

People are an important key to our success, whether it is our staff that differentiate us from other airlines, or the communities we fly to around the world. That is why we make it a priority to support staff in the workplace, and empowering them to make a difference in the local communities across the network.

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## 1 Employee Relations and Engagement

### How We Have Engaged

Staff can provide their views, ideas and feedback through a variety of channels, ranging from the intranet, structured surveys, focus groups, to direct communication with their line managers and other department-specific platforms.

In 2011, in-depth individual interviews were conducted with senior management to understand their views on sustainability and how it relates to the company's business, culture and future direction. We explored areas where there may be synergies of existing and new sustainability projects. The findings provided input to a series of engagement programmes in 2012 and 2013 which were aimed at different staff groups at different levels.

At the end of our five-year Stakeholder Engagement Plan between 2008 and 2012, the engagement process was reviewed and it was decided that rather than conducting a comprehensive stakeholder engagement exercise annually, it would be more efficient and beneficial to undertake this every other year, with smaller engagements being done during the gap years.

From November 2013, a series of surveys and interviews were conducted to form a baseline of stakeholder opinions from different external and internal groups, including a general online staff survey. A more detailed analysis will be provided in the next report.



In 2012, we launched a special edition of “We Suggest”, a regular internal campaign where staff organised themselves in teams and make creative suggestions on what the company can do to become more innovative and successful. This time, the campaign was given a sustainability theme. The aim of the programme was to reach out to staff across the network and encourage them to come up with ideas to embed sustainable development practices in their day-to-day work. Around 100 suggestions were received from teams around the world. Five suggestions were shortlisted, and a team-building offsite session was held in Kunming, the People’s Republic of China in 2013 to prepare the final presentations to Directors. The CX Cargo Manchester Team won the competition with its suggestion on the “removal of 88 pallet stops on cargo aircraft”. The removal of these pallet stops would lead to a decrease in fuel use and carbon emissions. The relevant departments are reviewing the proposals in more detail.



In 2013, we participated in the Earth Hour I Will If You Will campaign, where we asked senior managers to pledge an environmental/charitable or fun act if a number of their team members or colleagues pledged to do their own environmental acts. Our COO at the time, Ivan Chu, pledged to drive an electric vehicle instead of his regular company car for a week if staff signed up to their own environmental pledges. Managers from departments and teams in Hong Kong and outports joined to rally participation. This campaign won the “Most Replicable Activity” at the 3<sup>rd</sup> Swire Sustainable Development Forum, which will then be applied to other Swire operating companies.



Carbon trading has been a prominent topic in the aviation industry, with different emissions trading schemes being proposed and debated the world over. However staff may not necessarily understand their principles and how these schemes may affect our business. Hence, to raise awareness and knowledge in this area, two interactive workshops in the form of a simulation exercise were held in 2013. The objective was to bring an initial appreciation of carbon trading to staff and build capacity on environmental market issues.

## Engaging with Our Diverse, Mobile Workforce

Our team is very unique in that it is widely dispersed around the world and consists of very diverse cultures, background and languages. We work with multiple trade bodies based in different countries with specific union regulations, and we uphold freedom of association for our staff. Industrial relations continue to be an important issue, however we are actively working with the various groups to continue to enhance communication and consultation to ensure views are heard and acted upon appropriately.

### Ground Staff

Nearly 40% of Cathay Pacific and Dragonair's employees are ground-based, either at our offices, cargo hubs, or airports. Each of these groups has a staff consultative committee that meets regularly for a two-way flow of ideas with the Personnel Department and management on a range of issues, such as company policy, employee welfare and staff facilities.

We conduct a company-wide Organisational Alignment Survey of ground staff in Hong Kong and throughout the Cathay Pacific and Dragonair outport network approximately every 18 months. Undertaken by an independent survey provider, the survey assesses how well the company is set up to turn strategies and plans into effective action, and provides valuable insights to help the company become more resilient and able to sustain success in the long term.

Based on feedback from the last survey in 2011, we made improvements to the performance management process. This aimed to support a more quality-based conversation between managers and staff at all levels of our organisation. This revamped process, which was renamed the Performance and Development Management Process, carried a stronger development focus, as we wanted managers and staff to review expectations, performance and career planning openly so that everyone could clearly understand what was expected, and felt motivated to do their best.



## Engaging with the Information Management and Technology Department Staff

At CX, the Information Management and Technology (IMT) Department is a team of 650 full-time employees. It is one of the department's goals to inform and engage with this team productively and effectively on a regular basis.

