



2017



CORPORATE SOCIAL  
RESPONSIBILITY REPORT



CSR  
2017

# CONTENTS

## MESSAGE FROM THE MANAGEMENT 04

## COMPANY PROFILE 06

- Brief introduction
- Management structure
- Organization structure
- Mission & vision
- Annual key indicators
- Honors & accolades
- Enhancement of brand image

## CLEAN OPERATION 16

- Board of directors
- Board of supervisors
- Risk prevention & control
- Governance over the party

## AVIATION HUB CONSTRUCTION 24

- Route network
- Pudong International Airport
- Hongqiao International Airport
- Airlines with scheduled flights
- 144-hour T2VOV policy
- Transfer capability
- Business express
- Capability to serve the Yangtze River Delta
- Planning revision for PVG
- Cargo hub function
- Airport facilities



## 40 OPERATIONAL EXCELLENCE

- Safe operation & management
- Operation quality
- Emergency handling
- Major event guarantee
- Service quality

## 50 OPERATING PERFORMANCE

- Financial performance
- Business operation
- Key projects

## 56 ECOLOGICAL AIRPORT

- Overall energy consumption
- Green transport
- Energy conservation & emission reduction
- Comprehensive smoking control
- Garden airport

## 62 EMPLOYEE DEVELOPMENT

- Competence improvement
- Self-rectification
- Employee care
- Cultural and sports activities

## 70 HARMONIOUS & MUTUAL DEVELOPMENT

- Joint construction & governance of Shanghai Airport Community
- Strategic cooperation
- Volunteer service & programs
- New media promotion



## MESSAGE FROM THE MANAGEMENT

2017 marked an important year of high-quality development in Shanghai Airport Authority's history, with 760,400 aircraft movements throughout the year. Shanghai Pudong International Airport and Hongqiao International Airport operated by SAA, handled 111.9 million passengers and 4.23 million tons of freight in total. As of 2017, the two airports had hosted 110 airlines serving more than 297 destinations across the world including 133 overseas. Pudong International Airport retained its leading role as an international aviation hub for both passenger and cargo traffic. Its cargo throughput in 2017, ranked it the third-busiest airport in the world for the tenth consecutive year while the passengers it served over the period placed it the ninth-busiest airport globally. SAA is exerting an increasingly important role as a key point in the world-level air hub network.

Pudong Airport and Hongqiao Airport reached the 18th and 30th security year respectively in 2017, during which the two airports accomplished many significant tasks including first flight of C919 domestically-made large aircraft, G20 Summit, BRICS Summit as well as transferring the compatriots trapped in the Caribbean Sea. Under the premise of ensuring safety, SAA seized the opportunity of Yangtze River Delta region being selected as a pilot area for airspace fine management reform and took an active part in the reform with vigorous efforts and multiple measures. With the joint efforts of all relevant units including the Shanghai municipal government, the military, and the civil aviation authorities, Pudong Airport and Hongqiao Airport's flight takeoff normality rate reached 67.91% and 75.04% respectively in 2017, making a great improvement than the previous year.

To meet the continuously increasing market demand, the two airports' expansion forged ahead in a

steady manner in 2017, with more than 10 projects under construction concurrently throughout the year. Construction on the satellite concourse facility in Pudong Airport progressed rapidly and is expected to be completed in 2019 as scheduled. Hongqiao Airport's T1 Building A and the transportation center in front of it were put into use due on March 26, 2017. The renovations on Building A won the first prize of Green Solutions Award at the 23rd Conference of the Parties of UN Framework Convention on Climate Change (COP23) in 2017.

In 2017, SAA beefed up efforts in enhancing service experiences for passengers by launching distinctive services and exploring new technology applications. Pudong Airport pioneered the set-up of a green channel for air-land coordinated rescue and a program entitled 'Baggage Ambassador' to better help passengers to identify and pick up luggage while its expedited security check service had covered all domestic flights. Meanwhile, Hongqiao Airport launched China's first parking lot characterized with automatic payment and provided featured services such as establishing a check-in zone for high-profile passengers so as to build a new image of SAA as an air service provider.

In the new era of building socialism with Chinese characteristics, SAA is keeping to improve on-time performance, ensure the safety, deliver service excellence and endeavor to build safer, smarter and more efficient airports, allowing passengers to enjoy better travel experiences at Shanghai airports.

SAA shall commit to helping Shanghai embark on a new journey of its air hub construction, providing the best air service guarantee for building the city itself into an excellent global metropolis.



## BRIEF INTRODUCTION

Shanghai Airport Authority (SAA), committed to the city's vision of 'one city, two airports', is a solely State-owned enterprise founded by the CPC Shanghai Municipal Committee and Shanghai municipal government on May 28, 1998. With a registered capital of RMB14.5 billion, it is responsible for the operation and management of Pudong and Hongqiao international airports.

SAA's business scope includes, but is not limited to the following: airport construction, operation and management, ground services related to domestic and international air transport, some aspects of international and domestic trade, external technical cooperation and consulting services, supply chain management and third-party logistics (except transportation), real estate development, industrial investment (except equity investment and its management), and property management.

# 01 COMPANY PROFILE





## MANAGEMENT STRUCTURE

### Wu Jianrong

Chairman, Deputy Secretary of the Party Committee

### Zhang Xuebin

Secretary of the Party Committee, Director

### Feng Xin

President, Deputy Secretary of the Party Committee, Director

### Si Fumin

Chairman of the Board of Supervisors

### Jia Ruijun

Vice President, Member of the Party Committee

### Wang Jijie

Vice President, Member of the Party Committee

### Dai Xiaojian

Vice President, Member of the Party Committee

### Zhou Junlong

Secretary of the Discipline Inspection Committee, Member of the Party Committee, Vice Chairman of the Board of Supervisors

### Liu Wujun

Chief Engineer, Member of the Party Committee

### Zhang Yongdong

Chairman of Labor Union, Employee Director, Member of the Party Committee

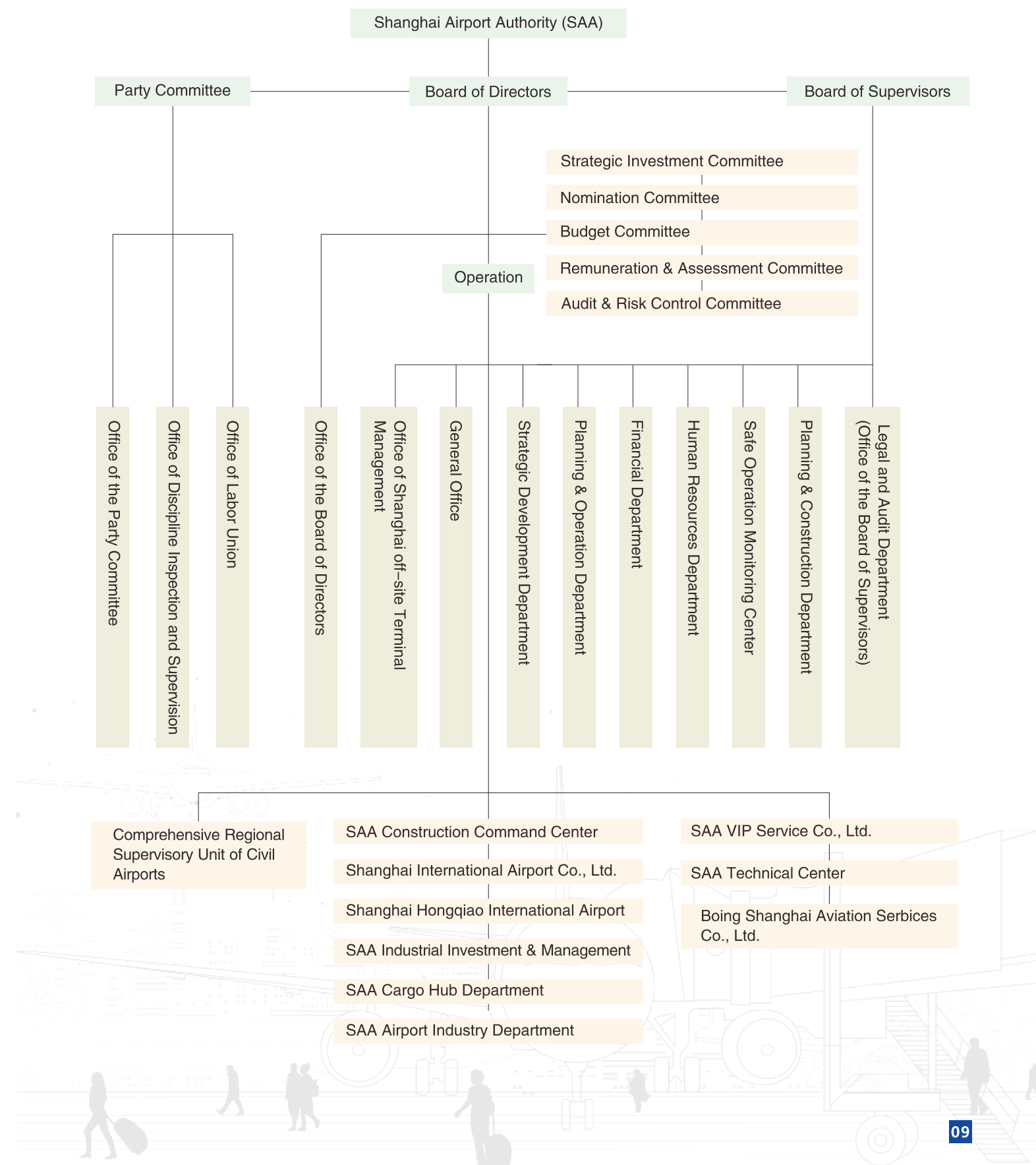
### Xin Shujun

CFO



The CPC Shanghai Municipal Committee and Shanghai municipal government appointed Wu Jianrong as chairman and deputy secretary of the party committee of SAA on April 7, 2017, and later appointed Feng Xin as president, deputy secretary of the party and director SAA on August 17, 2017. SASAC (State-owned Assets Supervision and Administration Commission of the State Council) of Shanghai appointed Zhou Junlong, secretary of the company's discipline inspection committee, as vice chairman of the Board of Supervisors on November 22, 2017. With joint efforts of all parties, the company's leadership transition went on in a smooth and orderly way.

## ORGANIZATION STRUCTURE



Subsidiaries in which SAA is a majority shareholder:


| No. | Name   | Equity ratio (%) | Registered capital (RMB10,000) | Main businesses  |
|-----|--|------------------|--------------------------------|--|
| 1   | SAA Airport Industry Investment & Development Co., Ltd.                | 100%             | 100000                         | Investment and its management, real estate development, property management  |
| 2   | SAA Industrial Investment Co., Ltd.                                    | 100%             | 20000                          | Asset operation and management   |
| 3   | SAA VIP Service Co., Ltd.  | 70%              | 2000                           | VIP service  |
| 4   | SAA City Terminal Management Co., Ltd.                                 | 70%              | 500                            | Ground service related to domestic and international air transport   |
| 5   | Shanghai Civil Aviation Property Co., Ltd.                             | 65%              | 14182.48                       | Real estate development, hotel operation and management, property management   |
| 6   | Shanghai International Airport Co., Ltd.                               | 53.25%           | 192695.84                      | Airport ground services guarantee, operation sites lease, advertising, and other businesses related to air transport |
| 7   | SAA Aviation Fuel Co., Ltd.  | 51%              | 30000                          | Fuel storage and transport   |
| 8   | Shanghai Hawker Pacific Business Aviation Service Center               | 51%              | 12000                          | Operation of corporate aircraft bases  |
| 9   | Shanghai Hong Kong Airport Management (Shanghai) Co., Ltd.             | 51%              | 10000                          | Airport management   |
| 10  | Shanghai Pudong International Airport Cargo Terminal Co., Ltd. (PACTL) | 51%              | 31161                          | Importing and exporting cargo and mail services  |

