

CATHAY PACIFIC
CATERING SERVICES



Cathay Pacific Catering Services (H.K.) Ltd.
Sustainable Development Report 2016

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CEO MESSAGE



We are very pleased to present Cathay Pacific Catering Services (CPCS) Sustainable Development Report 2016, which offers detailed information about our approach to corporate sustainability, key initiatives and achievements. CPCS realises the benefits of sustainable development and understands the importance of pursuing sustainable development around the world. By integrating sustainability into our business and creating innovative solutions, we believe that we have created mutual benefits for both CPCS and our stakeholders in the spectrums of economic, environmental and social well-being.

Business performance is key to sustainability. In 2016, we were delighted to have Austrian Airlines & JSC Royal Flight Airlines on board as our valuable customers, bringing our customer base to 45 airlines. In addition, we broke several records including our daily flight handling record, which reached 221 ex-HKG pax flights in August 2016, and the highest monthly production record, which hit an average 88,804 daily meals in July 2016.

Incorporating innovation into business improvements is one of our key management focuses. The lean management programme continued to increase efficiencies and reductions in waste. This year we intend to go beyond lean, adopting innovative ideas to enhance our performance. An innovation circle i60 was formed to drive innovation and excellence in products, services and process improvements for continued success.

We have developed a sustainability strategy and programmes to support mitigating the impacts of climate change in response to the United Nations "Paris Agreement", in addition to the HKSAR government's "Hong Kong's Climate Action Plan 2030+". Compared with 2015, we have further reduced our carbon footprint by 10% by replacing air-cooled chillers with water-cooled chillers, changing all lighting to LED systems and operating either Euro VI or electric vehicles. In addition, we closely co-operated with NGOs, especially Food Angel and Feeding Hong Kong, on surplus food donations to help the underprivileged while minimising our generation of food waste.

People are the most valuable asset of CPCS. Our performance management process facilitates the identification of talented employees with the potential for future progression. The development of the talent pool is essential for succession planning and to cope with the company's growth. Development programmes include a Supervisor Trainee Programme, Lean Six Sigma Black Belt Certification, CX Lean Academy, and i-60 Innovation Management. Collaboration with third parties including the Hong Kong Productivity Council provide opportunities for us to exploit new technologies for automation, energy savings and waste reduction. Providing a healthy and safe work environment is also our top priority. We are pleased to have achieved zero fatalities or a serious accident in 2016.

We have also continued to maintain strong relationships with the community. We have co-organised volunteer programmes with local NGOs for our staff and their relatives to support the development of children, youth and the elderly.

Construction work of the extension facility was completed in November 2016. It incorporates many sustainability features and was qualified as a green building under BEAM Plus. CPCS is gearing up for the projected growth in demand at Hong Kong International Airport with three runways in operation.

Comments and feedback from our stakeholders are invaluable. It helps us to carry on in accelerating our performance in sustainable development. Thank you for reading our Sustainable Development Report 2016 and for your continuous support. Together, we are truly creating a more sustainable future.

Mrs. Jenny Lam
Chief Executive Officer
 Cathay Pacific Catering Services (H.K.) Ltd.

ABOUT THIS REPORT



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This is our seventh sustainable development report. It covers the performance, achievements and other related matters of sustainable development in the operations of Cathay Pacific Catering Services (H.K.) Ltd., CPCS *within Hong Kong from 1 January to 31 December 2016. The actions taken in support of environmental protection, and social and economic development during the period are summarised in this report.

In order to provide a transparent view to our valued stakeholders, a worldwide standard of sustainability reporting was adopted this year. This report was prepared in accordance with the core option of *GRI-G4 Sustainability Reporting Guidelines*. Besides standard general disclosures, the specific material aspects of CPCS that are significantly related to daily operations are also reported. GRI performance indicators are disclosed in the “GRI Content Index”. No external assurance was pursued for this reporting period.

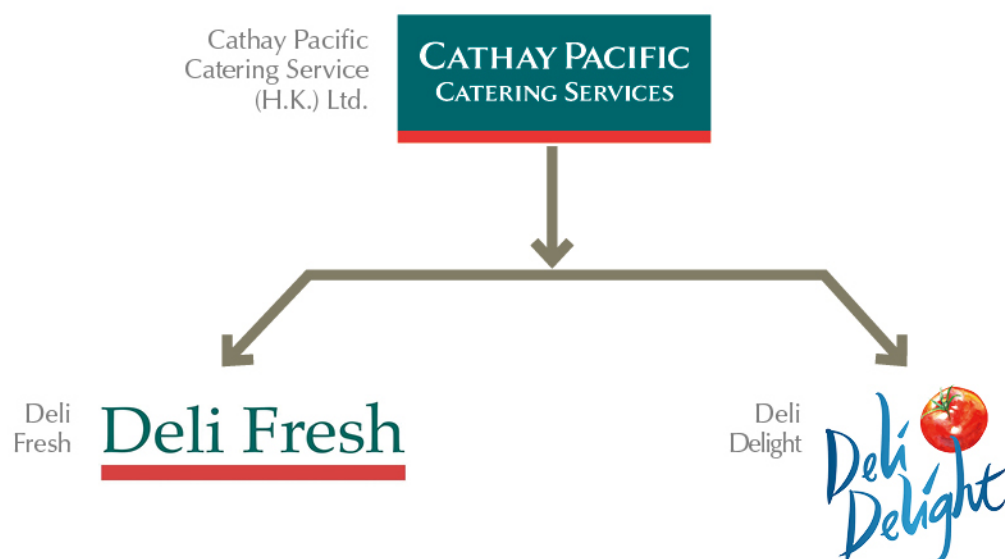
** This report only covers CPCS’ inflight catering business; Deli Fresh, Deli Delight and associate international kitchens are excluded.*

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ABOUT CPCS

CPCS is the in-flight catering services company in Hong Kong and fully manages two subsidiaries, Deli Fresh and Deli Delight, which provide school meal services and online retail gourmet food respectively. In addition, CPCS has four sister international kitchens worldwide in Taipei, Cebu, Toronto and Vancouver to support our business.

COMPANY STRUCTURE



OUR HISTORY

Cathay Pacific Catering Services (H.K.) Ltd. has a rich history in airline catering dating back to 1967. It all started with the name of "Air Caterers Ltd." at the Kai Tak airport, a cooperative venture between the Swire Group, Cathay Pacific Airways and the Hongkong and Shanghai Hotels, Limited. With an increase in shareholding by the Swire Group, the name was changed to "Swire Air Caterers Ltd." in 1974. Later in 1992, Cathay Pacific Airways bought the entire shareholding from her partners, and the company was renamed as "Cathay Pacific Catering Services Ltd.". Today, CPCS is a wholly-owned subsidiary of Cathay Pacific Airways and a member of Swire group.

OUR BUSINESS

Cathay Pacific Catering Services (H.K.) Ltd. (CPCS) is one of the largest flight kitchens in the world.

With 49 years of experience in the airline catering industry, CPCS is renowned as a reputable caterer especially after having moved into its state-of-the-art facility at the Hong Kong International Airport at Chek Lap Kok.

In 2016, CPCS engaged in-flight catering services with 45 airlines and supplied over 30 million meals to 73 thousand flights departing Hong Kong, accounting for about 65% of the total market share in airline catering. CPCS was supported by 1766 employees and its resident contractors.

The company is a 100% subsidiary of Cathay Pacific Airways. In addition to preparing authentic and mouth-watering dishes, CPCS provides the logistics services in delivering food and beverages, as well as other commissary items onto aircraft.

