



## Sustainable Development Report 2022

Cathay Pacific Airways Limited

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# OVERVIEW





## MESSAGE FROM THE CEO

Despite having a difficult start of 2022 due to the travel restrictions brought by the COVID-19 pandemic, we are pleased to welcome significant lifting of travel and quarantine requirements from the second half of 2022 onwards. These progressive adjustments allowed us to build back capacity and finally entered into a new exciting phase of rebuilding.

As we look back, the pandemic challenged us to rethink about organisational resilience and recalibrate our focus in order to brace through the turbulence and to rebuild Cathay Pacific for Hong Kong. Among the new focus areas, sustainability leadership is undoubtedly a crucial and fitting one. It is a natural extension of what we do - serving not only our customers but future generations, so they will be connected to people, places and experience, comes their turn.

Against this backdrop, I am delighted to present the 2022 Sustainable Development Report, which addresses the commitments and headway we have made on moving towards sustainability leadership. Title of this Report is "Greener Together", which will also be the theme of the communications platform of our sustainability initiatives. Bringing people together is our business and we are determined to foster stronger partnerships for sustainable development agenda whilst doing so, because it is an undertaking that require concerted efforts, and one that none of us can afford to miss.

### Driving progress towards Sustainable Aviation Fuel and carbon neutrality

We have made major strides towards our goal of carbon neutrality by 2050. In 2022, with the support of eight pilot customers, we launched Asia's first major Corporate Sustainable Aviation Fuel (SAF) programme. It allowed SAF to be used at the Hong Kong International Airport for the first time in history. We see the launch of the Programme as an important step for us to engage like-minded organisations,



**Ronald Lam**  
*Chief Executive Officer*

and in sending an important demand signal to the SAF supply chain that there is firm interest in the region, not only from airlines, but also the aviation value-chain all the way to end users for both passenger and cargo transportation.

Besides SAF, we have also gained ground in other areas. Fly Greener, our longstanding voluntary carbon offset programme, has also now been extended to our cargo and

corporate customers. Through an easy-to-use interface, customers can now track and make the greener choice to offset the emissions of their air cargo or business travel hassle-free. We also completed our first Scope 3 indirect emissions mapping. This is an important part to have a full picture of our total carbon footprint. The findings would also help us focus our attention to suppliers that would yield the biggest impact on emissions reduction.



### **Innovating to reduce plastic**

The demands for replacing single-use plastics (SUP) from our customers and employees has grown in recent years, and we shared the same vision. Previously we set a target to reduce SUP usage by 50% from a 2018 baseline by the end of 2022. The actual usage was well below the target because of impact from COVID. However, I am proud to announce that we have reached a 56% reduction on a per passenger level which reflects the changes we have put in. We are not going to stop here and a new target will be set and announced in 2023. We need to move beyond simply removing and replacing an SUP equipment, but to ride on such opportunities to innovate and to rethink the customer experience design to have sustainability consideration embedded in the whole process.

### **Enabling wellness and inclusivity across our operation**

The safety and wellbeing of our people have always been our top priority. Maintaining mental and emotional wellbeing is just as important as physical health. Through our holistic approach to wellness, we strive to cultivate a working environment which promotes wellness, acceptance, and inclusivity so that everyone has a chance to thrive. On top of regularly scheduled wellness events throughout the year, we introduced a week-long Mental Health and Wellbeing Festival filled with various activities and workshops. The work-from-home arrangement introduced during the pandemic was so well received that it

has now become a long-term arrangement. We see it as a win-win arrangement with additional flexibility for our people, and a productivity boost to the company.

We are also progressing well in our commitment to advancing gender balance in the industry. Going beyond our pledge to the IATA "25 by 2025" initiative, we have set a new and more ambitious goal to not have more than 65% of the same gender at senior positions by 2025. Our efforts at diversity and inclusion have also been recognised externally, as Cathay Pacific was listed on the Bloomberg Gender Equality Index, marking the first time a commercial airline has appeared on the index.

I would like to take this opportunity to extend my heartfelt thanks to all of our people for their teamwork and dedication to excellence during these past few years of unprecedented challenges. We have an exceptional team of aviation professionals and I am more confident than ever that together we will rebuild Cathay Pacific for a bright and sustainable future.



**Ronald Lam,**  
*Chief Executive Officer*

## ABOUT CATHAY PACIFIC

Cathay Pacific Airways Limited (“Cathay Pacific” or the “Company”), together with its subsidiaries Hong Kong Express Airways Limited (“HK Express”) and AHK Air Hong Kong Limited (“Air Hong Kong”), had 222 aircraft at the end of 2022, of which 41 were held at parking locations outside of the Hong Kong Special Administrative Region (“Hong Kong”). Immediately prior to the onset of COVID-19, our airlines directly connected Hong Kong to 119 destinations in 35 countries worldwide (255 and 54 respectively with codeshare agreements), including 26 destinations in Chinese mainland. The Group, and its subsidiaries, employ more than 20,900 people worldwide\*, of whom around 17,438 are employed in Hong Kong.

Its other investments include catering, laundry, ground-handling and cargo terminal companies and its corporate headquarters and cargo terminal at Hong Kong International Airport.

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

*\* Figures provided exclude cadet pilots and student interns as they are not employees of Cathay Pacific. They are included in the Annual Report for financial reporting purposes.*





## ABOUT THIS REPORT

### Aim of reporting

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

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

This Sustainable Development Report can be read in conjunction with our [Annual Report 2022](#) which deals with our financial and operational performance, and with our corporate governance.

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

### Reporting period

This report describes the approach and performance of the Cathay Pacific Group (as defined below) for the period from 1 January to 31 December 2022. Our previous Sustainable Development Report can be accessed on <https://sustainability.cathaypacific.com/past-reports/reports-download/>.

### Reporting guidelines

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

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

### Reported scope and data

Unless otherwise specified, the environmental, social and governance data in this report covers Cathay Pacific Airways Limited and its principal subsidiaries as of 31st December 2022 shown as follows:

SUBSIDIARIES		OWNERSHIP
AHK Air Hong Kong Limited	(AHK)	100%
Cathay Holidays Limited	(CHL)	100%
Cathay Pacific Catering Services (H.K.) Limited	(CPCS)	100%
Cathay Pacific Services Limited	(CPSL)	100%
Hong Kong Airport Services Limited	(HAS)	100%
Hong Kong Express Airways Limited	(HKE)	100%
Vogue Laundry Service Limited	(VLS)	100%
Asia Miles Limited	(AM)	100%

The economic data in this report are based on the consolidated financial statement of the [Annual Report 2022](#) which incorporates the financial statements of the Cathay Pacific Airways Limited and all its subsidiaries together with the Group's interests in joint ventures and associates.

### Contact us

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

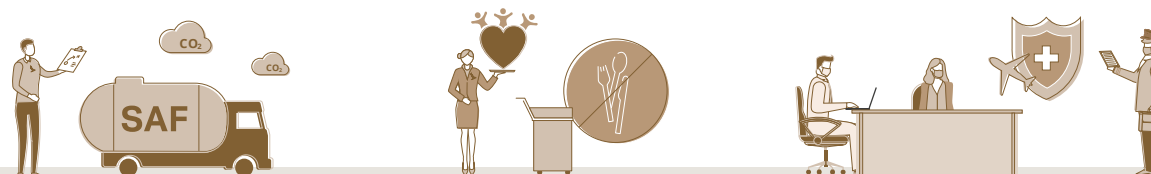
Our address:  
Sustainable Development Team, Corporate Affairs Department,  
Cathay City, 8 Scenic Road,  
Hong Kong International Airport, Hong Kong

## 2022 PERFORMANCE HIGHLIGHTS

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

The framework below highlights our priorities and progress. While the impact of the global pandemic on our operations may have disrupted momentum, the journey is continuous and so are our efforts at improvement. Follow the links at the top of the page to deep dive into our approach and our progress on these areas in 2022.

### Our progress in 2022



### STRATEGIC FOCUS

### PROGRESS IN 2022

### PRIORITIES IN 2023

#### Climate action

We aspire to be a leading contributor to global efforts to reduce aviation's impact on climate change, and to prepare our business to be climate ready.

- Launched the pilot Corporate Sustainable Aviation Fuel (SAF) Programme, providing corporate customers the opportunity to reduce their carbon footprint from business travel or airfreight
- Introduced the use of SAF at Hong Kong International Airport for the first time
- Signed an offtake agreement with Aemetis for the supply of 38 million US gallons of blended SAF to be delivered over seven years beginning in 2025 from San Francisco International Airport
- Conducted a Scope 3 mapping exercise to identify material emissions categories to be included as part of Cathay Pacific's carbon inventory and to highlight focus areas to prioritise for reductions and engagement
- Secured our first sustainability-linked aircraft financing arrangement with specific climate change related KPIs

- Implement short to medium term work plans on fuel efficiency improvements and ground emissions reduction
- Review medium to long term fleet and network plan for meeting net zero carbon emissions goal by 2050
- Secure additional SAF supply to meet our 2030 usage target and for expanding the Corporate SAF Programme
- Continue working with policy makers and industry partners to accelerate SAF development and deployment in Hong Kong and the Asia region
- Offer new carbon offset solutions for individual and corporate customers

#### Sustainability in operations

We take a holistic approach to source material responsibly, to reduce consumption of natural resources, and to support development to turn waste into resources.

- Achieved and surpassed our 50% single-use plastics reduction target
- Conducted audits for cabin wastes from inbound flights and wastes from cargo terminal
- Updated our [Supplier Code of Conduct](#) with focus on ESG focus areas and clear mechanisms for confidential online reporting to raise concerns

- Establish new waste and single-use plastics reduction targets
- Engage in innovative projects related to single-use plastics and food waste reduction

#### Biodiversity

We aspire to protect biodiversity in terms of what we serve and what we carry, together with our value chain.

- Purchased a total of 150 tonnes of certified sustainable, traceable seafood, which accounts for 70% of our seafood purchase
- Enforced 100% x-ray cargo security screening on export cargo in collaboration with Hong Kong Civil Aviation Department
- Implemented the Cathay Regulated Air Cargo Screening Facility (RACSF) recognition programme for United States bound cargo

- Continue to work with civil society organisations to prevent illegal wildlife trades
- Continue our strict compliance of embargoes placed on animals, wildlife, and wildlife products



## STRATEGIC FOCUS

## PROGRESS IN 2022

## PRIORITIES IN 2023

### Safety

Safety is central to our success and our future. We provide a safe and healthy environment for our people, customers, and other stakeholders with the aim of achieving zero accidents and zero 'high-risk' incidents.

- Completed a full on-site IATA Operational Safety Audit through an external third-party agency, checking all operational business units against over 950 IATA Standards and Recommended Practices
- Passed the evaluation and assessment of our Group Safety Management System by the Hong Kong Civil Aviation Department
- Developed a Consolidated Operational and Occupational Safety Risk Summary report, detailing the top risks associated with each operational department and assigning each a Risk Index Score
- Continued to refine our fatigue rules and fatigue management of relevant operational safety front-line teams

- Continue to maintain and update COVID-related safety measures to protect customers and our people, where required
- Hosting our inaugural 'Safety Week' in February 2023, highlighting safety undertakings within Cathay Pacific and those from outside organisations who also engage in complex operational activities. Safety leadership and safety culture, being two focus points
- Continue to focus on quality, compliance and operational excellence, the foundation to an effective Safety Management System, to ensure our customers and our people are as safe as possible

### Our people

We provide a workplace environment in which our people can realise their potential, making us a first-choice employer.

- Established a Wellbeing Working Group to support the mental health and wellbeing of our employees
- Revised our company Typhoon & Rainstorm Warning Procedures and Cathay Dress Code policies to reflect greater demand for flexibility from our employees
- Launched a Mental Health and Wellbeing Festival with the theme, amplifying our awareness of mental and emotional wellbeing
- Joined the Bloomberg Gender Equality Index, marking the first time a commercial airline appeared on the index and one of only five companies headquartered in Hong Kong

- Continue to focus on ensuring employee safety, health and mental wellbeing facing the pandemic
- Adapt to changing circumstances with speed and agility as business recovers from the pandemic
- Continue to review and update policies to respond to employees' needs
- Facilitate and foster innovative ways to collaborate through enhanced digital connectivity
- Continue to strengthen our corporate culture and embed our brand values of thoughtful, progressive and can-do spirit, and our behaviours of agility, collaboration and ownership

### Community

We support the communities we serve. We bring about global cultural exchange, provide opportunities that support youth development, promote a diverse and inclusive culture, and enhance environmental awareness.

- Shipped more than 132 million Rapid Antigen Tests (RATs) to Hong Kong to support the pandemic response
- Made charitable donations amounting to HK\$2.1 million in direct payments
- We also made in-kind donations of close to 390,000 of items, including blankets, children kits, hand sanitisers, face masks and refurbished tablet computers
- Nearly 1,720 hours of volunteering by our employees for volunteering work

- Add 'wellness' as a new focus area of our community engagement effort
- Resume our flagship corporate social responsibilities (CSR) programmes in Hong Kong our home
- Relaunch the Cathay Volunteer Team
- Explore new collaboration opportunities with charity partners to facilitate the development of children and youth in our community

# OUR APPROACH

## Sustainable development strategy

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

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

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

## Stakeholder engagement and materiality assessment

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

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






This year, we have developed an internal stakeholder engagement guideline for ESG impacts and management to systematically guide our approach. With reference to key principles

outlined in the HKEX ESG Reporting Guide, AA1000 Stakeholder Engagement Standard and the GRI Standard, this Guideline sets out the expected schedule, stakeholder groups, processes and methods for the Group's ESG stakeholder engagement. As per the Guideline, a formal stakeholder engagement for ESG impacts is to take place no less than every three years.

TOPICS	REPORT SECTION
<b>Environment</b>	
Plastic	<ul style="list-style-type: none"> <li>• Sustainability in operations</li> </ul>
Climate Change	<ul style="list-style-type: none"> <li>• Climate change</li> <li>• Cathay Pacific's response to Taskforce on Climate-related Financial Disclosures (TCFD)</li> </ul>
Material and waste management	<ul style="list-style-type: none"> <li>• Sustainability in operations</li> </ul>
<b>Social</b>	
Flight safety and security	<ul style="list-style-type: none"> <li>• Safety</li> </ul>
Infectious disease	<ul style="list-style-type: none"> <li>• Safety</li> <li>• Community</li> </ul>
Occupational health and safety	<ul style="list-style-type: none"> <li>• Safety &gt; Occupational Health and Safety</li> </ul>
Employee welfare	<ul style="list-style-type: none"> <li>• Our people &gt; Employee welfare</li> </ul>
<b>Governance</b>	
Privacy & data protection	<ul style="list-style-type: none"> <li>• Governance</li> </ul>
Business ethics and anti-corruption	<ul style="list-style-type: none"> <li>• Governance</li> </ul>
Corporate Governance	<ul style="list-style-type: none"> <li>• Governance</li> </ul>
Disclosure & transparency	<ul style="list-style-type: none"> <li>• Our approach</li> <li>• Our performance</li> </ul>

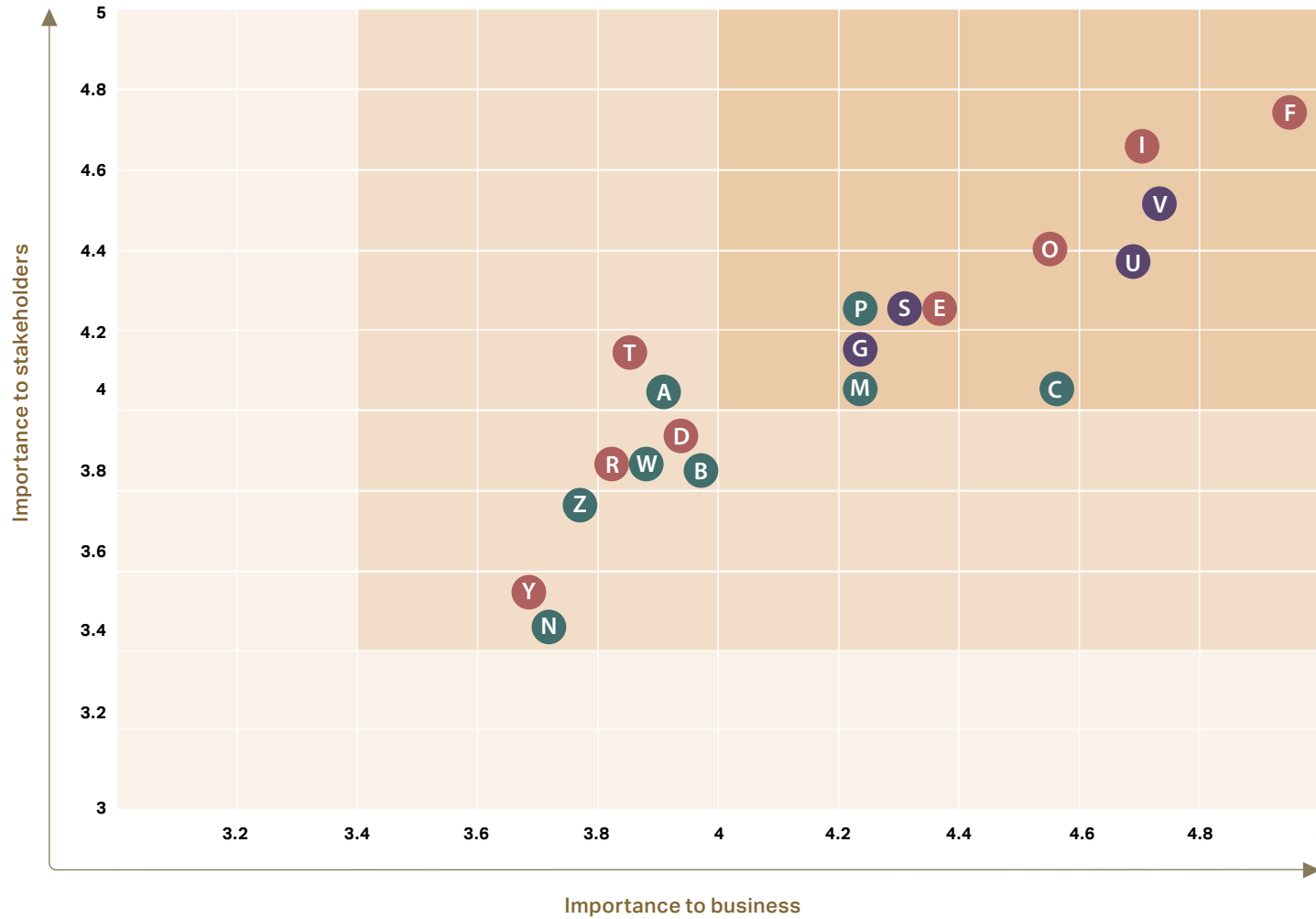


Cathay Pacific's stakeholders include both internal and external interest groups that have a significant impact on our business, or who are significantly affected by our operations. We regularly engage with these stakeholders through various channels, including surveys, focus groups, interviews, publications,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

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

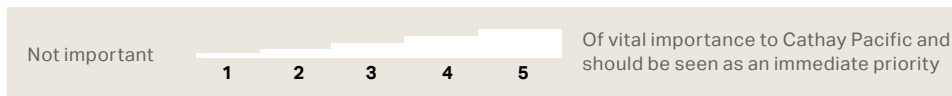
## Materiality matrix

The stakeholder-driven materiality results of the materiality assessment in 2021 provided us with a recalibrated set of 11 material topics, which were identified from a list of 20 potentially relevant topics. Some issues that were not identified as priority by our stakeholders remain important to us and so we continue to report on them. The table below outlines our most material topics and where to find them in this report.






### TOPICS

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






## United Nations Sustainable Development Goals

Our long-term prospects are enhanced when we consider our impacts in the global context. We have mapped our approach to managing our material topics to the [United Nations Sustainable Development Agenda](#). Six global goals align with our [Sustainable Development Policy](#) and help to shape our sustainable development strategy. Progress in 2022 delivered through our approach is shown on pages 8 to 9 of this report.

UN Sustainable Development Goals	Our Approach	Report Section
 <p><b>SDG 5</b> <b>Gender Equality</b></p> <p>Achieve gender equality and empower all women and girls.</p>	<ul style="list-style-type: none"> <li>The Cathay Women's Network was established by the Diversity and Inclusion Committee to allow us to better understand and address current barriers that our female employees face, develop and retain a strong pipeline of leadership talent and create a platform for discussions. In 2022, the Cathay Women's Network underwent a restructuring to better meet its objectives. The Male Allies employee resource group was merged with the women's network to form the new Gender Equity Network</li> <li>In 2022, we have set a new and more ambitious goal to not have more than 65% of the same gender at senior positions by 2025</li> <li>Working to implement gender balance targets specific to each department rather than assessing our diversity status based on an aggregated score</li> </ul>	<p>Our people</p>
 <p><b>SDG 8</b> <b>Decent Work and Economic Growth</b></p> <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</p>	<ul style="list-style-type: none"> <li>We employ locally, with more than 8 in 10 of our employees coming from Hong Kong</li> <li>Our talent development philosophy aims to take budding talents and enable them to rise through our leadership hierarchy</li> </ul>	<p>Our people</p>
 <p><b>SDG 12</b> <b>Responsible Consumption and Production</b></p> <p>Ensure sustainable consumption and production patterns.</p>	<ul style="list-style-type: none"> <li>We recycle or repurpose around 90% of all airplanes we retire. We have achieved our 2022 target of reducing our single use plastic footprint from our operations by 50%. Furthermore, we are committed to using recycled plastics in the products we use in flight</li> <li>Continue eliminating the use of single-use plastics across our operations, whilst proactively collaborating with various suppliers to develop new eco-friendly alternative materials to plastics</li> <li>Keep our <a href="#">Supplier Code of Conduct</a> updated based on latest benchmarking research and best practice to ensure our supply chain is aligned with our overall sustainability vision</li> <li>Conduct waste audits to determine the most effective course of action to reduce our waste generation</li> <li>We continue to work with local food banks and charities. In 2022, we donated about 114 tonnes of surplus food to our food charity partners in Hong Kong</li> </ul>	<p>Community</p> <p>Community</p> <p>Safety</p> <p>Sustainability in operations</p>



UN Sustainable Development Goals	Our Approach	Report Section
 <p><b>SDG 13</b> <b>Climate Action</b></p> <p>Take urgent action to combat climate change and its impacts.</p>	<ul style="list-style-type: none"> <li>• We are committed to achieving net-zero carbon emissions by 2050 and also setting a 55% reduction target of absolute ground emissions by 2035</li> <li>• Committed to using Sustainable Aviation Fuel for 10% of Cathay Pacific Airway's jet fuel consumption by 2030</li> <li>• Create climate action synergies with our customers through our pilot Corporate Sustainable Aviation Fuel Programme</li> <li>• Gain better understanding of our carbon emissions inventory through a Scope 3 mapping exercise to, highlight focus areas to prioritise for reductions and engagement</li> <li>• Through investment in a modern fleet, operational improvements, and the use of sustainable aviation fuel, we continue to reduce our reliance on fossil fuels and our greenhouse gas (GHG) emissions intensity</li> <li>• We recognise the importance of working with different sectors to develop the kinds of radically new technologies that will be required to decarbonise airline operations. In 2021, together with a group of like-minded organisations, we formed the Aviation Climate Taskforce (ACT), a new non-profit established to accelerate the development of breakthrough technologies</li> <li>• We continued to enable easy and credible carbon offset solutions for our customers through our Fly Greener programme. In 2022, a total of 38,399 tonnes of carbon emission produced by our operations were offset by the programme</li> <li>• Extended our Fly Greener voluntary carbon offset programme to our cargo customers</li> </ul>	Climate change
 <p><b>SDG 14</b> <b>Life Below Water</b></p> <p>Conserve and sustainably use the oceans, seas and marine resources for sustainable development.</p>	<ul style="list-style-type: none"> <li>• We have introduced embargoes on carrying shark fin since 2016. We published the <a href="#">Sustainable Development Cargo Carriage Policy</a> which allows our various stakeholders to gain a holistic understanding of where we stand in doing our part to protect the environment in the area of cargo carriage</li> <li>• We established our internal <a href="#">Sustainable Food Policy</a> in 2011 and further updated it in 2021 to provide guidance for our purchasing decisions. We opt out of purchasing specific unsustainable food items and ask for information with regards to where the food was originally sourced. In 2022, our catering arm served over 150 tonnes of certified sustainable seafood, representing around 70% of the total volume of seafood Cathay Pacific Catering Services (CPCS) purchased</li> </ul>	Biodiversity  Sustainability in operations
 <p><b>SDG 15</b> <b>Life On Land</b></p> <p>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss.</p>	<ul style="list-style-type: none"> <li>• We have introduced embargoes on ivory and hunting trophies amongst other items as we aim to make sure no endangered species, or its products are being transported on our flights. We conducted an internal review of our <a href="#">Sustainable Development Cargo Carriage Policy</a> in 2021 and made updates through referencing the Convention on International Trade in Endangered Species of Wildlife Fauna and Flora (CITES) laws and benchmarking our policy against the practices and policies of our peers. As a due diligence and monitoring mechanism to check compliance with our policy, we have also developed a dedicated training programme for the prevention of illegal wildlife trade which will be implemented in 2023</li> <li>• Gained the IATA Centre of Excellence for Independent Validators (CEIV) Live Animal Certification to ensure proper animal handling and safety during transport</li> <li>• We favour the use of waste as feedstock for producing sustainable aviation fuel (SAF), instead of other natural resources that may further burden the ecosystem. Fulcrum, a biofuel manufacturer that we have invested in, uses municipal solid waste as its biofuel feedstock. Fulcrum has successfully produced its first batch of SAF from municipal solid waste in 2022</li> </ul>	Biodiversity  Climate change

# GOVERNANCE



3

governance bodies to steer sustainability matters in the Group



100%

cabin crew trained for anti-human trafficking

## Our Policies and Guidelines

- > [Code of Conduct](#)
- > [Board Diversity Policy](#)
- > [Anti-Bribery Policy for Business Partners](#)
- > [Whistleblowing Policy](#)
- > [Human Rights Policy](#)
- > [Modern Slavery and Human Trafficking Policy Statement](#)
- > [Modern Slavery Act Transparency Statement 2021](#)

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

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

# GOVERNANCE

## Our governance culture

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

Our corporate governance practices are described in detail in the Corporate Governance Report section of our [2022 Annual Report](#).

## Board statement on sustainable development

The Board is ultimately accountable for sustainable development strategy and performance at Cathay Pacific. It is supported in its duties by three governance bodies that steer the Group's approach in sustainability matters under the leadership of the Chair. They are the Sustainable Development Committee (SDC), the Sustainable Development Steering Group (SDSG), and the Climate Actions Steering Group (CASG). In addition, the Board Risk Committee oversees assessment of ESG risks among other risks and implementation of related decisions. The Board Safety Review Committee oversees employee health and safety, while the Audit Committee oversees anti-corruption, fraud and whistleblowing cases.

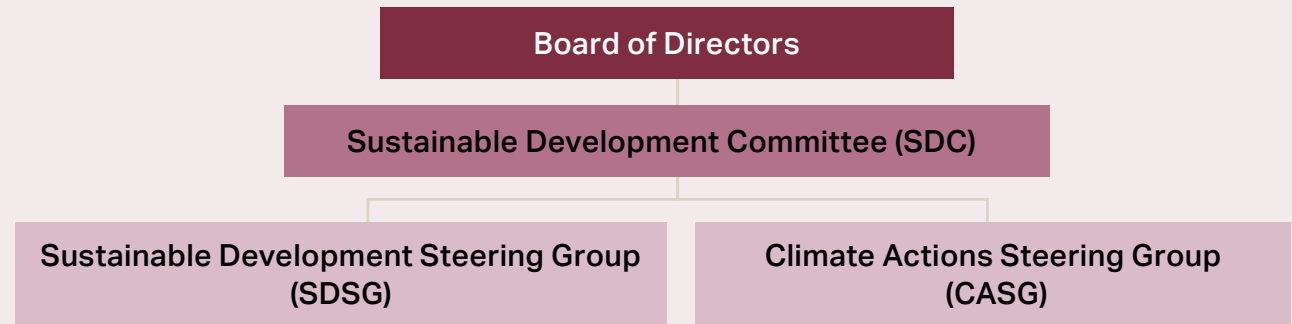


Figure 1 Sustainable Development Governance Structure

The Board's responsibilities include reviewing the Group's material sustainability topics and approving sustainable development related strategy, targets, actions, policies and the Sustainable Development Report.



### The Sustainable Development Committee (SDC)

Chaired by the Chief Executive Officer, the SDC consists of four Executive Directors and three other members of our management team. The SDC was established by and receives its authority from the Board to evaluate and approve sustainable development strategy, policy, target setting, and investment in major initiatives. It sets the tone for a corporate culture focused on sustainable development. Meeting regularly during the year, its duties include evaluating and prioritising the Group's material sustainable development topics. The SDC then communicates these and the materiality process to the Board in addition to providing biannual progress updates. In this way, sustainability is integrated into business planning, budgeting and risk management, and forms an integral part of the Group's business strategy.

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

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

The SDSG covers a range of sustainable development topics including biodiversity, sustainability in operations, human trafficking, and modern slavery. The CASG has been set up to strengthen our governance in climate change mitigation. It is tasked with ensuring that the Group's approved climate change strategy, targets, and commitment are executed as planned. These Steering Groups evaluate and provide recommendations on sustainable development policy, initiatives and targets that require the SDC's approval and the Board's review.

Details of how material sustainability topics are managed within the Group are contained within this report. Further information on risk management is described in detail in the Risk Management section of our [2022 Annual Report](#).

### Code of conduct

The Cathay Pacific Group strives to achieve the highest standards of corporate governance and best practices in accordance with our [Code of Conduct](#) (the "Code"). The Code sets out our principles for acting responsibly in the course of achieving our commercial success. The Code applies to all employees of Cathay Pacific and its subsidiaries, and includes issues related to business ethics, conflicts of interest, procurement, lobbying, bribery, intellectual property

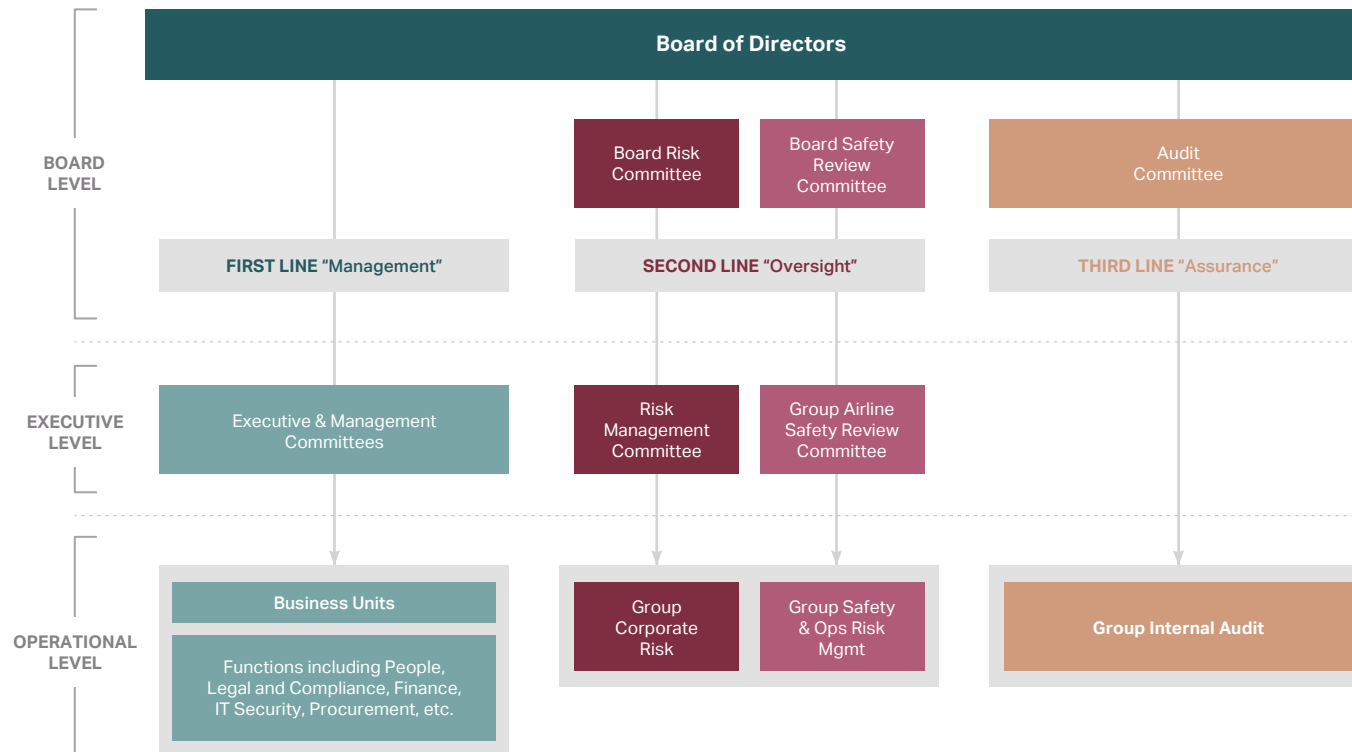
rights, environment, health and safety, and respect in the workplace. We review the Code and make any necessary updates in response to changes in our operating environment or stakeholder expectations. The Code is communicated to all employees through a training on our Learning Hub and is available on our intranet. Further information on how the standards outlined in the Code play out in our operations, is captured in the [Our People](#) chapter of this report.



## Risk management

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

Our risk governance has been implemented through a systematic and thorough process supported by a focused risk management governance infrastructure including:



## Safety and Security Risks

- **Board Safety Review Committee (BSRC)** is charged with keeping under review all matters concerned with the safe operation, in the aircraft and on the ground, of any aircraft of which Cathay Pacific or an airline subsidiary is the operator.

The BSRC considers reports of significant incidents concerning safety (including people safety) or security. They also make sure that appropriate remedial action is taken or appropriate recommendations implemented where required.

Each quarter, the Chair of the BSRC provides the Board with a report on the state of the safety management systems operating across the Group.

- **Group Airline Safety Review Committee (GASRC)**, chaired by the Chief Executive Officer, sits four times per year, and reports to the BSRC. The GASRC reviews all matters concerned with the safe operation of Cathay Pacific, its airline subsidiaries and operational subsidiaries. The GASRC is supported by the Airline Safety Review Committee (ASRC). The ASRC is chaired by the Chief Operations and Service Delivery Officer and meets monthly. It is responsible to the Chief Executive Officer for ensuring that appropriate group-wide safety, health and security related risk management strategies, systems, policies, processes and controls are implemented, managed, monitored and maintained at all times.
- **Group Safety & Operational Risk Management (GSORM) department** is headed by the General Manager GSORM, who reports directly to the Chief Executive Officer. GSORM is responsible for maintaining an effective Safety Management System (SMS), facilitating operational and people safety risk identification and analysis activities, and monitoring mitigation actions. GSORM provides oversight of the safety, security, and audit programmes of Cathay Pacific.

## Corporate Risks

- **Board Risk Committee (BRC)** is charged with supporting the Board in its responsibility for risk management within the Group, focusing on risks not related to safety and security arising from the operations of the Group. In particular, the BRC is responsible for overseeing the ongoing implementation and development of the Group's risk management framework and ensuring its effectiveness.

Each quarter, the Chair of the BRC provides the Board with a report on the state of the risk management framework and the general activities of the BRC and the RMC (as defined below).

- **Risk Management Committee (RMC)**, an executive committee chaired by the Chief Executive Officer, meets four times per year. It reviews risk reports provided by Group Corporate Risk, and the Chair provides a report to the BRC at each of its meeting on the risk management activities. The RMC is responsible for developing, delivering and maintaining the risk management framework of the Group. It reviews the status of all major risks, assesses changes in the risk profile of the Group and monitors the extent to which the First Line is mitigating top risks to acceptable target levels. The RMC is also responsible for monitoring emerging and strategic risks facing the Group, and promoting the development of risk culture across the organisation.
- **Group Corporate Risk (GCR) department** is headed by the Chief Risk Officer reporting to the Chief Executive Officer. GCR's function is to facilitate the implementation of the Group Risk Management Policy and acts as an independent oversight function on its effectiveness. It has specific responsibility for developing, maintaining and ensuring the effectiveness of the risk management framework.

The Group's risk management framework is founded on the principle of "three lines of defence", a commonly used model, and one that is designed to avoid conflict of interest whereby managers review or oversee their own activities. The three lines of defence operate as follows:

- Business or specialist functions that are directly involved in business management activities or executive decision making are classified as First Line.
- Functions that oversee, advise and support the First Line in managing the risks associated with those activities are considered Second Line.
- Group Internal Audit, which provides independent and objective assurance and advice to the Board as to the effectiveness of the Group's risk management and internal controls, is classified as Third Line.

