

CATHAY PACIFIC
CATERING SERVICES

CATHAY PACIFIC CATERING SERVICES (H.K.) LTD.
Sustainable Development Report 2017



CATHAY PACIFIC
CATERING SERVICES

50TH ANNIVERSARY
OF
CATHAY PACIFIC CATERING SERVICES (H.K.) LTD.



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ABOUT THE REPORT

AIM OF THE REPORT

Cathay Pacific Catering Services (H.K) Ltd (“CPCS”) has put continuous effort in incorporating sustainability values into its core operation.

CPCS is delighted to publish its eighth annual Corporate Sustainable Development Report (“the report”). Giving information and details of our performance regarding corporate governance, environment and social aspects, the report aims to respond to the stakeholders’ concerns with the company’s business strategy, business model, and key performance indicators.

CPCS publishes the report on an annual basis to enhance the transparency of sustainability performance, proactively communicate with the stakeholders about the company’s responsibility and performance throughout the year. The stakeholders are enabled to understand CPCS’ sustainability development, strategies and achievements on all fronts.

Through this report, CPCS aims to identify opportunities for improvement on sustainability management and strategically tackle issues that influence the company’s business.

REPORTING PERIOD

Unless otherwise specified, the report covers CPCS’ information during the year between 1 January and 31 December 2017.

REPORTING SCOPE

The report covers only CPCS’ in-flight catering business; Deli Fresh, Deli Delight and associate international kitchens are excluded. The environmental impacts and initiatives associated with the operations outside of Hong Kong are not included in the report.

REPORTING FRAMEWORK

Reviewed and approved by the senior management, the report is structured in four pillars identified as major concerns in stakeholder engagement.

- Vision and Strategy
- Focusing on Clients’ Needs
- Operating in an Environmentally Responsible Manner
- Investing in Our Employees and Community

REPORTING STANDARD

The report is prepared with reference to the Global Reporting Initiative (GRI) Sustainability Reporting Standards (“GRI Standards”), an internationally recognised standard for corporate reporting that covers economic, environmental and social performances.

In line with the GRI Reporting Standards, CPCS periodically performs materiality assessment to identify sustainability topics of utmost concern to the stakeholders. A materiality assessment conducted during the reporting period is disclosed in the following section.

Throughout the preparation of the report, CPCS’ Sustainable Development Steering Committee and the key stakeholders were engaged in reviewing the material topics in accordance with the above-mentioned reporting standards.

GRI performance indicators are disclosed in the “GRI Content Index” Section below.



CEO Message

Mr. Andy Wong
 Chief Executive Officer
 Chairperson of CPCS Sustainable Development Steering Committee



Did you know Cathay Pacific Catering Services (H.K.) Ltd was the first Hong Kong in-flight caterer to publish an annual corporate sustainable development report? This is our 8th publication and we believe it is important to engage and clearly communicate with our stakeholders as we grow alongside the Hong Kong aviation industry.

The year of 2017 marks the CPCS' **50th Anniversary** and the opening of the **Phase 2 extension facility** at Hong Kong International Airport. The extension facility brought a 40% increase in our production capability, taking it from 100,000 to 140,000 meals a day. This not only demonstrates our support to the expanding operations of both Cathay Pacific Airways and the Hong Kong Airport Authority but also helps Hong Kong maintain its status as a major aviation hub in the Asia Pacific region.

We celebrated another record-breaking year in 2017 by producing 30,271,467 meals. We also served more **customers** than ever before - a total of 50 airline customers - in our 50th year of operation. Among the new customers joining us were China Southern (CZ), Nepal Airlines (RA), Peach Aviation (MM), Air Japan (NQ), Jet Airways (9W), AviaStar Tu - Airlines (4B) and the Emirates (EK) Lounge at HKIA.

As we celebrate our business expansion, it is important not to forget our vision, missions and values, which is key to our sustainable growth. We maintain a dialogue with our **stakeholders**, including customers, employees and the general public, during the value creation process. We tirelessly seek ways to further integrate sustainability efforts into our daily operations.

Our sustainability agenda covers economic, environmental and social actions. This year we are proud to launch our **Corporate Sustainability Targets 2020**, which requires focus at all levels within our organisation.

For example, we put enormous effort in reducing and managing our food waste, including unused in-flight food collection and donation to non-governmental organisations, such as Feeding Hong Kong and Food Angel, to help the less-privileged people in our community. As a matter of fact, we donated 260.73 tonnes of food to these organisations during the year.

Employees are CPCS' greatest assets. In 2017, we launched The Youth Programme, our new recruitment campaign, to provide job opportunities in the in-flight catering field to young graduates and nurture talents for the industry. We will continue to invest in training and learning to further develop the competencies of our staff because we know without the invaluable support of our employees, it would be impossible to achieving the remarkable results that we are so proud of today.

“ We Provide Premium Catering Services in a Sustainable; Ethical and Responsible Manner. ”

We will also stay committed to contributing to the local community where we can. Over the past eight years, we have collaborated with the Tung Chung community services centre of Outlying Islands Women’s Association (OIWA) to establish an in-flight cutlery, headset-packaging and vegetable processing facility. In 2017, more than 16,000,000 cutlery sets and 1,861,200 chopsticks were processed by this proud workforce.

To my delight, our sustainability efforts have also been recognised by the industry and Hong Kong at large. We received more than 10 awards, including a Bronze Award in the Hong Kong Awards for Environmental Excellence and the “Eco-challenger” honour in the BOCHK Corporate Environmental Leadership Award 2016. We were also named a BEC Sustainable Consumption Enterprise.

In closing, it is my pleasure to present to you the **CPCS Sustainability Report 2017**. On behalf of CPCS, I would like to express my sincere gratitude towards our employees, partners and customers for their dedication and contribution to corporate, social and environmental sustainability. As we move toward our Corporate Sustainability Targets 2020, we encourage our stakeholders to join us on this sustainable journey.

We welcome your feedback and comments on the report of CPCS’ sustainability programmes via customerfeedback@cpcs.com.hk.



Mr. Andy Wong

Chief Executive Officer

Chairperson of CPCS Sustainable Development Steering Committee

Cathay Pacific Catering Services (H.K.) Ltd.

CPCS AT A GLANCE

ABOUT CPCS

CPCS is one of the largest flight kitchens in the world. It entirely manages two companies, Deli Fresh, a school meal service provider, and Deli Delight, an online gourmet food retailer.

With over 50 years of experience in the airline catering industry, CPCS is a renowned caterer specially after moving to its state-of-the-art facility at the Hong Kong International Airport, Chek Lap Kok in 1998.

In 2017, CPCS supplied over 30 million meals to more than 50 global carriers operating out of the Hong Kong International Airport, accounting for a 64.7% share in the airline catering market. CPCS was supported by 1,743 employees and its resident contractors.

The company is a wholly-owned subsidiary of Cathay Pacific Airways. In addition to preparing authentic, mouth-watering dishes, CPCS provides logistic services in delivering food, beverages and other commissary items onto aircraft.

CPCS has four sister international kitchens worldwide, in Taipei, Cebu, Toronto and Vancouver to support Cathay Pacific Airways' business.

OUR HISTORY AND STORY

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



Growing with CPCs: 1960s - 2010s

CPCS is honoured to receive continuous support from its valued customers, business partners and employees through thick and thin in the past decades as we shifted our operation from Kai Tak to Chek Lap Kok.



- In 1967, the Swire Group, Cathay Pacific Airways and Hong Kong and Shanghai Hotels established a cooperative venture named "Air Caterers Ltd." at Kai Tak Airport.

1960s



- Our colleague was dishing out at SACL Production Area.

1970s

- In 1974, an increase in shareholding by the Swire Group led to the change in the company's name to "Swire Air Caterers Ltd." (SACL).



- Our colleague was decorating croissants.

1980s



- Meal presentation at SACL



- The Cathay Newsletter reported the opening of Air Caterers Ltd.





- In 1992, Cathay Pacific Airways acquired the entire shareholding of SACL. The company was renamed as "Cathay Pacific Catering Services (H.K.) Ltd."

1990s



- In 1998, CPCS moved to Chek Lap Kok following the opening of the new airport.



- The daily average number of flights handled grew to 110.

2000s



- The daily average number of meals produced increased to 57,000



- In 2015, CPCS held a groundbreaking ceremony for the extension facility.

2010s



- CPCS' extension facility was officially opened in 2017. It has the world's first establishment of vertical cold storage.



VISION

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

VALUES

CPCS uses 'CREATE' to represent its values:

Caring
Respect
Excellence
Adaptability
Teamwork
Ethics

Vision, Missions and Values



MISSIONS

CPCS sets its missions to:

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

Celebrating 50 years of CPCS



2017 marks the 50th anniversary of CPCS as well as the official opening of our extension facility. To celebrate, CPCS held an extension facility grand opening ceremony cum a 50th anniversary cocktail reception on 25 April 2017. Over 200 guests, including airline customers, suppliers and business partners, joined the event.

The ceremony kicked off with speeches by Mr. James Ginns and Mrs. Jenny Lam. Our honourable guests, together with our robotic co-worker, Jeeves, officiated the opening ceremony. A fascinating lion dance performance ended the event on a high note and all the guests enjoyed it very much.

