Engaging with Our Suppliers

We recognise that the degree to which our suppliers integrate Sustainable Development principles and practices into their businesses plays an important role in our overall sustainability performance. This is closely related to our operational efficiency and helps us better manage our risks.

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1 Engaging with Our Suppliers

Our aim is to enhance the sustainability of our supply chain through encouraging and applying ongoing compliance with our Supply Chain Sustainability Code of Conduct, and with continued engagement and collaboration with our suppliers. We manage our sustainable development risks related to our supply chain by actively working with suppliers who share our standards for issues related to the environment, health & safety, human rights and labour practices, business ethics and the community.
2 Sustainable Sourcing

Building on our efforts to establish sustainable sourcing guidelines, we continue to examine opportunities for using alternative materials with lower environmental impacts. Some examples of successful applications in recent years include switching from plastic to corn starch and cellulose in manufacturing the toothbrushes in our inflight amenity kits. In 2013, we published internal guidelines outlining our preferred specifications to replace, remove or reduce plastic items wherever practical. We are committed to focus on finding solutions and alternatives for single use plastic items throughout our supply chains. In 2014, we worked with our purchasing, inflight and product teams to enable procurement managers to consider sustainability in their purchasing decisions (see feature box below).

The Premium Economy amenity for Cathay Pacific, designed by Hong Kong home-grown brand G.O.D. in collaboration with Watermark Products, is made from at least 90% recycled plastic bottles. The design took inspiration from the vibrant culture of Hong Kong, where East meets West and age-old traditions blend with cutting-edge technology.

The toothbrush in this kit is made mainly from corn starch and cellulose, which is biodegradable, recyclable and uses less resource in its production.
Inflight Carpets

Our current Economy Class cabin, which was first introduced in 2012, features carpets produced from regenerated nylon waste materials such as discarded fishing nets, fabric, and carpets. These have been installed across Cathay Pacific and Dragonair wide-bodied passenger fleet such as the Airbus A330 and Boeing 777 aircraft.

The use of regenerated material can help eliminate waste and reduce the energy and materials needed for the primary production of nylon. More importantly, removal of marine debris such as discarded fishing nets can help reduce the threat posed to marine animals.
Enabling Procurement Teams to Choose More Sustainable Plastics

Following our study on plastic use in 2012, in 2014 we partnered with Business for Social Responsibility (BSR)'s Centre for Sustainable Procurement (CSP). We worked with our Inflight, Product and Procurement teams to see how we can procure more sustainable container, cutlery and material for our inflight meal service products, especially single-use items. Our aim for this exercise was to create tools and procedures that can steer procurement decisions towards plastics with lower environmental impact.

We worked to modify the supplier RFP to include the following:

- More explicit inclusion of sustainability language throughout the RFP document;
- Requests for quantitative data on plastics production, such as polymer type, weight, recycled content, energy and water used, and carbon emitted during production; and
- Calls for qualitative data on supplier initiatives and suggestions for how to reduce the environmental footprint of transport and packaging.

A simple comparative tool was developed to rank the relative sustainability merits of materials proposed by suppliers based on the information those suppliers provided, thus enabling a more informed supplier selection.

Whilst not a full life cycle analysis, this exercise facilitated engagement with suppliers on Cathay Pacific’s sustainability impacts, and demonstrated the value of integrating sustainability criteria into the procurement process.

Our teams are also working with suppliers to expand our inflight catering offering of sustainably sourced seafood on a greater number of routes. In the long term, we aim to utilise more alternatives with sustainability attributes and expand our support of products that adhere to relevant sustainability credentials by organisations such as the Fairtrade Foundation, the Forest Stewardship Council (FSC) and the Marine Stewardship Council (MSC).
New First Class Sleep Suits

As part of the First Class refresh in 2013, the new contemporary design sleep suits were made from 100% organic cotton by Hong Kong brand PYE.

PYE’s wholly owned vertical supply chain ensures that sustainable production methods are practiced from start to finish. Green manufacturing at PYE starts with cotton farming and extends to spinning, weaving, dyeing, knitting and apparel and accessories production.

