

# **Sustainable Development Report 2018**

**Cathay Pacific Services Limited**



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## CEO Message



In Cathay Pacific Services Limited ('CPSL'), sustainable development is not just a written mission statement but the core management philosophy that guides our direction setting and decision making. Climate change is accelerating and a severe weather event like a super typhoon can cause significant human and economic losses. We as a socially and environmentally responsible organisation have made every

endeavour to mitigate the impact of our operation on the environment. To deliver value-added customer service focusing on innovation and efficiency, Cathay Pacific Cargo Terminal ('CPCT') commenced operations in 2013 providing full-fledged air cargo terminal services mainly to airlines operating at the Hong Kong International Airport. Our state-of-the-art facility has incorporated sustainable features in design, construction and operation. A pioneer of installing the chilled ceiling air-conditioning system among air cargo terminals in Hong Kong, CPCT reduced up to 40% of energy consumption, with recycled energy used for heating water and powering the Material Handling System.

In 2018, CPCT became an air cargo terminal with the world's highest throughput of 2.1 million tonnes. Our top priority is to constantly review, rethink and redesign to achieve operation excellence, safety and efficiency. We established a dedicated team that responds promptly to the ever-changing environment through LEAN capability development and result-driven transformation. Both LEAN and 5S are adopted as key improvement tools to make our operations more efficient and to create a safe working environment. The

former is also deployed to identify and eliminate waste from operations.

It is about eliminating waste in processes.

It is about living and working together.

It is about achieving more with less.

From May 2018 onwards, there were a new organisational structure for back office and support functions for the Cathay Pacific Group's subsidiary companies, Cathay Pacific Services Limited ('CPSL'), Hong Kong Airport Services Limited ("HAS") and Vouge Laundry Service Limited ("VLS"). This new structure is not only part of the Group's three-year transformation programme to ensure the Group is agile, lean and competitive through the consolidation of similar roles across the subsidiaries. The single points of accountability allow better synergies. Most importantly, the shared services model itself already loudly speaks for our continuous drive for better productivity and value-added that echoes to the fundamental principle and concept how we operate our businesses.

I am pleased to present the 2018 sustainable development report of CPCT that highlights our achievements in the areas of community, environment, business partners, occupational health and safety, and people. We strive to bring more sustainable initiatives through innovation and collaboration in pursuit of our goal of "One Team One Dream".

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

A handwritten signature in black ink, appearing to read 'Jenny Lam', with a stylized flourish at the end.

Jenny Lam  
Chief Executive Officer

## Governance of Sustainability

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

The primary focus of our strategy is to mitigate the social and environmental impact of our daily cargo terminal operations, addressing sustainability issues in our business. To achieve this, the Sustainable Development Steering Committee hold

regular meetings to review the progress of our overall strategy and discuss new initiatives and issues as they arise.

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

Structure of Sustainable Development Steering Committee





## Green Terminal








## Environment

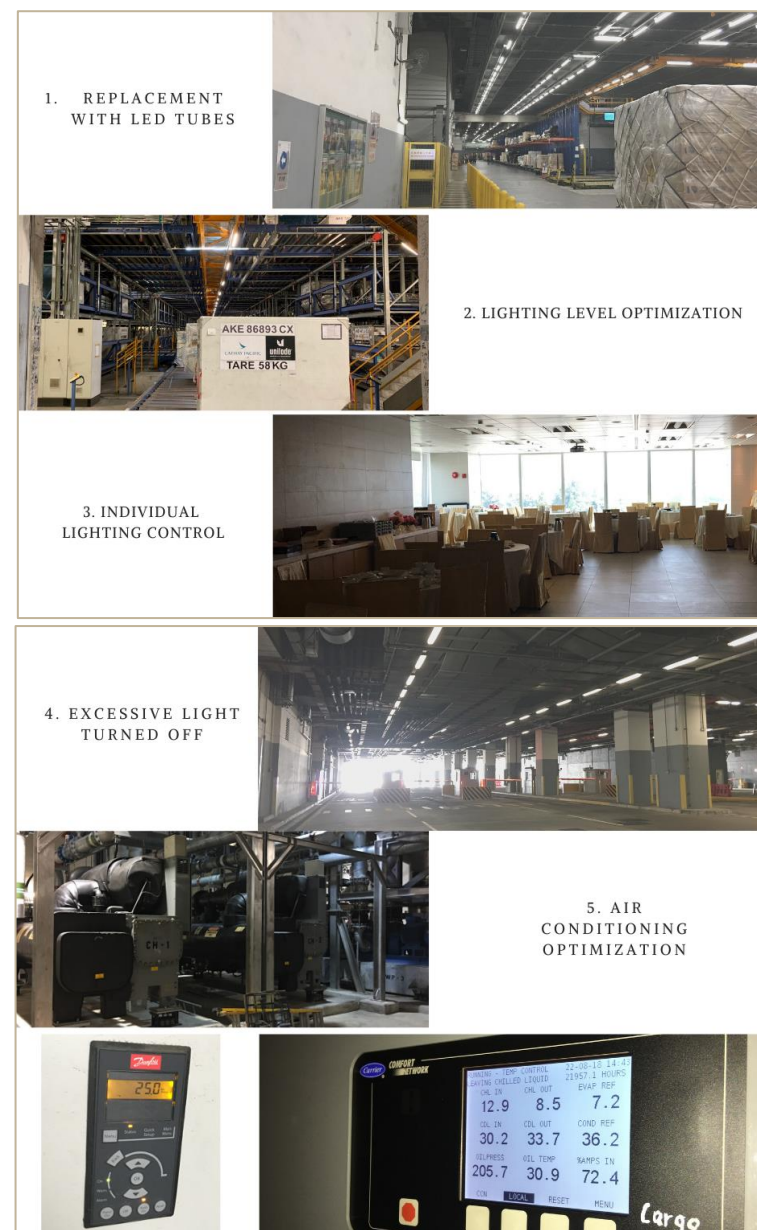
We commit to minimizing the impact to our environment and explore continually the innovation and technology for more efficient energy consumption in the terminal. Proper waste recycle & reuse is another key focus in our environmental management.