VISION

The vision of CPCS is to be the most valued catering services partner in Asia. CPCS focuses on quality and creativity to support customers in achieving their ultimate goals.

MISSIONS

CPCS sets its missions to:

- strive for the highest quality and safety standards throughout the supply chain;
- research and develop innovative solutions for the mutual benefits of all business partners;
- simplify our systems and processes to make it easy for our customers;
- pursue sustainable business growth to maximise returns on investment;
- engage and develop our people to excel; and
- develop environmental and corporate social responsibility leadership.

VALUES

CPCS set 'CREATE' as its values. They denote

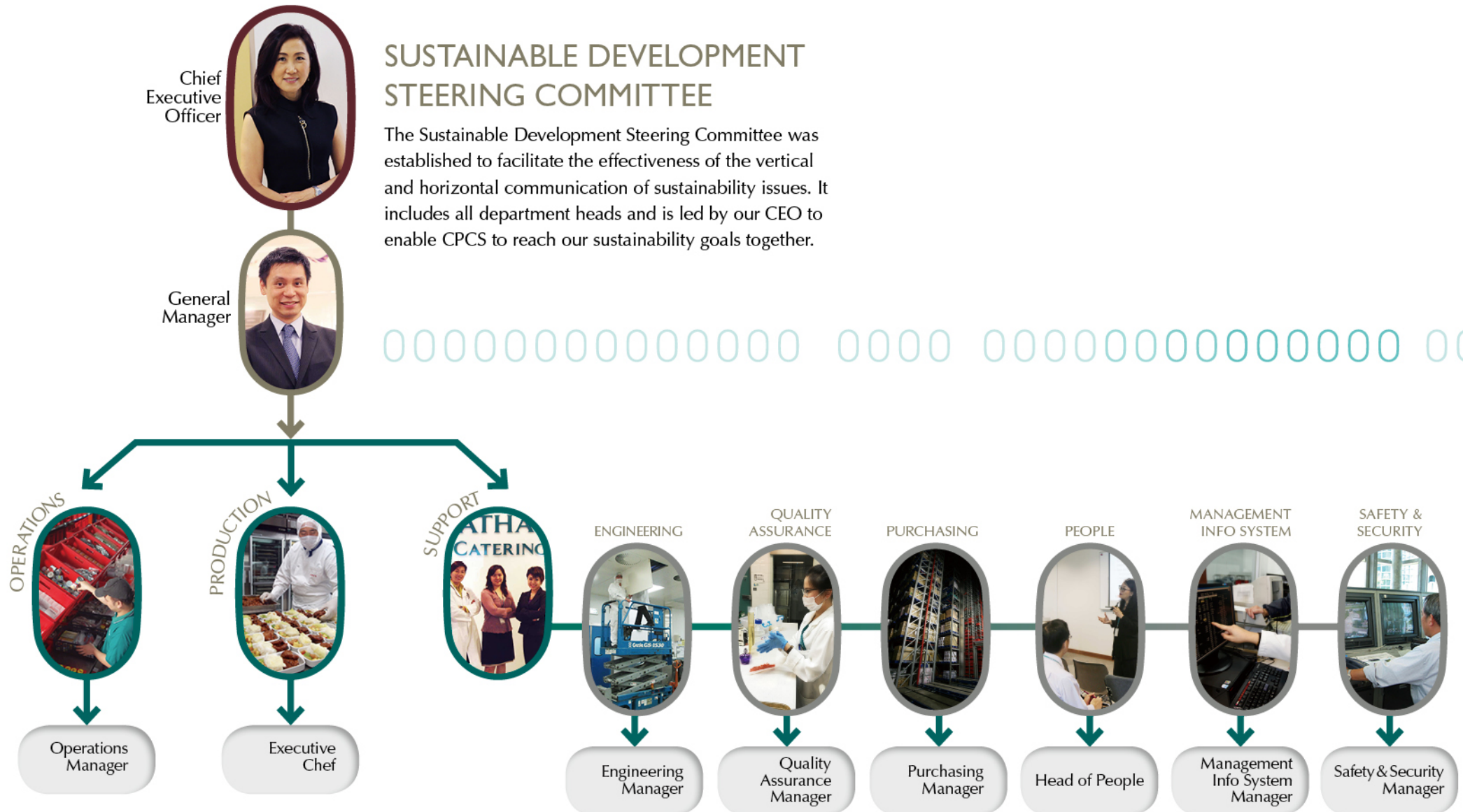
Caring
Respect
Excellence
Adaptability
Teamwork
Ethics



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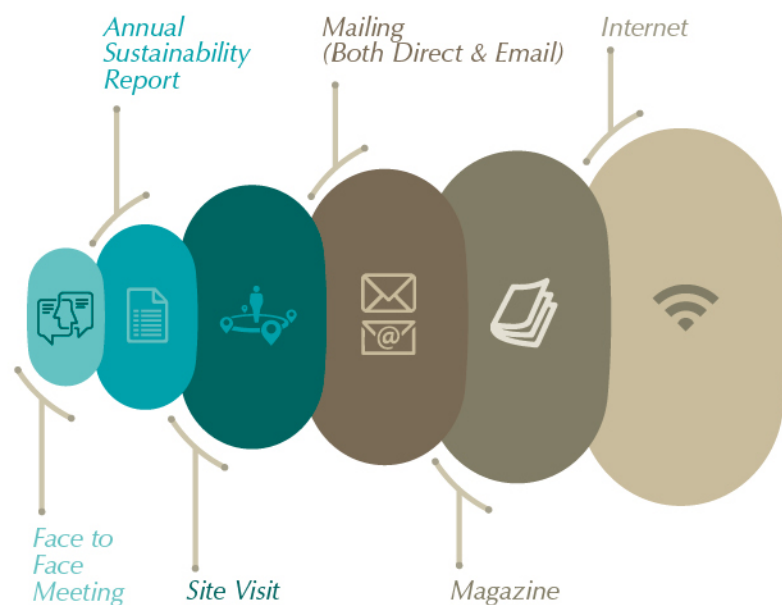
CORPORATE GOVERNANCE



STAKEHOLDER ENGAGEMENT

Stakeholder engagement is a fundamental and ongoing process to support our governance structure to integrate sustainability into our corporate business to achieve our vision, mission and values on sustainability. Stakeholders are any parties including individuals, groups and organizations that are affected by our company's business, products and services. Their voices and feedback give us a clearer picture on the impacts and opportunities of our business.

COMMUNICATION CHANNEL



STAKEHOLDERS

S	U	P	P	L	I	E	R	S	
C	U	S	T	O	M	E	R	S	
C	O	M	M	U	N	I	T	Y	
N	G	O	S						
M	E	D	I	A					
G	O	V	E	R	N	M	E	N	T
E	M	P	L	O	Y	E	E	S	

