



ABOUT THIS REPORT

Our Sustainable Development Report describes the economic, social and environmental challenges that are linked to our operations in the Hong Kong International Airport and shows the strategies that we are running our business responsibly, and creating sustainable partnerships. We have been reporting on our sustainability management since 2007, this is our seventh Sustainable Development Report. Our report theme of this year is “Discovering New Direction”, we continue striving for improvement to achieve our business goals and to fine-tune our sustainable development strategies. It also provides us the motion to take a step forward in committing social and environmental relationships by further enhancing our initiatives in environmental protection, occupational health and safety, and social care.

This report is spilt into 2 main parts. The first part provides an overview of our company as well as sustainability strategy that we take. The second part is divided into 5 main performance areas covering Environment, Occupational Health and Safety, Our People, Business Partners, and Community.

The annual Sustainable Development Report provides descriptions, data and perspective on our environmental and social performance for 2013. 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

This report covers all correlative material from Hong Kong Airport Services Limited in the 2013 calendar year. We also occasionally mention events that took place in late 2012 when they help provide a clearer picture of our performance. This report covers our owned or operated businesses and does not address the performance of our suppliers, contractors or partners, as well as all financial information, unless otherwise noted.

GLOBAL REPORTING INITIATIVE

We continue to be informed by reporting frameworks and guidelines that include the Global Reporting Initiative (GRI) annually. We included an index to help readers find information corresponding to the GRI indicators. This report covers 24 GRI performance indicators and has been set at Application Level B, according to the criteria described in the G3.1 Model. No external assurance was pursued for this reporting period.

The Sustainability Development Report 2013 and reports of previous years can be found on www.has.com.hk. We welcome your comments and feedback at sd@has.com.hk.



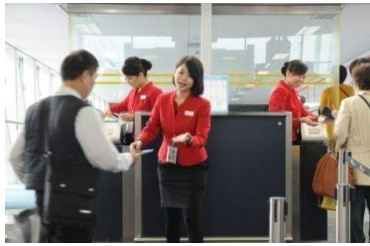


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MANAGING DIRECTOR'S MESSAGE



It was a competitive and challenging year to the aviation industry in 2013. With the business growth of our customer airlines and the continual increase in passengers and cargo handled at the Hong Kong International Airport (HKIA), we have been pushing our endeavours to meet with the dynamic operating environment and the growing market demand of quality services. This also led us to a new direction in managing our business plans and strategies. To bring our business forward, we understand putting sustainable development into our long-term business strategy is one of the key elements in supporting our operation.

Being one of the major ground handling operators in HKIA, with over 3,500 people and a fleet of over 3,200 Ground Support Equipment and vehicles; we emphasize a safe, quality and fair working environment. We brought in new ideas to enhance the safety awareness and our effort could be observed from the improvement on safety performances in 2013. At the same time, we advanced our operational systems and strengthened training on staff development and professions. We believe these measures help us maintain our high level of service quality and become a driving force of pushing us forward.

Meanwhile, being responsible to our environment has always been a part of our core corporate values. The replacement programme for aged Ground Support Equipments (GSE) and vehicles is one of the key projects in 2013 which helped us to enhance fuel consumption, to improve working efficiency and to take an active role in reducing carbon dioxide emissions in the HKIA.

I am pleased to introduce our seventh Sustainable Development Report which gives you an overview on our sustainability performance in 2013. We value your ideas on this report and look forward to receiving your comments.

A handwritten signature in black ink, appearing to read 'Raymond So', written in a cursive style.

Raymond So
Managing Director



OUR BUSINESS

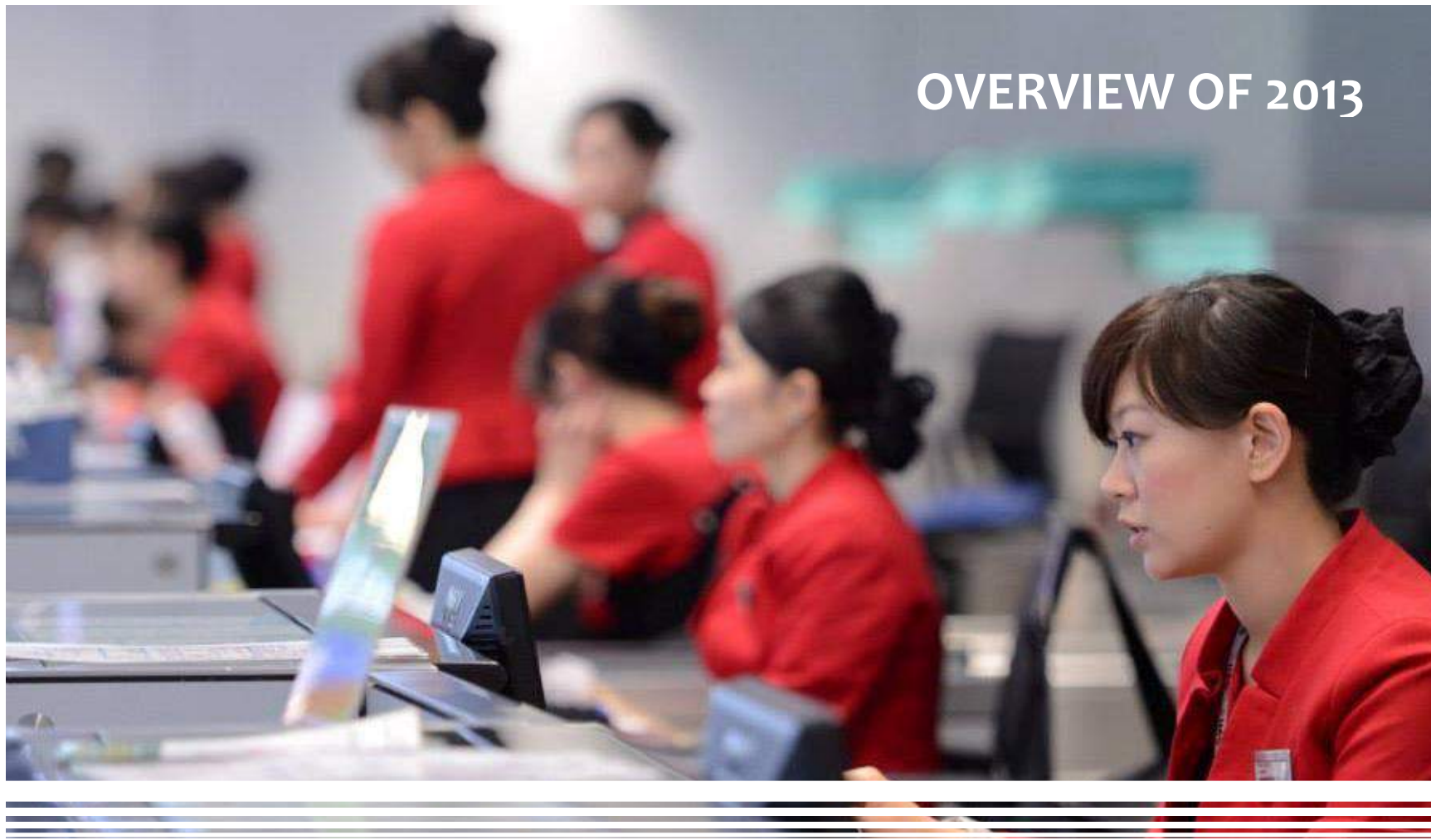
Hong Kong Airport Services Ltd. (HAS) was found in 1995 with over 3,500 employees and a fleet of over 3,100 ground support equipment (GSE) and vehicles. We provide one stop ground handling services in the Hong Kong International Airport.

