



**Sustainability Report 2023**

Cathay Pacific Airways Limited

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**OUR SUBSIDIARIES**



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# OVERVIEW



## MESSAGE FROM THE CEO

2023 marked a pivotal year for the Cathay Group ("Cathay" or the "Group"), as we have made substantial progress in rebuilding connectivity at the Hong Kong international aviation hub. We have continued to upgrade our fleet, elevate our customer experience, and invest in our people, laying the foundation for resilience and sustainable growth in 2024 and beyond.

At the heart of our rebuilding journey lies our commitment to sustainability leadership. Sustainability is inherent in Cathay's purpose – to move people forward in life in a sustainable and responsible manner for current and future generations. We understand that achieving this purpose and ambitious sustainability goals require collective efforts. It is only through partnerships with travellers, business partners, regulators as well as our people that we can lead by example and reach new heights in building a sustainable future, which is the true spirit of "Greener Together".

With this in mind, I am pleased to present the 2023 Sustainability Report, which outlines the commitments and progress we have made towards becoming a sustainability leader.

### Fuelling carbon neutrality

As a pioneer and early adopter of sustainable aviation fuel (SAF), we are very encouraged by the Hong Kong SAR Government's intention to formulate an action plan to drive the use of SAF in Hong Kong. SAF remains the most important lever for achieving net-zero carbon emissions within the aviation industry.

In 2023, we continued to lead the charge in accelerating SAF development and deployment in the region, working towards



**Ronald Lam**  
*Chief Executive Officer*

our ambitious 10% SAF use by 2030 goal. We have forged a strategic partnership with the State Power Investment Corporation Limited (SPIC) to support SAF production in the Chinese Mainland and started our collaboration with the Civil Aviation University of China (CAUC) to explore new technologies and commercial possibilities of SAF. On the demand side, after uplifting SAF at Hong Kong International

Airport last year, we completed our first overseas SAF refuel on commercial flights in Singapore and Los Angeles. Furthermore, in addition to corporate clients, we are expanding our engagements with Business Environment Council, our new non-governmental partner, in our Corporate SAF Programme where we aim to add credibility and send a strong signal to the SAF supply market that there is firm demand for SAF along the aviation value chain.

Beyond SAF, we have also made important strides towards our 2050 carbon neutrality goal in other aspects of decarbonisation. Demonstrating our dedication to near-term improvement, we set a new target to reduce our carbon intensity by 12% per revenue tonne kilometre (RTK) from the 2019 level by 2030, bringing the number from 761 gCO<sub>2</sub>/RTK to 670 gCO<sub>2</sub>/RTK. The goal builds upon our consistently strong record of being a major airline with one of the best carbon intensity performances in the world\*. To achieve this goal, our focus remains on accelerating SAF use, driving operational improvements, and modernising our fleet. In line with this, more than 70 new-generation aircraft will be delivered to join the Group's fleet from 2024 onwards. Fly Greener, our longstanding voluntary carbon-offset programme, has now been integrated into our website's passenger and cargo booking process. This allows customers to offset their carbon footprint from air travel and air cargo directly when they make bookings with us.

### **Moving towards more sustainable use of resources and circular solutions**

The world is increasingly embracing the circular economy model, one that is regenerative, and replenishes rather than depletes natural resources. We share the same ambition and aim to shape the future of flying and hospitality towards this direction.

In line with this, we are dedicated to reducing waste and single-use plastics (SUP) while increasing the adoption of more reusable alternatives, and the recycling or upcycling of retired assets. For instance, we have introduced lightweight metal

cutlery to replace disposable ones, and meal trays that are made from retired ones as part of our ongoing efforts. Building on our past success in SUP reduction, we have set a new target to decrease passenger-facing SUP items from an average of 7.7 pieces per passenger in 2019 to 1.5 pieces by 2025. Additionally, we aim to reduce our cabin waste to no more than 0.63 kg per passenger by 2030, a 30% reduction from our 2019 baseline.

In the spirit of Greener Together, we take pride in being the first airline member of the Business Coalition for Global Plastics Treaty to endorse a common vision to guide policy engagements with governments in an effort to end plastic pollution. Moving forward, we will collaborate with partners to embed a circular mindset of our product and service design from the outset whenever possible.

### **Revitalising the Hong Kong Community**

Another priority of our rebuilding strategy is the revitalisation of our community. During the year, we successfully relaunched the Cathay Volunteer Team, doubling the number of our employee volunteers during the initial recruitment period. This dedicated team engaged in a variety of volunteering activities actively contributing to the betterment of the community.

With the support of our Cathay Volunteer Team, we continued our longstanding commitment to youth development in Hong Kong through a series of initiatives aligned with the Hong Kong SAR Government's Strive and Rise Programme. This included welcoming approximately 1,600 participating students and mentors to our facilities for a number of Aviation Exploration

Days as well as the return of the popular Cathay Community Flight. We are also excited to bring back the flagship I Can Fly programme on its 20th anniversary and the recruitment has already started this year.

To strengthen the understanding of our job offering and the airline operations, we arranged career talks and visits to our headquarters for the local youth. In addition, we collaborated with different educational institutions in Hong Kong, the Chinese Mainland and abroad to attract more young talents to our aviation world. Our commitment to fostering tech talent was on full display at the Cathay Hackathon 2023, with 280 students participating from a record-breaking 1,500 applications. Through different youth development programmes, we are fully committed to providing young people with unique industry exposure and experiences.

I would like to take this opportunity to extend my heartfelt thanks to all of our people for their teamwork and unwavering dedication to upholding Cathay's three core values: Thoughtful, Progressive, and Can-do. I have full confidence in our collective efforts to elevate Cathay to new heights and build a bright and sustainable future.



**Ronald Lam,**  
Chief Executive Officer

*\*Based on information published by [LSE Transition Pathway Initiative Centre \(TPI Centre\)](#) which is an independent, authoritative source of research and data on the progress of the financial and corporate world in transitioning to a low-carbon economy.*

# OVERVIEW

## About Cathay

Cathay Pacific Airways Limited ("Cathay Pacific", or the "Company") is a leading premium travel lifestyle brand based in Hong Kong. The Group offers products and services across four lines of business – Premium Travel, Cargo, Low-Cost Travel and Lifestyle.

The Group comprises premium full-service airline Cathay Pacific, cargo business Cathay Cargo, low-cost airline Hong Kong Express Airways Limited ("HK Express"), express all-cargo carrier AHK Air Hong Kong Limited ("Air Hong Kong"), and various other subsidiaries.

As at 31st December 2023, the Group's passenger and cargo airlines offered scheduled services to 92 destinations worldwide, including 18 airports in 16 cities in the Chinese Mainland. Furthermore, the Group serves an additional 149 destinations through codeshare agreements. The Group had 230 aircraft as at 31st December 2023, of which five were held at parking locations outside Hong Kong.

Other businesses of the Group include catering, laundry, ground-handling and cargo terminal companies and our corporate headquarters at Hong Kong International Airport.

The Group employed more than 23,800 people worldwide, of whom around 19,600 are employed in Hong Kong.

Shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), as are the shares of our substantial shareholders Swire Pacific Limited ("Swire Pacific") and Air China. More information is available from [www.cathaypacific.com](http://www.cathaypacific.com).



## About this report

### Aim of reporting

Our Sustainability Report sets out our approach to good governance and our most material environmental and social topics. Since 1996, we have published our report annually to:

- Disclose our sustainability performance in a transparent, accountable and consistent manner.
- Engage with our stakeholders on sustainability topics that are material to our business, so we can address them effectively and appropriately.
- Discuss the challenges we face and progress we make as a company in the context of sustainable development.

This Sustainability Report can be read in conjunction with our [Annual Report 2023](#) which deals with our financial and operational performance, and with our corporate governance.

In case of any discrepancy between the English version and the Chinese version, the English version shall prevail.

### Reporting period

This report describes the approach and performance of the Group for the period from 1 January to 31 December 2023. Our previous Sustainability Report can be accessed on [https://www.cathaypacific.com/cx/en\\_HK/about-us/sustainability/sustainability-reports.html](https://www.cathaypacific.com/cx/en_HK/about-us/sustainability/sustainability-reports.html).

### Reporting guidelines

The report is prepared with reference to the Global Reporting Initiative (GRI) Standards and complies with the provisions of the Environmental, Social and Governance (ESG) Reporting Guide issued by Hong Kong Exchanges and Clearing Limited (HKEX). We also take reference from the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD) and the International Financial Reporting Standards (IFRS) S2 for our climate-related disclosures.

Report content is shaped around the issues identified as

important through a process of materiality assessment as well as internal and external engagement. Information provided on our management and performance of these issues is verified by data owners, approved by management and the Board. Qualitative disclosures capture any key changes to our business, while we set our annual performance figures in the context of our performance in recent years to allow for comparability. Key data points are externally verified.

### Reported scope and data

Cathay follows the operational control consolidation approach to define our reporting boundary. Unless otherwise specified, the environmental, social and governance data in this report covers Cathay Pacific and our principal subsidiaries that represent the significance of our environmental and social impacts as of 31st December 2023 shown as follows:

Subsidiaries	Ownership
<b>AHK Air Hong Kong Limited</b>	100%
<b>Cathay Holidays Limited</b>	100%
<b>Cathay Pacific Catering Services (H.K.) Limited – Cathay Dining</b>	100%
<b>Cathay Pacific Services Limited – Cathay Cargo Terminal</b>	100%
<b>Hong Kong Airport Services Limited</b>	100%
<b>Hong Kong Express Airways Limited</b>	100%
<b>Vogue Laundry Service Limited</b>	100%
<b>Asia Miles Limited</b>	100%

The economic data in this report are based on the consolidated financial statement of the [Annual Report 2023](#) which incorporates the financial statements of Cathay Pacific and our subsidiaries together with the Group's interests in joint ventures and associates.

### Contact us

We welcome comments and feedback on this report and its contents. Please send your feedback to our team at: [sustainability@cathaypacific.com](mailto:sustainability@cathaypacific.com).

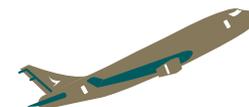
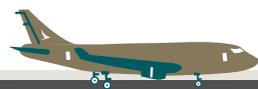
Our address:

Sustainable Development Team, Group Sustainability Department,  
Cathay City, 8 Scenic Road,  
Hong Kong International Airport, Hong Kong

## 2023 PERFORMANCE HIGHLIGHTS

We endeavour to operate in a sustainable and responsible manner, embedding sustainability principles and practices into all aspects of our business. We map our progress on sustainable development against six strategic areas of focus that guide our journey and shape our priorities.

The framework below highlights our latest progress and future priorities. Follow the links at the top of the page to deep dive into our approach and our progress on these areas in 2023.



Strategic Focus	Progress in 2023	Priorities in 2024
 <p><b>Climate Change</b></p> <p>We aspire to be a leading contributor to global efforts to reduce aviation's impact on climate change, and to prepare our business to be climate ready.</p>	<ul style="list-style-type: none"> <li>Set a new decarbonisation target by improving carbon intensity by 12% from the 2019 level by 2030.</li> <li>Signed a Memorandum of Understanding (MoU) with the State Power Investment Corporation (SPIC) and Civil Aviation University of China (CAUC) on the development of sustainable aviation fuel (SAF) in the Chinese Mainland.</li> <li>Conducted our first overseas SAF uplift on Cathay Pacific commercial flights in Singapore and Los Angeles.</li> <li>Delivered 11 next-generation aircraft, including two A350-900 and nine A321neo aircraft.</li> <li>Expanded our Corporate SAF Programme by establishing partnerships with new corporate clients and a non-governmental organisation.</li> <li>Incorporated Fly Greener into our booking systems.</li> </ul>	<ul style="list-style-type: none"> <li>Implement short to medium term work plans on carbon intensity improvements to meet our new decarbonisation target.</li> <li>Review medium to long term fleet and network plan for meeting net zero carbon emissions goal by 2050.</li> <li>Secure additional SAF supply to meet our 2030 usage target and for expanding the Corporate SAF Programme.</li> <li>Advance our SAF Coalition with NGOs and suppliers in preparation for its launch in 2024.</li> <li>Continue to work with policy makers and industry partners to accelerate SAF development and deployment in Hong Kong and the Asia region.</li> <li>Offer new carbon offset solutions for individual and corporate customers.</li> </ul>
 <p><b>Materials and Waste</b></p> <p>We take a holistic approach to mitigate our negative impact by reducing waste at source, designing to use recycled or alternative materials and improving recycling and waste diversion from landfill.</p>	<ul style="list-style-type: none"> <li>Set a new target to decrease passenger-facing single-use plastics (SUP) items from an average of 7.7 pieces per passenger in 2019 to 1.5 pieces by 2025.</li> <li>Set 30% reduction by 2030 target for cabin waste from 2019 baseline.</li> <li>Conducted trials and implemented initiatives to transition from SUP items to non-plastic or reusable alternatives.</li> <li>Became the first airline member of the Business Coalition for Global Plastics Treaty.</li> <li>Offered customers new plant-forward menu on selected long-haul flights.</li> <li>Extended the "Choose My Meal" service to our First Class customers.</li> </ul>	<ul style="list-style-type: none"> <li>Incorporate circular economy principles into our product and service design by selecting more sustainable or recycled materials upstream and channeling used items back for recycling or repurposing.</li> <li>Engage in innovative projects and trials related to SUP and waste reduction.</li> <li>Enhance our wellness dining proposition in Premium Economy and Economy class.</li> </ul>
 <p><b>Biodiversity</b></p> <p>We aspire to protect biodiversity in terms of what we serve and what we carry, together with our value chain.</p>	<ul style="list-style-type: none"> <li>Purchased 315 tonnes of certified sustainable and traceable seafood, accounting for 73% of our total seafood purchase.</li> <li>Launched the Quality Control Programme and successfully conducted three inspections for our out-stations.</li> <li>Introduced the EU Import Control System 2.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to work with civil society organisations to prevent illegal wildlife trades.</li> <li>Continue our strict compliance of embargoes placed on animals, wildlife, and wildlife products.</li> <li>Continue to monitor and update our Sustainable Development Cargo Policy in response to any major changes in our environment and any updated requirements.</li> </ul>

Strategic Focus	Progress in 2023	Priorities in 2024
 <p><b>Safety</b></p> <p>Safety is central to our success and our future. We provide a safe and healthy environment for our people, customers, and other stakeholders with the aim of achieving zero accidents and zero 'high-risk' incidents.</p>	<ul style="list-style-type: none"> <li>• Achieved IATA CEIV Lithium Battery accreditation.</li> <li>• Conducted 184 audits events to ensure we achieve safety, security, and quality imperatives.</li> <li>• Conducted virtual emergency response refresher training for over 100 leaders based at various outposts.</li> <li>• Hosted our inaugural Safety Week highlighting safety undertakings within Cathay.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to focus on quality, compliance and operational excellence to ensure our customers and our people are as safe as possible.</li> <li>• Continue to focus our resources to address a wide range of occupational health and safety issues across our airlines.</li> <li>• Ensure a smooth transition towards the new Risk-based IOSA approach.</li> <li>• Plan for a comprehensive recruitment drive of the Care Team.</li> </ul>
 <p><b>Our People</b></p> <p>We provide a workplace environment in which our people can realise their potential, making us a first-choice employer.</p>	<ul style="list-style-type: none"> <li>• Grew our Group workforce by around 15% or 3,000 people in 2023.</li> <li>• Launched Cathay Academy which encompasses all learning and development functions within Cathay.</li> <li>• Expanded our Wellbeing Festival to a month-long series of events consisting of workshops and expert talks promoting mental and emotional wellbeing.</li> <li>• Established new Employee Resource Groups for greater equity and inclusion in the workplace.</li> <li>• Reviewed and updated a number of human resources and remuneration policies in light of legislation, industry practice and market conditions.</li> </ul>	<ul style="list-style-type: none"> <li>• Plan to grow our Group workforce by around 20% or 5,000 people.</li> <li>• Continue to strengthen our Cathay culture and embed our brand values of thoughtful, progressive and can-do spirit.</li> <li>• Facilitate and foster innovative ways to collaborate through enhanced digital connectivity.</li> <li>• Continue to review and update policies to respond to our people's needs.</li> </ul>
 <p><b>Community</b></p> <p>We support the communities we serve. We aim at caring for and supporting global causes especially focusing on youth development, overall well-being and connecting communities with arts and culture.</p>	<ul style="list-style-type: none"> <li>• Contributed over 2,700 hours of volunteering for different community initiatives.</li> <li>• Rejuvenated the Cathay Volunteer Team and redefined our core community pillars.</li> <li>• Supported the Hong Kong SAR Government's Strive and Rise programme with Aviation Exploration Days.</li> <li>• The Cathay Community Flight orchestrated a memorable experience for 170 participants, treating them to a 90-minute flight soaring above the skies of Hong Kong.</li> <li>• Made charitable donations amounting to HK\$1.3 million in direct payments and a further HK\$4.6 million in the form of discounts on airline travel.</li> <li>• Made in-kind donations of about 1,161,000 pieces of items, including blindfolds, blankets, children kits, refurbished tablet computers and office furniture to the Hong Kong community.</li> </ul>	<ul style="list-style-type: none"> <li>• Focus our community efforts on Youth, Sports, and Arts and Culture.</li> <li>• Bring back our flagship I Can Fly programme.</li> <li>• Explore new collaboration opportunities with charity partners to facilitate the development of children and youth in our community.</li> </ul>

## OUR APPROACH

### Sustainable development strategy

We prioritise our most material environmental and social impacts in tandem with the areas where our customers and stakeholders expect Cathay to take the lead. Our approach is guided by our [Sustainable Development Policy](#) which was revised in 2020 to be more reflective of the global sustainable development agenda with a strengthened focus on climate change, and diversity and inclusion. This also communicates our approach to emissions and efficient use of resources (e.g. energy and other raw materials).

The six focus areas of the policy ensure environmental, social and economic considerations are included in our business decisions. In this way we aim to go beyond compliance in the jurisdictions where we do business, to be a respectful employer, a value-adding community member, and a service provider that exceeds our customers' expectations.

Recognising the potential impact from climate change, our revised policy sets out our commitment in achieving net zero carbon emissions by 2050, through an international approach, working with governments around the world and through the United Nations. It also includes assessing, addressing, and mitigating the climate risks we face and exploring opportunities that may arise. In line with our policy, we incorporate climate change considerations in our procurement processes and encourage the use of low carbon and energy efficient products and materials.

### Stakeholder engagement and materiality assessment

Ongoing engagement and open communication with key stakeholder groups is crucial to building collaborative relationships and creating long-term value. Their priorities, expectations and perceptions enable us to identify risks and opportunities, manage material ESG issues and make informed decisions.

Since 2006, we have periodically engaged our stakeholders to ascertain their primary concerns. In 2021, we conducted a comprehensive ESG engagement with our stakeholders. We surveyed management, ground employees, cabin crew, pilots and different external parties to determine the issues of vital importance which Cathay must address as a top priority and our current performance on managing each. More than 5,000 responses were received, including over 2,700 responses from our people and a further 2,500 responses were our customers, business partners, suppliers, investors, NGOs, regulators and peers.

In 2022, we have developed an internal stakeholder engagement guideline for ESG impacts and management to systematically guide our approach. With reference to key principles outlined in the HKEX ESG Reporting Guide, AA1000 Stakeholder Engagement Standard and the GRI Standard, this Guideline sets out the expected schedule, stakeholder groups, processes and methods for the Group's ESG stakeholder engagement. As per the Guideline, a formal stakeholder engagement for ESG impacts is to take place no less than every three years.

Topics	Report section
<b>ENVIRONMENT</b>	
Plastic	Materials & waste
Climate change	Climate change Cathay's response to TCFD and IFRS S2
Material and waste management	Materials & waste
<b>SOCIAL</b>	
Flight safety and security	Safety
Infectious disease	Safety
Occupational health and safety	Safety > Occupational health and safety
Employee welfare	Our people > Employee welfare
<b>GOVERNANCE</b>	
Privacy & data protection	Governance
Business ethics and anti-corruption	Governance
Corporate governance	Governance
Disclosure & transparency	Our approach Our performance

Cathay's stakeholders include both internal and external interest groups that have a significant impact on our business, or who are significantly affected by our operations. We regularly engage with these stakeholders through various channels, including surveys, focus groups, interviews, publications, websites, social media and face to face meetings. All employees are engaged through an annual survey which is supplemented with quarterly surveys targeting key employee groups.

Stakeholders	Why we engage	Engagement channels
 <p><b>Employees</b></p>	<ul style="list-style-type: none"> <li>• Foster strong open communication across the business</li> <li>• Better understand the individual needs of our people</li> <li>• Drive a positive and supportive working environment which is responsive to our employees' changing needs</li> </ul>	<ul style="list-style-type: none"> <li>• Surveys</li> <li>• Meetings or focus groups</li> <li>• Internal communication platforms</li> <li>• Employee town halls</li> <li>• Meetings with staff unions</li> <li>• Employees engagement activities</li> <li>• Mobile applications</li> </ul>
 <p><b>Customers</b></p>	<ul style="list-style-type: none"> <li>• Keep keen awareness of changing customer demands and expectations of our business</li> <li>• Enable customer participation in the climate actions of Cathay</li> <li>• Demonstrate our commitment and dedication to ESG issues</li> </ul>	<ul style="list-style-type: none"> <li>• Surveys</li> <li>• Focus groups</li> <li>• Cathay website and social media</li> <li>• Hotline and online enquiries</li> <li>• Mobile applications</li> </ul>
 <p><b>Suppliers and business partners</b></p>	<ul style="list-style-type: none"> <li>• Create most robust industry relationships in managing ESG issues within the aviation industry</li> <li>• Ensure compliance with relevant laws and regulations along our entire value chain</li> <li>• Minimise exposure to supply chain ESG risks</li> </ul>	<ul style="list-style-type: none"> <li>• Surveys</li> <li>• Periodic meetings with key suppliers and partners</li> <li>• Supplier screening and assessments</li> <li>• Partnership programmes</li> <li>• Meetings with industry bodies</li> <li>• Advisory panels</li> </ul>
 <p><b>Investors and regulators</b></p>	<ul style="list-style-type: none"> <li>• Better understand the requirements and expectations placed upon Cathay to ensure compliance</li> <li>• Develop action plans in alignment with commitments to transition to a low-carbon economy</li> </ul>	<ul style="list-style-type: none"> <li>• Annual General Meetings</li> <li>• Annual and interim reporting</li> <li>• Announcements and circulars</li> <li>• Investor meetings</li> <li>• Press releases</li> <li>• Hotline and online enquiries</li> <li>• Meetings with government bodies</li> </ul>
 <p><b>NGO partners</b></p>	<ul style="list-style-type: none"> <li>• Garner expert opinions from specialist organisations on improving our approach to managing ESG issues</li> <li>• Create local synergies to amplify positive impacts for our communities</li> <li>• Keep attuned to emerging trends which could impact Cathay's business</li> </ul>	<ul style="list-style-type: none"> <li>• Community events</li> <li>• Partnership programmes</li> <li>• Multi-stakeholder meetings</li> </ul>

## CASE STUDY



### Cathay's first Sustainable Development Week

Collaboration is key to a more sustainable future. Embracing the "Greener Together" spirit, we organised our first-ever Sustainable Development Week in July which showcased the collective sustainability efforts from different Cathay teams and raised environmental awareness amongst our people. This week-long event featured an engaging fair where colleagues visited the booths with exhibits relating to waste and plastic reduction, SAF and illegal wildlife trafficking. It was also encouraging to have about 500 colleagues pledging to make sustainable choices in their personal and professional lives. Another highlight of this inaugural event was the VEDA plant-based cooking workshop and the pop-up store by Clean Coffee to offer our people more sustainable food and beverage options.

#### Sustainability Fair

Different teams across Cathay showcased their sustainability projects and progress made through interactive games and quizzes, covering topics such as climate change, resource management and biodiversity.



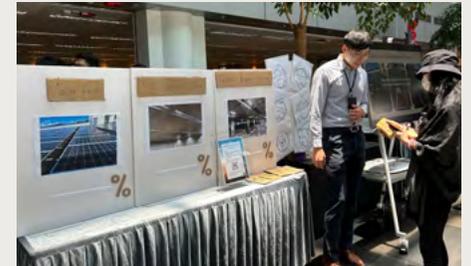
#### Cooking workshop with VEDA

About 20 colleagues joined the chef from our restaurant partner VEDA to make a famous plant-based Indian snack Pani Puri.



#### Greener Together Pledge

Our people are committed to making sustainable choices in the daily lives. From voluntarily offsetting leisure trips to avoiding SUP utensils and recycling waste, every action counts.



#### Pop-up store of Clean Coffee

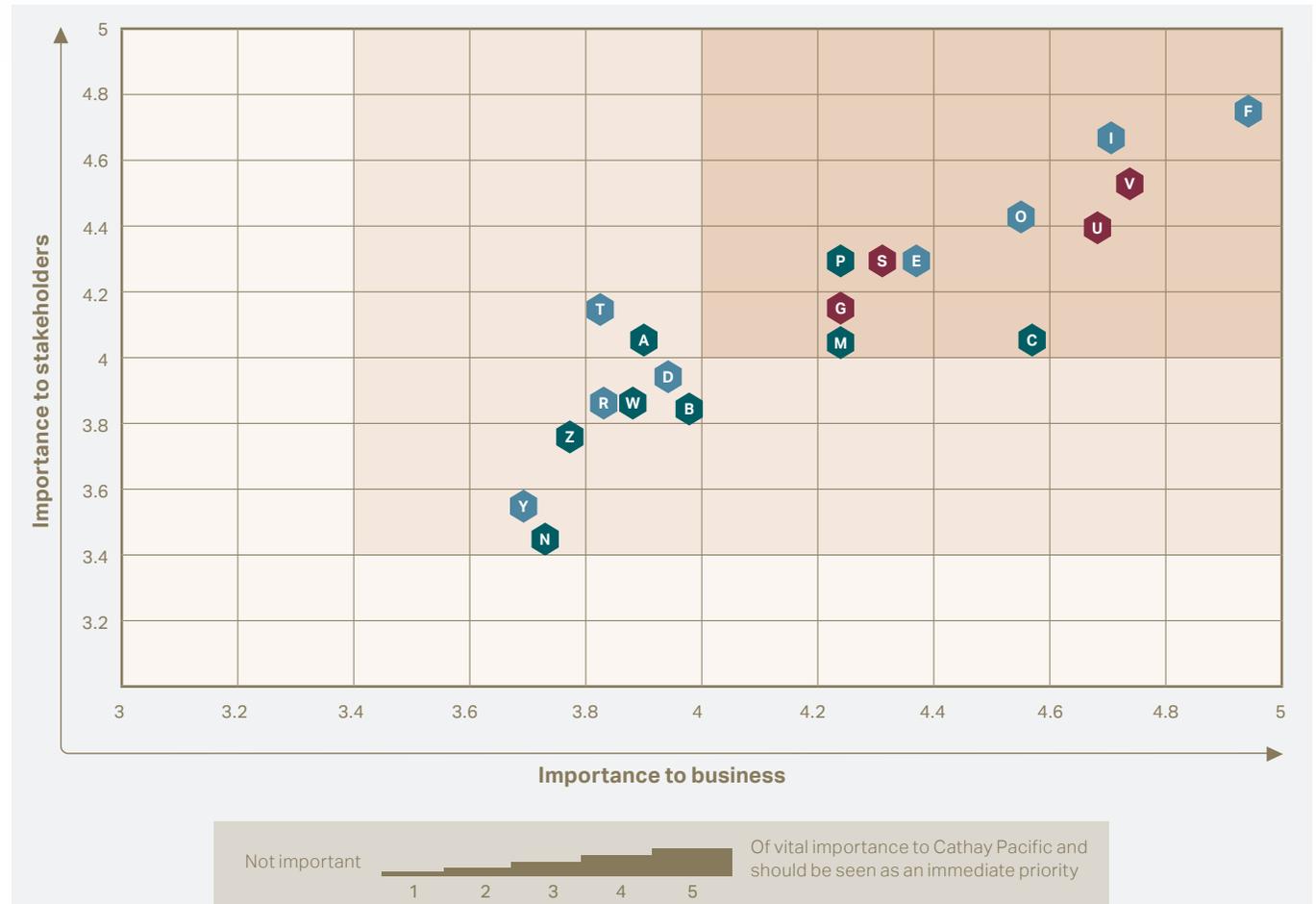
A pop-up stand by Clean Coffee was introduced to provide colleagues with sustainably sourced and more eco-friendly caffeine options.



## Materiality matrix

The stakeholder-driven materiality assessment in 2021 provided us with a recalibrated set of 11 material topics, which were identified from a list of 20 potentially relevant topics. Some issues that were not identified as priority by our stakeholders remain important to us and so we continue to report on them. The assessment was conducted based on the principle of double materiality, taking into account topics that positively or negatively influence enterprise value as well as those that reflect the topics we have on the economy, environment and people. Signed off by the senior management, materiality assessment results will be integrated in our enterprise risk management process and reviewed no less than every three years. The table below outlines our most material topics and where to find them in this report.

Following our stakeholder engagement guidelines, we will conduct a broader and more thorough stakeholder engagement and materiality assessment in 2024.



### Topics

- |  |   |  |
|--|---|--|
| <b>P</b> Plastic                       | <b>N</b> Noise management               | <b>R</b> Responsible sourcing                |
| <b>C</b> Climate change                | <b>F</b> Flight safety and security     | <b>Y</b> Community involvement               |
| <b>M</b> Material and waste management | <b>I</b> Infectious disease             | <b>V</b> Privacy & data protection           |
| <b>A</b> Air quality management        | <b>O</b> Occupational health and safety | <b>U</b> Business ethics and anti-corruption |
| <b>Z</b> Food options                  | <b>E</b> Employee welfare               | <b>G</b> Corporate Governance                |
| <b>B</b> Biodiversity                  | <b>T</b> Training & development         | <b>S</b> Disclosure & transparency           |
| <b>W</b> Water management              | <b>D</b> Diversity & inclusion          |  |

## United Nations Sustainable Development Goals

Our long-term prospects are enhanced when we consider our impacts in the global context. We have mapped our approach to managing our material topics to the [United Nations Sustainable Development Agenda](#). Six global goals align with our [Sustainable Development Policy](#) and help to shape our sustainable development strategy. Progress in 2023 delivered through our approach is shown on pages 8 to 9 of this report.

Sustainable Development Goals	Our Approach	Report Section
 <p><b>SDG 5</b> <b>Gender Equality</b></p> <p>Achieve gender equality and empower all women and girls.</p>	<ul style="list-style-type: none"> <li>The Gender Equity Network advocates for the elimination of barriers and biases across our business so that all genders have equal opportunities to reach their full potential.</li> <li>In 2022, we have set a new and more ambitious goal to not have more than 65% of the same gender at senior positions by 2025 and 70% at the Board level by 2027.</li> <li>Working to implement gender balance targets specific to each department rather than assessing our diversity status based on an aggregated score.</li> </ul>	Our people
 <p><b>SDG 8</b> <b>Decent Work and Economic Growth</b></p> <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</p>	<ul style="list-style-type: none"> <li>We employ locally, with more than 8 in 10 of our employees coming from Hong Kong.</li> <li>Our talent development philosophy aims to take budding talents and enable them to rise through our leadership hierarchy.</li> <li>Our Hire-to-Retire strategy aims at ensuring that we support and invest in our people and reward performance with benefits and promotion.</li> </ul>	Our people
 <p><b>SDG 12</b> <b>Responsible Consumption and Production</b></p> <p>Ensure sustainable consumption and production patterns.</p>	<ul style="list-style-type: none"> <li>We recycle or repurpose around 90% of all airplanes we retire. Furthermore, we are committed to using recycled plastics in the products we use in flight.</li> <li>We set a new target to decrease passenger-facing SUP items from an average of 7.7 pieces per passenger in 2019 to 1.5 pieces by 2025.</li> <li>We also set another target to reduce cabin waste to 0.63 kg per passenger by 2030 from 2019 baseline.</li> <li>Conduct different trials to determine the most effective course of action to reduce our waste generation.</li> <li>We continue to work with local food banks and charities. In 2023, we donated about 210 tonnes of surplus food to our food charity partners in Hong Kong.</li> </ul>	Materials & waste
	<ul style="list-style-type: none"> <li>Keep our <a href="#">Supplier Code of Conduct</a> updated based on latest benchmarking research and best practice to ensure our supply chain is aligned with our overall sustainability vision.</li> </ul>	Governance

Sustainable Development Goals	Our Approach	Report Section
 <p><b>SDG 13</b> <b>Climate Action</b></p> <p>Take urgent action to combat climate change and its impacts.</p>	<ul style="list-style-type: none"> <li>• We are committed to achieving net-zero carbon emissions by 2050 and also setting a new near-term target to improve carbon intensity by 12% from the 2019 level by 2030.</li> <li>• Committed to using SAF for 10% of Cathay Pacific jet fuel consumption by 2030.</li> <li>• Create climate action synergies with our customers through our Corporate SAF Programme.</li> <li>• Gain better understanding of our carbon emissions inventory through a Scope 3 mapping exercise to highlight focus areas to prioritise for reductions and engagement.</li> <li>• Through investment in a modern fleet, operational improvements, and the use of SAF, we continue to reduce our reliance on fossil fuels and our emissions intensity.</li> <li>• We recognise the importance of working with different sectors to develop the kinds of radically new technologies that will be required to decarbonise airline operations.</li> <li>• We continued to enable easy and credible carbon offset solutions for our customers through our Fly Greener programme. In 2023, we have integrated this voluntary carbon offset programme into Cathay official website and cargo booking platform.</li> </ul>	Climate change
 <p><b>SDG 14</b> <b>Life Below Water</b></p> <p>Conserve and sustainably use the oceans, seas and marine resources for sustainable development.</p>	<ul style="list-style-type: none"> <li>• We have introduced embargoes on carrying shark fin since 2016. We published the <a href="#">Sustainable Development Cargo Carriage Policy</a> which allows our various stakeholders to gain a holistic understanding of where we stand in doing our part to protect the environment in the area of cargo carriage.</li> </ul>	Biodiversity
 <p><b>SDG 15</b> <b>Life On Land</b></p> <p>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss.</p>	<ul style="list-style-type: none"> <li>• We established our <a href="#">Sustainable Food Policy</a> in 2011 and further updated it in 2021 to provide guidance for our purchasing decisions. We opt out of purchasing specific unsustainable food items and ask for information with regards to where the food was originally sourced.</li> <li>• In 2023, our catering arm served over 315 tonnes of certified sustainable seafood, representing around 73% of the total volume of seafood Cathay Dining purchased.</li> </ul>	Materials & waste
	<ul style="list-style-type: none"> <li>• We have introduced embargoes on ivory and hunting trophies amongst other items as we aim to make sure no endangered species, or its products are being transported on our flights.</li> <li>• We conducted an internal review of our <a href="#">Sustainable Development Cargo Carriage Policy</a> in 2021 and made updates through referencing the Convention on International Trade in Endangered Species of Wildlife Fauna and Flora (CITES) laws and benchmarking our policy against the practices and policies of our peers. Gained the IATA Centre of Excellence for Independent Validators (CEIV) Live Animal Certification to ensure proper animal handling and safety during transport.</li> </ul>	Biodiversity
	<ul style="list-style-type: none"> <li>• We favour the use of waste as feedstock for producing SAF instead of other natural resources that may further burden the ecosystem.</li> </ul>	Climate change

## Performance in Sustainability Indices and Ratings

Our sustainability performance continued to receive external recognition in 2023. We have been a constituent in various major international and local sustainability indices and benchmarks.

S&P Global ESG Score	CDP	FTSE4GOOD Index Series
 <p>Cathay has been included in the first edition of the S&amp;P Sustainability Yearbook (China) 2023. We were the only airline to receive this recognition among 1,600 assessed companies.</p>	 <p>Cathay has once again received a B score in the Climate Change questionnaire in 2023.</p>	 <p>Cathay has been a constituent of this index since 2009.</p>
Transition Pathway Initiative (TPI)	Hang Seng Corporate Sustainability Index	Greater Bay Area Business Sustainability Index (GBABSI)
 <p>Cathay remained the highest Level 4 in TPI's latest assessment on our climate action and preparedness for the transition to a low-carbon economy.</p>	 <p>Cathay has been selected as a constituent company under the Hang Seng Corporate Sustainability Index. Also, we were listed on the Hang Seng ESG 50 Index, highlighting our position as a sustainability leader in Hong Kong.</p>	 <p>Cathay ranked #15 in the 4th GBABSI. The index covers Hong Kong listed companies with operations in the Greater Bay Area eligible for trading under the Stock Connect scheme.</p>

# GOVERNANCE



**3** governance bodies to steer sustainability matters in the Group

## Our Policies and Guidelines

- [Code of Conduct](#)
- [Board Diversity Policy](#)
- [Anti-Bribery Policy for Business Partners](#)
- [Whistleblowing Policy](#)
- [Human Rights Policy](#)
- [Modern Slavery and Human Trafficking Policy Statement](#)
- [Supplier Code of Conduct](#)

**GRI:** 2-6, 2-9, 2-12, 2-13, 2-14, 2-16, 2-22, 2-23, 2-24, 2-25, 2-26, 2-29, 205-2, 206-1, 207-1, 207-2, 207-3, 408-1, 409-1

**HKEX:** MDR-Governance Structure, MDR-Reporting Principles, GD-B4, GD B5, GD-B6, GD-B7, KPI B4.1, KPI B4.2, KPI B5.2, KPI B5.3, KPI B5.4, KPI B6.2, KPI B6.3, KPI B6.5, KPI B7.1, KPI B7.2, KPI B7.3

# GOVERNANCE

## Our governance culture

Cathay is committed to ensuring that our affairs are conducted in accordance with our culture, values and high ethical standards. This reflects our belief that, in the achievement of our long-term objectives, it is imperative to act with probity, transparency and accountability. Doing so we will not only maximise long-term value for our shareholders, but also benefit employees, those with whom we do business and the communities in which we operate.

## The Sustainable Development Committee (SDC)

Chaired by the Chief Executive Officer, the SDC consists of four Executive Directors and three other members of our management team. The SDC is established by and receives its authority from the Board to evaluate and approve sustainable development strategy, policies, target setting and investment in major initiatives. It sets the tone for a corporate culture focused on sustainable development. Meeting at least three times a year, its duties also include evaluating and prioritising the Group's material sustainable development topics. The SDC then reports the materiality process, management of sustainability and climate-related issues and the progress made towards goals and targets to the Board. In this way, sustainability is integrated into business planning, budgeting and risk management, and forms an integral part of the Group's business strategy.

## The Sustainable Development Steering Group (SDSG) and Climate Actions Steering Group (CASG)

Both SDSG and CASG are established by and report to the SDC. Both Steering Groups are chaired by the Chief Financial Officer and comprise Department Heads that represent a wide range of functions across the company.

## Board statement on sustainable development

Our Board of Directors (the Board) is ultimately accountable for sustainable development strategy and performance at Cathay. The Board's responsibilities include overseeing the Group's material sustainability topics and approving sustainable development-related strategy, targets, policies and the Sustainability Report. It is supported in its duties by three governance bodies that steer the Group's approach in sustainability matters under the leadership of the Chair of the Board. They are the Sustainable Development Committee (SDC), the Sustainable Development Steering Group (SDSG), and the Climate Actions Steering Group (CASG).



Figure 1 Sustainable Development Governance Structure

In addition, the Board Risk Committee oversees assessment of ESG risks among other risks and implementation of related decisions. The Board Safety Review Committee oversees employee health and safety, while the Audit Committee oversees anti-corruption, fraud and whistleblowing cases.

Moving forward, we will revamp our sustainability governance structure. The newly established Sustainability Leadership Group (SLG) which is chaired by the Chief Executive Officer will be supported by multiple taskforces. They are tasked with specific aspects (e.g. climate change and single-use plastics) and report to the SLG directly. Further details will be provided in the next report.

The SDSG covers a range of sustainable development topics including materials and waste, biodiversity, human trafficking and modern slavery. The CASG has been set up to strengthen our governance in climate change. Both Steering Groups are tasked with ensuring that the Group's approved strategy, targets, and commitment are executed as planned. They also serve as platforms to evaluate and provide recommendations

on sustainable development and climate change policy, initiatives and targets that require the SDC's approval and the Board's review.

Our governance practices are described in detail in the Corporate Governance Report section of our [2023 Annual Report](#).

## Code of Conduct

The Group strives to achieve the highest standards of corporate governance and best practices in accordance with our [Code of Conduct](#) (the “Code”). The Code sets out our principles for acting responsibly in the course of achieving our commercial success. The Code applies to all employees of Cathay and its subsidiaries, and includes issues related to business ethics, conflicts of interest, procurement, lobbying, bribery, intellectual property rights, environment, health and safety, and respect in the workplace that may link to employee performance, appraisal and remuneration. We review the Code on an annual basis and make any necessary updates in response to changes in our operating environment or stakeholder expectations.

The Code is communicated to all employees through a training on our Learning Hub and is available on our intranet. In the event of non-compliance, appropriate disciplinary measures will be implemented. The severity and specific circumstances will determine the range of actions, including the possibility of dismissal. We diligently monitor and review all disciplinary cases, including those related to Code violation, to ensure employees' adherence to our Code. Further information on how the standards outlined in the Code play out in our operations is captured in the [Our People](#) chapter of this report.

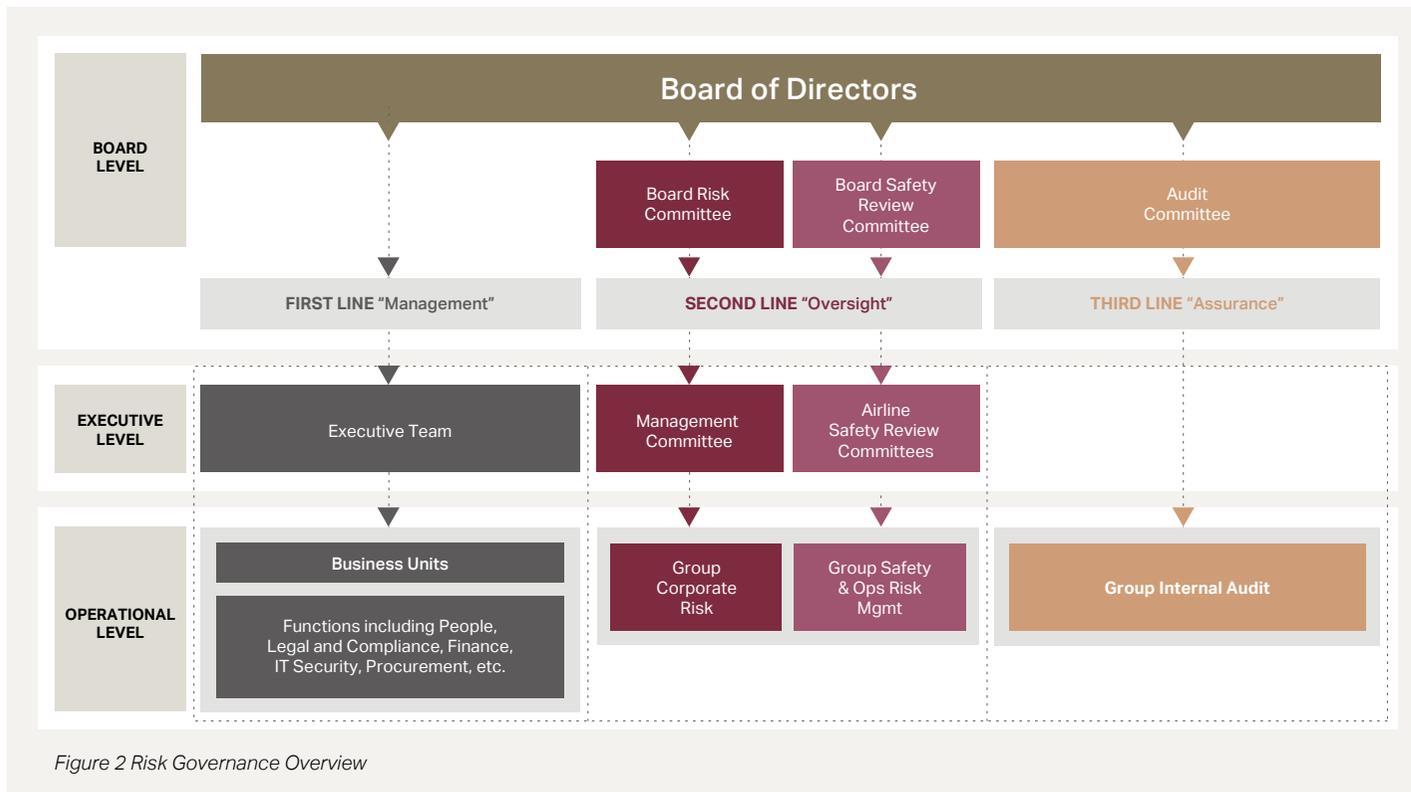


## Risk management

Identifying and responding to material risks and opportunities that could impact our business is a key focus of the Board. From flight safety to broader ESG risks, we have in place the governance structure, processes and individuals that allow us to move forward with informed confidence towards our goals. The governance of business risks comprises two parallel pillars focusing on safety and security risks in operations, and corporate risks which include ESG risks as well as legal and regulatory compliance risks.

Our risk governance has been implemented through a systematic and thorough process supported by a focused risk management governance infrastructure as indicated in Figure 2.

The Group's risk management framework is founded on the principle of "three lines of defence" and makes reference to the ISO 31000 and COSO Enterprise Risk Management framework. Please refer to p.68-74 of our [Annual Report 2023](#) for further information about our approach to risk management, internal control systems and areas of focus in 2023.



Note: It is recognised that Legal and Compliance sits between first and second lines; for practical purposes they are included in the first line.

## Corporate compliance

An overview of the most relevant laws and regulations that have a significant impact on the Group is provided in the Compliance with laws and regulations section of this report.

## Privacy and Data Protection

The Group's commitment to ensure the privacy of all individuals (including its customers and employees) as well as to protecting their personal information has been implemented through systematic and thorough processes managed and overseen by a dedicated Data Protection Office. We aim to ensure that individuals from whom we process personal information our customers can make informed decisions and feel confident about providing us with their personal data when using our services.

We have a robust Data Protection programme with policies, procedures and controls to meet the constantly evolving privacy laws applicable to the Group's operations including but not limited to the Hong Kong Personal Data (Privacy) Ordinance, the EU/UK General Data Protection Regulation, and the China Personal Information Protection Law.

During 2023, there were no convictions for non-compliance with privacy and data protection laws and regulations relating to customer privacy that would have a significant impact on the Group.

