

# Sustainable Development Report 2008

Building the Future with You



# Welcome

HAS second annual Sustainable Development Report provides descriptions, data and perspective on our environmental and social performance for 2008. The initiatives and accomplishments describe our effort to achieve our vision as a leader in airport services and to deliver our values to our stakeholders. The vision and the values are our foundation to build sustainable relationships and create quality living and working communities in Hong Kong.

# Scope of the Report

The HAS Sustainable Development Report 2008 covers all correlative material from Hong Kong Airport Services Limited in the 2008 calendar year. We also occasionally mention events that took place in early 2009 when they help provide a clearer picture of our performance. This report covers our operated business and does not address the performance of our suppliers, contractors or partners, as well as all financial information, unless otherwise noted.

We continue to be informed by reporting frameworks and guidelines that include the Global Reporting Initiative (GRI) annually. This report covers the 13 GRI performance indicators and has been set at Application Level C, according to the criteria described in the G3 Model.




Our previous report was published in August 2008 and can be found in the Sustainable Development section of our website. [www.has.com.hk](http://www.has.com.hk)

# Contents

	GRI profile disclosures and performance indicators
Scope of the Report	2.1, 3.1-3.8
1 Managing Director's Message	1.1
2 About HAS	2.2-2.10, 3.10-3.12
4 The Issues We Face	1.2
5 Our Sustainability Management	
5 Governance	4.1-4.4
6 Stakeholder Engagement	4.14-4.15
7 Environment	EN3, EN4, EN8, EN10, EN16, EN17, EN19, EN21
11 Health and Safety	LA7
13 Employees	LA1, LA10, SO2
16 Business Partners	EC6
17 Community	

## Appendices

19 Sustainable Development Policy
20 Summary of Statistics

Report Application Level	C	C+	B	B+	A	A+
G3 Performance Indicators & Sector Supplement Performance Indicators 	✓	Report Externally Assured	Report Externally Assured		Report Externally Assured	
G3 Profile Disclosures 	Not Required		Report Externally Assured		Report Externally Assured	
G3 Management Approach Disclosures 	✓		Report Externally Assured		Report Externally Assured	



# Managing Director's Message


**Our sustainable development objective is to deliver value on a long term basis to stakeholders and communities in which we operate.**

Protection of the environment is now a pressing worldwide issue. Climate change is no longer merely impacting the sustainability of individual corporations, but is also critical to the continued well being of our economy and community. We believe our world requires new levels of collaboration and innovation to create a sustainable future.

HAS Sustainable Development Report 2008, titled *Building the Future with You*, describes how we continue our efforts to ensure that HAS lives up to the principles of sustainable development, including through our world-class airport services in which we strike for a balance among the economic, social and environmental needs of the communities we operate.

In particular, we reinforce our corporate governance by establishing a Sustainable Development Committee led by senior management to protect environment, support employees and benefit communities while achieving our business goals. We continue to carry out initiatives to improve our energy efficiency on ground support equipment and safety performance.

Under a long-term business strategy, HAS cites environmentally sustainable growth as part of our strategic agenda. We incorporate environment and climate change consideration in our core areas of operations. And we will maintain our green initiatives despite the global financial crisis.

This year's Sustainable Development Report is presented in a new look with a comprehensive online version which focuses on issues of major concern to our stakeholders. We will continue to advance our sustainable development efforts and strive to ensure harmony with environment and stakeholders in the corporate culture of HAS. 



**Clement Lam**  
Managing Director



# About HAS



*“We understand your needs.”*

Established in 1995, Hong Kong Airport Services Limited (HAS) is a wholly owned subsidiary of Cathay Pacific Airways at Hong Kong International Airport (HKIA). It began its round-the-clock operation on 6 July 1998 with the opening of the HKIA at Chek Lap Kok.

HAS integrated with Hong Kong International Airport Services Limited (HIAS) on 1 November 2008 and has become one of the largest airport service providers in Asia. The new and stronger HAS provides quality and one-stop shop services for airlines operating at HKIA.

With a workforce of over 3,000 employees and a fleet of over 2,600 units of ground support equipment (GSE) and vehicle, HAS provides passenger and flight handling services such as passenger check-in, ticketing, flight dispatch, loading and unloading of aircraft, baggage handling, cargo service, cargo and mail delivery, ramp co-ordination, aircraft load control, aerobridge and passenger steps operation, ULD storage as well as crew transportation.

HAS is now providing passenger handling for 13 airlines, and ramp and cargo handling for 37 international airlines including Cathay Pacific Airways and Hong Kong Dragon Airlines with 55% market share of air traffic movements in 2008.

HAS offices are located at 3 major locations, with one office premise in Dragonair House, two in SuperTerminal 1 and four premises within the Passenger Terminal Building at the airport.

## Overview of 2008

In 2008, HAS has succeeded in renewing the ramp handling service licence for 10 years and obtaining a 3-year crew bus service licence. The Airport Authority granted us a passenger handling services licence in October 2008. The passenger and ramp services integration process was completed in November and now we provide one-stop services to our customers. These are all important to our future growth and keep our competitiveness.

Despite the increase in flight movements from January to October, we are under immense pressure from airlines, who were hard hit by the rocketing fuel costs during the first 3 quarters of the year, for rate reduction. We also suffered escalating operating costs including fuel, office rental and GSE parking fee. The expiry of our airside passenger bus franchise in April means a loss of our steady stream of revenue. With the outbreak of financial crisis in October, airlines have been reducing their frequencies. Some even ceased operating into HKIA. Despite of these difficulties, we continue to put sustainable development as a major area of operations with our new Vision and Mission in 2009.





