessment of Material Issues
3-2	List of material topics	
3-3	Management of material topics	
● GRI 201: 2016 Economic Performance		
G201-1	Direct economic value generated and distributed	Not Include
G201-2	Financial implications and other risks and opportunities due to climate change	Response to Climate Change
G201-3	Defined benefit plan obligations and other retirement plans	Employee Rights and Care
G201-4	Financial assistance received from government	Not Include

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● GRI202: 2016 Market Presence		
G202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Not Include
G202-2	Proportion of senior management hired from the local community	
● GRI 203: 2016 Indirect Economic Impacts		
G203-1	Infrastructure investments and services supported	Not Include
G203-2	Significant indirect economic impacts	Promoting the Development of Industry
● GRI 204: 2016 Procurement Practices		
G204-1	Proportion of spending on local suppliers	Not Include
● GRI 205: 2016 Anti-corruption		
G205-1	Operations assessed for risks related to corruption	Adherence to Business Ethics
G205-2	Communication and training about anti-corruption policies and procedures	
G205-3	Confirmed incidents of corruption and actions taken	
● GRI 206: 2016 Anti-competitive Behavior		
G206-1	Legal actions for anti-competitive behavior, anti-trust, and anti-monopoly practices	Adherence to Business Ethics
● GRI 207: 2019 Tax		
G207-1	Approach to tax	Not Include
G207-2	Tax governance, control, and risk management	
G207-3	Stakeholder engagement and management of concerns related to tax	
G207-4	Country-by-country reporting	
● GRI 301: 2016 Materials		
G301-1	Materials used by weight or volume	Pollution and Waste Management ESG KPIs Summary
G301-2	Recycled input materials used	
G301-3	Reclaimed products and their packaging materials	

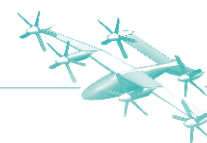


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● GRI 302: 2016 Energy		
G302-1	Energy consumption within the organization	Consumption of Resources ESG KPIs Summary
G302-2	Energy consumption outside the organization	
G302-3	Energy intensity	
G302-4	Reduction of energy consumption	
G302-5	Reductions in energy requirements of products and services	
● GRI 303: 2018 Water and Effluents		
G303-1	Interactions with water as a shared resource	Consumption of Resources ESG KPIs Summary
G303-2	Management of water discharge-related impacts	
G303-3	Water withdrawal	
G303-4	Water discharge	
G303-5	Water consumption	
● GRI 304: 2016 Biodiversity		
G304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not Include
G304-2	Significant impacts of activities, products, and services on biodiversity	Low-carbon Practices
G304-3	Habitats protected or restored	Not Include
G304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	
● GRI 305: 2016 Emissions		
G305-1	Direct (Scope 1) GHG emissions	Response to Climate Change ESG KPIs Summary
G305-2	Energy indirect (Scope 2) GHG emissions	
G305-3	Other indirect (Scope 3) GHG emissions	
G305-4	GHG emissions intensity	
G305-5	Reduction of GHG emissions	
G305-6	Emissions of ozone-depleting substances (ODS)	
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● GRI 306: 2020 Wastes		
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G306-2	Management of significant waste-related impacts	
G306-3	Waste generated	
G306-4	Waste diverted from disposal	
G306-5	Waste directed to disposal	
● GRI 308: 2016 Supplier Environmental Assessment		
G308-1	New suppliers that were screened using environmental criteria	Sustainable Supply Chain
G308-2	Negative environmental impacts in the supply chain and actions taken	
● GRI 401: 2016 Employment		
G401-1	New employee hires and employee turnover	ESG KPIs Summary
G401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Rights and Care
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● GRI 402: 2016 Labor/Management Relations		
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● GRI 403: 2018 Occupational Health and Safety		
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G403-3	Occupational health services	
G403-4	Worker participation, consultation, and communication on occupational health and safety	
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● GRI 404: 2016 Training and Education		
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G404-2	Programs for upgrading employee skills and transition assistance programs	
G404-3	Percentage of employees receiving regular performance and career development reviews	
● GRI 405: 2016 Diversity and Equal Opportunity		
G405-1	Diversity of governance bodies and employees	Employee Rights and Care
G405-2	Ratio of basic salary and remuneration of women to men	Not Include
● GRI 406: 2016 Non-discrimination		
G406-1	Incidents of discrimination and corrective actions taken	Employee Rights and Care
● GRI 407: 2016 Freedom of Association and Collective Bargaining		
G407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not Include
● GRI 408: 2016 Child Labor		
G408-1	Operations and suppliers at significant risk for incidents of child	Employee Rights and Care
● GRI 409: 2016 Forced or Compulsory Labor		
G409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Employee Rights and Care
● GRI 410: 2016 Security Practices		
G410-1	Security personnel trained in human rights policies or procedures	Not Include
● GRI 411: 2016 Rights of Indigenous Peoples		
G411-1	Incidents of violations involving rights of indigenous peoples	Not Include
● GRI 413: 2016 Local Communities		
G413-1	Operations with local community engagement, impact assessments, and development programs	Support to Rural Revitalization Emergency Rescue Operations
G413-2	Operations with significant actual and potential negative impacts on local communities	Dedication to Charity Dissemination of Aviation Culture

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● GRI 415: 2016 Public Policy		
G415-1	Political contributions	Not Include
● GRI 416: 2016 Customer Health and Safety		
G416-1	Assessment of the health and safety impacts of product and service categories	Product Quality and Safety
G416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	
● GRI 417: 2016 Marketing and Labeling		
G417-1	Requirements for product and service information and labeling	Product Quality and Safety
G417-2	Incidents of non-compliance concerning product and service information and labeling	
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● GRI 418: 2016 Customer Privacy		
G418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security and Responsibility