The Board has overall responsibility for the systems, processes and conduct of risk management while the First Line is responsible for managing risks. The risk management function is expected to engage fully to support them, providing ideas, expertise and advice and in particular, to ensure that the First Line takes decisions objectively and in full possession of all relevant information.

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

Please refer to p.58-63 of our [Annual Report 2022](#) for further information about our approach to risk management, internal control systems and areas of focus in 2022.



## Corporate compliance





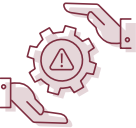

An overview of the most relevant laws and regulations that have a significant impact on the Group is provided in the [Compliance with laws and regulations](#) section of this report.

## Privacy and Data Protection

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

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

The Data Protection programme covers the following areas:

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

During 2022, there were no convictions for non-compliance with privacy and data protection laws and regulations relating to customer privacy that would have a significant impact on the Group.

## Advertising and labelling practices

We strive to ensure that our advertising and labelling practices comply with relevant laws and regulations. This includes the Trade Descriptions Ordinance (Cap. 362 of the Laws of Hong Kong), which prohibits specified unfair trade practices such as false trade descriptions of services, misleading omissions, aggressive commercial practices, bait advertising, bait-and-switch and wrongful acceptance of payment.

To further enhance our sustainability disclosure and communications efforts, Cathay Pacific has issued an internal Climate and Sustainability Communications Guideline for relevant colleagues. The guidelines have been developed to ensure that our internal and external stakeholders are well informed of our sustainable development strategy, commitments, and progress in a truthful, science-based and timely manner.

During 2022, there were no convictions for non-compliance with laws and regulations relating to advertising and labelling practices that would have a significant impact on the Group.

## Anti-Bribery Policy

The Cathay Pacific Group takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in our business dealings and relationships wherever we operate, in compliance with the laws and regulations that govern our global business. Our people must comply with applicable anti-bribery and anticorruption laws. We have an established Anti-Bribery Policy, which is overseen by the Board and forms part of a comprehensive and robust anti-bribery and anti-corruption compliance programme designed to provide guidance on compliance with global anti-bribery laws.

To ensure the effectiveness of our compliance efforts, Cathay Pacific has implemented a suite of on-going monitoring and evaluation mechanisms across business units, including for

anti-bribery. For instance, Gift and Hospitality registration review, as part of a compliance check against the Company's Gift and Hospitality Guidelines, is conducted on a quarterly basis.

As part of our commitment to ensure our people understand the anti-bribery rules and have awareness of our Anti-Bribery Policy and its associated Guidelines, we provide two types of online training to our people: Certification training with a knowledge assessment, and a simplified Awareness training to increase anti-bribery compliance awareness. Our people are required to take each type of online training according to an established learning matrix, considering the risks faced by various employee groups and training effectiveness.

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

We continued to provide anti-bribery training for new joiners and refresher training for existing employees in 2022. Around 16,000 employees of Cathay Pacific and its subsidiaries have undertaken anti-bribery training during 2022, with over 99% completion rate.

Refresher training is provided to employees in the form of assessment-based learning modules covering several key topics, including anti-bribery, comprehensively. These trainings are integrated into our Corporate Regulatory Compliance Learning Programme, which relevant employees are automatically enrolled on an annual basis. In 2022, similar refresher training programmes have been gradually rolled out

across our subsidiaries. Our employees are also reminded of the importance of compliance with our Anti-Bribery Policy and key associated Guidelines with regular communications published through various diverse formats.

During 2022, there were no convictions for non-compliance with laws and regulations relating to bribery, extortion, fraud or money laundering that would have a significant impact on the Group.



Around **16,000**

employees of Cathay Pacific and its subsidiaries have undertaken anti-bribery training during **2022**, with over **99%** completion rate.

## Know Your Partner Policy

Cathay Pacific is further enhancing our existing due diligence framework as well as our internal checks and screening mechanisms. This year we issued a "Know Your Partner" Policy, a group-wide uniform due diligence policy designed for all new and existing third parties, including customers, business partners, intermediaries, suppliers and corporate investment counterparties. Any association with inappropriate third parties may expose the Group to legal, financial or reputational risks. To ensure we will only engage with third parties of known integrity, we will conduct appropriate due diligence checks before we establish any new business relationships and continue to monitor during the lifetime of those relationships.

## Whistleblowing Policy

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

During the reporting year, our [Whistleblowing Policy](#) was revised to reflect the amendments to the HKEX Corporate Governance Code in relation to whistleblowing and to explicitly reflect that the Group encourages not only employees but also third parties to come forward with whistleblowing complaints.

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

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

## Competition Law Compliance Policy

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

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

This year, we have continued to provide competition law training for new joiners and refresher training for existing employees through the Corporate Regulatory Compliance Learning Programme. Refresher training is provided to employees in the form of assessment-based learning modules covering several key topics, including competition law. These trainings are integrated into our Corporate Regulatory Compliance Learning Programme, which relevant employees are automatically enrolled on an annual basis. Similar refresher training has been rolled out to relevant employees in our subsidiaries by phases in 2022.

In 2022, Cathay Pacific remained the subject of antitrust proceedings in various jurisdictions. The proceedings were focused on issues relating to pricing and competition. For details, please refer to our [Annual Report 2022](#), page 110.



## Modern slavery and human rights

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

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

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

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

Training for our cabin crew and airport teams began in early 2020 by teaching our people how to recognise and respond to potential human trafficking cases. All employees learn what signs and behaviours to look for, as well as specific questions they can ask to further assess the situation and how to safely report suspected cases. The training reinforces the importance of all our frontline teams working together as well as with the authorities. We also updated our operating manuals for the flight crew, cabin crew and airport employees for the handling and reporting of suspected cases.

Previously, Cathay Pacific conducted a supply chain modern slavery risks mapping exercise based on risk information from external sources such as the Global Slavery Index. As a result of the research, we identified a number of the products which we sourced had higher geographical or sector supply chain modern slavery risks. In 2022, to keep the Company updated and well-informed, we asked our key suppliers to complete questionnaires to collect information in relation to their anti-modern slavery policies, practices and monitoring. The information provided would be considered when making procurement decisions. We also actively consult Mekong Club, a non-government organisation (NGO) with expertise in mapping and addressing modern slavery risks in the supply chain for their advice on tools and approaches to assess risks and engage suppliers for change. A similar exercise is being conducted with our subsidiaries.

In addition to examining our value chain introspectively, we have made concerted efforts to ensure awareness of the international best practices in managing modern slavery and human rights issues. Over the past year, Cathay Pacific has issued a request for information (RFI) across the market in exploration of how we may incorporate best practices into our operations. With these findings we hope to further improve our due diligence and value chain risk management mechanisms.



In 2022, **100%**

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

## Tax transparency

We commit to ensuring that the Cathay Pacific Group complies with international corporation tax laws and regulations, including the Inland Revenue Ordinance (Cap. 112 of the Laws of Hong Kong), and other relevant tax legislations in all our operating countries. As part of our tax policy, a team of taxation services managers are dedicated to tax management whilst our Outports are guided by the Outport Accounting and Internal Control Manual to ensure proper tax handling and tax responsibility. Tax authorities around the world are implementing initiatives which mean that the tax paid and the tax strategies of large companies are becoming more transparent. We prepare the Master File and Country by Country Report detailing our corporate structure, business operations, revenue generating activities, financial information and corporation tax paid and file these with the Hong Kong Inland Revenue Department. For best practice, we assess tax risk regularly and review potential exposures (when appropriate). For instance, in 2022, we engaged tax advisors to review the potential impacts of Base Erosion and Profit Shifting (BEPS) 2.0 Pillar 2 for Cathay Pacific Group. Furthermore, our tax team has been monitoring the new legislation development of BEPS. Our Board has oversight of the Group's tax issues and tax provision status, through the Audit Committee, which oversees the Group's significant tax issues.

## Customer support and complaint handling

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

We believe in providing a people-centric service. Every entry to the web form is assigned a case number and given to a

Customer Support team member for handling in line with any regulatory and legal requirements that apply. It is our target to respond to submissions within five business days for all customers, and within three business days for Cathay Diamond members. We also continue to proactively collect customer feedback through post-flight surveys among other communication channels to improve our performance. Once customer feedback is collected, Cathay Pacific will identify the most impactful issues using data analysis programmes on a monthly basis. Subsequent action and follow up with the relevant teams is initiated for the enhancement of our processes, products and services.

To further gain value from our proactive customer satisfaction approach, starting in July 2022, Cathay Pacific implemented a new monthly scorecard for employee performance based in part on customer satisfaction among other factors such as productivity. This method for gauging employee performance provides a more all-rounded and transparent criteria in identifying and recognising exceptional performers within our company and follow up on those with room for improvement. These scorecards will be continuously monitored to ensure our standards and expectations are met.

Over the past year we had also re-implemented our proactive service recovery (PSR) programme. As a trial-run before ramp-up, we identified three disrupted flights and took the initiative to reach out to the affected passengers through email to offer our sincere apologies and goodwill. As we look to implement this proactive approach across our flight operations, we are looking into the feasibility of streamlining the current manpower intensive PSR process of reaching out to affected passengers and are currently working closely with our IT colleagues to explore potential automation and other IT relevant solutions.

In 2022, we handled feedback from 31,245 customers, which included 17,348 complaints and 1,323 compliments. This represented approximately 1.1% of all passengers handled in the year.

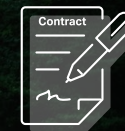


# ENVIRONMENTAL ASPECT: CLIMATE CHANGE



**1<sup>st</sup>**

time bringing sustainable aviation fuel (SAF) into HKIA



New offtake agreement of

**38**

million gallons of SAF



**Asia's 1<sup>st</sup>**

major Corporate SAF programme



Secured our

**1<sup>st</sup>**

sustainability-linked aircraft financing

## Our Policies and Guidelines

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

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

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

## SDG:





# CLIMATE CHANGE

## Why climate change matters to us

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



### 2022 performance highlights



Launched the pilot Corporate Sustainable Aviation Fuel (SAF) Programme, the first major programme of its kind in Asia. The programme provides corporate customers the opportunity to reduce their carbon footprint from business travel or airfreight by contributing to the use of SAF.



Introduced SAF usage at the Hong Kong International Airport (HKIA) for the first time for use on Cathay Pacific flights.



Signed an offtake agreement with Aemetis for the supply of 38 million US gallons of blended SAF to be delivered over seven years beginning in 2025 from San Francisco International Airport. The agreement is also part of the joint procurement initiative for SAF by the **oneworld** alliance, of which Cathay Pacific is a founding member.



Secured our first sustainability-linked aircraft financing in Asia-Pacific in June 2022 for a brand new Airbus A321neo aircraft, with specific KPI related to our climate change performance.



Cathay Pacific Airways took delivery of five new fuel-efficient aircraft this year, including three A350-900/1000 and two A321neo.



Conducted energy audits to identify energy efficiency and reduction opportunities in support of Cathay Pacific's 2030 and 2035 ground emissions targets.



Conducted a Scope 3 mapping exercise to identify material emissions categories to be included as part of Cathay Pacific's carbon inventory and to highlight focus areas to prioritise for reductions and engagement, providing high level recommendations on key reduction opportunities.

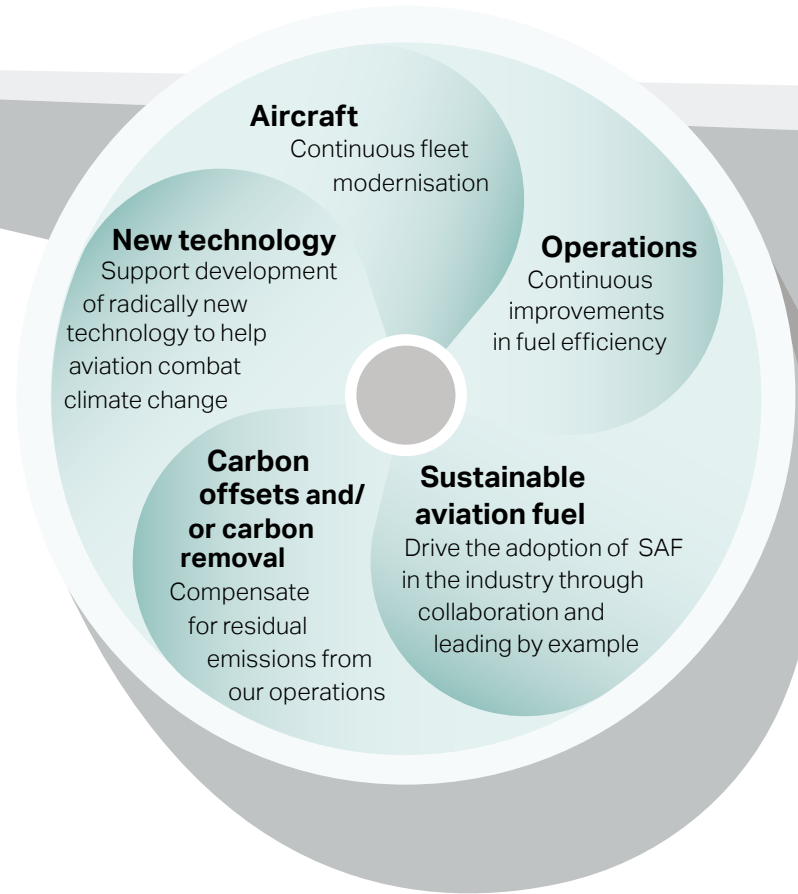


Extended our longstanding voluntary carbon offset programme Fly Greener to our cargo customers.



## Charting a course to zero

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



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



**CLICK HERE TO READ OUR**  
[Task Force on Climate Related Financial Disclosures \(TCFD\)](#)





Our approach to climate risk, strategy and targets is provided within this section of this report. Please refer to the [Task Force on Climate Related Financial Disclosures \(TCFD\)](#) section for more detailed disclosures aligned with the recommendations of TCFD.



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

## Climate performance

- Fuel efficiency: Impacted by changes in operations due to COVID-19, including the mix of aircraft being operated and capacity reductions, fuel efficiency measured per available tonne kilometre (ATK) decreased by 2% in 2022 compared with 2021, while fuel efficiency measured per revenue tonne kilometre (RTK) increased by 5%.
- Cathay Group emitted around 5.3 million tonnes of CO<sub>2</sub> in 2022, a drop of 11% from 2021, with prolonged impact from COVID-19.

Indicator	Description	Remarks
 <p><b>Fuel use efficiency per available tonne kilometre (ATK)</b></p>	<p>Fuel efficiency measure of CO<sub>2</sub> emissions from fuel use in grammes per ATK.</p> <p>ATK is a way of measuring an airline's total transportation capacity. It is calculated by multiplying the tonnage capacity for the transport of passengers and cargo by the distance flown.</p>	<p>The airline started tracking its carbon emissions back in the 1990s. Over the years, fuel efficiency, measured by CO<sub>2</sub> per available tonne kilometre (ATK) has improved by 29% and measured by CO<sub>2</sub> per revenue tonne kilometres (RTK) has improved by 34%.</p>
 <p><b>Fuel use efficiency per revenue tonne kilometre (RTK)</b></p>	<p>Fuel efficiency measure of CO<sub>2</sub> emissions from fuel use in grammes per RTK.</p> <p>RTK is a way of measuring the number of revenue-generating kilometres flown. It is calculated by multiplying the revenue load carried in tonnes by the distance flown.</p>	<p>As we carry on our implementing of fuel saving initiatives and replacing older aircraft models with newer, more efficient aircraft, we expect fuel use efficiency to continue steadily improving.</p>
 <p><b>Scope 1 emissions</b></p>	<p>Direct GHG emissions represented as CO<sub>2</sub> equivalent (CO<sub>2</sub>e). These occur from direct emitting sources that are owned or controlled by Cathay Pacific, for example, emissions from combustion of aviation fuel, other liquid fuels, and Towngas.</p>	<p>Total emissions have decreased by 11% compared to 2021 due to the reduced flight capacity imposed by the prolonged COVID-19 pandemic.</p>
 <p><b>Scope 2 emissions</b></p>	<p>Scope 2 accounts for in-direct sources of GHG emissions also represented as CO<sub>2</sub>e. These occur from the generation or processing of purchased electricity or Towngas bought and consumed by Cathay Pacific.</p> <p>Scope 2 emissions physically occur at the point of generation (e.g., the facility where electricity is generated).</p>	<p>The total emissions, however, are still below the pre-pandemic levels in 2019, and thanks to our fuel efficiency measures, our emissions intensity trends remain heading in a positive direction.</p>

## Cathay Pacific Group aviation carbon emissions and fuel efficiency\*

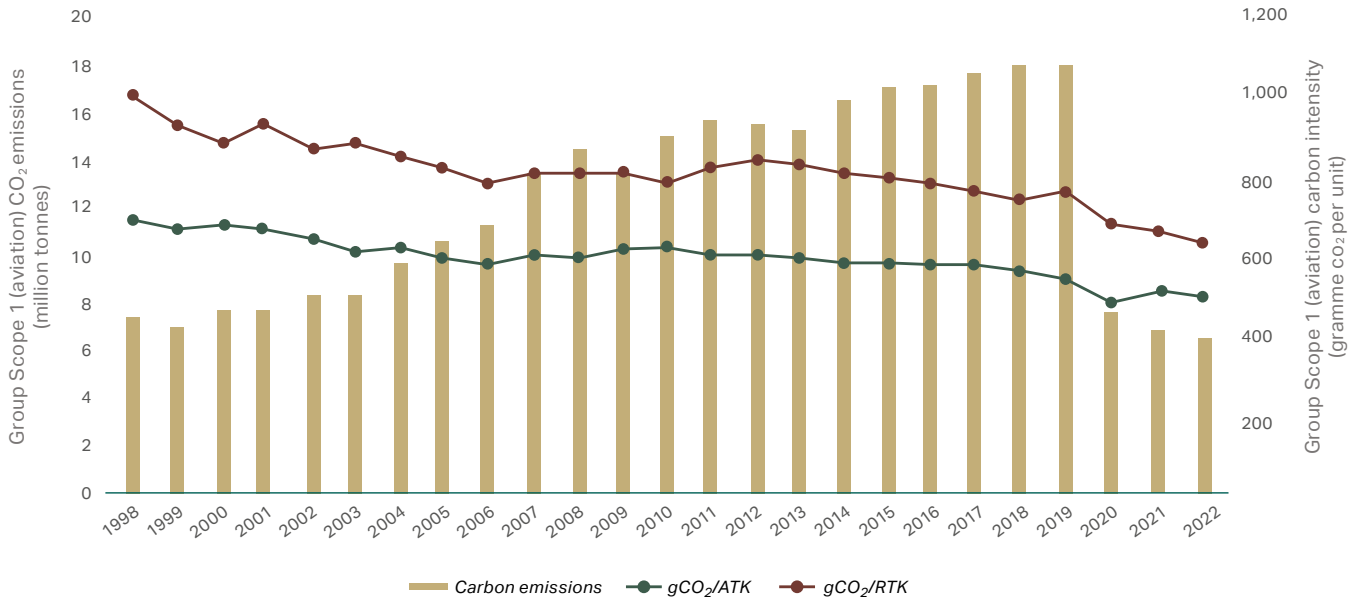


Scope 1\* **5.35**  
million tonnes CO<sub>2</sub>  
All Aviation fuel, other liquid  
fuel and Towngas



Scope 2 **0.04**  
million tonnes CO<sub>2</sub>  
Electricity and Towngas

### Carbon emissions<sup>#</sup>



\* Emissions figures reported are in aggregate for all airlines flown by the Group during the reporting period. For more detailed emissions numbers, please refer to the 2022 Key performance indicators section on p.126 of the report.

\* Data verified by Deloitte

<sup>#</sup> Global warming potential (GWP) of CO<sub>2</sub> is 1; assumes that all other greenhouse gases (GHG) are negligible as these impacts still uncertain.



Conducted our 1st Scope 3  
mapping. [Click here](#) for our

**2022**

Scope 3 inventory

## Climate action governance

Climate change is a priority risk at Cathay Pacific and its oversight is a board-level responsibility. We are committed to managing this risk and responding to stakeholders' concerns by reducing our carbon footprint and building operational resilience.

Our cross-functional Climate Actions Steering Group oversees sustainability strategy and reports to the Sustainable Development Committee which is chaired by the Chief Executive Officer. Refer to the [Governance](#) section of this report for more information on these committees.

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

To foster climate action in the aviation industry as a whole, we actively involved in committees and organisations that would shape the industry's climate action plan. We have been part of International Civil Aviation Organisation (ICAO)'s task forces under the Committee of Aviation Environmental Protection (CAEP) that leads the aviation industry's work in CORSIA and sustainable aviation fuel development. We are also part of the Sustainability and Environmental Advisory Council (SEAC) and the Track Net Zero task groups under International Air Transportation Association (IATA). Cathay Pacific was also involved in SAF specific initiatives under Clean Skies for Tomorrow (CST) alliance under World Economic Forum and the Environmental & Sustainability Board at the **oneworld** Alliance. These industry groups and bodies share the same climate change goals as Cathay Pacific: pushing for the long term net zero goal for international aviation by 2050, and to push for supportive policy and the scaling up of the production and usage of sustainable aviation fuel as a major lever to reach such goal.

## Climate change target

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

At the 41st ICAO Assembly in 2022, the same goal for international aviation of net-zero carbon emissions by 2050 was adopted as a long-term global aspirational goal (LTAG). We fully support the adoption of this important goal as an industry

target by participating States. Energy transition for the aviation industry is only possible as a joint effort with support of policy makers and other related industries.

We have established multiple near-term targets to act on our commitment and maintain our momentum. This includes:

- Use 10% SAF for Cathay Pacific operating flights by 2030
- Reduce ground emissions by 32% by 2030 and 55% by 2035, from 2018 baseline

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

Our climate change disclosure has been awarded a score of B's in 2022 by CDP, additional information can be found at its website [www.cdp.net](http://www.cdp.net).

“

*Cathay Pacific is pioneering the aviation industry's move towards increased awareness and usage of Sustainable Aviation Fuel (SAF) in Asia and across the world. In 2022, we unveiled the first major Corporate SAF Programme in Asia with eight initial launch customers. We are pleased to be able to uplift SAF from the Hong Kong International Airport for the first time with the strong support from local authorities and fuel suppliers. This is an important step for us to engage with like-minded organisations and offer our customers a way to reduce their indirect carbon emissions associated with corporate travel or airfreight.*

**Ronald Lam**

Chief Executive Officer, Cathay Pacific





## Climate risk

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

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

Our approach involved assessing the risks and opportunities we may face in 2030 and 2050 under four scenarios, including a deep dive into two key scenarios developed by

the Intergovernmental Panel on Climate Change. In the first scenario we assessed our exposure to physical climate risks such as rising temperatures and extreme weather events. Beyond physical risks, we also assessed any risks and opportunities arising from a transition to a low-carbon world aligned with the Paris Climate Agreement.

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

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

Through this exercise the team generated a set of conclusions and recommendations which are being further refined and developed into specific actions to be included in our climate strategy and risk mitigation plans going forward.



*We remain mindful of the potential impacts of climate change on our operations. As nearly all our flights either depart from or arrive at the Hong Kong International Airport (HKIA), it is our priority to ensure the climate resilience of our own operation and that of our business partners at HKIA. We are pleased that the Airport Authority Hong Kong (AAHK) shares our same views. Our teams also work to identify climate risks and to develop mitigations for these risks. In 2021 a group-wide climate scenario analysis exercise was conducted to inform and facilitate this process.*

**Greg Hughes**

Chief Operations and Service Delivery Officer, Cathay Pacific

## Fleet modernisation

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

Our A350-1000s are powered by the latest fuel-efficient Rolls-Royce Trent XWB engines, which help us to attain major improvement in efficiency for our long-haul routes. This results in clear benefits for the environment, with less GHG emissions coupled with a diminished noise footprint.

In 2022, the group took delivery of 5 aircrafts, and have scheduled the delivery of another 48 from 2023 onwards.

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*In 2022, Cathay Pacific secured our first sustainability-linked aircraft financing for a new Airbus A321neo aircraft, having set specific KPIs related to our climate change performance. It proves that investing in sustainability initiatives brings tangible benefits to not only the environment but also the business. Going forward, we will continue to explore opportunities to incorporate sustainability-linked targets in our financing.*

**Rebecca Sharpe**

Chief Financial Officer, Cathay Pacific

## New generation aircraft joining Cathay Pacific Group

	A350-900/1000	A321NEO	Boeing 777-9X
<b>New aircraft joining fleet in 2022</b>	3	2	0
<b>To be delivered from 2023 onwards</b>	2	25	21
<b>Engine</b>	Rolls-Royce Trent XWB	LEAP-1A-32	GE9X-105B
<b>Fuel-efficient highlights from manufacturers</b>	<a href="#">25% more fuel-efficient than its current long-range competitor</a>	<a href="#">20% more fuel-efficient than the current model of A321</a>	<a href="#">21% more fuel efficient per seat than Boeing 777-300ER</a>

\*New generation aircraft includes but not limited to A320neo, A321neo, A330neo, A350s, A220, B777X, B787, B737MAX, in each case, any variant thereof, including freighter variants.



## Supplier engagement

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

### Scope 3 indirect emissions from value chain

In 2022, Cathay Pacific conducted our first Scope 3 indirect emissions mapping exercise for our airlines and ground operations in Hong Kong. This exercise supported us in identifying material emissions categories to be included as part of Cathay Pacific's carbon inventory and to highlight focus areas to prioritise for reductions and engagement. Our Scope 3 carbon inventory has been developed in alignment with the following globally recognised carbon reporting standards, including the GHG Protocol Corporate Value Chain (Scope 3) Standard and the Aerospace Industry GHG Reporting Guidance.

Our first Scope 3 mapping suggested emissions from our value chain accounts for about 49% of our total carbon footprint. Among them, the following three categories account for the biggest emissions share: investment, fuel- and energy- related activities, and purchased goods and services. A significant amount of the Scope 3 emissions came from our shareholding of Air China and Air China Cargo. Such findings allow us to engage specific suppliers with more targeted actions and emissions reduction initiatives. Moving forward, we will continue to improve data accuracy and ensure completeness of coverage of our Scope 3 emissions.

Scopes and categories	
Scope 3 categories	Percentage share of total Scope 3 emissions
Category 1: Purchased goods and services	6%
Category 2: Capital goods	6%
Category 3: Fuel- and energy-related activities (not included in scope 1 or scope 2)	22%
Category 4: Upstream transportation and distribution	3%
Category 15: Investments	63%
<b>Total Scope 3 emissions</b>	<b>5,205,000 tCO<sub>2</sub>e</b>

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

## Operational efficiency

Improving fuel efficiency is a key pillar in lowering our greenhouse gas emissions. While we are reliant on the work of governments and regulators to ensure that we are allowed to fly the most efficient routes and operate in the most efficient manner during all flight phases, we constantly work on initiatives that are within our own control to further improve on our operational efficiency and lower our carbon emissions.

The onset of the pandemic has led to unprecedented travel restrictions around the globe. As pandemic restrictions come and go and market demand fluctuates, we continuously assess our fleet and aircraft deployment in order to best align capacity.

As capacity requirements increase, we look to our parked aircraft and determine which to reintroduce. Provided certain key operational criteria are met, our newer more fuel-efficient aircraft are given priority, making our recovery as green as it can be.



# CASE STUDY



## Flight Planning System

To assist us in planning our flight routings, Cathay Pacific has adopted a new digital flight planning system that uses state-of-the-art technology and automation, including robotics, to optimise our routes according to environmental and air traffic conditions on the day. When integrated with our Electronic Flight Folder (EFF), an industry-leading tool which has been developed in-house, we are able to realise significant benefits, including minimum flight-time routings, revisable up to one hour before departure, and payload optimisation, both of which reduce fuel consumption and emissions. Cathay Pacific and Air Hong Kong have been using these integrated systems since late 2021, with further deployment in HK Express from mid-2022.



## Fuel Forum Steering Committee

Made up of representatives from different departments across our airlines and chaired by our Chief Operations and Service Delivery Officer, our Fuel Forum Steering Committee (FFSC) is tasked with improving fuel efficiency of our airlines. FFSC focus areas include aircraft operations and performance, aircraft equipment and operational item weight on board, airspace and route efficiency, as well as auxiliary power unit (APU) and ground equipment usage. In 2021, FFSC was set up at Air Hong Kong as a formal channel of a knowledge transfer collaboration with our subsidiaries to accelerate their decarbonisation journey. Hong Kong Express is in the process of establishing its own FFSC and is building out a data interface which will enable better monitoring and assessment of flight information and performance – information which will be shared with Cathay to help align processes and identify best practices.

## Optimising aircraft operations and performance

In the air, AHK and HKE sought fuel savings by assessing and revising the height at which all engines are engaged during take-off to optimise performance, and explored the impact of idle reverse thrust, a process used to slow aircraft, both of which achieved fuel savings. AHK is also working closely with DHL and their Flight Optimisation Management System (FOMS) which aims to promote efficiency and emissions reduction within the DHL partner airlines network.

Back on the ground, Cathay Pacific continued to use the process of Reducing Engine Taxi-In (RETI) which have reduced our ground-level fuel-burn as well as our GHG emission. We practise RETI at all airports where it is possible and have increased the effort spent on improving the take up rate and duration of this procedure in all fleets. During 2021, AHK successfully trialled RETI, achieving significant fuel consumption reductions. Given the success of RETI within our fleet, it has also been rolled-out for HKE in 2022.

Both airlines also conduct frequent engine core washing. This enables our aircraft to achieve higher fuel efficiency. AHK also monitored the impact of drag on the exterior of its aircraft, which can hamper fuel efficiency.

## Aircraft equipment - digitisation and weight reduction

Our eEnabled Aircraft Programme facilitates seamless global aircraft connectivity and data sharing across our airlines. We have switched to electronic documents on eEnabled aircraft and used lighter materials for inflight equipment which incurs less fuel burn and results in less carbon emission.

In our cargo operation in Hong Kong and selected stations in the Americas, we have implemented our industry's first blockchain enabled Unit Load Device (ULD) Management System. Besides its success in replacing a manual, paper-

based process, we continue to work on the next steps on Smart ULD related projects and data from other operation application to enhance operational efficiency, as well as improving safety in operation through early identification of ULD that are suspected to be not suitable for usage.

In addition, our electronic Flight Folder, a digitised inflight manual, has replaced as much as 75kg of paper on each flight. Accessed through tablet computers, the Flight Folder centralises Flight Deck manuals, charts, maps and pre-flight paperwork. The weight reduction can result in a decrease of more than 4,000 tonnes CO<sub>2</sub> emissions per year based on our pre-COVID flight level - emissions equivalent to more than 5000 flights from Hong Kong to London.

## Airspace route efficiency

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

## Sustainable aviation fuel

Compared to traditional jet fuel, sustainable aviation fuel (SAF) can reduce life cycle greenhouse gas emissions by up to 100%. As it can be used safely with existing aircraft engine and infrastructure in airport, it is the most important way to decarbonise airline operation in the near future.

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

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

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



We pledge to use Sustainable Aviation Fuel (SAF) for

**10%**

of jet fuel consumption by Cathay Pacific by 2030.

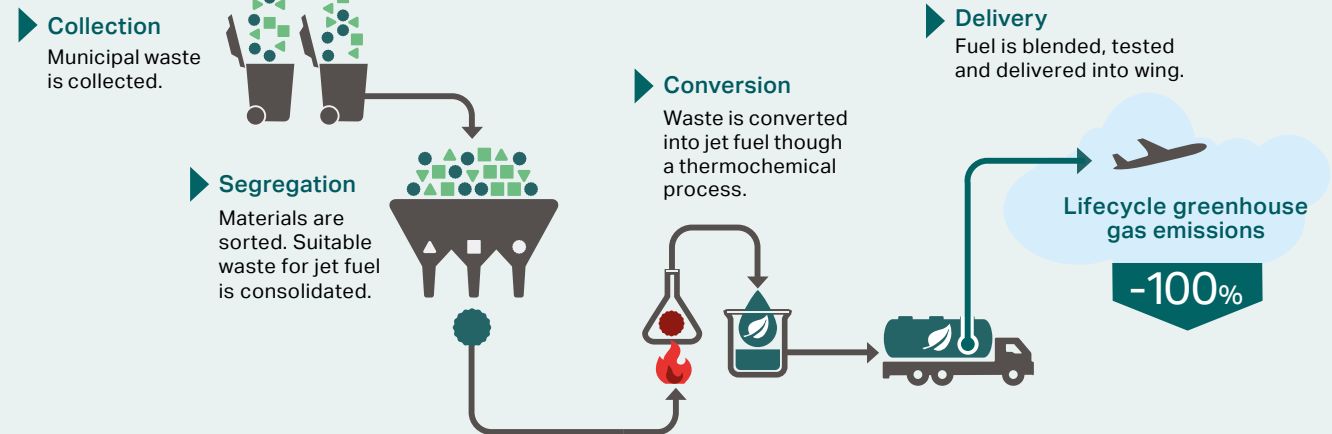
## Invest in supply chain – Fulcrum BioEnergy

One of the major obstacles for widespread SAF use is supply volume and infrastructure. Since 2014, when Cathay Pacific became the first airline investor to take an equity stake in Fulcrum BioEnergy, Inc., we have focused on developing the supply side. Fulcrum is a US-based sustainable aviation fuel developer, which is a world pioneer in the development and commercialisation of converting municipal solid waste into sustainable aviation fuel. The plant can convert 175,000 tonnes of waste into more than 11 million gallons of zero-carbon transportation fuel each year. In 2022, Fulcrum has successfully produced its first batch of low-carbon synthetic crude oil made from municipal solid waste.



Fulcrum BioEnergy's Sierra BioFuels Plant in start-up operations, January 2022

### Our sustainable aviation fuel: From waste to wing



## Creating demand

Our target to have SAF accounts for 10% of fuel consumption by Cathay Pacific operating flights by 2030 is an important step in sending demand signal to the SAF supply market. Our offtake agreement with Fulcrum has our commitment to buying 375 million US gallons of SAF over 10 years, which accounts for about 2% of our annual fuel requirements at pre-COVID operating level. In 2022, we have also pledged to purchase 38 million US gallons of SAF from renewable fuels company Aemetis for operations at San Francisco Airport in the United States. Delivery is expected from 2025 onwards.

Over the reporting period, we also launched the Cathay Pacific Corporate Sustainable Aviation Fuel (SAF) Programme. The programme is one of the first of its kind in Asia and helps to accelerate the global transition to SAF whilst providing our customers certification of their Scope 3 indirect emissions reductions. Through the Corporate SAF Programme, corporate customers contribute to the purchase of internationally recognised\* SAF, which would be used to power Cathay Pacific flights. Cathay Pacific will then issue verified emissions reduction certificates and proof of sustainability to these customers, reducing their Scope 3 carbon emissions from business travel or cargo transportation. This programme also helps our customers to communicate real actionable commitments towards sustainability.

\* The SAF purchased is certified by internationally recognised sustainability standards, such as the EU Renewable Energy Directive, Roundtable on Sustainable Biomaterials (RSB) or International Sustainability & Carbon Certification (ISCC) system.