In 2012, six 'town hall' meetings were organised where external speakers shared details regarding the latest developments in the IT field, and included a question and answer session with senior management. Also, for the first time, communication opportunities were offered in the form of the more intimate setting of a 'skip-level' coffee meeting (where managers are one or more levels above the team members). These were limited to under 20 people at a time to encourage questions and interaction with the department Director, and have proven to be very popular with staff. Project managers also ran briefings on new IT initiatives being implemented to enable staff to gain a better understanding. An internal opinion poll was carried out to further improve two-way communication, and to gauge staff's understanding on the department's values and performance. There was a high response rate.

In addition, the IMT team was involved with two successful initiatives in 2012, including a Bake Sale for the Sunnyside Club, a charity for mentally and physically challenged children in Hong Kong; and a Hong Kong-wide beach clean-up on Lantau, where numerous staff, family and friends from the CX IMT team collected 500kg of garbage and debris from Shek Pai Wan, Lamma Island.

## Engaging with the Directors



Since 2012, a number of staff activities with the airline's Directors have been organised to allow staff to engage directly with Directors in an informal and casual setting outside of the workplace. In 2013, the following activities took place:

- Saturday at the bowling alley with Finance Director Martin Murray and former Director Cargo, now Director People, Nick Rhodes, joined by 51 staff;
- Beachside dining in Lantau Island with Director Information Technology Joe Locandro and former Director Personnel, William Chau, with 60 staff attending;
- Coastal clean-up with Director Corporate Affairs Chitty Cheung, Director Flight Operations Richard Hall and former Director Sales and Marketing, now COO, Rupert Hogg, along with 90 staff joining the event;
- Hiking with Ivan Chu who was Chief Operating Officer at the time, Nick Rhodes, who was Director Cargo at the time, Rupert Hogg, who was Director Sales and Marketing at the time and Director Engineering Chris Gibbs, with 30 staff in attendance.

## HKIA Service Touches Customers' Hearts



The Heart Awards is a recognition programme that acknowledges our staff's outstanding service or other performance beyond the call of duty at the Hong Kong International Airport (HKIA), to both internal and external customers. In 2013, awards were given to more than 200 staff who received compliments from passengers and their superiors alike in the past year after demonstrating consistently excellent service. In addition, the HKIA team voted for both individual team awards, recognising those who have shown great handling skills and support in assisting passengers, especially during operational disruptions.

## Flight Crew

We proactively engage with our flight crew on the many aspects that concern their well-being, and are constantly working to improve our support to them wherever we can. To assist and support our flight crew relating to benefits, sickness, rostering, general welfare and on areas of a technical or operational nature, Cathay Pacific and Dragonair have put in place an extensive support infrastructure.

At CX, there are a number of industrial issues which we regularly address in different ways. The two primary issues for many employees, pay and working hours, are equally critical to our flight crew. Issues related to retirement and recruitment largely stem from a combination of legacy issues and constantly changing legislation around the world. In the last 30 years, our crew team has expanded rapidly (from a crew of just over 300 to nearly 3,000), and attached to this growth is a spectrum of differing terms and conditions from various phases of recruitment over the years. Hence, one of the key challenges for us as a company is to seek to be consistent and fair in the way we treat our crew, whilst being compliant with a range of local laws, and balancing the needs of employees and the business. We value our crew and therefore one of our goals is to strive to offer the most attractive working conditions and packages available to them. We started negotiations with the Hong Kong Aircrew Officers Association (HKAOA) in late 2013 and these are still ongoing. These are primarily negotiations related to pay and rostering, with other topics also included. We also continue with bargaining sessions in Australia working towards our first Enterprise Agreement. At Dragonair, work is in progress on various fronts including agreements that are periodically reviewed, such as rostering practices. Moreover, crew member representatives work closely with Dragonair on various Committees to provide feedback on meal selections, hotels, rostering and scheduling.

On the communications side, we maintain a number of channels with our flight crew to provide both technical and personal support and information dissemination. These include weekly management updates, news on the fleet, training and the various basings, auditorium question and answer sessions, online feedback forms to specific operational and technical teams, and Crews News, a quarterly news and lifestyle magazine.



Auditorium sessions remained popular in 2013, with topics covering the following:

- Aviation weather services, by the Hong Kong Observatory
- Medium and long term development (midfield concourse construction and planning for the three-runway system), by the Hong Kong International Airport
- Cathay Pacific advertising over the last 20 years
- "What's in the Kitchen", by Cathay Pacific Catering Services
- The Asiana 214 response, by the CX Corporate Contingency Planning team



Fleet offices hold regular dinners so crew from the same fleet can meet in a more informal setting. At Dragonair, communications with crew take the form of twice-monthly fleet forums and 'town hall' meetings with the management, in addition to regular bulletins from the General Manager Operations.

In order to support our Dragonair crew on medical issues, we work closely with the Corporate Medical Department and a dedicated Occupational Health Specialist who looks after the airline. Various talks and forums were held to increase awareness and knowledge on issues such as responding to epidemics.

