



SUSTAINING OUR CAPACITY

Addressing Emerging Constraints

Sustainability Report 2013/14

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AAHK received a number of awards and recognition during the reporting period. Details are set out in the 'Appendices' section.



TTG's Travel Hall
of Fame



Airport Carbon Accreditation
Scheme 2013-2014



28th Asian Freight and
Supply Chain Awards



Hong Kong Awards for
Environmental Excellence



Green Office Awards
Labelling Scheme



UNMDG
'Better World Company'



2012-14 Social Capital
Builders Award



Caring Organisation
5 Years Plus



Web Accessibility Recognition
Scheme 2014



ABOUT THIS REPORT

Report Profile

This is Airport Authority Hong Kong (AAHK)'s second annual sustainability report, covering fiscal 2013/14, ended 31 March 2014.

As a statutory organisation, AAHK recognises its responsibility to be transparent about its performance and operations. This report aims to provide a reasonable and balanced view of AAHK's sustainability performance and explain how Hong Kong International Airport (HKIA) continues to support the sustainable development of Hong Kong under emerging capacity constraints.

Report Scope and Boundary

This report primarily focuses on the material sustainability issues concerning AAHK's core business in Hong Kong over which it has direct management control. It does not include information relating to AAHK's joint ventures in the Mainland. The sustainability management and performance of AAHK's subsidiaries and outsourced operations is referred to where relevant. This report also explains how AAHK engages and collaborates with its business partners to enhance HKIA's overall sustainability performance. Topics within the report have been prioritised according to the results of a materiality assessment conducted as part of the process for defining the report content. Details of the materiality assessment are set out in the 'Our Approach to Sustainability' section of this report.

We prepared this report in accordance with the internationally-recognised Global Reporting Initiative (GRI) G3.1 Sustainability Reporting Guidelines and Airport Operators Sector Supplement. As part of our commitment to continuous improvement, we are reporting at GRI Application Level A+ this year, thereby providing greater transparency and accountability for our stakeholders. We also referenced the Environmental, Social and Governance Reporting Guide issued by The Stock Exchange of Hong Kong Limited in the preparation of this report. The information reported against the recommended disclosures of the abovementioned guidelines is clearly referenced as set out in the [GRI Content Index](#).

Performance data is presented for the current reporting period and, where relevant and practical, for the two previous periods to facilitate comparison and analysis. Future targets are also presented, where they have been established, for the short- and medium-term. The financial data in this report was extracted from AAHK's audited consolidated financial statements for the year ended 31 March 2014. Other data is presented according to the measurement techniques and bases of calculations stated in the GRI Indicator Protocols unless otherwise stated. Other relevant standards and best practices adopted for compiling the data, and any restatements of information and data together with reasons for such restatements are provided where appropriate.

Assurance

This report has been independently verified by the Hong Kong Quality Assurance Agency, and checked by GRI's Report Services which concluded that this report fulfils the requirements of GRI Application Level A+. Separately, AAHK's greenhouse gas emissions data, as disclosed in this report, has been independently verified by SGS Hong Kong Limited.

Your Feedback

We welcome stakeholders' feedback on our sustainability approach and performance. Please share your views with us via:

[On-line feedback form](#)
corporatesustainability@hkairport.com

Environment Department
Airport Authority Hong Kong
HKIA Tower, 1 Sky Plaza Road,
Hong Kong International Airport, Lantau, Hong Kong
Telephone: (852) 2188 7111
Fax: (852) 2824 0717

MESSAGE FROM THE CHAIRMAN



Dear Stakeholders,

Thank you for taking the time to read our second sustainability report. As the statutory body responsible for HKIA's operation and development, AAHK strives to reinforce the airport's status as an international and regional aviation centre and maintain its social and economic contributions to the city by connecting Hong Kong with the world.

Our sustainability vision is to strengthen AAHK's ability to operate and grow profitably in a changing and challenging economic, ecological, technological and social environment while developing a robust culture of sustainability throughout the organisation. This report outlines the development of our approach to sustainability and the results achieved in fiscal 2013/14, ended 31 March 2014.

Air traffic at the airport has been growing faster than forecast and is expected to continue to grow over the next 20 years. As a consequence, the airport is facing increasing capacity constraints. As explained in our *HKIA Master Plan 2030*, there is very limited scope for further expanding the runway capacity under the two-runway system. The long-term solution is to expand the airport into a three-runway system (3RS). We will continue to work towards having the 3RS fully operational in 2023. In the short- to medium-term, we are expanding the West Apron and developing the Midfield to provide additional handling capacity for both aircraft and passengers on the ground.

In addressing the airport's growth demand, we remain focused on our commitment to service quality and our pledge to make HKIA the world's greenest airport. Despite passenger volume growing by 6.1% in 2013/14, our total electricity consumption, a major contributor to our environmental footprint, dropped by 4.2%. This is one of our biggest environmental footprint reductions since airport opening in 1998. We also achieved our best ever safety performance, with an Airport Composite Safety Index¹ of 5.32, which was 2.2% better than our stretch target.

We recognise the importance of striking a right balance between the economic benefits of airport development and the environmental impacts it creates. The Midfield development, for example, demonstrates our commitment to best practice and innovation in green building design. The Midfield Concourse features 35 green initiatives covering material, energy and water use and high-efficiency construction methods. These initiatives are expected to achieve

¹ Airport Composite Safety Index is a safety performance indicator that measures the number of injuries arising from passengers and staff, with respect to the number of passengers.

energy savings of over 20% compared to the baseline established by the Building Energy Codes². The same philosophy will be adopted in our planning of the future 3RS.

We welcome the HKSAR Government's support for the airport expansion as outlined in the 2014 Policy Address. In particular, we also welcome its plan to consider setting up a civil aviation training institute to develop talent for both the local and regional aviation industries. It is an important and timely proposal that will help address another long-term sustainability issue – the labour shortage at HKIA.

To attract and retain staff, we promote job opportunities at the airport through job fairs and work with airport business partners to address staff concerns such as transportation to and from the airport. We are also investing in innovative and long-term solutions to improve safety and operational efficiency at the airport, which further enhances the overall work environment.

Stakeholder engagement is an integral part of the airport's daily operations and business development. AAHK maintains open and proactive communication with its stakeholders and the public at large. Since the start of the statutory environmental impact assessment (EIA) for the 3RS project, we have arranged a series of activities, including some 500 meetings, briefings and visits for a wide spectrum of stakeholders. Going forward, we will continue to ensure that our decisions and activities take into account our stakeholders' views, interests and concerns.

I would like to take this opportunity to reaffirm our commitment to operate HKIA as a world-class airport that supports the sustainable development of Hong Kong. I look forward to your continued support and engagement with us on HKIA's sustainability initiatives and long-term development.



Vincent Lo Hong-sui

Chairman

Hong Kong, September 2014

² Issued by the Electrical and Mechanical Services Department, HKSAR Government.

MESSAGE FROM THE CEO



Dear Stakeholders,

I am pleased to report that HKIA delivered record-breaking results in 2013/14. In addition to surpassing 60 million passengers, HKIA was the world's busiest cargo airport for the fourth consecutive year and reported a record HK\$6,454 million profit. We also reinforced our reputation as one of the world's best airports. Having won TTG's best airport award 10 times since 2002, HKIA was inducted into TTG's Travel Hall of Fame in October 2013.

Since the publication of our *HKIA Master Plan 2030* in 2011, air traffic has grown faster than expected. The 2013 aircraft movements, driven by continuing demand for air travel, are three years ahead of the forecast made by IATA Consulting. Accordingly, we are developing the Midfield Concourse and associated facilities to better handle the growing number of passengers and aircraft. We are also making progress in the 3RS project, which will provide a long-term solution to the capacity constraints under the existing two-runway system at HKIA.

In operating the airport, we must balance the cost and effort of maintaining ageing assets with the benefits of using new technologies that offer greater efficiency. The total cost of ownership is the key metric for determining our way forward. A good example is the development of a runway lighting testing platform which allowed maintenance staff to save 20% of total time spent on the runway for maintenance work. Another impressive example is the doubling of our baggage handling capacity within the same facility area. A full case study is set out on page 32 of this report.

To enhance passenger experience, AAHK established the Customer Services Department in October 2013. The department is dedicated to providing more face-to-face customer service, monitoring HKIA's customer service performance, conducting training and campaigns, such as "Smiles at the Airport", and organising different events and entertainments for passengers at the terminal throughout the year.

We also invested in technology to enhance the passenger experience. The free WiFi service now covers all passenger areas and its system bandwidth has increased fourfold. We also launched the free mobile app "HKG My Flight" and commenced trials of a mobile check-in service. In terms of physical facilities, we enlarged the washrooms at Terminal 1 to cater for the growing passenger numbers, and upgraded other facilities to improve accessibility for passengers with disabilities.

In support of our pledge to make HKIA the world's greenest airport, we continued to reduce vehicular emissions by replacing our diesel- and petrol-powered vehicles with electric and low emission models. To facilitate the development of our airside electric vehicle fleet, we are enlarging our charging network to 158 charging points for electric vehicles and 56 charging points for electric ground service equipment. We will also ban the use of auxiliary power units by aircraft at parking stands which will improve both air quality and our carbon footprint. To provide aircraft on the ground with cleaner sources of power, we will upgrade all fixed ground power and pre-conditioned air systems. These initiatives will be fully implemented by the end of 2014.

Despite the operational challenges ahead, we will continue to strengthen our ability to support the city's economic development, while minimising our environmental and social impacts. I have great confidence that AAHK staff, our business partners and the 65,000 members of the airport community will continue to support HKIA to achieve sustainable growth.

I hope you enjoy reading our sustainability report and look forward to hearing your feedback.



Ng Chi-kee

Acting Chief Executive Officer
Hong Kong, September 2014

HKIA: SUSTAINABILITY AT A GLANCE

This illustration shows some of HKIA's key sustainability initiatives and case studies in 2013/14, and identifies the location on the airport island and inside the terminal building.

Our Operational Performance

60.7 million passengers

4.2 million tonnes of cargo

377,476 aircraft movements

Our Economic Contribution

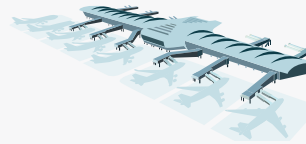
Supports 58% of Hong Kong's GDP

Employs 65,000 people

Delivered HK\$6,454 million profit,
of which HK\$5,300 million is payable to our shareholder,
the HKSAR Government

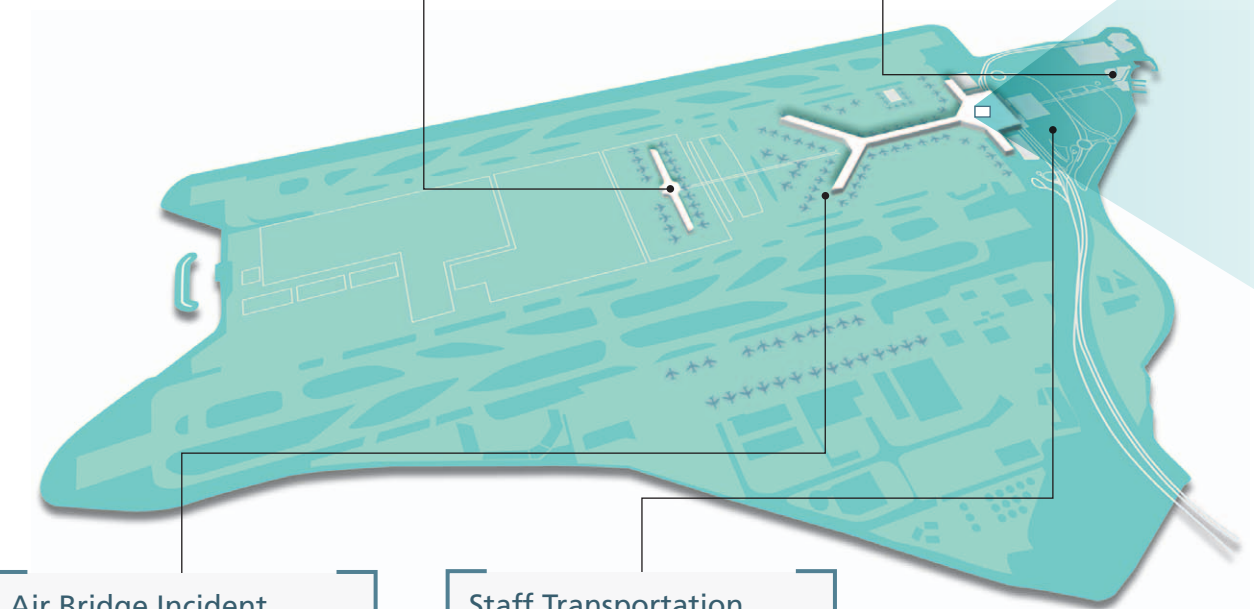
Midfield Concourse

An excellent example of green airport design
See page 39



Connectivity

Ferry and coach services connect HKIA to eight ports and 110 cities and towns in the PRD
See page 22



Air Bridge Incident

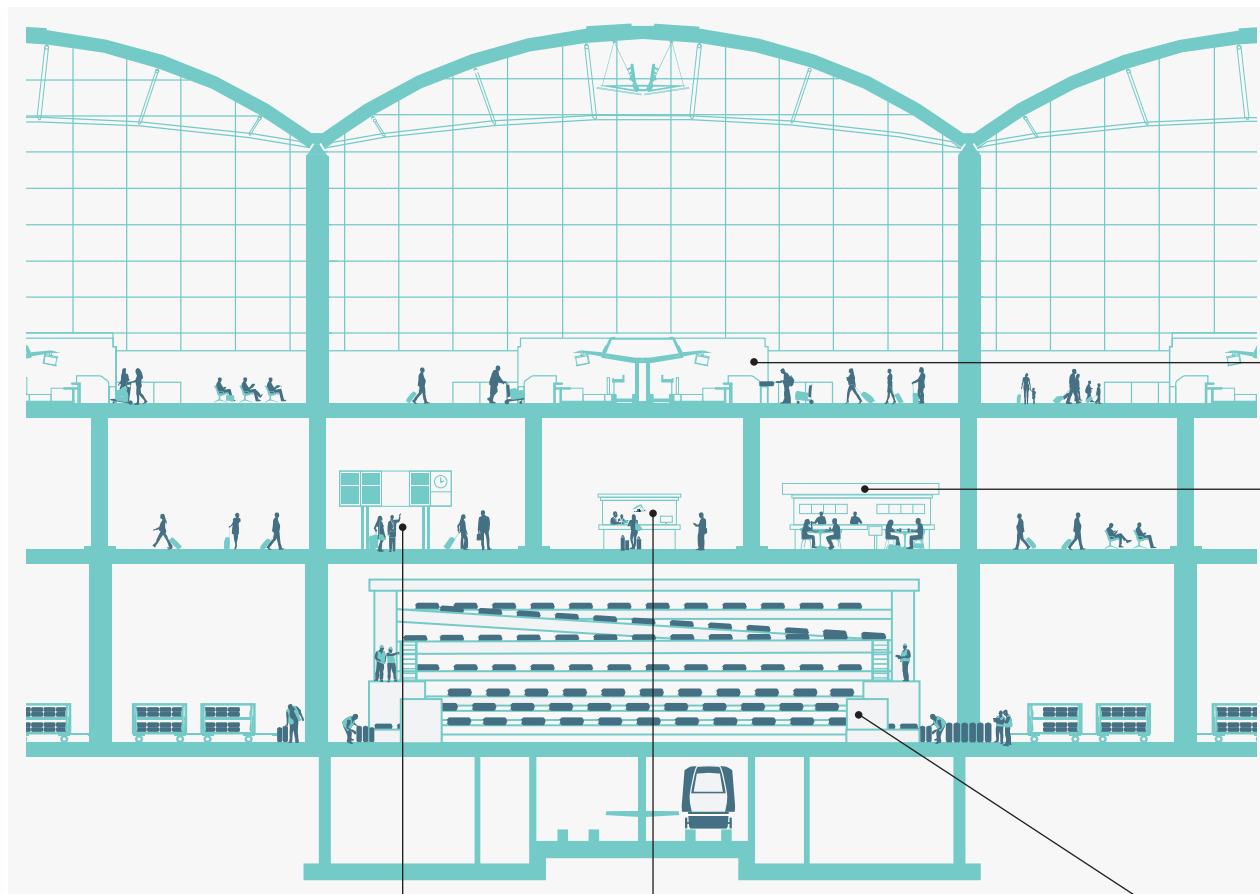
Immediate response and improvement programme to ensure airport safety
See page 27



Staff Transportation

Collaborative efforts to improve staff transportation
See page 19





Self Bag-drop System

Increased overall efficiency of the check-in counter by 25-35%
See page 31



"Go Green Monday @ HKIA" and Food Waste

Promoting a healthy and low-carbon dining concept and turning food waste into resources
See pages 38 and 43



Youth and Senior Airport Ambassadors

Developing young people to become customer service professionals and retirees to serve as volunteers
See page 53



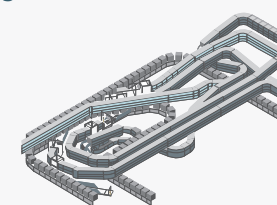
Customer Service

Focusing on the 'total customer experience'
See page 33



Baggage Handling System

HKIA's award-winning approach to baggage handling
See page 32



ABOUT AIRPORT AUTHORITY HONG KONG

Established in 1995, AAHK is a statutory body wholly owned by the HKSAR Government and governed by the Airport Authority Ordinance (Chapter 483, The Laws of Hong Kong). Pursuant to the Ordinance and the objective of maintaining Hong Kong's status as a centre of international and regional aviation, AAHK is responsible for the provision, operation, development and maintenance of HKIA, and may also engage in airport-related activities in trade, commerce or industry.

Under the Ordinance, AAHK is required to conduct its business according to prudent commercial principles, and have regard to safety, security, economy and operational efficiency and the safe and efficient movement of aircraft, air passengers and air cargo.

Taking into consideration the provisions under the Ordinance and market development, AAHK maps out its business strategies and key initiatives via a rolling Five-Year Business Plan and Financial Plan, which is reviewed and updated every year.

Vision, Mission and Core Values

AAHK's vision is to be a world class corporation and a leader in airport management and aviation-related businesses, contributing to the prosperity of Hong Kong.

This vision is underpinned by our mission to strengthen Hong Kong as a centre of international and regional aviation by:

- Upholding high standards in safety and security;
- Operating efficiently with care for the environment;
- Applying prudent commercial principles;
- Striving to exceed customer expectations;
- Working in partnership with stakeholders;
- Valuing human resources; and
- Fostering a culture of innovation.

AAHK has also established six core values, namely Safety, Security, Environment, Quality, Efficiency and People, which guide its staff and business partners in their day-to-day work and long-term plans. Details are set out in the [Annual Report 2013/14](#).

Our Business

HK\$ **6,454** million profit attributable to the equity shareholder

60.7 million passengers

4.2 million tonnes of cargo

377,476 aircraft movements

1,372 people directly employed by AAHK

65,000 people employed at HKIA

HKIA is the world's busiest cargo gateway and one of the world's busiest passenger airports. In 2013/14, HKIA handled 60.7 million passengers, 4.2 million tonnes of cargo, and 377,476 aircraft movements. Over 100 airlines are operating at HKIA, serving around 180 destinations worldwide. The minimum connection time between flights at the airport is 50 minutes³. The total airport site area covers 1,255 hectares and provides two primary runways. Please refer to the [HKIA fact sheets](#) for more details.