## Green Project Achievements

### Energy Saving

In 2018, we implemented various green initiatives to reduce the annual carbon emission and electricity by 906,000 kg and 1,678,000 KWH respectively. The electricity consumption per tonnage was thus reduced by 7% in 2018 vs 2017 significantly.

-  1. Replaced 2000 nos. of T5 florescent tubes with LED tubes
-  2. Optimized the lighting level inside no-man zones at CT3, CT5 & CT7
-  3. Provided individual lighting control for Chinese Restaurant at 3/F of Block RMA
-  4. Turned off excessive lightings along driveway and walkway
-  5. Optimized air conditioning





## Waste Management

We actively manage the waste materials disposed to landfill and collected for recycle. The ratio of landfill disposal to recycle was 1:18 in the past year. The general waste per tonnage was improved by 0.6% in 2018 vs 2017.

Plastic sheets are widely used in the air cargo industry for cargo packing, protecting the cargo from being wetted under the adverse weather, which could not be reused in the terminal upon cargo unwrapped. We install adequate plastic sheet compressors at cargo processing area of the warehouse, facilitating the users to compress and wrap the wasted plastic sheets before sending out for recycle. In 2018, we recycled the plastic sheets waste of 416 tones.

Wooden pallet is another key waste material during cargo handling process in the terminal. We retrieved wooden pallets of 2,610 tones in 2018 for third party for further handling.

We have obtained the Wastewi\$e Certificate [Excellence Level] issued by Environmental Campaign Committee for year 2018.





## Strive for Green Air

We conduct comprehensive maintenance for the Mechanical, Ventilation and Air-Conditioning (MVAC) system regularly, ensuring the cleaner air at the office blocks of our terminal. We have obtained the accreditation of the Indoor Air Quality Certificate [Good Class] for offices since 2015, and we could then maintain the “Good Class” level accreditation unflinching.

## HKIA Carbon Award Scheme

To keep Hong Kong International Airport as one of the greenest airports in the world, we also actively participate in different schemes with the Airport Authority. In 2018 we were awarded the Innovation Award – Good Class by installation of

High-Volume-Low-Speed fans, and the Implementation Award – Good Class by optimization of our lightings under the HKIA Carbon Reduction Award Scheme.

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

Valid period: 29 May 2018 to 28 May 2019  
有效日期: 29 May 2018 至 28 May 2019

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

Name of building: Cathay Pacific Cargo Terminal 國泰航空貨運站  
Address: 3 Chun Wan Road, Hong Kong International Airport, Chek Lap Kok  
地址: 赤鱗角香港國際機場駿運路3號

Certified location(s): Offices on 4/F of Block SE and 6/F of Office Building  
已檢定地點: 東南座4樓辦公室及辦公大樓6樓

Approved HKIAS IAQ Signatory  
香港認可審核室內空氣質素簽署人員

Name: Yeung Siu On  
姓名: 楊少恩  
IAQ Certificate Issuing Body: PIT Limited  
室內空氣質素證書發機: PIT Limited  
Signature: [Signature]  
簽署: [Signature]  
Date of issue: 29 June 2018  
簽發日期: 29 June 2018  
Certificate No.: 4290997201806(2015)  
證書編號: 4290997201806(2015)

(This certificate is issued based on the results of the HKIAS endorsed inspection report no. IAQ11806/00007)  
(此證書是根據香港機場管理局認可的檢驗報告編號: IAQ11806/00007 所錄之結果發出)

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

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

## Green Week

Green Week was firstly launched in August 2018 which aimed at arousing all parties' awareness towards environmental protection via a wide range of green initiatives in Cathay Pacific Cargo Terminal. It was not only involved our employees but also business partners working in cargo terminal. With the joint effort, we work together and build greener terminal and embed the environmental principles into our operations.

The Green week was kicked off in a ceremony which invited the Management of CPCT business partners with the presence of "Big Waster" who promoted "Waste Reduction" message in the terminal walk and by photographing with the staff. The events covered different aspects of our lives in the terminal that included health awareness programme, education, namely fruit day, green menu, seminars, games and tips.

Key Highlight of the week would be definitely "Second-Hand Market" with the helpers from our business partners. In our market, we appealed all business partners to donate their



used items and/or any items they no longer need. With the overwhelming support, we received more than 250 donated goods and 70 pieces were exchanged/bought at \$10. All remaining goods and money were all donated to Salvation Army. What an awesome and green initiative!









Our People





## Our People

### Our Workforce

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

CPSL employed **622** direct full-time employees in addition to contract staff as of 31 December 2018. 28% of the workforce was female and 72% male. A total of 5,105 training man-hours were provided in 2018.