& their families

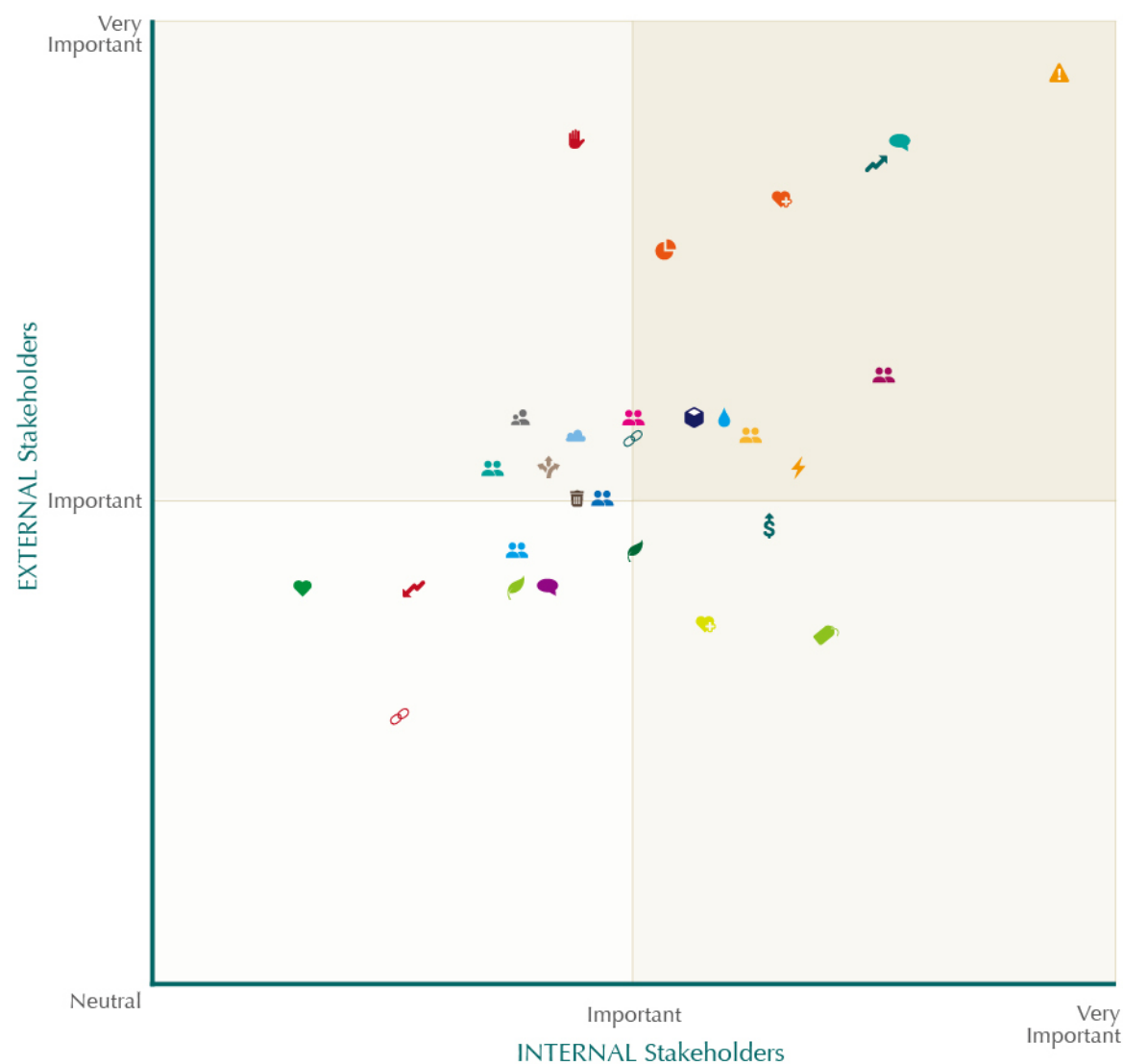
We have several communications platforms allowing our valuable stakeholders to have a say and to engage in helping us build, prioritize and develop our shared vision in making sustainability a reality for CPCS.

These engagement exercises are being carried out in a planned and systematic manner, from individual face-to-face meetings to our online magazine and website. All channels are open and we engage with our stakeholders in a transparent manner.

SUSTAINABILITY MATERIALITY ANALYSIS

In order to define an appropriate boundary of sustainability reporting, the supply chain, operations, products and services of CPCS were reviewed to identify their key aspects of sustainable development. A total of 29 key aspects were identified in the preliminary review, in which four were materialised only within CPCS. Surveys were conducted at internal and external stakeholder engagement events to evaluate the importance of those 29 aspects. The weighting mapped out the materiality matrix. It showed that food quality and safety is the most important material for CPCS. All the materials within the reporting boundary are explained in this report.

The material aspects, importance to stakeholders and boundaries of the material aspects within presented in the figure of this section. The results of the stakeholder engagements will be updated every year.



Remarks: The materiality analysis was conducted by questionnaire. The respondents in the stakeholder engagements were invited to complete a questionnaire and rate the key aspects by 'unimportant', 'less important', 'neutral', 'important' and 'very important'.

A group of people, including a man in a striped shirt and glasses, laughing heartily during a presentation. The man in the foreground is wearing a blue and white striped shirt and glasses, and is laughing with his mouth open. He is wearing a lanyard with a badge. Other people in the background are also smiling and laughing. The image is framed by a red circular border.

BUILDING AN INNOVATIVE CULTURE

In 2016, CPCS rolled out an innovation programme to encourage staff to implement our visions with the concept of innovation. We are committed to creating significant long-term business value and bringing benefits to our customers, staff and stakeholders by increasing our quality and productivity, while decreasing costs. With the aim of ensuring that innovation is a priority and that there is a clearly defined and focused effort to achieve innovation in CPCS, the innovation programme is steered by top management and governed by the Business Improvement Department to ensure successful delivery including maximising the benefits from corporate projects.

The top tier talents, including managers, assistant managers and graduate trainees, were teamed up as pioneers, and named “i-60” to mobilize the innovation engines. The teams drive the innovative culture in CPCS by actively leading corporate innovation projects, openly exchanging ideas in the sharing sessions, engaging with external speakers and visits to other companies, encouraging all staff to inspire and initiate innovation for oneself and our business, brainstorming new ideas, and sharing inspiring news on innovation and new technologies.



LEAN MANAGEMENT

To cope with business growth, the company will undertake a project to expand the work area by building a new phase. The production and operations departments applied lean concepts in the design of the shop-floor layout and processes. Basic 5S principles also applied such as signage for the workplace and labelling for inventory, while floor lines were set to properly organise the workplace. The 5S mechanism will be built which in turn will further enhance efficiencies. The lean design also helped shorten the transportation time within the work areas and streamlined the work process. The introduction of the “Make and Pack workstation” and “Milk Runner” improved changeover times, which in turn, enhanced operational productivity.

To get more lean exposure, we participated in a tour of Toyota’s vehicle production site in Guangzhou organised by the Six Sigma Institute (SSI) and the American Society for Quality (ASQ). The concept of lean begins from Toyota’s Production System which revolutionised the automotive manufacturing process. All participants were impressed by their lean applications and were eager to apply the concepts learned to their respective workplaces.



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GREEN PURCHASING

CPCS preaches to our supply chain on our conviction in sustainable development. We collaborate with different global suppliers of raw materials, inflight service items and various residential contractors to achieve the sustainable development goals together. Since our key business is to provide high-quality meals to customers, with achieving our sustainable development goals, we source sustainable ingredients, e.g. sustainable seafood and local vegetables, whenever possible to minimise the environmental impact. Besides, we favour suppliers who share our commitment to sustainable development and who seek to integrate sustainability principles into all areas of their business.