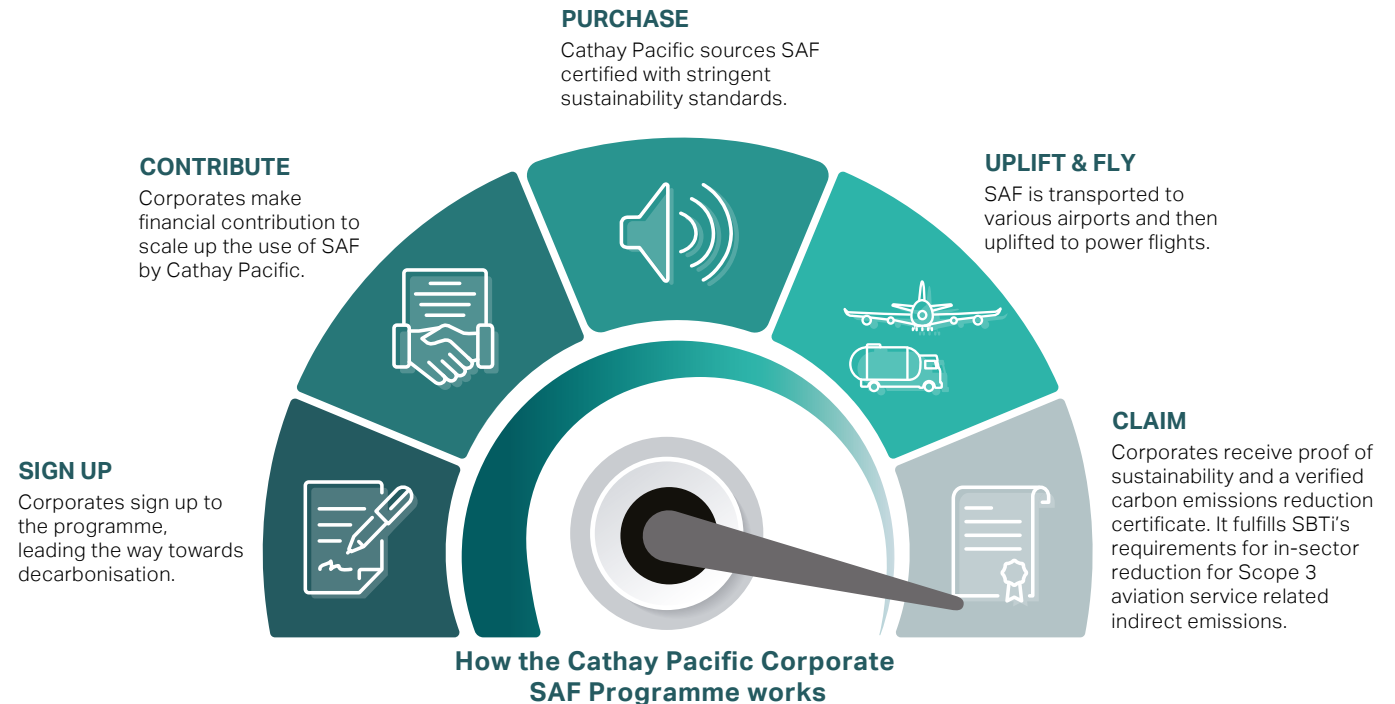
## Sustainable Aviation Fuel in our operations

Cathay was the first customer, pioneering with Airbus to make sustainable aviation fuel available for use to by delivery flights from the Airbus Toulouse facility. Since 2016, we have delivered 38 Airbus A350-900 and A350-1000 aircraft from Toulouse to Hong Kong with a blend of SAF made from sustainable sugar feedstock or used cooking oil and animal fats feedstock. To date, 70,582 US gallons of SAF have been used for this purpose, avoiding approximately 539 tonnes CO<sub>2</sub>e.

In 2022, we have also introduced SAF to be used for the first time at our home base at Hong Kong International Airport (HKIA). This was made possible through a collaborative effort with many stakeholders along the supply chain and various government departments. SAF used went through the normal aviation-fuelling infrastructure, which provided important learning for developing ongoing regular SAF supply from HKIA in the future.



In 2022, we introduced the use of sustainable aviation fuel from our home at the Hong Kong International Airport for the first time.



## Carbon offsets

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

### Fly Greener – our voluntary carbon offset programme

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


As part of the rigorous certification process, project developers are required to adhere to the UN's 'do no harm' principle, consult with local stakeholders, and ensure that

projects not only help protect the climate by contributing to SDG 13, Climate Action, but also benefit local communities by contributing to two additional SDGs. Our carbon offset projects strive to not only reduce emissions, but also to improve the health of communities in developing countries. Current projects include fuel-efficient clean cookstoves in Bangladesh, renewable energy generation in India, as well as organic waste biodigesters and solar-powered cookers in rural Chinese mainland. Read more about our offset projects on our [website](#).

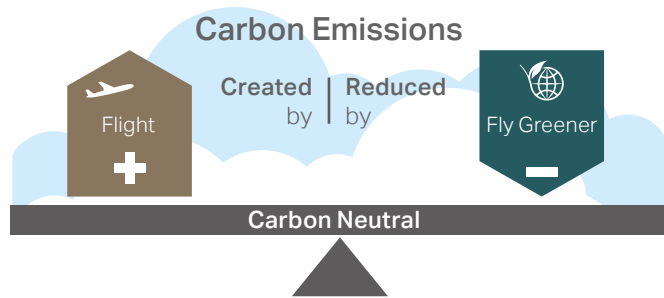
In further demonstration of Cathay Pacific's ambition for leading sustainability across the aviation industry in Asia, we are extending the programme to cover air cargo. Cargo customers can find out carbon footprint with their shipments on Cathay Pacific flights, and have the opportunity to offset the related emissions directly through the Fly Greener programme. Powered by an integrated online carbon emissions calculator, registered cargo customers can track a shipment's carbon emissions, determined by weight, aircraft type, and actual route flown to maximise data accuracy. Customers will then receive a certificate showing the total emissions offset and the project they have financially supported for their sustainability auditing purposes.

In 2022, a total of 38,399 tonnes of carbon emissions produced by our operations were offset by the programme, of which 1,681\* and 801\* tonnes were offset by our individual and corporate customers respectively. The Green Friday promotion returned after its successful launch in 2020 and was extended globally with attractive flight deals and complimentary carbon offset. This year, we have offset 30,083 tonnes of carbon emissions from over 50,000 journeys purchased. Meanwhile, the Earth day and Double 11 campaigns also contributed to additional 4,643 tonnes of carbon offsets. To date, we have purchased over 300,000 tonnes of CO<sub>2</sub> offsets.

\* Verified by Deloitte



**30,083 TONNES**  
of carbon from over **50,000** journeys had been offset by Cathay Pacific during the Green Friday 2022 campaign.



Bondhu Chula Stoves, Bangladesh



Henan Solar-powered Cookers, China



## CORSIA and other mandatory carbon emissions trading schemes

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

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

## New technology

Aviation is a hard-to-abate sector where dramatically reducing emissions is challenging, and breakthrough science and technology innovations are required to help the sector reach net zero. Cathay Pacific well recognises this fact and supports the development of emerging carbon reduction technologies especially those which have potential applications for use in the aviation sector. In 2022, Cathay Pacific spotlighted technological innovations in China relating to new possible feedstock for SAF production, including castor oil, reed bamboo, hydrogen, and even captured CO<sub>2</sub>.

## Aviation Climate Taskforce

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

In 2022, ACT has appointed its first President and CEO. Funding of selected decarbonisation projects and further expansion of ACT with new members are expected in 2023.

## Ground emissions

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

Our goal is to reduce ground emissions by 32% by 2030 and 55% by 2035, from a 2018 baseline. Our 2035 target

formed part of our pledge signed in 2021 with the Hong Kong International Airport which underscored our commitment to net zero operations by 2050. It is in line with science-based target to limit global warming to 1.5 degree compared to pre-industrial level.

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

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



A group wide energy audit was conducted across our sites.

**Over 100+**  
carbon reduction opportunities are identified.

## Our buildings

Located near Hong Kong International Airport, our 134,000m<sup>2</sup> headquarters encompasses Cathay City, Cathay House, the Airline Store Building, a hotel, and the flight training centre. The premises are certified to the ISO 14001:2015 standard for environmental management systems.

To reduce our environmental footprint, we continuously invest in our buildings to upgrade our facilities systems and improve efficiencies. In 2022, water saving taps were installed in all washrooms in the Main Building, reducing approximate 30% of freshwater use. The initiatives below have also been developed and are scheduled to commence in 2023:

- Replace all traditional T8 fluorescent tube lights to LED lighting within HQ Blocks
- Install our 2<sup>nd</sup> solar-power generation system at Airline Store Building at target 100kW rating

## Our vehicles

Our full-service ground handling subsidiary, Hong Kong Airport Services Limited (HAS), provides professional ramp and cargo services to 24 airlines at Hong Kong International Airport. Traditionally, HAS vehicles have used diesel fuel, however, as with other areas of our business, where we can invest to reduce emissions, we do so. Our Ground Services Equipment (GSE) and Vehicle Replacement Programme focuses on fleet modernisation which to date has led to the upgrade of 40% of our vehicle fleet to electric vehicles.

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



*Solar panels have been installed on the rooftop of Cathay City, our headquarter building*



# ENVIRONMENTAL ASPECT: SUSTAINABILITY IN OPERATIONS



Achieved **56%**  
single-use plastic (SUP)  
reduction target



**895** tonnes  
of waste diverted from landfill



**114** tonnes  
surplus food donated to charities

## Our Policies and Guidelines

- > Sustainable Development Policy
- > Sustainable Food Policy
- > Supplier Code of Conduct

**GRI:** 2-6, 306-1, 408-1, 409-1

**HKEX:** GD-A1, GD-A2, GD-B5, KPI A1.4, KPI A1.6,  
KPI A2.5, KPI B5.4

## SDG:



# SUSTAINABILITY IN OPERATIONS

## 2022 Performance highlights



Continued our single-use plastic reduction.

Nearly **200 million** pieces of individual items were removed from baseline

Surpassed our single-use plastic reduction target by reducing **56%** on a per passenger usage basis



Conducted audits for **cabin wastes** from inbound flights and **cargo terminal wastes**

Released a new version of **our Supplier Code of Conduct** with updates on ESG focus areas



## Recycling statistics



**10,088**

tonnes of general waste was generated, of which more than 895 tonnes was diverted from landfill



**115**

tonnes of paper and cardboard



**114**

tonnes of surplus food donated to charities



**149**

tonnes of plastic



**83**

tonnes of glass



**28**

tonnes of metal



**367**

tonnes of inconsumable food waste was sent to O-PARK1 in Hong Kong for energy recovery



**8,514**

litres of food processing oil collected and turned into biodiesel



## Why responsible resource use matters to us

As a leading global airline that employs thousands and carries millions of customers each year, the management of the environmental impacts from our operations is an imperative. We must balance requirements such as hygiene with considerations on weight to reduce fuel consumption and related emissions. The countries we fly to also implement differing waste policies which affect what we can do at different locations. At the same time, the capacity of each jurisdiction to recover the value from waste and divert it from landfill varies, therefore reduction in waste from our business activities is of prime concern.

## Our approach

We aim to embed an environmentally responsible mind-set in our culture and sustainable practices in our operations. The three key pillars underpinning our cradle-to-cradle approach include careful consideration of the resources we use, sustainable sourcing and responsible waste management. We reduce our reliance on resources when possible and aim to capture and reuse the value in materials when they have served their primary purpose.

## Sourcing

### Sustainable procurement

Globally, we work with approximately 6,000 suppliers dealing with a vast range of purchases across the destinations we serve. Working with our suppliers is key to delivering products and services to our customers in a sustainable way. We have identified that roughly 20 top strategic supplier groups represent 66% of our third-party spend. We require the procurement process of all our products and services to be conducted in full compliance with relevant laws, tax regimes and regulations that govern the respective transactions, and with full accountability in terms of our Anti-Bribery, Anti-Trust and Data Protection policies.

Our procurement process involves supplier vetting and the ongoing evaluation of suppliers based on our supplier

scorecard. The balance-rated scorecard for procurement measures suppliers' performance in six different areas which we refer to as CISQAS: Costs, Innovation, Satisfaction, Quality, Assurance of supply, Safety/Sustainability.

We manage risks related to supply chain through continuous collaboration with our suppliers in accordance with our newly developed [Supplier Code of Conduct](#) (CoC) in 2022, which supplanted the previous Supply Chain Sustainability Code of Conduct. We have built risk analysis into the category strategy planning stage of our procurement process. We actively work with suppliers who share our standards and maintain a central risk register, updated monthly, to highlight overall risk. All suppliers are required to declare that their products and services comply with our Supplier CoC. Our Supplier CoC, which includes our standards for business ethics, is available internally to our global offices and shared with our suppliers, both locally in Hong Kong and to those based in the rest of the world. Our category management teams develop a mitigation plan for suppliers with high-risk ratings and, if a supplier has fallen short of our requirements, we review the relationship and shortfall on a case-by-case basis and take the necessary corrective measures.

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

### Supplier Code of Conduct (CoC)

In 2022, we have issued an updated version of our [Supplier Code of Conduct](#) (CoC) after an extensive benchmarking exercise of best practice in terms of scope and its application. Our updated Supplier CoC describes our minimum requirements including:

- Legal and regulatory compliance
- Environmental protection and combating climate change
- Health and safety in the workplace

- Not employing child labour
- Not employing forced labour
- Provision of proper compensation and appropriate working hours for employees
- Diversity and non-discrimination
- Freedom of association and rights to collective bargaining
- Sharing the CoC with sub-contractors
- Upholding business integrity

The undertaking to update our Supplier CoC represents another major step in our sustainability journey and demonstrates our unwavering commitment to improve our management approach to sustainability across our value chain. This updated Supplier CoC better aligns our expectations of suppliers with our ESG focus areas with greater specificity, referenced from international guidelines and best practices. Moreover, the Supplier CoC now clearly directs suppliers to a confidential online reporting mechanism, "Speak Up" (link: [www.cathaypacific.ethicspoint.com](http://www.cathaypacific.ethicspoint.com)) to raise concerns about suspected or actual improprieties relating to Cathay Pacific, including potential misconduct, malpractice or unethical behaviour. "Speak Up" is administered by an independent service provider. Reported cases are kept confidential at all times and will be routed to our Compliance department for initial assessment and then subsequently investigated independently by appropriate parties.

### Working with our suppliers

The impact of the pandemic remained in 2022. The need to have collaborative working relationship with our suppliers continued to be essential. Our category teams maintained close communication with our strategic suppliers and co-created more supportive and collaborative ways of working to help them weather the storm, while providing continued quality of responsibly sourced goods for our customers. These measures coupled with payment deferral, capital preservation and concessions continue to be the focus areas with our suppliers and contribute to our approach to supply chain management and resilience.

## Sustainable food options

### Seafood

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

We share the same values, and source and serve certified sustainable seafood on selected routes. In 2022, CPCS purchased a total of 150 tonnes of certified sustainable,

traceable seafood with the aim to protect marine ecosystems for future generations.

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

### Plant-based options

Consumers are increasingly aware of the impact of a meat-heavy diet on human health and the environment. Since

2018, when we introduced our first plant-based dishes as meat alternatives, we have been expanding our range for customers and employees. For three years we have been serving customers of The Pier First Class Lounge at Hong Kong International Airport Beyond Meat, a plant-based pork alternative. In 2019, we became the world's first airline to serve its passengers OmniPork, a plant-based pork alternative. This year, we also started to offer oat milk as a dairy alternative in our First and Business cabins for customers' coffee and tea. Looking forward, we shall continue to enhance plant-based options for our customers and people.



“



*We are ambitious in providing more sustainable options to our customers - not only because it is the right thing to do, but also it is something that our customers expect from us as a leading airline. We are pleased to have made strides in eliminating a significant part of single-use plastics from our operations in the past couple of years, and will continue to dial up the efforts in making every part of our operations more sustainable.*

**Lavinia Lau**

*Chief Customer and Commercial Officer, Cathay Pacific*

## Waste management

The Group's stakeholder engagement results in 2021 have shown that waste continues to be one of the most concerning environmental problems. Our stakeholders – especially our employees – have expressed concerns about how much we have done about waste reduction. This has highlighted the importance of enhancing communications and training on waste reduction and recycling programmes, continuously reviewing our operations, and using digitisation to improve our management. For this reason, our sustainable development strategy has a clear focus on product usage and waste management. Furthermore, we continue to follow Swire Pacific's Waste Separation Guideline in aligning the recycling separation and facilities location.

Our resource and waste management approach covers four key elements:





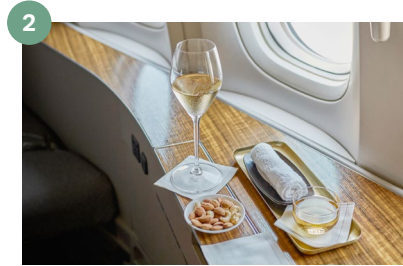
## Inflight waste

Since 2006, we have sorted and recycled inflight waste, but increasingly our focus has been on reusing inflight products to avoid waste altogether. As regulations in many destination countries prohibit recycling waste from international flights, currently we only carry out inflight recycling on inbound flights to Hong Kong. Some countries, such as Canada and Australia, have very strict health and safety regulations on waste from international flights that require deep burial in landfill, or incineration.



### Cups

Single-use beverage cups were one of our top single-use plastic items. It is also among the top items found littered on beaches globally. To address this impact, we are phasing out single-use plastic cups. Instead, certified Flustix paper cups with minimal plastic lining are used.



### Cocktail snacks

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



### Seafood

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



### Napkins, stirrers and straws

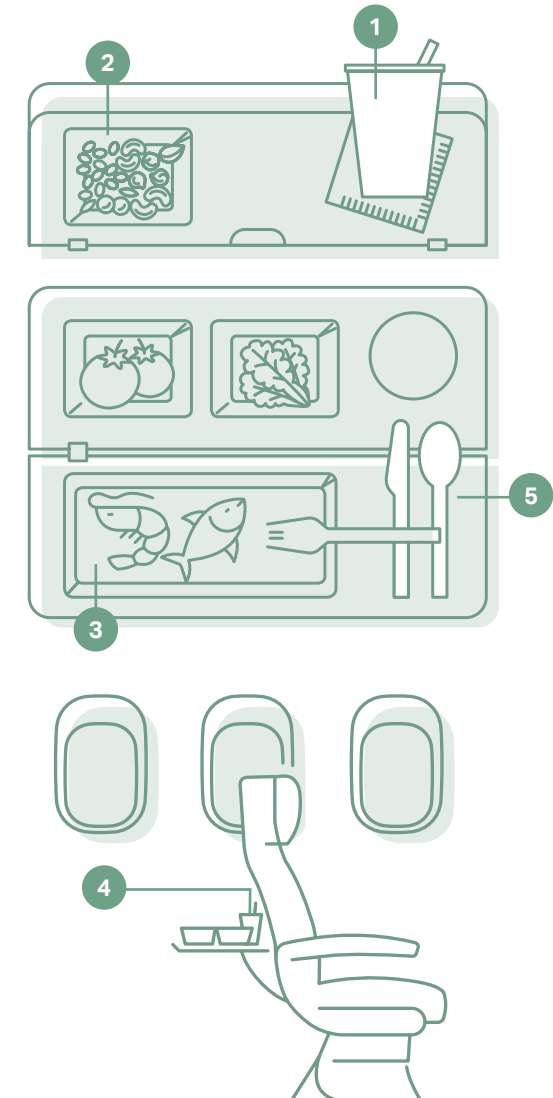
Our napkins have been made from 70% sugarcane and 30% wood pulp since 2016. We also use birchwood stirrers and paper straws as alternatives to single-use plastic, adding to our growing list of more sustainable inflight products.



### Meal utensils

Reusable plastic cutlery from our economy class cabin are sorted, washed and reused to minimise our single-use plastic waste. With our aim to further reduce plastic usage, we are trialling the replacement of plastic utensils with alternatives. A set of new lightweight metal cutlery has been introduced to selected routes in 2022 and would be extended for use on all flights in 2023.

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

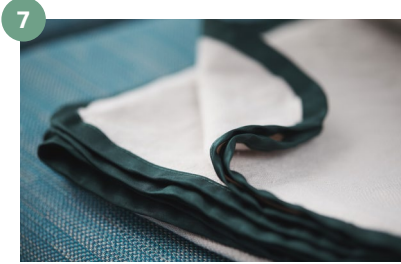






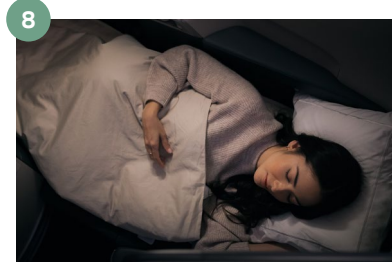
### 6 Snack bag

A newly designed paper snack bag making recycling easy.



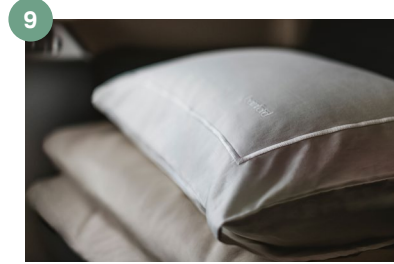
### 7 Blankets

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



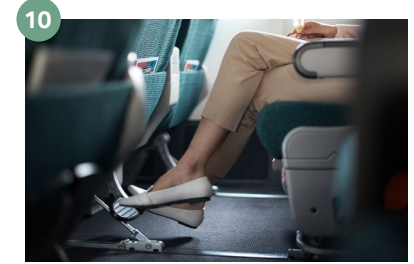
### 8 Bedding

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



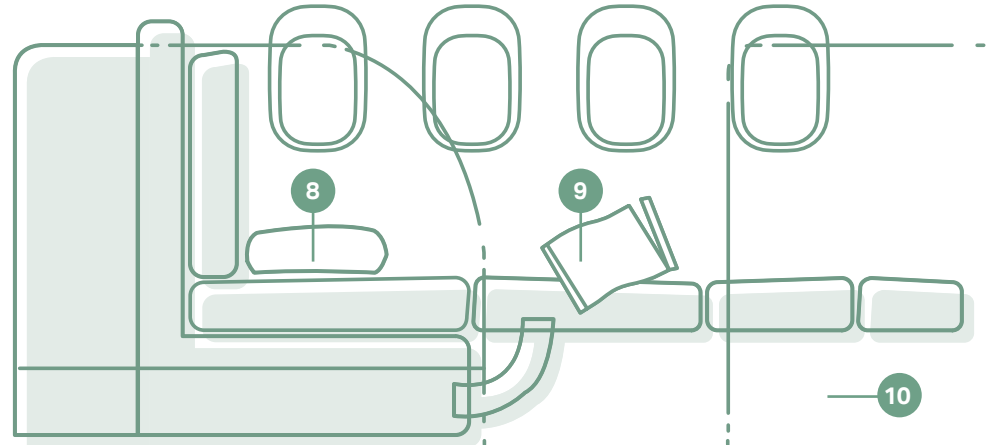
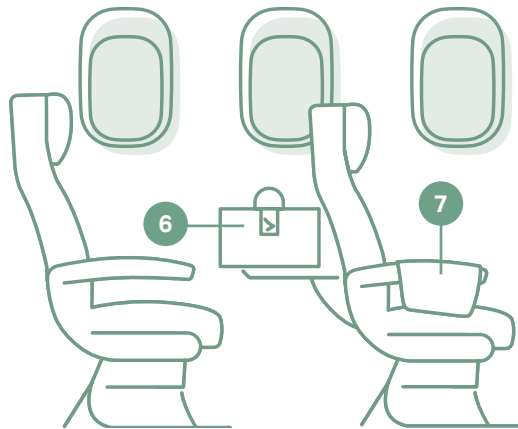
### 9 Re-usable bags

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



### 10 Carpets

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



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

## Plastic

The use of plastics in the aviation industry has been widespread due to their light weight and low cost. Saving weight lowers our fuel consumption and reduces our carbon footprint, while lower operating costs help us control passenger fares. However, the long-life span of plastic in the natural environment is an issue with damaging effects to wildlife and the habitats. Ambitious reduction efforts are essential and our recent stakeholder engagement survey again highlighted the urgency to address this issue.

Reducing single-use plastics (SUP) means weighing many different factors to ensure we are not creating other sustainability issues when we do. To maintain the benefits of light weight and low cost, we are looking at a variety of eco-friendly solutions that can still meet the expectations of our passengers. Our job is made easier because many of our passengers are welcoming the changes.

At Cathay we set a target to cut our SUP usage by 50% of our 2018 baseline by the end of 2022. With reduced operation scale because of COVID, actual usage of single use plastic items in 2022 was way below 50%. And through the roll-out of non-plastic replacement of key items, we have achieved 56% reduction compared with the 2018 baseline on a per passenger usage basis. In practice this means we are removing nearly 200 million individual items such as plastic cups, salad bowl lids, cutlery and straws on an annual basis at pre-COVID operating scale. With our reduced operation volume due to the impacts of COVID-19, full depletion of old SUP stock has been delayed. Transition will be completed within 2023.

We also keep abreast of new SUP import and consumption laws and regulations in jurisdictions we operate and actively take part in industry discussions through the IATA SUP Working Group. We work to ensure proper considerations and operational changes are made to comply with current and emerging regulations, including the European Union SUP Directive and India SUP regulations. Moving forward, a new SUP baseline mapping exercise is underway to help inform the development of a new target. Considerations will include COVID-19 impacts on procurement, evolving regulations regarding SUP in all the markets where we operate, and best practices from other airlines.



## CASE STUDY



### Eliminating garment plastic bags

Our colleagues at Vogue Laundry Services (VLS) have identified garment plastic bags as a key source of plastics and have worked to reduce and eliminate its use within their operations. As an initial step, VLS has replaced individual garment bags with a 3-in-1 bulk packaging, which reduced plastic bag usage in retail laundry by approximately 24%.

Taking efforts further, VLS has also completely eliminated plastic garment bags at the Cathay City depot, with plans to expand this initiative to other valet stations in a phased approach.

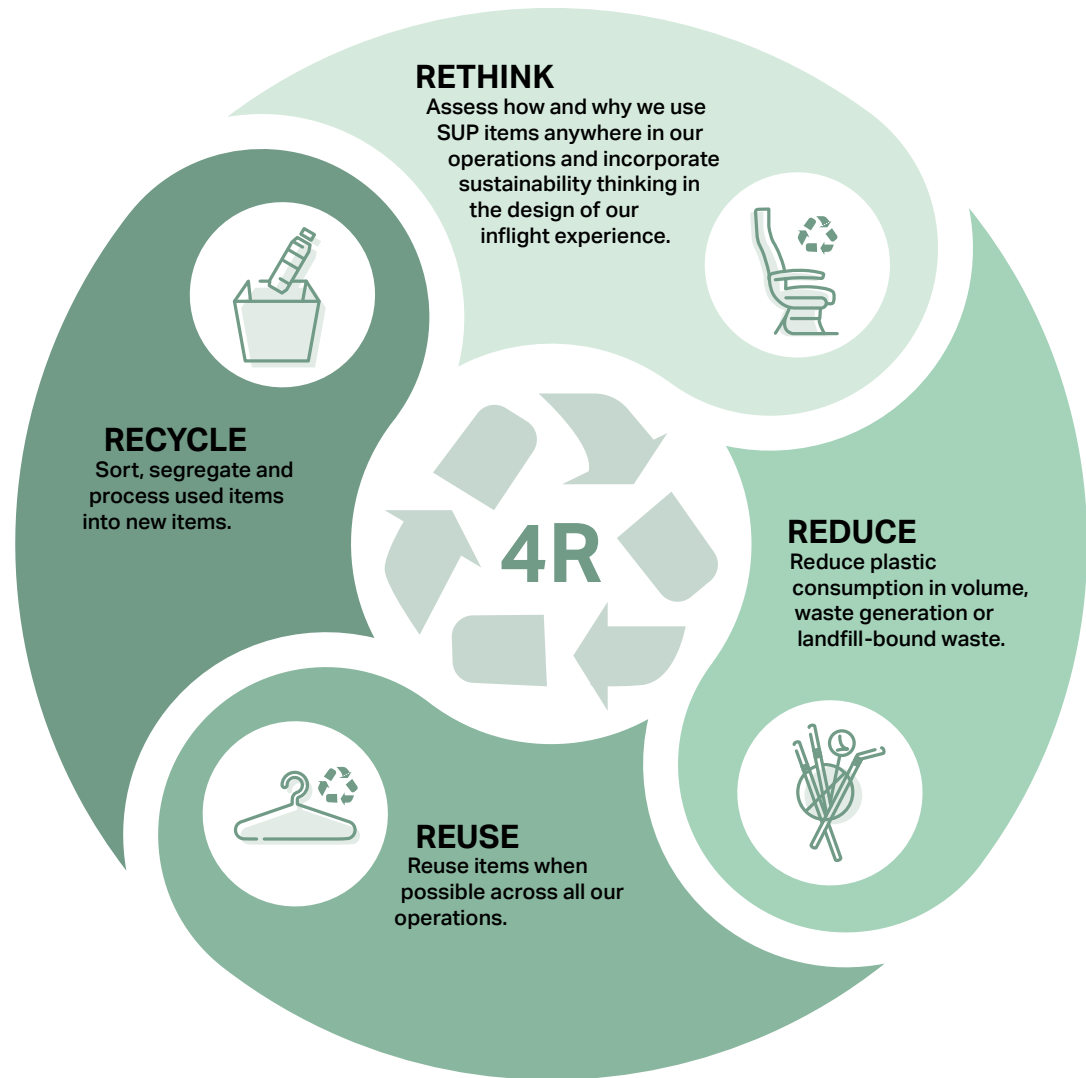
### "Invisible" shopping bags

In line with our commitment to halve the use of disposable plastics, we have started to use the new "invisible" shopping bags for a range of products when shopping with Cathay. Made from Polyvinyl Alcohol (PVA), starch, glycerin and water, this biodegradable plastic alternative can dissolve in water without leaving any harmful residue or microplastics behind.

### Partnership for product analysis

As part of our approach, we have partnered with the City University of Hong Kong (CityU) on a product lifecycle analysis (LCA) project. Commenced in 2020, multiple studies are being conducted on some of our SUP items and their potential alternatives to better understand the environmental footprint of these products and to develop a guideline for material selection of inflight equipment. In 2021, we completed a LCA on different cup alternatives, which helped to inform our future trial projects as part of our SUP reduction initiative. These assessments help to drive our continual innovation and ensure that we consider the environmental footprint of the entire lifecycle of the materials and products we choose to use. As we move forward with our SUP replacement efforts, we will continue to take these considerations into account.

### The 4Rs – Our Single-use plastic strategy



# 2022

- Achieved 56% reduction by replacing most used SUP items (cups, cutlery, salad bowl lids, water cuplets, etc.)
- Currently developing a new plastic reduction target

Already sterilising and reusing plastic cutlery in Economy Class.

Introduced a rebate programme for returning plastic hangers to Vogue Laundry, a wholly-owned subsidiary of Cathay Pacific.

Began collecting and recycling inflight plastic cups and bottles.

Introduced biodegradable plastic bags for duty-free purchases.

Introduced biodegradable plastic wrapping for blankets, cutlery, and inflight magazines.



- Over 43 million pieces were removed from our annual usage baseline.

- Commenced product lifecycle analysis to develop a guideline for material selection of inflight equipment.

- Set our single-use plastic target: to reduce by 50% or 387 million pieces a year by the end of 2022.

- Adopted the use of cotton bags for the packaging of duvets and blankets in our Business Class cabins.
- Removed plastic straws and stirrers from all Cathay Pacific and Cathay Dragon flights, lounges, and offices globally, saving over 32 million pieces of plastic waste a year.

- Introduced our '4R' Single-use Plastic Strategy: Rethink, Reduce, Reuse, Recycle.
- Achieved our goal of making our employee canteens in headquarters free of single-use plastic cutlery, bags, straws and stirrers.

Replaced plastic bags used for duty-free purchases with paper bags.

- Introduced the redesigned 9oz plastic cup used in Economy Class which is 33% lighter than the previous cup and is more pliable and recyclable. It can be recycled together with the First and Business Class plastic covers for plates and bowls.
- Began collection of plastic stretch wrap for recycling at the Cathay Pacific Cargo Terminal.

- Replaced Styrofoam boxes with reusable cooler bags for inflight ice cream storage, thereby reducing their usage by 44%.
- Phased out Economy Class plastic cups and sent 200,000 of these cups to a recycler to be made into other plastic items.

## Highlights of our plastic reduction journey



## Resources management

Besides plastic, we also take care to minimise waste from other resources such as paper, wood, and food. We implement reduction and recycling initiatives targeting different items both on our flights and in our ground operations. To measure the effectiveness of our waste reduction initiatives, we regularly track and monitor our general waste generation and aim to set a waste reduction target in the near future. In November 2022, a series of waste audits have been conducted for waste produced inflight and at our cargo terminal. The analysis of the findings would enable us to set new waste reduction targets on priority items.

### Food

Since 2011, Cathay Pacific has participated in the Airport Authority Hong Kong food waste recycling scheme, collecting and sorting food waste from our office canteens, restaurants, crew hotel and airport lounges.

CPCS provided flight catering services to 58 international airlines in Hong Kong in 2022. Before the pandemic, the company produced over 30 million meals, representing an average of 83,000 meals per day. While we recognise that some food waste is unavoidable, we have implemented a number of measures to reduce it such as loading meals onto flights as close as possible to take off, donating quality unused produce to charities, and repurposing food and oil for secondary uses.

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

The number of passengers booked on any particular flight changes frequently, due to last-minute additions or cancellations, or passengers missing their flights. Without sufficient procedures in place, the unneeded meals can lead to food waste and squandered energy and water from meal

preparation. One way we reduce this waste is to bring the meal delivery cut-off time as close to the flight departure time as possible. By shortening the cut-off time, we can more precisely gauge how many meals are required on board, thus reducing wastage.

### Digital insights to drive down food waste

Since 2020, we have incorporated our digital Choose My Meal service for Business class passengers, available through the Cathay Pacific app, it allows customers to select their inflight meal options up to 10 days before they board their flight. It offers the dual benefit of reducing time spent by Cabin Crew in retrieving customer orders, and importantly, insights into passenger consumption patterns and preferential meal options can be used to adjust which meals are produced or loaded onto subsequent flights which can help to reduce food waste.

### Repurposing excess food in the CPCS kitchen

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

### Donating to food banks

The Cathay Group has worked with two local charities, Feeding Hong Kong and Food Angel for over seven years. Feeding Hong Kong recovers and redistributes packaged food collected from our inbound flights. In 2022, 105 tonnes of food and beverage items have been donated to Feeding Hong Kong. Food Angel collects fresh food and ingredients and prepares meals for senior citizens in Hong Kong. Since 2021,

we started donating our surplus bakery products to Food Angel. In 2022, we have delivered 576 kg of bread and 7,960 pieces of mooncakes to people in need through them. In total, we donated about 114 tonnes of food to both charity partners for distribution to people with food assistance need in Hong Kong in 2022.

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



## Converting waste food into resources

Some food waste from our operations cannot be consumed by humans for food safety reasons, for example, cooked meals or perishable food. The remaining lower value waste is then sent to O-PARK1 - the first organic resources recovery centre in Hong Kong. In 2022, CPCS sent a total of 331 tonnes of food waste to O-Park's facilities to be converted into energy.

CPCS also generates food processing oil each day to support food production. Since 2004, we have gone beyond treating the used product in line with local regulations by collaborating with a biodiesel company to reprocess our used cooking oil into vehicle biodiesel. In 2022, we collected 8,514 litres of food processing oil for conversion into biodiesel.

We are constantly looking at new and innovative ways to tackle food waste and repurpose ingredients. In 2021, CPCS launched VHHX, its very first beer in collaboration with hEROES. VHHX adopts the circular economy concept and turns unpresentable and surplus in-flight bread rolls into high-quality, premium craft beer. For this project, roughly 250kg of surplus bread was used to brew almost 4 thousand litres, or 12,000 cans of sustainable craft beers.

## Paper and wood

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

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

- 128 kg of beverage cartons from Cathay City recycled through our partners at Mil Mill.

## Retired aircraft

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

## Renovation, fit-out practices and facilities management

Managing our infrastructure is a priority area of our sustainable development strategy. In line with our strategy, we encourage and implement green building practices to manage the impact of our infrastructure from conceptualisation through development to building management. We also apply the same requirements to tenants operating in our premises, such as salon and coffee shops, for their own renovation work. Furthermore, we have extended our expectations for environmentally friendly practices out to our vendors and require them to provide a sustainability action plan for waste management to ensure that all those connected to Cathay City and Cathay House are contributing to our sustainable development strategy. Cathay Pacific also remains active in pursuing chiller retro-commissioning and replacement works in 2022 through to 2023. These more advanced chillers operate with much high efficiency and avoid energy wastage, especially in part load conditions. Moreover, we have plans in place to replace our sea water cooled fixed speed chiller with a variable speed

drive compressor chiller which significantly enhances energy efficiency, hence reducing our carbon footprint.

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

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

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

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

## Noise management

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

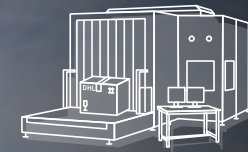
Locally, we follow the Hong Kong airport QC2 night-time noise requirements and, for select aircraft models, we have augmented our departure procedures for weight and climb altitude over the noise-sensitive Ma Wan district.

Flying in airspace outside of Hong Kong, we follow international protocol, such as the "Balanced Approach to Aircraft Noise Management" recommended by the ICAO. It is important to focus our efforts on developing more efficient operating procedures and investing in newer, quieter technologies. Our pilots also take local context into account and adhere to any airport specific noise abatement procedures. Moreover, with comprehensive prior planning, we deploy the most suitable aircraft models for specific flight paths and local time schedules where possible. For instance, since 2010, we have made arrangements to increase the use of the quieter Boeing 777-300ER instead of the Boeing 747-400s on more of the Hong Kong to London flights to alleviate noise impacts around London Heathrow airport during landing and take-off.