## Support External Initiative

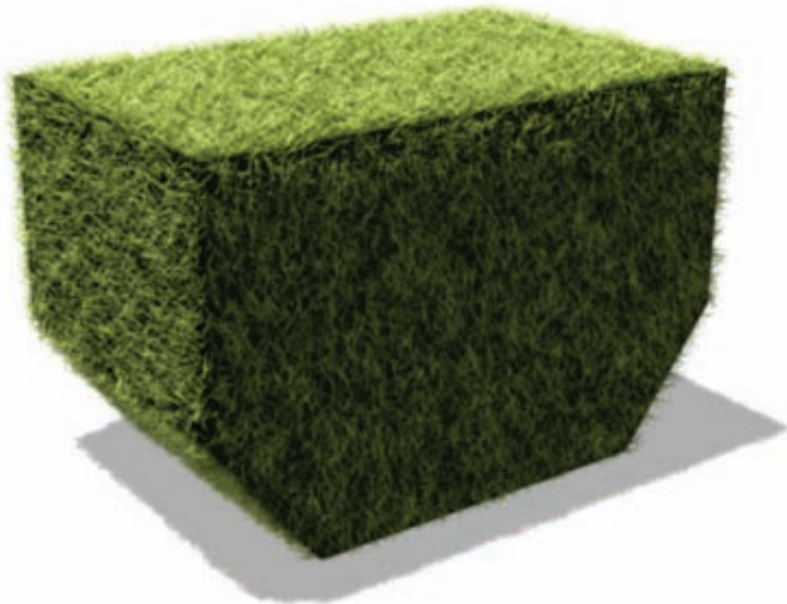
In 2008, we responded to the Carbon Disclosure Project (CDP) questionnaires giving details of our company's strategy on climate change, targets for reducing emissions of greenhouse gases and the achievements through our parent company. Key factors include the extent to which the company regards the challenges of climate protection as an opportunity for our business and seeks to minimize the climate change risks resulting from our operations.



## Awards in 2008

1. The 1st Runner-Up in Terminal Tenants (Others) Category for Airport Environmental Best Practice Competition 2007/2008 (Hong Kong Airport Authority).
2. The Wastewi\$e Label - Class of Excellence (Hong Kong Awards for Environmental Excellence)
3. The 5th Consecutive Years Caring Company Logo 2008/09 (Hong Kong Council of Social Services)

# The Issues We Face



## 1. Greenhouse gas (GHG) emission

With the growth of the flight movements we handle, our GHG emissions are likely to increase. See page 7-10 for our strategy.

## 2. Relatively high injury rate among junior staff

Since aircraft, baggage and dolly handling account for 90% of our injury cases, this is an important area to work on. See the safety improvement program on page 11-12.

## 3. Relatively high turnover rate among junior staff

A staff retention program with induction training, coaching and staff caring has been instigated. Emphasis on enhancing staff relations and communication will be continued to put on in 2009.

## 4. Congested work environment at ramp

When taking into account of the amount of vehicles and ground support equipment that need to move among aircraft at HKIA, the working space available is relatively limited. Unnecessary vehicle trips and carbon emissions on the ramp rise resulting from ground traffic congestions.

## 5. Enterprise culture integration

We understand corporate culture is a long-term development after the integration in 2008. Therefore, one of the actions we take is to choose the appropriate ways to enhance communication to all staff. See the section of Employees on page 13.

# Our Sustainability Management

HAS has steadily expanded our sustainable development management last year. Through a clear strategic perspective and a comprehensive sustainable program, we aim to prepare ourselves in a good time to meet current and future challenges and to operate in a goal-oriented way.

## Our Values and Policies

HAS is committed to our corporate responsibility in our new Vision 'Building a sustainable relationship with our customers'. Sustainability is a key element not just in the HAS statement, but also in our values and principles of Sustainable Development Policy, Code of Conduct and our commitment to our stakeholders to delivering values in aviation industry.

## Our Sustainability Concept

Successful sustainable development on balance in economic, social and environment aspects – is an overriding objective of our sustainability concept. The development and implementation of our concept involve a perpetual interaction process among the company, stakeholders and society. To operate and to excel as a corporate citizen, we align all business activities along the values of sustainability concept by implementing our policies, encouraging and empowering our staff, monitoring our performance and reviewing our policies periodically. The key in this connection is always our innovation capability.

## Governance

In 2008, HAS established the Sustainable Development Committee which is responsible for the management of our sustainability strategy. This body provides direction, implements and oversees initiatives, and acts as a coordinator among internal and external parties regarding sustainable development issues.

The Sustainable Development Committee is supported and advised by HAS Steering Committee which is led by Managing Director and comprising the General Manager Operations, the Financial Controller and the Business Improvement & Solutions Manager. Core members of Sustainable Development Committee come from the Operations Department, Safety and Environment Section, and the Business Improvement and Solutions Unit who work closely with the sub-committees, including Environment, Occupational Health and Safety, Employees, Business Partner and Community. These sub-committees serve as platforms for our frontline staff to participate and provide recommendations to the management, as well as promote sustainable development culture in HAS. All the committees are governed by our Sustainable Development Policy.





# Stakeholder Engagement

Constructive dialogue with our stakeholders helps us to understand, identify and manage issues that contribute to our business success. Engagement with our stakeholders varies in frequency and may depend on specific matters at hand. The nature may be formal, informal or both. It is our preference to engage proactively with stakeholders on a regular basis, and to jointly identify and deal with their concern as well as to address potential areas of conflict.

In 2008, we engaged with a wide range of stakeholders including customers, employees, suppliers, business partners, local communities, government and non-governmental organizations.