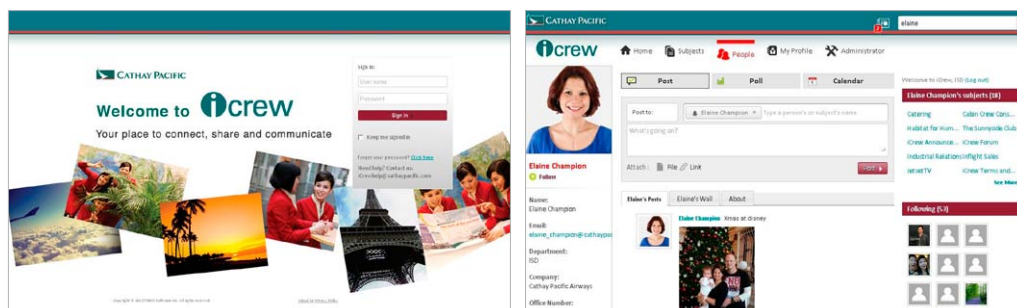
### Cabin Crew – Cathay Pacific

**Communication and Consultation** As part of our frontline team, the Cathay Pacific cabin crew provides invaluable input to the way we serve customers. Their views are important to us, and consultation and feedback are a key focus. We do this by strengthening existing crew forums, including yearly Inflight Service Managers (ISM) forums, consultative groups, the Premium Service Ambassadors, Economy Class Service Ambassadors, Cabin Quality Specialist groups, and workshops tailored to the different categories of crew.



At Cathay Pacific, the Cabin Crew Consultation Group has been holding bi-monthly meetings since 2001, and comprises a diverse range of cabin crew led by the Cabin Crew Relations & Communications Section. In addition to helping with Crew Forums, the group is also consulted on a regular basis. For instance, in 2012, they helped with the launch of the new Premium Economy Cabin, giving feedback on the service flow and passenger proposition. This year, they continued to help with crew rostering and lifestyle schemes as well as bringing important issues to management's attention.

In 2013, a new website and mobile phone application exclusively for Cathay Pacific Cabin Crew was launched. "iCrew" was designed to help crew quickly access relevant and up-to-date news and information using a computer, smartphone or tablet, no matter where they are in the world. There are approximately 4,500 active users of the app.



### The World's Best Cabin Crew



In 2013, Cathay Pacific cabin crew were voted the "World's Best Cabin Crew" in the World Airlines Awards run by Skytrax.

"I believe that the Cathay Pacific team is the best and it is fantastic to see that our passengers see it the same way", said John Slosar, Chairman of Cathay Pacific, who was Chief Executive at the time.

"The individual attention that our crew give our passengers makes them feel special each time they fly with us, making a real difference to their journeys", added Director Service Delivery Philippe de Gentile-Williams.

At CX City, the crew lounge was decorated with a signature board, cartoon cut-outs of crew, balloons, a red carpet and an arch that welcomed cabin crew as they checked in for their flights.

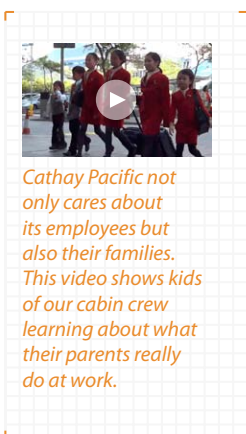
**CONNECT Survey** The CONNECT crew engagement survey has been conducted bi-annually since 2007. We gather thoughts on what is important to crew members, and how well management is doing at meeting their expectations in their work environment. Many changes have been made as a result of the survey, such as adjusting the rostering schemes so that they suit our crew's lifestyle needs better, and creating a Flight Purser workshop. More than 4,000 cabin crew provided comments through the last survey in 2012, which comprised 47% of our crew community. The next one will be carried out in 2014.

**Meeting the needs of our cabin crew** In recognition of our large and expanding inflight team and increasingly complex service environment, the following are some of the areas where initiatives are ongoing with the aim of meeting crew requirements and to better cater for their needs:

- **Lifestyle and rostering** – We work to provide safe, comfortable and convenient layover arrangements, as well as looking at flight patterns to ensure that they meet Hong Kong Civil Aviation Department standards and crew lifestyle needs. In 2013, based on feedback from crew, we introduced the “high hours scheme” where crew who wished to work more hours could opt for this. At the same time, we began trialing a route-specific scheme so crew that wanted to operate on one specific route during a certain month, could do so. These initiatives on flight request systems provide more flexibility on crew rosters. We also schedule days off on crew's birthdays where possible, and give crew the option of choosing three priority days off per year.