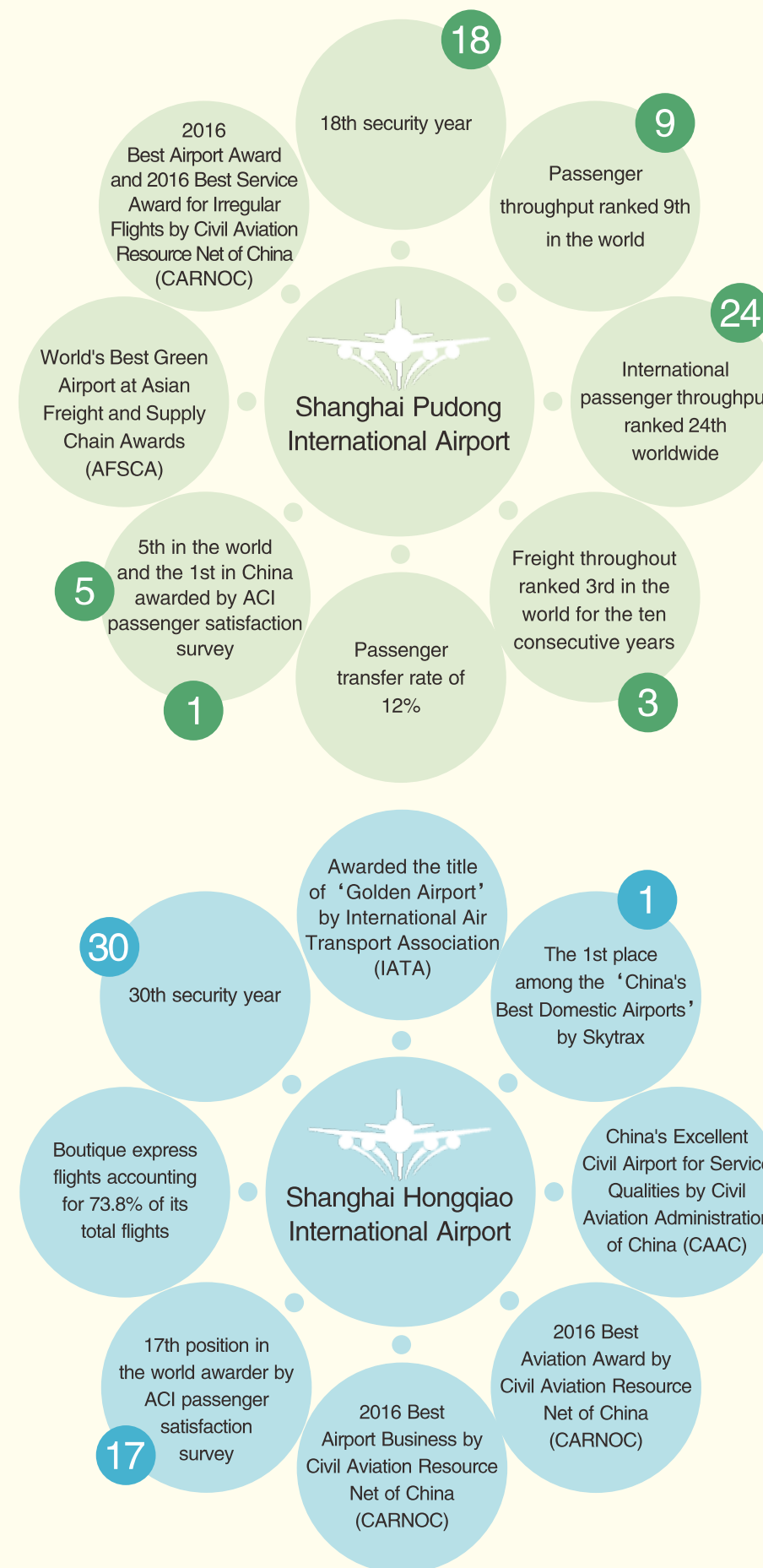
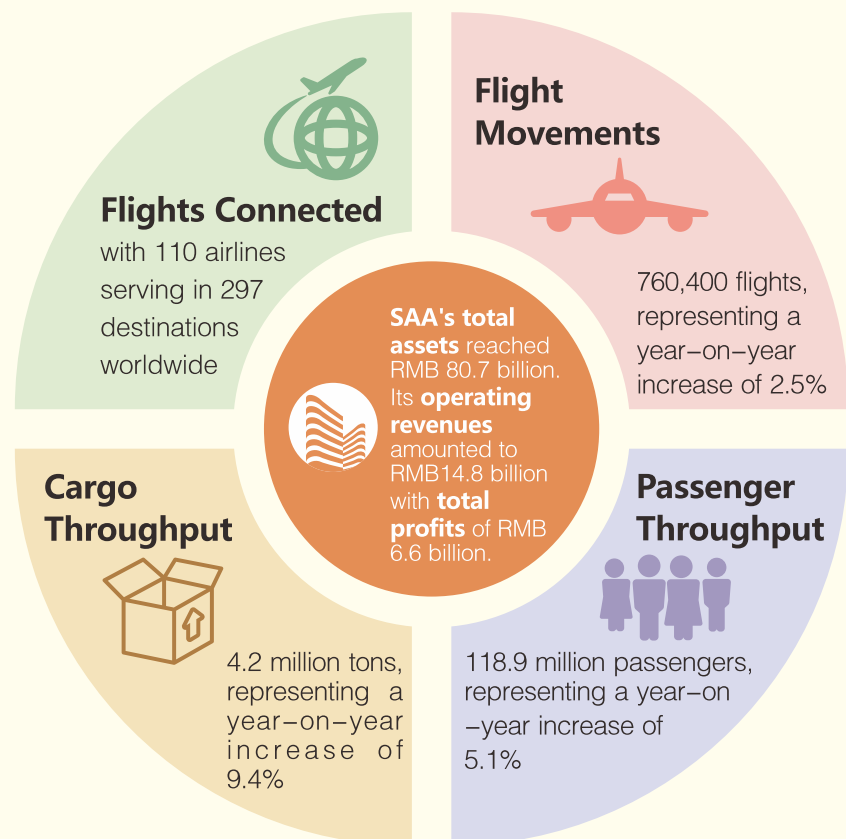
MISSION & VISION





## ANNUAL KEY INDICATORS

 We build, operate and manage two super-large international aviation hubs in 2017.



## HONORS & ACCOLADES

- 🏆 SAA official microblog (saamedia) was awarded as the Top Ten Official Microblog Accounts of Shanghai in 2017.
- 🏆 Shanghai International Airport Co. Ltd won 2017 Global Performance Excellence Award, making it the nation's first large-scale service enterprise to win the award.
- 🏆 Shanghai International Airport Co. Ltd was conferred the title of 'Shanghai Demonstration Base for Corporate Culture Construction'.
- 🏆 Shanghai International Airport Co. Ltd was listed among the top ten corporate brands with innovative culture in Shanghai.
- 🏆 Hongqiao International Airport Co. Ltd won National Internet plus Government Services Innovation Award.
- 🏆 Hongqiao International Airport Co. Ltd won the golden award in '2016 Green Renovations Evaluation of Existed Shanghai Architectures'.
- 🏆 Hongqiao International Airport Party Committee was honored as 2017 Shanghai Red Flag Party Committee.
- 🏆 SAA, Hongqiao International Airport, Command Center, VIP Service, and Shanghai Hong Kong Airport Management were listed into the 18th batch of Shanghai Civilized Units.
- 🏆 Ground Service Company's Hongqiao operation department was honored as an excellent unit in the 'Ankang Cup' national competition.
- 🏆 Party branch of the Mechanical and Electrical Maintenance Division of SAA Mechanical and Electrical Information Guarantee Department was honored as 2017 Shanghai's demonstration site of Party branch construction.
- 🏆 Party branch of the Passenger Inspection Subdivision of Hongqiao Airport Safety Inspection Guarantee Division was honored as 2017 Shanghai's demonstration site of Party branch construction.



## ENHANCEMENT OF BRAND IMAGE

The upgraded brand - new SAA official website was launched on October 27, together with its computer version, mobile version and tablet version, to meet the different surfing needs of passengers and to improve the image of SAA as a public service provider.

The new website takes on a clear panoramic layout in its page design, with different color blocks representing each column related to passengers' travel on the home page, such as flight search, passenger service, airport transportation and airport guide, etc. Meanwhile, a link towards the airport service information that passengers are most concerned about is also put on the home page so that passengers may check it easily with just one click. In addition, the new website optimizes the existed 'Airport Group' column, sets up an independent section for it on the home page, and highlights such columns as 'Corporate Social Responsibility', 'Bidding Information', 'Talent Recruitment' and 'Airport Services' for users to take a quick view.







CO<sub>2</sub>

CLEAN  
OPERATION



## BOARD OF DIRECTORS

2017 is a year when SAA made great advances in the 13th Five-Year Plan (2016-2020) period and it is also a year when the new leadership forged ahead with determination and pressure.

In the past year, the SAA Board of Directors carried out the work arrangements and requirements made by the CPC Shanghai Municipal Committee, Shanghai municipal government, and the SASAC Shanghai. It unswervingly implemented the long-term guideline of ‘strengthening functions, making up for deficiencies and improving quality’ and made great efforts to ensure that the company’s operations and reform progressed in a steady and orderly manner. The SAA Board of Directors accomplished all the tasks set at the beginning of the year, met the State capital preservation and appreciation targets set by SASAC Shanghai, and made new progress on all fronts, laying a solid foundation for SAA’s follow-up development in the 13th Five-Year Plan (2016-2020) period.



Position of board members in special committees:

| Post   | Director       | Strategic Investment Committee | Nomination Committee | Budget Committee | Remuneration & Assessment Committee | Audit & Risk Control Committee |
|--|----------------|--------------------------------|----------------------|------------------|-------------------------------------|--------------------------------|
| Chairman & Deputy Secretary of Party Committee                         | Wu Jianrong    | Director                       |                      |                  |                                     |                                |
| Secretary of Party Committee & Director                                | Zhang Xuebing  |                                | Director             |                  |                                     |                                |
| President, Deputy Secretary of Party Committee & Director              | Feng Xin       |                                |                      | Director         |                                     |                                |
| Chairman of Labor Union, Employee Director & Member of Party Committee | Zhang Yongdong | Member                         |                      |                  |                                     |                                |
| External Director  | Chen Wei       |                                | Member               |                  | Member                              |                                |
| External Director  | Lu Haihu       | Member                         |                      | Member           | Member                              | Director                       |
| External Director  | Hu Honggao     | Member                         | Member               |                  |                                     | Member                         |
| External Director  | Yu Haoquan     | Member                         |                      | Member           | Director                            | Member                         |

Number of meetings held by Board of Directors and special committees, number of items discussed and debriefed:

| Board of Directors |                      |                 |                 | Special committees |                 |                 |
|--------------------|----------------------|-----------------|-----------------|--------------------|-----------------|-----------------|
| Regular meetings   | Unscheduled meetings | Items discussed | Items debriefed | Meetings           | Items discussed | Items debriefed |
| 4                  | 7                    | 35              | 10              | 12                 | 22              | 2               |



### Shanghai government leaders inspect airports renovation and expansion



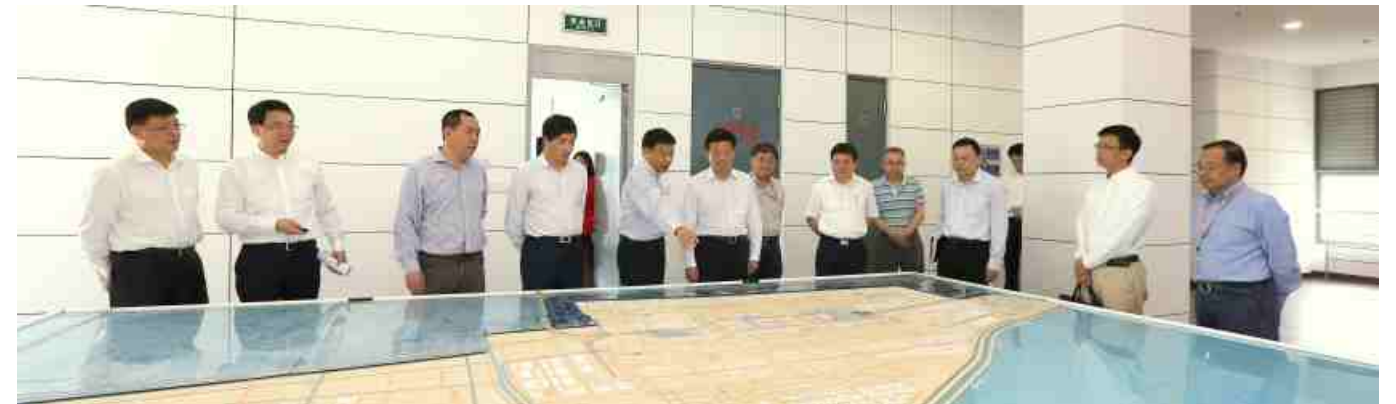
Chen Yin, deputy mayor of Shanghai, inspected Shanghai Hongqiao International Airport during the Spring Festival period on January 13, 2017. He scrutinized the airport's security check facilities and command center, listened to reports on the airport's preparations for the Spring Festival travel peak, and visited the police officers and personnel on duty. The visit was accompanied by Li Derun, the chairman of SAA, Jing Yiming, the president of SAA, and Wang Jijie, the vice-president of SAA.



Chen Yin, deputy mayor of Shanghai and Feng Zhenglin, director of CAAC, inspected the Building A of T1 at Shanghai Hongqiao International Airport on April 13 and 27, 2017. They affirmed the renovation progress on Hongqiao International Airports eastern area and highly acclaimed the high-quality renovation work that had been done while the facilities were still under operations. They also highly appreciated the improvement on operation efficiency, service quality and cultural connotations brought by the renovated buildings.



Wang Zhiqing, deputy director of CAAC, Liu Feng, director of the Transportation Services Department of the Ministry of Transport and Chen Xiangyang, deputy director of the Management Office of Air Traffic Control Industry, investigated Shanghai Pudong International Airport on May 19, 2017. Wang said that with the rapid growth of civil aviation industry, flight punctuality has increasingly become a major concern for both passengers and the society, urging that Pudong Airport, as the most important aviation hub, must do its utmost to guarantee the normal operations of flights.



Shi Guanghui, deputy mayor of Shanghai, and Huang Rong, deputy secretary general of Shanghai, inspected Shanghai Pudong International Airport on June 28, 2017. Shi fully recognized the two airport's efforts and achievements in throughput growth including passenger and cargo business over the past few years. He also required the airports to devote more attention to the optimization of three key factors for an aviation hub construction - safe production, flight punctuality and service - while they are also the three factors ensuring the throughput increase.



Han Zheng, Party secretary of the CPC Shanghai Municipal Committee and member of the Standing Committee of the Political Bureau of the CPC Central Committee, said during his visit to SAA on September 6, 2017 that the aviation hub was a concentrated reflection of the core competitiveness of Shanghai as an international aviation hub, and an important manifestation of Shanghai's strategies of serving the Yangtze River Delta region and the country. He emphasized Pudong and Hongqiao airports, as two large aviation service platforms, must adhere to the safety baseline and continuously committed to the improvement on flight punctuality rate, passenger satisfaction as well as services for the airlines. The concerted efforts from all parties were also required by him to create a safer, more convenient and efficient aviation hub.





## BOARD OF SUPERVISORS

In 2017, the SAA Board of Supervisors followed the requirements of Responsibility Directory for Chairman of External Board of Supervisors and members of Board of Supervisors of State-owned Enterprises under the Management of Shanghai Municipal Government, focused on the group's main work of 'enhancing functions, making up for weakness and improving quality' to strengthen its self-constructions and reinforce its supervisory duties, and to further improve the Board's capabilities in effective supervision.

**Focus on key responsibilities and improve supervision efficiency.** Close attention was paid to institutional construction and workflow setting. The internal control system was further promoted in the fields of security and operation in accordance with the SAA's business features; while the tracking and supervision of audit rectification were strengthened to better the system and its enforcement.