³ This is based on the time required for baggage unloading from the arrival flight, sorting and screening through the Baggage Handling System, then loading onto the departure flight. It also includes the transit of passenger from the arrival level, through security screening, to the departure gate.

Our business activities spread across passenger services, cargo and aviation services, apron management, airfield operations, airport property and facilities management, airport safety and security, retail and advertising, and other terminal commercial activities.

The table on the right indicates the primary services provided as part of managing the operation and development of HKIA and the party responsible for the delivery of these services.

Beyond Hong Kong, AAHK is involved in the management and operation of three Mainland airports via joint ventures: Shanghai Hongqiao International Airport, Hangzhou Xiaoshan International Airport, and Zhuhai Airport. Details are set out in the [Annual Report 2013/14](#).

Commitment to External Initiatives

AAHK actively participates in various local and international associations and advocacy organisations as part of its business strategy and operations as well as its commitment to sustainability. Similarly, AAHK endorses and subscribes to a number of external principles and charters to ensure that relevant best practices concerning corporate governance, safety, the environment and other sustainability issues are implemented across the organisation. These external initiatives also provide valuable opportunities for AAHK to engage with its stakeholders to address business, operational and sustainability issues.

Details of AAHK's memberships and endorsement/subscription of external principles and charters are set out in the 'Appendices' section.

Primary Services for Airport Management and Development	Responsible Party	
	AAHK (including AAHK's subsidiaries ⁴ & contractors)	Airport Business Partners (including franchisees & licensees) and Government Departments
Airline service		✓
Air traffic control		✓
Aircraft catering		✓
Aircraft fuel supply & refueling		✓
Aircraft maintenance		✓
Airport development & expansion	✓	
Airport land use planning	✓	
Airport safety management	✓	✓
Airport security service	✓	
Apron management	✓	
Baggage handling & reconciliation	✓	✓
Cargo handling		✓
Customs, immigration & quarantine formalities		✓
Customer service	✓	
Ground service equipment maintenance		✓
Landscaping	✓	
Local & cross border transportation		✓
Passenger service	✓	✓
Ramp handling		✓
Retail, catering & advertising		✓
Road traffic & car park management	✓	
Terminal & facilities management	✓	

⁴ AAHK partly owns Aviation Security Company Limited, provider of aviation security services, and SkyLink Passenger Services Company Limited, provider of passenger check-in services at various ports in the Pearl River Delta. AAHK wholly owns HKIA Precious Metals Depository Limited, provider of storage space and related services at HKIA.

OUR APPROACH TO SUSTAINABILITY

Corporate Governance

AAHK is committed to high standards of corporate governance. Good corporate governance not only meets the expectations of our stakeholders, but is also essential to attaining our long-term sustainable growth. We strive to achieve this commitment by institutionalising a clear and comprehensive governance framework and fostering an ethical and responsible culture at all levels of the organisation.

Although AAHK is not required to comply with the Corporate Governance Code issued by The Stock Exchange of Hong Kong Limited, it has voluntarily complied with the code provisions and the recommended best practices therein as far as possible. Any deviations are explained in the annual report.

Details of AAHK's corporate governance structure, principles and practices are set out in the [Annual Report 2013/14](#). The areas which have particular relevance to sustainability are highlighted below for clarity.

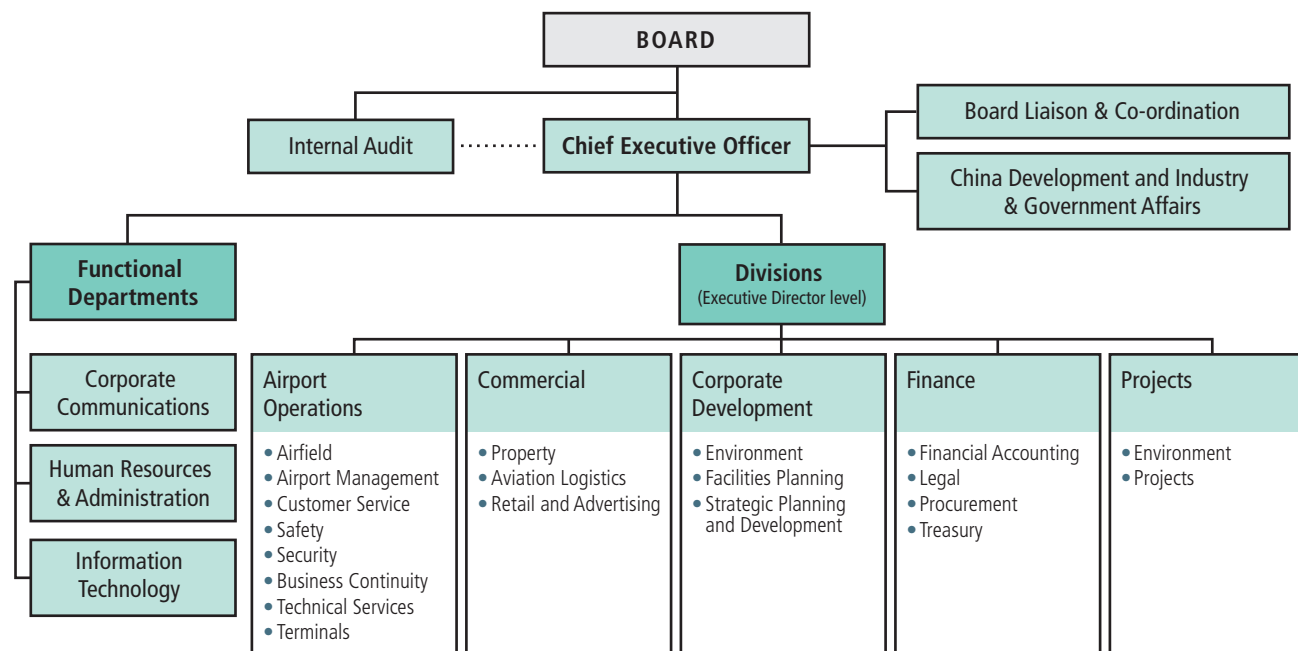
Governance Structure and Organisational Review

The Board has overall responsibility for the leadership, control and performance of AAHK. The executive management makes recommendations to, and obtains guidance from the Board and Board Committees on key matters relating to the

operation and development of HKIA. During the reporting period, AAHK operated with a defined organisation structure consisting of functional divisions and departments as shown in the diagram below.

To ensure that our corporate governance arrangements remain fit for purpose, we invited independent external consultants to review our corporate governance structure, principles and practices during the reporting period. Firstly, a consultancy study was carried out on the institutional

arrangements for the procurement and implementation of future airport development. This led to a holistic review of the existing Board Committee structure to better prepare the organisation for the future. In addition, an organisation structure review was conducted to identify the right organisation structure for handling AAHK's future challenges. In the review, AAHK was benchmarked against 19 other airports under an "Organisational DNA" framework, 14 board and management members were interviewed,



and a staff survey was conducted which collected over 1,000 responses. The consultant found that AAHK's organisation was fundamentally sound for addressing its current challenges, but it needed to fine tune critical organisational capabilities to prepare for the future. Accordingly, the Board reviewed and approved the proposed recommendations, including the establishment of an enterprise risk management function and adjustments to several supporting functions within AAHK.

Remuneration of Executive Management

There are three components of remuneration paid to the Chief Executive Officer and Executive Directors. They are basic compensation, performance-related compensation and retirement benefits. A significant portion of the performance-related compensation is determined by reference to objective indicators, including AAHK's financial performance, safety and service quality, customer satisfaction, business development, corporate sustainability and environmental practices.

Details of the remuneration of the Members of the Board, the Chief Executive Officer and Executive Directors are set out in the [Annual Report 2013/14](#).

Ethical and Responsible Behaviour

A six-month employee programme "Corporate Governance in AAHK" was launched in January 2013 to reinforce the corporate governance culture and employees' compliance mindset. The programme covers three main aspects: i) General Conduct & Mindset; ii) Corporate Policies,

Procedures & Practices; and iii) Legal Compliance. A total of 1,353 employees participated in the programme. For new joiners, the General Conduct & Mindset training is provided through the orientation programme. Effective April 2014, they are also required to attend the Corporate Policies, Procedures & Practices and Legal Compliance training within six months from joining AAHK.

AAHK requires all employees to maintain the highest level of integrity and honesty in conducting the affairs of the Authority and performing their duties. AAHK's Code of Conduct stipulates their legal and ethical obligations and provides guidelines to help employees make ethical decisions and avoid inappropriate behaviour. Specific policies and procedures on the prevention of bribery, solicitation and acceptance of advantages, and avoidance of conflicts of interest are covered in the Code. A Whistle Blowing Policy and Grievance Handling Policy are in place to encourage employees to report any impropriety through appropriate channels.

The Code of Conduct forms part of the contract of employment between AAHK and its employees. It is reviewed and updated regularly, and is available on AAHK's intranet. All employees are required to complete a Code of Conduct refresher course and a short test via the in-house e-learning platform on an annual basis.

Risk Assessment and Management

The operation of AAHK encompasses a diverse range of risks. At the corporate level, risks which may hinder AAHK from achieving its long-term objectives are analysed within the

context of its 20-year Master Plan, which is prepared every five years. Risks relating to AAHK's short- and medium-term objectives are identified and addressed annually during the preparation of the rolling Five-Year Business Plan. In addition, a Business Continuity Management System has been implemented to identify and manage the operational risk exposures associated with potential disruptions and crises. Details are set out in the 'Delivering Operational and Service Excellence' section.

All levels at AAHK: The Board, the Audit Committee & Finance Committee, the Executive Management, and the operating and supporting functions, are involved in the organisation's risk assessment and management processes. Details about AAHK's risk management framework, including economic, environmental and social risk profiles and controls, are set out in the Risk Management Report of the [Annual Report 2013/14](#).

Climate change risk is identified as a medium risk threat to business continuity posed by sea-level rise and associated storm surges on both HKIA and its supply chain. We are aware that the HKSAR Government has commissioned a "Review of Studies on Climate Change and its Implications on the Design of Coastal Structures – Feasibility Study". Once the study's findings are available, we will consider their implications for HKIA and the 3RS design. In planning for the 3RS, AAHK has considered international research findings and made allowance for a sea-level rise of about 0.5m in the design of the seawall crest. We have also made cost estimates for the overall seawall design.

Sustainability Management

AAHK's Sustainability Vision

AAHK aims to strengthen its ability to operate and grow profitably in a changing and challenging economic, ecological, technological and social environment while developing a robust culture of sustainability throughout the organisation

Supervised by the Executive Committee of the Board, the Executive Director, Corporate Development (EDCD) has overall responsibility for AAHK's sustainability. Under the Corporate Development Division, the Sustainability Team within the Environment Department is responsible for developing and rolling out AAHK's sustainability strategy as well as its management and reporting system. The EDCD chairs the Sustainability Working Group, which was established in March 2014 and comprises representatives from departments across AAHK. Its first task is to strengthen the framework for sustainability reporting.

Given AAHK's business model and level of control/influence over various aspects of the airport operation, its overall sustainability management can be considered at three levels:

- AAHK's own sustainability initiatives;
- The conditions AAHK sets for airport business partners through contractual agreements; and
- The issues on which AAHK engages and partners with airport business partners and the wider community.

The governance and management (including policies, goals, systems and procedures) of certain sustainability issues are described in the relevant sections of this report.

“In 2011/12, the Board determined that sustainability should be a corporate goal for AAHK with organisation-wide commitment. Since then, we have begun to gradually develop our sustainability framework and reporting. Our key efforts include establishing AAHK's Sustainability Vision and an internal Sustainability Working Group, and producing our first annual sustainability report for 2012/13.”

Wilson Fung

Executive Director, Corporate Development, Airport Authority Hong Kong



Materiality Assessment

To ensure the content of this report reflects AAHK's most material issues, we conducted a materiality assessment to identify a list of potential issues that merit inclusion in the report and prioritised them by rating each issue according to its importance to AAHK's business and its perceived importance to AAHK's stakeholders. The assessment process involved qualitative analysis, quantitative assessment and discussion.

Identification of Potential Issues

Potential issues are those that may reasonably be considered important for reflecting AAHK's economic, environmental and social impacts and influencing the assessments and decisions of stakeholders. We identified a list of potential issues based on the following sources:

- Specific discussion with AAHK's executive management
- Stakeholder views drawn from ongoing stakeholder engagement activities in 2013/14
- AAHK's Sustainability Report 2012/13
- Sustainability reports issued by other major international airports
- GRI G3.1 and G4 Guidelines, including the Airport Operators Sector Supplement
- Context of local, regional and international sustainability trends

The issues were categorised into four areas: Operating Practices, Economy & Society, Environment, and People.

Prioritisation of Issues

A materiality assessment workshop was arranged for representatives from departments across AAHK to discuss and prioritise each potential issue. Firstly, the participants assessed each issue according to its importance to AAHK's business, considering its potential impact on AAHK's long-term ability to operate and grow profitably. Secondly, they identified any stakeholder groups which have an interest in or concern about each issue, based on their ongoing stakeholder engagement throughout the year. They were then asked to consider each stakeholder group's potential influence and dependency on AAHK. Each issue was then assessed according to its perceived importance to each stakeholder group.

Based on the assessment conducted at the workshop, a scoring methodology was applied to rate each issue and position each issue in a materiality matrix.

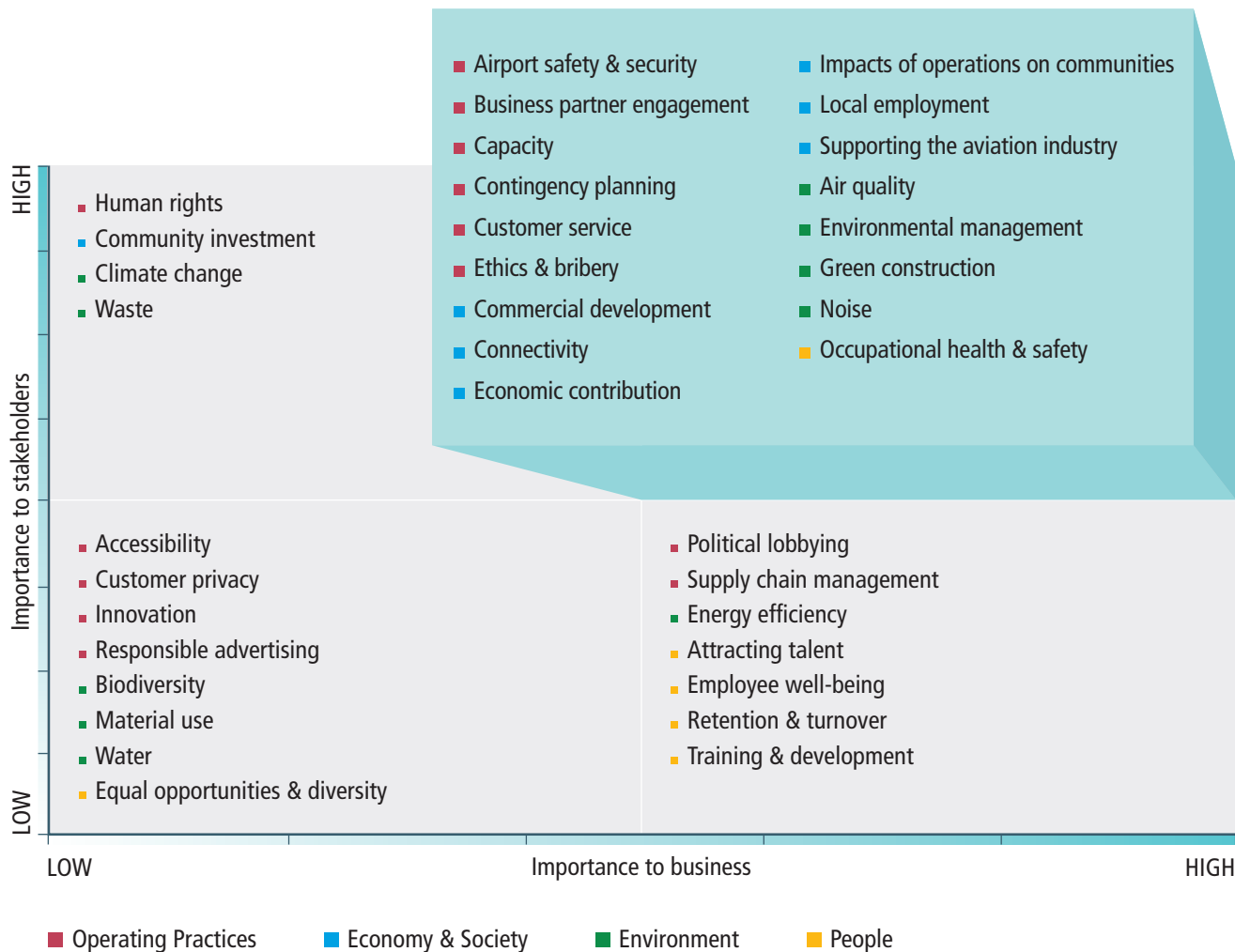
Validation of Material Issues

Although AAHK did not specifically carry out external stakeholder engagement for the materiality assessment, an additional internal workshop was conducted, again with representatives from departments across AAHK, to review the organisation's stakeholder engagement practices during the year. This workshop also served to facilitate information collection from relevant departments to verify the material issues identified for inclusion in the report.

Furthermore, the materiality matrix was presented to all department heads for review and finalised by the executive management team, including the CEO, with the aim of ensuring that a reasonable and balanced representation of AAHK's sustainability performance is provided in this report. Looking forward, we intend to directly engage with external stakeholder groups to gain a better understanding of the sustainability issues they consider important for us to address.

This report focuses on the most material issues – those of high importance to AAHK's business and high perceived importance to AAHK's stakeholders – as listed in the top right quadrant of the matrix. AAHK's approach to managing these issues and the related performance/achievements in 2013/14 is thoroughly disclosed. The other issues in the matrix are also covered but to a lesser extent. The 'Performance Indicators' section of this report provides appropriate data disclosures on each of the material issues in line with the requirements for producing a GRI Application Level A+ report.

Materiality Matrix



Comparison with 2012/13

A number of new issues were identified and prioritised in 2013/14. A larger and more diverse group of employees was engaged for the materiality assessment, resulting in a more representative outcome. A greater emphasis was placed on ensuring the accuracy of the rating of the importance of each issue to AAHK's business. Major factors such as changes in the aviation industry and operating environment, progress in the development and expansion of HKIA, and the commercial opportunities associated with the development of Lantau, were taken into account as they would have affected employees' perception of the importance of certain issues to AAHK's business.

The table on the right outlines the rationale behind the inclusion of new issues as well as ongoing issues being considered as most material this year. It also highlights the report sections in which the issues are covered.