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.

HAS provides one-stop ramp and passenger handling services, including loading and unloading of aircraft, baggage handling, cargo and mail delivery, ramp co-ordination, aircraft load control, aerobridge and passenger steps operation, as well as passenger and flight handling services such as passenger check-in, ticketing and flight dispatch. We also provide crew transportation services in the Hong Kong International Airport.

Currently we are providing passenger handling, ramp handling and cargo services for a total of 29 airlines. Our customers include three major home carriers - Cathay Pacific, Dragonair and Air Hong Kong. Our business covers over 50% and 24% market share respectively in ramp handling and passenger handling services in 2013.

Our offices are located at 3 major areas, with two office premises in Dragonair House, four offices within the Passenger Terminal Building and three premises at the Cathay Pacific Cargo Terminal which has put into life operations in Feb 2013.



Being one of the major career opportunity providers of tourism and logistics industries in Hong Kong, we coupled with the continuous fleet expansion of Cathay Pacific Airways and Dragonair and the stable business growth of our airlines customers. All these factors lead us to put more efforts on safety optimization, service performance, staff training, environmental protection and stakeholders' involvement throughout the Year 2013, in order to be most sustainable for taking challenges ahead.

OCCUPATIONAL HEALTH & SAFETY – IMPROVE LOST TIME INJURY RATE (LTIR)

A series of safety measures and a new accident investigation system were implemented; improvement was seen in Lost Time Injury Rate continuously since 2011. Staff from different departments and sections worked closely and a series of activities was launched to promote the vision of “Always Putting Safety First” in our company.

OUR PEOPLE - REJUVENATE EMPLOYEE DEVELOPMENT

We rejuvenated the proficiencies of our staff in 2013. Besides constant recruitment, our training resources were revamped with the support from our airline customers, to offer suitable support to our new joiners, who were well-trained to provide high quality ground handling services to our customers. These training programmes simultaneously helped our staff develop their career paths.

COMMUNITY – CARE ABOUT OUR SOCIETY

We built and developed a sustainable and long term trust with all our stakeholders in the airport community and external organizations, through involving volunteering services to contribute to the needy, including senior citizens, youth and the under privileged.

BUSINESS PARTNERS - ENHANCE SERVICE PERFORMANCE

We further enhanced and met with the service standard agreed with our customers, in compliance with rules and regulations. Our effort was admired and our staff had shown excellent proficiencies and won a number of accolades and numerous compliments in Year 2013. For our suppliers, they are required to comply with the Supplier Code of Conduct.

ENVIRONMENT – ENVIRONMENTAL MANAGEMENT

We streamlined our workflows to maximize the efficiency of resources usage and reduce wastage. The 3-Year Ground Services Equipment (GSE) and Vehicle Replacement Programme since 2011 was continued and helped enhance fuel efficiency and reduce carbon dioxide emission at HKIA. Relevant environmental events and education programmes were also carried out; staff and our business partners were also invited to support these activities.

The results of Year 2013 has brought enormous new ideas and enriched our sustainable development in HAS. We will continue our endeavours and commitment on sustainable development to help the Company taking the challenges ahead.



SUSTAINABILITY MANAGEMENT

Based on the Sustainable Development Policy and guidelines set by the Swire Group, we have developed the sustainability management strategy to put sustainability into our business and operations.

Chaired by the Managing Director, Sustainable Development Committee comprises of department heads and it ensures the initiatives of the 5 main areas - **Environment, Occupational Health & Safety, Employees, Business Partners** and **Community** are established, implemented and maintained.

The Committee also reviews the effectiveness of the sustainability management strategy and strives for continuous improvements through data analysis, objectives and targets set-up, regular committee meetings and audits. Sub-committees are formed and serve as the platform for our stakeholders and employees to communicate.

OUR VISION & MISSIONS

We commit to excel as a regional, full service ground handling agent by,

- Putting safety first
- Building a sustainable relationship with our customers by providing excellence service, quality and efficiency
- Creating value for all our stakeholders
- Recognising the contribution of our employees
- Cherishing team work
- Committing to corporate sustainable development

RISK MANAGEMENT

HAS has a structured process for the assessment of risk associated with identified hazards being expressed in terms of Consequence and Likelihood.

Being a subsidiary of the Cathay Pacific Group, we follow the risk management framework set by Cathay Pacific; and we adopt the risk management processes as described in the Corporate Risk Manual of the Group which includes the criteria for evaluating risks and the tolerable level that the organization is willing to accept together with the mitigating factor.

Risk briefings would be held by the group to understand, assess and respond to the risks, which are registered.