SUSTAINABLE FOOD PRODUCTS

Purchases of Sustainable Seafood

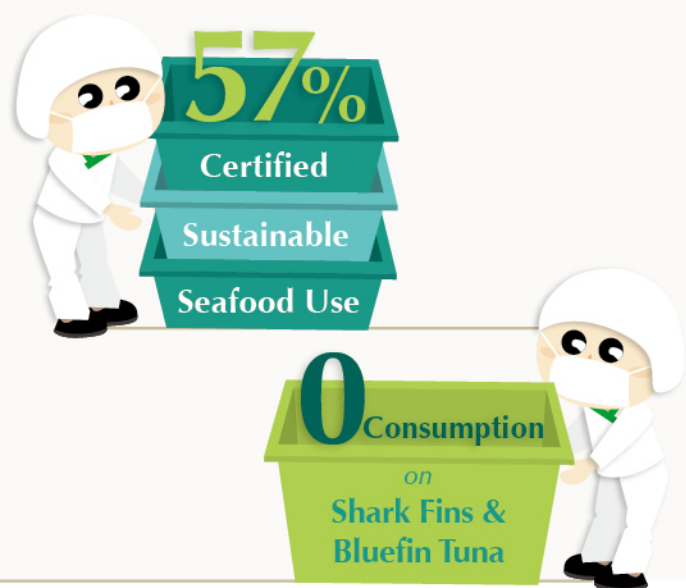
Sustainable seafood has gained traction in recent years. Although there is still a price premium to pay for sustainable seafood, we have given our every effort to increase the use of certified sustainable seafood products, as opposed to standard seafood products, in our portfolio. In 2016, we purchased 367,534kg of sustainable seafood. This is the percentage of sustainable seafood products increased to over 57% of the total volume of seafood products we purchased. The sustainable seafood products that we have purchased range from cod, lobster, and scallop approved by the Marine Stewardship Council (MSC), to pangasius, shrimp, and Mediterranean seabass certified by Best Aquaculture Practices (BAP), Global Good Agricultural Practice (GlobalGAP) and the Aquaculture Stewardship Council (ASC), etc. Our goal is to continuously increase our total purchase of sustainable seafoods. To do so, we are working closely with our airline customers in menu planning and advocating the use of sustainable seafood for their meals.

At the same time, we are also concerned about, and wish to stop, the use of unsustainably produced seafood. In this regard, we have worked to gain our customers' support to refrain from the use of products such as shark fins and bluefin tuna, as we understand the concern overfishing and the inhumane practice of shark finning. In 2016, we successfully achieved zero consumption of shark fins and bluefin tuna.

Purchase of Locally Grown Vegetables

It remains difficult to rely on locally grown vegetables in order to sustain our business. Obviously, this is because farming in Hong Kong is too small in size, making local supply very limited in terms of both quantity and variety. Given our business needs for year-round stable in season vegetables in large volume, we must source from around the world. That said, in an attempt to contribute to the long-term development of local farming, we have made a special effort to procure locally grown vegetables, namely hydroponic salad greens to begin with. In 2016, we purchased 35,585kg of locally grown salad greens, which accounted for over 22% of the total salad greens we purchased. With this initial success, we will continue to find additional opportunities with local farmers.

The advantage we see in the use of locally grown vegetables is not only to support the local economy, but also to reduce our carbon footprint from imports.



ENVIRONMENTALLY FRIENDLY PRODUCTS

Purchase of Paper Products

Hygiene comes first and foremost in our day-to-day operations. To maintain an exceptional level of hygiene, including cleanliness in the workplace and the personal hygiene of staff, we have to use a significant amount of paper towel products. Understanding that a reduction in total usage is critical, we are working on programs to promote less usage on an ongoing basis. At the same time, we are exerting our best efforts to be more eco-friendly where possible, opting for recycled paper instead of virgin products. In 2016, over 77% of our hygiene related paper products were eco-friendly products.

Another key source of paper products that we use is for stationery (copying paper and name cards). After years of effort, we have seen the portion of eco-friendly stationery paper products rise rapidly in our portfolio. In 2016, this portion reached over 97% of our total purchases. As soon as possible, we would like to achieve 100% eco-friendly purchases in this category. Ultimately, our goal is to become a paperless office. Together with our IT department, we are conducting reviews to see how we can use advanced electronic tools to completely replace paper products.

15,600
Annual number of laboratory
microbiological tests

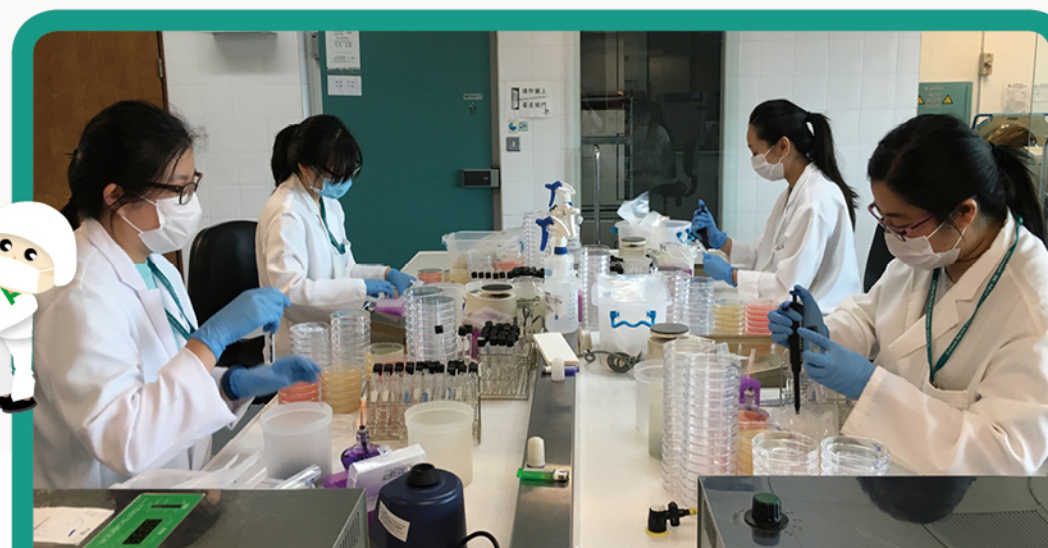


FOOD QUALITY AND SAFETY

Food quality and safety are the highest priorities in CPCS operations. To ensure food quality and safety, CPCS commits to the strengthened requirements of ISO 9001, Hazard Analysis and Critical Control Point (HACCP), and the standards of the International Air Transport Association (IATA)'s Inflight Catering Quality Assurance Programme.

CPCS applies risk assessments at all production procedures. The risk level is first studied and evaluated, then effective control measures are established respectively. CPCS monitors every procedure in the food production cycle to minimise the contamination from either biological, physical, or chemical sources. In addition, over 1,300 food samples from production kitchens are tested monthly in our in-house microbiological laboratory. These include the meals of all airline customers. CPCS also regularly conducts assessment audits at suppliers' manufacturing sites to verify their food safety systems to ensure food quality and safety. To maintain and promote food safety culture, hygiene refreshment trainings are regularly held with all CPCS staff.

Looking ahead to 2017, CPCS has been preparing the new operations of its extension facilities. Therefore, the quality assurance team has been working closely with the production team to study the opportunities and impacts of the new machinery as well as new production flows. In addition, the new version of ISO 9001:2015 will be implemented in 2017. Additional in-house trainings and workshops for various members in CPCS will be held to enhance their knowledge and awareness of the new quality control system.