PYE grows organic cotton using environmentally friendly farming methods such as natural pest control and drop irrigation. This reduces water consumption and pesticide use. In addition, the sleep suits are not pre-washed to reduce water consumption. A hangtag on the suits encourages passengers to care for their sleep suits in an eco-friendly way, such as washing with cold water and line drying to save energy.

In 2013, we trialled the implementation of selected items contained in the HKSAR Government’s green purchasing guidelines. While these guidelines were developed specifically for the HKSAR government’s use, they have been a useful reference for our procurement specifications. We adopted the relevant parts of these guidelines in the design of our new airport lounges and purchase of new IT equipment.
LEED Certification for Our Airport Lounge at Charles de Gaulle Airport, Paris

In 2014, Cathay Pacific’s passenger lounge at Charles De Gaulle (CDG) Airport, Paris, was LEED® certified to the Silver level. This was consistent with our commitment to consider green standards for our new buildings and refurbishments. CDG was also the first and only airport lounge in the world that has received such certification to date.

The LEED rating system, developed by the U.S. Green Building Council (USGBC), is the foremost programme for buildings, homes and communities that are designed, constructed, maintained and operated for improved environmental and human health performance.

Planning of the lounge refurbishment started in 2010, and it was officially opened in September 2012. This achievement was a result of the joint effort of different Cathay Pacific teams, the designer and contractors. It also relied on the cooperation by CDG airport, without whom, some of the LEED requirements would not have been met.

Cathay Pacific’s CDG lounge received LEED certification for implementing practical and measurable strategies and solutions aimed at achieving high performance in: sustainable site development, water savings, energy efficiency, materials selection and indoor environmental quality.

Examples of measures used in the design & construction of the lounge included enhancing energy efficiency by designing in and maximising the use of natural light, using LED lighting and appliances, and installing movement sensors and meters, incorporating water efficient devices, and using low-emitting materials.

“We are very pleased to be LEED Silver certified. We have worked on this for three years, and this is recognition of the time, effort and investment put in by our Property Services, Product and Paris Airport teams, as well as the hard work of our suppliers and contractors.”

Chris Leung
Property Planning and Projects Manager
3 Involving the Local Community

With financial support from the Hong Kong Government’s Home Affairs Department, and in association with the Hong Kong Outlying Islands Women’s Association Limited (OIWA Limited), our subsidiary CPCS collaborated with local community service centres in Tung Chung in 2009 to establish an inflight cutlery and vegetable semi-processing facility. The aim of the initiative is to support women’s development, promote harmonious families, and build inclusive communities. It provides training and full or part-time employment near these women’s homes so they can also look after their families. Feedback from the community has been positive, and in 2015, 40 to 45 part-time housewives were hired and worked at the facility. Involving local communities by leveraging on our operations on Lantau Island aligns with suggestions raised by stakeholders during previous focus groups, as well as last year’s focus group with our suppliers.
4 Applying the Supply Chain Sustainability Code of Conduct

Since the launch of our Supply Chain Sustainability Code of Conduct in 2007, we published a revision in 2009 to include our standards for business ethics to reflect our strong preference to work with suppliers who share our commitment to honesty and integrity. Along with our Sustainable Development Strategy, we reviewed the Code of Conduct to align the expectations we have of our suppliers with our Sustainable Development Policy in 2012. It is available internally through our intranet and shared with our existing and potential suppliers, both locally and at our outposts.

The Code of Conduct forms part of the supply tenders and contracts managed by our local offices. Suppliers, both new and existing, are expected to confirm their compliance with the standards described in our Code. Compliance with the Code of Conduct is included as a contractual requirement for all suppliers.

In 2012, we completed a public search of our top 200 suppliers based on total contract value in 2011. What we wanted to understand was how many of our suppliers actually make public statements as to their own standards for sustainability. A very high number of suppliers do not make any reference to sustainability or Corporate Social Responsibility on their websites, and only two suppliers had a published Code of Conduct that matched very closely with our own Code.