**Strengthen organizational construction and improve supervisory capabilities.** The SAA Board of Supervisors further identified the distribution of responsibility and duties among supervisors, enhanced coordination and collaboration, and improved the supervisory capabilities by giving full play to the independence and objectivity of the external and internal Board of Supervisors and its familiarity with the characteristics of enterprises.

## RISK PREVENTION & CONTROL

**Adhere to problem-oriented principles and revise Internal Control Manual.** SAA formulated the Rules of Maintenance for SAA 'Internal Control Manual' and carried out the first revival on the manual within the group. It involved a total of 68 workflows and revised 924 items of various types, with the manual's practicality further improved.

**Sort out risk lists and formulate plans to accelerate internal control.** According to the requirements of the SASAC Shanghai, the company's rules and regulations, and Internal Control Manual, SAA sorted out the company's risk control lists and formulated plans to accelerate the construction of the company's internal control system. Adhering to problem-oriented principles, it grasped crucial areas and key links, advanced the system, and further clarified the company's objectives and routes of internal control construction.

**Consolidate closed-loop management and conduct in-depth internal control evaluation.** In 2017, the internal control evaluation focused on the safe operation of relevant workflows and the rectification of discovered problems, covering the internal control processes of all units of the company and discovered a total of 60 common defects. Meanwhile, it inspected the rectification of the 68 problems identified in the previous year, 88 percent of which had been corrected. The conduct of the

internal control evaluation and linking the evaluation results with performance assessment promoted units at all levels to take the initiative to discover problems and perfect the internal control system, thus realizing the closed-loop internal management.

## EXERCISING FULL AND RIGOROUS GOVERNANCE OVER THE PARTY

**Intensify entity responsibility and supervise responsibility implementation.** SAA pressed ahead with the application of accountability system in promoting the Party style building and clean governance. A system specifying the responsibilities of the Party committee, the discipline inspection commissions, secretary of the Party committee as well as other members, had been formulated in the company. Conferences were also convened on a regular basis in SAA, with the focuses on anti-corruption and integrity upholding. Party cadres were urged to sign liability agreements to conduct strict self-governance, and its Party committee regularly listened to the reports of discipline inspection committees. The secretaries from the SAA's directly affiliated units were entitled with the rights to carry assessment and hold accountabilities on Party members.

Carry out in-depth education on anti-corruption, integrity and

strengthen the construction of a corruption prevention control system. SAA strictly adhered to the eight-point austerity rules by the Party Central Committee, and launched one-month-long educational activity to promote integrity culture within the company. It compiled and distributed the Collections of Learning Materials for Party Members and Cadres for warning education; it intensified its functional supervision, created a multi-party supervisory mechanism, allowing the discipline inspection committees to supervise the functional supervision. SAA also strengthened the supervision and management on procurement and bidding by perfecting its management system. It supervised the effective operations of its procurement platform and while ensuring its openness and transparency.

**Promote in-depth corporate inspections, special supervisions and efficiency supervisions.** SAA set up a leading group of inspection, and formulated the enforcement guidelines on inspections within the company as well as the rules of procedures for the inspection group. In the past year, the group carried out eight inspection tours in total and seriously dealt with the discovered problems. The units are able to rectify the problems after being informed of. Its discipline inspection committee coordinated with relevant functional departments and launched special supervisions on security checks, operational collaboration platforms as well as the procedures of procurement, bidding and management. It also actively promoted supervision on work efficiencies and pushed forward the transition of working conduct among cadre teams.



03 AVIATION HUB  
CONSTRUCTION



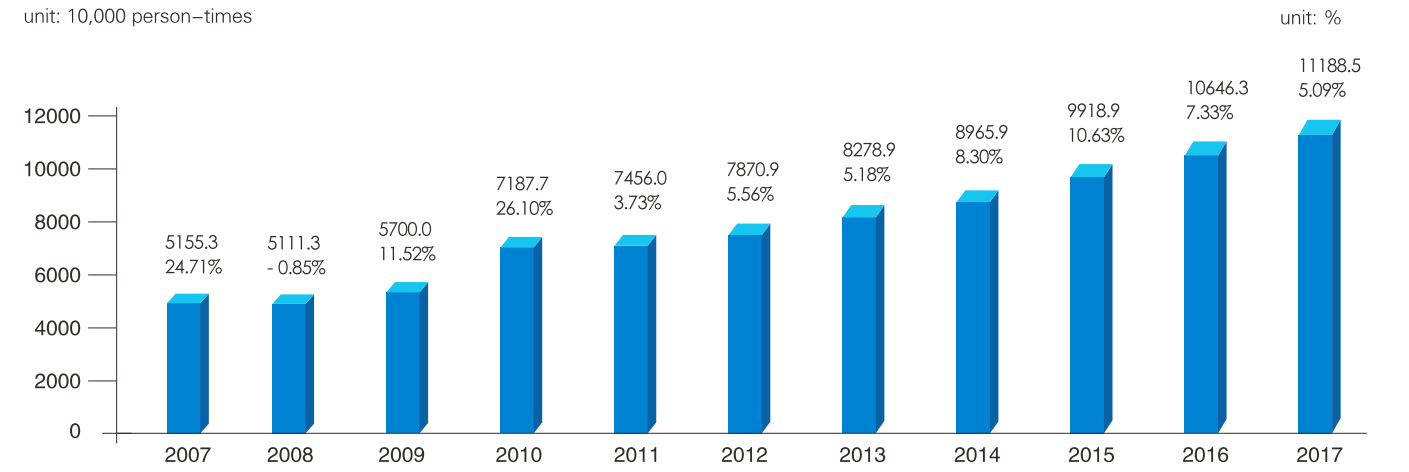




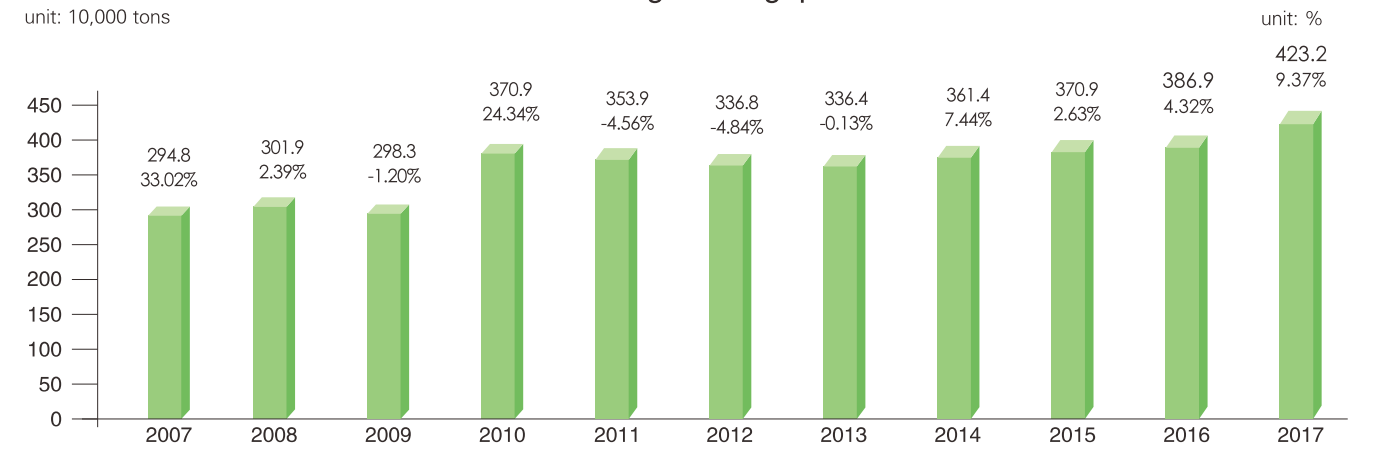
Thanks to the leadership of the CPC Shanghai Municipal Committee and Shanghai municipal government, and the strong support of industry authorities as well as the cooperation of airport-stationed units in Shanghai, Shanghai airports's passenger throughput reached 118.9 million in 2017, ranking it the fourth city across the world, following London, New York and Tokyo.



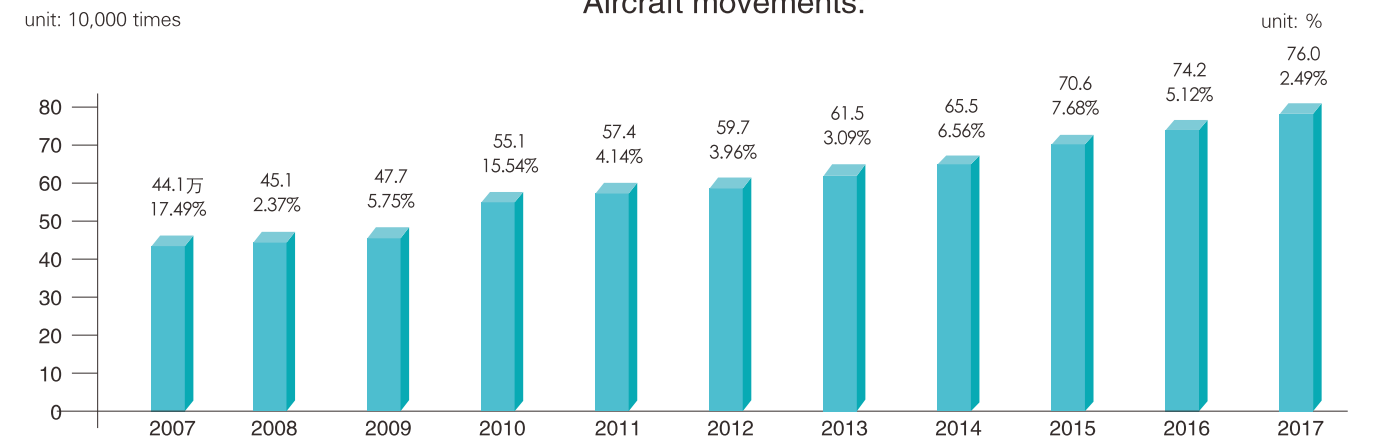
Passenger throughput:



Cargo throughput:



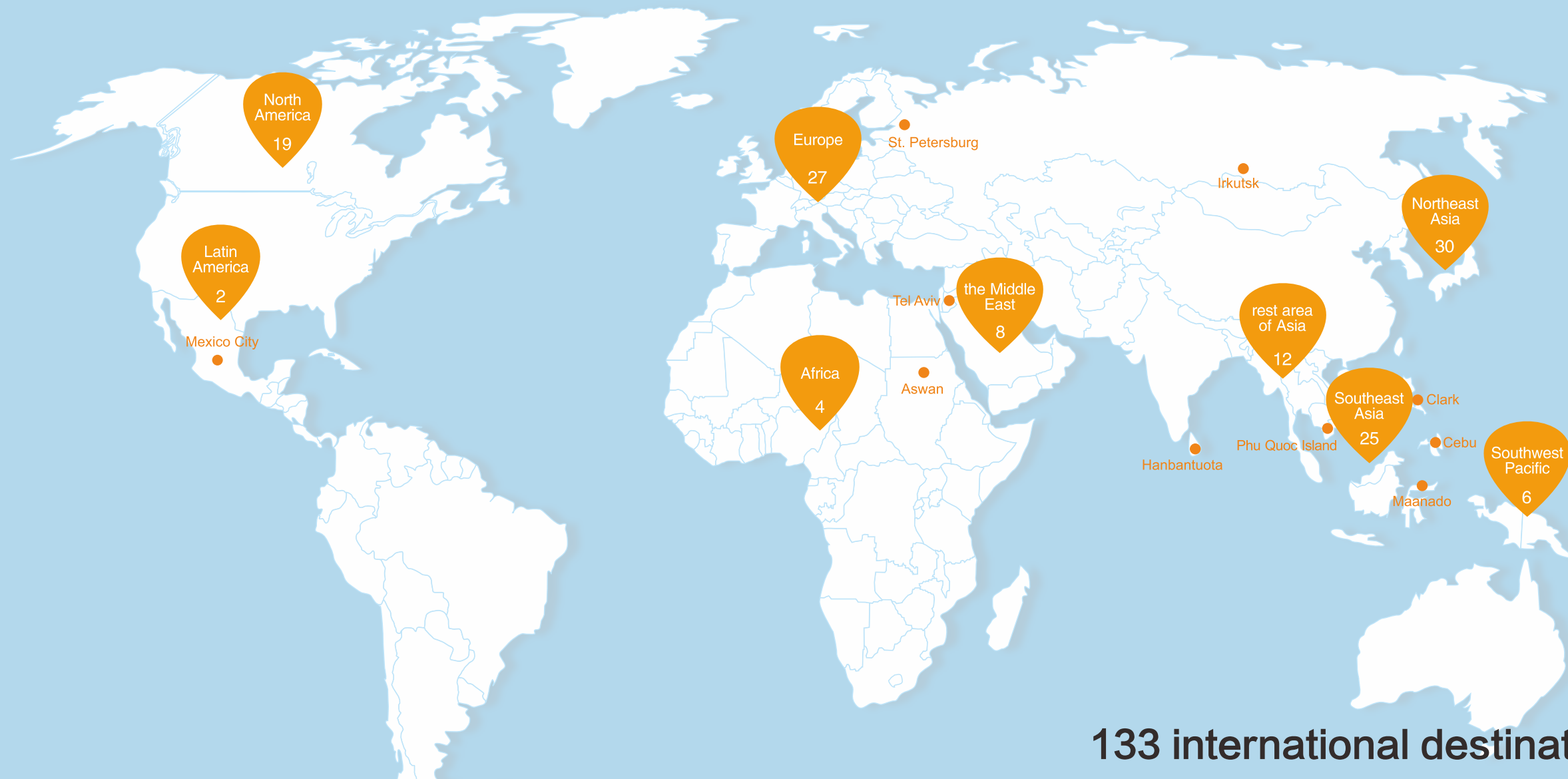
Aircraft movements:



## ROUTE NETWORK

By the end of 2017, Pudong and Hongqiao international airports opened scheduled flights to 297 destinations in 47 countries, including 164 within China (6 in Hong Kong, Macao and Taiwan) and 133 abroad. Thirty-eight domestic airlines (9 in Hong Kong, Macao and Taiwan) and 72 international ones opened flights in Shanghai. Pudong Airport launched 10 new international flight destinations throughout the year, including Aswan, Mexico City, Irkutsk, St. Petersburg, Cebu, Clark, Tel Aviv, Hambantota, Phu Quoc Island and Manado, while Hongqiao Airport added 8 new domestic ones, including Maotai, Puning, Yining, Yuyang, Ordos Ejin Horo, Jiayuguan, Xishuangbanna Gasa and Ningyuan.