The Work-Life Enhancement Leave (WEL) scheme was created especially for cabin crew to provide flexibility in their roster at certain times in their life to better manage their work and lifestyle needs, and one which allows crew to balance and fulfill their work and personal responsibilities at the same time. This scheme was trialed in Q4 of 2012, where crew could apply for two weeks' unpaid leave each month. This proved to be very popular, and was rolled out as a permanent scheme in 2013.

- **On the Job** – We endeavour to make our cabin crew's working environment efficient and comfortable, and hence have introduced enhanced inflight dining options and resting amenities. Our crew was also integral in the development and implementation of the defect-free cabin campaign, which is an ongoing and long-term working group with ISMs, the Engineering and Cabin Quality & Standards teams, to maintain the high standards of our cabins.



- **Recognition and Support** – We have increased interaction and engagement to recognise the efforts of cabin crew through receptions, top performers' dinners, crew cocktails, bi-monthly crew forums, ISM and Senior Pursers workshops to discuss ideas and issues. We have also recruited a team of Performance Development Assistants to strengthen the support for the line management teams and bonding with crew. Jetset TV, launched in 2011, is a lifestyle magazine in a monthly video format, where crew are responsible for developing story ideas, script-writing, producing and presenting on topics that are of interest to them. In 2012, an episode of Jetset TV Kids attracted considerable attention. It filmed children of our cabin crew having a taste of their parents' job in the mock up cabins. In 2013, we extended this as a fundraising activity for Operation Santa Claus, where CX staff could donate money so that their children could participate in a CX uniform – themed photo shoot, which was also an extremely popular event.
- **Additional benefits** – These include extension of some layovers at new destinations, and a number of organised outings.



**Flight Attendants' Union** Every year, salary reviews are conducted and any adjustments are made at the corporate level. Discussions between the Flight Attendants' Union and Cathay Pacific management took place at the end of 2013, and an agreement was reached by both parties. The dialogue on mutually important matters continues.

**Charitable work** Our cabin crew are active and enthusiastic in contributing to charitable causes. Some highlights included: In October 2013, more than 40 cabin crew and ground staff from the Inflight Services Department joined together to take part in the annual Pink Walk for Breast Health, organised by the Hong Kong Breast Cancer Foundation. More than HK\$15,000 was raised by the team. Our crew has been participating in this activity since 2012. In 2013, around 30 crew members, together with the General Manager Cabin Crew went to Cambodia with the charity Habitat for Humanity to build houses for those in need whilst raising US\$400.

Continuing from 2012, enormous team spirit was displayed through a flash mob performance at the HKIA and Cathay City, in support of the charity Operation Santa Claus. Two hundred cabin crew, 40 HKIA ground staff and four pilots volunteered in 2013, raising HK\$380,000.

### Cabin Crew – Dragonair

One of Dragonair's key objectives of cabin crew engagement is to enhance the relationship between management and crew, as well as amongst crew themselves.



What is so special about our crew is their strong 'can do' spirit, and we want to maintain that by making it an enjoyable workplace. We need to take care of them so that they can focus on taking care of our passengers.

**Alvin Yuen**  
Manager, Operations and Cabin Crew Relations,  
Dragonair

To facilitate communication and engagement, Dragonair host crew forums once or twice a month, as well as regular appreciation dinners. Other key channels are the monthly Cabin Crew Newsletters (CCNL) and the quarterly DragonTV, a crew-produced video that feature personnel interviews and behind-the-scenes stories. Regular group visits are also organised for crew to enhance their job knowledge. In 2013, we continued to organise familiarization trips to the Airport Police.

In 2013, a new mobile application specifically created for Dragonair cabin crew, i-KA, was launched. The aim was to facilitate swifter communication and create a platform for better engagement for a non-office based workforce. It contained direct links to the most up-to-date cabin crew newsletters, breaking news, events calendars, flight timetables, crew manuals and guidelines. It is also linked to the grooming and putonghua apps. It serves as a reference point for essential information that may be needed by cabin crew. Some information can also facilitate crew to serve passengers more efficiently, such as the “inflight sales” function which indicates where each inflight sales products are stored. The app has proved to be very popular, with over 80% uptake since its launch.

Other Dragonair initiatives also included:

**Cabin Crew Help Desk** With the growth of the cabin crew community, Dragonair is always looking for proactive ways to provide personalised care and attention to them. Two new Cabin Crew Help Desks/Hotlines were established in February 2012 at our Hong Kong and Shanghai bases. Four specialists, who are senior Flight Attendants themselves, are available around the clock at each base, ready to attend to crew issues, answer enquiries and offer support. They also engage with younger crew by sharing inflight experiences and knowledge on operational procedures. We are preparing to set up a new Help Desk for these leaders themselves in 2014, supported by the Operations Team.