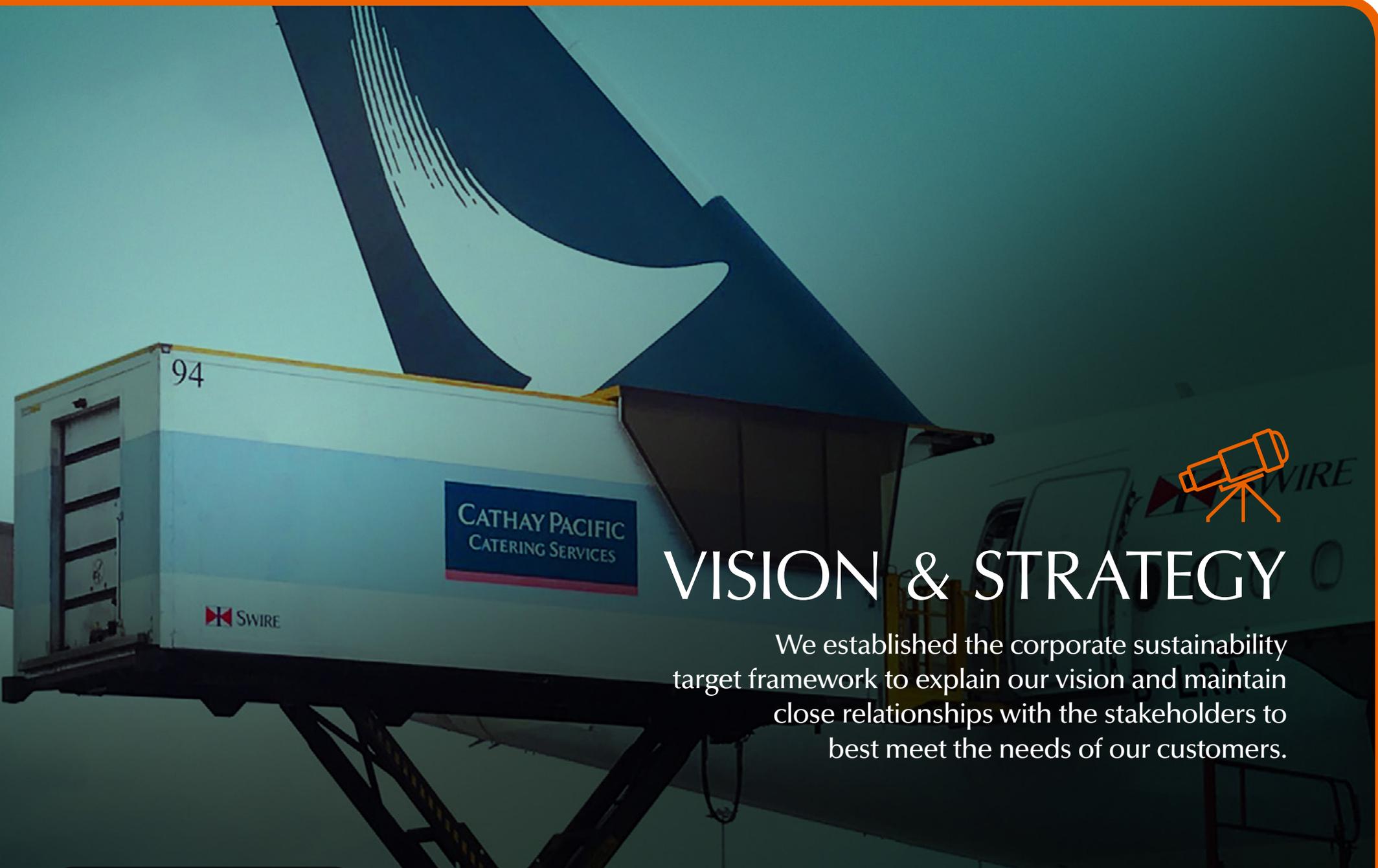
After the ceremony, our guests led the way towards our new meal presentation room to join the 50th Anniversary Cocktail Party. The party started with an appreciation speech by Mr. Andy Wong, followed by cake cutting and toasting. Andy expressed his gratitude to all business associates for their continuous support over the past 50 years.

Our chef team put a lot of efforts in preparing a wide range of culinary delicacies for our guests, with the pastry team making cupcakes decorated with the number "50". In addition, we invited Mr. Antonio Lai, the multi-awarded international mixologist, to make three kinds of cocktails especially for this party. All our guests loved them and showed a lot of appreciation.

The event was filled with joy and laughter. We are grateful to have our valued guests celebrating this memorable occasion with us, and we look forward to many more years to come.



- 1 Opening speeches by Mr. James Ginns
- 2 The honourable guests officiated the opening ceremony
- 3 Lion dance to officiate the opening of the extension facility
- 4 Appreciation speech by Mr. Andy Wong
- 5 Award-winning mixologist Antonio was introducing the cocktails to our guests
- 6 CPCS team with one of the customers, Aeroflot Russian Airlines
- 7 Jenny, Andy and the chef team thanked all guests



VISION & STRATEGY

We established the corporate sustainability target framework to explain our vision and maintain close relationships with the stakeholders to best meet the needs of our customers.

 VISION & STRATEGY

 CATERING TO OUR CUSTOMERS' NEEDS

 OPERATING IN AN ENVIRONMENTALLY RESPONSIBLE MANNER

 INVESTING IN OUR PEOPLE AND COMMUNITY

VISION & STRATEGY

CPCS CORPORATE SUSTAINABILITY TARGETS

CPCS reached a new milestone in 2017. To help focusing on its environmental strategies, CPCS established the Corporate Sustainability Targets 2020, with 2015 as the baseline year. These targets, reviewed and approved by the senior management, are detailed below.

Aspect	Targets
Carbon	10% of Reduction in carbon intensity by 2020
Water	5% of Reduction in water consumption intensity by 2020
Waste	5% of Reduction in waste disposal diverted from landfill by 2020;
	Or a 5% increase in recycling rate by 2020

With these targets, CPCS continues to roll out measures and action plans to enhance its operating efficiency and to avoid over-consumption to demonstrate its determination in reducing environmental impact.

OUR APPROACH TO SUSTAINABILITY

Sustainable Development Objectives

During the reporting year, CPCS's senior management and employees from all divisions participated in the annual announcement of shared sustainable development objectives. In addition, key environmental impacts associated with our business activities were identified and mapped with stakeholder expectations to provide the foundation for CPCS's sustainability strategy.

- Considering sustainability issues in business planning and operation
- Incorporating the environmental management system into operational procedures

Incorporating SwireTHRIVE

SwireTHRIVE has been established to show a new level of the Group's environmental sustainability ambition.

Co-created by the Swire Group Sustainability Committee (SGSC), SwireTHRIVE comprises the Sustainable Development Office (SDO) and representatives from all major operating companies. It aims to mitigate operational risks and build long-term resilience by driving higher standards, greater efficiency and increased innovation in key areas.



There are six areas in SwireTHRIVE which are material to all divisions across Swire Group, namely, Carbon, Waste, Water, Sustainable Materials, Biodiversity and Climate Resilience.

CPCS has a great impact on some of the above environmental areas. We are dedicated to operating in an environmentally responsible manner that aligns with SwireTHRIVE.

Corporate Governance

Sustainable Development Steering Committee

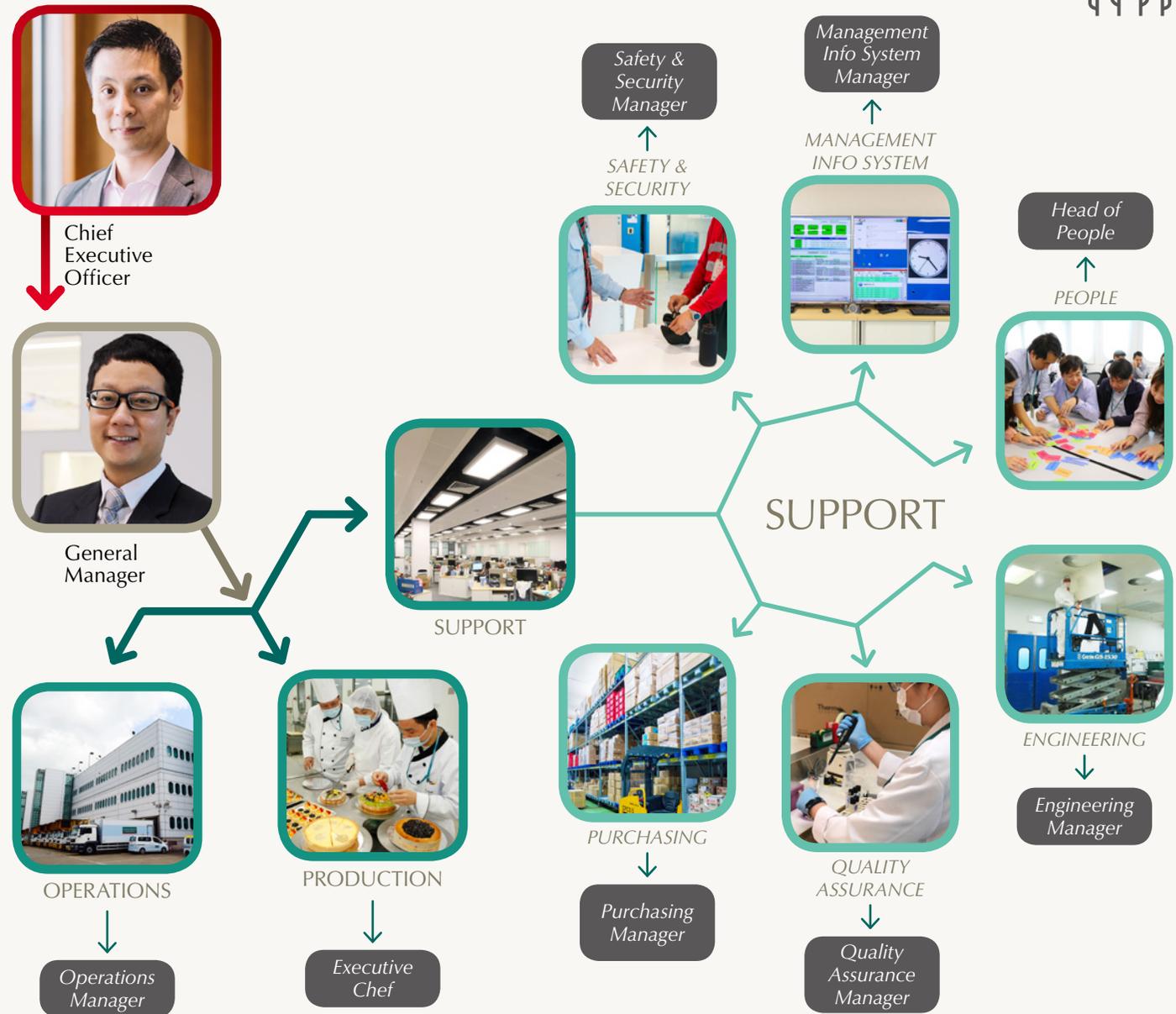
CPCS aims to consider the environmental, social and governance aspects of its operations to actualise its values for the stakeholders. CPCS formulated an internal control system to maintain a high standard of corporate governance and oversee sustainability-related policies of the company.

CPCS' sustainability drive is governed by the Sustainable Development Steering Committee ("SD Steering Committee"), which is designed to inject and oversee company-wide policies, sustainability strategies, performance and initiatives.

“ Our Sustainable Development Committee Provides Direction on the Development and Integration of Sustainability. ”

The SD Steering Committee, headed by our Chief Executive Officer, includes a cross-functional team which is represented by the department heads. The SD Steering Committee holds a meeting twice a year to enable the senior management to review sustainability-related updates.

CPCS believes that this governance structure is essential to the sustainable development of the company as it requires communication across departments and a high degree of transparency.