This Data Protection programme covers the following areas:

 <p><b>Accountability</b></p>	<p>Accountability is one of the key principles in data protection law the Group abides by setting high standards for privacy and leading by example to promote a positive attitude to data protection across the organisation.</p>
 <p><b>Leadership and oversight</b></p>	<p>The Group has established clear responsibilities for data protection-related activities at a strategic and operational level.</p>
 <p><b>Policy framework</b></p>	<p>The Group's data protection policy framework stems from strategic business planning for data protection and information governance, which the highest level of management endorses. Our policies cover areas including data handling and protection, records management and information security. The Data Protection Office has made available operational procedures, guidance and manuals readily available to support our data protection policies and provide direction to operational employees.</p>
 <p><b>Training and Awareness</b></p>	<p>Employees receive appropriate training about the Group's Data Protection programme, including what its goals are, what it requires people to do and what responsibilities they have.</p>
 <p><b>Data Protection Risk Management</b></p>	<p>The Group has introduced a privacy impact assessment as a key risk management tool, and an important part of integrating 'data protection by design and by default' across the organisation. It helps the Group to identify, record and minimise the data protection risks of projects.</p>
 <p><b>Ongoing Monitoring</b></p>	<p>To ensure the Group's ongoing compliance, the Data Protection Office has introduced a comprehensive compliance monitoring programme covering the key data protection compliance control processes. All of the Group's Business Units are subject to regular monitoring, the frequency of which is defined by the level of risk of the relevant personal data processing activities.</p>

## Advertising and labelling practices

We strive to ensure that our advertising and labelling practices comply with relevant laws and regulations. This includes the Trade Descriptions Ordinance (Cap. 362 of the Laws of Hong Kong), which prohibits specified unfair trade practices such as false trade descriptions of services, misleading omissions, aggressive commercial practices, bait advertising, bait-and-switch and wrongful acceptance of payment. Going beyond regulatory compliance, we are committed to providing accurate and balanced information about our products and services while abstaining from disinforming customers on competitors' work and protecting vulnerable market segments.

To further enhance our sustainability disclosure and communications efforts, Cathay has issued an internal Climate and Sustainability Communications Guideline for relevant colleagues. The guidelines have been developed to ensure that our internal and external stakeholders are well informed of our sustainable development strategy, commitments, and progress in a truthful, science-based and timely manner. It is also our commitment to rejecting any exaggerated claims about the social and environmental impacts of our products and services.

During 2023, there were no convictions for non-compliance with laws and regulations relating to advertising and labelling practices that would have a significant impact on the Group.

## Anti-Bribery, Corruption, Anti-money Laundering and Terrorist Financing ABC Policy ("ABC Policy")

The Group takes a zero-tolerance approach to bribery, corruption, extortion and fraud and is committed to acting professionally, fairly and with integrity in our business dealings and relationships wherever we operate, in compliance with

the laws and regulations that govern our global business. Our people must comply with applicable anti-bribery, anti-corruption and anti-money laundering and anti-terrorist financing laws.

We have an established ABC Policy which is overseen by the Board and forms part of a comprehensive and robust anti-bribery and anti-corruption compliance programme.

During the reporting year, we issued an updated ABC Policy, which incorporates anti-money laundering and anti-terrorist financing into one comprehensive policy, to enhance awareness and ensure it is reflective of our zero-tolerance approach to money laundering as well as criminal and terrorist financing.

In 2024, we will update associated guidelines, where appropriate, and revamp the current training to be rolled out to employees in the Group.

To ensure the effectiveness of our compliance efforts, Cathay has implemented a suite of ongoing monitoring and evaluation mechanisms across business units, including for anti-bribery. For instance, a gift and hospitality registration review is conducted on a quarterly basis as part of a compliance check against the Company's Gift and Hospitality Guidelines.

As part of our commitment to ensuring our people understand the anti-bribery rules and have anti-bribery compliance awareness, we provide two types of online training to our people: certification training with an assessment and a simplified awareness training. Our people are required to take each type of online training according to an established

learning matrix, considering the risks faced by various employee groups and training effectiveness.

Anti-bribery online training in Cathay is covered by our Corporate Regulatory Compliance Learning Programme administered by Cathay Academy. All new joiners and any of our existing people whose job function or role is changing at the relevant time are enrolled for the appropriate type of online training. Built-in follow up mechanisms ensure that any instances where training has not been completed are escalated to management. All new joiners in our subsidiaries receive anti-bribery training arranged by the relevant subsidiary's People Department.

Refresher training is also provided to employees in the form of assessment-based learning modules covering several key topics, including anti-bribery. These trainings are integrated into our Corporate Regulatory Compliance Learning Programme, which relevant employees are automatically enrolled on an annual basis. Similar refresher training programmes are offered across our subsidiaries. The above training is supplemented with regular reminders about the importance of compliance.

In 2023, we continued to provide anti-bribery training for new joiners and refresher training for existing employees. Over 20,000 employees of Cathay and our subsidiaries have undertaken anti-bribery training during 2023, with an over 98% completion rate.

During 2023, there were no convictions for non-compliance with laws and regulations relating to bribery, extortion, fraud or money laundering that would have a significant impact on the Group.

## Know Your Partner Policy

We have a Know Your Partner Policy in place, a group-wide uniform due diligence policy designed for all new and existing third parties, including customers, business partners, intermediaries, suppliers and corporate investment counterparties. Any association with inappropriate third parties may expose the Group to legal, financial or reputational risks. To ensure we will only engage with third parties of known integrity, we will conduct appropriate due diligence checks before we establish any new business relationships and continue to monitor during the lifetime of those relationships.

## Whistleblowing Policy

We have a Whistleblowing Policy in place to help mitigate legal, financial, operational and reputational risk. This policy aims to encourage our people and third parties to come forward and report suspected wrongdoing and to provide necessary guidance and assurance to anyone who reports suspected wrongdoing. All complaints under the Whistleblowing Policy are properly investigated and addressed to ensure that prompt remedial action is taken where appropriate. Any reporting under this policy can be done confidentially through multiple channels that allow for anonymous reporting.

The [Speak Up](#) channel, consisting of an online reporting website and telephone hotline, is available for all our employees and external parties, including suppliers and customers, to raise concerns. Accessible 24/7, Speak Up is administered by an independent service provider and available in multiple languages. Cases reported through Speak Up are routed to Group Compliance department for review.

Group Compliance department oversees all whistleblowing investigations and keeps centralised records of all whistleblowing reports. Summaries of all whistleblowing cases are provided to the Audit Committee.



## Competition Law Compliance Policy

The Group is committed to conducting itself with integrity and in compliance with the laws and regulations that govern its global business.

In order to provide guidance on compliance with the applicable global competition laws, we have a comprehensive and robust Competition Law Compliance Programme for the Group, including a Competition Law Compliance Policy, further guidance such as associated guidelines and quick guides on key topics, and online and face-to-face tailored training and workshops.

We continued to provide competition law training for new joiners and refresher training for existing employees this year. Refresher training is provided to employees in the form of assessment-based learning modules covering several key topics, including competition law. These trainings are integrated into our Corporate Regulatory Compliance Learning Programme, which relevant employees are automatically enrolled on an annual basis. Similar refresher training is also provided to relevant employees in our subsidiaries.

In 2023, Cathay remained the subject of antitrust proceedings in various jurisdictions. The proceedings were focused on issues relating to pricing and competition. For details, please refer to our [Annual Report 2023](#), page 121.

## Modern slavery and human rights

We adopt business practices that respect international human rights and strive to keep our global operations free from human rights abuse in any form. Our commitment to operating with respect for human rights applies to all aspects of our business operations globally, both new and existing, and is integrated across all of our company policies and processes. We assess, identify, monitor and manage the human rights impacts of our business activities on an ongoing basis.

The Group's [Human Rights Policy](#) is aligned with the laws of Hong Kong and applies to our global operations. It outlines our commitments to our employees on issues such as diversity, equal opportunity and workplace security. It also defines our position on protecting human rights in our supply chains. Our Human Rights Policy is also aligned with the commitments highlighted in the ILO Declaration on Fundamental Principles and Rights at Work around freedom of association, collective bargaining, child and forced labour, non-discrimination as well as safe and healthy workplace.

Our Procurement and Aircraft Trading department manages the airline's supply chain, conducting supplier due diligence and requiring suppliers to adhere to Cathay's [Supplier Code of Conduct](#), which amongst other things prohibits the use of child or forced labour. Our Supplier Code of Conduct also safeguards the Group against the use of child or forced labour in our own operations.

Our [Modern Slavery and Human Trafficking Policy Statement](#) sets out the Group's commitment to fight against human trafficking. It is accompanied by a second internal document which outlines procedures and practices including employee training, collaborating with third parties and conducting supplier due diligence. Formal training is provided to cabin crew and airport ground employees.

Training for our cabin crew and airport teams informed our people how to recognise and respond to potential human trafficking cases. All employees learn what signs and behaviours to look for, as well as specific questions they can ask to further assess the situation and how to safely report suspected cases. The training reinforces the importance of all our frontline teams working together as well as with the authorities. We also updated our operating manuals for the flight crew, cabin crew and airport employees for the handling and reporting of suspected cases.

Previously, Cathay conducted a supply chain modern slavery risks mapping exercise based on risk information from external sources such as the Global Slavery Index. As a result of the research, we identified a number of the products which we sourced had higher geographical or sector supply chain modern slavery risks. We also actively consult Mekong Club, an NGO with expertise in mapping and addressing modern slavery risks in the supply chain for their advice on tools and approaches to assess risks and engage suppliers for change. A similar exercise is being conducted with our subsidiaries.

In addition to examining our value chain introspectively, we have made concerted efforts to ensure awareness of the international best practices in managing modern slavery and human rights issues. Over the past year, a new supply chain risk management solution has been procured to enhance the monitoring of supplier performance in this domain. With these findings we hope to further improve our due diligence and value chain risk management mechanisms.



In 2023, **100%** of our cabin crew undertook the anti-human trafficking training. In this year, no suspected human trafficking incidents were reported.

## Tax transparency

We commit to ensuring that the Group complies with international corporation tax laws and regulations, including the Inland Revenue Ordinance (Cap. 112 of the Laws of Hong Kong), and other relevant tax legislations in all our operating countries. As part of our tax policy, a team of taxation services managers are dedicated to tax management whilst our Outports are guided by the Outport Accounting and Internal Control Manual to ensure proper tax handling and tax responsibility. Tax authorities around the world are implementing initiatives which mean that the tax paid and the tax strategies of large companies are becoming more transparent. We prepare the Master File and Country by Country Report detailing our corporate structure, business operations, revenue generating activities, financial information and corporation tax paid and file these with the Hong Kong Inland Revenue Department. For best practice, we assess tax risk regularly and review potential exposures (when appropriate). In 2023, we engaged tax advisors to re-assess the impacts of Base Erosion and Profit Shifting (BEPS) 2.0 Pillar 2 to take into account legislative updates and the latest post-COVID financial data. Furthermore, our tax team has been monitoring the new legislation development of BEPS. Our Board has oversight of the Group's tax issues and tax provision status, through the Audit Committee, which oversees the Group's significant tax issues.

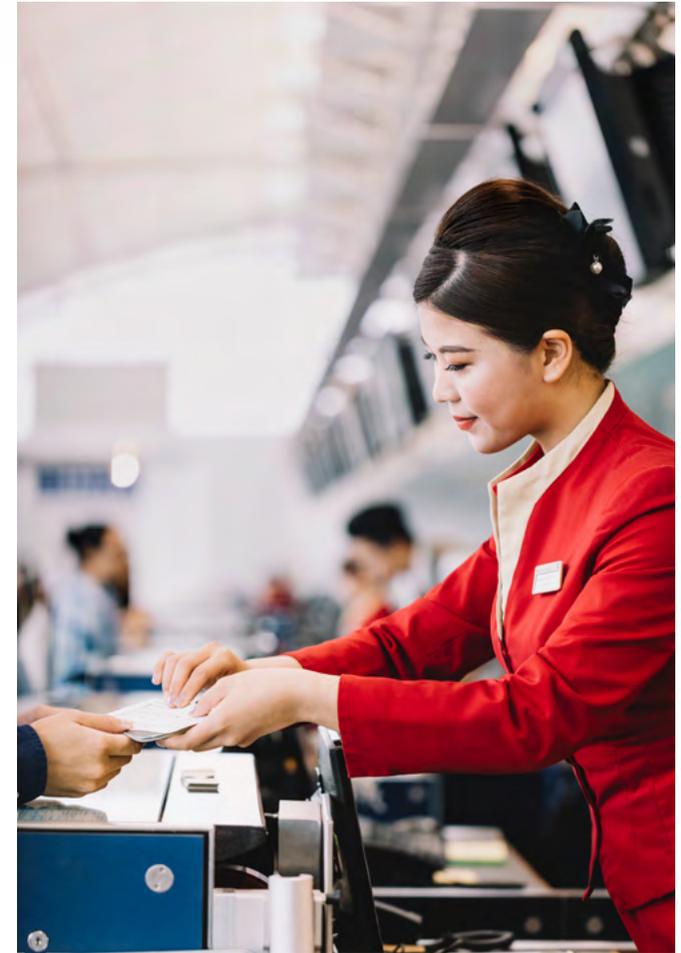
## Customer support and complaint handling

We pride ourselves on providing an exceptional customer experience. A key part of our continual improvement is listening to those that fly with us. Whether for general feedback, to deliver a compliment or to flag that we have fallen short in any aspect of our service delivery, our online form, available on [www.cathay.com](http://www.cathay.com) is designed to ensure customer input is captured and directed to the relevant department for prompt review.

We believe in providing a people-centric service. Every entry to the web form is assigned a case number and given to a Customer Support team member for handling in line with any regulatory and legal requirements that apply. It is our target to respond to submissions within seven calendar days for all customers, and within four calendar days for Cathay Diamond members. We also continue to proactively collect customer feedback through post-flight surveys among other communication channels to improve our performance. Once customer feedback is collected, Cathay will identify the most impactful issues using data analysis programmes on a monthly basis. Subsequent action and follow up with the relevant teams is initiated for the enhancement of our processes, products and services.

To further gain value from our proactive customer satisfaction approach, Cathay deploys a monthly scorecard for employee performance based in part on customer satisfaction among other factors such as productivity. This method for gauging employee performance provides a more all-rounded and transparent criteria in identifying and recognising exceptional performers within our company and follow up on those with room for improvement. These scorecards will be continuously monitored to ensure our standards and expectations are met.

This year, as part of our proactive service recovery (PSR) programme, we reached out to 1,623 affected passengers from eight disrupted flights. To streamline this manpower intensive process across our flight operations, we have successfully developed an automated flow of PSR apology letters and fulfilment for Cathay members. We are in the process of extending this flow to non-members and look to build a disruption detection system which can trigger the PSR process automatically. In 2023, we handled feedback from 107,394 customers, which included 55,433 complaints and 4,705 compliments. This represented approximately 0.6% of all passengers handled in the year.



## Sustainable procurement

Globally, we work with approximately 5,500 suppliers in 2023 dealing with a vast range of purchases across the destinations we serve. Working with our suppliers is key to delivering products and services to our customers in a sustainable way. We have identified that roughly 76 top strategic supplier groups represent 50% of our third-party spend. We require the procurement process of all our products and services to be conducted in full compliance with relevant laws, tax regimes and regulations that govern the respective transactions, and with full accountability in terms of our policies on anti-bribery, antitrust and data protection. Appropriate due diligence of new business partners will be undertaken in relation to anti-bribery.

Our procurement process involves supplier vetting and the ongoing evaluation of suppliers based on our supplier scorecard. The balance-rated scorecard for procurement measures suppliers' performance in six different areas which we refer to as CISQAS: Costs, Innovation, Satisfaction, Quality, Assurance of supply, Safety/Sustainability.

We manage risks related to supply chain through continuous collaboration with our suppliers in accordance with our

Supplier Code of Conduct. We have built risk analysis into the category strategy planning stage of our procurement process. We actively work with suppliers who share our standards and maintain a central risk register, updated monthly, to highlight overall risk. All suppliers are required to declare that their products and services comply with our Supplier Code of Conduct. Our Supplier Code of Conduct, which includes our standards for business ethics, is available internally to our global offices and shared with our suppliers, both locally in Hong Kong and to those based in the rest of the world. Our category management teams develop a mitigation plan for suppliers with high-risk ratings and, if a supplier has fallen short of our requirements, we review the relationship and shortfall on a case-by-case basis and take the necessary corrective measures.

When selecting suppliers during the CISQAS evaluation process, we take into consideration sustainability certifications, environmentally preferable products and services such as increasing the use of sustainable materials, utilising regenerated waste materials and procuring recycled plastic products.



In addition to supplier desk assessments, we have identified a **third-party solution provider** to help us implement a robust process for assessing other third-party risks.

## Supplier Code of Conduct

Our [Supplier Code of Conduct](#) describes our minimum requirements including:

- Legal and regulatory compliance
- Environmental protection and combating climate change
- Health and safety in the workplace
- Not employing child labour
- Not employing forced labour
- Provision of proper compensation and appropriate working hours for employees
- Diversity and non-discrimination
- Freedom of association and rights to collective bargaining
- Sharing the Supplier Code of Conduct with sub-contractors
- Upholding business integrity

## Working with our suppliers

Our category teams maintained close communication with our strategic suppliers. Through our Supplier Relationship Management (SRM) process, discussion have been initiated with a number of them in order to work collaboratively on new initiatives which will support our sustainability agenda.



## Sustainably sourcing our inflight coffee

We continue to go the extra mile to prioritise sustainable sourcing both in the skies and on the ground. In partnership with The Coffee Academics, we serve our passengers in Economy and Premium Economy cabins the new Cathay coffee blend made from 100% Sucafina-certified coffee beans. Placing a strong focus on environmental and social responsibility, Sucafina sources directly from small-scale farms to promote responsible coffee production and ensures its supply chain transparency and traceability. They also source Rainforest Alliance, Fair Trade and Organic-certified coffees.



The Supplier **Code of Conduct** clearly directs suppliers to a confidential online reporting mechanism, "[Speak Up](#)" to raise concerns about suspected or actual improprieties relating to Cathay, including potential misconduct, malpractice or unethical behaviour.

# ENVIRONMENTAL ASPECT: CLIMATE CHANGE



Set new target of improving carbon intensity by **12%** from the 2019 level by 2030

Completed our **1<sup>st</sup>** overseas SAF refuel on commercial flights

Delivered **11** next-generation aircraft

## Our Policies and Guidelines

- [Sustainable Development Policy](#)
- [Climate Change Policy](#)
- [Supplier Code of Conduct](#)

**GRI:** 201-2, 302-4, 302-5, 305-1, 305-2, 305-3, 305-4, 305-5

**HKEX:** GD-A1, GD-A2, GD-A4, KPI A1.2, KPI A1.5, KPI A2.1, KPI A2.3, KPI A4.1

## SDG:



# CLIMATE CHANGE

## Why climate change matters to us

We recognise that our industry must decarbonise to contribute to global efforts to avert the worst effects of a warming planet. It is the expectation of our stakeholders that we take action. We must be proactive in adapting to the risks and opportunities posed by climate change to ensure our business can thrive as we transition to a low carbon future.

## 2023 performance highlights



Set a **new near-term decarbonisation target** by improving carbon intensity\* by **12%** from the 2019 level by 2030, bringing the number from 761 gCO<sub>2</sub>/RTK to 670 gCO<sub>2</sub>/RTK



Developed a standalone **Climate Change Policy** which is now separated from the **Sustainable Development Policy**



Took delivery of 11 new next-generation aircraft in 2023, including **two A350-900** and **nine A321neo**



Signed a Memorandum of Understanding with the State Power Investment Corporation and Civil Aviation University of China respectively on the development of **sustainable aviation fuel in the Chinese Mainland**



Successfully conducted our first **overseas SAF uplift** on commercial flights in Singapore and Los Angeles

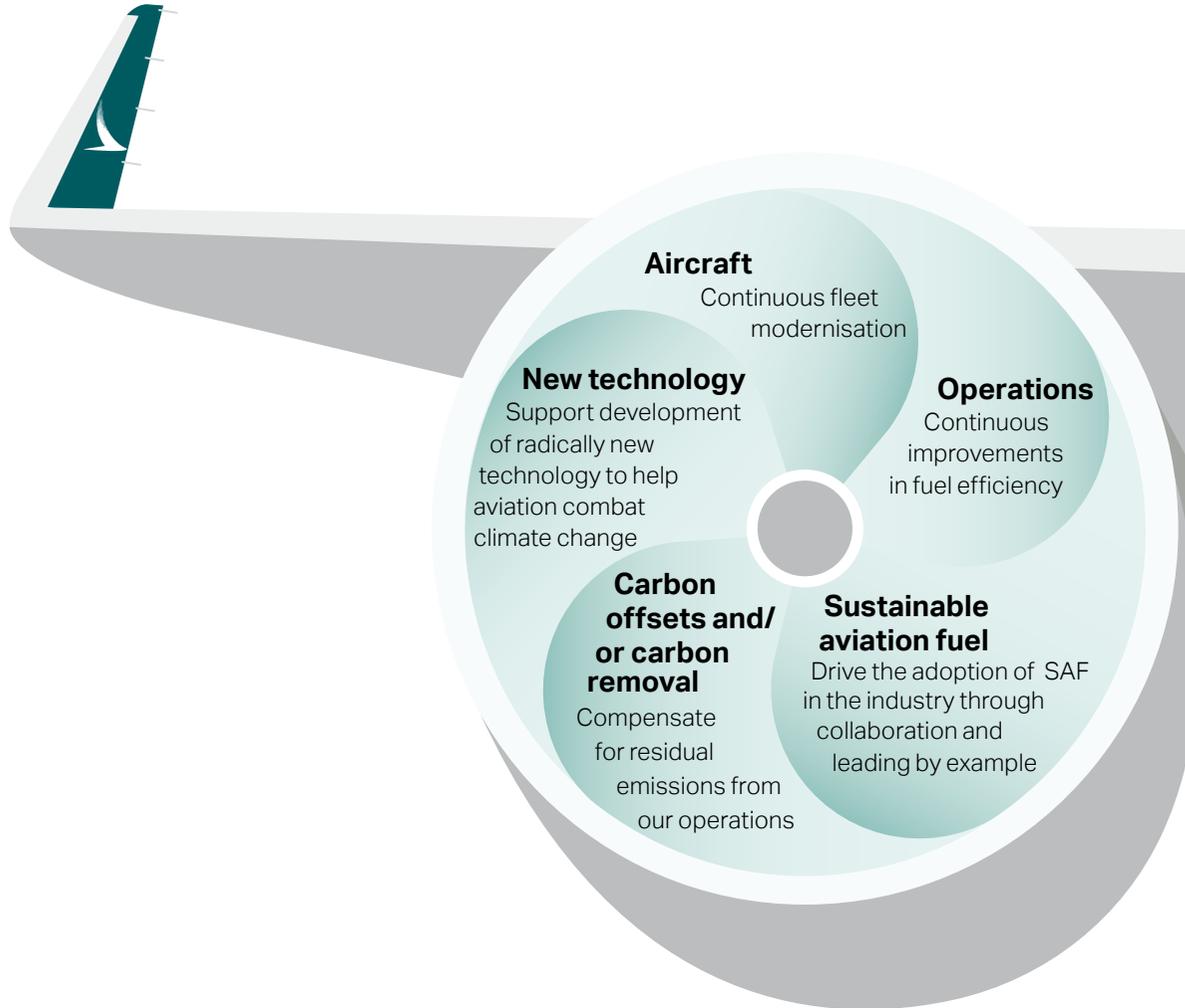


Established new partnerships in the **2023 Corporate SAF Programme**

\* This intensity target covers our carbon emissions generated from jet fuel use of the Group.

## Charting a course to zero

We have set a science aligned target to show our ambition and commitment to decarbonisation. Our holistic five-pillar net-zero strategy has been developed to deliver on our target to reach carbon neutrality by 2050. The pillars will guide how we manage our air emissions which account for 99% of our total emissions. The pillars are:



## Scope 1&2

Committed to achieving **net zero operations** by **2050** covering both **Scope 1** and **Scope 2** carbon emissions

Activities in these core areas are enhanced by having a clear understanding of how future climate scenarios may impact our business. Disclosing these climate related risks is an important step in demonstrating our understanding of these risks and efforts to mitigate them. In addition to enhancing business resilience, it also enables us to take advantage of any opportunities it may offer.

Please also refer to our response to the [Task Force on Climate Related Financial Disclosures \(TCFD\)](#) and [International Financial Reporting Standards \(IFRS\) S2](#) for more detailed climate-related disclosures.

## Climate performance

The Group emitted around 11.6 million tonnes of CO<sub>2</sub>e in 2023, an increase of 116% from 2022, as the Group rebuilt its operations and network from the impact of COVID-19. It was still 37% below 2019 level, the last year of normal operation before COVID-19.

Carbon intensity of the airline operations saw a slight year-on-year increase by 4%, primarily associated with the reactivation of some less fuel-efficient aircraft. Back in 2022, the parking of the less fuel-efficient aircraft led to a rather low level of carbon intensity which maintained throughout the year. With the subsequent increase in flight frequencies, more older-generation aircraft was reactivated that drove up the carbon intensity.



Figure 3 The Group Aviation Carbon Emissions and Intensity\*

\* Emissions figures reported are in aggregate for all airlines flown by the Group during the reporting period. For more detailed emissions numbers, please refer to the 2023 Key performance indicators section on p.120 of the report.

# Global warming potential (GWP) of CO<sub>2</sub> is 1; assumes that all other greenhouse gases (GHG) are negligible as these impacts still uncertain. Effect of contrails is not yet included as further study is required.

Scope 1\*

11.6



million tonnes CO<sub>2</sub>e

All Aviation fuel, other liquid fuel and gaseous fuels

Scope 2\*

0.05



million tonnes CO<sub>2</sub>e

Electricity and gaseous fuels (e.g. Towngas)

INDICATOR	DESCRIPTION	REMARKS
 <p><b>Carbon intensity per revenue tonne kilometre (RTK)</b></p>	<p>Carbon intensity measure of CO<sub>2</sub> emissions from fuel use in grammes per RTK.</p> <p>RTK is a way of measuring the number of revenue generating kilometres flown. It is calculated by multiplying the revenue load carried in tonnes by the distance flown.</p>	<p>The airline started tracking its carbon emissions back in the 1990s. Over the years, carbon intensity, measured by CO<sub>2</sub> per RTK has improved by over 30%.</p> <p>As we carry on our implementing of fuel saving initiatives and replacing older aircraft models with newer, more efficient next-generation aircraft, we expect carbon intensity to continue steadily improving.</p> <p>We target to improve our carbon intensity by 12% from the 2019 level by 2030, bringing the number from 761 gCO<sub>2</sub>/RTK to 670 gCO<sub>2</sub>/RTK.</p>
 <p><b>Scope 1 emissions</b></p>	<p>Direct greenhouse gas (GHG) emissions represented as CO<sub>2</sub> equivalent (CO<sub>2</sub>e). These occur from direct emitting sources that are owned or controlled by Cathay, for example, emissions from combustion of aviation fuel, other liquid fuels and gaseous fuels (e.g. Towngas) at stationary sources.</p>	<p>Total emissions have increased by 116% compared to 2022 due to the increased flight capacity as the airline rebuilt from COVID-19.</p>
 <p><b>Scope 2 emissions</b></p>	<p>Scope 2 accounts for in-direct sources of GHG emissions also represented as CO<sub>2</sub>e. These occur from the generation or processing of purchased electricity and gaseous fuels (e.g. Towngas) bought and consumed by Cathay. Scope 2 emissions physically occur at the point of generation (e.g. the facility where electricity is generated).</p>	<p>The total emissions, however, are still below the pre-pandemic levels in 2019, and thanks to our fuel efficiency measures, our emissions intensity trends remain heading in a positive direction.</p>

\* Data verified by Deloitte

## Climate action governance

Climate change is one of the top corporate risks identified at Cathay and its oversight is a board-level responsibility. In light of the increasing importance of climate-related issues to the Group, [Climate Change Policy](#) has now been split out as a standalone document from the Sustainable Development Policy. The new policy guides our climate change commitment, mitigation and adaptation approaches, governance and disclosures. By aligning with the best practices and positioning ourselves at the forefront of the airline industry, we aim to proactively address the climate concerns and demonstrate our commitment to environmental stewardship.



Moving forward, we will revamp our current sustainability governance structure. The newly established **Sustainability Leadership Group (SLG)** which is chaired by the Chief Executive Officer will oversee the climate change policy and progress directly. Multiple taskforces will be formed to work on specific aspect of climate change and report into the SLG directly, for example the Sustainable Aviation Fuel Taskforce.

Our approach to climate change mitigation and adaptation extends from managing our own operations, to working with industry bodies, investing in new technologies, and helping our customers to reduce their carbon footprint from flying.

To foster climate action in the aviation industry as a whole, we actively involved in committees and organisations that would shape the industry's climate action plan. We have been part of International Civil Aviation Organisation (ICAO)'s task forces under the Committee of Aviation Environmental Protection (CAEP) that leads the aviation industry's work in CORSIA and SAF development. We are also part of the Sustainability and Environmental Advisory Council (SEAC) and the Track Net Zero

task groups under International Air Transportation Association (IATA). Cathay was also involved in SAF specific initiatives under Clean Skies for Tomorrow (CST) alliance under World Economic Forum. Started in 2023, Cathay has also assumed the Chair position of the Environmental & Sustainability Board at the **oneworld** Alliance. These industry groups and bodies share the same climate change goals as Cathay: pushing for the long-term net zero goal for international aviation by 2050, and to push for supportive policy and the scaling up of the production and usage of SAF as a major lever to reach such goal.



## Climate change target

As a systemic issue, tackling climate change will require ambitious, rapid, and collaborative action. We are proud to be one of the first airlines in Asia committing to our net zero carbon emissions target by 2050 back in 2020. Our commitment aligns with the aims of the Paris Agreement to limit global temperature rise to well below 2°C above preindustrial levels and pursue efforts to limit this increase to 1.5°C. It is a significant step in our sustainable development journey and coalesces our existing efforts in fuel efficiency, SAF, carbon offsetting and emissions reduction around a common goal.

At the 41st ICAO Assembly in 2023, the same goal for international aviation of net-zero carbon emissions by 2050 was adopted as a long-term global aspirational goal (LTAG). Energy transition for the aviation industry is only possible as a joint effort with support of policy makers and other related industries. We are making progress towards achieving our targets to act on our commitment and maintain our momentum:

- Improve our carbon intensity by 12% from the 2019 level by 2030, bringing the number from 761 gCO<sub>2</sub>/RTK to 670 gCO<sub>2</sub>/RTK.
- Use 10% SAF for Cathay Pacific operating flights by 2030
- Reduce ground emissions by 32% by 2030 and 55% by 2035, from 2018 baseline

The sections of the chapter provide detail on the initiatives that will help us to achieve these targets.

Our climate change disclosure has been awarded a score of B in 2023 by CDP, additional information can be found at its website [www.cdp.net](http://www.cdp.net).

*\* Based on information published by [LSE Transition Pathway Initiative Centre \(TPI Centre\)](#) which is an independent, authoritative source of research and data on the progress of the financial and corporate world in transitioning to a low-carbon economy.*



**Ronald Lam**  
Chief Executive Officer, Cathay



*Despite being a major airline with one of the best carbon intensity performances in the world\*, we are determined to improve our climate performance even further via accelerating the use of sustainable aviation fuel (SAF), modernising our fleet and driving operational improvements. This new carbon intensity target will provide necessary drive for actions in the immediate future towards achieving our long-term goals.*



Set a new near-term target to improve our carbon intensity by **12%** from the 2019 level by 2030, bringing the number from 761 gCO<sub>2</sub>/RTK to 670 gCO<sub>2</sub>/RTK.

## Climate risk

Our enterprise risk management process identified climate change risk as one of the top risks the Group is facing. It is imperative that we assess its potential impacts on our business, explore possible responses to manage this risk and make sure Cathay continues to thrive despite the uncertain impacts of climate change on our industry.

In 2021, to better understand the resilience of our business to short and long-term climate risks and opportunities, we commissioned a scenario planning and analysis in line with the TCFD recommendations. A cross-functional team made of our business leaders were convened to stress test our climate strategy. The team evaluated four scenarios; the likely external environment; implications on Cathay; and our optimal response strategy in each scenario. In each scenario two key drivers of change with most uncertainty with regards to the impact of climate change on our business were considered; societal pressures and the resulting political will to tackle climate change holistically at the global level, and the availability of new technologies to decarbonise commercial aviation operations.

Our approach involved assessing the risks and opportunities we may face in 2030 and 2050 under four scenarios, including a deep dive into two key scenarios developed by the Intergovernmental Panel on Climate Change. In the first scenario we assessed our exposure to physical climate risks such as rising temperatures and extreme weather events. Beyond physical risks, we also assessed any risks and opportunities arising from a transition to a low-carbon world aligned with the Paris Climate Agreement.



Identified risks from a business-as-usual scenario include frequent disruptions, reputational damage, reduced travel and cargo demand and a financial slowdown in the long term. A successful transition to a well-below two-degree world was identified as our most favourable scenario, whereby an increased cost of carbon offsets could impact profitability and increased risk of penalties for non-compliance with new carbon-related regulations.

Although there is a lot of uncertainty associated with these scenarios, measures we currently have in place and are continuing to invest in, such as contingency planning, SAF and industry collaboration on decarbonisation technologies, form the basis for business resilience in both instances.

We plan to renew our climate scenario planning and analysis in 2024. The exercise will guide Cathay to further refine and develop the specific actions to be included in our climate strategy and risk mitigation plans going forward.

## Fleet modernisation

Our first pillar for carbon emissions reduction focuses on adding modern, more fuel-efficient aircraft to our fleet. The next-generation aircraft\* brings advanced technologies in aerodynamics and design. The technological advancement enables these aircraft to be up to 25% more fuel efficient compared with previous generation aircraft.

Our A350 series aircraft are powered by the latest fuel-efficient Rolls-Royce Trent XWB engines, which help us to attain major improvement in efficiency for our long-haul routes. This results in clear benefits for the environment, with less GHG emissions coupled with a diminished noise footprint.

In 2023, the group took delivery of 11 next-generation aircraft, and have scheduled the delivery of another 75 from 2024 onwards.



We have placed an initial firm order for **six A350F freighters** and have secured the right to acquire 20 more aircraft. This order for fuel-efficient, next generation aircraft to be delivered commencing from **2027 will provide additional cargo capacity**, expand our global network and contribute to our sustainability goals.

## Next-generation aircraft joining the Group

Aircraft type	2023	2024 and beyond
A320neo	0	48
A321neo	9	
A350-900	2	0
A350-1000	0	0
A350F	0	6
B777X	0	21
<b>Total</b>	<b>11</b>	<b>75</b>

\*Next-generation aircraft includes but not limited to A320neo, A321neo, A350, B777X, in each case, any variant thereof, including freighter variants.



**Rebecca Sharpe**  
Chief Financial Officer, Cathay



*In 2023 we took delivery of 11 next-generation aircraft featuring advanced fuel efficiency improvements. Additionally, we have a total of 75 new passenger and cargo aircraft on order, which will be added to our Group's fleet in the coming years.*



## Supplier engagement

Sustainability has now become a standard agenda item in our annual meeting with key suppliers. By learning about our business partners' emissions reductions strategies, we get a clearer view on the reductions we can expect to achieve and refine our strategy accordingly. Where possible, we collaborate with our suppliers to help drive the innovation in new technologies our industry needs to achieve our carbon reduction objectives.

### Scope 3 indirect emissions from value chain

In 2022, Cathay conducted our first Scope 3 indirect emissions mapping exercise for our airlines and ground operations in Hong Kong. Our Scope 3 carbon inventory has been developed in alignment with the following globally recognised carbon reporting standards, including the GHG Protocol Corporate Value Chain (Scope 3) Standard and the Aerospace Industry GHG Reporting Guidance.

Recognising the need for ongoing improvement of data quality and accuracy, we continued to conduct the scope 3 indirect emissions assessment in 2023. We initiated a conversation with our associate company, Air China, to understand their decarbonisation plan and communicate the emissions reduction opportunities. We also engaged with our key jet fuel suppliers through supplier interviews and engagement surveys for the first time. Based on this understanding of the emissions from our suppliers' own value chain and production activities, we aim to develop supplier-specific jet fuel emission factors that will allow us to accurately track the scope 3 emissions arising from our suppliers. Further, we reviewed the suppliers' decarbonisation strategies and engaged with them to set emissions reduction goals to accelerate decarbonisation in their production activities.

Emissions from our value chain accounts for about 34% of our total carbon footprint. Among them, the following three categories account for the biggest emissions share: fuel- and energy- related activities, investment, and capital goods. Moving forward, we will continue to improve data accuracy and ensure completeness of coverage of our Scope 3 emissions.

Scope 3	Scopes and categories	Percentage share of total Scope 3 emissions
	<b>Scope 3 categories</b>	
	<b>Category 3: Fuel- and energy-related activities (not included in scope 1 or scope 2)</b>	43%
	<b>Category 15: Investments</b>	35%
	<b>Category 2: Capital goods</b>	11%
	<b>Category 1: Purchased goods and services</b>	9%
	<b>Category 4: Upstream transportation and distribution</b>	~2%
	<b>Category 5: Waste generated in operations</b>	
	<b>Category 6: Business travel</b>	
	<b>Category 7: Employee commuting</b>	
	<b>Category 12: End-of-life treatment of sold products</b>	
	<b>Total Scope 3 Emissions</b>	<b>5,939,000 tCO<sub>2</sub>e</b>

*\* Note: Category 8, 9, 10, 11, 13 and 14 are excluded due to the expected insignificant contribution to total scope 3 emissions of these activities. Assumptions and conversion factors are applied where primary data are not available to calculate scope 3 indirect emissions.*

## Operational efficiency

Improving fuel efficiency is a key pillar in lowering our GHG emissions. The better the fuel efficiency, the less carbon emitted with the same unit of passenger or freight we carry. While we are reliant on the work of governments and regulators to ensure that we are allowed to fly the most efficient routes and operate in the most efficient manner during all flight phases, we constantly work on initiatives that are within our own control to further improve on our operational efficiency and lower our carbon emissions.

As capacity requirements increase and we expect to operate 70% of our pre-pandemic passenger flights by the end of the year, we look to our parked aircraft and determine which to reintroduce. Provided certain key operational criteria are met, our newer more fuel-efficient aircraft are given priority, making our recovery as green as it can be.

### Flight Planning System

To assist us in planning our flight routings, Cathay Pacific has been adopting a digital flight planning system that uses state-of-the-art technology and automation, including robotics, to optimise our routes according to environmental and air traffic conditions on the day. When integrated with our Electronic Flight Folder (EFF), an industry-leading tool which has been developed in-house, we are able to realise significant benefits, including minimum flight-time routings, revisable up to one hour before departure, and payload optimisation, both of which reduce fuel consumption and emissions. Cathay Pacific and Air Hong Kong

have been using these integrated systems since late 2021, with further deployment in HK Express from mid-2022.

### Fuel Forum Steering Committee

Made up of representatives from different departments across our airlines and chaired by our Chief Operations and Service Delivery Officer, our Fuel Forum Steering Committee (FFSC) was tasked with improving fuel efficiency of our airlines. FFSC focus areas included aircraft operations and performance, aircraft equipment and operational item weight on board, airspace and route efficiency, as well as auxiliary power unit (APU) and ground equipment usage. In 2021, FFSC was set up at Air Hong Kong as a formal channel of a knowledge transfer collaboration with our subsidiaries to accelerate their decarbonisation journey. Hong Kong Express is in the process of reviewing the internal governance structure to support the data interface and monitoring.

### Optimising aircraft operations and performance

In the air, AHK and HKE sought fuel savings by assessing and revising when engines are started during taxi-out to optimise fuel savings. AHK is also working closely with DHL and their Flight Optimisation Management System (FOMS) which aims to promote efficiency and emissions reduction within the DHL partner airlines network.

Back on the ground, Cathay Pacific continued to use the process of Reduced Engine Taxi-In (RETI) which has reduced our fuel-

burn as well as our GHG emission. We practise RETI at all airports where it is possible and have increased the effort spent on improving the take up rate and duration of this procedure on all fleets. Given the success of RETI within our fleet, AHK and HKE have also been adopting RETI, achieving significant fuel consumption reductions. Moving forward, Cathay Pacific will trial the process of Reduced Engine Taxi-Out in collaboration with the Hong Kong Civil Aviation Department and the Airport Authority Hong Kong where successful introduction will allow for significant fuel savings.

We also conduct frequent engine core washing across our airlines. This enables our aircraft to achieve higher fuel efficiency. AHK also monitored the impact of drag on the exterior of its aircraft, which can hamper fuel efficiency. We are also in the process of reviewing various fuel efficiency projects, including advanced skin coatings, aerodynamic devices and drag reduction modifications.

## Aircraft equipment - digitisation and weight reduction

Our eEnabled Aircraft Programme facilitates seamless global aircraft connectivity and data sharing across our airlines. We have switched to electronic documents on all Cathay Pacific aircraft and used lighter materials for inflight equipment which incurs less fuel burn and results in less carbon emission. The weight reduction can result in a decrease of more than 4,000 tonnes CO<sub>2</sub> emissions per year based on our 2019 flight level - emissions equivalent to more than 5,000 flights from Hong Kong to London.

In 2023, we successfully conducted a Fly Away Kit (FAK) reduction project to minimise the spare engineering items and tools stored onboard. We were able to significantly minimise the items from over 200 to 51, which resulted in a total of over 2,400 tonnes of weight reduction and more than 1,900 tonnes of CO<sub>2</sub> emissions reduction per year.

In our cargo operation in Hong Kong and selected stations in the Americas, we have implemented our industry's first blockchain enabled Unit Load Device (ULD) Management System. Besides its success in replacing a manual, paper-based process, we continue to work on the next steps on Smart ULD related projects and data from other operation application to enhance operational efficiency, as well as improving safety in operation through early identification of ULD that are suspected to be not suitable for usage.

## Airspace route efficiency

Our fuel monitoring system is supported through a partnership with General Electric Aviation (GE Aviation) Event Measurement System (EMS). The system enhances our capability to process and analyse flight data including weather, navigation, flight plans and schedules to improve our ability to find data driven solutions for flight efficiency.



**Alex McGowan**

Chief Operations and Service Delivery Officer, Cathay



*In addition to investing in and prioritising the next-generation aircraft, we continue to work on a broad range of other initiatives. These include measures to enhance operational efficiency like the industry-leading Electronic Flight Folder and the introduction of new route planning software. Over the past year we have increased the pace and depth of our engagement with SAF suppliers and are making good progress towards our targets. We are also strengthening our collaboration across the aviation supply chain to ensure the companies we work with share our commitment to sustainability leadership.*



## Sustainable aviation fuel (SAF)

Compared to traditional jet fuel, SAF can reduce over 80% of life cycle GHG emissions. As it can be used safely with existing aircraft engine and infrastructure in airport, it is the most important way to decarbonise airline operation in the near future.

To achieve this, SAF must become commercially viable for the mainstream, so we have taken a lead in its use to make this a reality.

We have pledged to use SAF for 10% of fuel consumption by Cathay Pacific operating flights by 2030. To accelerate the development of SAF, we have rolled out SAF projects with world-renowned partners and contribute to the following industry groups:

- Sustainable Aviation Fuel Users Group
- FAA Centre of Excellence for Alternative Jet Fuels
- Commercial Alternative Aviation Fuels Initiative

### Invest in supply chain

Since 2014, Cathay has been investing in the development and commercialisation of converting municipal solid waste into SAF.

### Extending the SAF value chain

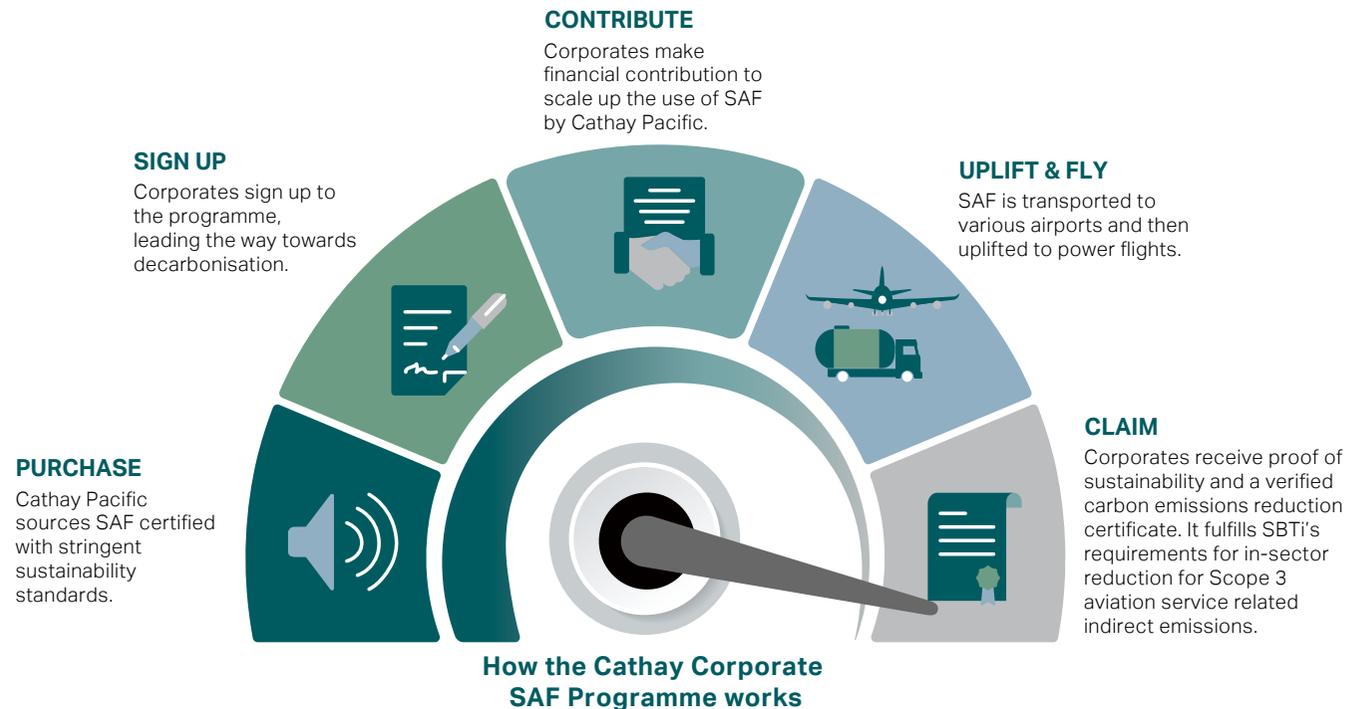
Cathay Pacific has set the target to use 10% of fuel consumption from SAF by 2030. We have continued to send a clear demand signal to the SAF supply market, especially by signing a Memorandum of Understanding (MoU) with the State Power Investment Corporation (SPIC), a leading renewable energy

company in the Chinese Mainland. The MOU covers four SAF plants under SPIC's development plan and the plants will use a multitude of different technologies for SAF production, including a pathway similar to power-to-liquid (PtL) to convert renewable electricity into liquid fuels. Cathay Pacific will share our international experience as a SAF user, our knowledge on the SAF certification process, value chain, and overall market know-how to facilitate successful establishment of SAF supply chain in the Chinese Mainland.