Cathay Pacific also remains committed to investing into newer aircraft and advanced technologies to further reduce noise disturbance. The Airbus A350-900 fleet are designed to reduce aircraft noise and are equipped with automatic Noise Abatement Departure Procedures (NADP) which optimise flight procedures to mitigate noise over densely populated areas.







Enforced **100%**  
x-ray cargo security screening on  
export cargo



**150** tonnes  
of certified seafood procured

**Our Policies and Guidelines**

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

GRI : 304-2

HKEX: GD-A3, KPI A3.1

SDG:

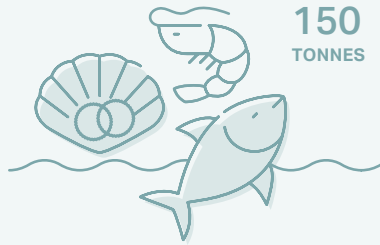


# ENVIRONMENTAL ASPECT: BIODIVERSITY



# BIODIVERSITY

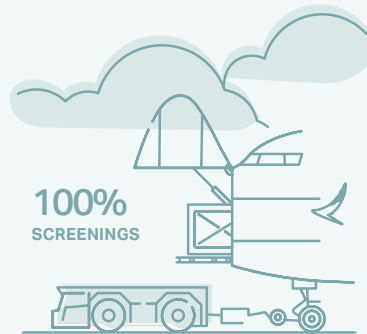
## 2022 Performance highlights



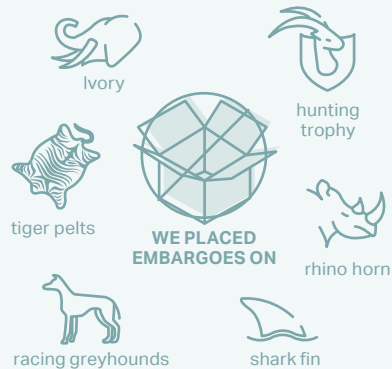
150  
TONNES

Served over **150** tonnes of certified sustainable seafood, representing around **70%** of the total volume of seafood CPCS purchased

Enforced **100%** x-ray cargo security screening on export cargo in collaboration with Hong Kong Civil Aviation Department



100%  
SCREENINGS



Enhanced existing embargoes on ivory, shark fin, racing greyhounds, hunting trophies with the addition of rhino horn and tiger pelts

## Why biodiversity matters to us

Nature is declining globally at an unprecedented rate. A shift in how society consumes is imperative to stop this free fall and reduce the threat that biodiversity loss poses to human health and wellbeing and the health of our planet. Beyond society's dependence on biodiversity, its spectacular variety lures our customers to new places, offering distinct sights and flavours.

After part of the UN's COP15 biodiversity summit in October 2021, progress has been made towards finalising the post-2020 Global Biodiversity Framework (GBF). The new framework sets out an ambitious plan to implement broad-based action to bring about a transformation in society's relationship with biodiversity.

As an airline, we can play an important role in protecting vulnerable species and ecosystems across the globe through responsible cargo management and sustainable sourcing that minimise Cathay Pacific and our customers' impact on the environment.

## Our cargo carriage approach

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

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

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

### Risk profiling

Over the past decade global e-commerce has expanded significantly. The United Nations Conference on Trade and Development (UNCTAD) estimates that although only half of the world's 7.7 billion people are connected to the internet, 1.45 billion people, or one quarter of the world's population aged 15 and older, have been making online purchases in recent years.

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

We have implemented a Cargo Agent Operation Programme (CAOP) to conduct risk profiling on more than 200 freight forwarding and logistics agents in Hong Kong. More frequent target screenings are imposed on the goods of high-risk agents, including those shipping select categories of e-commerce or agents using routes considered to have higher geographical risk.

Risk profiling on agents is reviewed at least every two years. Launched in 2017, we have ran the CAOP smoothly in Hong Kong and have since been expanding this programme to other high and moderate risk out-stations from 2019. In 2022, we

have rolled out the CAOP in 14 out-stations bringing our total CAOP covered out-stations to 36, which include those in Hong Kong at the outset of this programme.

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

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

### Screening of goods

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

We also cooperated with Hong Kong Civil Aviation Department for enforcement of 100% x-ray cargo security screening on export cargo since July 2021.



*As a leading air cargo carrier, we recognised the active role we play in stopping the illegal trade of endangered species to and through our Hong Kong hub. We remain vigilant in preventing illicit trade, regularly updating our embargo list in line with global standards and ensure our teams are trained to comply with these commitments. We also continue to put the welfare and safety first for any live animal shipments that we do carry, by ensuring the training, assessment, and validation requirements are met to remain current with our IATA's CEIV Live Animals certification.*

**Tom Owen**  
Director Cargo, Cathay Pacific Cargo

## Collaboration and partnership

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

We proactively update local and overseas authorities about our programme and have received good feedback about how we manage risk. Cathay Pacific has also hosted several sharing sessions about the programme to other airlines operating into Hong Kong through the HKIA Air Cargo Carrier Liaison Group.

We have communicated with international customs authorities in driving the enhancement of the harmonised code for classifying goods to ensure the consignors have lodged their declarations correctly. The code system can give higher transparency and improve our control on the goods that our freighters carry.



# CASE STUDY



## 1 Ticket, 1 Tree

Mangroves are important ecosystems which provide many benefits for the plant and local communities. Besides absorbing carbon dioxide from the atmosphere, as does most plant species, mangroves also provide natural infrastructure, using dense root systems to anchor sediment preventing coastal erosion and acting as natural barriers to storm surge impacts during extreme weather events.

Through our 1 Ticket, 1 Tree campaign, Cathay Pacific commits to planting one mangrove tree in Southeast Asia for every flight ticket sold over the campaign period. With no extra effort from the customers, we automatically count their contribution to 1 Ticket, 1 Tree simply by purchasing a flight ticket through [cathaypacific.com](https://cathaypacific.com).

With the kind support of our customers, 999 Rhizophora Genus mangrove trees were sown in Khlong Khon Mangrove Forest, Thailand in June 2022. These mangroves will go a long way towards supporting local communities, restoring natural habitats, and driving climate resilience.



## Our partnership with TRAFFIC

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

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

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

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

Our efforts are combined with those by organisations across Hong Kong and are yielding significant results. Over the last decade, figures from the Census and Statistic Department pointed to a 70% drop in shark fin imports.

**TRAFFIC**  
the wildlife trade monitoring network





## Sustainable Development Cargo Carriage Policy

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

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

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

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

Our current Sustainable Development Cargo Policy was developed with reference to the Convention on International Trade in Endangered Specific of Wildlife Fauna and Flora (CITES), and benchmarking our policy against the practices and policies of our peers. We ensure it continues to be reflective of

the evolving illegal wildlife trade landscape and will continue to engage with our customers and agencies to ensure that this policy is understood and implemented. As a due diligence and monitoring mechanism to check compliance with our policy, we have also developed a dedicated training programme for the prevention of illegal wildlife trade which will be implemented in 2023.

Going forward we will continue to evolve the policy in response to any major changes in our environment so that it remains practicable and enforceable.

## Embargoes

In recent years, we have placed embargoes on an increasing number of animals, wildlife and wildlife products to restrict opportunities for their shipment and add our support to movements aimed at stopping animal cruelty and biodiversity loss. Our [Embargo List](#) is periodically revisited and updated, following CITES regulations. Our Embargo List includes items such as hunting trophies, shark fin, rhino horn, tiger pelts, bones, and ivory, and live species like racing greyhounds and animals intended for testing, amusement, or performance purposes. Any person or organisation wishing to transport live animals using our services must sign a Shipper's Declaration Letter certifying their compliance with Cathay Pacific's shipping requirements. Failure to comply can result in legal penalties.

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

## International declaration

### United for Wildlife Declaration

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

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

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

# SOCIAL ASPECT: SAFETY



Completed and passed a full on-site IATA Operational Safety Audit, checking all operational business units against over 950 Standards and Recommended Practices

## Our Policies and Guidelines

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

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

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

## SDG:



## Why safety matters to us

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

## Our approach

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

## Safety Policy

Our [Safety Policy](#) clearly sets out our commitment to managing the safety risks of our operations. Whilst ultimate accountability for safety rests with our Chief Executive, responsibility rests with all our people. Our policy extends a duty of care to all businesses we work with and shapes a corporate culture of safety by promoting:

- An ORGANISATIONAL CULTURE where “safety is considered in every action undertaken”
- A JUST CULTURE where “non-punitive reporting” is encouraged
- A REPORTING CULTURE where all employees are encouraged to raise safety concerns
- A LEARNING AND SHARING CULTURE by ensuring that we learn from our own mistakes as well as those made by others
- An INFORMED CULTURE by applying appropriate quality and risk management systems and processes as part of our decision making



“

*Safety and security are of paramount importance to our people, our customers, and our brand. As stewards of Cathay Pacific, ensuring safety and security is the primary cornerstone of everything we do. Every individual within our airlines have the responsibility to be continually vigilant and maintain a state of chronic unease when it comes to safety and security.*

*Our primary safety goal remains fixed – we aim to have zero accidents or injuries. Our safety objectives are continually measured and reviewed to improve performance and strengthen our safety management system. Achieving this goal requires diligence from our operational teams, business partners, suppliers, and contractors. Together with the support of external vigilance, we deliver safe and secure travel experiences for our customers and throughout the operational and working environments of our people and business partners.*

**Ronald Lam**

Chief Executive Officer, Cathay Pacific



## Operational safety

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

### IATA Operational Safety Audit (IOSA)

IOSA is the global standard for assessing the operational management and control systems of an airline. As an IATA member, we are IOSA registered and must remain registered to maintain IATA membership. In November 2022, our operations underwent a full on-site IOSA audit conducted through an external third-party audit agency. The audit assessed all operational business units and comprised of checks on over 950 IATA Standards and Recommended Practices (ISARPs). Passing the audit will ensure our registration for the subsequent 12 months.



## CASE STUDY



### Highest possible standard for Lithium-ion battery cargo handling

Cathay Pacific currently handles approximately 100 bulk shipments of Lithium-ion (LI) batteries per week, each of which requires a great deal of care and vigilance. LI batteries can generate intense heat and ignite if not stored or handled properly. Moreover, once ignited LI batteries can continue to burn even if starved of oxygen and may reignite even after the flames are extinguished. Cathay Pacific takes the greatest possible care in handling LI batteries, aligning with the highest possible safety standards. Battery shipments are accepted on freight cargo aircraft only, following stringent handling protocol including the International Air Transport Association (IATA) Dangerous Goods Regulations and mandatory use of fire containment bags to package the shipment. GSORM Safety manages a cross-departmental risk assessment on LI battery carriage, which is regularly reviewed to evaluate changing or emerging risks and integrate the latest of risk mitigation measures around LI battery carriage, thus ensuring continuous improvement in our safety system.

## Safety governance

The Cathay Pacific Group Safety Management System (SMS) has been developed to ensure that we proactively manage risks and have procedures in place to react appropriately should an incident occur. Safety performance indicators are actively monitored on a monthly basis by 'Safety Action Groups' (SAGs) and the Airline Safety Review Committee (ASRC), and all events and incidents are investigated thoroughly. The implementation of our SMS was evaluated

and assessed by the Hong Kong Civil Aviation Department (HKCAD) in September 2022. HKCAD concluded that Cathay Pacific is in compliance with CAD712 (SMS) and acknowledged our continuous improvement efforts in place.

All safety meetings are attended by subject matter experts from the respective disciplines. Cross-departmental risk assessments are conducted to review any changes to the way the airline operates, such as the commencement of a

new route, the introduction of a new cabin service or changes to the organisational structure. The Group leverages the experience of an independent safety advisor to chair the Board Safety Review Committee (BSRC) and report on safety matters directly to the Main Board. The position continues to be held by former Royal Navy pilot and commercial airline pilot Capt. Tim Jenkins who has held senior safety management positions at two other major international airlines.

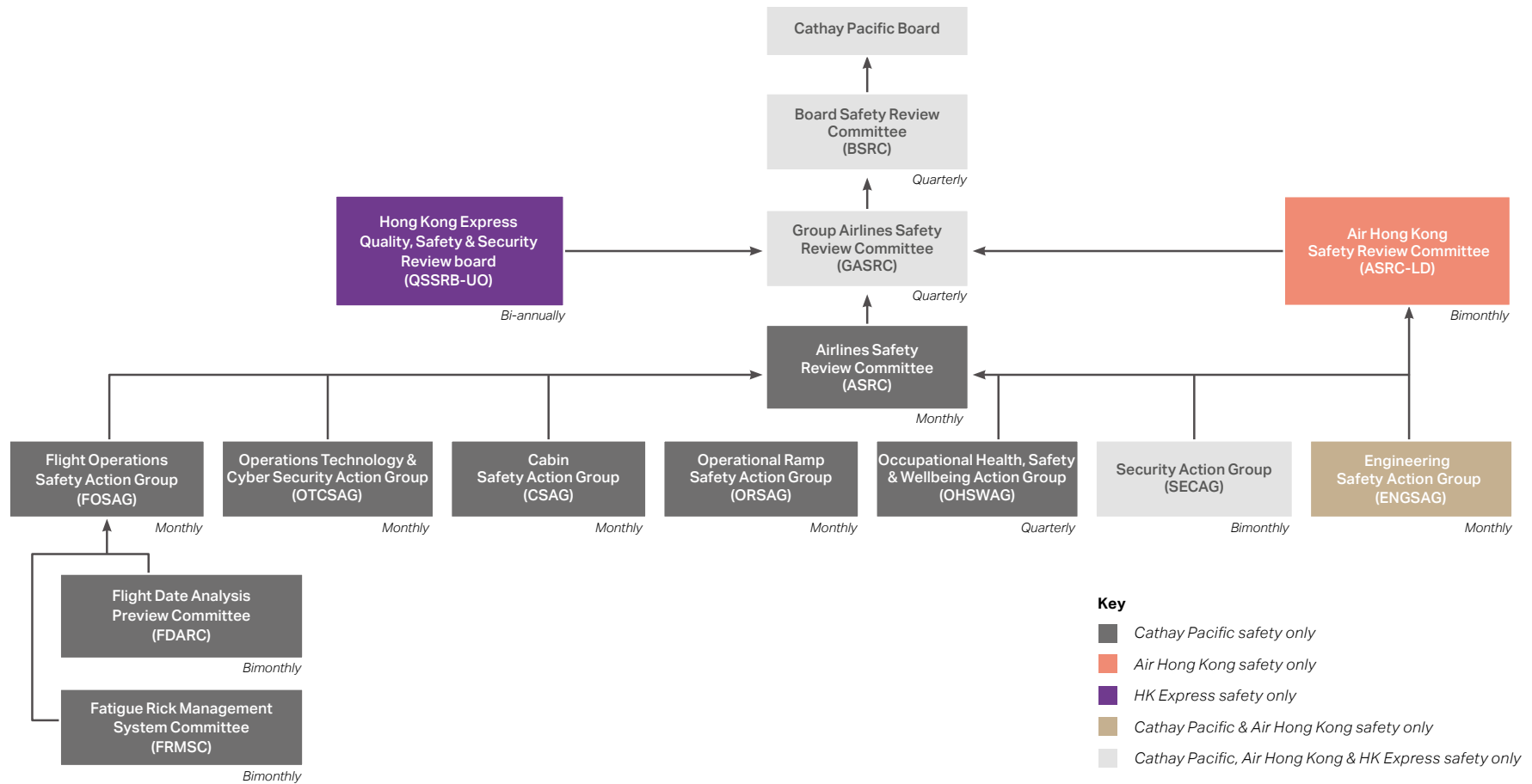


Figure 1: Safety Management System (SMS) governance structure

## Post-COVID Era Risk and Operational Business Unit Support

After more than two years of unprecedented pandemic-related reductions to our operations, we are eagerly preparing ourselves for the resurgence in air travel. Cathay Pacific is expanding flight capacity with the proactive support of Group Safety and Operational Risk Management (GSORM) in assisting the Operational Business Units. In preparation for our ramp-up plans, GSORM has completed comprehensive port restart risk assessments alongside monitoring and assistance works conducted by other relevant teams.

## Continuous improvement of the Safety Management System (SMS) - Consolidated Risk Register

In keeping with our commitments to continuously improve on our safety management, GSORM developed the "Consolidated Operational and Occupational Safety Risk Summary – Cathay Pacific". This summary report lists all the top risks associated with each operational department across Cathay Pacific. These top risks are evaluated and assigned a Risk Index Score (RIS) and are further categorised as inherent or emerging as well as increasing, decreasing, or stable across our operations. After the risks are evaluated, they are subsequently organised according to our governance structure by Safety Action Group or operational department, which allows a wider holistic view of Cathay Pacific's risks and better monitoring of risk mitigation measures. This register is updated quarterly prior to each Group Airline Safety Review Committee (GASRC).





## Continuous Safety Training

Key to maintaining high levels of safety across the Group is the continuing education of our people on our Safety Management System (SMS), the hazards inherent in our industry and the role they play in safety. To assist with this, our digital Learning Hub system has been delivering upgraded modules on safety. These modules are required to be completed annually by all operational business unit employees and focus on the continued training on our SMS, hazard identification, reporting and risk management. Specific and relevant operational examples are provided to each target group. Our people can access these interactive learning modules online or offline through self-service; ensuring it is available in all time zones, and at times convenient to every individual.

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

## The Learning Module for new joiners 'Brushwingers'

The Initial Safety & Quality Introductory Training provided to all new employees of Cathay Pacific, has expanded to include a face-to-face briefing presented by our Operational Safety team, further promoting the seriousness that Cathay Pacific place on safety and that safety is everyone's responsibility. The interactive training is mandatory for all our new joiners and remains available to all our people.

## Safety training for external service providers - Engineering

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

This includes:

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

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

## Fatigue risk management

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

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

During 2022, we continued to develop and refine the FRMS by refining fatigue rules, publishing online training for flight crew and all employees, and gaining insights by having a representative on the IATA Fatigue Management Task Force.

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

## Business resilience

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

More than 400 airline and subsidiary employees constitute the Care Team, whose primary focus is to assist passengers and employees and their families who have been affected during a crisis. A comprehensive recruitment drive is planned in 2023, which will focus not only on growing the Care Team, but highlighting the personal development for our employees who enrol in the Care Team training programme. For significant events, several thousand specially trained volunteers are available to supplement the Care Team through the airline's membership in the Family Assistance Foundation. Cathay Pacific's business continuity management programme focuses on four categories of events: Loss of Access, Loss of Supply, Loss of Systems, and Shortage of Staff. These are complemented by specific situational plans such as public health emergencies. An Incident Management protocol allows all incidents to be immediately classified and managed by a scalable Incident Management team. In 2022, all ports with scheduled service within our network participated in at least one emergency exercise to further strengthen their response capabilities. Over 100 leaders based at various outports were also part of virtual emergency response refresher training in 2022 to ensure processes and procedures are clear with the rapid re-start of operations.

No single event has impacted global travel like the ongoing Covid-19 pandemic. In preparation for COVID-19 infection rates abating in locations around the globe and international travel returning, we have put strict measures in place to ensure our employees and our passengers can have peace of mind when flying with us. A framework for our port restart process has been developed and policies and procedures put in place. We have used a risk-based approach to identify,

assess, and respond to hazards. The process has Group Safety and Operational Risk Management oversight, and it facilitates coordination between our business units. Regular compliance monitoring ensures we adhere to local and industry regulations, and we only open or reinstate operations at cancelled or reduced capacity ports when the implementation of the process has been signed off by our company directors.



## Occupational health and safety

All operations must be carried out in a manner that safeguards the health and safety of all employees, customers, contractors, and the wider community. The health, safety and wellbeing of our people is a key concern of the Group. We continued to focus our resources to address a wide range of occupational health and safety issues across our airlines including:

- Strengthening the safety performance of ground transportation in both Hong Kong and in outports;
- Ensuring workstation health and safety for office employees through training and risk assessment;
- Improving indoor air quality, humidity and temperature through active monitoring rectification; and,
- Ensuring health and wellbeing of employees during the pandemic through enhanced measures across our operations.

Pandemic-related challenges including constantly changing quarantine situations and ways of working have placed additional burden on our employees. We have responded by conducting frequent, open dialogue with our people and introducing a range of initiatives via familiar platforms to protect their health and promote mental and physical wellbeing.

To better understand the diverse needs of our people across all departments, a Wellbeing Working Group was established in early 2022. A key directive given to the Wellbeing Working Group was to create an inclusive strategy and framework in support of mental health and wellbeing across the organisation. Meetings are held bi-monthly with agenda items which focus on:

- Building our peoples' resilience
- Reducing barriers to support
- Education and training on resilience and wellbeing
- An active commitment to global best practice
- Leadership development, including Mental First Aid training across the Group

### Dedicated digital communication channels supported by the Hub, our intranet

- Provided regular COVID-19 updates and guidance to both employees and managers
- Delivered weekly senior management communications
- Dedicated a page to mental wellbeing with resources and articles developed by our in-house psychologist

### Enhanced services provided by the Employee Assistance Programme (EAP) and in-house psychologist

- Conducted face to face training session for managers on how to support employee mental wellbeing
- Delivered webinars and videos including on mindfulness, resilience, dealing with the stress response, financial management and budgeting

### Wellbeing Festival organised for our employees

- Arranged a series of seminars on topics designed to aid participants in improving their wellbeing
- Conducted several workshops and activities including Tai Chi, Chair Yoga, and Full Body Workouts

### Launched an occupational health and safety (OHS) campaign running throughout 2022

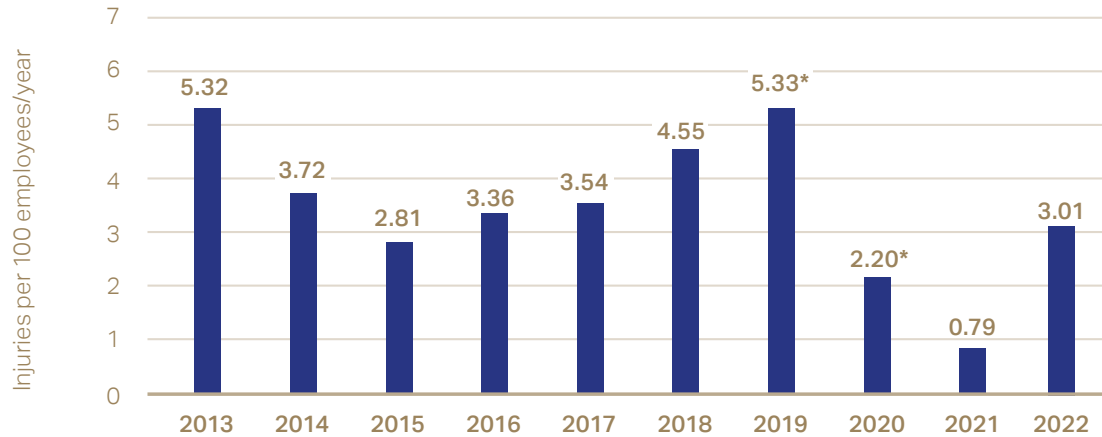
- Raised safety awareness and sense of personal accountability through structured education modules
- Promoted Just Culture and built trust within the Company with honest and open two-way communication
- Improved how daily operations are conducted through understanding of work-as-done
- Built a strong Safety Culture which perceives safety as a "value"



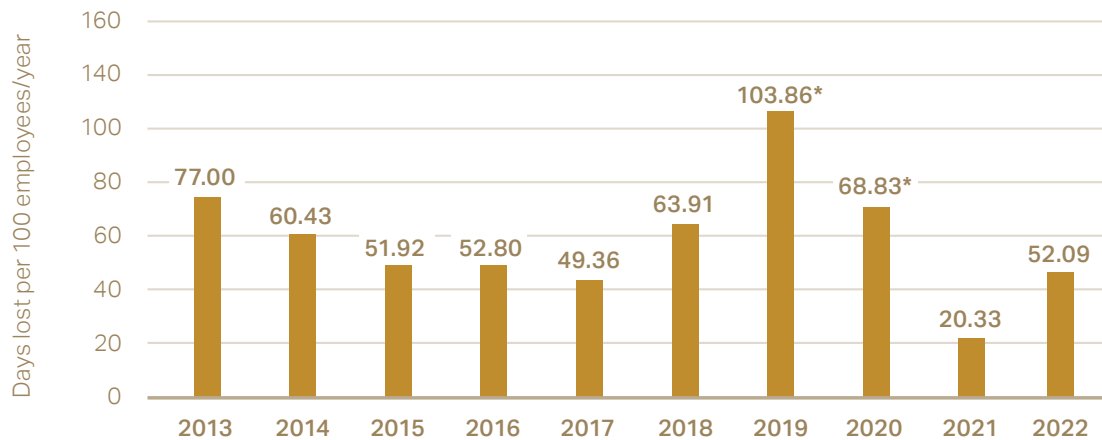


Due to the continued disruptions and consequent reduction of our flight operations caused by COVID-19, certain safety performance indicators (SPI) have been adjusted to better reflect our lightened operational load. These SPIs are reviewed annually to ensure that we proactively adjust our safety metrics so that the Company most accurately captures our performance relative to the size of our operations. During 2022, there were no convictions for non-compliance with occupational health and safety laws and regulations that would have a significant impact on the Group.

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



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



<sup>#</sup> Data from 2013-2014 covered Cathay Pacific only. From 2015-2020, the data includes Cathay Dragon. From 2020 onwards, the data includes Hong Kong Express and from 2021 onwards it includes Air Hong Kong. Cathay Dragon ceased operations in October 2020, so its data is no longer applicable after 2020.

<sup>\*</sup> As pilot and cabin crew lost days are based on days not available for duty, a factor was previously used to normalise relevant data according to 250 days' work per year, equivalent to 2000 hours per year. This factor is no longer applied to relevant data in 2019, which led to the substantial increase in LDR. Due to the significant change in the operation and to ensure data presented is an accurate reflection of relevant performance, cabin crew and pilot's actual duty hours have been used to calculate injury rates since January 2020.



# CASE STUDY



## Mitigating risk of Malaria and Tuberculosis

Besides COVID-19, Cathay Pacific also looks out to protect our employees from other communicable diseases such as Tuberculosis and Malaria. We have policies in place to ensure that precautions and safety measures are duly implemented. Below are some parameters in place to address Tuberculosis and Malaria: .

### Tuberculosis

- All employees are recommended to be up to date with routine immunisations.
  - In Hong Kong tuberculosis immunisation is completed through the childhood vaccination programme.
- Any employees diagnosed with tuberculosis will be placed on leave from duty until they are no longer considered infectious. Our Group Medical Department must provide medical clearance for the individual before return to work.
- We fully cooperate with health authorities when contact tracing is required following an identified passenger with tuberculosis after a flight or for employee cases in the workplace.

### Malaria

- All our aircraft are regularly treated with residual insecticides to prevent importation of malaria vectors (e.g., mosquitoes)
- Crew members are educated on the prevention of mosquito borne diseases including malaria
- If any flight routes require malaria prophylaxis, this will be supplied by the Company (currently we do not operate to any areas where this is required)

## Passenger health and safety

Cathay Care is our commitment to our customers' wellbeing. We want our passengers to travel with confidence and so providing clear communication, flexibility and above all, safe passage were the core focus of our service in 2020. From booking through check-in and to potential on-arrival quarantine, the excellence of service we offer in normal times was applied throughout.

Our free COVID-19 insurance, automatically applied upon booking, covers our passengers for COVID-19 testing and hospitalisation, provides a quarantine allowance, and gets passengers and their companions or children home if evacuation from a destination is required.

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

While the reduced passenger numbers in 2022 are not comparable with our figures under business-as-usual conditions, there were again no fatalities caused by operational incidents or accidents. Nor were there any convictions for non-compliance with laws and regulations relating to health and safety matters relating to products and services provided that would have a significant impact on the Group.



# SOCIAL ASPECT: OUR PEOPLE



**1<sup>st</sup>** Mental Health and Wellbeing Festival launched



**39** hours of training are offered to each employee on average



**1<sup>st</sup>** airline listed on the Bloomberg Gender-Equality Index

## Our Policies and Guidelines

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

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

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

**SDG:**





## OUR PEOPLE

Throughout our 76 years of success, our people have been an integral part of building our business, delivering for our customers, our shareholders, and the Hong Kong community.

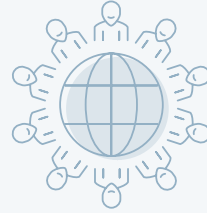
### Why being a good employer matters to us

To realise our vision of becoming one of the world's greatest service brands, we must attract, develop, and retain a diverse group of proud and high performing people with the right skills and behaviours to deliver our strategy. We seek to create a culture that is thoughtful, progressive and encourages a can-do attitude.

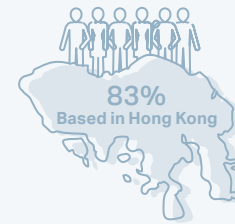
We embody our brand promise to Move Beyond in everything we do. Our employees uphold this promise, striving for the best and working diligently in response to rising expectations from our customers, and so do we as an employer with rising expectations from our people. Supporting each other, we go further together.

*\* Figures provided exclude cadet pilots and student interns as they are not employees of Cathay Pacific. They are included in the Annual Report for financial reporting purposes.*

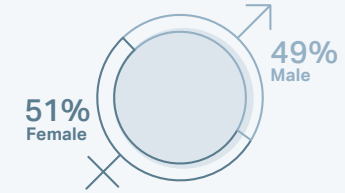
### 2022 Performance highlights



**20,923**  
Group employees  
worldwide\*



**83%** of our people  
are based in Hong Kong\*



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



On average, **39** hours  
of training are offered to  
each employee at Cathay  
Pacific this year



Total training spend at  
Cathay Pacific in 2022:  
**HK\$167** million



Commenced recruitment for  
pilots, cabin crew and other  
operational employees to  
enable our rebuilding plans.



Joined the Bloomberg Gender Equality Index,  
marking **1<sup>st</sup>** time a commercial airline appeared  
on the index and one of only five companies  
headquartered in Hong Kong



Set a new and more ambitious goal to  
not have more than **65%** of the same  
gender at senior positions by 2025

## Our approach

The pandemic has been the most challenging period in our history, and our employees have shown great endurance through these trying times.

In 2022, we continued to feel the pressure of the pandemic. The emergence of the Omicron variant and the continually tightened entry restrictions in Hong Kong meant that our crew had to contend with extremely difficult and rigorous quarantine and testing requirements for most of the year. The ongoing suspension of flights and the strict requirements for passengers arriving in Hong Kong impacted travel and placed a great strain on our business. Nevertheless, our people continued to operate with exemplary standards of professionalism.

We introduced more flexibility to our policies to help employees cope with the changing circumstances. We also extended the validity of several benefits including annual leave, Free of Charge air tickets, and upgrade and lounge vouchers so our people could enjoy these benefits which would otherwise have expired.

The wellbeing of our people has been at the forefront of our minds. We offered employees leave days and health checks so that they may have peace of mind on their fitness and have plenty of rest to get their COVID-19 vaccinations. We also ran our first-ever Wellbeing Festival with exercise classes and workshops to draw focus on physical and mental health.

As our business began to recover, we stepped up our recruitment efforts to hire thousands of flight and ground crew to support the resumption of travel. At the same time, we also made an effort to help our people find work-life balance by introducing new programmes such as "Friday Focus", which encourages meeting-free Friday afternoons to allow more time to focus on heads-down work or for team engagement. We are delighted to see the easing of border restrictions and

the lifting of closed loop arrangements which had placed immense pressure on our flight crew over these couple of years. Their commitment to safety and our customers set an example of our service standards and truly deserve our recognition.

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

“



*Our people vision is to become one of the world's greatest employers to attract, develop and retain a diverse group of proud and high performing people with the right skills and behaviours to deliver our strategy.*

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

*I would like to extend my deepest gratitude to our people for their continued commitment to delivering excellence, despite the ongoing challenges in 2022. Their dedication and professionalism fuelled us to push forward, and I am optimistic that we are heading to a brighter future as travel picks up again.*

**Patricia Hwang**  
Director People, Cathay Pacific

## Major initiatives in 2022

The workforce of the future will rely upon digital connectivity, accessible information and a workplace that offers flexibility that supports the individual needs of its people. Despite business disruptions over the past two years, we have made progress in each of these areas.

### Work your way

Our flexible working programme, Work Your Way, continues to be extremely well-received amongst our non-operational employees, both within Hong Kong and globally. Conceived and developed in recent years, COVID-19 was a catalyst for the implementation of a programme that seeks to allow employees to better achieve work-life balance, and to continue to foster the innovative and collaborative spirit we have witnessed throughout the pandemic.

Employees can work remotely for up to two days per week or stagger their working day around a schedule that suits their needs, but with much greater flexibility than before. We have also empowered our managers to judge the merit of applications by their direct reports, provided comprehensive guidelines and best practices, streamlined our application processes, and implemented a regular feedback mechanism to drive continuous improvement going forward.

### Providing flexible benefits

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

Flexible Benefits replaces the previous "RightChoice" scheme. For 2022, we have enhanced the Flexible Benefits offering for employees with improved Travel Insurance, and our Bupa Care Plus Medical Plan.





## Policies that respond to employee needs

Cathay Pacific has always maintained clear and open communication channels with our employees. Gathering feedback directly from our people is the most effective way to identify their individual specific needs. In 2022, we have continued reviewing and enhancing our policies to better recognise the needs of our employees, including:

- Review and enhancement of our Dress Code policy to relax the dress code for office-based employees in Hong Kong to ensure we are cultivating a comfortable working environment.
- A full review and update of our Diversity & Inclusion-related policies, which have been redrafted to further align to international best practice.
- Alignment of our disciplinary and grievance policies across all employee groups in Hong Kong, as part of a Company-wide initiative for greater consistency in the handling of disciplinary and grievance matters.

## Human resources management

Our human resources management aligns with our [Code of Conduct](#), which clearly demonstrates our commitment to treat all employees fairly and equally, and to be an equal opportunity employer.

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

- Upholding all applicable legal and corporate occupational health and safety standards
- Forbidding any breach of employment law or the use of child or forced labour
- Reporting unacceptable conduct to line management or the business unit head
- Rejecting bullying and harassment



- Complying with any applicable legal requirements concerning the collection, holding, processing, disclosure and use of personal data
- Respecting intellectual property rights, including copyright

Our [Human Rights Policy](#) outlines Cathay's commitment to creating a working environment where human rights are at all times protected and which focuses on ensuring the dignity, respect and well-being of individuals.

During 2022, there were no convictions for non-compliance with laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, or other benefits and welfare that would have a significant impact on the Group.

## Employee relations and engagement

### An Employee Experience department

Our people are the heartbeat of our airline. For them to deliver great experiences for our customers we equally need a complementary employee experience. In recent years, we have enhanced all aspects of the employee experience and focused on what really matters to our people. Talent acquisition and onboarding; benefits and rewards; communications and engagement, the digital employee experience and offboarding – all are taken into consideration. This year, we established a Talent Management team as well and we have introduced a new feature on our Leaning Hub platform for Career Planning.

### People engagement survey

Our people engagement surveys help management to understand employee sentiment and identify where improvements could be made to the employee experience.

In turbulent times, understanding our colleagues' perspectives takes on added emphasis. In 2022, we conducted two surveys: a pulse survey which took place in the first half of the year, and our more comprehensive annual people engagement survey in November.

More than 6,000 colleagues were invited to participate in the Pulse Survey which received a response rate of 42% as compared to 32% in May 2021. Cathay Pacific Airways achieved an Employee Engagement Index score of 64%, a 2% decrease as compared to May 2021.

Later in the year, more than 14,600 colleagues participated in the Annual People Engagement Survey, representing a response rate of 48% compared to 45% in 2021. Cathay Pacific Airways achieved an Employee Engagement Index score of 58%, remaining the same as compared to 2021.



In this year's survey, we also introduced a new set of metrics to measure how we are doing on our culture. 64% agreed that we are aligned with our Thoughtful, Progressive and Can-do values. We will continue to monitor our progress and look for opportunities to make improvements.

## A digitally enhanced employee experience

We continue to refresh The Hub, our intranet, which puts connectivity and communication at the heart of the employee experience. The Hub won a prestigious award from industry leaders Nielsen Norman, being named in its 10 Best Intranet Designs of 2021. Our new learning and development system, The Learning Hub, was fully rolled out in mid-2022. The Learning Hub is designed to provide just-in-time learning and development for our people across the different employee groups. The just-in-time learning approach promotes need-related training which is readily available when the need arises, rather than at pre-described times, providing a more personalised style of career planning and development.

