

# Sustainable Development Report 2017

## Cathay Pacific Services Limited

# Today for Tomorrow



CPSL is committed to embedding sustainable principles in all aspects of its activities. It takes into consideration environmental, social and economic factors when making business decisions.

# Content

1. CEO Message.....	P.2
2. 2017 Highlights.....	P.3
3. Governance of Sustainability.....	P.5
4. Business Partners.....	P.7
5. Community.....	P.15
6. Environment.....	P.18
7. Occupational Health & Safety.....	P.22
8. People.....	P.28
9. Awards & Certifications.....	P.33
10. Social & Environmental Indicators.....	P.34
11. Appendices.....	P.36
Appendix I: Sustainable Development Policy	
Appendix II: Environmental Policy	
12. Contact Us.....	P.38

# CEO Message



In Cathay Pacific Services Limited ('CPSL'), sustainable development is not just a written mission statement but the core management philosophy that guides our direction setting and decision making. Climate change is accelerating and a severe weather event like a super typhoon can cause significant human and economic losses. We as a socially and environmentally responsible organisation have made every endeavour to mitigate the impact of our operation on the environment. To deliver value-added customer service focusing on innovation and efficiency, Cathay Pacific Cargo Terminal ('CPCT') commenced operations in 2013 providing full-fledged air cargo terminal services mainly to airlines operating at the Hong Kong International Airport. Our state-of-the-art facility has incorporated sustainable features in design, construction and operation. A pioneer of installing the chilled ceiling air-conditioning system among air cargo terminals in Hong Kong, CPCT reduced up to 40% of energy consumption, with recycled energy used for heating water and powering the Material Handling System.

In 2017, CPCT became an air cargo terminal with the world's highest throughput of 2.1 million tonnes. Our top priority is to constantly review, rethink and redesign to achieve operation excellence, safety and efficiency. We established a dedicated team that responds promptly to the ever-changing environment through LEAN capability development and result-driven transformation. Both LEAN and 5S are adopted as key improvement tools to make our operations more efficient and to create a safe working environment. The former is also deployed to identify and eliminate waste from operations.

It is about eliminating waste in processes.  
It is about living and working together.  
It is about achieving more with less.

I am pleased to present the 2017 sustainable development report of CPCT that highlights our achievements in the areas of community, environment, business partners, occupational health and safety, and people. We strive to bring more sustainable initiatives through innovation and collaboration in pursuit of our goal of “One Team One Dream”.

*“CPSL is committed to embedding sustainable practices in every aspect of our operations. We take the time to consider the social, environmental and economic implications of our business decisions and endeavour to make a positive difference.”*

A handwritten signature in black ink, appearing to read 'Jenny Lam', with a large, stylized initial 'J'.

Jenny Lam  
Chief Executive Officer

# 2017 Highlights

Company Performance			
	Airlines <b>17</b>		Annual tonnage <b>2.1 million</b>
	Highest daily tonnage <b>7,682</b> (Sep 23)		Highest monthly tonnage <b>196,978</b> (Dec)
			Airway bills <b>&gt;3.3 million</b>
	No. of flights <b>172,652</b>		No. of trucks <b>550,053</b>
People of Cathay Pacific Cargo Terminal			
	Direct staff <b>762</b>		Subcontractors <b>2,087</b>
	Female <b>202</b>		Male <b>560</b>
Sustainability Achievements			
	Carbon emission reduced <b>232,972 kg</b>		Electricity saved <b>860,206 kWh</b> (-2.16%)
	LTIR <b>1.09</b> (-14.8%)		Electricity per tonne <b>18.53 kWh</b> (-14.7%)
	Student visits <b>&gt;600</b>		Waste disposal per tonne (+10.7%)

# Governance of Sustainability

The governance of sustainable development at CPSL is led by the CEO, who is accountable for the Sustainable Development Strategy across the business.

The primary focus of our strategy is to mitigate the social and environmental impact of our daily cargo terminal operations, addressing sustainability issues in our business. To achieve this, the Sustainable Development Steering Committee hold regular meetings to review the progress of our overall strategy and discuss new initiatives and issues as they arise.

The committee focuses on **five** aspects of sustainable initiatives, each of which is overseen by a functional manager. The wide range of issues covered include energy utilisation, material handling parts reuse, investment in youth, training and development, engagement and communication, health and safety awareness, and the supply chain code of conduct. Our sustainable strategy is executed as directed by the committee, and sustainability elements are integrated into different aspects of our operations with stakeholders engagement.

## Structure of Sustainable Development Steering Committee



# Business Partners

*“We promote sustainable development with our business partners and endeavour to ensure that our suppliers protect and respect the welfare of workers and that they meet all regulatory requirements.”*

## Why Business Partners Matter to Sustainable Development?

The supply chain is integral to the corporate responsibility and sustainability practices of CPSL. It is important to develop long-term relationships with suppliers whose commitment aligns with ours. Therefore, procurement practices as key levers for sustainable supply chain management, engagement and transformation are gaining relevance.

## Supply Chain Review and Assessment

As a key cargo terminal operator, we consume and handle substantial packaging materials every day. To assess the overall manufacturing process and logistic arrangement of our two business partners, Hop Fat and Gobo Trade, we conducted the Supply Chain Review and Assessment on Packaging Consumable Items, including a questionnaire and a factory visit.

