香港
國際機場
HONG KONG
INTERNATIONAL
AIRPORT

SUSTAINABILITY REPORT 2023/24





Content

03 Chairman's Message

04 CEO's Message

05 Overview

05 2023/24 Highlights

06 About this Report

08 HKIA at a Glance

10 Our Approach to Sustainability

22 Environmental Excellence

24 Towards the World's Greenest Airport

25 Operating a Low-carbon and Climate-resilient Airport

38 Designing and Building a Green Airport

40 Managing our Waste

44 Enhancing Biodiversity

47 Operational Excellence

49 Delivering a Smart and Vibrant Airport Experience

51 Digitalising Airport Operations

54 Maintaining a Safe, Secure and Resilient Airport

59 Thriving Economies and Societies

61 Transforming HKIA into a New Landmark

65 Strengthening our Position as a Premier Air Cargo Hub

67 Nurturing Aviation Professionals

70 Caring for our Communities

73 Thriving People

75 Building and Developing our Workforce

79 Strengthening Corporate Culture

81 Enhancing Staff Engagement and Communication

84 Appendices

84 I. List of Abbreviations

85 II. Performance Data

95 III. Reporting Standards and Frameworks

130 IV. Sustainability Impacts, Risks and Opportunities

140 V. Stakeholder Engagement

142 VI. Verification Statement

143 VII. Sustainable Finance Transactions Annual Report

162 VIII. Task Force on Climate-related Financial Disclosures Statement

Chairman's Message



> **As we conclude the post-Covid recovery period, HKIA is ascending towards a brighter, more sustainable future in partnership with valued members of the airport community.**

Dear Stakeholders,

Despite ongoing global economic and geopolitical uncertainties, I am pleased to report that passenger volume at Hong Kong International Airport (HKIA) has reached 80% of the pre-pandemic level during the peak season last Christmas, and a full recovery is expected by the end of 2024. As we conclude the post-Covid recovery period, HKIA is ascending towards a brighter, more sustainable future in partnership with valued members of the airport community.

We are moving closer to realising the Airport City vision, with key developments like the Three-Runway System (3RS) and 11 SKIES, the first comprehensive hub in the Greater Bay Area that combines entertainment, leisure, business and wealth management, nearing completion. Our progress is accompanied by a return to strong financial performance. With the launch of Airport Authority Hong Kong (AAHK)'s first retail bonds in February–a HK$5 billion issuance–the public is directly sharing in the benefits of this infrastructure.

As these major developments progress, our commitment to sustainability becomes even more crucial. Decarbonisation is at the very foundation of our vision for a more sustainable HKIA. In April, we became the first airport in Asia to pilot renewable diesel in ground services equipment, which can help reduce carbon emissions while improving air quality. We have proudly launched this innovative programme in collaboration with airport community partners, with sponsorship from the HKIA Greenovation Fund set up by AAHK.

Looking to the future, we are proudly training the next generation of aviation professionals through Hong Kong International Aviation Academy (HKIAA). The HKIA Cadet Pilot Programme was launched in September 2023 and welcomed its first class of students to embark on their 'pilot-to-be' journey. With coursework and training in both Hong Kong and the United States, this new programme is solidifying Hong Kong's role as a regional civil aviation training hub.

Our progress is made possible only by the passion for sustainability that runs throughout the airport community. As I look back, I am humbled by what we have achieved together and inspired by the possibilities for an even brighter path ahead.



Jack So Chak-kwong
Chairman
Hong Kong, May 2024

CEO's Message



> **Despite the challenges of the pandemic period, we continued investing in projects across numerous aspects of sustainability. I am pleased to report that we are now seeing the benefits, which can inspire the sustainability ecosystem in the airport community.**

Dear Stakeholders,

Sustainability at AAHK is not just about what we do in good times—it's also about what we do in difficult times. With this in mind, and despite the challenges of the pandemic period, we continued investing in projects across numerous aspects of sustainability. I am pleased to report that we are now seeing the benefits, which can inspire the sustainability ecosystem in the airport community.

Innovation and technology have been pivotal. HKIA has become the first airport to deploy a large-scale Digital Apron Tower Management System, and we have adopted autonomous vehicles that can conduct baggage towing and patrols more effectively than ever before. Even as traffic volumes have sharply increased, these developments are helping to make the airport operation safer and more efficient while showcasing the potential for innovation to sustain our city in the long term.

Our innovative approach also extends to airport management, which historically focused solely on the airport island. Today, following a renewed focus on regional passengers and cargo, our connections extend throughout the Greater Bay Area. The HKIA Dongguan Logistics Park exemplifies the benefits of this strategy, cutting the operating costs and handling time associated with international cargo shipments from the Mainland and expanding our ability to drive economic and social prosperity.

As we look ahead, climate change remains a significant challenge for our industry. We are pioneering efforts in this area, including by supporting the adoption of lower-carbon fuels. We are conducting a comprehensive study on the use of sustainable aviation fuel (SAF) in Hong Kong, which includes a range of options to promote SAF uptake and related recommendations for the HKSAR Government. Addressing this complex problem requires collective effort, and we are committed to working with the Government and other key supply chain players to identify strategic options for Hong Kong.

AAHK has been dedicated to sustainability for years, not to receive awards but because it is the right thing to do. Nonetheless, I am proud that AAHK continues to earn recognition from leading ESG rating agencies, being recognised as a "2024 Top-Rated ESG Performer" by Sustainalytics. AAHK's success is, ultimately, a testament to the efforts of our people and the airport community. We hope the updates in this Report will encourage others to take steps towards a more sustainable future as well.



Fred Lam
Chief Executive Officer
Hong Kong, May 2024

2023/24 Highlights

Overview

- Recognised as a **"2024 Top-Rated ESG Performer"** by Sustainalytics
- Introduced **24 strategic goals** across four distinct pillars
- Aligned reporting with an additional **UNSDG–14: Life Below Water**
- **HK$4 billion** raised through our inaugural institutional public bond issuance

Environmental Excellence

- First airport in Asia to use **renewable diesel** in ground services equipment
- Our aviation fuel facilities obtained the **ISCC CORSIA certification** for SAF handling
- **Final Platinum** rating under BEAM Plus New Buildings for Sky Bridge
- Released **~20,000 fish fingerlings** and **1 million shrimp fry** in the 2nd phase of fish restocking pilot

Operational Excellence

- Expanded home baggage check-in service to **all Hong Kong districts**
- First and only airport to deploy a fleet of **autonomous vehicles**
- First airport community to deploy a large-scale **Digital Apron and Tower Management System**
- Conducted **~35 drills and exercises**, and **75 training workshops**, on various operational and emergency scenarios

Thriving Economies and Societies

- **"Fly-Via-Zhuhai-HK"** passenger transfer service was launched
- **SkyPier Terminal** commenced operation
- 1st airport community to attain the full suite of **CEIV** partner airport certifications
- Attracted **~14,000 visitors** to job fairs with employment opportunities for youth and women at HKIA

Thriving People

- Launched a new **Corporate Social Policy Statement**
- **49 events** organised through the AA Staff Club
- **81,818 hours** of in-person and online training
- Over **1,500 participants** joined health and wellness activities during Wellness Week



About this Report

Airport Authority Hong Kong (AAHK) is pleased to share our twelfth Sustainability Report. This Report covers the fiscal year 2023/24 ended 31 March 2024, and mainly focuses on the core aspects of operating and developing HKIA. We also refer to AAHK's subsidiaries and outsourced operations where relevant. The appendices to this Report include detailed information regarding our performance, alignment with leading reporting standards, contributions to the United Nations Sustainable Development Goals (SDGs) and AAHK's Green Bond portfolio. We value your feedback on our sustainability reporting and performance. Please email us at corporatesustainability@hkairport.com.

Independent Verification

This Report, including the Sustainable Finance Transactions (SFTs) Annual Report and Task Force on Climate-related Financial Disclosures (TCFD) Statement, has been independently verified by the Hong Kong Quality Assurance Agency. Details of these verification statements can be found in the corresponding appendices. Separately, AAHK's greenhouse gas (GHG) emission data, including Scope 1, Scope 2 and selected Scope 3 emissions, as disclosed in this Report, have been independently verified by SGS Hong Kong Limited.

Reporting Standards and Frameworks

GRI

SUSTAINABLE DEVELOPMENT GOALS

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Our Four Sustainability Pillars

This year, we have updated the structure of the Report to reflect the four focus areas of our new sustainability strategy, Ascend.



Environmental Excellence

Building upon decades of environmental leadership, we strive to make HKIA the World's Greenest Airport. This section describes how we are progressing on that journey, working to reduce HKIA's environmental footprint and partnering with others to tackle some of the most significant environmental challenges facing Hong Kong and beyond.



Operational Excellence

The airport is more than just a transit hub: it's where millions first experience Hong Kong every year. This section highlights the ways we are making that experience memorable, exciting, safe and efficient through technology and our commitment to service excellence.



Thriving Economies and Societies

HKIA sits at the crossroads of the Guangdong-Hong Kong-Macao Greater Bay Area and international markets, linking lands and lifting lives around the world while serving as a focal point for communities near the airport. This section illustrates how we leverage this unique position to drive economic and social prosperity.



Thriving People

AAHK staff, the airport's lifeblood, work tirelessly to ensure we remain on track to achieve our ambitious plans. This section delves into our efforts to attract, develop and retain the talent essential for driving HKIA's success and future.

Appendices to this Report

Performance Data	Economic, operational, social and environmental data relating to our sustainability performance.
Reporting Standards and Frameworks	Outlines where you can find information required by the Global Reporting Initiative (GRI) Standards and Hong Kong Exchanges and Clearing Limited's Appendix C2 Environmental, Social and Governance Reporting Guide (HKEX ESG Guide), in addition to our contributions to the United Nations SDGs.
Sustainability Impacts, Risks and Opportunities	Information about the most significant impacts AAHK has on the economy, environment and people, as well as the evolving sustainability-related risks and opportunities that impact our business.
Stakeholder Engagement	Details our key stakeholder groups, their key interests and the typical engagement methods we adopt.
Sustainable Finance Transactions Annual Report	Detailed information about our Green Bond portfolio, including how proceeds have been allocated and corresponding impacts.
Task Force on Climate-related Financial Disclosures Statement	A description of our climate change risk mitigation and resilience strategy and efforts disclosed in our fourth TCFD Statement.



HKIA at a Glance

AAHK is a statutory body wholly owned by the Government of the Hong Kong Special Administrative Region (HKSAR Government or the Government) and governed by the Airport Authority Ordinance (AA Ordinance). It is responsible for the provision, operation, development and maintenance of HKIA. More detailed information about AAHK can be found in the Appendices.

Established in
1995

~180
Destinations

45.2 million
Passengers

4.5 million
Tonnes of cargo

HK$
13,683 million
Revenue

2,902
AAHK employees

~120
Airlines served

310,000
Aircraft movements



Economic Performance and Financial Sustainability

The global economic recovery is in full swing, and air traffic continues to rebound at HKIA. Passenger volumes reached about 80% of the pre-pandemic level during the peak days of the reporting period and are expected to fully recover by the end of 2024. HKIA has once again been named the world's busiest cargo airport in 2023 by Airports Council International (ACI) in terms of total volume. Our cargo throughput grew by 9.1% last year, contributing about 48% of Hong Kong's total external trade value. Along with our continued air cargo leadership and the increased passenger traffic and flight movements, coupled with higher revenue from airport and security charges, airside support services franchises and retail concessions, this has driven revenue to HK$13,683 million in 2023/24, reflecting impressive 66.5% year-on-year growth.

AAHK's strong financial performance underpins our successful engagement with the capital markets, including the issuance of US$2 billion in Green Bonds since 2022. Backed by an AA+ credit rating from Standard & Poor Global Ratings (S&P) in 2023/24, we built upon AAHK's momentum in our inaugural successful issuance of HK$4 billion in institutional public bonds in January 2024 and announced the launch of HK$5 billion in HKIA retail bonds. This retail bond issuance and its successful listing on the Hong Kong Stock Exchange in February 2024 were 2.1 times oversubscribed, with retail investors being allocated up to three lots. This has provided the public with an opportunity to participate in airport development and share the benefits of infrastructure directly for the first time in more than 20 years.

Economic value generated

HK$ 13,683 million

HK$ 4 billion

raised through our inaugural institutional public bond issuance

HK$ 5 billion

raised through our retail bond issuance



Our Approach to Sustainability

Sustainability Vision

> **To strengthen HKIA's capabilities to achieve environmental and operational excellence while contributing to thriving economies, societies and people.**

Our Ascend Sustainability Strategy

As we emerge from the pandemic period, HKIA's commitment to sustainable aviation is clear. Decades of investment in sustainability have not only continued, but accelerated, supported by the Green Bond proceeds. Innovative technologies are being tested and deployed across the airport island, from lower-carbon fuels and waste-to-energy solutions to artificial intelligence (AI) and biometrics. At the heart of it all, our people are more resilient than ever, having weathered a tumultuous period together as a supportive community.

From this vantage point, HKIA is embarking on a journey towards even greater heights of environmental and operational excellence, while contributing to thriving economies, societies and people along the way. We have introduced a new strategic framework, Ascend, to guide us on this journey, focusing on 24 strategic goals across four distinct pillars. This ambitious plan will help us monitor and manage our impact—both positive and negative—on economies, environments and people as we continue to strengthen HKIA as the leading international aviation hub, aspiring to be the greenest airport in the world, and a key engine for the economic development of Hong Kong.

Ascend is our strategy for HKIA to rise to address the sustainability challenges of our time. Our destination is an airport that inspires positive change around the world.



Our Strategic Goals

Environmental Excellence



- AAHK and its key aviation-related business partners commit to achieving **Net Zero Carbon by 2050**, with a midpoint target of **55%** absolute emissions reduction by 2035 from a 2018 baseline
- Contribute to the **energy transition** in Hong Kong by promoting and adopting renewable and lower-carbon fuels at HKIA
- Improve HKIA's **climate resilience** by understanding climate-related risks and opportunities and addressing the operational impacts of climate change
- Incorporate green and sustainable features into the design and construction of new projects to minimise environmental impacts and **future-proof** our infrastructure
- Adopt resource-efficient practices and increase waste recovery to contribute to the development of the **circular economy** in Hong Kong
- Maintain **sustainable funds** to support the delivery of the Marine Ecology and Fisheries Enhancement Strategy and continue to implement voluntary enhancement measures

Operational Excellence



- Enhance the **customer experience** to make time spent at HKIA more enjoyable, exciting and efficient
- Deploy innovative **smart airport technologies** to enhance operations and the customer experience
- Enable **airport digitalisation** by enhancing our cybersecurity and data privacy approach and responding to the evolving threat landscape and related regulation
- Embed a **safety culture** throughout AAHK to protect our people and the airport community
- Remain **well-prepared** to predict, prevent and swiftly respond to potential operational disruptions at the airport
- Develop and implement **supply chain management** practices that go beyond compliance to create shared value for AAHK and our business partners

Thriving Economies and Societies



- Prepare HKIA to handle over **120 million passengers** and **10 million tonnes** of cargo throughput from 2035 onwards
- Contribute to Hong Kong's economic growth through creation of high-value employment opportunities and **economic value** distribution from the operation and development of HKIA
- Strengthen HKIA's connection to **strategic locations** to drive economic and social contributions in the GBA and beyond
- Reinforce AAHK's **cargo leadership** through strategic investments in cargo facilities to sustain long-term growth
- Engage the **airport community** through meetings, workshops, exhibitions and campaigns to understand and respond to their priorities
- Offer programmes through the **EXTRA MILE Project** to benefit youth, the non-Chinese speaking community and working parents

Thriving People



- Embed a **culture of sustainability** throughout AAHK to enable teams to contribute to our strategy
- Create safe working environments and promote the **health and wellbeing** of AAHK staff to build a happier, more productive workforce
- Implement the **Work Improvement Team (WIT)** programme to empower staff to develop innovative ideas for positive impact at HKIA
- Provide **equal opportunities** for career advancement to all colleagues
- Foster a workforce that reflects the gender, ethnic and age **diversity** of Hong Kong
- Connect colleagues through **AA Staff Club** activities and events to drive staff engagement and belonging

Sustainability Governance and Management Approach

Sustainability Governance

Our commitment to sustainability is matched by robust corporate governance processes, led from the highest levels of our organisation. In April, the HKSAR Government announced the appointment of Mr Fred Lam, who had served as AAHK's Chief Executive Officer (CEO) since 2014, to succeed Mr Jack So as Chairman of the AAHK Board from June 2024. Mr Lam works closely with the Board, executive management and the HKSAR Government to realise the Airport City vision while continuing to pursue sustainability at HKIA. The chart below outlines how we embed sustainability into our overall approach.

AAHK Board: Ultimately responsible for leadership, performance and controls, including our approach to sustainability

Audit Committee & Finance Committee (ACFC): Advises the Board and makes decisions on sustainability-related financial matters

Business Development Committee (BDC): Assists the Board by considering, approving and making recommendations on sustainability topics

Human Resources & Remuneration Committee (HRRC): Advises the Board and makes decisions on sustainability-related human capital matters

3RS & Works Committee (3RSWC): Advises the Board and makes decisions on sustainability-related infrastructure development matters

Sustainability Executive Taskforce (SET): Comprised of the Chief Operating Officer, Executive Directors and chaired by the CEO. The SET oversees sustainability-related policies and strategy, the Sustainable Finance Framework (SFF), our environmental management system (EMS) and key sustainability initiatives and programmes

Sustainability Department: Develops our sustainability strategy and related management and reporting systems, delivers sustainability projects and initiatives, provides secretariat support to the ISC, reports to SET biannually and seeks guidance on potential new sustainability policies, targets and strategies

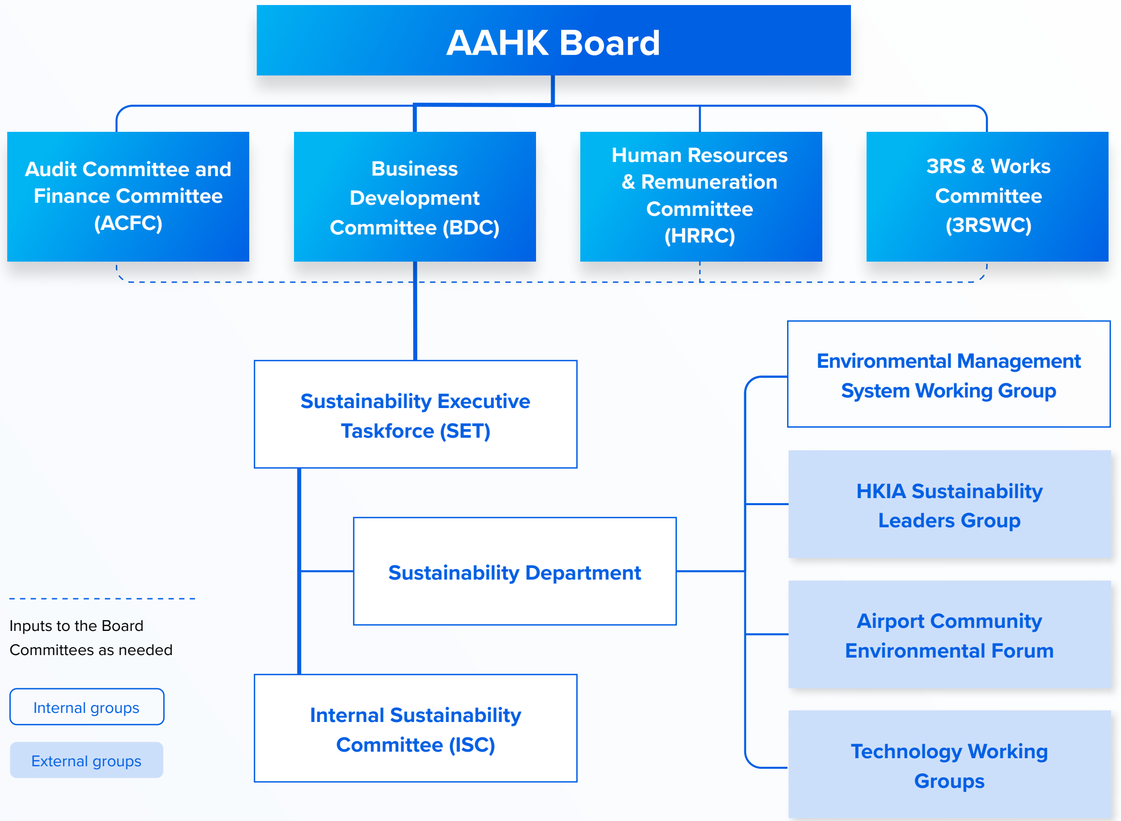
Internal Sustainability Committee (ISC): Comprising general managers from across divisions. The ISC monitors the delivery and progress of key sustainability initiatives

Environmental Management System Working Group: Helps develop and implement environmental actions as part of our EMS

HKIA Sustainability Leaders Group: Airport business partners exchange ideas and best practices with AAHK and report on progress towards sustainability goals

Airport Community Environmental Forum: Airport business partners share best practices and updates on sustainability programmes

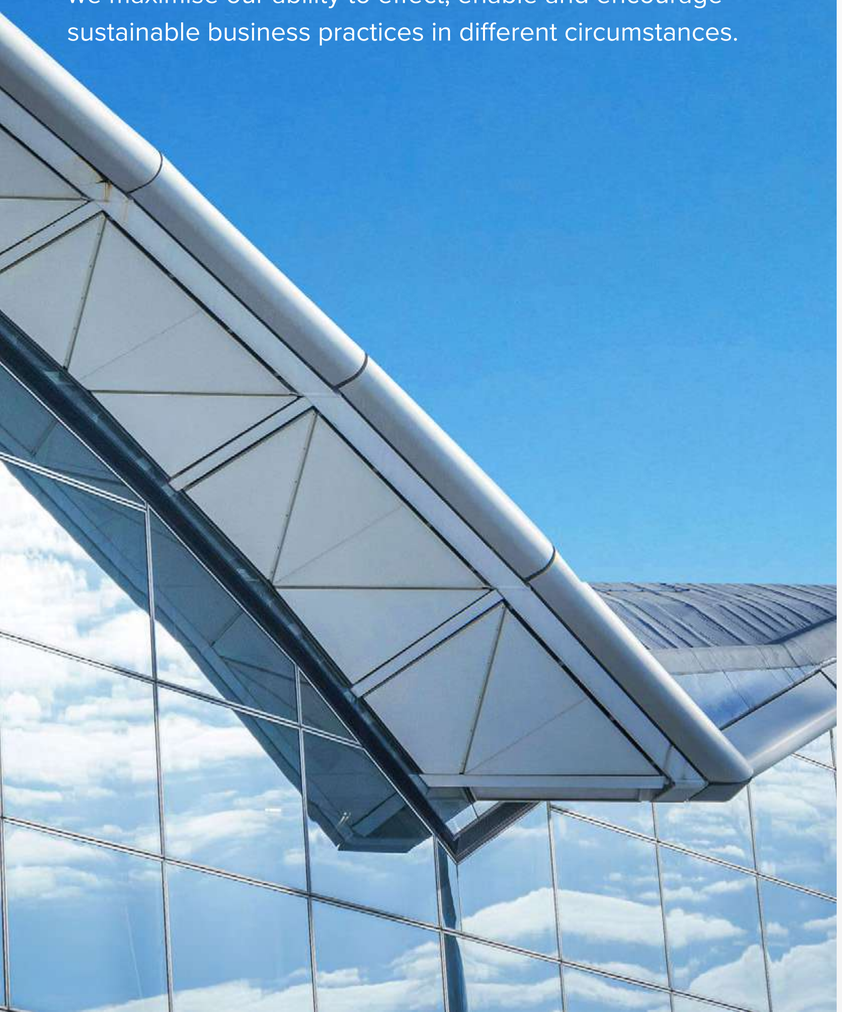
Technology Working Groups: Accelerate piloting and uptake of new technologies and carbon reduction initiatives in collaboration with business partners



Note: The Business Development Committee of the Board is responsible for overseeing AAHK's sustainability strategy. Sustainability-related issues may be considered by other Board Committees where relevant.

Sustainability Management Approach

Our management approach reflects the environment in which we operate—one in which AAHK is responsible for HKIA's overall sustainability performance, despite many airport services and functions being outsourced to business partners. With a three-pronged approach, we maximise our ability to effect, enable and encourage sustainable business practices in different circumstances.



Our Three-pronged Approach

Control (AAHK)

- Delivery in line with AAHK's governance and management procedures
- Initiatives targeting AAHK's own assets such as energy efficiency projects
- Employee programmes in areas such as training and development, occupational safety and health (OSH)
- Voluntary marine ecology and fisheries enhancement projects
- Linking CEO and executive directors' performance to sustainability goals

Guide (Key business partners, e.g., suppliers, contractors)

- Environmental and social clauses embedded in AAHK contracts
- Airport-wide Green Airport Design and Construction (GADC) Strategy
- Airport-wide third-party monitoring of environmental performance
- Contractor safety management plans and onsite inspections

Influence (Other business partners and the wider community)

- Airport-wide environmental initiatives such as the HKIA 2050 Net Zero Carbon Pledge, HKIA Business Partners Carbon Support Programme and Airport Community Environmental Forum
- Dialogue with industry associations to align sustainability standards or initiatives across airports and airlines such as climate resilience planning ambitions and passenger waste recycling protocols
- Social engagement opportunities such as the EXTRA MILE project and Community Liaison Groups

Managing our Supply Chain

Operating and developing HKIA requires a steady supply of a variety of goods and services. Recognising our position as a significant Hong Kong purchaser, our approach to sustainability extends beyond the airport island. We work with suppliers and contractors to develop resilience in our supply chain, to mitigate risks associated with environmental, social and governance factors.

