

Modern Slavery and Human Trafficking Statement 2023

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 (UK) and the Modern Slavery Act 2018 (Australia) setting out the steps taken by The Cathay Group (“Cathay” or “the Group”) during the year ended 31 December 2023 to prevent modern slavery and human trafficking in our business and supply chains.

About Cathay

The Cathay Group comprises of Cathay Pacific Airways Limited (“Cathay Pacific”), with its subsidiaries Hong Kong Express Airways Limited (“HK Express”) and AHK Air Hong Kong Limited (“Air Hong Kong”). The Group’s headquarters are located at Hong Kong International Airport. At 31 December 2023, the Group had 230 aircraft, and its passenger and cargo airlines were operating services directly connecting Hong Kong to 92 destinations in 30 countries and regions worldwide, including 18 airports in 16 cities in the Chinese Mainland. The Group also fully owns and operates a number of airline services subsidiaries in Hong Kong, including a catering, a laundry, a ground-handling and a cargo terminal company. As of 31 December 2023, the Group and its subsidiaries employed more than 23,800 people worldwide, of whom around 19,600 were employed in Hong Kong.

Our People

Cathay’s [Code of Conduct](#) sets out principles for achieving a respectful and diverse workplace. The Code applies to all employees employed by Cathay and its subsidiaries and includes policies related to business ethics, anti-discrimination, anti-harassment, diversity and equal opportunity. The Code of Conduct also includes the Group’s commitment to human rights, and that we strive to keep our operations free from human rights abuse in any form, including human trafficking and child labour. All the Group employees are expected to read and adhere to the Code of Conduct.

The Group’s [Human Rights Policy](#) is aligned with the laws of Hong Kong and applies to our global operations. It outlines our commitment 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 Operation

As part of the aviation industry, we are concerned that cross-border criminal groups and individuals may exploit the interconnected air transport system to facilitate human trafficking. Stepping up our efforts to protect customers against this grave crime, we developed Cathay’s guiding policies on Modern Slavery and Human Trafficking and formal training materials for cabin crew in 2019. The development of the policy has resulted in two documents. One is a [Modern Slavery and Human Trafficking Policy Statement](#) that sets out Cathay’s commitment to the 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.



Training for our cabin crew began in early 2020 by teaching our people how to recognise and respond to potential human trafficking activities through online training. Our crew members 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 both employee groups for the handling and reporting of the suspected cases. In 2022, 100% of our cabin crew undertook the anti-human trafficking training, and no suspected human trafficking incidents were reported. Our operating flight crew have access to our Modern Slavery and Human Trafficking Policy, and training for them will begin in 2024.