A comprehensive questionnaire was designed with nine focuses, namely management, health and safety, environment protection, production facility, quality management system, incoming materials control, process and production control, in-house lab testing, and people resources and training. The results of both Hop Fat and Gobo Trade were satisfactory.

Visits to the factories of Hop Fat and Gobo Trade in Mainland China were completed in the fourth quarter of 2017. Two detailed reports are disclosed below.

## Hop Fat Visit Report

A one-day visit to Hop Fat’s plant in Mainland China was conducted on 7 November 2017.

## 1. Factory Information

Name:	Hop Fat Plastic Bags Printing Fty., Ltd.
Location:	Sanshui, Fushan, Guangdong Province
Size:	1,200 m <sup>2</sup>

The factory consists of two plants, one in Tuen Mun, Hong Kong for the production of recycled resin and one in Sanshui for the production of CPSL's PVC sheets and other plastic sheets and bags.

## 2. Products of Hop Fat

Hop Fat Plastic Bags Printing Fty. Ltd. ("HF") is a supplier of CPSL providing PVC sheets of various sizes for cargo handling at CPCT.

Since its establishment in 1972, HF has manufactured plastic packaging bags, mainly shopping bags and plain PE plastic bags for industrial purposes.

It has also developed other items, such as antistatic bags, road construction films, cargo cover sheets, skin packs and wrappings.

## 3. Manufacturing Process

3.1 HF uses recycled resin for manufacturing, which is one of the sustainable solutions in the company's production cycle. This makes HF one of the eco-friendly players in the industry.



*Recycled resin shown during the factory visit*

### 3.2 Production of Recycled Resin

HF collects used PVC sheets from CPSL and other customers to produce recycled resin. This process takes place at HF's Hong Kong plant.

Afterwards, the recycled resin is dispatched to HF's China plant and mixed with other materials to form plastic products. One of the examples is the trash bin used by the Hong Kong Jockey Club.



#### 4. Quality Control

HF does not have any in-house lab testing facility, so the PVC sheets manufactured are sent to a third-party laboratory for quality control, which focuses on the thickness, tensile strength and elongation of the PVC sheet (in accordance with testing standards ISO 4593 and ISO 527-3).

## 5. Equipment

There are five types of equipment used by HF's China plant in its production of plastic sheets and bags: (i) ingredient mixing machine, (ii) blow film Machine, (iii) extrusion machine, (iv) cutting machine and (v) printing machine.



## 6. Certification

HF does not comply with any ISO standard at the moment.

## 7. Environmental Protection

HF's China plant is traditional and small in scale. The workstation is spacious and clean with sufficient ventilation.

No heavy machinery is required as the products of HF are simple plastic films and bags with very limited printing needed. Water is cooled and circulated within the closed system of the machines, so few pollutants are released into the environment from the plant during production.

HF is in compliance with China's environmental and industrial safety law and regulations.

## **8. Conclusion and Recommendation**

HF strives to operate its China factory in a safe and clean environment, putting every effort in minimising the environmental impact by recycling the PVC waste into resin.

It is recommended that HF apply ISO standards and equip testing instruments for its business development and product quality. HF agreed to apply for the ISO 9001 (Quality Management System) certification in the near future.

## Gobo Trade Visit Report

A one-day visit to Gobo Trade's plant in Mainland China was conducted on 6 December 2017.

### 1. Factory Information

Name:	(Zhuhai Free Trade Zone Formost Tech Co., Ltd)
Location:	Zhuhai, Guandong Province, China
Size:	3800 m <sup>2</sup>

### 2. Products of Gobo

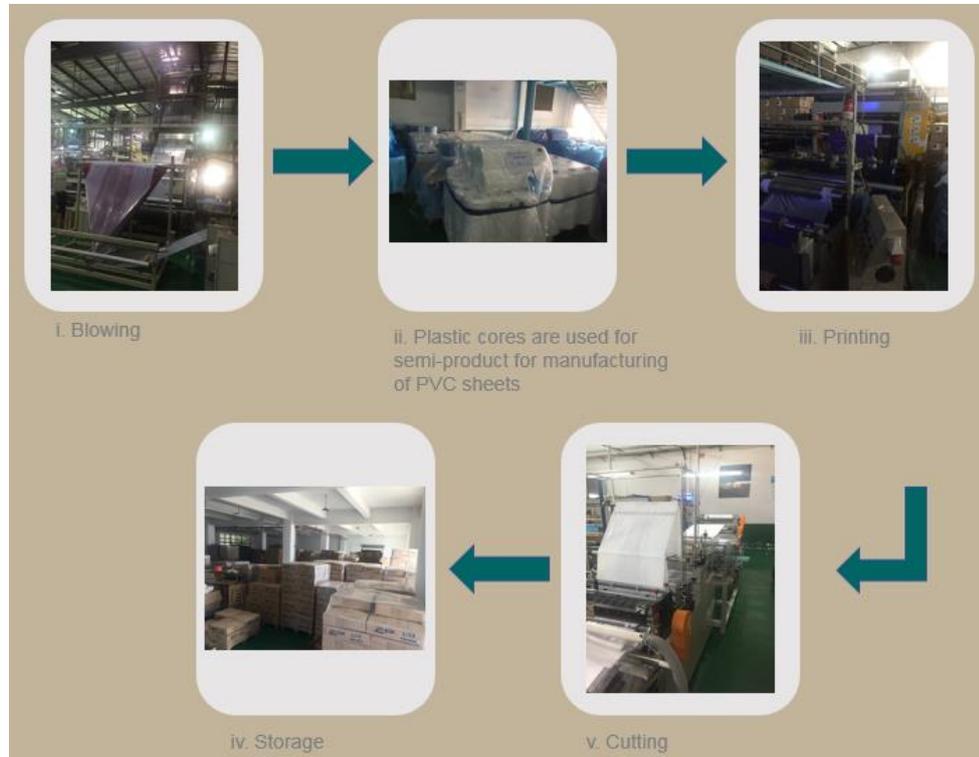
Gobo Trade Limited ("Gobo") is a supplier of CPSL providing plastic wrap, nylon rope and paper angles. Supplying PVC sheets to some of the cargo terminals in Hong Kong, Gobo is a potential supplier of this product for cargo handling at CPSL.