In 2022, we have launched the Cathay Corporate Sustainable Aviation Fuel (SAF) Programme and have entered into the 2nd round in 2023. The programme is one of the first of its kind in Asia and helps to accelerate the global transition to SAF whilst providing our customers certification of their Scope 3 indirect emissions reductions. Through the Corporate SAF Programme, corporate customers contribute to the purchase of SAF certified

by internationally recognised sustainability standards, such as the EU Renewable Energy Directive, Roundtable on Sustainable Biomaterials (RSB) or International Sustainability & Carbon Certification (ISCC) system, which would be used to power Cathay Pacific flights. Cathay Pacific will then issue verified emissions reduction certificates and third-party assurance letter to these customers, reducing their Scope 3 carbon emissions from business travel or cargo transportation. This programme also helps our customers to communicate real actionable commitments towards sustainability.

We appreciate the continuous support from our launch partners for continuing their participation. We also welcome Dimerco Express Group, Yusen Logistics Co., Ltd and Business Environment Council as our new cargo and NGO partners to join the programme in 2023.



## SAF in our operations

Cathay was the first customer, pioneering with Airbus to make SAF available for use to by delivery flights from the Airbus Toulouse facility. Since 2016, we have delivered 40 Airbus A350-900 and A350-1000 aircraft from Toulouse to Hong Kong with a blend of SAF made from sustainable sugar feedstock or used cooking oil and animal fats feedstock. To date, 72,104 US gallons of SAF have been used for this purpose, avoiding approximately 552 tonnes CO<sub>2</sub>e.

In 2023, with the collaborative efforts from Cathay Pacific, both the Permanent Aviation Fuel Facility (PAFF) and AFSC Operations Limited obtained the ISCC CORSIA certification for storage and operations of SAF. The certification paves way for the Hong Kong International Airport (HKIA) to demonstrate compliance with the sustainability criteria for SAF usage from all around the world in the future. This followed the very first SAF uplift from HKIA in 2022, led by Cathay Pacific.

We successfully carried out our first overseas SAF uplift on Cathay Pacific commercial flights by refuelling four freighter flights with blended SAF at Singapore Changi Airport. We have also conducted SAF uplift at Los Angeles International Airport. This was made possible through a collaborative effort with suppliers and several other stakeholders in the SAF supply chain. While the actual SAF uplift amount was small, the significance of these overseas uplift was for our learning and pathing the way for regular SAF uplift from multiple points in our network. We would continue to scale up SAF usage in more locations.



For the first time, we **expanded our SAF operations** to different points around the world. This overseas learning will enable us to scale up SAF usage in more locations.

## Carbon offsets

The climate change imperative is that sharp, immediate reductions in global carbon emissions happen within the next decade. This presents the challenge of driving down emissions in the short term, while the technologies we require for decarbonisation are still in development. Our stop-gap solution is to carbon offset. We only go with the carbon offset schemes fulfilling the most stringent sustainability criteria, adding incremental decarbonisation effort, and is audited by reliable third party to ensure no double counting. We also work with business partners and our customers through our Fly Greener programme to enable all who fly with us to offset.

### Fly Greener – our voluntary carbon offset programme

Fly Greener provides our passengers and corporate customers an opportunity to offset their carbon footprint from air services. The proceeds received from the programme go directly to running projects that have achieved [Gold Standard](#) accreditation by coupling carbon reduction climate action with sustainable development.

As part of the rigorous certification process, project developers are required to adhere to the UN's 'do no harm' principle, consult with local stakeholders, and ensure that projects not only help protect the climate by contributing to SDG 13, Climate Action, but also benefit local communities by contributing to two additional SDGs. Our carbon offset projects strive to not only reduce emissions, but also to improve the health of communities in developing countries. Current projects include fuel-efficient clean cookstoves in Bangladesh, renewable energy generation in India, as well as organic waste biodigesters and solar-powered cookers in rural Chinese mainland. Read more about our offset projects on our [website](#).

In further demonstration of Cathay's ambition for providing greener choices for our customers, Fly Greener has been made available on our customer website booking and cargo booking platforms. The carbon footprints of a Cathay flight will be automatically displayed in the booking screens for customer flights and cargo shipments. Customers can easily opt in for carbon offset in the booking process. We are pleased to witness a positive adoption rate by our customers, and we remain dedicated to exploring further avenues to provide our customers with more sustainable options.

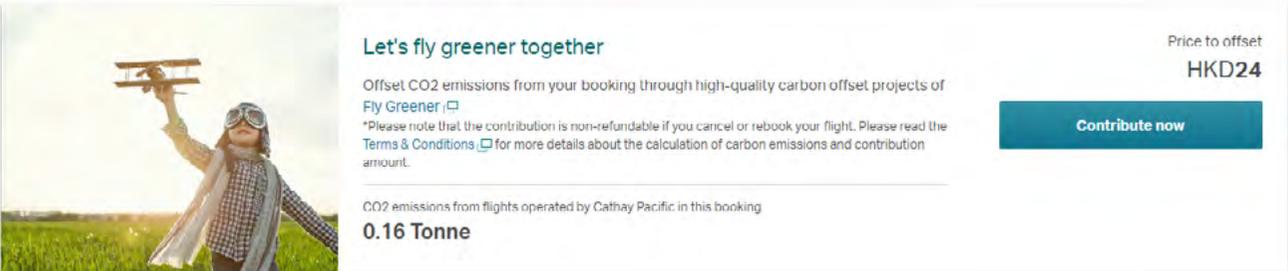
Hong Kong Express also launched their first Customer Carbon Offset Programme to provide customers an option to offset their carbon footprint directly through the booking process.

In 2023, a total of 26,465\* tonnes of carbon emission were offset by the programme, of which 7,404\* and 9,375\* tonnes were offset by our individual and corporate customers respectively. The Earth Day campaign continued this year covering six markets in total. To date, we have purchased over 325,000 tonnes of CO<sub>2</sub> offsets.

\* Data verified by Deloitte

*Note: For employee duty travel and cargo shipments, carbon offsets are reported in the month after relevant flights are taken; for corporate customers, carbon offsets are reported in the period in which the contributions are made; for promotional campaigns, due to the time required for the processing of related data, carbon offsets are reported in the period in which the costs of the events concerned are settled, rather than when the events themselves take place.*

## Fly Greener carbon offset programme



**Let's fly greener together**

Offset CO2 emissions from your booking through high-quality carbon offset projects of Fly Greener.

\*Please note that the contribution is non-refundable if you cancel or rebook your flight. Please read the [Terms & Conditions](#)  for more details about the calculation of carbon emissions and contribution amount.

CO2 emissions from flights operated by Cathay Pacific in this booking  
**0.16 Tonne**

Price to offset  
**HKD24**

**Contribute now**



Around **525 tonnes of carbon emissions** from 1,325 journeys had been offset by Cathay Pacific during the **Earth Day promotional campaign** in 2023.

## CORSIA and other mandatory carbon emissions trading schemes

The Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) is a global scheme, developed by the International Civil Aviation Organisation (ICAO), aimed at capping the net CO<sub>2</sub> emissions from international aviation flat while the industry continues to grow. It is the first global market-based measure to address carbon emissions that applies to an industrial sector. In 2022, the 41st ICAO Assembly (A41) adopted the use of 85% of 2019 CO<sub>2</sub> emissions as the CORSIA baseline for 2024 onwards. Cathay Pacific is also subjected to the European Union Emissions Trading System (EU ETS), and the United Kingdom Emissions Trading System (UK ETS). We have been fulfilling the reporting requirement for all these schemes and the offsetting requirement for EU ETS and UK ETS.

Additional information of our impact assessment of these schemes could be found in the [TCFD section](#).

## New technology

Aviation is a hard-to-abate sector where dramatically reducing emissions is challenging, and breakthrough science and technology innovations are required to help the sector reach net zero. Cathay well recognises this fact and supports the development of emerging carbon reduction technologies especially those which have potential applications for use in the aviation sector.

## Aviation Climate Taskforce

At Cathay, we recognise the importance of working with different sectors to develop the kinds of radically new technologies that will be required to decarbonise airline operations. In 2021, we joined with a group of like-minded organisations as founding members of the Aviation Climate Taskforce (ACT). ACT is a non-profit organisation founded to tackle the challenge of helping the aviation industry achieve net-zero emissions, with the goal of accelerating breakthroughs in emerging decarbonisation technologies by 10 years or more. ACT will seek to drive technological innovation and accelerate the R&D lifecycle, starting with mid-term solutions such as PtL synthetic fuels. It will take a portfolio approach and gradually expand its scope to include new pathways for bio-based SAF and hydrogen technologies.

In 2023, ACT announced the funding for its first research grant to pioneer an innovative Direct Air Capture (DAC)-to-Jet approach, transforming conventional DAC to aviation-aligned reactive DAC by combining CO<sub>2</sub> capture with CO<sub>2</sub> conversion. The \$400,000 grant to Susteon will be used to create a new material that can capture and convert CO<sub>2</sub> into methanol and ethanol which can then be upgraded to SAF. This approach would diversify the feedstock available for SAF and ultimately lead to lower production costs – overcoming key barriers in making large-scale SAF use a reality.

## Global Sustainable Transport Innovation Alliance

In 2023, Cathay is proud to be a founding member of the Global Sustainable Transport Innovation Alliance. Alongside 41 other globally renowned enterprises and institutions, we are dedicated to building and developing this alliance into an



important platform for integrating and sharing knowledge, policy dialogue, consensus-building, and disseminating ideas for global sustainable transport innovation.

## Collaboration with the Civil Aviation University of China

Cathay Pacific has signed a Memorandum of Understanding (MoU) with the Civil Aviation University of China (CAUC), which covers the future collaboration with CAUC in the field of sustainable aviation development. Leveraging the university's expertise and accomplishments in SAF, both parties will join forces to explore new SAF technologies and the feasibility of commercialising new SAF feedstocks through project research, case study competitions, and regular exchanges of technology and personnel.

## Ground emissions

Ground emissions stem from all non-aircraft operations. While they contribute considerably less than aircraft emissions, we work to reduce our carbon footprint from these operations by concentrating on electricity consumption, equipment efficiency, and vehicular emissions.

Our goal is to reduce ground emissions by 32% by 2030 and 55% by 2035, from a 2018 baseline. Our 2035 target formed part of our pledge signed in 2021 with the Hong Kong International Airport which underscored our commitment to net zero operations by 2050. It is in line with science-based target to limit global warming to 1.5 degree compared to preindustrial level.

To better understand where the most impactful opportunities for energy savings occur, we conducted company-wide energy audits previously to inform our initiatives and retro-commissioning implementation processes. Results of this exercise, which include more than 100 energy saving opportunities, provided important context which will help us more effectively align our carbon reduction efforts with a trajectory required to achieve our target.

Additional information could be found on [Our Subsidiaries](#) section as our subsidiaries account for majority of the Group's ground emissions.

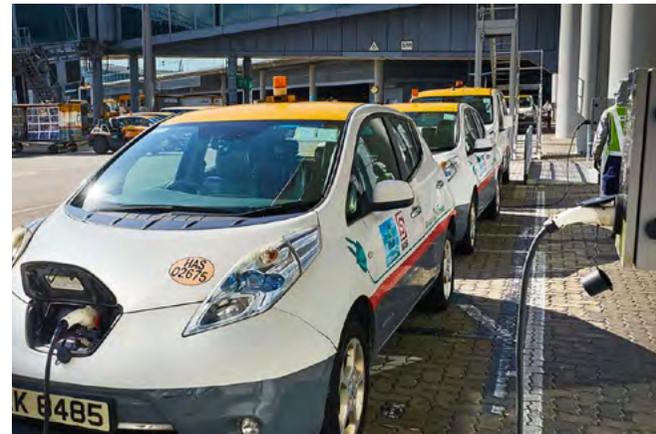
## Our buildings

Located near Hong Kong International Airport, our 134,000 m<sup>2</sup> headquarters encompasses Cathay City, Cathay House, the Airline Store Building, a hotel, and the flight training centre. The premises are certified to the ISO 14001:2015 standard for environmental management systems. As of the end of 2023, the Group has achieved ISO 14001:2015 standard coverage at 80% of its Hong Kong sites, including Cathay City, Cathay House, the Cathay Dining Building, and the VLS Yuen Long Plant.

To reduce our environmental footprint, we continuously invest in our buildings to upgrade our facilities systems and improve efficiencies. This year, we have installed an automated lighting system in our indoor carpark and at back staircases of the headquarters reducing our energy footprint. Moreover, all obsolete T8 fluorescent tube lights were replaced with LED lighting within our headquarters blocks. We also aim to install our second solar-power generation system at the Airline Store Building at target 100kW rating in 2024.

## Our vehicles

Our full-service ground handling subsidiary, Hong Kong Airport Services Limited (HAS), provides professional passenger services and ramp and cargo services to 24 airlines at Hong Kong International Airport. Traditionally, HAS vehicles have used diesel fuel, however, as with other areas of our business,



where we can invest to reduce emissions, we do so. Our Ground Services Equipment (GSE) and Vehicle Replacement Programme focuses on fleet modernisation which to date has led to the upgrade of 100% of our private cars operating in the ramp side to electric vehicles.

While we continue to work towards phasing in more electric vehicles into our company fleet, some replacements are not yet feasible due to technical or operational constraints. In the meantime, to lessen the impacts of our fossil fuel-powered vehicles, we have partnered with Shell. For all the carbon emissions generated from the use of fuel supplied by Shell, they will be offset by the Shell carbon offsetting projects. The carbon offset offer was extended to our employees also as they enjoyed fuel discounts when filling up their own personal vehicles at any Shell station in Hong Kong.



# ENVIRONMENTAL ASPECT: MATERIALS & WASTE



Set a new target to decrease passenger-facing SUP items to **1.5 pieces** per passenger by 2025

Pledge to reduce cabin waste to **0.63 kg** per passenger by 2030

**1<sup>st</sup>** airline member of the Business Coalition for a Global Plastics Treaty

**1,945** tonnes of waste diverted from landfill

## Our Policies and Guidelines

- [Sustainable Development Policy](#)
- [Sustainable Food Policy](#)

**GRI:** 306-1, 306-2

**HKEX:** GD-A1, GD-A2, KPI A1.4, KPI A1.6  
KPI A2.5

**SDG:**



# MATERIALS & WASTE

## 2023 Performance highlights



Set a new target to decrease **passenger-facing single-use plastics (SUP)** water bottles, utensils, amenity items and packaging items from an average of 7.7 pieces per passenger in 2019 to **1.5 pieces** by 2025



Another new target set: **30% cabin waste** reduction by 2030 from 2019 baseline i.e. no more than 0.63 kg per passenger



**Offered customers new plant-forward menu** on selected long-haul flights



The **first airline member** of the Business Coalition for a Global Plastics Treaty



Extended the **“Choose My Meal”** service to our First Class customers

## Recycling statistics

 <p><b>17,759</b> tonnes of general waste was generated, of which more than 1,939 tonnes was diverted from landfill</p>	 <p><b>419</b> tonnes of glass</p>
 <p><b>277</b> tonnes of paper and cardboard</p>	 <p><b>210</b> tonnes of surplus food donated to charities</p>
 <p><b>33</b> tonnes of metal</p>	 <p><b>664</b> tonnes of inconsumable food waste was sent to O · PARK1 in Hong Kong for energy recovery</p>
 <p><b>296</b> tonnes of plastic</p>	 <p><b>8,703</b> litres of food processing oil collected and turned into biodiesel</p>

## Why materials & waste matter to us

As a leading global airline that employs thousands and carries millions of customers each year, the management of environmental impacts from our operations is an imperative. In response to environmental challenges and pollution, the world is increasingly embracing the circular economy model. We share the same ambition and are dedicated to making significant impacts in two key areas: reducing the use of SUP products and cabin waste.

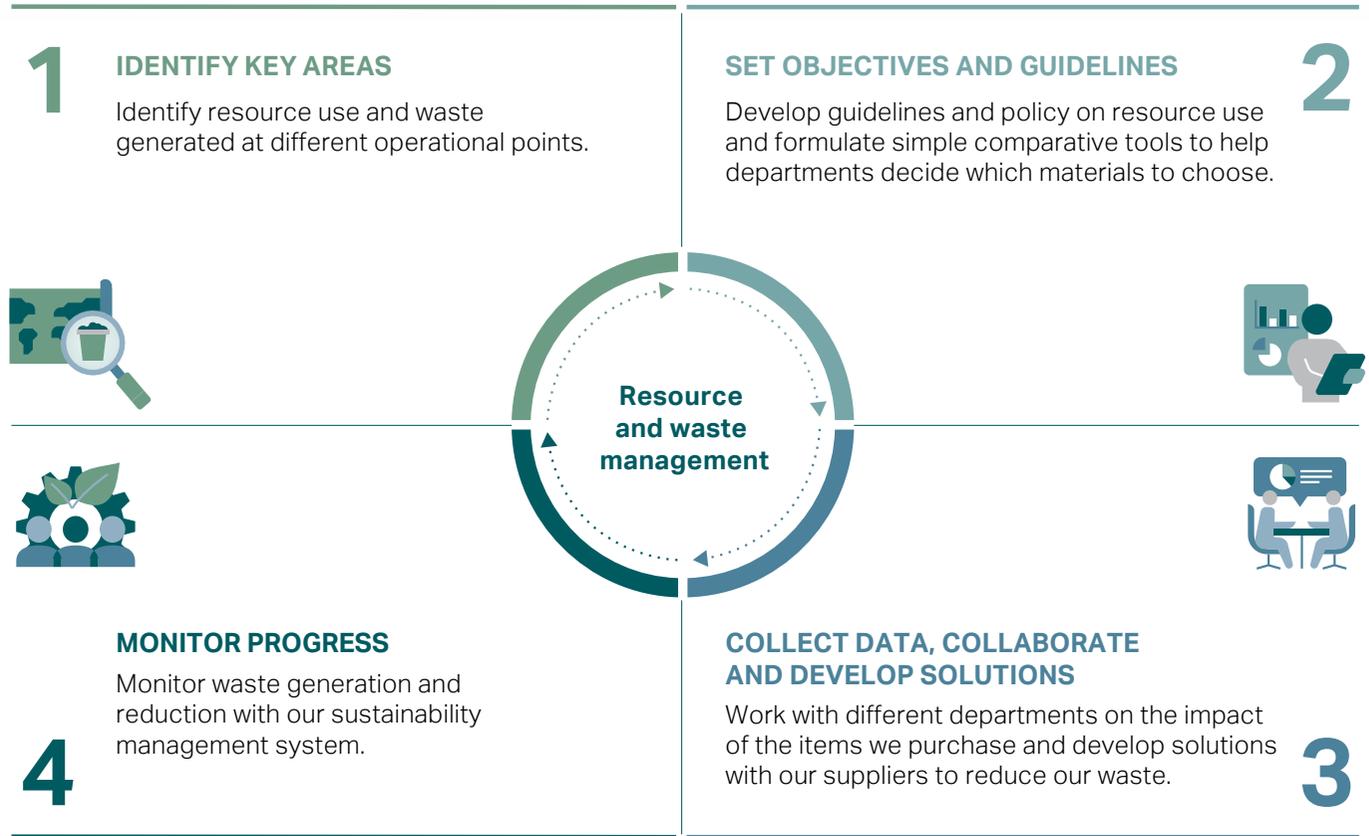
At the same time, global regulations and standards regarding materials and waste continue to rise. Recent and upcoming legislations concerning the topics pose direct impact our operations, including regulations on SUPs enacted in the EU, India, and the Chinese Mainland as well as the upcoming municipal solid waste (MSW) charging scheme in Hong Kong.

## Our approach

At Cathay, we aim to minimise our negative environmental impact through waste reduction at its source. From incorporating recycled or alternative materials in our design to improving recycling and waste diversion practices, we are committed to reducing our reliance on landfill disposal wherever possible and recapturing the value in materials after they have served their primary purpose.

To accomplish this, we are undertaking a dedicated process that includes identifying keys areas of waste reduction, setting specific objectives and guidelines, collecting relevant data, fostering collaboration and developing innovative solutions, and closely monitoring our progress towards the sustainability goals.

## Our resource and waste management approach covers four key elements:



## Single-use Plastics

The use of plastics in the aviation industry has been widespread due to its strength, lightness and hygienic properties. However, the long-life span of plastic in the natural environment is an issue with damaging effects to wildlife and the habitats. Ambitious reduction efforts are essential and our recent stakeholder engagement survey again highlighted the urgency to address this issue. Reducing SUP means weighing many different factors to ensure we are not creating other sustainability issues when we introduce new sustainable alternatives.

Since 2001, we have been on a journey to reduce SUP. In recent years, we have made significant progress by eliminating many of our highest-consumption SUP items, such as cups, cutlery and salad bowl lids used in our Economy cabin. Continuing on this path, we have set a new target to decrease passenger-facing SUP items from an average of 7.7 pieces per passenger in 2019 to 1.5 pieces by 2025. These items include passenger-facing SUP water bottles, utensils, amenity items and packaging\*. To achieve this target, we have developed a roadmap and will launch or continue various trials, initiatives, and studies to identify non-plastic or reusable alternatives. Furthermore, we are committed to mitigating the upstream and downstream impacts of SUP. By doing so, we aim to contribute to the circulation of plastic and reduce our reliance on virgin plastic.

*\* Onboard Cathay Pacific flights only. Please note that SUP items for medical and sanitation purposes and prepackaged food and beverage items other than water bottles are excluded from this target.*



Set a new target to decrease passenger-facing SUP items from an average of **7.7 pieces** per passenger in 2019 to 1.5 pieces by 2025

Along the SUP reduction journey, we continue to establish the necessary synergies via a collaborative partnership approach. In 2020, we partnered with the City University of Hong Kong (CityU) on a lifecycle analysis (LCA) project on selected SUP products where we tracked the environmental footprint of these SUP items, developed guidelines for inflight equipment material selection and evaluated potential alternatives.

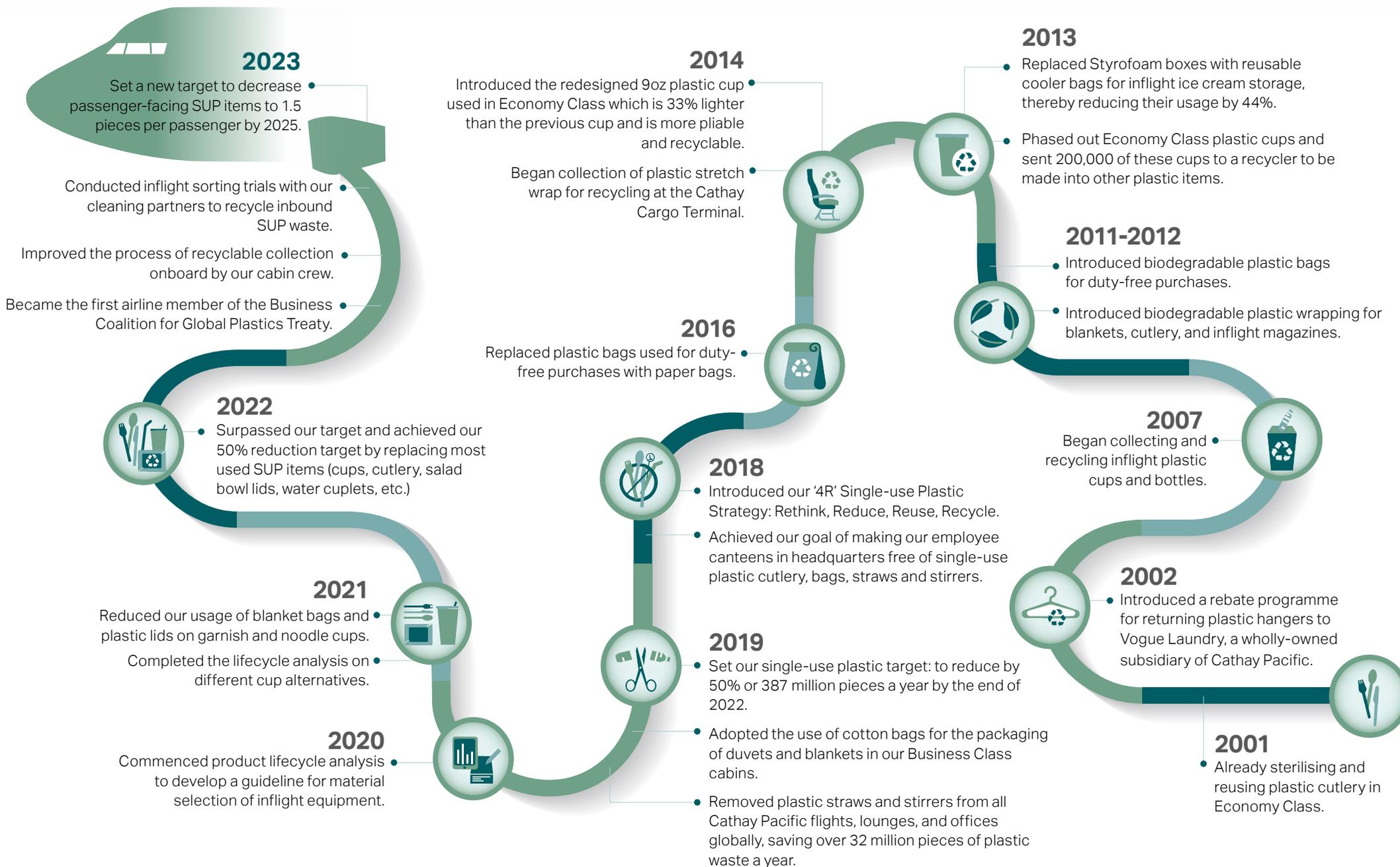
Striving to be a leading voice in plastic reduction advocacy within our industry, Cathay became the first airline member of the Business Coalition for Global Plastics Treaty convened by the Ellen MacArthur Foundation and WWF in 2023. The coalition provides a platform for the business community to positively shape the development of a Global Plastics Treaty by the UN. Along with more than 80 participating organisations, we champion the reduction of plastic production and use, adopt

circular economy principles and prevent the use of hard-to-abate plastics in our operations.

We also keep abreast of new SUP import and consumption laws and regulations in jurisdictions we operate and actively take part in industry discussions through the IATA SUP Working Group. We work to ensure proper considerations and operational changes are made to comply with current and emerging regulations, including the EU SUP Directive and India SUP regulations and the upcoming SUP regulations in Hong Kong. This year, we conducted a new SUP baseline mapping exercise and several inflight trials to help inform the development of the new SUP reduction target in consideration of factors including business resumption, evolving regulations regarding SUP in all the markets where we operate and best practices from other airlines.



## Highlights of our plastic reduction journey



## CASE STUDY



### Closing the loop for trays in Economy Class

In an effort to expand our plastic recycling efforts, this year we worked closely with our equipment supplier DeSter and collected over 47,000 damaged and substandard trays. These trays were returned to the production factory where plastic materials were broken down into chips, melted and injected into the production of new trays in Economy Class, which contain about 25% recycled material to ensure product quality. By embracing the circular economy concept, we can effectively prolong the lifespan of the plastic materials used in our equipment and created a more sustainable solution moving forward.

## CASE STUDY



### Eliminating plastic packaging for dry store items uplift

To minimise the use of plastic packaging, we actively seek new and innovative solutions to promote resource efficiency. This year, we have adopted an innovative initiative of using dividers to substitute for plastic bags in the packaging of dry store items during uplift operations. The dividers offer a practical and eco-friendly solution for securely packing dry store items, ensuring their safe transport while eliminating the need for single-use plastic bags. This initiative has been estimated to result in a significant removal of over 300,000 pieces of plastic bags from circulation each year. This significant reduction in plastic bag consumption aligns with our commitment to sustainable business practices and demonstrates our dedication to fostering a circular economy whilst taking tangible steps towards a greener future.

## Cabin waste

Cabin waste is another closely tied topic IATA recognises as crucial to aviation sustainability and our stakeholders highly concern. This includes cleaning and catering or galley waste as well as waste items brought onboard by passengers. As part of our long-term waste management commitment, we aim to reduce cabin waste to 0.63 kg per passenger by 2030, representing a 30% reduction from 2019 baseline. To get there, we are innovating how we operate and the materials we use across everything we do. We strive to personalise our customers' experiences to create better journeys with less waste.

## Food

Cathay and our catering provider Cathay Dining see the opportunities to reduce cabin food waste by improving planning and logistics. While how we handle cabin food waste is also subject to national waste management controls which may preclude the reuse and recycling of airline meals and cabin products from international flights, we have implemented a number of measures to reduce it such as loading meals onto

flights as close as possible to take off, donating quality unused produce to charities and repurposing food and oil for secondary uses, taking into account the concept of circular economy.

### Reducing wastage by uploading the right number of meals for each flight

The number of passengers booked on any particular flight changes frequently, due to last-minute additions or cancellations, or passengers missing their flights. Without sufficient procedures in place, the unneeded meals can lead to food waste and squandered energy and water from meal preparation. One way we reduce this waste is to bring the meal delivery cut-off time as close to the flight departure time as possible. By shortening the cut-off time, we can more precisely gauge how many meals are required on board, thus reducing wastage.

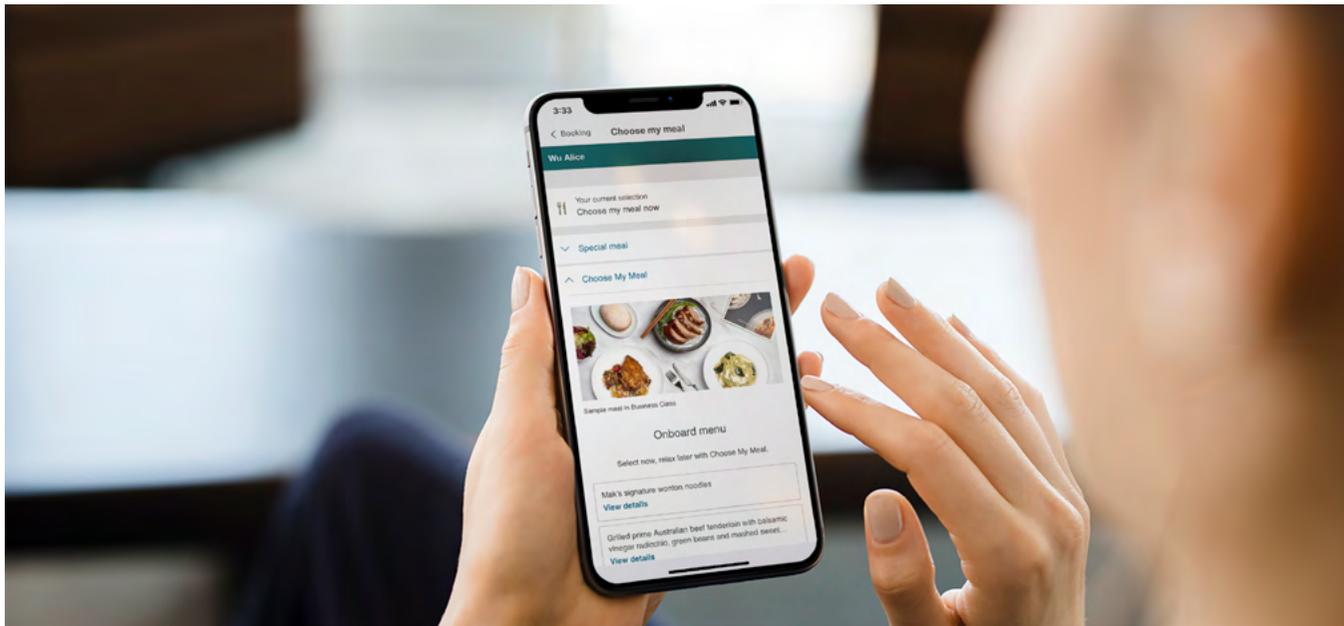
### Minimising beverage and dry store wastage on re-uptift

The cabin crew plays a crucial role in minimising cabin waste. We have implemented a cabin crew-wide practice of re-

uplifting unused and unopened beverages, including bottled water and juices in Tetra Pak packages as well as dry store items such as tea bags and condiments to their original stowage or designated carts. By re-uplifting and reusing these items, we manage to replenish stocks based on actual usage, reducing the unnecessary wastage.

### Digital insights to drive down food waste

Digital Choose My Meal service launched in July 2020 for Business Class passengers and with the resumption of First Class service, we were able to extend the offer to First Class passengers in November 2023, travelling on long haul flights. Available through the Cathay Pacific app, First and Business Class passengers can conveniently select their inflight meal preferences 10 days before they board their flight with the flexibility to change their order up to 24 hours prior to departure. The enhanced user interface and service offers the benefit of gathering insights into passenger consumption patterns and preferential meal options. These insights can be used to adjust which meals are produced or loaded onto subsequent flights which can help to reduce food waste.



By 2030, we aim to reduce cabin waste  
**0.63** kg per passenger, representing a  
**30%** reduction from 2019 baseline

### Repurposing excess food in the Cathay Dining kitchens

In the Cathay Dining kitchens, we are working to ensure that by-products from meal preparation are diverted from waste flows and instead are repurposed as ingredients for other dishes. One of the projects in partnership with the City University of Hong Kong involves a study on the recycling of melon peels from the kitchen of Cathay Dining. We hope that the findings enable us to turn more waste into useful resources from our operations in the future.

### Donating to food banks

The Group has worked with two local charities, Feeding Hong Kong and Food Angel for years. Feeding Hong Kong recovers and redistributes packaged food collected from our inbound flights. In 2023, 206 tonnes of snacks and beverages have been donated to Feeding Hong Kong. Food Angel collects fresh food and ingredients and prepares meals for senior citizens in Hong Kong. Since 2022, we started donating our surplus bakery products to Food Angel. In total, we donated approximately 210 tonnes of food to both charity partners for distribution to people with food assistance need in Hong Kong in 2023.

Besides donating our food, we also donated employee time. Our team of volunteers supported Feeding Hong Kong by helping to sort, pack and deliver emergency food packages to those struggling to afford nutritious meals amid the economic downturn.

### Converting waste food into resources

Some food waste from our operations cannot be consumed by humans for food safety reasons, for example, cooked meals or perishable food. The remaining lower value waste is then sent to O · PARK1 - the first organic resources recovery centre in Hong Kong. In 2023, Cathay Dining sent a total of 606 tonnes of food waste to O · PARK's facilities to be converted into energy.

Cathay Dining also generates food processing oil each day to support food production. Since 2004, we have gone beyond treating the used product in line with local regulations by collaborating with a biodiesel company to reprocess our used cooking oil into vehicle biodiesel. In 2023, we collected 8,703 litres of food processing oil for conversion into biodiesel.



## Other inflight waste

Since 2006, we have sorted and recycled inflight waste. While increasingly our focus has been on reusing inflight products to avoid, we continue to improve our inflight recycling practices.

As regulations in many destination countries prohibit recycling waste from international flights, currently we only carry out inflight recycling on inbound flights to Hong Kong. Some countries, such as Canada and Australia, have very strict health and safety regulations on waste from international flights that require deep burial in landfill, or incineration.

Over the years, we have worked closely with suppliers and non-profit organisations to offer products that are sustainably sourced to minimise our impact on the environment while maintaining overall product quality. Providing passengers with quality, sustainably designed inflight items reduces the environmental impact of our operations and helps to meet the growing expectation from our passengers regarding waste and resource use.



We also extend the waste reduction efforts to our airport lounges globally by introducing and trialling different measures. For example, in the shower rooms of our Hong Kong and London lounges, we have eliminated single-use moisturising sachets, and in Hong Kong, we reduce the use of single-use condiments such as jams and butter. In all our lounges globally, we use

birchwood stirrers and paper straws as alternatives to single-use plastic and, since 2019, we have reduced the number of single-use plastic water bottles by moving to filtered taps after success in our Shanghai lounge. Additionally, we have replaced reading material and publications with digital Press-readers helping to reduce our waste.

## Sustainable considerations in the cabin



### Cups

Single-use beverage cups were one of our top single-use plastic items. It is also among the top items found littered on beaches globally. To address this impact, we have phased out single-use plastic cups. Instead, certified Flustix paper cups that are compliant to EU SUP legislation are used.



### Cocktail snacks

Inflight cocktail snacks (roasted peanuts) are produced from certified sustainable palm oil, which helps minimise environmental impacts such as deforestation.



### Seafood

To support protection of the marine ecosystem, we endeavour to purchase certified sustainable seafood for our inflight meals and Lounge menus.



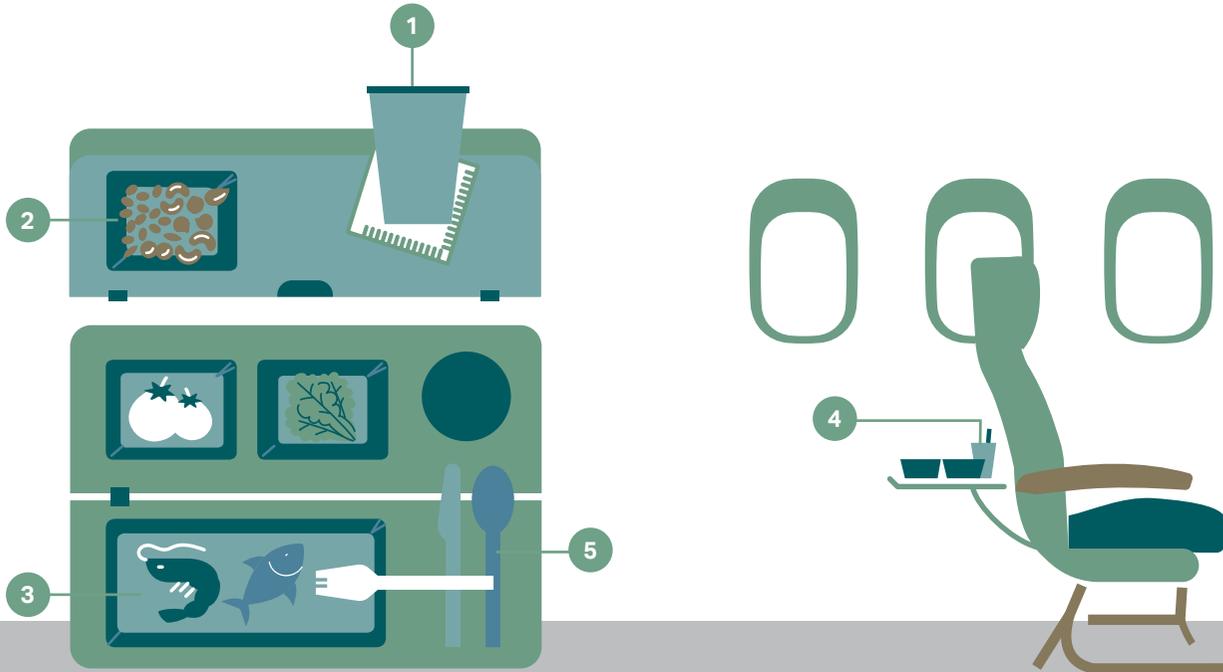
### Napkins, stirrers and straws

Our napkins have been made from 70% sugarcane and 30% wood pulp since 2016. We also use birchwood stirrers and paper straws as alternatives to single-use plastic, adding to our growing list of more sustainable inflight and lounge products.



### Meal utensils

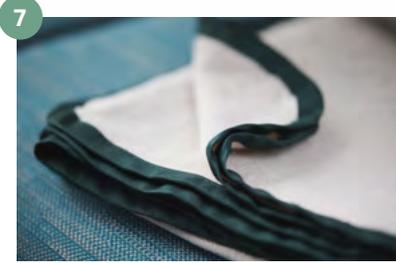
With our aim to further reduce plastic usage, we have replaced our re-usable plastic cutlery with more sustainable alternatives. A set of new lightweight metal cutlery has been introduced to selected routes for our Economy Class passengers in 2022 and extended on all flights in 2023.





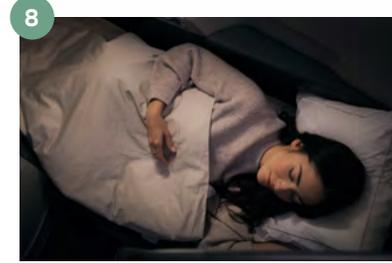
### 6 Snack bag

A newly designed paper snack bag making recycling easy.



### 7 Blankets

We have introduced blankets made entirely from recycled plastic bottles for our Economy Class passengers. Each year over 450,000 pieces are used. Unopened blankets are reused on subsequent flights.



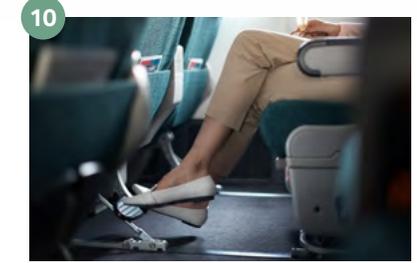
### 8 Bedding

Pillowcases and duvet covers for Business and First Class cabins are made by 100% sustainably sourced cotton and are delivered in reusable bags.



### 9 Reusable bags

We have adopted the use of reusable bags for the packaging of duvets and blankets in our Business Class cabins, which can replace up to 5.7 million plastic wraps per year.



### 10 Carpets

Introduced in 2012, carpets in Economy Class cabins of some aircraft are made from regenerated nylon waste materials such as discarded fishing nets, fabric and carpets.



## Sustainable inflight dining

### Plant-based options

Plant-forward is an overarching approach that encourages people to be mindful of incorporating more plant-based food into their diets. The focus is not on excluding or limiting certain food groups but bringing more plant-based food items such as vegetables, fruits, wholegrains, legumes, nuts and seeds onto the plate. This aligns with our commitment to promote sustainability by reducing our reliance on animal-based protein in meals to help lower CO<sub>2</sub> emissions.

This year, we partnered with VEDA at Ovolo Central to offer plant-forward dishes that focus on flavour, texture and creativity. Our refreshed selection of plant-forward options not only delights passengers but also empowers them to make more sustainable choices. In addition, we worked with Plant Sifu, founded by Hong Kong Foodies with a mission to feed the world through creating tasty, nutritious and innovative products.

Moreover, from 2022 onwards, we have introduced oak milk as a dairy alternative for customers' coffee and tea in our First and Business Class cabins. In 2023, we have extended this offering to our Hong Kong Lounges as well, ensuring a wide array of selections to cater to our customers' preferences.



## Seafood

According to [WWF Hong Kong](#), around 90% of commercially important fisheries are either fully or over-exploited globally. While awareness about choosing sustainable seafood has increased over the years, fish stocks remain threatened, and some are on the verge of collapse. As a company that regularly serves fish to our customers and employees, we have been proactively addressing this challenge through responsible sourcing for almost a decade.

We share the same values, and source and serve certified sustainable seafood on selected routes. In 2023, Cathay Dining purchased a total of around 315 tonnes of certified sustainable, traceable seafood with the aim to protect marine ecosystems for future generations.

Recognising the need to conserve certain species that are endangered due to the problem of overfishing, we updated our [Sustainable Food Policy](#) in 2021 to provide guidance for our purchasing decisions around food and utensils procurement. We opt out of purchasing a list of unsustainable food items for our operation and company events and ask for information with regards to where the food was originally sourced.



## Resources management

Besides plastic and cabin waste, we also take care to minimise waste from other resources and implement reduction and recycling initiatives targeting different items both on our flights and in our ground operations. To measure the effectiveness of our waste reduction initiatives, we regularly track and monitor our waste generation and diversion performance.



**Lavinia Lau**

Chief Customer and Commercial Officer, Cathay



*We are ambitious in providing more sustainable options to our customers - not only because it is the right thing to do, but also it is something that our customers expect from us as a leading airline. By exploring plant-forward alternatives and moving towards more circular use of resources we will continue to ramp up our efforts in making every part of our operations more sustainable.*



## Repurposing our Hong Kong lounges to be resource-efficient

Across our Hong Kong lounges, we have made significant changes to our facilities to prioritise resource efficiency and sustainability:

### Sorting and recycling

In our lounge kitchens, onsite sorting and recycling are conducted with designated collection bins available for food waste, waste cooking oil and other general recyclables like glass, cans and plastic bottles.

### Water conservation

Installation of automatic self-closing water taps.

### Sourcing sustainably

Whenever possible, food ingredients are sourced sustainably, locally and seasonally.

### Food waste reduction

Proactive customer insight analysis on food and beverages consumption supported by a robust procurement system.

### Energy saving

Measures such as signages are in place to remind our people to switch off power when not in use.

### Repurposing retired furniture

A considerable quantity of retired sofas and furniture is sent to Cathay City or other facilities for reuse.

### Greener alternatives

Providing guests with paper straws, wooden stirrers and FSC-certified wipers.

### SUP reduction

Use of rotatable instead of single-use disposable utensils (e.g. plates, cups, cutlery, bowls and sauce containers) and refillable consumables (e.g. jam and condiments). Use of filtered water dispensers as an alternative to SUP bottled water.

We also extend the waste reduction efforts to our airport lounges globally by introducing and trialling different measures. For example, in the shower rooms of our Hong Kong and London lounges, we have eliminated single-use moisturising sachets, and in Hong Kong, we reduce the use of single-use condiments such as jams and butter. In all our lounges globally, we use birchwood stirrers and paper straws as alternatives to single-use plastic and, since 2019, we have reduced the number of single-use plastic water bottles by moving to filtered taps after success in our Shanghai lounge. Additionally, we have replaced reading material and publications with digital Press-readers helping to reduce our waste.

### Facility management

Managing our infrastructure is a priority area of our sustainable development strategy. In line with our strategy, we encourage and implement green building practices to manage the impact of our infrastructure from conceptualisation through development to building management. We also apply the same requirements to tenants operating in our premises, such as coffee shops for their own renovation work. Furthermore, we have extended our expectations for environmentally friendly practices out to our vendors and require them to provide a sustainability action plan for waste management to ensure that all those connected to Cathay City and Cathay House are contributing to our sustainable development strategy.

To further reduce our environmental footprint, we have replaced our sea water cooled fixed speed chiller with a variable speed drive compressor chiller which significantly enhances energy efficiency. In line with our sustainability efforts, we have planned to complete the installation of hand dryers as a replacement for paper hand towels in 2024.

The following documents form part of the construction or renovation contracts that we undertake with our contractors:

- Swire Pacific – Swire Pacific Sustainable Building Design Policy
- Cathay Pacific – Sustainable Development Policy
- Cathay Pacific – Supplier Code of Conduct
- Swire Form of Contract – Schedule 14 – Environmental Waste Management Plan
- Practical notes and guidelines issued by professional institutions such as The Hong Kong Institute of Architects, The Hong Kong Institute of Surveyors, The Hong Kong Institution of Engineers, and applicable codes, guidelines, and regulations as applicable in different jurisdictions.