Responsible procurement

Our Green Procurement Policy aligns environmental considerations with procurement practices. It integrates environmental evaluation criteria into the tender selection process, guiding our teams towards products and materials that are less harmful to human health and the environment than conventional options. Additionally, it fosters collaboration with our stakeholders to raise awareness of environmental topics and reduce the collective impact of our supply chain.

Mitigating risks

Our supply chain presents an opportunity to generate positive impacts, as well as numerous risks that could negatively affect our business performance and impact the environment, societies and economies. We balance our supply chain opportunities with appropriate risk management mechanisms, beginning with environmental and social considerations embedded into our contracts. Subsequent monitoring and inspections help mitigate risks throughout the lifecycle of our business relationships.

We manage and monitor the environmental performance of AAHK's business partners and contractors through an airport-wide Third Party Monitoring Programme. This requires teams to embed environmental management clauses into our contracts and submit environmental management plans (EMPs) that describe how counterparties will manage their environmental impacts. Our Sustainability Department assigns each counterparty a risk level and all higher-risk counterparties are subject to a thorough EMP review and regular environmental audits.

We also include specific terms and clauses in our contracts, with a focus on service-related contracts, that address social issues such as health and safety and working conditions. Where appropriate, contractors must also submit safety management plans that describe the health and safety measures they will implement, which are subject to AAHK's ongoing safety inspections.

Read more
Our Green Procurement Policy

Third Party Monitoring Programme

Insertion of Environmental Clauses into Contracts
All Counterparties

EMP Review
Low- and High-risk Counterparties

Environmental Audit
Certain Low-risk Counterparties and All High-risk Counterparties



Sustainability-related Risk Management

AAHK has established a comprehensive risk management framework to identify, review and mitigate risks, including sustainability risks. Each department pinpoints risks in strategic, operational, environmental, safety, regulatory and other areas, which are then recorded and tracked in our Operational Risk Register. Sustainability-related risks are assessed through an internal control exercise, with senior management setting preventative and responsive controls for material risks, based on advice and support of the BDC and/or Board where relevant.

The ACFC assists the Board in reviewing and enhancing AAHK's risk management system and controls as appropriate. The ACFC receives and actions reports from internal and external auditors and reviews risk areas, including sustainability issues and risks, with those that are material considered by the full Board. Key risks identified in 2023/24 and respective controls are detailed in the Risk Management section of our Annual Report 2023/24. Further details on our climate-related risk management approach can be found in our TCFD Statement.

Read more
Risk Management section — Annual Report 2023/24
Appendix VIII - TCFD Statement

Last year, we integrated the analysis of AAHK's sustainability-related risks and opportunities, including potential financial impacts on our business, into our comprehensive stakeholder engagement process.

Read more
Appendix IVb - Sustainability Risks and Opportunities



Contributing to the United Nations Sustainable Development Goals

The United Nations SDGs were developed to drive sustainable development amongst countries by providing 'a global blueprint to achieve a better and more sustainable future for all'. Their achievement, however, also depends on companies aligning their operations, products and services, as well as business models and value chains, towards a more sustainable future. AAHK has formally aligned our sustainability strategy and reporting with the SDGs since 2021/22. We initially identified five SDGs that are strategically most relevant for AAHK and demonstrate the strong link between our activities and the SDGs:



SDG 8: Decent Work and Economic Growth

We offer and enable economic opportunities, while working towards a safe and secure working environment and a positive, inclusive workplace culture.



SDG 9: Industry, Innovation and Infrastructure

We adopt environmentally sound technologies and innovative solutions in the design and construction of airport buildings and facilities, supporting economic development in Hong Kong and beyond.



SDG 11: Sustainable Cities and Communities

We provide access to safe, affordable, accessible and efficient transport systems for visitors and local residents alike.



SDG 12: Responsible Consumption and Production

We adopt a three-pronged approach to waste management that includes waste reduction at source, facilitation of recycling, and exploration of alternative disposal options.



SDG 13: Climate Action

We take a holistic approach to climate change through the airport-wide HKIA 2050 Net Zero Carbon Pledge, with a midpoint target at 2035, supported by initiatives to drive decarbonisation across the airport community, and an organisation-wide Climate Adaptation and Resilience Plan (CARP) to address climate-related risks and opportunities.

Read more
Appendix IIIc - Contributing to the United Nations Sustainable Development Goals

This year, we reassessed our contributions to the 17 goals and their constituent targets. We determined that our efforts to conserve and enhance marine biodiversity in North Lantau are aligned with multiple targets within SDG 14: Life Below Water.



SDG 14: Life Below Water

We monitor and manage the airport's impacts on marine biodiversity, conduct voluntary enhancement projects and support local initiatives involving our shared marine resources.

Example initiatives include:



The Marine Ecology and Fisheries Enhancement Strategy (MEFES) guides our efforts to improve the marine environment, ecology and fishery resources.



Voluntary projects in Lantau waters include an eco-enhanced seawall, artificial and shellfish reef deployment and a fish restocking project.



We support the initiatives of various third parties through the Marine Ecology Enhancement Fund (MEEF) and Fisheries Enhancement Fund (FEF).

Corporate Compliance

Ethical Culture

At AAHK, ethics and integrity are paramount. Our Code of Conduct defines our high standards for employee behaviour, demanding strict compliance with relevant laws and regulations on bribery, equal opportunities, personal data, privacy and intellectual property rights. The Code of Conduct also covers conflicts of interest, solicitations and gifts, declaring the acceptance of entertainment activities, protecting AAHK's property, information and records, supervisory accountability and prohibiting any form of discrimination or harassment.

All AAHK employees, including the CEO, Chief Operating Officer and Executive Directors, must understand and abide by the Code of Conduct. Employees participate in regular training on all rules and behaviours covered by the Code of Conduct, as well as the Independent Commission Against Corruption (ICAC)'s e-ICAC foundation training. The training is provided upon invitation of employment, with compulsory refresher training provided annually. Employees are required to confirm their compliance at all times with the Code of Conduct.

We regularly engage employees on ethics and compliance issues to strengthen our ethical culture. Senior managers, including department heads, are required to declare any potential conflicts of interest on an annual basis. We invite all staff to join quarterly ICAC training to refresh their knowledge of the Prevention of Bribery Ordinance and practices that involve misconduct in public office.

Whistle-blowing Policy

Our Whistle-blowing Policy establishes channels for confidential reporting of any act of suspected impropriety. Where required, reports can be made anonymously. Reportable conduct includes, but is not limited to, suspected breaches of applicable laws and regulatory requirements, unethical behaviour and violations of AAHK's Code of Conduct. Reports can be made directly to the Chief Internal Auditor, per procedures set out in the policy, to investigate the alleged act of impropriety without any risk of retribution. At all times, AAHK employees are encouraged to raise ethical and other concerns responsibly and without fear of reprisal.

Employees can access the Whistle-blowing Policy via AAHK's intranet. The policy is reviewed periodically by AAHK's senior management or the ACFC, ensuring proper arrangements are in place for fair, independent investigations and appropriate follow-up action.

Raising Concerns

AAHK's Grievance Handling Policy guides employees who wish to raise work-related grievances or complaints. These issues can be directed to the HR Department, Internal Audit Department or raised within an employee's own department, from immediate supervisors to the Division Head. Our open-door policy permits grievances to be raised directly with the CEO and/or Executive Directors. Complaints can be made orally or in writing. Investigations are strictly confidential, and matters are escalated to senior management when necessary.

Case Study

Integrity Fun Day Campaign

In support of our ethical culture, AAHK partnered with the ICAC and organised the Integrity Fun Day campaign in May 2023. With events held in different airport locations–HKIA Tower, HKIA Tower Two and VCommit Safety Training Centre–the programme was attended by close to 1,000 AAHK staff. Engaging participants with fun activities, the events showcased the values of integrity and ethics through a range of challenging games and exhibits.



Policies and Compliance

We respond to government policy, applicable laws and the needs of our stakeholders through a suite of sustainability-related policies. These policies are approved by senior management, regularly reviewed and updated as needed. For example, AAHK's corporate safety policy was reviewed and updated in August 2023.

Internal controls help ensure our business is conducted in line with the prudent commercial principles of the AA Ordinance, as well as in compliance with relevant laws and regulations. During the reporting period, there were neither confirmed cases of non-compliance with laws and regulations relating to bribery, extortion, fraud or money laundering, nor concluded cases regarding corrupt practices brought against AAHK or its employees. Additionally, there were no significant cases of non-compliance with laws and regulations, or monetary fines paid, during the reporting period.

Read more
Appendix IIIa – Policy Commitments section in GRI Content Index



Case Study

Enhancing our Approach to Social Sustainability

AAHK has long been acknowledged for our leadership in environmental sustainability. We recognise, however, that sustainability must be a holistic endeavour, and our efforts extend well beyond the World's Greenest Airport pledge.

In 2023/24, we launched a new Corporate Social Policy Statement, which describes how we will deliver our commitment to provide a safe, ethical and respectful workplace for our employees. Beyond compliance with relevant employment and labour-related legislation, it sets the foundation for a culture of sustainability that encourages colleagues to participate in our sustainability strategy. As our vision for a more sustainable HKIA extends beyond our offices, the policy also sets out our goal to foster a positive relationship with the community through programmes, engagement activities and nurturing talent for careers in the aviation industry.

Materiality Assessment

Two-year Cycle

Since 2020/21, AAHK has implemented a two-year materiality assessment cycle, which helps us prioritise material topics for strategy and reporting purposes. In year one, we combine desk-based research with a robust stakeholder engagement exercise. In year two, sustainability practitioners of diverse backgrounds are invited to provide feedback on our approach.

The materiality assessment process and confirmed material topics are also presented to the BDC annually, which assists the Board in overseeing our approach to sustainability. This helps ensure the Board is aware of AAHK's material topics and can address them as needed.

2023/24 Materiality Assessment Process–The Second Year

Context Review

Assessed the list of sustainability topics AAHK uses for materiality assessment and stakeholder engagement purposes against peer practices, industry trends and sustainability reporting frameworks to ensure it accurately reflects AAHK's sustainability impacts

External Review Committee

Sustainability experts from diverse backgrounds provided feedback on AAHK's sustainability topics and validated adjustments to those topics

Evaluation and Confirmation

Obtained senior management approval of the material topics

Mr Aubin Huret
ESG Analyst –
Associate Director
UBS

Dr Calvin Lee Kwan
Managing Director –
Sustainability & Risk Governance
Link Asset Management Limited

Ms Olivia Wong
General Manager –
Environmental & Social Responsibility
MTR Corporation Limited

Prof Alexis Lau
Head and Chair Professor,
Division of Environment and Sustainability
The Hong Kong University of Science and Technology

Mr Ken Lau
Head,
Sustainability
Airports Council International (ACI) Asia-Pacific and Middle East

Material Topics to AAHK

This year's materiality assessment confirmed the ongoing importance of the following topics, which continue to represent AAHK's most significant impacts on the economy, environment and people.

Environmental Excellence

- Air quality
- Biodiversity
- Climate change
- Green design and construction
- Noise

Operational Excellence

- Airport safety and security
- Contingency planning
- Customer experience
- Cybersecurity and data privacy
- Innovation and technology

Thriving Economies and Societies

- Air cargo strategy
- Community investment and engagement
- Connectivity
- Economic and social contribution
- Infrastructure development

Thriving People

- Attracting and retaining talent
- Employee engagement and wellbeing
- Ethics and integrity
- Occupational health and safety
- Training and career development

Read more
Appenidx IV - Sustainability Impacts, Risks and Opportunities

Stakeholder Engagement

HKIA is as integrated into the fabric of Hong Kong's society as it is into the global economy. These deep and diverse connections mean that AAHK must respond to the needs and expectations of a truly diverse group of stakeholders. We seek to understand those needs and expectations, inform our business decisions and manage our impacts through comprehensive stakeholder engagement exercises and our regular touchpoints.

We define our stakeholders as the groups that interact with us and are influenced by, have an influence over, or have a vested interest in AAHK or HKIA. The opposite table sets out a non-exhaustive list of our key stakeholder groups. We engage all our key stakeholders through typical engagement methods, including surveys, regular meetings, conferences, forums, committees and liaison groups. All key stakeholder groups are interested in how we are managing the current and projected environmental impacts of HKIA. In 2023/24, we continued to engage regularly with key stakeholder groups, to ensure effective communication of our sustainability progress in their areas of concern.

Read more
Appendix V – Stakeholder Engagement

Business relationships

Airport business partners

Key interests:

- Airport safety and security
- Community investment and engagement
- Contingency planning
- Customer experience
- Labour issues
- Infrastructure development
- Innovation and technology
- Training and career development

Contractors and suppliers

Key interests:

- Airport safety and security
- Contingency planning
- Ethics and integrity
- Infrastructure development
- Occupational health and safety
- Supply chain management

Employees

Key interests:

- Employee engagement and wellbeing
- Contingency planning
- Infrastructure development
- Occupational safety and health
- Staff remuneration and benefits
- Corporate governance and internal controls
- Legal compliance

Passengers

Key interests:

- Airport safety and security
- Connectivity
- Customer experience
- Infrastructure development

Market shapers

Government departments and regulatory authorities

Key interests:

- Airport safety and security
- Contingency planning
- Corporate governance and internal controls
- Economic and social contribution
- Ethics and integrity
- Financial performance
- Infrastructure development
- Training and development

Financial institutions

Key interests:

- Airport planning and development
- Financial performance
- Infrastructure development

Industry associations and professional bodies

Key interests:

- Economic and social contribution
- Ethics and integrity
- Infrastructure development
- Innovation and technology
- Occupational safety and health
- Supply chain management

Non-governmental organisations and fishermen groups

Key interests:

- Community investment and engagement
- Customer experience
- Infrastructure development
- Occupational safety and health

Wider community

Legislative and district councillors, and political groups

Key interests:

- Ethics and integrity
- Financial performance
- Infrastructure development
- Innovation and technology

Local community

Key interests:

- Community investment and engagement
- Infrastructure development
- Innovation and technology

Young people

Key interests:

- Attracting and retaining talent
- Community investment and engagement
- Economic and social contribution
- Infrastructure development

Media

Key interests:

- Corporate governance
- Ethics and integrity
- Financial performance
- Infrastructure development
- Innovation and technology

Environmental Excellence

AAHK is on a journey to make HKIA the World's Greenest Airport by adopting high standards of environmental stewardship. We are transforming the airport into a low-carbon, climate-resilient hub and championing sustainability practices that minimise our impacts on ecosystems.



SDG Contributions

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

14 LIFE BELOW WATER

Environmental stewardship has been a core part of AAHK's corporate strategy for decades. Together with our stakeholders, we have worked to reduce HKIA's environmental footprint and create an airport that inspires others to do the same. From being the first airport operator to set a Net Zero Carbon Target that encompasses business partners' activities, to voluntarily driving the enhancement of biodiversity around HKIA, we are proud of our collective achievements. But we recognise striving to be the World's Greenest Airport will be a long journey. With robust management systems and ambitious goals in place, we have identified our challenges and continue to seek new heights of environmental excellence as we look to contribute to a brighter, more sustainable future.

Ascend Goals:

AAHK and its key aviation-related business partners commit to achieving Net Zero Carbon by 2050, with a midpoint target of 55% absolute emissions reduction by 2035 from a 2018 baseline

Example progress in 2023/24:
We welcomed a new business partner, Asia Airfreight Terminal, into the HKIA 2050 Net Zero Carbon Pledge

Contribute to the energy transition in Hong Kong by promoting and adopting renewable and lower-carbon fuels at HKIA

Example progress in 2023/24:
Renewable diesel (RD) is being trialled in ground services equipment (GSE), making HKIA the first airport in Asia to use RD in GSE

Improve HKIA's climate resilience by understanding climate-related risks and opportunities and addressing the operational impacts of climate change

Example progress in 2023/24:
A review of modelling of the seawall and an airport-wide drainage system was conducted using the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) climate projections and downscaled data from the Hong Kong Observatory (HKO)

Incorporate green and sustainable features into the design and construction of new projects to minimise environmental impacts and future-proof our infrastructure

Example progress in 2023/24:
The Sky Bridge was awarded a Final Platinum rating, the highest level in the BEAM Plus New Buildings system

Adopt resource-efficient practices and increase waste recovery to contribute to the development of the circular economy in Hong Kong

Example progress in 2023/24:
The HKIA Waste Separation at Source Incentive Programme aimed to encourage and recognise the waste management efforts of frontline staff of retail, food and beverage licensees

Maintain sustainable funds to support the delivery of the Marine Ecology and Fisheries Enhancement Strategy and continue to implement voluntary enhancement measures

Example progress in 2023/24:
The second phase of the fish restocking pilot programme was completed with the release of approximately 20,000 fish fingerlings and 1 million shrimp fry in Lantau waters

Towards the World's Greenest Airport

AAHK's pledge to make HKIA the World's Greenest Airport is an ambitious vision driving our continuous improvement. The collaborative pledge represents our commitment to redefining sustainable aviation from Hong Kong while addressing environmental impacts associated with HKIA wherever they may occur in our value chain. We continue to progress along this journey with our stakeholders, taking an airport-wide approach and proactively engaging business partners along the way, while recognising that there is always more to do.

Our Environmental Management Approach

The World's Greenest Airport pledge is supported by robust governance structures, policies and procedures aimed at embedding a culture of environmental excellence throughout our operations.

World's Greenest Airport Pledge

Management Commitment and Involvement

Corporate-wide environmental policies:
Guide our commitment to sound environmental management

Sustainability Executive Taskforce:
Comprises the CEO, Chief Operating Officer and Executive Directors and serves as the decision-making body for key strategic sustainability efforts

Strategic Planning and Implementation

AAHK Annual Business Plan:
Incorporates sustainability as a key corporate theme, ensuring that advancing sustainability at the airport is embedded within departments' long-term goals, programmes and initiatives

ISO 14001-certified EMS:
Enables the monitoring of environmental management, performance and compliance, and helps drive continuous improvement

Annual Environmental Sustainability Plan:
A strategic tool to engage internal departments to integrate sustainability into AAHK's operations and medium- to long-term planning

Collaborating for Excellence

Environmental leadership does not stop at the boundaries of the airport island. We engage with the wider aviation industry and other stakeholders locally and globally to help set standards for responsible business conduct and the protection of both people and ecosystems. Our participation in the following forums, amongst others, helps us raise awareness of key aspects of environmental issues, and share best practices in a way that supports industry transformation:

- **Airports Council International (ACI)**
  - ACI Asia-Pacific & Middle East Regional Environment Committee (Vice chair)
  - ACI Asia-Pacific & Middle East Climate Change Adaptation Working Group (Chair)
  - ACI Airport Carbon Accreditation (ACA) Task Force (Regional representative)
  - ACI World Long Term Carbon Goal Implementation Taskforce (Co-lead)
- **Airport Benchmarking Group (Co-founder)**
- **Business Environment Council (BEC) (Board Director)**
  - BEC Sustainable Living Environment Advisory Group (Steering Committee Member)
  - BEC Circular Economy Advisory Group (Steering Committee Member)
  - BEC Climate Change Business Forum Advisory Group (Steering Committee Member)
- **The Hong Kong Green Building Council (Member of the Council's Infrastructure Rating System Committee)**

Operating a Low-carbon and Climate-resilient Airport

Measuring, reducing and disclosing HKIA's carbon footprint is critical for the long-term continuity of our business and social licence to operate. We have been awarded the Level 4 "Transformation" designation in the ACA programme by the ACI, which recognises the alignment of our goals with the Paris Agreement. As we strive to reduce our environmental impacts, we also seek to adapt to the changing climate in line with our Climate Adaptation and Resilience Plan (CARP) and communicate progress in our Task Force on Climate-related Financial Disclosures (TCFD) Statement.

HKIA 2050 Net Zero Carbon Pledge

The HKIA 2050 Net Zero Carbon Pledge, unveiled in November 2021, is our goal to significantly reduce greenhouse gas (GHG) emissions at HKIA in alignment with the IPCC recommendation of limiting global warming to 1.5°C, the HKSAR 2050 carbon neutrality target, and ACI World's long-term goal of achieving net-zero emissions by 2050 in the airport industry.

In 2023/24, we welcomed a new business partner, Asia Airfreight Terminal, into the Pledge. With buy-in from 30 key aviation-related business partners from key sectors, the Pledge covers emissions from airlines (excluding aircraft emissions), aircraft maintenance, aviation fuel suppliers, cargo handling, catering, GSE maintenance, government departments, ramp handling, fuel operators and more.

We support pledged business partners to enhance their approaches to carbon management through the HKIA Carbon Capacity Building Programme, which was launched in March 2022 in partnership with BEC. This tailored programme helps develop the necessary skills and awareness required across the airport community to make progress towards decarbonisation through knowledge-sharing events and the development and provision of bespoke carbon management tools.

In March 2024, we launched a new version of the HKIA Carbon Management System, a cloud-based system that records and tracks individual and collective carbon performance. Dashboards and graphs enable both AAHK and our business partners to easily access, track and analyse their own progress towards the 2035 midpoint and 2050 net-zero carbon targets.

HKIA Net Zero Carbon Pledge

> **"AAHK and its key aviation-related business partners commit to achieve Net Zero Carbon by 2050, with a midpoint target of 55% absolute emissions reduction by 2035 from a 2018 baseline."**



HKIA's Carbon Footprint

HKIA's carbon footprint is comprised of GHG emissions from diverse activities occurring in and around the airport. This includes emissions from airport operations under AAHK's control, such as those from vehicles and emergency generators, as well as fugitive emissions from our cooling systems. Beyond this, HKIA's footprint also covers emissions from sources outside our direct control, including purchased electricity, business partners and other third parties on the ground, as well as aircraft-related emissions. HKIA's total carbon footprint in 2023 was around 15,000,000 tCO_2e.

Breakdown of Ground Emissions

HKIA 2050 Net Zero Carbon Pledge

73%

S1	AAHK's mobile, stationary and fugitive emissions:	0.5%
S2	AAHK's electricity:	28.5%
S3	AAHK's business partners' operations:	43.7%



Scope 3

27%

Other business partners:	4.4%
Surface access:	17.0%
Tenant's energy:	3.8%
Waste disposal:	1.9%
Other emissions:	0.2%

HKIA's overall carbon footprint can be largely categorised into:

S1 Scope 1 (Direct)

Emissions of AAHK including those from mobile and stationary sources, such as vehicles, equipment, emergency generators and fugitive emissions from refrigerants used for building cooling systems

S2 Scope 2 (Indirect)

Emissions from electricity bought or consumed by AAHK

S3 Scope 3 (Indirect)

Ground emissions from our business partners' operations that AAHK can influence

S3 Scope 3 (Indirect)

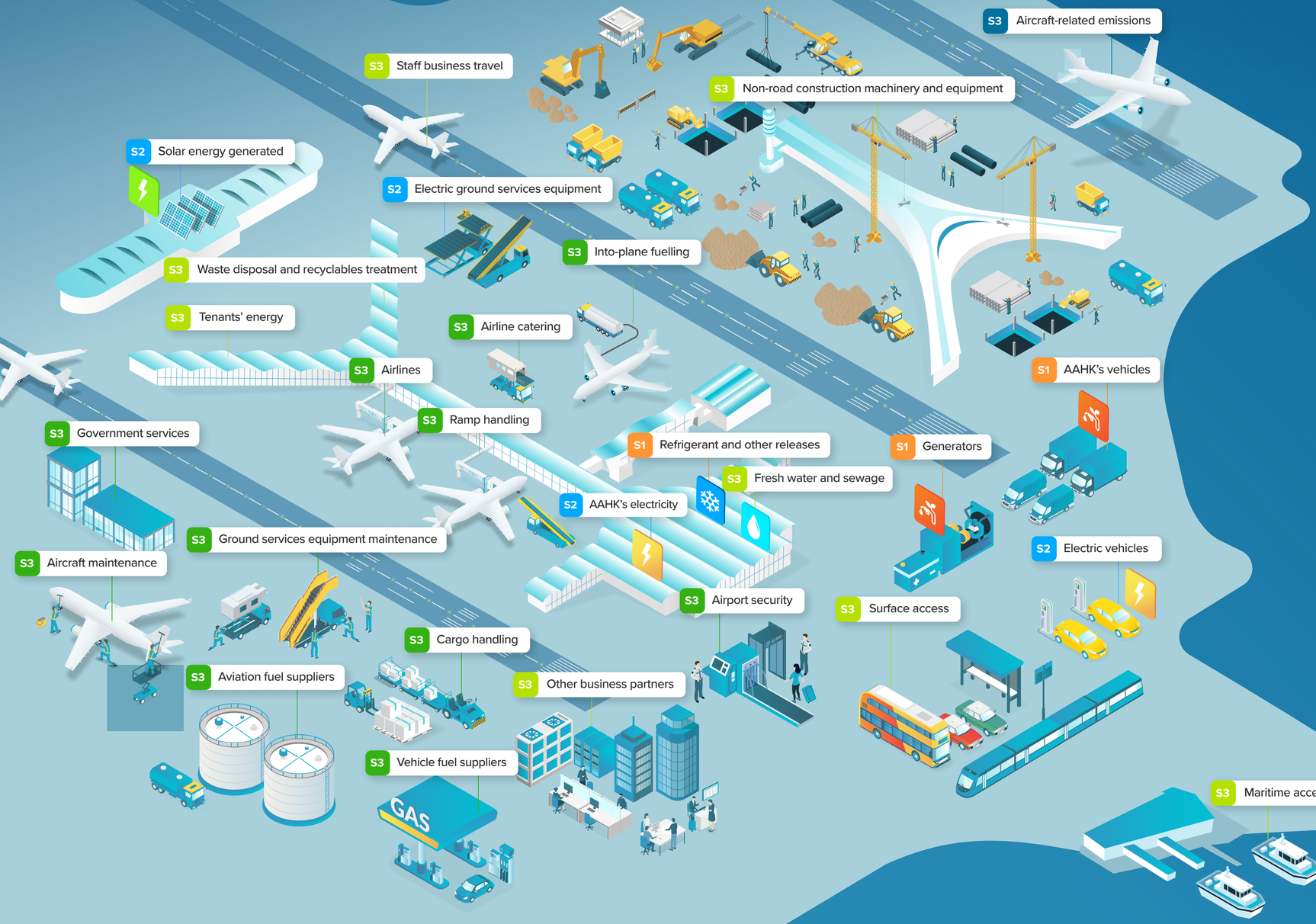
Ground emissions from other third parties that over which AAHK has limited influence

S3 Scope 3 (Indirect)

Emissions arising from aircraft operations

- Nearly 97% of HKIA's 2023 carbon footprint (ground and air emissions) arose from aircraft emissions, including emissions during take-off, landing and cruising.
- While our ability to reduce these emissions is limited, we report them in accordance with ACI's ACA methodology and are taking steps to collaborate with relevant business partners on mitigation measures.
- We have banned the use of auxiliary power units (APUs) at frontal stands since 2014.
- Additionally, we are undertaking a SAF study to investigate options to drive uptake in Hong Kong, which includes engaging with various stakeholders in the supply chain. More information can be found on p.33.