### 3. Manufacturing Process

3.1 Gobo recycles plastic waste to produce cores, which are used to manufacture PVC sheets. The process of producing plastic cores is as follows:



3.2 After the plastic cores are produced, there are five steps to manufacture PVC sheets, namely, blowing, producing semi-products, printing, cutting and storage.



#### 4. Quality Control

Gobo has an in-house lab testing facility for quality control, using a thickness gauge, a tensile strength and elongation testing machine and an impact resistance testing machine.

#### 5. Equipment

The manufacturing equipment in Gobo's China plant:

- 5.1 Blow firm machine x 9 sets
- 5.2 Printing machine x 9 sets
- 5.3 Cutting machine x 10 sets
- 5.4 Sealing machine x 10 sets

## **6. Certification**

Gobo is a well-established company and has attained ISO 9001, ISO 14001 and OHSAS18001 certifications.

## **7. Environmental Protection**

Gobo contributes to environmental protection by using recycled plastic cores to produce semi-products for manufacturing PVC sheets.

## **8. Conclusion and Recommendation**

This large-scale factory is well-organised with new equipment and good maintenance. A quality management system and an in-house lab testing facility are in place. Gobo demonstrated good factory operations in terms of quality control, occupational safety and environmental protection in compliance with ISO standards. No recommendation was made in this visit.

# Community

*“Our commitment to the community is a core part of our Sustainable Development Strategy. We focus on youth-related initiatives with the aim of nurturing the interest of the younger generation in the air cargo industry.”*

Community service is an integral part of our commitment to sustainable development. As young talents are the inspiration for the future and they fuel the growth of the air cargo industry, we actively engage with young people to foster their enthusiasm for aviation.

## Youth Visit and Green Initiatives Sharing

CPCT is the latest air cargo facility in Hong Kong that features the state-of-the-art materials handling system and world-class facilities. CPSL offers students an opportunity to gain a unique insight into air logistics through a guided-visit programme in 2017. Over 600 students from Hong Kong and overseas were welcomed at CPCT. During the visit, a 1:100 terminal model was showcased to demonstrate our innovative features and advanced technology systems which ensure efficiency, reliability and visibility. Viewing our operations, the participants learned how we deploy benchmark-setting technology while interacting with our aviation professionals. As a sustainable company, CPSL shared its green initiatives with the visitors to cultivate the importance of environmental protection.

CPSL also supports various community programmes of the Cathay Pacific Group and organises other special projects to raise the youth’s interest in the aviation sector.

## China I can Fly Programme

In August 2017, we supported Cathay Pacific's China I Can Fly programme, the company's biggest CSR effort in Mainland China, which allowed over 60 students to experience their first air travel. The event aimed at enhancing aviation knowledge and fostering personal growth of young talents in Mainland China. Through this invaluable learning experience the students got to understand more about the key role of CPSL in strengthening the competitiveness of Hong Kong as a logistics hub.



*China I can Fly programme*

## Dragonair Aviation Certificate Programme

A terminal facilities tour was also arranged for the participants of the Dragonair Aviation Certificate Programme, which is jointly organised by Dragonair and the Hong Kong Air Cadet Corps to inspire a new generation of local aviators. These passionate young people were impressed by the fully automated system at our site as well as our highly efficient terminal operations.

## Hong Kong International Aviation Academy (HKIAA)

A major air logistics industry player in Hong Kong, CPSL strives to support the long-term development of the Hong Kong International Airport and sustainable growth of the aviation sector. One of the initiatives is a visit programme we launched with the Hong Kong International Aviation Academy (HKIAA) to arouse interest in the industry. The HKIAA, established by the Airport Authority Hong Kong (AAHK), aims to nurture local and regional air transport management talents and strengthen Hong Kong's leading position as an international aviation hub. We would be happy to see the youngsters keep their motivation high and eventually find their way to aviation.

## Voluntary Services

Apart from developing future cargo terminal professionals, we dedicated ourselves to voluntary services, so that our employees and their families could take this opportunity to show some care to the needy. In these events the parents became role models for their children, teaching them to be thankful for the elderly who contributed a lot to the community. The participants spent some happy time together and sent their festive blessings.



*Delivering rice dumplings to the elderly at Pak Tin Estate, Shek Kip Mei*



*Visiting the elderly at Shun Tin Estate*

# Environment

*“We are committed to minimising our impact on the environment. With innovation and technology we do our best to achieve greater energy efficiency at the cargo terminal. Proper waste recycling and reuse is another key focus of our environmental management.”*

## Energy Saving

In 2017, we implemented various green initiatives and reduced the annual carbon emission and power consumption by 232,972 kg and 489,536 kWh respectively. The electricity consumption per tonnage in 2017 thus decreased by 12% compared to the previous year.