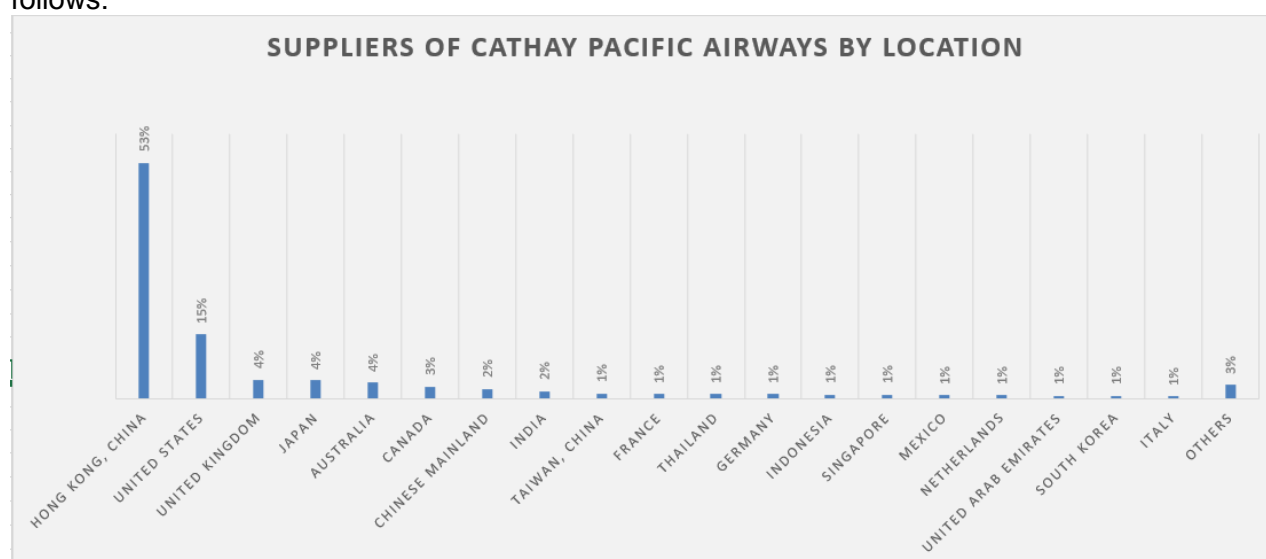
Following the update to our ground operations policy suite in 2021, our focus in 2023 turned to continued education and awareness of our frontline airport teams on the impact of human trafficking. Our recurrent training program that takes place between August and November required all Cathay employees and our third-party ground handling agents to undergo online training on identifying, assessing and appropriately responding to suspected cases of human trafficking. Ongoing reviews will be conducted to ensure the effectiveness of these actions.

Our Supply Chain

Cathay is committed to acting ethically and with integrity in all business relationships which includes implementing policies and procedures to ensure that there is no modern slavery or human trafficking in its supply chains or in any part of the business.

Cathay's Procurement and Aircraft Trading department manages the airline's supply chain, conducts supplier due diligence as required and works to ensure suppliers' adherence to our [Supplier Code of Conduct](#). This document sets out our minimum requirements in areas including prohibition of employing under-age or forced labour, providing health and safe work environment, providing proper compensation and work hours, and sharing the standards with their subcontractors.

Cathay had over 11,000 direct suppliers globally in our records of which about 5,500 of them were active with spend in 2023. Geographic distribution of our active suppliers in 2023 was as follows:





There is an ongoing initiative to enhance the supply chain risk management framework and develop a holistic risk universe (covering supplier compliance and integrity, human rights, modern slavery etc.) for assessing and monitoring supply chain risks. A vendor solution has been identified to assist with this, with implementation planned for the second half of 2024. Through this initiative, processes for supplier due diligence, onboarding and ongoing monitoring processes continue to be enhanced to improve the robustness of these processes and the company's overall resilience against supply chain risks. We are also identifying tools and resources to incorporate more in-depth Environmental, Social and Governance (ESG) and modern slavery risk management in our procurement process. We will assess the effectiveness of these actions after their implementation.

Risk Assessment and Management

A structured risk management process is established to identify, assess and mitigate corporate risks faced by the Group, comprising top-down and bottom-up risk identification and management processes. A specific risk taxonomy has also been developed to holistically identify and manage ESG risks across the business. The assessment of ESG risks is integrated with the wider risk management processes, and the taxonomy covers modern slavery in the supply chain. The key ESG risks identified are incorporated into the existing corporate risk registers, with mitigation plans developed where appropriate. The outcomes of the assessments were reported to the Board Risk Committee. For a full description of the risk management approach and process adopted by the Group, please refer to page 68-74 in the Cathay Annual Report 2023, which can be downloaded [here](#).

Awareness Building and Consultation

In 2023, we carried out regular consultation with our subsidiaries on the same topic. Annual consultations were held to review the latest status and identify required follow-up actions.

Looking Forward

Cathay is committed to continuously improving our procedures and processes to mitigate human trafficking risks in our operation and modern slavery risks in our supply chain.

This statement was approved by the Board of Cathay.

Signed,

A handwritten signature in black ink, appearing to read 'Ronald Lam', is positioned below the 'Signed,' text.

Ronald Lam
Chief Executive Officer
Cathay
March 2024