Issues	Explanations	Coverage in this Report
<ul style="list-style-type: none"> • Connectivity • Supporting the aviation industry • Commercial development • Local employment 	<ul style="list-style-type: none"> • AAHK's planned development and expansion of the airport. • Commercial opportunities associated with the development of Lantau. 	<ul style="list-style-type: none"> • Sustaining HKIA's Economic Contribution (page 20)
<ul style="list-style-type: none"> • Ethics and bribery 	<ul style="list-style-type: none"> • Expectations for AAHK to continue upholding high levels of integrity in all aspects of its operations, specifically in tendering and investment decisions. 	<ul style="list-style-type: none"> • Our Approach to Sustainability (page 10)
<ul style="list-style-type: none"> • Business partner engagement 	<ul style="list-style-type: none"> • The importance of having the airport community's support in achieving AAHK's sustainability goals. 	<ul style="list-style-type: none"> • Delivering Operational and Service Excellence (page 24) • Stakeholder Engagement (page 16)
<ul style="list-style-type: none"> • Green construction • Noise 	<ul style="list-style-type: none"> • Pledged to make HKIA the world's greenest airport. • Expectations for AAHK to manage its environmental footprint in an exemplary manner in relation to ongoing and upcoming airport development projects. 	<ul style="list-style-type: none"> • Managing our Environmental Footprint (page 36)
<ul style="list-style-type: none"> • Occupational health and safety 	<ul style="list-style-type: none"> • AAHK's commitment to upholding high standards of safety for employees. • Expectations for AAHK to manage health and safety risks associated with operating the airport as capacity continues to tighten. 	<ul style="list-style-type: none"> • Supporting our People and Community (page 46)

STAKEHOLDER ENGAGEMENT

Some **500** meetings, briefings and visits organised since the start of the EIA process in 2012

Over **1,400** participants in total attended the EIA public forums held in August 2013 and June 2014

Over **5,100** students from all 18 districts in Hong Kong took part in over 100 school talks and visits in 2013/14

AAHK engages with a wide range of stakeholders to elicit their views and suggestions on the airport's day-to-day operation and future development. Stakeholder engagement allows us to better understand and respond to stakeholders' needs, make better informed business decisions, and better manage the resulting impact of those decisions. AAHK's stakeholders are identified as those groups that interact with AAHK, and are influenced by, have an influence over or have expressed interest in AAHK. The stakeholder groups identified are prioritised according to their level of interest and power to influence. Key stakeholder groups tend to be those who have high vested or direct interest and high power, particularly concerning issues that are most important to AAHK.

To promote open and effective communication, we consider several factors to determine the appropriate engagement approach, such as the engagement objectives, types of stakeholders, and existing engagement mechanisms and commitments. We use a variety of engagement channels, including one-on-one interviews, meetings, briefings, forums, site visits, consultations, focus groups, surveys as well as online media.

The table below sets out our key stakeholder groups, their key interests, and the regular engagement methods adopted by AAHK. The case studies in the latter part of this section serve to illustrate AAHK's approach to stakeholder engagement.

Stakeholder Groups	Across all stakeholder groups	Airport business partners	Contractors and suppliers	Employees
Engagement Methods	<ul style="list-style-type: none"> • Consultations • Committees and forums • Regular and ad hoc meetings • Written communication (emails, reports, announcements, newsletters, other corporate publications) 	<ul style="list-style-type: none"> • Audits and inspections • Briefings, training and sharing sessions • Environmental and community activities • Awards and recognition schemes • Surveys • Liaison groups 	<ul style="list-style-type: none"> • Audits and inspections • Briefings and workshops • Performance review meetings • Awards and recognition schemes • Tendering process • Liaison groups 	<ul style="list-style-type: none"> • Conferences, briefings and town hall meetings • Training and workshops • Environmental and community activities • Surveys • Awards and recognition schemes
Key Interests	<ul style="list-style-type: none"> • Airport infrastructure planning and development • Airport safety and security • Business continuity and contingency planning • Capacity constraints • Customer service • Environmental management • Operational performance and efficiency 	<ul style="list-style-type: none"> • Air quality • Biodiversity • Carbon emissions • Commercial development • Connectivity • Development of the aviation industry • Local employment market (manpower shortage) • Staff transport • Waste 	<ul style="list-style-type: none"> • Ethics and bribery • Green construction • Local employment market (manpower shortage) • Material use • Occupational health and safety • Supply chain management 	<ul style="list-style-type: none"> • Air quality • Corporate governance and internal controls • Occupational health and safety • Staff remuneration, benefits and well-being • Staff transport • Training and development

Passengers	Government departments and regulatory authorities	Legislative and District Councillors, and political groups	Industry associations and professional bodies	Non-governmental organisations (NGOs)	Local community	Media
<ul style="list-style-type: none"> • Customer service counters • Telephone response centre • Airport Ambassadors • Leaflets and exhibitions • Performances and events • Website and mobile apps • Surveys 	<ul style="list-style-type: none"> • Training and workshops • Audits and inspections • Forums, committees and liaison groups • Annual and interim reports and results announcements 	<ul style="list-style-type: none"> • Committees and liaison groups • Briefings and airport visits 	<ul style="list-style-type: none"> • Forums and exhibitions • Briefings and airport visits 	<ul style="list-style-type: none"> • Ongoing meetings and dialogue • Liaison groups • Briefings and airport visits • HKIA Environmental Fund 	<ul style="list-style-type: none"> • Briefings and airport visits • AA Staff Club's Social Service Group 	<ul style="list-style-type: none"> • Briefings and airport visits • Annual and interim reports and results announcements
<ul style="list-style-type: none"> • Connectivity • Green and healthy diet • Passenger experience • Passenger safety 	<ul style="list-style-type: none"> • Air quality • Climate change • Commercial development • Connectivity • Contribution to Hong Kong's economy • Corporate governance and internal controls • Development of the aviation industry • Environmental impact of airport development • Financial performance • Legal compliance • Noise • Transportation and road management 	<ul style="list-style-type: none"> • Air quality • Corporate governance • Financial performance • Noise • Transportation and road management 	<ul style="list-style-type: none"> • Climate change • Connectivity • Corporate governance and internal controls • Market information • Occupational health and safety 	<ul style="list-style-type: none"> • Air quality • Airport accessibility • Climate change • Environmental impact of airport development • Noise • Social and community issues 	<ul style="list-style-type: none"> • Air quality • Food waste • Impact of airport development • Local employment market (job opportunities) • Noise 	<ul style="list-style-type: none"> • Corporate governance • Environmental impact of airport development • Financial performance • Noise

CASE STUDY

Engaging Stakeholders in HKIA's Development

Since the preparation of our *HKIA Master Plan 2030* began in 2008, we have been reaching out to a wide spectrum of stakeholders to explain and gauge their views on the development plans for HKIA. These communications have been stepped up during the preparation of the EIA study for the 3RS project to ensure a high level of transparency and active stakeholder participation. The major engagement channels established and the activities held are detailed below.

Five Community Liaison Groups (CLGs) were formed in HKIA's neighbouring districts – Islands, Kwai Tsing, Shatin, Tsuen Wan and Tuen Mun. The CLGs have over 150 members in total, comprising District Council members, Chairmen and Vice-chairmen of the relevant Area Committees, and community leaders. In 2013/14, two rounds of CLG meetings were held to explain various aspects of the EIA and to listen to members' views directly. Airport visits were organised to enhance members' understanding of the airport's operation and environmental efforts. During these visits, members were updated on the latest aircraft technology and given the



opportunity to experience the aircraft noise levels on-site by the departure runway.

Four Technical Briefing Groups (TBGs) were formed, comprising a total of 28 members from industry and academia with technical expertise in four specific environmental aspects: noise, air quality, marine ecology and fisheries, and Chinese White Dolphins. Three rounds of TBG meetings were held during the EIA period. Field trips and airport visits were also arranged. Through this engagement process, we briefed members of the TBGs on the progress of the EIA and consulted them on practicable mitigation measures to address the relevant environmental concerns.



Two Briefings for Fishermen were held to update the Hong Kong Fishermen Consortium and Hong Kong Fishery Alliance on the progress of the EIA in 2013/14. AAHK's representatives and environmental consultants facilitated an exchange of views with the fishermen regarding the impact of the 3RS project on marine ecology and fisheries. The corresponding mitigation directions and suggestions on enhancing fishery techniques and facilities were also discussed.

Five Green Group Roundtable Meetings were held to explain various aspects of the EIA studies, including

methodologies, preliminary findings and potential mitigation measures, and to facilitate an exchange of views on the environmental issues related to the 3RS project. Individual and small group briefings were also arranged. These meetings enabled AAHK to incorporate views from the green groups as much as practically feasible during the EIA process.

A Four-day Exhibition and Two Public Forums were held at the Hong Kong Convention and Exhibition Centre in August 2013 to brief stakeholders and the public on the EIA work, and to gauge feedback on the 3RS project. Prior to the public forums, separate briefing sessions were held for business partners, green groups and the media. At the public forums, AAHK invited community leaders, green groups, workers' unions and the airline industry to express their views on the EIA so as to enable participants to understand different viewpoints. Over 350 participants attended each of the public forum sessions.



Over 100 School Talks and Visits were conducted in 2013/14 to enhance the students' understanding of the importance of the airport's development and its implications for the economic growth of Hong Kong as well as the potential environmental impacts arising from the 3RS project. Over 5,100 students from all 18 districts in Hong Kong participated.

CASE STUDY

Supporting E-freight in the Air Cargo Industry

Hong Kong was one of the six pilot locations for IATA's e-freight initiative launched in 2006 to build and implement a paperless transportation process for the air cargo industry. The benefits of e-freight include reduced costs, increased productivity, improved reliability and accuracy, and reduced environmental impact. This industry-wide initiative involves a range of stakeholders, including government authorities, airlines, freight forwarders, ground handlers and shippers.

AAHK supported the initiative by participating in the IATA (HKG office) working group during the early development stage and promoting the adoption of e-freight/e-AWB (Air Waybill) in AAHK's Cargo Facilitation Committee and industry events such as the Air Cargo Forum at the Asian Aerospace Expo 2011 and The International Air Cargo Association's Air Cargo Forum in 2010 and 2012.

Riding on the Customs and Excise Department's Air Cargo Clearance System and the cargo management system of cargo terminal operators, Cathay Pacific was the first airline to implement 100% e-AWB while being live on e-freight since 1 January 2011. To date, more than 10 airlines operating at HKIA have adopted e-freight and HKIA has the highest penetration of e-AWB among global airports.



CASE STUDY

Collaborative Efforts to Improve Staff Transportation

HKIA staff have raised the availability and affordability of transport as a key issue as travelling to and from work can be relatively time-consuming and expensive. In response to this, AAHK formed an Airport Transportation Liaison Group in December 2012 to explore various transport incentives and privileges for airport community members. The Group comprises representatives from AAHK, Transport Department, airport business partners and public transport operators, especially bus operators.

During the Group meetings in 2013/14, deficiencies in staff transportation in terms of frequency, seating capacity and fare were identified and subsequently verified by bus load surveys. Through the concerted efforts of the Group, more than 60 bus trips were added, new bus fare discounts were introduced and various facility enhancements were made in 2013/14.



SUSTAINING HKIA'S ECONOMIC CONTRIBUTION

58% of Hong Kong's GDP
supported by HKIA

65,000 people
employed at HKIA

12.5 billion Hong Kong dollars
of investment to build a new passenger
concourse and parking stands to meet
HKIA's medium-term growth demand

106 airlines
operating at HKIA

179 destinations
served from HKIA

Contributing to Hong Kong's Economy

HKIA is an international and regional aviation centre that connects Hong Kong with the world and makes significant social and economic contributions to the city. With over 100 airlines serving around 180 destinations worldwide, including 44 in the Mainland, HKIA has become the busiest cargo gateway and one of the busiest passenger airports in the world.

HKIA supports the four pillar industries of Hong Kong – financial services, trading and logistics, tourism, and producer and professional services – which together accounted for 58% of Hong Kong's GDP in 2012⁵, as shown in the table on the right. These industries rely heavily upon the efficient flow of people and goods made possible by HKIA. Air cargo accounted for 37% of Hong Kong's total external trade value in 2013⁶.

HKIA also contributes to the job market by directly employing over 65,000 people. This number almost triples when indirect employment – such as jobs created in the hospitality, catering, retail and tourism industries – is taken into account.

The development of a 3RS will further sustain HKIA's economic contribution to Hong Kong. According to the *HKIA Master Plan 2030* published in 2011, the airport will make an estimated contribution of HK\$167 billion to Hong Kong's GDP and directly employ 141,000 people by 2030 should the 3RS project be pursued. We are currently updating the economic impact study to help deepen our understanding of HKIA's economic contribution.

■ An excellent airport is crucial to the success of all the world's major cities. Our airport has also played a pivotal role in Hong Kong's success as a global business and financial hub. Today, with the global economic focus shifting from West to East, it is crucial that we do not constrain air transport, because if we do, we will also be restricting Hong Kong's growth as an international financial and business centre. The airport will likely be saturated earlier than originally forecast, therefore, expanding the airport into a three-runway system is crucial to our future economic well-being and maintaining our position as one of the world's great cities. ■

Shirley Yuen

Chief Executive Officer, Hong Kong General Chamber of Commerce



2012 ⁵	Share of GDP %	Share of Employment %
Trading and logistics	24.6	20.9
Financial services	15.9	6.3
Tourism	12.8	6.9
Producer and professional services	4.7	13.2
4 Pillar Industries in Total	58.0	47.3

⁵ The latest available data on Hong Kong's GDP and employment, published by the Census and Statistics Department, HKSAR Government, is for the year 2012.

⁶ Sourced from the 'Hong Kong Monthly Digest of Statistics – March 2014', published by the Census and Statistics Department, HKSAR Government.

Addressing Capacity to Maintain Competitiveness

Air traffic at the airport has been growing faster than forecast and will continue to grow over the next 20 years. The aircraft movements in 2013, driven by continuing demand for air travel, are ahead of the forecast made by IATA Consulting by three years. In order to meet future air traffic demand and maintain Hong Kong's competitiveness, HKIA must expand its capacity as soon as practicable.

To address handling capacity for aircraft and passengers on the ground, the West Apron expansion and Midfield development are in progress and scheduled for completion by the end of 2014 and 2015 respectively.

As the capacity of the existing two-runway system approaches saturation, market forces would naturally drive airlines to operate their existing flights with bigger capacity aircraft, subject to their overall fleet planning considerations. With the anticipated opening of the Midfield Concourse at the end of 2015, AAHK will add 20 aircraft parking stands capable of serving the newer wide-body aircraft. AAHK is also reviewing the necessary passenger terminal facilities to cope with the anticipated increase in aircraft size during the two-runway system saturation in order to maintain operational efficiency and passenger service level.

AAHK is working closely with the Civil Aviation Department (CAD) to address operational challenges faced by a saturated airport during times of disruptions from inclement weather and unforeseen air traffic control issues.

To address runway capacity, which remains the primary constraint, the long-term solution is to expand the airport into a 3RS. With the Government's in-principle approval given in 2012, AAHK continued with the preparatory work for the planned 3RS, including the statutory EIA, associated design details and financial arrangements in 2013/14. Further details about HKIA's medium- and long-term development are available on our [website](#).

Environmental protection is an integral part of the airport's development. Details about the green building design features of the Midfield Concourse are set out in the 'Managing our Environmental Footprint' section. The EIA



Report for the 3RS project, which sets out more than 250 measures to avoid, minimise, mitigate and compensate for potential environmental impacts of the project, is available on our [website](#).

Improving Connectivity

Air Connectivity

Air connectivity is essential for Hong Kong to maintain its attractiveness as an international business and financial hub. In 2013/14, four new airlines began to operate at HKIA and two new destinations were added to the network served by HKIA, including cities in Mexico and Russia.

Land and Sea Connectivity with the Mainland

As a multi-modal transport centre, HKIA offers extensive land and sea connections to major cities in the Pearl River Delta (PRD) region. Each day, SkyPier offers 87 ferry sailings to and from eight ports in PRD and Macao while the Mainland coach service offers 550 scheduled coach trips to 110 PRD cities and towns. Furthermore, SkyLimo offers cross-boundary limousine service for passengers looking for point-to-point transportation with more privacy.

To further improve our connectivity, a trial programme was conducted in October 2013 which successfully shortened the minimum connection time of sea-to-air passengers by 10 minutes through enhancing the security and baggage handling processes. The programme was launched in July 2014. We also successfully completed a trial in February 2014 to provide upstream check-in service at a new designated point – The Venetian Macao. We will evaluate the feasibility of extending the service permanently.



To enhance the service quality of the cross-boundary coach and limousine service operators, AAHK co-organised a courtesy campaign with five of the operators from November 2013 to March 2014. The campaign involved a series of seminars that provided practical customer service tips to the service operators' staff and an assessment of their performance while on duty. A total of 25 service operators' staff were recognised for their quality service at an award presentation ceremony in March 2014.

Supporting the Development of Lantau Island

AAHK supports the Government's proposed plan for the economic and social development of Lantau Island which will further promote the area as an attractive tourist destination and a mega transport hub. Moreover, between 2016 and 2018, the Hong Kong-Zhuhai-Macao Bridge, the Hong Kong Boundary Crossing Facilities and the Tuen Mun-Chek Lap Kok Link will enter service, making the airport island more accessible to people in Hong Kong and throughout the PRD.



AAHK is capitalising on these opportunities with the development of the North Commercial District, a site of over 10 hectares adjacent to Terminal 2. In 2013/14, we announced the development of a new hotel with more than 1,000 rooms as the area's first phase of commercial development. It will contribute to Lantau's appeal as a tourist destination and help alleviate Hong Kong's shortage of hotel rooms. A master layout plan for the entire district is expected to be completed in 2014.

DELIVERING OPERATIONAL AND SERVICE EXCELLENCE



4.84 overall satisfaction score
– highest ever ASQ Survey annual
overall satisfaction score

5.32 injuries per million passengers
– record low injury rate

30 drills
conducted on emergency response
and business continuity at HKIA

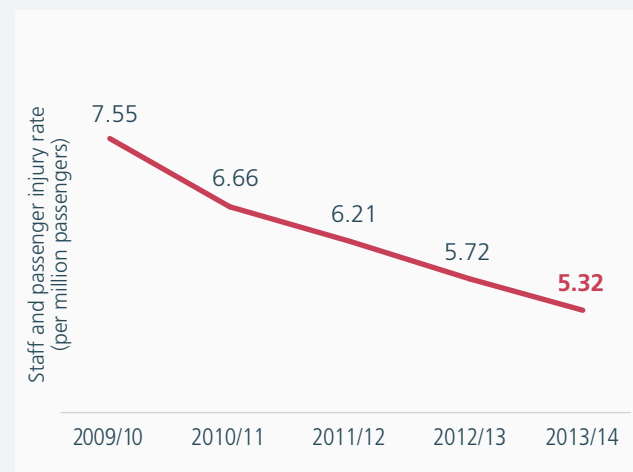
1st radioactive leak simulation
conducted as part of HKIA's annual
crash and rescue exercise

As air traffic continues to grow at HKIA, it puts pressure on the airport's current design capacity and poses a range of challenges for the airport to maintain high standards of safety and security, operational efficiency and quality customer service. During the year, we made a number of improvements to our approach to managing these aspects, and developed new and innovative initiatives to drive greater efficiency and higher service quality.

Promoting a Safety Culture

Safety is one of HKIA's core values and is of paramount importance in airport operation. HKIA achieved a record low injury rate in 2013/14, recording 5.32 injuries per million passengers, which was 2.2% better than our stretch target. The result reflects our ongoing commitment to ensure the safest possible environment for passengers and the 65,000 people who work at the airport.

Airport Composite Safety Index



Overall Approach

Ensuring safety in airport operations involves a wide spectrum of activities ranging from aviation, industrial and construction safety, to occupational health and safety. It is the duty of AAHK, business partners, contractors and service providers to comply with the safety measures required by law and those established by AAHK, and to be responsible for the safety of themselves and others.

AAHK has established a corporate-wide Safety Management System which includes our Corporate Safety Policy, safety management planning, implementation and operational procedures, checking and corrective actions, and management review. Through the system, AAHK aims to eliminate or control all hazards that may pose an unacceptable or undesirable risk, and drive continuous improvement in its safety performance.