As of date	31-Dec-2018		
Age Group			Total
Under 30 years old	98	137	235
30 and under 50 years old	74	258	332
Over 50 years old	4	51	55
Total	176	446	622
%	28.3%	71.7%	100%

### People Engagement Initiatives

We are committed to continuously adopting different ways of enhancing people engagement for our employees who are the core stones of every organisation and company. We do consider the impact of engagement very vital and how it contributes to the success of Company and how we influence

every employee to engage and motivate their working partners. People engagement not only limits to the communication on how they are heard or how they voice our opinion. Most importantly, they find fulfilment at job and get motivated which are related to a bundle of people initiatives and principles.



1. Focus Group



2. Annual Staff Survey



3. Company Visit



4. Awards & Appreciation



5. Development Opportunity

### Focus Group & Annual Staff Survey

Different tools and approaches are adopted to enhance the communication and engage our employees as far as possible. Successful staff engagement enables all employees to give out their best each day, committed to the Company's goals and values, motivated to contribute the organisational success, with an enhanced sense of their own well-being. In 2018, focus groups were run to collect the employees' view and opinions on "Self-Services" which facilitated our upcoming projects, initiatives, work groups in the area that matters the employees the most and involves the employees in the decision-making process. Annual Staff Survey is a tool to measure how much the employees are engaged, how the

alignment between the management and the employees. It is also served as a yardstick where we should do better and where the issues are underlying.

### Company visit to Airport Companies & Group Companies

Company visits provide hands-on opportunity for learning through exposure to diverse working methods, interaction with unfamiliar industries and organisational structures, and an in-depth understand of winning company philosophies through exclusive conversation with respected leader. Visits to industry leaders enable our staff to learn the best practices in different environments and experience sharing can stimulate the participants to rethink and re-engineer how the works are done in their workplace.

## Awards & Appreciations

### *Outstanding Award*

Outstanding Award presentation ceremony was one of the highlights during the Annual Dinner 2019 which focused 4 pillars on Customer Centricity, Productivity & Valued Added and Operational Efficiency to support our strategy. All business partners were invited to make nominations and were evaluated by the judging panels consisted by Chief Executive Officer and Department Heads. We were very pleased and excited to present 11 individual and 8 teams awards to those well deserving cases which demonstrated our spirit of one team one dream in pursuit of excellence.

### *Long Services Award*

CPSL was officially formed in January 2008 and was awarded 20-year franchise by the Airport Authority Hong Kong to design, build and operate a new air cargo terminal at the Hong Kong International Airport - Cathay Pacific Cargo Terminal. To ensure a smooth transition for the launch customers, CPCT

adopted a 3-staged approach to commence operations in 2013 and fully operated since October 2013.

2018 was our first milestone of our history and CPSL established the Long Service Award to express appreciation to and recognition for long-serving staff members. It was also meant to foster a sense of belonging for the CPSL community. Our first Long Service Award went to 4 staff who grew up and flourished together with CPSL. The first Long Services Award weights more than the staff commitment and loyalty to the company but also signifies our achievements in last decade.



## One Team One Dream

### HKIA Family Sports & Fun Carnival

A team of 23 CPSL members formed a special force to join HKIA Family Sports & Fun Carnival on 22 September 2018. There were 9 games requiring different strategies to complete, but the core was our team spirit to make us an outstanding result. In the task force meeting before the game, there were two CPSL teammates assigned for each game as Person-In-Charge who formulated the best practice for the game, other teammates were supportive for PIC's instruction. The participants enjoyed the cheerful atmosphere and completed the games as fastest as they can.

Apart from the keen competition among different companies in airport community, it is also an event for the family to join with game booths, good food and drinks.





## SPORTS

### *Swire Green Run*

CPSL always support a healthy Work life Balance. We are very pleased to share that one of our staff, Calvin Chan who won the Silver Prize of the Men's 3KM game in Swire Green Run held in October 2018. He also partnered with CX colleagues to complete the Men's 3 x 1 KM game and won the Silver Prize. His remarkable result in the running not only made us proud and also was a good model for a work life balance.



### *Basketball Club*

Basketball Club was newly formed in October 2018. It was a team full of energized members who actively participated in different competition and games. Please share their enjoyable moment in Swire Basketball game.



## Join for Joy

Food and drinks are good partners in the festival blessing like Chinese Lunar New Year, Mid-Autumn and Christmas. Launch with different festival events and games brought the warmth and blessing to every individual.



## Chinese New Year Blessing

- ✓ Spring Festival Couplets
- ✓ Management Tour to bring good lunch and wishes – “Lai See” on the first day of CNY
- ✓ Good blessing from Lion Dance by CX Marshal Team

## Mid-Autumn Festival Party

- ✓ Mini moon cake with supermarket coupon
- ✓ The Mid-Autumn Festival Party together
- ✓ SWIRE Scholarship presentation