**Cabin Crew Support Team (CCST)** This team has been in place for six years, and comprises over 20 crew from different ranks and bases. They meet monthly to discuss operational issues, how the service can be more effective, and how to improve occupational health and safety in the cabin. In addition, they are involved with crew communications and rostering projects. This is also a platform whereby the company can obtain feedback on new ideas. To give crew a wider perspective on how the business operates, the CCST acts as a channel to disseminate information about the decision and logistical processes involved in facilitating changes and improvements.

**Charitable events** In 2013, Dragonair cabin crew participated in the first ever Dragonair Charity Singing Contest, in support of community flights to Kathmandu, Nepal. Thirty finalists and their families were selected to join the two trips in July and August with the ISD management team and local ground staff. There, they visited an elderly home and three orphanages, including one for children infected with HIV. Over HK\$20,000 was raised through the singing contest, part of which was used to buy supplies, groceries and sundry items such as rice, oil and toothbrushes. Crew also donated unused overcoats, cardigans as well as windbreakers from our old uniforms which had been phased out, winter blankets, children’s socks, towels and stationery, along with 20 bags of items donated by Dragonair cabin crew. The airline also sponsored two gas cylinders and a water pump at the centres.



"I am so proud to see the kids in Kathmandu having such a positive attitude despite their living standards. This definitely makes me realize the importance of appreciation." A participating crew member.



### The Extraordinary Service of Our People



Every year, we recognise the extraordinary service of both Cathay Pacific and Dragonair staff through our annual Betsy Awards.

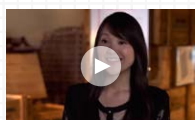
In 2013, the top winner was Cathay Pacific Customer Services Officer Louis Lo who provided assistance to the family of a passenger who sadly passed away following a heart attack en route to Australia from Rome. His help with the arrangements was greatly appreciated by the passenger's wife.

For their team effort, Dragonair Chief Purser, Tolmira Taipo, Maizy Lock and their teams received the Betsy Award. Tolmira's team resolved an unpleasant situation in the Business Class cabin on a flight to Shanghai in a discreet and professional manner, while Maizy and her team's vigilance helped arrest two suspects on a flight from Phnom Penh to Hong Kong.

## 2 Recruitment



*Cathay Pacific Careers  
"Jobs on the Ground"  
(Playlist)*



**Michelle Tsang,**  
Assistant Manager,  
Cargo Product



**Hanson Lau,**  
Technical Services  
Engineer, "A Day  
in the Life of  
an Engineer"



**Richard Xing,**  
Technical Services  
Engineer, "Engineering  
at Cathay Pacific"



**Richard Clausen,**  
Senior First Officer,  
Cathay Pacific "A Day  
in the Life of a Pilot"



**Dennis Chen,** Being  
a Second Officer



Meet Our Cadets  
and Pilots

As a major employer which supports Hong Kong, we endeavour to demonstrate good corporate citizenship. We provide equal opportunities to individuals regardless of gender, race, national or ethnic origin, religion, cultural background, social group, disability, marital status, family status, sexual orientation, age or political opinion. We have adopted formal mechanisms through which employees can make a complaint of discrimination or harassment in any form.

The practice of undertaking local recruitment in the communities in which we operate has been in place for the past 25 years. If the required skills are available locally, we will give priority to the local labour market, before searching internationally. Vacancies are first opened internally to our staff, then to the local community, and then finally, overseas. Most of our overseas hiring relates to skills or experience that is not readily available in the local labour market.

A series of new videos introducing the career opportunities available to ground-based staff was produced this year. This series features a range of staff from the engineering, IT, airport customer services and other professional streams.

We offer specific programmes to build staff competencies and careers in the following areas:

Career Choices	Brief Description
<b>Management Trainee</b> (Part of John Swire & Sons Hong Kong, the majority shareholder of Swire Pacific Limited, also the majority shareholder of Cathay Pacific Limited)	<ul style="list-style-type: none"> <li>Summer internships through the John Swire &amp; Sons Hong Kong programme</li> <li>To nurture our next generation of business leaders</li> <li>Three-year development programme, with classroom training, workshops, and attachments to different units of our business within and outside of Hong Kong</li> </ul>
<b>Engineering Trainee Programme</b>	<ul style="list-style-type: none"> <li>A 30-month development programme, with classroom-based aircraft training alongside practical experience in postings to different engineering sections</li> <li>Engineering internships with two intakes: Summer and Winter seasons interning for eight weeks</li> </ul>
<b>Cadet Pilot</b>	<ul style="list-style-type: none"> <li>A 60-week development programme for becoming a commercial pilot</li> <li>Residential course at a specialised facility in Australia</li> </ul>





**Grace Hui**, Flight Attendant, takes us along her flight from Hong Kong to Sydney, where she works in-flight with her team to deliver world class services to passengers.