There are specific safety requirements to be fulfilled on the airside. Accordingly, AAHK has implemented an Airside Safety Programme in order to fully comply with AAHK's Safety Management System, the ICAO standards, CAD's aerodrome licensing requirements, and the Laws of Hong Kong.

Safety 2013 Campaign

As 2013 marked the 15th anniversary of HKIA, AAHK launched a special Safety 2013 campaign to increase the safety awareness of the airport community. AAHK organised an Airport Safety Ambassadors Programme, a series of safety talks and trainings, safety audits, and safety competitions for airport staff.

In addition, a number of safety messages were specially designed with the "DO-DO" safety icon to provide safety reminder on:

- Heat stroke prevention
- Driving safety
- Foreign Object Damage (FOD) prevention
- Lightning strike prevention
- Manual handling
- Hearing protection
- Escalator/travelator safety
- Take care of children and elderly
- Use trolley properly

These safety messages are on display across the airport community, including the terminal buildings, offices, work areas and safety notice boards.



FOD Prevention and Detection

FOD prevention is a key safety task at the airport. Debris, litter and loose objects on the apron, if ingested by the aircraft engines or undercarriage, may lead to costly damage and even cause aircraft incidents. While there are well-established measures in place to prevent FOD, AAHK conducts an ongoing FOD Prevention Campaign to increase the awareness of FOD prevention among all frontline staff.

The campaign included the establishment of a FOD Committee, and conducting FOD Walk and FOD briefing to business partners. Participants from airlines, catering companies, refuelling companies and ramp handling operators formed teams to take part in the FOD Walk. Apart from identifying better working habit to avoid the generation of foreign objects, the participants became more aware of the importance of FOD prevention and helped spread the message to their peers.

In compliance with the ICAO requirements, FOD detection is currently carried out by way of visual inspection by duty staff on ground. A study has been conducted to ascertain the compatibility of an automated FOD detection system with the existing aviation-related systems at HKIA. A system providing real-time and round-the-clock surveillance on runways will be installed commencing late 2014/early 2015 subject to the confirmation of system selection tender. By strengthening its FOD detection capability, the overall safety of runway operations at HKIA can be further enhanced.

Wildlife Hazard Management

AAHK's Bird Control Unit (BCU) is responsible for wildlife hazard control at HKIA. It manages a rigorous bird control programme to reduce bird strike hazard to aircraft on the aerodrome. Apart from the hazards of bird strikes, other wildlife activities in the airport rarely occur due to the geographic location and the land uses in the vicinity of HKIA.

The BCU conducts daily patrols and disperses any birds they find near the runways and flight paths. All bird strike incidents are recorded and the trends are monitored on an ongoing basis. As a result of AAHK's effective bird control functions, the airport has a relatively low occurrence of bird strikes in the past.

Contractor Safety

Many of the airport maintenance works and improvement projects involve external contractors. Contractors are evaluated and selected on the basis of their capability to establish and implement a satisfactory safety system as well as their safety record. During tendering, contractors have to submit a safety

plan according to the tender requirements that describe the details on how they will establish and implement health and safety measures at work. Contractors are fully responsible for the occupational health and safety of their works, including the subcontractors' safety. They have to implement a safety plan, review it at least once a year, and keep appropriate records of their own safety inspections and audits. AAHK also conducts regular and non-scheduled safety inspections on its contractors.

Airport Safety Recognition Scheme

AAHK rolled out its Airport Safety Recognition Scheme again this year to reinforce a culture of safety and enhance safety awareness among airport business partners. An award presentation ceremony was held in March 2014, in which some 300 individuals were recognised for their model safety behaviour, accident prevention measures, safety supervision, and good safety suggestions. In addition, 20 companies were also presented with the Corporate Safety Performance Award for their outstanding safety performance.



CASE STUDY

Immediate Response to Air Bridge Incident



A rare incident took place at the airport on 7 April 2013. The rear air bridge at one of the gates at Terminal 1 suddenly collapsed sideways during operation, causing the front bridge to collapse as well. No passenger was injured but a staff member of the ground handling agent operating the rear bridge suffered minor injuries.

After the incident, AAHK immediately undertook an overnight inspection of the remaining air bridges at

Terminal 1 and found that they were in a satisfactory condition. However, as a precautionary measure, we suspended the operation of air bridges that were of similar design. We also worked swiftly and professionally with the airport community, including service contractors and airlines, to minimise the incident's impact on passengers and airport operation.

An independent investigation taskforce was formed to undertake a holistic and professional review of both the technical and operational aspects of the collapsed air bridge. The aim was to identify the root causes of the incident, and more importantly, to prevent the recurrence of similar incidents. On 28 June 2013, the taskforce held a press conference to give general public an update of the investigation.

To reiterate its commitment to airport safety, AAHK has commenced a programme to progressively overhaul and replace all air bridges and will continue to collaborate with the airport community to enhance operational excellence.

Ensuring Effective Security

Overall Approach

HKIA fully complies with the requirements of the Hong Kong Aviation Security Programme (HKASP) under the Aviation Security Ordinance (ASO) (Chapter 494, The Laws of Hong Kong) as well as the global standards for airport security as stipulated by ICAO. The Aviation Security Company Limited (AVSECO), a partly owned subsidiary of AAHK, is delegated to implement the airport security measures. Around 3,800 AVSECO personnel provide round-the-clock security services at HKIA.

In addition to implementing management systems and procedures, AAHK voluntarily monitors its performance against various service standard benchmarks for continuous improvement. These include passenger queuing time for security screening, screening time for passengers, airport staff and vehicles, and Airport Service Quality (ASQ) Survey.

AAHK works with various stakeholders on ensuring effective security at HKIA. As a member of the Aviation Security Committee under the ASO, AAHK works with regulatory authorities and airlines on aviation security matters, and advises on the development, maintenance and implementation of the HKASP. In addition, AAHK chairs the Airport Security Committee, which comprises Government departments, Tenant Restricted Area operators, airlines and AVSECO, and provides a forum for the monitoring and review of security controls and procedures at the airport.

Roles and Responsibilities for Airport Security

Role	Responsible Party	Responsibility
Regulator	CAD	<ul style="list-style-type: none"> Verify the compliance of relevant stakeholders (including AAHK) with the HKASP.
Airport Operator	AAHK	<ul style="list-style-type: none"> Develop and implement the HKIA Airport Security Programme to meet HKASP's requirements. Develop and implement a Quality Assurance Programme for security equipment and systems.
Service Provider	AVSECO	<ul style="list-style-type: none"> Implement airport security measures according to the Security Procedures Manual. Implement an ISO9001-certified Integrated Management System to ensure the quality of aviation security services.

New Initiatives

In 2013/14, we completed the upgrade of our baggage screening capability, based on multi-view x-ray and CTX technologies. This upgrade enhanced our ability to detect and examine potential security threats. We are further utilising this capability to assist our business partners in addressing their security concerns.

Access to restricted areas within HKIA is managed using biometrics. The HKIA Access Control System links biometric data to individuals' Airport Restricted Area Permits, adding an additional layer of security. This system has been in place for five years and is being expanded and improved upon

every year. As we do so, we adhere strictly to data protection guidelines in order to protect the privacy of airport staff.

Working with AVSECO, CAD and the Police, AAHK jointly organised 16 Security Awareness Workshops for airlines and passenger handling agents, ramp handlers, caterers and retailers. Topics covered include security awareness tips, incidents sharing, confidential reporting system and crime awareness. Apart from these regular workshops, three Bomb Threat Assessor workshops were arranged for senior staff to strengthen their knowledge of the bomb threat assessment methodology, and an Intrusion Containment Exercise was held in Terminal 1 to test the effectiveness of the intrusion containment plan and communication.

CASE STUDY

Supporting Airlines on Security Concerns



During the year, two airlines at HKIA raised concerns about the suspected illegal shipment of lithium batteries by mobile phone traders travelling to South Asia. Lithium batteries are classified as Dangerous Goods and can cause fire if not carried properly.

AAHK worked with the airlines to set up special arrangements for diverting hold baggage suspected of carrying lithium batteries for screening using the newly upgraded CTX technologies. These measures exceed the relevant requirements under ICAO and HKASP, and have proven to be an effective deterrent.

In addition to applying the latest technologies, AAHK arranged for the necessary resources to carry out the screening measures without any unnecessary interference to the daily operation of the airlines.

Business Continuity and Contingency Planning

Overall Approach

Given the myriad potential disruptions and crises that may affect the operations of HKIA, AAHK has put in place systems and processes to identify, manage and minimise the negative effects. Firstly, an integrated, multi-layered risk and business continuity management process (Business Continuity Management System (BCMS)) is used to identify and manage potentially disruptive situations. Secondly, an Operational Risk Register (ORR) is maintained to track, document and regularly review the identified risks. Thirdly, validation drills and exercises are conducted on a regular basis to review, test and train staff to the business continuity and contingency plans.

The BCMS has been endorsed by the Board. All plans derived from the BCMS are tested at least biennially. Most plans, including those relating to aircraft accidents, are tested annually. Results of the annual risk management initiatives and mitigation measures, including the annual ORR review, are reported to senior management at the conclusion of each fiscal year.

New Initiatives

The Business Continuity Manual (BCM) sets out the purpose and scope, policy, objectives, responsibilities and business continuity processes relating to responses from AAHK, business partners, contractors and service providers to airport operation disruptions and crises. During the year,

the BCM was updated with various contingency plans, streamlined and made more user-friendly.

In the event of a crisis, appropriate emergency response and business continuity plans are activated and managed from the Integrated Airport Centre (IAC) and the Airport Emergency Centre (AEC). The AEC is situated within the IAC and serves as a communication and coordination centre during emergencies. From February to April 2014, the IAC was renovated to better equip for busier operations and emergency situations. Additional seats were installed at the Flight Rescheduling Control area of IAC, allowing airline representatives to sit in for better communication and to enhance the flight rescheduling efficiency following any disruption to flight movements during emergencies.



Programme of Drills, Exercises and Training

A programme of drills, exercises and training with participation from the whole airport community was conducted throughout the year to increase resilience against potential disruptions at HKIA.

2013/14	No. of drills/ exercises/ sessions	No. of participants	Objective
Emergency Response and Business Continuity Drills and Exercises	30	2,800	To validate emergency response arrangements and coordinate airport community members' response preparedness.
Training and Workshop Sessions	60	1,500	To ensure airport community members are familiar with contingency measures and handling procedures.
Targeted Training Sessions	18	200	To strengthen the response capability of home-based carriers and ground handling agents in emergencies and business continuity processes.
Summer Blow Exercise	1	700	Test HKIA's coordinated disruption preparedness and response capabilities during typhoon season.



Enhancing Operational Efficiency through Innovation

In operating the airport, it is important to balance the cost and effort of maintaining ageing assets with the benefits of using new technologies that offer greater efficiency. Under tightening capacity, innovation and technology play an increasingly important role in enhancing operational efficiency.

Efficient Maintenance

An outstanding example is the joint development by AAHK and EMSD of the “Constant Current Regulator (CCR) Testing Platform”. The CCR forms a crucial part of HKIA’s Airfield Ground Lighting System as it is responsible for transmitting the electricity that powers the 12,000 runway and taxiway lights. It is highly important that the CCR receives optimum maintenance to maintain the stability of the lighting system.

Previously, the maintenance work required considerable outdoor fieldwork which was susceptible to disruption from the weather and runway traffic conditions, thus affecting operational efficiency. The specially-designed CCR testing platform enables maintenance staff to conduct regular preventive maintenance indoors, thus reducing the constraints on in-situ airfield lights maintenance work. As a result, maintenance staff now spend about 20% less time on the runways and taxiways and the reliability of the lighting system has been enhanced. This invention was granted a patent in November 2013.



Innovative Technologies

IT innovation was also adopted to help address facilities constraints in the passenger terminals brought about by continuous business growth. In December 2013, AAHK began a self bag-drop system trial at Terminal 1 with four airlines. HKIA was the first international airport in Asia to install this system.

To start the self bag-drop process, passengers simply present a boarding pass that has either been printed at home or by the self-service kiosk at the terminal. Following the step-by-step instructions displayed on screen, passengers can tag and drop the baggage onto the conveyor belt for completing the check-in process. Passenger response to the trial, which cuts processing time from 2-3 minutes to an average of 69 seconds, has been overwhelmingly positive, with nearly three-quarters of respondents saying they preferred the new system to traditional bag-checking methods.

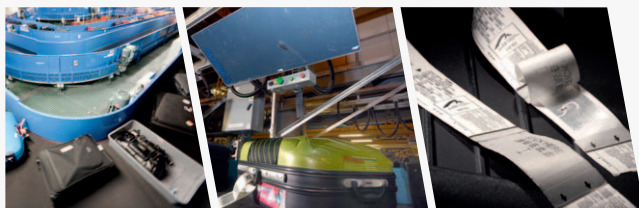
Overall efficiency of the check-in counter increased by 25-35%.

AAHK has also adopted various green technologies that have enhanced energy efficiency at the airport, details of which are covered in the ‘Managing our Environmental Footprint’ section.



CASE STUDY

HKIA'S BAGGAGE HANDLING SYSTEM



Over the past 10 years, AAHK has made significant investments to enhance its baggage handling facility and capacity in order to meet and exceed passengers' expectation and to maintain HKIA's competitiveness as an international and regional aviation hub.

As passengers await their flight after check-in, their baggage has already begun their journey through HKIA's Baggage Handling System (BHS). More than 1,800 baggage handling staff work together to ensure a smooth and seamless delivery of over 70,000 departure bags every day. The baggage handling facility covers 45,000m² of floor area under the Departures Level. Its operation is made possible by 34km of BHS conveyor belts, 9,000-tonne structural steel platforms, 34 security screening machines and 170 electric vehicles.

Efficiency and Reliability

Back in 2005, HKIA was the first international airport to adopt the Radio Frequency Identification (RFID) technology for baggage handling. With an investment of HK\$50 million, the RFID application was successfully rolled out to all airlines at HKIA in 2008. The two great advantages of the RFID technology are efficiency and reliability. The RFID baggage tags can be read by scanners at a read-rate of over 97%. This is much better than the average read-rate of 80% of the traditional barcode-only tags. The overall processing capacity, operational efficiency and reliability are enhanced.

Capacity

In view of the air traffic growth forecast, AAHK invested a further HK\$750 million to double HKIA's baggage handling capacity from 8,000 to 16,000 bags per hour within the same facility area. The project, completed in 2013, included increasing the number of transfer bag loading docks and early baggage storage lanes, adding structural steel platforms, extending the conveyor belts, installing additional sorter and merge units, and replacing single-view X-ray machines with multi-view security screening equipment.

Information System

The Baggage Analysis and Statistics Information System (BASIS), which uses historical data to provide real-time decision support for managing baggage flows, was put into use in 2014. BASIS provides staff with a better understanding of real-time baggage handling conditions to facilitate timely response during bad weather and other operational disruptions to minimise delays.

Recognition

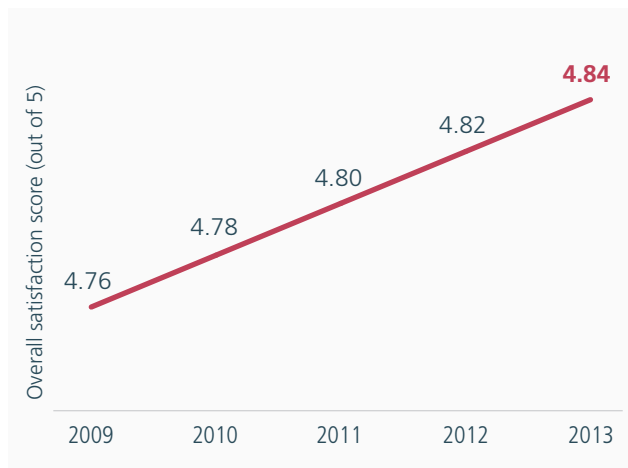
HKIA received numerous awards in 2008 for adopting the RFID technology, which is considered a forward-thinking approach to baggage handling among airport operators. More recently, HKIA was named the World's Best Airport for Baggage Delivery in Skytrax's 2014 World Airport Awards.

AAHK will continue to explore new and innovative ways to enhance its BHS in view of the emerging capacity constraints. We are determined to maintain an efficient and reliable service so that passengers can travel with peace of mind.

Focusing on the 'Total Customer Experience'

Despite the challenge of maintaining service levels as the airport reaches its current design capacity, HKIA continued to achieve international standards of quality and customer satisfaction. In October 2013, HKIA was inducted into TTG's Travel Hall of Fame for winning TTG's best airport award 10 times since 2002. This achievement underscores the airport community's commitment to service excellence. HKIA also improved year-on-year in overall passenger satisfaction according to ACI's ASQ Survey, achieving a score of 4.84 out of 5 in 2013. Moreover, two AAHK staff members were honoured with the Ombudsman's Awards for Officers of Public Organisations, marking the third consecutive year

ASQ Survey Annual Overall Satisfaction Score



that AAHK staff have been recognised for their customer service excellence.

Overall Approach

In October 2013, AAHK established a standalone Customer Services Department dedicated to enhancing frontline face-to-face customer service as well as hotline and passenger feedback services. The department conducts regular customer surveys to monitor HKIA's customer service performance and organises various events and entertainments throughout the year to enhance the passenger experience.

AAHK has established operation and training manuals to manage the work quality of its customer service staff. Regular refresher courses and continuous monitoring are

conducted to ensure the delivery of consistent and high service quality. AAHK also organises general and tailor-made customer service training courses as well as customer service campaigns for the airport community. Since 2002, AAHK has organised the Customer Service Excellence Programme (CSEP) to drive continuous improvement in customer care. Over 100 staff members from more than 30 organisations across the airport community were recognised at the annual CSEP Award Presentation in May 2013.

To enhance the 'total customer experience', we seek to balance the use of modern, efficient facilities and technologies with a friendly, human touch. The key initiatives undertaken in 2013/14 are described below.

At AAHK, we see customer service as an investment, rather than pure expense, and take account of our resources and returns in the design of the total customer experience. Most airport customers are repeat customers, so first and foremost, we must ensure that our service is stable and reliable over the long-term. We also look for innovative and effective ways to deliver excellent customer service. For example, we are proud of our Airport Ambassador Programme, which trains young people and retiree volunteers to offer assistance to passengers in need. Looking forward, we aim to identify more opportunities to functionally and emotionally satisfy customer needs at every touchpoint.

Eva Tsang

General Manager, Customer Services and China & Industry Affairs, Airport Authority Hong Kong



Smiles at the Airport



AAHK's "Smiles at the Airport" campaign, which ran from October to November 2013, featured several customer service-focused events and activities. A series of eight workshops helped airport staff to enhance customer service awareness, develop service techniques and affirm the positive impact of smiles. Interactive



elements were included such as role playing and experience sharing among the participants, creating a lively and engaging learning atmosphere. More than 400 frontline staff from different sectors of the airport community participated in the workshops. A number of competitions were held to further promote the importance of fostering a welcoming environment at HKIA. These included the "Best Smiling Customer Service" competition, "Smiles at the Airport" photo competition, and customer service slogan competition.

IT Enhancements

Across the passenger terminals, there are over 70 locations with flight information displays providing passengers with real-time flight information. In view of the continuous increase in air traffic, AAHK conducted feasibility studies on the operational and technical aspects of the Flight Information Display System (FIDS) to ensure sufficient flight information can be provided to passengers in normal days as well as during major airport disruptions. Accordingly, enhancement and expansion of the FIDS will be implemented in phases, starting in 2015.