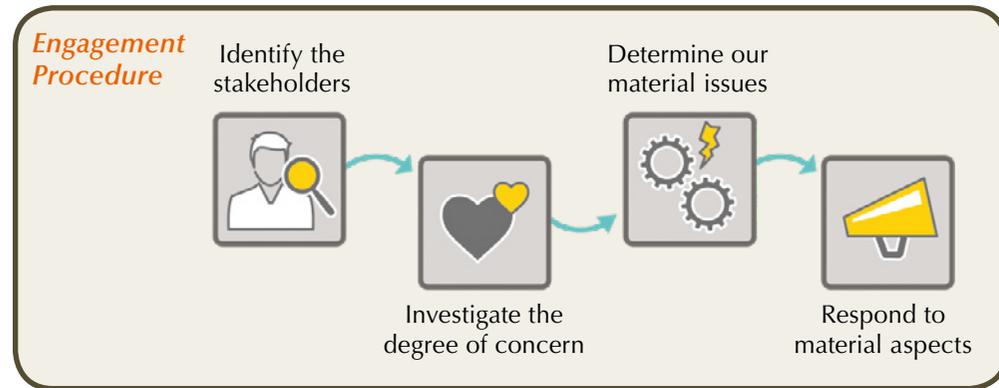


Engaging Our Stakeholders

CPCS understands that maintaining effective communication with our stakeholders is a critical step toward sustainable development. CPCS believes that stakeholder engagement serves as the basis for the development of sustainability strategies. Through conducting comprehensive stakeholder engagement exercises, we can collect internal and external feedback to identify, and respond to the stakeholders' concerns.

Extending Our Engagement

CPCS continues to extend its reach to the stakeholders. For the first time this year, we conducted engagement exercises that focus on employees, customers, suppliers, Cathay Pacific Airways Limited, John Swire & Sons (H.K.) Limited, and the Airport Authority Hong Kong to communicate our sustainability performance. Through engagement activities, online surveys, face-to-face interviews and other channels, CPCS effectively identifies the stakeholders' interests and concerns by receiving insights and constructive comments.

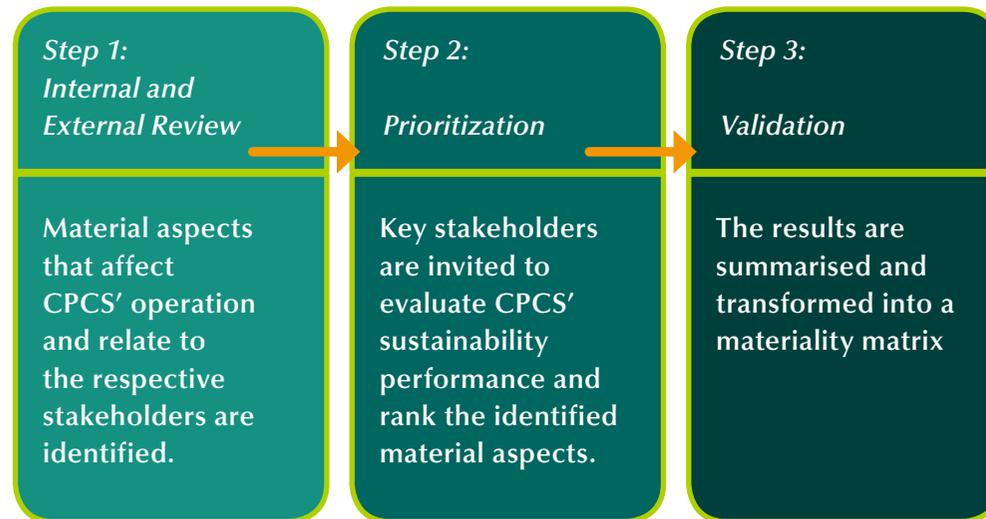




MATERIALITY ASSESSMENT

Sustainability is a broad topic that covers a variety of subject areas. It is crucial for CPCS to understand the complexity of its materiality aspects, prioritise them, devise better plans on the use of resources and fulfil the expectations of the stakeholders.

In line with the framework of the GRI Reporting Standards, CPCS conducted extensive stakeholder engagement exercises to identify and rank topics that are material to the company's economic, social and environmental impacts, which will be discussed in the report. The regular procedure is explained as follows:



Updating Our Material Issues

CPCS adopted a new methodology in materiality assessment during the reporting year. We extended our engagement with key external stakeholders. The results of the stakeholder engagement activities will be updated on an annual basis.

Materiality Analysis

To define the reporting boundary, we invited the stakeholders to review and comment on the sustainability aspects that are material to CPCS. A total of 35 aspects were identified during the preliminary review. Surveys were conducted as part of the internal and external stakeholder engagement exercise.

The weighting mapped out in the materiality matrix shows that "Food Quality and Safety" continues to be the top priority for CPCS. All material aspects within the reporting boundary are explained and presented in the report. In accordance with our findings on the materiality assessment, the following aspects are identified and prioritised.

Materiality Matrix

This year, we prioritised 35 aspects based on the findings of our stakeholder engagement exercise. We identified 10 topics that are of immediate concern and interest to us as well as the stakeholders.



- | | | | |
|--|--|---|--|
| 1 Business Performance | 10 Employment and Created Career Opportunity | 19 Anti-corruption | 28 Water |
| 2 Indirect Economic impact | 11 Employee Benefits | 20 Diversity & Equal Opportunity | 29 Wastewater |
| 3 Market Presence | 12 Training and Career Development for Employee | 21 Customers Privacy | 30 Energy (renewable & non-renewable) |
| 4 Relationship with External Stakeholders | 13 Human Rights | 22 Discrimination | 31 Material Use - Food related |
| 5 Customers Relationship | 14 Social Compliance | 23 Employee Turnover | 32 Material Use - Non food |
| 6 Supplier Practices and Comments | 15 Child & Forced Labour | 24 Impact on Natural Environment, Habitat and Biodiversity | 33 Solid Waste |
| 7 Brand Image | 16 Occupational Health and Safety | 25 Environmental Laws and Regulations | 34 Food Waste |
| 8 Support on Local Suppliers | 17 Community Engagement | 26 GHG / Carbon Emission (from Buildings) | 35 Ground Transport |
| 9 Manpower | 18 Quality & Food Safety | 27 Indoor Air Quality | |



CATERING TO OUR CUSTOMERS' NEEDS

We aim to effectively fulfil the needs of high-end customers with quality services and pleasant experiences.

CATERING TO OUR CUSTOMERS' NEEDS

OUR OBJECTIVES

CPCS aims to fulfil customers' needs through cordial services. Service excellence is one of the key missions of CPCS. We endeavour to:

- provide high quality meals to customers;
- safeguard meal quality and safety;
- maintain effective customer communication channels;
- engage our suppliers and vendors in environmentally preferable procurement;
- encourage our value chains to comply with relevant laws and regulations in their responsible operations.

CUSTOMER COMMUNICATION AND ENGAGEMENT

In order to provide customers with quality catering experience, we establish a dedicated Customer Service Department (CSD) that communicates and maintains airline customer relationships while responding to enquiries and feedback from customers and the general public.

In efforts to create long-term value for our customers, CSD conducts monthly meetings for investigating and identifying concerns and feedback, and implements measures related to customers' satisfaction. We can be reached through our hotline, email or suggestion form.

All feedback received is stored and reviewed in our Customer Feedback System. Detailed investigations are then carried out and the results are returned to customers with detailed explanations.

Tailoring to the Taste of Customers – Cathay Pacific Airways Media Event for Meal Enhancement

CPCS demonstrates its commitment to customers and prompt response to the market by putting innovative ideas in catering services.

On 1 October 2017, we launched a three-month meal trial on the flights to the Taiwan Taoyuan International Airport (TPE), where signature Hong Kong style hot meals were served. The four new dishes were inspired by local cafés.

Before the trial, CPCS worked with the Corporate Affairs Team of Cathay Pacific Airways in organising a media visit, where the new dishes were sampled. The change from “wrap in a bag” to a hot meal was well received by the participants.



1. Baked pork chop rice in tomato sauce
2. BBQ pork with steamed rice
3. Fish with sweet corn sauce and egg fried rice
4. Portuguese-style curry chicken with steamed rice

CASE STUDY

Customers' Recognition - PR 2016 Mabuhay Awards – 1st Runner-up for Asia, Middle East and China Region



The award was presented by Mr. Ismael Augusto S. Gozon, Senior Vice President - Airline Operations and Mr. Salvador "Bud" C. Britanico Jr., Vice President, Inflight Services Department of PR at the Station Managers' Conference on 23 August 2017 in Manila, Philippines.

CPCS strives to improve customer experience in order to build loyalty.

During the reporting year, we gladly received the 2016 Mabuhay Awards – 1st Runner-up for Asia, Middle East and China Region from Philippine Airlines for our exemplary performance in providing high quality meals and services.

CPCS will keep up with the good work and strive to provide the most outstanding catering services to its customers.

GREEN PROCUREMENT

CPCS manages its supply chain thoroughly to ensure the good quality of food and other products.

Green Purchasing

Providing high quality meals to our customers is our top priority and we endeavour to achieve this goal without compromising sustainability. Therefore, we strive to increase the proportion of sustainable products in our portfolio and encourage our supply chain to become more sustainability-conscious. We favour suppliers who share our sustainability commitment and seek to integrate sustainable development into every area of their businesses.

Sustainable Seafood and Support to Local Farms

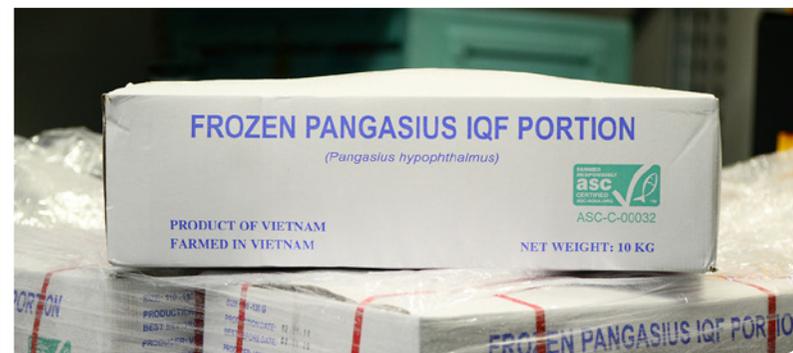
Purchases of Sustainable Seafood

Our effort in seafood sustainability continues. In 2017, we purchased 379,121kg of sustainable seafood, accounting for 52% of the total volume of our seafood products. It represents a 3% growth in weight compared with 2016.

Our sustainable seafood products range from wild-caught seafood (such as cods, lobsters, scallops)

approved by Marine Stewardship Council ("MSC"), to aquaculture products (such as Pangasius, shrimps, Mediterranean seabass), certified by Best Aquaculture Practices ("BAP"), Global Good Aquaculture Practices ("Global GAP) and Aquaculture Stewardship Council ("ASC"), etc. We will continue to work with our suppliers to enlarge our range.

