

Cathay Pacific Airways Limited

Supplier Corporate, Social and Environmental Responsibility Code of Conduct

(Version 2007/001)

Cathay Pacific Airways is deeply committed to Hong Kong, where the Company was founded. We continue to make substantial investments to develop Hong Kong's aviation industry and enhance Hong Kong's position as a regional transportation hub. But we are also a company with connections to many other countries and growing markets, particularly in China, given the addition of Dragonair into our family.

In keeping with our vision to make Cathay Pacific the most admired airline in the world, we recognise that corporate social responsibility is an important part of our reputation and brand. We will only be a successful and sustainable business if the suppliers with whom we work display similar standards. Success means not just complying with necessary laws and regulations, but going beyond and setting standards that are expected of an industry leader.

Cathay Pacific actively seeks to select and work with suppliers who share its commitment to honesty and integrity in all areas of their business. Cathay also actively seeks to select and work with suppliers who integrate social and environmental policies into their business processes. Such policies should include environmental, occupational health and safety, and human rights and labour policies. Suppliers to Cathay Pacific should proactively provide clear, accurate and appropriate reporting of their progress toward achieving their social policy objectives.

Cathay Pacific is committed to select and retain qualified suppliers that meet Cathay Pacific's Supplier Code of Conduct according to the following core standards:

Legal and Regulatory Compliance

Suppliers shall ensure their operations and the products and services supplied to Cathay Pacific comply with all national and other applicable laws and regulations.

Environment

We have a responsibility to look after the natural environment both for today and in the future. All stages in the Supplier's supply chain shall comply with, and preferably exceed applicable national and legal requirements. Cathay Pacific will have a strong preference for Suppliers who publicly report upon and measure their environmental impact and seek to improve the impact of their operations upon the environment. We will have a strong preference to select suppliers whose goods or services can make a significant difference to reducing Cathay Pacific's environmental impact.

Forced Labour

Suppliers must not use forced labour in any form – prison, indentured, bonded or otherwise.

Child Labour

Suppliers must not employ any person below the local legal minimum age, or below the age of 16, unless the person is employed as part of a recognised professional apprenticeship programme.

Compensation and Working Hours

Suppliers must provide each employee at least the local legal minimum wage and benefits. In Hong Kong, Cathay Pacific is committed to support the HKSAR Wage Protection Movement and will seek similar commitment from its Hong Kong based suppliers.

Suppliers must pay their employees promptly, providing each with clear, written accounting for every pay period. Wages should be paid regularly, on time and be fair in respect of work performance. Payment should not be made more than one month in arrears and deduction should not be made from employee pay for disciplinary reasons. Weekly working time must not exceed the legal limit, and overtime work should always be voluntary and properly compensated.

Employees should be granted their stipulated annual leave and sick leave without any repercussions, and should take their stipulated maternity or paternity leave in accordance with national laws.

Health and Safety

Suppliers must have in place health and safety policies and standards designed to reduce work-related injury and illness, and promote the general health of employees. These policies must be made available to employees.

Discrimination / Rights

All conditions of employment must be based on an individual's ability to do the job, not on the basis of personal characteristics or beliefs. Suppliers shall not discriminate on the basis of race, colour, national origin, gender, sexual orientation, religion, disability, and other similar factors.

Subcontractors and other Service Providers

If, in order to provide their own goods and services, the supplier has a substantial reliance on subcontractors and other service providers, then the supplier should have its own supplier social responsibility code of conduct. This should be integrated within its business process to select and manage the performance of those subcontractors and other service providers.

Documentation and Inspection

Suppliers must maintain records of all documentation needed to demonstrate compliance with this Code of Conduct and required laws, agree to make these documents available for Cathay Pacific or its designated monitor; and agree to submit to inspections with or without prior notice.

The Code of Conduct may be amended from time to time. The most current version of the Code of Conduct will be available on line at CathayPacific.com