We continue to identify and review the risk management process in response to the changing business environment and to minimize the influences on stakeholders

CORPORATE GOVERNANCE

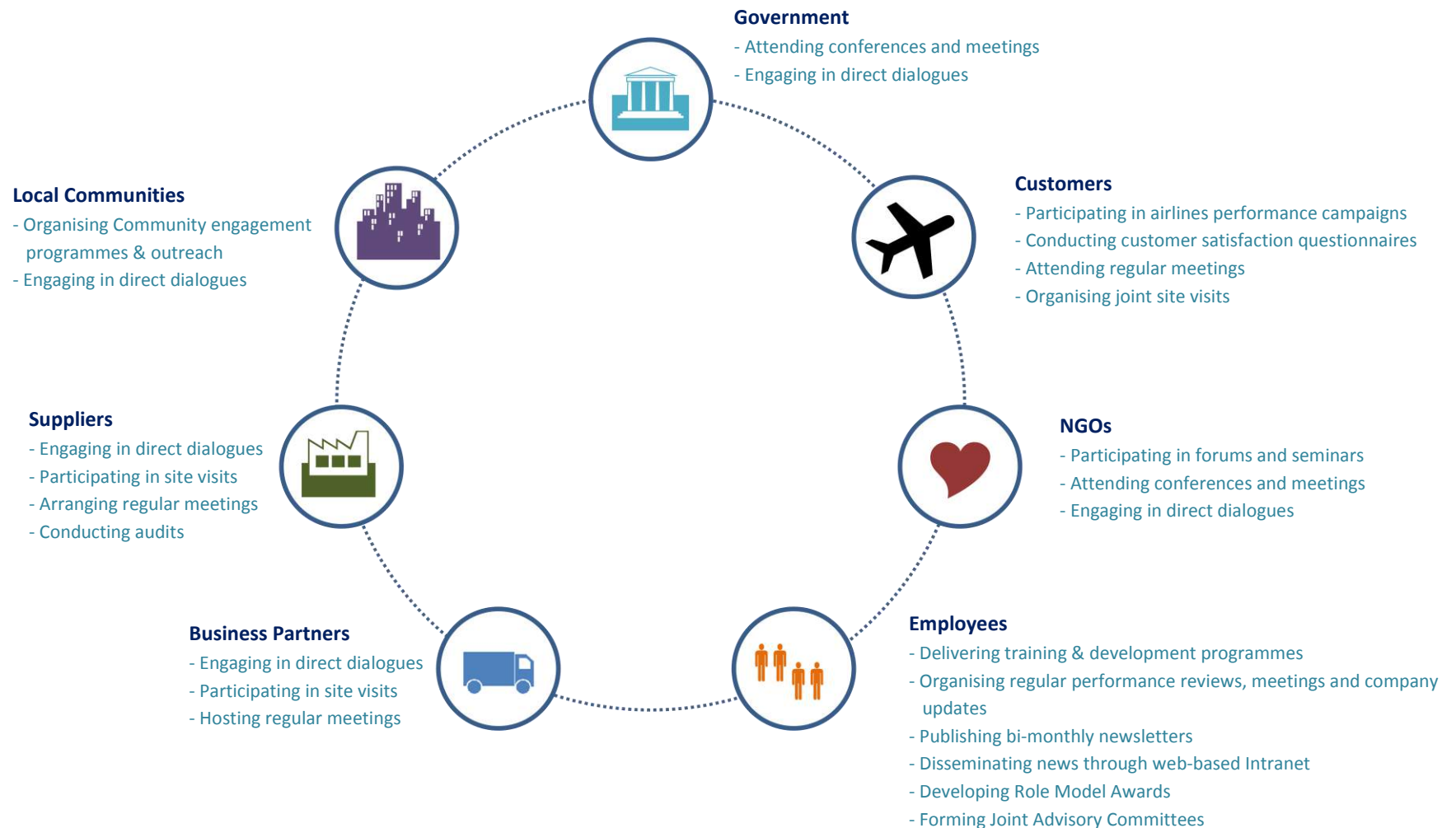
HAS clearly delineates the responsibilities and accountability of the Board of Directors. The governance is executed through the Management Committee, which comprises of the Managing Director as a standing member and Board members appointed by the Cathay Pacific Airways.

The role of the Managing Director is to report the company performance on regular time interval. The Board members are responsible for following a set of principles that address conflicts of interest, confidentiality, remuneration, and compliance with laws, rules and regulations.

APPROACH TO STAKEHOLDER ENGAGEMENT

We value the concerns and opinions from our stakeholders which help to define our business strategies and our long-term Sustainability Development. We set up HAS Stakeholder Engagement Mapping in accordance with the Swire Risk Management System. We systematically engage with our key stakeholders on a regular basis, at least once every two years.

The latest Stakeholder Engagement Mapping was held in 2012 and we collected feedbacks and opinions from our supervisory and managerial staff on the degree of impacts from our stakeholders and their attitudes towards our company. We engage with our stakeholders through,





ENVIRONMENT

TO BE A GOOD STEWARD OF NATURAL RESOURCES

We understand the importance of striking the balance between environment and development. Our Environmental Management System outlines the internal policies and procedures to ensure environmental aspects and impacts are well managed in the company. We adopt the Swire Group Environment Policy and take reference from the Swire Pacific Green Guidelines to set standards and protocols to manage the environmental impacts.

Led by the Business Support Manager, the Environmental Committee oversees the environmental projects and performances of HAS. The Committee also works closely with the Environmental Best Practice Working Group formed by representatives of the Swire group companies; and the business partners in the airport community.

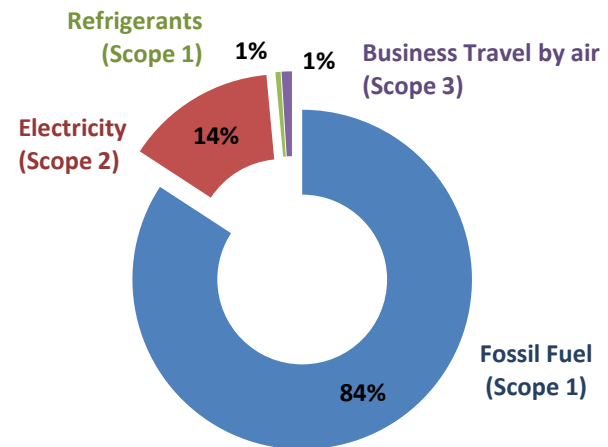
OUR ENVIRONMENTAL PERFORMANCE

Greenhouse gas emission

Reducing greenhouse gas emission has been a major environmental challenge we are all facing. In 2009, we set a target to reduce greenhouse gas emissions to 12 % carbon intensity per air traffic movement (ATM) by 2015, using 2007 as the base year. When compared with the data of the base year of our reduction target, we achieved a drop of 8.4% in carbon emission per ATM in 2013.

Our carbon footprint in 2013 mainly consisted of emissions from the consumption of fossil fuels, which accounted for over 80% of the total emission.

Our carbon emission per ATM in 2013 had a slight increase of 5% when compared to the record in 2012. Due to the increase in flight handling in outer bay and North Satellite Concourse, vehicular travelling distance was increased and resulted in the increase in fuel consumption in 2013. This is the major reason causing an overall increase in carbon emission per ATM in 2013.



GREENHOUSE GAS EMISSION ATTRIBUTE TO HAS 2013

CONTROLLING CARBON EMISSIONS

We have been introducing different measures to enhance energy efficiency in order to reduce our emissions.