The Swire Group established the Swire Pacific Sustainable Food Policy to ensure that each operating company does not use any unsustainable food items at the corporate functions, food and beverage products or catering services provided/ managed by the company. CPCS has always strictly adhered to this policy.



Purchase of Locally Grown Vegetables

We continue to seek opportunities to use more locally grown vegetables in our portfolio. 2017 saw a 6% increase in our total use of locally grown salad greens. In other words, we purchased 37,595 kg of locally grown salad greens. That also means the share of local produce in our salad green range increased from 22% to 25% year-on-year.



Environmentally Friendly Products

Purchase of Paper Products

In 2017, we made progress especially in hygiene-related paper products and stationery paper products. We achieved a 100% use of eco-friendly products. Also noteworthy is a 113% increase in the use of recycled paper. During the year, we also demonstrated a big commitment to IT investment,



and new IT systems are expected to be introduced over the next few years. The new installation will feature a paperless office. We are looking forward to significantly reducing the use of office paper soon.

CASE STUDY

BEC Sustainable Consumption Recognition Scheme – Sustainable Consumption Enterprise



Organised by the Business Environment Council (BEC) and supported by the Sustainable Development Fund of the Hong Kong government, the Sustainable Consumption Recognition Scheme echoes the Sustainable Development Goals set by the United Nation, encouraging the consideration of the environmental and social impacts of products and services and recognising companies which show commitment to sustainable consumption.

CPCS seeks to consider sustainability elements in the supply chain to practice sustainable consumption. Purchasing sustainable seafood and paper products is one of our key achievements. In 2017, we purchased 379,121 kg of sustainable seafood, accounting for 52% of the total. On the contrary, we achieved a 100% use of eco-friendly hygiene-related paper products as well as office paper products.



Experience Sharing at the Sustainable Consumption Recognition Scheme Sharing Session by Mr. Henry Ho, Assistant Environmental and Hygiene Manager



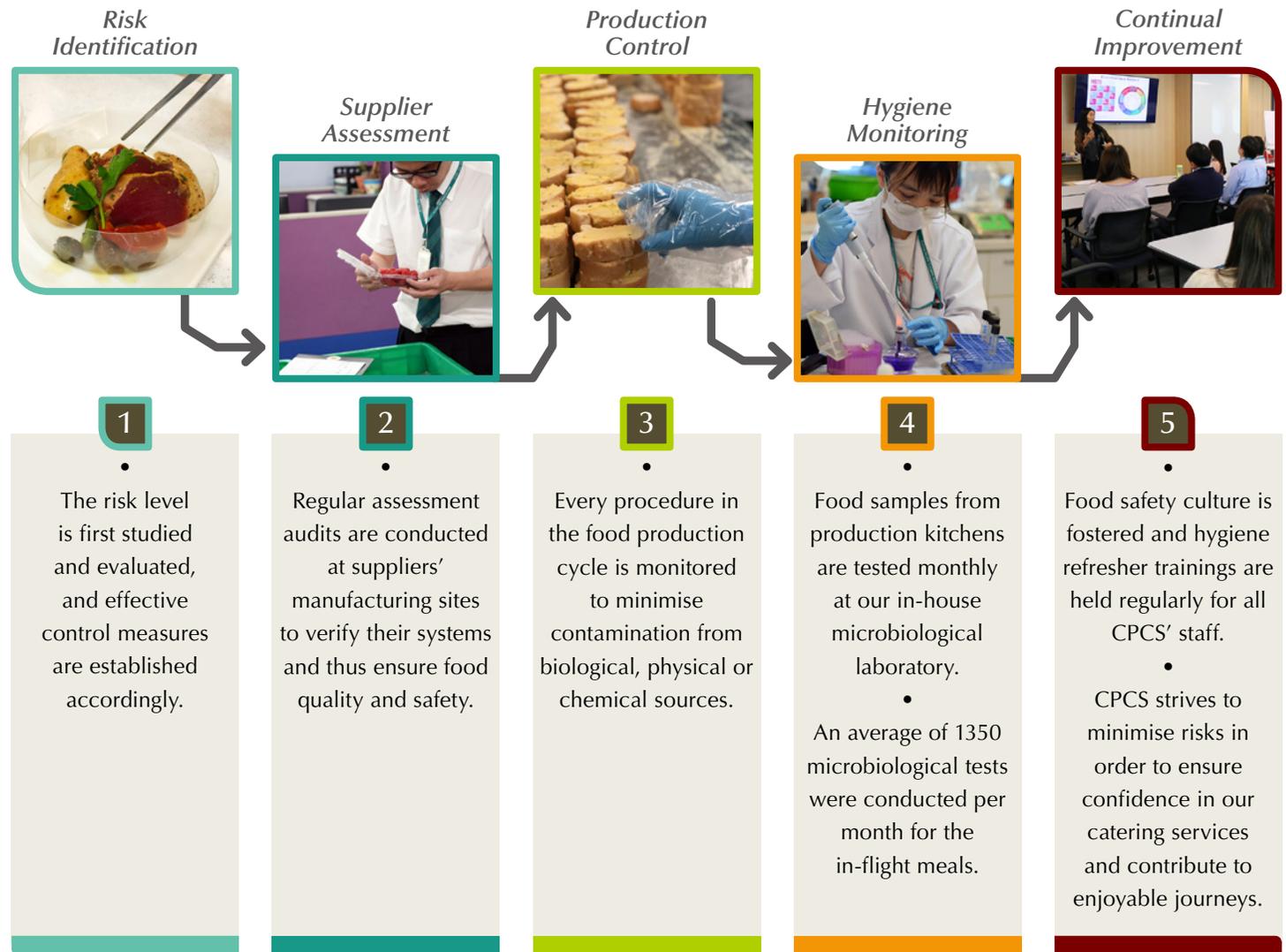
Serving with the Finest Quality

CPCS is engaged in food and beverage operations with the highest standards of service and quality. The company gives priority not only to the taste of our meals but also to food quality, hygiene and safety.

CPCS is committed to the development, production and distribution of high quality and safe products that meet customer expectations. We comply with strengthened requirements such as ISO9001:2015 Quality Management System Standard, Hazard Analysis and Critical Control Point (HACCP), and the standards of the International Air Transport Association (IATA)'s Inflight Catering Quality Assurance Programme, which is crucial for us to maintain a market-leading position. The Quality Assurance Department (QAD) was established to enhance food safety, alert and recall as well as complaint handling.

CPCS formulated stringent procedures for supplier selection and food ingredient procurement. Our HACCP Team and Lab Team are responsible for risk assessment in all production and operation procedures as presented below:

Risk Assessment Flowchart





OPERATING IN AN ENVIRONMENTALLY RESPONSIBLE MANNER

We strive to embed the culture of sustainability in our strategic performance across operations to minimise our impact to the environment.





OPERATING IN AN ENVIRONMENTALLY RESPONSIBLE MANNER

OUR OBJECTIVES

CPCS incorporates environmental considerations into decision-making and operations at all levels. Our operating principles are to:

- Comply with all applicable environmental legislation, regulations and other requirements to which the organisation subscribes;
- Continually improve our environmental performance, prevent pollution, reduce waste and minimise the consumption of resources;
- Share environmental experience with interested parties; and
- Educate, train and motivate employees to carry out tasks in an environmentally responsible manner

Delegated Team for Environmental & Sustainability Issues

CPCS has appointed the Environmental Team (ET) from the Quality Assurance Department (QAD) to provide quarterly reports to Cathay Pacific Airways for the review and evaluation of its progress on sustainable development. Internally, the SD Steering Committee, a cross-functional working group comprising of senior management, holds meetings regularly to review our progress in delivering our sustainable development objectives and to discuss sustainability-related programmes.

ENVIRONMENTAL POLICY

CPCS recognises that its operations have an impact on the environment. To minimise our environmental footprint, we have had an Environmental Policy in place since 1996, which commits us to manufacture and deliver products and services in a manner that is conducive to the environment. CPCS aims to go beyond complying with relevant laws and regulations to incorporate environmental principles throughout the lifecycle of our business. The management of CPCS is responsible for implementing and maintaining the environmental policy and ensuring that it is disseminated and understood at all levels of the organisation.

ENVIRONMENTAL MANAGEMENT SYSTEM

CPCS embeds environmental management within its operational procedures. We endeavour to achieve continuous improvement by executing the Plan-Do-Check-Act cycle. We adopt an Environmental Management System (EMS) based on ISO14001 to prevent pollution and continually improve our environmental performance. It provides a systematic approach for planning, monitoring, implementing and improving our environmental performance. Following the release of the updated ISO14001: 2015 standard, CPCS conducted an assessment during the reporting period to identify existing gaps compared to the new standards. Regular internal and external audits are carried out to review existing practices and to ensure continuous improvement.

OPERATIONAL MEASURES

CPCS's stakeholders have identified waste management, energy and carbon management, ground operation, air quality management, and water management among their chief concerns in the materiality assessment.

CPCS recognises these material issues and accepts the accompanying responsibilities. Effective management approach, policies and systems are in place to govern our environmental performance. We carry out measures and initiatives to enhance energy efficiency, reduce waste and promote recycling of resources. Furthermore,

Corporate Sustainability Targets 2020

Target **Carbon**



10% of Reduction
in carbon intensity by 2020

Target **Water**



5% of Reduction
in water intensity consumption
intensity by 2020

Target **Waste**



5% of Reduction
in waste disposal diverted
from landfill by 2020;
or a **5% Increase**
in recycling rate by 2020

CPCS initiates programmes to enhance sustainability awareness among our employees, customers, and relevant stakeholders.

CPCS believes that what gets measured gets managed. Therefore, in 2017, CPCS set its corporate sustainability targets to be achieved by 2020, against a 2015 baseline. We endeavour to ensure that we are operating in an environmentally friendly manner. Each of the following aspects are monitored and reviewed annually.

Waste Management

To echo the government's progressive and vigorous policies on waste reduction, CPCS has committed to using resources efficiently and to diverting waste away from the landfill through alternative waste management practices such as material reduction, recycling, donation and conversion to bio-energy and farm feed to reduce overall waste in its operations.