*Replacing T5 twin fluorescent lighting fixture with 1000 sets of LED tubes at the warehouse*



*Switching off 100 pieces of low-bay light with re-zoning modification at CT2 (no-man zone)*

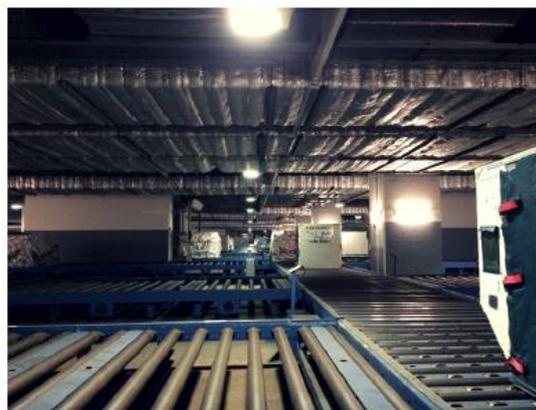




Figure 1



Figure 2

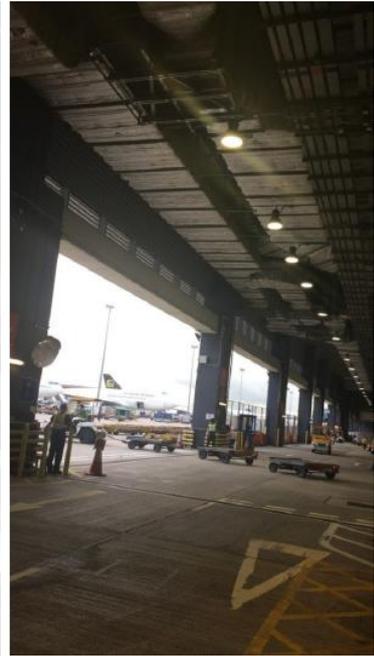


Figure 3

Figure 1 & 2: Lighting at the passageways of CT3 North End controlled by photosensors

Figure 3: Warehouse zone lighting modification with photocells at CT1 and CT3 (CT1 Airside Interface)

**CPSL**  
CATHAY PACIFIC SERVICES LTD  
維多利亞航空服务有限公司

**BEAT THE HEAT**  
Hong Kong

	<b>178%</b> Air Movement Improved		<b>68%</b> Staff Satisfied		<b>57%</b> Energy Saved
---	--------------------------------------	--	-------------------------------	---	----------------------------

To improve the stifling work environment for work health and safety in CPSL

Six 20-24 feet diameter giant pendant fans are installed in the Cargo Terminal to improve the stifling work environment and the comfort level of staff. The fans are environmentally friendly in their design and comply with CPSL's strict safety standards.

**Warehouse Ventilation Improvement – Big Pendant Fan**

## Waste Management

We actively manage the waste materials disposed to landfill and collected for recycling. The ratio of landfill disposal to recycling was maintained at 1:19 over the past two years. The waste disposed to landfill per tonnage in 2017 decreased by 10.7% compared to 2016.

Plastic sheets are widely used in the air cargo industry for packing and protection under adverse weather conditions. These materials cannot be reused at the terminal after the cargo is unpacked. We installed a sufficient number of plastic sheet compressors at the cargo processing area of the warehouse, facilitating the wrapping of used plastic sheets before sending them for recycling. In 2017, we recycled a total of 555 tonnes of plastic sheets.

Wooden pallets are another major source of waste during our cargo handling process. In 2017, we reused and recycled a total of 2,395 tonnes of wooden pallets.

## Striving for Clean Air

To comply with the electric vehicle policy of AAHK, we procured five electric saloon cars (e-cars) to replace our gasoline ramp vehicles at the end of 2017. With the e-cars in use in 2018, we expect to reduce carbon emission by 25 tonnes per annum.

We implement comprehensive maintenance practice regularly for the mechanical, ventilation and air-conditioning (MVAC) system to ensure cleaner air at the terminal office buildings. Since 2015, we have been awarded the Indoor Air Quality Certificate [Good Class] in recognition of our hardwork.

The image shows an Indoor Air Quality Certificate (Good Class) issued by the Environmental Protection Department (EPD) and HKIAS. The certificate is for the Cathay Pacific Cargo Terminal, located at 3 Chun Wan Road, Hong Kong International Airport, Chek Lap Kok. The certificate is valid from 25 August 2017 to 24 August 2018. It certifies that the indoor air quality of the location(s) fully complies with the Good Class of the Indoor Air Quality Objectives. The certificate is signed by Yeung Siu On, the Approved HKIAS IAQ Signatory, and issued by PIT Limited on 25 October 2017. The certificate number is 4301997201716 (2016).