Key Contributors to HKIA's Carbon Footprint

HKIA's carbon footprint includes emissions from the activities of our business partners, aircraft and other third parties that are not directly owned or controlled by us. This includes organisations providing essential services to support airport operations, such as airlines, catering, aircraft maintenance, and ramp and cargo handling.

What's in the Pledge VS what's being reported:

HKIA 2050 Net Zero Carbon Pledge boundary

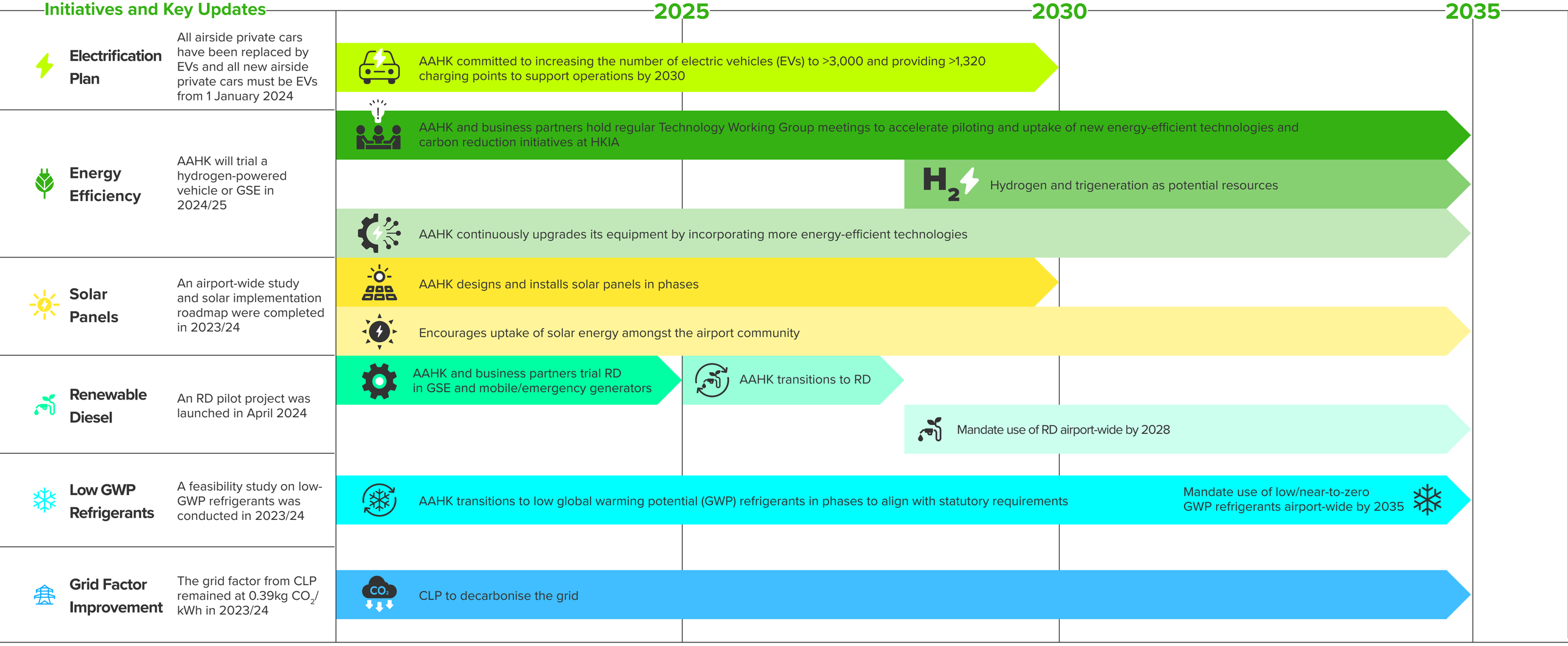


ACI's Airport Carbon Accreditation Reporting boundary

This figure is for illustrative purposes only to explain HKIA's carbon footprint based on the existing boundary. The contributors shown above are not an exhaustive list of HKIA's carbon footprint. New developments, such as the 3RS, will be included in the boundary once they are in operation.

HKIA Decarbonisation Roadmap to 2035

The HKIA Decarbonisation Roadmap to 2035 sets out concrete actions, initiatives and opportunities to engage and collaborate with our partners across the airport community. We are working towards the HKIA 2035 midpoint target of 55% reduction in absolute emissions by 2035 from a 2018 baseline.



Climate Mitigation Innovation

To support the delivery of the HKIA Decarbonisation Roadmap and achieve the 2035 midpoint target, AAHK's carbon management action plan addresses both direct and indirect emissions. Our comprehensive plan and efforts to engage stakeholders, including airport business partners and other third parties, have been recognised with the Level 4 "Transformation" designation in the ACI's ACA programme, which is the only institutionally endorsed, global carbon management certification for airports. Key initiatives include, amongst others:

S1 Scope 1

Airside Fleet Electrification: The Airside Vehicles Electrification Programme and award-winning GSE Pooling Scheme, launched in 2013 and 2018 respectively, are substantially reducing emissions and relieving congestion on apron roads. We plan to expand the number of electric GSE (e-GSE) units in the GSE Pooling Scheme from the existing 500 units to about 1,000 units, with at least 95% being e-GSE—making us the first international airport in the world to adopt GSE Pooling on such a large scale.

Renewable Diesel Pilot: In April 2024, we launched a pilot project to trial RD in GSE, which has the potential to reduce GHG emissions while improving air quality. HKIA is the first airport in Asia to use RD in GSE.

Expansion of Charging Infrastructure: In line with the roadmap for GSE electrification and the growing use of EVs at HKIA, AAHK will commence the expansion of the current airside and landside charging infrastructure for EVs and e-GSE starting in 2024/25.

S2 Scope 2

Improving Energy Efficiency: We are carrying out several energy-saving projects, including converting airfield ground lighting (AGL) to LED fixtures, adopting wireless dimming functionality for gantry lighting in Terminal 1, upgrading end-of-service-life equipment such as escalators, walkways and pumps with more energy-efficient models, and incorporating electronically commutated (EC) fans and in-house-developed Solar Irradiance Predictive Control technology in our air handling units (AHUs) at Terminal 1.

Trial Project on Using Hydrogen as an Alternative Fuel: In pursuit of carbon reduction emissions within the airport-restricted area, AAHK will conduct a trial on using hydrogen-powered cargo tractors in 2024/25 and develop a roadmap for introducing hydrogen-powered vehicles, equipment and hydrogen-filling stations, subject to trial results.

S3 S3 S3 Scope 3

HKIA Business Partners Carbon Support Programme: We support pledged business partners to reduce their own emissions (and, consequently, AAHK's Scope 3 emissions) through the provision of funding, collaborative forums, technology pilots and capacity-building initiatives.

Scope 3 Mapping Study: AAHK is undertaking a value chain analysis of HKIA's Scope 3 emissions and will identify opportunities for engaging key partners and reducing emissions in 2024/25.

Study on SAF: AAHK is conducting a comprehensive study on the use of SAF in Hong Kong, which includes research on global development trends, existing and projected market demand and supply of SAF and engagement of the SAF supply chain. A range of strategic options will be developed to promote SAF uptake in Hong Kong.

Case Study

S1

Scope 1 Emissions - HKIA First in Asia to Use Renewable Diesel in Ground Services Equipment

While Scope 1 emissions account for a relatively small part of our overall emission footprint, AAHK can directly reduce these emissions by focusing on key contributors. GSE accounted for 59% of our Scope 1 GHG emissions in 2023/24, and it represents a significant part of the emission footprints of some of our key airport business partners.

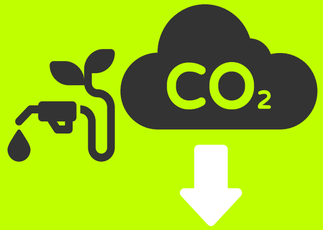
While we are making strides in electrifying our GSE and sharing the benefits with the airport community through the GSE Pooling Scheme, not all diesel-powered GSE can currently be replaced with electric versions. To bridge the gap until new alternatives are developed, we are exploring the use of low-carbon fuel at the airport.



Renewable diesel enables GHG emissions reduction of

87%

compared to petroleum diesel



RD, which has already been adopted at major aviation hubs in Europe and the United States, is produced from renewable resources such as waste animal fat, vegetable oil and used cooking oil. As a cleaner fuel, it could help improve air quality while offering an impressive 87%[1] reduction in GHG emissions, compared to petroleum diesel.

In April 2024, we launched an RD pilot project making HKIA the first airport in Asia to use RD in GSE. The RD to be piloted, known as hydrotreated vegetable oil (HVO), is a drop-in fuel that is fully compatible with the diesel engines of equipment such as tractors, rubber removal machines, apron sweepers and emergency generators.

The project was launched in collaboration with Shell Hong Kong Limited and Hong Kong Air Cargo Terminals Limited (Hactl), which is sponsored by the HKIA Greenovation Fund. We are proud to join these like-minded partners in the collaborative spirit of the HKIA 2050 Net Zero Carbon Pledge to investigate the viability of the fuel and encourage the expansion of the RD at HKIA in line with HKIA Decarbonisation Roadmap.

1 The projection of achieving an 87% reduction in GHG emissions is derived from the pilot's RD supplier Shell Hong Kong Limited's reference to the Renewable Energy Directive 2018/2001/EU (RED II) Annex V. The reduction estimate is based on the utilisation of hydrotreated oil derived from waste cooking oil feedstock.

Case Study

S2

Scope 2 Emissions - Onsite Solar Implementation

While local energy producers in Hong Kong are making commendable progress on decarbonisation, much of the power consumed in Hong Kong is currently generated from fossil fuels. As the energy transition progresses, onsite renewable energy generation is a key opportunity to reduce the airport's reliance on grid electricity that is not yet 'clean'.

Based on an airport-wide study and subsequent solar implementation roadmap developed in 2023/24, AAHK plans to commence detailed design and planning for the installation of solar panels at five existing and six new AAHK buildings in Q3 2024/25. In parallel, AAHK will also continue to encourage the uptake of onsite solar within the airport community by sharing key findings with business partners to facilitate the solar implementation roadmap. We have selected certain business partners to conduct detailed solar assessments, further encouraging the uptake of onsite solar at HKIA.

Design and installation of solar panels at 11 AAHK buildings commencing in Q3 2024/25



Case Study

S3

Scope 3 Emissions - HKIA Greenovation Fund

HKIA's overall environmental impact is closely connected to the activities of our airport business partners—meaning that AAHK can drive collective improvement by supporting our business partners on their carbon journeys. With this in mind, AAHK launched the HKIA Greenovation Fund in 2022 (comprising HK$20 million) to provide airport business partners who have joined the HKIA 2050 Net Zero Carbon Pledge with up to HK$1.5 million per project for piloting innovative technologies to accelerate carbon reduction across HKIA.

In 2023/24, the HKIA Greenovation Fund allocated HK$1.5 million for a battery energy storage system (BESS) at DHL's Central Asia Hub, which is located at HKIA. With 3,450 solar panels on the building's roof, the BESS stores excess solar power and releases it as needed to maximise renewable energy utilisation.

The HKIA Greenovation Fund is also supporting Hactl in the delivery of the RD pilot project discussed on p.30.





The HKIA Greenovation Fund comprises

HK$

20 million

to support business partners piloting new technologies

Sustainable Aviation Fuels

At the landmark United Nations Climate Change Conference (COP28) in December 2023, nearly 200 nations agreed to contribute to the transition away from fossil fuels. For aviation, driving advancement and adoption of SAF is a key focus for this transition. SAF is a liquid fuel that reduces CO_2 emissions by up to 80%[2], which can be produced from sources including waste fat, municipal solid waste and more.

It is not, however, without challenges. This includes the cost of SAF, which is currently three to four times higher than traditional kerosene[3]. In response, jurisdictions are introducing mechanisms to stimulate demand and support production. As these challenges are overcome, the International Air Transport Association (IATA) estimates SAF could contribute about 65% of the emission reductions for the industry to reach net-zero CO_2 emissions by 2050[4].

2 This figure is based on information published by IATA in its "Net zero 2050: sustainable aviation fuels" factsheet as of 1 July 2024.

3 This information is based on the report "Mission Possible Partnership, Making Net-Zero Aviation Possible: An Industry-Backed, 1.5°C-Aligned Transition Strategy" published in July 2022.

4 This figure is based on information published by IATA on its "Developing Sustainable Aviation Fuel (SAF)" webpage as of 1 July 2024.

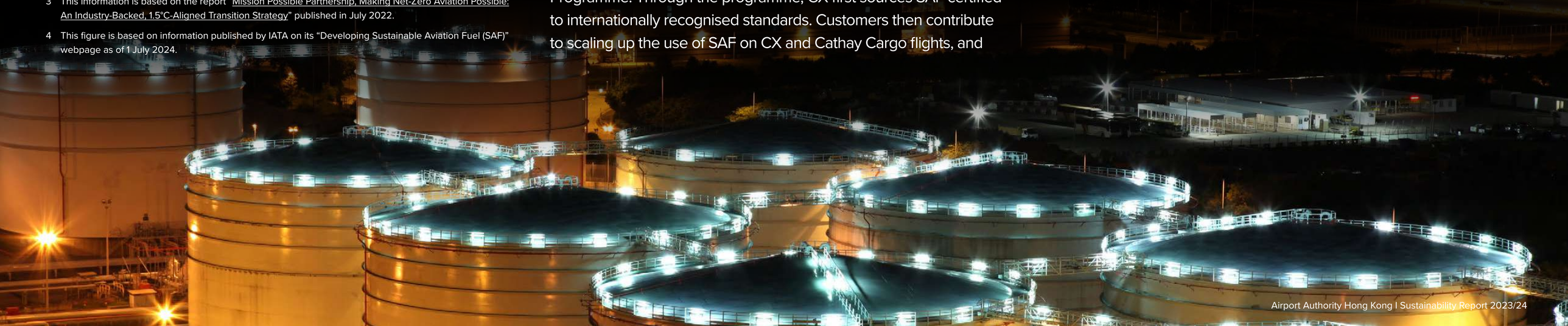
AAHK is taking steps to drive the uptake of SAF in the region. Our two aviation fuel facilities, the On-airport Aviation Fuel System and Permanent Aviation Fuel Facility, have obtained the International Sustainability and Carbon Certification: Carbon Offsetting and Reduction Scheme for International Aviation (ISCC CORSIA) certification. This certifies that the SAF handled at these facilities complies with International Civil Aviation Organization (ICAO)'s CORSIA sustainability requirements and enables traceability throughout the SAF supply chain. In 2024/25, we will ensure the fuel facility operators renew these certifications. This year, working closely with the HKSAR Government and business partners, we also commenced an important study on SAF to help determine the best roadmap for Hong Kong to support aviation decarbonisation.

We are engaging with business partners and other members of the airport community to develop the SAF value chain as well. AAHK is one of the launch partners of Cathay Pacific (CX)'s Corporate SAF Programme. Through the programme, CX first sources SAF certified to internationally recognised standards. Customers then contribute to scaling up the use of SAF on CX and Cathay Cargo flights, and

Two of HKIA's aviation fuel facilities have obtained the

ISCC CORSIA certification

CX will make use of SAF instead of fossil fuels to power its flights. CX ultimately issues verified emission reduction certificates to help corporates reduce Scope 3 GHG emissions from business travel or cargo transportation. This is just one example of how emission reduction is growing from an environmental necessity into a business opportunity with the support of a range of actors within the aviation industry.



Case Study

Hong Kong Sustainable Aviation Fuel Coalition

Widespread SAF adoption requires the collaboration of a diverse group of stakeholders, including the private sector and governments. The 2023 Policy Address of the Chief Executive of the HKSAR Government called for AAHK to formulate an action plan to promote the use of SAF in Hong Kong, which we are progressing based on a study that commenced in February 2024. As we support Government policy, we also joined hands with partners across the SAF value chain to form the Hong Kong Sustainable Aviation Fuel Coalition (HKSAFC) in January 2024.

Launched by the BEC and co-initiated by CX, the HKSAFC aims to spearhead the decarbonisation of the aviation industry and position Hong Kong as a regional and global hub for SAF.

Partners include technical agencies, SAF producers and fuel suppliers, air transport service end-users and non-profit organisations. All partners will participate in quarterly regular meetings and roundtables, contributing to a SAF Ambition Statement and a policy submission to the Government that will be released by the end of 2024.



Enhancing Climate Resilience

Rising temperatures and changes in precipitation influenced by climate change are already affecting airports around the world. As we seek to limit HKIA's contribution to our changing climate through our carbon management efforts, we are addressing the impacts of today and preparing for the future by investing in climate adaptation and resilience across the airport island. Controls are in place to ensure the safety and continuity of operations and infrastructure during the extreme weather events that are already affecting Hong Kong, with higher temperatures and regular typhoon-induced high sea levels, rainfall and winds. Thus far, these efforts have proven successful in dealing with significant events such as Typhoons Mangkhut and Saola.

We are also preparing the airport community to manage adverse weather events through a comprehensive Weather Preparedness Programme, promoting a collaborative response to our shared challenges. The programme includes various workshops and drills covering topics such as crowd management, weather preparedness, passenger care and more. These events aim to raise awareness and provide the airport community with opportunities to test respective plans and procedures in managing potential disruptions caused by typhoons and other severe weather conditions, while maintaining a safe and reliable hub for staff and passengers at HKIA.

Indicative Efforts to Manage Physical Risks

Operational procedures:
Manuals and procedures are in place to deal with extreme weather events including business continuity, typhoon precautions and media engagement.

Emergency management:
Plans and procedures are in place for handling stranded passengers and staff, securing infrastructure and restoring operations as quickly as possible to ensure a coordinated and effective response to extreme weather events.

Monitoring and maintenance:
AAHK implements inspection and preventive maintenance programmes for critical infrastructure, conducts regular reviews of enhancement works that may be required and uses a power supply analyser to monitor anomalies.

Physical and system protection:
Seawall and drainage system, uninterruptible power supply for essential systems, Internet of Things (IoT) sensors for real-time storm surge alerts, and integration of climate considerations into design.

Case Study

Protecting Workers in Very Hot Conditions

The number of very hot days in Hong Kong has significantly increased since the early 2000s. As this trend is projected to continue, AAHK has taken a proactive approach to better protect airport workers in hot weather. This includes the provision of enhanced personal protective equipment (PPE) to workers working at the Three-Runway System (3RS) project sites, such as small waist fans, sunshade shields and cooling arm sleeves. In support, a new Guideline on the Use of PPE in Extreme Temperatures (Hot Weather) aims to educate AAHK staff on the proper use of PPE. Air-conditioned resting areas have been set up at 3RS project sites and mobile water supply trucks are touring different locations across the apron to provide drinking water for workers. Ice cream has been delivered by AAHK to staff at different locations across the airport to provide relief under the heat. First aid training has also been provided to enhance staff awareness of heatstroke symptoms and coping methods.

Read more
Operational Excellence – Heat Stress at Work

Climate Adaptation and Resilience Plan

We take a rigorous, responsive approach to climate adaptation and resilience, aligning with the latest climate science and regularly assessing the risks most relevant to HKIA. In 2020/21, AAHK undertook a comprehensive Climate Resilience Study to review and strengthen the operational resilience and adaptive capacity of HKIA in response to a changing climate. The study used scenario analysis to consider a range of plausible future climate scenarios outlined in the IPCC Representative Concentration Pathways (RCPs). Physical risks related to key assets and operations, as well as transition risks, including policy, regulatory, legal and technological changes related to climate change, were considered. The study was conducted in line with the recommendations of the TCFD to ensure a best practice and robust assessment of climate-related risks and opportunities.

The Climate Resilience Study continues to inform our operational strategy, as well as the ongoing planning, design and renewal of critical assets and our CARP. Relevant departments have developed their own Departmental Climate Action Plans, which align with the CARP and identify climate-related risks and opportunities with actions, sub-tasks and timeframes, where relevant. Annual updates are provided to the Sustainability Executive Taskforce (SET).



Enhancing our Approach with the Latest Information

In 2024/25, we will introduce a new Climate Event Feedback Mechanism (CEFM) to capture information relating to damage to HKIA and operational impacts due to climate-related events, such as typhoons. The CEFM enables us to identify additional adaptation actions based on historical data, which will then be incorporated into the CARP and Departmental Climate Action Plans. Annual meetings will be organised to review key findings from the CEFM, with a summary of findings presented to the SET.

We regularly review the scientific understanding of climate change to ensure our plans remain up-to-date and effective. This includes integrating the findings of the IPCC AR6 into the CARP. In 2023/24, we completed a review of the seawall modelling and an airport-wide drainage system using the IPCC AR6 projections and downscaled data from HKO. The review incorporated the latest land use information at HKIA to assess the risk of flooding caused by sea level rise, storm surges, overtopping waves and extreme rainfall across 2030, 2050 and 2100. The review indicated that HKIA is well-protected from flooding under these IPCC-tested scenarios until mid-century and operational at the end of the century with adaptation measures in place.

Climate-related Knowledge Sharing

We regularly share our Climate Resilience Study approach and findings with various industry groups, airports and other stakeholders through channels in addition to those described in the Collaborating for Excellence section above. We organise dedicated sharing sessions covering the results of our climate-related studies with business partners, ACI members, Government departments and the Government's Climate Change Working Group on Infrastructure (CCWGI).

Climate-related Financial Disclosures

AAHK published its first TCFD statement in 2020/21, becoming one of the first few airport operators in Asia to align with this leading disclosure framework. The TCFD Statement outlines climate-related risks and opportunities applicable to HKIA, as well as AAHK's governance structure, climate strategy, risk management processes and performance metrics. The Statement is a significant milestone that demonstrates AAHK's commitment to understanding and disclosing its climate-related risks and opportunities, and supporting the global transition to a low-carbon economy.

Recognising that the International Financial Reporting Standards (IFRS) Foundation has now taken over the monitoring of companies' climate-related disclosures, AAHK is undertaking a gap analysis against IFRS S2 Climate-related Disclosures and intends to incorporate this new standard into future sustainability reports.

Read more
Appendix VIII - TCFD Statement



Designing and Building a Green Airport

Our vision to create the World's Greenest Airport is one in which sustainability is built into HKIA from the ground up. Striving for this goal, we embed environmental best practices and innovative solutions into the design and construction of airport buildings and facilities to reduce our environmental footprint. We are enhancing HKIA's physical resilience to climate-related impacts, as well as the airport community's overall resilience to cost fluctuations during periods of fuel and energy price volatility.

Green Airport Design and Construction (GADC) Strategy

AAHK has strategically incorporated sustainability features into the design and construction of airport buildings and expansion projects for over a decade. Our current airport-wide GADC Strategy was formally adopted in 2023/24, following the completion of an initial two-year trial period. It sets out a consistent approach to embedding environmental design principles and responsible construction techniques in our projects, as well as projects undertaken in partnership with franchisees and other business partners. Guidance helps identify feasible green design and construction elements that lead to improved energy efficiency and reduced carbon emissions. A Technical Advisory Group, comprising experienced project managers and green design professionals, facilitates and monitors the implementation of the GADC Strategy.

Read more
Implementation of the GADC Strategy

Delivering Green Buildings and Construction

Sustainable buildings across HKIA have long been recognised for environmental excellence by leading green building certification schemes. During the reporting period, Sky Bridge was officially awarded with the Final Platinum rating under Building Environmental Assessment Method (BEAM) Plus New Buildings Version 1.2, while Asia World-Expo Phase 2 achieved the Provisional Platinum rating in the New Building Category under the BEAM Plus Provisional Assessment. This recognition under Hong Kong's leading green building certification scheme from the Hong Kong Green Building Council (HKGBC) attest to AAHK's long-standing commitment to providing sustainable, resilient infrastructure.