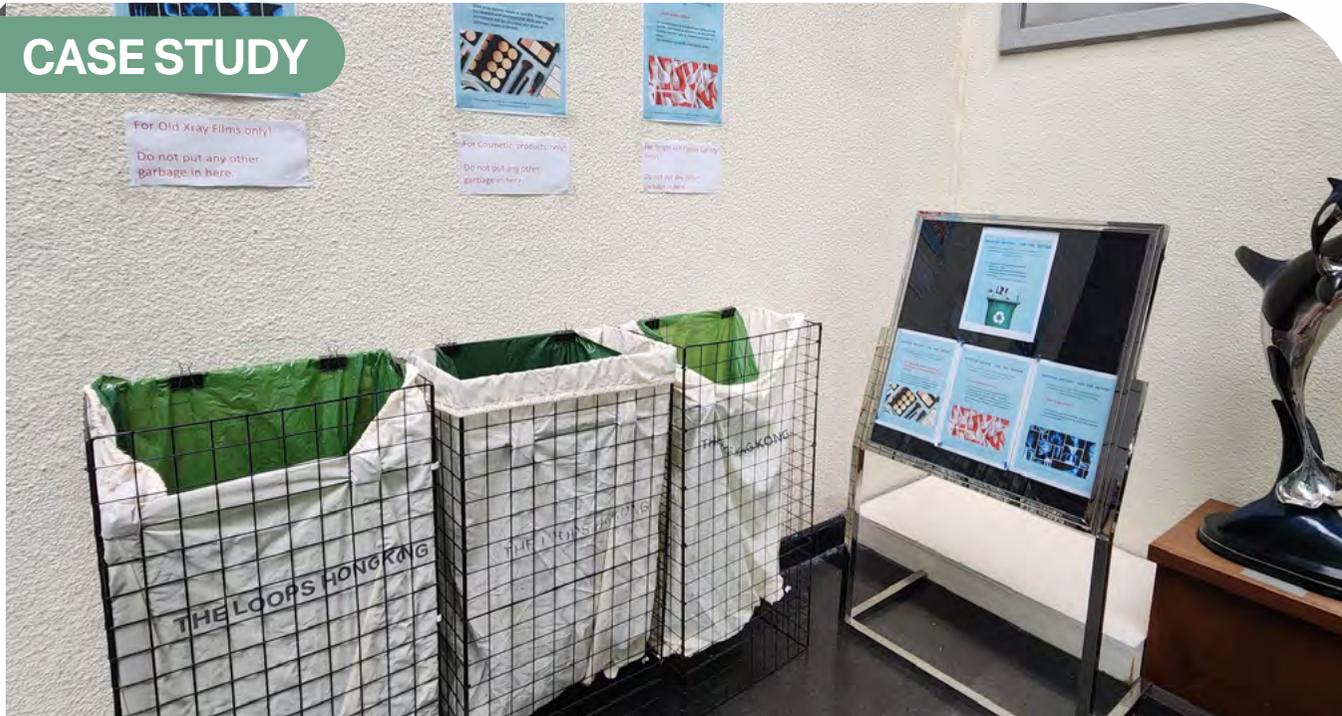
We have been certified ISO 14001:2015 on environmental management system for our property premises, including Cathay City and Cathay House. On top of compliance matters, we follow our environmental management system to ensure the most significant environmental aspects are mitigated to reduce impact and good practices are followed through.

Starting from 2021, we also follow Swire Pacific's Waste Separation Guideline in aligning the recycling separation and facilities in our premises. Recycling facilities for paper, metal, plastic bottles and general plastics are placed on every floor of our office buildings, with relevant data tracked and monitored on a monthly basis. Food waste and glass bottles are also collected in the catering areas as well as a beverage carton recycling bin at Cathay City for Tetra Pak recycling. Whilst working with vendors for renovation or other projects in our premises, we also request them to consider using recycled materials where possible and provide a clear record of recyclable and non-recyclable waste.



To reduce office general **waste and foster employee engagement** in our recycling programme, we have implemented a phased approach to introduce a centralised bin system. This system aims to **raise awareness among employees** about the importance of **recycling and encourage active participation**.

## CASE STUDY



### The Loops recycling campaign

In collaboration with The Loops Hong Kong, a local recycling services provider, we have successfully broadened our range of recyclable items for collection this year. This expansion aligns with our new recycling drive extended to Cathay City, Cathay House, and the Cathay Cargo Terminal. As part of our new initiative, we have now incorporated beauty products, old X-ray films, batteries, bubble wraps, wires, and more in addition to our regular collection of recyclable materials. This is designed to instil good recycling habits among our employees while further minimising waste generated within our office spaces.

### Retired aircraft

To stay competitive, we bring in new aircraft to make our fleet more fuel-efficient and technologically advanced to better meet our customers' rising expectations. We work with aircraft manufacturers, the Aircraft Fleet Recycling Association's (AFRA) accredited companies, and other companies specialising in end-of-life solutions in order to salvage spare parts and recycle or reuse aircraft parts and materials. A large proportion of the components can be re-certified and reused or sold to other users. In the aircraft recycling process, hazardous waste, mainly the lubrication oil, is sent to specialised waste handlers for proper disposal. In 2022, Cathay Pacific has also become an official member of AFRA, which would allow us to adopt more best practices and explore new ways to further improving recycling effort of our retired fleet.

### Paper and wood

Our procurement policy ensures sustainable procurement for paper resources, as endorsed by the Forest Stewardship Council (FSC). All marketing collaterals and office paper from Hong Kong are from sustainable and certified sources. We are working on implementing this policy across our global operations.

- With the eEnabled system on-board our aircraft, our cabin crew can now access flight preparation information via tablets instead of printed documents.
- 70 kg of manuals and paperwork are needed in the cockpit on every flight. The launch of the Flight Folder project can help save about 13,400 tonnes of paper per year on our flights.
- The Unit Load Device (ULD) Management System used in our cargo operations also replaces many manual and paper-based processes with digital solutions.

# ENVIRONMENTAL ASPECT: BIODIVERSITY



**315** tonnes of certified seafood procured

**Conducted 3** inspections for our out-stations under the Quality Control Programme

## Our Policies and Guidelines

- [Sustainable Development Policy](#)
- [Sustainable Development Cargo Carriage Policy](#)
- [Supplier Code of Conduct](#)

GRI : 304-2

HKEX: GD-A3, KPI A3.1

SDG :



# BIODIVERSITY

## 2023 Performance highlights



Served over **315** tonnes of certified sustainable seafood, representing around **73%** of the total volume of seafood CPCS purchased.



Launched the **Quality Control Programme** and successfully conducted three inspections for our out-stations.



Introduced the **EU Import Control System 2.**

## Why biodiversity matters to us

Nature is declining globally at an unprecedented rate. According to the United Nations (UN), the planet is experiencing its largest loss of life since the dinosaurs, with one million plant and animal species now threatened with extinction, many within decades. A shift in how society consumes is imperative to stop this free fall and reduce the threat that biodiversity loss poses to human health and wellbeing and the health of our planet. Beyond society's dependence on biodiversity, its spectacular variety lures our customers to new places, offering distinct sights and flavours.

With the conclusion of the UN's Biodiversity Conference (COP15) in Montreal, Canada on December 2022, a landmark agreement was reached amongst 188 governments to officially adopt the Kunming-Montreal Global Biodiversity Framework (GBF) to guide global action on nature. The framework sets out an ambitious plan to address biodiversity loss, restore ecosystems and protect indigenous rights, with four goals and 23 targets for achievement by 2030. Concrete measures include to halt and reverse nature loss, including putting 30 per cent of the planet and 30 per cent of degraded ecosystems under protection by 2030. As an airline, we can and do play an important role in protecting vulnerable species and ecosystems across the globe through responsible cargo management and sustainable sourcing that minimise Cathay Pacific and our customers' impact on the environment.

## Our cargo carriage approach

Our cargo carriage operation is constantly reviewed and assessed in our different locations. We have developed a systematic approach to manage the risks and quality in our operation, focusing on enhancing our cargo carriage operation in four key areas:

- Risk profiling
- Screening of goods
- Infrastructure improvement
- Collaboration and partnership



**Tom Owen**  
Director Cargo, Cathay Cargo



*With the adoption of the landmark Kunming-Montreal Global Biodiversity Framework (GBF) following COP15, our position as a leading air cargo carrier further empowers us to play a pivotal and active role towards stopping the illegal trade of endangered species to and through our Hong Kong hub. We continue to prioritise the well-being and safety of every live animal shipment we handle, meticulously adhering to the training, assessment and validation criteria to uphold our existing IATA's CEIV Live Animals certification.*



Additionally, Cathay Cargo, the cargo arm of Cathay, complies with comprehensive national and international standards to ensure proper animal handling and their safety during transport having been granted the IATA Centre of Excellence for Independent Validators (CEIV) Live Animal Certification. With dedication and passion for animal welfare together with our unique role in supply chain for the protection of vulnerable species, we are always active in detecting and preventing any risk of illegal wildlife trade.

### Risk profiling

Over the past decade, global e-commerce has expanded significantly. As a competitive cargo carrier based at the world's busiest cargo handling airport, this expansion has led to greater exposure regarding the misdeclaration of goods carried on our passenger flights and freighters. In response we conduct risk profiling and assessment on our freight forwarding and logistics agents to mitigate the risks.

We have implemented a Cargo Agent Operation Programme (CAOP) to conduct risk profiling on freight forwarding and logistics agents. More frequent target screenings are imposed on the goods of moderate and high-risk agents, including those shipping selected categories of e-commerce or agents using routes considered to have higher geographical risk. In 2023, we have successfully rolled out the CAOP in all stations outside of Hong Kong.

In 2023, we launched the Quality Control Programme (QCP) for out-stations to ensure consistent upholding of our quality standards and have since completed three quality inspections for out-stations. Additionally, we are in the process of developing a series of upstream quality online training on risk assessment to further expand overall safety awareness and knowledge of best practices amongst cargo agents and wider audience.

The Cathay Cargo Security team and Hong Kong Sales team have been working on the Cathay Regulated Air Cargo Screening Facility (RACSF) recognition programme for United States bound cargo. Chosen cargo security personnel conduct specified security training and warehouse assessment at the appointed RACSFs to ensure compliance with the United States Transportation Security Administration (TSA) requirements. Once certified up to TSA standards, all United States bound cargo can be screened and processed at the designated RACSFs rather than Cathay Cargo Terminal. There are currently over 30 recognised agents and approximately 25 appointed RACSFs in this programme.

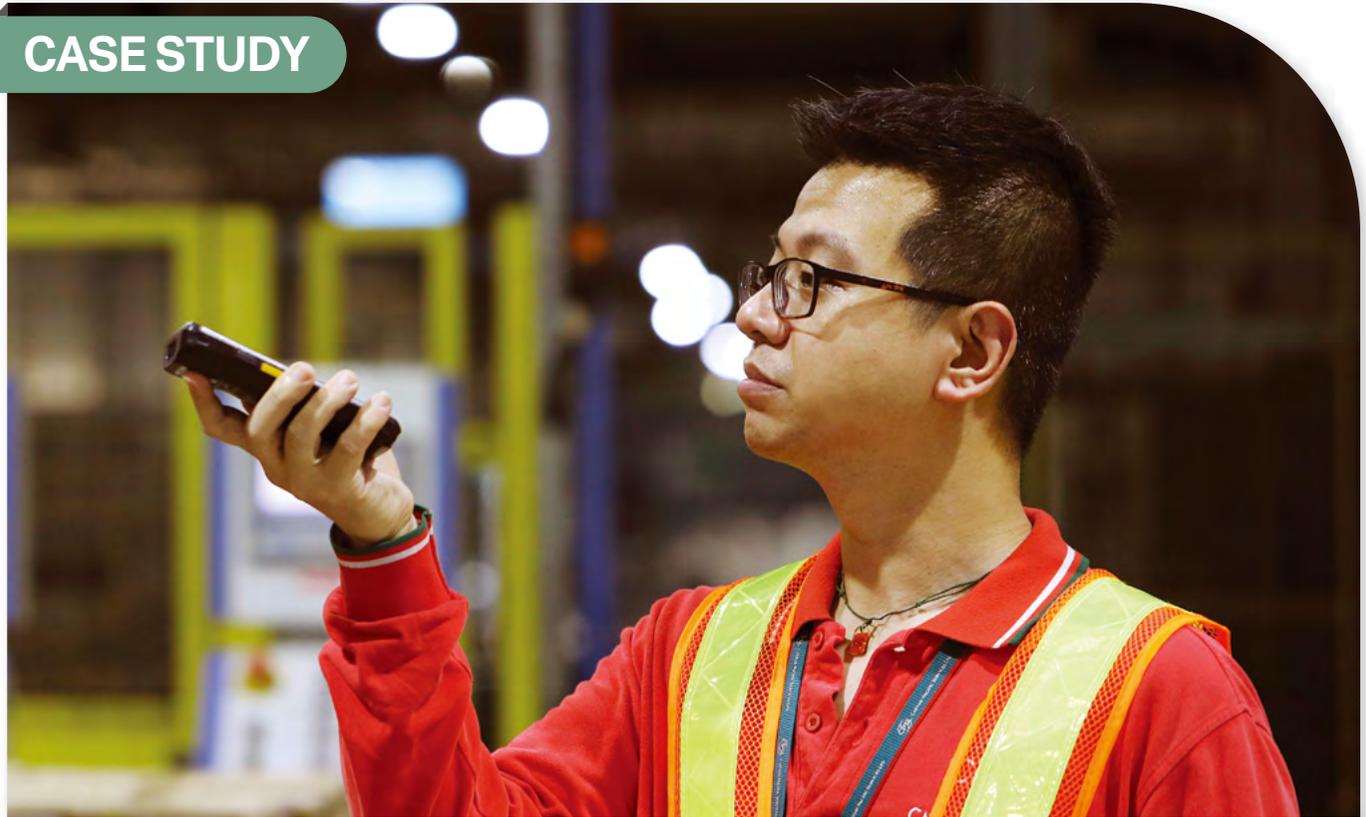
To ensure continuous regulatory compliance, quarterly screening audits and annual compliance audits are conducted. Both the Cargo Security team and Hong Kong Sales team are under four-tier surveillance programme to monitor the security performance of the RACSF. For cases of repeated non-compliance, actions will be taken towards offending agents and their appointed RACSFs. Cathay Cargo reserves the right to suspend the agent and the RACSF from the programme if multiple and repeated non-compliance issues are observed.

### Screening of goods

To manage the risks arising from misdeclaration of cargo, a comprehensive approach to cargo screening has been put in place, ranging from random screening for mitigating the overall risks, to targeted screening of high-risk cargo or agents including open box checks under the CAOP. We also encourage our agents to provide an improvement plan on cargo safety, and screening and declaration, as part of the programme managing activities before shipments are tendered into our custody.

We continue to cooperate with the Hong Kong aviation authority for enforcement of 100% X-Ray cargo security screening on export cargo since July 2021.

## CASE STUDY



### Digitising Dangerous Goods Processing

This year, Cathay Cargo has innovated to digitise the acceptance checklist for dangerous goods, eliminating the need for physical documents and potential human errors associated. This digital solution allows for standardised data collection and generates valuable insights through advanced analytics tools. It also facilitates seamless integration with cargo management systems as well as regulatory databases. Through this streamlined process, Cathay Cargo continues to take significant steps towards optimising the management of dangerous goods shipments.

## Collaboration and partnership

We have involved our freight forwarding and logistics agents and the Hong Kong aviation authority in the discussion of misdeclaration and screening requirements from time to time to improve the overall cargo operation in the industry.

We proactively update local and overseas authorities about our programme and have received good feedback about how we manage risk. Cathay Cargo has also hosted several sharing sessions about the programme to other airlines operating into Hong Kong through HKIA. In discussion with different industry representatives, we understand that education and prevention, including the adoption of enhanced screening protocols, would be most effective in addressing misdeclarations and cargo operation inefficiencies. Extending enhanced screening practices to more association members and their appointed Regulated Air Cargo Screening Facility (RACSF), through different seminars and training sessions, is also imperative. Furthermore, the industry association has offered to engage in discussions with Hong Kong aviation authorities to advocate for the adoption of enhanced screening within the RACSF framework.

This year, we have achieved a significant milestone by successfully introducing the EU Import Control System 2 (ICS2) with Harmonised System (HS) code deployment. This enables us to fully capitalise on the utilisation of HS codes which have enhanced the airline's cargo operations, streamlined processes, improved efficiency and effectively managed cargo along the transport journey and customs clearance procedure.

### Our partnership with TRAFFIC

In Hong Kong, a transport and logistics hub used to be accountable for more than 40% of global shark fin trade according to World Wild Fund for Nature, we work with knowledge partners to carry out due diligence on cargo, block channels for illegal wildlife trade and restrict access to markets for beneficiaries of wildlife exploitation.



For every request for the shipment of any species of shark or shark-related product, our Cargo Service Delivery Group consults a panel of internationally acknowledged experts, including representatives from TRAFFIC, a leading NGO working globally on the trade of wild animals and plants. The panel evaluates each request against a stringent set of sustainability guidelines and only upon their advice will we approve a shipment. For more information on TRAFFIC visit [www.traffic.org](http://www.traffic.org).

The above processes help improve the integrity of our cargo carriage operations, enable us to be more effective in identifying illegal trafficking in violation of our embargo policies, and safeguard against the transport of goods and products that may threaten endangered species.

It is also our corporate policy not to serve shark fin soup either in-flight, at our company premises or at any corporate events or meals which are organised or subsidised by the company.

**TRAFFIC**  
the wildlife trade monitoring network

## Sustainable Development Cargo Carriage Policy

We work closely with industry associations, conservation organisations, academia, and various stakeholder groups and experts to develop guidelines for our carriage practices so that we will not knowingly facilitate the trade of any flora or fauna or their produce that may threaten the sustainability of any species.

The Group's [Sustainable Development Cargo Carriage Policy](#) allows our various stakeholders to gain an understanding of where we stand in doing our part to protect the environment in the area of cargo carriage. To develop the policy, we enlisted input from a subject matter expert and referenced several international regulations.

The Society for the Prevention of Cruelty to Animals in Hong Kong was our partner in developing our Greyhounds Carriage Policy. TRAFFIC has helped us develop our Shark and Shark-related Carriage Policy. Regulations and initiatives referenced include:

- Convention on International Trade in Endangered Species of Wild Fauna and Flora
- IATA's Live Animal Regulations
- IATA's Perishable Cargo Regulations
- IATA's Wildlife Task Force initiatives
- United for Wildlife Transport Taskforce initiatives

Our current [Sustainable Development Cargo Policy](#) was developed with reference to the Convention on International Trade in Endangered Specific of Wildlife Fauna and Flora (CITES), and benchmarking our policy against the practices and policies of our peers. We ensure it continues to be reflective of the evolving illegal wildlife trade landscape and will continue to engage with our customers and agencies to ensure that this policy is understood, kept updated and implemented. As a due diligence and monitoring mechanism to check compliance with our policy and continue to create awareness within our network, we have also developed a dedicated training programme for the prevention of illegal wildlife trade in 2023.

Going forward we will continue to evolve the policy in response to any major changes in our environment and any latest requirements so that the policy is updated continuously and remains practicable and enforceable.

### Embargoes

In recent years, we have placed embargoes on an increasing number of animals, wildlife and wildlife products to restrict opportunities for their shipment and add our support to movements aimed at stopping animal cruelty and biodiversity loss. Our [Embargo List](#) is periodically revisited and updated, following CITES regulations. Our Embargo List includes items such as hunting trophies, shark fin, rhino horn, tiger pelts, bones, and ivory, and live species like racing greyhounds and animals intended for testing, amusement, or performance purposes. Any

person or organisation wishing to transport live animals using our services must sign a Shipper's Declaration Letter certifying their compliance with Cathay Cargo's shipping requirements. Failure to comply can result in legal penalties.

We strictly comply with CITES, IATA, national and international regulations and remain a signatory of the United for Wildlife Transport Taskforce Buckingham Palace Declaration. Cathay Cargo will remain vigilant against illegal wildlife trade activities and will use any emerging information to further strengthen our safeguarding measures.

### International declaration

#### United for Wildlife Declaration

The illicit trade of wild fauna and flora has gained traction on countries' political agenda, as it has become clear that wildlife crime has negative implications for the climate change, preservation of biodiversity, security and public health.

As a signatory to the United for Wildlife Transport Taskforce Buckingham Palace Declaration we are committed to neither facilitate nor tolerate the carriage of wildlife products, where trade in those products contravenes CITES.

Our commitment also includes information sharing, employee training, technological improvements and resource sharing across companies and organisations worldwide to combat this global exploitation.

# SOCIAL ASPECT: SAFETY



Achieved **IATA CEIV Lithium Batteries** accreditation

Organised our **1<sup>st</sup>** Safety Week

## Our Policies and Guidelines

- [Safety Policy](#)
- [Occupational Health and Safety Policy](#)
- [Quality Policy](#)

**GRI:** 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9

**HKEX:** GD-B2, GD-B6, KPI B2.1, KPI B2.2, KPI B2.3, KPI B6.4

**SDG:**



# SAFETY

## Why safety matters to us

Our continued success is shaped by our ability to transport our passengers and cargo safely to their destinations. This is inherently linked with providing a safe working environment for all Group employees. As such, safety is a foundation to everything we do and alongside corporate governance, is a fundamental principle of our sustainability strategy.

## Our approach

At Cathay our approach to safety is founded on the principle of reducing risks to a level as low as reasonably practicable (ALARP). The foremost safety goal of our airlines is to achieve zero accidents and zero “high risk” incidents. To succeed in this, we have developed a corporate safety culture and adopted a risk-driven approach in identifying and minimising the impact of hazards on our operations.

## Safety Policy

Our [Safety Policy](#) clearly sets out our commitment to prioritising and managing the safety risks of our operations, which applies to the entire organisation. Whilst ultimate accountability for safety rests with our Chief Executive Officer, responsibility rests with all our people. In compliance with the ICAO Safety Management System (SMS) framework, our policy extends a duty of care to all businesses we work with, including contractors or individuals under the Group’s supervision, and shapes a corporate culture of safety by promoting:

- An ORGANISATIONAL CULTURE where “safety and well-being are considered in every choice made and every action taken”
- A JUST CULTURE where “non-punitive reporting” is encouraged

- A REPORTING CULTURE where all employees are encouraged to raise safety concerns, enabling appropriate and timely actions to be taken and controls implemented
- A LEARNING AND SHARING CULTURE where successes, errors and omissions are seen as opportunities to learn
- An INFORMED CULTURE by applying appropriate quality and risk management systems and processes as part of our decision making

## Operational safety

Our robust safety and risk management systems help us maintain a high level of safety performance that protects our employees and customers. We adhere to global best practice in airline safety to ensure our approach continues to be fit for purpose. Our record on safety is testimony to our efforts in achieving our aim of preventing high risk incidents.

## IATA Operational Safety Audit (IOSA)

IOSA is the global standard for assessing the operational management and control systems of an airline. As an IATA member, we are IOSA registered and must remain registered to maintain IATA membership. Last year, our operations underwent a full on-site IOSA audit conducted through an external third-party audit agency. The audit assessed all operational business units and comprised of checks on over 950 IATA Standards and Recommended Practices (ISARPs). Passing the audit will ensure our registration for the subsequent 24 months.

In 2025, IATA will officially transition to the new Risk-based IOSA (RBI) approach, marking a notable shift in the IOSA program. This move aims at enhancing safety risk management in the ever-changing aviation landscape and ultimately reducing the industry’s accident rate. Cathay is committed to embracing this change and will be opting into RBI adoption during its next IOSA renewal in November 2024.



**Ronald Lam**  
Chief Executive Officer, Cathay



*At Cathay, safety excellence is the cornerstone of our success. Under our Cathay strategy, we aspire to achieve world-class leadership in Safety and Operational Excellence. We are committed to providing the highest standards of safety and security for our customers and our people. We believe that safety is a culture that permeates every aspect of our operation. We embrace an organisational culture where safety and wellbeing are considered in every choice made and every action taken.*

*We hold the highest expectations of our people and of our business partners, to actively safeguard the safety and wellbeing of all individuals throughout their association with our company.*



## Safety governance

Cathay SMS has been developed to ensure that we proactively manage risks and have procedures in place to react appropriately should an incident occur. Safety performance indicators are actively monitored on a monthly basis by 'Safety Action Groups' (SAGs) and the Airline Safety Review Committee (ASRC) which is chaired by our CEO, and all events and incidents are investigated thoroughly. The implementation of our SMS was evaluated and assessed by the Hong Kong Civil Aviation Department (HKCAD) in October 2023. HKCAD concluded that Cathay Pacific is in compliance with CAD712 (SMS).



Among the top risks identified in the SMS, notable risks included the risk of **lithium battery fires** and **potential supply chain risks affecting the airline industry**.

## CASE STUDY



### IATA's CEIV Lithium Batteries Certification

This year, Cathay Cargo and the Cathay Cargo Terminal received the IATA Centre of Excellence for Independent Validators Lithium Batteries (CEIV Li-batt) certification. With this new accreditation, both now hold the full set of CEIV certifications, including CEIV Pharma, CEIV Fresh and CEIV Live Animals, which ensure that we consistently follow our mitigation measures and provide an additional level of safety and quality assurance.

All safety meetings are attended by subject matter experts from the respective disciplines. Cross-departmental risk assessments are conducted to review any changes to the way the airline operates, such as the commencement of a new route, the introduction of a new cabin service or changes to the organisational structure. The Group leverages the experience of an independent safety advisor to chair the Board Safety Review Committee (BSRC) and report on safety matters directly to the Main Board. The position continues to be held by former Royal Navy pilot and commercial airline pilot Capt. Tim Jenkins who has held senior safety management positions at two other major international airlines.

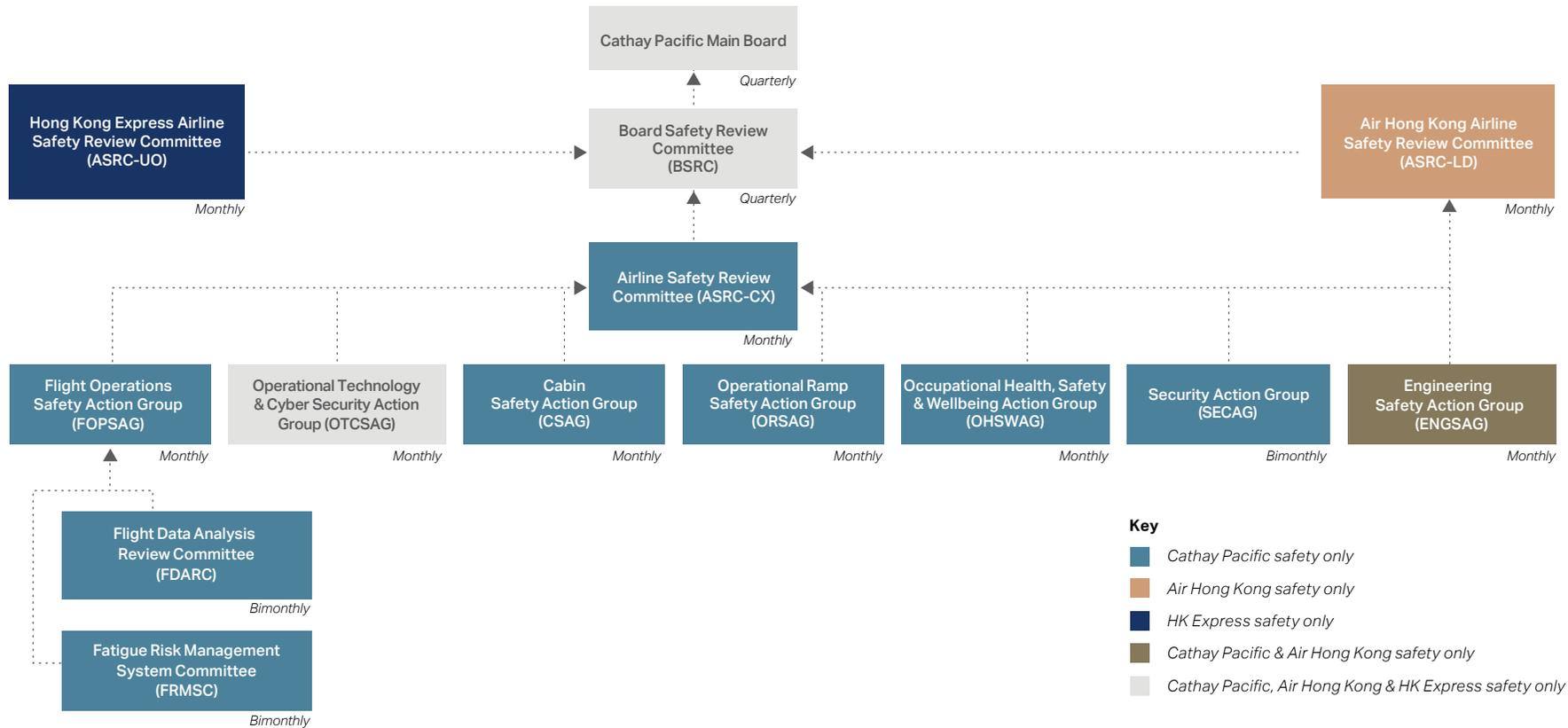


Figure 4: Safety Management System (SMS) Governance Structure

## Continuous improvement through effective Safety Risk Management

In keeping with our commitments to continuously improve on our safety management, top risks associated with each operational department across Cathay are registered, and further categorised as inherent or emerging as well as increasing, decreasing, or stable across our operations. After the risks are evaluated, they are subsequently assigned to our dedicated Safety Action Group or operational department according to our governance structure, which allows a wider holistic view of Cathay's risks and better monitoring of risk mitigation measures. While each risk is reviewed on a regular interval, the risk register is updated quarterly and presented at each BSRC.

### Fatigue risk management

Our airline operates a complex passenger and freighter route network. Consequently, managing pilot and cabin crew fatigue risk is an important component of our SMS.

Our Fatigue Risk Management System (FRMS) was established in 2010 and far exceeds current HKCAD regulations pertaining to the management of pilot fatigue and complements the Approved Flight Time Limitations Scheme (AFTLS). The FRMS augments the AFTLS by introducing an evidence-based, data-driven system to continuously monitor and control fatigue-related safety risk to an ALARP level.

During 2023, we continued to develop and refine the FRMS by refining fatigue rules, publishing online training for flight and cabin crew, and gaining insights by having a representative on the IATA Fatigue Management Task Force.

Key initiatives this year included the identification of fatigue-related safety risks via fatigue reporting (Air Safety Reports – Fatigue and Controlled Rest Reports) and extensive analysis using fatigue software. To mitigate these risks, changes were made to rostering practices. The Group Safety Manager for FRMS continued to serve as a subject matter expert on the IATA Fatigue Management Task Force and the Management Committee of the International FRMS Forum.



### Continuous Safety Training

Key to maintaining high levels of safety across the Group is the continuing education of our people on our SMS, the hazards inherent in our industry and the role they play in safety. To assist with this, our digital Learning Hub system has been delivering upgraded courses on safety. These courses are required to be completed annually by all operational business unit employees, focusing on the continued training of our SMS as well as the management of risks. Specific and relevant operational examples are provided to each target group. Our people can

access these interactive learning courses through self-service; ensuring it is available in all time zones, and at times convenient to every individual.

The required briefing on the SMS, safety related matters, leadership, governance, investigation and risk assessment is provided to all new operational business unit General Managers and SAG chairs via a revised Role Specific Safety Training (RSST) course. This lays out the foundation of how our SMS operates and the vital role these postholders play in our continued safety performance.

## Face-to-face briefing for our new joiners 'Brushwingers'

While online learning is convenient and flexible, we recognise the importance of engagement that can only be achieved through classroom training. Therefore, we continue to deliver the face-to-face Initial Safety & Quality Introductory Training to all new employees of Cathay presented by our Operational Safety team to promote the seriousness that Cathay place on safety and that safety is everyone's responsibility. The interactive training is mandatory for all our new joiners and remains available to all our people.

## Safety training for external service providers

Our exposure to risk is commensurate with the large number of business partners the Group interacts with and relies upon. These providers touch almost every part of our business from ground operations and dangerous goods to warehouse, catering and engineering. As an organisation with well-developed safety systems, we feel it prudent to expand the scope of our SMS training to these service providers. This includes:

- Targeting third parties that do not have any safety awareness training
- Providing Initial Safety Awareness Training in line with Cathay internal standards, and meeting the requirements as operator under IATA recommended standards and practices
- Introducing safety management systems, hazard awareness, risk management and reporting systems

The online course, 'Group Safety & Quality Introductory Training', launched in 2020 and has now been made available to third party providers. It focuses on several key topics including the importance of compliance with regulations and company standards, company safety policies and procedures and crisis response.

## CASE STUDY



### Inaugural Safety Week

Cathay hosted our first-ever Safety Week under the theme 'Grow Your Safety Mindset', highlighting how safety is integrated into all aspects of operations and decision-making. The event featured interactive booths and games for colleagues to engage directly with our safety leaders and discuss key safety topics. The week concluded with a Safety Conference where external speakers and panelists from the aviation industry and beyond joined hands to promote knowledge exchange and collaboration.

### Quality assurance programme

Cathay has been implementing a risk-based quality assurance programme assessing the management system and operations with internal departments and our suppliers across the network. The quality assurance programme ensures robust safety governance and identifies any latent conditions and safety hazards and enhances operational safety. In 2023, Cathay conducted 184 audit events to ensure the company achieves safety, security and quality imperatives.

## CASE STUDY



### Operational Learning Review for Safety and Performance Excellence

In pursuit of safety excellence and continuous improvement across all sectors of Cathay, we have implemented Operational Learning Review (OLR) which focuses on acquiring an in-depth understanding of the frontline operations on a day-to-day basis. Frontline operators are empowered to share best practices and flag any prevailing concerns allowing us to uncover valuable insights and learning towards our safety, wellbeing and operational goals. Through leveraging OLR, we also enrich our data sources. This continuous learning and improvement approach is leading the way across the industry, improving safety and fostering a better and safer working environment for all.

## Business resilience

Cathay Crisis Response Centre is a wholly dedicated facility capable of supporting a global response during any crisis affecting the Group. Our regularly tested Crisis Framework includes a centralised command protocol, customised local response teams, telephone enquiry and support centres, and trained humanitarian assistance volunteers. All services can be activated by a notification system that is available at any time.

More than 400 airline and subsidiary employees constitute the Care Team, whose primary focus is to assist passengers and employees and their families who have been affected during a crisis. A comprehensive recruitment drive is planned in the next couple of years to boost numbers and focus on not only growing the team, but also highlighting the personal development for our employees who enrol in the Care Team training programme. For significant events, several thousand specially trained volunteers are available to supplement the Care Team through the airline's membership in the Family Assistance Foundation.

Cathay's business continuity management programme focuses on four categories of events: Loss of Access, Loss of Supply, Loss of Systems and Shortage of Staff. These are complemented by specific situational plans such as public health emergencies. An Incident Management protocol allows all incidents to be immediately classified and managed by a scalable Incident Management team. In 2023, all ports with scheduled service within our network participated in at least one emergency exercise to further strengthen their response capabilities. Over

100 leaders based at various outports have also received virtual emergency response refresher training to ensure processes and procedures are fresh after our rapid re-start of operations.

No single event has impacted global travel like the ongoing COVID-19 pandemic. We have already put strict measures in place to ensure our employees and our passengers can have peace of mind when flying with us. A framework for our port restart process has been developed with policies and procedures put in place. We have used a risk-based approach to identify, assess and respond to hazards. The process has Group Safety and Operational Risk Management oversight and it facilitates coordination between our business units. Regular compliance monitoring ensures we adhere to local and industry regulations, and we only open or reinstate operations at cancelled or reduced capacity ports when the implementation of the process has been signed off by our Directors.

## Occupational health and safety

We aim to achieve the objective of zero harm by mitigating workplace hazards to prevent accident, injury and occupational disease to all employees, customers and contractors throughout their association with the company. With the safety and wellbeing of our people in mind, we continued to focus our resources to address a wide range of occupational health and safety issues across our airlines. These include:

- Strengthening the safety performance of ground transportation in both Hong Kong and in outports;

- Ensuring workstation health and safety for office employees through training and risk assessment; and
- Improving indoor air quality, humidity and temperature through active monitoring rectification.

These objectives are monitored through the monthly Occupational Health, Safety & Wellbeing Action Group (OHSWAG), as well as various working groups focusing on key areas including ground transportation, food safety and wellbeing.



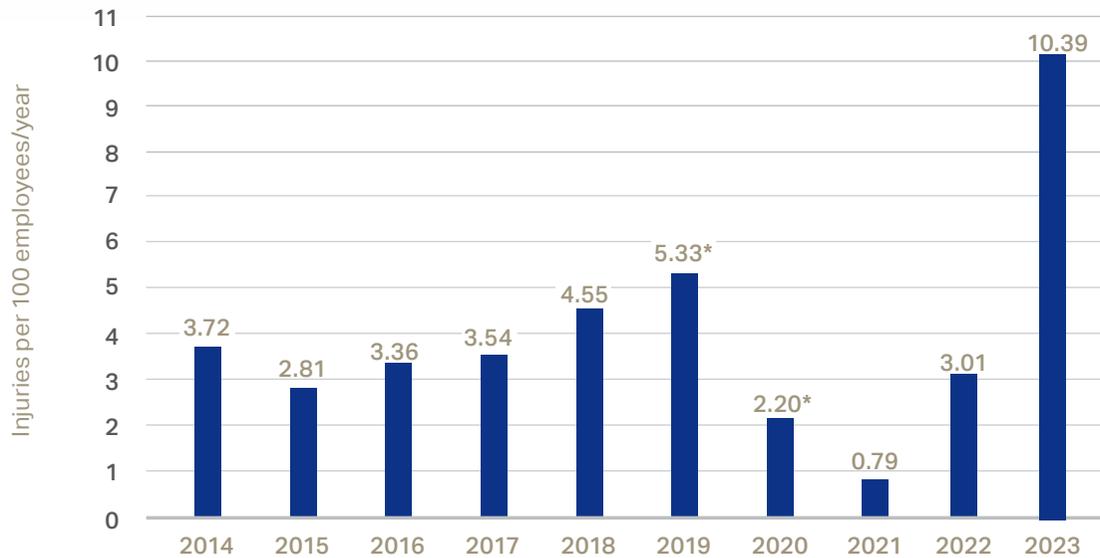
### Comprehensive Alcohol and Other Drugs Programme

- Education and awareness for all employees
- Rehabilitation and monitoring programmes for employees with substance use disorders
- Regular random testing for all employees in safety sensitive roles

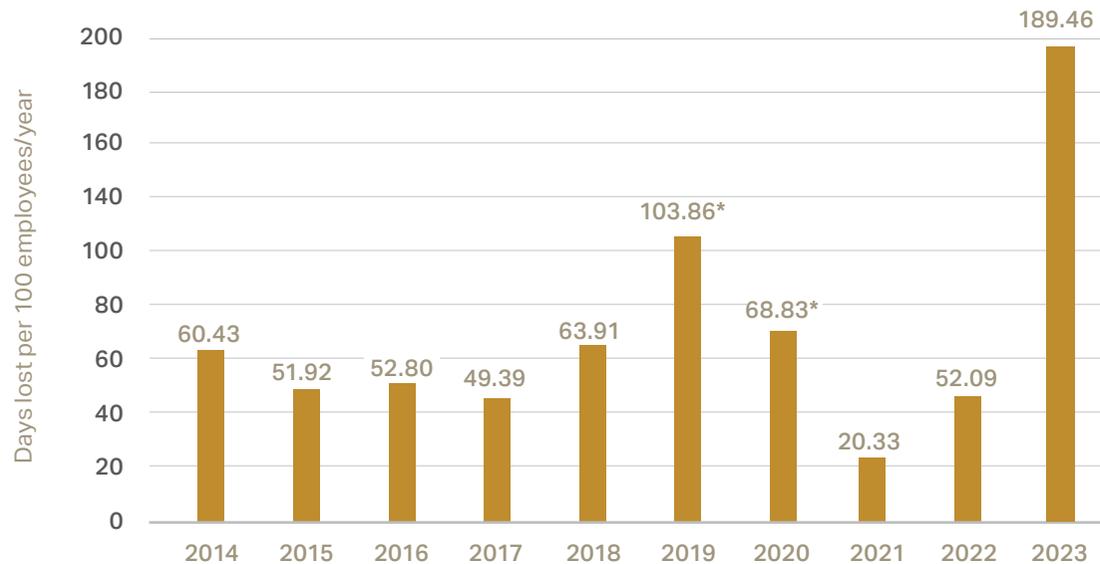
With countries' borders reopening and travel restrictions lifted, Cathay continued to strengthen its operations throughout the year. While the airline was yet to operate at full capacity, load factors for most months in 2023 surpassed the pre-pandemic levels in 2019. The increase in operations and load factors have led to an increase in the number of minor cabin crew injuries. Injury prevention remains a constant focus for our leadership and management teams. Initiatives are being implemented and reviewed on a regular basis to ensure risks identified are mitigated to as low as reasonably practicable.

During 2023, there were no convictions for non-compliance with occupational health and safety laws and regulations that would have a significant impact on the Group.

### Lost time injury rate<sup>#</sup>



### Lost day rate<sup>#</sup>



<sup>#</sup> Data from 2014 covered Cathay Pacific only. From 2015–2020, the data includes Cathay Dragon. From 2020 onwards, the data includes Hong Kong Express and from 2021 onwards it includes Air Hong Kong. Cathay Dragon ceased operations in October 2020, so its data is no longer applicable after 2020.

\* As pilot and cabin crew lost days are based on days not available for duty, a factor was previously used to normalise relevant data according to 250 days' work per year, equivalent to 2,000 hours per year. This factor is no longer applied to relevant data in 2019, which led to the substantial increase in LDR. Due to the significant change in the operation and to ensure data presented is an accurate reflection of relevant performance, cabin crew and pilot's actual duty hours have been used to calculate injury rates since January 2020.

## Mitigating the risk of infectious diseases

Although the COVID-19 pandemic is no longer a global health emergency, Cathay continues to protect our employees and passengers from communicable diseases. We have policies in place to ensure that precautions and safety measures are duly implemented. Below are some parameters in place to address the risks of transmission of infectious diseases:

- All employees are strongly advised to stay current with routine immunisations, which include receiving a tuberculosis (TB) vaccination and completing an initial course of COVID-19 vaccination. In Hong Kong, the TB immunisation is administered as part of its childhood vaccination programme.
- Any employees diagnosed with infectious diseases will be placed on leave from duty until they are no longer considered infectious. Our Group Medical Department must provide medical clearance for the individual before their return to work.
- We fully cooperate with health authorities when contact tracing is required following an identified passenger with an infectious disease after a flight or for employee cases in the workplace.
- All our aircraft are fitted with HEPA filters to ensure the highest cabin air quality and we thoroughly sanitise frequently touched surfaces – from screens to overhead stowage latches – between each flight. We also carry out cabin deep cleaning every 30 days.
- All our aircraft are regularly treated with residual insecticides to prevent importation of insect-borne disease vectors (e.g. mosquitoes carrying malaria and dengue fever).
- Crew members are educated on the prevention of insect-borne diseases, including malaria.

- If any flight routes require malaria prophylaxis, this will be supplied by the Company. Currently we do not operate to any areas where this is required.

## Passenger health and safety

Cathay Care is our commitment to our customers' wellbeing. We want our passengers to travel with confidence by providing clear communication, flexibility and above all, safe passage.

Despite the heightened passenger numbers in 2023, there were no fatalities caused by operational incidents or accidents. Nor were there any convictions for non-compliance with laws and regulations relating to health and safety matters relating to products and services provided that would have a significant impact on the Group.



Visit our website to learn more about [Cathay Care](#).

# SOCIAL ASPECT: OUR PEOPLE



Grew our Group workforce by around  
**15% or 3,000** people  
in 2023

Announced the 2023-2025 Cathay  
Group **Profit Share Scheme**

Launch of **Cathay Academy**

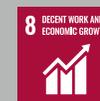
## Our Policies and Guidelines

- > [Code of Conduct](#)
- > [Diversity and Inclusion Policy](#)
- > [Human Rights Policy](#)
- > [Recruitment Policy](#)

**GRI** : 201-3, 404-1, 404-2, 408-1, 409-1

**HKEX**: GD-B1, GD-B3, KPI B1.1, KPI B3.2

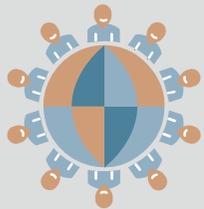
**SDG** :



## OUR PEOPLE

Throughout our 77 years of history, our people have been an integral part of Cathay's success, delivering for our customers, our shareholders, and the Hong Kong community.

### 2023 Performance highlights



**23,801**

Group employees worldwide



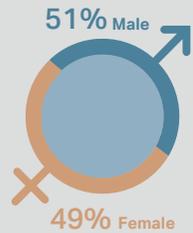
**85%**  
Based in Hong Kong

**85%**

of our people are based in Hong Kong



Grew our Group workforce by around **15% or 3,000** people in 2023



Our people are **49%** female and **51%** male



We have **27%** of women in senior positions and our Executive Committee has equal gender representation



Announced the 2023-2025 Cathay Group **Profit Share Scheme**



Launch of **Cathay Academy**



On average, **144** hours of training are offered to each employee at Cathay in 2023



Total training spend at Cathay in 2023: HK\$ **235** million

## Why being a good employer matters to us

To realise our vision of becoming one of the world's greatest service brands, we must be one of the world's greatest employers who fosters a positive work culture, values diversity and inclusion, invests in employee development and training, and recognises and rewards employee contributions competitively, so our employees feel trusted, empowered and proud. We seek to create a culture that is thoughtful, progressive and carries a can-do spirit.

## Our approach

In 2023, we began our journey to rebuild Cathay to be even better than before – to make it a brand that our customers and people are proud of. With the pandemic firmly behind us, we have been working hard to support the resumption of passenger capacity and connectivity between Hong Kong, the Chinese Mainland and the rest of the world.

This means stepping up our recruitment efforts to hire thousands of flight and ground crew to support our operations. In 2023, we hired around 3,000 pilots, cabin crew and ground employees, and expanded our talent pool from beyond our home market of Hong Kong to build a more diverse and inclusive Cathay family. In response to the increasing number of Putonghua-speaking customers, we held our first-ever cabin crew recruitment event in the Chinese Mainland, along with a series of university career talks to attract aviation talent in the Greater Bay Area.