Environment Protection Department  
ENVIRONMENTAL PROTECTION DEPARTMENT

HKIAS

**Indoor Air Quality Certificate  
(Good Class)**  
室內空氣質素檢定證書《良好級》

Valid period 有效日期: 25 August 2017 to 到 24 August 2018

I hereby certify that the indoor air quality of the following location(s) has fully complied with the Good Class of the Indoor Air Quality Objectives.  
本人證明下列地點的室內空氣質素完全符合「良好級」室內空氣質素指標。

Name of building 建築物名稱: Cathay Pacific Cargo Terminal 國泰航空貨運站  
Address 地址: 3 Chun Wan Road, Hong Kong International Airport, Chek Lap Kok  
赤鱘角香港國際機場貨運路3號

Certified location(s) 已檢定地點: RMB 439  
B座439室

Approved HKIAS IAQ Signatory  
香港認可處核准室內空氣質素簽署人員

Name 姓名: Yeung Siu On  
IAQ Certificate Issuing Body 室內空氣質素證書發給機構: PIT Limited  
Signature 簽署  
Date of issue 簽發日期: 25 October 2017  
Certificate No. 證書編號: 4301997201716 (2016)

Organization Chop 機構印處

(This certificate is issued based on the results of the HKIAS endorsed inspection report no. [R/A1171000033]  
(此證書是根據香港檢驗機構認可計劃檢驗報告編號 西A1171000033 所得之結果發出)

Indoor Air Quality Certification Scheme for Offices and Public Places  
辦公室及公眾場所室內空氣質素檢定計劃

Indoor Air Quality Information Centre  
室內空氣質素資訊中心

## Environmental Friendly Initiatives

Greening plays a vital role in building an environmental friendly cargo terminal at the Hong Kong International Airport. It is one of our responsibilities to incorporate this into every aspect of our operations. To achieve this, we actively engage our stakeholders in devising environmental initiatives by raising the awareness through various events.

In addition to the No Straw Day, Lai-see Packets Recycling and the Project Green Moon and Mid-Autumn Festival Mooncake Sharing Programme, we held the “Share a Meal” event with Food Angel for the first time in 2017. In this meaningful event the participants got to know more about the background of Food Angel and raised their awareness of the food waste issue. They also had a lunch prepared with edible surplus food and joined an eco-enzyme workshop where fruit peel was used to make organic detergents.



*Share a Meal by Food Angel*

# Occupational Health & Safety

*“We put safety first and provide a secure and healthy working and operational environment for our staff, customers and other stakeholders.”*

## Health and Safety

At CPSL, we strive to achieve the highest level of safety. We are committed to providing a safe and healthy environment for our employees, visitors and partners by adopting a risk-driven approach to identifying and eliminating hazardous conditions. Believing that all incidents are preventable, we continue to enhance our management system and promote safety as an integral part of our business.

In 2017, we conducted a safety management system review and strengthened our framework based on strong commitment, clear accountability and safety-focused leadership to foster a culture in line with the IATA Safety Audit for Ground Operations (ISAGO).

## Safety Performance

We track our safety performance by measuring the lost time injury rate (LTIR) and the lost day rate (LDR). LTIR is the number of injuries per 100 full-time equivalent employees. LDR is the number of work days lost to injuries per 100 full-time equivalent employees. In 2017, our LTIR (including contractors) decreased to 1.09 from 1.28 in 2016, representing a 14.9% annual decrease and a cumulative 48.3% decrease over the past four years, whereas our LDR (including contractors) decreased to 83.08 from 86.94, representing a 4.4% decrease compared to 2016.

Regrettably, there was a fatal accident where an employee was hit by a dolly while working on the cargo apron at the Hong Kong International Airport. After a full investigation was conducted, job safety procedures were improved accordingly and training was enhanced to raise the staff awareness.

## LTIR

(No. of injuries per 100 full-time equivalent employees)



*Lost Time Injury Rate*

## Health and Safety Awareness

Our safety team provides training and technical support to the employees so that they are equipped to meet their health and safety obligations. We continue to assess our health and safety procedures and have established rules for planning, organising, monitoring and reviewing health and safety precautionary measures as required by law.

In 2017, we continued to provide the frontline staff with a series of training covering safety management, human factors and emergency preparedness. We also initiated several health and safety campaigns and case sharing sessions with the Labour Department and AAHK, under the theme of “More Exercise, Smart Work”, to reduce the risk of physical injuries through refresher trainings and briefings.



*More Exercise, Smart Work*

## Driving Behaviour Observation Programme

To maintain a safe and orderly workplace at CPCT and promote responsible driving at the airside area, we launched the Driving Behaviour Observation Programme in mid-2017. The auditors focused on the attitude and skills needed for safe positioning and control of tow tractors. All audit findings and corrective actions were tracked throughout the process, and the results were included in the operational review. We have plans to extend this programme to forklift operators.

## Safety Performance Award Scheme

CPSL continues to grant the Safety Performance Award to recognise our employees and contractors who have contributed to cargo terminal safety. The 2017 Safety Performance Award Presentation Ceremony was held on 20 December 2017. This year, a total of 10 employees and contractors received the awards of Role Model Safety Behaviour, Best Safety Supervisor and Good Safety Suggestion.



*Safety Performance Award*

## Contractor Engagement

Our concern for safety is not limited to our employees. We are committed to applying sustainable practices through our 3Es Strategy (Engineering, Education, and Enforcement) to oversee and monitor the health and safety of our contractors and business partners. We regularly review and improve relevant regulations and procedures while adhering to the equally rigorous safety standards for every person who contributes to our company.

## Best Practice Sharing

To drive continuous improvement in safety, we held the Best Practice Sharing Session in our monthly safety committee meetings in 2017. Our safety team, together with other professionals in this field, provided a platform for facilitating best practices and experience sharing.