Guidelines on Energy Efficiency for New Buildings and Retrofitting Works Design (Energy Guidelines)

Energy consumption remains a key focus of both our GADC Strategy and climate mitigation efforts, as it is an opportunity to make the airport more resource efficient and resilient to climate-related impacts, such as potential cost increases. In March 2024, we expanded our Energy Guidelines beyond the design of new buildings to cover retrofitting works within existing buildings. We also referred to the "Zero-Carbon-Ready" concept advocated by the HKGBC, which applies to highly energy-efficient and resilient buildings that either use renewable energy directly, or rely on a source of energy supply that can be fully decarbonised, such as electricity.

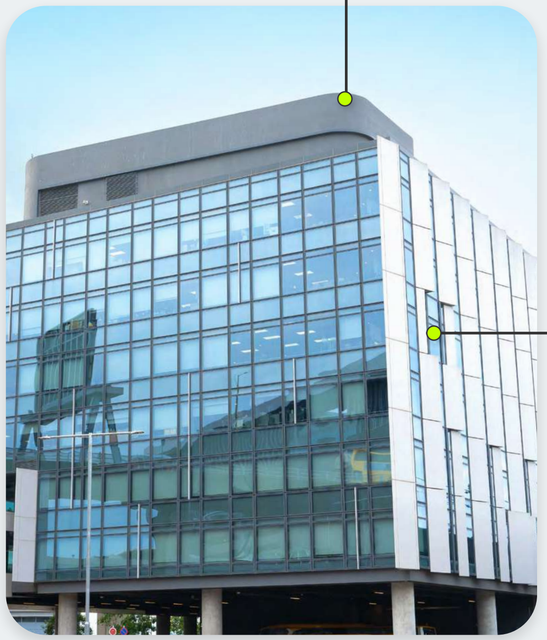


Case Study

HKIA Tower Two

The seven-storey HKIA Tower Two achieved a Final Gold rating under BEAM Plus New Buildings Version 1.2 in May. With a GFA of 21,530m^2, the building provides ample office space to help sustain HKIA's growth, housing several AAHK departments and the security subsidiary, Aviation Security Company Limited (AVSECO). Equipped with the latest IT infrastructure and flexible office spaces, the workplace promotes creativity and collaboration, with facilities including a café, gymnasium, nursing rooms and laundry service. The implementation of the green design and construction principles at HKIA Tower Two has resulted in significant energy savings and emission reductions.

Green Features at HKIA Tower Two

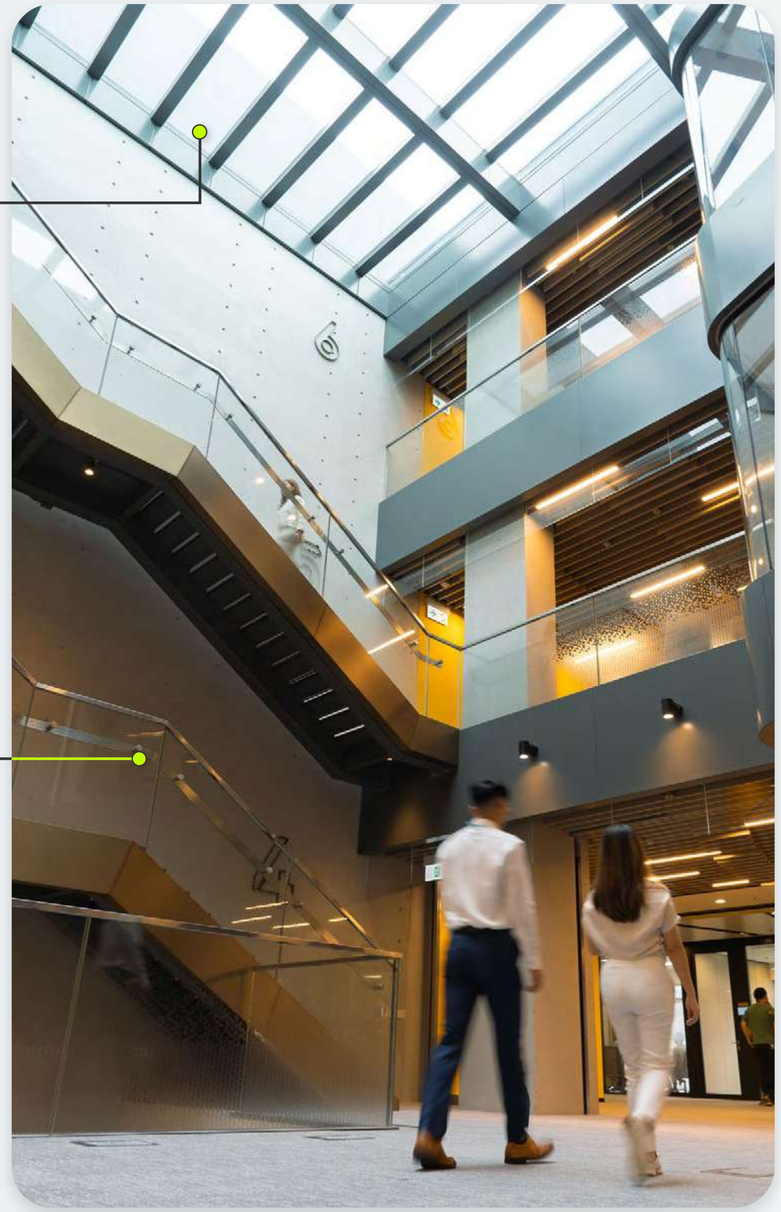


Approximately 35% of the tower's roof area is covered by a green roof, helping to lower the urban heat island effect and enhance human comfort.

To minimise solar heat gain and the transmission of traffic noise, the eastern and western façades of the building incorporate aluminium vertical cladding, projected approximately two metres from the curtain wall.

Combining natural light and an artificial lighting system to reduce overall energy consumption, the tower features a 70m^2 skylight centrally located above the public atrium, as well as daylight sensors installed throughout the office area.

A 1.5-metre-wide open staircase connecting all floors is provided to encourage staff to use the lift less often, for improved health and reduced energy consumption.



Managing our Waste

The HKSAR Government has developed a clear strategy to manage municipal solid waste (MSW) in its Waste Blueprint for Hong Kong 2035, aiming to promote the adoption of a circular economy and reduce the reliance on landfilling for waste disposal. Supporting this strategy at HKIA involves dealing with waste from various sources, including shops, restaurants, airline lounges, offices and aircraft servicing. Some of this is generated from activities under AAHK's direct control, but much of it is generated by other airport business partners and as an airport operator, AAHK has responsibility for handling both our own and business partner waste at HKIA. We therefore focus on supporting waste producers to drive upstream waste reduction and separation, enabling recyclables to be captured at source, thereby reducing the airport's collective waste footprint.

Our Impact and Performance

As almost half of HKIA's waste has no recycling value, the target focuses on materials that can be reprocessed into resources with a market value. This reflects multiple factors, including the Government's strategy of developing a circular economy and anticipated new waste-to-resource and waste-to-energy infrastructure.

In 2021, we set a target to increase AAHK's **recovery rate for recyclables** by

25%

by 2025, compared to a 2018 baseline

AAHK's recovery rate for recycles in 2023

19.3%



Our Management Approach and Initiatives

With thousands of passengers and employees using the airport each day, the amount of waste generated can be significant and efficient and responsible waste handling is therefore essential. We are committed to developing practical solutions for HKIA's tenants and other stakeholders to reduce waste generation and increase recycling rates.

We continue to adopt a multi-pronged approach to waste reduction:

- **Driving waste reduction at source**
- **Providing resources for and driving the upstream separation of recyclables by business partners**
- **Strengthening our ability to handle source-separated recyclables**
- **Finding solutions for reprocessing more materials into new productive resources in line with circular economy principles**

We recently completed a waste composition survey, which provided a timely and thorough update on the composition and sources of all the waste we handle, including the potential recyclables that are not yet being separated from our mixed waste. The survey provides useful information for waste management planning and establishes a helpful baseline for segregating recyclables. To further improve the waste management process and enhance the separation and collection of marketable materials for recycling from AAHK-handled waste streams, we are exploring options for a long-term waste management facility at the Hong Kong Port.

Read more
AAHK's waste streams and key waste management initiatives



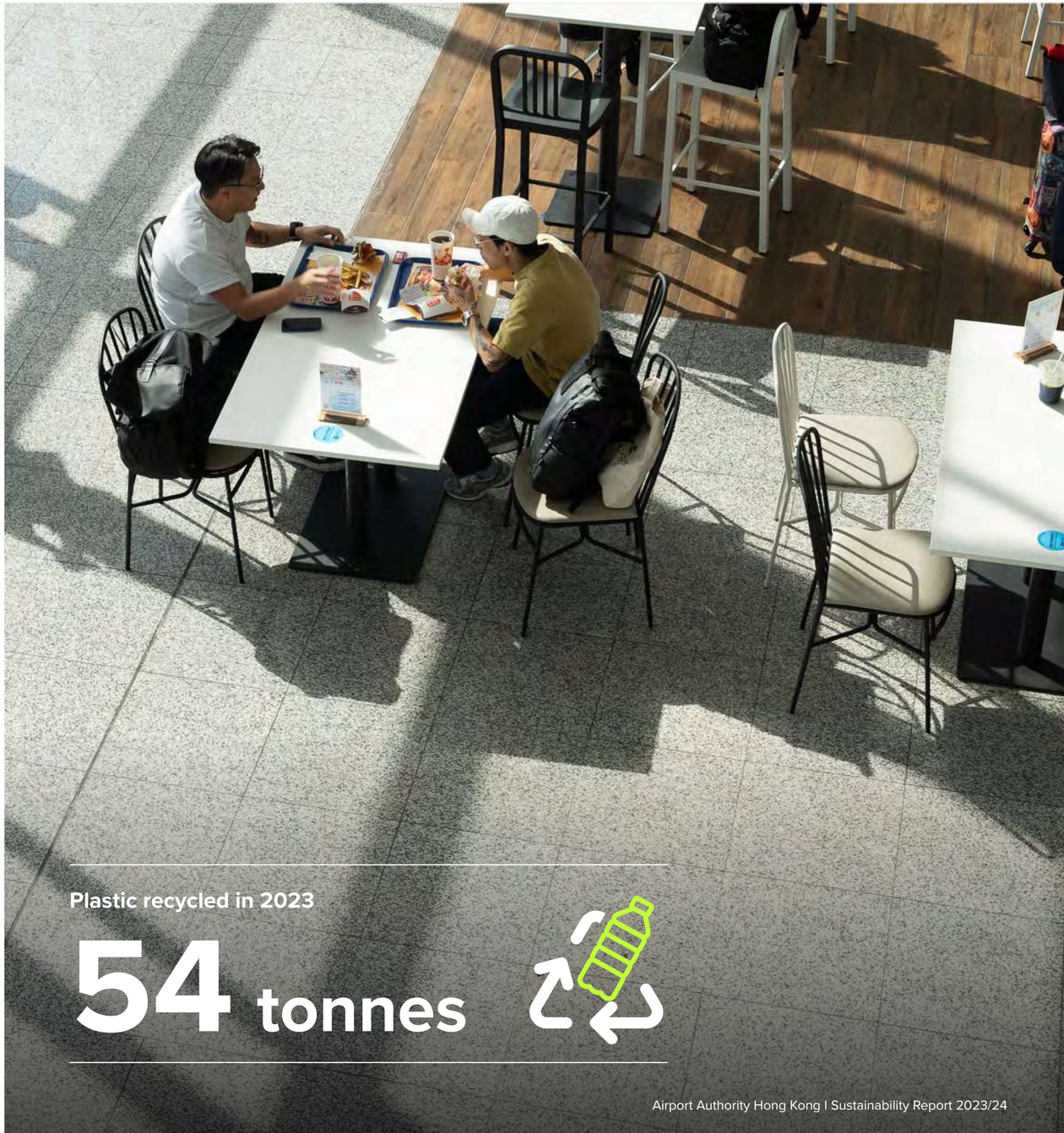
Encouraging Waste Separation at Source

Proper separation of waste and recyclables is critical to ensure that valuable recyclable items do not end up in landfills. We have multiple ongoing initiatives to encourage the airport community to properly separate recyclables from other waste, including providing free bags for tenants to collect recyclables, educational workshops for tenants and cleaners, routine waste room inspections and follow-up on incidents of improper separation.

From January to March 2024, the HKIA Waste Separation at Source Incentive Programme aimed to encourage and recognise the efforts of frontline staff of retail, food and beverage licensees who have implemented proper and effective waste separation measures. Participating licensees separated paper, plastic, metal, glass bottles and food waste and were rewarded based on the number of bags collected per week. Successful licensees were rewarded with HKIA e-Coupons as a token of AAHK's gratitude for their efforts in helping reduce waste requiring disposal at Hong Kong's landfills.

Responding to Regulation on Single-use Plastic

The HKSAR's Product Eco-responsibility (Amendment) Bill 2023 is a landmark regulation focusing on disposable plastic tableware and other plastic products. The bill comprises a two-phase ban on local sales and provision of disposable plastic tableware at catering premises, affecting many within the airport community. In the spirit of supporting both the Government and our valued partners in reducing environmental impacts in Hong Kong, we reminded all tenants and business partners about the implementation of the regulation, arranged a briefing by the Environmental Protection Department (EPD), and encouraged tenants and business partners to join EPD's campaigns promoting an end to the use of disposable plastic tableware.



Converting Food Waste into Useful Energy

In alignment with the HKSAR Government's focus on scaling up waste-to-energy solutions, we are implementing an innovative food waste management solution at HKIA. In March 2023, we commenced a trial of a Food TranSmarter system in the HKIA Community Building. This food waste pre-treatment solution, jointly developed by the Hong Kong Productivity Council and AEL (International Holdings) Limited, converts food waste into slurry, facilitating efficient transportation to Government facilities for biogas production and electricity generation. The trial was successfully completed during the reporting period, and we have now expanded the system to cover the pre- and post-consumption food waste generated in the East Hall Food Court.



Case Study

Ongoing Preparation for MSW Charging

We have long been preparing for the implementation of the HKSAR Government's MSW charging scheme. An MSW charging implementation study conducted in 2022 determined that the appropriate approach was to adopt the use of the Government's Designated Bags (D-bags) by all tenants as the simplest way of paying for AAHK-handled waste going to landfill. In October 2023, a three-month trial of the scheme using dummy D-bags was completed at HKIA to familiarise all waste generators with the logistics of the anticipated waste charging arrangements.

Although the implementation of MSW charging has been deferred, AAHK will remain informed about the latest developments and closely monitor any updates regarding the legislation. In the meantime, we will continue our initiatives to raise awareness to drive waste reduction, encourage recycling and maintain regular communication with our retail tenants and business partners.

Enhancing Biodiversity

North Lantau is characterised by rich biodiversity, with several species of notable ecological value–particularly, the Chinese white dolphin (CWD), recognised as vulnerable on the International Union for the Conservation of Nature (IUCN) Red List of Threatened Species. In this unique environment, we strive to meet AAHK's special duty of care to understand, avoid and minimise adverse impacts on ecosystems and species resulting from HKIA's development and operations.

Conservation and Enhancement Approach

During the early stages of the 3RS project, AAHK committed to developing and implementing a Marine Ecology and Fisheries Enhancement Strategy (MEFES) that guides our efforts to enhance marine biodiversity. The MEFES comprises both statutory and voluntary initiatives that are aimed at improving the marine environment, ecology and fisheries resources.

The independent Marine Ecology Enhancement Fund (MEEF) and Fisheries Enhancement Fund (FEF) were established in 2016 to support the delivery of the MEFES, with a capital injection of HK$400 million. The funds support the biodiversity enhancement initiatives of relevant third parties, including local non-governmental organisations, researchers and members of the fishery sector.

AAHK also actively supports the conservation of North Lantau waters. Over the past several years, we have consulted various stakeholders on developing the design and management plan for the proposed North Lantau Marine Park (NLMP). The proposed NLMP and the adjacent marine parks together will form a combined marine park matrix of about 4,500 hectares. As part of the management plan, AAHK has committed to monitoring CWD population density and abundance for the first six years after the designation of the NLMP, which is expected in November 2024.

As we seek to align our sustainability strategy and reporting with best practices, we are currently undertaking a study and benchmarking exercise to establish a roadmap for alignment with the Recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD). We plan to include TNFD-aligned disclosures in future versions of this Report.



ACI Asia-Pacific Green Airports Recognition 2024
Platinum in the "Over 35 million passengers per annum" category for the implementation of Marine Ecology and Fisheries Enhancement Measures

The MEEF and FEF have granted a total

HK$ **15.1 million**

13 projects

from 1 July 2023 to 30 June 2024



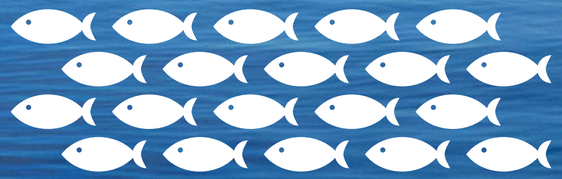
Voluntary Enhancement Measures

Above and beyond the requirements of the 3RS Environmental Impact Assessment (EIA) Report and Environmental Permit, AAHK is progressing voluntary marine ecology and fishery enhancement projects in Lantau waters. These currently include an eco-enhanced seawall, artificial reef (AR) deployment, shellfish reef (SR) deployment and a fish restocking project.

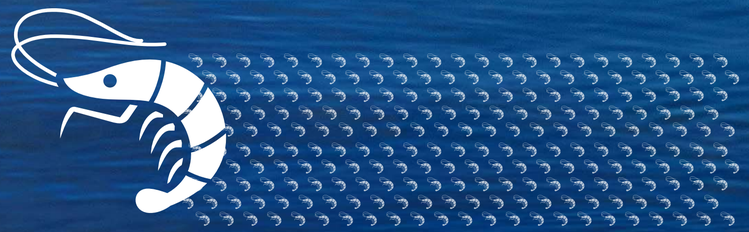
During the reporting period, the second phase of the fish restocking pilot programme was completed, whereby approximately 20,000 fish fingerlings were released at the pilot AR site and approximately 1 million shrimp fry were released in southwest Lantau waters. To assess the effectiveness of the release, acoustic monitoring, underwater videos and underwater visual censuses were conducted over six months. Post-release monitoring of the fish fingerlings provided a positive indication of the AR units as a preferred habitat. AAHK has evaluated the effectiveness of the fish restocking pilot programme, which we plan to carry out in phases at the Airport West area and surrounding waters of the NLMP after its designation. Further to the success of the AR and SR pilot studies, we are now proceeding with AR and SR scale-up designs for deployment in waters adjacent to and west of HKIA towards the end of 2024.

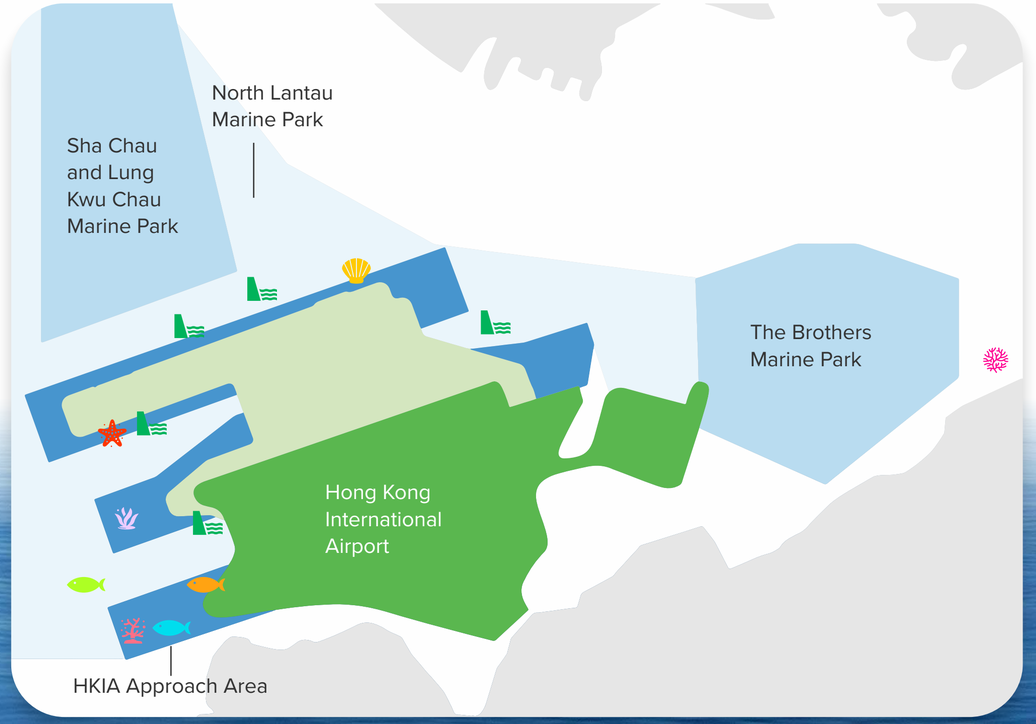
In the second phase of the fish restocking pilot programme, we released approximately

20,000
fish fingerlings



1 million
shrimp fry





Marine Ecology Enhancement Fund and Fisheries Enhancement Fund

The MEEF and FEF have granted a total of HK$15.1 million to 13 projects from 1 July 2023 to 30 June 2024. Two standout projects funded during the reporting period are highlighted on the right.

Read more
Projects supported by the MEEF and FEF





Marine Ecology Enhancement Fund:

Conservation of Ardeids by Understanding their Foraging Ecology through Dietary Investigation

Ardeids (herons, egrets and bitterns) comprise one of the most important groups of waterbirds found locally, forming an essential part of the marine biodiversity of Hong Kong. Common ardeid species include the great egret (*Ardea alba*) and the little egret (*Egretta garzetta*). Concerningly, the number of ardeid nests recorded in Hong Kong and in Deep Bay during their breeding seasons has been declining since 2020, with quantity in the Mai Po mangroves dropping most drastically in 2022. To determine feasible measures that aim to address this decline, it is critical to understand more about the ecology of local ardeids, including their predation habits and dietary composition. Knowledge of the identity and sources of their prey species will be crucial for defining effective conservation actions, such as more focused monitoring and protection of their prey species and foraging habitats. With the advent of biotechnology, the team for this funded project is using DNA metabarcoding to investigate the dietary spectra of local ardeid species using faecal samples collected underneath their colonies.

Fisheries Enhancement Fund:

Establishment and Application of Specific Pathogen-free Grouper Fry Culture Techniques in Hong Kong

This project aims to provide Hong Kong fishers with healthy, specific pathogen-free grouper fry to solve the problem of unstable breeding benefits caused by the uneven quality of local grouper cultured fry. The project brings leading technical knowledge of the City University of Hong Kong and the cooperation of large-scale nursery grounds from the Mainland together to demonstrate effective methods for fertilised egg hatching, fry cultivation, feed preparation, regular monitoring of pathogens and fry management. It aims to introduce a healthy farming model to the local fishers and provide them with specific pathogen-free and healthy fish fry. The project is expected to donate more than 100,000 quality fish fry, free of nerve necrosis virus, grouper iridescent virus or *Cryptocaryon irritans* to fishers in Hong Kong. The project is also expected to establish a specific pathogen-free fish fry breeding method, explain the transmission routes of pathogens to the fishers through workshops, and share other technical knowledge through lectures and onsite visits.



Operational Excellence

We are approaching new horizons in experiences and efficiency at HKIA. Grounded upon stringent safety and security practices, we are innovating and deploying the latest technology to streamline and invigorate the airport experience.



SDG Contributions

We strive to make HKIA a beacon of operational excellence that inspires partners around the world. AAHK continues to reach for higher standards with fresh offerings for customers within the terminals, innovative transportation technologies on the apron and a robust, collaborative approach to safety and preparedness. From smoother and more enjoyable passenger journeys to enhanced safety and efficiency, the return on our investment in operational improvement goes well beyond financial statements.