The free WiFi service was expanded to cover all passenger areas of the airport and its system bandwidth was increased fourfold. More wireless access points in high-traffic areas, such as boarding gates, are being added to further enhance this popular service. We will also increase the number of power charging points for mobile devices from currently 250 to 650 by March 2015. Passengers who do not have a WiFi device may now use any of the 68 desktop computers with free internet access set up in Terminal 1 and the North Satellite Concourse.



"HKG My Flight" is the official mobile app produced by HKIA in March 2013 to provide passengers with real-time flight information. This free app is available in English and Chinese and includes features such as real-time flight status updates, schedule information and an airport map. It also includes a feature that alerts users to changes in their flight schedule. Separately, we worked with Google to enable HKIA in-terminal location and facilities information to be displayed on Google Maps to enhance easy access of information for passengers.

Accessibility for Passengers with Disabilities

Since HKIA opened in 1998, AAHK has installed barrier-free and universal-access facilities and features to ensure a more convenient airport experience for all. In the past year, new and wheelchair-accessible help phones were added which allow passengers to contact customer service staff simply

by pressing a button. Additional tactile guide paths were installed from Terminal 1 departures kerbs to the customer service counter. Audio signals for escalators and walkways were introduced to assist visually-impaired passengers. A total of 45 washrooms for passengers with disabilities were upgraded with automatic, sensor-based features. By August 2014, automatic sliding doors will also be installed in 30 of these washrooms.

As part of AAHK's commitment to ensure the airport's accessibility, AAHK participates in a communication forum with Rehabilitation Alliance Hong Kong on a bi-annual basis to convey HKIA's latest facilities development for those with special needs and to better understand their expectations and needs.



MANAGING OUR ENVIRONMENTAL FOOTPRINT



4.2 % reduction
in AAHK's total electricity consumption,
one of the biggest environmental footprint
reductions to date

17.9 % reduction
in HKIA's carbon intensity compared to
2008 level

8.7 tonnes of surplus food collected
via the new HKIA Food Rescue Programme

HKIA's environmental footprint is a measure of the resources used and the residual impacts associated with the development and operation of the airport. AAHK is committed to managing HKIA's environmental footprint with the aim of becoming more resource and cost efficient, and addressing emerging risks and societal expectations. AAHK also recognises its role in addressing some of Hong Kong's most pressing environmental issues, such as waste, air quality and energy.

Becoming the World's Greenest Airport

The World's Greenest Airport Pledge

In May 2012, AAHK, with the endorsement of the Transport and Housing Bureau and support of 40 airport business partners, pledged to make HKIA the world's greenest airport. The pledge serves as a goal and a driver to continuously improve our environmental performance. To set the foundation for realising this ambitious goal, we compared our environmental performance with 23 other hub-sized airports and environmental leaders among airports worldwide. Areas for improvement were identified, reviewed and incorporated into AAHK's Environmental Plan. We also carried out an internal review of our Environmental Plan to expand its scope and transform it to align with AAHK's corporate planning and master planning cycles.

Environmental Policies and Plans

AAHK has established a set of corporate-wide policies to reiterate its commitment to achieving high environmental

AAHK has played a leading role in proposing and supporting two of the committee's major initiatives – collaboration with airlines in standardising best practice for managing aircraft cabin waste, and a survey to evaluate the environmental performance and capture the best practices of our member airports. AAHK will also host the committee's fourth meeting in Hong Kong in September 2014.

Ken Lau

Secretary of ACI Asia-Pacific Regional Environment Committee



standards. These include the Corporate Environmental Policy, Green Purchasing Policy, Green IT Policy, and Sustainable Seafood Pre-order Dining Policy.

In October 2011, AAHK established its first Three-Year Environmental Plan to serve as a principal tool for fulfilling AAHK's Corporate Environmental Policy and driving airport-wide environmental improvement. The rolling Plan is updated annually and covers AAHK's own environmental targets and initiatives as well as efforts with airport business partners to reduce HKIA's environmental footprint.

Each department within AAHK is required to establish a list of specific environmental measures and monitor their implementation progress throughout the year. Bi-monthly progress reports are provided, and the implementation status is reported in the quarterly AA Environmental Coordination Group meeting. An annual review of the Plan is also conducted to assess the overall progress of reducing HKIA's environmental footprint.

In 2013/14, the scope of the Plan was expanded to cover eleven environmental aspects, namely carbon reduction/climate change, energy saving, green procurement and retailing, air quality, waste management, water usage, ecology and biodiversity, engagement, noise, new development, and environmental management. More than 300 environmental initiatives were included. We also began the process of transforming the Plan from its previous three-year cycle to a five-year cycle to further embed environmental considerations into AAHK's corporate planning and master planning cycles.

Engagement

AAHK has established the following engagement channels with a number of stakeholder groups to address environmental issues:

- AA Environmental Coordination Group – comprises representatives from each department in AAHK and meets quarterly to coordinate the effective implementation of the Environmental Plan.

- Airport Community Environmental Forum – conducted on a quarterly basis to engage airport business partners in the development and implementation of environmental initiatives. Participants include airlines, ramp handlers, aircraft caterers, cargo service and ground support service providers, and Government departments.
- Environmental Liaison Group Meeting – conducted half-yearly with environmental NGOs to share HKIA's environmental initiatives and to better understand and respond to their expectations.

Looking beyond Hong Kong, AAHK is working with other airports and sharing best practices to address common

environmental concerns through the ACI World Environment Standing Committee and ACI Asia-Pacific Regional Environment Committee. In 2013/14, AAHK initiated a study via ACI Asia-Pacific to understand aircraft cabin waste management. A total of 27 airports responded. AAHK will use the findings and consider ways to work with the airlines and waste contractors to better manage cabin waste at HKIA.

Green Airport Design

The continued development of HKIA provides an important opportunity to ensure our new buildings and facilities are as environmentally-efficient as possible. AAHK requires a green

design process to be adopted for capital works projects, which includes:

- Identifying green design concepts, technologies and materials that can be used to minimise the project's environmental impacts and maximise resource efficiency over its whole life-cycle;
- Establishing key performance indicators for tracking the environmental performance related to design, construction and operations; and
- Using an appropriate building environmental performance rating and certification system to enable third party verification.

CASE STUDY

Engaging the Airport Community to Go Green

In October 2013, AAHK launched the "Go Green Monday @ HKIA" campaign in collaboration with Green Monday, a local social enterprise, to promote a healthy and low-carbon dining concept to airport business partners, local residents and passengers at HKIA. A total of 59 restaurants, lounges and business partners pledged to offer a vegetarian menu option every Monday, or on a daily basis. A few months into the campaign, AAHK introduced a mystery diner programme to encourage passengers and the whole airport community to share their experiences of the vegetarian dishes on offer at HKIA via a questionnaire. Internally, AAHK conducted a "Go Green Monday @ HKIA – Green Lunch Box Contest" to encourage its staff to adopt a green diet and lifestyle.



CASE STUDY

Midfield Concourse's Green Design



The Midfield development project is an example of our commitment to best practice and innovation in green building design. The concourse has been designed to achieve best practice environmental performance and will feature over 35 environmental initiatives, with performance to be verified according to the BEAM Plus Standard.

Energy Saving Features

- Install 1,200m² photovoltaic panels, delivering approximately 230,000 kWh.
- Use LED for over 80% of lighting for the concourse.
- Adopt passive design features such as optimised façade and north-facing skylights to maximise natural light while keeping the building cool.

⁷ Issued by the Electrical and Mechanical Services Department, HKSAR Government.

- Capture and reuse regenerative power from automated people mover system and lifts.
- Over 20% energy savings compared to the baseline established by the Building Energy Codes⁷ is expected upon the implementation of the above features.

Other Environmental Features

- Use condensate water from air-conditioning system and reclaimed water to cool the chiller systems in the concourse to reduce the use of potable water.
- Source all timber and composite timber products from sustainable sources or from recycled timber.
- Use building materials from recycled materials for façade and structural components.
- About 60% of the waste produced during the construction of the concourse is being recycled.

Recognition

- The Midfield Concourse Development received a Merit Award (New Building Category: Building Project under Design – Hong Kong) at the Green Building Award 2012 organised by the Hong Kong Green Building Council.
- Gammon Construction Limited received the Gold Award (Construction Industry Sector) at the 2013 Hong Kong Awards for Environmental Excellence for its work done as the main contractor of the Midfield development project.

Energy and Carbon Management

Overall Approach

HKIA has pledged to reduce airport-wide carbon emissions by 25% per workload unit (WLU⁸) by 2015 based on 2008 level. To realise this pledge, AAHK manages the carbon emissions of its own operations and actively engages airport business partners in conducting annual carbon audits and highlighting the best initiatives to reduce the airport's carbon footprint.

AAHK began work on its airport-wide carbon reduction programme in 2009. There are three key components:

- Development of a proprietary carbon audit system to track HKIA's carbon emissions. Airport business partners can access the system to calculate, analyse and report their annual carbon emissions.
- Regular engagement with airport business partners through a series of educational workshops on climate change and carbon auditing.
- Development, implementation and monitoring of carbon reduction initiatives across the airport.

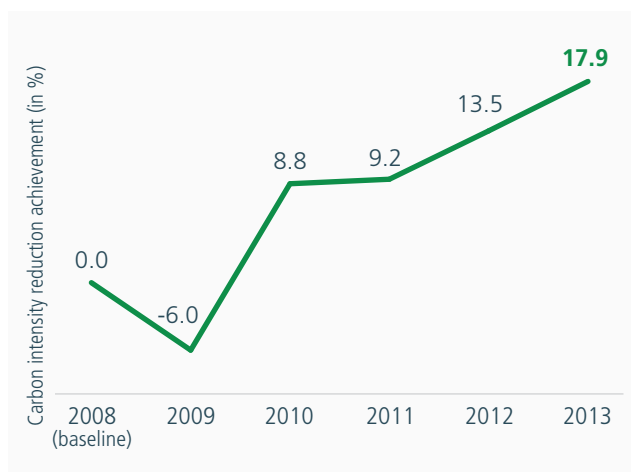
HKIA became the first airport in Asia-Pacific to achieve the 'Optimisation' level in the ACI's Airport Carbon Accreditation scheme in December 2012. AAHK renewed the accreditation for 2013/14 and extended the airport-wide carbon reduction programme to two new business partners, bringing the total number of participating business partners to 44. Details can be found on our [website](#).

⁸ One workload unit is either one passenger or 100kg of cargo.

Key Measures and Performance

In terms of airport-wide carbon emissions, a 17.9% reduction in carbon intensity was achieved in 2013 compared to 2008 level. We will continue to work closely with our airport business partners towards our 25% reduction target by 2015.

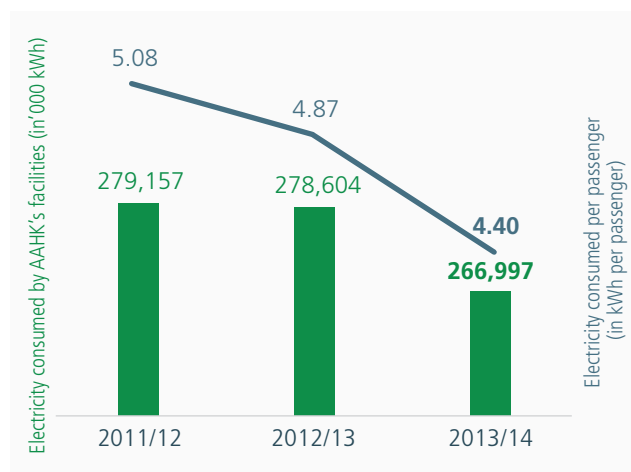
Airport-wide Carbon Intensity Reduction



AAHK accounts for approximately 40% of the airport-wide carbon emissions, and electricity consumption is the major contributor to our carbon footprint. In 2013/14, AAHK's electricity consumption dropped by 4.2%, which was achieved

despite the rise in the number of passengers at the airport. Electricity consumption per passenger was 4.4 kWh, a reduction of 9.6% compared to 2012/13. This achievement was largely the result of two major initiatives: the LED replacement programme and the chiller optimisation programme.

Electricity Consumed by AAHK's Facilities



Back in 2009, AAHK launched a programme to replace 100,000 LED lights in the terminal buildings. By the end of 2013/14, over 80,000 LED lights have been installed. The final phase of installing the remaining 20,000 LED

lights will be completed by early 2015. We are now exploring the usage of LED in advertising light boxes and airfield ground lighting. Through the chiller optimisation programme, we have reconfigured the chillers to operate at maximum efficiency. By adding additional sensors for fine tuning temperature settings and retiring old motors early, a further 9% efficiency gain was achieved. Upon the completion of both programmes, about 20 million kWh in electricity consumption per annum will be saved, equivalent to approximately 12,000 tonnes of carbon emissions.

Engagement

Beyond the airport community, AAHK actively participates in the energy efficiency and climate change dialogue. As a member of the Steering Committee of BEC's Climate Change Business Forum, AAHK took the lead in conducting the Hong Kong Business Survey on Energy Efficiency and Climate Change to gauge the views on climate change in the business sector. During the year, AAHK partnered with carbon offsetting agencies to offset the emissions generated from major corporate events, including the HKIA Spring Reception, Staff Annual Dinner, 3RS EIA exhibition and public forums, HKIA's 15th anniversary Gala Dinner, and TTG's Travel Hall of Fame celebration cum party at HKIA.

Air Quality Control

Air Quality Monitoring

While the key emitters of air pollutants at HKIA are the moving aircraft and general road traffic which are outside of AAHK's direct control, we have established an air quality monitoring system to track regional air quality and made the real-time air quality data available on our [website](#) for public monitoring.

AAHK has set up a total of three air quality monitoring stations – two on-airport stations and one off-airport in Sha Chau – to collect air quality data. The parameters monitored cover the key criteria pollutants under the Air Quality Objectives set out in the Air Pollution Control Ordinance (Chapter 311, The Laws of Hong Kong) – nitrogen dioxide (NO₂), sulphur dioxide (SO₂), respirable suspended particulates (PM₁₀), fine suspended particulates (PM_{2.5}) and ozone (O₃).

AAHK has engaged local air experts at the Hong Kong University of Science and Technology since 2008 to analyse the air quality data and study the operational air quality impact of HKIA. The study findings provide us with a better understanding of the science of local air quality.

Air Quality Management

There are two major air emission sources identified from airport operation – aircraft and airside vehicles.

Airside Vehicles

Airside vehicles are all vehicles operating within the Airport Restricted Area (ARA) other than the terminal building and the baggage handling facility area. They can be categorised into vehicles and ground service equipment (GSE), which

covers a wide variety of equipment to support aircraft operations on the ground. This equipment includes aircraft tractors, cargo loaders, conveyor belts, and passenger steps.

As at the end of 2013, AAHK owned 176 vehicles, including 37 electric vehicle (EV) saloons and 10 EURO V single-cab passenger buses that operate on the airside. Another 20 EURO V dual-cab passenger buses will be put into use in 2014.

Since April 2012, AAHK has introduced minimum emission standards for newly registered diesel-powered airside vehicles in order to control their emissions: the latest EURO (or equivalent) emission standards in force or the contemporary non-road standards in force (mainly for specialised GSE). In addition, a plan has been developed to progressively replace the operating vehicle fleet with EURO V vehicles.

Going a step further, since July 2013, AAHK has required all newly registered saloons operating in the ARA to be EVs, and all saloons on the airside must be EVs by July 2017. To encourage airside operators to adopt EVs, AAHK launched the Airside Electric Vehicle Incentive Scheme in June 2012 which provides a subsidy for switching from existing diesel-powered saloons to EVs. The incentive scheme will last until June 2016.

To facilitate the introduction and operation of EVs and electric GSE (EGSE), AAHK has established a charger installation programme with the following targets:

- EV chargers – Target to install a total of 158 EV chargers by the end of 2014. A total of 100 EV chargers were installed during the reporting period.
- EGSE chargers – Target to install a total of 56 EGSE chargers by the end of 2014. A total of 20 chargers were installed during the reporting period.

The provision of EV and EGSE chargers has also been incorporated into our development projects including the West Apron expansion and Midfield development. Ultimately, these chargers will become standard facilities provided on the airside.



Aircraft

Aircraft on the ground use their auxiliary power units (APUs) to deliver electrical power and air-conditioning to the cabin. APUs are small turbine engines in the tail of an aircraft that are used when the main engines are switched off. To reduce aviation fuel burn and the associated emissions, AAHK offers fixed ground power (FGP) and pre-conditioned air (PCA) systems for aircraft on the ground.

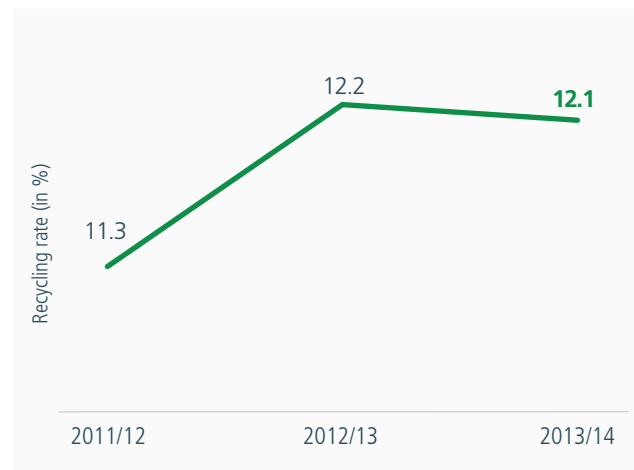
AAHK will ban the use of APUs for aircraft at the parking stands by the end of 2014. To facilitate this ban, AAHK will upgrade the entire FGP and PCA systems. So far, a total of 136 FGP units and 48 PCA units have been replaced and upgraded respectively. By the end of 2014, the remaining 48 PCA units will be upgraded. In the process, AAHK actively engaged with airline business partners to prepare them for the operational changes.

Waste Management

Waste is a significant challenge for Hong Kong. The three existing landfills are projected to be full in the next few years. AAHK aims to reduce the absolute amount of waste generated, and to promote recycling through a number of active measures to encourage separation of waste at source.

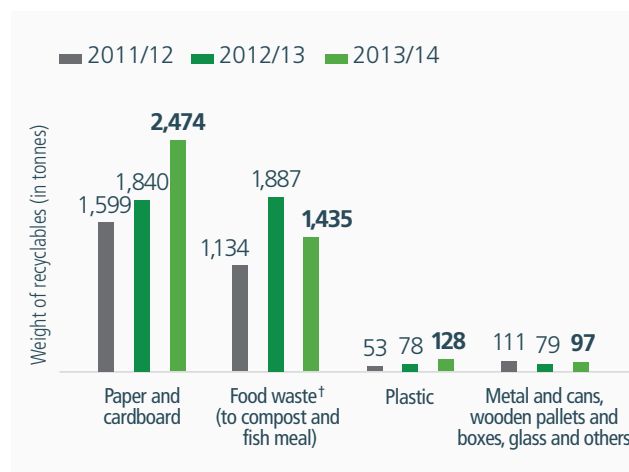
AAHK has set a long-term target of recycling 50% of the waste generated at HKIA by 2021. In April 2014, AAHK established a Waste Management Taskforce, comprising the heads of key departments, to develop a waste management strategy for meeting this target.