Stakeholder	Profile	How We Engaged
Customers	Airlines	Airlines performance campaign; Customer satisfaction questionnaire; Regular meeting; Services delivery report (AHM804); Participating in site visit.
Employees	Approximately 2,000 HAS employees in Hong Kong (1)	Training and development program; Regular meeting; Bi-weekly company update; Bi-monthly newsletter; Regular performance review.
Suppliers	Numerous multinational and local companies, service and product providers	Engaging in direct dialogue; Participating in site visit.
Business Partners	Joint venture partners in Hong Kong and China	Engaging in direct dialogue; Participating in site visit; Regular meeting.
Local Communities	Numerous communities in Hong Kong old districts, new development areas and airport area	Community engagement program and outreach; Engaging in direct dialogue.
Government	Hong Kong Government	Attending conferences and meeting; Engaging in direct dialogue.
Non-governmental Organisations	Numerous business forums, and academic institutions	Participating in forum and seminar; Attending conference and meeting; Engaging in direct dialogue.

(1) The total workforce after integration with HIAS in December 2008 was 3,067.



# Environmental Performance

HAS is committed to protecting the environment and ensuring that all potential impacts of our operations on the environment are identified and managed in a responsible manner. The same principle also applies to all internal processes and procedures.

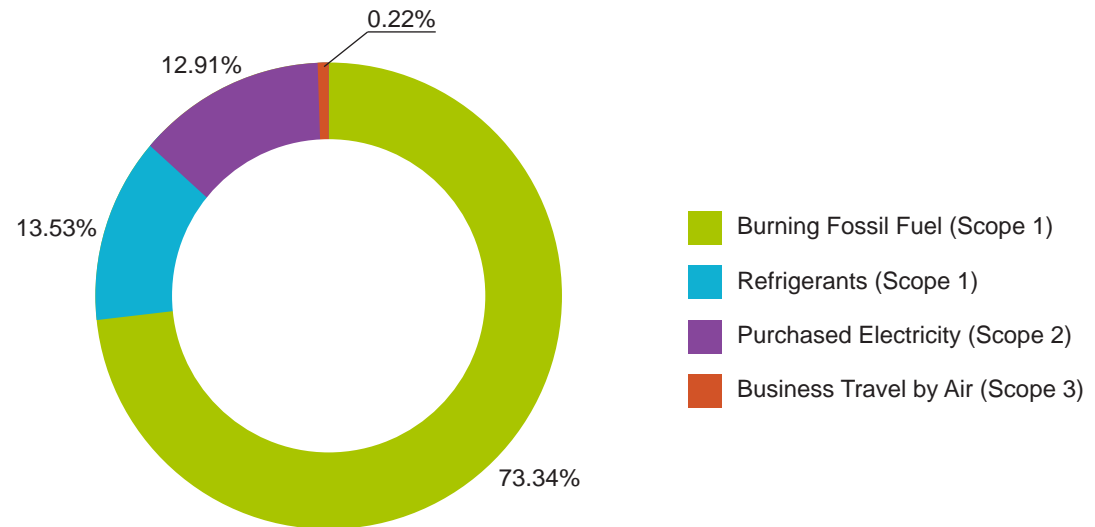
The Safety and Environment Section oversees environment, occupational health and safety across departments in HAS. Environmental Policy and Environmental Management Plan (EMP) are implemented to minimize environmental impacts. We continue to comply with all environmental regulatory requirements applicable to Hong Kong SAR and airport's operations. These include monitoring of waste water discharges, hazardous waste management, air emission and environmental noise. This section also coordinates training programmes, campaigns and activities to enhance environmental awareness among staff. In addition they work closely with the Environment Committee which was established in July 2008 and was responsible for promoting and strengthening environmental protecting activities with members coming from different grades of staff. All the activities are based on the HAS Environmental Policy.

Environmental audits are regularly conducted by internal and external parties including the Hong Kong Airport Authority. The audits in general focus on solid and chemical waste disposal, oil and electrolyte spillage, and pest control.

## Greenhouse Gas Emissions

Greenhouse gas emissions (EN16 and EN17) attributable to HAS 2008

Total = 10.49 thousand tonnes of CO<sub>2</sub>-equivalent

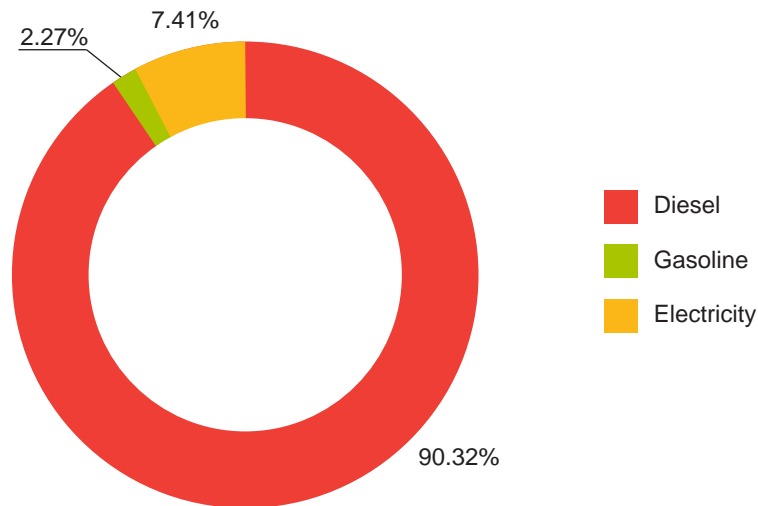


Tonnes of CO <sub>2</sub> e	2008	2007	Change %	2007 mix %
<b>Type of emissions</b>				
Burning fossil fuel (scope 1)	7,690	8,068	(4.7)	73.3
Refrigerants (scope 1)	1,418	624	127.3	13.5
Purchased electricity (scope 2)	1,354	1,571	(13.8)	12.9
Business travel by air (scope 3)	23	Note(1)	Note(1)	0.2
	10,486	10,262	2.17	100.0

(1) This information excluded due to changes in the data collection system.