Ascend Goals:

Enhance the customer experience to make time spent at HKIA more enjoyable, exciting and efficient

Example progress in 2023/24:
Intervals, a first-of-its-kind drink and food concept, now provides an elevated experience within the iconic Sky Bridge

Deploy innovative smart airport technologies to enhance operations and the customer experience

Example progress in 2023/24:
Autonomous vehicles continue to be piloted at HKIA, enhancing efficiency while showcasing the potential for this technology within Hong Kong

Enable airport digitalisation by enhancing our cybersecurity and data privacy approach and responding to the evolving threat landscape and related regulation

Example progress in 2023/24:
We continue to organise mandatory annual e-learning refresher training on information security and host workshops and seminars focused on cybersecurity awareness

Embed a safety culture throughout AAHK to protect our people and the airport community

Example progress in 2023/24:
A fire safety campaign reached more than 680 people from 60 companies at HKIA through a Safety eBus roadshow, training and other events

Remain well-prepared to predict, prevent and swiftly respond to potential operational disruptions at the airport

Example progress in 2023/24:
More than 1,000 representatives from about 20 organisations and Government departments joined an aircraft crash and rescue drill

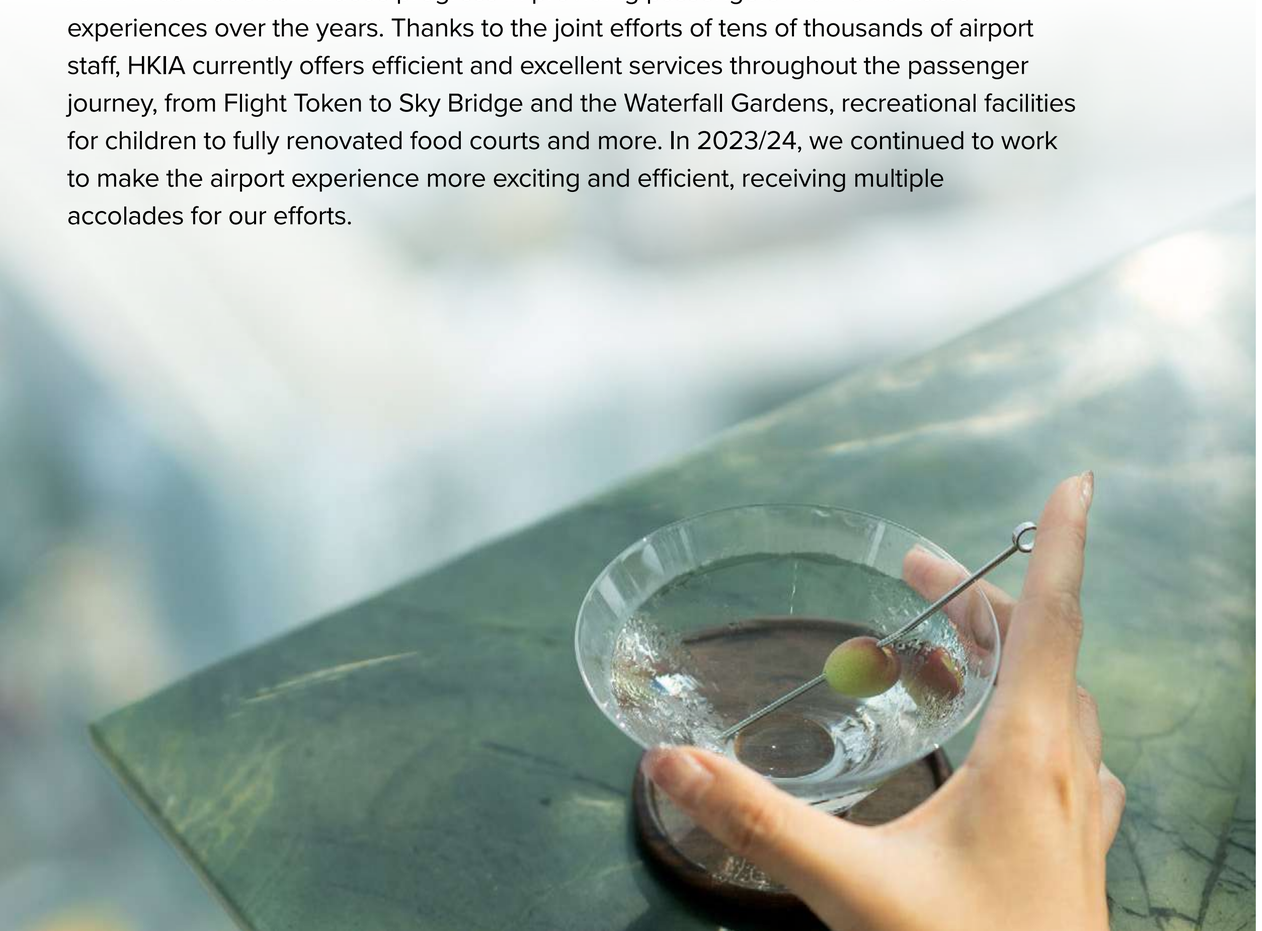
Develop and implement supply chain management practices that go beyond compliance to create shared value for AAHK and our business partners

Example progress in 2023/24:
We continue to manage and monitor the environmental performance of business partners and contractors through the Third-Party Monitoring Programme

Delivering a Smart and Vibrant Airport Experience

As an esteemed international aviation hub and important gateway to the world, HKIA showcases Hong Kong's outstanding service standard and epitomises the very spirit of Hong Kong people.

AAHK has made continuous progress in providing passengers with remarkable experiences over the years. Thanks to the joint efforts of tens of thousands of airport staff, HKIA currently offers efficient and excellent services throughout the passenger journey, from Flight Token to Sky Bridge and the Waterfall Gardens, recreational facilities for children to fully renovated food courts and more. In 2023/24, we continued to work to make the airport experience more exciting and efficient, receiving multiple accolades for our efforts.



A Refreshing Airport Experience



Intervals Sky Bar and Restaurant

Opened in June, Intervals is a new destination for world-class cocktails at HKIA. This first-of-its-kind concept aims to reinvent the airport experience with an elevated drink and food programme set amongst the exceptional vantage point of the newly opened Sky Bridge.



Home Baggage Check-in Service

This value-added premium service allows passengers to have their baggage collected and checked in at their homes in Hong Kong, and delivered directly to their flights, allowing them to enjoy a hassle-free travel experience. We expanded this service to all districts of Hong Kong in 2023/24.



Smart Car Park Solutions

Smart payment kiosks and functionalities for facial recognition and outdoor car searches were launched successfully.

Our Commitment to Customer Service

HKIA's outstanding customer service is made possible through the efforts of thousands of dedicated staff members. We formally recognise exceptional team members through the Customer Service Excellence Programme Award held in March 2024. Over 500 individual and corporate awardees joined the ceremony, which was followed by a celebratory tea reception at the HKIA Community Building.

Accessibility for All

HKIA has long been recognised for providing all travellers with a safe and hassle-free experience. This includes dedicated services for those with special needs, which we continued to enhance in 2023/24. The courtesy channel was expanded to arrival immigration, autonomous wheelchairs were trialled with positive results and 20 nursing rooms in Terminal 1 and the Terminal 1 Satellite Concourse were upgraded with nappy changing stations, hand-washing area, hot and cold drinking water dispensers, bottle warmers and private breastfeeding areas.

In 2023/24, our commitment to family-friendly facilities was recognised with a gold label in the Hong Kong Committee from UNICEF's "Say Yes To Breastfeeding" campaign. It was the sixth consecutive year we have received this accolade.



ACI Achievements

HKIA achieved the **Airports Council International (ACI) Airport Customer Experience Accreditation Level 4** in November 2023, recognising that our exceptional customer experience culture is embedded throughout our organisation, from frontline employees to executives.

HKIA achieved the **ACI Accessibility Enhancement Accreditation Level 3** in August 2023, the highest rank in the programme, reflecting our commitment to provide a comprehensive range of barrier-free facilities.

Digitalising Airport Operations

Technology is one of the key drivers behind HKIA's transformation from a city airport into an Airport City. We are deploying robust and innovative technology across HKIA to enhance both operations and the customer experience by enabling more reliable and efficient services. This includes Internet of Things (IoT)-enabled monitoring, robotics, autonomous vehicles and a comprehensive enterprise 5G network.

Autonomous Vehicle Innovation at HKIA

Cutting-edge automation technology has the potential to revolutionise airport operations, supporting the introduction of driverless transportation that can more quickly and efficiently deliver people and cargo to their destinations while promoting safer driving practices. AAHK has been trialling this game-changing solution since 2019, marking a major milestone in our journey towards becoming a leading smart airport.

As we implement the following solutions at HKIA, we also plan to expand our passenger-carrying autonomous transportation service to connect the airport's commercial hub, SKYCITY, with the nearby Hong Kong Port. In the next phase of our autonomous vehicle expansion, the system will grow from SKYCITY to the neighbouring Tung Chung town centre, further enhancing our connectivity with local communities around HKIA.



Autonomous Shuttle Buses

- Pilot scheme launched in 2023
- Carries airport staff to work sites across HKIA's restricted area
- First passenger-carrying autonomous bus put into staff shuttle service in Hong Kong



Autonomous Patrol Cars

- Pilot scheme launched in 2021
- Patrol along the perimeter of the Airport Restricted Area 24 hours per day
- Capable of operating in inclement weather, including typhoons



Autonomous Electric Tractors

- Pilot scheme launched in 2019
- Transport cargo and baggage in cargo and passenger aprons
- Saving manpower for apron tractor driving

Turning HKIA into a Data-driven Airport

Digital Apron and Tower Management System

AAHK's ability to collect and manage data from HKIA has a direct impact on our ability to operate the airport. Leveraging the latest digital video technology, and integrating real-time video, flight information and surveillance data, the Digital Apron and Tower Management System (DATMS) provides enhanced views of all air and ground activities around the clock, even under low visibility conditions. Jointly developed by AAHK and the Civil Aviation Department, DATMS is backed by a real-time predictive alert function that substantially enhances operational efficiency and aviation safety.

HKIA was proudly the first in the world to deploy such a large-scale digital system for airport operations. In June, DATMS was recognised with the 2023 ACI World-Amadeus Technology Innovation Award for "Best Innovation in Airport Operations and Installations Management".

Best Innovation

in Airport Operations and Installations Management
at the 2023 ACI World-Amadeus Technology Innovation Awards

Merit Award

in the Open Category at the 1st OSH Innovation and Technology Award for its Pre-fire Thermo Cam System



Strengthening Data Governance and Cybersecurity

A robust approach to cybersecurity and data governance enables our technology-driven approach. We prioritise these issues to protect sensitive information, including from our customers, and pre-empt threats to our business continuity.

How we Protect Data and Systems at HKIA

Governance

AAHK's Chief Information Officer (CIO) oversees the IT security framework, ensuring it aligns with management directives from the CEO, as well as various operational measures.

We validate our approach with regular external audits and security assessments.

Risk Management

The Information Security Risk Management Framework guides our approach to managing, measuring, controlling and reporting information security risks at HKIA. It covers risk identification, analysis, evaluation, treatment, monitoring, review, communication and consultation.

Incident Responses

While security protections and controls aim to reduce the risk of security incidents, such as data breaches, some may be unavoidable. AAHK strives to detect security incidents that are not prevented and can respond rapidly to contain damage, helping systems and data to be recovered in a timely manner.

Training

All employees are required to attend a security awareness programme, while all new employees must acknowledge and agree to comply with the Staff Information Security Handbook. All information security policies, guidelines and standard documents are uploaded to the Information Security Portal on our intranet for easy access.

The Security Awareness Programme includes:

- Regular phishing email tests
- Yearly mandatory e-learning refresher classes related to information security policies and guidelines
- IT Policies Workshops twice per year
- Lunch & Learn sessions on cybersecurity trends and awareness

Maintaining a Safe, Secure and Resilient Airport

We balance optimism about the future with our conviction that preparedness is critical. Rigorous safety and security standards, as well as a safety culture across HKIA, help ensure we are prepared to predict, prevent and respond to potential disruptions or crises.

Airport Safety and Security

We aim to make HKIA the world's safest airport and create an injury-free workplace. Our airport-wide safety management system and 'safety-first' culture help us achieve these goals in close collaboration with our employees, contractors, and the airport community. In 2023/24, 184 staff and passenger injuries were recorded, with 310,000 aircraft movements and passenger traffic of 45.2 million.

Safe and Efficient Security Screening

While security screening at HKIA continues to meet international standards, we continue to look for new opportunities to progress our absolute commitment to operational efficiency and customer service excellence. Looking ahead, a smart passenger security screening system will eliminate the need for passengers to take out liquids and electronic devices from their carry-on baggage during the screening process. We will deploy this system in phases beginning in 2024/25.



Recognising Safety at HKIA

HKIA has been accredited by the ACI Public Health & Safety Readiness Accreditation programme, acknowledging our dedication to providing safe airport and travel experiences for all passengers.

AAHK's ongoing commitment to workplace safety was again recognised at the 22nd Hong Kong Occupational Safety and Health (OSH) Awards:

Best Programme for Work Safety & Health in Hot Weather Award (All Industries):

Gold Award

Safety Management System Award (All Industries):

Silver Award

Safety Performance Award (All Industries):

Outstanding rating

Strengthening our Safety Culture



AAHK Employees

- **AAHK Employee Safety Handbook:** An organisation-wide point of reference for all our employees, the AAHK Employee Safety Handbook provides an overview of AAHK's Safety Management System and serves as a quick reference guide for general OSH information.
- **Training Programmes:** We organise regular safety and health training programmes for employees to embed safety-related concepts into our culture and HKIA's day-to-day operations. This includes monthly e-Safety Awareness Workshops and OSH Talks.
- **Performance Target:** AAHK's annual corporate safety performance target includes occupational injuries incurred by AAHK employees. Through safety inspections, actual performance will be measured monthly against both previous monthly periods and the safety performance target.



Airport Community

- **Airport Safety Recognition Scheme 2022/23:** In total, 14 organisations received an HKIA Safety Excellence Award, while 11 received a Merit Award and appreciation certificates were given to the Fire Services Department, Labour Department, and Occupational Safety and Health Council. In addition, 204 individuals and groups were acknowledged for their contribution.
- **HKIA Safety Campaign:** In June, multiple activities were organised to promote outdoor work safety, including Foreign Object Debris walks.
- **Fire Safety Campaign:** A range of promotional events aiming to improve fire safety awareness reached more than 680 people from 60 companies at the airport. This included a Safety eBus roadshow, practical training on the use of firefighting equipment and a Fire Safety Treasure Hunt tasking staff members to identify various fire safety items and equipment around HKIA.









Contractors for Capital Works and the 3RS Project

- **2023/24 Aerodrome Safety (Construction) Compliment Scheme:** Rolled out in November, the scheme aims to acknowledge contractors who have demonstrated extraordinary efforts in protecting aerodrome safety during construction and maintenance.
- **Capital Works Senior Management Safety Inspection:** To demonstrate visible leadership and commitment to site safety, the Contractor's Representative and Contractor Safety Manager of inspected projects must prepare briefs and discuss site safety conditions with senior management from AAHK.
- **Safety Performance Award Scheme:** To improve safety performance on construction sites throughout the airport, while promoting and fostering a safety culture on all projects managed by the relevant department, certificates are awarded to contractors judged to have the best performance within the previous quarter.
- **Various Health and Safety Seminars:** To enhance safety awareness and update and ensure the full implementation of legal and contractual health and safety requirements, professional parties from various industrial sections have been invited to sharing sessions with contractors. Topics covered have included safety for electrical hazard work and work above ground, first aid in the workplace, human factors towards safety hazards and just culture, fire safety at construction sites, precautionary measures for excavation works, prevention of heat stroke at work in a hot environment, operating in confined spaces and other safety regulations related to risk assessment, and airside driving safety, amongst others.
- **Construction Safety Incident & Airport Works Control Session:** To ensure contractors are fully apprised of the importance of safe working practices, a seminar was organised with 60 contractors' representatives. The session covered case studies on fatal industrial accidents and recommendations to avoid similar accidents.
- **Mobile Elevating Work Platform (MEWP) Training Programme:** This programme seeks to improve MEWP safety knowledge and awareness amongst operators and managerial staff through two types of training: onsite real operational training with incentive schemes and online safety awareness training. These courses are provided by professional bodies such as the Hong Kong Mobile Aerial Work Platform Association and the International Powered Access Federation.
- **VCommit Safety Campaign:** The VCommit Safety Campaign is an AAHK-led safety and social responsibility programme to care for 3RS staff, workers and their families. The programme consists of an Independent Safety Assessment in tandem with independent safety audits conducted by external experienced safety auditors registered with the Labour Department for selected sizable parts of the 3RS Project.

Case Study

Heat Stress at Work

Working outdoors in Hong Kong's subtropical climate has always presented safety challenges relating to heat. As temperatures continue to increase, driven in part by climate change, we are focusing our efforts on protecting staff in hot conditions in line with the HKSAR Government's Guidance Notes on Prevention of Heat Stroke at Work. AAHK has implemented several initiatives and safety measures to help prevent heat stroke amongst airport staff when working in hot weather or outdoors.

Drinking Water

Cool potable water is made readily accessible at designated water stations and from roving water trucks.

Training and Awareness

Airport staff receive adequate training on the symptoms of heat stroke, as well as precautionary measures and response procedures. We supplement training with awareness-raising events, such as the "An der Schönen Blauen Donau for You - Round the Island" event featuring a safety quiz that encouraged staff to learn more about heat stroke, rewarding those who answered correctly with ice cream.

Clothing

Staff are advised to wear light-coloured, loose-fitting, lightweight clothes, along with wide-brimmed hats or safety helmets with neck protectors appropriate for their work. Cooling sleeves and vests are also recommended.

Rest and Respite

Staff are designated rest breaks and transported from work sites to cool sheltered spaces to recuperate.



Contingency Planning

Comprehensive contingency planning safeguards HKIA's operational resilience. Various contingency response plans are regularly reviewed with our employees and business partners to ensure appropriate actions will be taken in the event of a disruption or crisis. In 2023/24, we conducted approximately 35 drills and exercises, and 75 training workshops that addressed a variety of operational and emergency scenarios.

Aircraft Crash and Rescue Exercise

In November 2023, HKIA conducted an aircraft crash and rescue exercise on the new North Runway to test HKIA's emergency preparedness and the airport community's ability to respond. More than 1,000 representatives from about 20 organisations and Government departments joined the drill alongside Hong Kong Airlines as the participating airline. The simulation involved the arrival of an aircraft that caught fire after its engine hit the runway, as well as chemical leakage, providing an opportunity for involved agencies to familiarise themselves with a new Decontamination and Rescue Facility at the HKIA. The exercise was successfully conducted according to aerodrome licensing requirements, comprehensively demonstrating HKIA's emergency response capabilities.

Inter-departmental Drilling Exercise

An inter-departmental drilling exercise was conducted at the T1 Midfield Concourse in September 2023. A total of 100 participants from different airport security teams participated, including Aviation Security Company Limited (AVSECO), the Airport Police District and the Explosive Ordnance Disposal Bureau of the Hong Kong Police Force. The exercise covered hazards arising from arson and explosives, passengers being taken hostage, unaccompanied baggage, and many other situations. Relevant communication skills for coordinating responses amongst different airport stakeholders were honed throughout the exercise.

~35
Drills and exercises

75
Training workshops



Thriving Economies and Societies



HKIA drives economic vitality and community wellbeing in Hong Kong and beyond. Capitalising on Hong Kong's distinct advantage at the heart of the Greater Bay Area, we strategically invest in infrastructure and community partnerships that create shared value throughout our region.

SDG Contributions

HKIA is more than just an airport; it's a bustling hub that fuels billions of dollars in international trade and strengthens social bonds amongst people and businesses worldwide. Recognising our influential position as the steward of this powerful engine for prosperity, AAHK is investing in projects that are supercharging the airport's ability to further development in Hong Kong, the Greater Bay Area and beyond. At the same time, deeper connections are supporting HKIA's role as a gateway to the culture and heritage of Hong Kong and the Greater Bay Area. This is helping us build stronger bonds with local stakeholders based upon strategic investments in cargo infrastructure, connectivity and our communities.

Ascend Goals:

Prepare HKIA to handle over 120 million passengers and 10 million tonnes of cargo throughput from 2035 onwards

Example progress in 2023/24:

Delivery of the Three-Runway System (3RS) is progressing in full force in accordance with its phased commissioning strategy

Contribute to Hong Kong's economic development through creation of high-value employment opportunities and economic value distribution from the operation and development of HKIA

Example progress in 2023/24:

HK$13,683 million in economic value generated

Strengthen HKIA's connection to strategic locations to drive economic and social contributions in the Greater Bay Area and beyond

Example progress in 2023/24:

The SkyPier Terminal commenced operation, offering bonded bus services to and from Macao and Zhuhai

Reinforce AAHK's cargo leadership through strategic investments in cargo facilities to sustain long-term growth

Example progress in 2023/24:

We established a joint venture to develop a permanent HKIA Dongguan Logistics Park

Engage the airport community through meetings, workshops, exhibitions and campaigns to understand and respond to their priorities

Example progress in 2023/24:

The HKIA Arts and Culture Festival 2023 showcased Hong Kong's rich cultural heritage throughout the airport

Offer programmes through the EXTRA MILE Project to benefit youth, the non-Chinese speaking community and working parents

Example progress in 2023/24:

Working Holiday@Lantau participants joined in an overseas trip to Japan for cultural exchange and learning



Transforming HKIA into a New Landmark

The Airport City vision will supercharge HKIA's ability to not only thrive financially, but create positive economic and social impacts in Hong Kong and beyond. This ambitious plan involves the robust development of numerous aspects of the airport, from core passenger and cargo services to multimodal regional connectivity, retail, hospitality and entertainment. These investments will diversify AAHK's business, creating new sources of revenue to promote financial resilience and sustainability, while transforming HKIA into a new landmark for travellers and residents. The revitalised HKIA will drive local and regional business growth, as well as high-value cargo transport.

In 2023/24, we continued to make significant progress in delivering on key aspects of the Airport City vision.





Three-Runway System

The 3RS Project involves constructing a new North Runway, the T2 Concourse, a new baggage handling system (BHS), an automated people mover (APM) system, an expanded Terminal 2 and the reconfiguration of the Centre Runway.

- Efforts to deliver the 3RS are progressing in full force, with the target to complete the 3RS in 2024, and AAHK will open relevant passenger facilities in phases in light of passenger traffic demand.
- Several key 3RS projects milestone components were substantially completed, including the Third Runway, the majority of the pavement construction for the re-configured Centre Runway, the concrete structures of the expanded Terminal 2, the main concourse areas of the T2 Concourse, and the new Air Traffic Control Tower.

The 3RS will help prepare HKIA to handle

120 million
passengers



10 million tonnes
of cargo annually from 2035 onwards



SKYCITY

SKYCITY is a mega-scale commercial development that will open new revenue streams for AAHK and our stakeholders, while strengthening the airport's position as a travel destination in its own right.

- Construction work for retail, dining and entertainment components of 11 SKIES has been completed, with retail and entertainment facilities targeted to open in phases from the end of 2025.
- The SKYCITY Transport Terminal opened in November 2023. It supports 16 franchised bus routes and various transport services, strengthening connections between Lantau Island, Hong Kong Port (HKP), and the rest of Hong Kong.
- Several initiatives are enhancing AsiaWorld-Expo's (AWE's) position as a world-class conference and exhibition venue. An ongoing renovation involving HK$600 million is upgrading hardware, facilities and technology. The detailed design for Phase 2 of AWE, including Hong Kong's largest multipurpose arena, is compete with construction pending site availability.

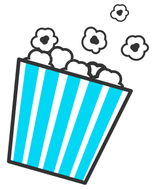
SKYCITY highlights include

>800 retail and food and beverage stores



>570,000 sq. ft.

indoor entertainment hub to be housed at 11 SKIES





Air Connectivity

Following the challenging pandemic period, AAHK is restoring and expanding HKIA's air connectivity on trunk routes and facilitating the development of new routes. This includes additional routes to secondary cities, leisure and exotic destinations and emerging markets along the Belt and Road Initiative. AAHK has also actively participated in various large-scale international forums and conferences to promote HKIA's services to airlines.

Cross-boundary Connectivity

HKIA's strategic location attracts passengers and cargo to and from the Greater Bay Area through the Hong Kong-Zhuhai-Macao Bridge (HZMB). We are taking steps to boost HKIA's presence in the region, including building the SkyPier Terminal (SPT), growing an extensive network of City Terminals at strategic locations across the Greater Bay Area, launching the "Fly-Via-Zhuhai-HK" passenger transfer service and more.

The SPT is linked to the HKP by a bonded vehicular bridge, which provides cross-boundary bonded bus services between the Hong Kong, Zhuhai and Macao Ports of the HZMB. Passengers bound either way are not required to go through customs, immigration and quarantine procedures or collect their baggage at HKIA. The SPT commenced operation in August, offering bonded bus services to and from Macao, and later expanded its services to connect with Zhuhai in December 2023. AAHK is also re-establishing its City Terminal network, which is currently linked to 27 City Terminals, including seven ports, and launching new terminals in strategic areas around the Greater Bay Area.

In 2023/24, HKIA was linked to

27 **City terminals**
throughout the region



Creating Synergies with the Greater Bay Area

AAHK collaborates with other airports within the Greater Bay Area and elsewhere in the Mainland to unlock synergies and capitalise on new opportunities. This includes facilitating seamless travel via HKIA. Under a Memorandum of Understanding (MoU) with Hangzhou Xiaoshan International Airport signed in October 2023, passengers on participating airlines flying to international destinations from Hangzhou can check in at HKIA's airside area and proceed directly to their boarding gates, eliminating the need for baggage or customs formalities.

"Fly-Via-Zhuhai-HK" passenger transfer service utilises a seamless

Air-to-bridge-to-air

transfer method between HKIA and Zhuhai Airport

Launch of "Fly-Via-Zhuhai-HK" Passenger Transfer Service

In collaboration with the Zhuhai Municipal Government, the "Fly-Via-Zhuhai-HK" passenger transfer service was launched in December 2023 to provide Mainland passengers with more convenient international travel service. This service utilises a seamless "air-to-bridge-to-air" transfer method between HKIA and Zhuhai Airport. Passengers from other Mainland cities can fly to Zhuhai Airport and then take a transfer coach, via the HZMB, to the SPT inside HKIA's restricted area. They will then arrive directly at their boarding gates for transfer to destinations worldwide. In addition, passengers from the western part of the Greater Bay Area can travel to HKIA's restricted area via the HZMB.

Strengthening our Position as a Premier Air Cargo Hub

HKIA has long been an important cargo gateway for Mainland China, connecting people and businesses in the world's second-largest economy with global markets. The airport's cargo leadership underpins a significant part of its economic contribution to the Greater Bay Area as well as AAHK's financial success, as evidenced by the airport's swift post-pandemic return to robust business performance.