*Best Practice Sharing Session*

## Emergency Preparedness and Response

We have developed preparedness and response measures at the cargo terminal to address emergencies and protect our operations, stakeholders and the environment. We also work with relevant government departments to coordinate response planning and drills to enhance our vigilance as well as response capabilities.

### Fire Evacuation Drill

To evaluate the effectiveness of its evacuation procedure and reinforce emergency responsiveness, CPSL joined hands with the Fire Services Department to conduct a fire drill every six months. The drills in April and October 2017 went smoothly.

The drills simulated a scenario of smoke coming from a forklift battery charging facility, triggering the smoke detector. In accordance with our emergency procedure, the Terminal Control Centre immediately sent an emergency team to carry out onsite investigation. Our frontline staff worked with the Fire Services Department by taking necessary measures to solve the problem.



*Fire Evacuation Drill*

### 2017 Objectives and Progress

Objective	To improve the monitoring of safety management of contractors
Progress	Completed
Comment	The quarterly driving safety enforcement week was introduced.

Objective	To conduct a review of the safety management system of CPSL and contractors
Progress	Completed
Comment	The safety policy and the management system manual were updated to meet the latest local and international standards and requirements. Safety audits were also conducted for all contractors.

Objective	To enhance safety awareness of employees and contractors
Progress	In progress
Comment	Terminal and ramp safety campaigns were organised for the stakeholders of CPSL.

### 2018 Objectives

To restructure the Safety Monitoring Group to enhance safety ownership
To launch a new syllabus of safety induction training for new joiners and introduce risk assessment training to supervisors
To organise a forklift safety driving competition
To hold safety focus group meetings with frontline employees and contractors

# People

*“We nurture people.”*

## Our Workforce

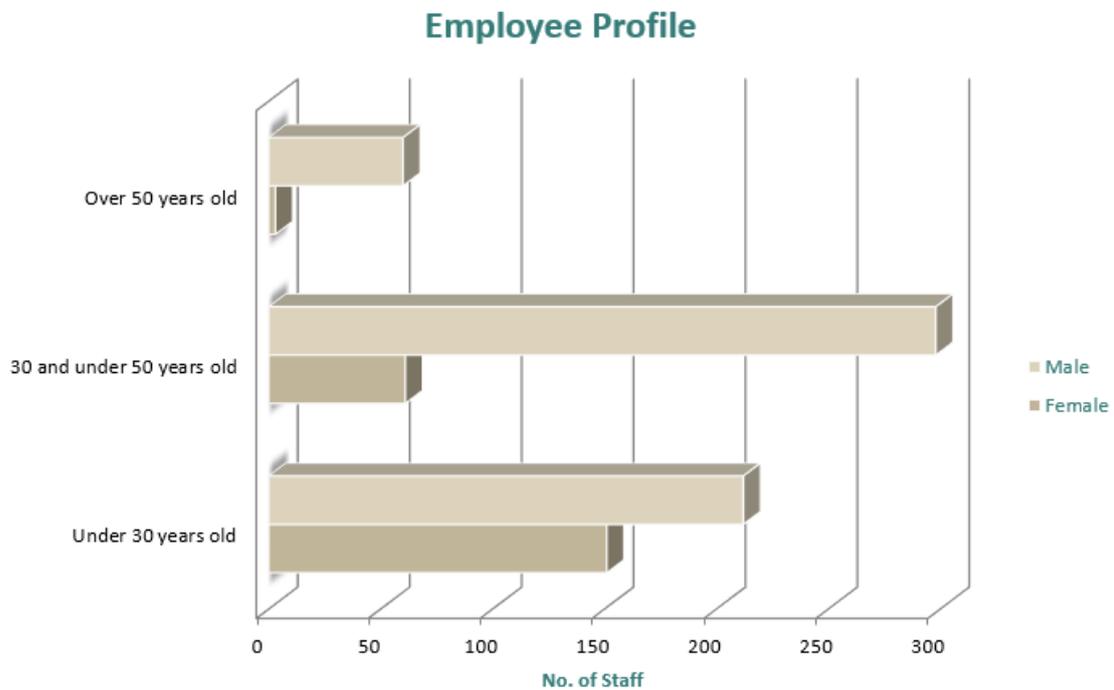
CPCT provides **1,900** job opportunities in the industry. We join hands with different business partners to offer end-to-end solutions to our clients ranging from airlines, forwarders/truckers to walk-in customers.

CPSL employed **762** direct full-time employees in addition to contract staff as of 31 December 2017. 26.5% of the workforce was female and 73.5% male. A total of **8,171** training man-hours were provided in 2017.

As of date	31-Dec-2017		
Age Group			Total
Under 30 years old	133	185	318
30 and under 50 years old	63	306	369
Over 50 years old	6	69	75
Total	202	560	762
%	26.5%	73.5%	100%

*Employee Profile Table*

The overall employee profile is shown below.



## People Development Initiatives

CPSL fully supports the Qualifications Framework (QF) for the logistics industry. On 9 March 2017, we carried out promotion activities at CPCT to encourage our staff to apply for Recognition of Prior Learning (RPL). This mechanism provides an alternative route for practitioners to obtain QF-recognised qualifications without undergoing a training programme and facilitates their subsequent progression in learning and in careers. In addition, CPSL received the Certificate of Commendation for its support to the Qualifications Framework Partnerships Commendation Ceremony 2018 cum QF 10th Anniversary Celebration on 14 May 2018.