FLY Greener Programme

HAS has been joining the FLY Greener, a carbon offset programme, launched by Cathay Pacific to offset our carbon emission generated by business trips. In 2013, we offset a total of 12 tonnes of carbon dioxide.

Ground Support Equipment (GSE) and Vehicles Replacement Programme

HAS possess the largest GSE fleet in HKIA and the fossil fuel consumption in HAS mainly attributes to the consumption of ultra low sulphur diesel and unleaded petrol for fuel combustion of the GSE fleet.

The GSE Replacement Programme had been implemented from 2011 to 2013. The programme aims at replacing aged and less fuel efficient GSEs and vehicles. In 2013, we invested over HKD 35 million in the programme and replaced over 59 powered GSEs and vehicles. **1/**

**25% OF HAS GSE & VEHICLES FLEET
COMFORMS TO EURO IV / V EMISSION
STANDARD OR IS ELECTRIC-POWERED.**

During the shuttle bus selection stage, we decided to purchase 3 units of 51-seated single deck bus for the replacement of 3 aged 28-seated buses. It can increase the people carrying capacity loading to reduce the bus frequency and carbon emission as a result. **2/**



1/ Electric tractor in the HAS GSE fleet

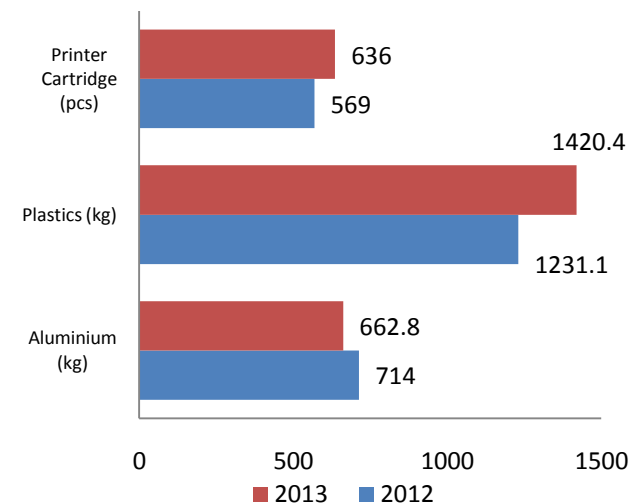


2/ Shuttle bus with increased seating capacity

MANAGING WASTES

We recycle a wide range of materials, including paper, plastics, metals and printer cartridges in our office premises.

We recycled over 24 tonnes of paper and offset over 115 tonnes of carbon dioxide in 2013. We continued to work with Caritas Hong Kong on the computer recycling scheme; donating over 60 pieces of computer equipment and electronic accessories.



WASTE RECYCLING IN 2013



PAPER REDUCTION CAMPAIGN

We have been relying on paper documents to record and manage our flight information. We launched the Paper Reduction Campaign to reduce the paper consumption in Dec 2012 via technological means.

We targeted a 5% reduction in general paper consumption. Till the end of 2013, we successfully reduced the paper consumption by 6.8% when compared with the general paper consumption in 2012.

We have:

- ❖ modified the SITA Telex System that the telex could be first screened out before printing instead of being printed automatically upon received;
- ❖ introduced the use of smart phones in ramp operations to reduce the use of paper documents on loading confirmations.

3/ Unnecessary lightings were switched off to show our support to WWF Earth Hour 2013



ENGAGGING EMPLOYEES

We believe support and understanding from our employees are always a vital element in striking the balance between environmental protection and our operations.

Lai See Red Packets Recycling Programme 2013

Our staff supported recycling in actions. Over 3,000 reusable Lai See Red Packets were collected during the Chinese Lunar Year and were passed to NGO for recycling via AAHK. And we also encourage staff to use reusable Lai See red packets in future events.

WWF Earth Hour 2013

HAS was among the 3800 companies and organizations joining the WWF Earth Hour 2013. Our staff from different departments actively participated in the event by switching off the unnecessary lightings on 23 Mar 2013. **3/**

Eco Tour 2013

An annual Eco tour has been arranged to arouse our employees' awareness in caring of our environment. A tour to Hong Kong Wetland Park was organised in 2013. **4-5/**



4-5/ Visit to Hong Kong Wetland Park

Rocky Shore Clean Up 2013

HAS Dynamics, our volunteer team, together with friends and families, joined in hands to clean up the rocky shore at Lei Yu Mum. The team filled over 10 bags of rubbish from the shore. **5/**



5/ We engage our staff, their families and friends, in supporting environmental activities

Food Wise Charter

We have taken part in the Food Wise Hong Kong Campaign organized by the Environmental Protection Department. We commit to support the idea of reducing food waste and promote the sustainable culture within HAS. **6/**



6/ Promotion bookmarks of Food Wise Charter

Green Moon Project 2013 – Mooncake tin boxes collection

Initiated by Swire, we participated in the Green Moon Project 2013 to support the recycling of mooncake tin boxes. The mooncake tin boxes were sold to the authorized recycling company and the proceeds were donated to the Salvation Army. **7/**



7/ Our staff showed their support to the project by donating mooncake tin boxes

AWARDS

- **10th Hong Kong Awards for Environmental Excellence – Wastewi\$e Scheme**
- **“Food Wise Charter” Pledge**
- **Energy Saving Charter – “No Incandescent Light Bulb”**

PROGRESS AGAINST 2013

- Continue the GSE Replacement Programme ✓
- Implement proper actions to reduce paper consumption ✓
- Adopt the sustainable procurement policy of Swire Pacific Limited ✓
- Reduce water consumption by installing suitable facilities On-going

AGENDA FOR 2014

- Purchase of new loaders installed with Stage IIIB Engines
- Implement continuous GSE and vehicle replacement programme to reduce carbon emission
- Further reduce paper consumption by 3%



OCCUPATIONAL HEALTH & SAFETY

WE PUT SAFETY FIRST

Based on the Swire Group policies and ISAGO standards, a comprehensive Safety Management System (SMS) which outlines the details of our safety policies, procedures, organizational structure and accountabilities is established.

We set up HAS Safety Review Committee to review the policy implementation and overall safety management performance under the governance of GSE Safety and Improvement Committee and the Safety Committee. Board members of the Incident Assessment Board Meeting also met monthly in 2013 to assess all incidents including injuries and traffic incidents.