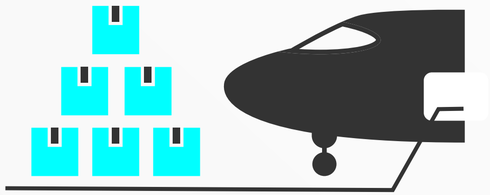
Special Air Cargo

Representing a third of the dangerous goods transported by air, lithium batteries require special care in the cargo handling process. In recognition of the HKIA cargo community's expertise in handling these items, HKIA was proudly recognised by the International Air Transport Association (IATA) as a Partner Airport of IATA's Center of Excellence for Independent Validators (CEIV) Lithium Batteries.

With this new recognition, we have achieved a record of immense significance: HKIA has become the world's first airport community to receive the full suite of the four IATA CEIV partner airport certifications: CEIV Pharma, CEIV Fresh, CEIV Live Animals and CEIV Lithium Batteries.

HKIA has once again been named the world's busiest cargo airport for 2023 -

13th **time since 2010**





Expanding HKIA's Cargo Capabilities

Building upon a long record of cargo excellence, AAHK is collaborating with regional and international partners to further enhance cargo services. In October 2023, the Cainiao Smart Gateway in HKIA's South Cargo Precinct commenced operations, marking a significant milestone in our efforts. We remain dedicated to reinforcing HKIA's leading position in the world, including our strategic collaborations with United Parcel Service (UPS), developing HKIA Dongguan Logistics Park and investing in other high-value-added areas.

Intermodal innovation and state-of-the-art cargo facilities are at the heart of our cargo strategy, which contributes to HKIA handling about three-quarters of international air cargo in the Greater Bay Area. We continue to invest in new, efficient and cost-effective cargo transhipment services throughout the region to solidify HKIA's status as an international cargo hub.



DHL Express Central Asia Hub Expansion

One of three global hubs and the largest infrastructural investment in Asia for DHL, completed its expansion in November 2023

- Increased handling capacity by 50% to over 1 million tonnes per annum
- An upgraded material handling system boosted the hub's hourly throughput from 75,000 to 125,000 shipments



UPS Hub Facility

Development of an express cargo facility at HKIA announced in December 2023, targeted for completion in 2028

- Designed to handle close to 1 million tonnes per year
- Built on two hectares of land with airside access



HKIA Dongguan Logistics Park

Novel intermodal model for shipments of cargo from the Mainland to international destinations

- Expected to reduce operating costs by about 50% and handling time by about one-third
- Established a joint venture to develop a permanent HKIA Dongguan Logistics Park in October 2023

Nurturing Aviation Professionals

Just as HKIA connects Hong Kong and the Greater Bay Area with goods, services and people from around the world, AAHK strives to connect regional talent with the knowledge, skills and opportunities needed to pursue successful careers in the aviation industry. Our efforts strengthen Hong Kong's position as a regional civil aviation training hub while supporting the industry's ongoing growth.

Hong Kong International Aviation Academy

Hong Kong International Aviation Academy (HKIAA) is a member company of AAHK's subsidiary, HKIA Services Holdings Limited. The Academy provides a diverse aviation-related curriculum to train the next generation of aviation professionals. Awarded the highly regarded International Civil Aviation Organization (ICAO) Platinum member / Training Centre of Excellence in the TRAINAIR PLUS Programme (TPP), as well as being an ACI-accredited Training Partner, HKIAA is the second organisation in the world to receive an ACI-ICAO-TPP-Airport dual recognition. The Academy was accredited as the Authorised Training Centre by IATA in August and elected as a member of the ICAO TRAINAIR PLUS Steering Committee.





HKIAA launched its first

Cadet Pilot Programme

in September 2023

Second organisation in the world

to receive an ACI-ICAO-TPP-Airport dual recognition



Inspiring the Younger Generation

In September 2023, HKIAA launched its first Cadet Pilot Programme to provide opportunities for young talent aspiring to become airline pilots. The programme comprises a six-month theoretical knowledge instruction course provided by HKIAA and eight months of flying training at IASCO Flight Training School in California, United States.

Upon completion of the training programme, which comprises a final multi-crew cooperation course provided by Hong Kong Airlines, students are eligible for the grant of a commercial Pilot Licence by the Civil Aviation Department. At present, Hong Kong Airlines, Hong Kong Express Airways, Greater Bay Airlines and Hong Kong Air Cargo are partner airlines of the programme and offer preliminary job interviews for the students.



Connecting the Community with Opportunities at HKIA

HKIA's continued growth, fuelled by the commissioning of the 3RS and the ongoing development of the Airport City, requires the support of top talent. AAHK continued to connect the community with employment opportunities at HKIA through multiple job fairs during the year. Regular airport visits, tours and educational talks also helped attract potential colleagues and provided opportunities to understand more about HKIA's long-term development.



8,700
visitors

HKIA Career Expo 2023

The HKIA Career Expo 2023 brought over 8,700 visitors to the Hong Kong Convention and Exhibition Centre in August. Officiated by AAHK senior management and HKSAR Government officials, the three-day event was the first in-person expo after three years of virtual events during the pandemic. The event showcased more than 6,500 jobs at over 50 airport companies.

1,400
visitors



The Airport Youth Career Day 2023

In July, the Airport Youth Career Day 2023 at HKIA attracted over 1,400 visitors. This inaugural event, supported by The Hong Kong Federation of Youth Groups, was designed to deepen young people's understanding of the aviation industry and the career opportunities it offers. A total of 34 airport companies participated in the event, which offered 3,000 jobs.



4,000
visitors

Focusing on Women at Airport Career Day 2024

HKIA hosted Airport Career Day 2024 in March, where over 4,000 visitors explored around 3,000 job vacancies. Over 40 recruitment booths were operated by organisations within the airport community. Among other themes, the event highlighted job opportunities for women and family-friendly practices implemented by the airport community, including sharing sessions on the experience of female team members working at the airport.

Caring for our Communities

Even as HKIA's positive impacts extend regionally and globally, we continue to prioritise our bonds with local communities around the airport. AAHK actively engages communities in North Lantau through our flagship initiative, the EXTRA MILE Project. We also aim to support the numerous staff commuting to HKIA from various areas across Hong Kong's more distant regions. Our primary goal is to foster a warm and inclusive environment while strengthening social cohesion at HKIA and within Hong Kong more broadly.

> **Contribute to the social and economic growth of Hong Kong, in particular Lantau and other neighbouring communities, by nurturing talent, realising the potential of individuals, and encouraging participation in aviation-related industries.**
>
> **Community Investment Vision**

EXTRA MILE Project

Launched in 2018, the EXTRA MILE Project is a collaborative platform for AAHK and its business partners to invest in and unleash the potential of communities around Hong Kong. Focused on Lantau and neighbouring areas, it is helping us attract and retain talent for the airport community through three programmes–**Working Holiday@Lantau**, **The Pioneer** and **EduCare**.

2023/24 Programme Highlights



A barbecue gathering was organised for participants of the **"Working Holiday@Lantau"**, **"The Pioneer"** and "**EduCare**" programmes in celebration of the Chinese New Year. Participants were introduced to the HKIA Community Building.



"Working Holiday@Lantau" participants were treated to a fruitful overseas trip to Japan for cultural exchange and learning. They explored the latest trends in aviation and technology, visiting Narita International Airport, the Museum of Aeronautical Science, the National Museum of Emerging Science and Innovation, and the Tokyo Rinkai Disaster Prevention Park.



"EduCare" participants joined an after-school exposure activity to visit the Tung Chung Community Liaison Centre and the Tung Chung East Promenade to learn about environmental conservation. The Centre features thematic exhibition areas outlining future development plans and conservation efforts of the Sustainable Lantau Office. Participants and their family members were also invited to HKIA for a Christmas party and terminal walk, as well as the HKIA Community Family Sports & Fun Day 2023.

Read more
EXTRA MILE Project

Strengthening Bonds within the Airport Community

AAHK's social contributions are evident in our efforts to make HKIA a better place to work for the thousands of airport community members. From airport facilities that support working parents and promote wellness, to opportunities for giving back, and exciting events that unite colleagues, our investments in the airport community are creating positive impacts across Hong Kong.





HKIA Community Building

Opened in December 2022, the HKIA Community Building is a place to gather, relax and refresh. It provides leisure and dining facilities for all staff of different companies operating at HKIA to cultivate a stronger sense of belonging amongst the airport community. Facilities include spaces for events and athletics, as well as the 500-seat Landside Staff Cafeteria. The HKIA Staff Clubhouse hosts engaging events for staff from around the airport community, including the HKIA Community Family Sports and Fun Day 2023 in December 2023. Over 1,000 participants from various airport companies joined in family-friendly activities, including game booths, art workshops and magic performances.





Airport Preschools

AAHK established two Airport Preschools in 2017 and 2023, respectively, to provide educational and childcare services for children of airport community staff. Together, the Airport Preschools can serve over 130 children, giving parents peace of mind that their children are well cared for while at work. The Preschools also hold engaging events for parents, such as talks on parenting knowledge and parent-child workshops for families to create unique bonding experiences encompassing art, sports and more.

Community Service Leave

Beginning in May 2024, AAHK is providing community service leave to enable employees to participate in volunteer services that contribute to society. Eligible staff can apply for one day of Community Service Leave per calendar year to participate in volunteer service during normal working hours.

Case Study

HKIA Arts and Culture Festival 2023

The airport is a unique fixture in Hong Kong, where millions get their first experience of local culture each year. Striving to make a strong first impression, we launched the HKIA Arts and Culture Festival 2023 to showcase Hong Kong's rich cultural heritage in a wide variety of art forms throughout the airport.

Traditional Chinese paintings came to life through animation, presented with fresh interpretations on the airport's giant digital screen. Celebrated Hong Kong movies were reimagined in stylised comics, while three pianos covered in vivid illustrations by local artists became the stage for live performances throughout the terminal. Traditional postcards, transformed through art and interactive elements, showcased the essence of Hong Kong.

The festival kicked off at an opening ceremony in Terminal 1 with a jazz performance by Teriver Cheung Quartet. Exhibitions and performances over the three months were made possible through partnerships with Attacca Projects, the Hong Kong Academy for Performing Arts, Hong Kong Arts Centre, the Leisure and Cultural Services Department, M+, MobArt Gallery and West Kowloon Cultural District's Freespace Jazz Fest.







Thriving People

We nurture our people within a safe and inclusive workplace that fosters wellbeing and equality. Recognising that thriving people not only shape AAHK's success, but also the future of the aviation industry, we are embedding a culture of sustainability throughout our workforce for transformative impact.

SDG Contributions



Creating the sustainable airport of the future is a collective effort. We take pride in every AAHK employee, from frontline staff to general managers, who collaborate to ensure that our airport thrives. We strive to attract and retain top talent through competitive remuneration packages, people development programmes, promotion of employee wellness and dedicated engagement activities. By creating and nurturing a thriving workforce, together, we forge a more sustainable HKIA.

Ascend Goals:

Embed a culture of sustainability throughout AAHK to enable teams to contribute to our strategy

Example progress in 2023/24:
Over 98% of employees received training on environmental and staff wellbeing, human rights, anti-corruption or other sustainability-related topics

Create safe working environments and promote the health and wellbeing of AAHK staff to build a happier, more productive workforce

Example progress in 2023/24:
No high-consequence injuries recorded and over 1,500 participants attended the health and wellness activities during Wellness Week

Implement the Work Improvement Team (WIT) programme to empower staff to develop innovative ideas for positive impact at HKIA

Example progress in 2023/24:
28 Work Improvement Project proposals from over 145 staff across 10 departments were received

Provide equal opportunities for career advancement to all colleagues

Example progress in 2023/24:
Six seminars on the anti-discrimination ordinances were organised to reinforce our corporate governance practices and 23% of 859 vacancies were filled via internal promotion

Foster a workforce that reflects the gender, ethnic and age diversity of Hong Kong

Example progress in 2023/24:
Our new Corporate Social Policy Statement guides our efforts to create a welcoming and supportive working environment that is inclusive towards employees of all backgrounds

Connect colleagues through AA Staff Club activities and events to drive staff engagement and belonging

Example progress in 2023/24:
Over 1,500 AAHK staff and their families and friends joined the "AA Family Fun Day 2023 @ Hong Kong Disneyland"



Building and Developing our Workforce

To ensure our team continues to thrive, we seek to retain our employees by creating a supportive and inclusive culture that also draws new talent as needed. Our Training and Development Policy directs us to develop critical skills and knowledge amongst our diverse workforce through three key programme categories: General and Management Training, Operational and Technical Training and Leadership Development Training. Additionally, we actively encourage colleagues to embrace continuous learning through a variety of in-house and external training opportunities.

Recruiting Talent

While the COVID-19 pandemic dealt a heavy blow to the aviation industry, economic recovery is progressing, and so too are our efforts to attract the best talent to the airport. We are conducting targeted recruitment efforts and creating a workforce that people want to join with the initiatives described throughout this section.

In the long term, we are also adopting innovative technologies to address manpower challenges and attracting labour from the Greater Bay Area as needed. Thinking ahead, we are leveraging artificial intelligence (AI), robotics and automation to reduce the airport's dependence on manual labour. This holistic, forward-thinking approach helps us maintain a healthy level of talent, both managing our demand for skilled labour and supplementing our efforts to tap into local and regional labour markets, setting HKIA up for success well into the future.

Read more
Thriving Economies and Societies – Connecting the Community with Opportunities at HKIA



Attracting and Developing Young Talent

For many, the journey to a fulfilling career at HKIA begins early. We engage the younger generation in our recruitment efforts to embed fresh perspectives throughout our organisation and build a resilient, long-term talent pipeline.

Read more
Our programmes for attracting and developing young talent



Management Trainee Programme

Develops management trainees into future leaders in a three-year programme with mentorship from AAHK's senior management



Graduate Engineer Programme

Scheme "A" programme accredited by the Hong Kong Institution of Engineers aims to prepare engineers to work with mission-critical systems and contribute to the development of HKIA



Summer Internship Programme

Seven- to eight-week programme for students from local and overseas universities and institutions to experience work at HKIA and our Zhuhai and Guangzhou offices—107 students joined in 2023

Rewarding and Recognising our People

AAHK's employees go above and beyond to operate and manage HKIA, one of the world's most important aviation hubs. It is our obligation to reward and recognise them for all that they do. By meeting and exceeding that obligation through market-competitive remuneration, incentives and recognition schemes, we are also able to attract and retain the most qualified employees.



Competitive Remuneration

Our approach to remuneration is supported by robust policies and systems to ensure we remain competitive in the market. Comprehensive packages include retirement benefits, medical and dental coverage, insurance plans, various types of leave entitlements and work-related allowances. In 2023/24, we expanded the scope of our compassionate leave policy and extended our offerings of paternity leave, examination leave and marriage leave.

Corporate Recognition Programme

Events throughout the year provide us with platforms to elevate the excellent work of our colleagues. This culminated in our gala event in February 2024, the Annual Dinner, where our employees shined at AsiaWorld-Expo. The event honoured dedicated staff members with outstanding Team Awards, Outstanding Employee Awards and Long Service Award for their contribution over the years and making our ambitious plans a reality.





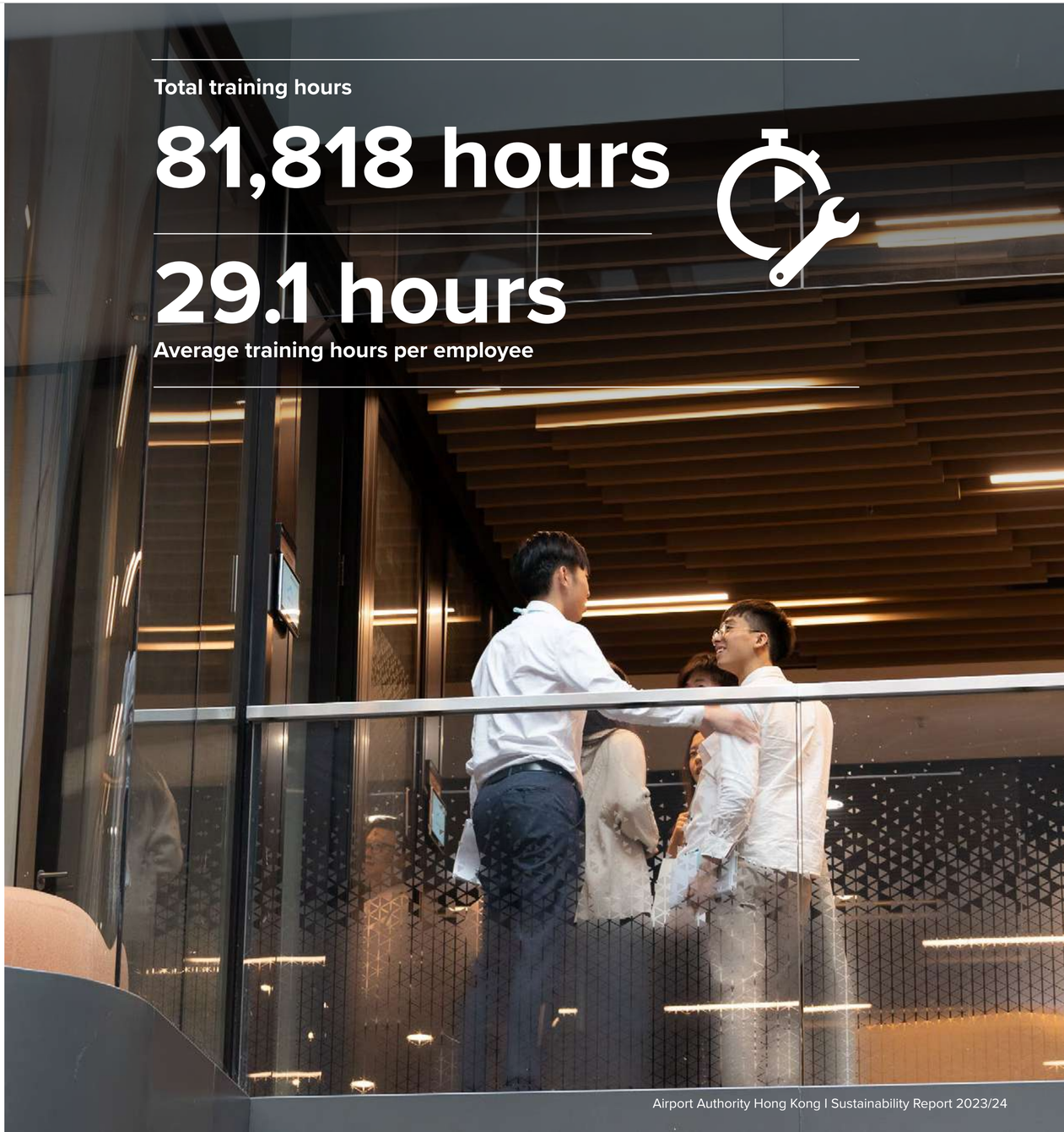
Strengthening Leadership Development

We continue to enhance our processes to develop and retain top talent. Our organisation-wide talent review and succession planning process helps us maintain a strong leadership pipeline aligned with our long-term vision for HKIA. Leadership development programmes provide comprehensive training and development opportunities for individuals from Assistant to Senior Executive levels. Launched in November 2023, we designed and implemented a 12-month programme to strengthen leadership competence at the middle-manager level.

Fostering a Culture of Continuous Learning

HKIA is constantly evolving, and we encourage our employees to do the same. Various learning and development programmes support this goal, including the Study Assistance Scheme, which offers staff members the opportunity to pursue self-initiated development programmes with sponsorship for eligible activities. We also promote in-house and external training courses available on demand via myLearning, our online platform, and on mobile, tablet and other devices. During the reporting period, employees recorded 81,818 total hours of training through these and other platforms.

We also encourage employees to engage in professional development activities outside of AAHK's initiatives. We enhanced our examination leave policy, which now provides eligible employees with up to six working days of leave per year to take examinations relevant to their work or career development.



Strengthening Corporate Culture

AAHK's corporate culture is founded upon the "5Cs":
core values that apply to all our employees, wherever work takes them.

AAHK's "5Cs" Core Values



Fostering a Culture of Continuous Improvement

AAHK relies on brilliant colleagues across our organisation to ideate innovative solutions for HKIA. Since 2016, frontline staff have generated useful ideas through our WIT programme. The WIT empowers frontline staff to contribute, develop and implement new operational and service enhancements. In 2023/24, 28 Work Improvement Project proposals from over 145 staff across 10 departments were received.

WITs showcased their ideas at the WIT Convention, held in March 2024 at the HKIA Community Building. More than 500 staff and guests attended the convention, which included presentations from shortlisted teams.

Cultivating an Inclusive Culture

Inclusivity helps us build a culture that employees want to be a part of–one in which we all work to promote diversity, eliminate bias and support equal opportunities. We foster inclusivity by encouraging staff to join interest groups and corporate sports teams. We also prioritise the needs of working parents by offering full-time childcare for children up to three years old at our two airport preschools. To support new mothers returning to work, we have dedicated lactation rooms in HKIA Tower and HKIA Tower Two.

We continued to provide training on diversity and inclusion issues. In April 2024, six seminars on anti-discrimination ordinances were organised to reinforce our corporate governance practices. This legal compliance training is mandatory for new joiners, covering relevant definitions, how they apply under different scenarios and legal liability.





Keeping Employees Healthy

Wellness impacts more than human health—it is an opportunity to come together and build lasting bonds. With a view to promoting health and wellbeing amongst our employees, while fostering a sense of community and belonging, AAHK has prepared a wealth of facilities for staff including the HKIA Community Building, gyms at HKIA Tower and HKIA Tower Two and resort houses. We also organise wellness talks, provide counselling support and connect employees through social activities, both virtually and in-person.

Wellness Week

Being part of a community is an important aspect of wellness, which is fostered through AAHK's Wellness Week with exciting events that promote physical and mental wellbeing at HKIA. In December 2023, the annual edition kicked off with a lively opening ceremony and an energetic Wellness Fun Run attended by AAHK's CEO and senior management, who encouraged staff to prioritise a healthy lifestyle. Over 120 colleagues participated in this kick-off event. The Wellness Week recorded over 1,500 attendances, who took part in a variety of activities including yoga, kickboxing, meditation and more, with professional trainers providing guidance. Seminars and a wellness expo offered opportunities to learn about topics such as nutrition, skincare, massage therapy and how traditional Chinese medicine can help with menopause.

Over

1,500

Wellness Week attendances



Enhancing Staff Engagement and Communication

A culture of open feedback is critical to our success. We achieve this goal through a range of mechanisms, including in-person and digital channels, in which we solicit and act upon the views of our employees, as well as numerous engagement activities. This includes the initiatives in this section, as well as AAHK's grievance handling mechanisms, which are described in detail in the Raising Concerns section.

Read more
Overview – Raising Concerns

Employee Communication

Throughout the year, we engage AAHK staff members through both formal and informal channels to understand their needs and generate valuable insights about our business. Our Employee Communication Framework guides us as we share information with employees, gather their input and foster cross-departmental dialogue in physical, online and mobile-friendly formats.

Town Hall Meeting

We organised our annual Town Hall meeting in June 2023. Taking place in the HKIA Community Building, this was the first in-person town hall meeting since the pandemic. The event included a Q&A session, opening the floor for AAHK staff to exchange their views directly with senior management.

Exchanging Views with Senior Management

In 2023/24, we held three informal staff mingling sessions at the HKIA Tower, where the CEO and senior management met with over 100 staff members from different divisions to encourage open dialogue and build stronger relationships amongst colleagues.

HR Outreach Communication Session

Resumed in June 2023, a platform to chit-chat with staff, listen to their voices and understand more about their work environments. 40 sessions were arranged in 2023/24, with around 250 frontline colleagues participating.

Business Talk Series

Senior management holds regular talks to share updates on our business development efforts and key projects with all employees. At these talks, participants are encouraged to actively participate by asking questions and raising any concerns directly with senior leadership.

Staff Activities

HKIA is a place where travellers make memories that last a lifetime. We bring this energy inside our organisation by creating opportunities for our people to come together and share meaningful, fun experiences. We engage our people through the AA Staff Club, which connects AAHK staff members through numerous activities, and a range of other channels. In 2023/24, 49 events were organised through the AA Staff Club, including the examples shared below.



Fun with Umeshu

In October 2023, the HKIA Staff Clubhouse treated about 30 airport community members to a delightful umeshu tasting event, offering a virtual journey to Japan through the flavours of this traditional drink. Participants explored various types of umeshu, sometimes referred to as plum wine, and learned about its rich cultural history.



Caring for the Elderly in Tung Chung

In partnership with the Neighbourhood Advice-Action Council Tung Chung Integrated Services Centre, the AAHK Staff Club organised an impactful visit to neighbouring Tung Chung in May 2023. About 30 AAHK staff members and their families visited elderly residents living alone to share handmade gifts and quality time together. The trip connected generations, with AAHK participants benefitting from the stories and experience of some of Hong Kong's wisest residents.



The Mahjong King Competition

Hong Kong's favourite pastime came to the airport island in October 2023, when 240 staff members faced off in the Mahjong King Competition cum Dinner 2023 organised by the AAHK Staff Club. The event provided varying levels of competition, with prizes including gift coupons and crystal mahjong sets. Our staff members celebrated each other and Hong Kong's culture throughout the night.



Family Fun Day at Disneyland

More than 1,500 AAHK staff and their families and friends enjoyed a thrilling day of fun and frolic at the "AA Family Fun Day 2023 @ Hong Kong Disneyland", organised by the AAHK Staff Club in November 2023.