## Energy Consumption

Energy consumption (EN3 and EN4) attributable to HAS 2008  
Total = 121.74 thousand Gigajoules



Gigajoules	2008	2007	Change %	2007 mix %
<b>Energy source</b>				
Diesel	109,953	116,639	(5.7)	90.3
Gasoline	2,760	2,202	25.3	2.3
Electricity	9,026	10,473	(13.8)	7.4
	121,739	129,314	5.9	100.0

The primary source of our greenhouse gas (GHG) is combustion which occurs during our ramp operations. Therefore we focus on energy and operation efficiency to reduce energy intensity. In 2008, our total GHG intensity was 61.30 tonnes of CO<sub>2</sub>e per thousand ATM thus reducing 4% compared with 2007<sup>(1)</sup>.

## Ozone-depleting Substance Emissions (EN19)<sup>(2)</sup>

We maintained zero emissions of halon, CFCs and HCFCs in 2008. We have used HFC-134a which is a widely accepted alternative for CFCs and has zero ozone-depleting potential for our vehicle air-conditioning refrigerant.



(1) In 2007, the total GHG intensity was 63.61 tonnes.

(2) In our 2007 report we incorrectly reported using 500 kilograms and 480 kilograms of ozone depleting substances in 2007 and 2006 respectively. The correct number should be 0 kilograms in 2007 and 2006 instead because we use HFC-134a for vehicle air-conditioning refrigerant.

## Energy Conservation

HAS has a long-term commitment to improving energy efficiency through reducing our carbon intensity in all aspects of operations. At Hong Kong International Airport, fuel choices are limited for ground support equipment (GSE) and vehicles. For that reason, we focus on advancing fuel efficiency so as to minimize waste by means of conducting GSE Replacement and Maintenance Program. In the past year, 5% of the ground service equipment and vehicle fleet were replaced and achieved a higher emissions standard. We also started a pilot fuel-saving programme by installing force amplifiers in 2 of the crew buses to enhance fuel combustion. Accordingly an increase of 15% in fuel efficiency was recorded.

To achieve emissions reduction by 5% per ATM, as our 2008 emission target, actions were taken place. Our Baggage Services Section introduced an 'Electric Tractor Task Assignment System' which optimizes the utilization of electric tractor and minimizes the traveling distance and number of trips between aircraft and the Airport Baggage Handling System. Apart from capturing aircraft landing sequence and estimating the taxiing time from runway to gates, the system also records the tractor traveling time between baggage lateral and gates. The real-time information enables accurate resources deployment and reduces tractor waiting time at apron. After its implementation, 8% of trips per ATM are reduced.

In 2008, we were awarded the 1st Runner-Up in Terminal Tenants (Others) Category for Airport Environmental Best Practice Competition 2007/2008 organised by the Hong Kong Airport Authority. This award recognizes our contributions to environment and energy conservation.

As such, environmental impacts are minimized and energy conservation is promoted to our stakeholders. The assessment covers a comprehensive set of environmental issues including company committee, environmental management system, waste recycle, energy conservation and communication channels.

Looking forward, hybrid tractors and Fast Charging System trials will begin in 2009 to further reduce the environmental impacts of the fleet.

## Air Emissions and Pollution Control

To improve air quality and promote a green Hong Kong, we are committed to supporting the 'Clean Air Charter' scheme developed by the Hong Kong General Chamber of Commerce in response to local air pollution in Hong Kong and the Pearl River Delta. As a signatory of the scheme, we pledge to control indoor air quality, reduce air pollution, adopt energy efficient measures in our operations, identify and encourage air pollution control. In November 2008, an emission audit was carried out and we received the Clean Air Charter Certificate for our efforts and initiatives in air quality control.



From 1 June 2008, we have committed to shutdown idling engine of GSE and vehicle mandated by the Hong Kong Airport Authority.

To support renewable energy projects, we have joined Cathay Pacific's 'FLY greener' programme to offset the carbon dioxide emissions of our staff business travel. In 2008, we offset amounting to 22.9 tonnes CO<sub>2</sub>e at an approximate cost of HK\$1,800.

## Waste Management

All HAS staff are encouraged to propose and utilize products that can minimize waste wherever possible. We have also instituted programs to ensure proper waste disposal.

Along with our commitment in reducing waste generation, HAS is awarded an 'Wastewi\$e Label' under the 'Class of Excellence' from the Hong Kong Awards for Environmental Excellence, organized by the Environmental Campaign Committee in 2007/2008.



The awards are divided into Class of Good and Class of Excellence. It recognizes the waste reduction efforts which include more than 16 targets, such as plastic bag recycle and green procurement. The multiple waste reduction efforts continued throughout the year, and the additional focuses of 2008 were on rechargeable battery, computer and accessory. We collected totally 350 batteries and 38 computers. Some of them were recycled while others were delivered to non-profit organizations. This is the sixth consecutive year we achieve this award.

## Water Management

Responsible water management is a cornerstone of environmental responsibility. In HAS, water management requires a dual approach: responsibly managing water consumption, and ensuring that we can prevent oil and fuel spilling into drainage systems at the HKIA. We continue to prevent water pollution through the following actions:

1. Placing drip trays under electrical vehicles whilst being recharged.

## Agenda for 2009

- Investigate feasibility of electric / hybrid GSE and vehicles.
- Promote sustainable development and green culture to staff.
- Introduce new technology to reduce energy consumption.
- Meet targets set for the Wastewi\$e Label and Clean Air Charter in 2009.