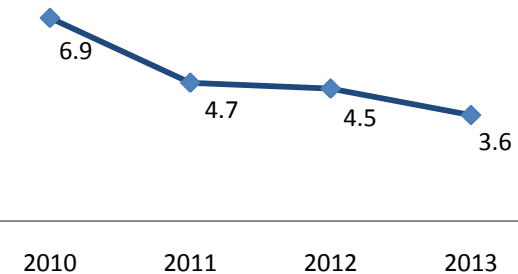
We set up safety performance objectives and targets to monitor our performance throughout the year; we provide safety trainings to make sure all employees understand what and how we integrate safety into our operations; and we carry out safety audits to ensure all statutory regulations are being met.

OUR SAFETY PERFORMANCE

With all the efforts our staff contributed; we achieved a record low Lost Time Injury (LTI) rate in 2013. This year, the LTI rate **dropped from 4.5** injuries in 2012, **to 3.6**.

Our analysis showed that Carelessness, Negligence and Poor Observation accounted for over 40% of the total injury in 2013. Arousing staff's Safety Awareness and building a Safety culture remain to be the major agendas in Year 2014.

◆ Lost Time Injury Rate/ 200,000 working hours



LTI rate of HAS from 2010-2013

20% DROP IN LTI RATE

18.6% DROP IN STAFF INJURY

BY COMPRING THE SAFETY RESULT OF 2013 WITH 2012

WORKPLACE & STAFF SAFETY

Safety Risk Assessment

In order to understand the risks in our current operations and to implement means to reduce their resulting impacts; we initiated the Safety Risk Assessment to review the safety procedures of ramp operations in 2013. Safety and frontline section representatives were involved in the assessment for 11 items which include operations of Cathay Pacific Cargo Terminal (CPCT), air-bridge and loaders.

Ramp Safety Job Observation Programme

We launched the Ramp Safety Job Observation Programme in March 2013 to improve our safety performances. Observers from Safety Section and Ramp and Cargo Services Department performed daily observations to identify irregularly and to recognize staff with good safety performance through incentive programmes. The positive results and effectiveness of this programme have been recognized by the Airport Authority. HAS was awarded “Corporate Safety Performance Award” in the 2013/14 Airport Safety Recognition Scheme. **1-2/**



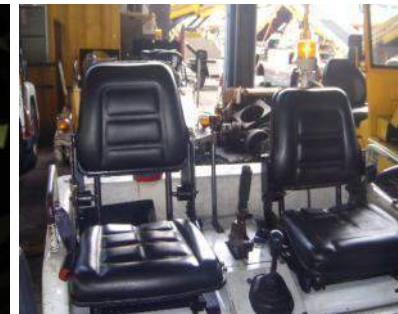
1-2/ Over 700 flights and 3,000 staff were observed in the Ramp Safety Job Observation Programme

Ground Support Equipment (GSE) Improvement Project

By collecting the opinions and comments from the Safety Review Committee, GSE Improvement project has been carried out to enhance work safety. **3-6/** More improvement items will be introduced in 2014.



3/ Lighting installed on the control panel of the loader



4/ Retrofitted seats on tractors



5/ Downward brake installation on dolly for safety assurance



6/ Anti-skips net on the loader climbing ladder

SAFETY CULTURE & TRAINING

Recognition and Incentive Programme

This year we introduced recognition and incentive programmes to encourage good safety performances and promote safety culture among staff. Rewards were given as an encouragement to staff who were considered Safety Role Models. **7/**



7/ Recognition to Safety Role Models

Training

This year we strengthened the training for supervisory and management staff for front-line safety observations and supervisions. Recurrent training on safety and security training for all HAS staff was also arranged in 2012/2013 in order to fulfill the requirement of ISAGO.



HAS Safety Campaign 2013

The aim of this programme is to arouse safety awareness of our staff and establish safety culture of our working environment. Activities including safety talks, competitions, games and stretching exercises were held during the campaign. Over 700 staff from Ramp and Cargo Services Department as well as Passenger Services Department participated in the campaign and positive feedback was received. **8-9/**



8-9/ Stretching exercises in the HAS Safety Campaign

STAFF HEALTH AND WELLNESS

We care about the health and wellness of our staff, both physically and mentally. Activities related to health and safety were organized to promote and enhance the development of a happy, healthy and productive working environment.

We arranged,

- Smoking Cessation Talk;
- Heart Age Assessment & Sight health & Protection Talk

We provided,

- health tips via emails and electronic notice boards;
- Employee Assistance Programme;
- Subsidised Health Care Plan

AWARDS

- 2012/2013 Airport Staff Safety Recognition Scheme
- 2013 AA Ramp Safety Recognition Award
- 2013 AA Ramp Safety Driving Recognition Award
- 2013 AA Airfield & Baggage Hall Safety Campaign – Safety Role Model
- Airport Safety Recognition Scheme 2013/14 – Corporate Safety Performance Award

PROGRESS AGAINST 2013

- | | |
|---|----------|
| • Provide Safety training for all supervisory staff | ✓ |
| • Promote Safety awareness by new initiatives | On-going |
| • Conduct Ramp Safety Job Observation to enhance Safety standard | On-going |
| • Provide Safety & Health and Security recurrent trainings to maintain staff's safety knowledge | On-going |

AGENDA FOR 2014

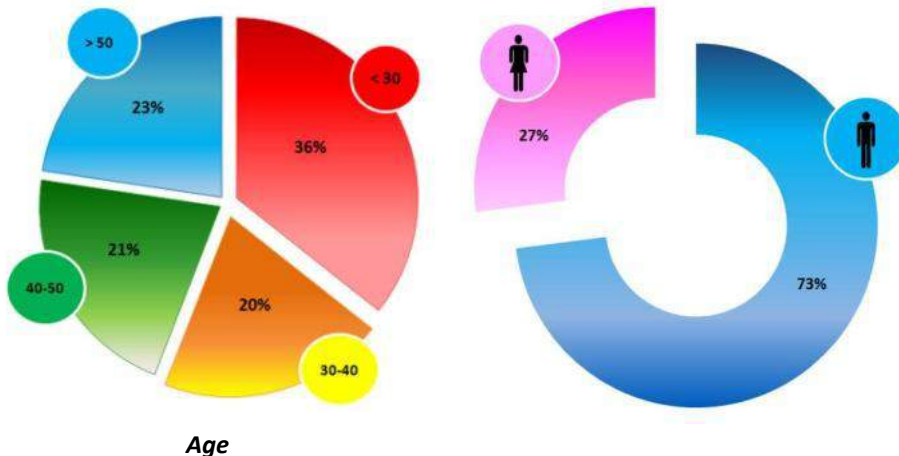
- Conduct Ramp Safety Job Observations to ensure all safety procedures are strictly followed
- Organise Safety Campaign/ Incentive Programme to arouse staff's safety awareness and establish safety culture
- Arrange meetings of Incident Assessment Board to prevent recurrence of incidents
- Re-certification of ISAGO

OUR PEOPLE

WE TAKE PRIDE IN OUR DYNAMIC TEAM

We value our people as the essential asset of our company. Human Resources are managed by Personnel & Administration Department led by the Head of Human Resources.