HKIA's Recycling Rate*



Waste collected from aircraft, catering outlets at terminals, airline caterers and major airport business partners is sorted at source and sent to AAHK's landside or airside waste station. Non-recyclables are then sent to the North Lantau Refuse Transfer Station. Recyclables, including cardboard, paper, plastic, scrap metal, glass bottles, food waste, vehicle tyres, spent lube oil, fluorescent lamps, rechargeable batteries and used cooking oil, are handled by registered waste collectors and recyclers.

Recyclables collected by AAHK



Recycle

To facilitate the segregation of key waste streams at source such as paper, glass, plastic and aluminium cans, the number of 4-in-1 recycling bins in public areas inside the terminal buildings will be increased from currently 68 sets to 320 sets by early 2015. AAHK provides free plastic bags for food and beverage tenants and lounges to facilitate the sorting and segregation of recyclables. Recycling bins are also available on each floor of the AAHK office. AAHK staff are encouraged to use less paper and to reuse and recycle paper.

Reuse

AAHK collaborates with different NGOs and institutions to identify and collect items that can be reused. For the third consecutive year, AAHK supported the Lai See Reuse and Recycle Programme organised by Greeners Action to encourage the public to donate used Lai See packet for reuse. Around 92,000 Lai See packets were collected at the airport during the campaign in February 2014. In 2013/14, AAHK collected a total of 305 wooden red wine crates from tenants, 260 of which were given to EPD for the construction of its exhibition booth at Eco Expo Asia 2013, and the rest were donated to the Hong Kong Baptist University for their Sustainable Low Carbon Campus Project. AAHK also worked with Tarzan Landscape Contractors Ltd and the Hong Kong Environmental Protection Association to donate healthy festive plants placed at HKIA to the Christian & Missionary Alliance Sun Kei Secondary School for the school's 15th anniversary celebrations.

* HKIA's recycling rate covers the following recyclables: paper and cardboard, food waste (collected from AAHK's facilities), plastic, metal and cans, wooden pallets and boxes, glass and others, waste cooking oil, and chemical waste.

[†] Includes food waste collected from AAHK's facilities and airport business partners.

CASE STUDY

Turning Food Waste into Resources

With over 100 restaurants, bars and lounges serving food at HKIA, a significant amount of food waste is generated which contributes to HKIA's environmental footprint. AAHK has established a management approach that covers three areas: food waste recycling, conversion of waste cooking oil to biodiesel, and food rescue.

Food Waste Recycling

The food waste recycling programme was launched in 2003 and has been extended to all catering outlets at HKIA as well as airline caterers and airport business partners since 2011. Most of the collected food waste is converted into fish food at an off-site plant. The rest is composted into soil conditioner to be used for landscaping on the airport island. In 2013/14, around

1,300 tonnes of food waste from airport business partners was collected for recycling.

Waste Cooking Oil to Biodiesel

Back in 2008, AAHK began working with The University of Hong Kong on a trial to turn waste cooking oil collected at the airport into B5 biodiesel. The aim was to explore whether a sustainable fuel could be generated for the ground vehicles at HKIA. The trial found that the use of biodiesel reduced vehicle smoke level by up to 50% without affecting vehicle operation. Moreover, the existing vehicles required little or no modifications, allowing for a swift and smooth transition with minimum service disruption.

As a result, B5 biodiesel has been implemented as the standard fuel in AAHK's diesel fleet and biodiesel refuelling points have been set up in AAHK's facilities.

Every month, around 3,000 litres of waste cooking oil is collected and converted into biodiesel.

Food Rescue Programme

The HKIA Food Rescue Programme was launched in partnership with local NGO Food Angel in August 2013. Through the HKIA Environmental Fund, AAHK has sponsored Food Angel to purchase a refrigerated truck for transporting surplus food and has committed to supporting the work of Food Angel for three years.

In the first eight months of operation, around 8.7 tonnes of surplus food was collected from restaurants and caterers at HKIA and transformed into over 12,600 nutritious hot meal boxes for distribution to the underprivileged. The truck is also able to pick up surplus food from neighbouring and on route locations. AAHK is working on expanding the programme to more airport business partners and the Tung Chung community.



Biodiversity

HKIA's operations may have impacts on local ecosystems and biodiversity. AAHK recognises that it has a demonstrable duty of care to the species that may be affected, particularly the Chinese White Dolphin (CWD) and Romer's Tree Frog (RTF).

Impacts on marine ecology, including CWD, could arise as a result of discharges of water from HKIA. Accordingly, AAHK has established both statutory and non-statutory based water quality monitoring and reporting systems, and has fully complied with the legislative requirements on discharge quality. For the 3RS project, a thorough assessment of the potential impacts on CWD was completed with a number of mitigation and compensation measures recommended in the EIA report to ensure residual impacts can be reduced to acceptable levels.

RTF is a species of frog native to Hong Kong and is found on the airport island. A research is being carried out to review the status, population and distributions of RTF on Scenic Hill, Chek Lap Kok. The data collected will serve as a foundation for developing a conservation plan to improve the conservation status of the species and to reduce the risk of population decline caused by human activities.

AAHK is committed to promoting the consumption of sustainable seafood at HKIA. In November 2013, AAHK launched its Sustainable Seafood Pre-order Dining Policy which requires banquet menus catering for 12 or more people to refrain from serving any of the 13 species from WWF Hong Kong's "Seafood to Avoid" list. The list includes all shark products, Bluefin tuna, Humphead wrasse, Hong Kong grouper and other species that have been

over-exploited or sourced from unsustainable fisheries. AAHK is exploring opportunities to invite restaurants at HKIA to adopt a sustainable seafood menu.

Through the HKIA Environmental Fund, AAHK provides funding support for local initiatives that promote biodiversity conservation. Details are set out in the 'Supporting our People and Community' section.

CASE STUDY

Lantau's Natural Wonders

Lantau, Hong Kong's largest island, is an area of rich and fascinating biodiversity. Supported by AAHK, the "Gem of Lantau's Nature" exhibition was held at the Departures Hall of Terminal 1 from July 2013 to June 2014 to showcase Lantau's biodiversity through



three themes: Ocean Blue, Green Terrain and Skyline. The one-year programme organised by Green Power included photo and video displays as well as interactive workshops to engage the public and raise awareness of the richness of Lantau's biodiversity and the need to protect it.



Noise Management

We consider noise-related issues in planning and assessing the potential impacts of our future infrastructure developments. Indeed, one of the main considerations in relocating the airport from Kai Tak to Chek Lap Kok was to minimise noise disturbance by selecting a remote and less populated site. Since the relocation, Hong Kong has adopted a more stringent Noise Exposure Forecast (NEF) 25 for aircraft noise impact assessment and the number of people affected by aircraft noise has significantly reduced to less than 1,000.

Aircraft noise in Hong Kong is controlled under the Civil Aviation (Aircraft Noise) Ordinance (Chapter 312, The Laws of Hong Kong). CAD is responsible for enforcing the Ordinance. AAHK fully supports CAD's mission to develop workable measures to minimise the impact of aircraft noise on local communities. CAD conducts regular noise measurements in several districts under flight paths and closely monitors the implementation of aircraft noise mitigation measures developed by the Government. CAD also monitors and handles public complaints against aircraft noise. Details are set out on CAD's [website](#) and [Environmental Report](#).

Internationally, ICAO has set certification standards for noise emissions from civil aircraft, which are detailed in different Chapters of Annex 16, Volume I to the Convention on International Civil Aviation. Aircraft operating in member states are subject to these standards. The Chapters set maximum acceptable noise levels for different aircraft on landing, take-off and flyover. Operating civil aircraft at HKIA shall meet the standards in Chapter 3 (which are quieter than the older Chapter 2 aircraft). Effective end of March 2014, CAD has banned Marginally Compliant Chapter 3 (MCC3) aircraft – Chapter 3 aircraft minus a cumulative 5 EPNdB⁹ – from landing and take-off at HKIA during an eight-hour time frame from 11pm at night till 7am in the morning. CAD has also planned to extend the MCC3-prohibited period to cover the whole day for the existing two-runway operation commencing end of October 2014.

Simultaneously, AAHK is considering environmental charges in relation to aircraft noise to encourage airlines to use quieter aircraft as well as introducing administrative management of the demand for night flights to further limit noise.

⁹ Effective Perceived Noise Level (EPNdB) is a unit of measure for aircraft noise.

SUPPORTING OUR PEOPLE AND COMMUNITY



7.6% annual employee turnover rate compared to the Hong Kong weighted average of 20.1%¹⁰

3.39 average training days per employee achieved, surpassing our target of 3.0 days

3.4 million Hong Kong dollars of donations made to support community causes

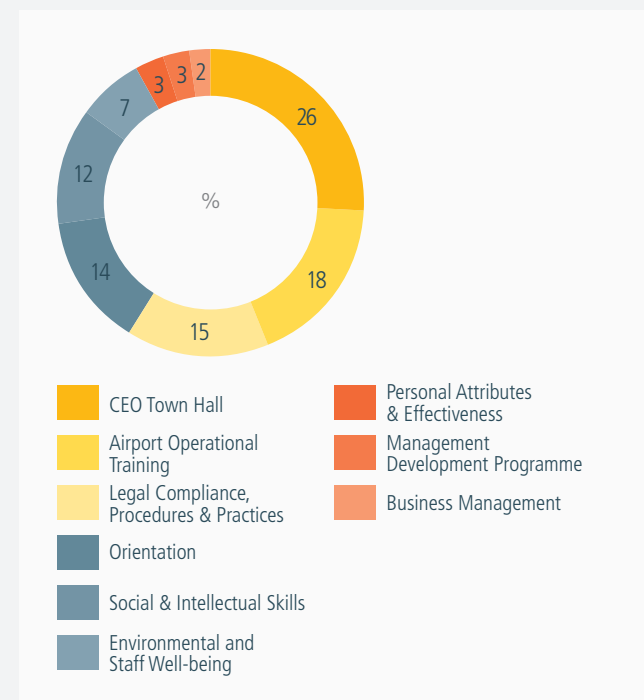
1,406 hours of employee volunteering contributed to the community

¹⁰ Source: Hong Kong Institute of Human Resource Management – Manpower Statistics for the Year 2013

Supporting our People

The success of HKIA relies on having a stable and high quality workforce. AAHK places considerable emphasis on rigorous recruitment and selection, purposeful staff development and succession planning, and a compensation system that motivates and retains the right people. Moreover, AAHK is committed to providing a safe and healthy work environment, upholding equal opportunities principles, and promoting employee well-being.

☐ **In-house Training Hours by Training Category in 2013/14**



Training and Development

AAHK provides relevant training and education on an ongoing basis to ensure that employees are well-equipped with the necessary competencies and skills to meet the organisation's changing business and operational needs. Annually, AAHK's Training and Development Academy identifies staff training needs in conjunction with all departments and develops an in-house training curriculum to meet those needs.

The training curriculum covers a wide range of topics, including corporate orientation and legal compliance, airport operation and management, competence-based skills, and management and leadership development. The training courses are classified into those that are fundamental to all staff and those that are relevant to different employee

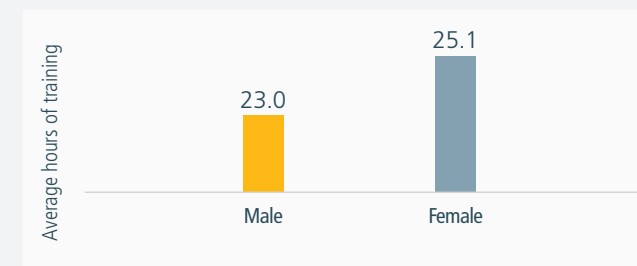
☐ **Average Hours of Training per Employee by Employee Category in 2013/14**



categories. E-learning has been expanded to allow more flexibility for staff to complete their training. AAHK also provides a study assistance programme to support eligible staff in pursuing external academic and training programmes that are relevant to their work.

Given the growing importance of staff development, AAHK's Learning Management System was enhanced in March 2014 to better support the organisation's human resource strategy and business initiatives. The enhanced system is accessible via AAHK's intranet and the internet. It provides an e-learning platform where staff can conduct self-learning at their own pace and convenience. Through the same platform, staff members can have an overview of their training progression and record, and department heads can better formulate the development plans for staff members.

☐ **Average Hours of Training per Employee by Gender in 2013/14**



Succession Planning

AAHK's People Development and Succession Planning Framework for senior management staff have been implemented since 2009. In view of the rapid development of AAHK and the increasingly complex business requirements, more qualified staff would be required at various managerial levels. Hence, from 2012 onwards, AAHK has extended the framework to cover entry-level managers so as to identify suitable staff with potential during the early stage of their careers. Accordingly, various training and job rotation schemes have been and will be arranged.

Within the People Development Framework, our Executive Development Programme is designed for staff at senior manager level and above. Every year, nominated staff will receive training at prestigious international academic institutions to help strengthen and develop their strategic leadership skills.

Our Management Trainee and Graduate Engineer programmes form part of AAHK's succession plan. The programmes are designed to train and develop a team of staff with general management and technical knowledge and skills to meet AAHK's future growth and development. Recruitment for these two programmes is held annually.

Employee Engagement



AAHK believes that an engaged workforce is a productive workforce. Through well-established communication channels, employees are kept informed of AAHK's latest developments and have opportunities to provide feedback.

Town Hall Meetings are organised twice a year for senior management to explain the latest development of AAHK to all staff and to answer any questions they have. The CEO meets with all management staff in the biannual Management Conference to discuss organisational strategies and goals. The weekly Extended Management Meetings are held for senior management staff to share the latest corporate

highlights as well as the progress of business and operational initiatives. The presentations and/or minutes of these meetings are made available to staff via the intranet. Corporate publications, such as the monthly newsletter *HKIA News* and the biannual *Airport Safety Bulletin*, are distributed among staff. Senior management communicates any important business and operational changes or developments to all staff via email on a timely basis.

AAHK makes every effort to ensure that staff complaints are handled in a fair and timely manner. A Grievance Handling Policy is in place to provide guidelines to staff who wish to raise work-related grievance or complaints.

Equal Opportunity and Diversity

AAHK supports the objectives of the Equal Opportunities Commission and observes the advice and codes of practice issued from time to time. AAHK has established human resource policies and processes to ensure that the work environment is free from discrimination of any kind against any person on grounds of gender, age, marital status, religion, race, nationality or disability. In particular, AAHK focuses on ensuring fair and inclusive recruitment, training and development, and promotion of staff.

Health and Safety, and Well-being

AAHK has developed a Corporate Occupational Safety and Health Management Plan to provide a safe and healthy work environment for staff. Going beyond legal compliance, we strive to minimise hazards in the workplace in order to prevent accidents, injuries and occupational diseases. Occupational health and safety training, workshops and e-learning programmes are conducted for staff on a regular basis. Workstations and office furniture are selected to ensure ergonomic safety.

AAHK provides a range of benefits and activities for employees and their immediate family members to enhance their well-being. Our medical benefits scheme provides outpatient and hospitalisation medical care for staff and their eligible dependents. Discounted voluntary health screening and influenza vaccinations are offered to help prevent and detect serious diseases and health risks.

Employees' emotional and psychological health is important. AAHK has implemented an Employee Assistance Scheme which provides professional assistance and counselling services including a 24-hour hotline, face-to-face interviews and a clinical psychology service. Regular luncheon workshops are organised for all staff where qualified psychologists, social workers and/or external speakers discuss personal and work-related topics such as family and health management, and self-enhancement. In 2013/14, a total of 13 workshops were held which attracted 1,007 participants.

AA Staff Club

The AA Staff Club, sponsored by AAHK, aims to connect staff members and enhance their well-being through organising recreational, social, sports, interest group, and family activities. The Staff Club Committee consists of 12 members from different divisions/departments. The Chairman is appointed by AAHK and the other committee members are nominated by the respective divisions/departments. Under the Staff Club Committee, there are 11 interest groups, namely basketball, badminton, soccer, tai chi, tai chi fan, tennis, bowling, running, music, Christian fellowship and the social service group.

■ In January 2013, the AA Staff Club was revamped to better serve its purpose of connecting staff and enhancing their well-being. Since then, more than 50 activities have been organised which attracted over 3,300 participants, including staff and their family members. The “Family Fun Day” is AA Staff Club’s annual mega event. In 2013, more than 1,000 staff and their family members joined the event at Hong Kong Disneyland. This year, the event will be held at Ocean Park in October. The airport family visit is another favourite among staff as it provides a valuable opportunity for their family members to learn first-hand about the daily airport operation and challenges they face. I am grateful to all committee members and interest group coordinators who made these events possible. I also thank our colleagues for their continued support for the club. ■

Wilson Tsang

Chairman, AA Staff Club



Addressing Labour Challenges

One of the critical constraints faced by HKIA is the general shortage of workers in the Hong Kong labour market. This is partly symptomatic of Hong Kong's tight labour market, which has close to full employment but a shortage of skilled workers for technical and manual jobs. In the HKIA Job Expo held in June 2014, more than 6,500 career opportunities were offered by over 50 companies across the airport and aviation community.

We welcome the Government's plan to consider setting up a civil aviation training institute to develop talent for both local and regional aviation industries. According to the estimated growth demand for aviation services, HKIA will provide 141,000 direct job opportunities by 2030 should the 3RS project be pursued, a substantial increase on the current workforce of 65,000. Manpower planning and development training is therefore essential in order to address the aviation industry's long-term human resource needs.

AAHK is playing its part in addressing these challenges. In 2013/14, AAHK partnered with the Federation of All Sectors of Tsuen Wan Community to organise a job fair in Tsuen Wan, and participated in job fairs organised by The Hong Kong Institution of Engineers and Hong Kong Trade Development Council to attract new recruits for the aviation industry. AAHK also held 4 career talks at the universities in Hong Kong to provide university students with information about working at the airport, its future development and the trainee recruitment programmes.



AAHK is working with airport business partners to make HKIA a more attractive workplace by addressing some of the concerns raised by staff. One of the initiatives undertaken is the Airport Transportation Liaison Group which was set up to improve the availability and affordability of transport to and from the airport. Details are set out in the 'Stakeholder Engagement' section.

To address the shortage of drivers on airside, we have been working closely with ramp handling operators to introduce oral/written examination for drivers who are able to speak Cantonese or English but unable to read the languages. This arrangement enables companies to expand the recruitment pool without any compromise on the safety standard when working on airside.

As part of our efforts to continuously improve the work environment for frontline staff, 5 additional temporary lightning shelters were provided on the apron in 2013 and all existing lightning shelters will be reconstructed. We will also install 7 additional water dispensers and 49 seating benches on the apron in 2014.

Supporting our Community

Supporting Community Causes

AAHK supports various community causes through community involvement, employee volunteering and corporate donations. The HKIA Charity Fund provides funding to help the disadvantaged in Hong Kong and support disaster relief in the Mainland. The HKIA Environmental Fund sponsors environmental protection and sustainable living initiatives in Hong Kong. Any local NGOs or academic organisations that address environmental issues relevant to HKIA or the community are welcome to apply.

The initiatives successfully completed in 2013/14 include the “Micro Carbon Operation” organised by The Climate Group and a research on “Finding Pipefish in Hong Kong 2012” conducted by Eco-Education and Resources Centre. Ongoing initiatives include the ClimateWatch Community Engagement Programme organised by EarthWatch Institute, Food Angel – Food Rescue and Assistance Programme organised by Bo Charity Foundation Limited, and a study on “Transportation Economics and Intervention Options for Improved Monitoring and Control of the Trade in Live Reef Food Fish” conducted by ADM Capital Foundation.