2. Providing extensive maintenance programme for all equipments to prevent accidental oil or hydraulic leakage.
3. Monitoring hydraulic hoses on GSE regularly.
4. Washing of vehicles done on site during maintenance.

Waste Recycled	2008	2007	Change %	Units
Aluminum cans	57	77	(25.7)	kg
Plastic bottles	144	157	(8.5)	kg
Paper	7,292	7,176	1.6	kg
Printer cartridges	258 <sup>(f)</sup>	274	(5.8)	pcs

(f) Numbers are estimated.



# Health and Safety

HAS place the highest priority on occupational health and safety (OHS) of our employees where we operate, the environment, and the reliability and efficiency of our ground handling operations. From a governance perspective, OHS is overseen by the Safety and Environment Section which focuses on safety culture, improving safety management system processes and providing comprehensive staff training to achieve high standards of health and safety performance. Our OHS Policy and infrastructure ensure that a high standard of OHS in the workplace can be achieved and maintained throughout our company.

In 2008, we conducted an accident incident review to learn from experiences and improve safety level of our operations. We followed with an enhancement of our training programmes and established OHS Committee comprising employer and employee representatives. This committee sets policies and objectives for company as a whole, monitors and promotes safety culture, and proposes preventive measures with the Safety and Environment Section. This committee also gives proposals and advice through their bi-monthly meetings for continuous improvement.

Safety audits are regularly conducted by internal and external parties including our customer airlines. The audits focus on flight handling, ramp and equipment condition, dangerous goods handling, safety awareness and documentation.

## Safety Performance

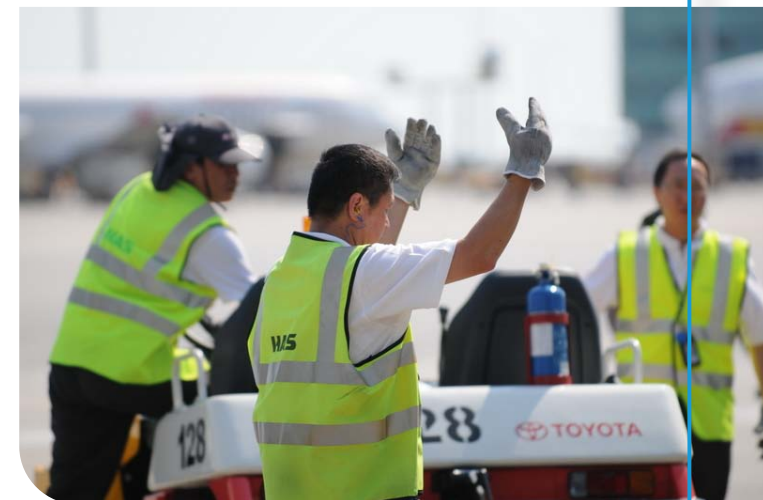
There were a total of 183 Lost Time Injuries reported in 2008. It increased from 4.77 injuries per 100 employees in 2007 to 6.48 in 2008.

Our analysis shows that carelessness, uncontrollable and undesired actions are the major reasons of injuries which are caused by ramp congestion, complexity of the ground operations and human factors. While injuries are always a consequence of a number of events or failures, over 90% of accidents happened during aircraft, baggage and dolly handling. Examples of health and safety initiatives and practices in place at our operations are as follows:

### Improving Employee Safety

We increased the focus on employee safety during 2008. We conducted a review of Standard Operations Procedure (SOP) in our Aircraft Handling Section for compliance and benchmarking current best practices.

Apart from ramp safety, we also strive to provide a safe working environment for our staff. In particular, to reduce back injury during handling of heavy items, we encouraged all of our customers to affix a 'Heavy' baggage tag on those baggages weighing more than 23 kg per piece by passenger handling agents. In December 2008, we also carried out a risk assessment at the airport check-in counters to determine and identify potential hazards of baggage handling.



### Enhancing Staff Training and Awareness

To ensure that staff are competent to carry out both their duties and their responsibilities in a safe manner, HAS has developed a comprehensive training for our frontline staff. In 2008, a series of training were provided to supervisory staff aiming at standardising processes, identifying risks and hazards and learning from major incidents. Training also included rules and regulations, team building, effective communication, reporting system, safety measurement and solutions identification.

We introduced 'Safety Suggestion Campaign' in April 2008. More than 35 suggestions on safety enhancement were received from our general staff. Total 17 suggestions were selected and implemented to achieve a higher standard of ground handling operations. We also introduced 'Working at Height Safety Campaign' in September 2008 to motivate safety culture and increase awareness for aircraft loading staff. Another objective was to reinforce Standard Operation Procedure (SOP) of our loading teams especially when operating lower deck loader and conveyor belt.

We continued to encourage our staff to participate in the annual safety campaign organised by the Hong Kong Airport Authority. This campaign focused on elevation of safety awareness of all personnel working in the airport which included the apron and the baggage hall. During the campaign held in November 2008, employees from various operators actively participated in different safety promotion activities such as photo-shooting of safe examples competition, safety Q&A competition, safety computer games and role model competition.

### Enhancing Safety Communication

The occupational health and safety of our staff, contractors and customers is put in our top priority. In addition, we provide various platforms to strengthen our communication channels with our stakeholders. For instance, we re-launched the Equipment Improvement Gathering (EIG) to provide a platform and facilitate communication between staff and management to share views on GSE and vehicles improvement.