As we welcome new colleagues, we made sure they feel part of the family. At Cathay, our people share the love of travelling, and we reflected this collective passion in our annual leave and employee travel policies by waiving the "waiting period" previously required, to ensure they can enjoy these benefits from

Day 1. To make booking for employee travel easier, we embarked on the journey of migrating several legacy platforms to the new Travel Hub in 2022, with the bulk of functionalities integrated into the new platform last year. Employees can now book for duty and leisure travel effortlessly on one user-friendly platform.

Saying thank you and showing appreciation has always been part of Cathay's culture, and as a company, we are committed to sharing the success of our rebuild journey with our people. In recognition of their hard work and unwavering commitment during the COVID-19 years, we announced the Special Appreciation Reward, Profit Share Scheme and Discretionary Bonus 2023 as our way to say thank you. We also resumed the much-loved Long Service Awards, which had been paused during the pandemic, and celebrated the milestones of our longest-serving colleagues through 12 ceremonies and rewarded over 9,000 employees for serving 10 or more years at Cathay. Our highly anticipated Niki and Betsy Awards also came back in full swing, with an in-person ceremony to recognise winners who had gone above and beyond to deliver for our customers, our people and the business.

We ended 2023 with a mega party, "Cathay Fiesta", to close off the pandemic chapter and to thank our people – in a big way – for standing together during our rebuild journey whilst delivering fantastic progress that put us back on Skytrax's Top Ten list, winning an accolade of awards and delivering healthy financial performance. More than 7,000 employees and their families and friends joined us in person to celebrate this achievement with a night of food, games, talent shows and celebrity performances, along with over 1,000 colleagues around the world who watched the event online.

This section provides an overview of our approach to human resources and our most material topics relating to our people.



**Patricia Hwang**  
Director People, Cathay



*Our people vision is to become one of the world's greatest employers.*

*We are making great progress on our rebuild journey and in 2023, we celebrated many achievements and successes, which are only made possible by our people. I would like to extend my deepest gratitude to them for their continued commitment to delivering excellence. Their dedication and professionalism fuelled us to push forward, and I am optimistic that we are well on our way to rebuilding Cathay to be even better than before.*

*As we rebuild, we will continue to attract new talents and bring about a modernised and engaging employee experience that sets Cathay apart, and a culture that our people can be proud of.*



## Major initiatives in 2023

The workforce of the future will rely upon digital connectivity, accessible information and a workplace that offers flexibility that supports the individual needs of its people. We continue to make progress to improve our employee experience as we rebuild Cathay.

### Work your way

Our flexible working programme, Work Your Way, continues to be extremely well-received amongst our non-operational employees, both within Hong Kong and globally. Employees can work remotely for up to two days per week or stagger their working day around a schedule that suits their needs, but with much greater flexibility than before. As we emerge from the pandemic, we will continue to support hybrid working to allow our employees to better achieve work-life balance.

### Providing flexible benefits

Our employee benefits scheme, Flexible Benefits, continues to be a valuable part of our employee experience. Flexible Benefits is designed to give flexibility and choice when it comes to selecting the benefits that suit employees' and their families' needs. It provides employees access to medical plans, dental cover, preventive care, complementary therapies, insurance, retirement plans and additional annual leave purchases for ground employees.



## Policies that respond to employee needs

Cathay has always maintained clear and open communication channels with our employees. Gathering feedback directly from our people is the most effective way to identify their individual specific needs. In 2023, we have continued to review and enhance our policies to better recognise the needs of our employees, including:

- Updating our annual leave policy to provide more flexibility to employees.
- Expanding our duty travel policy to ensure that our employees are provided with the appropriate support and guidance when undertaking duty travel.
- Reviewing and updating our Human Rights Policy to further align this important policy to global best practice standards.
- Currently conducting a global review of our Code of Conduct and our Leisure Travel policies, in order to bring these documents up to best practice standards.

## Human resources management

Our human resources management aligns with our [Code of Conduct](#), which clearly demonstrates our commitment to treat all employees fairly and equally, and to be an equal opportunity employer. We ensure all HR policies are applied consistently across the organisation and evolve policies and practices to remain a leading Hong Kong employer. The Code of Conduct is reviewed regularly by relevant departments in keeping with the

expectations of the Group and our stakeholders, the Code of Conduct was most recently updated in 2019.

Our Code of Conduct provides our employees with guidance on how to conduct themselves in an ethical manner whilst employed by the Group. It also sets out our commitment to make ethical decisions on issues that affect our employees, customers, business associates, community neighbours and the general public. Our Code promotes the following principles:

- Upholding all applicable legal and corporate occupational health and safety standards
- Forbidding any breach of employment law or the use of child or forced labour
- Reporting unacceptable conduct to line management or the business unit head
- Rejecting bullying and harassment
- Complying with any applicable legal requirements concerning the collection, holding, processing, disclosure and use of personal data
- Respecting intellectual property rights, including copyright

Our [Human Rights Policy](#) outlines Cathay's commitment to creating a working environment where human rights are at all times protected and which focuses on ensuring the dignity, respect and well-being of individuals. We also have an Internal Vacancy Policy in place, providing a framework to assist in the overall handling of internal vacancies and promotion.

Our employee performance appraisal covers management by objectives, with the option to seek multidimensional feedback, and is able to facilitate agile conversations.

During 2023, there were no convictions for non-compliance with laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, or other benefits and welfare that would have a significant impact on the Group.

### Number of breaches to the Code of Conduct 2023

<b>Corruption or bribery</b>	0
<b>Discrimination or harassment</b>	0
<b>Privacy</b>	1
<b>Conflicts of interest</b>	0
<b>Money laundering or insider trading</b>	0
<b>Others</b>	3



## Employee relations and engagement

### An Employee Experience department

Our Employee Experience team is set up to support our entire hire to retire experience – from strategic partnership with the business on workforce planning and development, talent acquisition and onboarding, benefits and rewards, communication and engagement, employee experience design to offboarding – are all taken into consideration. This year, we created the Employee Experience Design team to support the overarching design of employee experiences that is not already covered by other existing centres of excellence. We have also integrated the D&I function into the Employee Experience team to embed our D&I principles into the employee journey.

### People engagement survey

Our people engagement surveys help management understand colleagues' job satisfaction, sense of purpose, level of happiness and stress, and identify where improvements could be made to the employee experience.

Along our rebuilding journey, understanding our colleagues' perspectives takes on added emphasis. In 2023, we conducted three surveys: two pulse surveys which took place in May and August, and our more comprehensive annual people engagement survey in November.



More than 15,000 colleagues were invited to participate in the August pulse survey which received a response rate of 47% as compared to 42% in May 2022. The Group achieved an Employee Engagement Index score of 60%, an 18% increase as compared to May 2022.

Later in the year, more than 15,500 colleagues participated in the annual employee engagement survey, representing a response

rate of 60% compared to 48% in 2022. The Group achieved an Employee Engagement Index score of 64%, a 10% increase as compared to 58% in 2022.

The increase in the Employee Engagement Index score was unanimous across all employee groups, reflecting the growing optimism in the industry as well as initiatives taken to address the employee feedback over the past year.

## A digitally enhanced employee experience

In 2023, we introduced Hub Social, our new social networking experience which is fully integrated into The Hub, our intranet, replacing our Yammer platform. Hub Social functions as our internal version of "LinkedIn" with the additional convenience of being able to access all company content on one platform. This is in line with our approach to providing a seamless employee experience to better connect with our colleagues, share professional achievements, and keep up to date with the latest happenings in the Cathay family.

Our Employee Travel benefits are one of the most exciting perks for many working at Cathay. In 2022 we started launching the new Travel Hub in phases to enhance employee travel experience, with Duty Travel being the first function made available. In 2023 we rolled out Leisure Travel for employees and their family and companions. The new Travel Hub will provide a seamless flight booking experience to our people whenever they need to travel, elevating the travel experience of our employees similar to how we improve the overall digital experience for our customers. The new portal has a mobile friendly design, a modern and intuitive user interface and enhanced search capabilities for our employees on the go.

We are also piloting a digital business card with our leaders and departments with higher external facing needs. This initiative aligns with our strategy of digital and sustainability leadership and will offer our employees a more seamless experience when meeting with business partners.



## Recognising and rewarding our people

Our recognition programme, Work Well Done, ensures our people feel valued and appreciated for the work they do. We equip our senior leaders with recognition toolkits consisting of thank you cards, lounge passes and upgrade vouchers to recognise anyone across the business, for doing something excellent or consistently displaying role model behaviour. Linked to this, our Work Well Done portal includes a series of card designs to enable colleagues to share e-cards with each other. In 2023, we expanded our collection of Christmas and gratitude e-cards available on the platform to cover occasions suitable all year round. Thoughtful, Progressive and Can-do are tied to our recognition programme through our Work Well Done portal and annual awards.

Our annual Niki and Betsy Awards process took place throughout 2023 and our 20 winners were announced in October 2023. The awards are named after the first two aircraft that took Cathay Pacific to the skies in the 1940s. Niki Award winners are recognised for their exceptional work behind the scenes and are rewarded for their exceptional efforts and behaviour. Betsy awards are presented for exceptional customer service and celebrate people who have taken customer service to the next level. In 2023, we resumed giving out prizes to Niki and Betsy Awards winners after a three-year hiatus due to the financial impact of the pandemic. And we were pleased to bring back the awards ceremony fully in-person at Cathay City.



## Our Long Service Awards

The Long Service Awards programme is a long-standing tradition at Cathay, where thousands of people are recognised each year for reaching long service milestones starting at 10 years and at five-year intervals thereafter. We were thrilled to resume the celebrations in 2023 after pausing the awards for three years due to the pressures we faced during the pandemic. We promised our long-serving colleagues that once we were in a stronger financial position, we would ensure they were properly recognised. We made good on that promise, and in 2023 we gave out over 9,000 long-service gold coins, including to awardees from 2020 to 2023; and conducted 12 ceremonies over 49 days for colleagues who reached 30, 35, 40 and 45 milestone years.

## CASE STUDY



### Sharing our success with our people

The COVID-19 pandemic was the most challenging period in Cathay's history and during those difficult times, our people have pulled together to support the company. To thank our people for their commitment and tremendous support, we announced a Special Appreciation Reward 2022 for colleagues who had been with the company through the pandemic of up to six weeks of eligible pay.

On top of that, we announced a new Profit Share Scheme (PSS) for 2023-2025 as a way of sharing success with our people. Together with the Special Appreciation Reward 2023, this scheme serves as an additional way to reward our people. Rebuilding our business after one of the most challenging periods in our history would require tremendous focus and commitment from our people, and we want to ensure everyone is a part of the company's future success.

As the name of the scheme suggests, the better we do, the more everyone can share in our success, so everyone has a role to play. The scheme applies for each of the three financial years: 2023, 2024 and 2025. And any profit share amount will depend on the profit we make as a group, how well we generate profits through spending money on necessary investments in our airlines and subsidiaries, and the recommendation ratings by our customers across our four lines of business.

## Engagement events and activities

Our leaders continued to connect with our people, providing updates on our business through regular town halls. We started the year with the Move Beyond Conference – the first in-person leadership meeting after three years – where our leaders convened and planned for the rebuild journey ahead. This was followed by the quarterly Business Check-In meetings where we shared our rebuild progress with our people, and the Quarterly General Manager Meetings where leaders shared strategic updates and discussed opportunities to move forward.

Through our regular employee engagement channels, we also took some valuable feedback to heart in improving the variety and quality of food offered at our canteen. We also regularly feature pop-up stalls in Cathay City to offer our people more food and beverage options.

Making our people proud of Cathay was a key focus of our rebuild. We celebrated the achievements of our business – and testaments to our people’s hard work – through a series of milestone celebration events including when we hit the one million passenger mark after the pandemic, winning the ATW Cargo Airline of the Year Award, announcing the Special Appreciation Reward for our people, and celebrating Cathay’s 77th Anniversary with the launch of our “Feels Good to Move” global marketing campaign.

Alongside our work-life balance and well-being initiatives, we also engaged our people to join in on fun activities organised in Cathay City, online, and around the world. These activities included our festive celebrations such as the Chinese New Year, Mid-Autumn Festival and Christmas, campaign launches including Clockenflap, the Hong Kong Sevens and Greener Together, Diversity and Inclusion activities such as International Women’s Day, Pride Month and Pink Friday, Wellness events such as the Wellbeing Festival in October, and other activities including social media awareness, Cathay Volunteer Week and innovation month. Game booths, movie screenings and giveaways were common sights within Cathay City.

## CASE STUDY



### Our year-end party Cathay Fiesta

We wrapped up 2023 with a grand party for everyone to unwind, and as a way to say thank you to our people for their hard work during our journey to rebuild. The party took place on 8 December in Cathay City for our colleagues in Hong Kong, and was also livestreamed for our regional colleagues around the world to join in, so they could enjoy this mega celebration in addition to their own local parties.

This was the first company-wide party in nearly 10 years. It was an unforgettable evening for everyone, with an exciting line-up that included: celebrity performances, the final round of Cathay’s Got Talent Contest, lucky draw, fun games with prize giveaways, souvenirs, photo opportunities, and food and drinks.



### Strengthening our relationship with employee representative bodies

Our focus is on engaging our employees directly, by providing a number of platforms for our employees to give us feedback. We listen closely to the voices of our people and respond to any employee support cases where required. In our operational departments, we are getting our employees directly involved in our projects and influencing business decisions. We recruit cabin crew into leadership and engagement positions and use various pilot forums as sounding boards.



## Attracting and developing talent

We continue to improve our people strategies to attract the best talent in the market. We also provide competitive remuneration packages to attract and retain talent and offer timely and relevant development opportunities for our people throughout their career with us.

One of the key initiatives that has been rolled out is a Career Development Programme for high potentials. This programme consists of personalised development plan, customised training and mentoring programmes for the participants. It is aimed at developing the high potentials to progress to their next aspired role in Cathay.

### Initiatives for attracting talent

To stay competitive as a major international airline we invest in talent acquisition by:

- Using digital platforms to attract talent and facilitate the application and talent identification process
- Reviewing and streamlining our recruitment process to make us more efficient in attracting and hiring new talent
- Diversifying our recruitment methods, such as assessment via video
- Developing different customised selection and assessment tools to help us acquire the most suitable talent in the market
- Utilising various social media channels to promote our roles to our targeted audience
- Hosting on-campus interviews across a number of educational institutions in Hong Kong for the convenience of our candidates
- Working with the Hong Kong Labour Department on various initiatives to promote our roles, including promoting ethnic minority recruitment
- Hosting career events with sharing from existing employees
- Providing internship opportunities for students to build up current and future talent pipeline
- Over 144 hours of training per year per employee on average at Cathay across all employment levels
- Total annual spend on training at Cathay: HK\$235 million, which means on average over HK\$12,800 spent per employee



**144 hours**  
of training per employee on average annually



**HK\$235**  
million total investment on training, which means on average over HK\$12,800 spent per employee

### Average hours of training per employee by employee category

Employee category	Average hours of training in 2023
Individual Contributor	185
Team Leader	74
Operational Leader	120
Strategic Leader	35

### Average hours of training per employee by gender



Male employee:  
**113hrs**

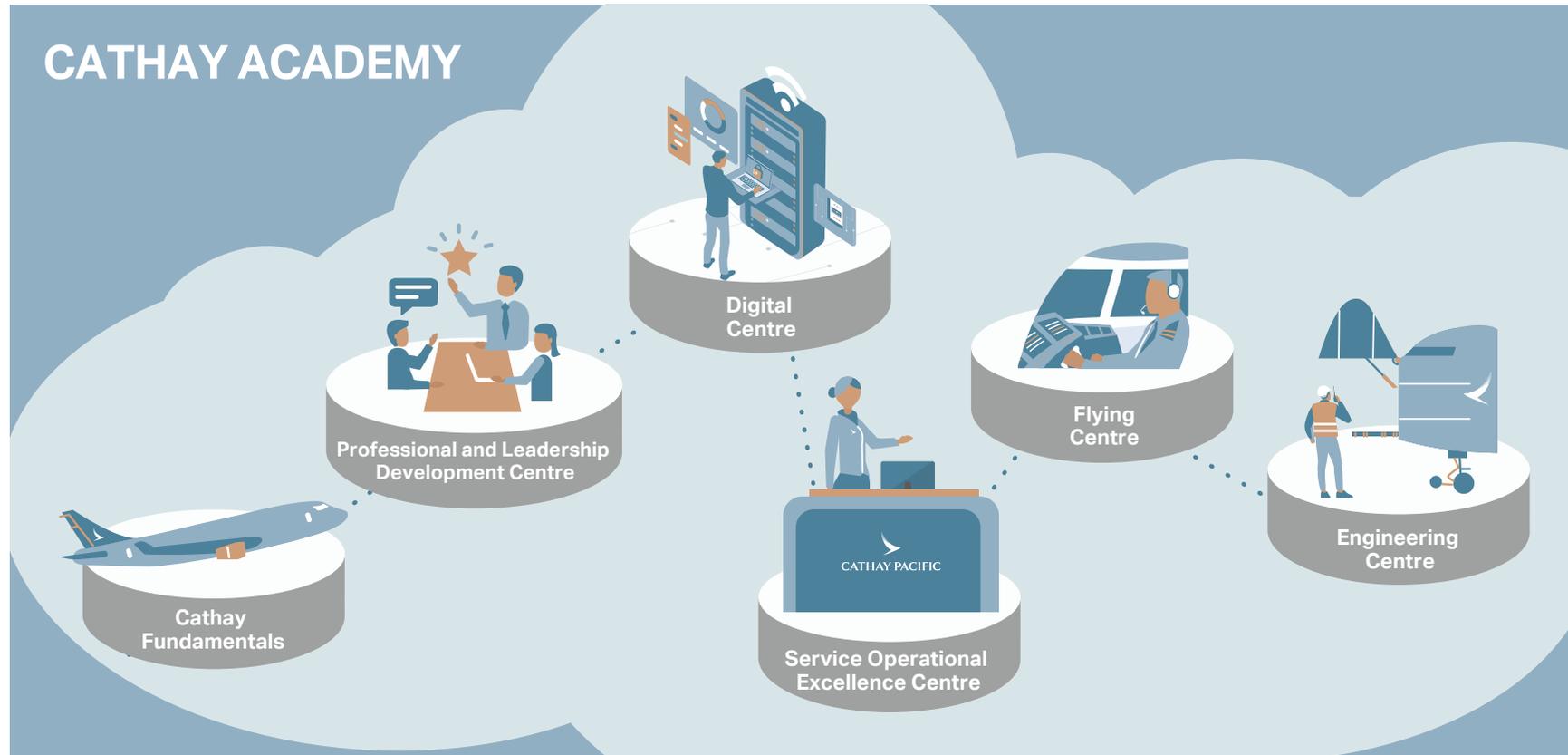


Female employee:  
**177hrs**

*\*Training data covers Cathay Pacific full-time employees only*

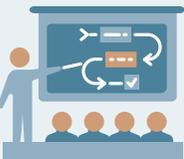
## Introducing Cathay Academy

The Learning Academy has officially become Cathay Academy since 1 September 2023. Cathay Academy encompasses all learning and development functions within Cathay and impacts the learning of frontline teams and all employees. Cathay Academy champions a culture of continuous learning and improvement – one that leverages technology to enhance scalability while ensuring every approach is tailored to individual learning needs. It will enable us to bring together all learning functions at Cathay for the first time and consolidate our efforts in learning development so that all learning functions benefit from enhanced trainer capabilities, learning technology and comparable performance measurements.



## Developing our talent

Our talent development philosophy extends throughout all levels of our organisation as we look to take budding talents and give them the wisdom, knowledge and opportunities to rise through our leadership hierarchy.

Training Programme	Brief description
 <p><b>Core Curriculum</b></p>	<p>Open to anyone seeking professional growth, we offer a selection of courses designed to encompass essential skills and competencies. These courses are designed to help you unleash your potential and flourish in your career at Cathay.</p> <p>Percentage of Cathay Pacific people participating: <b>3%</b></p>
 <p><b>Leadership Curriculum</b></p>	<p>For team leaders and managers aspiring to elevate their skills, we offer a range of leadership courses aimed at supporting your journey to becoming a more effective people leader.</p> <p>Percentage of Cathay Pacific people participating: <b>8%</b></p>
 <p><b>Operational Excellence Curriculum</b></p>	<p>It is tailored to develop the skills and capabilities of service professionals across various domains, including airport services, cargo services, customer care, and inflight services. The courses develop safety and regulatory knowledge, and job-specific expertise they need to excel and uphold the airline's unparalleled reputation for the highest safety standards, as well as operational excellence.</p> <p>Percentage of Cathay Pacific people participating: <b>100%</b></p>
 <p><b>Service Excellence Curriculum</b></p>	<p>To realise our ambition of becoming one of the world's greatest service brands and achieve service excellence, this curriculum aims to various learning modalities focus on preparing our frontline teams' mindset for personal and professional growth, equipping them with customer centric knowledge and skills to build a positive relationship with our customers.</p> <p>Percentage of Cathay Pacific people participating: <b>17%</b></p>

Our programmes offer a comprehensive approach to developing leaders and enhancing organisational performance. By improving leadership effectiveness, we inspire and motivate employees, leading to better decision-making and organisational success. Through succession planning and talent pipeline development, we prepare motivated individuals for future leadership roles, ensuring smooth transitions and sustainable growth. Our focus on enhancing employee performance fosters a positive work culture, teamwork and goal achievement. Additionally, our tailored training programmes improve job performance and productivity, uphold the highest safety standards, and cultivate a customer-centric approach, resulting in positive relationships, customer satisfaction, and a competitive advantage. To better measure our programme effectiveness, we conducted pre- and post-course surveys as trials to compare self-rated learning effectiveness before and after classroom training. Such metrics will enable us to track and measure the impacts of our training and development programmes.

## CASE STUDY



### Our inaugural Leadership Development Programme: Cultivating and Empowering Excellence among High-Performers

To empower and cultivate our future leaders of tomorrow, Cathay launched its inaugural Leadership Development Programme this June. Delivered in collaboration with the University of Hong Kong Executive Education, the 6-month leadership programme aims to enhance the skills and capabilities of high-performing employees across various levels. The programme comprises six modules covering topics such as strategic team engagement, data analytics for decision making, sustainability for business leaders, and strategic planning and execution. This year, 80 participants were nominated and selected through the Career Development Programme, identified as high performers to participate in the programme.

## Role-specific career programmes

We also offer a range of programmes to build employee competencies and careers based on their job nature in the following areas:

Career choices	Brief description
 <p><b>Management Trainee*</b></p>	<ul style="list-style-type: none"> <li>• A career-long rotational management programme centrally coordinated by Swire to develop the next generation of business leaders. This programme consists of classroom training, workshops, and attachments to different units of our business within and outside of Hong Kong.</li> <li>• There is also an annual Swire Summer Internship Programme which creates a pipeline of high-calibre talent for this programme.</li> </ul>
 <p><b>Early Careers Programme</b></p>	<ul style="list-style-type: none"> <li>• A suite of graduate trainee programmes which aims to develop fresh graduates and accelerate their careers in Cathay. Participants receive a comprehensive and well-structured learning curriculum; both technical and functional, as well as on the job experience and rotation across different sections. The two key streams:             <ul style="list-style-type: none"> <li>o Engineering</li> <li>o IT &amp; Digital</li> </ul> </li> <li>• In addition, an eight-week internship is also offered each year during the winter and summer periods for university students who are interested in the Engineering, IT, and Digital fields.</li> </ul>
 <p><b>Cadet Pilot</b></p>	<ul style="list-style-type: none"> <li>• A sponsored world-class 55-week programme at a specialised facility in Australia aimed at training and qualifying participants as commercial pilots for entry into the company's pilot force.</li> </ul>
 <p><b>Cabin Crew</b></p>	<ul style="list-style-type: none"> <li>• A comprehensive safety and service induction training programme followed by a 3-year contract as a cabin crew. Our team are safety officers, caring team players and ambassadors for Hong Kong.</li> </ul>
 <p><b>Customer Services Officer</b></p>	<ul style="list-style-type: none"> <li>• A 12-month development programme designed to equip our customer service officers with the skills to work across the roles in an airport environment taking care of our customers both at check-in and during aircraft boarding and disembarkation.</li> </ul>

\* More information is available on <https://careers.swire.com/en/careers/swire-management-programme>

## Supporting local employment

We recruit locally for our operations. 83% of our people are employed in Hong Kong. If the required skills are available locally, we prioritise the local labour market before searching internationally. Vacancies are first opened internally to our people, then to the local community, and finally overseas. Our commitment to supporting local employment in Hong Kong is demonstrated through our target of increasing the proportion of local Hong Kong pilot cadet recruitment to at least 50% of all new pilot intake in the years ahead.

## Significant increase in training to support business rebuilding efforts

Cathay Academy has responded to the growing business demands by scaling up our operational training volume. We have resumed a significant number of Hong Kong-based training programmes to meet the needs of our expanding operations. However, we understand the importance of continuously improving the learning experience for our employees.

To achieve this, we have embraced digital technologies and innovative approaches. We have integrated gamification elements into our training programmes to make them more engaging and interactive. By incorporating game-like features, we enhance the learning experience and promote active participation.

Furthermore, we have redesigned our training modules to ensure they are scalable and adaptable to our growing needs. This redesign process involves re-evaluating the content, delivery methods, and learning materials to match the increasing demands placed on our operational training.

## Employee welfare

We place great focus on the wellbeing of our people and value their contribution. We provide a comprehensive total rewards package to reward their contribution including:

- Competitive salaries, with ranges regularly benchmarked to the market for the position and other incentives
- A discretionary bonus
- Flexible working policies and staggered working hours
- An industry leading employee travel benefits programme with discounted tickets, offers and travel benefits
- Flexible Benefits allowing employees to tailor plans for themselves and their eligible dependents based on individual preference:
  - o Medical and dental coverage
  - o Insurance plans
  - o Retirement schemes

## Wellbeing at Cathay

The health, safety and wellbeing of our people is a key concern of the Group. The challenges brought on by the COVID-19 pandemic placed an additional burden on our employees. We responded by conducting frequent, open dialogue with our people and introducing a range of initiatives via familiar platforms to protect their health and promote mental and physical wellbeing during our recovery.

## Embedding support in our ways of working

We continue to support the Hong Kong Peer Assistance Network - PAN HK - an independent, confidential service using trained, volunteer pilots to support fellow flight crew members and their families. Internally, we provided 12-hour Mental Health First Aid (MHFA) training courses for over 50 managers and interested



individuals to support the mental health and well-being of our employees. Volunteers with training in MHFA, self-care workshops, and Helping Skills are nominated as Wellbeing Champions to build a supportive mental wellbeing environment within Cathay.

We also launched our dedicated Wellbeing page, featuring comprehensive insights into our five wellbeing focuses, a wealth of resources and articles thoughtfully crafted by our in-house psychologist.

### Putting guidance at our people's fingertips

Our Employee Assistance Programme (EAP) provides 24/7 access to worldwide professional tele-counselling and face-to-face counselling by qualified counsellors for employees and family members, to assist in handling stress, bereavement, or relationship issues, legal and financial matters, manager consultancy and more. Our people also benefit from access to our wellness app, which includes a wellness assessment and personal health report, healthy recipes and online services such as Weekly HealthBytes. In addition, our EAP YouTube channel hosts a variety of short videos on a range of topics including mental health, financial health and general support and counselling.

### Empowering wellbeing and resilience

Since 2011, the Hong Kong Employees Physical and Mental Health Survey has been conducted on an annual basis to gauge employees' overall well-being in the workplace. The survey revealed that 38.8% of respondents experienced high levels of work stress, with Hong Kong employees also faring worse than their global peers in other key well-being indicators/figures. These figures reflect a critical demand on relaxation-related wellbeing initiatives.

- In 2023, we have established a year-long plan and arranged a series of mental health and wellbeing related events under our theme "Empowerment - Stay Well, Live Well, and Relax Well" to empower our employees to tackle stress effectively in a receptive and welcoming environment. The following 3 pillars include:

- **Stay Well** – Adopting approaches towards maintaining physical and psychological health
- **Live Well** – Achieving work-life balance across roles within and outside the workplace (e.g. family)
- **Relax Well** – Employing methods to reduce stress, recharge and empower wellbeing

These events under "Empowerment - Stay Well, Live Well, and Relax Well" include activities that engaged our employees both physically and mentally, such as mindfulness workshops, mental health first aid courses, awareness raising webinars, a large-scale collaborative drawing event, and a mental health and wellbeing festival, which all combined to help us build our organisational resilience and increase individual overall wellbeing and productivity.

## CASE STUDY



### Artsy Lunch

In celebration of our commitment to employee wellbeing, Cathay initiated the Artsy Well-being event in May 2023. This large-scale collaborative drawing event brought in over 350 painters to enjoy a stress-free, playful, and celebratory art-making experience on 25 large canvases made with our retired in-flight pillowcases. Artsy Well-being symbolises our ongoing pursuit to champion both the creative spirit and the holistic well-being of our workforce.

## CASE STUDY



### Mental Health and Wellbeing Festival 2023

To commemorate World Mental Health Day, Cathay dedicated an entire month's worth of events and activities to the Mental Health and Wellbeing Festival 2023. Embracing the theme "Be MindFlow of your mental health", we drew inspiration from positive psychology's concept of Flow, aiming to empower our employees to perform at their peak level of creativity, productivity, and fulfilment. Throughout the festival, we organised a series of experiential workshops and insightful talks led by experts crafted to raise awareness about mental health and drive positive changes for everyone's wellbeing.

#### Some key highlights of our activities line-up throughout the month include:

##### *Chair yoga*

Participants learned simple stretching and yoga pose exercises anyone can do from the comforts of their own office chair.

##### *The 3 B's - Boreout, Burnout and Brainout and what's behind them*

This webinar examined the causes and consequences of boreout, burnout, and brainout symptoms and provided practical tips for preventing and managing these conditions. This included recognising the warning signs and incorporating stress management into our lifestyle.

##### *Stress and Burnout*

This training informed participants about their body's and brain's reaction state when it comes to stress, and how chronic stress can result in burnout if left unmanaged.

It further provided a set of comprehensive strategies for conceptualising and managing stressful situations in a more productive manner and building a brain and body that are better equipped for coping with high demand.

##### *Sounditation Journey*

This meditation exercise led the participants to take a journey deep into themselves, reconnect with their bodies and minds, and settle in their inner peace with the peaceful sound of singing bowls.





### **Sound Healing Musical Instruments**

With the help of sound healing music, participants engaged in a simple stretching to loosen up the tensed body and reset their mental status. The session included a reflective journaling session as well as hands-on experience to play with the sound instruments.

### **Improve Sleep Quality with Aromatherapy**

In this session, participants learned about the different causes and impacts of insomnia. The training provided useful aromatherapy knowledge and tips for better sleep including the values of different essential oils. The participants took part in experiencing different essential oils and making custom-blended massage oils to improve their sleep quality.

### **How FLOW state affects one's well-being and tackle stress and burnout?**

This workshop introduced the concept of the flow state in positive psychology and ways to achieve the flow state to improve personal effectiveness.

### **Wellness in the workplace - Care for your spine**

This workshop helped the participants to understand common work-related problems and health and safety issues. The participants learned practical knowledge about how to conduct a self-assessment of pain and symptoms and useful tips on therapeutic exercise.

### **Relieving emotional stress from a traditional Chinese medicine perspective**

This expert talk session explored the connection between emotional stress and traditional Chinese medicine, delving into the relationship between the five internal organs of the human body and our emotions, as well as the five elements of traditional Chinese medicine.

### **Understanding Common Mental Health Problems**

Participants learned about the signs and symptoms of common mental health conditions to better understand ourselves and others including mental health at the workplace.

### **Elite Athletes Forum**

Ted Talk style seminar with World Women's Champion to talk about how flow state fosters a strong positive relationship with their level of performance, and how they overcame difficulties.



### **Digital Smartness**

This lecture raised awareness for the possible effects of unreflected digital media use and provided impulses for wise use of smartphones, tablets, etc., that helps to reduce our stress experience.

### **Professional Warmth and its Boundaries**

This training discussed the four phases of setting professional boundaries. Participants learned the first step towards a better relationship with themselves and others.

### **Tea Tasting and Infusion**

A DIY kombucha making workshop that introduced the participants to infusing their own kombucha at home. The participants engaged in tea tasting, comparing different tea bases brewed hot and fermented, and shared tasting notes.

## Diversity and inclusion

As a global business, we strive to provide an inclusive and supportive work environment for all our people, regardless of their sex, sexual orientation, gender identity, disability, family status, marital status, race, nationality, ethnic origin or religion. In building an internal culture which embodies our stance on promoting diversity and inclusion, all new joiners and Cathay existing employees from the working level to the managerial grade are required to undergo training and yearly refreshers to ensure we are all well versed on this subject, including knowledge of our policies on diversity and inclusion, anti-discrimination and anti-harassment and bullying. Further, to make our physical workplace more inclusive, we provide nursing rooms, gender-neutral and accessible restrooms and a multi-faith prayer room.

From translating cultural and social nuances to helping our passengers feel at home even when they're high above the world, we want our Cathay family to be as diverse and inclusive as the communities we serve. However, diversity without inclusion is not enough. Having such a diverse Cathay family is a privilege. As part of our vision for a truly inclusive culture, we are committed to becoming a progressive world-leading employer by protecting and celebrating the people who make us who we are today.

Our Diversity and Inclusion strategy was developed in line with the Swire Diversity and Inclusion Strategic Framework and guides our vision to be one of the world's greatest service

brands. Its implementation is being driven by the Diversity and Inclusion Office together with the Employee Resource Groups, where dedicated individuals are responsible for strengthening inclusivity as a characteristic of the Cathay culture.

Our Diversity and Inclusion Office and Employee Resource Groups are accountable to the Diversity and Inclusion Steering Committee which governs our approach to diversity and inclusion, and ensures we are progressing towards our goals. Comprising of our Director of People, Chief Financial Officer and other key business leaders, the committee provides direction, guidance and endorsement for key programmes and change initiatives and broadly encourages and advocates for more equitable and inclusive practices within Cathay.

To best monitor and evaluate the effectiveness of our diversity and inclusion programmes, Cathay participates in a number of indices including the Bloomberg Gender Equality Index, the Community Business Hong Kong LGBT+ Inclusion Index, the Hong Kong Equal Opportunity Commission Racial Diversity & Inclusion Charter Advanced Annual Review, and the CareER Hong Kong Disability Inclusion Index. These indices help us track our performance as compared to the market and identify opportunities for further improvement in our diversity, equity and inclusion tactics.



**Ronald Lam**  
Chief Executive Officer, Cathay



*We have an incredibly diverse workforce at Cathay, and this diversity is what aids us in serving an increasingly diverse array of customers, making them feel welcomed, appreciated, and at home. To truly capitalise on our diversity, we continue to foster an inclusive workplace where everyone belongs and can truly be themselves.*

*It is this commitment to diversity and inclusion that will make us the world's greatest service brand for our customers, business partners, and most importantly, our people.*



We currently have four Employee Resource Groups that champion for greater equity and inclusion in the dimensions of gender, sexual orientation and gender identity, ethnicity, and different abilities. These groups are run by incredibly passionate volunteers who invest significant time and resources to connect with our diverse communities and ensure their needs are being represented when reviewing our employee experience practices.

## Our Employee Resource Groups

### Gender Equity Network

This network advocates for the elimination of barriers and biases across our business so that all genders have equal opportunities to reach their full potential. Comprising of four pillars, the network's goals are to ensure that our policies provide equitable treatment to all genders, to promote a culture of gender equality and inclusivity that is representative of all our people, and to improve the talent pipeline for underrepresented genders.



### Fly with Pride

This is a support and social network for both LGBT+ employees and allies providing a safe place to share experiences, socialise with colleagues, and find resources and support. The network aims to ensure our LGBT+ employees feel fully supported and comfortable coming to work as themselves, to help transform Cathay into a workplace and employer of choice for its commitment to LGBT+ inclusion, and to influence and foster a culture of awareness, acceptance and celebration of the LGBT+ community.



### OneCathay Intercultural Network

This network aims to build a workplace, both in Hong Kong and overseas, where people of all ethnic and cultural backgrounds are understood, respected, encouraged to collaborate, and able to learn from each other and grow together. Through its three pillars, the network focuses on raising intercultural awareness, championing for more ethnically inclusive processes and policies, and engaging ethnically diverse communities to provide support and opportunities.



### Ability to Fly

This network serves as a resource and community for employees with different abilities, employees who are caregivers for individuals with different abilities, and employees who are ability allies. The network is focused on building positive awareness and understanding of different abilities, promoting the inclusion of employees of all abilities, and partnering on the development of ability-inclusive policies and practices to ensure Cathay is seen as a workplace of choice.



## Advancing Our Diversity and Inclusion Goals

Last year we set a new and more ambitious goal to not have more than 65% of the same gender in senior positions by 2025 and 70% at the Board level by 2027. We are currently at 27% of women in senior positions and our Executive Committee has achieved equal gender representation.

However, to feed the pipeline of senior talent we need to look at and invest in our full pipeline of talent, even beyond entry-level hires, and address challenges in the progression of different genders due to gender biases and barriers. This year we have further nurtured our talent pipelines by:

- Achieving 54% female participation in our high potential career development programme where participants receive critical skills training, mentoring, coaching and personalised development plans.
- Achieving equal gender participation in our longstanding I Can Fly programme which recruits students passionate about aviation and community service. Alumni of this programme have often pursued careers in the Hong Kong aviation industry (and in Cathay).
- Hosting high school students from The Women's Foundation Girls Go Tech programme to cultivate their interest in aviation and demonstrate how technology is being used in the aviation industry. The overall programme encourages girls in Hong Kong to study Science, Technology, Engineering and Mathematical subjects thus building a future pipeline of female talent in these fields.
- Trialing the use of gender-blind CVs in the recruitment process to see the impact on the gender balance of successful applicants.

Cathay is also a proud supporter of IATA's 25by2025 campaign to make the aviation industry more gender balanced. As a signatory, we:

- Report annually on key diversity metrics
- Have set a goal to not have more than 65% of the same gender at senior positions by 2025<sup>^</sup>
- Increase female nominations from our airlines for IATA governance roles to a minimum of 25%

<sup>^</sup> Senior positions refer to the job levels of General Managers and Directors at the Group.

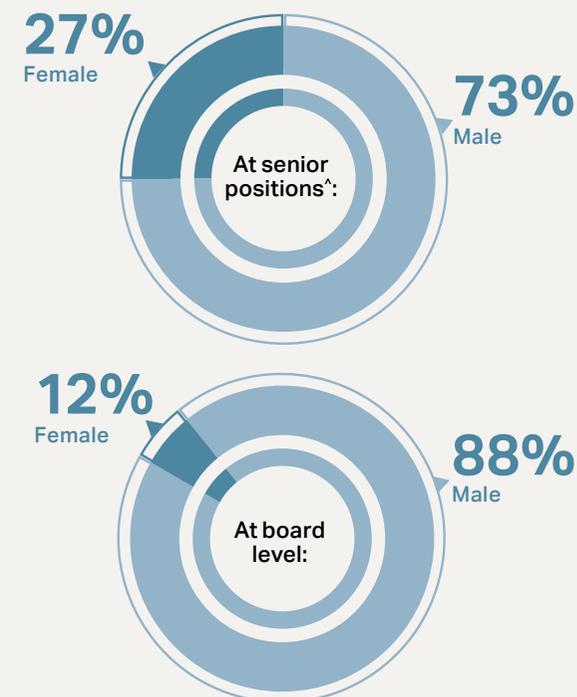
## Creating an inclusive workplace

We continue engaging our employees to listen and learn about their individual needs to protect diversity and ensure we operate in ways that make our colleagues feel welcomed and comfortable, and to be themselves.

In our Annual People Engagement Survey, we asked our people to share how diverse, equitable and inclusive they find the Cathay culture. This year 66% of employees felt that the organisation was diverse and inclusive on average, which is an increase of 5% compared to last year.

Yet there is always room for improvement. The power and responsibility for cultivating an inclusive and supportive workplace lies with everyone in the organisation from top to bottom. To ensure all our employees understand their role and the part they play, we have mandatory anti-discrimination and harassment e-learning modules and offer unconscious bias training and LGBT+ allyship training for all employees.

## Gender diversity in Cathay in 2023



We launched a **Women in Cargo** initiative which invited our women professionals to share their experiences and shed light on the opportunities for participation in the airfreight industry. This supports our agenda to raise awareness and promote gender equity at Cathay Cargo and other areas of our business.

## CASE STUDY



### D&I Month

This November the D&I Office and D&I networks celebrated a multitude of diversity days and cultural festivals with our colleagues. Diversity days are important to celebrate as they allow us to raise awareness of and stimulate discussion around specific D&I issues. They also provide an opportunity for learning and reflection, allowing us to share our progress but also acknowledge what we still need to do.

### Pink Friday

Our Fly with Pride Network celebrated Pink Friday by encouraging colleagues to wear pink to work on 10 November to demonstrate visible support for the LGBT+ community. The network also handed out pink treats and screened a LGBT+ themed film at Cathay City.

### International Men's Day

Our Gender Equity Network celebrated International Men's Day under the theme of Zero Male Suicide to highlight the importance of mental health and the support available to our people.



### Diwali and Intercultural Festivals

The OneCathay Intercultural Network celebrated Diwali and other intercultural festivals at Cathay City by organising a number of fun activities including an Indian dance class, a rangoli artwork competition, and an intercultural quiz.

### International Day of Persons with Disabilities

Our Ability to Fly Network celebrated International Day of Persons with Disabilities by organising experiential activities at Cathay City where employees learnt braille and sign language and found out more about the disability community in Hong Kong.

# SOCIAL ASPECT: COMMUNITY



Over **2,700** hours of volunteering

Over **1 million** items donated including blindfolds, blankets, children's kits, refurbished tablet computers and office furniture

Resumption of Cathay Community Flight for about **170** student and mentors

## Our Policies and Guidelines

- [Sustainable Development Policy](#)

GRI: 413-1

HKEX: GD-B8, KPI B8.1, KPI B8.2

SDG:



# COMMUNITY

## Why communities matter to us

Strong communities make for more prosperous and healthy societies. Around the globe, communities face varied and complex challenges that require collaborative responses. The past years have underscored this and emphasised the role that companies such as ours can play in effecting positive change and supporting those in need. We continue to seek out opportunities to elevate, amplify and contribute to communities with purpose and integrity.

## 2023 Performance highlights



Our employees volunteered over **2,700** hours to support different community initiatives.



The return of the popular Cathay Community Flight for **170** programme students and mentors as the grand finale of our support to the government programme.



OverHK\$**550,000** raised for UNICEF through our "Change for Good" inflight fundraising programme in 2022<sup>1</sup>.



Supported the Hong Kong SAR Government's Strive & Rise programme with Aviation Exploration Days to offer **1,600** participants an opportunity to visit aviation facilities.



Rejuvenated the **Cathay Volunteer Team** in 2023. With the support from our people, the total number of volunteers has been doubled.



Close to **1,161,000** items donated including blindfolds, blankets, children's kits, refurbished tablet computers and office furniture to the Hong Kong community.

<sup>1</sup>2022 is the most recent year for which data is available due to donations provided in 2023 being audited.

## Our approach

As an international airline based in Hong Kong, we see our key role in connecting people, cultures and places. By employing a collaborative approach, we leverage our role and work with partners across different sectors and connect our business and NGO partners to bring about long-lasting benefits. Our strategy is aimed at caring for and supporting global causes but with a special focus on Hong Kong through community programmes and volunteering.

To make a greater impact with our community engagement effort, we focus our work on core pillars developed with input from our stakeholders, including our people and the communities we serve.



### Youth

Cathay is dedicated to fostering the future growth of the communities we serve, aligning with the Group's long-term development goals. We demonstrate this commitment by investing in the development of children and youth.



### Sports

Cathay actively promotes sports and actively engages with the community through a diverse range of sports programs. Our primary goal is to enhance overall well-being, not only for our valued customers and dedicated employees but also for the communities we proudly serve.



### Arts & Culture

Cathay supports community engagement programs, fostering cultural exchange and understanding worldwide. By connecting communities with arts and culture, we contribute to a vibrant cultural landscape and lasting impact, promoting unity and acceptance.



**Ronald Lam**

Chief Executive Officer, Cathay

“

*With our deep roots in Hong Kong, supporting the local community here remains one of our key priorities. In the past year, we successfully rejuvenated the Cathay Volunteer Team and brought back the popular Community Flight. In 2024, we look forward to kick-starting the next I Can Fly programme. We believe these youth-centric programmes will support our commitment to providing the next generation with unique industry exposure and experiences for the long-term development of the Hong Kong international aviation hub.*

”

## Community programmes

As we continue to rebuild Cathay for Hong Kong, our commitment to supporting the local community grows even stronger. Our programmes help to address pressing contemporary issues associated with our community pillars and its effectiveness is measured through post-event surveys.

### I Can Fly

Launched in January 2003 in Hong Kong, the I Can Fly programme actively recruits students who show a passion for aviation and a commitment to community service. Thousands of students have graduated from the programme since its launch.

Cathay pilots and employee volunteers lead the I Can Fly members through a series of aviation and social service activities during the programme period. The young members are given the chance to visit various aviation facilities, go through aviation-related training, participate in team-building activities, and design and implement their own social service programmes for community groups.

At the end of the programme, selected members get the opportunity to take part in an overseas trip to further explore different aspects of aviation and interact with people from various cultures. A number of former I Can Fly participants have since taken up careers within the Hong Kong aviation industry.

The upcoming edition of the Cathay I Can Fly Programme will start in March 2024 providing valuable learning opportunities for Form 3 to Form 6 secondary school students.

### Cathay City visits

Cathay has been a part of the fabric of Hong Kong, offering jobs to its people and flights to its travellers. Our Cathay City visits are aimed at strengthening local understanding of how we do this through employee-led tours that provide visitors access to our people's knowledge and a behind-the-scenes view of the airline's operations. Through the tours, participants are shown around our training and operation facilities.

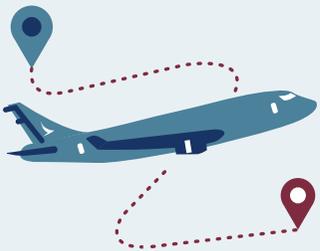
We have resumed some visits since the end of 2022, including welcoming the first batch of students and mentors from the Hong Kong SAR Government's 'Strive and Rise' programmes.

In 2023, we welcomed over 2,850 visitors to Cathay City, including community organisations and students with special needs. The visit tours were conducted by Cathay volunteers and ambassadors.

### Turn miles into good deeds

Cathay members can share rewards with those in need of support with their Asia Miles. These charity packages start from 390 Miles, so members can easily turn miles into a positive force for change. Apart from redeeming packages, members can also support charities' important initiatives by donating Miles.