*Qualification Framework Partnerships Commendation Ceremony 2018*

## People Engagement

### *Dining Experience Survey and Food Tasting*

It is our goal to actively engage with our employees via different communication channels. Feedback and comments from the staff are useful information, bringing insight into how we can address needs and concerns more effectively. A dining experience survey was conducted to understand the preferences of all our working parties on food variety, taste, hygiene, canteen facilities, pricing and other relevant aspects. The staff provided us with fruitful feedback and comments which are useful for comparing canteen vendor options. Apart from that, the stakeholders were invited to join our food tasting session and indicate their preferences on the food choices commonly offered by our two shortlisted vendors.

## *Outstanding Award*

To align our business direction across the company, we reviewed our Outstanding Staff Award to correspond to the four pillars of our business, namely, Operational Excellence, High Performance Culture, Customer Centric and Productivity and Value Focused. We were very excited to grant three individual awards and 11 team awards throughout 2017.

Our annual CPCT Award recognises outstanding performers as well as dynamic teams of our business partners supporting our four-pillar strategy. It is time we appreciated the unsung heroes who contributed to our development of a world-class cargo terminal. CPCT awards went to eight teams and seven Individuals who well deserved the honour.



*CPCT Award 2017 – Award Presentation at Annual Party 2018*



*Quarterly Outstanding Award 2017*

# CPSL FAMILY

# HAPPY TIMES

**JANUARY**

Fai Chun Writing

Green Power Hike

**FEBRUARY**

Cake分天下

Red Packet Recycling

**MARCH**

Outstanding Award  
4 Strategic Pillars Focus

The Eldest Visit - Shun Tin Estate

**APRIL**

Annual Dinner

Sport Day

**MAY**

Rice Dumpling to the Eldest

Pak Tin Estate

**JUNE**

Green Initiative in Canteen

No Straw Day

**JULY**

Summer Care

Ice Cream Day

**AUGUST**

Food Angel

Share a Meal

**SEPTEMBER**

CPSL Running Club

Mid Autumn Festival Party

**OCTOBER**

Mooncake Sharing Program

Swire Intra-group Running

**NOVEMBER**

**DECEMBER**

CX Football League

Christmas Candy  
Christmas Party

# Awards & Certifications

CPSL is committed to service excellence and ensuring global standards are met in every aspect of operations.

We achieved the following awards and certifications:

## **Awards:**

- 2015 Hong Kong Awards for Environmental Excellence - Transport and Logistics - Certificate of Merit
- CILT Award 2015 - Enterprise Award
- CLP GREEN<sup>PLUS</sup> Award 2016 - Industry & Technology - Gold Award
- Hong Kong ICT Awards 2016 - Best Mobile Apps Silver Award

## **Certifications:**

- Cargo iQ
- European Union Third Country Regulated Agent (RA3)
- IATA CEIV Pharma
- IATA Safety Audit for Ground Operations Program (ISAGO)
- ISO 20000 Information Technology Service Management System
- Transported Asset Protection Association (TAPA) Class A Certification
- World Health Organization Good Distribution Practices (GDP)

# Social Indicators

<b>Table 1: Social Performance</b>													
Social Performance	Unit	2014			2015			2016			2017		
		Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Workforce</b>													
Permanent employees - Full time		478	187	665	487	184	671	569	214	783	534	190	724
Permanent employees - Part time		4	4	8	2	1	3	1	1	2		1	1
<b>Total permanent employees</b>	<b>Number</b>	<b>482</b>	<b>191</b>	<b>673</b>	<b>489</b>	<b>185</b>	<b>674</b>	<b>570</b>	<b>215</b>	<b>785</b>	<b>534</b>	<b>191</b>	<b>725</b>
Fixed term and temporary contract employees		17	5	22	17	6	23	17	9	26	26	11	37
<b>Total employees</b>	<b>Number</b>	<b>499</b>	<b>196</b>	<b>695</b>	<b>506</b>	<b>191</b>	<b>697</b>	<b>587</b>	<b>224</b>	<b>811</b>	<b>560</b>	<b>202</b>	<b>762</b>
Supervised workers		1395	592	1987	976	401	1377	2622	1201	3823	**	**	**
<b>Total workforce</b>	<b>Number</b>	<b>1894</b>	<b>788</b>	<b>2682</b>	<b>1482</b>	<b>592</b>	<b>2074</b>	<b>3209</b>	<b>1425</b>	<b>4634</b>	<b>560</b>	<b>202</b>	<b>762</b>
		<b>No. of Permanent employees as at 31 Dec 2014</b>			<b>No. of Permanent employees as at 31 Dec 2015</b>			<b>No. of Permanent employees as at 31 Dec 2016</b>			<b>No. of Permanent employees as at 31 Dec 2017</b>		
<b>By age group</b>													
- under 30 years old				315			303			363			296
- 30 to 50 years old				317			318			357			366
- Over 50 years old				41			53			65			63
<b>Total</b>	<b>Number</b>			<b>673</b>			<b>674</b>			<b>785</b>			<b>725</b>
<b>By gender</b>													
- Male staff				482			489			570			534
- Female staff				191			185			215			191
<b>Total</b>	<b>Number</b>			<b>673</b>			<b>674</b>			<b>785</b>			<b>725</b>
<b>Social Performance</b>													
Social Performance	Unit	2014			2015			2016			2017		
<b>Training and Education</b>													
<b>Executive</b>													
- Top / Senior Management				330			115			6			14
- Middle / Junior management & supervisory				3,203			3,420			1,797			734
<b>Non-executive</b>													
- Customer Facing Staff				17,566			11,599			15,416			7,314
- Non-customer facing operational / technical				-			-			-			-
- Others				195			421			542			110
<b>Total</b>	<b>No. of Hours</b>			<b>21,294</b>			<b>15,555</b>			<b>17,761</b>			<b>8,172</b>
<b>Occupational Health &amp; Safety</b>													
Total Hours Worked Own Staff	No. of Hours			1,530,613			1,724,136			1,998,589			2,072,684
Lost Days Nos due to Injuries	Days			366			22			462			1,883
Lost Time Injury	Number			4			5			7			11
Lost Time Injury Rate				0.52			0.58			0.70			1.06
Lost Day Rate				47.82			2.55			46.23			181.70
<b>Total fatalities contractors Nos</b>	<b>Number</b>			-			-			-			-
<b>Total fatalities own staff Nos</b>	<b>Number</b>			-			-			-			1