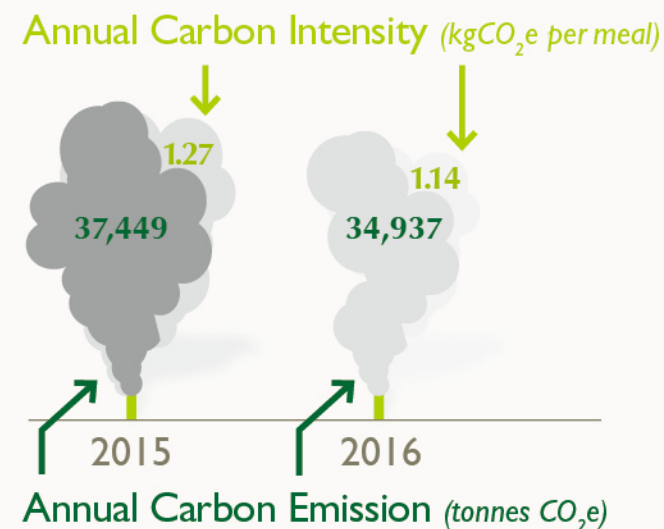
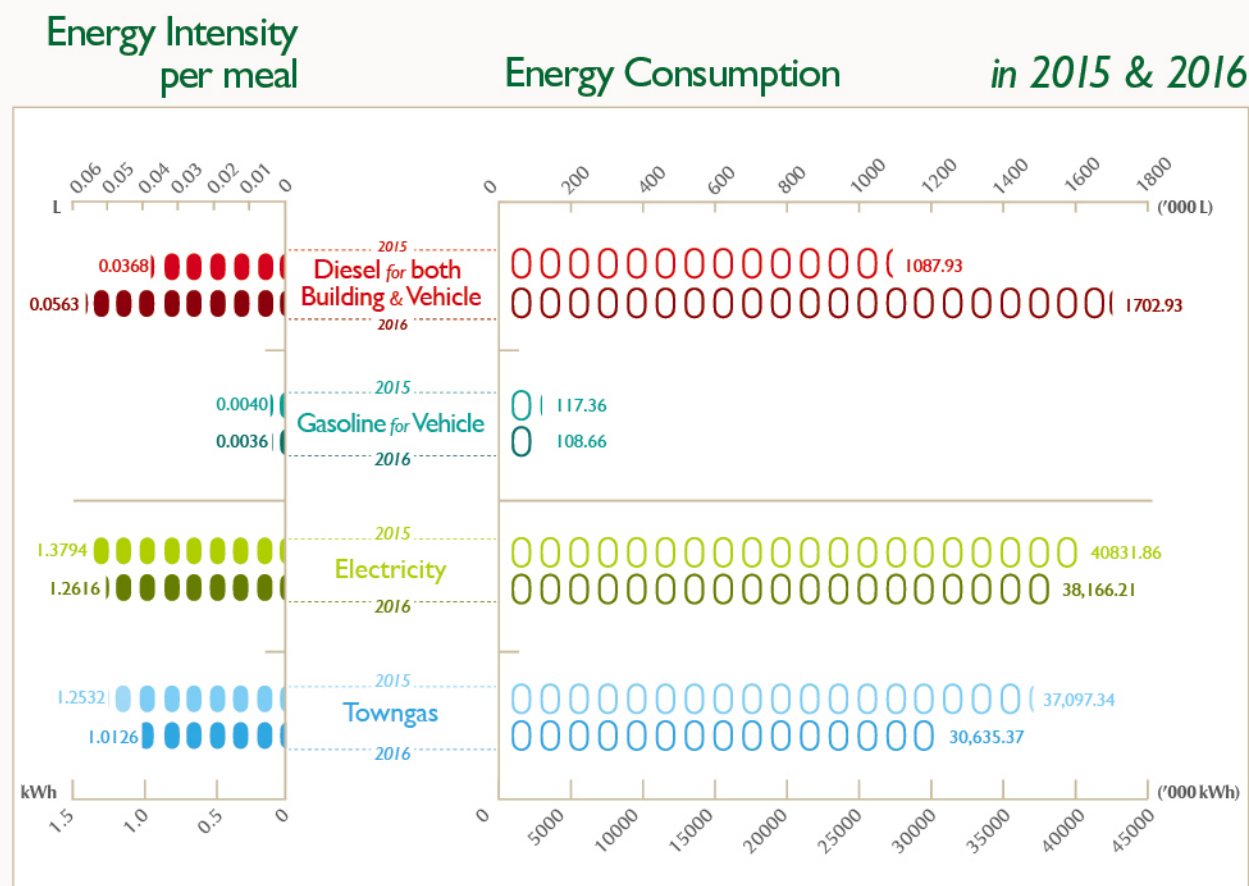
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ENERGY AND CARBON MANAGEMENT

CPCS makes enormous efforts to reduce our energy use and carbon emissions to minimise our contributions to climate change. In 2016, our electricity consumption was around 38 million kWh, having decreased by 9.4% compared with 2015. Our electricity consumption per meal stood at 1.26 kWh, a reduction of 8.6% compared with 2015.

Together with Hong Kong International Airport, we participated in the HKIA Carbon Reduction Target, which aims to reduce carbon intensity by 10% in 2020 compared with 2015 levels. In 2016, the total carbon emissions for CPCS stood at 34,937 tonnes CO₂e with a carbon intensity of 1.14 kgCO₂e per meal in 2016, which was a reduction in carbon intensity of roughly 10% compared with 2015.



Category	Unit	2015	2016
Scope 1 emissions	CO ₂ e tonnes	15,400	14,327
Stationary emissions		7,211	7,796
Mobile emissions		3,080	2,842
Fugitive emissions		5,108	3,689
Scope 2 emissions		22,049	20,610
Electricity		22,049	20,610
Total		37,449	34,937
Intensity	kg CO ₂ e per meal	1.27	1.14

ENERGY AND CARBON SAVING MEASURES

LED lighting replacement

The replacement of existing lights with high efficiency LED tubes is one of our key energy saving measures. A majority of the lighting in CPCS has been replaced. In 2016, four additional areas had different LED lights exchanged achieving further savings.

In our production area, there were around 2,000 LED lights that were installed to save 420,480kWh per year. A total of 150 pieces of 22W LED lights at cold holders were replaced with motion sensors to switch off, saving around 15,000kWh per year.

For general lighting, there were roughly 400 compact fluorescent lights that were replaced with LED lights saving 28,000kWh per year. Original Exit lights were also replaced with LED models. A total of 170 8W fluorescent exit lights were replaced with 4W LED exit lights saving around 5,957kWh per year. The lighting replacement project saved approximately 250 tonnes CO₂e of greenhouse gas emissions per year in total.

7-degree water cool chiller system replacement

A 7-degree water cool chiller system replaced the air cool chiller system, bringing about improved efficiencies. The annual savings came to around 2,500,000kWh, which is equivalent to 1,350 tonnes CO₂e of greenhouse gas emissions.

CO₂ ventilation control system

With a CO₂ ventilation control system, the HVAC system is more effective in adjusting the amount of ventilation at an optimised setting providing savings in average power consumption.

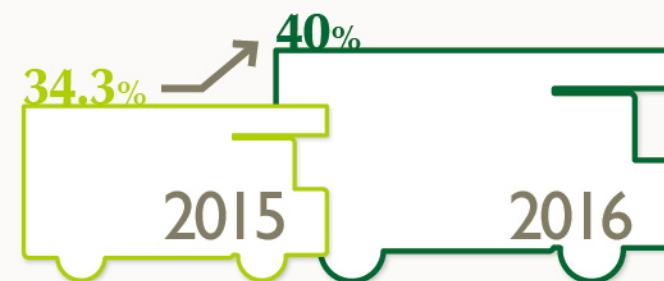


GREEN VEHICLES, AIR QUALITY AND WATER MANAGEMENT

GREEN VEHICLES

Emissions from our vehicles are another contributor of CPCS carbon emissions. To minimise our vehicle emissions, Euro IV or previous model vehicles will be replaced with Euro V, Euro VI or electric vehicles. Furthermore, all new vehicles purchased must be Euro VI models. In 2016, 10 Euro VI vehicles were purchased and put into service. Compared with 2015, the total number of Euro V, Euro VI and electric vehicles in operation increased by around 5% to 40% of all our operating vehicles resulting in a reduction in carbon emissions of 7.7%.