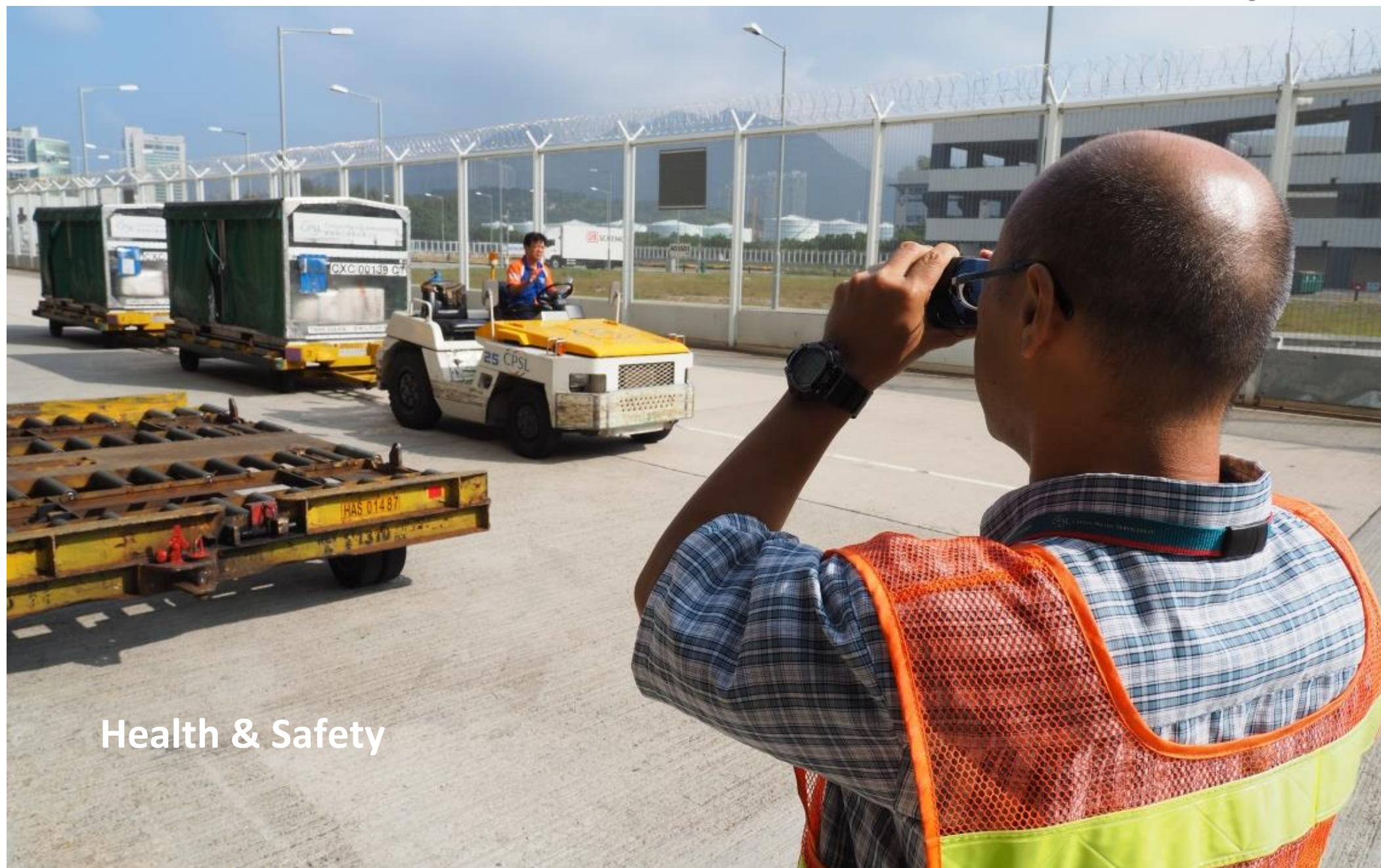


## Christmas Celebration

- ✓ Management Tour for Christmas Candies
- ✓ Christmas Game – Finding Santa Claus and who is CPSL Santa Claus
- ✓ Christmas Party and lucky draw







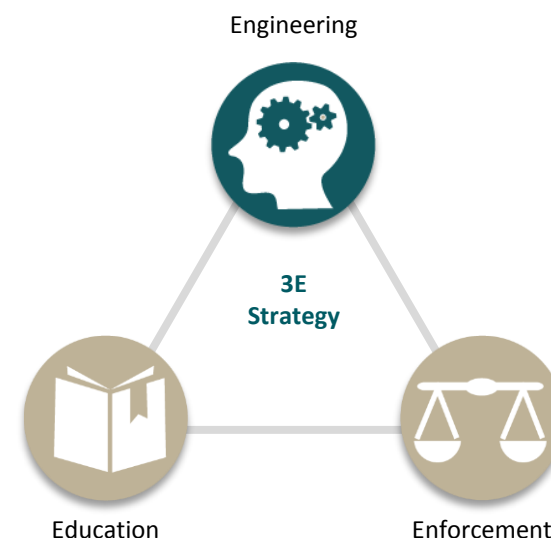
## Health & Safety



## Health & Safety

At CPSL, safety is our number-one priority and we are fully committed to providing a safe operational and general environment for our employees, business partners and visitors. We strive to maintain the highest safety standard in our Safety Management System (SMS) and control factors which may affect the safety level in the terminal.

In 2018, we applied sustainable practices with the aims of our 3E strategy to strengthen the safety management system by Engineering, Education and Enforcement measures.