## 133 international destinations in 2017

**30 destinations in Northeast Asia:** Asahikawa, Sendai, Nagoya, Hiroshima, Shizuoka, Kagoshima, Nagasaki, Ibaraki, Osaka Kansai, Matsuyama, Saga, Komatsu, Tokyo-Narita, Tokyo-Haneda, Fukuoka, Sapporo, Okayama, Takamatsu, Toyama, Niigata, Okinawa, Muan, Daegu, Seoul-Inchon, Seoul-Gimpo, Yangyang, Jeju Island, Busan, Cheongju and Pyongyang

**25 destinations in Southeast Asia:** Kalibo, Manila, Nha Trang, Ho Chi Minh, Da Nang, Hanoi, Singapore, Bangkok-Don Muang, Bangkok-Suvarnabhumi, Krabi, Surat Thani, Chiang Mai, Phuket, Jakarta, Bali, Siem Reap, Phnom Penh, Penang, Kuala Lumpur, Sabah, Brunei, Cebu, Phu Quoc Island, Maanado and Clark

**12 destinations in rest area of Asia:** Baku, Dhaka, Bishkek, Chennai, Bombay, New Delhi, Colombo, Navoi, Male, Almaty, Tel Aviv and Hambantota

**8 destinations in the Middle East:** Dubai-World Center, Dubai-Al Maktoum, Abu Dhabi, Doha, Riyadh, Jeddah, Imam Khomeini and Hurghada

**27 destinations in Europe:** Vienna, Brussels, Liege, Copenhagen, Munich, Frankfurt, Frankfurt-Hahn, Cologne, Leipzig, Novosibirsk, Moscow-Sheremetyevo, Moscow-Domodedovo, Vladivostok, Paris-Charles de Gaulle, Helsinki, Amsterdam, Prague, Luxemburg, London, Rome, Milan, Madrid, Zaragoza, Istanbul, Zurich, Irkutsk and St. Petersburg

**19 destinations in North America:** Toronto, Vancouver, Edmonton, Anchorage, Detroit, Boston, Honolulu, San Jose, Saipan, New York-Newark, New York-Kennedy, Los Angeles, Seattle, San Francisco, Dallas, Atlanta, Memphis, Chicago, Montreal

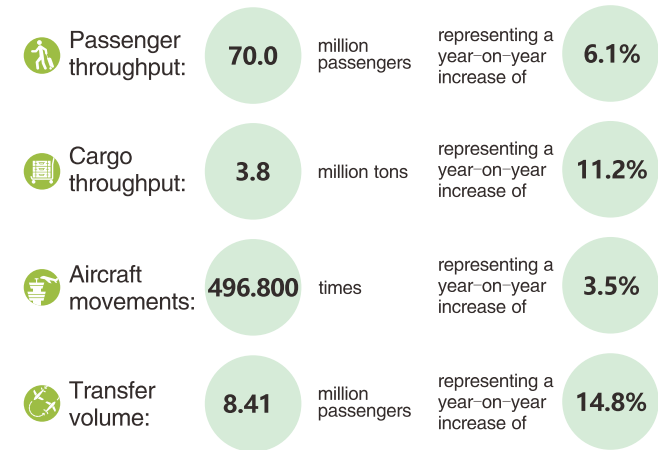
**2 destinations in Latin America:** Tijuana, Mexico City

**6 destinations in Southwest Pacific:** Cairns, Melbourne, Sydney, Brisbane, Oakland, Guam

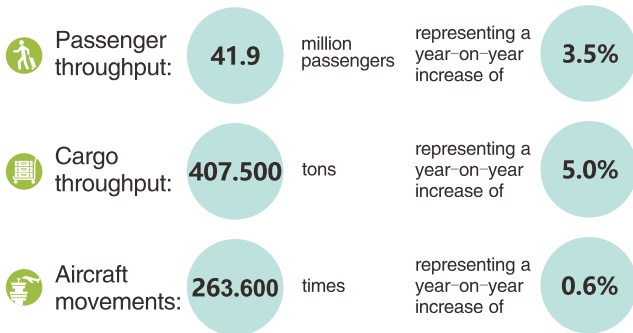
**4 destinations in Africa:** Mauritius, Hurghada, Addis Ababa, Aswan



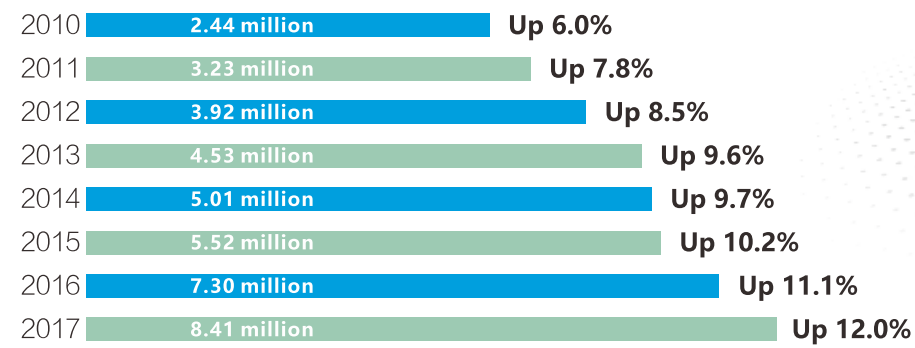
### PUDONG INTERNATIONAL AIRPORT (2017)



### HONGQIAO INTERNATIONAL AIRPORT (2017)



#### Passenger Transfer Rate



### CONNECTED AIRLINES

#### Domestic airlines operating



#### Airlines operating (Hong Kong, Macao and Taiwan)



#### International airlines operating



## 144-HOUR TWOV POLICY

In 2016, with the approval of the State Council, China's cabinet, Shanghai implemented the TWOV (transit without visa) policy for passengers from 53 countries who have valid international travel documents and tickets to a third country (region) with definite date and seat leaving within 144 hours.

In 2017, passengers who transited at Shanghai Pudong International Airport, Hongqiao International Airport, Shanghai Railway Station, Shanghai Port International Cruise Terminal, Wusongkou International Cruise Terminal, Nanjing Lukou International Airport, or Hangzhou Xiaoshan International Airport, could enter or leave China at any of the above ports and could stay in the administrative regions of Shanghai, Jiangsu province and Zhejiang province for 144 hours without a visa.



| Country List                               |   |
|--|---|
| European Schengen Visa Agreement Countries | France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland, Monaco |
| Other European Countries                   | Romania, Ukraine, Serbia, Croatia, Bosnia and Herzegovina, Montenegro, Macedonia, Albania, Belarus  |
| American Countries                         | United States, Canada, Brazil, Mexico, Argentina, Chile   |
| Oceania Countries                          | Australia, New Zealand  |
| Asia Countries                             | South Korea, Japan, Singapore, Brunei, United Arab Emirates, Qatar  |

## STRONGER TRANSFER CAPABILITY

The transfer capability of Pudong Airport was further improved in 2017, with passenger transfer ratio reaching 12.0% and the number of transit passengers increased by 14.8% year-on-year.

## BOUTIQUE BUSINESS EXPRESS

Hongqiao Airport orienting toward the city function of the airport, put passenger experience as its top priority. It rationally allocated resources, consolidated the construction of quality route network and optimized the layout and development of the express routes. The airport currently has 13 express routes and 4 pre-express routes under construction, express flights account for 73.8% within total flights.

## BETTER CAPABILITY TO SERVE THE YANGTZE RIVER DELTA REGION

At present, SAA has opened 6 remote check-in service branches in Kunshan, Wuxi, Taicang, Haimen, Suzhou and Hongqiao business district to provide passengers with more convenient and comfortable door-to-door service, which has effectively enhanced SAA's service range and service capability for the Yangtze River Delta region.

## PROMOTE THE REVISION OF THE OVERALL PLANNING FOR PUDONG INTERNATIONAL AIRPORT

To fulfill the future needs of passenger and cargo growth, SAA continued to promote the revision of the overall planning for Pudong International Airport in 2017, and started preliminary studies on a new round of expansion projects, including terminal buildings, transportation center, business jet facilities and logistics facilities.

## BETTER CARGO HUB FUNCTION

### Implementation of major projects

#### FedEx Shanghai International Express and Cargo Hub put into operation

FedEx Shanghai International Express and Cargo Hub was put into operation in October 2017, which was the largest of its kind in China and the second largest in the world. Pudong Airport has thus become the only airport in the world where three major international logistics companies set up their trans-shipment centers. In 2017, the shipment of FedEx increased by 36% year-on-year.

#### SF Express domestic distribution center put into operation in July

SF Express Domestic Distribution Center at Pudong Airport was officially put into operation in July 2017, which was the first project built by the domestic courier at Shanghai airports. It greatly improved the efficiency of domestic express service, realized the independent and professional operation of domestic express and played a positive role in improving the cargo business at Pudong Airport.

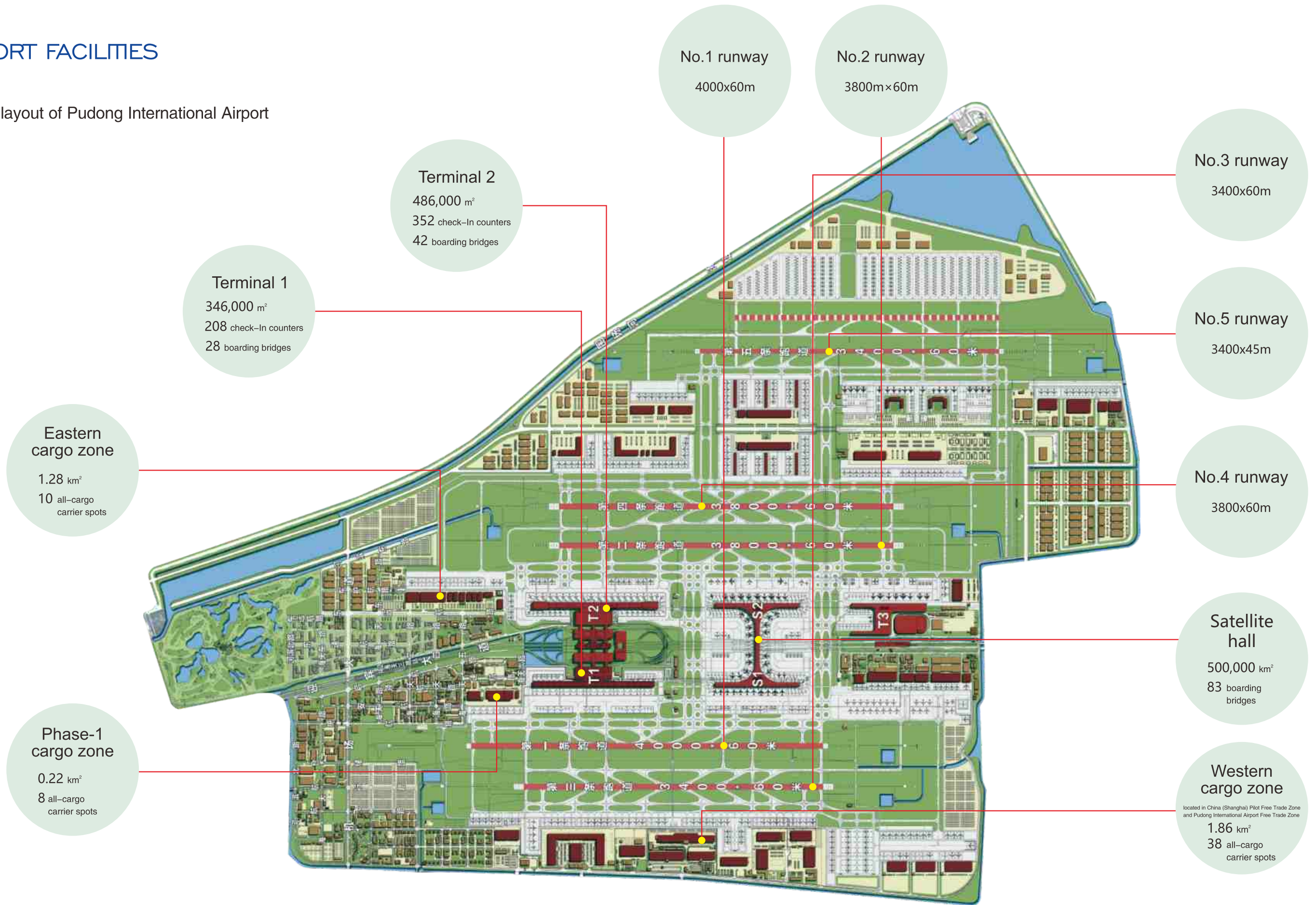
#### Electronic air waybills (e-AWB) volume of Pudong Airport ranks second in the world

The fourth working conference of the Shanghai E-Cargo Working Group, jointly organized by SAA and IATA, was held in Shanghai on July 18, 2017. The heads of the port inspection units, including the Shanghai Customs, the Pudong Airport Customs, and the Shanghai Airport Entry-Exit Inspection and Quarantine Bureau, as well as leaders of more than 50 airlines and freight forwarding companies attended the meeting and issued the Shanghai E-AWB Implementation Standards and Operation Procedures. The e-AWB volume of airports in Shanghai now ranks the second across the world, with a coverage rate of 55.4%. The Shanghai E-Cargo Working Group platform will continue to facilitate the promotion and application of e-cargo projects.