In the 4th quarter of 2022, we also launched our Talent Management module within our Learning Hub for our ground employees worldwide. This will democratise career planning and development for our employees and enable the business to conduct succession planning in an aligned and systematic manner.

The first phase of our new Travel Hub was launched in July 2022. The new Travel Hub will provide a seamless flight booking experience to our people whenever they need to travel, elevating the travel experience of our employees similar to how we improve the overall digital experience for our customers. The first phase covers Duty Travel needs of our employees and we will continue to roll out Leisure Travel functions in the coming year. The new portal has a mobile friendly design, modern and intuitive user interface and enhanced search capabilities for our employees on the go.





## Recognising and rewarding our people

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

Our annual Niki and Betsy Awards process took place earlier this year and our 20 winners were announced in August. The awards are named after the first two aircraft that took Cathay Pacific to the skies in the 1940s. Niki award winners are recognised for their exceptional work behind the scenes and are rewarded for their exceptional efforts and behaviour. Betsy awards are presented for exceptional customer service and celebrate people who have taken customer service to the next level.

## Our Long Service Awards

The Long Service Awards programme is a long-standing tradition at Cathay, where thousands of people are recognised each year for reaching a long service milestone starting at 10 years' service and at five-year intervals thereafter. Due to the pandemic impact on our business last year, we took a pause in giving out the awards, however we look forward to resuming our recognition of long service after the pandemic subsides.



## Engagement and events activities

We turned our attention to a topic which is extremely important, more so than ever this year, and focused on World Mental Health Day throughout October with wellbeing workshops, regular content and a yoga session at Cathay City.

As COVID restrictions began to relax, we gradually resumed face-to-face activities in our offices, whilst maintaining hybrid meetings as our people adopted working in the new normal either from home or remotely.

Our leaders continued to connect with our people, making sure everyone still felt part of our Cathay family and providing updates on our business through regular town halls.

Reigniting the love and passion for Cathay Pacific was a key focus to our recovery. Alongside our work-life balance and well-being initiatives, we also highly encouraged our people to join in on fun activities organised in Cathay City, online, and around the world.

Through our regular employee engagement channels, we also took some valuable feedback to heart in improving the variety and quality of food offered at our canteen, including more vegetarian offerings.

To celebrate our 76th anniversary as an airline we rekindled our “work hard, play hard” spirit at Cathay Pacific through spirited celebratory opportunities such as Halloween, the return of Hong Kong Rugby Sevens, and Christmas.

To close the year with gratitude and positivity, our annual Christmas campaign saw thousands of e-cards sent to employees across our network.



## Strengthening our relationship with employees

Our focus is on engaging our employees directly, by providing a number of platforms for our employees to give us feedback (e.g. Your Voice, The Hub and Yammer etc.). We listen closely to the voice of our people and respond to any employee support cases where required. In our operational departments, we are getting our employees directly

involved on our projects and influencing business decisions. We recruit cabin crew into leadership and engagement positions, and use various pilot forums as sounding boards. We are also providing digital tools to provide better support to our employees in an agile manner and to enhance the overall employee experience.

## Attracting and developing talent

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

### Initiatives for attracting talent

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

- Using digital platforms to attract talent and facilitate the application and talent identification process
- Reviewing and streamlining our recruitment process to make us more efficient in attracting and hiring new talent
- Diversifying our recruitment methods, such as assessment via video
- Developing different customised selection and assessment tools to help us acquire the most suitable talent in the market
- Utilising various social media channels to promote our roles to our targeted audience
- Hosting on-campus interviews across a number of educational institutions in Hong Kong for the convenience of our candidates
- Working with the Hong Kong labour department on various initiatives to promote our roles, including promoting ethnic minority recruitment
- Hosting career events with sharing from existing employees
- Providing internship opportunities for students to build up current and future talent pipeline
- Over 39 hours of training per year per employee on average at Cathay Pacific across all employment levels
- Total annual spend on training at Cathay Pacific: HK\$167 million, which means on average over HK\$11,800 spent per employee



**39** hours

of training per employee on average annually



**HK\$167**

million total investment on training, which means on average over HK\$11,800 spent per employee

### Average hours of training per employee by gender



Male employee:

**40** hrs



Female employee:

**35** hrs

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





Employee category	Average hours of training in 2022
Individual Contributor	26
Team Leader	39
Operational Leader	21
Strategic Leader	2

(Training data covers Cathay Pacific Airways full-time employees only)










## Developing our talent

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

Training Programme	Brief description
 <p><b>Cross-departmental Service Excellence Programmes</b></p>	<p>To drive the company's vision to be one of the greatest service brands, we redesigned our training programmes for all customer-facing teams to ensure our vision, culture and values are well-embedded in the content design, digital learning, and assessments of all employees.</p>
 <p><b>New Service Leadership Programmes</b></p>	<p>Our frontline leaders play a significant role in ensuring our operational and service excellence. We created and delivered a new leadership training programme with a strong focus on effective communication, teamwork and leadership skills.</p>
 <p><b>New Manager Development Pathway</b></p>	<p>To support newly appointed managers in their continuous development, we introduced the New Manager Development Pathway. It guides our new managers through a sequence of courses over a suggested 18-month period. They are welcome to work through the modules at their own pace, in any order, and to go through as many (or as few) times as they wish to meet their own development needs.</p> <p>The courses are offered in a combination of virtual, face-to-face, and hybrid styles to best encompass and cater to the unique learning needs of all our new managers.</p>
 <p><b>Leaders Mentoring Leaders</b></p>	<p>We rolled out a Leaders mentoring Leaders Programme for a selected group of upcoming leaders which have been nominated by senior leaders. This 12-month voluntary programme aims to nurture a perpetual-knowledge culture where we share wisdom, experience, and technical expertise through mentor-mentee relationships. As our senior leaders offer their time and share their own personal career journeys, they hope to inspire and guide this nominated group of aspiring leaders to greater heights.</p>

## Role-specific career programmes

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

Career choices	Brief description
 <p><b>Management Trainee*</b></p>	<ul style="list-style-type: none"> <li>• A career-long rotational management programme centrally coordinated by Swire to develop the next generation of business leaders. This programme consists of classroom training, workshops, and attachments to different units of our business within and outside of Hong Kong.</li> <li>• There is also an annual Swire Summer Internship Programme which creates a pipeline of high-calibre talent for this programme.</li> </ul>
 <p><b>Graduate Engineer Programme</b></p>	<ul style="list-style-type: none"> <li>• A two-year developmental programme targeted specifically at graduate engineers. Participants receive classroom-based learning as well as on the job experience across different sections. An eight-week internship is also offered each year.</li> </ul>
 <p><b>Cadet Pilot</b></p>	<ul style="list-style-type: none"> <li>• A sponsored world-class 55-week programme at a specialise facility in Australia aimed at training and qualifying participants as commercial pilots for entry into the company's pilot force.</li> </ul>
 <p><b>Cabin Crew</b></p>	<ul style="list-style-type: none"> <li>• A comprehensive safety and service induction training programme followed by a 3-year contract as a cabin crew. Our team are safety officers, caring team players and ambassadors for Hong Kong.</li> </ul>
 <p><b>Customer Services Officer</b></p>	<ul style="list-style-type: none"> <li>• A 12-month development programme designed to equip our customer service officers with the skills to work across the roles in an airport environment taking care of our customers both at check-in and during aircraft boarding and disembarkation.</li> </ul>
 <p><b>IT Graduate Trainee Programme</b></p>	<ul style="list-style-type: none"> <li>• A two-year programme designed to give IT Graduate trainees an accelerated learning experience through a wide range of technical disciplines and business rotations as part of Swire Management Trainee Programme. More information is available from <a href="https://careers.cathaypacific.com/jobs/2023-digital-and-it-graduate-trainee-programme-2208198">https://careers.cathaypacific.com/jobs/2023-digital-and-it-graduate-trainee-programme-2208198</a></li> </ul>
 <p><b>Operational Leadership Programme</b></p>	<ul style="list-style-type: none"> <li>• This five-year programme offers unique on-the-job experiences across the diverse operating divisions and departments within the Cathay Pacific Group, giving participants a wide breadth of exposure, knowledge and experience to equip them as the future leaders of Cathay.</li> </ul>

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

## Supporting local employment

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

## Virtual learning to fill tactical needs

In response to changes brought by the pandemic, The Learning Academy developed a series of virtual courses to cater for the greatly altered needs of our learners and leaders. We currently offer a wide array of learning modules, such as The Future is Here, Vision Advantage, Strengths Advantage, Growth Mindset, Sharpen Your Tools, Lead like a Coach and Leading Hybrid Teams. Courses which were previously available as “classroom only”, including our MBTI training, have also been tailored to also support virtual learning. Going virtual allows us to increase the reach of these learning modules beyond Hong Kong and offer timely support to overseas managers and their teams.

## Online/virtual regulatory and licensing training

In the face of extended social distancing requirements and to ensure our frontline colleagues continue to be equipped with the knowledge required to fulfil regulatory or licensing requirements, The Learning Academy team responded by transforming face-to-face programmes to online learning or virtual instructor led training. The programmes focused on key aspects of our operations including disability awareness, cabin safety, and dangerous cargo.

## Employee welfare

We place great focus on the wellbeing of our people and value their contribution. We provide a comprehensive and flexible package of employee benefits including:

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





## Wellbeing at Cathay

The health, safety and wellbeing of our people is a key concern of the Group. The constantly changing quarantine and ways of working placed additional burden on our employees. We responded by conducting frequent, open dialogue with our people and introducing a range of initiatives via familiar platforms to protect their health and promote mental and physical wellbeing.

## Heightened health and safety measures

Temperature screening and the provision of personal protective equipment (PPE) is now standard practice for all employees. While all workspaces whether office based or aircraft, undergo enhanced cleaning and disinfection, there is no safer way of protecting an individual from the novel coronavirus than by being fully vaccinated. We require that all our flights are staffed with fully vaccinated aircrew only. Aircrew are required to follow strict health and safety protocols, self-isolating in their rooms within designated hotels during any layover in places outside of Hong Kong.

In 2022, we continued to roll out enhanced protective measures to ensure the safety of all our employees from COVID-19. We provided RAT testing kits for those groups deemed as high-risk, and arranged an onsite PCR testing centre for crew members during the fifth wave in Hong Kong to facilitate access to testing when community centres and other facilities were overwhelmed on a daily basis.

## Embedding support in our ways of working

We continue to support the Hong Kong Peer Assistance Network - PAN HK - an independent, confidential service using trained, volunteer pilots to support fellow flight crew members and their families. We've also developed a dedicated page of wellbeing and mental health guidance and advice provided by our Company Psychologist on our intranet, The Hub.

## Putting guidance at our peoples' fingertips

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

## Building capacity and resilience

Throughout 2022, we arranged a series of mental health and wellbeing related events under our theme "Together Stronger" to help facilitate the return to work and new normal adjustments of our employees as we continue in mitigating the impacts of COVID-19 on our daily lives. These events under "Together Stronger" include activities that engaged our employees both physically and mentally, such as yoga sessions, mindfulness workshops, awareness raising webinars, and a mental health and wellbeing festival, which all combined to help us build our organisational resilience and increase individual overall wellbeing and productivity.





# CASE STUDY



## Mental Health and Wellbeing Festival 2022

To commemorate World Mental Health Day, Cathay Pacific initiated a Mental Health and Wellbeing Festival during 7-14 October 2022. With the theme "Make mental health and wellbeing for all a global priority", we took the opportunity to further amplify our consistent messaging to our employees, that we should all take care to improve our mental and emotional wellbeing. We understand that not all struggles are alike, and no two people will react to mental and emotional stress in the same way, so to ensure that we cover all our employees' needs, we organised a diverse range of activities throughout the week.

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

### Cathay Pacific X Standard Chartered Bank financial well-being talk

Financial management experts from Standard Chartered Bank were invited to share some practical tips on how we can manage our financial assets during times of inflation.

### Managing vulnerable employees and employees in crisis

This training helped managers develop the skills and knowledge necessary to identify an employee in crisis, as well as managing the employee and the situation appropriately through the Employee Assistance Programme (EAP) services.

### Time to talk: Mental health tips

Practical tips on how to boost mental wellbeing directly from our Company Psychologist in a casual group chat setting.

### Breathing pebble – how breath work can help you manage your triggers

A workshop teaching the science behind breathing and creating your own breathing pebble, a tool to remind you to breathe with a focus.

### The power of Tai Chi

The basic concept of Tai Chi and its movements were introduced in a workshop. Relaxing yet revitalising, Tai Chi's practice of slow, gentle meditative movements effectively relieves stress and brings harmony to mind and body.

### Wellbeing booster - Taking care of our feelings

An educational webinar teaching how our emotions affect our physical health. Participants learned how to decode mind-body messages from our feelings and discover ways to improve emotional health.



### Harmony and peace in Chinese calligraphy

Using calligraphy not only as a form of decorative art, but this workshop also introduced attendees to the peaceful joys of calligraphy, which some research suggests could have significant physiological and psychological stress reduction benefits.

### Full Body Workout

We invited employees to participate in high intensity exercise which promotes the release of endorphins in the body, boosting happiness and helping keep the body in peak physical shape.

### Get a free 15-minute massage

Employees enjoyed a free 15-minute neck, back and shoulder massage by qualified therapists to ease their stress and muscular tension.

### Chair yoga

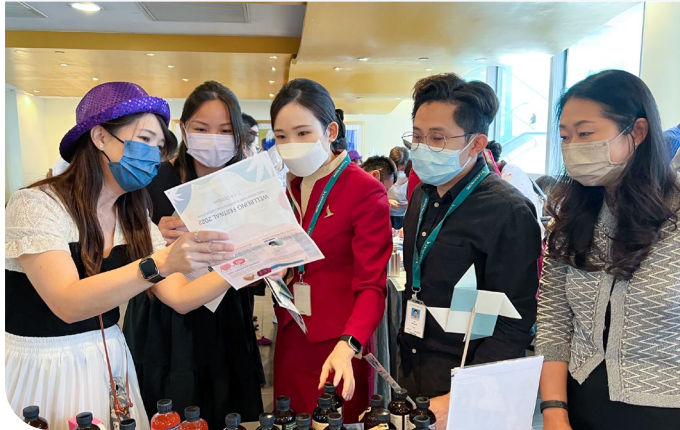
Participants learned simple stretching and yoga pose exercises anyone can from the comforts of their own office chair.

### GMDe-stress Station

The GMDe-stress Station was set up to help attendees to self-assess stress level, learn about calming exercises, and complete fun mini missions to earn a special prize.

### Movie Friday: Silver Linings Playbook

A screening of the Academy Award winning Silver Linings Playbook was held to present an honest look at the delicate issue of mental illness, and to increase public awareness about mental health issues.





At Cathay Pacific, we take a holistic view of health and wellbeing, which includes emotional and mental wellness. We look to build a working culture where our colleagues are supportive and work together to actively foster a safe and positive workplace. So, this year we set out and provided Mental Health First Aid Training to frontline employees who volunteered to become certified Mental Health First Aiders. This peer support system is crucial in helping people who are struggling with mental health issues and may feel uncomfortable speaking with their direct superiors or management.

## Diversity and inclusion

As a global business, we strive to provide an inclusive and supportive work environment for all our people, regardless of their sex, sexual orientation, gender identity, disability, family status, marital status, race, nationality, ethnic origin or religion. In building an internal culture which embodies our stance on promoting diversity and inclusion, all Cathay Pacific employees are required to undergo training and yearly refreshers to ensure we are all well versed on this subject, including participation in unconscious bias training, and knowledge of our policies on anti-discrimination and anti-harassment and bullying.

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

Our Diversity and Inclusion strategy was developed in line with the Swire Diversity and Inclusion Strategic Framework and guides our vision to be one of the world's greatest service brands. Its implementation is being driven by the Diversity and Inclusion Office together with the Employee Resource Groups, where dedicated individuals are responsible for strengthening inclusivity as a characteristic of the Cathay culture.

Our formal Hire-to-Retire process review has resulted in revisions to existing policies and creation of some new policies in response to employee needs, talent acquisition and management and areas for development. As well as a focus on Gender Equity and Sexual Orientation pillars, this year we also set up Multi-cultural and Different abilities employee resource groups.

The Diversity and Inclusion Steering Committee discusses and make decisions on important issues related to inclusion, drives changes and sets the direction and goals for Cathay. Knowing that the topic of Diversity and Inclusion is vast, we conducted another Diversity and Inclusion survey in October to understand our employees' views on the most important aspects and to create further change where necessary.

To best monitor and evaluate the effectiveness of our diversity and inclusion policies, Cathay Pacific participates in the annual CareER disability inclusion index. The index tracks our performance against an inclusivity criterion developed to gauge the opportunities afforded to people with disability within an organisation; the scoring information we gather helps us to constantly improve our workplace for everyone.



*I am very proud of our diverse workforce at Cathay, this diversity is what makes us unique in our ability for making our customers feel accepted, appreciated, and at home. We are working towards a truly inclusive workplace, one in which people feel comfortable sharing their thoughts and opinions freely.*

*Diversity of people means diversity of thought, enabling us to solve problems in ways which are innovative and progressive – helping us to understand and better serve our customers, all over the world.*

**Ronald Lam**

Chief Executive Officer, Cathay Pacific

## Cathay Women's Network

This year, the Cathay Women's Network underwent a restructuring to better meet its objectives. The Male Allies employee resource group was merged with the women's network to form the new Gender Equity Network. The Network is co-chaired by one female ally and one male ally with the intention to bring different perspectives to the gender equity challenges. The network continued to direct initiatives aimed at achieving greater gender equality, challenging stereotypes and breaking down gender barriers and biases. Key events in 2022 included:

- Celebrating International Women's Day 2022 through education and awareness relating to this year's theme, Choose to Challenge. Messaging reflected the role we each play at Cathay to moving us closer to gender equality
- Published guidelines on Menstruation & Menopause Awareness and practices to accommodate those in need
- Running a corporate-wide survey to better understand how the Women's Network can better support the needs of our female colleagues

## Advancing Gender Balance

This year, we took a deep introspective dive into our talent pipeline from a gender balance perspective to identify the levers we can activate to achieve greater balance at senior roles and in key business units across the Company. During this review, we firmly kept in mind that gender balance is not just about women, but about balancing all sides across our entire organisation. Aiding our introspection in advancing gender balance, Cathay Pacific developed a gender scorecard for the entire organisation. The scorecard evaluates our gender balance performance per department on areas of recruitment, candidate shortlists, promotion opportunities, and employee turnover.

Moving forward, we are also planning on implementing targets specific to each department to we may achieve true gender balance rather than judging the effectiveness of our initiatives based on an aggregated score.

Furthermore, in 2022, we are honoured to have our continuing commitment recognised in the Bloomberg Gender-Equality Index (GEI). 2023 is the first time global commercial airlines have made it on the list, an important milestone for the aviation industry.

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

- o Report annually on key diversity metrics
- o In 2022, we have set a new and more ambitious goal to not have more than 65% of the same gender at senior positions by 2025<sup>^</sup>
- o Increase female nominations from our airlines for IATA governance roles to a minimum of 25%

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



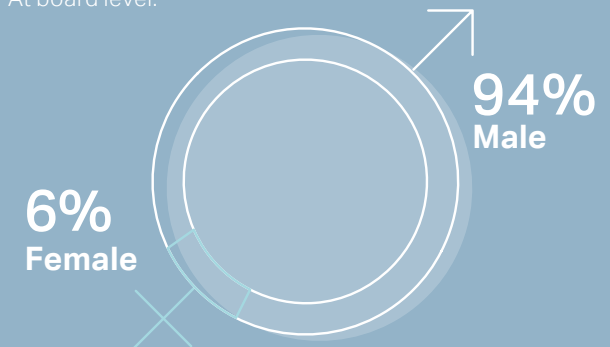
Set a new and more ambitious goal to not have more than **65%** of the same gender at senior positions by 2025 and 70% at the Board level by 2027

### Gender diversity in Cathay Pacific in 2022

At senior positions:



At board level:



## Fly with Pride

Our LGBT+ Employee Resource Network, FlyWithPride, has, since 2018, been focused on developing our internal framework to support, recognise and celebrate our LGBT+ employees. This year the Fly with Pride Network continued to direct initiatives at raising awareness and building knowledge around LGBTQ+ and building an inclusive environment.

Key events in 2022 included:

- Celebrating International Day Against Homophobia, Biphobia, Intersexism, and Transphobia (IDAHOBIT) Day in May
- Publicly showing our support to the community by creating a rainbow vapour trail on the brush wing and launching a Diversity and Inclusion page on our company website
- Strengthening the Fly With Pride Intranet page by including personal stories from Cathay Pacific's people, the posts subsequently experienced the highest level of digital engagement since the launch of Fly With Pride
- Organised our first open discussion around transgender issues
- Held a panel talk on "Coming out at Work"
- Organised a global Pink Friday event with senior leadership





## Creating an inclusive workplace

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

To better assist persons with a disability, we have taken part in the CareER Index which takes a holistic look at all areas across our business to identify aspects in which we are doing well and others which could have improvements. Recently, our endeavours to foster an inclusive environment have increased markedly with our enhancements to employee communications and awareness raising in conjunction with our company policies and renovation of office facilities. We are committed to making our working environment and employment practices as inclusive as possible. Cathay Pacific also hopes to provide more employment opportunities for those with a disability, and for the first time, we have taken part in an annual disability recruitment fair.

The power and responsibility for cultivating an inclusive and supportive workplace lies with everyone in the organisation from top to bottom. To ensure all our employees understand their role and the part they play, we have mandatory anti-discrimination and harassment e-learning modules and offer unconscious bias training for all employees. Cathay Pacific monitors the effectiveness of our policies and initiatives through regular departmental check-ins and town halls. For more individualised communication, we use topic-specific surveys and focus groups to collect feedback and engagement with management.

Language matters and as such we are now reviewing key policies and collaterals – both internal and external facing – to ensure gender neutral language and proper representation of our diversity amongst both our own people and our customers.



# CASE STUDY



## Celebrating our multiculturalism

Cathay Pacific has recently set up a multicultural employee resource group to celebrate our diversity and promote inclusiveness. During the initial phase of this initiative, we enhanced our diversity and inclusion communications by sharing educational articles on the significance of key religious festivals such as Ramadan and Diwali, with the Why, What, and How these festivals are celebrated. We also promoted our efforts made at inclusivity and spotlighted the facilities available to meet the needs of different religious beliefs, such as our multi-faith prayer rooms.

# SOCIAL ASPECT: COMMUNITY



**1,720**  
hours of volunteering



**~390,000**

items donated including hand sanitisers,  
face masks, blankets, children kits,  
and refurbished tablet computers

## Our Policies and Guidelines

> [Sustainable Development Policy](#)

GRI : 413-1

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

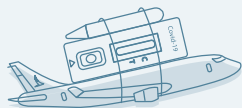
SDG:





# COMMUNITY

## 2022 Performance highlights



Following the introduction of Rapid Antigen Tests (RAT) as part of the Hong Kong SAR Government's COVID-19 testing protocols, our airlines have shipped more than **132 million** Rapid Antigen Tests (RATs) to Hong Kong to support the pandemic response.

around  
**7,000**



Donated around **7,000** pieces of mooncakes to the Hong Kong community



**HK\$810,000**  
million

**HK\$810,000** raised for UNICEF through our "Change for Good" inflight fundraising programme in 2021<sup>2</sup>



Over  
**1,720**  
hours

Our employees volunteered over **1,720 hours** to support initiatives in response to COVID-19



**390,000**

Close to **390,000** items donated including hand sanitisers, face masks, blankets, children kits, and refurbished tablet computers



Completed the 'Life Buddies' programme with 20 employee volunteers arranging programmes, activities, visits and acted as mentors to 22 secondary school students for 5 mentoring sessions.



Kicked off our participation of the HKSAR Government Strive & Rise programme, welcoming the first batch of 1,600 students and mentors to visit our facilities with an Aviation Exploration Day.

<sup>2</sup>2021 is the most recent year for which data is available due to donations provided in 2022 being audited

## Why communities matter to us

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



*Supporting Hong Kong has been in our hearts since Cathay Pacific was founded here more than 76 years ago. In the past few years, our community efforts mainly focused on pandemic relief and other such related support. In 2023, we look forward to bringing back some of our most anticipated community programmes such as Community Flight and I Can Fly. We believe these in-person programmes are particularly important for giving first-hand experiences and inspiration to the younger generation.*

**Ronald Lam**

Chief Executive Officer, Cathay Pacific



## Our approach

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

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



### Promote children and youth development

Cathay Pacific is committed to supporting the future development of the communities we serve in tandem with the Group's long-term development through investment in children and youth development.



### Develop environmental awareness

Rapid economic development has presented our planet with myriad challenges with both environmental and social consequences. While the issues are varied and complex, we are committed to taking an active role in mitigating negative environmental impacts that are directly related to our operations. Developing awareness around such issues is an important way for us to make a greater impact together with the communities we serve.



### Facilitate global cultural exchange

As a global airline it is our function to facilitate the global exchange of people and goods. Expanding on this core function, we aim to support community engagement programmes that would facilitate cultural exchange, understanding, and acceptance across different parts of the world, especially among the countries and communities that we serve.



### Encourage diversity and inclusion

Cathay Pacific is one of Hong Kong's largest employers, also one of the most diverse workforces in our home city. Cultivating a diverse and inclusive workplace benefits our business in terms of talent recruitment, retention, and enables better understanding of the needs of both our people and our customers. We stand behind this value and hope to support the community in embracing diversity and inclusion through action, education, and awareness building.



### Boost wellness for all

The pandemic has reminded us the importance of wellness from different aspects. It is not only about basic health and hygiene or a healthy lifestyle with exercise and good eating habits. It also includes mental health and emotional resilience for everyone in the community. We see the importance of this and we hope to boost wellness not only for our customers and our people, but also the community we serve.



Wellness is added as a new pillar in our community effort, in response to the changing need of the community as brought out during the pandemic.

## Our response to COVID-19

Throughout the prolonged period of COVID-19, communities around the world have continued to feel the impact of social distancing measures to prevent further spread of the virus. While these precautions can help to contain the outbreak, they can also expose longstanding gaps in health and human services in the community.

At Cathay Pacific, we sought to resolve logistical obstacles and use our capabilities to connect resources to the locations they were needed. For us this meant finding ways to work with our NGO partners and different authorities within the HKSAR government to help our local community and beyond. We also organised our people to step up when they could, help each other and support the most vulnerable members in our community.

## Distributing COVID-19 vaccines and test kits

As an airline with an extensive global network, we play a critical role in delivering much-needed COVID-19 vaccines worldwide to help tackle the global pandemic. Following the introduction of Rapid Antigen Tests (RAT) as part of the Hong Kong SAR Government's COVID-19 testing protocols, we operated freighters to deliver RAT kits from the Chinese Mainland to Hong Kong under harsh weather conditions in early 2022. To date, our airlines have shipped more than 132 million Rapid Antigen Tests (RATs) to Hong Kong to support the pandemic response.

## Supporting the most vulnerable in the community

Throughout this difficult period, our commitment to supporting the local community continues to grow stronger. In 2022, we donated around 7,000 pieces of mooncakes to over 2,500 beneficiaries in Hong Kong through Mother's Choice, St. James' Settlement, Society for Community Organisation and Schools of Hong Chi Association. Employee volunteers also lent a hand to pack and prepare food parcels with Feeding Hong Kong and distributed them to community members. Our support extends beyond COVID-19, as these initiatives align with our longstanding collaboration with both charities to donate surplus food and eliminate food waste.

In 2022, our employees volunteered to meet with the down syndrome community to bring experiential CSR opportunities on various social issues. We also supported the "Building Tung Chung, Building Community" event to promote sustainable living among Tung Chung families. We partnered with local NGOs to arrange in person storytelling sessions for kindergarten students and pack necessity goods for the underprivileged families in Sham Shui Po.



## Community programmes

Our programmes help to address pressing contemporary issues associated with our community pillars. While a number of the programmes were suspended previously in view of COVID-19, we intend to bring them back from 2023 onwards.

### I Can Fly

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

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

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

### Cathay City visits

For more than 76 years Cathay Pacific has been a part of the fabric of Hong Kong, offering jobs to its people and flights to its travellers. Our Cathay City visits are aimed at strengthening local understanding of how we do this through employee-led tours that provide visitors access to our people's knowledge and a behind-the-scenes view of the airline's operations. Through the tours, participants are shown around our training and operation facilities.

We have started resuming some visits towards the end of 2022, including welcoming the first batch of students and mentors from the 'Strive and Rise' programmes. We are planning to increasing the number of visits next year.

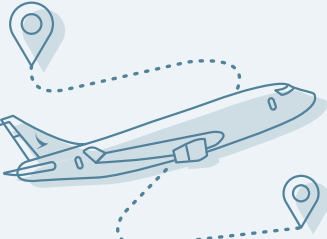
## Turn miles into good deeds

Cathay members can share rewards with those in need of support with their Asia Miles. These charity packages start from 360 Miles, so members can easily turn miles into a positive force for change. Apart from redeeming packages, members can also support charities' important initiatives by donating Miles.



Guided tour for visitors in our training facilities

### Asia Miles Good Deeds quick facts 2022:

	<b>Total miles support</b>	Equivalent to HK\$ 2.14 million
	<b>Number of charity partners participated</b>	39
	<b>Types of 'Good Deeds' packages available for redemption</b>	138
	<b>Most popular 'Good Deeds' packages</b>	<ol style="list-style-type: none"> <li><b>EVERYONE STRAY DOGS MACAU VOLUNTEER GROUP</b> - Support Everyone Dog Hospice Care - support two days demand for aged or sick animal</li> <li><b>UNICEF</b> - 10 Sachets Of Therapeutic Milk To Malnourished Children</li> <li><b>Taiwan SPCA</b> - Help Fostering One Dog/Cat For One Day</li> </ol>



## Cathay Hackathon

Our signature event, the Cathay Hackathon, was back as an in-person event in November 2022 for the first time since 2018, with 80 tech-savvy and aspiring individuals gathering at our headquarters, Cathay City, for a consecutive 24 hours to join forces and develop innovative solutions aimed at enhancing our customers' travel experience, uplifting their lifestyle, and promoting sustainability. As the only aviation-related hackathon event in Hong Kong, it nurtures and brings together young innovators who are passionate about aviation and technology. This year also marked the very first time which sustainability problem statements were included in the event brief.

Our annual signature tech event attracted more than 500 applicants from local universities, each offering a unique academic background and skillset. After an intense selection process, twenty teams were invited to participate in the 24h Hackathon Event. Prior to the event, we invited participants to attend "Power Sessions exploring behind-the-scenes of our airport operations, while gaining insights from our Subject Matter Experts on the challenges we face and on how we currently utilise technology to better our offerings.

During the overnight event, the participants worked with industry professionals to refine their ideas. Over 30 coaches and mentors were on hand to provide industry insight and coaching to the participants, and assisted them in their software, design, and business development. After an intense period of ideation, development and prototyping, the teams unveiled their project to a select panel of industry experts, competing for a wide range of prizes such as airline tickets and Asia Miles.

The winning team, Cathay Green, comprised of five students from diverse backgrounds. Envisioning a more sustainable lifestyle, they proposed the use of currency systems and AI algorithms to facilitate sustainable practices and carbon-offsetting, enhancing our customer experience by promoting a green lifestyle. The Champion Team won Business Class return tickets to any destination within the Cathay Pacific Network, 100,000 Asia Miles, as well as the opportunity to join Cathay Pacific and further their ideas as an IT and Digital Summer Intern.





# CASE STUDY



## Life Buddies Mentoring Programme

At Cathay Pacific we are passionate about setting children up for success especially during this turbulent period. We have joined Life Buddies Mentoring Programme to provide local students with valuable insight into different life experiences and to give them life tools. In total, 20 of our colleagues from across the Company volunteered to become life mentors for students aged 15 to 18 from Delia Memorial School. The Cathay Pacific life mentors introduced these students to various operations and business functions across the aviation industry while sharing their personal growth experiences and career inspirations with the young mentees. We hope to inspire the younger generation towards a positive life trajectory.

## Fundraising and donations

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

### UNICEF

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

Change for Good has raised funds in support of UNICEF's lifesaving programmes, helping deprived children and women across 190 countries and territories worldwide. In 2021\*, the programme raised a total of HK\$810,000. Over the years, our people have taken field trips to underprivileged communities that are supported by the programme, so they can experience its positive impact first-hand.

### Cathay Pacific Wheelchair Bank

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

*\* 2021 is the most recent year for which data is available due to donations provided in 2022 being audited*



## Donations

In 2022, the Company and its subsidiaries made charitable donations amounting to HK\$2.1 million in direct payments and a further HK\$3.6 million in the form of discounts on airline travel. We also made in-kind donations of close to 390,000 pieces of items, including blankets, children kits, hand sanitisers, face masks and refurbished tablet computers.

## Other fundraising events

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



# CASE STUDY



## Join the Fly Pink Fun Challenge in support of breast cancer awareness

According to the World Health Organisation, breast cancer is the world's more prevalent cancer, with 2.3 million women diagnosed and 685,000 deaths globally in 2020 alone. In support of breast cancer awareness, Cathay Pacific's own Fly Pink team, which was formed in 2015 by QantasLink pilots and shortly taken on by a small group of female pilots the following year, hosted the Fun Challenge throughout October 2022. All our employees were invited to sign up for this free event to participate in either a 12km run or an 84km cycle ride in support of the fight against breast cancer.

Fly Pink also organises other activities to raise awareness and funds for breast cancer research. This year, the campaign included a charity sale of cancer awareness merchandise such as re-usable shopping bags, bamboo crew socks, ID tags and more, with the proceeds donated to the Hong Kong Breast Cancer Foundation (HKBCF) to protect women's health through early screenings, quality education, and effective treatment. In a show of togetherness, in October each year, Cathay Pacific Pilots and Cabin crew support Fly Pink by wearing pink epaulettes and pins.



# ~390,000

pieces of items donated, including hand sanitisers, face masks, blankets, children kits, and refurbished tablet computers



## Volunteering

In 2022, our volunteering work focused on alleviating impact of COVID-19 on different vulnerable groups in the community. Over 440 colleagues took part for nearly 1,720 hours of volunteer work for volunteering work.

Towards the end of 2022, the Cathay Volunteer Team was relaunched with the intention of inviting more employees to take part, with the company's support in terms of training, recognition, as well as coordination on servicing opportunities. Over 750 colleagues have signed up during the initial recruitment period. They have undergone a training in preparation to welcoming more visitors to our headquarters at Cathay City, with the first batch of visitors from the Hong Kong Government Strive and Rise programmes. Recruitment, training, and new servicing opportunities will continue into 2023.



Nearly  
**1,720** hours  
of volunteering for COVID-related relief



## CASE STUDY



### Supporting our local athletes

Cathay Pacific has long since been a strong supporter of Hong Kong's local athletes at all levels. At the Tokyo 2020 games last year, Cathay Pacific were proud partners of the Sports Federation & Olympic Committee of Hong Kong, flying our Olympic heroes home after the most successful medal haul in Hong Kong's history.

We had also helped to organise and host the Cathay 2021 Hong Kong Sports Awards to recognise and honour 10 elite athletes for their remarkable achievements in international competitions. Through our sponsorship of the Hong Kong Sports Stars Awards, we hope to celebrate local athletes who have played a part in bringing international renown back home to Hong Kong and express our gratitude for their contribution to Hong Kong sports.





# OUR SUBSIDIARIES





## OUR SUBSIDIARIES

### 2022 Performance highlights

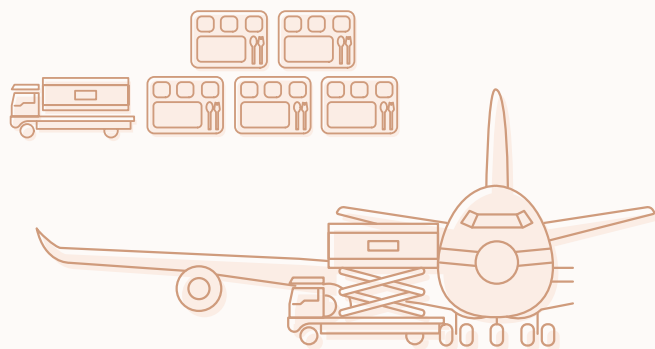
As a leading airline that values sustainability, our subsidiaries are also required to develop sustainable development related policies and practices in their operations across their business lines.

**Cathay Pacific Catering Services (CPCS)** provides flight catering services to 58 international airlines operating out of the Hong Kong International Airport.

**Inflight meal donation:** By collaborating with non-profit organisations, such as Food Angel and Feeding Hong Kong, we delivered over 110 tonnes of food and beverage items to those in need of food assistance in Hong Kong.

