Modern Slavery and Human Trafficking Statement 2022

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 (UK) and the Modern Slavery Act 2018 (Australia) setting out the steps taken by Cathay Pacific Airways Limited (“Cathay Pacific”) during the year ended 31 December 2022 to prevent modern slavery and human trafficking in our business and supply chains.

About Cathay Pacific

Cathay Pacific Airways Limited (“Cathay Pacific”), with its subsidiaries Hong Kong Express Airways Limited (“HK Express”) and AHK Air Hong Kong Limited (“Air Hong Kong”) (the “Group”) had 222 aircraft at the end of 2022. The Group’s headquarters is at the Hong Kong International Airport. At 31 December 2022, our passenger airlines directly connected Hong Kong to 64 destinations in 24 countries and regions worldwide, including 12 destinations in the Chinese Mainland. The Group also fully owns and operates a number of airline services subsidiaries in Hong Kong, including a catering, a laundry, a ground-handling and a cargo terminal company. As of 31 December 2022, the Group, and its subsidiaries, employed more than 21,200 people worldwide, of whom around 17,400 were employed in Hong Kong.

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

Our People

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

The Group’s Human Rights Policy is aligned with the laws of Hong Kong and applies to our global operations. It outlines our commitment to our employees on issues such as diversity, equal opportunity and workplace security. It also defines our position on protecting human rights in our supply chains.
Our Operation

As part of the aviation industry, we are concerned that cross-border criminal groups and individuals may exploit the interconnected air transport system to facilitate human trafficking. Stepping up our efforts to protect customers against this grave crime, we developed Cathay Pacific’s guiding policies on Modern Slavery and Human Trafficking and formal training materials for flight crew and cabin crew in 2019. The development of the policy has resulted in two documents. One is a Modern Slavery and Human Trafficking Policy Statement that sets out Cathay Pacific’s commitment to the fight against human trafficking. It is accompanied by a second internal document which outlines procedures and practices including employee training, collaborating with third parties and conducting supplier due diligence.

Training for our flight crew and cabin crew began in early 2020 by teaching our people how to recognise and respond to potential human trafficking activities through online training. All employees learn what signs and behaviours to look for, as well as specific questions they can ask to further assess the situation and how to safely report suspected cases. The training reinforces the importance of all our frontline teams working together as well as with the authorities. We also updated our operating manuals for both employee groups for the handling and reporting of the suspected cases. In 2022, 100% of our operating flight and cabin crew undertook the anti-human trafficking training, and no suspected human trafficking incidents were reported.

Following the update to our ground operations policy suite in 2021, our focus in 2022 turned to continued education and awareness of our frontline airport teams of the impact of human trafficking. Various internal communications were issued throughout the year and the recurrent training program between August and November required all Cathay Pacific employees and our third party ground handling agents to undergo online training on identifying, assessing and appropriately responding to suspected cases of human trafficking.

Ongoing reviews will be conducted to ensure the effectiveness of these actions.

Our Supply Chain

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

Cathay Pacific’s Procurement and Aircraft Trading department manages the airline’s supply chain, conducts supplier due diligence as required and works to ensure suppliers’ adherence to our newly developed Supplier Code of Conduct in 2022, which supplanted the previous Supply Chain Sustainability Code of Conduct. This document sets out our minimum requirements in areas including prohibition of employing under-age or forced labour, providing health and safe work environment, providing proper compensation and work hours, and sharing the standards with their subcontractors. In 2021, we conducted a benchmarking exercise to compare the current Code of Conduct with best practices in and beyond our industry.
Cathay Pacific had over 11,000 direct suppliers globally in our record of which more than 4,000 of them were active with spend in 2022. Geographic distribution of our active suppliers in 2022 was as follows:

After reviewing geographical and sectoral human rights risks and vulnerability in our procurement, including that undertaken by our subsidiaries, we have reached out to a number of key suppliers in areas with potential human rights supply chain risks, namely certain food products and textile and garment suppliers, and enquired about their governance and practices in the subject matter. We will continue to monitor their performance going forward. With all of our strategic suppliers, regular review meetings are held when supply chain risks and sustainability concerns are discussed if applicable. We are also in the process of identifying tools and resources to incorporate Environmental, Social and Governance (ESG) and modern slavery risk management in our overall procurement process. We will assess effectiveness of these actions after their implementation.

Risk Assessment and Management

A structured risk management process is established to identify, assess and mitigate corporate risks faced by the Group, comprising top-down and bottom-up risk identification and management processes. A specific risk taxonomy has also been developed to holistically identify and manage ESG risks across the business. The assessment of ESG risks is integrated with the wider risk management processes, and the taxonomy covers modern slavery in supply chain. The key ESG risks identified are incorporated into the existing corporate risk registers, with mitigation plans developed where appropriate. The outcomes of the assessments were reported to the Risk Management Committee and the Board Risk Committee. For a full description of the risk management approach and process adopted by the Group, please refer to page 58-63 in the Cathay Pacific Annual Report 2022, which can be downloaded here.
Awareness Building and Consultation

In 2022, we carried out regular consultation with our subsidiaries on the same topic. Annual and interim consultations were held annually and half-yearly respectively to review the latest status and identify required follow-up actions.

Looking Forward

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

This statement was approved by the Board of Cathay Pacific Airways Limited.

Signed,

Ronald Lam
Chief Executive Officer
Cathay Pacific Airways Limited
8 March 2023