## AIRPORT FACILITIES

General layout of Pudong International Airport

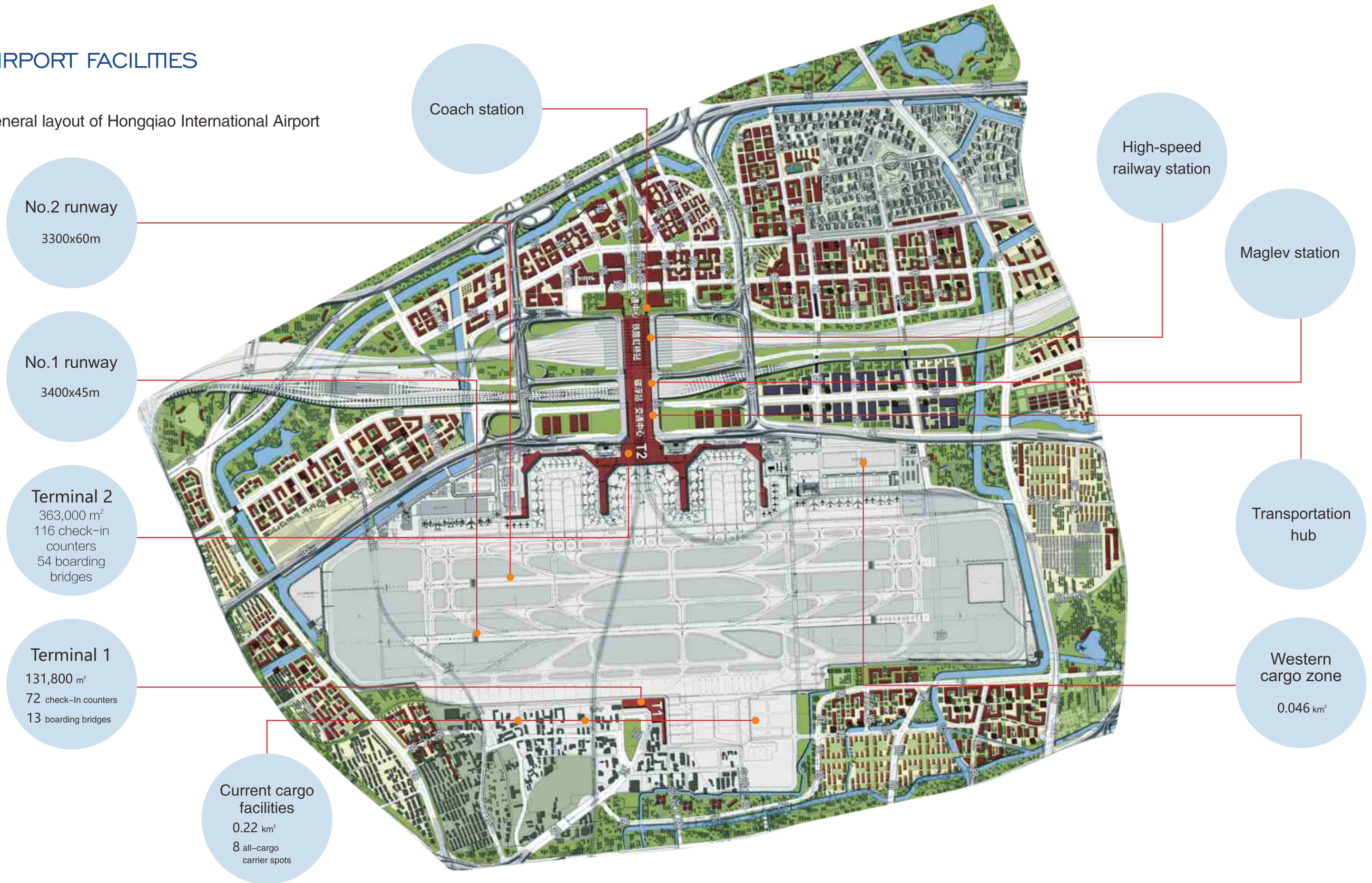


located in China (Shanghai) Pilot Free Trade Zone and Pudong International Airport Free Trade Zone



## AIRPORT FACILITIES

General layout of Hongqiao International Airport





04 OPERATIONAL EXCELLENCE





## SAFE OPERATION & MANAGEMENT

SAA strived to achieve its 18th year of good security by safeguarding security bottom line and monitoring airport safety strictly and meticulously in 2017. Through such measures as implementation of security responsibilities, perfection of operation specifications, inspection of hidden hazards and increase in technical investment, SAA cemented the airport safety, overcame shortcomings of its management, built a firm security line of defense and further improved its safety margin. After passing the special examinations by the State, CAAC and Shanghai Counter-Terrorism Office and the test of upgraded warning level of air defense, Hongqiao Airport sailed through the SMS performance evaluation by CAAC.

**Conduct inspections and elimination of hidden hazards and strengthen risk prevention and control.** SAA carried out multi-dimensional security inspections and issued Guidance on Advancing Construction of Management System of Safety Production and Inspections of Hidden Hazards. A total of 56 safety issues and hidden hazards were identified and properly solved after the self-inspection. It conducted examinations in prevention of entrance/exit collision and intrusion, security equipment and facilities in key parts, management of hidden hazards, network information security and implementation of contract security terms. An inspection team was set up to carry out 4 rounds of targeted inspections on implementation of institutions and responsibilities, team construction and fieldwork, interviewing 172 cadres and staff, holding 4 symposiums and completing over 600 questionnaires.

**Increase investment in new technologies and consolidate safe operation.** SAA applied new technologies to further build a firm security line of defense and improve the security level of operational service. It actively cooperated with CAAC and Shanghai Municipal Bureau of Public Security to launch pilot projects of new security doors and X-ray machines to further enhance the air defense safety margin. It also strengthened the integration and utilization of the information provided by video supervision system, completed the upgrades on video supervision and image preservation systems in key areas of freight stations and terminal buildings, accelerated the construction of 'Xueliang Project', and promoted seamless cooperation between two airports (Pudong Airport & Hongqiao Airport) and the municipal platforms in terms of video supervision information sharing. Pudong Airport vigorously optimized its running and sliding structures to enhance the efficiency of ground taxiing.



## OPERATION QUALITY

### Flight takeoff normality rate:

In 2017, SAA's flight takeoff normality rates of Pudong and Hongqiao airports are 67.91% and 75.04% respectively, up 1.5% and 3.4% from 2016.

**Build three-level working mechanism to ensure the flight punctuality.** First, Shanghai municipal government established a joint conference mechanism for airspace fine management and reform to cooperate with all parties in pilot reform. Second, CAAC East China Regional Administration led the establishment of a coordination mechanism for flight management, giving full play to its guidance and supervisory functions, focusing on improving the capacity of flights coordination in East China. Third, the Shanghai Airport Community took the leading role in building a coordinated command platform for the normality of flights and fully utilized the advantages of the airport community, aiming to realize information sharing and collaborative decision-making among flight operation supportive units.

**Further deepen the Party building and joint construction in the Shanghai.** Airport Community and promote the construction of aviation hub in Shanghai 2017 is the year to summarize the achievements of the first three-year plan for the Party building and joint construction in the Shanghai Airport Community. The

community fully implemented the spirit of the talks by leaders of the CPC Shanghai Municipal Party Committee, further deepened the Party building and joint construction in the air community of shared interests under the 'Six Principles'. The community, co-established by CAAC East China Regional Administration, East China Air Traffic Management Bureau, SAA and the Joint Inspection Unit, focuses on improving the quality of aviation hub and deepening the Party building and joint construction on the grass-root level. It also established coordinated management committees in Pudong and Hongqiao airports respectively, responsible for coordinating and promoting the coordinated command platforms for the normality of flights in the two airports, and formed a coordination committee with specific leaders, participating units, coordination issues, regular problem analysis and supervision mechanism.

**Continue to improve the efficiency of ground operation.** SAA accelerated the handover of the apron control with Hongqiao Airport on November 30, 2017. It advanced the application of new technologies in airport construction, improved the functions of its A-CDM system and its capability to integrate, monitor and analyze the flight operation data. Pudong Airport actively promoted the construction of its second runway of ILSII/IIIA type to improve its ground support capacity in low visibility. Hongqiao Airport's implementation of HUD special approval for Class II operation was also approved by CAAC to further optimize aircraft parking and improve the utilization ratio of space.





## EMERGENCY HANDLING



In 2017, SAA improved its emergency management system, proactively intensified emergency drills, amended its emergency handling plan and expert database, maintained emergency facilities and perfected its emergency drill team. Pudong and Hongqiao airports promoted the emergency agreements Removal of Damaged Aircraft through various channels and measures, and 122 airlines signed the agreement.

With the aim to improve its emergency rescue capabilities, SAA organized emergency rescue training and drills, providing firefighters, full-time emergency rescue management personnel and command officers with training on basic knowledge of emergency medical aid, fire control and passenger evacuation guidance.

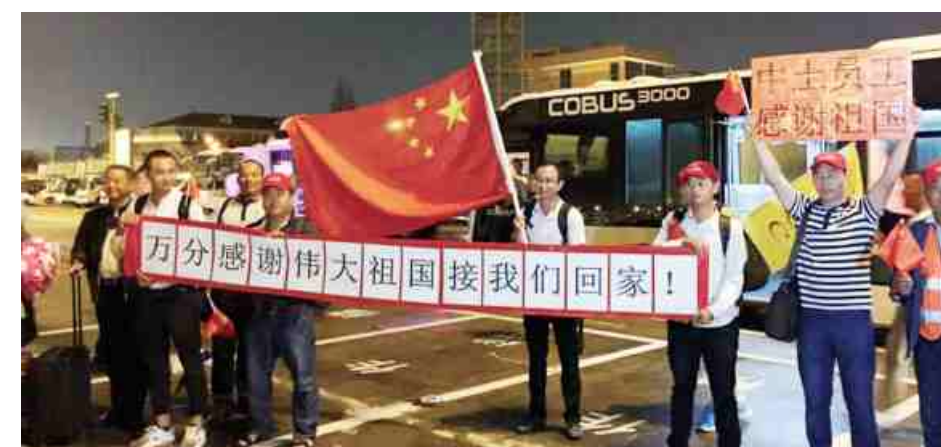


## MAJOR EVENT GUARANTEE

Weathering through severe tests including continuous high-level operations and conducting construction without suspending air services, SAA successfully completed various major supporting tasks and won wide recognition from relevant departments.

### China's C919 passenger jet successfully made its maiden flight

The domestically made large passenger aircraft C919 numbered 001A successfully made its maiden flight and landed on the fourth runway of Pudong Airport at 15:19 on May 5. To ensure the absolute safety and smooth operation of the ground tests, taxiing tests and the first flight of the aircraft, Pudong Airport overcame the difficulties including the saturation of airspace resources and heavy support tasks, offered strong support in terms of staff, facilities and logistics, and positively cooperated with CAAC and airlines to carry on flight reduction



and traffic flow control, which provided a strong guarantee for the successful maiden flight of C919. It also carefully managed and controlled the flights to minimize the impacts on passengers after the tests.

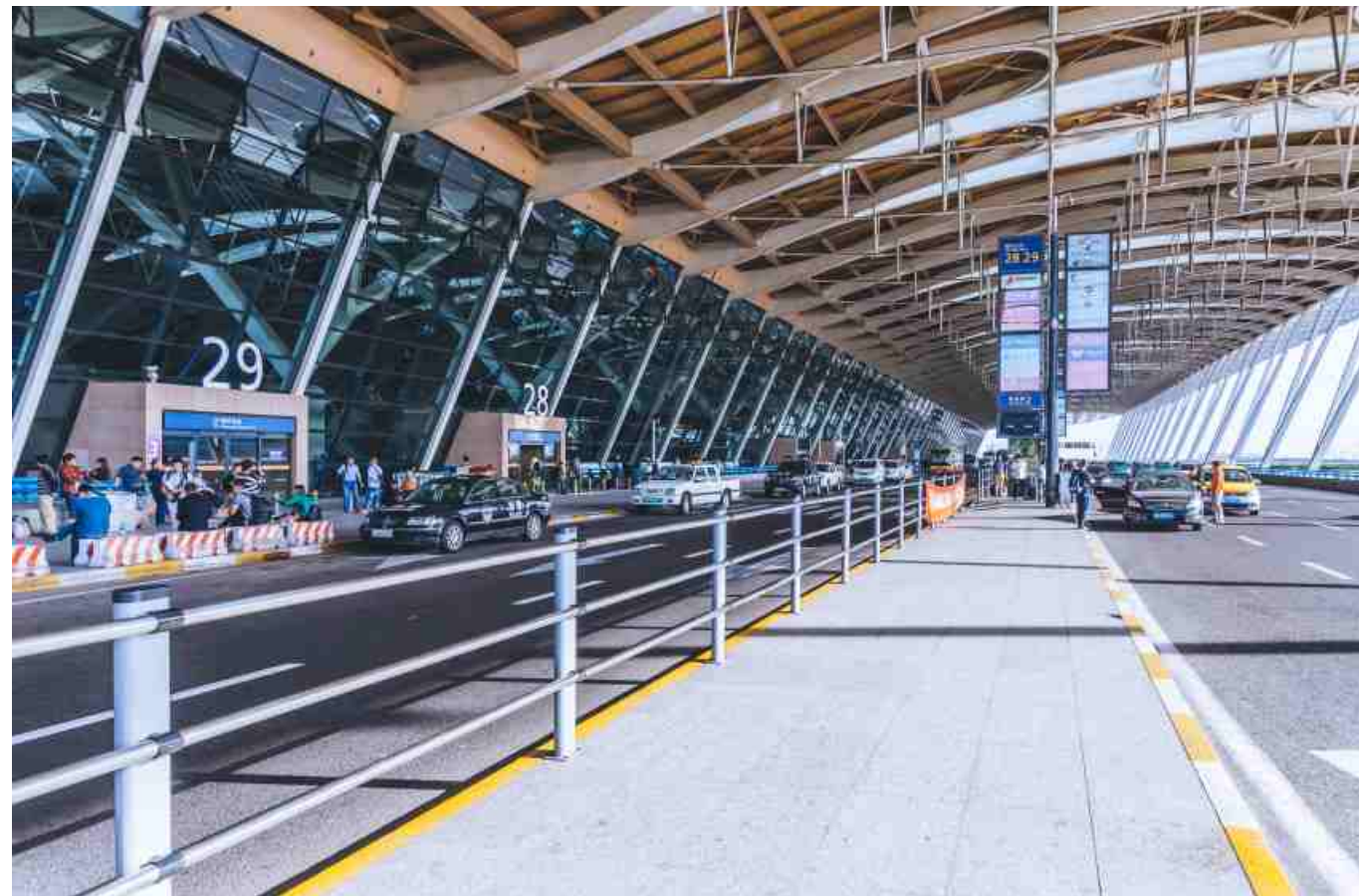
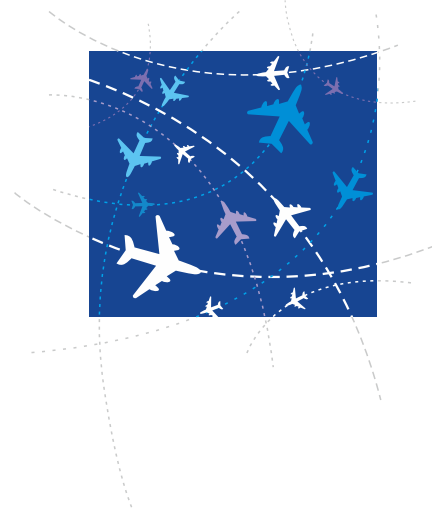
### Transfer the compatriots trapped in the Caribbean to Shanghai

Two A330 passenger planes from China Eastern Airlines landed at Hongqiao Airport at 21:04 and 21:39 respectively on October 1 after passing 35,000 kilometers and 19 countries. With the coordination and arrangements of Ministry of Foreign Affairs, Ministry of Commerce, CAAC and Shanghai municipal government, as well as joint efforts of all parties of Shanghai Civil Aviation, 381 compatriots hit by the hurricane in the Caribbean Sea successfully returned to China. The accomplishment of urgent supporting task fully manifested Hongqiao Airport's core values of 'rigorous, precise, collaborative and responsible' and was highly praised by Ministry of Commerce, Shanghai Municipal Commission of Commerce, CAAC East China Regional Administration and China Eastern Airlines.