Percentages of Green Vehicles (Euro V, Euro VI & EV)



AIR QUALITY AND WATER MANAGEMENT

Maintaining good indoor air quality is always our priority to provide a healthy workplace for our staff. CPCS undertakes regular maintenance and indoor air quality assessments. We participate in the IAQ Certification Scheme for Offices and Public Places organised by the environmental protection department which covers different parameters including CO₂, PM₁₀, NO₂, O₃, HCHO, TVOC, and airborne bacteria to measure indoor air quality. CPCS attained the "Good Class".

In 2016, CPCS used around 500 thousand litres of water across its operations, an increase of nearly 8% compared with 2015. This increase was due to the energy savings project involving changing the air-cool chiller to a water-cool chiller, resulting in an additional amount of water consumed for cooling purposes.



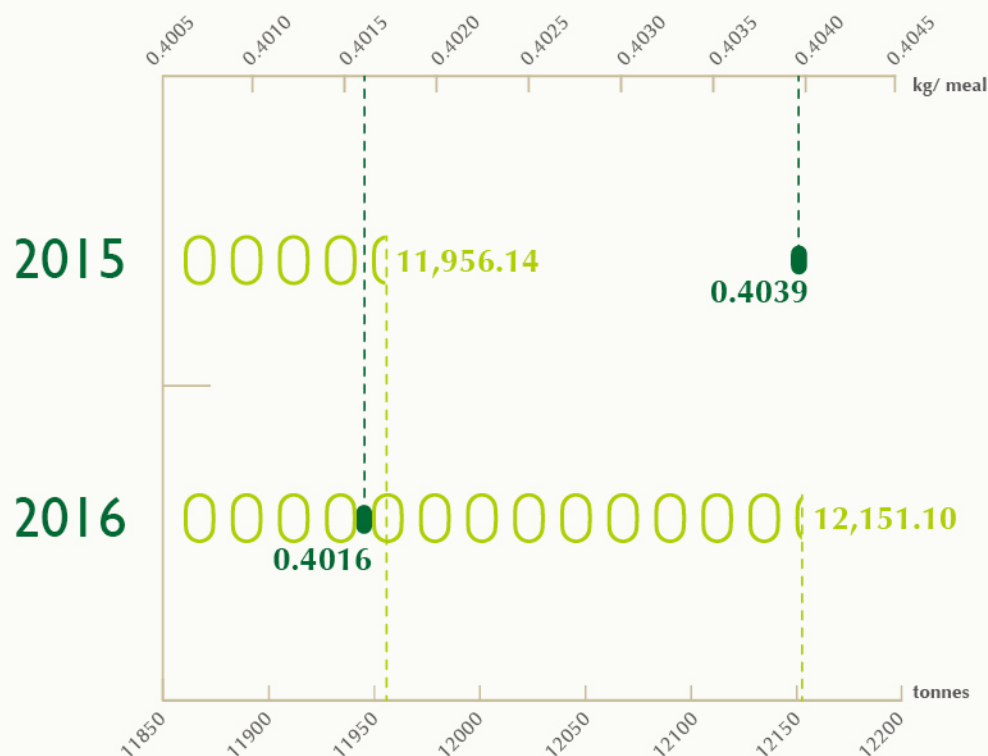
WASTE MANAGEMENT

Waste management is always a challenging task for CPCS due to its supportive role in the aviation industry. Various types of waste are unavoidably generated from inflight services. Thus, CPCS needs a comprehensive waste management strategy to cope with the massive potential waste.

In 2016, 43.6 tonnes of potential waste was generated per day from different operational services. In order to minimise the impacts to landfill and other waste handling facilities, CPCS implemented a series of waste management initiatives to reuse, recycle and recover our waste.

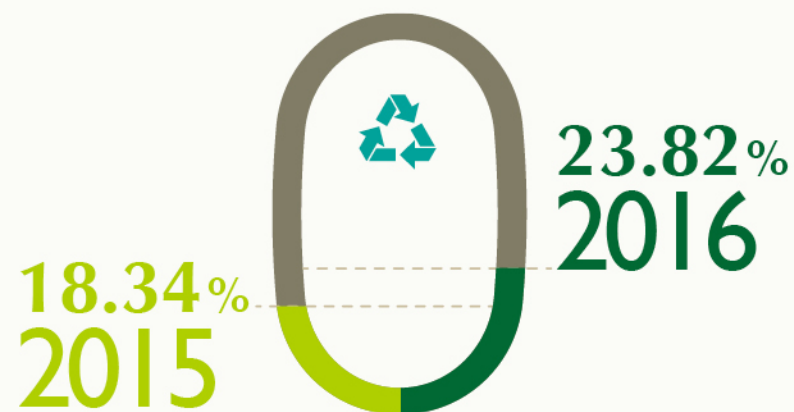
● Waste Intensity to Landfill (kg/meal)

○ Waste sent to Landfill (tonnes)



In 2016, the intensity of CPCS waste disposal to landfill was 0.402 kg/meal. More than 3,700 tonnes of materials were collected for recycling and the recycling rate was around 24%.

CPCS Waste Recycling Rate (%)



MATERIAL RECYCLING

Besides good practices of minimising the use of disposable materials, CPCS collected various recyclable materials from its production process, daily operations and items from inbound flights including paper, metals, plastics, glass, food waste and cooking oil.

The major recycled materials were paper products. Approximately 4.9 tonnes were recycled daily which saved more than 8,500 tonnes CO₂e of indirect greenhouse gas emissions in 2016.

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CPCS Recyclables Collected (tonnes)

2016 **1781.20** tonnes
2015 **1730.19** tonnes



PAPER

2016 **40.14** tonnes
2015 **38.01** tonnes



METAL

2016 **517.00** tonnes
2015 **488.21** tonnes



GLASS

2016 **41.80** tonnes
2015 **37.47** tonnes



PLASTIC

2016 **1369.76** tonnes
2015 **342.47** tonnes



FOOD
WASTE

2016 **38.41** tonnes
2015 **40.51** tonnes



COOKING
OIL

FOOD WASTE MANAGEMENT



CPCS took certain efforts to avoid waste generation throughout the life cycle of food. Another local food bank, Food Angel, was newly engaged in 2016 to solve the problem of food waste and to contribute more to the community.

CPCS has three main food waste management initiatives. They involve donations of consumable foods and food recycling, which in turn contribute to our environment and community.

Since 2015, CPCS has engaged with Feeding Hong Kong to collect individual unopened packaged foods and beverages from inbound flights to donate to people in need. In 2016, 236.7 tons of unopened packaged foods and beverages were donated, which was double the amount compared with 2015.

Food Angel is another local food bank we engaged with for the first time in 2016. We donated inbound unopened bottled water and bakery products for distribution to the underprivileged in the community. In 2016, we donated two tons of unopened bottled water and 300 kg of bread. A further extension of donations of cooked foods is anticipated for 2017.



Besides donations of consumable foods, CPCS also avoids the disposal of leftover foods, cooking oil, fruit peels and other food waste.

Since 2015, CPCS participated in a food waste recycling programme held by the Airport Authority. Food scraps from the production process were recycled as animal feed. As waste sorting became the norm at CPCS and integrated into our daily operations, the recycling of food scraps underwent a huge increase in 2016 with a total of 1151 tonnes of food scraps being collected and turned into animal feed production, growing 400% from 2015.

In the event that donations and recycling are not possible, CPCS considers energy recovery by waste an option before disposal. Cooking oil serves as an example. In 2016, 38 tonnes of used cooking oil was collected for external biodiesel production.