We endeavour to:

- Minimise waste generation in procurement, production and operational planning;
- Reduce waste by reusing and recycling materials; and
- Enhance stakeholders' awareness on waste management

Our Waste Streams

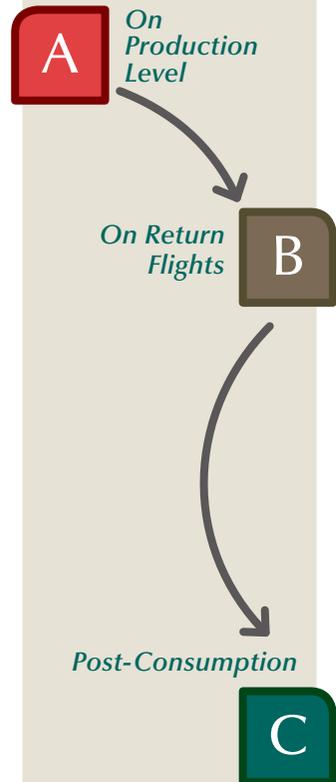
CPCS generates waste of various kinds, including food, paper, plastic, glass, aluminium, used cooking oil, printer toners and used appliances. CPCS has identified disposal methods for each of the waste streams to reduce the volume that is being sent to landfills.

As part of the waste stream, food waste is of utmost concern to our stakeholders. Food waste is an imminent problem amongst the food and beverage industries, and requires comprehensive and collective efforts from all operating units.

Waste disposal records from our operations are provided monthly by our waste collection contractors; these records enable CPCS to closely monitor the effectiveness of our waste management.

Managing Our Waste

CPCS has been proactively tackling waste management throughout our materials flow.



A) On Production Level

As one of the largest inflight catering services companies in Hong Kong, CPCS produces over 83,000 meals per day on average. In order to maintain our delivery services and meet our targets, excessive production of meals is unavoidable. However, we constantly review and explore possibilities to minimise



CPCS is committed to sustainability and community involvement. We have been partnering with Food Angel since mid-2016 to further enhance our food donation program and to benefit local communities. In 2017, CPCS has donated 6.1 tonnes of unopened bottled water, bakery products and cooked food to help the needy in the local community, an 165.8% increase from 2016. CPCS will further explore the feasibility of donating of cooked food in the near future.

CPCS has also explored the option of turning waste to resource. CPCS has been collecting used cooking oil (UCO) from our kitchens. In 2017, CPCS has collected 38 tonnes of UCO for external biodiesel production.

Furthermore, CPCS has been providing fresh-cut fruit trimmings to our staff during lunch at our canteen on an occasional basis since 2010. It does not only help reduce the amount of edible waste, but also encourages our employees to have a healthier diet.

B) On Return Flights

Inbound waste continues to present the biggest challenge to the functioning of CPCS's waste management flow.

As CPCS collects waste from inbound flights, one of the biggest constraints of handling inbound waste is the complexity of the waste composition. Sorting out valuable materials from the waste requires excessive manpower and physical space; therefore, the focus of waste management for inbound waste is the donation of consumable food.

CPCS has been working with Feeding Hong Kong since 2015. We collect unopened packaged food and beverages from inbound flights to donate to people in need. In 2017, CPCS has donated 254.6 tonnes of unopened packaged foods and beverages to Feeding Hong Kong, which has benefitted more than 30,000 families.

Aside from food donation, CPCS has also been executing the re-uplift procedure to reduce consumable food and beverage from disposal. For example, unopened cup noodles which have not been served on flight would go through stringent checking procedures and re-uplifted on flight.



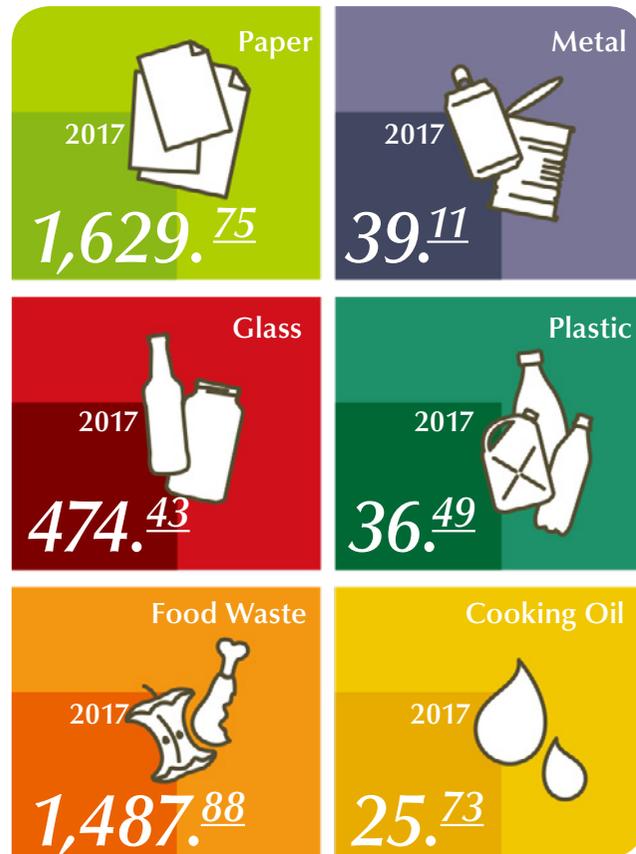
C) Post-Consumption

CPCS has been supporting the food waste recycling programme initiated by the Airport Authority of Hong Kong (AAHK) since 2015. Food scraps collected from our production processes are transported for treatment and reused as animal feed. In 2017, a total of 1,227 tonnes of food waste was collected and turned into animal feed.

Materials Recycling

Apart from maintaining a good practice of minimising the consumption of disposable materials, CPCS also strengthens our recycling practices to promote environmental sustainability. We uphold the “3Rs” principles – “Reduce”, “Reuse”, and “Recycle” – to minimise the amount of waste that is sent to landfills. We collect materials from our production process, daily operations and offices.

MATERIALS RECYCLED IN 2017 (tonnes)



CASE STUDY

Upcycling Initiatives – Wine Crates Donation

Stakeholders’ contribution is also vital to our overall success. Apart from managing our waste through internal management and resources planning, CPCS has also engaged external stakeholders in an innovative upcycling initiative to seek opportunities for converting our unused materials into products that can benefit the society.

In 2017, CPCS partnered with students from the Faculty of Architecture of the University of Hong Kong for an upcycling initiative. CPCS donated 14 wine crates to the students, who were organising a community service project in collaboration with the Urban Renewal Authority’s Community Service Partnership Scheme.

The students transformed the wine crates into usable furniture for families in need living in the old districts of Hong Kong. The project aimed to improve the living conditions of residents in old districts by better utilising their living space. The project was well recognised by the public and some of the upcycled furniture was displayed at Comix Home Base in Wan Chai.



Employee Awareness

In addition to minimising the environmental impact of our daily operations, CPCS holds and participates into various activities to enhance employees’ awareness of corporate sustainability matters.

During the reporting year, we have participated in the following programmes:

- Donation of red packets organised by Swire Properties Limited;
- Donation of moon cakes held by HKSKH Tung Chung Integrated Services;

- Donation of moon cake containers initiated by Greeners Action;
- Donation of peach blossom and small tangerine trees to Hong Kong Environmental Protection Association and Environmental Association;
- Earth Day 2017 organised by WWF; and
- Held two eco-tours for our employees.

Enhancing Employees Environmental Awareness - Green Week 2017

CPCS provides significant support in enhancing environmental awareness among our employees.

The Green Week was held in early December 2017 to promote recycling and reusing practices and a greener lifestyle to all of CPCS's employees. The Green Week encompassed two Upcycling Workshops, SWAP Days and a Green Lifestyle Mega Sale.

The Upcycling Workshops were named "Banner Upcycling Workshop" **1 2** and "Food Waste Tie-Dye Workshop" **3 4**. At the Banner Upcycling Workshop, participants were provided with a used banner and stationery to transform waste materials into a multifunctional folder. During the Food Waste Tie-Dye Workshop, participants were guided to make their own tie-dye cloth.

The SWAP Day has been running for over 3 years. Participants brought their unwanted items to exchange. This year, more than 550 second-hand products were collected and exchanged. **6**

In addition to the SWAP Day, CPCS also joined up with CLP Holdings Limited and Health Aims Organic Functional Food Specialty Shop to host the Green Lifestyle Mega Sale, **5** which included energy-efficient electronic appliances and kitchen utensils, healthy food and healthcare products.





The Energy and Carbon Management

Greenhouse gas (GHG) emissions are one of the dominant causes of the rapid global temperature rise that has accelerated climate change. At CPCS, we recognise the importance of rigorous control over electricity and fuel consumption, as efficient energy consumption is one of our environmental focus areas.

Over the years, we have implemented a range of measures across our operations and aim to be part of the solution to enhance energy efficiency and reduce emissions.

We endeavour to:

- Enhance energy efficiency through the use of technology and changes in operational practices; and
- Adopt low-carbon energy sources

Sharing Cooling Demand Between the 7-degree and 2-degree Chiller Systems

Air-conditioning accounts for about 50% of our electricity consumption. CPCS has two chiller systems, one being a 7-degree chiller and the other a 2-degree chiller. The two systems are connected and when the ambient is below 16°C, only the 2-degree chiller system would be running at highest efficiency to achieve an optimal coefficient of performance (COP) and, as a result, reduce power consumption. Moreover, the chiller pipe insulation has been replaced to effectively reduce energy loss.

Ventilation Demand Control for AHU

Another significant energy-saving technology introduced to CPCS in 2017 was a demand controlled ventilation system. Fresh air intake was constant in the original

ventilation system design, which could cause an over-supply of fresh air and excessive demand for cooling energy. To avoid the energy waste, the demand controlled ventilation system for AHU has been installed to effectively control the refresh air intake based on the optimal CO₂ concentration of the area. The demand controlled ventilation system is in place on most of the G/F, 1/F offices and 2/F of our 19 year-old facility and throughout the new building.

The abovementioned energy-saving projects have reduced 853,497 kWh of electricity consumption and prevented 460.9 tonnes of CO₂ emission in the heating, ventilation, and air conditioning (HVAC) systems in our Phase I building.

Carbon Reduction Recognition



CPCS continues to support the Carbon Reduction Target undertaken by the Hong Kong International Airport (HKIA), which aims to reduce carbon emissions by 10% by 2020 from 2015 levels. The programme aims to accelerate the rate of carbon reduction by HKIA and its airport business partners. In 2017, CPCS was awarded the 1st runner-up of the HKIA Carbon Reduction Award for its commitment to carbon reduction. 1

Ground Operations – Green Vehicles

Emissions from our vehicles are another contributor to CPCS carbon emissions. To minimise our vehicle emissions, we are progressively replacing Euro IV or previous model vehicles with Euro V, Euro VI or electric vehicles, and all new vehicles purchased are Euro VI models. We are planning to purchase 6 Euro VI vehicles, which will join the fleet in the 2nd half of next year.