#### Asia Miles Good Deeds quick facts 2023:

	<b>Total miles support</b>	<b>HK\$ 10.59 million</b>
	<b>Number of charity partners participated</b>	<b>28</b>
	<b>Types of 'Good Deeds' packages available for redemption</b>	<b>72</b>
	<b>Most popular 'Good Deeds' packages</b>	<ol style="list-style-type: none"> <li><b>EVERYONE STRAY DOGS MACAU VOLUNTEER GROUP</b> - Support Everyone Dog Hospice Care - support two days demand for aged or sick animal</li> <li><b>UNICEF</b> - 10 Sachets Of Therapeutic Milk To Malnourished Children</li> <li><b>Mileage For Good: Session 1</b></li> </ol>

## Cathay Hackathon

Our commitment to fostering the next generation of tech talent was on full display as a record-breaking 280 tech-savvy and entrepreneurial students gathered at our headquarters, Cathay City, to take part in the 6th iteration of our flagship Cathay Hackathon. Our annual event received an overwhelming response this year with 1,500 applications pouring in from local and overseas universities, each offering a unique academic background and skill set. After a rigorous selection process, 64 teams were invited to participate, where they joined forces to develop, prototype and pitch their creative ideas to a judging panel of industry experts within 24 hours.

Throughout the overnight hackathon, participants benefited from insights shared by 40 coaches and mentors from Cathay and our tech partners. They received guidance on idea

refinement, software development and business strategy. Participants also gained a behind-the-scenes perspective of Cathay's operations.

The winning team, NAAR, proposed an innovative solution that utilised artificial intelligence and computer vision-based dimensioning systems to optimise cargo load spacing. NAAR received round-trip Business Class tickets, 100,000 Asia Miles, and an opportunity to join Cathay as IT Summer Interns. The top three winning teams were granted job shadowing experiences with senior leaders at Cathay City and innovation grants from tech partners.

As the only aviation-related hackathon event, the Cathay Hackathon showcases Cathay's commitment to nurturing talent and promoting innovation in the aviation industry. Alongside

other youth development programs, Cathay continues to support young talent and promote aviation, travel lifestyle, technology, and innovation in Hong Kong.



## CASE STUDY



## Strive and Rise Programme

At Cathay, we are deeply passionate about fostering youth development within the community, exemplified by our active involvement in the Strive & Rise Programme organised by the Hong Kong SAR Government. From December 2022 to May 2023, we supported junior secondary school students in building their self-confidence and guiding them to develop their personal goals. As part of this programme, we invited 1,600 participants from disadvantaged backgrounds to visit the airport community facilities for a number of Aviation Exploration Days. During these special events, the Cathay Volunteers Team donated their time and expertise to serve as mentors and tour guides, contributing to the success of the program and leaving a positive impact on the participating youth.

## Fundraising and donations

Our long-running initiatives seek to leverage the goodwill of our employees, customers and business partners to affect positive change in Hong Kong and across the globe.

### UNICEF

Change for Good (CFG) is an inflight fundraising programme operated by Cathay Pacific and the Hong Kong Committee for UNICEF. Since its launch in 1991, the programme has successfully converted spare change from Cathay Pacific passengers into supplies and services to improve the lives of vulnerable children worldwide.

Change for Good has raised funds in support of UNICEF's lifesaving programmes, helping deprived children and women across 190 countries and territories worldwide. In 2022, the programme raised over HK\$550,000. Over the years, our people have taken field trips to underprivileged communities that are supported by the programme, so they can experience its positive impact first-hand.

### Cathay Wheelchair Bank

With the support of the Faculty of Medicine at the Chinese University of Hong Kong, the Hong Kong Polytechnic University and the Prince of Wales Hospital, the Wheelchair Bank was set up in 1996 to raise funds for buying specially adapted wheelchairs for children with neuromuscular diseases. An average of one month's proceeds each year from Cathay's Change for Good inflight fundraising programme is donated to the Wheelchair Bank.

### Donations

In 2023, the Company and its subsidiaries made charitable donations amounting to HK\$1.3 million in direct payments and a further HK\$4.6 million in the form of discounts on airline travel. We also made in-kind donations of close to 1,161,000 pieces of items, including blankets, children's kits, blindfolds, refurbished tablet computers and office furniture.

## CASE STUDY



### Cathay Community Flight

Cathay continued our longstanding commitment to supporting youth development in Hong Kong. The Community Flight programme first launched in 2007 with more than 1,300 participants. In the latest edition, we orchestrated a memorable experience for 170 participants, treating them to a 90-minute flight soaring above the skies of Hong Kong onboard a state-of-the-art A350-1000 aircraft, marking the grand finale of a series of initiatives we organised for the Hong Kong SAR Government's Strive and Rise Programme. Further, the Chief Secretary for Administration of the Hong Kong SAR Government graced the occasion as the special guest of honour. The seamless execution of the event was made possible through the dedicated support of Cathay volunteers from across various departments, ranging from cockpit and cabin crew to ground staff, collectively contributing to the success of this impactful endeavour.

## Other fundraising events

Cathay also supported Hong Kong's leading fundraising events for more than a decade with miles and air ticket donations. The 100km Oxfam Trailwalker is aimed at alleviating poverty and supporting emergency relief projects in Asia and Africa, Orbis Virtual Moonwalker, and the UNICEF HK "Discover, for every child" Virtual Run which supports the Reimagine Education initiative.

## Volunteering

We are a global brand that is proactively engaging the local communities we serve and bringing value to not just our customers but the neighbourhoods around them. For many years, our community engagement efforts have also made an impact in our various regions outside of our hometown Hong Kong.

In 2023, the Cathay Volunteer Team was rejuvenated, For the first time in years, there was a recruitment drive in Cathay City to meet colleagues and explain the joys of volunteering in person. With the support of management and various departments, the event was a huge success and a milestone in the journey to rebuild our business.

During the year, the Cathay Volunteer Team supported company flagship community programmes and volunteering activities, including a workshop organised by The Hub Children and Youth Centre, aimed at empowering underprivileged children through the promotion of STEM education. The team's efforts were directed at providing these children with knowledge to enhance their competitiveness. Employee volunteers also lent a hand in packing and preparing food parcels with Feeding Hong Kong and distributed them to community members. These initiatives align with our longstanding collaboration with both charities to donate surplus food, eliminate food waste and help people in need.



The Cathay Volunteer Team participated in different volunteering work to give back to the community. Our volunteers contributed over **2,700** hours of volunteer work in 2023.

## Noise management

The noise generated from an airport's operations may disturb the surrounding communities. Generated through two main causes, namely, flight operations and ground operations, the aviation industry has been working hard to reduce noise pollution for decades and deployed several effective methods to date.

Cathay Pacific observes the noise abatement procedures published by the local authority and ensures full compliance with the noise requirements. Locally, we follow the Hong Kong airport QC2 and QC4 night-time noise requirements as appropriate and, for select aircraft models, we have augmented our departure procedures for weight and climb altitude over the noise-sensitive Ma Wan district.

Flying in airspace outside of Hong Kong, we follow international protocol, such as the "Balanced Approach to Aircraft Noise Management" recommended by the ICAO. Our pilots also take local context into account and adhere to any airport specific noise abatement procedures. Moreover, with comprehensive prior planning, we deploy the most suitable aircraft models for specific flight paths and local time schedules where possible.

Currently, we calculate the theoretical noise level using OEW programmes and report to the authorities on a request basis to demonstrate our compliance with noise regulations.

Cathay Pacific also remains committed to investing into aircraft, developing more efficient operating procedures and embracing advanced technologies to further reduce noise disturbance. For instance, the Airbus A350-900 fleet are designed to reduce aircraft noise and are equipped with automatic Noise Abatement Departure Procedures (NADP) which optimise flight procedures to mitigate noise over densely populated areas; the A321neo fleet also emits more than 10 EPNdB below the Chapter 14 of ICAO Annex 16 noise standard. For all the new aircraft we purchase, their noise level will be below the ICAO standard.



# OUR SUBSIDIARIES

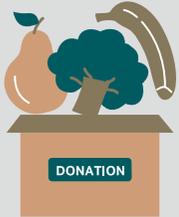


## OUR SUBSIDIARIES

### 2023 Performance highlights

As a leading airline that values sustainability, our subsidiaries are also required to develop sustainable development related policies and practices in their operations across their business lines.

**Cathay Dining** provides flight-catering services to 49 international airlines operating out of the Hong Kong International Airport.



#### Food donation:

By collaborating with non-profit organisations, such as Food Angel and Feeding Hong Kong, we delivered over

**210** tonnes of food and beverage items to those in need of food assistance in Hong Kong.



#### Sustainable sourcing:

**73%** of our seafood.

## CASE STUDY



### Featuring as an industry leader in circular economy practices by the University of Hong Kong

Cathay Dining conducted an innovative bread-to-beer project aimed at transforming unrepresentable and surplus bread from flights into premium craft beer available for purchase to tackle food waste issue. The project garnered recognition as a prominent case study in value chain-based circularity practices and was featured in *A Practical Guidebook to a Circular Economy: Collaborating with Value Chain Partners for a Resilient Business*, published by the University of Hong Kong. We look to continue contributing our insights, setting an example as an industry leader in driving sustainability forward.

### Winning the 2022 Hong Kong Awards for Environmental Excellence (HKAEE) Gold Award

Cathay Dining proudly took home the prestigious Gold Award in the 2022 HKAEE - Manufacturing and Industrial Services Sector. We stand firm in our commitment to sustainability, having stayed resilient during the pandemic as we integrated innovation and sustainability into daily activities. Through equipment enhancement and retro-commissioning, we are actively decarbonising our operations and working towards our ambitious goal of achieving carbon net zero by 2050. Moreover, our initiatives such as food donation, waste recycling, and elimination of SUP prevent materials from entering landfills.

**Vogue Laundry** is a leading commercial laundry company in Hong Kong.

- **Waste reduction at source:** By exploring various opportunities including modifying packaging specifications and food waste recycling in our canteen.
- **Prioritising health and safety:** Conducted the "Safety Climate Survey" and heat stress risk assessments.



## CASE STUDY



### Launching the First Sustainable Development Week

In November 2023, the first Sustainable Development Week of Cathay Subsidiaries Services was launched. Through a series of events, including sharing, workshops, games, visits and community service, we aimed to improve our people's understanding of the subsidiaries' sustainability journey and how individual sustainable behaviours could make a positive impact.

**Hong Kong Airport Services Limited** provides ground handling services to airline customers.

- **Decarbonising our fleet:** Electrified 100% of our private cars for ramp by the end of 2023.
- **Waste diversion:** Achieved a 48% waste diversion rate.



## CASE STUDY



### Launching the E-Cargo Consignment Form

Hong Kong Airport Services has been striving to reduce paper use through operational process digitalisation. For instance, we enhanced our self-developed Ramp Handling System 2.0 (RHS2.0) to facilitate the digitalisation of the export consignment form. This form is a security check document for cargo handover at the Midfield Concourse and South Security Checkpoint. We collaborated with the Civil Aviation Department, Airport Authority Hong Kong, AVESCO, and Cathay Cargo Terminal to become the first in HKIA to launch the E-Cargo Consignment Form in November 2023. This initiative is expected to save over 100,000 pieces of paper annually.

**Cathay Cargo Terminal** operates the latest air cargo facility in Hong Kong, serving airlines operating at Hong Kong International Airport.

- **Minimising the use of virgin SUP:** Committed to sourcing Polyethylene (PE) plastic sheets with at least 30% recycled content and conducted trials on PE sheets with 50% recycled content.
- **Expanding the scope of recycling:** Added extra recycling facilities to facilitate wooden pallet, carton box and polystyrene recycling.



## CASE STUDY



### Moving towards Circular Economy for Plastics

Cathay Cargo Terminal has been consistently working on cradle-to-cradle options for SUP generated from our operations. We are the first Hong Kong cargo terminal operator to close-loop all operational plastics (i.e. recycle used PE sheets and wrapping films then re-process them to new PE sheets and wrapping films with at least 30% recycled contents) for circularity. Since 2021, we have recycled the PE plastic sheets used to protect cargo from weather and dust, upcycling them to make new PE plastic sheets with recycled contents to minimise the use of virgin plastic. In 2023, we have conducted a trial to further increase the percentage of recycled content in our PE sheets, striving to reduce the environmental impact of our operations.

### Sandbags Donation: Switching Practices in Handling Terminal Waste

Cathay Cargo Terminal continues to seize opportunities to divert materials from landfill. This year, we donated over 1,000 sandbags that are no longer necessary for our cargo operations to NGOs such as the Crossroad Foundation, schools and housing estates for anti-flooding and other community uses.

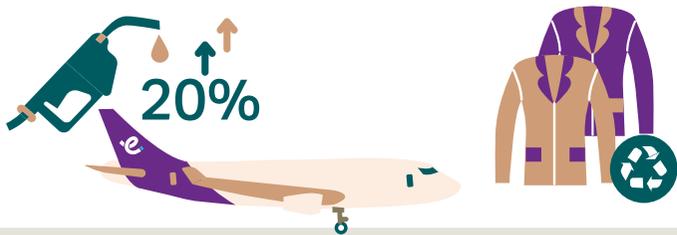
**Air Hong Kong** is an express all-cargo carrier offering scheduled services in Asia.

- **Decarbonisation:** Continued our efforts in the Fuel Forum Steering Committee to enhance our fuel efficiency initiatives. Over 2,300 tonnes of carbon emissions were avoided in 2023 as a result.
- **Health and Safety:** Expanded our Fatigue Risk Management System to ensure that our pilots are fully trained to safeguard our operations against fatigue.



**HK Express** is Hong Kong's only low-cost carrier, offering scheduled services within Asia.

- **Younger and greener fleet:** Introduced 4 brand new A321-neo aircraft with enhanced fuel efficiency with up to 20% per seat.
- **Circularity:** Upcycled and recycled 80% of old cabin crew uniform items.



## CASE STUDY



### Customer Carbon Offset Programme

HK Express partnered with a leading SaaS platform CHOOSE to introduce the Customer Carbon Offset Programme. This voluntary programme helps customers better understand their flight-associated carbon emissions and raises awareness on climate change. During and after the booking process, customers can opt to purchase carbon offsets for the estimated carbon emissions generated by their flights. The purchased offsets are used to support certified, high-quality carbon projects selected by HK Express including construction of a biomass power plant in the Guangxi region of the Chinese Mainland and a wind farm in Thailand. Both projects are certified with Verified Carbon Standard by Verra, an organisation that sets the global leading standards on climate action and sustainable development.

### Cabin Crew Uniform Recycling and Upcycling Project

In 2023, we implemented the Cabin Crew Uniform Recycling and Upcycling Project. Through partnerships with local sustainable enterprises, we successfully recycled and upcycled 80% of approximately 3,000 retired cabin crew uniform items. About 48% of the fabric materials from the uniforms are upcycled by Mountain Yam, a local sustainable fashion designer, and transformed into teddy bears that carry a piece of the aviation history and plenty of comfort. Partnering with The Billie System, an award-winning technology firm that transforms textile waste into recycled yarn using a waterless process, 24% of the uniforms are made into sustainable pouches. Further, we partnered with Earthero Studio to transform 7% of the uniform materials into upcycled Christmas Socks that are offered for charity sales for the Ronald McDonald House Charities Hong Kong.



## Hong Kong Express Airways Limited

Hong Kong Express Airways Limited (HK Express) is Hong Kong's only low-cost carrier (LCC). We strive to offer affordable fares and exceptional operational efficiency without cutting corners. Focusing on short-haul services and flying to undiscovered destinations that are desired by travellers, we provide 23 routes of low-cost air services in the Asia-Pacific region.

### Our approach to sustainability

At HK Express, we put our people first. Our 1,364 employees, made up of 544 cabin crew, 301 pilots and 519 office employees, are integral to delivering our customer-centric service, are integral to delivering our customer-centric service. To support a more sustainable tomorrow, our approaches include:

- Maximise operational efficiency and adopt smart technology to minimise environmental impact.
- Proactively reduce waste, promote separation for recycling and phase out inflight SUP.
- Integrate climate action into customers' experience to enable customers to travel more sustainably.
- Support our people and communities by providing equal opportunities, taking care of our employees, and assisting those in need.

Material topics		
<b>Greener operations</b>	Carbon is a key concern of HK Express. We focus on fleet modernisation to reduce carbon emissions from our operations.	<p><b>This year:</b></p> <ul style="list-style-type: none"> <li>• We introduced 4 brand new A321-neo that are characterised by enhanced fuel efficiency with up to 20% per seat on fuel consumption reduction. We prioritise the use of young and energy-efficient aircraft with an average fleet age of seven years old.</li> <li>• We continue to engage pilots with greener pilot procedures and deploy FlightPulse®, a flight carbon reduction performance tracker. We reduced carbon intensity by 13% since 2019 via fuel efficiency enhancement initiatives. Nearly 3,500 tonnes of CO<sub>2</sub> emissions saved in 12 months compared with planned fuel usage via greener pilot operations.</li> <li>• We performed regular aircraft engine cleaning with Cyclean® to ensure high engine efficiency.</li> </ul>
<b>Waste management</b>	HK Express is proactively reducing waste, promoting separation for recycling and phasing out inflight SUP.	<p><b>This year:</b></p> <ul style="list-style-type: none"> <li>• We replaced non-recyclable SUPs with greener alternatives such as FSC-certified, eco-ink printed and compostable cutlery sets, airsickness bags, bamboo napkins, wooden stirrers and paper cups.</li> <li>• We launched Greener UO campaign to encourage further sustainable actions in the workplace. We have partnered with The Loops, a social enterprise, to collect around 130 kg of 40+ types of recyclables in the office since June 2023, and over 1,770 kg paper and mixed plastic at our catering centre.</li> <li>• In our effort to support underprivileged groups and minimise food waste, we have initiated an ongoing surplus food donation project with Feeding HK and Green Price. In 2023, we have donated more than 990 kg food.</li> </ul>
<b>Our people and community</b>	HK Express has a keen focus on our employee experience, engagement and wellbeing.	<p><b>This year:</b></p> <ul style="list-style-type: none"> <li>• As a part of our Diversity &amp; Inclusion roadmap, we have taken a pioneering step in the industry by extending our employee travel benefits and medical insurance coverage to include same-sex legitimate spouses.</li> <li>• We continue to prioritise well-being by adopting Flexiwork 2.0, Employee Wellbeing Initiatives and Employee Assistance Programme (EAP). We also took initiatives to enhance Occupational Health and Safety training to support employees' safety and wellbeing.</li> <li>• To groom high-potential young talents into future aviation leaders, we continued running the AXIS Internship Programme and introduced the HORIZON Graduate Trainee Programme, both of which were awarded the Gen Z Attraction Award 2023.</li> <li>• We are committed to our community by engaging our employees in supporting various local charitable works such as Food Angel, Fair Trade, Hong Kong Children's Hospital, Po Leung Luk and Ronald McDonald House Charity via volunteering, sponsorship, fundraising, book donations and airport visit tours.</li> </ul>

### Air Hong Kong

Air Hong Kong (AHK) is the longest serving dedicated freighter airline based in Hong Kong which operates express cargo services for DHL Express, utilising a fleet of Airbus A300F and A330F, serving 14 scheduled destinations in Asia and several other ad-hoc charter destinations in Asia.

### Our approach to sustainability

As an airline, we continue to replace older aircraft with a newer, more fuel-efficient model and to implement various fuel-saving initiatives to reduce our carbon emissions. We focus on the areas of safety, climate change and our people in a sustainable and compliant manner. Our Safety Management Systems Manual sets out the policies and procedures pertaining to Safety Management System (SMS) activity within AHK. Furthermore, the Quality Management System Manual ensures compliance with the relevant regulations and company policies. We aim to create an inclusive workplace for our employees, and we constantly monitor our environmental performance.

Material topics		
<b>Health and safety</b>	We fully comply with the designation conditions applicable to crew members of aircraft ("aircrew members") who need to commute to and from Chinese Mainland, Macau and Taiwan / foreign places for the performance of duties arriving at Hong Kong International Airport set by HKSAR Government.	<p><b>This year:</b></p> <ul style="list-style-type: none"> <li>We continue to enhance and expand our Fatigue Risk Management System (FRMS); and ensure our pilots are fully trained to safeguard our operations against fatigue.</li> </ul>
<b>Climate change</b>	We maximise the cargo-carrying capacity on our journeys by flexibly deploying our fleet and replacing older aircraft with newer, more fuel-efficient models to improve fuel efficiency and reduce carbon emissions on our flights.	<p><b>This year:</b></p> <ul style="list-style-type: none"> <li>We continue to implement various initiatives to improve efficiency initiatives and constantly explore new opportunities to reduce our carbon emissions.</li> <li>We continue our efforts in the Fuel Forum Steering Committee to enhance our fuel efficiency initiatives. Over 2,300 tonnes of carbon emissions were avoided in 2023 as a result.</li> </ul>
<b>Our people</b>	Our business relies on the skill, experience and professionalism of our people. We therefore engage our people regularly to ensure we are delivering for them as they are for our customers.	<p><b>This year:</b></p> <ul style="list-style-type: none"> <li>We achieved over 80% response rate for our staff engagement survey reflecting a highly engaged culture. Results showed an above average satisfaction rate. Approximately 80% of the respondents agreed or strongly agreed that they are proud to work for AHK.</li> <li>We organised a Family Outing Day for the first time after the pandemic. With the purpose of deepening our collective understanding of environmental protection, the gathering took place in an area known for hosting 80% of Hong Kong's butterfly species.</li> </ul>

## Cathay Dining

As one of the largest flight kitchens in the world, Cathay Dining provides flight-catering services to 49 international airlines operating out of the HKIA.

In 2023, Cathay Dining supplied around 19.4 million airline meals and handled over 43,389 flights, representing an average of approximately 53,134 meals and 119 flights a day. Cathay Dining is supported by over 1,300 employees and its resident contractors.

### Our approach to sustainability

We see sustainability as vital to steer operational excellence, better utilise resources, and ensure business growth. Our sustainability drive is governed by the Sustainable Development Steering Committee ("SD Steering Committee"). Headed by our Chief Executive Officer, it includes a cross-functional team represented by the department heads and is responsible for sustainability strategy planning, implementation, monitoring and review.

Our primary focus is the safety and quality of our food. Our Quality Management Department oversees the manufacturing and distribution of our consumables. Our operations meet aviation and international standards including HACCP<sup>▲</sup>, ISO 9001:2015 and IATA's Inflight Catering Quality Assurance Programme. Company-wide systems and procedures are also aimed at reducing the impacts of our business on the environment and supporting our people and the local community. Our progress on key material topics is described below.

<sup>▲</sup>Hazard Analysis and Critical Control Point (HACCP)

## Material topics

<p><b>Waste management</b></p>	<p>Through collaboration and innovation, we reduce waste from production, as well as inflight waste. Efforts are made to minimise waste generation in procurement, production and operational planning. We reuse and recycle materials; and enhance stakeholders' awareness of waste management.</p>	<p><b>This year:</b></p> <ul style="list-style-type: none"> <li>• We collaborated with non-profit organisations such as Food Angel and Feeding Hong Kong to donate over 210 tonnes of food and beverage items to those in need in Hong Kong.</li> <li>• We established new recycling and donation programmes, such as polyfoam recycling and yard waste recycling.</li> <li>• We recycled a total of 606 tonnes of food waste at O · PARK1's waste to energy facilities.</li> </ul>
<p><b>Responsible procurement</b></p>	<p>We strive to increase the proportion of sustainable products in our portfolio and encourage our supply chain to become more sustainable. We fully support the <a href="#">Swire Pacific Sustainable Food Policy</a>. Where possible we avoid unsustainable food items and advocate sustainable consumption practices to our customers.</p>	<p><b>This year:</b></p> <ul style="list-style-type: none"> <li>• We purchased around 315 tonnes of sustainable seafood, representing 73% of the total volume of seafood purchased.</li> <li>• We achieved 100% use of eco-friendly products in hygiene-related paper products and stationery paper products.</li> </ul>
<p><b>Our people</b></p>	<p>Investing in human capital is critical to our success. We attract and nurture talent, and equip them with the relevant skills to ensure they grow as professionals during their careers with Cathay Dining. Our success is based on hiring the best people, being passionate about people development and believing in the importance of people to improve business performance to remain competitive in the business environment.</p>	<p><b>This year:</b></p> <ul style="list-style-type: none"> <li>• We maximised opportunities in people development by strengthening our supervisory development architecture with a series of new training workshops to equip our supervisors with essential skills to succeed in current and future roles, topics include:             <ul style="list-style-type: none"> <li><b>Day to Day Leadership</b> <ul style="list-style-type: none"> <li>o Fundamental Supervisor Practices</li> <li>o Advanced Supervisor Practices</li> <li>o 5S &amp; LEAN Boot Camp</li> <li>o Fundamental Project Management</li> </ul> </li> <li><b>Understanding People</b> <ul style="list-style-type: none"> <li>o DISC – Interpersonal Skills</li> <li>o Better Communication with MBTI</li> </ul> </li> <li><b>Communicating with Influence</b> <ul style="list-style-type: none"> <li>o Selling Your Messages</li> <li>o Effective Communication</li> <li>o Train-The-Trainer (Training Design &amp; Classroom Facilitation)</li> <li>o Appraisal Skills</li> </ul> </li> <li><b>Innovation</b> <ul style="list-style-type: none"> <li>o Design Thinking (Double Diamond Model)</li> </ul> </li> <li><b>Functional Training</b> <ul style="list-style-type: none"> <li>o Data Governance Training</li> <li>o Data Protection Training</li> <li>o TOGO, our e-procurement system training</li> </ul> </li> </ul> </li> </ul>



## Cathay Cargo Terminal

Serving airlines operating out of at Hong Kong International Airport, Cathay Cargo Terminal is equipped to handle 2.7 million tonnes of cargo annually.

Our vision is to become the world's most customer-centric cargo terminal services provider.

### Our approach to sustainability

Led by the Chief Operating Officer, sustainability at Cathay Cargo Terminal is governed by the Sustainable Development Steering Committee (SD Steering Committee) that involves department heads from various functions. The Committee meets regularly to formulate sustainability strategies and review areas of improvement.

Through building a strong corporate sustainability culture and integrating sustainability concepts into decision-making, our strategy strives to mitigate the social and environmental impacts of our daily cargo terminal operation. To establish and maintain a holistic environmental management system, Cathay Cargo Terminal became the first organisation in Hong Kong to sign up for the IATA Environmental Assessment (IEnvA) program in November 2023. Our commitment to sustainable development is recognised by garnering the Bronze award in the Transport and Logistics sector at the 2022 Hong Kong Awards for Environmental Excellence (HKAEE).

## Material topics

<b>Carbon emissions</b>	<p>We commit to minimising the impact on our environment and keep exploring innovation and technology for more efficient energy consumption in the terminal.</p>	<p><b>This year:</b></p> <ul style="list-style-type: none"> <li>• We have commenced a major LED light enhancement project. By the end of 2023, over 60% of the lighting had been replaced. Project is expected to be completed by Q1 2024.</li> </ul>
<b>Materials and waste</b>	<p>We actively monitor the consumption of SUP items in our operation, seeking eco-friendly alternatives to divert materials from landfill where possible. Proper waste recycling and reuse is another key focus in our environmental management.</p>	<p><b>This year:</b></p> <ul style="list-style-type: none"> <li>• We conducted a trial on PE sheets to further increase the percentage of recycled content from 30% to 50%, so to minimise the use of virgin SUP.</li> <li>• Our waste diversion rate increased by over 150% due to improvements in waste collection and recycling facilities for plastics, wood and food waste.</li> </ul>
<b>Health and safety</b>	<p>Safety excellence is the cornerstone of everything we do and we are fully committed to providing a safe operational and working environment. All our business partners, suppliers and contractors are encouraged to share our primary safety goal of zero harm.</p>	<p><b>This year:</b></p> <ul style="list-style-type: none"> <li>• We achieved our lowest injury rate since commencing operations, both in absolute terms (Total Recordable Injury – TRI) and (Total Recordable Injury Frequency Rate – TRIFR), taking into account all of our subcontractors as well as our own employees.</li> <li>• We held Automated External Defibrillator (AED) training in May and December 2023, which increased the number of first aiders equipped with the knowledge of using AED equipment during emergencies.</li> <li>• A safety campaign on heat stroke prevention was conducted in collaboration with the Airport Authority in the summer. A total of 370 employees and contractors participated in the event. Additionally, heat stress risk assessments were carried out.</li> <li>• With the joint efforts of our safety ambassadors and contractors, the Driving Safety Campaign were conducted in Q3 and Q4 to enhance safety awareness and improve driving safety among mobile equipment operators through driving inspections.</li> </ul>
<b>Our People</b>	<p>We aim at becoming an employer of choice by attracting, nurturing and retaining talent, cultivating a high-performing culture in a diverse and inclusive workplace where our people can excel.</p>	<p><b>This year:</b></p> <ul style="list-style-type: none"> <li>• We received a 'Caring Company' award from the Hong Kong Council of Social Services.</li> <li>• We introduced Diversity &amp; Inclusion Month to show our support to all of our people, irrespective of gender, race, ethnicity or family status. Various events, including Pink Friday, the premier screening of "Women in Cathay Cargo" and International Men's Day, were carried out.</li> </ul>



## Vogue Laundry Services Limited

Vogue Laundry (VLS) started as a dry cleaner in 1964 and has grown to be one of the major leading commercial laundry companies in Hong Kong. We employ about 350 people and serve 26 aviation customers and 31 hotel and club customers. On average we deal with 174,000 production pieces a day, equivalent to 55 tonnes of laundry.

### Our approach to sustainability

We strive to make sustainability part of our business, focusing on quality, health and safety, and contributing to environmental protection with our waste reduction efforts.

The safety of our employees is our priority. We have achieved the ISO 45001:2018 occupational health and safety standard and our OHS management system is effective in mitigating risk and occurrence of injuries and occupational illnesses.

The nature of our business relies upon considerable quantities of water and electricity. As such we pay particular attention to managing our environmental impacts. We are certified as a Hong Kong Green Organisation and our plant, the biggest most automated laundry in East Asia, is a BEAM Plus Gold standard building furnished with energy saving equipment and water recycling facilities. We also seek ways to drive down our greenhouse gas emissions and proactively explore and implement plastic reduction initiatives. We reuse hangers and recycle paper, plastic and aluminium packing material when used. Our suppliers are expected to employ similar recycling programmes in line with our [Supply Chain Sustainability Code of Conduct](#).

## Material topics

<b>Health and safety</b>	<p>Safety is our number one priority at Vogue Laundry, we adopt ISO 45001 as an integral part of our business performance. We are committed to driving an occupational health and safety (OH&amp;S) culture by developing and applying an effective OH&amp;S system with standards and practices appropriate to the risks and opportunities associated with our business activities.</p>	<p><b>This year:</b></p> <ul style="list-style-type: none"> <li>We conducted a "Safety Climate Survey" to collect employees' overall opinions on safety and health matters. This survey serves as an indicator of our organisation's current safety culture and reflects the current level of our safety practices. By conducting this survey, we aim to understand our employees' attitudes and commitment towards OH&amp;S, as well as provide additional suggestions on how to improve safety which has helped us strengthen our OH&amp;S management and performance. Furthermore, heat stress risk assessments were also performed to eliminate potential health and safety risks.</li> </ul>
<b>Waste management</b>	<p>We strive to minimise our waste generation, especially SUP, in our operation.</p>	<p><b>This year:</b></p> <ul style="list-style-type: none"> <li>We continuously reduced the use of SUP by modifying packaging specifications, adopting durable laundry bags and offering environmentally friendly garment bags to our customers.</li> <li>We strive to increase the recycling rate by exploring various recycling opportunities. For instance, we started food waste recycling in our canteen in 2023.</li> </ul>
<b>Quality</b>	<p>We strive for quality and continuous improvement. Processes Optimisation is one of our core values. We apply LEAN manufacturing and encourage cross-function collaboration to improve performance by systematically removing waste and reducing variation.</p>	<p><b>This year:</b></p> <ul style="list-style-type: none"> <li>We launched a recognition programme to motivate employees to generate innovative ideas, thereby further promoting the culture of continuous improvement. Our employees are encouraged to participate in related LEAN training programmes to acquire the required skills.</li> </ul>
<b>Social Responsibility</b>	<p>Caring for the community is a core value at VLS. We are committed to maintaining strong community relationships by engaging in various community projects with our services and time.</p>	<p><b>This year:</b></p> <ul style="list-style-type: none"> <li>We have collaborated with the HK Family Welfare Society for over 10 years to provide free laundry services to the underprivileged and elderly in need. We also offered 2 training sessions about laundry care to the elderly and received positive feedback.</li> <li>We continued to build on our "15 years+ Caring Company" and joined various fundraising events from the Community Chest of HK.</li> </ul>

## Hong Kong Airport Services Limited

Hong Kong Airport Services Limited (HAS) was established in 1995 to provide professional passenger services and ramp and cargo services to airlines at Hong Kong International Airport. These include loading and unloading of aircraft, baggage handling, cargo and mail delivery, ramp coordination, aircraft load control, aerobridge and passenger steps operation, Unit Load Device storage and crew transportation. We serve 24 airlines at HKIA with a fleet of over 2,600 Ground Support Equipment (GSE) and vehicles and over around 1,900 employees.

### Our approach to sustainability

Our vision is to excel as a regional, full-service ground handling agent by putting safety first, creating value for our stakeholders, recognising the contribution of our employees and committing to sustainable development. Our Sustainable Development Committee is responsible for governing the implementation of our [Sustainable Development Policy](#), developed by Swire Pacific. Chaired by the Chief Executive Officer and supported by department heads or functional managers, it drives improvement on our key focus areas. The application of the policy helps us to operate with excellence, quality, efficiency and transparency.

## Material topics

<p><b>Environmental management</b></p>	<p>Fuel consumed by our fleet accounts for over 87% of our greenhouse gas emissions. We continue to implement our GSE and Vehicle Replacement Programme to modernise our fleet with more fuel-efficient or electric vehicles. We monitor and review resource use and waste and seek to reduce the impact of our operations on the environment.</p>	<p><b>This year:</b></p> <ul style="list-style-type: none"> <li>• All of our private cars operating in the ramp side have been electrified.</li> <li>• We decreased the amount of waste generated by around 20% and diverted over 20 tonnes from landfill, representing a 48% waste diversion rate.</li> </ul>
<p><b>Our people</b></p>	<p>Being a good employer enables us to attract talents, retain skilled employees, and develop their potential. We invest in employee training and development and recognise employees for their contribution to our success in areas including customer service excellence.</p>	<p><b>This year:</b></p> <ul style="list-style-type: none"> <li>• We provided 196,873 hours of training to employees at all levels of the company; an average of 104 hours per employee.</li> <li>• We carried out various safety campaigns, such as the Driving Safety Campaign and heat stress risk assessments, to protect the health and safety of our people. Our commitment to health and safety is recognised by the following awards:             <ul style="list-style-type: none"> <li>o 2022/23 Airport Safety Recognition Scheme HKIA Safety Excellence Award – Merit</li> <li>o OSHC Workplace Outstanding Award – Outstanding</li> <li>o 22nd Occupational Safety and Health Award - Safety Culture Award – Merit and Safety Climate Index Survey (Best Practice Award) – Merit</li> <li>o JAL Ramp Incident Free Commendation Certificate for the 15th consecutive year</li> </ul> </li> <li>• We received recognition as a “15 years+ Caring Company”, “Good Employer Charter 2022-2024” and for human resources management as part of the “ERB Manpower Developer Award Scheme”.</li> </ul>

## 2023 KEY PERFORMANCE INDICATORS

### Economic indicator table

INDICATOR	2023 HK\$M	2022 HK\$M	2021 HK\$M
<b>Direct economic value generated*</b>			
Revenue	94,485	51,036	45,587
Finance income	1,228	165	75
Shared of profits of associates	(1,534)	(6,677)	(1,985)
<b>Economic value distributed</b>			
Operating Expenses	81,486	47,565~	46,037
Staff Expenses	14,785	10,646~	11,298
Payment to providers of capital	6,729	3,074	2,704
- Finance charge	3,961	3,074	2,704
- Dividend paid – to the shareholders of Cathay	2,768	-	
- Dividend paid – to non-controlling interests	-	-	
Payments to government (Taxation)	1,068	(507)	(531)
<b>Community investments including charitable donation</b>			
- Direct payment	1	2	3
- In the form of discounts on airline travel	5	4	0.2
<b>Economic value retained</b>			
Profit/(loss) attributable to the shareholders of Cathay	9,789	(6,623)~	(5,527)

\* More financial data can be found in our [Annual Report 2023](#) p.79-80.

~Data is restated due to adopting the guidance of the Hong Kong Institute of Certified Public Accountants (HKICPA) regarding the abolition of the Mandatory Provident Fund (MPF)-Long Service Payment (LSP) offsetting mechanism in June 2022.

## Environmental indicators tables

### Emissions – Overall carbon emissions (Cathay Pacific and principal subsidiaries)

INDICATOR	UNITS	2023	2022	2021
Scope 1 <sup>◆</sup>	tCO <sub>2</sub> e	<b>11,574,068</b>	5,349,881	6,020,691
Scope 2 (market-based) <sup>◆</sup>	tCO <sub>2</sub> e	<b>45,812</b>	40,442	40,842~
Scope 2 (location-based)	tCO <sub>2</sub> e	<b>79,188</b>	70,564	71,412
Scope 3	tCO <sub>2</sub> e	<b>5,939,000</b>	5,205,000	-
Scope 1 and 2 (market-based) <sup>◆</sup>	tCO <sub>2</sub> e	<b>11,619,880</b>	5,390,323	6,061,533~
Scope 1 and 2 (location-based)	tCO <sub>2</sub> e	<b>11,653,256</b>	5,417,925	6,092,103
Scope 1, 2 and 3 (market-based)	tCO <sub>2</sub> e	<b>17,558,880</b>	10,595,323	-
Scope 1, 2 and 3 (location-based)	tCO <sub>2</sub> e	<b>17,592,256</b>	10,622,925	-
Net Scope 1 <sup>§</sup>	tCO <sub>2</sub> e	<b>11,562,467</b>	5,312,690	6,012,929
Net Scope 1 and 2 (market-based) <sup>§</sup>	tCO <sub>2</sub> e	<b>11,608,279</b>	5,353,132	6,053,771~
Net Scope 1 and 2 (location-based) <sup>§</sup>	tCO <sub>2</sub> e	<b>11,641,655</b>	5,380,734	6,084,341
Net Scope 1, 2 and 3 (market-based) <sup>§</sup>	tCO <sub>2</sub> e	<b>17,547,279</b>	10,558,132	-
Net Scope 1, 2 and 3 (location-based) <sup>§</sup>	tCO <sub>2</sub> e	<b>17,580,655</b>	10,585,734	-

<sup>§</sup> Net Scope 1 emissions are calculated based on our gross Scope 1 emissions and then subtracting any certified SAF derived carbon emission abatement and any other carbon abatement financed by Cathay Pacific, including the carbon offset for our duty travels and for Fly Greener promotional campaigns in which we had financed the carbon offset for customers' travels on our flights.

<sup>◆</sup> Data verified by Deloitte

~ Data is restated to reflect the actual performance.

Note: According to the GHG Protocol Scope 2 Guidance, a market-based method reflects emissions from electricity that companies have purposefully chosen. A location-based method reflects the average emissions intensity of grids on which energy consumption occurs, using mostly grid-average emission factor data.

## Emissions – Aircraft operations

INDICATOR	UNITS	2023 <sup>**@</sup>	2022 <sup>**@</sup>	2021 <sup>**@</sup>	2020 <sup>**@</sup>	2019 <sup>**@</sup>	2018 <sup>**</sup>	2017 <sup>**</sup>	1998
Available tonne kilometre (ATK)	million	<b>23,113</b>	11,092	12,308	15,587	34,791	32,387	31,439	10,857
Revenue tonne kilometre (RTK)	million	<b>16,369</b>	7,857	9,268	10,876	25,362	24,543	23,679	7,213
Revenue passenger kilometre (RPK)	million	<b>81,454</b>	15,435	4,126	21,136	143,832	130,630	126,663	40,679
Fuel consumption	thousand tonnes	<b>3,660</b>	1,690	1,904	2,386	6,130	5,713	5,625	2,343
Fuel efficiency of all aircraft	grammes / ATK	<b>158</b>	152	155	153	176	176	179	216
	% improvement since 1998	<b>26.6%</b>	29.4%	28.3%	29.2%	18.5%	18.3%	17.1%	0.0%
	grammes / RTK	<b>224</b>	215	204	219	242	233	238	325
	% improvement since 1998	<b>31.2%</b>	33.8%	37.2%	32.5%	25.5%	28.3%	26.9%	0.0%
Fuel efficiency of passenger aircraft	litres / RPK*100	<b>4.01</b>	6.82	26.68	7.73	-	-	-	-
Fuel efficiency of cargo aircraft	litres / RTK	<b>0.21</b>	0.21	0.18	0.15	-	-	-	-
CO <sub>2</sub> emissions of all aircraft	thousand tonnes in CO <sub>2</sub> e	<b>11,528</b>	5,332	5,997	7,513	19,311	17,997	17,716	7,380
	% change from previous year	<b>116.2%</b>	-11.1%~	-20.2%	-58.3%	7.3%	1.6%	2.9%	-
	grammes / ATK	<b>499</b>	480	487	482	555	556	564	680
	% improvement since 1998	<b>26.7%</b>	29.4%	28.3%	29.1%	18.5%	18.3%	17.1%	0.0%
	grammes / RTK	<b>704</b>	677	647	691	761	733	748	1,023
	% improvement since 1998	<b>31.2%</b>	33.8%	36.8%	32.5%	25.5%	28.3%	26.9%	0.0%
CO <sub>2</sub> emissions of passenger aircraft	kg / RPK	<b>0.10</b>	0.17	0.67	0.19	-	-	-	-
CO <sub>2</sub> emissions of cargo aircraft	kg / RTK	<b>0.53</b>	0.52	0.46	0.38	-	-	-	-

\* Includes Cathay Dragon, #Includes Air Hong Kong, @Includes HK Express, \*Fuel consumption includes testing, training, and wet-lease flights.  
 ~ Data is restated to reflect the actual performance.

## Emissions – Aircraft operations

INDICATOR	UNITS	2023	2022	2021
<b>Carbon emissions abatement</b>				
SAF derived carbon emissions abatement <sup>◆</sup>	tCO <sub>2</sub>	<b>2,485</b>	1,274	-
Carbon offsets (voluntary – purchased by Cathay Pacific for the carbon offset of duty travel and promotional campaigns for Fly Greener) <sup>◆</sup>	tCO <sub>2</sub> e	<b>9,116</b>	35,917	7,762
Carbon offsets (voluntary – purchased by individual and corporate customers) <sup>◆</sup>	tCO <sub>2</sub> e	<b>16,779</b>	2,482	19,518
Carbon offsets (voluntary – purchased for cargo shipments) <sup>◆</sup>	tCO <sub>2</sub> e	<b>570</b>	-	-

<sup>◆</sup> Data verified by Deloitte

Note: For employee duty travel and cargo shipments, carbon offsets are reported in the month after relevant flights are taken; for corporate customers, carbon offsets are reported in the period in which the contributions are made; for promotional campaigns, due to the time required for the processing of related data, carbon offsets are reported in the period in which the costs of the events concerned are settled, rather than when the events themselves take place.

INDICATOR	UNITS	2023 <sup>@#</sup>	2022 <sup>@#</sup>	2021 <sup>@#</sup>
<b>Nitrogen Oxides (NOx) emissions</b>				
Total NOx emissions	tonnes	<b>4,630</b>	2,336	2,349
Passenger aircraft	grammes / RPK	<b>0.04</b>	0.07	0.28
Cargo aircraft	grammes / RTK	<b>0.17</b>	0.23	0.17
Average NOx emissions per landing and take-off cycle (LTO)	kg/LTO	<b>37</b>	43	45
% of fleet meeting CAEP <sup>^</sup> 6 requirements	%	<b>92</b>	91	90
% of fleet meeting CAEP 8 requirements	%	<b>72</b>	68	65

<sup>\*</sup>Includes Cathay Dragon, <sup>#</sup>Includes Air Hong Kong, <sup>@</sup>Includes HK Express, <sup>^</sup>Fuel consumption includes testing, training, and wet-lease flights.

<sup>^</sup>CAEP is the environmental committee of the ICAO. The long-term target is to reduce NOx emissions by 60% below CAEP6 by 2026.

Remarks and methodologies:

(1) GWP of CO<sub>2</sub> is 1; assumes that all other GHG gases are negligible as these impacts still uncertain. Effect of contrails is not yet included as further study is required.

(2) Fuel consumption for our passenger flights includes the carriage of baggage and belly space cargo.

(3) Conversion Factor: 1 tonne of fuel = 3.15 tonne of CO<sub>2</sub>e.

## Emissions – Ground operations

INDICATOR	UNITS	2023	2022	2021
<b>Ground emissions</b>				
Total ground emissions	tCO <sub>2</sub>	<b>91,980</b>	68,217	62,891

## Resources use - Aircraft and ground operations (Cathay Pacific and principal subsidiaries)

INDICATOR	UNITS	2023	2022	2021
<b>Aviation energy use</b>				
Aviation jet fuel	tonnes	<b>3,659,651</b>	1,689,558	1,903,710
Sustainable aviation fuel <sup>◆</sup>	tonnes	<b>1,048</b>	450	3
Percentage of SAF in annual jet fuel consumption	%	<b>0.03</b>	0.03	-
<b>Ground energy use</b>				
Electricity	mWh	<b>107,697</b>	97,206	98,657
Mobile combustion – diesel	litres	<b>3,107,572</b>	2,344,396	2,476,926
Mobile combustion - unleaded petrol	litres	<b>135,484</b>	139,602	142,281
Stationary combustion – diesel	litres	<b>5,953</b>	6,884	5,709
Towngas	unit	<b>6,597,530</b>	4,286,328	3,996,750
Total energy used	GJ	<b>161,589,400</b>	74,860,650	84,271,045
Energy intensity per employee	GJ	<b>6,789</b>	3,572	3,895
<b>Water use</b>				
Seawater use for cooling	m <sup>3</sup>	<b>11,463,350</b>	9,460,900	10,037,800
Municipal water use	m <sup>3</sup>	<b>881,180</b>	503,821	502,615
Maintenance water use	m <sup>3</sup>	<b>7,892</b>	13,246	14,517
Recycled water	m <sup>3</sup>	<b>9,394</b>	11,959	9,984
<b>Water discharge</b>				
Municipal water discharge	m <sup>3</sup>	<b>811,647</b>	460,569	455,474

<sup>◆</sup> Data verified by Deloitte

## Resources use - Aircraft and ground operations (Cathay Pacific Airways and principal subsidiaries)

INDICATOR	UNITS	2023	2022	2021
<b>Resources Use</b>				
Paper consumed in operations	tonnes	68	65	61
Passenger-facing SUP items*	pieces per passenger	3.1	4.8	7.5
Certified sustainable seafood procured	tonnes	315	150	22
<b>Recycling</b>				
Metal	tonnes	33	28	7
Plastic	tonnes	296	149	30
Glass	tonnes	419	83	28
Paper	tonnes	277	115	137
Food processing oil	tonnes	8	8	6
Tires	tonnes	32	31	16
Food donated	tonnes	210	114	210
Inconsumable food waste sent for recycling & energy recovery	tonnes	664	367	246
<b>Sub-total</b>	<b>tonnes</b>	<b>1,939</b>	<b>895</b>	<b>680</b>
Hangers reused at Vogue Laundry	pieces	787,085	543,730	1,335,302
<b>Waste</b>				
Landfilled non-hazardous waste (commercial & industrial waste, food waste and grease trap)	tonnes	15,820	9,193	7,769
Hazardous waste (battery)	tonnes	12	24	1
Hazardous waste (chemical solid waste)	tonnes	5	2	2
Hazardous waste (chemical liquid waste)	litres	18,460	10,760	17,200
Landfilled non-hazardous waste intensity per revenue	tonnes/HK\$M	0.17	0.18	0.17
Non-hazardous waste diversion rate	%	12	11	8

\* Onboard Cathay Pacific flights only. These items include passenger-facing SUP water bottles, utensils, amenity items and packaging, but exclude those for medical and sanitation purposes, and pre-packaged food and beverage items other than water bottles.