## SERVICE QUALITY

Upholding the customer requirements-oriented principle, SAA in 2017, benchmarked the advanced airports from home and abroad for measuring its performance. It unremittingly strengthened its internal fine management and operations and made remarkable accomplishments in optimizing its service quality through innovation and informatization.



### 'Wu Na' safety inspection channel put into use at Hongqiao Airport

The ninth safety inspection channel named after the national labor model Wu Na at the T2 of Hongqiao Airport was inaugurated on the morning of April 6. It was a display platform for Wu Na and her innovation studio and was designed to play an exemplary role. Through promoting position standardization, Wu Na's working method as well as other innovation measures for safety inspection, SAA effectively improved the on-site safety inspection quality and service quality, and presented a good image of Hongqiao safety inspection services, and strived to establish the channel to be an industry benchmark.

### SAA launches Passenger Service App 4.0

The 4th version of SAA passenger service App was officially launched on September 15. Based on the concept of 'simplified travelling' of the 3rd version, it added five functions this time and launched the 'panoramic map' service aiming to create a handy virtual terminal building. It combined online and offline services, and promoted service scenarios to continuously improve passengers' traveling experience and service quality. More featured services at Pudong and Hongqiao airports are added to provide passengers with new intelligent service experiences.





## Service innovation

### Pudong International Airport

Pudong Airport continued to promote its ten service measures in 2017

Pudong Airport built an emergency green channel by working together with airlines and the local hospitals, achieving air-ground-hospital seamless connection.

It renovated the passenger service center, upgraded the total bandwidth of the network to 1 gigabyte, providing passengers easier internet access. It also added new functions, including Wi-Fi connectivity, information navigation and self-service enquiry, to ensure that information is fully accessible to passengers.

Domestic flights are fully covered by rapid security inspections. By scanning the passport and inputting the goods' brand names, taxes could be automatically figured out at the Customs. Inspection and quarantine can be achieved through automatic infrared temperature measurement, which made it quicker for

passengers' travels. Featured service named. 'Baggage Ambassador' was also launched to improve baggage claim speed.

Putong Airport built a leisure area along with a children's playground at the T2 boarding gate to make passengers feel more comfortable; It also established museums and art galleries in cooperation with Shanghai Municipal Administration of Culture, Radio, Film & TV, to bring fine works of art to the public, and improved its interactive functions of the exhibitions to allow passengers to have fun while waiting for their flights.

The airport introduced catering services, including high-end meals and parent-child meals, and held F&B promotion activities to meet customized dining needs among passengers.

It also introduced new trade mix including capsule hotels and Fountown, carried out multiple themed marketing activities along with online and offline promotion campaigns, organized several theme activities including 'A Bite of Pudong Airport' to enhance passengers' consumption satisfaction and display the new image of the airport.

### Hongqiao International Airport

A mobile screen displaying information of delayed flights was put into use at the T2 of Hongqiao Airport on April 21, with the joint efforts of the Ground Services Department of China Eastern Airlines.

Hongqiao Airport completed the coverage of wireless network in the T1 passenger area to ensure a stable and high-speed wireless network for passengers.

The safety inspection notification system supported by the intelligent management platform was launched in T1 Building A, aiming to provide passengers with people-oriented service and better travelling experience.

Hongqiao Airport and Alipay jointly launched the first intelligent parking lot in China, which won the 'Internet + Government Services' Innovation Award at the second National Government Affairs Service International Expo. Drivers need to register their car plate number with an Alipay account, so that charges can be deducted automatically when they drive out.

A new mobile payment platform was officially launched at Hongqiao Airport in December, covering 103 shops at the T1, T2 as well as the eastern transportation center, which could fulfill all kinds of shopping needs of passengers'. The platform realized the innovative combination of information technology and business services, significantly reduced possibilities of operation mistakes made by cashiers while improving payment speed and customer experience.





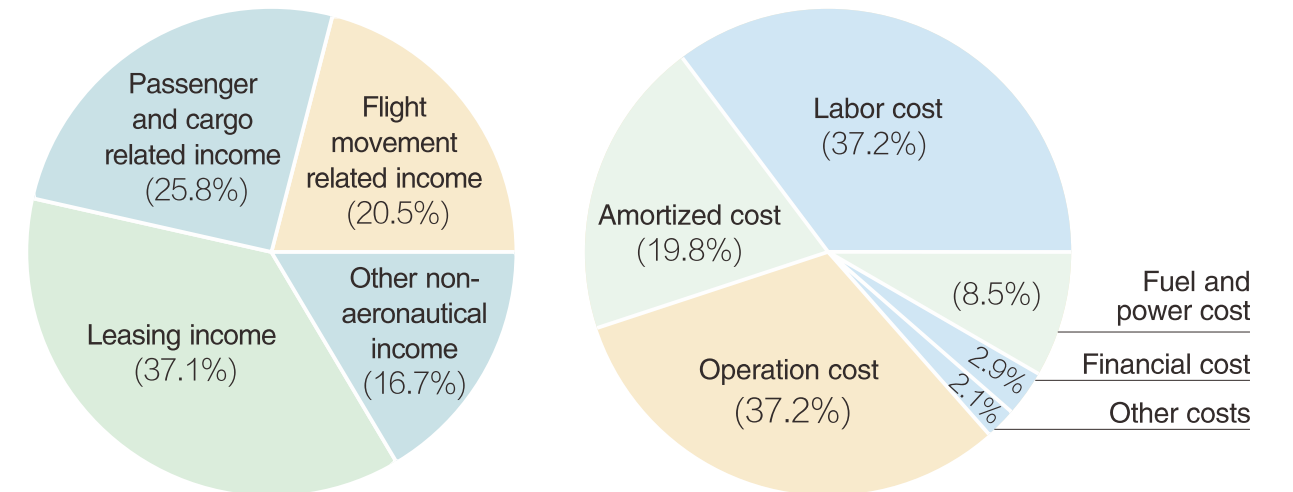
05

OPERATING  
PERFORMANCE





SIA cost and income structure



## FINANCIAL PERFORMANCE

In 2017, SAA's total consolidated assets reached RMB80.7 billion, RMB7.0 billion more than the previous year. Its operating revenues reached RMB14.8 billion, RMB2.5 billion or 20.0% more than the previous year; and total profits reached RMB6.6 billion, RMB1.6 billion or 32.8% more than the previous year.

## OPERATION

Shanghai International Airport Co., Ltd actively explored new resources for operation, made innovative efforts to improve the resource pattern, and greatly improved economic performance. In 2017, it registered operating revenues of RMB8.1 billion and net profits of RMB3.9 billion, a year-on-year increase of 16.0% and 31.3% respectively.







### Finance Shared Service Center inauguration

The Shanghai International Airport Co. Ltd's Finance Shared Service Center was officially established on January 9. As SAA's pilot financial management unit, the center was initiated in 2014 and put into use in the whole company in 2016. It is a specific and great move that SAA has taken to improve its information-based financial management, strengthening basic management on finance, creating more financial values and finally promoting the company's comprehensive management capability and internal development quality.

### Better business quality at terminal area

Pudong Airport launched a series of events at T2 to optimize its business image, improve its service, and build it into a platform for famous brands. It introduced emerging projects related to cultural experiences, optimizing stock business resources so as to improve its entire operation. The airport made great efforts to conduct multiple themed marketing activities along with online and offline promotion campaigns such as 'A Bite of Pudong Airport'. All the food served in the building were priced the same as other shops in the city while ensuring the quality. Many efforts had been made to enhance passenger consumption satisfaction as well as display the new image of the airport.

Hongqiao Airport increased its investments on its facilities and equipment to enhance passenger service. A food corridor was created at F3-4 at the eastern transportation center. T2 built its first 'boutique toilet', and T1 launched a baby care room and an amusement park for children, making it a pioneer in the industry.



## KEY PROJECTS

The year 2017 witnessed more than a dozen of projects under construction going on simultaneously at the two airports.

### Key projects at Pudong Airport

Pudong airport's expansion of phase three saw its satellite concourse being capped and its fifth runway being accepted. Its flight zone underpass tunnel, the international express and cargo center situated in the third block finished construction and started operation. The expansion of phrase one on its east ramp (remote boarding gate) was completed and put into operation while its second phase of expansion passed the industrial acceptance.

### Key projects at Hongqiao Airport

Hongqiao Airport T1 traffic control center was completed and accepted on March 14, 2017. Its T1 building A, traffic control center and municipal project of phase I finished renovation and started operation on March 26, with the image of the airport's eastern part being remarkably enhanced. Renovations on its T1 Building B were launched in August.

Construction on the hanger of the business aviation base situated at Yingbin Seven Road Hongqiao Airport started on July 26, and is expected to be completed and put into use in April 2018. The new hanger will help make the best image of the apron resources of Hongqiao Airport and improve the maintenance capacity of business aircrafts as well as the perfection of its maintenance service chain.



ECOLOGICAL  
AIRPORT

06

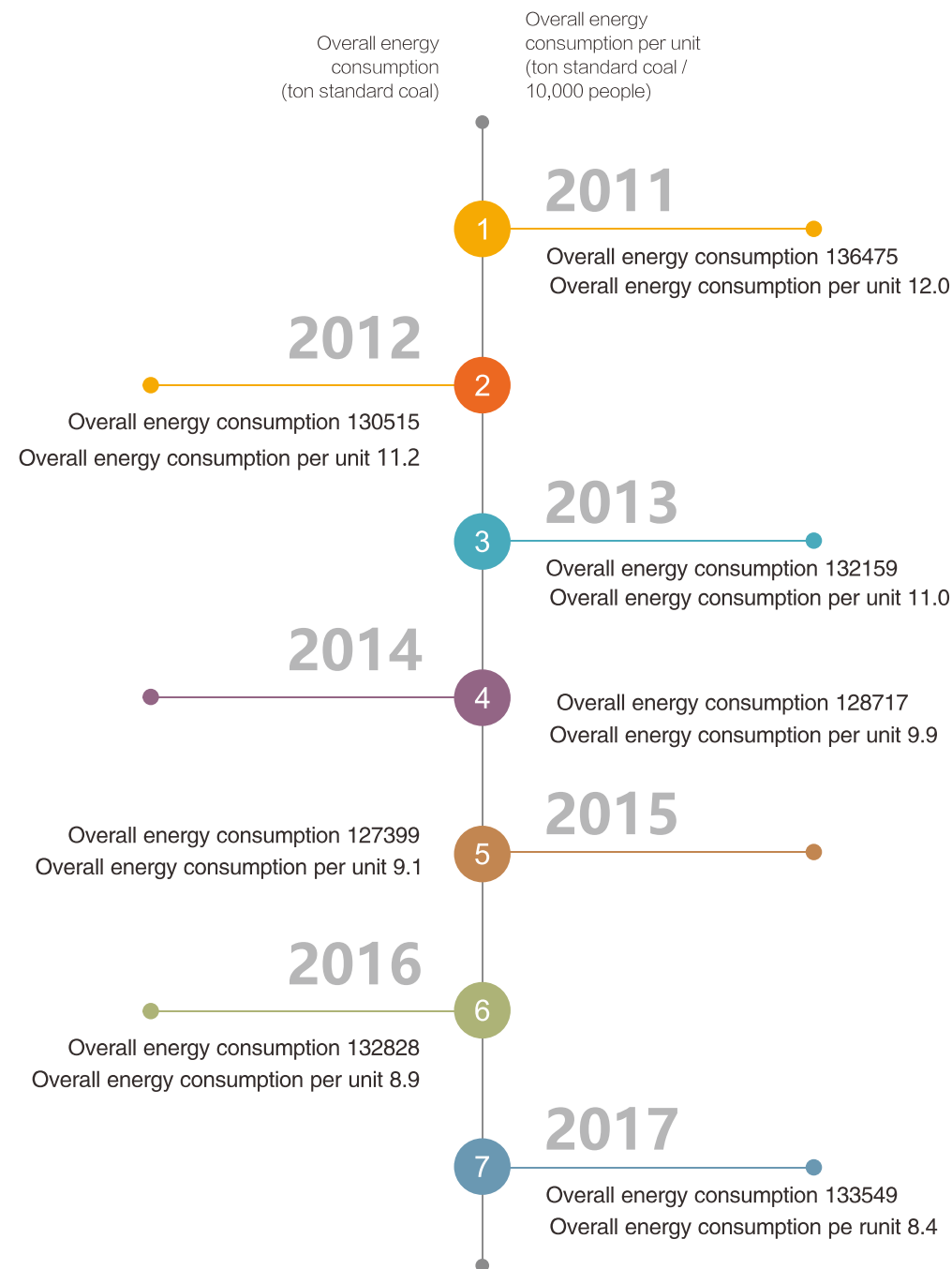




Upholding the concept of sustainability, innovation, green, opening and sharing, SAA made strenuous efforts to build green airports. It incorporated green, energy conservation and environmental protection practices in its planning, design, construction and operation, with the aim to promote structural energy conservation and emission reduction in Shanghai airports, enhancing the green and sustainable development capabilities and fulfilling its CSR.