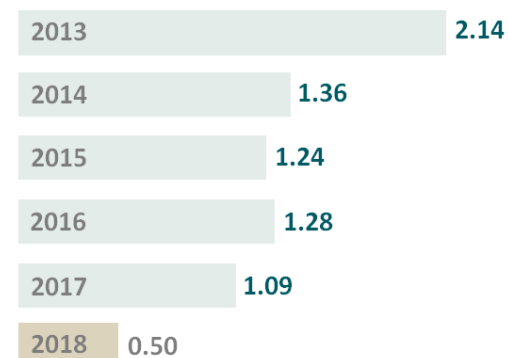


## Safety Performance

We track our safety performance by measuring our Lost Time Injury Rate (LTIR) and Lost Day Rate (LDR). LTIR is the number of injuries per 100 full-time equivalent employees, while LDR is the number of work days lost to injuries per 100 full-time equivalent employees. In 2018, our LTIR (including contractors) decreased 54% to 0.50 from 1.09.

### LTIR

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



## Education

Our safety team provides trainings and guidelines to our employees and contractors to ensure the achievement of their commitment in health and safety obligations. Also, we continually assess our health and safety procedures and provide timely information to our employees and contractors by various communication platforms to facilitate proactive safety approach without delay.



In 2018, a series of trainings were provided to the frontline staff, aiming at occupational health and safety, physical fitness and emergency preparedness. We also initiated a number of health and safety campaigns and case sharing sessions in conjunction with the Labour Department and Airport Authority Hong Kong, under the theme of “Work and Health Lifestyle” and “Body Check and Physical Activity Workshop”, with a view to enhancing self-awareness of body health and reducing physical injuries through sufficient refresher trainings and briefings.

## Emergency Preparedness Training

To ensure an accurate and timely handling of chemical spillage, the use of Personal Protective Equipment (PPE), chemical handling tools and handling procedures were updated. A practical training session, including proper use of PPE, case sharing and Dangerous Goods (DG) label recognition was provided to our cleaning contractor. On the other hand, a chemical spillage drill was held on 3 October 2018. The drill simulated a scenario that a Class 3 DG shipment fell from a bin and spilled in the terminal.

Furthermore, emergency response procedures, equipment and user guidelines were reviewed to maintain the effectiveness of the first-aid treatment.



## Enforcement

We oversee and monitor the health and safety of all terminal users, including our employees, contractors, suppliers and customers. We developed several enforcement programmes

to strengthen the baseline of in-house safety rules with additional onsite inspections and monitoring.

## Driving Safety Programme

In order to maintain the safety awareness of all drivers in CPCT, Driving Safety Enforcement Week was conducted quarterly in 2018. Daily safety patrol was conducted by Safety and Security Department, Operations Department and contractors. Also, Driving Behaviour Observation Programme was conducted in March 2018.



## Safety Guidelines Enhancement

To ensure a high performing standard in specific job duty, we published the revised safety guidelines for working in confined spaces, such as water tanks and maintenance area below the Materials Handling System (MHS) workstations.

Also, safety guidelines of using ladder were released to ensure that proper working platforms were provided to all work-above-ground duties in CPCT with a view to complying with safety regulations.

## Installation of Seat Belt Warning Buzzer

To increase the safety alertness of fastening seat belt, all forklifts were installed seat belt warning buzzer in April 2018. The buzzer will sound continuously if operator is not buckled up.

## Warning Line “Beware of Forklift”

A warning line – “Beware of Forklift” was painted in both import and export truck dock areas to segregate pedestrian and mobile equipment. It gives a visual warning to remind forklift operators, cargo agents and truckers to maintain a safety distance during loading and unloading process.

## Engineering

We always put engineering control measures at the main consideration in operations. Apart from the education and enforcement, we also coordinated with Engineering Department to develop safety equipment in order to provide a safe workplace in the terminal.



## Awards and Achievements

CPSL received “Safety Performance Award 2018” from the Airport Authority Hong Kong (AA), recognising our long-term efforts in safety management in cargo terminal.

AA also presented CPSL with Champion Award in the “Aviation Logistics – Workplace Safety Promotional Video Competition” in recognition of our promotion to share safety practices and control measures with our staff and contractors.



## Our Business Partners



## Business Partners

We continue to influence and engage our suppliers and embed sustainable principles in our supplier management and procurement process. In 2018, not only we achievement greater recycling materials but also implement green procurements from end to end process.

## PVC sheets with recycled materials

### 1. Supplier

Hop Fat Plastic Bags Printing Fty. Ltd. (HF) is one of the suppliers of CPSL supplying PVC sheets and plastic packing materials for cargo handling at CPCT.

To fulfil the corporate social responsibility, HF produces eco-friendly products to reduce the environment impact and meet the needs of business partners in various industries.



### 2. Recycled product of Hop Fat

As being one of the long-term business partners of CPSL and supporting the sustainable practices in CPCT operation, HF designed and produced a new type of PVC sheet made from 30% recycled materials for CPSL, and after several times of formula adjustments and operation trials, it succeeded in creating the new type of PVC sheet which met with CPSL's PVC sheet standards and users' requirement.

### 3. Collecting used PVC sheets from CPCT to produce recycled raw materials

HF owns the skills and is experienced in turning used plastic materials into recycled resins as raw material for manufacturing recycled products. To cater the high demand of PVC sheets for CPCT operation, HF arranges and provides the collection service of the used PVC sheets from CPCT to process these plastic wastes into the recycled raw materials.