To continue promoting and sharing best safety practices, we co-operated with the Hong Kong Airport Authority to produce a ramp safety video to exchange best safety practices and ideas among airport ground handlers. The video is provided on

<https://extranet.hongkongairport.com/airportbestpractice/en/rh.html>



### Improving Equipment Safety

Administrative and operational controls are also essential for safe operation. The provision of personal protective equipment (PPE) to employees working in high-risk areas (such as those involved in handling dangerous goods) is also crucial. In 2008, we carried out a review of PPE to ensure that we appropriately managed potential exposures.

We continued to conduct a GSE review to ensure all the equipment is safe to operate in any condition. This review aimed to simplify the complexity of equipment control and enhance safety device in equipment so as to achieve world-class OHS performance. Examples of equipment in which we modified include:

1. Lower Deck Loader
2. Container Dolly
3. Electric Tractor
4. Diesel Tractor

### Agenda for 2009

- Review Safety Policy and Safety Management System.
- Enhance staff safety training especially focusing on human factors.
- Develop 'Safety Culture' in HAS to ensure 'safety comes first'.

# Employees

Our people are key to our core element of corporate competitiveness, so we place great importance on effective human resources management. We strive to be an employer of choice by providing an environment that promotes diversity and respect, safeguards occupational health and safety, and offers equal opportunities and an appropriate work-life balance. We actively consult staff on a variety of issues to ensure that they are committed to and share the values of the company.

In 2008, HAS employed 3,067 staff, comprising 2,578 (84%) permanent employees and 489 (16%) contract employees. Before integration with HIAS in November 2008, we employed 2,017 staff, made up of 1,832 permanent employees and 185 contract employees.

## Staff Communications

We recognise the importance of maintaining good relation with our staff. The Joint Advisory Committee (JAC) is formed voluntarily by staff representatives who have been elected by their peers in each section. Through regular meetings, management and staff representatives mutually initiate to discuss, attempt to solve and improve matters relating to work. This committee also promotes staff communication, safety and co-operation, boosts staff loyalty and morale, develops potential staff, improves working efficiency as well as enhances corporate image.

To encourage a better flow of staff communication and help develop a positive culture within the company, we launched the following programmes in 2008:

1. A Brainstorming Workshop was held in conjunction with the training team and 14 participants from various departments or sections attended the workshop.
2. A Supervisory Workshop was held in December 2008 and over 70 supervisors from Passenger Services Section joined.
3. Lunch box meetings were held at various offices to share thoughts and views with employees. A lot of valuable ideas were received.
4. Over 40 management staff joined 'Buddy Day' to experience front-line operations in August.
5. Home visits were made to staff on long injury or sick leave.
6. A new web-based information system, eTouch, allows staff to access the latest company information at home. It serves as a channel to engage staff on social issues, and promote the environmental, charitable and cultural activities we support.
7. HAS Touch, a bilingual magazine, is widely read by our staff. We use the Intranet platform and publish our own magazine to disseminate information.
8. To celebrate the 10th anniversary of HAS, the annual dinner was held at Laguna Palace Restaurant. Over 800 staff enjoyed a wonderful evening with management band show, drum performance and games.







## Staff Training and Development

We believe training and development build job satisfaction and enthusiasm which in turn builds their career paths and job satisfaction with our company. We have identified clear job requirements and we are committed to working with all our people to develop their full potential and enable them to reach maximum levels of their contribution to the company.

In our training program, we do not only cover knowledge on airline technical operations and passenger services, but also equip staff with right attitude and soft skills to excel in their jobs. 'Staff Code of Conduct is a top priority at HAS.' We believe that ethics management and achieving business success is to formulate a comprehensive code of conduct for our company. We provided a program that addresses the needs to help prevent corruption and from performing unlawful and discriminatory acts. In addition, we also provided opportunities for staff to develop at each stage of their careers. As of 2008, our achievements include:

1. The supervisory program which identified and developed potential supervisors who needed to enhance management skills including effective communication, team motivation and coaching skills.

2. 5-day induction programs provided to our new-recruits. We provided skills and knowledge for technical and supervisory staff to perform their job up to the requirement of company and our customer airlines. A format of combined learning mode with classroom, field practice and on-job-coaching was adopted and approximately 52 classes with 450 intakes were provided in 2008.
3. On-job-attachment workshop was launched to support the mentors. We groomed the trainee according to company standard with caring altitude, let them understand different learning style and how to give instructions based on different needs and conduct structural on-job-training.
4. Enhancing communication and interpersonal skills of our staff through the communication / telephone handling / interpersonal skills workshops. The contents included conducting daily communication in an effective and professional manner, handling telephone communication with care and accuracy and mastering the languages and communication style to handle different work related situation.
5. Developing employees to deliver communication in a right way. We provided a workshop on briefing, meeting and delivery of message in an effective manner.





## Work-life Balance

We recognize that a balance between quality of life and quality of work is essential to maintaining a healthy, satisfying and productive workforce. Consequently, a range of activities and programmes are designed to support work-life balance.

The Sports and Recreation Committee (S&R) oversees sports club and recreational activities in HAS. This committee is formed by nominated staff across departments and sections and responsible for organising and assisting related activities.

Over the years, we have formed 5 S&R clubs including Football Club, Basketball Club, Table-tennis Club, Bowling Club and Hiking Club. In 2008, our sports clubs participated in many competitions with other companies and examples include:

1. Football Club joined the Airport Cup Football Competition. Our Baggage Services Section team won the championship in the Inter-department football competition.
2. Table-tennis Club won 2 prizes in the CPCS Cup.
3. Bowling Club joined a local bowling competition organized by Shatin Belair Bowling Centre on 6 December. Our team was one of the top six among the 28 participating teams and won 7 trophies in the Airport Super Bowl Competition.