## Social Indicators Table

### Employment data

INDICATOR	UNIT	2023	2022	2021
<b>WORKFORCE OF THE GROUP</b>				
Total employees <sup>#</sup>	no.	<b>23,801</b>	20,923	21,635
Total employees - key business operations and subsidiaries*	no.	<b>22,804</b>	20,014	20,708
<b>By gender</b>				
Male	%	<b>51</b>	49	50
Female	%	<b>49</b>	51	50
<b>By employment contract</b>				
Employees on Permanent Terms	%	<b>85</b>	92	92
Employees on Fixed term and temporary contract	%	<b>15</b>	8	8
<b>By employment type</b>				
Permanent employees - Full-time	%	<b>99</b>	99	99
Permanent employees - Part time	%	<b>1</b>	1	1
<b>By region</b>				
Hong Kong & Macau	%	<b>85</b>	85	84
Chinese Mainland	%	<b>2</b>	2	2
Others	%	<b>13</b>	13	14
<b>By employment role</b>				
Flight crew	%	<b>15</b>	12	13
Cabin crew	%	<b>31</b>	31	32
Ground employees	%	<b>54</b>	57	55

<sup>#</sup> Figures provided align with the data scope of the Annual Report.

\* Refers to Cathay Pacific, AHK, CPCS, CPSL, HAS, HKE and VLS. This is the scope of the employment data reported in this section, unless otherwise specified.

## Social Indicators Table

### Employment data

<b>INDICATOR</b>	<b>UNIT</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>By age group</b>				
Under 30 years old	%	<b>19</b>	14	15
30 to 50 years old	%	<b>60</b>	64	64
Over 50 years old	%	<b>21</b>	22	21
<b>By employee category</b>				
Individual Contributor	%	<b>64</b>	64	66
Team Leader	%	<b>30</b>	30	28
Operational Leader	%	<b>5</b>	5	5
Strategic Leader	%	<b>1</b>	1	1

## Social Indicators Table

### Employment data

INDICATOR	UNIT	2023	2022	2021
<b>VOLUNTARY TURNOVER RATE OF PERMANENT EMPLOYEES</b>				
<b>By age group</b>				
Under 30 years old	%	21	43	40
30 to 50 years old	%	12	17	17
Over 50 years old	%	8	10	11
<b>By gender</b>				
Male	%	14	17	17
Female	%	10	23	22
<b>By region</b>				
Hong Kong & Macau	%	13	18	17
Chinese Mainland	%	6	1	1
Taiwan	%	7	5	1
USA	%	12	4	2
Others	%	11	3	2
<b>By management level</b>				
Junior management	%	8	19	-
Middle management	%	5	18	-
Top management	%	4	30	-
<b>By employee category</b>				
Individual contributor	%	16	20	-
Team leader	%	8	19	-
Operational leader	%	5	18	-
Strategic leader	%	4	30	-
<b>Total Voluntary Turnover Rate of Permanent Employees</b>	%	<b>12</b>	<b>18</b>	<b>17</b>
<b>Total Turnover Rate of Permanent Employees</b>	%	<b>15</b>	<b>21</b>	<b>23</b>

## Social Indicators Table

### Employment data

INDICATOR	UNIT	2023	2022	2021
<b>NEW HIRES RATE AND NUMBER OF PERMANENT EMPLOYEES</b>				
<b>By age group</b>				
Under 30 years old	%	<b>51</b>	46	28
	no.	<b>1,365</b>	994	310
30 to 50 years old	%	<b>15</b>	16	8
	no.	<b>1,783</b>	1,301	579
Over 50 years old	%	<b>11</b>	8	2
	no.	<b>447</b>	313	121
<b>By gender</b>				
Male	%	<b>21</b>	18	9
	no.	<b>2,075</b>	1,344	617
Female	%	<b>16</b>	22	7
	no.	<b>1,520</b>	1,264	393
<b>By region</b>				
Hong Kong & Macau	%	<b>19</b>	18	8
	no.	<b>3,059</b>	2,299	820
Chinese Mainland	%	<b>14</b>	3	0
	no.	<b>70</b>	34	15
Taiwan	%	<b>16</b>	5	3
	no.	<b>66</b>	10	81
USA	%	<b>22</b>	3	1
	no.	<b>54</b>	31	12
Others	%	<b>18</b>	2	1
	no.	<b>346</b>	234	82

**Social Indicators Table**  
Employment data

<b>INDICATOR</b>	<b>UNIT</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>By management level</b>				
Junior management	%	<b>19</b>	20	-
	no.	<b>1,137</b>	1,014	-
Middle management	%	<b>5</b>	14	-
	no.	<b>55</b>	62	-
Top management	%	<b>3</b>	43	-
	no.	<b>2</b>	10	-
<b>By employee category</b>				
Individual Contributor	%	<b>20</b>	19	-
	no.	<b>2,401</b>	1,522	-
Team Leader	%	<b>19</b>	20	-
	no.	<b>1,137</b>	1,014	-
Operational Leader	%	<b>5</b>	14	-
	no.	<b>55</b>	62	-
Strategic Leader	%	<b>3</b>	43	-
	no.	<b>2</b>	10	-
<b>Total New Hires Rate</b>	%	<b>19</b>	17	8
<b>Total New Hires Number</b>	no.	<b>3,595</b>	2,608	21

## Social Indicators Table

### Employment data

INDICATOR	UNIT	2023	2022	2021
<b>AVERAGE TENURE OF PERMANENT EMPLOYEE</b>				
<b>By age group</b>				
Under 30 years old	no.	3	3	3
30 to 50 years old	no.	10	10	11
Over 50 years old	no.	20	22	20
<b>By gender</b>				
Male	no.	13	10	14
Female	no.	9	13	9
<b>Total Average Tenure of Employees (years)</b>	no.	<b>11</b>	<b>11</b>	<b>12</b>
<b>PERMANENT EMPLOYEE PROMOTION RATE</b>				
<b>By age group</b>				
Under 30 years old	%	8	5	5
30 to 50 years old	%	11	5	3
Over 50 years old	%	8	3	1
<b>By gender</b>				
Male	%	10	6	4
Female	%	10	4	3
<b>Total Employee Promotion Rate</b>	%	<b>10</b>	<b>9</b>	<b>3</b>
<b>PERMANENT EMPLOYEE ABSENTEE RATE</b>				
<b>By gender</b>				
Male	%	3	5	2
Female	%	5	2	1
<b>Total Absentee Rate</b>	%	<b>4</b>	<b>3</b>	<b>2</b>
<b>LABOUR RELATIONS<sup>#</sup></b>				
Employees represented by an independent trade union or covered by collective bargaining agreements	%	4	5	5

<sup>#</sup> Cathay Pacific data only.

## Training and education data

<b>INDICATOR</b>	<b>UNIT</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>TRAINING AND EDUCATION</b>				
<b>Average hours of training</b>				
Total employees trained	%	<b>100</b>	100	96
Total training hours	hours	<b>2,780,497</b>	968,473	589,453
Average training hours	hours	<b>144</b>	39	31
<b>Average hours of training by employee category</b>				
Individual contributor	hours	<b>185</b>	26	32
Team leader	hours	<b>74</b>	39	31
Operational leader	hours	<b>120</b>	21	66
Strategic leader	hours	<b>35</b>	2	7
<b>Average hours of training by gender</b>				
Male	hours	<b>113</b>	40	37
Female	hours	<b>177</b>	35	31
<b>Percentage of employees trained by employee category</b>				
Individual contributor	%	<b>100</b>	69	99
Team leader	%	<b>84</b>	94	93
Operational leader	%	<b>30</b>	61	86
Strategic leader	%	<b>100</b>	17	88
<b>Percentage of employees trained by gender</b>				
Male	%	<b>89</b>	87	94
Female	%	<b>100</b>	73	98

## Training and education data

<b>INDICATOR</b>	<b>UNIT</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>AVERAGE EMPLOYEE TRAINING SPEND</b>				
<b>By employee category</b>				
Individual contributor	HK\$	<b>11,151</b>	8,559	6,246
Team leader	HK\$	<b>15,439</b>	12,094	8,276
Operational leader	HK\$	<b>14,142</b>	11,541	8,055
Strategic leader	HK\$	<b>13,824</b>	9,391	8,330
<b>By gender</b>				
Male	HK\$	<b>11,911</b>	8,317	6,351
Female	HK\$	<b>13,821</b>	10,492	7,579
<b>Total Average Spend on Training Per Employee</b>	HK\$	<b>12,800</b>	<b>11,800</b>	<b>8,800</b>

## Performance review and engagement data

<b>INDICATOR</b>	<b>UNIT</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>PERFORMANCE REVIEW</b>				
Percentage of employees receiving performance review	%	<b>79</b>	99	97
<b>ANNUAL EMPLOYEE ENGAGEMENT INDEX SCORE</b>				
Percentage of respondents rating strong	%	<b>58</b>	58	58

## Employee diversity data

INDICATOR	UNIT	2023	2022	2021
<b>DIVERSITY OF BOARD OF DIRECTORS</b>				
<b>By gender</b>				
Male	%	88	94	94
Female	%	12	6	6
<b>By age group</b>				
39-47 years old	%	0	6	6
48-56 years old	%	47	38	53
57-65 years old	%	47	50	41
Over 65 years old	%	6	6	0
<b>By ethnicity</b>				
American	%	0	0	6
Australian	%	0	6	6
British	%	41	44	41
Chinese	%	53	44	47
German	%	6	6	0
<b>Years of service as Director*</b>				
1-5 years	%	76	63	65
6-10 years	%	18	31	23
Over 10 years	%	6	6	12

\* At the end of 2023, the average tenure of our Board was 3.47 years.

Note: For the breakdown of skills, expertise and experience of the Board, please refer to our [Annual Report 2023](#) p.54.

## Employee diversity data

INDICATOR	UNIT	2023	2022	2021
<b>DIVERSITY OF SENIOR POSITIONS (GENERAL MANAGERS AND DIRECTORS)</b>				
<b>By gender</b>				
Male	%	73	75	72
Female	%	27	25	28
<b>DIVERSITY OF FEMALE MANAGEMENT</b>				
<b>By position</b>				
Female in all management positions (as % of total management workforce)	%	31	31	28
Female in junior management positions (as % of total junior management workforce)	%	35	34	32
Female in STEM-related positions (as % of total STEM-related positions)	%	19	19	17

## Health and safety data

HEALTH AND SAFETY	SCOPE	UNITS	2023 <sup>+</sup>	2022 <sup>+</sup>	2021 <sup>+</sup>
No. of accidents*	The Group Airlines	no.	0	0	0
No. of high-risk incidents	The Group Airlines	no.	0	0	0
No. of work-related fatalities	The Group Airlines	no.	0	0	0
Rate of work-related fatalities	The Group Airlines	%	0	0	0
Lost Time Injury Rate	The Group Airlines	no.	10.39	3.01	0.79
Lost Day Rate	The Group Airlines	no.	189.46 <sup>#</sup>	52.09 <sup>#</sup>	20.33 <sup>#</sup>
No. of incidents of non-compliance with regulations and/or voluntary code concerning health and safety impacts of our products and services	The Group Airlines	no.	0	0	0

<sup>+</sup> Includes Cathay Pacific, Hong Kong Express and Air Hong Kong.

\* An event that resulted in serious injury and/or fatality.

<sup>#</sup> As pilot and cabin crew lost days are based on days not available for duty, a factor was previously used to normalise relevant data according to 250 days' work per year, equivalent to 2,000 hours per year. This factor is no longer applied to relevant data in 2019, which led to the substantial increase in LDR. Due to the significant change in the operation and to ensure data presented is an accurate reflection of relevant performance, cabin crew and pilot's actual duty hours have been used to calculate injury rates since January 2020.

## SUPPLIERS DISTRIBUTION<sup>#</sup>

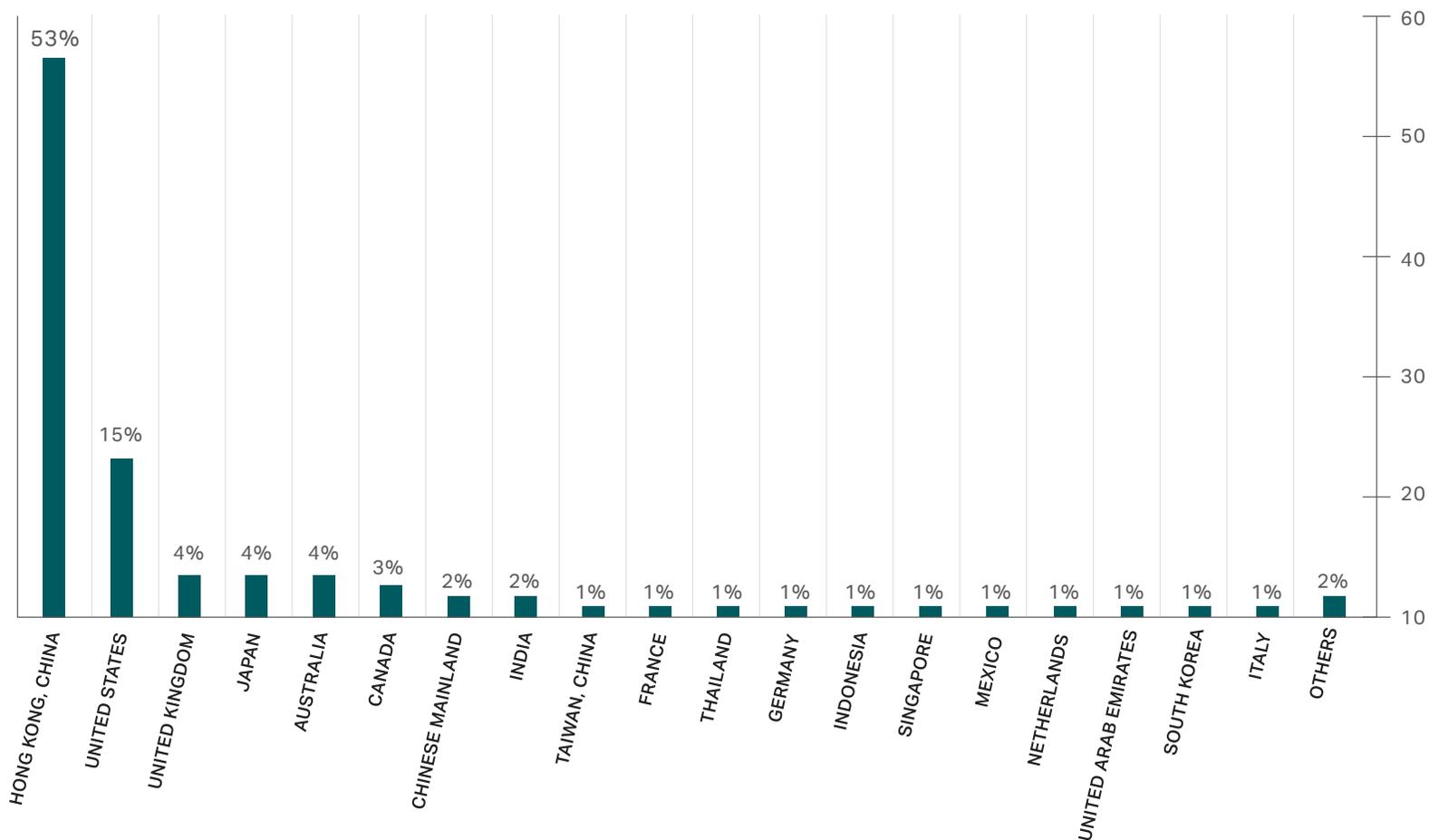
Total number of Tier 1 suppliers in 2023: **87<sup>+</sup>**

Total number of significant suppliers in Tier 1: **76\***

Share of total procurement spent: **50%**

Active suppliers in 2023: **5,500**

## ACTIVE SUPPLIERS BY LOCATION



\* Excluding authorities, banks and intercompany entries which are considered as non-procurement related.

# Cathay Pacific data only.

+ Tier 1 suppliers refer to those who, accumulatively, have spend up to 80% of our annual spend.

# OUR PERFORMANCE

## CATHAY'S RESPONSE TO TCFD AND IFRS S2

### 1. GOVERNANCE

#### 1.1 Board's oversight of climate-related risks and opportunities

The Board is ultimately accountable for Cathay's sustainable development strategy and performance. It is supported in its duties by three governance bodies that steer the Group's approach in sustainability matters under the leadership of the Chair of the Board. They are the Sustainable Development Committee (SDC), Sustainable Development Steering Group (SDSG) and the Climate Actions Steering Group (CASG). In addition, the Board Risk Committee (BRC) oversees the assessment of climate change and other risks as well as the implementation of related board decisions.

Sustainability, including climate change, is a standing component of the Executive Directors Report submitted to the Board at each Board meeting. SDC will also present to the Board on sustainability and climate change matters at least two times a year. Climate-related KPIs and near-term targets are informed and guided by our carbon reduction roadmap, in which the SDC and the CASG will periodically review and provide updates to assess the progress made towards these targets accordingly.

The Board's responsibilities include reviewing the Group's material sustainability topics, with climate change being a key one, and approving climate-related strategies, targets, actions and policies. Our [Climate Change Policy](#) has now split out as a standalone document from the Sustainable Development Policy to specify the role and responsibilities of the Board and the management team on climate action, and also our commitment, mitigation and adaptation to climate-related risks and opportunities.

Regarding the financial impact climate change may have on the Group, the Treasury team provides updates to the Finance Committee on a monthly basis regarding our position and upcoming obligation under the European Union Emissions Trading Scheme (EU ETS), United Kingdom Emissions Trading Scheme (UK ETS) and Carbon Offsetting and Reduction Scheme for International Aviation (CORSA) under the International Civil Aviation Organisation (ICAO).

#### 1.2 Management's role in assessing and managing climate-related risks and opportunities

##### The Sustainable Development Committee (SDC)

Chaired by the Chief Executive Officer, the SDC consists of four Executive Directors and three other members of our management team. The SDC is established by and receives its authority from the Board to evaluate and approve sustainable development strategy, policies, target setting, and investment in major initiatives. Meeting at least three times a year, its duties also include evaluating and prioritising the Group's material sustainable development topics. The SDC then reports the materiality process, management of sustainability and climate-related issues and the progress made towards key KPI to the Board. In this way, sustainability is integrated into business planning, budgeting and risk management, and forms an integral part of the Group's business strategy.

Climate change is a standing agenda item in SDC meetings, where the latest progress updates are reviewed, and the strategic direction and target setting is discussed and decided upon. In 2023, the SDC conducted two additional sessions, one focusing on understanding the global supply-demand dynamics of SAF and another one delving into the cost implications and Cathay's strategic response to these dynamics.

Specific responsibilities with regards to climate-related impact are handled by different teams and committees as detailed below, with updates provided to the SDC. Our committees and working groups have been established to ensure all areas within the Group are managed in a responsible and accountable manner aimed at informing and operationalising the sustainable development strategy. This sustainable development governance structure emphasises shared responsibility and enables the SDC to manage sustainability risks through appropriate policies, standards and systems whilst simultaneously identifying and pursuing potential sustainability opportunities.

## 1. GOVERNANCE

### 1.2 Management's role in assessing and managing climate-related risks and opportunities

#### Climate Actions Steering Group (CASG)

The CASG is established by and reports to the SDC. It is chaired by the Chief Financial Officer and comprises Department Heads that represent a wide range of functions across the Group.

The CASG has been set up to strengthen our governance in climate change mitigation. It is tasked with ensuring that the Group's approved climate change strategy, targets, and commitment are executed as planned. The CASG evaluates and provides recommendations on climate change policy, initiatives and targets that require SDC approval and Board review.

#### The main focusing areas of CASG:

1. Carbon emissions performance against targets and progress of decarbonisation initiatives;	2. Understanding financial impact from CORSIA, EU ETS, UK ETS, and other mandatory carbon –offset or emissions trading schemes applicable to Cathay;	3. Promoting SAF supportive policy and supply-chain development
4. Monitoring progress of SAF adoption within the airline;	5. Further developing Fly Greener, our voluntary carbon-offset programme;	6. Discussing and reviewing business opportunities related to climate change, from product and service design, sales & promotion, to communications and branding.

Head of Climate Action is responsible for bringing in relevant business units to carry out the agreed plan.

#### a) Climate Risk

The Group Corporate Risk (GCR) department along with the Group Safety and Operational Risk Management (GSORM) department are responsible for the Group Risk Management Policy, ensuring it is reviewed and approved by the management team, and updating the Corporate Risk Register. The Board Risk Committee (BRC) is responsible for the oversight of the Risk Management Framework (RMF) and, through it, all corporate risks within the Group. The responsibility for managing risks sits with the management team.

Detailed action plans have been developed to mitigate the Group's impact on climate change. The risk details and mitigation plans are presented to the BRC for their review and approval.

#### b) Fleet planning

Carbon price is regularly included when the Group develops its fleet and network plan. The high-cost environmental impact from fuel consumption, as well as the fleet planning and strategy development – including the purchase of fuel-efficient aircraft that are part of the business strategy – are discussed at Board meetings.

#### c) Fuel Forum Steering Committee (FFSC)

The FFSC is chaired by the Chief Operations and Service Delivery Officer. The Forum aims to identify ways to improve our operational efficiency and to evaluate investment in emissions-reducing technologies with an aim to increasing fuel efficiency and thus reducing the carbon emissions from our operation. The FFSC meets bi-monthly and is attended by representatives from our Procurement and Aircraft Trading, Customer Experience and Design, Engineering and Flight Operations departments.

## 2. STRATEGY

### 2.1 The climate-related risks and opportunities the organisation has identified over the short, medium, and long term

#### Analysis of Climate-Related Risks and Opportunities

Transition Risk and Opportunities	Short Term: 0 – 3 years	Medium Term: 3 – 10 years	Long Term: 10 – 30 years
Physical Risk	Short Term: 2030	Medium Term: 2050	Long Term: 2100

#### TRANSITION RISK

Risk	Vilification of aviation and reduced demand for air travel in response to a perceived lack of action to counteract the industry's significant environmental impact on climate change	
<b>Climate-Related Risk Definition</b>	<p>The market risk associated with the evolving expectations on Cathay's climate performance and contributions.</p> <p>There is increasing interest around the world in reducing and managing the aviation sector's greenhouse gas (GHG) emissions. With the expectation among the global community, stakeholders and customers that companies within the aviation industry will decouple GHG emissions growth from growing business activities, there is a potential risk to customer retention and attraction as preferences shift to greener forms of passenger and cargo services in the future.</p>	<p>We have committed to use 10% SAF by 2030 and reaching net zero by 2050. But to reach these goals would rely on other parties working together, such as supportive policy for the development of SAF supply chain and its usage, the energy sector to invest in SAF supply chain, and for corporates clients to work with airlines to boost SAF purchase agreements. If these other parts of the bigger SAF ecosystem is not moving at the same speed, there is risk that we may not be able to deliver our climate target, thus further increasing the vilification risk.</p>
<b>Potential Financial Impact</b>	<p>Given that there remains a lack of alternatives on the market, the short-term risks are low. The impact on operating revenue is expected to be minimal in the short term. The impact on demand reduction is relatively small (less than 5%), limited to specific regions (mainly in Europe), and mainly for domestic travel. This is not a market Cathay operates in as we carry long-haul, international passengers from Europe to Asia and the Southwest Pacific.</p>	<p>In the medium term, if the reduction in demand remains at the 5% level and affecting only our European market, the impact to Cathay is expected to be 1% of our annual passenger revenue (based on 2019 operating level).</p> <p>In the long term, if the trend becomes global and the impact on passenger demand doubles, it could have an impact of up to 10% of our operating revenue.</p>
<b>Time horizon of the impact</b>	Medium to long term	
<b>Mitigation Strategy</b>	<p>Cathay continues to evaluate the risk as well as plan strategies, internal policies and procedures, and improve operations to meet the market's expectations, including but not limited to the adoption of more fuel-efficient aircrafts, new product designs to reduce aircraft weight, and continuous investment and usage of SAF. As part of our efforts to manage this risk, we have committed to using 10% SAF by 2030 and reaching net zero by 2050.</p> <p>We continue to focus our efforts on reducing our carbon emissions while monitoring the latest atmospheric science research findings from globally recognised climate organisations. We have also continuously communicated our</p>	<p>climate-related efforts and strategies in response to the growing expectations on our climate responsibilities. We communicate our climate commitments and share them through presentations, reports and formal and informal stakeholder engagements.</p> <p>In particular, we raise awareness on sustainability and carbon impacts amongst our customers through our Corporate SAF Programme and Fly Greener offset programme, which offers passengers the option to offset the carbon emissions associated with their flights. It also gives them the chance to support the development of emissions reduction projects.</p>

## TRANSITION RISK

Risk	Increased operating costs resulting from the transition associated with policy and regulation as well as voluntary commitment	
<b>Climate-Related Risk Definition</b>	<p>The risk from existing and emerging climate-related regulation on our business' financials and operations.</p> <p>The Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) developed by the International Civil Aviation Organisation (ICAO) is expected to be the only climate regulation for international aviation from 2021 to 2035. There are also increasing numbers of other regional or national emissions trading schemes that may add additional costs and administrative burden to airlines, e.g. the EU ETS and UK ETS. We have also committed to use 10% SAF by 2030 and for the Group to reach net-zero carbon emissions by 2050.</p>	<p>There were important changes to the CORSIA scheme decided in the 41st Session of the ICAO Assembly in 2022. While emission baseline for 2021-23 would be set at 2019 level, from 2024 onwards the baseline was now reduced to 85% of 2019 emissions level. Any emissions above this newly reduced level will need to be offset by airlines. It means that airlines would need to offset more, sooner, which can lead to increased direct operational costs. Cathay has been fulfilling emissions reporting requirement for CORSIA since 2019.</p> <p>In addition to CORSIA, there are many domestic/regional climate regulations that are in place or will be introduced in the future. Currently, the EU Emissions Trading Scheme (ETS) and the UK ETS are schemes that applies to Cathay and that we have been in compliance with since 2012 and 2021 respectively.</p>
<b>Potential Financial Impact</b>	<p>Increased operating costs related to carbon emissions and the use of SAF.</p> <p>We expect minimum operating costs impact on Cathay from various mandatory carbon offset or emissions trading scheme in the short term, including CORSIA, EU ETS and UK ETS. Cathay may need to buy in the order of US\$1,100 million in total offsets throughout the CORSIA programme up to year 2035 based on the following assumptions:</p> <ul style="list-style-type: none"> <li>• The country participation list to CORSIA as of October 2023.</li> <li>• Carbon pricing gradually increases from US\$10 to US\$33 per tonne based on IATA's projection. Noted carbon pricing is uncertain and highly variable.</li> </ul>	<ul style="list-style-type: none"> <li>• Excluding the impact from any additional mitigation measures other than ongoing fleet renewal efficiency gains.</li> </ul> <p>On the other hand, SAF is currently 3-5 times more expensive than fossil jet fuel. Depending on how soon the price gap can be closed with fossil jet fuel, it could add additional financial burden to the Group with our 2030 SAF usage target and beyond, as SAF is a major pillar in our decarbonisation journey.</p>
<b>Time horizon of the impact</b>	Medium to long term	
<b>Mitigation Strategy</b>	<p>Cathay maintains an ongoing monitoring of carbon offset credit regulation development under CORSIA, EU ETS and UK ETS.</p> <p>To prepare for CORSIA and other mandatory carbon emissions trading schemes, Cathay has a solid fleet modernisation plan and strong fuel efficiency improvement process to reduce our emissions. In addition, Cathay has also pledged to increase its usage of SAF to up to 10% by 2030.</p>	<p>In Hong Kong, we maintain regular dialogue with the Civil Aviation Department, the local regulator, to ensure we are fully ready and aware when further details emerge.</p> <p>We also continue to regularly participate in industrial meetings (e.g., IATA and ICAO) and cross sectoral initiatives to decarbonise aviation (e.g., Aviation Climate Taskforce, Clean Skies for Tomorrow).</p> <p>We continue to evaluate CAPEX / OPEX related to climate change in budget projections.</p>

## PHYSICAL RISK

<b>Risk</b>	Impact on our operations, especially at our hub at Hong Kong International Airport	
<b>Climate-Related Risk Definition</b>	<p>Acute physical risk to our direct operations as a result of an increase in the strength and/ or frequency of extreme weather events (e.g. typhoons and floods) that could reduce our operating capacity by impacting transport networks and supply chains. While the major impact will manifest itself in the long term with increased frequency and intensity, ad-hoc weather events would bring about short-term impact as and when they happen, similar to the super-typhoon cases that took place a few years ago.</p>	<p>According to Hong Kong Observatory, the mean sea level in Hong Kong and its adjacent waters is expected to rise by 1.07m by the end of the 21st century under the high greenhouse gas concentration scenario. The threat of storm surges brought about by tropical cyclones will correspondingly increase. The global mean tropical cyclone intensity is also likely to increase. Increased typhoons and associated unpredictable weather and flooding could lead to severe flight disruptions such as delays and cancelled flights. This would in turn affect our on-time performance, passenger experience, and would have a knock-on effect on subsequent flights. The increase in strength and frequency of turbulence also needs to be closely monitored for potential risk to the safety of our passengers and aircrew.</p>
<b>Potential Financial Impact</b>	<p>No significant change of impact level is expected in the short term, while year-on-year fluctuation is expected. For medium to long term, impact level is expected to be slowly increasing with no extreme risks identified.</p>	<p>Flight delays and diversions due to typhoons, unpredictable weather and flooding would lead to flight cancellations or delays, which involve claims or compensation to customers, as well as potential damage to the fleet and other assets.</p>
<b>Time horizon of the impact</b>	Short, medium, long term	

## PHYSICAL RISK

### Mitigation Strategy

As we operate nearly all our flights to or from the Hong Kong International Airport (HKIA), we have been working closely with our key partner the Airport Authority Hong Kong (AAHK) in assessing medium to long term climate resilience at HKIA. Following on the Climate Resilience Study commissioned by AAHK in 2020, AAHK has further conducted an airport-wide drainage assessment to understand drainage capacity during increased rainfall intensity and a seawall study to assess the impacts of climate change to the seawall. While there are no extreme risks were identified in the long term prior to 2100, there are some risks with an inherent risk rating of high in 2030:

#### Priority physical risks at 2030

<b>RISK</b>	<b>RISK</b>	<b>RISK</b>	<b>RISK</b>
Extreme weather events resulting in worker health and safety impacts leading to restricted movements of ground crew	Extreme weather events and / or flooding (e.g. rainfall and storm surge) resulting in limited damage to asset requiring immediate action leading to clean up, repair or partial replacement expenses	Flooding (e.g. rainfall, storm surge, sea level rise) and lightning resulting in damage or complete failure of assets leading to operational disruptions and major capital works programme	Sea level rise resulting in inundation of drainage outfalls leading to increased incidence of flooding and overwhelmed drainage systems
<b>Key asset affected: Airfield</b>	<b>Key assets affected: Airfield and Airfield Power Distribution System</b>	<b>Key asset affected: Baggage Handling Systems</b>	<b>Key asset affected: Airfield</b>
<b>RESPONSE SUMMARY</b> AAHK strictly adheres to Government controls for preventing heat stroke and has shelters for employees to have respite from extreme weather conditions. We will review our policy on Personal Protective Equipment as needed during extreme temperatures, or operational practices and will commence tracking of frequency and intensity of extreme heat and humidity events and implications on employee performance and welfare.	<b>RESPONSE SUMMARY</b> We have implemented plans, such as the Airfield Pavement System Management Plan and preventative maintenance and have structural elements including the seawall and drainage system, which have been designed to limit the damage to HKIA and AAHK's operations. In the event of an emergency we have an emergency power system and additional resources on call. To enhance our response to this risk, we will be reviewing the condition of our lightning protection system following lightning events. AAHK has undertaken an airport-wide drainage review and assessment as well as a seawall study to assess the impacts of rainfall, storm surge, sea level rise and overtopping. Outputs from the studies will inform the implementation of related adaptation actions.	<b>RESPONSE SUMMARY</b> The seawall and drainage system protect HKIA from flooding and we have enhanced this response by undertaking an airport-wide drainage review and assessment.  In addition, we have preventative maintenance and other structural elements including typhoon grade shutters. In the event of an emergency we have an emergency power system and additional resources on call. In future, we will engage with other critical asset owners to review system resilience and will continue to follow best available practice to prevent water leakage for new infrastructure.	<b>RESPONSE SUMMARY</b> AAHK has undertaken an airport-wide drainage review and assessment and a seawall study. We also conduct regular monitoring of sea level gauge and inspection of drainage system.  The Cathay and AAHK team met in December 2022 to review status of the above risks and discuss subsequent mitigation measures. The teams would continue to meet regularly to review risk assessment, mitigation effort, and impact assessment.

Additional information of the HKIA climate resilience study could be found from the AAHK 2020/21 TCFD Disclosure. We continue to ensure acute physical risks are examined and monitored through periodic climate scenario planning exercises.

## 2. STRATEGY

### 2.1 The climate-related risks and opportunities the organisation has identified over the short, medium, and long term

#### Opportunity 1:

Cathay is one of the leading airlines in its climate change response. There is an opportunity for the airline to emphasise its solid performance in this aspect as a competitive advantage to attract customers and business partners who are climate conscious, from general consumers, corporate clients and travel agents, to freight forwarders and shippers.

Demonstrating the airline's history and on-going commitment in mitigating its climate change impact:

<p>1. Cathay has announced its commitment to achieving net-zero carbon emissions by 2050. The goal covers our Scope 1 and 2 carbon emissions, and aligns with the aims of the Paris Agreement to limit global temperature rise to well below 2°C above pre-industrial levels and pursue efforts to limit this increase to 1.5°C.</p>	<p>2. The airline started tracking its carbon emissions back in the 1990s. Over the years, carbon intensity per revenue tonne kilometre (RTK) has improved by over 30%.</p>	<p>3. Cathay has been investing in a US-based SAF producer since 2014. We have also committed to buying 1.1 million tonnes of SAF over a 10-year period, enough to cover 2% of our operations. In 2021, we committed to using SAF for 10% of our total jet fuel consumption by 2030. In 2022, we signed an agreement with Aemetis, a renewable fuel supplier headquartered in the United States, to purchase 38 million US gallons of blended SAF, as part of the joint procurement initiative for SAF together with <b>oneworld</b> Alliance members. The use of SAF can reduce life cycle carbon emissions by up to 80%.</p>
<p>4. Cathay launched the Corporate SAF Programme, the first major programme of its kind in Asia in 2022, and have entered into the second phase with new partnerships established. The programme provides corporate customers the opportunity to reduce their carbon footprint from business travel or airfreight by contributing to the use of SAF uplifted on our flights.</p>	<p>5. Cathay constantly renews its fleet as each next-generation aircraft can improve fuel efficiency by up to 25%. From 2017 to 2023, Cathay has taken delivery of 48 brand new Airbus A350 aircraft. The Group has ordered 75 new aircraft for delivery in the coming years.</p>	<p>6. Cathay was the first Asian carrier to introduce a voluntary carbon-offset programme. In 2022, the voluntary carbon offset programme has also been extended to our cargo customers. In 2023, a total of 26,465 tonnes of carbon emission produced by our operations were offset by the programme. To date, we have purchased over 325,000 tonnes of CO<sub>2</sub> offsets.</p>

For each risk identified, an impact assessment is performed across six dimensions: financial, disruption, strategic, reputation, regulatory, and human. Pre-defined criteria have been established to determine the materiality of the impact. This criterion is used to prioritise top risks and to highlight risks that have the biggest material impact to the Group for the Board's attention.

## 2. STRATEGY

### 2.2 The resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

In 2021, our Chief Financial Officer commissioned a scenario planning and analysis in line with the TCFD recommendations. A cross-functional team, which consists of senior business leaders from functions including Flight Operations, Engineering, Group Safety and Operational Risk Management, Planning, Financial Services, People, Corporate Affairs, Revenue Management, Sales & Distribution, Brand Insights & Marketing, Customer Experience & Design, Group Risk Management, Group Legal and Compliance, and our subsidiaries, was convened to stress test our climate strategy.

A five step structured approach was followed to evaluate the focal question and develop risk mitigation plans:



Our five-step structured approach involved assessing the risks and opportunities we may face in 2030 and 2050 under four scenarios, including a deep dive into two key scenarios developed by the Intergovernmental Panel on Climate Change and the likely external environment, implications on Cathay, and our optimal response strategy. In each scenario, two key drivers of change with the most uncertainty with regards to the impact of climate change on our business were considered: societal pressures and the resulting political will to tackle climate change holistically at the global level; and the availability of new technologies to decarbonise commercial aviation operations. In the first scenario we assessed our exposure to physical climate risks such as rising temperatures and extreme weather events. Beyond physical risks, we also assessed any risks and opportunities arising from a transition to a low-carbon world aligned with the Paris Climate Agreement.

Identified risks from a business-as-usual scenario include frequent disruptions, reputational damage, reduced travel and cargo demand and a financial slowdown in the long term. A successful transition to a well-below two-degree world was identified as our most favourable scenario, whereby an increased cost of carbon and offsets could impact profitability and increased risk of penalties for non-compliance with new carbon-related regulations. Although there is a lot of uncertainty associated with these scenarios, measures we currently have in place and are continuing to invest in, such as contingency planning, SAF and industry collaboration on decarbonisation technologies form the basis for business resilience in both instances.

We conduct the scenario planning assessment every three years with the next climate-related scenario analysis planned in the second half of 2024.

## 2. STRATEGY

### 2.2 The resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

Aviation sustainability is a collective endeavour. Cathay remains committed to a collaborative approach to deliver net zero emissions by 2050 and supports global efforts to align with 1.5°C. If the climate-related positions of the associations are deemed to be substantially weaker or inconsistent with our stances on climate change, our representatives will respond to consultations to communicate our stances and work constructively for alignment. Actions across key industry associations are outlined below.

Member of Organisation	Scope of Organisation	Cathay Contributions and Engagement
Aviation Climate Taskforce (ACT)	Global	Cathay is a Founding Member of ACT, which is established to support the aviation industry to achieve net-zero emissions through accelerating breakthroughs in emerging decarbonisation technologies by 10 years or more.
International Air Transport Association (IATA)	Global	Cathay is a Member of IATA's Sustainability and Environment Advisory Committee, which advises the IATA Board and Director General on matters related to the sustainable development of aviation and its interface with the environment.
International Civil Aviation Organisation (ICAO)	Global	Cathay is a Member of ICAO's Fuels Task Group specialised in SAF adoption. The Task Group supports the research, development and deployment of SAF that meet environmental, societal and economic sustainability criteria.
<b>oneworld</b>	Global	Starting in 2023, Cathay has chaired the <b>oneworld's</b> Environmental and Sustainability Board Working Group. Together with our <b>oneworld</b> Alliance peers, we have committed to the joint purchase of more than 350 million gallons of blended SAF beginning from 2024.
The Roundtable on Sustainable Biomaterials (RSB)	Global	Cathay is a Member of the RSB, which offers trusted, credible tools and solutions for sustainability and biomaterials certification that mitigate business risk, fuel the bioeconomy and contribute to the UNSDGs.
World Economic Forum (WEF)	Global	Cathay is a Community Member of WEF's Clean Skies for Tomorrow Coalition, which supports the ongoing transition of the aviation industry to climate neutrality.
Association of Asia Pacific Airlines (AAPA)	Asia Pacific	Cathay is a Member of AAPA's Environmental Working Group, which represents the interests of the Asia Pacific aviation industry when it comes to addressing environmental issues.
The Hong Kong International Carbon Market Council	Hong Kong	Cathay is an Inaugural Member of the Hong Kong International Carbon Market Council of HKEX where we provide sector-specific advice for the development of a Hong Kong-based international carbon market.

### 3. RISK

#### 3.1 The organisation's processes for identifying and assessing climate-related risks

The identification and assessment of Climate risks and their related impact is covered in the Group's Environmental Social and Governance ('ESG') Risk Assessment approach. This approach is based on a risk taxonomy specifically developed to identify and manage ESG risks across the business.

The identification of ESG risks is performed using two approaches:

- Top Down Risk Assessment: a series of cross-functional workshops with middle and senior management facilitated by Group Corporate Risk annually to identify risks that are emerging across the business and its subsidiaries. These include risks relating to the three ESG pillars that are considered significant in the execution of the core business strategy and vision.
- Bottom Up Risk Assessment: each Business Unit ('BU'), i.e. Cathay's departments, outposts and subsidiaries, maintains a risk register that is refreshed annually and is independently reviewed by Group Corporate Risk. ESG risks from each of the registers are identified and aggregated at a Group-wide level. To ensure completeness of the assessment, risks are assessed in each of the 9 categories and mitigation plans are developed where appropriate. The assessment covers the entire Group, including subsidiaries.

The identified risks are prioritised and reported to the Board Risk Committee (BRC). The top ESG risks are also integrated into the Top 30 Corporate Risk Register.

Our five-step process involved research into drivers of change, identification of critical uncertainties and development of four plausible scenarios. A workshop was conducted with a senior group of cross-functional business leaders to evaluate each scenario, the likely external environment, implications on Cathay, and our optimal response strategy in that scenario.

#### 3.2 Describe the organisation's processes for managing climate-related risks

A Group-wide ESG risk assessment is conducted, with climate change risk emerging as one of the top corporate risks identified.

The Group identified and assessed climate risk through a dimensioning process, in which cross-functional stakeholders conduct a deep-dive evaluation to understand how the risk affects the business and to develop the appropriate strategies for mitigation. Corresponding detailed action plans with controls and response measures are then formulated. These mitigation approaches are assigned to respective departments, which hold responsibility for the implementation and execution of these mitigations.

A climate risk impact assessment has been performed across six dimensions: financial, disruption, strategic, reputation, regulatory, and human. A pre-defined criterion has been established to determine the materiality of the impact. This criterion is used to prioritise top risks and to highlight risks that have the biggest material impact to the Group for the Board's attention.

As mentioned above, a scenario planning and analysis exercise was conducted in 2021. Through this exercise, we generated a set of conclusions and recommendations that are being further refined and developed into specific actions to be included in our climate strategy and risk mitigation plans going forward.

### 3. RISK

#### 3.3 How processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management

A specific taxonomy has been developed to holistically identify and manage ESG risks across the Group. The assessment of ESG risks is integrated with the wider top-down and bottom-up risk identification and management processes. A formal assessment on ESG risks is performed at least once a year and reported to the BRC.

Climate change has been identified as one of the top risks faced by the group. Climate risk, alongside all top risks, are reviewed by the committees on a quarterly basis.

Compliance with carbon regulations like CORSIA is monitored closely and is the responsibility of various departments. Corporate Affairs is responsible for the policy and compliance aspects; Flight Operations is responsible for the flight data and information required; and Financial Services is responsible for managing the financial exposures. This is a standing agenda item at the Finance Committee at the Board Level.

In addition, the identification and management of climate-related risks are fully integrated into the risk taxonomy that is being applied to all top risks, which contains a specific category for environmental risks that we face as a business. As such, climate change risk is featured as one of the top risks.

The Group has in place a proper governance to enhance and provide focus on the management of all corporate risks in the Group. Please refer to p.68-74 of our [Annual Report 2023](#) for further information about our approach to risk management, internal control systems and areas of focus in 2023.

### 4. METRICS AND TARGETS

#### 4.1 The metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process

We continuously measure a number of metrics relating to climate change and risks. The main ones are:

- Total gross carbon emissions (tonnes of CO<sub>2</sub>e)
- Total carbon offsets (tonnes of CO<sub>2</sub>)
- SAF usage (US Gallon)
- Carbon emissions reduction from the use of SAF (tonnes of CO<sub>2</sub>)
- Percentage of next-generation aircraft in our fleet (%)

Next-generation aircraft includes but not limited to A320neo, A321neo, A350, B777X in each case, any variant thereof, including freighter variants. Generally speaking, each NGA can deliver 20-25% fuel efficiency improvement compared with similar aircraft from the previous generation.

In terms of efficiency performance, we measure fuel efficiency on a capacity and traffic carried level:

- CO<sub>2</sub> from jet fuel use in grammes per available tonne kilometre (gCO<sub>2</sub> / ATK); and
- CO<sub>2</sub> from jet fuel use in grammes per revenue tonne kilometre (gCO<sub>2</sub> / RTK).

This allows us to monitor the incremental improvements in aircraft/ fleet renewal and ongoing operational improvements. Flight Operations is tasked with investigating and implementing the relevant operational improvement measures, and is accountable to the Fuel Forum Steering Committee (FFSC), chaired by Chief Operations and Service Delivery Officer.

Please refer to the performance tables in this report for further information.

## 4. METRICS AND TARGETS

### 4.2 Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks

We report on Scope 1 and Scope 2 greenhouse gas emissions annually in accordance with the listing rules of the Stock Exchange. Please refer to the performance tables in this report for past performance.

We report on Scope 3 emissions for our airline and ground operations within Hong Kong since 2022. Our Scope 3 carbon inventory has been developed in alignment with the following globally

recognised carbon reporting standards, including the GHG Protocol Corporate Value Chain (Scope 3) Standard and the Aerospace Industry GHG Reporting Guidance. Please refer to the Climate Change section and performance tables in this report for more details.

The GHG emissions are calculated directly from jet fuel consumption that we track on a flight-by-flight basis. Our flight fuel and GHG emissions are audited yearly to ensure accuracy.