In 2017, 11 Euro VI vehicles were purchased and put into service. Compared to 2016, the total number of Euro V, Euro VI and electric vehicles in operation increased to almost 55% of all our operating vehicles. 2



INVESTING IN OUR PEOPLE AND COMMUNITIES

We continue to inspire, engage and nurture our employees to create long-term business growth while showing care to our communities.



VISION & STRATEGY



CATERING TO OUR CUSTOMERS' NEEDS



OPERATING IN AN ENVIRONMENTALLY RESPONSIBLE MANNER



INVESTING IN OUR PEOPLE AND COMMUNITY



INVESTING IN OUR PEOPLE AND COMMUNITIES

OUR OBJECTIVES

CPCS recognises human capital as our most valuable resource and asset. We also continuously contribute to the society by joining hands with employees to realise sustainable development.

We strive to:

- Create a safe, healthy and supportive working environment;
- Ensure equal opportunities and competitiveness in the workplace;
- Provide ample opportunities to enhance employee's skills through training and activities, and
- Maintain good relationships with the community with an aim to extend our values of "Caring" and "Respect" outside the company

INVESTING IN OUR PEOPLE

At CPCS, we believe human capital is crucial to the long-term sustainability of our business. We strive to be a preferred employer in the food and beverage industry by helping our employees achieve their best. To this end, we are committed to creating a safe, healthy and supportive environment for all employees. We spare no effort in engaging and developing employees and making room to unleash their potential.



STEWARDS FOR DIVERSITY AND INCLUSIVENESS

We aim to create a workplace where each colleague feels valued and respected. CPCS provides all job applicants and staff with equal employment opportunities. We fill job vacancies based on qualifications, capabilities and personal qualities. CPCS is committed to providing our staff with an all-inclusive and non-discriminatory working environment free from unlawful discrimination, harassment, vilification and victimisation. Furthermore, we do not tolerate direct or indirect discrimination based on sex, race, ethnic background, marital status, family status, pregnancy or disabilities. In addition, we treasure the diversity of our colleagues, as having a workforce of diversified backgrounds and experiences will better equip us to maintain our sustainable growth.

EMPLOYEE COMMUNICATION AND ENGAGEMENT CHANNELS

Through effective employee engagement, we allow employees to raise their concerns and feedback on daily operations. This helps boost our employees' morale, performance and motivation to succeed.

Revamp of Performance Management System

We ensure equal opportunities and competitiveness in staff remuneration and recognition by maintaining and refining our Performance Management System. The objectives of the system include:

- Strengthening alignment between corporate goals, departmental goals and individual goals;
- Optimising organisational effectiveness by accomplishing the CPCS' Vision, Mission, Values and business objectives;
- Encouraging goal-setting and evaluating actual performance by KPI; and
- Rewarding performers

Workshops were in place to ensure internalisation of the new concepts and implementation of the new system. Ultimately, we expect employees at all levels to well understand the expectations of the company in terms of individual behaviour and performance.

Excellence Award

We continue to run the Excellence Award to motivate our staff to go extra miles to exceed customers' expectations. 360 employees have received the recognition by far for their excellent performance and for being a role model for their peers. 1



Focus Group

We listen to our staff and take their opinions into serious consideration. We conduct regular staff focus meetings with front-line staff, not only to help maintain an interactive relationship with our staff but also to address concerns that might have adverse effects on the company's success. In 2017, we held 5 sessions to gather staff opinions on the topics of "food safety" and "occupational health and safety". 2

CASE STUDY

Innovation & Technology – Boosting Sustainability with Efficient Production

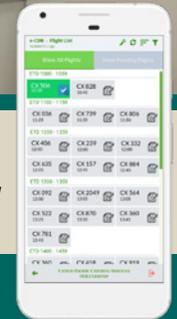
CPCS infuses lean thinking, automation and innovation into our business operations. We believe that our business success relies greatly on our culture of continuous improvement in integrating sustainability elements in our management.

In 2017, CPCS conducted a study aiming to automate the Catering Delivery Note (CDN) process under the "i60 Scheme". CDN is a document which records the quantity of meal and supplementary items delivered onboard. It would be signed by cabin crew members and returned to our accounting department for billing.

Currently, it is in the form of paper and a lot of manual work is required in printing the notes and processing. Therefore, our project team suggested using a mobile application ("The App") to replace the whole process, from generating the CDN to sign off and the final



* i60 Scheme – A group of middle management (about 60 colleagues) acts as vanguards to generate innovative ideas and implement projects.



billing. It is expected that we could save more than 4,000 man hours and 200,000 sheets of paper each year.

The App is currently under development and pilot testing is expected to start in 2nd half of 2018.

Federation of Hong Kong Industries (FHKI) Caring Industries (FHKI) Caring Certificate



CPCS was honoured to receive the Caring Certificate under the Enterprise Group sector from the FHKI. We received the Caring Certificate for our outstanding performance in Corporate Social Responsibility events. 3

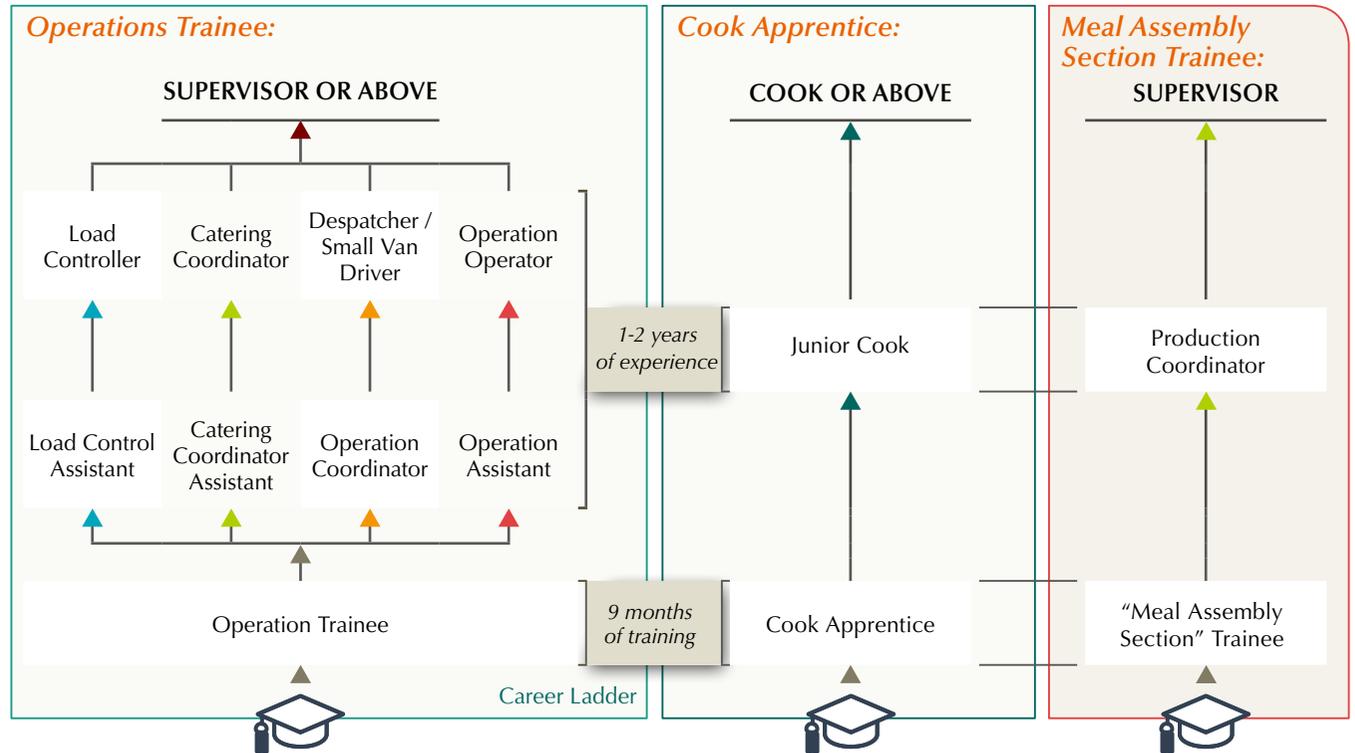


TALENT AND LEARNING DEVELOPMENT

CPCS believes that our people are the key to our success. We develop our people and help them unleash their potential to the fullest extent. In order to cater to different training needs, various training courses such as foundation training, language training, technical skill training, soft skill training, supervisory and management training are provided to employees. In 2017, a total of 8578.5 hours of training was provided, which is equivalent to approximately 4.92 hours of training for per employee.

Youth Programme

We introduced the Youth Programme in 2017 with a target to recruit members of the young generation who desire to develop their career path and interests in aviation catering. The programme lasts for 9 months, featuring job or role rotation in the Food Production Department and Operations Services Department. **1**



Operations Trainee:

Operations Trainees will be attached to the Commissary Section or the Bonded Store.

Cook Apprentice:

The Cook Apprentice programme consists of two streams. Cook Apprentices (CA) under the Western Cuisine Stream will be attached to different culinary sections in the Food Production Department for 1 to 3 months. CAs under the Bakery and Pastry Stream will be attached to the Bakery and Pastry sections for 4 months and 5 months respectively.

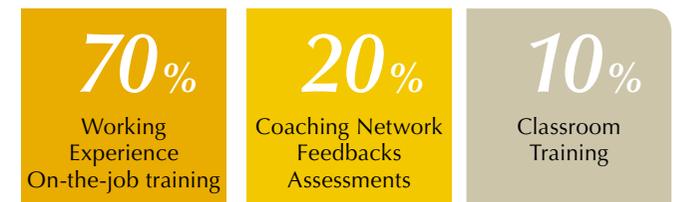
Meal Assembly Section Trainee:

Meal Assembly Section (MAS) Trainees will be attached to the Meal Assembly section.

Programme Curriculum and Highlights:

- On-the-job attachment in Operational Departments
- Classroom training on language, technical and soft skills
- Mentorship and coaching
- Post-graduation rotation

Development Framework:



OCCUPATIONAL HEALTH & SAFETY

Maintaining a safe and healthy working environment is one of our missions. We uphold a rigid standard of occupational health and safety to oversee and govern our health and safety performance and to prevent unnecessary injuries.

Our strategies to improve the health and safety of our employees include:

- Ensuring effective leadership and direction at all operational levels;
- Establishing a robust health and safety management system;
- Conducting effective training to ensure employees are equipped with the necessary skills and competencies; and
- Engaging employees in safety activities

Occupational Safety Training

Training related to occupational health and safety is provided for every new employee to raise their awareness of emergency responses and procedures. We believe that improved awareness of workplace safety is a prerequisite for our employees to recognise and minimise the risk of accidents during operation.