4. Bowling Club also participated in a bowling tournament jointly organized by Serangoon Garden Bowling Club and Cathay Pacific Bowling Club from 13 to 16 March in Singapore. A bowling fun night was held on 12 September. A total of 26 teams joined the event.
5. Basketball Club took part in the Cathay Pacific Inter-departmental Basketball Tournament 08.

We also enrolled in the Corporate Games 2008 which was organised by the Leisure & Cultural Service Department for the distance run and basketball events. We always encourage our staff to participate in any kind of sporting events, which are aligned with our purpose of setting up S&R club.

Healthy lifestyle is a crucial factor for enjoyable life. However, the stressful and rapid lifestyle in Hong Kong exposes people to a higher health hazard. To develop a happy, healthy and productive workforce, a consulting firm had been appointed by our company to provide a one-stop Employee Assistance Programme (EAP). It offers help to staff in preventing, identifying and resolving difficulties arising from personal, family or work-related issues. Our health-care plans also cover medical, dental care and eye test to our staff. Special rates were also available to staff family members. More than 270 staff and 160 dependents have taken part in the schemes.

A wellness programme 'Healthy Month' was launched for 4 consecutive Mondays in July 2008. Health talks and simple health checks on cholesterol, gout screening, osteoporosis and diabetes were provided to our staff.



## Agenda for 2009

- Establish a working group to oversee staff communication.
- Enhance staff communication channel and platform.
- Promote the values and business principles.
- Promote the theme of 'Teamwork in Harmony'.

# Business Partners



## Agenda for 2009

- **Conduct a Supplier Code of Conduct survey among suppliers.**
- **Review the Purchasing Policy and Procedure.**
- **Carry out site visits to selected suppliers.**

We strive for the best practice in ethical procurement through the supply chain. We are committed to engaging our business partners, suppliers and contractors in the importance of meeting the requirements of our Sustainable Development Policy, the Purchasing Policy and the Code of Conduct, which cover the business ethics, legal and regulatory compliance, environment, health and safety, privacy and procurement procedure.

To achieve our commitments, we established the Business Partners Committee which is attended by our management and employee representatives. This committee sets policies and objectives, monitors and promotes Code of Conduct with the Finance Department, the Personnel & Administration Department and the Technical Services Section. This committee also carries out site visits to our business partners for sharing our best practice.

In 2008, we launched our Business Partner Policy to encourage our partners to develop a sustainable culture and a Code of Conduct. Further work will be undertaken during 2009 in ensuring that the policy and the Code are generally and consistently applicable across the supply chain.

## Engaging Business Partners

We believe our business partners can make a significant contribution to our success which also builds on integrity and fairness in relationships with our staff as well as customers. In HAS, interaction with customers, contractors and suppliers takes place formally on a regular basis, primarily in respect of the company's values, quality of service and business principles. We also developed a sustainability program to support and engage with our business partners. This program is designed to provide a framework for our contractors to continuously improve environmental performance, especially the responsible disposal of end-of-life equipment, parts, chemical waste, battery, and to refurbish and redeploy for other usage, or keep as reserve.

## Building Capacity of Local Suppliers

We recognise the value that can be delivered to local economies through our activities and encourage the development and the use of local suppliers and contractors. We define a 'local' supplier as a supplier from the community in Hong Kong. In 2008, we had 93.0% of local suppliers and 6.7% of suppliers from the Mainland China.

# Community

To address the needs of community, we focus efforts on providing financial support, offering our knowledge and expertise, and energizing employee volunteers to care for our community.

In 2000, the 'HAS Dynamics Volunteers Team' was officially formed by staff from various departments of the company. Our volunteers have spared their precious time unconditionally beyond their regular work hours for community services, no matter how busy they are. All volunteers have long been actively participating in many different voluntary activities, giving warmth and happiness to many needy people in the community. Caring for the elderly and children is one of the key focuses of HAS community services. We believe that supporting the development of childhood and varying needs of elderly persons in local community can lead to a harmonious and caring society.

In 2008, HAS has been awarded the 5th Consecutive Years Caring Company Logo 2008/09. The Caring Company Logo Award is organized by the Hong Kong Council of Social Services with an aim at recognizing companies which demonstrate good corporate citizenship in six attributes: volunteering, employee friendly, employing vulnerable, caring for the environment, mentoring and giving to charity.



In HAS, we continuously look for ways to enhance our capabilities to constructively engage the communities where we operate and build sustainable partnerships. In the past year, we participated in more than 15 charity donation or community service programs organized by various charity organizations which account for more than 440 service hours.

## Sichuan Earthquake Relief

An 8.0 magnitude earthquake struck Sichuan province on 12 May 2008, killing more than 69,000 people and leaving 4.8 million people homeless. After the earthquake, a large scale donation exercise was immediately kicked off in all offices. Within days, staff and company raised a donation of HK\$50,000 to the Hong Kong Red Cross. We also responded to the scarves knitting exercise organized by Swire Pacific and a total of 50 scarves were knitted by our staff for the Sichuan earthquake victims.

## 'Hong Kong Citizen Hong Kong Heart' Volunteer Ambassador Program

In response to the 10th Anniversary of Volunteer Movement, a scarf knitting program was launched in July 2008. Among participants, many of them are completely green in knitting and they made use of their spare time to learn while the experienced knitters also took their initiatives to teach. Some staff relatives also joined the programme in the hope of sending their regards to those people in need. Over 80 scarves were knitted by more than 20 staff within months. After that, our volunteers visited a Senior Citizen Centre in Tung Chung and presented the scarves to around 60 seniors.