## OVERALL ENERGY CONSUMPTION

SAA's overall energy consumption per unit was reduced by 5.5% year-on-year.



## GREEN TRANSPORT

Build new energy vehicle charging poles in parking lots. Pudong Airport built 100 charging poles in P1 and P2 parking lots, and 43 in other public parking areas.

Apply green transport to the entire internal transportation organization. SAA worked with SAIC Motor on June 15, 2017 to implement a time-of-use leasing program of Evcad new energy vehicles at the airports. Specifically, it introduced 30 new energy vehicles to Pudong Airport, set up 10 car rental outlets, 43 charging poles and 71 spots in the land-side workspace.





## ENERGY CONSERVATION & EMISSION REDUCTION

At the 23rd Conference of the Parties of UN Framework Convention on Climate Change (COP23) held in Bonn, Germany in 2017, the renovations on Shanghai Hongqiao International Airport T1 won the 2017 'Green Solutions Award' —an award for the green renovation solution of existed buildings, ranking second across the world. Green energy-conservation renovations of the project won the golden award in 2016 Shanghai Existed Building Green Renovations Assessment.

### Fine management for accelerating energy conservation

Based on the energy consumption data monitored by its energy facilities in 2016, Pudong Airport stepped up efforts in replacing and installing meters in key energy-consumption areas and devices. Meanwhile, Hongqiao Airport renovated the strong-current rooms, replaced the electric meters with measurement functions, and applied the technology of electric carrier wave to the electricity management system to realize accurate and real-time data measurement by items.



## COMPREHENSIVE SMOKING CONTROL

Since the release of Shanghai Regulations on Smoking Control in Public Places (Amendment) on March 1, 2017, a total of 41 indoor smoking rooms were shut down and 9 outdoor smoking spots were designated at the terminal buildings of the two airports. SAA increased investment in smoking control equipment and device renovations, and prohibited smoking in indoor public areas of the entire airport. It strengthened publicity of laws related to smoking control. Terminal areas of the two airports cooperated with related units to conduct smoking-control patrols within the terminal buildings, sent volunteers to monitor if there was anyone violating the rules and smoking in public space, and stopped them from smoking. It also hosted large publicity and interaction activity themed on smoking control among passengers on the World No Tobacco Day, which

happens on May 30 annually. The two airports sent about 94,178 smoking-control inspecting person times and 40,130 part-time smoking-control supervising person times, monitoring 334 related parties and persuading 53,142 person-times to stop smoking.

## GARDEN AIRPORT

As a window of Shanghai to the world, SAA has been committed to creating eco-friendly garden-style airports since its founding. Upholding the principle of 'flowers blooming all year round', it has created a beautiful and relaxing environment for passengers while turning the two airports into natural oxygen bars in the city. In 2017, afforestation area managed by Pudong Airport reached 2.6 million square meters while the figure for Hongqiao Airport was 320,000 square meters.

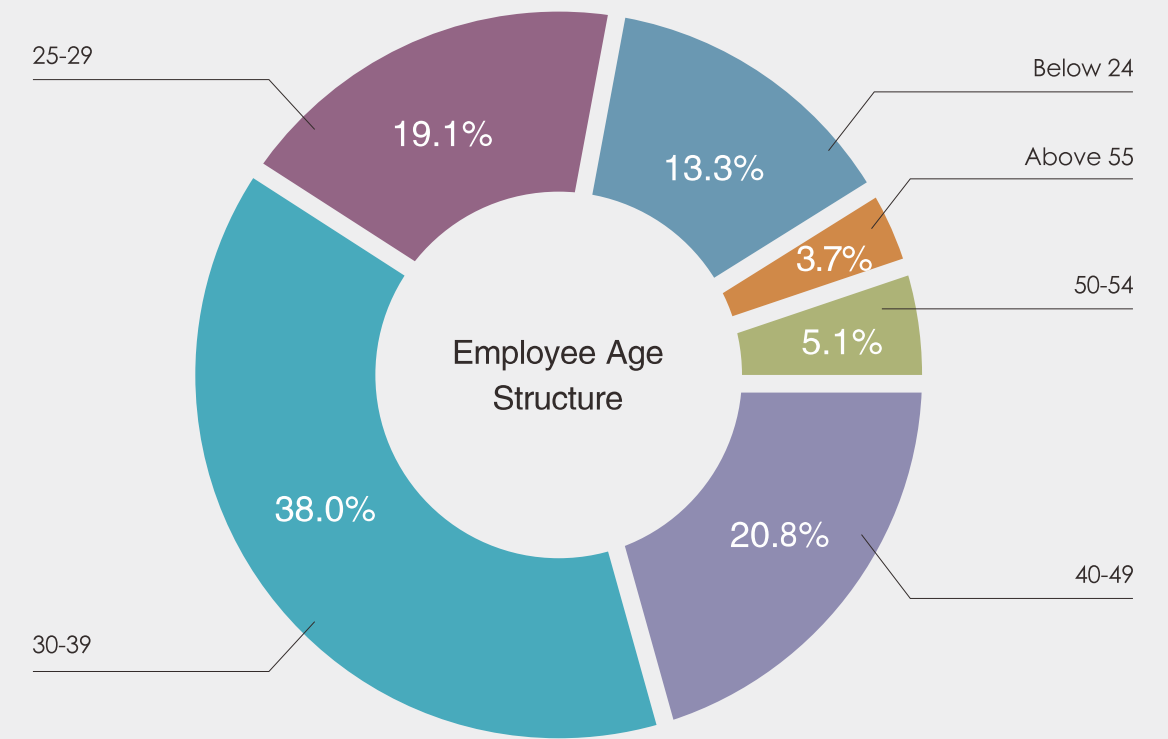
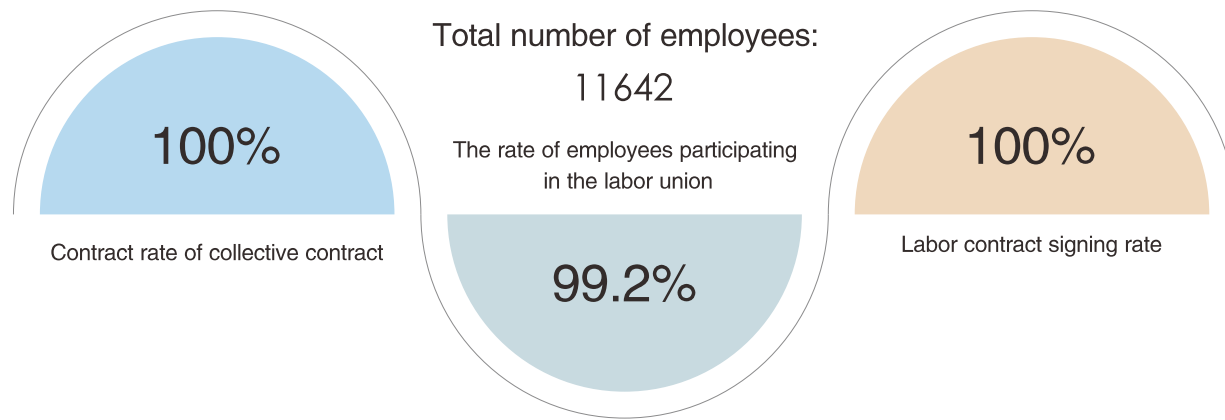


07 EMPLOYEE DEVELOPMENT

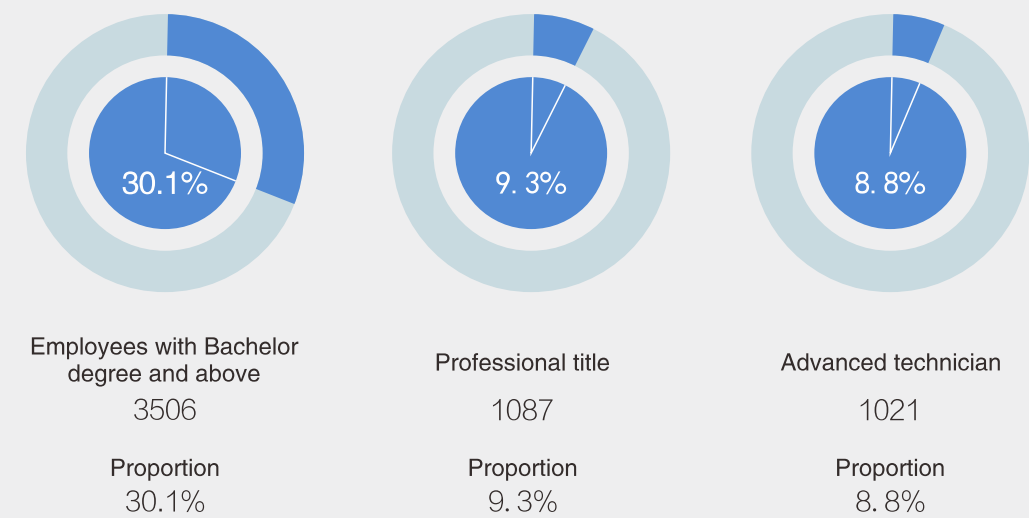




SAA currently boasts 177 technical professionals with senior titles, 1,021 technicians with senior or higher qualifications, 4 experts receiving special allowances from the State Council, one national leading talent, one State-level technical master, and more than 20 Shanghai leading talents, chief technicians and civil aviation experts.

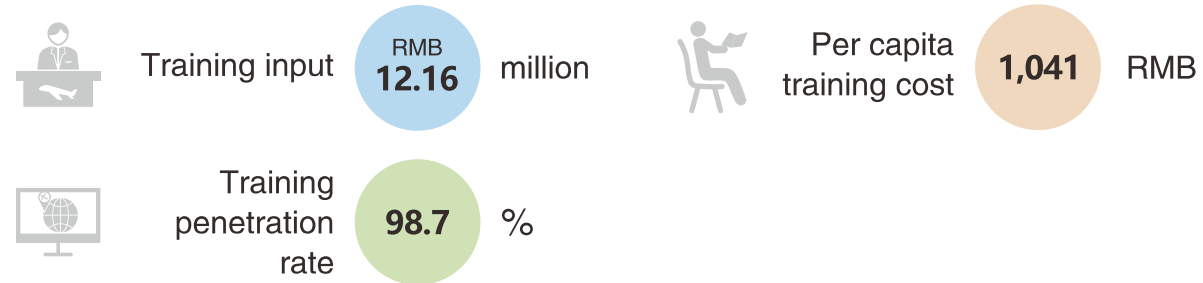


Structure of human resources





## COMPETENCE IMPROVEMENT



### Open recruitment

Adhering to the principle of 'openness, fairness and competitive selection', SAA established a recruitment information system by posting recruitment information on websites, WeChat and college job fairs, which improved the efficiency of recruitment and enhanced the quality of corporate brand promotion. It also provided temporary housing for non-local college graduates and introduced talents, effectively enhancing the competitiveness and attractiveness of SAA's recruitment.

### On-the-job training

SAA carried out diversified cadre trainings and widened the platform for young and middle-aged cadres to improve themselves. It sent 30 cadres to exchange with Yunnan, Xinjiang and Nantong airports while one cadre from Jiaying Airport was assigned to work at the Shanghai airports to gain experience. SAA also carried out 7 overseas training programs in 2017 involving 43 employees in the company.

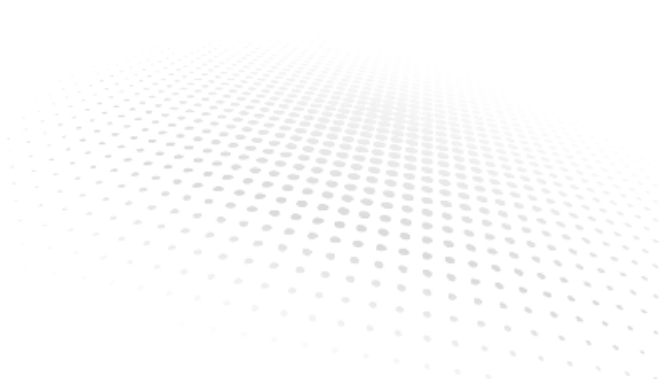
### Education and training

Combining professional development channels, SAA carried

out the construction of standardized curriculum system, including selecting pilot course catalogue and drafting video courses for some posts. It also organized cadres to participate in professional training conducted by higher authorities, such as Shanghai municipal department of organization, SASAC, and CAAC. A total of 20 cadres attended 12 training programs, including training class for young and middle-aged cadres by the Party School of the CPC Shanghai Municipal Committee, the class on promoting the 19th CPC National Congress spirits, the advanced seminar on the civil aviation development policy, as well as the training classes targeting the safety deputy general managers and chief inspectors of the civil airports.

### Cultivation of young talents

SAA furthered its efforts to promote trainings for new employees. It regularly held anniversary celebrations to mark the employees' entries to the company. It presented 150 new employees the opportunities to have face-to-face discussions with senior executives. A total of 14 outstanding young employees were selected to work in the company's administrative units for one year. SAA also organized the young volunteers to cooperate in public opinion monitoring and the



planning of theme activities on the social media platforms like microblogs. SAA continued to cultivate foreign language talents. It organized foreign language talents to compile and translate 15 issues of Travel Information in their spare time, and held forums and competitions targeting young English talents, such as the fifth Youth English Talent Competition. SAA encouraged organizations with more than 800 youths to set up part-time deputy secretary or deputy secretary on secondment, and vigorously promoted the 'general recommendation and direct election' of secretary in grass-root organizations, which accounted for 69.3%, with an aim to help the youths grow into talents and reserve back-up forces for its own development.