EXTENSION FACILITIES



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ABOUT EXTENSION FACILITIES

In 2016, CPCS completed all building works of the extension facility. The new facility is a three-storey building linked to the existing facility. The new facility was built on a site with a total area of 10,340 square meters. The Gross Floor Area (GFA) is 23,000 square meters. The building will mainly be used for meal assembly. The daily meal handling capacity and daily flight handling capacity are 40,000 meals and 120 flights respectively. Before its formal operation, it moved on to the equipment testing and commissioning stage in late 2016. The meal assembling operations of international airlines will be progressively migrated to the new facility in 2017.

The new extension facility was built following the Hong Kong BEAM Plus Standard, which is an internationally recognized green building standard. It aims to achieve the “gold” recognition. While the final assessment was in progress in 2016, the final result will be released later in 2017.



GREEN BUILDING FEATURES

To achieve the green building standard, the facility designer and operators were engaged at an early stage of the project to ensure that the new facility is adhering to the requisite standards in the full life-cycle of the building.

Increasing energy efficiency is our main task. CPCS has chosen new and energy-saving technologies to achieve this goal.

First, a water-cooling system was chosen rather than an air-cooling system for the air-conditioning system. In comparison with traditional air-cooling systems, the energy savings is at least 30%.

In addition, we installed occupational sensors in meeting rooms and toilets, which provide automatic lighting control to save more energy.

We also installed the new models of ware wash machines, which have occupational sensors to control water flow and energy. This new design model consumes 20% less water and energy when compared to existing models.

PEOPLE AND COMMUNITY



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ABOUT CPCS PEOPLE

At CPCS, we recognise that it is our high-calibre people that contribute to our success. The development of our staff is critical to sustainable development. In 2016,

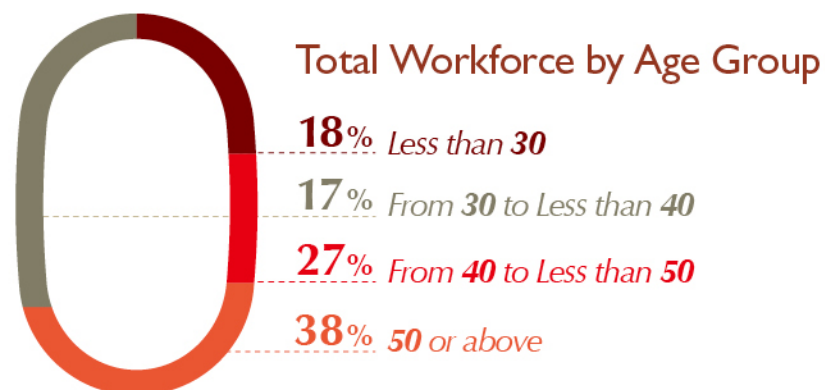
Equal Opportunity

CPCS provides every job applicant and staff with equal employment opportunity. We fill job vacancies based on an individual's qualifications, capabilities and personal qualities. CPCS is committed to providing our staff with an all-inclusive and non-discriminatory working environment free from unlawful discrimination, harassment, vilification and victimisation. We do not tolerate direct or indirect discrimination based on sex, race, ethnic background, marital status, family status, pregnancy or disabilities.

Employee Relations

CPCS is committed to fostering an open, high-trust and caring culture. We believe that effective communications is the pre-requisite of an engaged workforce. With the provision of different channels and platforms for two-way communications, we aim to build a respectful and harmonious working environment and avoid disputes due to a lack of mutual understanding.

Staff Alignment Survey In 2016, the third Staff Alignment Survey was conducted to collect feedback and ideas from staff to enable us to take appropriate actions to enhance the alignment of staff's beliefs and motivations with the company's vision, missions and values.



TALENT DEVELOPMENT

CPCS truly believes that our people are the most valuable asset for our continuous expansion. We invest in our people and help them unleash their potential to the fullest extent. The training varies from foundation training, to customer service training, language training, to supervisory training and management training.

In 2016, we offered a total of 11,187.5 hours of training, which was equivalent to approximately 6.33 hours of training per employee.

Supervisor Trainee Programme

The Supervisor Trainee Programme was established in 1995. We set out to train and nurture a pool of passionate talents to embark on a promising career in the in-flight catering business.

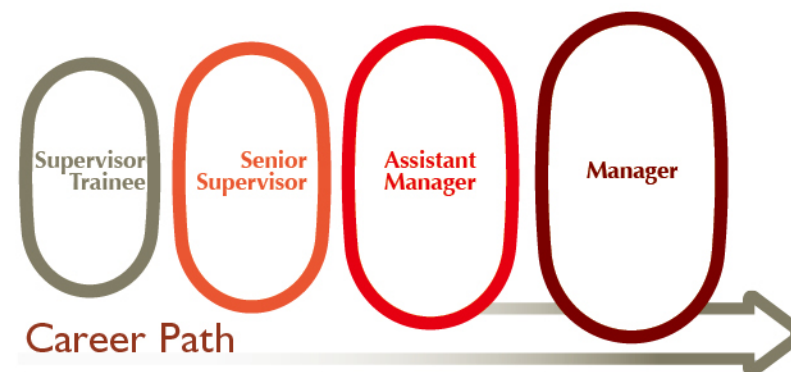
Throughout the two-year training programme, the Supervisor Trainees become well versed with the core operations of the company and are prepared to take up the role as one of our next generation leaders. Upon successful completion of the programme, the Supervisor Trainees will be appointed as Senior Supervisors. Over the years, many of the Graduate Trainees have been appointed to key positions in the company.

Programme Curriculum and Highlights

- On-the-job attachment in Operational and Commercial Departments
- Classroom training in technical and management skills
- Exposure to building people networks
- Mentorship and coaching for guidance and direction

Training Hours by Employee Category

By employee category	No. of employees	Total training hours	Average hours of training
Executive			
Top/Senior management	2	0	0.00
Middle/Junior management & supervisory	447	5414	12.11
Non-executive			
Customer-facing staff	127	634.5	5.00
Non-customer-facing operational/technical staff	1141	4959	4.35
Others	49	180	3.67
Total	1766	11187.5	6.33



OCCUPATIONAL HEALTH AND SAFETY

Occupational Health and Safety is always our core element and we remain committed to providing a healthy and safe working environment to all of our stakeholders. Different safety promotion activities are ongoing to increase the awareness of our staff including on-site safety training, a safe driving seminar, a safety observation programme, safety posters and safety banners. In 2016, we had zero fatalities or serious accidents and 1247* man-days were lost due to injuries. The following are the highlighted initiatives:

**Remarks: Lost day numbers due to injuries include CPCS and in-sourcing contract staff, for which the total headcount was a monthly average of 2290.*



Fatalities or
Serious Accidents

0%

0000000000000000



Ramp Operations Safety Video

A new ramp operations safety video was produced to highlight the black spots in apron areas to prevent breaching Airport Authority regulations. Preventive actions were also included in the video as the most common cause of staff injuries happened in ramp operations.

Safety Device at Loading Bay

To ensure the health and safety of the staff in working at height, new safety devices were installed at our loading bays to ensure the roller shutter could not be opened until a catering truck had been parked at the loading bay.



ENVIRONMENTAL AWARENESS PROGRAMME

Apart from regular good practices, CPCS had different environmental awareness activities in 2016 to promote the culture of environmental protection to our staff and their relatives.

CPCS held an ecotour to Tung Ping Chau and Tap Mun in 2016 in which 53 staff participated. Tung Ping Chau is within Hong Kong's UNESCO Global Geopark which has unique sedimentary rock features. This tour provided our staff and participants with a rewarding experience and an appreciation of Hong Kong's precious natural heritage.