Case Study

Connecting New Hires

When new employees join AAHK, they become valued members of the AAHK family from day one. To enhance the success of the onboarding process and cultivate a sense of belonging, our human resources department supplements orientation and site visits to familiarise employees with AAHK and HKIA through a communal "New Hire Gathering." These events provide opportunities for new colleagues to meet each other, share onboarding experiences and provide feedback. It ensures that new employees know where to seek support to help them fit into the AAHK family.



Appendix I

List of Abbreviations

AAHK	Airport Authority Hong Kong
AA Ordinance	Airport Authority Ordinance
ACA	Airport Carbon Accreditation
ACFC	Audit Committee & Finance Committee
ACI	Airports Council International
AGL	Airfield ground lighting
AHUs	Air handling units
AI	Artificial intelligence
APM	Automated people mover
APUs	Auxiliary power units
AR	Artificial reef
AR6	Sixth Assessment Report
AVSECO	Aviation Security Company Limited
AWE	AsiaWorld-Expo
BDC	Business Development Committee
BEAM	Building Environmental Assessment Method
BEC	Business Environment Council
BESS	Battery energy storage system
BHS	Baggage handling system
CARP	Climate Adaptation and Resilience Plan
CCWGI	Climate Change Working Group on Infrastructure
CEFM	Climate Event Feedback Mechanism
CEIV	Center of Excellence for Independent Validators
CWD	Chinese white dolphin
CX	Cathay Pacific
D-bags	Designated Bags
DATMS	Digital Apron and Tower Management System
e-GSE	Electric GSE
EC	Electronically commutated
EIA	Environmental Impact Assessment
EMP	Environmental management plan
EMS	Environmental management system
EVs	Electric vehicles
FEF	Fisheries Enhancement Fund
GADC	Green Airport Design and Construction
GHG	Greenhouse gas
GRI	Global Reporting Initiative
GSE	Ground services equipment
GWP	Global warming potential
Hactl	Hong Kong Air Cargo Terminals Limited
HKEX ESG Guide	Hong Kong Exchanges and Clearing Limited's Environmental, Social and Governance Reporting Guide
HKGBC	Hong Kong Green Building Council
HKIA	Hong Kong International Airport
HKIAA	Hong Kong International Aviation Academy
HKO	Hong Kong Observatory
HKP	Hong Kong Port
HKSAFC	Hong Kong Sustainable Aviation Fuel Coalition
HKSAR	Hong Kong Special Administrative Region
HKSAR Government	The Government of the Hong Kong Special Administrative Region
HRRC	Human Resources & Remuneration Committee
HVO	Hydrotreated vegetable oil
HZMB	Hong Kong-Zhuhai-Macao Bridge
IATA	International Air Transport Association
ICAC	Independent Commission Against Corruption
ICAO	International Civil Aviation Organization
IFRS	International Financial Reporting Standards
IoT	Internet of Things
IPCC	Intergovernmental Panel on Climate Change
ISC	Internal Sustainability Committee
ISCC CORSIA	International Sustainability and Carbon Certification: Carbon Offsetting and Reduction Scheme for International Aviation
IUCN	International Union for the Conservation of Nature
MEEF	Marine Ecology Enhancement Fund
MEFES	Marine Ecology and Fisheries Enhancement Strategy
MEWP	Mobile Elevating Work Platform
MSW	Municipal solid waste
NLMP	North Lantau Marine Park
OSH	Occupational Safety and Health
PPE	Personal protective equipment
RCPs	Representative Concentration Pathways
RD	Renewable diesel
S&P	Standard & Poor Global Ratings
SAF	Sustainable aviation fuels
SDGs	Sustainable Development Goals
SET	Sustainability Executive Taskforce
SFF	Sustainable Finance Framework
SFTs	Sustainable Finance Transactions
SPT	SkyPier Terminal
SR	Shellfish reef
TCFD	Task Force on Climate-related Financial Disclosures
TNFD	Taskforce on Nature-related Financial Disclosures
TPP	TRAINAIR PLUS Programme
UPS	United Parcel Service
WIT	Work Improvement Team
3RS	Three-Runway System
3RSWC	3RS & Works Committee

Appendix II

Performance Data

Economic, operational, workplace and social data presented in this section covers the fiscal year 2023/24, unless otherwise stated. Environmental data is reported for the calendar year ended 31 December 2023. Where available, data for previous fiscal years or calendar years have been included to facilitate comparison and analysis. Indicators that were impacted by COVID-19 are asterisked (*) in the tables and may represent an anomaly in year-on-year performance trends. As air traffic rebounded during the reporting period, many of these indicators are returning to levels that are more consistent with the pre-pandemic period.

Economic Data

	Unit	2019/20	2020/21	2021/22	2022/23	2023/24
Economic performance[1]						
Economic value generated						
Revenue	HK$ million	17,106	5,936*	5,798*	8,217*	**13,683**
Economic value distribution						
Operating costs[2]	HK$ million	7,886	8,054	6,176	7,404	**8,279**
Employee wages and benefits	HK$ million	3,638	3,706	3,754	3,902	**4,208**
Financial donations	HK$ million	3	2	1	1	**1**
Payments to providers of funds[3]	HK$ million	221	767*	1,203*	2,460	**4,028**
Payments to government[4]	HK$ million	1,195	106*	34*	8*	**63**
Economic value retained[5]						
Economic value retained	HK$ million	7,804	(2,991)*	(1,615)*	(1,655)*	**1,313**
Procurement for daily operation						
Procurement value						
Total	HK$ billion	4.4	4.7	3.9	3.9	**5.5**
Number of suppliers by geographical region[6]						
Hong Kong	Number	N/A	983	786	829	**871**
Outside Hong Kong	Number	N/A	92	79	61	**94**
Spend profile by geographical location of suppliers						
Hong Kong	Percentage	92	93	94	97	**96**
Outside Hong Kong	Percentage	8	7	6	3	**4**
Spend profile by type[7]						
Operation-related goods and services	Percentage	29	25	21	24	**11**
Maintenance and engineering works	Percentage	27	34	33	24	**25**
Airport-specific equipment	Percentage	16	16	16	14	**18**
General goods and services	Percentage	12	7	9	13	**12**
IT and telecommunications	Percentage	16	18	21	25	**35**

1 Economic performance covers the direct economic value generated and distributed from the reporting organisation (i.e., AAHK) as defined in GRI 201-1. The relevant performance data was extracted from Airport Authority Hong Kong (AAHK)'s audited consolidated financial statements and the Report of the Members of the Board.

2 'Operating costs' before depreciation and amortisation including staff costs and related expenses as per Consolidated Statement of Profit or Loss.

3 'Payments to providers of funds' for 2023/24 includes interest paid on notes and bank loans, the interest element of lease rentals paid, other borrowing costs and interest expense paid, and distributions paid on perpetual capital securities.

4 All Hong Kong Profits Tax paid to the HKSAR Government as per the consolidated cash flow statement (excluding deferred tax and PRC Corporate Income Tax paid).

5 Economic value retained is derived by subtracting 'Operating costs', 'Payments to providers of funds' and 'Payments to government' from 'Revenue'. 'Operating costs' includes 'Employee wages and benefits' and 'Financial donations'.

6 The number of suppliers by geographical region has been reported from 2020/21 onwards.

7 The percentages of spend profile by geographical location of suppliers do not add up to 100% due to rounding.

Operational Data

	Unit	2019/20	2020/21	2021/22	2022/23	2023/24
Air traffic data						
Passenger traffic[1]	Millions of passengers	60.9	0.84*	1.43*	12.4*	**45.2**
Cargo throughput[2]	Millions of tonnes	4.7	4.6	4.92	4.1	**4.5**
Aircraft movement[3]	Thousands	377	128*	145*	161*	**310**
Connectivity						
Passengers using land-based cross-boundary transport	Thousands of passengers	1,519	0*	0*	68*	**622**
Number of cross-boundary land destinations	Number	110	0*	0*	22*	**110**
Passengers using SkyPier	Thousands of passengers	1,890	25*	104*	224*	**599**
Number of cross-boundary seaports served	Number	9	4*	1*	4*	**7**

	Unit	2019/20	2020/21	2021/22	2022/23	2023/24
Customer satisfaction						
Airport Service Quality (ASQ) overall satisfaction score[4]	Score (out of 5)	4.88	4.87	4.87	4.87	**4.87**
Annual mean score of passengers feeling safe and secure[5]	Score (out of 5)	4.87	4.82	4.80	4.81	**4.75**
Index of complaints						
Index of complaints received per million passengers	Number	43.7	400.7*	174.7*	52.5*	**34.1**
Airport safety performance						
Number of staff and passenger injuries[6]	Number of injuries	N/A	N/A	144	147	**184**
Index of birdstrikes per 10,000 aircraft movements	Number	0.61	1.1	0.76	1.43	**0.86**
Availability of airfield ground lighting[7]	Percentage	100	99.98	99.99	99.98	**99.99**

1 Total number of passengers includes originating, terminating, transfer and transit passengers. Transfer and transit passengers are counted twice. The number of passengers broken down by passengers on international and domestic flights is not relevant for AAHK as all passengers are classified as international. Origin-and-destination and transfer and transit data is not reported as it is considered commercially sensitive.

2 The scope of cargo tonnage has been revised to include import, export and transhipment (counted twice) cargo and airmail since 2018/19. Cargo tonnage broken down by cargo transported on all-cargo flights and on passenger flights is not reported as the data is considered commercially sensitive.

3 Aircraft movements include civil international passenger, cargo and non-revenue flights. Military and local flights are excluded. Aircraft movement by day and by night, broken down by commercial passenger, commercial cargo, general aviation and state aviation is not reported as the data is considered commercially sensitive.

4 According to the Airports Council International (ACI)'s ASQ Survey, the reporting period for ASQ data has been revised to align with AAHK's fiscal year (i.e., 1 April to 31 March) from 2022/23 onwards. The ASQ overall satisfaction score for years 2019/20, 2020/21 and 2021/22 has been restated to align with AAHK's fiscal year.

5 This is an aspect covered in the ACI's ASQ Survey. From 2022/23 onwards, the reporting period for ASQ data has been revised to align with AAHK's fiscal year (i.e., 1 April to 31 March). The annual mean score of passengers feeling safe and secure for years 2019/20, 2020/21 and 2021/22 has been restated to align with AAHK's fiscal year.

6 From 2021/22 onwards, the relative Airport Composite Safety Index has been replaced by the absolute number of staff and passenger injuries. Please refer to previous Sustainability Reports for the Airport Composite Safety Index figures in previous years.

7 The availability of airfield ground lighting is determined in accordance with the requirements of International Civil Aviation Organization (ICAO)'s Annex 14 of the Convention on International Civil Aviation. The percentage of availability = [(Total operation hours – System down time) / Total operation hours] x 100%. The percentages are rounded to two decimal points for reporting purposes.

Environmental Data[1]

	Unit	2019	2020	2021[2]	2022[3]	2023
Greenhouse gas (GHG) emissions[4,5]						
S1 Scope 1 – Direct emissions						
Stationary emissions	Tonnes ('000) of CO_2e	0.13	0.11	0.11	0.10	**0.12**
Mobile emissions	Tonnes ('000) of CO_2e	2.73	1.34*	1.23*	1.37*	**1.18**
Fugitive emissions	Tonnes ('000) of CO_2e	8.19	0.68*	2.84*	5.23	**0.70**
S2 Scope 2 – Indirect emissions						
Electricity[6]	Tonnes ('000) of CO_2e	153.39	80.61*	89.84*	94.90*	**109.20**
S3 Scope 3 – Other indirect emissions from key business partners' operations						
Pledged business partners' Scope 1 & 2 emissions (30 in total)[7]	Tonnes ('000) of CO_2e	200.00	130.66*	126.04*	140.32*	**167.40**

	Unit	2019	2020	2021[2]	2022[3]	2023
S3 Scope 3 – Other indirect ground emissions from AAHK and third parties						
Staff business travel	Tonnes ('000) of CO_2e	0.39	0.01*	0.001*	0.07*	**0.32**
Passenger and staff surface access	Tonnes ('000) of CO_2e	104.37	15.31*	5.82*	10.41*	**65.00**
Electricity consumption for processing fresh water and sewage	Tonnes ('000) of CO_2e	0.18	0.17	0.12	0.12	**0.15**
Waste disposal	Tonnes ('000) of CO_2e	21.97	9.91*	6.76*	9.39*	**7.14**
Tenants' energy	Tonnes ('000) of CO_2e	46.62	10.2*	14.18*	13.76*	**14.50**
Emissions avoided by tree planting and paper recycling[8]	Tonnes ('000) of CO_2e	(0.78)	(0.74)	(0.72)	0.001	**0.009**
Other business partners' Scope 1 & 2 emissions[9]	Tonnes ('000) of CO_2e	29.03	20.46*	19.60*	21.82*	**17.01**
Non-road construction machinery and equipment	Tonnes ('000) of CO_2e	N/A	N/A	123.84	128.94	**129.61**
Maritime access	Tonnes ('000) of CO_2e	N/A	N/A	0.04	0.05	**0.34**

1 From 2020 onwards, the reporting period of environmental data has been revised to align with the calendar year (i.e., 1 January to 31 December).

2 From 2021 onwards, the Scope 3 emissions have been expanded to show the emission sources reported under Airport Carbon Accreditation (ACA), including other indirect emissions from ground and aircraft operations.

3 The 'HKIA GHG net emissions' reported under ACA have been revised due to the recalculation of Scope 3 emissions to include additional sources: non-road construction machinery and equipment, maritime access and full-flight emissions for all aircraft passing through HKIA, the number for 2021 has been restated.

4 The GHG emission inventory is 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 the Electrical and Mechanical Services Department and Environmental Protection Department and the Airport Carbon Accreditation (ACA) Application Manual (Issue 14) issued by the Airports Council International (ACI), which aligns with GHG Protocol. AAHK's carbon footprints are verified in accordance with ISO 14064 (Greenhouse Gas Accounting).

5 AAHK follows the operational control approach in defining its organisational boundary, which covers buildings and facilities that AAHK has control over. The inventory covered eight types of GHG, namely carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6), nitrogen trifluoride (NF_3) and hydrochlorofluorocarbons (HCFCs).

6 The emission factor applied is for each respective year with reference to CLP Power Hong Kong Limited, AAHK's electricity provider.

7 This figure covers Scope 1 and Scope 2 emissions from airport business partners participating in the HKIA 2050 Net Zero Carbon Pledge. In 2023, one more business partner (i.e., Asia Airfreight Terminal) joined the Pledge and their emissions are also included in the 2023 data.

8 The methodology for paper recycling has been updated to reflect emissions avoided as zero since 2022.

9 Consists of business partners who have not joined the HKIA 2050 Net Zero Carbon Pledge.

	Unit	2019	2020	2021[2]	2022[3]	2023
S3 Scope 3 – Other indirect emissions from aircraft						
Landing and take-off (LTO) cycle	Tonnes ('000) of CO_2e	1,256.58	548.34*	555.71*	527.46*	**905.87**
Aircraft cruise emissions	Tonnes ('000) of CO_2e	N/A	N/A	10,498.47	8,826.33*	**13,517.50**
Aircraft engine testing	Tonnes ('000) of CO_2e	16.50	22.33	17.55*	14.97*	**16.83**
Auxiliary power units (APU)	Tonnes ('000) of CO_2e	69.29	36.25*	36.52*	34.50*	**51.80**
Total GHG emissions						
HKIA 2050 Net Zero Carbon Pledge GHG emissions S1 S2 S3	Tonnes ('000) of CO_2e	364.44	213.39*	220.06*	241.92*	**278.60**
HKIA GHG net emissions reported under ACA S1 S2 S3 S3 S3	Tonnes ('000) of CO_2e	1,908.57	875.64*	11,497.95*	9,829.74*	**15,004.67**

	Unit	2019	2020	2021	2022	2023
Energy management						
Energy consumption						
Energy consumed (absolute)	GJ[10]	1,143,883	803,990*	847,643*	896,147*	**1,025,832**
Direct energy consumption	GJ	39,457	19,719*	18,329*	20,135*	**17,802**
Indirect energy consumption	GJ	1,104,426	784,271*	829,314*	876,012*	**1,008,030**
Direct energy consumed by type						
Diesel	Litres	967,139	450,404*	417,672*	483,650*	**437,395**
Petrol	Litres	107,268	87,757*	81,939*	64,392*	**46,319**
LPG	Litres	16,031	12,434*	11,779*	11,158*	**9,869**
Indirect energy consumed						
Electricity consumed (absolute)	kWh ('000)	306,785	217,853*	230,365*	243,337*	**280,008**
Water management[11]						
Municipal water consumed (absolute)	m^3 ('000)	353	340*	206*	148*	**228**
Water withdrawal by other sources						
Seawater[12]	m^3 ('000)	81,682	63,069*	63,132*	73,432*	**80,742**
Water recycled/reused	m^3 ('000)	173	168	301	147	**98**
Water discharge						
Total water discharge[13]	m^3 ('000)	180	172*	(95)*	1*	**130**
Aircraft fuel spillage						
Aircraft fuel spillage	Number of spills	9	9	16	14	**22**

10 Relevant conversion factors sourced from 'BP Statistical Review of World Energy 2021' were applied.

11 AAHK uses a triple water system to improve the efficiency of our three major water sources: freshwater, seawater and treated wastewater. Details are available on our website.

12 Seawater is used for toilet flushing and cooling centralised air conditioning systems.

13 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 (m^3/day), total residual chlorine, amines, temperature, antifoulant, suspended solids, chemical oxygen demand, oil and grease, surfactants (total), biochemical oxygen demand, total phosphorus and formaldehyde.

	Unit	2019/20	2020	2021	2022	2023
Waste management						
Waste disposal						
Waste sent to landfill (absolute)	Tonnes	21,495	6,957*	4,174*	5,036*	**13,660**
Hazardous waste						
Chemical waste[14] collected (absolute)	Tonnes	4	4	3	2	**15**

	Unit	2019/20	2020	2021	2022	2023
Waste recycling						
HKIA recyclables recovery rate[15]	Percentage	N/A	N/A	18.3	18.5	**19.3**
Recyclables collected (absolute)	Tonnes	3,038	860*	497*	606*	**1,721**
Hazardous waste collected for recycling						
E-waste[16]	Tonnes	N/A	7	19	8	**15**
Rechargeable batteries[16]	Tonnes	N/A	0.007	0.008	0.001	**0.002**
Non-hazardous waste collected for recycling						
Paper and cardboard	Tonnes	2,212	607*	327*	483*	**1,464**
Plastic	Tonnes	135	52*	36*	27*	**54**
Metal and cans	Tonnes	70	41*	68*	48*	**87**
Wooden pallets and boxes	Tonnes	153	60*	25*	28	**32**
Glass	Tonnes	151	22*	0*	0*	**4**
Yard waste[16]	Tonnes	N/A	10	1*	1*	**1**
Food waste[17]	Tonnes	313	57*	19*	10*	**49**
Surplus food[18]	Tonnes	1.6	0.2*	0.2*	0*	**0**
Food waste and surplus food collected from business partners and neighbouring communities						
Food waste collected from business partners	Tonnes	1,644	684*	535*	286*	**302**
Surplus food collected from business partners, Tung Chung and Discovery Bay[19]	Tonnes	36.4	80.4*	115*	12*	**4**

14 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 collectors for disposal under a trip-ticket system.

15 From 2021 onwards, to better reflect our commitment to capture more marketable recyclables from our waste, HKIA's recycling indicator is now based on the volume of recyclables separated or sorted from the total volume of marketable recyclables in our waste stream. The recyclables recovery rate in 2018 will continue to be used as the baseline for future performance tracking.

16 The amount of e-waste, rechargeable batteries and yard waste collected has been reported since 2020 onwards.

17 Food waste was collected via the HKIA Food Waste Recycling Programme and converted into fishmeal (until June 2020) and biogas at O·Park1, an organic resources recovery centre owned by the HKSAR Government. Since 2020, this indicator has been revised to provide a breakdown of food waste collected from AAHK and its tenants and business partners.

18 Surplus food was collected via the HKIA Food Rescue Programme and transformed into hot meal boxes by a local non-governmental organisation, Food Angel. Since 2020, this indicator has been revised to provide a breakdown of surplus food collected from AAHK and its tenants. This programme has not resumed operation during the reporting periods of 2022 and 2023.

19 From 2021 onwards, surplus food collected from Tung Chung and Discovery Bay was not included.

Workplace Data

	Unit	2019/20	2020/21	2021/22	2022/23	2023/24
Workforce						
Total employees[1]	Number	2,844	2,870	2,651	2,646	**2,902**
Total workforce by employment type						
Full-time	Number	N/A	N/A	N/A	2,646	**2,902**
Part-time	Number	N/A	N/A	N/A	0	**0**
Non-guaranteed hours	Number	N/A	N/A	N/A	0	**0**
Total workforce by employee category						
Senior management	Number	58	54	49	49	**50**
Professional/Managerial staff	Number	1,283	1,373	1,340	1,386	**1,464**
Supporting staff	Number	1,503	1,443	1,262	1,211	**1,388**
Total workforce by employment contract						
Permanent	Percentage	61	57	53	52	**53**
Fixed-term[2]	Percentage	39	43	47	48	**47**
Total workforce by gender						
Male	Percentage	66	67	68	68	**67**
Female	Percentage	34	33	32	32	**33**
Total workforce by age group[3]						
Under 30	Percentage	17	13	10	11	**12**
30 to 50	Percentage	64	68	69	68	**67**
Over 50	Percentage	18	19	21	21	**21**
Total workforce by location[4]						
Hong Kong	Percentage	100	100	100	100	**100**
Outside Hong Kong[5]	Percentage	0	0	0	0	**0**

	Unit	2019/20	2020/21	2021/22	2022/23	2023/24
Percentage of employees by employee category and gender						
Senior management by gender						
Male	Percentage	72	70	73	71	**74**
Female	Percentage	28	30	27	29	**26**
Professional/Managerial staff by gender						
Male	Percentage	71	72	72	71	**71**
Female	Percentage	29	28	28	29	**29**
Supporting staff by gender						
Male	Percentage	61	62	64	64	**64**
Female	Percentage	39	38	36	36	**36**
Percentage of employees by employee category and age group						
Senior management by age group						
Under 30	Percentage	0	0	0	0	**0**
30 to 50	Percentage	19	19	14	18	**12**
Over 50	Percentage	81	81	86	82	**88**
Professional/Managerial staff by age group						
Under 30	Percentage	4	5	4	4	**4**
30 to 50	Percentage	76	75	74	74	**74**
Over 50	Percentage	20	20	22	22	**22**
Supporting staff by age group						
Under 30	Percentage	29	22	17	19	**22**
30 to 50	Percentage	57	63	66	63	**61**
Over 50	Percentage	14	15	17	18	**17**

1 The scope of total employees has been revised to include temporary staff and exclude employees of AAHK's wholly-owned subsidiaries, to align with the scope and numbers as disclosed in AAHK's Annual Report.

2 A fixed-term contract is an employment agreement that lasts for a specified period.

3 Since 2020/21, the breakdown of age groups has been adjusted to under 30, 30 to 50 and over 50 to align with the categories recommended by GRI and the HKEX ESG Guide.

4 Percentages are rounded to the nearest integer for reporting purposes. In 2019/20, 2020/21, 2021/22, 2022/23 and 2023/24, the percentage of employees located in Hong Kong was not precisely 100%.

5 Locations outside Hong Kong included Zhuhai, Guangzhou, Hangzhou and Shanghai.

	Unit	2019/20	2020/21	2021/22	2022/23	2023/24
Percentage of employees by employee category and ethnic group						
Senior management by ethnic group						
Chinese	Percentage	84	85	88	96	**96**
Non-Chinese	Percentage	16	15	12	4	**4**
Professional/Managerial staff by ethnic group						
Chinese	Percentage	98	98	98	98	**99**
Non-Chinese	Percentage	2	2	2	2	**1**
Supporting staff by ethnic group[6]						
Chinese	Percentage	100	100	100	100	**100**
Non-Chinese	Percentage	0	0	0	0	**0**
Number of employees by employment contract, gender and region						
Permanent contract employees by gender						
Male	Number	1,001	933	807	780	**885**
Female	Number	734	690	585	587	**647**
Fixed-term contract employees by gender						
Male	Number	871	991	997	1,019	**1,073**
Female	Number	238	256	262	260	**297**
Permanent contract employees by region						
Hong Kong	Number	1,731	1,619	1,386	1,364	**1,528**
Outside Hong Kong	Number	4	4	6	3	**4**
Fixed-term contract employees by region						
Hong Kong	Number	1,105	1,243	1,255	1,273	**1,364**
Outside Hong Kong	Number	4	4	4	6	**6**

	Unit	2019/20	2020/21	2021/22	2022/23	2023/24
Ratio of basic salary[7] and basic remuneration[8] of women to men						
Ratio of basic salary of women to men by employee category						
Senior management						
Male	-	0.97	0.98	0.88	0.88	**0.86**
Female	-	1	1	1	1	**1**
Professional/Managerial staff						
Male	-	1.13	1.12	1.12	1.10	**1.09**
Female	-	1	1	1	1	**1**
Supporting staff						
Male	-	1.22	1.24	1.24	1.26	**1.27**
Female	-	1	1	1	1	**1**
Ratio of basic remuneration of women to men by employee category						
Senior management						
Male	-	0.97	0.99	0.89	0.90	**0.87**
Female	-	1	1	1	1	**1**
Professional/Managerial staff						
Male	-	1.13	1.13	1.12	1.11	**1.10**
Female	-	1	1	1	1	**1**
Supporting staff						
Male	-	1.26	1.29	1.29	1.31	**1.31**
Female	-	1	1	1	1	**1**

6 Percentages are rounded to the nearest integer for reporting purposes. In 2020/21, 2021/22, 2022/23 and 2023/24, the percentage of Chinese employees was not precisely 100%.