The PVC sheets collected from CPCT are converted to recycled resins in HF's HK factory. And afterwards the resins are transported to HF's China plant for producing



**PVC sheets with 30% recycled materials** which supply to CPSL.

#### 4. Quality assurance

To ensure the quality of the PVC sheets with 30% recycled materials can meet CPSL's product requirement, HF sent the product sample to 3<sup>rd</sup> party laboratory for testing the thickness, tensile strength and elongation of PVC based on ISO standards.

The recycled PVC sheets had also been used on a trials basis at CPCT by OPS, and positive feedback were received.

#### 5. Benefits of environmental and cost

Recycling is always one of the sustainable solutions and world-widely recommended. HF involves recycled materials in their plastic production means reducing pollutants to the environment and being able to put the harmful landfill waste back to the manufacturing cycle of reusable plastic products. Apart from these, the cost of materials for using

recycled can be more stabilized with less affected by the cost inflation of the raw plastic materials for long-term say.

HF endeavours to put green effort in the plastic manufacturing industry.

#### 6. Conclusion and Recommendation

To foster sustainable development, the adoption of recycled PVC sheets with 30% recycled materials does not only cope with the technical and operational needs of CPSL, but also help reducing the environmental impact from plastic manufacturing process.

At the same time, quality is the key concern of CPSL. For quality assurance, HF has been kindly advised to maintain the quality consistency of recycled PVC sheets, including but not limited to the toughness and texture, which are critical for cargo packing. The quality control shall be done by regular lab testing.



## Recycled Paper Hand Towel

New Choice (H.K.) Limited is the supplier of CX, CPCS & AA supplying recycled consumable.

For integrating environmental considerations into office, a trail was implemented from 21<sup>st</sup> January, 2019 on using recycled tissues on the 6<sup>th</sup> floor toilet of CPCT. The raw material of recycled tissues is made from the residue of paper coffee cup material collected during manufacturing. This is more eco-friendly than M-fold paper towel made from virgin pulp, which sourced from the living trees.



proposal of reuse. The selected supplier HKT collected around 400 pcs of old telephone sets and kept in HKT warehouse. These old IP phones will be distributed to telecom exchanges as testing unit in HKT lab test and as spare parts for day-to-day maintenance work.

## Ariba Implementation

CX extend the sourcing solution - Ariba to CPSL in 2019. The Ariba provides an on-line platform to capture the overall e-RFP/RFQ process among suppliers, stakeholders and Procurement department. CX Procurement team provides supports to CPSL procurement colleagues through workshop, training and pilot case.

## Green Procurement

CPSL issued a RFQ for Provision of Unified Communication Solution in Oct 2018. In RFQ documents, CPSL requested tenderers to provide trade-in for old Cisco IP phones and

### 1. Workshop

In workshops, CPSL Procurement team can practise to:

- Create RFP/RFQ Content
- Invite Suppliers to RFQ/RFQ
- Proceed CISQAS evaluation
- Award an event
- Create a Contract

### 2. Training

Training was also provided to HAS/VLS/CPSL colleagues who get involved in the RFP/RFQ tender process. In the briefing, a CX Procurement team demonstrated on how Ariba works from requirement collection, quotation/ proposal submission, CISQAS scoring and status monitoring with a live demo.

### 3. Pilot Case

HAS/VLS uniform tender will be the pilot case and it is scheduled to launch in early February 2019.

- Suppliers: Four
- Internal stakeholders: HAS ADM and VLS PNL
- Duration: February to July 2019

### 4. Advantage of Ariba

With Ariba, Procurement team can effectively and efficiently manage the RFP/RFQ process from initial inquiry up to the award of a contract. It greatly improves the transparency and efficiency of the RFQ /RFP process.

Manual efforts to collection requirement and quotation/ proposal submission were built into the online RFP/RFQ workflow. This shift, from offline to online, digitized CPSL's entire RFQ/RFP process, which can reduce paper consumption and manual workload, improving processing turnaround time, while also providing audit traceability.







## Our Community

## Community Service

CPSL operates the latest air cargo facility in Hong Kong provide best-in-class services with dedication and flexibility, sustaining the competitiveness of Hong Kong as the logistics hub of choice in Asia. Community service is an integral part of our commitment to sustainable development. Young talents are the inspiration to shape the future and fuel the growth of the air cargo industry. To provide young people with a better understanding of cargo operations, we actively engage with the youth to nurture their interest in the aviation industry.

We regularly organize educational visits to the Cathay Pacific Cargo Terminal for students as an extension to their classroom learning. The visits consist of general introduction of CPSL, a look at the 1:100 cargo terminal model about our innovative features and advanced technology systems to ensure efficiency, reliability and visibility, and a tour in the cargo terminal as well as interacting with our aviation professionals to provide youngsters the opportunity to better understand