**Careers on the Ground** – Customer Services at Hong Kong International Airport



**Sammy Yeung**, Supervisor, shows us how she and her colleagues make passengers' journeys a little smoother and easier.



**Kenneth Lee**, Application Manager



**Cherry Lui**, IT Project Manager



**Joe Locandro**, IT Director

Career Choices	Brief Description
<b>Flight Attendants</b> ▶	<ul style="list-style-type: none"> <li>A three-year contract to train as a safety officer, caring team player and ambassador for Hong Kong</li> </ul>
<b>Customer Services Officer</b> ▶	<ul style="list-style-type: none"> <li>A nine to 12-month development programme on customer service skills within airside duty, and technical check-in procedures training on landside</li> </ul>
<b>IT Trainee Programme</b> ▶	<ul style="list-style-type: none"> <li>Launched in 2013 and opened for application from November 2013 to January 2014</li> <li>Scheduled to start in September 2014</li> <li>10 trainees rotating through a range of IT disciplines and business units</li> <li>Opportunity to work their way up the career ladder depending on their performance and opportunities available</li> <li>One-on-one mentoring and support to develop technical skills such as cloud computing, mobile apps, RFID tag technology and web-based activities</li> </ul>

### 3 Training and Career Development

We promote a culture of continuous learning. Our staff are responsible for their own professional and career development. We support this by investing heavily in extensive formal training, online learning, seminars and forums.

Managers conduct performance reviews for all staff as part of our performance development and management process. We also support ongoing vocational education and career breaks for staff members who wish to pursue external activities to further enhance their careers.

#### People Development

In 2011, our 'People Development' team was set up to provide a greater focus on people development across the network. People Development supports the company's leadership pipeline in the identification and development of staff who demonstrate high potential and performance, as well as identifying suitable career development opportunities. A formal leadership and management development curriculum has been delivered to relevant staff at all levels in both Hong Kong and outposts.

#### Learner's World

Learner's World is our online training platform that allows staff to independently access training, without the constraint of time and place. It offers both personal development and work-related training. It is also a key platform for our compliance-based training.

An online learning course on cultural awareness has been available since 2006, covering issues such as taboos, social norms, languages, values and religions, different ways of greeting people and reflections on cultural sensitivity. This is aimed at demonstrating the importance of respect and sensitivity to other cultures to avoid any behaviour that some passengers might find offensive.

There are online Mandarin and English courses which focus on specific requirements that support various job functions. In addition to these, there are a number of generic courses on effective communication available for all staff.

The Hong Kong Personal Data (Privacy) Ordinance was amended and came into effect from 1 April 2013. As such, the Company amended its Personal Data (Privacy) Policy to comply with the new amendments and developed a new online training module which employees must complete.

#### Equipping Our Airport Teams Worldwide

Our Airports Training and Development Centre (ATDC) is responsible for driving and enabling the development of skills and competencies required of airport teams worldwide. ATDC works closely with local airport training coordinators, supervisors and managers to ensure training and development approaches, programmes (both technical and behavioural) and capabilities are optimised.

Since 2009, we implemented a five-year strategy to: support the achievement of standards via new hire programmes; cultivate service and irregular operations handling capabilities; develop leaders to manage the business and grow teams; and foster a day-to-day learning culture.



### Creating a Learning Culture for Our Cabin Crew

Cabin crew compose a significant proportion of our staff and in many ways represent the diverse culture of our business. In 2013, we had 9,435 cabin crew from 14 countries. Of this, 5,310, or 56%, were from Hong Kong.

To enable our team to provide the highest quality of service to our customers, the Cathay Pacific Inflight Service Training and Development team provide cabin crew with a comprehensive training and development programme using a 'blended learning approach' that focuses on knowledge, skills and attitude development. This includes induction and promotion training, annual refresher courses, job coaching, web-based learning and external workshops. We offer a series of voluntary learning options, whereby the employee is able to decide the extent of their additional training. These include workshops and briefings. Our cabin crew may also be given an opportunity to participate as trainers and to take part in marketing events and office secondment programmes, allowing them to understand how other parts of our business are run.

To enhance cabin crew induction and training, renovation of the Airbus A340 cabin mock-up to an A330-300 configuration with new products was completed in 2012. It is a two-cabin mock-up with real aircraft seats, functioning overhead lockers, real toilet and almost fully functioning galley. Business class is equipped with the latest Regional Business Class product (launched in September 2012) and Economy Class is fixed with our Aries (fix back shell) seats for the regional product. The Boeing B777 aircraft mock up was also installed with the new Premium Economy and Economy Class products. The simulated environment helps to improve the training quality and new product knowledge, and crew's servicing skills are greatly enhanced. Over the past few years, our ISMs and Senior Pursers have attended workshops focusing on leadership and service excellence. In 2013, a series of flight attendants' workshops were introduced to provide developmental opportunities for those who have completed four years of service. These workshops focused on enhancing interaction styles, especially in terms of cultural sensitivity.