### Photo Taking for Elderly

In July 2008, there was an opportunity for our volunteer photographers to realize their potentials to take photos for over 100 seniors at the elderly center of Hong Kong Family Welfare Society in To Kwa Wan (Kowloon City). Each of them received a dozen of passport photos.

### Distribution of Glutinous Rice Tamale to Elderly

In June 2008, we participated as a supporting partner of the Hong Kong Sheng Kung Hui Wong Tai Sin District Elderly Community Centre to distribute glutinous rice tamale to elderly in Lok Fu.

### WWF Walk for Nature @ Mai Po

To show our care of the planet and to support the conservation in Hong Kong, 10 staff and their relatives joined the charity walk at Mai Po organized by WWF Hong Kong in October. During which, we participated in various activities at different checkpoints along the route, such as sustainable use of electricity and timber, and we gained an understanding on the importance and urgency of moving towards sustainability and how and what we can do to help save our earth.

### The Community Chest 'Love Teeth Day'

Everyone loves their teeth regardless of age and gender. To help arouse the awareness to improve oral health for the elderly, 87 staff showed their support in joining the Love Teeth Day which was jointly organized by the Community Chest of Hong Kong, the Hong Kong Dental Association Limited and the Department of Health on 9 December 2008.

### Elderly Home Cleaning Services

Our volunteer team joined the home cleaning program organized by the Hong Kong Sheng Kung Hui Wong Tai Sin District Elderly Community Centre in January to provide home cleaning service to homes of elderly in Wong Tai Sin District.

### Outward Bound Hong Kong Corporate Challenge

Since 2007, we have been partnered with the Outward Bound Trust of Hong Kong (OBHK) to raise funds which help to let young persons who are determined to explore and develop their potential, is denied the chance of taking an Outward Bound course due to financial or social difficulties. The Corporate Challenge organised by OBHK is the key event set out to attain this goal. We raised a donation of HK\$21,000 and we have enrolled a contestee's team of 13 members and 2 awards won in 2008:

1. The Most Dynamic Team Captain
2. 2nd Runner-up of Mixed Division – Modern Terminals Cup



## Agenda for 2009

- Conduct staff survey for volunteer services.
- Continue to support and raise fund for local communities.



# Sustainable Development Policy



**Hong Kong Airport Services Limited (HAS)** is committed to long term value creation for our stakeholder and the community in which we operate and to excel as a corporate citizen, therefore:

**Industry Leadership:** We will promote sustainable development with others in the industry we operate.

**Compliance:** We will meet or exceed all legal requirements and:

- Be a good steward of natural resources under our influence and to identify and manage all potential adverse impacts of our operations on the environment.
- Operate as far as is reasonably practicable in a manner which safeguards the health and safety of all our stakeholders.
- Be an employer of choice where employees are treated fairly and with respect and can realize their full potential.
- Favor suppliers and contractors who encourage and promote sustainable development.
- Promote good relationships with the community of which we serve.

Our staff members will be empowered and encouraged to act proactively on sustainable development matters both at work and in the community.

# Summary of Statistics

GRI Reference	Performance Indicators	2008	2007	2006	Units
<b>Environmental Performance</b>					
EN3	Diesel consumed	109,953	116,639	108,669	GJ
	Gasoline consumed	2,760	2,202	1,995	GJ
EN4	Electricity consumed (1)	9,026	10,473	9,913	GJ
EN8	Total water withdrawal	10,429 <sup>†</sup>	9,701	9,164	m <sup>3</sup>
EN10	Total water recycled	0	0	0	m <sup>3</sup>
EN16	Carbon dioxide emissions (CO <sub>2</sub> ) (direct)	9,109	8,692	8,251	T
	Carbon dioxide emissions (CO <sub>2</sub> ) (indirect)	1,354	1,571	1,487	T
EN17	Carbon dioxide emissions (CO <sub>2</sub> ) (other)	22.9	Note (6)	Note (6)	T
EN19	Ozone-depleting substances	0	0	0	T
EN21	Total water recycled	10,429 <sup>†</sup>	9,701	9,164	m <sup>3</sup>
<b>Social Performance</b>					
LA1	Total workforce (2)	2,017	1,957	1,893	number
	Employees who are permanent terms	90.83	82.40	86.05	%
	Permanent employees who work Full-time	100.00	100.00	100.00	%
LA7	Total hours worked	5,649	5,371	5,199	thousand hours
	Total injuries (3)	183	128	119	number
	Total fatalities	0	0	0	number
	Lost days due to injuries	6,516	4,424	4,872	day
	Lost time injury rate (4)	6.48	4.77	4.58	
	Lost day rate (5)	230.7	164.7	187.4	
LA10	Training per employee	14.4	Note (6)	Note (6)	average man-hours
SO2	Convicted case of corruption	0	0	0	case

(1) The electricity consumption in Cathay City and Dragonair House are excluded.

(2) The total workforce after integration with HIAS in December 2008 was 3,067 and 84% of employees were permanent terms.

(3) Total injuries are those which result in lost time of a minimum of one day.

(4) Lost Time Injury Rate = Total injuries / Total Hours Worked X 200,000\*. (\*: This represents rate per 100 employees, based on 40 hours per week for 50 weeks a year.)

(5) Lost Day Rate = Total Days Lost / Total Hours Worked X 200,000\*. (\*: This represents rate per 100 employees, based on 40 hours per week for 50 weeks a year.)

(6) This information excluded due to changes in the data collection system.

(†) Numbers are estimated.

# Thank you for reading this report

We invite you to give feedback on our report and performance. Should you have any comments or questions, please contact us:

Business Improvement and Solutions Unit

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The logo for SHAS, featuring a stylized 'S' in a red square followed by the letters 'HAS' in a bold, black, sans-serif font.