We implement policies supporting the principles of the Cathay Pacific Corporate Code of Conduct regarding the issues on human resources. We implement local hiring practices and the majority of our employees are based and hired in Hong Kong. We also aim to create a safe, healthy and fulfilling work environment by providing a series of training and development programmes.



Demography of Employees – Total 3,543 number of HAS employees in Hong Kong
(Data until December 2013)

TEAM ENGAGEMENT

HAS Joint Advisory Committees (JAC) comprised of staff from all departments and sections. Through regular meetings, management and staff representatives mutually initiate to discuss, attempt to solve and improve matters relating to work.

Positive communication and recognition is vital in boosting staff morale. Compliment Notice Boards were set up at Passenger Services Department and Ramp & Cargo Services Department in 2013. **1/** Compliments were displayed to recognise staff's outstanding performances and contributions on safety.

Exclusive Caring Programme called "A" Fun Appreciation was launched for the Passenger Services Staff. **2/** All of them were eligible to receive "A" Fun Cards upon their good performances in terms of grooming, customer services or proactive working attitudes.



1/ Compliment Notices at Ramp & Cargo Sections and Passenger Services Department



2/ "A" Fun Appreciation

TRAINING AND STAFF DEVELOPMENT

To develop professionals for HAS business and operations, we keep reviewing the training contents and verifying the training formats according to the requests from our customers and business partners, including on job attachment, occupational health and safety, environment and anti-corruption. **3/** We offer induction trainings to our new joiners and recurrent trainings to our existing staff.

Employee Retraining Board (ERB) Manpower Developers Award Scheme

Our effort in the past several years was recognised in the “ERB Manpower Developer Award Scheme” in 2013, launched by the Employees Retraining Board (ERB), honoured with the title of Manpower Developers 2013 – 2015 in recognition of the outstanding performance in five aspects – Leading a Learning Culture, Resources Planning, Training and Development System, Performance Management and Corporate Social Responsibility in Manpower Development. **4/**

The following programmes allow us to actively and continuously cultivate professional and dedicated personnel in our entire employees and community,

Leadership Development Programme

Leadership Development Programme was launched to support our Managerial Staff and Supervisors in all departments and sections and groom these trainees according to Company standards, and to be capable of “Managing Task”, “Managing Self” and “Managing People”.

Employee Education Assistance Programme

We provide financial assistance to the staff who wish to pursue for continual learning via the Employee Education Assistance Programme. We support our staff to equip themselves with necessary skills and knowledge to further enhance their personal and career development.

Driving License Sponsorship Programme

The purpose of this new programme launched in 2013 is to allow our staff to gain driving qualification and have more job opportunities in the career path. Sponsorships are provided to staff who apply for specific types of driving license.



3/ Training sessions of new operational systems



4/ ERB Manpower Developer Award Scheme 2013

Mass Recruitment Day with Social Organizations

HAS worked with the Labour Department and other social organizations to hold Mass Recruitment Days. We provided staff consultation and experience sharing on our professions to the potential applicants. Positive feedback was collected from the organizing parties and participants.

Scholarship Programme for Tertiary School Students

We co-organized placement programmes with the Hong Kong Institute of Vocational Education (IVE) for students from Tsing Yi campus to gain work experiences in HAS. Five students completed their placements at Passenger Services Department in 2013 and were awarded company's scholarships. **5/**



5/ Scholarship Programme to IVE students from Tsing Yi campus

WORK-LIFE BALANCE

We continue to support a work-life balance culture. We have been organising various kinds of activities and programmes for our staff and their friends and families, including,

Recreational

1. A total of 8 awards were granted in the Employees Children Scholarship Scheme Year 2013. **6/**
2. 120 participants joined the Noah Park Day Trip in September 2013.
3. A Summer Film Show was arranged for over 300 staff, together with their friends and families, in July 2013.
4. Over 100 staff and their friends and families joined the BBQ event in November 2013.
5. Staff shared Christmas greetings with photos on electronic notice board. **7/**

Sports

1. Swire Bowling Competition: Second place in the Men's Team Category **8/**
2. Running Club:
 - New Balance 10K
 - HKDRC 36th Hong Kong Green Half Marathon 2013
 - ASICS 10k
 - Tai Po 10k 2013
 - Hong Kong International Airport Feet of Fire 10km 2013
 - ASICS 37th Mount Butler (Heritage) Race
 - Standard Chartered HK Half-Marathon 2013
 - Mizuno HK Half-Marathon Championship 2013
 - Green Power hike: 2nd Runner up



6/ Airport Visit arranged for the awardees of the Employee Children Scholarship Scheme



7/ Christmas greetings shared among staff



8/ Staff engaging in sports competition

The Corporate Challenge 2013

“Corporate Challenge” is the leadership training activity organised by The Outward Bound Trust of Hong Kong. It is the extended programme of our Leadership Development Programme in order to reinforce leadership skills of our staff, such as communication, creative thinking and problem solving. It is also a fund-raising team challenge to raise fund which helps to nurture and develop the underprivileged youth. It was a great event for our staff to learn and exercise teamwork, communication, strategy and physical strength. 9/



9/ Staff engaging in the Corporate Challenge

PROGRESS AGAINST 2013

- Continue to review manpower strategy in meeting the required level **On-going**
- Employee engagement through ER initiatives **On-going**
- Support line departments and future succession through people development **On-going**
- Keep up the Work Injury Rehabilitation Management by hosting the review meeting with the working committees **On-going**
- Office Administration team to explore more initiatives on energy and paper saving activities **On-going**

AGENDA FOR 2014

- Launch of mobile application to enhance staff communication
- Staff training to prepare for CX new Departure Control System cutover
- Stakeholder Engagement Mapping



BUSINESS PARTNERS

ENGAGING BUSINESS PARTNERS IN SUSTAINABLE DEVELOPMENT

The Business Partners Committee, led by the Financial Controller, align with contractors, suppliers and airline customers to ensure that our business operations are conducted in a responsible manner as well as meeting ethical standards, including integrity and fairness.