We also continued with our Inflight Service Managers' (ISM) workshops and annual forums. In 2013, modules included workshops dealing with unruly passenger behaviour inflight de-escalation techniques. In addition, voluntary workshops were also offered on areas such as wine tasting, servicing the First Class cabin, public address and grooming.



Our cabin crew was required to complete a new e-learning module, which covered a new corporate policy in 2013 on "Flight Time Limitation". This is a Civil Aviation Department (CAD)-approved policy on flight and duty time as well as rest requirements for all staff on board an aircraft. This policy is to ensure all operating staff on board an aircraft have adequate rest at the beginning of their flight duty and when needed, rest periods during the flight so that they are able to carry out their responsibilities to satisfactory level of efficiency and safety.

The Flight Pursers workshops, which were introduced in 2012, focused on exploring concepts that aim to help with personal development, such as developing key life skills, taking up new roles in life, and exploring ways to achieve better work-life balance. We believe that these useful skills will benefit the crew and in turn, the company. A key ingredient of the initiative is the commitment of senior management to be present at every workshop to provide recognition and appreciation to the Flight Pursers for their work.

In addition to strengthening our service philosophy, business awareness, service and interpersonal skills, we provide annual training sessions refresher on disability awareness and occupational safety for all crew. Leadership and management skills training are provided to senior crew to support them in managing and mentoring the younger generation of crew. To encourage ongoing development, we provide voluntary learning programmes that cater to both our crews' work and personal lives.

In 2011 and 2012, Dragonair trialed the Cabin Crew Mentorship Programme which was designed to enhance the professionalism and service quality of our crew. In 2012, we ran four Mentor Development Workshops training 21 mentors to help develop our younger crew leaders. The feedback collected from both mentors and mentees in the pilot programmes were very encouraging. In 2013, we ran two Mentor Master Classes as the second stage of mentor development. During these sessions, the experienced mentors shared and exchanged ideas on improving the mentoring process and the programme itself.





We had many valuable discussions that were not only limited to our profession. Her kindness, patience and care really made a difference to me. On top of that, she also demonstrated how a professional cabin crew member should act from the inside out, from the bottom of our hearts. I truly appreciate it.

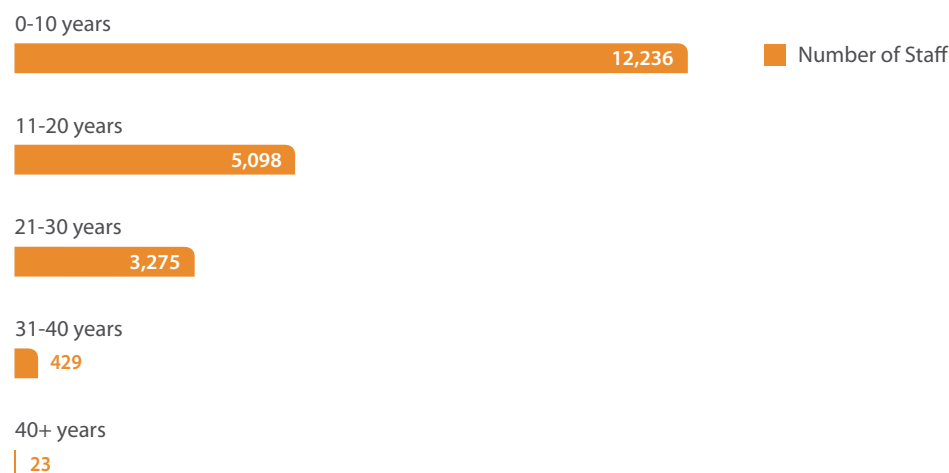
**Vicky Wong**

Senior Purser,  
on her relationship with mentor Sandy Wong

In March 2012, we launched a Smartphone app on Putonghua-learning, the first in the airline industry. This "Putonghua-to-go" app allowed our crew to learn anytime and anywhere. As part of the Grooming Campaign and in preparation for the new uniform rolled out in 2013, an app on grooming was also made available. In addition, we will provide training on presentation skills to increase crew confidence when presenting at promotion interviews.

**Retaining Talent**

Cathay Pacific values the long-term commitment our staff makes to the delivery of their work and to service excellence, which is important to the sustainability of our business. We are proud of our 'family-oriented' culture and encourage staff to see the long-term value of working with us. We acknowledge the diversity of needs and values that each generation of staff presents, and we work hard to respond to and meet those needs.

**Years of Service (2013)**

Note: Cathay Pacific Airways only.