**Sustainable sourcing:** 70% of our seafood.

**Promoting occupational health, safety and wellness** with initiatives such as "Employee Wellness Week", with special events to promote healthy lifestyles, diets and fitness in everyday life.



## CASE STUDY



### Retro-Commissioning for Chillers

At CPCS, we significantly enhanced the efficiency of our water-cooled chillers by working closely with CLP to conduct an analysis of our operational data. The findings from this in-depth examination of our actual use data helped to optimise our system settings based on specific use cases. Through optimising our existing chiller systems, we successfully improved the energy efficiency. The optimisation programme saved approximately 1.13 GWh of electricity a year, equivalent to 441 tonnes of carbon emissions.

### Deli-Delight Mooncake Donation

As a responsible corporate citizen of Hong Kong, CPCS frequently looks for opportunities to give back to our communities, especially around the festive holidays. To celebrate this most recent Mid-Autumn Festival, CPCS joined hands with Mother's Choice, St. James' Settlement, Society for Community Organisation, and Schools of Hong Chi Association to distribute around 7,000 of our own-brand Deli-Delight Mooncakes to over 2,500 beneficiaries, including children in institutional homes, low-income families, and elderly citizens.



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

**Waste reduction at source:** To reduce the consumption of single use plastic items, combined packing for multiple garment items is implemented across our shops and a recycling channel was set up.

**Supporting our community:** To support some of the most vulnerable in Hong Kong, Vogue Laundry worked with Hong Kong Family Welfare Society (HKFWS) to provide free laundry service to the underprivileged and elderly in need.



**Cathay Pacific Services Limited (CPSL)** operates the latest air cargo facility in Hong Kong – the Cathay Pacific Cargo Terminal ('CPCT'), serving airlines operating at Hong Kong International Airport.

**Sustainability considerations in design phase:** CPSL's Pharma Handling Centre, opened in November 2022 utilises non-ozone depleting HFC refrigerants and has been built with 420 high-thermal insulation panels and inflatable dock shelters to enhance energy efficiency.

**Energy conservation:** Achieved a 2,493 MWh reduction in electricity consumption, representing an emissions reduction of 974 tonnes CO<sub>2</sub>e.

**Nurturing future talents:** Signed a memorandum of understanding (MoU) with the Vocational Training Council (VTC) to launch the Earn and Learn Scheme for Aviation and e-Logistics, to join hands with institutions to nurture future talents of the industry.

**Promoting Health and Wellness:** Organised various events including the "Health & Wellness Week" to promote the importance of healthy lifestyles, diet and fitness. With a growing focus on mental wellness in the society, CPSL also prepared mental health talks for its staff and signed the Mental Health Charter to take an active role in creating a mental health-friendly workplace for staff.



## CASE STUDY



### Ban on Single Use Plastics in Canteen

CPCT has introduced a ban on Single Use Plastics (SUP). Effective from 1st January 2023,

SUP items including takeaway boxes, cutlery and plastic bags are being replaced by biodegradable alternatives. Staff is encouraged to dine in or bring their own reusable containers and cutlery.

### Moving towards Circular Economy for Plastics

CPSL has been consistently working on cradle-to-cradle options for single-used plastics generated from our operations. Since 2021, we have recycled the PVC plastic sheets used to protect cargo from weather and dust, upcycling them to make new PVC plastic sheets with 30% recycled contents to minimise the use of virgin plastic.



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

**Reducing our fuel consumption:** In reducing our direct carbon emissions from fuel use of our ground service equipment, we have established a roadmap to push the electrification of our equipment.



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

**Fighting the virus:** Shipped an estimated 31 million doses of vaccine to various destinations in Asia, including the Philippines and Vietnam.

**Decarbonisation:** Set up a Fuel Forum Steering Committee and implemented various fuel efficiency initiatives. Near 2,000 tonnes of carbon emissions were avoided in 2022 as a result.



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

**Younger and greener fleet:** Focused on operational efficiency and operated mostly with A320-neo, one of the most fuel-efficient aircraft types with a lesser carbon and noise footprint.

**Supporting the community whilst reducing waste:** Donated surplus frozen food, drinks and snacks to non-profit organisations including Food Angel, and Food for Good, to divert food waste and support people in need.



## Hong Kong Express Airways Limited

Hong Kong Express Airways Limited (HK Express) is Hong Kong's only low-cost carrier (LCC). Our fleet of 26 aircraft, including a mix of Airbus A320ceo, A320neo and A321ceo, provides low-cost air services in the Asia-Pacific region.

Despite the global pandemic continuing to impact our industry in 2022, HK Express is committed to providing a more affordable and environmentally conscious choice for essential travelling. At HK Express, we are on a journey to create a more sustainable future with a focus on Greener Operations, Waste Management, Customer Satisfaction, and People and Community. While we continued to safeguard our crew and passengers' health and safety from COVID-19, we also made significant progress in operational efficiency and employee engagement. With the ease of travel restrictions, we anticipate a steady increase in travel demand. Looking forward, we will further our sustainability efforts to move towards a resilient and responsible business.

### Our approach to sustainability

At HK Express, we put our people first. Our 925 employees, made up of 358 cabin crew, 207 pilots and 360 office employees, are integral to delivering our customer-centric service. Going forward, our approaches to sustainability in 2023 will include:

- Low-cost carrier business model remains – focusing on short-haul services with high load factor, and optimising the fuel efficiency while carrying more passengers and cargo while using young and energy-efficient aircraft
- Proactively reduce waste and promote separation for recycling
- Support our people and communities by providing equal opportunities and taking care of our employees, and assisting those in need

## Material topics

<p><b>Greener operations</b></p>	<p>Carbon is a key concern of HK Express. Operated 100% flight with our A320-neo, one of the most fuel-efficient aircraft types with a lesser carbon and noise footprint.</p>	<p><b>This year:</b></p> <ul style="list-style-type: none"> <li>• We enhanced the efficiency of flight operations by including key decarbonisation initiatives in Pilot Procedures, namely single-engine taxiing, reduction of landing flap settings, idle reverse, and limitations on the use of auxiliary power units.</li> <li>• We further optimised our Flight Planning Systems set-up and Fuel Policy to promote fuel efficiency and reduce carbon emissions while upholding safety standards.</li> <li>• We also deployed FlightPulse, an application to track and review carbon reduction performance across flight operations.</li> </ul>
<p><b>Waste management</b></p>	<p>Echoing the government's Zero Landfill 2035 goal, HK Express is proactively reducing waste and promoting separation for recycling.</p>	<p><b>This year:</b></p> <ul style="list-style-type: none"> <li>• To move towards a zero-waste company, we launched an inflight equipment sale to give our pre-used service trolleys and carts a second life.</li> <li>• To reduce food wastage, we further encouraged meal pre-orders with discounts of up to 20% off and shortened cut-off time to ensure an accurate demand forecast. Any surplus frozen food, drinks and snacks we donated to non-profit organisations including Food Angel, and Food for Good, to promote food waste reduction through redistribution.</li> <li>• We partnered with our catering suppliers to promote sustainability in their operations, such as materials separation for recycling, use of Euro VI trucks to fulfil EU emission standards, and improvement of truck utilisation efficiency.</li> </ul>
<p><b>Our people and community</b></p>	<p>Along with Cathay Pacific, we have a keen focus on our employee experience and engagement. We proactively promote our company culture within the organisation and externally through supporting our local community.</p>	<p><b>This year:</b></p> <ul style="list-style-type: none"> <li>• We continued to safeguard our crew and passengers' health and safety from COVID-19 with several precautions, including onboard HEPA filters, enhanced cabin sanitisation measures and our "Stronger Together" campaign.</li> <li>• We introduced Flexiwork 2.0 (flexible workdays, work hours, work location and lunch hours) and an array of Employee Wellness initiatives.</li> <li>• We also introduced the Employee Assistance Programme (EAP) together with Hong Kong Family Welfare Society to assist in resolving any personal, emotional, social or work-related concerns for the employees or their immediate dependents via 24-hour consultation services.</li> <li>• We identified potential safety risks and constantly provided Occupational Health and Safety related training, including Competence in Ionising Radiation Protection, Human Factors Workshops, and Safety Management Awareness Training Courses.</li> <li>• We motivated employee community engagement by supporting various local charitable work such as HKSXH's Wellness Walk, Green Power's Nature Rescue, Swire Pacific's "Noodles for Love" campaign, Fly Pink's Fundraising for Breast Cancer Awareness via volunteering, sponsorship, and donation.</li> <li>• We introduced new AXIS Internship Programme, a structured 8-week initiative where Gen-Z youths received on-job training in the only LCC in Hong Kong and flexed their entrepreneurial spirit. The Programme was well received and won the Best Gen Z Attraction Award.</li> </ul>



### Air Hong Kong

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

### Our approach to sustainability

As an airline, after receiving the HKIA Carbon Reduction Award for the Carbon Reduction efforts in 2020, AHK Management did not remain idle. We focus in the areas of safety, climate change and our people in a sustainable and compliant manner. Our Safety Management Systems Manual sets out the policies and procedures pertaining to Safety Management System (SMS) activity within AHK. Furthermore, the Quality Management System Manual ensures compliance with the relevant regulations and company policies. We aim to create an inclusive workplace for our employees, and we constantly monitor our environmental performance.

### Material topics

<p><b>Health and safety</b></p>	<p>We fully comply with the designation conditions applicable to crew members of aircraft ("air crew members") who need to commute to and from Chinese Mainland, Macau and Taiwan / foreign places for performance of duties arriving at Hong Kong International Airport set by HKSAR Government.</p>	<p><b>This year:</b></p> <ul style="list-style-type: none"> <li>• We have implemented our Fatigue Risk Management System (FRMS); and ensured our pilot are fully trained to safeguard our operations against fatigue. A 100% vaccination rate has been achieved among AHK operating aircrew members and office employees.</li> </ul>
<p><b>Climate change</b></p>	<p>We maximise the cargo-carrying capacity on our journeys and replace older aircraft with newer, more fuel-efficient models to improve fuel efficiency and reduce carbon emissions on our flights.</p>	<p><b>This year:</b></p> <ul style="list-style-type: none"> <li>• We continue to implement various initiatives to improve efficiency initiatives and constantly explore new opportunities to reduce our carbon emissions.</li> <li>• We set up a Fuel Forum Steering Committee and implemented various fuel efficiency initiatives. Near 2,000 tonnes of carbon emissions were avoided in 2022 as a result.</li> </ul>
<p><b>Our people</b></p>	<p>Our business relies on the skill, experience and professionalism of our people. We therefore engage our people regularly to ensure we are delivering for them as they are for our customers.</p>	<p><b>This year:</b></p> <ul style="list-style-type: none"> <li>• We achieved over 70% response rate for our staff engagement survey reflecting a highly engaged culture. Results showed an above average satisfaction rate. Over 90% of the respondents agreed or strongly agreed that they are proud to work for AHK.</li> </ul>

## Cathay Pacific Catering Services

As one of the largest flight kitchens in the world, Cathay Pacific Catering Services (CPCS) provide flight catering services to 58 international airlines operating out of the Hong Kong International Airport (HKIA).

In 2022, CPCS supplied around 4.1 million meals and handled over 16,000 flights, representing an average of approximately 11,000 meals and 44 flights a day. CPCS is supported by 1,100 employees and its resident contractors.

### Our approach to sustainability

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

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

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

## Material topics

<p><b>Waste management</b></p>	<p>Through collaboration and innovation, we reduce waste from production, as well as inflight waste. Efforts are made to minimise waste generation in procurement, production and operational planning. We reuse and recycle materials; and enhance stakeholders’ awareness on waste management.</p>	<p><b>This year:</b></p> <ul style="list-style-type: none"> <li>• We collaborated with non-profit organisations such as Food Angel and Feeding Hong Kong to donate over 110 tonnes of food and beverage items to those in need in Hong Kong.</li> <li>• We established several new recycling and donation programmes, including Coffee Capsule Recycling, Metal scrap Recycling, Surplus Bread Donations, and Inbound Fruit Donations</li> <li>• We recycled a total of 331 tonnes of food waste at O-PARK1’s waste to energy facilities.</li> </ul>
<p><b>Responsible procurement</b></p>	<p>We strive to increase the proportion of sustainable products in our portfolio and encourage our supply chain to become more sustainable. We fully support the Swire Pacific <a href="#">Sustainable Food Policy</a>. Where possible we avoid unsustainable food items and advocate the sustainable consumption practices to our customers.</p>	<p><b>This year:</b></p> <ul style="list-style-type: none"> <li>• We purchased 150 tonnes sustainable seafood, representing 70% of the total volume of seafood purchased.</li> <li>• We achieved 100% use of eco-friendly products in hygiene-related paper products and stationery paper products.</li> </ul>
<p><b>Our people</b></p>	<p>Investing in human capital is critical to our success. We manage our people by attracting and nurturing talent, equipping them with the relevant skills to ensure they grow as professionals during their CPCS career.</p>	<p><b>This year:</b></p> <ul style="list-style-type: none"> <li>• We maximised opportunities in people development during the pandemic by strengthening our supervisory development architecture with a series of new training workshops to equip our supervisors with essential skills to succeed in current and future roles, topics include:             <ul style="list-style-type: none"> <li>o Basic Supervisory Training</li> <li>o WFMS - Workforce Management System</li> <li>o Design thinking</li> <li>o Change awareness</li> <li>o HR knowledge</li> <li>o 5S Advanced Training</li> <li>o Appraisal Skill Workshop</li> <li>o Basic Microsoft Excel training</li> <li>o Intermediate Microsoft Excel training</li> </ul> </li> </ul>

## Cathay Pacific Services Limited

Cathay Pacific Services Limited ("CPSL") operates the Cathay Pacific Cargo Terminal ("CPCT"). Serving airlines operating out of at Hong Kong International Airport, we are equipped to handle 2.7 million tonnes of cargo annually. During the reporting period, CPSL handled 1.2 million tonnes of throughput cargo.

Our vision is to be the world's most customer-centric air cargo terminal service provider.

### Our approach to sustainability

Lead by the Chief Operating Officer, sustainability at CPSL is governed by the Sustainable Development Steering Committee ("SD Steering Committee") that involves department heads from various functions. The Committee meets on a quarterly basis to formulate sustainability strategy and review area of improvement.

We believe sustainability is a key element in operating a cargo terminal. Through building a strong corporate culture and integrating sustainability concepts into decision making, our strategy strives to mitigate the social and environmental impacts of our daily cargo terminal operation.

## Material topics

<p><b>Carbon emissions</b></p>	<p>We commit to minimising the impact to our environment and explore continually the innovation and technology for more efficient energy consumption in the terminal. Proper waste recycle &amp; reuse is another key focus in our environmental management.</p>	<p><b>This year:</b></p> <ul style="list-style-type: none"> <li>• We have introduced Lights Out Policy during non-office hours since January 2022 to save energy.</li> <li>• We achieved a 2,493 MWh reduction in electricity consumption, representing an emissions reduction of 974 tonnes CO<sub>2</sub>e.</li> </ul>
<p><b>Materials</b></p>	<p>We actively monitor the consumption of single-use plastic (SUP) items in our operation, seeking for eco-friendly alternatives to divert materials from landfill where possible.</p>	<p><b>This year:</b></p> <ul style="list-style-type: none"> <li>• We committed to source PVC plastic sheets with 30% recycled content to minimise the use of virgin SUP.</li> </ul>
<p><b>Health and safety</b></p>	<p>Safety is our highest priority and we are fully committed to providing a safe operational and working environment. All our business partners, suppliers and contractors are encouraged to share our primary safety goal, which is to have zero accidents or injuries.</p>	<p><b>This year:</b></p> <ul style="list-style-type: none"> <li>• We focused on safety culture in 2022, introducing a safety culture focus group and commencing regular safety learning reviews with staff and contractors.</li> <li>• We introduced a Safety Ambassador programme, empowering 25 safety ambassadors from various departments to enhance workplace health and safety.</li> </ul>
<p><b>Our People</b></p>	<p>We aim at becoming an employer of choice by attracting, nurturing and retaining talent, cultivating a high performing culture in a diverse and inclusive workplace where our people can excel.</p>	<ul style="list-style-type: none"> <li>• We received a 'Caring Company' award from the Hong Kong Council of Social Services and an 'Extraordinary Workplace Culture' award from Recruit.</li> <li>• We organised various Diversity &amp; Inclusion events, including International Women's Day, Pride month and Pink Friday.</li> <li>• We focused on wellbeing, including a dedicated "Wellbeing Week" for our people.</li> </ul>





## Vogue Laundry Services Limited

Vogue Laundry (VLS) started as a dry cleaner in 1964 and has grown to be one of the major leading commercial laundry companies in Hong Kong. We employ about 350 people and serve 20 aviation customers and 28 hotel and club customers. On average we deal with 82,778 production pieces a day, equivalent to 32.3 tonnes of laundry.

### Our approach to sustainability

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

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

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

## Material topics

<p><b>Health and safety</b></p>	<p>Safety is our number-one priority at Vogue Laundry, we adopt ISO45001 as an integral part of our business performance. We are committed to driving an occupational health and safety (OH&amp;S) culture by developing and applying an effective OH&amp;S system with standards and practices appropriate to the risks and opportunities associated with our business activities.</p>	<p><b>This year:</b></p> <ul style="list-style-type: none"> <li>• We continued the Weekly Management Walk program and the Monthly Safety Theme to enhance the workplace safety and safety awareness of workers. Moreover, we have recruited 10 Safety Ambassadors from various departments to help assist improving VLS's occupational safety and health standards. A series of training, visits and activities will be provided to enhance their safety knowledge.</li> </ul>
<p><b>Waste management</b></p>	<p>We strive to minimise our single-use plastic (SUP) waste generation in our production progress.</p>	<p><b>This year:</b></p> <ul style="list-style-type: none"> <li>• We encouraged and educated our stakeholders to reduce and recycle SUPs by providing a recycling channel and adopting a durable laundry bag.</li> <li>• We continuously increased the recycling rate by exploring various recycling opportunities.</li> </ul>
<p><b>Quality</b></p>	<p>We thrive for quality and continuous improvement. Processes Optimisation is one of our core values. We apply LEAN manufacturing and encourage cross-function collaboration to improve performance by systematically removing waste and reducing variation.</p>	<p><b>This year:</b></p> <ul style="list-style-type: none"> <li>• We further improved our laundry quality by reducing the product defects through establishing a rigorous monitoring and reporting mechanism, and implementing new innovative technologies.</li> </ul>
<p><b>Social Responsibility</b></p>	<p>Caring for the community is a core value at VLS. We are committed to maintaining strong community relationships by engaging in various community projects with our services and time.</p>	<p><b>This year:</b></p> <ul style="list-style-type: none"> <li>• We collaborated with the HK Family Welfare Society to provide free laundry service to the underprivileged and elderly in need and to provide volunteers to assist outings for their members' children.</li> <li>• We continued to build on our "15 years+ Caring Company" and joined various fund raising events from the Community Chest of HK.</li> </ul>

## Hong Kong Airport Services Limited

Hong Kong Airport Services Limited (HAS) was established in 1995 to provide professional ramp and cargo services to airlines at Hong Kong International Airport. These include loading and unloading of aircraft, baggage handling, cargo and mail delivery, ramp coordination, aircraft load control, aerobridge and passenger steps operation, Unit Load Device storage and crew transportation. We serve 24 airlines at HKIA with a fleet of 2,800 Ground Support Equipment (GSE) and vehicles and over 1,500 employees.

### Our approach to sustainability

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

## Material topics

<p><b>Environmental management</b></p>	<p>Fuel consumed by our fleet accounts for over 87% of our greenhouse gas emissions. We continue to implement our GSE and Vehicle Replacement Programme to modernise our fleet with more fuel-efficient or electric vehicles. We monitor and review resource use and waste and seek to reduce the impact of our operations on the environment.</p>	<p><b>This year:</b></p> <ul style="list-style-type: none"> <li>• Our total GSE fuel consumption fell by 5% when compared to 2021 due to reduced aircraft movement during the pandemic.</li> <li>• We decreased the amount of waste disposed of by 23% and diverted 33 tonnes from landfill, representing a 63% waste diversion rate.</li> </ul>
<p><b>Our people</b></p>	<p>Being a good employer enables us to attract talents, retain skilled employees, and develop their potential. We invest in employee training and development and recognise employees for their contribution to our success in areas including customer service excellence.</p>	<p><b>This year:</b></p> <ul style="list-style-type: none"> <li>• We provided 116,979 hours of training to employees at all levels of the company; an average of 78.4 hours per employee.</li> <li>• We emphasised on health and safety and received several safety related awards including:             <ul style="list-style-type: none"> <li>◦ 2021/22 Airport Safety Recognition Scheme – HKIA Safety Excellence Award – Silver Award</li> <li>◦ JAL Ramp Incident Free Commendation Certificate for the 14th consecutive year</li> </ul> </li> <li>• We received recognition as a “15 years+ Caring Company” and for human resources management as part of the “ERB Manpower Developer Award Scheme”.</li> </ul>

## OUR PERFORMANCE

# CATHAY PACIFIC'S RESPONSE TO TASKFORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

### 1. GOVERNANCE

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

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

Sustainability, including Climate Change, is a standing component of the Executive Directors Report submitted to the Board at each Board meeting. SDC will also present to the Board on sustainability and climate change matters at least two times a year.

The Board's responsibilities include reviewing the Group's material sustainability and ESG topics, which climate change as a key one, and approving sustainable development-related strategies, targets, actions and policies. The Board also reviews and signs-off on the annual Sustainable Development Report.

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

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

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

Chaired by the Chief Executive Officer, the SDC consists of four Executive Directors and three other members of our senior management team. The SDC was established by and receives its authority from the Board to evaluate and approve sustainable development strategy, policy, target setting, and investment in major initiatives. It sets the tone for a corporate culture focused on sustainable development. Meeting regularly during the year, its duties include evaluating and prioritising the Group's material sustainable development topics. The SDC communicates these and the materiality process to the Board in addition to providing biannual progress updates. In this way, sustainability is integrated into business planning, budgeting and risk management, and forms an integral part of the Group's business strategy.

Climate change is a standing agenda item in SDC meetings, where the latest progress updates are reviewed, and the strategic direction and target setting is discussed and decided upon.

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

##### **Climate Actions Steering Group (CASG)**

The CASG was established by and reports to the Sustainable Development Committee. It is chaired by the Chief Financial Officer and comprises Department Heads that represent a wide range of functions across the Company.

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

The main focusing areas of CASG:

- Carbon emissions performance against targets and progress of decarbonisation initiatives;
- understanding financial impact from CORSIA, EU ETS, UK ETS, and other mandatory carbon –offset or emissions trading schemes applicable to Cathay;
- promoting Sustainable Aviation Fuel (SAF) supportive policy and supply-chain development
- Monitoring progress of SAF adoption within the airline;
- further developing Fly Greener, our voluntary carbon-offset programme;
- Discussing and reviewing business opportunities related to climate change, from product and service design, sales & promotion, to communications and branding.



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

#### a) Climate Risk

The Group Corporate Risk (GCR) department along with the Group Safety and Operational Risk Management (GSORM) department are responsible for the Group Risk Management Policy, ensuring it is reviewed and approved by the management team, and updating the Corporate Risk Register. The RMC is chaired by the Chief Executive Officer and is responsible for the design, delivery and direct oversight of the Risk Management Framework (RMF) and, through it, the management of all corporate risks within the Company. The responsibility for managing risks sits with the management team.

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

#### b) Fleet planning

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

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

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

## 2. STRATEGY

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

We assess all climate-related risks annually and assess risks with an impact in the short term (present – 3 years ahead) more frequently. We also include medium-term (3-10 years) and long term (more than 10 years) time horizons in our assessments. Three key risks and one opportunity that have been identified are described below:

**Risk 1:** Vilification of aviation and reduced demand for air travel in response to a perceived lack of action to counteract the industry's significant environmental impact on climate change. This has been identified as one of the biggest transition risks climate change could have on the aviation industry in the medium to long term.

There is increasing interest around the world in reducing and managing the aviation sector's greenhouse gas (GHG) emissions. With the expectation among the global community, stakeholders and customers that companies within the aviation industry will decouple GHG emissions growth from growing business activities, there is a potential risk to customer retention and attraction as preferences shift to greener forms of passenger and cargo services in the future.

Cathay Pacific has committed to use 10% SAF by 2030 and reaching net zero by 2050. But to reach these goals would rely on other parties working together, such as supportive policy for the development of SAF supply chain and its usage, the energy sector to invest in SAF supply chain, and for corporates clients to work with airlines to boost SAF purchase agreements. If these other parts of the bigger SAF ecosystem is not moving at the same speed, there is risk that we may not be able to deliver our climate target, thus further increasing the vilification risk.

**Risk 2:** Increased operating costs resulting from the transition associated with policy and regulation as well as voluntary commitment is a key risk in the medium to long term.

The Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) is expected to be the only global climate regulation for international aviation from 2021 to 2035. There are also increasing numbers of other regional or national emissions trading schemes that may add additional costs and administrative burden to airlines, e.g. the EU ETS and UK ETS. Cathay Pacific has also committed to use 10% Sustainable Aviation Fuel (SAF) by 2030 and for the Group to reach carbon neutrality by 2050.

There were important changes to the CORSIA scheme decided in the 41st Session of the ICAO Assembly in 2022. While emission baseline for 2021-23 would be set at 2019 level, from 2024 onwards the baseline was now reduced to 85% of 2019 emissions level. Any emissions above this newly reduced level will need to be offset by airlines. It means that airlines would need to offset more, sooner. Some projections suggest that many airlines would need to start offsetting in 2023 or 2024 with this new baseline.

In addition to CORSIA, there are many domestic/regional climate regulations that are in place or will be introduced in the future. Currently, the EU Emissions Trading Scheme (ETS) and the UK ETS are schemes that applies to Cathay Pacific and that we have been in compliance with since 2012 and 2021 respectively.

On the other hand, SAF is currently 3-5 times more expensive than fossil jet fuel. Depending on how soon the price gap can be closed with fossil jet fuel, it could add additional financial burden to the company with our 2030 SAF usage target and beyond, as SAF is a major pillar in our decarbonisation journey.

**Risk 3:** Impact on our operations, especially at our hub at Hong Kong International Airport

Acute physical risk to our direct operations as a result of an increase in the strength and/ or frequency of extreme weather events (e.g. typhoons and floods) that could reduce our operating capacity by impacting transport networks and supply chains. While the major impact will manifest itself in the long term with increased frequency and intensity, ad-hoc weather events would bring about short-term impact as and when they happen, similar to the super-typhoon cases that took place a few years ago.

According to Hong Kong Observatory, the mean sea level in Hong Kong and its adjacent waters is expected to rise by 1.07m by the end of the 21st century under the high greenhouse gas concentration scenario. The threat of storm surges brought about by tropical cyclones will correspondingly increase. The global mean tropical cyclone intensity is also likely to increase. Increased typhoons and associated unpredictable weather and flooding could lead to severe flight disruptions such as delays and cancelled flights. This would in turn affect our on-time performance, passenger experience, and would have a knock-on effect on subsequent flights. The increase in strength and frequency of turbulence also needs to be closely monitored for potential risk to the safety of our passengers and aircrew.

**Opportunity 1:** Cathay Pacific is one of the leading airlines in its climate change response. There is an opportunity for the airline to emphasise its solid performance in this aspect as a competitive advantage to attract customers and business partners who are climate conscious, from general consumers, corporate clients and travel agents, to freight forwarders and shippers.

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

1. Cathay Pacific has announced its commitment to achieving net-zero carbon emissions by 2050. The goal covers our Scope 1 and 2 carbon emissions, and aligns with the aims of the Paris Agreement to limit global temperature rise to well below 2°C above pre-industrial levels and pursue efforts to limit this increase to 1.5°C.
2. The airline started tracking its carbon emissions back in the 1990s. Over the years, fuel efficiency per available tonne kilometre (ATK) has improved by 29%.
3. Cathay Pacific was the first airline investor in Sustainable Aviation Fuel (SAF) manufacturer Fulcrum BioEnergy back in 2014, and Fulcrum BioEnergy successfully produced first ever low-carbon fuel from landfill waste at its Sierra BioFuels Plant in 2022. Cathay Pacific has also committed to buying 1.1 million tonnes of SAF over a 10-year period, enough to cover 2% of our operations. The use of SAF can reduce life cycle carbon emissions by up to 80%. In 2021, we committed to using SAF for 10% of Cathay Pacific's jet fuel consumption by 2030. In 2022, we signed an agreement with Aemetis, a renewable fuel supplier headquartered in the United States, to purchase 38 million US gallons of blended SAF, as part of the joint procurement initiative for SAF together with **oneworld** Alliance members.

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

4. Cathay Pacific launched the pilot Corporate Sustainable Aviation Fuel (SAF) Programme, the first major programme of its kind in Asia in 2022. The programme provides corporate customers the opportunity to reduce their carbon footprint from business travel or airfreight by contributing to the use of SAF uplifted for the first time from Hong Kong International Airport (HKIA) on Cathay Pacific flights.
5. Cathay Pacific constantly renews its fleet as each new-generation aircraft can improve fuel efficiency by up to 25%. From 2017 to 2022, Cathay Pacific has taken delivery of 46 brand new Airbus A350 aircraft. The Group has ordered 48 new aircraft for delivery in the coming years.
6. Cathay Pacific was the first Asian carrier to introduce a voluntary carbon-offset programme. In 2022, a total of 38,399 tonnes of carbon emission produced by our operations were offset by the programme. To date, we have purchased over 300,000 tonnes of CO<sub>2</sub> offsets. In 2022, the voluntary carbon offset programme has also been extended to our cargo customers.
7. Cathay Pacific has also committed to reducing our ground emissions as a Group by 32% by 2030 and 55% by 2035, from the 2018 baseline. Our 2035 target formed part of our pledge signed in 2021 with Hong Kong International Airport, which underscored our commitment to net-zero operations by 2050. This is in line with the science-based target to limit global warming to 1.5°C compared to pre-industrial levels. In 2022, Cathay Pacific and its key subsidiaries conducted energy audits to identify energy efficiency and reduction opportunities for short and long term.

## 2.2 The impact of climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

### Risk 1 & Opportunity 1: Revenue impact from perceived performance of our climate change effort

The impact from Risk 1 on operating revenue is expected to be minimal in the short term. The impact on demand reduction is relatively small (less than 5%), limited to specific regions (mainly in Europe), and mainly for domestic travel. This is not a market Cathay Pacific operates in as we carry long-haul, international passengers from Europe to Asia and the Southwest Pacific.

In the medium term, if the reduction in demand remains at the 5% level and affecting only our European market, the impact to Cathay Pacific is expected to be 1% of our annual passenger revenue (based on 2019 data at pre-COVID operating level).

In the long term, if the trend becomes global and the impact on passenger demand doubles, it could have an impact of up to 10% of our operating revenue.

Some of the impact could be mitigated by the opportunity identified, i.e. with Cathay Pacific's strong performance in climate response, some business loss could be reduced and recovered by shifting passengers' choice to us over other less sustainably managed airlines.

### Risk 2: Increased operating costs related to carbon emissions and the use of SAF

We expect minimum operating costs impact on Cathay from various mandatory carbon offset or emissions trading scheme in the short term, including CORSIA, EU ETS and UK ETS. Cathay Pacific may need to buy in the order of US\$1,100 million in total offsets throughout the CORSIA programme up to year 2035 based on the following assumptions:

- The country participation list to CORSIA as of July 2022, indicating China will participate in the offsetting phase from 2027 onwards.
- Carbon pricing gradually increases from US\$10 to US\$33 per tonne based on IATA's projection. Noted carbon pricing is uncertain and highly variable.
- The Cathay Group's target to increase operation level to 70% by end of 2023 and then return to the pre-pandemic level by end of 2024. Excluding the impact from any additional mitigation measures other than ongoing fleet renewal efficiency gains (e.g. the use of Sustainable Aviation Fuel).

### Risk 3: Physical Risk Impact – climate resilience at our main hub Hong Kong International Airport

No significant change of impact level is expected in the short term, while year-on-year fluctuation is expected. For medium to long term, impact level is expected to be slowly increasing with no extreme risks identified.

Flight delays and diversions due to typhoons, unpredictable weather and flooding would lead to flight cancellations or delays, which involve claims or compensation to customers, as well as potential damage to the fleet and other assets.

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

### Priority physical risks at 2030

Risk	Response summary
<p><b>Storm events</b> (e.g. rainfall, typhoons, lightning) resulting in disruption to operations including restricted aircraft movements</p> <p>Key asset affected: Airfield</p>	<p>To reduce the impact of this risk, HKIA has an airport lightning warning system, a flight rescheduling control system and follows the Typhoon and Heavy Rainstorm Preparation Guidelines. We will continue to enhance our response through a systematic review and implementation of Business Continuity Manual.</p>



## Priority physical risks at 2030

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

The Cathay and AAHK team met in December 2022 to review status of the above risks and discuss subsequent mitigation measures. The teams would continue to meet regularly to review risk assessment, mitigation effort, and impact assessment.

Additional information of the HKIA climate resilience study could be found from the AAHK 2020/21 TCFD Disclosure: [https://www.hongkongairport.com/iwov-resources/file/sustainability/environment/climate-change/AA\\_Sustainability\\_Report\\_202021\\_TCFD\\_Statement\\_ENG.pdf](https://www.hongkongairport.com/iwov-resources/file/sustainability/environment/climate-change/AA_Sustainability_Report_202021_TCFD_Statement_ENG.pdf)

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

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

The team evaluated four scenarios, including the likely external environment, implications on Cathay Pacific, and our optimal response strategy. In each scenario, two key drivers of change with the most uncertainty with regards to the impact of climate change on our business were considered: societal pressures and the resulting political will to tackle climate change holistically at the global level; and the availability of new technologies to decarbonize commercial aviation operations.

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

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

We would conduct the scenario planning assessment every three years.

## 3. RISK

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

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

The identification of ESG risks is performed using two approaches:

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

The identified risks are prioritised and reported to the Risk Management Committee (RMC) and Board Risk Committee (BRC).

Once risks have been identified and assessed, a structured approach is in place to develop mitigation. This takes the form of workshops with a senior group of stakeholders to understand the drivers behind the risk, the main root causes and factors influencing the risk, and the consequences of the risk on the business. Mitigation plans are then developed to either prevent the risk from occurring or successfully responding to it if it occurs.

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

Climate risk to the Group is identified and assessed through a dimensioning process, in which cross-functional stakeholders conduct a deep-dive evaluation on what the risk means to the business and corresponding mitigations. These mitigations are owned by respective departments, which are responsible for their implementation and execution.

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

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

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

The Board has a well established governance structure to oversee the management of corporate risks in the Group. The following entities enable this:

- **Board Risk Committee (BRC)** is charged with supporting the Board in its responsibility for risk management within the Group, focusing on risks not related to safety and security arising from the operations of the Group. In particular, the BRC is responsible for overseeing the ongoing implementation and development of the Group's risk management framework and ensuring its effectiveness.

Each quarter, the Chair of the BRC provides the Board with a report on the state of the risk management framework and the general activities of the BRC and the RMC (as defined below).

- **Risk Management Committee (RMC)** an executive committee chaired by the Chief Executive Officer, meets four times per year. It reviews risk reports provided by Group Corporate Risk, and the Chair provides a report to the BRC at each of its meeting on the risk management activities. The RMC is responsible for developing, delivering and maintaining the risk management framework of the Group. It reviews the status of all major risks, assesses changes in the risk profile of the Group and monitors the extent to which the First Line is mitigating top risks to acceptable target levels. The RMC is also responsible for monitoring emerging and strategic risks facing the Group, and promoting the development of risk culture across the organisation.

- **Group Corporate Risk (GCR) department** is headed by the Chief Risk Officer reporting to the Chief Executive Officer. GCR's function is to facilitate the implementation of the Group Risk Management Policy and acts as an independent oversight function on its effectiveness. It has specific responsibility for developing, maintaining and ensuring the effectiveness of the risk management framework.

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

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

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

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



## 4. METRICS AND TARGETS

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

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

- Total gross carbon emissions (tonnes of CO<sub>2</sub>e)
- Total carbon offsets (tonnes of CO<sub>2</sub>)
- Sustainable Aviation Fuel (SAF) usage (US Gallon)
- Carbon emissions reduction from the use of SAF (tonnes of CO<sub>2</sub>)
- Percentage of New Generation Aircraft (NGA) in our fleet (%)

New Generation Aircraft ("NGA") includes but not limited to A320neo, A321neo, A330neo, A350s, A220, B777X, B787, B737MAX, in each case, any variant thereof, including freighter variants. Generally speaking, each NGA can deliver 20-25% fuel efficiency improvement compared with similar aircraft from the previous generation.