Comprehensive measures are provided to employees across different operations:

 Ramp Safety and Driving Training in Airport Area	 Training on Equipment Usage/Handling	 Fire Drills
 Safety Posters	 First Aid Training Courses	

Enhance Safety Awareness of Employees

In order to enhance occupational safety awareness among our staff, we have launched a series of “Tool Box” safety training talks for our production staff and have displayed new safety posters at all staircases to remind our staff to hold the handrail when using the stairs. We hope these arrangements can reinforce the importance of workplace safety. 1

Safety Award Scheme

To promote the safety awareness of our colleagues whilst conducting their daily tasks, a new Safety Award Scheme was launched in May 2017 in sections with high injury rates. These sections are required to sustain an injury-free workplace over a period of time for a chance to be awarded supermarket coupons. Related department heads or section heads will draw out a lucky staff member who to receive the coupons. 2

2016/2017 Airport Safety Recognition Award

During the reporting year, CPCS has once again been awarded in the 2016-2017 Airport Safety Recognition Prize Presentation hosted by the Hong Kong Airport Authority at Regal Airport Hotel on 23 March 2017. At the ceremony, CPCS received the Corporate Safety Performance Award and the awards on Good Safety Suggestion and Accident Prevention Measures in recognition of our contribution to occupational safety and health. 3



Enhancing Managerial Leadership Competencies – The Management Day



The Management Day was held at the Swire Centre of Excellence and 20 members of the senior management team participated in the “Sustainable Growth in CPCS” workshop.

The aim of the workshop was to encourage the team to identify the competitive edges of and make good use of their synergy with Cathay Pacific Airways. We are committed to pursuing sustainable business growth to maximise returns on investment, while at the same time striving for the highest quality throughout our supply chain.

During the workshop, the team identified current challenges by discussing our winning areas and pain points. They also explored and discussed future opportunities in the three areas of Automation and Technology, Integrated System and Outsourcing.

The Management Day led to a series of follow-up actions from the senior management team, which would create a new team spirit as the team moves towards their goal.

SUPPORTING OUR COMMUNITIES

CPCS is committed to maintaining good relationships with the community with an aim to extend our values of “Caring” and “Respect” outside the company. We are devoted to building bonds with the neighbouring community with the elderly as our beneficiary focus through monetary donations and food donations to different beneficiaries.

COMMUNITY ENGAGEMENT INITIATIVES

Involving the Local Community

Speaking of the local community, CPCS has put continuous effort in collaborating with Tung Chung Community Services Centre of Outlying Islands Women’s Association (OIWA) to establish an in-flight cutlery, headset-packaging and vegetable processing facility since 2008. This initiative allows women to work a full/part-time job so they can also look after their families. Over the years, more than 100 women have benefitted from the partnership and in 2017, more than 16,000,000 cutleries and 1,861,200 chopsticks were processed by this workforce. 1 2



Food Donations

As a compassionate catering company, CPCS donates food to the needy, such as elderly people living in Tung Chung through Hong Kong Sheng Kung Hui Tung Chung Integrated Service, Food Angel and two special schools. [1](#)



Fun Connection for the Elderly and Teenagers through a Plant Visit

We created an opportunity to engage our staff and their families, teenagers and elderly through a Tour Visit to CPCS which aimed to enhance community communication.

Different from last year, we invited Hong Kong Sheng Kung Hui Tung Chung Integrated Service and Ho Yu College and Primary School (Sponsored By Sik Sik Yuen) to join this meaningful event.

During the visit, we provided an unforgettable journey to participants which include guided tour of food production; taste of mouth-watering inflight meals and interactive games. [2](#) [3](#) [4](#)



Organ Donation

We respect, follow and support the CPCS value of "Caring" by becoming a signatory of the "Organ Donation Promotion Charter".

We are committed to promote voluntary organ donation and appeal to our staff to sign up for organ donation.

This year, 38 employees have registered as a donor under the Centralized Organ Donation Register.

We will spare no effort in promoting organ donation in order to help give those in urgent need a second chance at life. [5](#) [6](#)



AWARDS AND RECOGNITIONS

Awards

- Hong Kong Awards for Environmental Excellence: Bronze Award 2016 – Manufacturing and Industrial Services 1
- BOCHK Corporate Environmental Leadership Award 2016 - EcoChallenger
- FHKI Industry Care 2017
- HKIA Carbon Reduction Award - 1st runner-up
- Friends of Eco Park 2017
- 2016/2017 Airport Safety Recognition Scheme – Corporate Safety Performance Award
- Best Airline Caterer Award (Asia and the Middle East Region) – 1st Runner Up (2016)

Certificates

- Indoor Air Quality Certificate – Good Class
- BEC Sustainable Consumption Enterprise
- HKIA Environmental Management Recognition Scheme - Excellent Class
- HSBC Living Business Partner - Sustainable Business Partner
- WasteWi\$e Certificate - Excellence level
- Hong Kong Green Organisation Certificate

Management System

- Hazard Analysis and Critical Control Point (HACCP) System
- ISO 9001: 2015: Quality Management System
- ISO 14001: 2015 Environmental Management System

Charters & Recognitions

- Food Wise Charter
- Energy Saving Charter
- Caring Company 10+
- Smoke-Free Company
- Organ Donation Promotion Charter





PERFORMANCE DATA SUMMARY

ENVIRONMENTAL PERFORMANCE

	Unit	2015	2016	2017
Energy Consumption				
Direct Energy Consumption by type				
Towngas	MJ	133,550,413	110,287,344	122,973,216
	GJ	133,550.41	110,287.34	122,973.22
Diesel for boiler	Litre	41,370	737,514	322,769
	GJ	1,489.32	26,550.50	11,979.68
Diesel for vehicle – Heavy Duty	Litre	1,016,964	936,986	993,548
	GJ	36,610.70	33,731.50	35,797.73
Diesel for vehicle – Light Truck	Litre	29,592	28,431	31,387
	GJ	1,065.31	1,023.52	1,129.93
Gasoline for vehicle – Passenger Car	Litre	117,358	108,466	109,318
	GJ	3,837.61	3,546.84	3,574.70
Indirect Energy Consumption by type				
Purchased electricity	kWh	40,831,857	38,154,561	44,721,664
	GJ	146,994.69	137,356.42	160,997.99
Fugitive Consumption				
Refrigerant HFC404a	Tonnes	1.57	1.14	1.12
Total Energy Consumption				
Direct energy consumption (Towngas, Diesel for boiler, Diesel for vehicle, Gasoline for vehicle)		176,533.36	175,139.70	175,425.26
Indirect energy consumption (Purchased electricity)	GJ	146,994.69	137,356.42	160,997.99
Total Energy Consumption		323,548.04	312,496.12	336,423.25

	Unit	2015	2016	2017
Greenhouse gas (GHG) emissions				
Direct Emission (Scope 1)		15,118.17	13,958.60	13,718.69
Indirect Emission (Scope 2)	Tonnes CO ₂ e	27,783.90	26,461.44	25,686.42
Total GHG Emission (Scope 1 & 2)		42,902.07	40,420.04	39,405.11
Total GHG Emission Intensity				
Carbon intensity	kg CO ₂ e / Meal Produced	1.32	1.35	1.31
Water Consumption				
Total Water Consumption - Municipal	m ³	461,783	501,610	510,186
Wastewater Discharged		461,783	501,610	510,186
Water intensity	m ³ / Meal Produced	0.0156	0.0166	0.0169
Materials				
Paper and Paper Products Consumed	kg	30,235	29,186	28,335
Printing Cartridges Purchased	No.	326	175	144
Vehicle Tyres Consumed	kg	15,179	19,476	15,207
Solid Waste Management				
Industrial/Commercial Waste/ General Refuse	kg	11,956,140	12,151,100	12,546,290



ENVIRONMENTAL PERFORMANCE (CONTINUED)

	Unit	2015	2016	2017
Waste Recycling (Non-hazardous)				
Food Waste		226,381	1,132,762	1,227,147
Used Cooking Oil		40,512.6	39,400.0	25,731.4
Paper/Cardboard		1,730,192	1,781,200	1,629,750
Metal	kg	38,009	40,140	39,105
Plastic		37,470	41,800	36,488
Glass		488,208	571,000	474,432
Printing Cartridges		250	78	42
Food Donations				
Feeding HK		116,086.61	236,693.65	254,615
Food Angel	kg	0.0	300.0	6,114.8
Waste Summary				
Total Waste Generated	kg	14,592,486.61	15,900,995.65	16,213,941.80
Total Recycled Amount		2,676,858.61	3,789,295.65	3,693,383.20
Total Recycling Rate	%	18.34	23.83	22.78
Total Waste to Landfill	kg	11,956,140	12,151,100	12,546,290
Waste Intensity	kg / Meal Produced	0.404	0.402	0.414

SOCIAL PERFORMANCE

	Unit	2015	2016	2017
Total Workforce				
By Region				
Hong Kong	No.	1,706	1,766	1,743
By Gender				
Male		1,071	1,105	1,097
Female	No.	635	661	646

	Unit	2015	2016	2017
By Employment Contract				
Permanent		1,574	1,574	1,558
Contract		132	219	185
Full-time	No.	1,632	1,697	1,680
Part-time		74	69	63
By Colleague Category				
Top/Senior Management		3	2	2
Middle/Junior Management		452	447	465
Customer Facing	No.	110	127	134
Non-Customer Facing Operational / Technical		1,094	1,141	1,102
Others		47	49	40
By Age Group				
Under 30 years old		310	313	291
30 to 50 years old	No.	840	776	748
Over 50 years old		556	677	704
Turnover				
By Gender				
Male	No.	209	227	261
	%	49.4	59.0	56.5
Female	No.	214	158	201
	%	50.6	41.0	43.5
By Age Group				
Under 30 years old	No.	132	114	136
	%	31.2	29.6	29.4
30 to 50 years old	No.	170	170	188
	%	40.2	44.2	40.7
Over 50 years old	No.	121	101	138
	%	28.6	26.2	29.9



SOCIAL PERFORMANCE (CONTINUED)

	Unit	2015	2016	2017
Occupational Health & Safety				
Manhours Worked (total attended hour by all staff)		5,002,998	5,139,134	5,213,186
Lost Days No.s due to Injuries	No.	2,416	1,247	2,477
Work-related Fatalities (employees)		0	0	0
Lost Time Injuries (Own Staff)		94	83	81
Training and Education				
Average hours of employee training	No. of hours	8.45	6.33	4.92
Breakdown by Employee Category				
Top/Senior Management		0	0	11
Middle/Junior Management		16.71	12.11	8.61
Customer Facing	No. of hours	6.7	5	5.78
Non-Customer Facing Operational / Technical		3.99	4.35	3.21
Others		11.86	3.67	6.35

NOTE AND DEFINITION

Aspect	Remarks and Definition
Scope	The scope only covers the Hong Kong Portfolio – CPCS' in-flight catering business.
Meal Produced	Energy intensity, GHG emission intensity and waste intensity are calculated by dividing the absolute values by the total meals produced from Hong Kong operations. CPCS's total meals produced from Hong Kong operations are presented as follows: 2015: 29,601,837 meals 2016: 30,253,185 meals 2017: 30,271,467 meals
GHG Guideline	CPCS abides by the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) in calculating its GHG emissions.
Energy Consumption	Since the operation of CPCS Phase II building in the reporting year, we have collected electricity and town gas data since April 2017.
Scope 1	Scope 1 refers to direct GHG emissions such as fuel combustion
Scope 2	Scope 2 refers to indirect GHG emissions from the consumption of purchased electricity and town gas.