Employee Volunteering

The social service group of the AA Staff Club organises social service activities for staff members to serve the community and people in need. In 2013/14, a total of nine activities were organised in partnership with local NGOs and community groups, focusing on HKIA's five neighbouring communities: Lantau Island, Kwai Tsing, Shatin, Tsuen Wan, Tuen Mun. A total of 224 staff volunteers and their family members and guests participated in these activities and contributed 1,406 volunteering hours.



CASE STUDY

Staff Volunteering on Lantau Island

As our closest neighbouring town, Tung Chung on Lantau Island is a priority for our community involvement efforts. AAHK has a long-standing partnership with two local NGOs to care for Tung Chung, namely Hong Kong Sheng Kung Hui Tung Chung Integrated Services and Neighbourhood Advice-Action Council Tung Chung Integrated Service Centre.

Care for the Elderly and Underprivileged Children

During the year, about 145 staff volunteers participated in three community events to care for the elderly during the Chinese festive seasons. A total of 460 elderly joined the

events. Moreover, AA Staff Club initiated a one-month Toys Donation programme which collected around 500 pieces of used toys from staff. With the help of over 40 staff volunteers and their family members, the toys were distributed to underprivileged children living in Tung Chung during a Toy Party held in July 2013.

Nurture a Community Spirit

In January 2014, AAHK sponsored a wall painting event organised by Tung Chung Safe and Healthy City to transform a 500-metre stretch of wall along the Tung Chung waterfront promenade into a work of art. Around 40 staff volunteers and their family members joined the event. The wall painting was a big success, helping not only to improve the built environment but also to nurture a spirit of community pride within Tung Chung.

Protect the Environment

Along the coast from Tung Chung, Sha Lo Wan is a historical and recreational area for local residents and visitors. For the sixth consecutive year, AAHK took part in the beach cleanup at Sha Lo Wan organised by Ocean Conservancy as part of the International Coastal Cleanup 2013 Hong Kong. Our staff volunteers collected 30 bags of waste weighing a total of 215kg.

Also not far from Tung Chung, our staff volunteers supported another environmental initiative at Nei Lak Shan in November 2013 – the “Islands District Healthy City Tree Planting Festival – Green Lantau 2013” – to provide follow-up care for around 2,200 native seedlings which were planted there back in April. The event was organised by Islands District Council to enhance the natural environment of the district.



CASE STUDY

Youth and Senior Airport Ambassador Programme

AAHK is proud of its Youth and Senior Airport Ambassadors. The Youth Airport Ambassador Programme, co-organised with the Labour Department (under its Youth Employment and Training Programme) and the Hong Kong Federation of Youth Groups, provides on-the-job training and placement opportunities for young people interested in working at HKIA and in aviation-related industries. The programme recruits new ambassadors on an annual basis. In 2013/14, 35 young people participated in the programme, while eight continued as leaders. Since its launch in 2002, the programme has benefited over 700 young people.

The Senior Airport Ambassador Programme, delivered in partnership with the Hong Kong Young Women's Christian Association, invites retirees aged 55 or above to serve as volunteers. Many of our Senior Airport Ambassadors used to work at HKIA or even at the old Kai Tak Airport and now wish to use their knowledge

and experience to provide assistance to the visitors at HKIA. About 70 volunteers serve as ambassadors in the programme.

From Youth Ambassador to Customer Service Professional

Elice Yeung became a Youth Airport Ambassador in 2010. When she first joined the programme, Elice was shy and reluctant to communicate with her colleagues. However, with the support of AAHK staff, she gained more experience in helping customers and others. Gradually, her self-confidence grew and her professional skills developed. She proved herself to be a reliable staff member who served the passengers with courtesy and worked well both independently and in the team.

In 2011, Elice was promoted to Ambassador Leader to oversee the work of other Airport Ambassadors. In 2013, she was recognised as one of the "Most Improved Trainees of Youth Employment and Training Programme" by the Labour Department for her positive attitude at

work and for displaying significant development during her assignment as an Airport Ambassador. We are pleased that in the same year, she successfully joined AAHK as Operations Officer, Customer Services to start an exciting and promising career in the aviation industry.

Volunteering as Senior Ambassadors

Mr and Mrs Ko have been Senior Airport Ambassadors since the launch of the programme in 2002. They are proud to have witnessed the development of the airport during the past decade or so, and most importantly, to be part of a professional team dedicated to delivering excellent customer service to visitors.

Despite having many years of work and life experience, Mr and Mrs Ko are learning new skills every day as ambassadors and finding immense satisfaction in helping customers in need and seeing many happy faces in return. The programme has enriched their retirement and strengthened their commitment to serving others and the community.



LOOKING FORWARD

AAHK sets out its business strategies and key initiatives via a rolling five-year plan. At the beginning of each year, AAHK formulates its corporate goals with regard to the five-year plan. Based on the five-year plan 2013-2018 and the corporate goals 2014/15, the following table provides a high-level summary of the key objectives and targets set for various sustainability-related issues. Going forward, as we further develop AAHK's sustainability framework, including governance structure, strategy, and management and reporting systems, we will seek to formalise AAHK's sustainability objectives and targets, and monitor and report regularly on their progress.

	Objective	Progress to Date	Target Set	Target Date
HKIA's long-term development	To adopt a forward looking approach in addressing the airport's long-term needs by a 20-year master planning process.	Since the commissioning of HKIA in 1998, three Master Plans have been published, namely MP 2020, MP 2025 and MP 2030.	To start the next 20-year master planning process MP 2035.	In 2014
Capacity issues	To plan and implement capacity enhancement and efficiency improvement initiatives in view of air traffic growth.	The West Apron expansion commenced in 2012 to address aircraft parking stand capacity issue.	To complete the West Apron expansion which will provide 28 parking stands.	By end of 2014
		The Midfield development project commenced in 2011 to enhance HKIA's handling capacity.	To complete the Midfield development which will provide 20 parking stands and allow HKIA to handle 10 million more passengers each year.	By end of 2015
	To plan for HKIA's long-term expansion.	Planning work for the 3RS project ¹¹ , including the statutory EIA, design details and financial arrangement, is underway.	To complete the planning work.	By end of 2014
Airport safety	To improve the safety of airport operations by further reducing passenger and airport staff injuries.	Airport Composite Safety (ACS) Index of 5.32 achieved in 2013/14.	To achieve an ACS Index not exceeding 5.16.	In 2014/15
Customer service	To further enhance passenger satisfaction with services and facilities provided at HKIA.	Overall satisfaction score in ACI's ASQ Survey 2013 was 4.84, the highest ever score.	To achieve an overall satisfaction score of at least 4.84.	For 2014

¹¹ For details of the progress of the 3RS project, please visit our [website](#).

	Objective	Progress to Date	Target Set	Target Date
Environment	To realise the World's Greenest Airport pledge.	Compared HKIA's environmental performance with 23 airport peers.	To incorporate improvement measures into the Environmental Plan.	In 2014/15
	To realise the pledge to reduce HKIA's carbon intensity by 25% by the year 2015 from the 2008 baseline level.	Achieved 17.9% reduction in carbon intensity in 2013.	To achieve a further reduction of 4%.	In 2014
			To achieve a total reduction of 25%.	In 2015
	To promote separation of waste at source at HKIA and the recycling of waste.	Established the Waste Management Taskforce in April 2014 to develop a waste management strategy.	To recycle 50% of the waste generated at HKIA.	By 2021
People development	To ensure effective people development and succession planning to support the future requirements of AAHK.	Established a People Development and Succession Planning Framework since 2009.	To review the framework and ensure its efficiency and effectiveness so as to meet AAHK's future requirements.	By fourth quarter of 2014
Corporate governance	To achieve high standards of corporate governance that meet the expectation of key stakeholders and help attain AAHK's long-term sustainable growth.	Completed a consultancy study on institutional arrangements for the procurement and implementation of future airport development. The study's report was received by the Board in February 2014.	To develop an implementation plan for the recommendations from the study.	In 2014/15
Corporate sustainability	To develop AAHK's sustainability management and reporting to support AAHK's Sustainability Vision and meet stakeholders' expectations.	Established a Sustainability Working Group within AAHK in March 2014 to first strengthen the framework for sustainability reporting.	To prepare AAHK for G4 reporting.	In 2015
		Published AAHK's Sustainability Report 2013/14, which was externally verified and met GRI application level A+.	To conduct a benchmarking research to support the development of AAHK's sustainability framework.	In 2014/15

PERFORMANCE INDICATORS

	Unit	2013/14	2012/13	2011/12
Economic Performance¹				
Economic value generated				
– Revenue	HK\$ million	14,810	13,134	12,154
Economic value distributed				
– Operating costs ⁵	HK\$ million	4,872	4,282	3,928
– Employee wages and benefits ⁵	HK\$ million	1,628	1,415	1,281
– Payments to providers of funds ²	HK\$ million	4,613	4,164	3,372
– Payments to government ³	HK\$ million	785	1,156	1,259
– Financial donations	HK\$ million	3	2	1
Economic value retained	HK\$ million	2,909	2,115	2,313
Operational Performance				
Passenger traffic ⁴	Millions of passengers	60.7	57.2	54.9
Cargo throughput ⁵	Millions of tonnes	4.2	4.0	3.9
Aircraft movements ⁶	Thousands	377	355	339
Airlines operating at HKIA	Number	106	107	101
Scheduled destinations served from HKIA	Number	179	176	160

¹ Economic performance data was extracted from AAHK's audited consolidated financial statements for the year ended 31 March 2014.

² Includes dividend paid to the HKSAR Government, AAHK's sole shareholder (2013/14: HK\$4,400 million, 2012/13: HK\$3,900 million, 2011/12: HK\$3,100 million).

³ Represents Hong Kong Profits Tax paid to the HKSAR Government only.

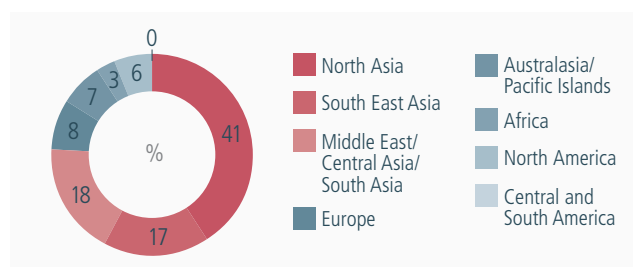
⁴ Total number of passengers includes originating, terminating, transfer and transit passengers. Transfer and transit passengers are counted twice.

⁵ Cargo tonnage includes import, export and transshipment (counted twice) cargo. Air mail is excluded.

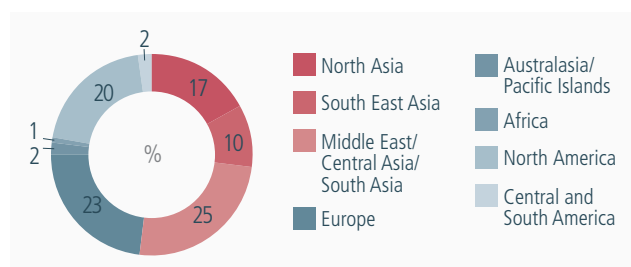
⁶ Aircraft movements include civil international passenger, cargo and non-revenue flights. Military and local flights are excluded.

⁵ In order to comply with the revised Hong Kong Accounting Standard 19 "Employee benefits" issued by the Hong Kong Institute of Certified Public Accountants, AAHK changed its accounting policy with respect to defined benefit retirement plans in 2013/14. This change in accounting policy has been applied retrospectively. As a result, the 2011/12 and 2012/13 figures have been restated.

☐ **Passenger Flight Destinations by Region as at March 2014** (Total: 143)



☐ **Cargo Flight Destinations by Region as at March 2014** (Total: 88)



	Unit	2013/14	2012/13	2011/12
Connectivity				
Passengers using SkyPier	Number ('000)	2,667	2,622	2,468
Passengers using Land Cross Boundary Transport	Number ('000)	2,005	1,955	1,903
Cross border sea ports served	Number	8	8	8
Cross border land destinations	Number	110	110	115
Airport safety and business continuity				
Airport Composite Safety Index ⁷	Injury rate per million passengers	5.32	5.72	6.21
Index of birdstrikes per 10,000 aircraft movements	Number	0.29	0.37	0.38
Training/seminars conducted on contingency measures and handling procedures	Number	78	42	29
Drills undertaken on emergency response and business continuity	Number	30	33	20
– Field	Number	22	23	19
– Desktop	Number	8	10	1
Customer satisfaction				
Overall annual mean score from ASQ Survey ⁸	Score (out of 5)	4.84	4.82	4.80
Annual mean score of passengers feeling safe and secure ⁹	Score (out of 5)	4.79	4.77	4.78
Index of complaints received per 1 million passengers	Number	31.9	32.2	31.1
Percentage of passengers clearing security screening within 4.5 minutes	%	99.5	99.3	98.7
Environmental Performance				
Materials use				
Paper	Tonnes	43	45	45
Direct energy consumed by type				
Diesel*	Litres	841,892	822,722	760,659
Petrol*	Litres	122,186	144,504	160,492
LPG*	Litres	9,476	5,019	23,808
Biodiesel†	Litres	13,034	–	–
Total direct energy consumption ¹⁰	GJ	36,892	36,363	35,036
Indirect energy consumed by type				
Electricity*	kWh ('000)	266,997	278,604	279,157
Electricity consumption per passenger	kWh per passenger	4.40	4.87	5.08
Total indirect energy consumption ¹⁰	GJ	961,189	1,002,974	1,004,965

⁷ Airport Composite Safety Index is a safety performance indicator that measures the number of injuries arising from passengers and staff, with respect to the number of passengers.

⁸ The ASQ Survey is based on performance in a calendar year (i.e. 1 January to 31 December).

⁹ This is an aspect covered in the ASQ Survey.

¹⁰ Relevant conversion factors sourced from DEFRA (UK), U.S. Department of Energy, and the GRI Indicator Protocol were applied. According to the Hong Kong Facility Performance Statistics 2013 provided by CLP Power Hong Kong Limited, AAHK's electricity provider, the corresponding primary fuels consumed in the production of the electricity consumed were estimated to be 2,184 TJ of coal, 506 TJ of gas and 16 TJ of oil.

* The 2011/12 and 2012/13 figures have been restated following an internal database review. AAHK will continue to improve its data collection and management systems to ensure data completeness and accuracy.

† As part of its commitment to disclose relevant sustainability data to its stakeholders, AAHK commenced reporting on these indicators in 2013/14. The data for 2011/12 and 2012/13 is not reported.

	Unit	2013/14	2012/13	2011/12
Greenhouse gas (GHG) emissions¹¹				
Direct emissions				
– Stationary combustion	Tonnes ('000) in CO ₂ e	0.07	0.13	0.23
– Mobile combustion	Tonnes ('000) in CO ₂ e	2.50	2.44	2.25
– Fugitive emissions	Tonnes ('000) in CO ₂ e	5.75	10.71	9.54
Indirect emissions				
– Electricity ¹²	Tonnes ('000) in CO ₂ e	169.64	161.45	163.96
– Other indirect emissions	Tonnes ('000) in CO ₂ e	0.60	0.44	0.38
Emissions avoided				
– By tree planting and paper recycling	Tonnes ('000) in CO ₂ e	0.37	0.34	0.32
GHG net emissions				
– Absolute	Tonnes ('000) in CO ₂ e	178.19	174.83	176.04
– Intensity-based	kg CO ₂ e/WLU ¹³	1.76	1.81	1.89
Waste management				
Waste sent to landfill	Tonnes	21,167	18,196	17,054
Waste collected for recycling				
– Paper and cardboard	Tonnes	2,474	1,840	1,599
– Plastic	Tonnes	128	78	53
– Metal and cans	Tonnes	82	58	48
– Wooden pallets and boxes	Tonnes	10	14	52
– Glass and others	Tonnes	5	7	11
– Food waste				
– To compost	Tonnes	83	77	73
– To fish meal ¹⁴	Tonnes	1,352	1,180	1,061
– Surplus food via the HKIA Food Rescue Programme ¹⁵	Tonnes	8.7	–	–
– Waste cooking oil	Litres	47,168	19,108	53,196
Chemical waste collected ¹⁶	Tonnes	21	19	9
Water management¹⁷				
Water withdrawal by source				
– Seawater	m ³ ('000)	78,988	79,333	83,050
– Municipal water	m ³ ('000)	709	438	424
Water recycled/reused	m ³ ('000)	154	210	199
Water discharge ¹⁸	m ³ ('000)	555	228	225
Other				
Aircraft fuel spillage	Number of spills	24	15	2

¹¹ GHG emissions are reported for the calendar year (i.e. 1 January to 31 December). The methodologies and emission factors applied for the quantification of GHG emissions and removals were in accordance with the *Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong, 2010 Edition* issued by EMSD and EPD. The inventory of GHG emissions has been verified by SGS Hong Kong Limited. Please refer to the Greenhouse Gas Verification Statement on page 64.

¹² The emission factor for each respective year as provided by CLP Power Hong Kong Limited, AAHK's electricity provider, was applied.

¹³ One workload unit (WLU) is either one passenger or 100kg of cargo.

¹⁴ Includes food waste collected by AAHK from its own facilities and from airport business partners.

¹⁵ The HKIA Food Rescue Programme was launched in August 2013.

¹⁶ AAHK adopts the 'chemical waste' categorisation as specified under the Waste Disposal Ordinance (Chapter 354, The Laws of Hong Kong). The figure includes waste lubricating oil and used mercury-containing fluorescent tubes collected by registered chemical waste collector for disposal.

¹⁷ AAHK adopts a "triple water system" to improve the efficiency of our three major water sources: freshwater, seawater and treated wastewater, details of which are available on our [website](#).

¹⁸ The volume of wastewater discharge is estimated by subtracting the volume of wastewater recycled from our municipal water consumption. Under the Water Pollution Control Ordinance (Chapter 358, The Laws of Hong Kong), AAHK holds a number of licences which require the monitoring of water quality using the following parameters: flow rate (m³/day), total residue chlorine, amines, temperature, antifoulant, suspended solids, chemical oxygen demand, oil and grease, surfactants (total), biochemical oxygen demand, total phosphorus and formaldehyde. In 2013/14, all discharges were in compliance with licence discharge limits.

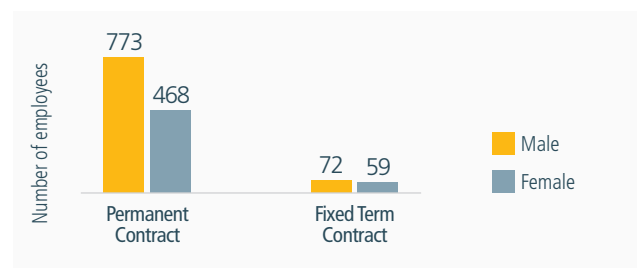
	Unit	2013/14	2012/13	2011/12
Workplace Performance				
Analysis of workforce				
Total employees ¹⁹	Number	1,372	1,284	1,118
By employee category				
– Senior management	Number	34	35	30
– Professional/managerial staff	Number	463	419	369
– Supporting staff	Number	875	830	719
By employment contract				
– Permanent	Number	1,241	1,165	1,071
– Fixed term	Number	131	119	47

¹⁹ Includes employees of AAHK's wholly owned subsidiary, HKIA Precious Metals Depository Limited (2013/14: 5) and excludes temporary staff (2013/14: 12). All employees are full-time employees.