The Business Partners Committee is responsible for advising our suppliers and contractors to improve their practices, according to HAS Business Partners Policy and the Purchasing Policy. These Policies are set based on our corporate vision, business nature and workflow. Our procurement process also takes reference from the Swire Pacific Green Guidelines.

OUR SUPPLIERS AND CONTRACTORS

HAS Supplier Code of Conduct

Our suppliers and contractors are required to follow HAS Supplier Code of Conduct as part of the sales and services agreements. This ensures that their compliances are legally bound, and their whole supply chains are generally and consistently under the best practice in ethical procurement, environmental protection, occupational health and safety, and labour rights.

Work with Local Suppliers

We always put local labour force as our prior choice. At the same time we also give priority to the local suppliers, in order to show our support in contributing to the local economy.

Annual Contractors Audit

We carry out annual contractor audit which is designed to monitor the environmental and safety performances of our vehicles and GSE repair and maintenance contractors; as well as to ensure that their operations comply with HAS Supplier Code of Conduct.

FOCUS ON CUSTOMERS

Customer Satisfaction Survey

To foster a collaborative relationship with our airline customers, we actively collect the comments from our ground handling services users.

Our airline customers are invited to participate in the Customer Satisfaction Survey to provide their comments on our service performances quarterly. Their comments become our index and inputs to review the quality of our services and help us to strive for continuous improvement.

ACCORDING TO THE RESULT OF CUSTOMER SATISFACTION SURVEY 2013, ALL OF OUR AIRLINE CUSTOMERS COMMENTED OUR GROUND HANDLING SERVICES "AT AGREED STANDARD".

COMPLIMENTS & RECOGNITIONS

In 2013, the contributions of our staff were recognized by customers and passengers. The following awards were received in 2013.

Japan Airlines Yearly Ramp Audit—"Ramp Incident Free" Certificate

Japan Airlines (JL) conducts Ground Handling Agent and Aircraft Safety audit every year. We have been praised by JL in achieving "Ramp Incident Free" for 5 consecutive years since 2009. This was attributed to our staff's persistent effort and support.

Swiss Station Achievement Awards 2012 – 2nd

Position of Best Inter-Continental Station

Swiss International Air Lines Limited (LX) recognized Hong Kong Station as the 2nd Position of Best Inter-Continental Station for Year 2012, based on the scores awarded in the areas of flight punctuality, waiting time for boarding, passengers' satisfaction on baggage delivery, VIP Lounge services, staff friendliness and professionalism. One of our staff was awarded the Best Personal Care Employee in April and May of 2013.

Hong Kong International Airport (HKIA) Customer Service Excellence Award 2012/13

The Airport Authority Hong Kong (AAHK) presented a number of awards to our outstanding staff who dedicated their professional services, together with all the customer services providers at HKIA, during the event "HKIA Customer Service Excellence Award 2011/13" on 21 May 2013. A total of 5 individual awards were received by our staff; and we were also awarded "Customer Satisfaction Award" in both Courteous and Helpful Check-In Agents Category for Thai Airways (TG) and Efficient Check-In Staff Category for Dragonair (KA). **1-2/**



1/ "HKIA Customer Services Excellence Award 2012/13" - Representatives of Thai Airways



2/ "HKIA Customer Services Excellence Award 2012/13" -Winners from Passenger Services Department

“Smiles at the Airport” by Airport Authority Hong Kong (AAHK)

Business partners at HKIA were invited to participate “Smile at the Airport”, from 7 October to 6 November 2013, to arouse public awareness of HKIA customer service excellence. A number of our staff was invited to be the role models of the event, and posters were displayed at the HKIA.

Two of our staff were named winners for their service excellence in the Best Smiling Customer Service Competition; and a staff of ours won Customer Service Slogan Competition during this “Smiles at the Airport” event.



PROGRESS AGAINST 2013

- Review and consider adopting “Green Procurement” policy in our purchases following agreed Group direction ✓
- Joint procurement of FSC hand towel and toilet rolls under review ✓
- Evaluate and decide, if appropriate, to include Supplier Code of Conduct in Request for Proposal, tender and contract processes ✓
- Further follow up on the supplier risk assessment per Swire Supplier Chain Sustainable Working Group ✓
- Safety and quality service campaign for selected customers ✓

AGENDA FOR 2014

- Audit on selected suppliers
- Ensure the elements of Code of Conducts included in all agreements and contracts with suppliers
- Review Supplier Code of Conducts



COMMUNITY

WE MAINTAIN A GOOD RELATIONSHIP WITH THE COMMUNITY WE SERVE

HAS commits to adopt corporate social responsibilities to bring our contributions to the community. Our HAS Dynamics Volunteer Team comprises of staff from different departments. The team serves our community and supports charity programmes, which express our care and solitude to the needy. Serving the elderly was our prior engagement of community service in 2013. HAS Dynamics accumulated over 180 service hours in 2013.

ENGAGING OUR EMPLOYEES – STAFF VOLUNTEERING

Recruiting new members for HAS Dynamics

We have been inviting more staff to join the HAS Dynamics Volunteering Team. And we encourage members to invite their families and friends to join us in contributing to the community.

Knitting in Love 2013

Staff who are interested in scarves knitting, were invited by HAS Dynamics to knit for the elderly to show our care and love. Over 50 scarves were collected from our staff and were conveyed to the hands of the elderly.

Home Visit and Mooncake Distribution To the Elderly

HAS Dynamics volunteers joined “The Mid-Autumn Festival Home Visit 2013” organized by Memorial Methodist Social Service- Choi Hung Community Centre for Senior Citizens on 14 September, to celebrate this Chinese festival with the elderly, and to have more understanding on the needs of the seniors through home visits. **1/**



1/ Home Visit and Mooncake Distribution to the elderly during the Mid Autumn Festival

CONTRIBUTING TO THE LOCAL COMMUNITIES

Book for Love 2013

BOOKS for LOVE 2013 Charity Sale was organized by Swire Properties. All the subsidiaries of Swire Group in Hong Kong were invited to encourage their employees to donate books for a second-hand charity sale in April 2013. Over 300 books were collected in HAS; and all the sales proceeds was donated to The Boys' and Girls' Clubs Association of Hong Kong, which aims to enhance and enrich the lives of local children by providing various types of support.

The Community Chest Skip Lunch Day

Skip Lunch Day was a fund-raising campaign organized by the Community Chest Hong Kong. It aims at helping and bringing hope to the less fortunate by selling "Skip Lunch Day" charity coupons. 270 coupons were sold at HAS, and the donation was allocated by Community Chest Hong Kong to provide integrated welfare services to support the underprivileged in Hong Kong.