## 4 Cathay Pacific Group Benefits

We offer a comprehensive and flexible package of staff benefits. A dedicated onsite Benefits Services Centre caters for all Hong Kong-based staff benefits information needs, whilst outport staff can approach their local People Departments for benefits-related queries.

### Flexible Benefits: Rightchoice

We are one of the first Hong Kong employers to offer a flexible benefits package, including medical and dental coverage, insurance plans and retirement schemes, which can be tailored to meet our employees' personal circumstances. There is also an option to buy additional leave.

### Staggered Working Hours

Staggered working hours have been in place for all Hong Kong non-operational ground staff since 1996. Section heads and staff are encouraged to work out an arrangement that can be of mutual benefit without adversely affecting the work of the team.

### Employee Welfare

We provide an Employee Assistance Programme (EAP) in Hong Kong and outports which staff and eligible dependents can access. It is free of charge, confidential, and provides professional (including financial and legal) information and counselling on personal and work-related concerns such as relationships, parenting, emotional disturbances, substance dependency, coping with trauma, grief, preparing for retirement or job transitions.

### Response in Difficult Financial Times

While 2013 showed some improvements in the business, it was still a difficult year for Cathay Pacific. Despite this, we provided a discretionary 13<sup>th</sup> month bonus pay and announced a salary increase of 3.9% to 4.5% for eligible staff in Hong Kong, with guidelines provided to our outport staff applicable to their local situations.



All of the fantastic things we have done this year are the result of a determined effort from the best team in the business.

**John Slosar**

Chairman of Cathay Pacific,  
who was Chief Executive 2011-2014

In previous years, during economic downturns, we implemented different Unpaid Leave Schemes as part of our cost saving measures, and offered ex-gratia payments to eligible staff despite the difficulties we faced in the airline industry. This was part of our belief that even during difficult times, keeping our team together was a priority.

## 5 Cultural Diversity

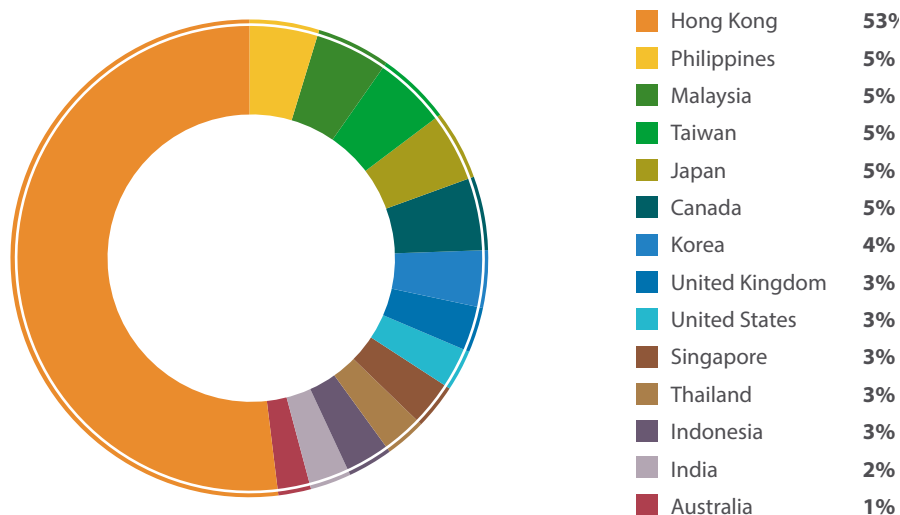
Cathay Pacific supports a work environment which promotes mutual respect and trust. We are proud of our multicultural environment which creates a uniquely rich diversity not seen in many companies in Hong Kong.

In 2013, we employed pilots from more than 30 different countries and cabin crew representing 14 nationalities. Our employees operate in more than 30 countries where we employ local staff.

We are pleased to advocate diversity in our workforce because we believe this promotes an outward-looking international perspective in line with the company's vision.

Any type of discrimination based on background, culture or preference is viewed as a serious matter and is not tolerated by the company.

**Cabin Crew Nationality Mix (%)**



Want to find out more?  
Go to **Cathay Pacific Catering Services**.

The following countries have fewer than 10 staff and are not shown on the graph above:

Austria	France	Italy	Spain
Belgium	Germany	Netherlands	Sri Lanka
China	Greece	New Zealand	Sweden
Denmark	Ireland	Portugal	Switzerland



Want to find out more?  
Go to **Hong Kong Airport Services**.

For further details of our subsidiary companies' engagement and interaction with their employees, please refer to their respective reports:

**Cathay Pacific Catering Services**

<http://www.cpcs.com.hk/press/Sustainability%20Report%202012%20ENG.pdf>

**Hong Kong Airport Services**

<http://www.has.com.hk/cms/images/downloadable/SD%20Report%202013.pdf>