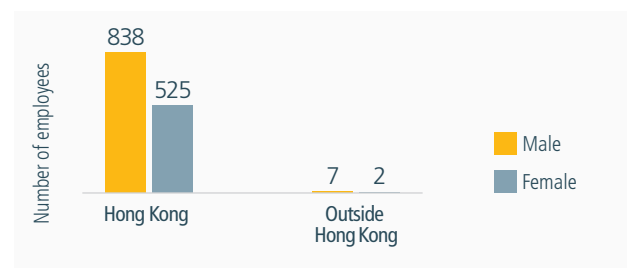
[#] Basic salary is a fixed, minimum amount paid to an employee for performing his/her duties. This does not include any additional remuneration.

[†] Remuneration is basic salary plus additional amounts such as those based on years of service, bonuses, benefit payments, and any additional allowances.

☐ **Number of Employees by Employment Contract & Gender as at 31 March 2014**



☐ **Number of Employees by Location & Gender as at 31 March 2014**



☐ **Ratio of Basic Salary[#] of Women to Men by Employee Category in 2013/14**



☐ **Ratio of Remuneration[†] of Women to Men by Employee Category in 2013/14**



	Unit	2013/14	2012/13	2011/12
Analysis of workforce (continued)				
By gender				
– Male	%	62	63	62
– Female	%	38	37	38
By age group				
– Below 30	%	16	15	13
– 30 to 39	%	27	26	26
– 40 to 49	%	33	36	39
– 50 or above	%	24	23	22
By location [†]				
– Hong Kong	%	99	–	–
– Outside Hong Kong	%	1	–	–

[†] As part of its commitment to disclose relevant sustainability data to its stakeholders, AAHK commenced reporting on these indicators in 2013/14. The data for 2011/12 and 2012/13 is not reported.

☐ **Percentage of Employees by Employee Category & Gender as at 31 March 2014**



☐ **Percentage of Employees by Employee Category & Age Group as at 31 March 2014**



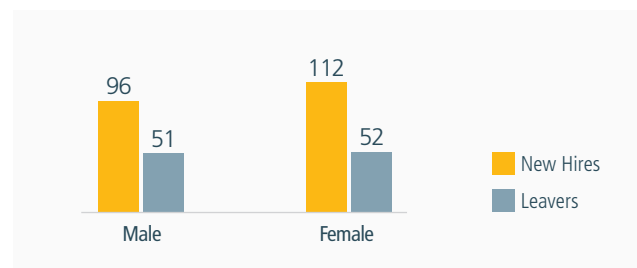
☐ **Percentage of Employees by Employee Category & Ethnic Origin as at 31 March 2014**



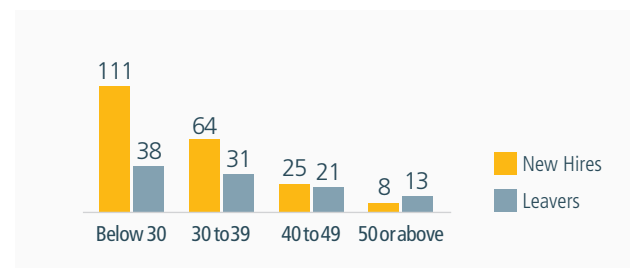
	Unit	2013/14	2012/13	2011/12
New hires and leavers²⁰				
New hires	Number	208	288	157
New hire rate	%	15.2	22.4	14.0
Leavers	Number	103	115	91
Turnover rate	%	7.6	9.4	8.4

²⁰ All new hires and leavers in 2013/14 were based in Hong Kong. The number of leavers and turnover rate exclude involuntary termination and temporary staff. New hire rate is calculated using the total number of employees at the end of the reporting period. Turnover rate is calculated using the average number of employees for the fiscal year.

☐ **Number of New Hires & Leavers by Gender in 2013/14**



☐ **Number of New Hires & Leavers by Age Group in 2013/14**



	Unit	2013/14	2012/13	2011/12
Employee training				
Total hours of employee training	Hours	32,011	28,427	16,803
Average hours of employee training ²¹	Hours	23.8	23.2	15.4
By training type				
– In-house training programmes	Hours	14,442	9,439	5,215
– E-learning programmes	Hours	3,653	3,512	2,171
– Operational & technical (external) training	Hours	13,916	15,476	9,417
Human rights training ^{22†}				
– Total hours of human rights training provided	Hours	1,829	–	–
– Percentage of employees trained	%	98.3	–	–
Anti-corruption training [†]				
– Percentage of management employees trained during the year	%	10.3	–	–
– Percentage of non-management employees trained during the year	%	13.0	–	–

2013/14	Unit	Male	Female	Total
Occupational health and safety^{23†}				
Injuries ²⁴	Number	1	4	5
Injury rate	%	0.1	0.8	0.4
Lost days	Number	19	206	225
Lost day rate	%	0.01	0.11	0.04
Absentee rate	%	0.9	1.7	1.2
Family-friendly practice[†]				
Employees who took maternity/paternity leave ²⁵	Number	21	10	31
Return to work rate after leave	%	100	100	100

	Unit	2013/14	2012/13	2011/12
Social Performance				
Financial donations ²⁶	HK\$'000	3,418	2,287	684
Employees in AAHK's Social Service Group [†]	Number	104	–	–
Volunteer hours contributed through AAHK's Social Service Group [†]	Hours	1,406	–	–
Activities organised through AAHK's Social Service Group [†]	Number	9	–	–

²¹ The 2011/12 and 2012/13 figures have been restated to reflect the total hours of employee training during the year (which includes training hours of both active staff and leavers) per the average headcount of the fiscal year.

²² Training topics include corporate governance, code of conduct, data privacy, equal opportunities and anti-discrimination.

²³ There were no occupational disease cases or work-related fatalities during the reporting period. The injury rate indicates the number of occupational injuries as a percentage of the total number of employees during the reporting period. The lost day rate and absentee rate indicate respectively the number of lost days (as a result of occupational injuries) and the number of absentee days (as a result of occupational injuries and other illnesses) as a percentage of the total number of employees working throughout the year (365 calendar days).

²⁴ Two injuries were related to accidents involving a moving vehicle, and the other three were slip and fall injuries.

²⁵ In addition to granting maternity leave to eligible female employees, AAHK has provided three working days of paternity leave with full-pay to eligible male employees since January 2013.

²⁶ Donations made were funded partly from the sales of "lost & found" items at the airport. Funds donated through the HKIA Environmental Fund are included.

[†] As part of its commitment to disclose relevant sustainability data to its stakeholders, AAHK commenced reporting on these indicators in 2013/14. The data for 2011/12 and 2012/13 is not reported.

VERIFICATION AND GRI CHECK

Verification Statement



Scope and Objective

Hong Kong Quality Assurance Agency ("HKQAA") has been commissioned by Airport Authority Hong Kong ("AAHK") to conduct an independent verification of its Sustainability Report 2013/14 ("the Report"). The Report describes AAHK's efforts to practise its commitments towards sustainable development covering fiscal 2013/14, ended 31st March 2014. The Report focuses on the material sustainability issues corresponding to AAHK's business in Hong Kong in which it has direct management control.

This is the first externally verified sustainability report of AAHK. The aim of this verification is to provide a reasonable assurance on the reliability of the reporting contents. The Report is prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines Version 3.1 (G3.1) and Airport Operators Sector Supplement (AOSS) at GRI Application Level A+, also referencing the Environmental, Social and Governance Reporting Guide (ESG Reporting Guide) issued by The Stock Exchange of Hong Kong Limited.

Methodology

The process applied in this verification was based on the current best practices including:

- International Standard on Assurance Engagements (ISAE) 3000 – Assurance Engagements Other Than Audits or Reviews of Historical Financial Information;
- AA1000 Assurance Standard (2008);
- GRI G3.1 and AOSS; and
- ESG Reporting Guide.

The verification process included reviewing of relevant documentation, interviewing responsible personnel and verifying the supporting evidence of the selected samples of data and information presented in the Report. Other references such as AAHK's Annual Report and publications from external sources were cross examined.

Independence

HKQAA was not involved in collecting and calculating data, or in the development of the Report. HKQAA's activities are independent from AAHK.

Conclusion

Based on the results of our verification, it is concluded that the contents stated within the Report fulfils the requirement of the GRI Application Level A+. The Report discloses

truthfully AAHK's sustainability performance in the past year. It is a prudent and reliable presentation of the material sustainability issues.

AAHK applied a systematic materiality process to define its environmental, social and economic material issues for reporting. The identified issues were ranked and prioritised based upon their significance to AAHK and its stakeholders. The issues identified through this formal process were found to be addressed in a fair and balanced way within the Report.

The Report articulates how AAHK aims to respond to issues including its determination to becoming the world's greenest airport, sustaining safety standards, actively interacting with the airport community, participating in the development of social infrastructure, and promoting community well-being and livability.

**Signed on behalf of
Hong Kong Quality Assurance Agency**

Connie Sham
Head of Audit, Strategic Business
August 2014

Note: There is no relationship between AAHK and the external verifier beyond the contractual agreement for providing the verification service.

HK/GHG/2014/07/001

SGS

Greenhouse Gas Verification Statement

The inventory of greenhouse gas emissions in
1st January 2013 to 31st December 2013 of

Airport Authority Hong Kong

Terminal 1, Terminal 2,
North Satellite Concourse, SkyPier,
HKIA Tower, Airport World Trade Centre,
Airport Authority Building, Wastewater Treatment Plant,
Ground Transportation Centre,
CarPark 4, Airfield and Related Infrastructure,
Hong Kong International Airport, Lantau, Hong Kong

has been verified in accordance with
Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals
for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong,
2010 Edition


178,190.42 tonnes of CO₂e

Authorised by

Product Manager
Energy and Carbon Services
Date: 25th July 2014

SGS Hong Kong Limited
5/F, Manhattan Centre, 8 Kwai Cheong Road, Kwai Chung, N.T., Hong Kong

Page 1 of 2



This statement is not valid without the verification scope of page 2 of this statement.

graphic design and/or logo photo printed by west bank security printing ltd hongkong



Statement GRI Application Level Check

GRI hereby states that **Airport Authority Hong Kong** has presented its report "Sustainability Report 2013/2014" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 11 September 2014


Ásthildur Hjaltadóttir
Director Services
Global Reporting Initiative



The "+" has been added to this Application Level because Airport Authority Hong Kong has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 02 September 2014. GRI explicitly excludes the statement being applied to any later changes to such material.

APPENDICES

Appendix I

Memberships¹

¹ AAHK does not provide substantive funding beyond routine membership dues, if any, to the following organisations.

AAHK's Role in Organisations

Chair / Co-chair / Vice-chair

- Airport Facilitation Committee
- Airport Security Committee
- Airports Council International, Asia-Pacific – Regional Environment Committee
- Aviation Fuel Facility Management Association of HKIA
- Cargo Facilitation Committee
- The Permanent Aviation Fuel Facility – Community Liaison Group

Committee / Council / Founding Member

- Aviation Security Committee, Security Bureau
- Business Environment Council – ESG Advisory Group, Waste Management Advisory Group, Energy Advisory Group, and Climate Change Business Forum Advisory Group
- Energy Liaison Group, HKSAR Government
- Hong Kong Trade Development Council – Logistics Services Advisory Committee
- Hong Kong General Chamber of Commerce – Environment & Sustainability Committee
- Green Council – Hong Kong Green Purchasing Charter
- Occupational Safety and Health Council – Logistics and Freight Transport Industry Safety and Health Committee

Member

- Association for Project Management
- NEC Asia Pacific Users' Group
- The Hong Kong Green Building Council
- The Lighthouse Club Hong Kong
- WWF Hong Kong

Trustee

- The International Air Cargo Association

External Principles and Charters

Principles and Charters (Year of adoption)

Airport- / Aviation-related

Airport Authority Ordinance, Chapter 483, The Laws of Hong Kong* (1995)

Aerodrome Licensing Requirements, CAD*(1998)

ICAO international standards and recommended practices* (1998)

Corporate Governance

Companies Ordinance, Chapter 622, The Laws of Hong Kong (1998)

Corporate Governance Code, Appendix 14 of the Listing Rules of Hong Kong Stock Exchange (2002/03)

Environment

Clean Air Charter, Hong Kong General Chamber of Commerce & Hong Kong Business Coalition on the Environment (2007)

Hong Kong Green Purchasing Charter, Green Council (2007)

Aviation Industry Commitment to Action on Climate Change, Enviro.aero (2008)

Carbon Reduction Charter: Carbon Audit • Green Partner, EPD (2008)

Manifesto for Energy Efficiency in Buildings, World Business Council for Sustainable Development (2012)

Energy Saving Charter on 'No ILB²', Environment Bureau & EMSD (2013)

Food Wise Charter, EPD (2013)

'Let's Save 10L Water' Campaign, Water Supplies Department (2013)

The Greening Partner Charter, Development Bureau (2013)

Wood Recycling & Tree Conservation Scheme, Hong Kong Environmental Protection Association (2013)

Safety

Occupational Safety Charter, Hong Kong Occupational Safety and Health Council (2001)

Social Responsibility

Talent-Wise Employment Charter and Inclusive Organisations Scheme, Labour and Welfare Bureau (2013)

The Family-Friendly Employers Award Scheme, Family Council (2013)

Others

Agreement on Government Procurement of the World Trade Organization* (1998)

* AAHK has an obligation to comply with these principles and charters.

² ILB stands for 'Incandescent Light Bulbs'.

Appendix II

Awards and Recognition

Organiser	Award / Recognition
Airport-related	
TTG Asia	<ul style="list-style-type: none"> Induction into TTG's Travel Hall of Fame (having won TTG's best airport award 10 times since 2002)
Environment	
Airports Council International	<ul style="list-style-type: none"> Airport Carbon Accreditation Scheme 2013-2014: 'Optimisation' Level
BCI Asia	<ul style="list-style-type: none"> FuturArc Green Leadership Award 2013 (Commercial Architecture Category): Citation Award
Capital Entrepreneur Magazine	<ul style="list-style-type: none"> Green Enterprise Award 2013
Cargonews Asia	<ul style="list-style-type: none"> 28th Asian Freight and Supply Chain Awards: Best Green Airport
CLP Power Hong Kong Limited	<ul style="list-style-type: none"> Green^{Plus} Recognition Award 2014: Energy Saving Award of Excellence
Friends of the Earth	<ul style="list-style-type: none"> Power Smart 2013 Biggest Units Saver Award (Company): 1st Runner-up
Hong Kong Awards for Environmental Excellence	<ul style="list-style-type: none"> 2013 Sectoral Awards (Public Organisations and Utilities): Silver Award Carbon "Less" Certificate Energywi\$e Label: Class of Excellence (one of top three biggest energy-saving organisations) IAQwi\$e Label: Class of Good Wastewi\$e Label: Class of Excellence
World Green Organisation	<ul style="list-style-type: none"> Green Office Awards Labelling Scheme: Green Office Label UNMDG 'Better World Company' Label

Organiser	Award / Recognition
Safety	
Occupational Safety and Health Council	<ul style="list-style-type: none"> Safe Community Service Award The 12th Hong Kong Occupational Safety & Health Award: Safety Performance Award – Other Industries
The Lighthouse Club Hong Kong	<ul style="list-style-type: none"> Derek Smyth Safety Leadership Silver Award 2014
Social Responsibility	
Community Investment and Inclusion Fund, Labour and Welfare Bureau	<ul style="list-style-type: none"> 2012-14 Social Capital Builders Award
Hong Kong Council of Social Service	<ul style="list-style-type: none"> 5 Years Plus Caring Organisation Logo Barrier-free Companies/Organisations under the Caring Company Scheme 2013/14
Office of the Government Chief Information Officer and the Equal Opportunities Commission	<ul style="list-style-type: none"> Web Accessibility Recognition Scheme 2014: Gold Award (Mobile Application Category for IOS and Android) Web Accessibility Recognition Scheme 2014: Silver Award (Website Category)
The Family Council	<ul style="list-style-type: none"> Family-Friendly Employers 2013/14 Award (Organisations Category)

GLOSSARY

AAHK	Airport Authority Hong Kong
ACI	Airports Council International
AEC	Airport Emergency Centre
APUs	Auxiliary Power Units
ARA	Airport Restricted Area
ASO	Aviation Security Ordinance
ASQ Survey	Airport Service Quality Survey, an annual survey conducted by ACI to measure and rank customer service quality internationally
AVSECO	Aviation Security Company Limited, a partly owned subsidiary of AAHK
BASIS	Baggage Analysis and Statistics Information System
BCM/BCMS	Business Continuity Manual/Business Continuity Management System
BCU	Bird Control Unit, AAHK
BHS	Baggage Handling System
BEAM Plus	A globally recognised, comprehensive environmental assessment scheme for buildings
CAD	Civil Aviation Department, HKSAR Government
CEO	Chief Executive Officer
Corporate Governance Code	Corporate Governance Code and Corporate Governance Report, Appendix 14 to the Main Board Listing Rules issued by The Stock Exchange of Hong Kong Limited
CLG	Community Liaison Group
CCR	Constant Current Regulator
CSEP	Customer Service Excellence Programme
CTX	Computer Tomography X-ray, an explosive detection device
CWD	Chinese White Dolphin
EDCD	Executive Director, Corporate Development, AAHK
EGSE	Electric Ground Service Equipment
EIA	Environmental Impact Assessment
EPD	Environmental Protection Department, HKSAR Government
EMSD	Electrical and Mechanical Services Department, HKSAR Government

ESG	Environmental, Social and Governance
EV	Electric Vehicle
FGP	Fixed Ground Power
FIDS	Flight Information Display System
FOD	Foreign Object Damage
GDP	Gross Domestic Product
Government	HKSAR Government
GRI	Global Reporting Initiative
GRI Guidelines	GRI Sustainability Reporting Guidelines
GSE	Ground Service Equipment
HKASP	Hong Kong Aviation Security Programme
HKIA	Hong Kong International Airport
HKSAR Government	The Government of the Hong Kong Special Administrative Region of the People's Republic of China
IAC	Integrated Airport Centre
IATA	International Air Transport Association
ICAO	International Civil Aviation Organization
Labour Department	Labour Department, HKSAR Government
NGOs	Non-governmental Organisations
ORR	Operational Risk Register
PCA	Pre-conditioned Air
PRD	Pearl River Delta
RFID	Radio Frequency Identification technology
RTF	Romer's Tree Frog
TBG	Technical Briefing Group
WLU	Workload Unit (one workload unit is equal to one passenger or 100kg of cargo)
3RS	Three-runway System

WEBSITE INDEX

Page	Description	Website
1	GRI Content Index	http://www.hongkongairport.com/eng/pdf/media/publication/sustainability/13_14/E_GRI_Content_index.pdf
1	On-line feedback form	http://www.hongkongairport.com/survey/sreport/form_en.html
8, 9, 10, 11	Annual Report 2013/14	http://www.hongkongairport.com/eng/media/publication/annual-reports-2013-14.html
8	HKIA fact sheets	http://www.hongkongairport.com/eng/media/facts-figures/facts-sheets.html
22	HKIA website	http://www.hongkongairport.com/eng/future/index.html
22	HKIA 3RS website	http://www.threerunwaysystem.com/en/Information/Publications.aspx
39	HKIA website	http://www.hongkongairport.com/eng/csr/carbon-reduction/index.html
41	HKIA website	http://www.hongkongairport.com/eng/csr/environmental-management/air-quality/current-api.html
45	CAD website	http://www.cad.gov.hk/english/ac_noise.html
45	CAD Environmental Report	http://www.cad.gov.hk/english/er_report.html
54	HKIA 3RS website	http://www.threerunwaysystem.com/en/
58	HKIA website	http://www.hongkongairport.com/eng/csr/environmental-management/water-management.html

Note: If there is any discrepancy between the English version and the Chinese version of this report, the English version should take precedence.