GRI Standards Content Index - Core

GENERAL STANDARD DISCLOSURES				
Disclosure Indicator	Title	Section	Page No.	Remarks
ORGANISATIONAL PROFILE				
102-1	Name of the organisation	About The Report	1	
102-2	Activities, brands, products, and services	CPCS at a Glance	5	Hong Kong
102-3	Location of headquarters			
102-4	Location of operations			
102-5	Ownership and legal form			
102-6	Markets served			
102-7	Scale of the organisation			
102-8	Information on employees and other workers			
102-9	Supply chain	Catering to Our Customers' Needs	18-19	
102-10	Significant changes to the organisation and its supply chain			No significant change
102-11	Precautionary Principle or approach	N/A		Please refer to Cathay Pacific Airways Sustainable Development Report 2017
102-12	External initiatives			Currently we do not have any external initiatives
102-13	Membership of associations			Currently we do not have any membership of associations
STRATEGY & ANALYSIS				
102-14	Statement from senior decision-maker	CEO Message	3-4	
ETHICS & INTEGRITY				
102-16	Values, principles, standards, and norms of behaviour	Vision, Missions and Values	8	More details can be found on our website at: http://www.cpcs.com.hk/eng/fastfacts_e.html
102-18	Governance structure	Vision and Strategy	12	
102-25	Conflicts of interest	N/A		We strictly abide by our Code of Conduct

GENERAL STANDARD DISCLOSURES				
Disclosure Indicator	Title	Section	Page No.	Remarks
GOVERNANCE				
102-40	List of stakeholder groups	Vision and Strategy	13	
102-41	Collective bargaining agreements	N/A		None of our employees are covered by collective bargaining agreements
102-42	Identifying and selecting stakeholders	Vision and Strategy		Stakeholders are identified based on their knowledge of selected material issues and businesses
102-43	Approach to stakeholder engagement		13	
102-44	Key topics and concerns raised		14	
REPORTING PRACTICE				
102-45	Entities included in the consolidated financial statements	N/A		Please refer to Cathay Pacific Airways Sustainable Development Report 2017
102-46	Defining report content and topic boundaries	About The Report	2	
102-47	List of material topics	Vision and Strategy	15	
102-48	Restatements of information	GRI Standards Content Index	37	Restatement of Environmental Performance to include the use of Towngas from our indirect scope 2 emission footprint provided in this report
102-49	Changes in reporting	About The Report		There was no significant change to topic boundaries
102-50	Reporting period		2	
102-51	Date of most recent report		Date of most recent report: CPCS Sustainability Report 2016	
102-52	Reporting cycle		Reporting cycle: Annual	



GENERAL STANDARD DISCLOSURES				
Disclosure Indicator	Title	Section	Page No.	Remarks
102-53	Contact point for questions regarding the report	About The Report	43	
102-54	Claims of reporting in accordance with the GRI Standards		2	This report was prepared with reference to the GRI Standards: Core option
102-55	GRI content index	GRI Content Index	39-42	GRI Standards Content Index
MANAGEMENT APPROACH				
103-1	Explanation of the material topic and its boundary	Vision and Strategy	14-15	
103-2	The management approach and its components	Refer to Strategies and Management section in each chapter for details		
103-3	Evaluation of the management approach			
TOPIC SPECIFIC STANDARDS : Economic				
Disclosure Indicator	GRI (MATERIAL TOPICS ONLY)	Section	Page No.	Remarks
ECONOMIC PERFORMANCE				
201-1	Direct economic value generated and distributed	N/A		Please refer to Cathay Pacific Airways Sustainable Development Report 2017
PROCUREMENT PRACTICES				
204-1	Proportion of spending on local suppliers	N/A	19	Local suppliers are defined as suppliers in Hong Kong
ANTI-CORRUPTION BEHAVIOUR				
205-2	Communication and training about anti-corruption policies and procedures	N/A		Training about anti-corruption policies and procedures are provided to all staff during the orientation section
205-3	Confirmed incidents of corruption and actions taken			There were no cases regarding corrupt practices brought against the company or its employees during the reporting period
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices			There were no cases regarding anti-competitive behaviour, anti-trust, and monopoly practices

TOPIC SPECIFIC STANDARDS : Environmental				
Disclosure Indicator	GRI (MATERIAL TOPICS ONLY)	Section	Page No.	Remarks
MATERIALS				
103-1-3	Management approach	Operating in an Environmentally Responsible Manner	22	
301-1	Materials used by weight or volume	Performance Data Summary	37	
ENERGY				
103-1-3	Management approach	Operating in an Environmentally Responsible Manner	27	
302-1	Energy consumption within the organisation		36-37	
302-3	Energy intensity		27	
302-4	Reduction of energy consumption			
WATER				
103-1-3	Management approach	Operating in an Environmentally Responsible Manner	22	
303-1	Water withdrawal by source	N/A		Municipal water supply by Water Supplies Department of HKSAR
BIODIVERSITY				
103-1-3	Management approach	Operating in an Environmentally Responsible Manner	18	
304-2	Significant impacts of activities, products, and services on biodiversity	Catering to Our Customers' Needs		



TOPIC SPECIFIC STANDARDS : Environmental				
Disclosure Indicator	GRI (MATERIAL TOPICS ONLY)	Section	Page No.	Remarks
EMISSION				
103-1-3	Management approach	Operating in an Environmentally Responsible Manner	27	
305-1	Direct (Scope 1) GHG emissions	Performance Data Summary	36-37	
305-2	Energy indirect (Scope 2) GHG emissions			
305-4	GHG emissions intensity			
305-5	Reduction of GHG emissions	Operating in an Environmentally Responsible Manner	27	
EFFLUENTS AND WASTE				
103-1-3	Management approach	Operating in an Environmentally Responsible Manner	23	
306-1	Water discharge by quality and destination	N/A		CPCS complied with all applicable environmental laws and regulations. We adopt effective control mechanism to prevent water spillage and contamination on land
306-2	Waste by type and disposal method	Performance Data Summary	37	
306-4	Transport of hazardous waste (Handling waste such as refrigerant)	N/A		CPCS complied with all relevant environmental laws and regulations
ENVIRONMENTAL COMPLIANCE				
103-1-3	Management approach	Operating in an Environmentally Responsible Manner	22	
307-1	Non-compliance with environmental laws and regulations	N/A		CPCS complied with all relevant environmental laws and regulations
SUPPLIER ENVIRONMENTAL ASSESSMENT				
103-1-3	Management approach		18	
308-1	New suppliers that were screened using environmental criteria	Catering to Our Customers' Needs		We strictly abide by our Supply Chain Sustainability Code of Conduct

TOPIC SPECIFIC STANDARDS : Social				
Disclosure Indicator	GRI (MATERIAL TOPICS ONLY)	Section	Page No.	Remarks
EMPLOYMENT				
103-1-3	Management approach	Investing in Our Employees and Communities	29	
401-1	New employee hires and employee turnover	Performance Data Summary	37-38	
OCCUPATIONAL HEALTH AND SAFETY				
103-1-3	Management approach	Investing in Our Employees and Community	32	
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Performance Data Summary	37-38	
TRAINING AND EDUCATION				
103-1-3	Management approach	Investing in Our People and Communities	31	
404-1	Average hours of training per year per employee	Performance Data Summary	37-38	
404-2	Programmes for upgrading employee skills and transition assistance programmes	Investing in Our People and Communities	31	
404-3	Percentage of employees receiving regular performance and career development reviews	N/A		All CPCS staff received regular performance and career development reviews
DIVERSITY AND EQUAL OPPORTUNITY				
103-1-3	Management approach	Investing in Our People and Communities	29	
405-1	Diversity of governance bodies and employees	Vision and Strategy		



TOPIC SPECIFIC STANDARDS : Social				
Disclosure Indicator	GRI (MATERIAL TOPICS ONLY)	Section	Page No.	Remarks
NON-DISCRIMINATION				
103-1-3	Management approach	Investing in Our People and Communities	29	
406-1	Incidents of discrimination and corrective actions taken	N/A		No incident of discrimination during the reporting year
CHILD LABOUR				
103-1-3	Management approach	Investing in Our People and Communities	29	
408-1	Operations and suppliers at significant risk for incidents of child labour	N/A		CPCS complied with all relevant laws and regulations
FORCED OR COMPULSORY LABOUR				
103-1-3	Management approach	Investing in Our People and Communities	29	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	N/A		CPCS complied with all relevant laws and regulations
LOCAL COMMUNITIES				
103-1-3	Management approach		33	
413-1	Operations with local community engagement, impact assessments, and development programs	Investing in Our People and Communities	33-34	
SUPPLIER SOCIAL ASSESSMENT				
103-1-3	Management approach	Investing in Our People and Communities	33	
414-1	New suppliers that were screened using social criteria	N/A		We strictly abide by our Supply Chain Sustainability Code of Conduct

TOPIC SPECIFIC STANDARDS : Social				
Disclosure Indicator	GRI (MATERIAL TOPICS ONLY)	Section	Page No.	Remarks
CUSTOMER HEALTH AND SAFETY				
103-1-3	Management approach			
416-1	Assessment of the health and safety impacts of product and service categories	Catering to Our Customers' Needs	17	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services			No incident of non-compliance concerning the health and safety impacts of products and services during the reporting year
417-2	Incidents of non-compliance concerning product and service information and labeling	N/A		No incident of non-compliance in the reporting year. No products served or shipped were subject to recalls for safety and health reasons.
SOCIOECONOMIC COMPLIANCE				
419-1	Non-compliance with laws and regulations in the social and economic area	N/A		There was no non-compliance with laws that resulted in significant fines or sanctions identified during the reporting period

CATHAY PACIFIC CATERING SERVICES (H.K.) LTD.

FEEDBACK AND CONTACT

CPCS welcomes feedback and suggestions. If you have any comments on the report, please contact:

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