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

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

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

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

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

In 2022, we conducted a Scope 3 mapping exercise for our airline and ground operations within Hong Kong. This exercise supported us in identifying material emissions categories to be included as part of Cathay Pacific's carbon inventory and to highlight focus areas to prioritise for reductions and engagement. Our Scope 3 carbon inventory has been developed in alignment with the following globally recognised carbon reporting standards, including the GHG Protocol Corporate Value Chain (Scope 3) Standard and the Aerospace Industry GHG Reporting Guidance. Please refer to the Climate Change section and performance tables in this report for more details.

The GHG emissions are calculated directly from jet fuel consumption that we track on a flight-by-flight basis. Our flight fuel and GHG emissions are audited yearly to ensure accuracy.

### 4.3 The targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

Our long-term goal is to achieve net-zero carbon emissions by 2050. We have set a target for 10% of Cathay Pacific's total jet fuel consumption to be Sustainable Aviation Fuel by 2030 and we are developing the specific targets on carbon efficiency and carbon offsets.

## COMPLIANCE WITH LAWS AND REGULATIONS

Laws and regulations that have a significant impact on the Group, details of our management approach and compliance with these laws, including the potential impact of non-compliance, are set out in the tables that follow.

<b>EMISSIONS</b>			
<b>Significant laws and regulations</b>	<b>Location</b>	<b>Potential impact</b>	<b>Management approach and compliance status</b>
<p>Waste Disposal Ordinance (Cap. 354 Laws of Hong Kong) and relevant subsidiary legislation.</p> <p>This Ordinance regulates the production, storage, collection and disposal including the treatment, reprocessing and recycling of waste.</p>	Hong Kong	A breach of this Ordinance can give rise to civil and/or criminal liability including fines and imprisonment.	<p>The Group has in place an Environmental Management System to ensure ongoing compliance and is subject to internal and external audit.</p> <p>During 2022, there were no convictions for non-compliance with laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, generation of hazardous and non-hazardous waste or other environmental issues that would have a significant impact on the Group.</p>
<p>Water Pollution Control Ordinance (Cap.358 Laws of Hong Kong).</p> <p>This Ordinance regulates / controls the pollution of the waters of Hong Kong.</p>			
<p>Air Pollution Control Ordinance (Cap.311 Laws of Hong Kong) and relevant subsidiary legislation.</p> <p>This Ordinance regulates, prohibits and / or controls the pollution of the atmosphere.</p>			
<b>EMPLOYMENT</b>			
<p>Employment Ordinance (Cap. 57 Laws of Hong Kong).</p> <p>This is the main piece of employment legislation in Hong Kong which applies to all Hong Kong employers.</p>	Hong Kong	<p>A breach of this Ordinance can result in civil and/or criminal ramifications and significant impact on the Group's relationship with its workforce.</p>	<p>The Group has implemented a number of employee-related policies such as annual leave, maternity and paternity leave and sick leave policies to ensure that their employees are provided with rights and benefits which are no less favourable than those provided under the Employment Ordinance.</p> <p>During 2022, there were no convictions for non-compliance with laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, or other benefits and welfare that would have a significant impact on the Group.</p>

## HEALTH AND SAFETY

Significant laws and regulations	Location	Potential impact	Management approach and compliance status
<p>Employees' Compensation Ordinance (Cap. 282 Laws of Hong Kong).</p> <p>This Ordinance regulates the payment of compensation in respect of injuries sustained by employees as a result of an accident arising out of and in the course of employment or in respect of specified occupational diseases.</p>	Hong Kong	<p>Non-compliance with this Ordinance can result in civil and/or criminal ramifications and significant impact on the Group's relationship with its workforce.</p>	<p>The Group has implemented a number of occupational health and safety policies and manuals such as <a href="#">Occupational Health and Safety Policy</a>, Alcohol and Other Drugs policy and Health and Safety Handbook to protect the safety of employees and other persons at the workplace. Relevant insurance policies have also been taken out to cover potential liability under the Ordinance.</p> <p>During 2022, there were no convictions for non-compliance with occupational health and safety laws and regulations that would have a significant impact on the Group.</p>
<p>Factories and Industrial Undertakings Ordinance (Cap. 59 Laws of Hong Kong).</p> <p>This Ordinance provides for the safety and health protection of workers in the industrial sector including catering establishments and cargo and container handling undertakings.</p>		<p>A breach of this Ordinance can give rise to criminal liability including fines and imprisonment.</p>	
<p>Occupational Safety and Health Ordinance (Cap. 509 Laws of Hong Kong).</p> <p>This Ordinance regulates health and safety at work in all economic activities in both industrial and non-industrial establishments.</p>			



## LABOUR STANDARDS

Significant laws and regulations	Location	Potential impact	Management approach and compliance status
<p>UK Modern Slavery Act 2015 (UK MSA).</p> <p>The MSA requires an organisation wherever incorporated which</p> <p>(i) supplies goods or services in the UK; and</p> <p>(ii) has an annual turnover of £36 million or more,</p> <p>to produce a transparency statement to disclose steps taken to ensure slavery and human trafficking are not taking place within the organisation and its supply chain.</p>	<p>UK</p>	<p>The UK Secretary of State may seek an injunction against organisations which fail to comply with the UK MSA.</p>	<p>The Board has approved the UK Modern Slavery Act Transparency Statement which is available to view <a href="#">here</a>.</p> <p>During 2022, there were no convictions for non-compliance with laws and regulations relating to child and forced labour that would have a significant impact on the Group.</p>
<p>Australia Modern Slavery Act 2018 (Australia MSA).</p> <p>The Australia MSA requires an organisation, wherever incorporated, that has a consolidated revenue of at least AUD\$100 million for the reporting period and carries on business in Australia at any time in that reporting period to report on the risks of modern slavery in their operations and supply chains and actions to address those risks.</p>	<p>Australia</p>	<p>The Australian Minister may request an explanation from an entity about the entity's failure to comply with a requirement in relation to modern slavery statements and may also request that the entity undertake remedial action in relation to that requirement. If the entity fails to comply with the request, the Minister may publish information about the failure to comply on the register or elsewhere, including the identity of the entity.</p>	<p>The Board has approved the Australia Modern Slavery Act Transparency Statement which is available to view <a href="#">here</a>.</p> <p>During 2022, there were no convictions for non-compliance with laws and regulations relating to child and forced labour that would have a significant impact on the Group.</p>

**PRODUCT RESPONSIBILITY**

Significant laws and regulations	Location	Potential impact	Management approach and compliance status
<b>Health and safety</b>			
<p>Air Navigation (Hong Kong) Order 1995 (Cap. 448C Laws of Hong Kong).</p> <p>This order regulates aircraft crew and licensing and safety aspects relating to the operation of aircraft.</p>	<p>Hong Kong</p>	<p>A breach of this order can give rise to civil and/or criminal liability including fines and imprisonment.</p>	<p>It is the policy of Cathay Pacific to ensure continuous compliance with the Air Navigation (Hong Kong) Order 1995 and all relevant publications issued by the Civil Aviation Department (CAD), including but not limited to CAD 360 Air Operator's Certificates Requirements, CAD 712 Safety Management Systems (SMS) for Air Operators, CAD 371 The Avoidance of Fatigue in Aircrews and HKAR-145 Approved Maintenance Organisations.</p> <p>In 2022, Cathay Pacific carried 2.8 million passengers. There were no fatalities caused by operational incidents or accidents. Nor were there any convictions for non-compliance with laws and regulations relating to health and safety matters relating to products and services provided that would have a significant impact on the Group.</p>
<p>Prevention and Control of Disease Regulation (Cap. 599A Laws of Hong Kong).</p> <p>This regulation requires immediate notification to a health officer if an operator of a cross-boundary aircraft has reason to suspect that there exists on board the aircraft —</p> <p>(a) a case or source of a specified infectious disease; or</p> <p>(b) a case or source of contamination.</p>	<p>Hong Kong</p>	<p>A breach of this regulation can give rise to civil and/or criminal liability including fines and imprisonment</p>	<p>Cathay Pacific have implemented procedures and guidelines for frontline employees including cabin crew, customer service officers and flight crew on how to identify and manage any suspected cases of infectious disease involving passengers or crew.</p> <p>This includes (but is not limited to):</p> <ul style="list-style-type: none"> <li>• Supplying personal protective equipment inflight for cabin crew to use when providing care to individuals with suspected infectious disease.</li> <li>• Medical advice provided by MedLink for cabin crew and ground employees for gate clearances as well as managing inflight medical emergencies.</li> <li>• Procedures following notification from Health Authorities of passengers or crew members who travelled whilst infectious.</li> </ul> <p>In 2022, there were no convictions for non-compliance with laws and regulations relating to health and safety matters relating to products and services provided that would have a significant impact on the Group.</p>

## PRODUCT RESPONSIBILITY

Significant laws and regulations	Location	Potential impact	Management approach and compliance status
<b>Health and safety</b>			
<p>Public Health and Municipal Services Ordinance (Cap. 132 Laws of Hong Kong).</p> <p>This Ordinance provides for the general protection for food purchasers, offences in connection with sale of unfit food and adulterated food, composition and labelling of food, food hygiene and the seizure and destruction of unfit food.</p>	Hong Kong	A breach of this Ordinance can give rise to criminal liability including fine and imprisonment.	<p>CPCS has adopted ISO 9001 &amp; HACCP management system with quality policy to comply with all applicable food health &amp; safety regulations.</p> <p>In 2022, there were no convictions for non-compliance with laws and regulations relating to health and safety matters relating to products and services provided that would have a significant impact on the Group.</p>
<p>Dangerous Goods (Consignment by Air) (Safety) Ordinance (Cap. 384 Laws of Hong Kong).</p> <p>This Ordinance controls, in the interests of safety, the preparation, packing, marking, labelling and offering of dangerous goods for carriage by air.</p>	Hong Kong	A breach of this Ordinance can give rise to civil and/or criminal liability including fines and imprisonment.	<p>Dangerous Goods Regulations and Dangerous Goods Awareness training is provided to employees.</p> <p>In 2022, there were no convictions for non-compliance with laws and regulations relating to health and safety matters relating to products and services provided that would have a significant impact on the Group.</p>
<b>Advertising and labelling</b>			
<p>Trade Descriptions Ordinance (Cap. 362 Laws of Hong Kong).</p> <p>This Ordinance prohibits false trade descriptions, false, misleading or incomplete information and to prohibit certain unfair trade practices.</p>	Hong Kong	A breach of this Ordinance can give rise to civil and/or criminal liability including fines and imprisonment.	<p>It is the policy of the Group to comply with all applicable advertising and labelling laws and regulations.</p> <p>During 2022, there were no convictions for non-compliance with laws and regulations relating to advertising and labelling practices that would have a significant impact on the Group.</p>



**PRODUCT RESPONSIBILITY**

Significant laws and regulations	Location	Potential impact	Management approach and compliance status
<b>Privacy</b>			
<p>Personal Data (Privacy) Ordinance (Cap. 486 Laws of Hong Kong) (PDPO) of the Hong Kong SAR government, which is aimed at protecting the privacy of individuals in relation to personal data.</p>	<p>Hong Kong</p>	<p>The PDPO is likely to have a significant impact on companies who collect, hold, process or use data, for instance, customer and employee personal data.</p> <p>The Commissioner may serve an enforcement notice to direct the company to remedy contravention and/ or instigate prosecution action. Contravention of an enforcement notice is an offence which could result in a maximum fine of HK\$50,000 and imprisonment for 2 years.</p> <p>Breaches of the PDPO can cause reputational impact to the Company.</p>	<p>Cathay Pacific and its subsidiaries have policies, processes and controls in place to comply with the data protection regulations applicable to its operations (e.g. the EU/UK GDPR, PDPO and PIPL, etc.).</p> <p>During 2022, there were no convictions for non-compliance with laws and regulations relating to customer privacy that would significantly impact the Group.</p>
<p>EU General Data Protection Regulation (GDPR) has come into force on 25 May 2018.</p> <p>The GDPR involves new provisions and enhanced rights, aimed to harmonise the framework for the digital single market, put individuals in control of their data and formulate a modern data protection governance.</p>	<p>EU</p>	<p>The GDPR is likely to have a significant impact on the Company because of offering goods or services to individuals who are located in the EU.</p> <p>European data protection authorities have the power to enforce the GDPR by levying fines of up to 4% of an organisation's global revenue or €20 million, whichever is the greater.</p> <p>Individuals affected by a contravention of the GDPR may also take legal action to recover compensation.</p>	

**PRODUCT RESPONSIBILITY**

Significant laws and regulations	Location	Potential impact	Management approach and compliance status
<b>Privacy</b>			
<p>UK GDPR, the UK data protection regime is regulated by the Data Protection Act and the GDPR has been written into UK law and tailored to become the 'UK GDPR.'</p>	<p>UK</p>	<p>UK data protection authorities have the power to enforce the UK GDPR by levying fines of up to 4% of an organisation's global revenue or GBP 17.5 million, whichever is the greater. Individuals affected by a contravention of the UK GDPR may also take legal action to recover compensation.</p>	
<p>Personal Information Protection law (PIPL), the first major piece of legislation in the Chinese Mainland dedicated to the protection of personal information, was effective from 1 November 2021</p>	<p>Chinese Mainland</p>	<p>The PIPL is likely to have a significant impact on the Company because the law contains provisions on extraterritorial application.</p> <p>Foreign organisations which process personal information of individuals in the Chinese Mainland for the purpose of offering products or services to them, or analysing and assessing their behaviours, shall be subject to this law.</p> <p>A processor of personal information which contravenes the requirements under the law is liable to a maximum fine of RMB 50,000,000 or 5% of its annual turnover of the preceding year.</p>	<p>Cathay Pacific and its subsidiaries have policies, processes and controls in place to comply with the data protection regulations applicable to its operations (e.g. the EU/UK GDPR, PDPO and PIPL, etc.).</p> <p>During 2022, there were no convictions for non-compliance with laws and regulations relating to customer privacy that would significantly impact the Group.</p>

## ANTI-CORRUPTION

Significant laws and regulations	Location	Potential impact	Management approach and compliance status
<p>Prevention of Bribery Ordinance (Cap. 201 Laws of Hong Kong) (POBO)</p> <p>POBO aims to prohibit bribery in both the public and private sectors. For the latter, the POBO prohibits an agent's corrupt behaviour and fraudulent practices in relation to his principal's affairs.</p>	<p>Hong Kong</p>	<p>Under the POBO, it is an offence to offer to an agent, or for an agent (e.g. an employee), to solicit or accept an advantage when conducting the principal's affairs without the principal's permission.</p> <p>The maximum penalty for an offence is 10 years' imprisonment and a fine of HK\$1 million.</p>	<p>The Group has an established Anti-Bribery Policy, which is overseen by the Board and forms part of a comprehensive and robust anti-bribery and anti-corruption compliance programme designed to provide guidance on compliance with global anti-bribery laws.</p> <p>During 2022, there were no convictions for non-compliance with laws and regulations relating to bribery, extortion, fraud or money laundering that would have a significant impact on the Group.</p>
<p>UK Bribery Act 2010 (Bribery Act)</p> <p>The Bribery Act makes it a criminal offence to bribe, or to offer or authorize a bribe to, another person (including a foreign official) or to be the recipient of a bribe.</p>	<p>UK</p>	<p>The Bribery Act is likely to have a significant impact on the Company because of having a presence in the UK.</p> <p>The Bribery Act has extra-territorial reach both for UK companies operating abroad and for overseas companies with a presence in the UK. All offences under the Bribery Act are punishable by unlimited fines for companies and individuals and, for individuals, up to 10 years' imprisonment. When a company is convicted of giving or receiving a bribe, the directors and other senior managers of the company can also be held accountable.</p>	
<p>US Foreign Corrupt Practices Act (FCPA)</p> <p>The FCPA makes it unlawful for certain classes of persons and entities to make payments to foreign government officials to assist in obtaining or retaining business.</p> <p>The anti-bribery provisions of the FCPA applies to all US persons and certain foreign issuers of securities. These also apply to foreign firms and persons who cause, directly or through agents, an act in furtherance of such a corrupt payment to take place with the territory of the US.</p>	<p>USA</p>	<p>The FCPA has extra-territorial effect and is likely to have a significant impact on the Company, for instance, for dealing with government officials in respect of licensing matters.</p> <p>Criminal penalties for violation can be severe, including fines and imprisonment for up to 5 years (for violating anti-bribery provisions) and 20 years (for violating accounting provisions).</p>	

## 2022 KEY PERFORMANCE INDICATORS

### Economic indicators table

INDICATOR	2022 HK\$M	2021 HK\$M	2020 HK\$M
<b>Direct economic value generated*</b>			
Revenue	51,036	45,587	46,934
Finance income	165	75	149
Share of profits of associates	(6,677)	(1,985)	(1,282)
<b>Economic value distributed</b>			
Operating Expenses	47,490	46,037	58,639
Staff Expenses	10,571	11,298	15,786
Payment to providers of capital	3,074	2,704	3,044
- Finance charge	3,074	2,704	3,044
- Dividend paid - to the shareholders of Cathay Pacific	-	-	-
- Dividend paid - to non-controlling interests	-	-	-
Payments to government (Taxation)	(507)	(531)	(674)
<b>Community investments including charitable donation</b>			
- Direct payment	2	3	4
- In the form of discounts on airline travel	4	0.2	1
<b>Economic value retained</b>			
Profit/(loss) attributable to the shareholders of Cathay Pacific	(6,548)	(5,527)	(21,648)

\*More financial data can be found in our [Annual Report 2022](#) p.22



## Environmental indicators tables

### Emissions – Overall carbon emissions

INDICATOR	Unit	2022	2021	2020
<b>Cathay Pacific Airways and 100% owned Hong Kong based subsidiaries</b>				
Scope 1*	tCO <sub>2</sub> e	<b>5,349,881</b>	6,020,691	7,534,910
Scope 2	tCO <sub>2</sub> e	<b>40,442</b>	38,887	53,807
Scope 3	tCO <sub>2</sub> e	<b>5,205,000</b>	-	-
Scope 1 and 2	tCO <sub>2</sub> e	<b>5,390,323</b>	6,059,578	7,588,717
Scope 1, 2 and 3	tCO <sub>2</sub> e	<b>10,595,323</b>	-	-
Net Scope 1 <sup>§</sup>	tCO <sub>2</sub> e	<b>5,312,690</b>	6,012,929	7,529,582
Net Scope 1 and 2 <sup>§</sup>	tCO <sub>2</sub> e	<b>5,353,132</b>	6,051,816	7,583,389
Net Scope 1, 2 and 3 <sup>§</sup>	tCO <sub>2</sub> e	<b>10,558,132</b>	-	-

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

\*Data verified by Deloitte

### Emissions - Aircraft operations

INDICATOR	Unit	2022+ <sup>#</sup> @	2021+ <sup>#</sup> @	2020** <sup>#</sup> @	2019**	2018**	2017**	2016**	1998
Available tonne kilometres (ATK)	million	<b>11,092</b>	12,308	15,587	33,077	32,387	31,439	30,462	10,857
Revenue tonne kilometres (RTK)	million	<b>7,857</b>	9,268~	10,876	24,090	24,543	23,679	22,418	7,213
Revenue passenger kilometres (RPK)	million	<b>15,435</b>	4,126	21,136	134,397	130,630	126,663	123,478	40,679
Fuel Consumption	thousand tonnes	<b>1,690</b>	1,904	2,386	5,837	5,713	5,625	5,467	2,343
Fuel Efficiency	grammes / ATK	<b>152</b>	155	153	173	176	179	179	216
	improvement since 1998 %	<b>29.4%</b>	28.3%	29.2%	19.9%	18.3%	17.1%	16.8%	0.0%
	grammes / RTK	<b>215</b>	204	219	238	233	238	244	325
CO <sub>2</sub> emissions	thousand tonnes in CO <sub>2</sub> e	<b>5,332</b>	5,997	7,513	18,025	17,997	17,716	17,222	7,380
	% change from previous year	<b>27.9%</b>	20.2%	58.3%	0.1%	1.6%	2.9%	0.8%	-

## Emissions - Aircraft operations

INDICATOR	Unit	2022+##@	2021+##@	2020**##@	2019**	2018**	2017**	2016**	1998
CO <sub>2</sub> emissions	grammes / ATK	<b>480</b>	487	482	545	556	564	565	680
	improvement since 1998 %	<b>29.4%</b>	28.3%	29.1%	19.9%	18.3%	17.1%	16.8%	0.0%
	grammes / RTK	<b>677</b>	647~	691	748	733	748	768	1,023
	improvement since 1998 %	<b>33.8%</b>	36.8%~	32.5%	26.9%	28.3%	26.9%	24.9%	0.0%

INDICATOR	Unit	2022	2021	2020
<b>Carbon emissions abatement</b>				
SAF derived carbon emissions abatement*	tCO <sub>2</sub>	<b>1,274</b>	-	-
Carbon offsets (voluntary – purchased by Cathay Pacific for the carbon offset of duty travel and promotional campaigns for Fly Greener)	tCO <sub>2</sub> e	<b>35,917</b>	7,762	5,328
Carbon offsets (voluntary – purchased by individual and corporate customers)*	tCO <sub>2</sub> e	<b>2,482</b>	19,518	35,806

\*Data verified by Deloitte

INDICATOR	Unit	2022@#	2021@#	2020@##
<b>Nitrogen Oxides (NOx) emissions</b>				
Total NOx emissions	Tonnes	<b>2,336</b>	2,349	2,857
Average NOx emissions per landing and take-off cycle (LTO)	Kg/LTO	<b>43</b>	45	42
% of fleet meeting CAEP^ 6 requirements	%	<b>91</b>	90	81
% of fleet meeting CAEP^ 8 requirements	%	<b>68</b>	65	57

\* Includes Cathay Dragon, # Includes Air Hong Kong, @ Includes HK Express, + Fuel consumption includes testing, training, and wet-lease flights

~ Data is restated to reflect the actual performance.

^ CAEP is the environmental committee of the International Civil Aviation Organisation (ICAO). The long-term target is to reduce NOx emissions by 60% below CAEP6 by 2026.

### Remarks:

(1) GWP of CO<sub>2</sub> is 1; assumes that all other GHG gases are negligible as these impacts still uncertain.

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

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

## Resources use - Aircraft and ground operations

(Cathay Pacific Airways and principal subsidiaries)

INDICATOR	Unit	2022	2021	2020
<b>Aviation energy use</b>				
Aviation jet fuel	tonnes	<b>1,689,558</b>	1,903,710	2,385,605
Sustainable aviation fuel*	tonnes	<b>450</b>	3	1
Percentage of SAF in annual jet fuel consumption	%	<b>0.03</b>	-	-
<b>Ground energy use</b>				
Electricity	mWh	<b>97,206</b>	98,657	102,975
Mobile combustion- diesel	litres	<b>2,344,396</b>	2,476,926	2,617,977
Mobile combustion - unleaded petrol	litres	<b>139,602</b>	142,281	161,204
Stationary combustion- diesel	litres	<b>6,884</b>	5,709	2,789
Towngas	unit	<b>4,286,328</b>	3,996,750	3,837,299
Total energy used	GJ	<b>74,860,650</b>	84,271,045	105,454,255
Energy intensity per employee	GJ	<b>3,572</b>	3,895	4,118
<b>Water use</b>				
Seawater use for cooling	m <sup>3</sup>	<b>9,460,900</b>	10,037,800	10,849,600
Municipal water use	m <sup>3</sup>	<b>503,821</b>	502,615	505,503
Maintenance water use	m <sup>3</sup>	<b>13,246</b>	14,517	23,239
Recycled water	m <sup>3</sup>	<b>11,959</b>	9,984	2,334

\* Data verified by Deloitte

INDICATOR	Unit	2022	2021	2020
<b>Water discharge</b>				
Municipal water discharge	m <sup>3</sup>	<b>460,569</b>	455,474	485,941
<b>Resources use</b>				
Paper consumed in operations	tonnes	<b>65</b>	61	76
Certified sustainable seafood procured	tonnes	<b>150</b>	22	58
<b>Recycling</b>				
Metal	tonnes	<b>28</b>	7	8
Plastic	tonnes	<b>149</b>	30	140
Glass	tonnes	<b>83</b>	28	77
Paper	tonnes	<b>115</b>	137	298
Food processing oil	tonnes	<b>8</b>	6	6
Tires	tonnes	<b>31</b>	16	12
Food donated	tonnes	<b>114</b>	210	276
Inconsumable food waste sent for recycling & energy recovery	tonnes	<b>367</b>	246	378
Sub-total	tonnes	<b>895</b>	680	1,195
Hangers reused at Vogue Laundry	pieces	<b>543,730</b>	1,335,302	1,202,701
<b>Waste</b>				
Landfilled non-hazardous waste (commercial & industrial waste, food waste and grease trap)	tonnes	<b>9,193</b>	7,769	9,386
Hazardous waste (battery)	tonnes	<b>24</b>	1	23
Hazardous waste (chemical solid waste)	tonnes	<b>2</b>	2	3
Hazardous waste (chemical liquid waste)	Litres	<b>10,760</b>	17,200	17,700
Landfilled non-hazardous waste intensity per revenue (million HKD)	tonnes/ HK\$M	<b>0.18</b>	0.17	0.20
Non-hazardous waste diversion rate	%	<b>11</b>	8	11



## Social Indicators Table

### Employment data

INDICATOR	Unit	2022	2021	2020
<b>Workforce of the Cathay Pacific Group</b>				
Total employees#	no.	<b>20,923</b>	21,635	25,610
Total employees - key business operations and subsidiaries*	no.	<b>20,014</b>	20,708	23,992
<b>By gender</b>				
Male	%	<b>49</b>	50	50
Female	%	<b>51</b>	50	50
<b>By employment contract</b>				
Employees on permanent terms	%	<b>92</b>	92	86
Employees on fixed term and temporary contract	%	<b>8</b>	8	14
<b>By employment type</b>				
Permanent employees - Full-time	%	<b>99</b>	99	99
Permanent employees - Part time	%	<b>1</b>	1	1
<b>By region</b>				
Hong Kong & Macau	%	<b>85</b>	84	85
Chinese Mainland	%	<b>2</b>	2	1
Taiwan	%	<b>2</b>	2	2
USA	%	<b>1</b>	1	1
Others	%	<b>10</b>	10	11
<b>By employment role</b>				
Cathay Pacific flight crew	%	<b>12</b>	13	13
Cathay Pacific cabin crew	%	<b>31</b>	32	33
Cathay Pacific ground employees	%	<b>34</b>	32	29
Employees of subsidiaries	%	<b>23</b>	23	25

# Figures provided exclude cadet pilots and student interns as they are not employees of Cathay Pacific. They are included in the Annual Report for financial reporting purposes.

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

<i>INDICATOR</i>	<i>Unit</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>
<b>VOLUNTARY TURNOVER RATE OF PERMANENT EMPLOYEES</b>				
<b>By age group</b>				
Under 30 years old	%	<b>43</b>	40	21
30 to 50 years old	%	<b>17</b>	17	7
Over 50 years old	%	<b>10</b>	11	8
<b>By gender</b>				
Male	%	<b>17</b>	17	9
Female	%	<b>23</b>	22	10
<b>By region</b>				
Hong Kong & Macau	%	<b>18</b>	17	9
Chinese Mainland	%	<b>1</b>	1	3
Taiwan	%	<b>5</b>	1	10
USA	%	<b>4</b>	2	15
Others	%	<b>3</b>	2	3
Total Voluntary Turnover Rate of Permanent Employees	%	<b>18</b>	17	9
<b>NEW HIRES RATE</b>				
<b>By age group</b>				
Under 30 years old	%	<b>46</b>	28	10
30 to 50 years old	%	<b>16</b>	8	4
Over 50 years old	%	<b>8</b>	2	3
<b>By gender</b>				
Male	%	<b>18</b>	9	5
Female	%	<b>22</b>	8	4
<b>By region</b>				
Hong Kong & Macau	%	<b>18</b>	8	5
Chinese Mainland	%	<b>3</b>	0	6
Taiwan	%	<b>5</b>	3	0
USA	%	<b>3</b>	1	1
Others	%	<b>2</b>	1	6
Total New Hires Rate	%	<b>17</b>	8	5

## Training and education data

<i>INDICATOR</i>	<i>Unit</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>
<b>TRAINING AND EDUCATION</b>				
<b>Average hours of training</b>				
Total training hours	hours	<b>968,473</b>	589,453	761,219
Average training hours	hours	<b>39</b>	31	37
<b>Average hours of training by employee category</b>				
Individual Contributor	hours	<b>26</b>	32	33
Team Leader	hours	<b>39</b>	31	43
Operational Leader	hours	<b>21</b>	66	46
Strategic Leader	hours	<b>2</b>	7	9
<b>Average hours of training by gender</b>				
Male	hours	<b>40</b>	37	39
Female	hours	<b>35</b>	31	33
<b>Percentage of employees trained by employee category</b>				
Individual Contributor	%	<b>69</b>	99	75
Team Leader	%	<b>94</b>	93	89
Operational Leader	%	<b>61</b>	86	78
Strategic Leader	%	<b>17</b>	88	83
<b>Percentage of employees trained by gender</b>				
Male	%	<b>87</b>	94	87
Female	%	<b>73</b>	98	79

## Performance review and engagement data

INDICATOR	Unit	2022	2021	2020
<b>PERFORMANCE REVIEW AND ENGAGEMENT</b>				
<b>Performance review</b>				
Percentage of employees receiving performance review	%	99	97	97
<b>Annual employee engagement index score</b>				
Percentage of respondents rating strong	%	58	58	63

## Employee diversity data

INDICATOR	Unit	2022	2021	2020
<b>DIVERSITY OF CATHAY PACIFIC GROUP BOARD OF DIRECTORS</b>				
<b>By gender</b>				
Male	%	94	94	87
Female	%	6	6	13
<b>By age group</b>				
39-47 years old	%	6	6	13
48-56 years old	%	38	53	50
57-65 years old	%	50	41	37
Over 65 years old	%	6	0	0
<b>By ethnicity</b>				
American	%	0	6	6
Australian	%	6	6	6
British	%	44	41	38
Chinese	%	44	47	50
German	%	6	0	0
<b>Years of service as Director</b>				
1-5 years	%	63	65	63
6-10 years	%	31	23	31
Over 10 years	%	6	12	6



INDICATOR	Unit	2022	2021	2020
<b>DIVERSITY OF CATHAY PACIFIC GROUP BOARD OF DIRECTORS</b>				
<b>Skills, expertise and experience</b>				
Company executive	%	75	82	75
Accounting, banking and finance	%	25	18	25
<b>DIVERSITY OF SENIOR POSITIONS (GENERAL MANAGERS AND DIRECTORS) AT CATHAY PACIFIC AND SUBSIDIARIES</b>				
<b>By gender</b>				
Male	%	75	72	69
Female	%	25	28	31

### Health and safety data

INDICATOR	Scope	Unit	2022 <sup>+</sup>	2021 <sup>+</sup>	2020 <sup>@</sup>
<b>Health and safety</b>					
No. of accidents*	Cathay Pacific Group Airlines	No.	0	0	0
No. of high-risk incidents	Cathay Pacific Group Airlines	No.	0	0	0
No. of work-related fatalities	Cathay Pacific Group Airlines	No.	0	0	0
Rate of work-related fatalities	Cathay Pacific Group Airlines	%	0	0	0
Lost Time Injury Rate	Cathay Pacific Group Airlines	No.	3.01	0.79	2.20
Lost Day Rate	Cathay Pacific Group Airlines	No.	52.09 <sup>#</sup>	20.33 <sup>#</sup>	68.83 <sup>#</sup>
No. of incidents of non-compliance with regulations and/or voluntary code concerning health and safety impacts of our products and services	Cathay Pacific Group Airlines	No.	0	0	0

@ Includes Cathay Pacific, Cathay Dragon and Hong Kong Express.

+ Includes Cathay Pacific, Hong Kong Express and Air Hong Kong.

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

# As pilot and cabin crew lost days are based on days not available for duty, a factor was previously used to normalise relevant data according to 250 days' work per year, equivalent to 2000 hours per year.

This factor is no longer applied to relevant data in 2019, which led to the substantial increase in LDR. Due to the significant change in the operation and to ensure data presented is an accurate reflection of relevant performance, cabin crew and pilot's actual duty hours have been used to calculate injury rates since January 2020.

## SUPPLIER DISTRIBUTION#

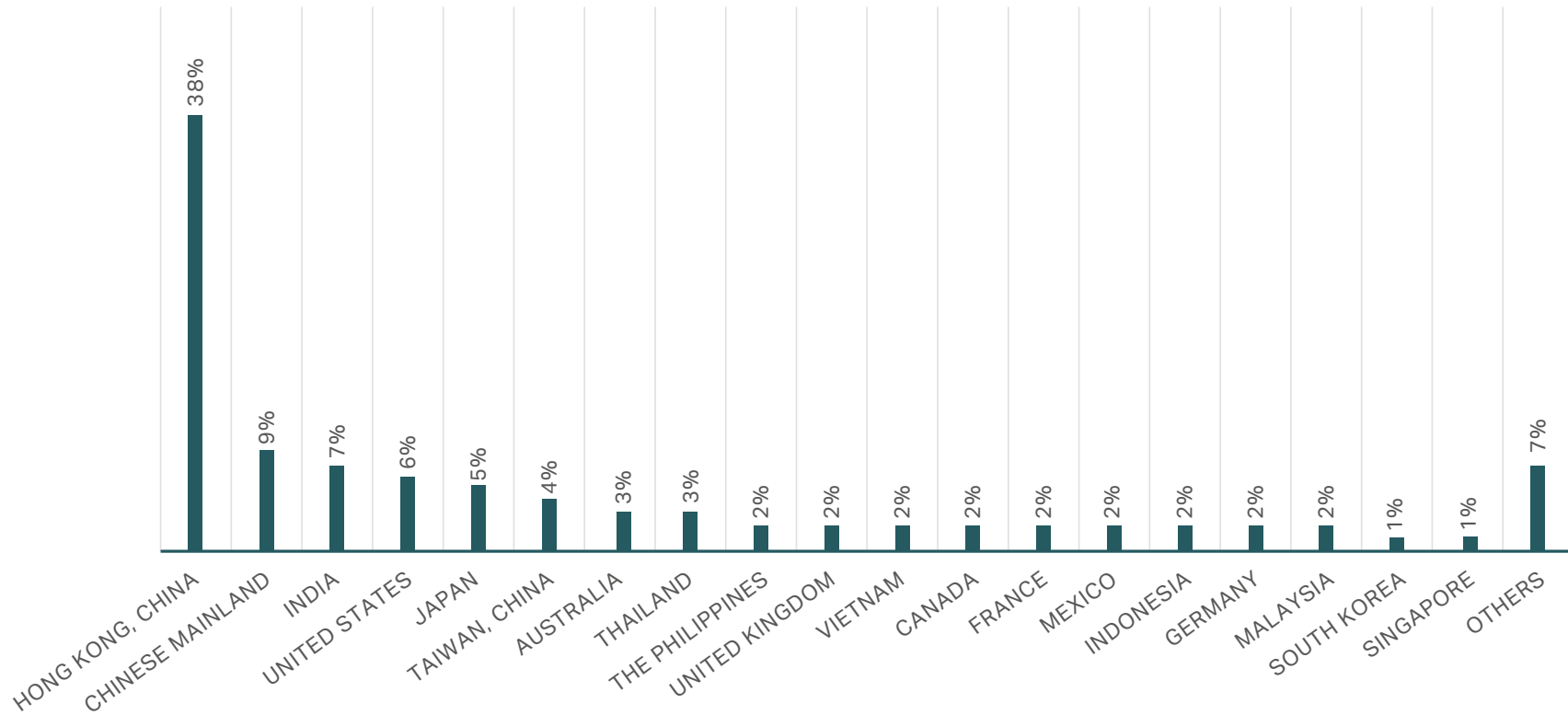
Number of Tier 1 suppliers in 2022: 22\*

Share of total procurement spent: 66%

Active suppliers in 2022: 6,000

Active supplier geographical distribution in 2022:

### ACTIVE SUPPLIERS BY LOCATION



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

# Cathay Pacific Airways data only.








## Selected Awards And Memberships

### Membership and signatory

<i>Member of Organisation</i>	<i>Scope of Organisation</i>	<i>Cathay Contributions and Engagement</i>
Aviation Climate Taskforce (ACT)	Global	Cathay Pacific is a Founding Member of ACT, which is established to support the aviation industry to achieve net-zero emissions through accelerating breakthroughs in emerging decarbonisation technologies by 10 years or more.
International Air Transport Association (IATA)	Global	Cathay Pacific is a Member of IATA's Sustainability and Environment Advisory Committee, which advises the IATA Board and Director General on matters related to the sustainable development of aviation and its interface with the environment.
International Civil Aviation Organisation (ICAO)	Global	Cathay Pacific is a Member of ICAO's Fuels Task Group specialised in SAF adoption. The Task Group supports the research, development and deployment of SAF that meet environmental, societal and economic sustainability criteria.
		Cathay Pacific is a Member of ICAO's Sustainable Aviation Fuel User Group, which sets up to accelerate the development and commercialisation of SAF for aviation.
<b>oneworld</b>	Global	Cathay Pacific is a Member of the <b>oneworld</b> 's Environmental and Sustainability Board Working Group. Together with our <b>oneworld</b> Alliance peers, we have committed to the joint purchase of more than 350 million gallons of blended SAF beginning from 2024.
Science Based Targets Initiatives (SBTi)	Global	Cathay Pacific is a Member Organisation of SBTi's Technical Working Group (aviation sector), which provides input during the planning and development phase of SBT guidance and tools for airlines and other users of aviation services.
Task Force on Climate-Related Financial Disclosures (TCFD)	Global	Cathay Pacific is a TCFD Supporter where we publish climate-related financial disclosure with reference to the TCFD recommendations under four categories: governance, strategy, risk management, and metrics and targets.
The Roundtable on Sustainable Biomaterials (RSB)	Global	Cathay Pacific is a Member of the RSB, which offers trusted, credible tools and solutions for sustainability and biomaterials certification that mitigate business risk, fuel the bioeconomy and contribute to the UNSDGs.
World Economic Forum (WEF)	Global	Cathay Pacific is a Community Member of WEF's Clean Skies for Tomorrow Coalition, which supports the ongoing transition of the aviation industry to climate neutrality.
Association of Asia Pacific Airlines (AAPA)	Asia Pacific	Cathay Pacific is a Member of AAPA's Environmental Working Group, which represents the interests of the Asia Pacific aviation industry when it comes to addressing environmental issues.
The Hong Kong International Carbon Market Council	Local	Cathay Pacific is an Inaugural Member of the Hong Kong International Carbon Market Council of HKEX where we provide sector-specific advice for the development of a Hong Kong-based international carbon market.