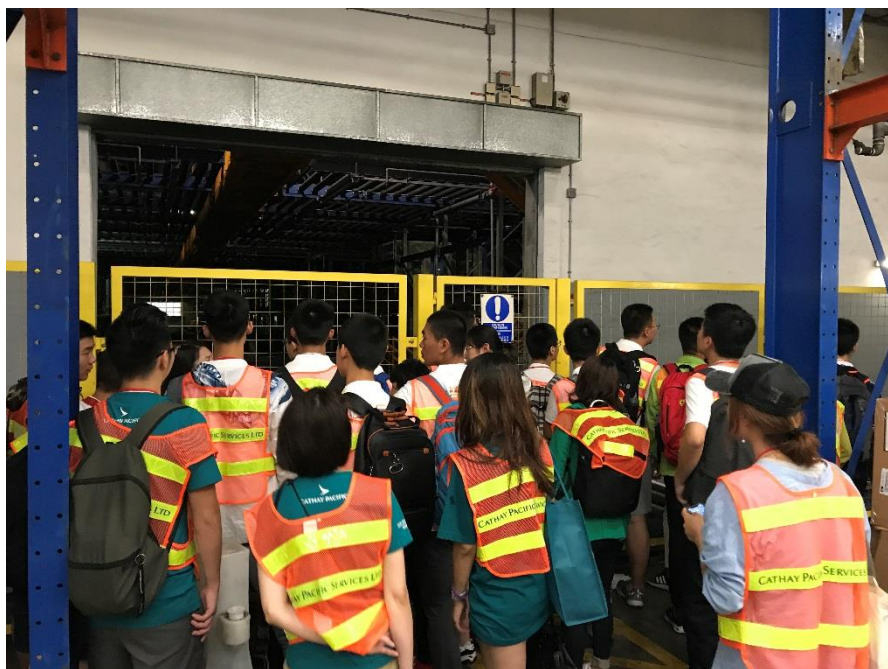
our sustainability commitment and performance, also to promote logistic education and general aviation knowledge.



In 2018, we conducted over 15 cargo terminal visits, around 400 students from secondary schools and higher education institutes, from Hong Kong and overseas. They witnessed behind-the-scene air cargo operations and learned about how Cathay Pacific Cargo Terminal deploys the latest technology to set new service benchmarks for the industry.

CPSL continues to support various community programmes of the Cathay Pacific Group and holds other special projects to

raise youth's interest in the aviation sector. During the year, we supported I Can Fly programme, organised by Cathay Pacific, over 60 young talents from Mainland China were given the chance to visit our cargo terminal facility to nurture an enthusiasm for aviation. This invaluable learning experience also enabled the young generation have better understand the key role that CPSL plays in solidifying the competitiveness of Hong Kong as the logistics hub.



We also supported Cathay Aviation Certificate Programme, which is jointly organized with Hong Kong Air Cadet Corps and the Scout Association of Hong Kong, aimed at nurturing future talents for the aviation industry. This year, 30 passionate youngsters visited our facility and impressed by the fully automated system and the highly efficient operations.



CPSL also regularly arranged warehouse tours for logistic community including airlines, airports, government officials and cargo agents to give an overview of our operation, the visits provided a showcase for our services, and a platform to exchange the industry update as well as latest development at our terminal.



## Green Initiatives

In the move towards digitization, CPSL transfers and generates reports, meeting minutes and stores documents electronically for ease of reference and retrieval. In 2018, CPSL have worked with our airline customers for paperless meetings. This allows us to save approximately 12,000 pieces of paper annually.

## Our Care

In June 2018, we partnered with Hong Kong Christian Service for elderly-visit event, a group of employees from various departments participated this community service and delivered goody bags which contains rice dumplings, oatmeal

cereal, Chinese tea bags and fruits. Our employees and their families could take this opportunity to spread their love to the community and show their care to the needy in Choi Lok House. The participants spent a quality afternoon together and delivered their celebratory blessings to the elderly. We look forward to the next elderly-visit event.



## Book for Love

Book for Love is one of the annual events we support Swire Properties. During the 4-day fundraising campaign, not only the second hand book can find their new book lovers, but also the charity raised for the needy. It was a meaningful and long history event since 2009.

## Reduce the Food Waste and Project Green Moon

Every year we may have surplus mooncake and why not take a chance and help reduce the food waste? In October 2018, we appealed our employees to donate the surplus mooncakes in

supporting annual event of Swire Properties partnering with Food Angels. The donated the mooncakes all went to the needy. Over a million of mooncakes boxes are generated after the Mid Autumn Festival. We echoed with the event of Project Green Moon and donated the mooncakes boxes Salvation Army who helped the less privileged.

**中秋佳節, 攜手減少食物浪費**  
**請捐出剩餘月餅為有需要人士送上祝福!**

This Mid-Autumn Festival, let's reduce food waste!  
 Please donate surplus mooncakes to share blessings with the needy.

<p><b>可回收的月餅:</b></p> <ul style="list-style-type: none"> <li>- 未開封及獨立包裝</li> <li>- 未過有效食用日期</li> <li>- 由香港政府認可的公司製造</li> </ul>	<p><b>Mooncakes must be:</b></p> <ul style="list-style-type: none"> <li>- Individually packaged</li> <li>- Within expiry date</li> <li>- Produced by HKSAR Government's approved producers</li> </ul>
<p><b>不回收的月餅:</b></p> <ul style="list-style-type: none"> <li>- 需冷藏的月餅, 如: 冰皮月餅</li> <li>- 自家製月餅</li> </ul>	<p><b>We do not accept:</b></p> <ul style="list-style-type: none"> <li>- Refrigerated mooncakes: e.g. Ice skin mooncakes</li> <li>- Homemade mooncakes</li> </ul>





**FOOD ANGEL**  
by Bo Charity Foundation



**太古地產**  
SWIRE PROPERTIES

Food Angel Hotline: 2801 5333      Website: [www.foodangel.org.hk](http://www.foodangel.org.hk)