# Environmental Indicators

Table 2: Environmental Performance

Environmental Performance	Unit	2014	2015	2016	2017
Electricity	kWH	37,795,350	36,928,460	39,772,232	38,912,026
	kWH / tonne	25.34	21.90	21.72	18.63
Towngas*	MJ	2,581,056	3,277,277	-	-
Gasoline	Litres	23,432	35,039	37,786	37,974
Diesel	Litres	147,225	468,964	642,059	689,510
Water	m <sup>3</sup>	68,666	66,326	66,721	64,398
Paper Product	kg	33,026	47,315	60,803	58,828
Plastic Recycle	kg	420,698	616,052	603,697	555,256
Paper Recycle	kg	33,047	49,960	21,730	19,730
Waste Food Recycle	kg	6,583	2,344	5,762	5,796
Metal Recycle	kg	164	244	487	434
Waste - Commercial	kg	139,428	138,834	169,182	172,836

\*This info is excluded from 2016 report given that this is consumed by our supplier as per data validation by PwC and AAHK.

\*\* This info is excluded from 2017 report to align the data reported to CX.

# Appendices



SUSTAINABLE DEVELOPMENT POLICY

ISSUED ON 12 JUNE 2017

## SUSTAINABLE DEVELOPMENT POLICY

**Cathay Pacific Services Ltd (CPSL) is committed to embed sustainable development principles into all aspects of our activities. In practice, CPSL would take account of environmental, social and economic considerations when making business decisions. Whenever we do business, we will strive to:**

- Put safety first and provide a safe, secure and healthy working and operational environment for our staff, customers and other stakeholders;
- Promote sustainable development with the others in the industry we operate;
- Take all reasonable steps to ensure that the impact of our operations on the environment is identified and appropriately managed;
- Be an employer of choice by respecting our staff and providing an environment in which they can realise their potential;
- Endeavour to ensure that our suppliers protect and respect the welfare of workers;
- Promote good relationships with the community of which we serve;
- Ensure that we meet or exceed all regulatory requirements, including social and environmental requirements, in the jurisdictions in which we do business.



**Jenny Lam**  
**Chief Executive Officer**

12 June 2017

Sustainable Development Policy – Rev 2 (12 June 2017)\_ENG



## ENVIRONMENTAL POLICY

**Cathay Pacific Services Ltd (CPSL) takes its environmental responsibilities seriously. All the Company's decisions, actions and day-to-day operations are undertaken with the environment in mind. Specifically, CPSL is committed to the following:**

- Compliance with applicable environmental legislations, regulations and other requirements;
- Effective environmental management throughout all business practices to ensure that all activities and services that have the potential to significantly impact the environment are identified and controlled appropriately;
- Implementation of specific measures to prevent pollution, minimise the consumption of energy and natural resources and reduce waste through 'replace, reduce, reuse and recycle' initiatives;
- Incorporation of environmental considerations into the purchasing process, and the promotion of environmental management and improved environmental performance throughout the supply chain;
- Setting the performance targets and objectives for pollution prevention, environmental compliance and continual improvement to the environmental management plan;
- Provision of training and implementation of relevant procedures and practices to achieve the performance targets and objectives;
- Establishment of metrics for measuring the effectiveness of the environmental management plan in meeting targets and objectives;
- Close liaison and communication with all stakeholders, including suppliers, customers and local communities, to ensure the needs of external parties are considered in our environmental commitments;
- Environmental management plan will be reviewed by senior management regularly to ensure on-going effectiveness.

  
**Jenny Lam**  
**Chief Executive Officer**

12 JUNE 2017

# Contact Us

## Feedback

Thank you for taking the time to read the CPSL Sustainable Development Report 2017. We welcome your thoughts and feedback on any aspect of the report and our sustainable development performance. Please find our contact details below.

## Contact Information

CPSL Management Office  
6/F Office Building  
Cathay Pacific Cargo Terminal  
3 Chun Wan Road  
Hong Kong International Airport  
Hong Kong  
Email: [info@cpsl.com.hk](mailto:info@cpsl.com.hk)  
Website: [www.cpsl.com.hk](http://www.cpsl.com.hk)

Published in December 2018  
Copyright Cathay Pacific Services Ltd. 2018