SAA had 2 employees and 3 groups that won national honors in 2017. 7 employees and 33 groups won the honors conferred by Shanghai municipal government. 3 employees and 6 groups were granted national honors of civil aviation. 2 employees were selected members of the 8th Shanghai Youth Entrepreneurs' Association.

### Employee contributions

SAA held the 11th Employee Skills Competition with 66 comprehensive events. More than 10,000 employees participated in the competition.

It also took part in the vocational skills competition for security inspectors at civil aviation airports. The security inspector teams from Pudong and Hongqiao airports won 19 awards including group's first and second prizes, personal comprehensive and individual first prizes, recording a high record. It successfully organized the vocational skills competition for aerial refueling operators at civil aviation airports and won the Outstanding Organization Award. Sun Jianqiang, the aerial refueling operator, won the personal comprehensive first prize and was conferred with title of 'National Technical Expert'.

SAA actively boosted the construction of employees' innovation studios, highlighting the substantive role of innovation studios in researching and solving technical problems in production and promoting technological advancement. It also held report conferences lectured by SAA model workers and high-skilled technicians with innovation achievements, building an exchange and sharing platform for innovation studios. Its three innovation studios in Shanghai were awarded municipal honorary titles in 2017. Yang Lingjiong Safety Inspection Innovation Studio, Shao Zeming Innovation Studio and Shi Weijun Innovation Studio were honored as exemplary innovation studios of Shanghai.





## SELF-RECTIFICATION

Focusing on the prominent problems that affect 'safe management, flight punctuality and service quality', SAA picked out some affiliated units with advanced corporate culture, highlighting their accomplishments in rectification of unfavorable habits so as to promote the positive energy of SAA's culture. It also deepened its brand building of 'self-cultivation through culture', standardized the cadres' behavior conduct, strictly controlled the leaders' behaviors, and strengthened SAA's cultural features of consensus, perceptibility and operability, in order to promote the implementation of the 'self-cultivation through culture' project and create a positive cultural atmosphere.

## EMPLOYEE CARE

SAA maintained its cooperation with a third-party psychological counseling agency to provide employees with EAP (Employee Assistance Program) and psychological courses in 2017, including 'Employee's Emotion Recognition and Response', 'Psychology Around Us', 'Effective Communication' and 'Talking Skills and Its Application'. Meanwhile, SAA laid emphasis on cultivating its own psychotherapists and EAP ambassadors, and continuously improved their professional abilities and service level through training, hoping to provide better psychological services for its employees.

In a bid to effectively safeguard the rights and interests of female employees, SAA provided them with screening services for mastopathy and gynopathy, as well as special cares during pregnancy, lactation and menstruation. It completed functional integration and upgrading of the Loving Mommy's Room, encouraging female employees to devote more to their jobs. It also conducted lectures and trainings for female employees of different ages, and supported the Female Working Committee of all units to carry out various activities.

With the idea of 'targeted assistance' deeply implanted in mind, SAA strengthened the dynamic reviews and documentation of employees in need, and continuously built an all-dimensional and multi-level care system for employees. It perfected the system, streamlined the process, and expanded the scope, striving to help employees solve their problems.

SAA extended the functions of 'Labor Union On hand' to set up a 'zero distance' communication mechanism between employees and the group through network, released directional outreach activities through the Labor Union's new media platform, and established an entry permission mechanism for brands into the Labor Union's WeChat community. It optimized the procedures of health insurances, enhanced the efficiency of audit and payments of health insurances, and raised the exclusive assurance level for members of the General Labor Union.



## CULTURAL AND SPORTS ACTIVITIES

In 2017, SAA's Labor Union made better use of its internal and external resources and organized a series of activities and programs with extensive participation and high popularity among the employees. It hosted 7 major competitions of ball games and intellectual games, with more than 2,000 employees participating in the events, creating an active, solidary, friendly and harmonious atmosphere. Through these events, the vitality of SAA's employees was fully presented.

SAA kept promoting the construction of the 'Youth Center' at Pudong and Hongqiao airports, and launched over 80 'lunch break classes', attracting more than 1,200 youths throughout the year. It organized a total of 8 activities with various units of the Shanghai Airport Community and established an interactive platform where the Youth League, young employees and passengers can 'play and grow together'. With the Labor Union, it also co-organized the 'Running 2017', a directional outreach activity for SAA's young employees, offering single youths the opportunities to make friends and enrich their cultural life after work. The Youth League's capability to serve the youth had been constantly enhanced.







HARMONIOUS & MUTUAL  
DEVELOPMENT

08



## JOINT CONSTRUCTION & GOVERNANCE OF SHANGHAI AIRPORT COMMUNITY

In 2017, with the joint efforts of the member units of Shanghai Airport Community Co-construction & Co-governance Committee and four special committees in charge of co-construction, transport hubs, airport operations and cargo hubs, SAA focused on passenger requirements in key and tough areas, paired 91 groups, and completed 64 co-construction & co-governance projects. It also devoted to solving problems related to flights punctuality rate. The two airports were remarkably improved thanks to the member units' concerted efforts in systematic analysis, fine management as well as the follow-up and consolidation measures, which gained wide public recognition.

Shanghai Airport Community Co-construction & Co-governance Committee joined hands with Shanghai Academy of Social Sciences to carry out studies on social responsibility & development of the airport community, compiled the Report on Social Responsibility & Development of Shanghai Airport Community and established the Social Responsibility Evaluation Index System of Shanghai Airport Community. Based on specific cases of grassroots governance of Shanghai Airport Community, SAA finished the compiling on the Work Case Collection of Shanghai Airport Community Party Building & Co-construction (2017 version), which provided a group of demonstration samples. They also compiled the Three-Year Work Plan of Shanghai Airport Community on Co-construction & Co-governance (2018-2020) to strengthen Shanghai's strategic goal of constructing itself into an aviation hub for its future development.



## STRATEGIC COOPERATION

### Implementing SAA's strategic cooperation projects

SAA and Xinjiang Airport Group, on Jan 20, further deepened their strategic cooperation and signed the Implementation Plan of their framework cooperative agreement to strengthen mutual exchanges and cooperation, and enhance their overall strength and international competitiveness.

SAA, on July 26, signed a strategic cooperative agreement with Shanghai Orient Webcasting Co to form partnerships in areas such as public relations maintenance and online services, as part of efforts to building a good brand image.

SAA signed a strategic cooperative agreement with Dalian Airport Group on September 3 when both parties agreed to focus on cooperation in five areas: pivotal airline network construction, airport construction & development, air cargo, talent exchanges & cultivation and airport operation & management.

SAA signed a strategic cooperation memorandum with Russia's Air Bridge Cargo Airlines on the afternoon of September 13. Since Russia is China's important economic and trade partner and an important country involved in the Belt and Road Initiative, it was hoped that the cooperation and exchanges between the two civil aviation enterprises in the areas such as air cargo services will promote the building of the Sino-Russian economic corridor and contribute to the two countries' national strategies.

Shanghai International Airport Co. Ltd signed a strategic cooperation agreement with Shanghai Florentia Village (Shanghai Yi Lang Commercial Co., Ltd) on June 5. Both parties agreed to strengthen cooperation and exchanges based on Shanghai's strategic goal of building itself into an international metropolis for consumption.

Shanghai International Airport Co. Ltd signed on June 14, the Strategic Cooperation Framework Agreement on Jointly Advancing Information & Communications Infrastructure Construction of Pudong Airport with the Shanghai branch of China Tower to accelerate the establishment of the Pudong Airport with a higher informatization level.

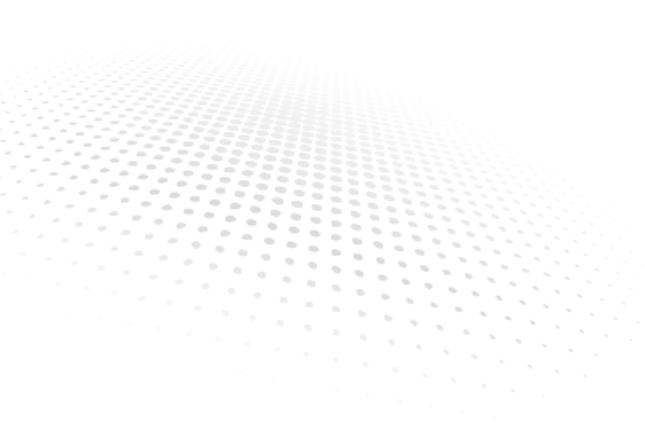
The off-site Terminal Management Department of Shanghai International Airport Co., Ltd and the School of Agriculture and Biology of Shanghai Jiaotong University, on June 16, launched a signing ceremony for their framework agreement of university-enterprise cooperation on afforestation management. Both parties agreed to work together to create an elaborate and impressive green landscape in accordance with a standard and rational airport afforestation plan, which was of great importance to improving the image of Pudong Airport.



## VOLUNTEER SERVICE & PROGRAMS

SAA Labor Union built volunteer teams, organized various activities and improved capacity of serving its employees by a dynamic management integrating online initiation, order placing, and offline interaction.

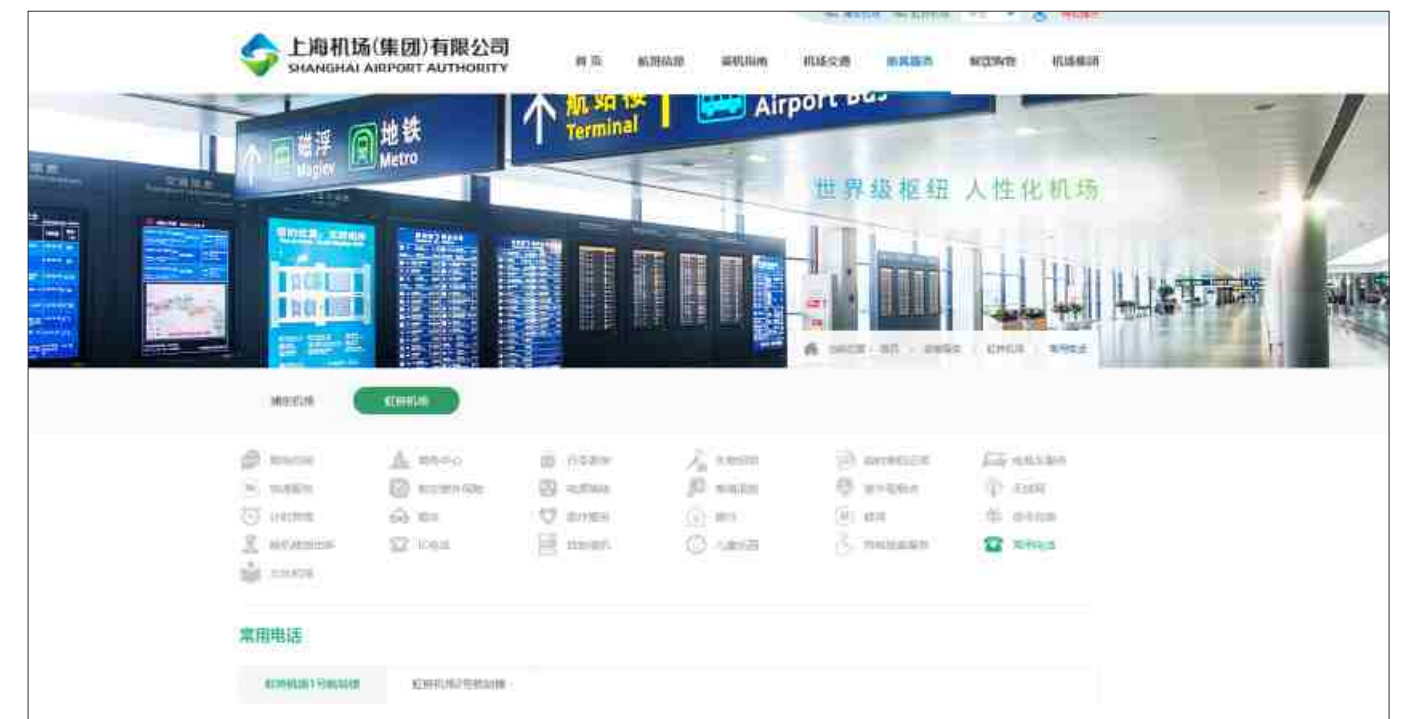
SAA Communist Youth League Committee encouraged young volunteers to carry out public welfare activities, continued the publicity of smoking control knowledge, selected excellent young foreign language talents as volunteers for the 3rd Shanghai International Natural Conservation Festival, and cooperated with Shanghai Municipal Communist Youth League Committee to protect 28 Asian and African youth delegates during their return to their own countries. SAA conducted the 'Travel with National Flags' patriotic campaign for the fifth consecutive year. In 2017, a total of 23 young volunteers from SAA were selected as candidates for the National Joint-Incentives of Honest Young Volunteers. The general team of SAA young volunteers was honored as '2017 Excellent Chinese Young Volunteer Team in Helping Transport during the Spring Festival' and also won 'Excellent Organization Award of the First Civil Aviation Youth Volunteer Service Program' .



## NEW MEDIA PROMOTION

In 2017, SAA Party Committee stepped up its efforts in constructing and maintaining its online promotion on the two social media platforms of microblog and WeChat, and made remarkable achievements in spreading company information, strengthening the promotion of service highlights and guiding online public opinions.

SAA e-government new media outlets (microblog account: Travel Express-SAA; WeChat service account: saamedia) won the Excellence Award of 2017 Shanghai E-government New Media and the recognition from the Shanghai municipal government. In addition, according to Sina microblog's newly-released 2017 Aviation Influence Rankings at Microblogs, SAA's microblog account ranked first among the most influential domestic airports.







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