## Awards & Certifications

CPSL is committed to service excellence and ensuring global standards are met in every aspect of operations. We achieved the following awards and certifications:

### Awards:

- 2015 Hong Kong Awards for Environmental Excellence - Transport and Logistics - Certificate of Merit
- CILT Award 2015 - Enterprise Award
- CLP GREEN PLUS Award 2016 - Industry & Technology - Gold Award
- Hong Kong ICT Awards 2016 - Best Mobile Apps Silver Award
- HKACE - Customer Service Excellence Award 2018 (Fields & Special Services) Merit Prize
- HKIA Carbon Reduction Award Scheme - Good Class
- 2018/19 HKIA Safety Excellence Award - Silver Award

### Certifications:

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

## Social Indicators

		2014			2015			2016			2017			2018		
Social Performance	Unit	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Workforce																
Permanent employees - Full time		478	187	665	487	184	671	569	214	783	534	190	724	446	176	622
Permanent employees - Part time		4	4	8	2	1	3	1	1	2		1	1	0	0	0
Total permanent employees		482	191	673	489	185	674	570	215	785	534	191	725	446	176	622
Fixed term and temporary contract employees		17	5	22	17	6	23	17	9	26	26	11	37	10	4	14
Total employees		499	196	695	506	191	697	587	224	811	560	202	762	456	180	636
Supervised workers		1395	592	1987	976	401	1377	2622	1201	3823	**	**	**	**	**	**
Total workforce		1894	788	2682	1482	592	2074	3209	1425	4634	560	202	762	456	180	636
		No. of Permanent employees as at 31 Dec 2014			No. of Permanent employees as at 31 Dec 2015			No. of Permanent employees as at 31 Dec 2016			No. of Permanent employees as at 31 Dec 2017			No. of Permanent employees as at 31 Dec 2018		
By age group																
- under 30 years old																
		315			303			363			296			235		
- 30 to 50 years old					318			357			366			332		
- Over 50 years old		41			53			65			63			55		
Total		673			674			785			725			622		
By gender																
- Male staff		482			489			570			534			446		
- Female staff		191			185			215			191			176		
Total		673			674			785			725			622		

## Social Indicators

Social Performance	Unit	2014	2015	2016	2017	2018
<b>Training and Education</b>						
Executive						
- Top / Senior Management		330	115	6	14	0
- Middle / Junior management & supervisory		3,203	3,420	1,797	734	818.85
Non-executive						
- Customer Facing Staff		17,566	11,599	15,416	7,314	3,995
- Non-customer facing operational / technical		-	-	-	-	-
- Others		195	421	542	110	292
<b>Total</b>	<b>No. of Hours</b>	<b>21,294</b>	<b>15,555</b>	<b>17,761</b>	<b>8,172</b>	<b>5,105</b>
<b>Occupational Health &amp; Safety</b>						
Total Hours Worked Own Staff	No. of Hours	1,530,613	1,724,136	1,998,589	2,072,684	1,714,725
Lost Days Nos due to Injuries	Days	366	22	462	1,883	46
Lost Time Injury	Number	4	5	7	11	7
Lost Time Injury Rate		0.52	0.58	0.70	1.06	0.82
Lost Day Rate		47.82	2.55	46.23	181.70	5.37
Total fatalities contractors Nos	Number	-	-	-	-	-
Total fatalities own staff Nos	Number	-	-	-	1	-



## Environmental Indicators

Environmental Performance	Unit	2014	2015	2016	2017	2018
Electricity	kWH	37,795,350	36,928,460	39,772,232	38,912,026	36,601,219
	kWH / tonne	25.34	21.90	21.72	18.63	17.71
Towngas*	MJ	2,581,056	3,277,277	-	-	-
Gasoline	Litres	23,432	35,039	37,786	37,974	8,284
Diesel	Litres	147,225	468,964	642,059	689,510	454,394
Water	m <sup>3</sup>	68,666	66,326	66,721	64,398	66,534
Paper Product	kg	33,026	47,315	60,803	58,828	43,655
Plastic Recycle	kg	420,698	616,052	603,697	555,256	418,073
Paper Recycle	kg	33,047	49,960	21,730	19,730	21,042
Waste Food Recycle	kg	6,583	2,344	5,762	5,796	5,764
Metal Recycle	kg	164	244	487	434	431
Waste - Commercial	kg	139,428	138,834	169,182	172,836	169,164

\*This info is excluded from 2016 report given that this is consumed by our supplier as per data validation by PwC and AAHK.  
 \*\* This info is excluded from 2017 report to align the data reported to CX.

## Appendix



SUSTAINABLE DEVELOPMENT POLICY

ISSUED ON 12 JUNE 2017

### SUSTAINABLE DEVELOPMENT POLICY

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

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

  
Jenny Lam  
Chief Executive Officer

12 June 2017

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



ENVIRONMENTAL POLICY

ISSUED ON 12 JUNE 2017

### ENVIRONMENTAL POLICY

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

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

  
Jenny Lam  
Chief Executive Officer

12 JUNE 2017

ENG/Environmental Policy – Rev 3 (12 JUN 2017)\_ENG



## Contact Us

### Feedback

Thank you for taking the time to read the CPSL Sustainable Development Report 2018. We welcome your thoughts and feedback on any aspect of the report and our sustainable development performance. Please find our contact details below.

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