### 4.3 The targets used by the organisation to manage climate-related risks and opportunities and performance against targets

Our long-term goal is to achieve net-zero carbon emissions by 2050. We have set a target for 10% of total jet fuel consumption to be SAF by 2030 and we are developing the specific targets on carbon efficiency and carbon offsets. In 2023, we set a new near-term decarbonisation target to improve our carbon intensity by 12% from the 2019 level by 2030, bringing the number from 761 gCO<sub>2</sub>/RTK to 670 gCO<sub>2</sub>/RTK..

Cathay has also committed to reducing our ground emissions as a Group by 32% by 2030 and 55% by 2035, from the 2018 baseline. Our 2035 target formed part of our pledge signed in 2021 with Hong Kong International Airport, which underscored our commitment to net-zero operations by 2050. This is in line with the science-based target to limit global warming to 1.5°C compared to pre-industrial levels.

## COMPLIANCE WITH LAWS AND REGULATIONS

This section describes our management approach towards laws and regulations, pertaining to the subject areas outlined in the ESG Reporting Guide of HKEX, that have a significant impact on the Group. Our compliance status and the potential consequences of non-compliance are also detailed.

Significant laws and regulations	Location	Potential impact	Management approach and compliance status
<b>EMISSIONS</b>			
<p>Waste Disposal Ordinance (Cap. 354 Laws of Hong Kong) and relevant subsidiary legislation.</p> <p>This Ordinance regulates the production, storage, collection and disposal including the treatment, reprocessing and recycling of waste.</p>	Hong Kong	A breach of this Ordinance can give rise to civil and/or criminal liability including fines and imprisonment.	<p>The Group has in place an Environmental Management System to ensure ongoing compliance and is subject to internal and external audit.</p> <p>During 2023, there were no convictions for non-compliance with laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, generation of hazardous and non-hazardous waste or other environmental issues that would have a significant impact on the Group.</p>
<p>Water Pollution Control Ordinance (Cap.358 Laws of Hong Kong).</p> <p>This Ordinance regulates / controls the pollution of the waters of Hong Kong.</p>			
<p>Air Pollution Control Ordinance (Cap.311 Laws of Hong Kong) and relevant subsidiary legislation.</p> <p>This Ordinance regulates, prohibits and / or controls the pollution of the atmosphere.</p>			

Significant laws and regulations	Location	Potential impact	Management approach and compliance status
<b>EMPLOYMENT</b>			
<p>Employment Ordinance (Cap. 57 Laws of Hong Kong).</p> <p>This is the main piece of legislation governing conditions of employment in Hong Kong.</p>	Hong Kong	A breach of these Ordinances can result in civil and/or criminal ramifications and significant impact on the Group's relationship with its workforce and its reputation.	<p>The Group has implemented a number of employment-related policies and procedures (such as annual leave, maternity and paternity leave and sick leave policies, Non-Discrimination Policy and Anti-Bullying and Anti-Harassment Policy) and employment compliance review projects to ensure compliance with the Ordinances, in particular, that their employees are provided with rights and benefits which are no less favourable than the statutory requirements.</p> <p>During 2023, there were no convictions for non-compliance with laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, or other benefits and welfare that would have a significant impact on the Group.</p>
<p>Mandatory Provident Fund Schemes Ordinance (Cap. 485 Laws of Hong Kong), Occupational Retirement Schemes Ordinance (Cap. 426 Laws of Hong Kong) and relevant subsidiary legislation.</p> <p>They provide for the retirement protection framework in respect of the Hong Kong workforce.</p>			
<p>Minimum Wage Ordinance (Cap. 608 Laws of Hong Kong).</p> <p>This Ordinance provides for a statutory minimum wage at an hourly rate for employees.</p>			
<p>Sex Discrimination Ordinance (Cap. 480 Laws of Hong Kong), Family Status Discrimination Ordinance (Cap. 527 Laws of Hong Kong), Disability Discrimination Ordinance (Cap. 487 Laws of Hong Kong) and Race Discrimination Ordinance (Cap. 602 Laws of Hong Kong).</p> <p>These are the four anti-discrimination ordinances in Hong Kong prohibiting discrimination on the grounds of sex, pregnancy, breastfeeding, marital status, family status, disability, and race.</p>			

Significant laws and regulations	Location	Potential impact	Management approach and compliance status
<b>HEALTH AND SAFETY</b>			
<p>Employees' Compensation Ordinance (Cap. 282 Laws of Hong Kong).</p> <p>This Ordinance regulates the payment of compensation in respect of injuries sustained by employees as a result of an accident arising out of and in the course of employment or in respect of specified occupational diseases.</p>	Hong Kong	<p>Non-compliance with this Ordinance can result in civil and/or criminal ramifications and significant impact on the Group's relationship with its workforce.</p>	<p>The Group has implemented a number of occupational health and safety policies and manuals such as Occupational Health and Safety Policy, Alcohol and Other Drugs policy and Health and Safety Handbook to protect the safety of employees and other persons at the workplace. Relevant insurance policies have also been taken out to cover potential liability under the Ordinance.</p> <p>During 2023, there were no convictions for non-compliance with occupational health and safety laws and regulations that would have a significant impact on the Group.</p>
<p>Factories and Industrial Undertakings Ordinance (Cap. 59 Laws of Hong Kong).</p> <p>This Ordinance provides for the safety and health protection of workers in the industrial sector including catering establishments and cargo and container handling undertakings.</p>		<p>A breach of this Ordinance can give rise to criminal liability including fines and imprisonment.</p>	
<p>Occupational Safety and Health Ordinance (Cap. 509 Laws of Hong Kong).</p> <p>This Ordinance regulates health and safety at work in all economic activities in both industrial and non-industrial establishments.</p>			

Significant laws and regulations	Location	Potential impact	Management approach and compliance status
<b>LABOUR STANDARDS</b>			
<p>UK Modern Slavery Act 2015 (UK MSA).</p> <p>The MSA requires an organisation wherever incorporated which</p> <p>(i) supplies goods or services in the UK; and</p> <p>(ii) has an annual turnover of £36 million or more,</p> <p>to produce a transparency statement to disclose steps taken to ensure slavery and human trafficking are not taking place within the organisation and its supply chain.</p>	UK	<p>The UK Secretary of State may seek an injunction against organisations which fail to comply with the UK MSA.</p>	<p>The Board has approved the UK Modern Slavery Act Transparency Statement which is available to view <a href="#">here</a>.</p> <p>During 2023, there were no convictions for non-compliance with laws and regulations relating to child and forced labour that would have a significant impact on the Group.</p>
<p>Australia Modern Slavery Act 2018 (Australia MSA).</p> <p>The Australia MSA requires an organisation, wherever incorporated, that has a consolidated revenue of at least AUD\$100 million for the reporting period and carries on business in Australia at any time in that reporting period to report on the risks of modern slavery in their operations and supply chains and actions to address those risks.</p>	Australia	<p>The Australian Minister may request an explanation from an entity about the entity's failure to comply with a requirement in relation to modern slavery statements and may also request that the entity undertake remedial action in relation to that requirement. If the entity fails to comply with the request, the Minister may publish information about the failure to comply on the register or elsewhere, including the identity of the entity.</p>	<p>The Board has approved the Australia Modern Slavery Act Transparency Statement which is available to view <a href="#">here</a>.</p> <p>During 2023, there were no convictions for non-compliance with laws and regulations relating to child and forced labour that would have a significant impact on the Group.</p>

Significant laws and regulations	Location	Potential impact	Management approach and compliance status
<b>PRODUCT RESPONSIBILITY</b>			
<b>Health and safety</b>			
<p>Air Navigation (Hong Kong) Order 1995 (Cap. 448C Laws of Hong Kong).</p> <p>This order regulates aircraft crew and licensing and safety aspects relating to the operation of aircraft.</p>		<p>A breach of this order can give rise to civil and/or criminal liability including fines and imprisonment.</p>	<p>It is the policy of Cathay Pacific to ensure continuous compliance with the Air Navigation (Hong Kong) Order 1995 and all relevant publications issued by the Civil Aviation Department (CAD), including but not limited to CAD 360 Air Operator's Certificates Requirements, CAD 712 Safety Management Systems (SMS) for Air Operators, CAD 371 The Avoidance of Fatigue in Aircrews and HKAR-145 Approved Maintenance Organisations.</p> <p>In 2023, Cathay Pacific carried around 18 million passengers. There were no fatalities caused by operational incidents or accidents. Nor were there any convictions for non-compliance with laws and regulations relating to health and safety matters relating to products and services provided that would have a significant impact on the Group.</p>
<p>Prevention and Control of Disease Regulation (Cap. 599A Laws of Hong Kong).</p> <p>This regulation requires immediate notification to a health officer if an operator of a cross-boundary aircraft has reason to suspect that there exists on board the aircraft —</p> <p>(a) a case or source of a specified infectious disease; or</p> <p>(b) a case or source of contamination.</p>	Hong Kong	<p>A breach of this regulation can give rise to civil and/or criminal liability including fines and imprisonment</p>	<p>Cathay Pacific have implemented procedures and guidelines for frontline employees including cabin crew, customer service officers and flight crew on how to identify and manage any suspected cases of infectious disease involving passengers or crew.</p> <p>This includes (but is not limited to):</p> <ul style="list-style-type: none"> <li>• Supplying personal protective equipment inflight for cabin crew to use when providing care to individuals with suspected infectious disease.</li> <li>• Medical advice provided by MedLink for cabin crew and ground employees for gate clearances as well as managing inflight medical emergencies.</li> <li>• Procedures following notification from Health Authorities of passengers or crew members who travelled whilst infectious.</li> </ul> <p>In 2023, there were no convictions for non-compliance with laws and regulations relating to health and safety matters relating to products and services provided that would have a significant impact on the Group.</p>

Significant laws and regulations	Location	Potential impact	Management approach and compliance status
<b>PRODUCT RESPONSIBILITY</b>			
<b>Health and safety</b>			
<p>Public Health and Municipal Services Ordinance (Cap. 132 Laws of Hong Kong).</p> <p>This Ordinance provides for the general protection for food purchasers, offences in connection with sale of unfit food and adulterated food, composition and labelling of food, food hygiene and the seizure and destruction of unfit food.</p>	Hong Kong	<p>A breach of this Ordinance can give rise to criminal liability including fine and imprisonment.</p>	<p>Cathay Dining has adopted ISO 9001 &amp; HACCP management system with quality policy to comply with all applicable food health &amp; safety regulations.</p> <p>In 2023, there were no convictions for non-compliance with laws and regulations relating to health and safety matters relating to products and services provided that would have a significant impact on the Group.</p>
<p>Dangerous Goods (Consignment by Air) (Safety) Ordinance (Cap. 384 Laws of Hong Kong).</p> <p>This Ordinance controls, in the interests of safety, the preparation, packing, marking, labelling and offering of dangerous goods for carriage by air.</p>		<p>A breach of this Ordinance can give rise to civil and/or criminal liability including fines and imprisonment.</p>	<p>Dangerous Goods Regulations and Dangerous Goods Awareness training is provided to employees.</p> <p>In 2023, there were no convictions for non-compliance with laws and regulations relating to health and safety matters relating to products and services provided that would have a significant impact on the Group.</p>

Significant laws and regulations	Location	Potential impact	Management approach and compliance status
<b>PRODUCT RESPONSIBILITY</b>			
<b>Advertising and labelling</b>			
<p>Trade Descriptions Ordinance (Cap. 362 Laws of Hong Kong).</p> <p>This Ordinance prohibits false trade descriptions, false, misleading or incomplete information and to prohibit certain unfair trade practices.</p>	Hong Kong	A breach of this Ordinance can give rise to civil and/or criminal liability including fines and imprisonment.	<p>It is the policy of the Group to comply with all applicable advertising and labelling laws and regulations.</p> <p>During 2023, there were no convictions for non-compliance with laws and regulations relating to advertising and labelling practices that would have a significant impact on the Group</p>
<b>Privacy</b>			
<p>Personal Data (Privacy) Ordinance (Cap. 486 Laws of Hong Kong) (PDPO) of the Hong Kong SAR government, which is aimed at protecting the privacy of individuals in relation to personal data.</p>	Hong Kong	<p>The PDPO is likely to have a significant impact on companies who collect, hold, process or use data, for instance, customer and employee personal data.</p> <p>The Commissioner may serve an enforcement notice to direct the company to remedy contravention and/or instigate prosecution action. Contravention of an enforcement notice is an offence which could result in a maximum fine of HK\$50,000 and imprisonment for 2 years.</p> <p>Breaches of the PDPO can cause reputational impact to the Group.</p>	<p>Cathay Pacific and its subsidiaries have policies, processes and controls in place to comply with the data protection regulations applicable to its operations (e.g. the EU/UK GDPR, PDPO and PIPL, etc.).</p> <p>During 2023, there were no convictions for non-compliance with laws and regulations relating to customer privacy that would significantly impact the Group.</p>

Significant laws and regulations	Location	Potential impact	Management approach and compliance status
<b>PRODUCT RESPONSIBILITY</b>			
<b>Privacy</b>			
<p>EU General Data Protection Regulation (GDPR) has come into force on 25 May 2018.</p> <p>The GDPR involves new provisions and enhanced rights, aimed to harmonise the framework for the digital single market, put individuals in control of their data and formulate a modern data protection governance.</p>	EU	<p>The GDPR is likely to have a significant impact on the Company because of offering goods or services to individuals who are located in the EU.</p> <p>European data protection authorities have the power to enforce the GDPR by levying fines of up to 4% of an organisation's global revenue or €20 million, whichever is the greater.</p> <p>Individuals affected by a contravention of the GDPR may also take legal action to recover compensation.</p>	<p>Cathay Pacific and its subsidiaries have policies, processes and controls in place to comply with the data protection regulations applicable to its operations (e.g. the EU/UK GDPR, PDPO and PIPL, etc.).</p> <p>During 2023, there were no convictions for non-compliance with laws and regulations relating to customer privacy that would significantly impact the Group.</p>
<p>UK GDPR, the UK data protection regime is regulated by the Data Protection Act and the GDPR has been written into UK law and tailored to become the 'UK GDPR'.</p>	UK	<p>UK data protection authorities have the power to enforce the UK GDPR by levying fines of up to 4% of an organisation's global revenue or GBP 17.5 million, whichever is the greater. Individuals affected by a contravention of the UK GDPR may also take legal action to recover compensation.</p>	
<p>Personal Information Protection law (PIPL), the first major piece of legislation in the Chinese Mainland dedicated to the protection of personal information, was effective from 1 November 2021.</p>	Chinese Mainland	<p>The PIPL is likely to have a significant impact on the Group because the law contains provisions on extra-territorial application.</p> <p>Foreign organisations which process personal information of individuals in the Chinese Mainland for the purpose of offering products or services to them, or analysing and assessing their behaviours, shall be subject to this law.</p> <p>A processor of personal information which contravenes the requirements under the law is liable to a maximum fine of RMB 50,000,000 or 5% of its annual turnover of the preceding year.</p>	

Significant laws and regulations	Location	Potential impact	Management approach and compliance status
<b>ANTI-CORRUPTION</b>			
<p>Prevention of Bribery Ordinance (Cap. 201 Laws of Hong Kong) (POBO)</p> <p>POBO aims to prohibit bribery in both the public and private sectors. For the latter, the POBO prohibits an agent's corrupt behaviour and fraudulent practices in relation to his principal's affairs.</p>	Hong Kong	<p>Under the POBO, it is an offence to offer to an agent, or for an agent (e.g. an employee), to solicit or accept an advantage when conducting the principal's affairs without the principal's permission.</p> <p>The maximum penalty for an offence is 10 years' imprisonment and a fine of HK\$1 million.</p>	<p>The Group has established an ABC Policy focused on anti-bribery and corruption, which is overseen by the Board and forms part of the Group's anti-bribery and corruption compliance programme. The ABC Policy has been updated during the reporting year to ensure it is reflective of our zero-tolerance approach to money laundering and terrorist financing.</p> <p>During 2023, there were no convictions for non-compliance with laws and regulations relating to bribery, extortion, fraud or money laundering that would have a significant impact on the Group.</p>
<p>UK Bribery Act 2010 (Bribery Act)</p> <p>The Bribery Act makes it a criminal offence to bribe, or to offer or authorize a bribe to, another person (including a foreign official) or to be the recipient of a bribe.</p>	UK	<p>The Bribery Act is likely to have a significant impact on the Company because of having a presence in the UK.</p> <p>The Bribery Act has extra-territorial reach both for UK companies operating abroad and for overseas companies with a presence in the UK. All offences under the Bribery Act are punishable by unlimited fines for companies and individuals and, for individuals, up to 10 years' imprisonment. When a company is convicted of giving or receiving a bribe, the directors and other senior managers of the company can also be held accountable.</p>	
<p>US Foreign Corrupt Practices Act (FCPA)</p> <p>The FCPA makes it unlawful for certain classes of persons and entities to make payments to foreign government officials to assist in obtaining or retaining business.</p> <p>The anti-bribery provisions of the FCPA applies to all US persons and certain foreign issuers of securities. These also apply to foreign firms and persons who cause, directly or through agents, an act in furtherance of such a corrupt payment to take place with the territory of the US.</p>	USA	<p>The FCPA has extra-territorial effect and is likely to have a significant impact on the Company, for instance, for dealing with government officials in respect of licensing matters.</p> <p>Criminal penalties for violation can be severe, including fines and imprisonment for up to 5 years (for violating anti-bribery provisions) and 20 years (for violating accounting provisions).</p>	

Significant laws and regulations	Location	Potential impact	Management approach and compliance status
<b>ANTI-CORRUPTION</b>			
<p>The PRC Criminal Law (Criminal Law)</p> <p>Bribery of public officials and private sector bribery are punished as a crime under several articles of the Criminal Law.</p>	Chinese Mainland	<p>The Group has an increasing presence in Chinese Mainland and breaches of the Criminal Law may result in the imposition of fines on the Group or, in relation to its officers, monetary penalties or imprisonment of up to 10 years or life.</p>	<p>The Group has an established ABC Policy focused on anti-bribery and corruption, which is overseen by the Board and forms part of the Group's anti-bribery and corruption compliance programme. The ABC Policy has been updated during the reporting year to ensure it is reflective of our zero-tolerance approach to money laundering and terrorist financing.</p> <p>During 2023, there were no convictions for non-compliance with laws and regulations relating to bribery, extortion, fraud or money laundering that would have a significant impact on the Group.</p>
<p>Anti-Unfair Competition Law (AUCL)</p> <p>The AUCL prohibits commercial bribery, e.g. the giving of money, property or other benefits to certain recipients in order to obtain business transaction opportunities or other competitive advantages.</p>		<p>The Group has an increasing presence in Chinese Mainland and breaches of the AUCL may result in administrative fines of up to RMB 3 million, confiscation of illegal gains and revocation of a business license.</p>	

## Pledge and Awards

<i>Name of Charter / Pledge</i>	<i>Organiser</i>
25by2025	IATA
Business Coalition for a Global Plastics Treaty	Ellen MacArthur Foundation and WWF
Drink Without Waste Pledge	Single-Use Beverage Packaging Working Group
TCFD Supporter	Task Force on Climate-Related Financial Disclosures
The Global Shark Pledge	Wild Aid
The Racial Diversity and Inclusion Charter for Employers	The Equal Opportunities Commission
United for Wildlife Transport Taskforce Buckingham Palace Declaration	United for Wildlife

<i>Awards &amp; Recognition</i>	<i>Organiser</i>
<b>15 Years Plus Caring Company</b>	The Hong Kong Council of Social Service
<b>2023 ATW Airline Industry Achievements Awards</b> • Cargo Airline of the Year	Air Transport World
<b>2023 Pacific Asia Travel Association Awards</b> • Innovative and Inspirational Initiative in Sustainable Tourism Award	Pacific Asia Travel Association
<b>CTgoodjobs Best HR Awards 2023</b> • Best Graduate and Management Trainee Programme Award – Grand • Best Talent Acquisition & Onboarding Strategy Award – Grand • Best Talent Management Strategy Strategy Award – Grand	CTgoodjobs
<b>Freightweek Sustainability Awards 2023</b> • Sustainable Cargo Airline of the Year – Asia	Freightweek
<b>GBA ESG Achievement Awards 2023</b> • GBA ESG Achievement Award • Outstanding Green Sustainable Award • Outstanding Social Sustainable Award • Outstanding Corporate Governance Awards	Metro Finance

## Pledge and Awards

Awards & Recognition	Organiser
<p><b>HKACE Customer Service Excellence Awards</b></p> <ul style="list-style-type: none"> <li>• Grand Award</li> <li>• People Development Award – Gold</li> <li>• Counter Service Team Award – Gold</li> <li>• Digital Service Strategy Award – Bronze</li> <li>• Contact Centre Service Team Award – Merit</li> </ul>	<p>Hong Kong Association of Customer Service Excellence</p>
<p><b>Hong Kong Awards for Environmental Excellence</b></p> <ul style="list-style-type: none"> <li>• Manufacturing and Industrial Services – Gold Award</li> <li>• Manufacturing and Industrial Services – Certificate of Merit</li> <li>• Transport and Logistics – Bronze Award</li> <li>• Transport and Logistics – Certificate of Merit</li> </ul>	<p>Environmental Campaign Committee</p>
<p><b>Hong Kong Sustainability Awards 2023</b></p> <ul style="list-style-type: none"> <li>• Distinction Award</li> </ul>	<p>The Hong Kong Management Association</p>
<p><b>LinkedIn Talent Awards</b></p> <ul style="list-style-type: none"> <li>• Best Employer Brand Award</li> <li>• Diversity Champion Award</li> </ul>	<p>LinkedIn</p>
<p><b>Privacy-Friendly Awards 2023</b></p> <ul style="list-style-type: none"> <li>• Silver Award</li> </ul>	<p>Office of the Privacy Commissioner for Personal Data, Hong Kong</p>
<p><b>SKYTRAX World Airline Awards 2023</b></p> <ul style="list-style-type: none"> <li>• World's Best Inflight Entertainment Award</li> <li>• World's Top 10 Airlines of 2023</li> </ul>	<p>Skytrax</p>
<p><b>Standard Chartered Corporate Achievement Awards</b></p> <ul style="list-style-type: none"> <li>• Sustainable Corporate (Environmental) Leadership Award</li> </ul>	<p>Standard Chartered Hong Kong and Hong Kong Economic Journal</p>
<p><b>TVB ESG Awards 2023</b></p> <ul style="list-style-type: none"> <li>• Best in ESG Practices</li> <li>• Best in ESG Report</li> <li>• ESG Project Innovation Award</li> <li>• Innovative Climate Technology Award</li> </ul>	<p>TVB</p>

# EXTERNAL ASSURANCE

We have engaged independent assurance provider Deloitte to provide an independent assurance on our greenhouse gas emissions and carbon offset data for the aforesaid reporting period. The scope and statement of assurance are provided as follows. The verified data with external assurance is marked with "◊" throughout the report. The assurance report is as follows:





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**INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT**

To the Board of Directors of  
**Cathay Pacific Airways Limited**

We have been engaged by the Directors of Cathay Pacific Airways Limited ("Cathay Pacific") to perform a limited assurance engagement in relation to certain sustainable development data (the "Data Points") included in its Sustainable Development ("SD") Report for the year ended 31 December 2023 (the "SD Report 2023") and selected by Cathay Pacific.

**Data Points**

The Data Points are listed below:

1. Total Scope 1 Greenhouse Gas Emissions (CO<sub>2</sub>e); and
2. Total Scope 2 Greenhouse Gas Emissions (CO<sub>2</sub>e) (market-based); and
3. Total amount of carbon offset by the Fly Greener Programme
4. Carbon Offsets (purchased by Cathay Pacific for the carbon offset of duty travel and promotional campaigns for Fly Greener)
5. Carbon Offsets (purchased by individual and corporate customers)
6. Amount of carbon offsets purchased by individual customers under the Fly Greener Programme
7. Amount of carbon offsets purchased by corporate customers under the Fly Greener Programme
8. Carbon Offsets (purchased by cargo shipments)
9. Amount of Sustainable Aviation Fuel ("SAF") used
10. Amount of SAF-derived carbon emissions abatement

The Data Points are presented in the Data Points table set out in Appendix I to this report.

**Reporting Criteria**

The Data Points are presented in accordance with the criteria set out in Appendix II to the report (the "Reporting Criteria").

**Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board of Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Management 1, "Quality Management for Firms that Perform Audits and Reviews of Financial Statements, or Other Assurance or Related Services Engagements" and, accordingly, maintains a comprehensive system of quality control, including documented policies & procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



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**Responsibilities**

*Deloitte Touche Tohmatsu*

It is our responsibility to express a limited assurance conclusion on the Data Points based on our work performed and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility or accept liability to any other person for the contents of this report.

*Cathay Pacific Airways Limited*

The Directors of Cathay Pacific are responsible for the preparation and presentation of the Data Points in accordance with the Reporting Criteria. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and presentation of the Data Points, applying an appropriate basis of preparation, making estimates that are reasonable in the circumstances and ensuring the accuracy and completeness of the Data Points.

**Reporting Framework**

We conducted our work in accordance with the International Standard on Assurance Engagements 3000 (Revised), "Assurance Engagements other than Audits or Reviews of Historical Financial Information", and the International Standard on Assurance Engagements 3410, "Assurance Engagements on Greenhouse Gas Statements" (together, the "Standards"), issued by the International Auditing and Assurance Standards Board.

The Standards require that we comply with ethical requirements, and plan and perform the engagement to obtain limited assurance as to whether any matters have come to our attention that cause us to believe that the Data Points do not comply in all material respects with the Reporting Criteria.

**Objectives**

The overall objective of our procedures was to assess whether the Data Points were prepared, in all material respects, in accordance with the Reporting Criteria.

**Procedures Performed**

Our work comprised of the following limited procedures:

- Interviews with relevant management and personnel involved in providing information relating to the Data Points for inclusion in the SD Report 2023;
- Sample testing of documentary evidence at Cathay Pacific's corporate and site levels;
- Analytical procedures; and
- Recalculations.

We have not performed any procedures in relation to other data included in the SD Report 2023. In addition, our work performed is not for the purposes of expressing an opinion on the effectiveness of Cathay Pacific's internal controls.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

**Inherent Limitations**

Non-financial performance information, including the Data Points, is subject to more inherent limitations than financial information, given both its nature and the methods used for determining, calculating, sampling and estimating such information. This could have a material impact on comparability. Qualitative interpretations of relevance, materiality and the accuracy of such information are subject to individual assumptions and judgements.

**Conclusion**

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Data Points have not been prepared, in all material respects, in accordance with the Reporting Criteria.



**Deloitte Touche Tohmatsu**  
Certified Public Accountants  
Hong Kong  
5 March, 2024



Global Reporting Initiative (GRI) and Hong Kong Stock Exchange Environmental, Social and Governance (ESG) reporting index table

GRI Standard	Disclosure	Relevant section(s) and/or URL(s)	Remark (e.g. omission)	HKEX ESG Reporting Guide	
<b>GRI 2: General disclosures 2021</b>					
<b>Organisation profile</b>					
	2-1	Organisation details	About Cathay <a href="#">Annual Report</a>	p.6 p.2	
	2-2	Entities included in the Organisation's sustainability reporting	About this report	p.7	Mandatory Disclosure Requirements: Reporting Boundary
	2-3	Reporting period, frequency and contact point	About this report	p.7	
	2-4	Restatements of information	Environmental indicators table	p.120-121	Mandatory Disclosure Requirements: Reporting Principles
	2-5	External assurance	External assurance	p.160-161	
<b>Activities and workers</b>					
	2-6	Activities, value chain and other business relationships	About Cathay Our subsidiaries Governance - Sustainable procurement <a href="#">Annual Report</a>	p.6 p.108-118 p.26 p.2	
	2-7	Employees	<a href="#">Annual Report</a> Social indicators table	p.31 p.125	KPI B1.1
	2-8	Workers who are not employees	Social indicators table	p.135	KPI B5.1
<b>Governance</b>					
	2-9	Governance structure and composition	Governance <a href="#">Annual Report</a>	p.18-20 p.51-65	
	2-10	Nomination and selection of the highest governance body	<a href="#">Annual Report</a>	p.55-57	

GRI Standard	Disclosure	Relevant section(s) and/or URL(s)	Remark (e.g. omission)	HKEX ESG Reporting Guide
<b>Governance</b>				
	2-11	Chair of the highest governance body	<a href="#">Annual Report</a> p.51-65	
	2-12	Role of the highest governance body in overseeing the management of impacts	Governance p.18-20 <a href="#">Annual Report</a> P.51-65	Mandatory Disclosure Requirements: Governance structure
	2-13	Delegation of responsibility for managing impacts	Governance p.18-20 <a href="#">Annual Report</a> p.57-58	
	2-14	Role of the highest governance body in sustainability reporting	Governance p.18-20	Mandatory Disclosure Requirements: Governance structure
	2-15	Conflicts of interest	<a href="#">Code of Conduct</a>	
	2-16	Communication of critical concerns	Governance p.18-20 <a href="#">Annual Report</a> p.53-54	
	2-17	Collective knowledge of the highest governance body	<a href="#">Annual Report</a> p.51-65	
	2-18	Evaluation of the performance of the highest governance body	<a href="#">Annual Report</a> p.53-54	
	2-19	Remuneration policies	<a href="#">Remuneration Policy</a>	
	2-20	Process to determine remuneration	<a href="#">Remuneration Policy</a>	
	2-21	Annual total compensation ratio	<a href="#">Annual Report</a> p.118	
<b>Strategy, policies, and practices</b>				
	2-22	Statement on sustainable development strategy	Message from the CEO p.4-5 Governance – Board statement on Sustainable Development p.18	Mandatory Disclosure Requirements: Governance Structure
	2-23	Policy commitments	Our approach p.10 Governance – Corporate compliance p.21-25 <a href="#">Code of Conduct</a> <a href="#">Sustainable Development Policy</a> <a href="#">Human Rights Policy</a> <a href="#">Supplier Code of Conduct</a> <a href="#">Swire Pacific Corporate Code of Conduct</a>	

<b>GRI Standard</b>	<b>Disclosure</b>	<b>Relevant section(s) and/or URL(s)</b>	<b>Remark (e.g. omission)</b>	<b>HKEX ESG Reporting Guide</b>
<b>Strategy, policies, and practices</b>				
	2-24	Embedding policy commitments	Our approach p.10 Governance – Code of Conduct p.19 Governance – Corporate compliance p. 21-25 <a href="#">Sustainable Development Policy</a> <a href="#">Human Rights Policy</a> <a href="#">Swire Pacific Corporate Code of Conduct</a>	KPI B4.1 KPI B5.2 KPI B6.3 KPI B7.2 KPI B7.3
	2-25	Processes to remediate negative impacts	Our approach p.10 Stakeholder Engagement and Materiality Assessment p.10-13 Governance – Whistleblowing Policy p.23	
	2-26	Mechanisms for seeking advice and raising concerns	Our approach p.10 Stakeholder Engagement and Materiality Assessment p.10-13 Governance – Whistleblowing Policy p.23	
	2-27	Compliance with laws and regulations	Compliance with laws and regulations p.148-157	Aspect A1: Emissions: General Disclosure Aspect B1: Employment: General Disclosure Aspect B2: Health and Safety: General Disclosure Aspect B4: Labour Standards: General Disclosure Aspect B6: Product Responsibility: General Disclosure Aspect B7: Anti-corruption: General Disclosure
	2-28	Membership associations	Cathay's response to TCFD and IFRS S2 p.136-147 Selected awards and pledges p.158	

<b>GRI Standard</b>	<b>Disclosure</b>	<b>Relevant section(s) and/or URL(s)</b>	<b>Remark (e.g. omission)</b>	<b>HKEX ESG Reporting Guide</b>	
<b>Stakeholder engagement</b>					
	2-29	Approach to stakeholder engagement	Stakeholder Engagement and Materiality Assessment Governance – Customer support and complaint handling	p.10-13 p.25	Mandatory Disclosure Requirements: Reporting Principles; KPI B6.2
	2-30	Collective bargaining agreements		Not applicable. The majority of our employees are in Hong Kong, where there is no legal framework for collective bargaining arrangements with trade unions. Where our employees are represented by a legally recognised union, we are committed to establishing a constructive dialogue with union representatives.	
<b>GRI 3: Material Topics 2021</b>					
<b>Material Topics</b>					
	3-1	Process to determine material topics	Stakeholder Engagement and Materiality Assessment	p.10-13	Mandatory Disclosure Requirements: Reporting Principles
	3-2	List of material topics	Stakeholder Engagement and Materiality Assessment	p.13	
<b>TOPIC SPECIFIC DISCLOSURES</b>					
<b>GRI 200 ECONOMIC STANDARDS SERIES</b>					
<b>RI 201: Economic Performance 2016</b>					
	3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment <a href="#">Annual Report</a>	p.10-13 p.13-32	
	201-1	Direct economic value generated and distributed	Economic indicators table <a href="#">Annual Report</a>	p.119 p.79-80	
	201-2	Financial implications and other risks and opportunities due to climate change	Climate change Cathay's response to TCFD and IFRS S2	p.30, 35 p.136-147	Aspect A4: Climate Change: General Disclosure; KPI A4.1
	201-3	Defined benefit plan obligations and other retirement plans	Our people – Employee welfare <a href="#">Annual Report</a>	p.92 p.101-105	

<i>GRI Standard</i>	<i>Disclosure</i>	<i>Relevant section(s) and/or URL(s)</i>	<i>Remark (e.g. omission)</i>	<i>HKEX ESG Reporting Guide</i>
<b>GRI 204: Procurement Practices 2016</b>				
3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment Governance- Sustainable procurement <a href="#">Supplier Code of Conduct</a>	p.10-13 p.26	Aspect B5: Supply Chain Management: General Disclosure; KPI B5.1; KPI B5.4
204-1	Proportion of spending on local suppliers	Social indicators table	p.135	
<b>GRI 205: Anti-corruption 2016</b>				
3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment Governance – Code of Conduct Governance – Anti-Bribery, Corruption, Anti-money Laundering and Terrorist Financing Policy Governance – Know Your Partner Policy	p.10-13 p.19 p.22 p.23	Aspect B7: Anti-corruption: General Disclosure; KPI B7.2
205-2	Communication and training on anti-corruption policies and procedures	Governance – Whistleblowing Policy	p.23	
205-3	Confirmed incidents of corruption and actions taken	Compliance with laws and regulations	p.22, 156-157	KPI B7.1
<b>GRI 206: Anti-competitive behaviour 2016</b>				
3-3	Management of material topics	Governance – Code of Conduct Governance – Know Your Partner Policy Governance – Competition law compliance policy	p.19 p.23 p.23	
206-1	Legal actions for anti-competitive behaviour, antitrust, and monopoly practices	Governance – Competition law compliance policy	p.23	
<b>GRI 207: Tax 2019</b>				
207-1	Approach to tax	Governance – Tax transparency <a href="#">Annual report</a>	p.25 p.87-88	
207-2	Tax governance, control, and risk management			
207-3	Stakeholder engagement and management of concerns related to tax			
207-4	Country-by-country reporting	<a href="#">Annual report</a>	p.87-88	

<i>GRI Standard</i>	<i>Disclosure</i>	<i>Relevant section(s) and/or URL(s)</i>	<i>Remark (e.g. omission)</i>	<i>HKEX ESG Reporting Guide</i>	
<b>GRI 300 ENVIRONMENTAL STANDARDS SERIES</b>					
<b>GRI 301: Materials 2016</b>					
	3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment Materials & waste Our subsidiaries <a href="#">Sustainable Development Policy</a>	p.10-13 p.47 p.113-118	Aspect A2: Use of Resources: General Disclosure
	301-1	Materials used by weight or volume	Environmental indicators table	p.124	KPI A2.5
<b>GRI 302: Energy 2016</b>					
	3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment Climate change Our subsidiaries <a href="#">Sustainable Development Policy</a>	p.10-13 p.30, 33 p.113-118	Aspect A2: Use of Resources: General Disclosure; KPI A2.3
	302-1	Energy consumption within the organisation	Environmental indicators table	p.123	KPI A2.1
	302-3	Energy intensity	Environmental indicators table	p.123	
	302-4	Reduction of energy consumption	Climate change – Fleet modernisation	p.36	KPI A2.3
	302-5	Reductions in energy requirements of products and services	Climate change – Operational efficiency Climate change – Sustainable aviation fuel Climate change – Ground emissions Our subsidiaries	p.38-39 p.40-41 p.44 p.113-118	
<b>GRI 303: Water and Effluents 2018</b>					
	303-1	Interactions with water as a shared resource	Stakeholder Engagement and Materiality Assessment	p.10-13	Aspect A2: Use of Resources: General Disclosure
	303-2	Management of water discharge-related impacts	Climate Change – Our buildings Our subsidiaries	p.44 p.117	Note: KPI A2.4 is considered irrelevant because water is not one of our material topics
	303-3	Water withdrawal	Environmental indicators table	p.123	KPI A2.2

<i>GRI Standard</i>	<i>Disclosure</i>	<i>Relevant section(s) and/or URL(s)</i>	<i>Remark (e.g. omission)</i>	<i>HKEX ESG Reporting Guide</i>
<b>GRI 304: Biodiversity 2016</b>				
3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment Biodiversity <a href="#">Sustainable Development Cargo Carriage Policy</a> <a href="#">Sustainable Food Policy</a> <a href="#">Sustainable Development Policy</a>	p.10-13 p.60-65	Aspect A3: The Environment and Natural Resources General Disclosure; KPI A3.1
304-2	Significant impacts of activities, products, and services on biodiversity	Biodiversity	p.60-65	
<b>GRI 305: Emissions 2016</b>				
3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment Climate change Our subsidiaries Cathay's response to TCFD and IFRS S2	p.10-13 p.30, 33 p.113-118 p.136-147	Aspect A1: Emission: General Disclosure; KPI A1.5
305-1	Direct (Scope 1) GHG emissions	Climate change – Fleet modernisation	p.36	
305-2	Energy indirect (Scope 2) GHG emissions	Climate change – Supplier engagement	p.37	KPI A1.2
305-3	Other indirect (Scope 3) GHG emissions	Climate change – Operational efficiency	p.38-39	
305-4	GHG emissions intensity	Climate change – Sustainable aviation fuel Climate change – Ground emissions	p.40-41 p.44	
305-5	Reduction of GHG emissions	Our Subsidiaries	p.113-118	KPI A1.5
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions	Environmental indicators table	p.122	KPI A1.1

<b>GRI Standard</b>	<b>Disclosure</b>	<b>Relevant section(s) and/or URL(s)</b>	<b>Remark (e.g. omission)</b>	<b>HKEX ESG Reporting Guide</b>	
<b>GRI 306: Waste 2020</b>					
	306-1	Waste generation and significant waste-related impacts	Stakeholder Engagement and Materiality Assessment Materials & Waste Our subsidiaries <a href="#">Sustainable Development Policy</a>	p.10-13 p.47 p.113, 115-118	Aspect A1: Emission: General Disclosure; KPI A1.3; KPI A1.4; KPI A1.6
	306-2	Management of significant waste-related impacts			
	306-3	Waste generated	Environmental indicators table	p.124	
	306-4	Waste diverted from disposal			
	306-5	Waste directed to disposal			
<b>GRI 308: Supplier environmental assessment 2016</b>					
	3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment Governance – Sustainable procurement <a href="#">Supplier Code of Conduct</a> <a href="#">Procurement approach</a> <a href="#">Sustainable Development Policy</a>	p.10-13 p.26	Aspect B5: Supply Chain Management: General Disclosure; KPI B5.2; KPI B5.3; KPI B5.4
	308-1	New suppliers that were screened using environmental criteria			All new suppliers were screened using environmental criteria through our procurement process in 2023.

<b>GRI Standard</b>	<b>Disclosure</b>	<b>Relevant section(s) and/or URL(s)</b>	<b>Remark (e.g. omission)</b>	<b>HKEX ESG Reporting Guide</b>		
<b>GRI 400 SOCIAL STANDARDS SERIES</b>						
<b>GRI 401: Employment 2016</b>						
	3-3	Management of material topics	Stakeholder engagement and materiality assessment	p.10-13	Our Recruitment Policy communicates our recruitment approach while the Human Rights Policy covers topics such as compensation, working hours and rest periods, etc.	Aspect B1: Employment: General Disclosure
	401-1	New employee hires and employee turnover	United Nations Sustainable Development Goals Our people Our subsidiaries <a href="#">Recruitment Policy</a> <a href="#">Human Rights Policy</a> <a href="#">Sustainable Development Policy</a>	p.14 p.78 p.113-118		
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee welfare	p.127-128 p.92		KPI B1.2
<b>GRI 402: Labour/Management relations 2016</b>						
	3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment Our people – Employee relations and engagement	p.10-13 p.81-86	The implementation of any significant operational changes is governed by the Employment Ordinance of Hong Kong.	
	402-1	Minimum notice periods regarding operational changes			We provided notice of operational changes to our employees as soon as they occur and maintained open and constant communication with affected employees.	

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<b>GRI 403: Occupational health and safety 2018</b>				
403-1	Occupational health and safety management system	Stakeholder Engagement and Materiality Assessment Safety – Our approach	p.10-13 p.67	Aspect B2: Health and Safety: General Disclosure; KPI B2.1; KPI B2.2; KPI B2.3
403-2	Hazard identification, risk assessment, and incident investigation	Safety – Safety policy	p.67	
403-3	Occupational health services	Safety – Operational safety	p.67-73	
403-4	Worker participation, consultation, and communication on occupational health and safety	Safety – Occupational health and safety Our subsidiaries <a href="#">Sustainable Development Policy</a>	p.73-74 p.113-118	
403-5	Worker training on occupational health and safety			
403-6	Promotion of worker health			
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships			
403-8	Workers covered by an occupational health and safety management system			
403-9	Work-related injuries	Safety – Occupational health and safety Social indicators table	p.73-74 p.134	
<b>GRI 404: Training and education 2016</b>				
3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment Our people – Attracting and developing talent	p.10-13 p.87-88	Aspect B3: Development and Training: General Disclosure KPI B3.1; KPI B3.2
404-1	Average hours of training per year per employee	Our people – Attracting and developing talent Social indicators table	p.87 p.131	
404-2	Programs for upgrading employee skills and transition assistance programs	Our people – Attracting and developing talent	p.89-91	
404-3	Percentage of employees receiving regular performance and career development reviews	Social indicators table	p.132	

<i>GRI Standard</i>	<i>Disclosure</i>	<i>Relevant section(s) and/or URL(s)</i>	<i>Remark (e.g. omission)</i>	<i>HKEX ESG Reporting Guide</i>
<b>GRI 405: Diversity and equal opportunity 2016</b>				
3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment Governance – Modern slavery and human rights Our people – Diversity and inclusion <a href="#">Human Rights Policy</a> <a href="#">Diversity and Inclusion Policy</a> <a href="#">Board Diversity Policy</a> <a href="#">Sustainable Development Policy</a>	p.10-13 p.24 p.96-99	Aspect B1: Employment: General Disclosure
405-1	Diversity of governance bodies and employees	Social indicators table	p.133-134	
<b>GRI 406: Non-discrimination 2016</b>				
3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment Our people – Diversity and inclusion <a href="#">Human Rights Policy</a> <a href="#">Diversity and Inclusion Policy</a> <a href="#">Sustainable Development Policy</a>	p.10-13 p.96-99	Aspect B1: Employment: General Disclosure
406-1	Incidents of discrimination and corrective actions taken	Compliance with laws and regulations	p.149	
<b>GRI 408: Child labour 2016</b>				
3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment Governance – Modern slavery and human rights Governance – Sustainable procurement Our people – Human resources management <a href="#">Code of Conduct</a>	p.10-13 p.24 p.26 p.80	Aspect B4: Labour Standards: General Disclosure; KPI B4.1; KPI B4.2
408-1	Operations and suppliers at significant risk for incidents of child labour	<a href="#">Human Rights Policy</a> <a href="#">Modern Slavery and Human Trafficking Policy Statement</a> <a href="#">Supplier Code of Conduct</a>		

<i>GRI Standard</i>	<i>Disclosure</i>	<i>Relevant section(s) and/or URL(s)</i>	<i>Remark (e.g. omission)</i>	<i>HKEX ESG Reporting Guide</i>
<b>GRI 409: Forced or compulsory labour 2016</b>				
3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment	p.10-13	Aspect B4: Labour Standards: General Disclosure; KPI B4.1; KPI B4.2
		Governance – Modern slavery and human rights	p.24	
		Governance – Sustainable procurement	p.26	
		Our people – Human resources management	p.80	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	<a href="#">Code of Conduct</a> <a href="#">Human Rights Policy</a> <a href="#">Modern Slavery and Human Trafficking Policy Statement</a> <a href="#">Supplier Code of Conduct</a>		
<b>GRI 413: Local communities 2016</b>				
3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment	p.10-13	Aspect B8: Community Investment: General Disclosure KPI B8.1; KPI B8.2
		Community – Our approach	p.102	
		Our subsidiaries	p.113-118	
		<a href="#">Sustainable Development Policy</a>		
413-1	Operations with local community engagement, impact assessments, and development program	Community – Community programmes	p.103-104	
		Community – Fundraising and donations	p.105-106	
		Community – Volunteering	p.106	
<b>GRI 414: Supplier social assessment 2016</b>				
3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment	p.10-13	Aspect B5: Supply Chain Management: General Disclosure; KPI B5.2; KPI B5.3
		Governance – Sustainable procurement	p.26	
		<a href="#">Supplier Code of Conduct</a>		
		<a href="#">Procurement approach</a> <a href="#">Sustainable Development Policy</a>		

GRI Standard	Disclosure	Relevant section(s) and/or URL(s)	Remark (e.g. omission)	HKEX ESG Reporting Guide
<b>GRI 414: Supplier social assessment 2016</b>				
	414-1	New suppliers that were screened using social criteria		All new suppliers were screened using social criteria through our procurement process in 2023.
<b>GRI 416: Customer health and safety 2016</b>				
	3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment Governance – Customer support and complaint handling Safety – Our approach Safety – Safety policy Safety – Operational safety Safety – Passenger health and safety <a href="#">Sustainable Development Policy</a>	p.10-13 p.25 p.67 p.67 p.67-73 p.75
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Compliance with laws and regulations	p.152-153
<b>GRI 417: Marketing and labelling 2016</b>				
	3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment Governance – Advertising and labelling practice	p.10-13 p.22
	417-2	Incidents of non-compliance concerning product and service information and labelling	Compliance with laws and regulations	p.154
	417-3	Incidents of non-compliance concerning marketing communications	Compliance with laws and regulations	p.154
<b>GRI 418: Customer privacy 2016</b>				
	3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment Governance – Privacy and data protection	p.10-13 p.21
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Compliance with laws and regulations	p.21, 154-155