Dress Casual Day 2013

"Dress Casual Day" was organised by the Community Chest Hong Kong on 27 September 2013. Our non-uniformed staff could dress in casual wear during working hours by making a donation.

Love Teeth Day 2013

HAS supported the "Love Teeth Day 2013", which aims to increase awareness on dental care and raise fund for subsidizing the "Oral Health Services for the Needy" provided by the Chest's member social welfare agencies. 2 /



2/ "Love Teeth Day" packages

RESPONDING TO THE LOCAL NEEDS AROUND THE WORLD

Donation Box- Changing Young Lives Foundation

Changing Young Lives Foundation is a charity organization aims at raising fund for helping underprivileged children and youngsters in Hong Kong and Mainland. Donation boxes were placed at our staff canteen to encourage staff to support health, welfare, and educational and recreational development of the children in need.

Caring Company Award by Hong Kong Council of Social Service

HAS was awarded the 10 Years Plus Caring Company Logo, which recognized the effort HAS has been contributing in fulfilling corporate social responsibilities and building a harmonious society for 10 years.



ORBIS Airplane Ornament Charity Sale

ORBIS Airplane Ornament Charity Sales was held in HAS and commemorative “DC-10 ORBIS PlanePendant” were sold in the sale, to support the new Flying Eye Hospital and the blindness in need. **3/**



3/ ORBIS Airplane Ornament Charity Sale



Photo Shooting Volunteering Services for Elderly

HAS Dynamics cooperated with Hong Kong Family Welfare Society – Senior Citizen Centre (Kowloon City), to organize a photo – shooting service for the elderly on 22 June, 2013. Each elderly received 6 complimentary passport photos in this activity; and 80 seniors participated and showed their happy faces during the event. **4/**



4/ Volunteering Shooting event carried out by HAS Dynamics volunteers

PROGRESS AGAINST 2013

- Focusing on serving elderly in the community ✓
- Involve more staff to participate in community services ✓

AGENDA FOR 2014

- Elderly will continue to be the prior beneficial party
- Arrange community activities including volunteer services, in kind donations, sales and fund raising events

SUSTAINABILITY PERFORMANCE INDICATORS

Environmental Management

	Unit	2007	2008	2009	2010	2011	2012	2013
Energy Consumption								
Mobile - Diesel	GJ	116,639	109,953	101,202	106,297	140,368	111,710	118,278
Mobile - Unleaded Petroleum	GJ	2,202	2,760	3,281	3,234	3,749	4,179	4,619
Purchased Electricity (1)	GJ	10,473	9,026	10,417	10,145	9,749	9,588	9,767
GHG Emissions								
Direct Carbon Dioxide Emissions	Tonnes	8,692	9,109	7,534	8,044	7,860	8,370	8,731
Indirect Carbon Dioxide Emissions	Tonnes	1,571	1,354	1,563	1,522	1,598	1,571	1,709
Other Carbon Dioxide Emissions	Tonnes	(2)	22.9	25.0	21.0	18.0	17.0	12.0
Ozone-depleting Substance Emissions	Tonnes	0	0	0	0	0	0	0
Water								
Municipal water consumption	m3	9,701	10,429†	11,125†	9,334	11,253†	11,499†	12,631†
Total water discharged	m3	9,701†	10,429†	11,125†	9,334†	11,253†	11,499†	12,631†

(1): The electricity consumption in Cathay City, Dragonair House, Cathay Pacific Cargo Terminal and Super Terminal 1 are excluded.

(2): This information is excluded due to changes in the data collection system.

(†): Numbers are estimated.

SUSTAINABILITY PERFORMANCE INDICATORS

Social

	Unit	2007	2008	2009	2010	2011	2012	2013
Total workforce	number	1,957	2,017	3,086	3,270	3,317	3,365	3,543
By Type of Employment								
Total Permanent Employee	number	1,730	3,033	2,607	2,672	2,467	2,638	2,828
Fixed Term and Temporary Contract Employees	number	227	489	479	598	850	727	715
Total Hours Worked	thousand hours	5,371	5,649	8,235	8,641	9,177	9,463	9,618
Total Fatalities	number	0	0	3	0	0	0	0
Total Injuries	number	128	183	239	294	210	215	175
Lost Days due to Injuries	days	4,424	6,516	18,292	21,124	17,594	13,307	16,831
Lost Time Injury Rate (3)		4.77	6.48	5.80	6.80	4.61	4.54	3.60
Lost Day rate (4)		164.7	230.7	444.3	488.9	385.9	281.3	349.0
Training								
Average Hours of Training per Employee	hours	(5)	14.4	27.1	(5)	(5)	(5)	(5)
Executive – Top/Senior Management	hours	(5)	(5)	(5)	2.1	11.7	11.5	3.7
Executive – Middle/ Junior Management & Supervisory	hours	(5)	(5)	(5)	26.9	39.6	31.7	27.7
Non-executive – Customer Facing Staff	hours	(5)	(5)	(5)	49.1	88.5	102.4	73.8
Non-executive – Non-customer Facing Staff	hours	(5)	(5)	(5)	20.6	24.4	20.8	26.9
Convicted Case of Corruption	case	0	0	0	0	0	0	0

(3): 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.)

(4): 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.)

(5): This information is excluded due to changes in the data collection system.

GRI CONTENT INDEX

This report was prepared with reference to GRI 3.1 Guidelines. The GRI Content Index below shows where relevant GRI indicators are covered in this report.

Contents	GRI Indicators
About this report	2.1, 2.6, 3.1-3.7, 3.10, 3.11, 3.13
Managing Director's Message	1.1
Our Business	1.2, 2.2-2.5, 2.7, 2.8, 2.10, 3.13
Sustainability Management	1.2, 4.1-4.7, 4.8-4.10, 4.12, 4.14-17
Environment	DMA-EN, EN6 (partially), EN16-17, EN18, EN19, EN22 (partially)
Health & Safety	DMA-LA, LA7 (partially), LA8
Our People	LA1, LA8, LA10, LA11, LA13, SO3 (partially)
Business Partners	DMA-EC, DMA-PR, EC6, PR5
Community	DMA-SO
Sustainability Performance Indicators	EN3, EN4, EN8, EN16-17, EN19, EN21 (partially), LA1, LA7, LA10
GRI Content Index	3.12



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 Support Department

E-mail sd@has.com.hk
Tel +852 2928 0180
Fax +852 2928 0296
Address 4/F, Dragonair House,
 11 Tung Fai Road, Hong Kong International Airport,
 Lantau, Hong Kong
Website www.has.com.hk

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