A series of environmental awareness activities was also held during Green Week, including No Waste Day Campaign, Swap Day and Green Fairs to promote eco-friendly products.

A Swap Day was organised during Green Week in November 2016, which aimed to provide a platform to exchange second-hand items in order to promote a "buy less and circulate" concept to reduce waste generation at source. A total of 600 second-hand items were put on this platform, in which more than 200 were successfully exchanged. The remaining non-exchanged items were donated to Sheng Kung Hui Tung Chung Integrated Services for charity.



COMMUNITY PROGRAMME

CPCS is committed to maintaining good relationships with the community with an aim to extend our values of “Caring” and “Respect” outside the company.

Fundraising and Food Donations for the Underprivileged

CPCS and our staff have been working towards developing a sustainable society by participating in charitable events organised by non-governmental organisations. Our staff contributed donations for charitable and community engagement, namely for World Vision Day by ORBIS, Dress Special Day by The Community Chest of Hong Kong, and Change for Good by UNICEF.

Aside from monetary donations, as a compassionate catering company, we deployed our community engagement efforts to support the underprivileged, for example, the Hong Kong Youth Hostels Association, Terry Fox Foundation and two special schools. CPCS donated food to cater to their needs and their diverse functions and events.

Tailored Support to the Elderly of Tung Chung

We are devoted to building a strong bond and relationship with the local community around Tung Chung. For years, we have been working closely with Sheng Kung Hui Tung Chung Integrated Services to organise various personalised-activities for the elderly. We encouraged our employees to volunteer and extended invitations to their family members and friends, contributing over 90 volunteer hours. Through the voluntary services, we wish to strengthen a sense of belonging and create better team spirit.



CPCS LIST OF AWARDS AND RECOGNITIONS 2016

AWARDS

- 0 2015/16 Airport Safety Recognition Scheme – Corporate Safety Performance Award
- 0 BOCHK Corporate Environmental Leadership Awards 2016 – EcoChallenger
- 0 Hong Kong Awards for Environmental Excellence 2016: Bronze Award – Manufacturing and Industrial Services



CERTIFICATES AND RECOGNITIONS

- 0 Corporate Care Award of the Outstanding Volunteer Recognition Programme – Tung Chung Sheng Kung Hui Integrated Services
- 0 Energy Saving Charter
- 0 Friends of EcoPark 2015/16
- 0 Food Wise Charter
- 0 Hazard Analysis and Critical Control Point (HACCP)
- 0 Hong Kong Council of Social Service – 10 Years Plus Caring Company Award
- 0 Hong Kong Awards for Environmental Excellence: Wastewi\$e Label – Excellence Level
- 0 Hong Kong Environmental Protection Association – Wood Recycling & Tree Conservation Scheme 2016
- 0 Hong Kong Green Organisation
- 0 Indoor Air Quality Certification Scheme – Good Class
- 0 ISO 9001:2008 Quality System
- 0 ISO 14001:2004 Environmental Management System
- 0 Japan Airlines – Commendation for Ramp Incident Free
- 0 Malaysia Airlines – Excellent On Time Performance in 2016



GRI-G4 CONTENT INDEX

GRI Indicator	Report Section / Remarks	Page Number
GENERAL STANDARD DISCLOSURES		
Strategy and Analysis		
G4-1	Reported in CEO Message	3
Organisational Profile		
G4-3	Reported in About this Report	4
G4-4	Reported in About CPCS	5
G4-5		
G4-6		
G4-7	Reported in Our History	5
G4-8	Reported in Our Business	6
G4-9		
G4-10	Reported in About CPCS People	26
G4-11	Reported in Employee Relations	26
G4-12	Reported in Green Purchasing	14
G4-13	Reported in About New Extension Facilities	24
G4-14	Reported in Visions, Missions and Values	6
G4-15	Reported in CPCS List of Awards and Recognitions 2016	31
G4-16	CPCS did not have any membership of governance body, committee of funding or public decision-making body.	N/A
Identified Material Aspects and Boundaries		
G4-17	Reported in About CPCS	5
G4-18	Reported in About this Report	4
G4-19	Reported in Sustainability Materiality Analysis	10
G4-20		
G4-21		
G4-22	CPCS has no significant restatement for this reporting period.	N/A
G4-23	Reported in About this Report	4

GRI Indicator	Report Section / Remarks	Page Number
Stakeholder Engagement		
G4-24	Reported in Stakeholder Engagement	9
G4-25		
G4-26	Reported in Stakeholder Engagement and Sustainability Materiality Analysis	9-10
G4-27	Reported in Sustainability Materiality Analysis and Food Quality and Safety	9 & 15
Report Profile		
G4-28	Reported in About this Report	4
G4-29	The previous reporting period was from 1 January to 31 December 2015.	N/A
G4-30	CPCS reports its sustainability performance every year.	N/A
G4-31	Reported at the end of this report	Back Cover
G4-32	The reporting option is reported in About this Report ; This table serves as an index.	32-33
G4-33	No external assurance was pursued for this report.	N/A
Governance		
G4-34	Reported in Corporate Governance	8
Ethics and Integrity		
G4-56	Reported in Visions, Missions and Values	6

GRI-G4 CONTENT INDEX

GRI Indicator	Report Section / Remarks	Page Number
SPECIFIC STANDARD DISCLOSURES		
Economic		
G4-DMA	Please refer to the Section of Statistics in Cathay Pacific Airways Limited Annual Report 2016	N/A
G4-EC1		
G4-EC9	Purchase of salad green is reported in Sustainable Food Products.	14
Environmental		
G4-DMA	Reported in Environment	16-22
G4-EN1	Purchase of sustainable seafood is reported in Sustainable Food Products.	14
G4-EN3	Reported in Energy and Carbon Management	17-18
G4-EN5		
G4-EN6		
G4-EN7		
G4-EN8	Reported in Air Quality and Water Management	19
G4-EN9	All withdrawn water used in CPCS was sourced from Water Supplies Department during the reporting period.	N/A
G4-EN15	Reported in Energy and Carbon Management	17-18
G4-EN16		
G4-EN18		
G4-EN19		
G4-EN22	All discharge of CPCS is collected by drainage system, which is connected to sewage treatment plant in the Hong Kong International Airport.	N/A
G4-EN23	Reported in Waste Management	20-22
G4-EN27	Reported in Sustainable Food Products, Energy and Carbon Management, Green Vehicles and Waste Management	14 & 17-22
G4-EN30	Reported in Green Vehicles	19

GRI Indicator	Report Section / Remarks	Page Number
Social		
Labor Practices and Decent Work		
G4-DMA	Reported in People and Community	25-30
G4-LA6	Reported in Occupational Health and Safety	28
G4-LA9	Reported in Talent development	27
G4-LA10		
G4-LA11	All CPCS employees receive one performance review every year.	N/A
Human Rights		
G4-DMA	Reported in People and Community	25-30
G4-HR5	CPCS did not employ any child labour during the reporting period.	N/A
G4-HR6	CPCS did not employ any forced or compulsory labour during the reporting period.	N/A
Society		
G4-DMA	Reported in People and Community	25-30
G4-SO1	Reported in Community Programme	30
G4-SO2	The operations of CPCS did not cause significant negative impact to the local communities during the reporting period.	N/A
G4-SO6	CPCS did not make any political contribution during the reporting period.	N/A
G4-SO7	CPCS did not take any legal actions for anti-competitive behavior, anti-trust or monopoly practices during the reporting period.	N/A
Product Responsibility		
G4-DMA	Reported in Green and Sustainable Supply Chain	13-15
G4-PR1	Reported in Food Quality and Safety	15

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