Name of Charter / Pledge	Organiser
25by2025	IATA
Drink Without Waste Pledge	Single-Use Beverage Packaging Working Group
The Global Shark Pledge	Wild Aid
United for Wildlife Transport Taskforce Buckingham Palace Declaration	The Equal Opportunities Commission
Science Based Targets Initiatives (SBTi)	United for Wildlife

## ESG indices and awards


Performance	
	<p>CDP – Cathay Pacific has once again received a B score in the Climate Change questionnaire in 2022.</p>
 <p>FTSE4Good</p>	<p>FTSE4Good Index Series – Cathay Pacific has been a constituent of this index since 2009.</p>
 <p>Hang Seng Corporate Sustainability Index Series Member 2022-2023</p>	<p>Hang Seng Corporate Sustainability Index – Cathay Pacific has been selected as a constituent company. Also, a Hang Seng ESG 50 Index was launched in 2020 to reflect the performance of top 50 ESG leaders with relatively high market-capitalisation listed in Hong Kong, with Cathay Pacific being one of the constituents.</p>
 <p>Greater Bay Area Business Sustainability Index 粵港澳大灣區企業可持續發展指數</p>  <p>成功者 Achiever</p>	<p>Greater Bay Area Business Sustainability Index ("GBABS") – Cathay Pacific was among the top 20 companies on business sustainability in the 3rd GBABS. The index covers Hong Kong listed companies with operations in the Greater Bay Area eligible for trading under the Stock Connect scheme.</p>
 <p>Transition Pathway Initiative</p>	<p>Transition Pathway Initiative ("TPI") – Cathay Pacific achieved the highest Level 4 in TPI's latest assessment on our climate action and preparedness for the transition to a low-carbon economy.</p>
 <p>World Benchmarking Alliance</p>	<p>The World Benchmarking Alliance ("WBA") – Cathay Pacific has been included in the WBA Transport Benchmark 2022. We ranked #5 out of 28 selected airlines, and ranked #28 amongst 90 keystone transport companies from around the world.</p>




## ESG indices and awards

Awards & Recognition	Organiser
15 Years Plus Caring Company	The Hong Kong Council of Social Service
2022 Genesys Customer Innovation Awards	Genesys
2023 APEX Five Star Global Airline	Airline Passenger Experience Association
<b>HKACE Customer Service Excellence Awards</b> <ul style="list-style-type: none"> <li>• Digital Service Strategy Award – Bronze Award</li> <li>• Team Award – Bronze Award</li> </ul>	Hong Kong Association of Customer Service Excellence
<b>Hong Kong Awards for Environmental Excellence</b> <ul style="list-style-type: none"> <li>• Manufacturing and Industrial Services – Silver Award</li> <li>• Transport and Logistics – Certificate of Merit</li> </ul>	Environmental Campaign Committee
<b>Red Hat APAC Innovation Awards 2022</b> <ul style="list-style-type: none"> <li>• Digital Transformation category</li> <li>• Hybrid Cloud Infrastructure category</li> </ul>	Red Hat
<b>Standard Chartered Corporate Achievement Awards</b> <ul style="list-style-type: none"> <li>• Sustainable Corporate (Environmental) Leadership Award</li> </ul>	Standard Chartered Hong Kong
<b>The Asian Freight, Logistics and Supply Chain (AFLAS) Awards</b> <ul style="list-style-type: none"> <li>• Best Air Cargo Carrier – Asia</li> </ul>	Asia Cargo News
<b>The IDC Future Enterprise Awards</b> <ul style="list-style-type: none"> <li>• Best in Future of Intelligence category</li> </ul>	International Data Corporation
<b>The Payload Asia Awards</b> <ul style="list-style-type: none"> <li>• Overall Carrier of the Year – Asia Pacific</li> </ul>	Payload Asia
<b>The Unite Awards 2022</b> <ul style="list-style-type: none"> <li>• Internal Comms Impact category</li> </ul>	Unily
<b>TVB ESG Awards 2022</b> <ul style="list-style-type: none"> <li>• Best in ESG Report Award</li> <li>• ESG Project Innovation Award</li> <li>• Innovative Climate Technology Award</li> </ul>	TVB

# EXTERNAL ASSURANCE

We have engaged independent assurance provider Deloitte to provide an independent assurance on our greenhouse gas emissions and carbon offset data for the aforesaid reporting period. The scope and statement of assurance are provided as follows. The verified data with external assurance is marked with “



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**INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT**

To the Board of Directors of  
**Cathay Pacific Airways Limited**

We have been engaged by the Directors of Cathay Pacific Airways Limited ("Cathay Pacific") to perform a limited assurance engagement in relation to certain sustainable development data (the "Data Points") included in its Sustainable Development Report 2022 for the year ended 31 December 2022 (the "SD Report 2022") and selected by Cathay Pacific.

**Data Points**

The Data Points are as follows:

1. Total carbon emissions (Scope 1); and
2. Amount of offsets contributed by individual customers and corporate clients under the Fly Greener Programme in 2022.
3. Amount of Sustainable Aviation Fuel ("SAF") used
4. Amount of SAF-derived carbon emissions abatement

The Data Points are presented in the Data Point table set out in Appendix I to this report.

**Reporting Criteria**

The Data Points are presented in accordance with the criteria set out in Appendix II to the report (the "Reporting Criteria").

**Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board of Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Control 1, "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards as well as applicable legal and regulatory requirements.

**Responsibilities**

**Deloitte Touche Tohmatsu**  
It is our responsibility to express a limited assurance conclusion on the Data Points, based on our work performed, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility or accept liability to any other person for the contents of this report.

**Cathay Pacific Airways Limited**  
The Directors of Cathay Pacific are responsible for the preparation and presentation of the Data Points in accordance with the Reporting Criteria. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and presentation of the Data Points, applying an appropriate basis of preparation, making estimates that are reasonable in the circumstances and ensuring the accuracy and completeness of the Data Points.

**Reporting Framework**

We conducted our work in accordance with the International Standard on Assurance Engagements 3000 (Revised), "Assurance Engagements other than Audits or Reviews of Historical Financial Information", and the International Standard on Assurance Engagements 3410, "Assurance Engagements on Greenhouse Gas Statements", issued by the International Auditing and Assurance Standards Board (together, the "Standards").

The Standards require that we comply with ethical requirements, and plan and perform the engagement to obtain limited assurance as to whether any matters that come to our attention cause us to believe that the Data Points do not comply, in any material respects, with the Reporting Criteria.

**Objective**

The overall objective of our procedures was to assess whether the Data Points were prepared, in all material respects, in accordance with the Reporting Criteria.

**Procedures Performed**

Our work comprised the following limited procedures:

- Interviews with relevant management and personnel involved in providing information relating to the Data Points, for inclusion in the SD Report 2022;
- Sample testing of documentary evidence on Cathay Pacific's corporate and site levels;
- Analytical procedures; and
- Recalculation.

We have not performed any procedures relating to other data included in the SD Report 2022. In addition, our work performed is not for the purposes of expressing an opinion on the effectiveness of Cathay Pacific's internal controls.


The procedures performed in a limited assurance engagement vary in nature and timing from those associated with, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

**Inherent Limitations**

Non-financial performance information, including the Data Points, is subject to more inherent limitations than financial information, given both its nature and the methods used for determining, calculating, sampling and estimating such information. This could have a material impact on comparability. Qualitative interpretations of relevance, materiality and the accuracy of such information are subject to individual assumptions and judgements.

**Conclusion**

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Data Points have not been prepared, in all material respects, in accordance with the Reporting Criteria.

  
**Deloitte Touche Tohmatsu**  
Certified Public Accountants  
Hong Kong  
28 February 2023

# EXTERNAL ASSURANCE

## Appendix 1 - Data Point Table

The sustainable development data selected by Cathay Pacific for the year-ended 31 December 2022:

Data Point	Unit	Amount
Total carbon emissions (Scope 1)	tonne carbon dioxide equivalent	5,349,881
Amount of offset contributed by individual customers under the Fly Greener Programme in 2022	tonne carbon dioxide equivalent	1,681
Amount of offset contributed by corporate clients under the Fly Greener Programme in 2022	tonne carbon dioxide equivalent	801
Amount of SAF used	tonne	450
Amount of SAF-derived carbon emissions abatement	tonne carbon dioxide equivalent	1,274

## Appendix 2 – Reporting Criteria

### GHG emissions accounting and reporting policies

The inventory of Cathay Pacific's GHG emissions is reported in accordance with the World Resources Institute and World Business Council on Sustainable Development's Greenhouse Gas Protocol (2004, Revised Editions).

### Organisational boundaries

Cathay Pacific reported the GHG emissions of each of its subsidiaries shown below in proportion to their ownership percentage. The organizational boundaries for the reporting of GHG emissions include Cathay Pacific and the following 100%-owned Hong Kong-based companies (the "Subsidiaries"):

- Cathay Pacific Catering Services (H.K.) Limited
- Cathay Pacific Services Limited
- Hong Kong Airport Services Limited
- Vogue Laundry Service Limited
- Air Hong Kong Limited
- Hong Kong Express Airways Limited
- Airline Property Limited
- Cathay Holidays Limited

### Operational boundaries

The operational boundaries for the reporting of GHG emissions are as follows:

- Scope 1 – Direct GHG emissions, including global CO<sub>2</sub> emissions from flights, fuel used for ground vehicles (including biodiesel), refrigerant use and Towngas combustion
- Scope 2 – Electricity and Towngas (production) for indirect GHG emissions

The reporting period for the GHG data is 1 January to 31 December 2022.

### Scope 1 emissions

Sources of Scope 1 emissions include fuel, refrigerant and Towngas usage from ground-based activities (including biodiesel) in Hong Kong covering Cathay Pacific and the Subsidiaries. Canteens operated by third parties within Cathay Pacific's buildings are excluded.

In Hong Kong, the CO<sub>2</sub> emissions factors follow the guidelines published by the Environmental Protection Department of the Hong Kong Special Administrative Region Government in February 2010<sup>1</sup>. The emissions factor for biodiesel follows guidance from the UK's Department for Business, Energy & Industrial Strategy (Greenhouse gas reporting: conversion factors 2022)<sup>2</sup>.

In respect of Cathay Pacific's GHG emissions from aircraft fuel consumption, the scope includes all flight activities, including testing, training flights, dry lease and wet lease. As fuel density varies according to a number of factors, Cathay Pacific uses the Joint Inspection Group's<sup>3</sup> recommended specific gravity of 0.80 kg/L to calculate the weight of fuel. Cathay Pacific uses an emissions factor of 3.15<sup>4</sup> to determine CO<sub>2</sub> emissions from the combustion of aircraft fuel.

<sup>1</sup> Environmental Protection Department. (2010, February). Guidelines To Account For And Report On Greenhouse Gas Emissions And Removals For Buildings In Hong Kong. Retrieved from [https://www.epd.gov.hk/epd/eng/ghg/ghg\\_mtr/ghg\\_mtr\\_guidelines\\_2010.pdf](https://www.epd.gov.hk/epd/eng/ghg/ghg_mtr/ghg_mtr_guidelines_2010.pdf)  
<sup>2</sup> UK Department for Business, Energy & Industrial Strategy (2021). Greenhouse gas reporting: conversion factors 2022 from <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022>  
<sup>3</sup> Formed by international oil companies, the Joint Inspection Group performs regular inspections of their airport facilities to ensure that these are operated in accordance with their procedures for handling aviation fuel at airports and upstream aviation fuel facilities.  
<sup>4</sup> IPCC. (1999). Aviation and the Global Atmosphere. Cambridge: Cambridge University Press.  
<sup>5</sup> ICAO (2018) Annex 16 – Environmental Protection, Volume IV, Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). Retrieved from <https://www.icao.int/environmental-protection/CORSIA/Pages/SARPs-Annex-16-Volume-IV.aspx>

### Fly Greener offsets

Fly Greener offsets are calculated as the tonnes of CO<sub>2</sub> purchased by all employee duty travel, corporate clients and individual customers who used either cash or Asia Miles as a method of payment. The price per tonne of CO<sub>2</sub> is determined by the retail price of the credits purchased. The latest price is HK\$65.63 per tonne of CO<sub>2</sub> or 1,616 Asia Miles per tonne of CO<sub>2</sub>. The total tonnage was computed based on the amount paid by customers during the year.

### Standard of sustainable aviation fuel used and the CO<sub>2</sub> emissions reductions

Sustainable aviation fuel ("SAF") is a fuel for aviation derived from non-fossil feedstock that meets sustainability criteria. CO<sub>2</sub> emissions reductions from the use of SAF by Cathay Pacific is deducted from its Scope 1 gross emissions, starting from 2022. The scope of SAF consumption includes aircraft delivery flights, Cathay Pacific's Corporate Sustainable Aviation Fuel Programme, and any mandated or voluntary use by itself and the Subsidiaries. Note that Cathay Pacific has used all SAF purchased by loading it into the fuel tanks of aircrafts, so that it contributed to carbon dioxide emissions reduction during the year 2022.

The calculation of CO<sub>2</sub> emissions reductions from the use of SAF follows the guideline published by ICAO Carbon Offsetting and Reduction Scheme for International Aviation (Annex 16 - Environmental Protection, Volume IV)<sup>5</sup>. Cathay Pacific uses the life cycle emissions factor for SAF, as specified by the supplier's paperwork with third-party assurance.

<sup>1</sup> Environmental Protection Department. (2010, February). Guidelines To Account For And Report On Greenhouse Gas Emissions And Removals For Buildings In Hong Kong. Retrieved from [https://www.epd.gov.hk/epd/eng/ghg/ghg\\_mtr/ghg\\_mtr\\_guidelines\\_2010.pdf](https://www.epd.gov.hk/epd/eng/ghg/ghg_mtr/ghg_mtr_guidelines_2010.pdf)  
<sup>2</sup> UK Department for Business, Energy & Industrial Strategy (2021). Greenhouse gas reporting: conversion factors 2022 from <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022>  
<sup>3</sup> Formed by international oil companies, the Joint Inspection Group performs regular inspections of their airport facilities to ensure that these are operated in accordance with their procedures for handling aviation fuel at airports and upstream aviation fuel facilities.  
<sup>4</sup> IPCC. (1999). Aviation and the Global Atmosphere. Cambridge: Cambridge University Press.  
<sup>5</sup> ICAO (2018) Annex 16 – Environmental Protection, Volume IV, Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). Retrieved from <https://www.icao.int/environmental-protection/CORSIA/Pages/SARPs-Annex-16-Volume-IV.aspx>

Global Reporting Initiative (GRI) and Hong Kong Stock Exchange Environmental, Social and Governance (ESG) reporting index table

GRI Standard	Disclosure	Relevant section(s) and/or URL(s)	Remark (e.g. omission)	HKEX ESG Reporting Guide	
<b>GRI 2: General disclosures 2021</b>					
<b>Organisation profile</b>					
	2-1	Organisation details	About Cathay Pacific <a href="#">Annual Report</a>	p.6 p.2	
	2-2	Entities included in the Organisation's sustainability reporting	About this report	p.7	Mandatory Disclosure Requirements: Reporting Boundary
	2-3	Reporting period, frequency and contact point	About this report	p.7	
	2-4	Restatements of information	Environmental indicators table	p.126-127	Mandatory Disclosure Requirements: Reporting Principles
	2-5	External assurance	External assurance	p.139-140	
<b>Activities and workers</b>					
	2-6	Activities, value chain and other business relationships	About Cathay Pacific Our subsidiaries Sustainability in operations – Sourcing <a href="#">Annual Report</a>	p.6 p.103-108 p.43 p.2	
	2-7	Employees	Social indicators table <a href="#">Annual Report</a>	p.130 p.66	KPI B1.1
	2-8	Workers who are not employees	Social indicators table	p.135	KPI B5.1
<b>Governance</b>					
	2-9	Governance structure and composition	Governance <a href="#">Annual Report</a>	p.16-19 p.42-44	
	2-10	Nomination and selection of the highest governance body	<a href="#">Annual Report</a>	p.46	



<b>GRI Standard</b>	<b>Disclosure</b>	<b>Relevant section(s) and/or URL(s)</b>	<b>Remark (e.g. omission)</b>	<b>HKEX ESG Reporting Guide</b>	
<b>Governance</b>					
	2-11	Chair of the highest governance body	<a href="#">Annual Report</a>	p.42-43	
	2-12	Role of the highest governance body in overseeing the management of impacts	Governance <a href="#">Annual Report</a>	p.16-19 p.42-43	Mandatory Disclosure Requirements: Governance structure
	2-13	Delegation of responsibility for managing impacts	Governance <a href="#">Annual Report</a>	p.16-19 p.48	
	2-14	Role of the highest governance body in sustainability reporting	Governance	p.16-17	Mandatory Disclosure Requirements: Governance structure
	2-15	Conflicts of interest	<a href="#">Code of Conduct</a>		
	2-16	Communication of critical concerns	Governance <a href="#">Annual Report</a>	p.16-19 p.44-45	
	2-17	Collective knowledge of the highest governance body	<a href="#">Annual Report</a>	p.45-47	
	2-18	Evaluation of the performance of the highest governance body	<a href="#">Annual Report</a>	p.43-45	
	2-19	Remuneration policies	<a href="#">Remuneration Policy</a>		
	2-20	Process to determine remuneration	<a href="#">Remuneration Policy</a>		
	2-21	Annual total compensation ratio	<a href="#">Annual Report</a>	p.105	
<b>Strategy, policies, and practices</b>					
	2-22	Statement on sustainable development strategy	Message from the CEO Governance – Board statement on Sustainable Development	p.4-5 p.16	Mandatory Disclosure Requirements: Governance Structure
	2-23	Policy commitments	Our approach Governance – Corporate compliance <a href="#">Code of Conduct</a> <a href="#">Sustainable Development Policy</a> <a href="#">Human Rights Policy</a> <a href="#">Supplier Code of Conduct</a> <a href="#">Swire Pacific Corporate Code of Conduct</a>	p.10 p.20-24	

<i>GRI Standard</i>	<i>Disclosure</i>	<i>Relevant section(s) and/or URL(s)</i>	<i>Remark (e.g. omission)</i>	<i>HKEX ESG Reporting Guide</i>
<b>Strategy, policies, and practices</b>				
	2-24	Embedding policy commitments	Our approach p.10 Governance – Code of Conduct p.17 Governance – Corporate compliance p. 20-24 Sustainability in operations – Supplier Code of Conduct p.43 <a href="#">Sustainable Development Policy</a> <a href="#">Human Rights Policy</a> <a href="#">Swire Pacific Corporate Code of Conduct</a>	KPI B4.1 KPI B5.2 KPI B6.3 KPI B7.2 KPI B7.3
	2-25	Processes to remediate negative impacts	Our approach p.10 Stakeholder Engagement and Materiality Assessment p.10-12 Governance – Whistleblowing Policy p.22	
	2-26	Mechanisms for seeking advice and raising concerns	Our approach p.10 Stakeholder Engagement and Materiality Assessment p.10-12 Governance – Whistleblowing Policy p.22	
	2-27	Compliance with laws and regulations	Compliance with laws and regulations p.117-124	Aspect A1: Emissions: General Disclosure Aspect B1: Employment: General Disclosure Aspect B2: Health and Safety: General Disclosure Aspect B4: Labour Standards: General Disclosure Aspect B6: Product Responsibility: General Disclosure Aspect B7: Anti-corruption: General Disclosure
	2-28	Membership associations	Selected awards and membership p.136	

<i>GRI Standard</i>	<i>Disclosure</i>	<i>Relevant section(s) and/or URL(s)</i>	<i>Remark (e.g. omission)</i>	<i>HKEX ESG Reporting Guide</i>	
<b>Stakeholder engagement</b>					
	2-29	Approach to stakeholder engagement	Stakeholder engagement and materiality assessment Governance – Customer support and complaint handling	p.10-12 p.24	Mandatory Disclosure Requirements: Reporting Principles; KPI B6.2
	2-30	Collective bargaining agreements		Not applicable. The majority of our employees are in Hong Kong, where there is no legal framework for collective bargaining arrangements with trade unions. Where our employees are represented by a legally recognised union, we are committed to establishing a constructive dialogue with union representatives.	
<b>GRI 3: Material Topics 2021</b>					
<b>Material Topics</b>					
	3-1	Process to determine material topics	Stakeholder Engagement and Materiality Assessment	p.10-12	Mandatory Disclosure Requirements: Reporting Principles
	3-2	List of material topics	Stakeholder Engagement and Materiality Assessment	p.12	
<b>TOPIC SPECIFIC DISCLOSURES</b>					
<b>GRI 200 ECONOMIC STANDARDS SERIES</b>					
<b>GRI 201: Economic Performance 2016</b>					
	3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment <a href="#">Annual Report</a>	p.10-12 p.11-24	
	201-1	Direct economic value generated and distributed	Economic indicators table <a href="#">Annual Report</a>	p.125 p.73-76	
	201-2	Financial implications and other risks and opportunities due to climate change	Climate change Cathay Pacific's response to TCFD	p.27, 31 p.109-116	Aspect A4: Climate Change: General Disclosure; KPI A4.1
	201-3	Defined benefit plan obligations and other retirement plans	Our people – Employee welfare <a href="#">Annual Report</a>	p.82 p.92-96	

<i>GRI Standard</i>	<i>Disclosure</i>	<i>Relevant section(s) and/or URL(s)</i>	<i>Remark (e.g. omission)</i>	<i>HKEX ESG Reporting Guide</i>
<b>GRI 204: Procurement Practices 2016</b>				
3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment Sustainability in operations – Sourcing <a href="#">Supplier Code of Conduct</a>	p.10-12 p.43	Aspect B5: Supply Chain Management: General Disclosure; KPI B5.1; KPI B5.4
204-1	Proportion of spending on local suppliers	Social indicators table	p.135	
<b>GRI 205: Anti-corruption 2016</b>				
3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment Governance – Code of Conduct Governance – Know Your Partner Policy Governance – Whistleblowing Policy	p.10-12 p.17 p.22 p.22	Aspect B7: Anti-corruption: General Disclosure; KPI B7.2
205-2	Communication and training on anti-corruption policies and procedures	Governance – Anti-Bribery Policy	p.21	
205-3	Confirmed incidents of corruption and actions taken	Compliance with laws and regulations	p.21, 124	KPI B7.1
<b>GRI 206: Anti-competitive behaviour 2016</b>				
3-3	Management of material topics	Governance – Code of Conduct Governance – Know Your Partner Policy Governance – Competition law compliance policy	p.17 p.22 p.22	
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Governance – Competition law compliance policy	p.22	
<b>GRI 207: Tax 2019</b>				
207-1	Approach to tax	Governance – Tax transparency <a href="#">Annual report</a>	p.24 p.80-81	
207-2	Tax governance, control, and risk management			
207-3	Stakeholder engagement and management of concerns related to tax			
207-4	Country-by-country reporting	<a href="#">Annual report</a>	p.80	



<i>GRI Standard</i>	<i>Disclosure</i>	<i>Relevant section(s) and/or URL(s)</i>	<i>Remark (e.g. omission)</i>	<i>HKEX ESG Reporting Guide</i>	
<b>GRI 300 ENVIRONMENTAL STANDARDS SERIES</b>					
<b>GRI 301: Materials 2016</b>					
	3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment Sustainability in operations – Waste management Our subsidiaries <a href="#">Sustainable Development Policy</a>	p.10-12 p.45 p.105-108	Aspect A2: Use of Resources: General Disclosure
	301-1	Materials used by weight or volume	Environmental indicators table	p.128	KPI A2.5
<b>GRI 302: Energy 2016</b>					
	3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment Climate change Our subsidiaries <a href="#">Sustainable Development Policy</a>	p.10-12 p.27, 36 p.103-108	Aspect A2: Use of Resources: General Disclosure; KPI A2.3
	302-1	Energy consumption within the organisation	Environmental indicators table	p.128	KPI A2.1
	302-3	Energy intensity	Environmental indicators table	p.128	
	302-4	Reduction of energy consumption	Climate change – Fleet modernisation	p.32	KPI A2.3
	302-5	Reductions in energy requirements of products and services	Climate change – Operational efficiency Climate change – Sustainable aviation fuel Climate change – Ground emissions Our Subsidiaries	p.34-35 p.36-37 p.39-40 p.103-108	
<b>GRI 303: Water and Effluents 2018</b>					
	303-1	Interactions with water as a shared resource	Stakeholder Engagement and Materiality Assessment	p.10-12 p.40	Aspect A2: Use of Resources: General Disclosure
	303-2	Management of water discharge-related impacts	Climate Change – Our buildings Our subsidiaries	p.107	Note: KPI A2.4 is considered irrelevant because water is not one of our material topics
	303-3	Water withdrawal	Environmental indicators table	p.128	KPI A2.2

<i>GRI Standard</i>	<i>Disclosure</i>	<i>Relevant section(s) and/or URL(s)</i>	<i>Remark (e.g. omission)</i>	<i>HKEX ESG Reporting Guide</i>	
<b>GRI 304: Biodiversity 2016</b>					
	3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment Biodiversity <a href="#">Sustainable Development Cargo Carriage Policy</a> <a href="#">Sustainable Food Policy</a> <a href="#">Sustainable Development Policy</a>	p.10-12 p.55-59	Aspect A3: The Environment and Natural Resources General Disclosure; KPI A3.1
	304-2	Significant impacts of activities, products, and services on biodiversity	Biodiversity	p.55-59	
<b>GRI 305: Emissions 2016</b>					
	3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment Climate change Our subsidiaries Cathay Pacific's response to TCFD	p.10-12 p.27, 30 p.103-108 p.109-116	Aspect A1: Emission: General Disclosure; KPI A1.5
	305-1	Direct (Scope 1) GHG emissions	Climate change – Fleet modernisation	p.32	
	305-2	Energy indirect (Scope 2) GHG emissions	Climate change – Supplier engagement	p.33	
	305-3	Other indirect (Scope 3) GHG emissions	Climate change – Operational efficiency	p.34-35	
	305-4	GHG emissions intensity	Climate change – Sustainable aviation fuel Climate change – Ground emissions	p.36-37 p.39-40	
	305-5	Reduction of GHG emissions	Our Subsidiaries	p.103-108	KPI A1.5
	305-7	Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions	Environmental indicators table	p.126-127	KPI A1.1

<i>GRI Standard</i>	<i>Disclosure</i>	<i>Relevant section(s) and/or URL(s)</i>	<i>Remark (e.g. omission)</i>	<i>HKEX ESG Reporting Guide</i>	
<b>GRI 306: Waste 2020</b>					
	306-1	Waste generation and significant waste-related impacts	Stakeholder Engagement and Materiality Assessment Sustainability in operations – Waste management Our Subsidiaries <a href="#">Sustainable Development Policy</a>	p.10-12 p.45-48, 52 p.103,105-108	Aspect A1: Emission: General Disclosure; KPI A1.3; KPI A1.4; KPI A1.6
	306-2	Management of significant waste-related impacts			
	306-3	Waste generated	Environmental indicators table	p.129	
	306-4	Waste diverted from disposal			
	306-5	Waste directed to disposal			
<b>GRI 308: Supplier environmental assessment 2016</b>					
	3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment Sustainability in operations – Sourcing <a href="#">Supplier Code of Conduct</a> <a href="#">Procurement approach</a> <a href="#">Sustainable Development Policy</a>	p.10-12 p.43	Aspect B5: Supply Chain Management: General Disclosure; KPI B5.2; KPI B5.3; KPI B5.4
	308-1	New suppliers that were screened using environmental criteria			All new suppliers were screened using environmental criteria through our procurement process in 2022.

<i>GRI Standard</i>	<i>Disclosure</i>	<i>Relevant section(s) and/or URL(s)</i>	<i>Remark (e.g. omission)</i>	<i>HKEX ESG Reporting Guide</i>	
<b>GRI 400 SOCIAL STANDARDS SERIES</b>					
<b>GRI 401: Employment 2016</b>					
	3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment United Nations Sustainable Development Goals Our people Our subsidiaries <a href="#">Recruitment Policy</a> <a href="#">Sustainable Development Policy</a>	p.72-73 p.13 p.72, 74, 82 p.103-108	Aspect B1: Employment: General Disclosure
	401-1	New employee hires and employee turnover	Social indicators table	p.131	KPI B1.2
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee welfare	p.82	
<b>GRI 402: Labour/Management relations 2016</b>					
	3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment Our people – Employee relations and engagement	p.10-12 p.75-78	The implementation of any significant operational changes is governed by the Employment Ordinance of Hong Kong.
	402-1	Minimum notice periods regarding operational changes			We provided notice of operational changes to our employees as soon as they occur and maintained open and constant communication with affected employees.



<b>GRI Standard</b>	<b>Disclosure</b>	<b>Relevant section(s) and/or URL(s)</b>	<b>Remark (e.g. omission)</b>	<b>HKEX ESG Reporting Guide</b>
<b>GRI 403: Occupational health and safety 2018</b>				
	403-1	Occupational health and safety management system	Stakeholder Engagement and Materiality Assessment Safety – Our approach	Aspect B2: Health and Safety: General Disclosure; KPI B2.1; KPI B2.2; KPI B2.3
	403-2	Hazard identification, risk assessment, and incident investigation	Safety – Safety policy	
	403-3	Occupational health services	Safety – Operational safety	
	403-4	Worker participation, consultation, and communication on occupational health and safety	Safety – Occupational health and safety Our subsidiaries	
	403-5	Worker training on occupational health and safety	<a href="#">Sustainable Development Policy</a>	
	403-6	Promotion of worker health		
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
	403-8	Workers covered by an occupational health and safety management system		
	403-9	Work-related injuries	Safety – Occupational health and safety Social indicators table	
<b>GRI 404: Training and education 2016</b>				
	3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment Our people – Attracting and developing talent	Aspect B3: Development and Training: General Disclosure KPI B3.1; KPI B3.2
	404-1	Average hours of training per year per employee	Our people – Attracting and developing talent Social indicators table	
	404-2	Programs for upgrading employee skills and transition assistance programs	Our people – Attracting and developing talent	
	404-3	Percentage of employees receiving regular performance and career development reviews	Social indicators table	

<i>GRI Standard</i>	<i>Disclosure</i>	<i>Relevant section(s) and/or URL(s)</i>	<i>Remark (e.g. omission)</i>	<i>HKEX ESG Reporting Guide</i>
<b>GRI 405: Diversity and equal opportunity 2016</b>				
3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment Governance – Modern slavery and human rights Our people – Diversity and inclusion <a href="#">Human Rights Policy</a> <a href="#">Diversity and Inclusion Policy</a> <a href="#">Board Diversity Policy</a> <a href="#">Sustainable Development Policy</a>	p.87-90 p.23 p.86-89	Aspect B1: Employment: General Disclosure
405-1	Diversity of governance bodies and employees	Social indicators table	p.133-134	
<b>GRI 406: Non-discrimination 2016</b>				
3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment Our people – Diversity and inclusion <a href="#">Human Rights Policy</a> <a href="#">Diversity and Inclusion Policy</a> <a href="#">Sustainable Development Policy</a>	p.10-12 p.86-89	Aspect B1: Employment: General Disclosure
406-1	Incidents of discrimination and corrective	Compliance with laws and regulations	p.117	
<b>GRI 408: Child labour 2016</b>				
3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment Governance – Modern slavery and human rights Sustainability in operations – Sourcing Our people – Human resources management <a href="#">Code of Conduct</a>	p.10-12 p.23 p.43 p.74	Aspect B4: Labour Standards: General Disclosure; KPI B4.1; KPI B4.2
408-1	Operations and suppliers at significant risk for incidents of child labour	<a href="#">Human Rights Policy</a> <a href="#">Modern Slavery and Human Trafficking Policy Statement</a> <a href="#">Supplier Code of Conduct</a>		

<i>GRI Standard</i>	<i>Disclosure</i>	<i>Relevant section(s) and/or URL(s)</i>	<i>Remark (e.g. omission)</i>	<i>HKEX ESG Reporting Guide</i>
<b>GRI 409: Forced or compulsory labour 2016</b>				
	3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment p.10-12 Governance – Modern slavery and human rights p.23 Sustainability in operations – Sourcing p.43 Our people – Human resources management p.74 <a href="#">Code of Conduct</a>	Aspect B4: Labour Standards: General Disclosure; KPI B4.1; KPI B4.2
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	<a href="#">Human Rights Policy</a> <a href="#">Modern Slavery and Human Trafficking Policy Statement</a> <a href="#">Supplier Code of Conduct</a>	
<b>GRI 413: Local communities 2016</b>				
	3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment p.10-12 Community – Our approach p.92 Our subsidiaries p.103, 107 <a href="#">Sustainable Development Policy</a>	Aspect B8: Community Investment: General Disclosure KPI B8.1; KPI B8.2
	413-1	Operations with local community engagement, impact assessments, and development program	Community – Our response to COVID-19 p.93 Community – Community programmes p.94-95 Community – Fundraising and donations p.96-97 Community – Volunteering p.98	
<b>GRI 414: Supplier social assessment 2016</b>				
	3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment p.10-12 Sustainability in operations – Sourcing p.43 <a href="#">Supplier Code of Conduct</a> <a href="#">Procurement approach</a> <a href="#">Sustainable Development Policy</a>	Aspect B5: Supply Chain Management: General Disclosure; KPI B5.2; KPI B5.3

<i>GRI Standard</i>	<i>Disclosure</i>	<i>Relevant section(s) and/or URL(s)</i>	<i>Remark (e.g. omission)</i>	<i>HKEX ESG Reporting Guide</i>
<b>GRI 414: Supplier social assessment 2016</b>				
	414-1	New suppliers that were screened using social criteria		All new suppliers were screened using social criteria through our procurement process in 2022.
<b>GRI 416: Customer health and safety 2016</b>				
	3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment Governance – Customer support and complaint handling Safety – Our approach Safety – Safety policy Safety – Operational safety Safety – Passenger health and safety <a href="#">Sustainable Development Policy</a>	p.10-12 p.24 p.61 p.61 p.62-66 p.69
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Compliance with laws and regulations Social indicators table	p.120-121 p.134
<b>GRI 417: Marketing and labelling 2016</b>				
	3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment Governance – Advertising and labelling practice	p.10-12 p.21
	417-2	Incidents of non-compliance concerning product and service information and labelling	Compliance with laws and regulations	p.121
	417-3	Incidents of non-compliance concerning marketing communications	Compliance with laws and regulations	p.121
<b>GRI 418: Customer privacy 2016</b>				
	3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment Governance – Privacy and data protection	p.10-12 p.20
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Compliance with laws and regulations	p.20, 122-123