7 Basic salary is a fixed, minimum amount paid to an employee for performance of duties. This does not include any additional remuneration.

8 Remuneration is a basic salary plus additional amounts, such as those based on years of service, variable pay according to AAHK's Variable Compensation Scheme, benefit payments, and any additional allowance.

	Unit	2019/20	2020/21	2021/22	2022/23	2023/24
New hires[9]						
Total new hires	Number	307	281	284	419	**589**
Total new hires by gender						
Male	Number	195	218	227	278	**379**
Female	Number	112	63	57	141	**210**
Total new hires by age group						
Under 30	Number	127	40	60	140	**220**
30 to 50	Number	163	213	205	261	**352**
Over 50	Number	17	28	19	18	**17**
New hire rate[10]						
Total new hires	Percentage	10.8	9.8	10	16	**21**
New hire rate by gender						
Male	Percentage	10	11	12	16	**20**
Female	Percentage	12	7	6	17	**23**
New hire rate by age group						
Under 30	Percentage	26	10	18	48	**65**
30 to 50	Percentage	9	11	11	15	**19**
Over 50	Percentage	3	5	3	3	**3**

	Unit	2019/20	2020/21	2021/22	2022/23	2023/24
Turnover[11]						
Total turnover	Number	238	183	384	327	**244**
Turnover by gender						
Male	Number	148	120	255	204	**156**
Female	Number	90	63	129	123	**88**
Turnover by age group						
Under 30	Number	63	41	65	57	**47**
30 to 50	Number	155	119	285	228	**172**
Over 50	Number	20	23	34	42	**25**
Turnover rate						
Total turnover rate	Percentage	8.7	6.3	13.9	12.4	**8.7**
Turnover rate by gender						
Male	Percentage	8	6	13.7	11.4	**8.2**
Female	Percentage	10	7	14.3	14.6	**9.7**
Turnover rate by age group						
Under 30	Percentage	13	9	20	20	**14.0**
30 to 50	Percentage	9	6	15	13	**9.2**
Over 50	Percentage	4	4	6	7	**4.3**

9 In 2023/24, all new hires were based in Hong Kong. In 2022/23, one new hire was based in Mainland China. In 2020/21, two new hires were based in Mainland China. In 2019/20 and 2021/22 all new hires were based in Hong Kong.

10 Prior to 2021/22, the new hire rate was calculated using the total number of employees at the end of the reporting period. From 2021/22 onwards, the new hire rate is calculated using the average number of staff and new joiners throughout the reporting period. All new joiners throughout the reporting period, including those who have left employment before the end of period, are also counted.

11 The turnover in 2023/24 was all based in Hong Kong. The number of leavers and turnover rate exclude involuntary termination and temporary staff. The turnover rate is calculated using the average number of employees for the fiscal year.

	Unit	2019/20	2020/21	2021/22	2022/23	2023/24
Employee training						
Total hours of employee training[12]	Hours	42,894	45,279	52,952	47,742	**81,818**
Average hours of employee training[13]	Hours	15.6	15.7	19.1	18.1	**29.1**
Total hours by training type						
In-house training programmes	Hours	18,529	15,253	14,672	18,035	**22,671**
E-learning programmes	Hours	11,364	14,824	5,488	6,650	**5,846**
Operational and technical (external) training	Hours	13,001	15,203	32,792	23,057	**53,300**
Human rights training[14]						
Total hours of human rights training provided	Hours	2,869	2,314	2,181	3,648	**4,236**
Percentage of employees trained[15]	Percentage	99.3	99.6	99.5	99.5	**98.0**
Anti-corruption training						
Management employees trained during the year	Percentage	26.7	22.4	15.4	99.2	**48.4**
Non-management employees trained during the year	Percentage	22.6	14.8	10.7	98.7	**49.9**
In-house training hours by training category[16]						
Social and intellectual skills	Percentage	6.8	0.5	0	0	**0**
Orientation	Percentage	32.9	21.6	11.4	14.7	**13.8**
Town Hall Meeting and other internal communications	Percentage	16.4	15.2	10	9.1	**4.9**
Legal compliance, procedures and practices	Percentage	6.2	9.5	3.5	21.7	**6.7**
Personal attributes and effectiveness	Percentage	7	20	5.4	4	**7**
Work Improvement Team programme	Percentage	4.7	3.4	3.1	4	**2.1**
Management development programme	Percentage	18.7	21.1	9.8	7.4	**5.3**
Environmental and staff well-being	Percentage	2.8	8.7	3	1.4	**1.2**
Airport operational training	Percentage	4.5	0	53.8*	37.6*	**59.1**

	Unit	2019/20	2020/21	2021/22	2022/23	2023/24
Analysis of average training hours						
Average training hours by gender						
Male	Hours	15.4	15.3	18.4	17.9	**27.3**
Female	Hours	16.1	16.3	20.6	18.7	**32.9**
Average training hours by employee category						
Senior management	Hours	21.5	8.5	12.6	19.6	**24.3**
Professional/Managerial staff	Hours	16.9	15.7	17.7	17.5	**24.7**
Supporting staff	Hours	14.4	15.9	20.8	18.8	**34.0**
Percentage of employees who received training						
Employees who receiving training by gender						
Male	Percentage	65.9	67.1	68.1	68.0	**67.4**
Female	Percentage	34.1	32.9	31.9	32.0	**32.6**
Employees who receiving training by employee category						
Senior management	Percentage	2	1.9	1.9	1.9	**1.7**
Professional/Managerial staff	Percentage	45.1	47.9	50.5	52.4	**50.5**
Supporting staff	Percentage	52.9	50.2	47.6	45.7	**47.8**
Family-friendly practice						
Employees who were entitled to maternity/ paternity leave[17]	Number	N/A	2,759	2,473	2,407	**2,614**
Male	Number	N/A	1,835	1,673	1,672	**1,819**
Female	Number	N/A	924	800	735	**795**
Employees who took maternity/paternity leave						
Total	Number	94	95	68	77	**73**
Male	Number	65	69	45	53	**51**
Female	Number	29	26	23	24	**22**

12 The significant year-on-year increase in total hours of employee training from 2022/23 to 2023/24 is largely attributable to the "Capturing Training Hours" exercise held in October 2023, in which the scope of reported hours of employee training was expanded to include operational and technical training attended by AAHK staff.

13 The figures reflect the total hours of employee training during the year (including training hours of both active staff and leavers) per the average headcount of the fiscal year.

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

15 Excluding leavers during the fiscal year, the number of active staff as of 31 March 2024 is used to calculate the percentage of staff attending human rights training.

16 The percentages of in-house training hours by training category do not add up to 100 due to rounding.

17 The number of employees entitled to maternity/paternity leave refers to male and female employees who have been in continuous employment within AAHK for six months and not less than 40 weeks respectively as of 31 March of each year, a prerequisite for paid parental leave. The number of employees entitled to maternity/ paternity leave has been reported from 2020/21 onwards.

	Unit	2019/20	2020/21	2021/22	2022/23	2023/24
Employees returned to work after leave						
Total	Number	94	95	68	77	**72**
Male	Number	65	69	45	53	**50**
Female	Number	29	26	23	24	**22**
Returned to work rate after leave						
Total	Percentage	100	100	100	100	**100**
Male	Percentage	100	100	100	100	**98**
Female	Percentage	100	100	100	100	**100**
Retention[18]						
Total	Number	82	89	87	59	**65**
Male	Number	48	60	61	40	**45**
Female	Number	34	29	26	19	**20**
Retention rate						
Total	Percentage	96	95	95	87	**84**
Male	Percentage	96	92	92	89	**85**
Female	Percentage	97	100	100	83	**83**
Occupational health and safety[19]						
Injuries[20]	Number	4	5	7	7	**14**
Injury rate	Percentage	0.1	0.2	0.3	0.3	**0.5**
Lost days	Number	12	44	343.5	358.5	**380.0**
Lost day rate	Percentage	0.001	0.004	0.035	0.037	**0.036**
Absentee rate	Percentage	1.2	0.8	1.5	1.6	**1.6**

Social Data

	Unit	2019/20	2020/21	2021/22	2022/23	2023/24
Employee volunteers[1]	Number	93	9*	16*	52*	**27**
Volunteer hours contributed[1]	Hours	291	16*	64*	208*	**56**
Volunteer activities organised[1]	Number	5	2*	1*	1*	**1**

18 Retention shows the number of employees retained 12 months after they returned to work following parental leave in the previous reporting period (i.e., 2022/23).

19 There were no occupational disease cases or work-related fatalities during each of the past five reporting periods (i.e., 2019/20, 2020/21, 2021/22, 2022/23 and 2023/24). 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).

20 There were no high-consequence injuries recorded in 2023/24. The 14 injuries include one case of pricking by a projecting nail (#1), two car accidents (#2), 11 cases of slip/trip and fall (#11).

1 Since 2020/21, the scope of social data has been revised to cover all volunteer activities in which AAHK participated, in addition to those organised by AAHK's social service group. The figures for 2019/20 have been revised to align the scope.

Appendix III

Reporting Standards and Frameworks

Appendix IIIa

GRI Content Index

Statement of use	AAHK has reported in accordance with the GRI Standards for the period from 1 April 2023 to 31 March 2024.
GRI 1 used	GRI 1: Foundation 2021

GRI Standards > Foundation and General Disclosures

GRI 2: General Disclosures 2021

Disclosure	Description	Sustainability Report 2023/24 / Other references	AAHK's direct response / reasons for omission
1. The organization and its reporting practices			
2-1	Organizational details	• HKIA at a Glance	In addition to Hong Kong, AAHK is involved in the operation and management of three airports in Mainland China via joint ventures and a subsidiary: Shanghai Hongqiao International Airport, Hangzhou Xiaoshan International Airport and Zhuhai Airport.
2-2	Entities included in the organization's sustainability reporting	• About this Report	This Report does not include information on AAHK's subsidiary and joint ventures in Mainland China. Information about our subsidiaries and joint ventures in Hong Kong and Mainland China can be found in our Annual Report 2023/24. We will consider including more data and information from our subsidiaries in future reports.
2-3	Reporting period, frequency and contact point	• About this Report	This Report was published in August 2024.
2-4	Restatements of information	• Performance Data	
2-5	External assurance	• About this Report • Verification Statement	

Disclosure	Description	Sustainability Report 2023/24 / Other references	AAHK's direct response / reasons for omission
2. Activities and workers			
2-6	Activities, value chain and other business relationships	• HKIA at a Glance • Thriving Economies and Societies • Annual Report 2023/24 (pages 54, 63, 160)	AAHK's core activities include: • Provision, operation, development and maintenance of HKIA, comprised of 1,905 hectares of airport site area and approximately 771,650 square metres of terminal building area, including managing its subsidiaries, contractors and airport business partners to provide 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; • Provision of facilities, amenities and services at, as regards or in relation to HKIA; and • Engagement in airport-related activities in trade, commerce or industry on the airport island, and other airport-related activities as permitted by the Airport Authority (Permitted Airport-related Activities) Order (Cap.483E). Key AAHK subsidiaries include: • Aviation Security Company Limited (AVSECO) – Provision of aviation security services; • HKIA Services (Holding Limited) – Overseeing three member companies: • Hong Kong International Aviation Academy (HKIAA) – Provision of aviation-related educational programmes and training • AsiaWorld-Expo (AWE) – Operation and management of AWE exhibition centre • HKIA Consultancy – Provision of aviation-related professional consultancy services to other airports in the region • HKIA Precious Metals Depository Limited – Provision of storage space and related services; and • Hong Kong-Zhuhai Airport Management Co., Ltd – Airport management and provision of transportation and ground services relating to aviation.
2-7	Employees	• Performance Data	
2-8	Workers who are not employees		AAHK is responsible for the development and operation of HKIA with the majority of operational services and functions outsourced to business partners, such as aviation support services operators, cargo terminal operators, and retail and catering tenants. According to a rough estimation, there were about 53,000 people working at HKIA at the end of 2022. A more recent estimate is not currently available.

Disclosure	Description	Sustainability Report 2023/24 / Other references	AAHK's direct response / reasons for omission
3. Governance			
2-9	Governance structure and composition	• Our Approach to Sustainability • Annual Report 2023/24 (pages 12-17, 19-43)	
2-10	Nomination and selection of the highest governance body	• Annual Report 2023/24 (pages 21, 23)	Pursuant to Section 3 of the Airport Authority Ordinance (Cap.483), the Board Members, including the Chairman, are appointed by the Chief Executive of the HKSAR. The Chairmen and members of the Board Committees are nominated by the Chairman of the Board and approved by the Board.
2-11	Chair of the highest governance body	• Annual Report 2023/24 (page 29)	The appointment of the Board Members, including the Chairman, is determined by the Chief Executive of the HKSAR. With the exception of the CEO, all Board Members are non-executives.
2-12	Role of the highest governance body in overseeing the management of impacts	• Our Approach to Sustainability • Annual Report 2023/24 (pages 26, 29, 32-34)	
2-13	Delegation of responsibility for managing impacts	• Our Approach to Sustainability • Annual Report 2023/24 (pages 26, 32-34)	
2-14	Role of the highest governance body in sustainability reporting	• Our Approach to Sustainability	This Report has been reviewed by AAHK's senior management, including the CEO. The materiality assessment process and material topics are presented to the BDC to ensure the Board is fully informed of updates to AAHK's most significant sustainability issues.
2-15	Conflicts of interest	• Annual Report 2023/24 (page 23)	
2-16	Communication of critical concerns	• Annual Report 2023/24 (pages 24, 35-39, 42-43)	Confidentiality constraints: AAHK considers the total number and nature of critical concerns that may be communicated to the Board to be confidential.
2-17	Collective knowledge of the highest governance body	• Annual Report 2023/24 (pages 21-22)	
2-18	Evaluation of the performance of the highest governance body	• Annual Report 2023/24 (page 19) • Corporate Website: ESG Ratings and Recognitions	AAHK has sought two ESG ratings by S&P Global Ratings and Sustainalytics. These ratings cover the evaluation of AAHK's governance practices.

Disclosure	Description	Sustainability Report 2023/24 / Other references	AAHK's direct response / reasons for omission
2-19	Remuneration policies	• Annual Report 2023/24 (pages 21, 27, 109-112)	
2-20	Process to determine remuneration	• Annual Report 2023/24 (pages 21, 27, 109-112)	
2-21	Annual total compensation ratio		Confidentiality constraints: AAHK considers information regarding employee compensation to be confidential.
4. Strategy, policies and practices			
2-22	Statement on sustainable development strategy	• Chairman's Message • CEO's Message	
2-23	Policy commitments	• Our Approach to Sustainability	We maintain a range of policies that respond to government policy, applicable laws and the needs of our stakeholders. Together, these policies guide our approach to sustainability and enable us to identify, prevent and mitigate negative impacts, and create positive impacts on the economy, environment and people. This includes the following: **Governance** • Code of Conduct • Equal Opportunity Policy • Grievance Handling Policy • Information Security Policy and Standards • Privacy Policy • Whistle-blowing Policy **Environmental** • Corporate Environmental Policy Statement • Energy Policy • Green IT Policy, Strategy and Standards • Green Procurement Policy • Sustainable Dining Policy **Social** • Corporate Safety Policy Statement • Corporate Social Policy Statement • Human Resources Policies and Procedures Issues related to human rights are addressed through various topic-specific policies including with respect to health and safety, equal opportunity, privacy and human resources.
2-24	Embedding policy commitments	• Our Approach to Sustainability	
2-25	Processes to remediate negative impacts	• Our Approach to Sustainability • Annual Report 2023/24 (pages 35-39, 42-47)	
2-26	Mechanisms for seeking advice and raising concerns	• Our Approach to Sustainability • Annual Report 2023/24 (page 43)	

Disclosure	Description	Sustainability Report 2023/24 / Other references	AAHK's direct response / reasons for omission
2-27	Compliance with laws and regulations	• Our Approach to Sustainability	
2-28	Membership associations		AAHK is a trustee of The International Air Cargo Association and participates in the following associations in Board director/ Chair/ Co-chair/ Vice-chair roles: • ACI Asia-Pacific & Middle East Regional Human Resources Committee • ACI Asia-Pacific & Middle East Regional Environment Committee • ACI Asia-Pacific & Middle East Climate Change Adaptation Working Group • ACI World Long Term Carbon Goal Implementation Taskforce • Aviation Fuel Facility Management Association of HKIA • Business Environment Council In addition, AAHK is a member of the following associations: • ACI • ACI Asia-Pacific & Middle East • Association for Project Management • Aviation Security Committee, Security Bureau • Business Environment Council • Hong Kong Association for Customer Service Excellence • Hong Kong Internet of Things Alliance • Hong Kong Logistics Development Council • Hong Kong Trade Development Council - Logistics Services Advisory Committee • Occupational Safety and Health Council - Logistics and Freight Transport Industry Safety and Health Committee • Occupational Safety and Health Working Group of the Commerce, Industry and Housing Committee of Tuen Mun District Council • Pharma.Aero • The Hong Kong Green Building Council • The Lighthouse Club Hong Kong • Treasury Markets Association

Disclosure	Description	Sustainability Report 2023/24 / Other references	AAHK's direct response / reasons for omission
5. Stakeholder engagement			
2-29	Approach to stakeholder engagement	• Our Approach to Sustainability • Stakeholder Engagement	
2-30	Collective bargaining agreements		Not applicable: The majority of AAHK's employees are in Hong Kong where there is no statutory recognition of collective bargaining agreements.

GRI Standards > Material Topics
GRI 3: Material Topics 2021

Disclosure	Description	Sustainability Report 2023/24 / Other references	AAHK's direct response / reasons for omission
Materiality Assessment			
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	• Our Approach to Sustainability	
3-2	List of material topics	• Our Approach to Sustainability	

GRI 200: Economic Standard Series

Disclosure	Description	Sustainability Report 2023/24 / Other references	AAHK's direct response / reasons for omission
Economic Performance			
GRI 3: Material Topics 2021			
3-3	Management of material topics	• Economic Performance and Financial Sustainability • Our Approach to Sustainability • Thriving Economies and Societies • Sustainability Impacts, Risks and Opportunities • Stakeholder Engagement • Annual Report 2023/24 (pages 82-88)	
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	• Economic Performance and Financial Sustainability • Performance Data	
201-2	Financial implications and other risks and opportunities due to climate change	• Environmental Excellence • Task Force on Climate-related Financial Disclosures Statement	

Disclosure	Description	Sustainability Report 2023/24 / Other references	AAHK's direct response / reasons for omission
201-3	Defined benefit plan obligations and other retirement plans	• Annual Report 2023/24 (pages 127-130)	
201-4	Financial assistance received from government		AAHK did not receive any material financial assistance from the HKSAR Government during the reporting period.
Market Presence			
GRI 3: Material Topics 2021			
3-3	Management of material topics	• Our Approach to Sustainability • Thriving Economies and Societies • Sustainability Impacts, Risks and Opportunities • Stakeholder Engagement • Annual Report 2023/24 (pages 54-63)	
GRI 202: Market Presence 2016			
202-2	Proportion of senior management hired from the local community	• Annual Report 2023/24 (pages 12-17) • Corporate Website: Board & Management	
Indirect Economic Impacts			
GRI 3: Material Topics 2021			
3-3	Management of material topics	• Our Approach to Sustainability • Thriving Economies and Societies • Sustainability Impacts, Risks and Opportunities • Stakeholder Engagement • Corporate Website: From City Airport to Airport City	

Disclosure	Description	Sustainability Report 2023/24 / Other references	AAHK's direct response / reasons for omission
GRI 203: Indirect Economic Impacts 2016			
203-1	Infrastructure investments and services supported	• Our Approach to Sustainability • Operational Excellence • Thriving Economies and Societies • Corporate Website: Three-Runway System	
203-2	Significant indirect economic impacts	• Economic Performance and Financial Sustainability • Our Approach to Sustainability • Operational Excellence • Thriving Economies and Societies • Corporate Website: Three-Runway System	
Anti-corruption			
GRI 3: Material Topics 2021			
3-3	Management of material topics	• Our Approach to Sustainability • Sustainability Impacts, Risks and Opportunities • Stakeholder Engagement	
GRI 205: Anti-corruption 2016			
205-3	Confirmed incidents of corruption and actions taken	• Our Approach to Sustainability	During the reporting period, there were neither confirmed cases of non-compliance with laws and regulations relating to bribery, extortion, fraud or money laundering, nor concluded cases regarding corrupt practices brought against AAHK or its employees.

GRI 300: Environmental Standard Series

Disclosure	Description	Sustainability Report 2023/24 / Other references	AAHK's direct response / reasons for omission
Energy			
GRI 3: Material Topics 2021			
3-3	Management of material topics	• Our Approach to Sustainability • Environmental Excellence • Sustainability Impacts, Risks and Opportunities • Stakeholder Engagement	
GRI 302: Energy 2016			
302-1	Energy consumption within the organisation	• Performance Data	
302-3	Energy intensity		AAHK's energy intensity in 2023 was 0.026GJ per passenger. The types of energy included in the calculation cover both direct energy consumption (diesel, petrol and LPG) and indirect energy consumption (electricity). The energy consumption data only includes AAHK's operations.
302-4	Reduction of energy consumption	• Environmental Excellence	
Biodiversity			
GRI 3: Material Topics 2021			
3-3	Management of material topics	• Our Approach to Sustainability • Environmental Excellence • Sustainability Impacts, Risks and Opportunities • Stakeholder Engagement	As part of the management plan for the proposed North Lantau Marine Park (NLMP), SMART goals have been developed that focus on Chinese white dolphins' (CWD) use of North Lantau waters over time after the designation of the NLMP. The SMART goals focus on quantifying an expected rebound in CWD's usage of North Lantau waters, including Northeast Lantau waters and Northwest Lantau waters, with reference to a set of quantitative indicators including CWD abundance and density derived from vessel line-transect surveys. SMART goals incorporate the five principles of "Specific", "Measurable", "Achievable", "Results-focused" and "Time-bound" goal-setting.

Disclosure	Description	Sustainability Report 2023/24 / Other references	AAHK's direct response / reasons for omission
GRI 304: Biodiversity 2016			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	• Environmental Excellence	
304-2	Significant impacts of activities, products and services on biodiversity	• Our Approach to Sustainability • Environmental Excellence	
304-3	Habitats protected or restored	• Environmental Excellence	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	• Environmental Excellence	
Emissions			
GRI 3: Material Topics 2021			
3-3	Management of material topics	• Our Approach to Sustainability • Sustainability Impacts, Risks and Opportunities • Stakeholder Engagement	
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	• Performance Data	AAHK's GHG intensity in 2023 was 1.35kg CO_2e per workload unit. One workload unit is either 1 passenger or 100kg of cargo. The GHG intensity is the sum of Scope 1, Scope 2 and selected Scope 3 emissions, divided by the total number of passengers and cargo throughput (per 100kg) in the reporting year. Our GHG emissions inventory is 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 the Electrical and Mechanical Services Department and Environmental Protection Department and the Airport Carbon Accreditation (ACA) Application Manual (Issue 14) issued by the Airports Council International (ACI), which aligns with GHG Protocol. The inventory covers eight types of GHGs, namely carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6), nitrogen trifluoride (NF_3) and hydrochlorofluorocarbons (HCFCs).
305-2	Energy indirect (Scope 2) GHG emissions		
305-3	Other indirect (Scope 3) GHG emissions		
305-4	GHG emissions intensity		

Disclosure	Description	Sustainability Report 2023/24 / Other references	AAHK's direct response / reasons for omission
305-7	Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions	• Corporate Website: Current Air Quality Health Index and Concentration of Key Pollutants	Information regarding nitrogen dioxide (NO_2), sulphur dioxide (SO_2), respirable suspended particulates (PM10), fine suspended particulates (PM2.5), carbon monoxide (CO) and ozone (O_3) can be found on our corporate website.
Waste			
GRI 3: Material Topics 2021			
3-3	Management of material topics	• Our Approach to Sustainability • Environmental Excellence • Sustainability Impacts, Risks and Opportunities • Stakeholder Engagement	
GRI 306: Waste 2020			
306-1	Waste generation and significant waste-related impacts	• Environmental Excellence	
306-2	Management of significant waste-related impacts		
306-3	Waste generated	• Performance Data	
306-4	Waste diverted from disposal		
306-5	Waste directed to disposal		

GRI 400: Social Standard Series

Disclosure	Description	Sustainability Report 2023/24 / Other references	AAHK's direct response / reasons for omission
Employment			
GRI 3: Material Topics 2021			
3-3	Management of material topics	• Our Approach to Sustainability • Thriving Economies and Societies • Thriving People • Sustainability Impacts, Risks and Opportunities • Stakeholder Engagement • Annual Report 2023/24 (pages 72-77)	
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	• Performance Data	
401-3	Parental leave		
Occupational Health and Safety			
GRI 3: Material Topics 2021			
3-3	Management of material topics	• Our Approach to Sustainability • Operational Excellence • Thriving Economies and Societies • Thriving People • Sustainability Impacts, Risks and Opportunities • Stakeholder Engagement	

Disclosure	Description	Sustainability Report 2023/24 / Other references	AAHK's direct response / reasons for omission
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	• Operational Excellence	AAHK has put in place a Safety Management System (SMS) that addresses occupational safety and health (OSH) risks. The SMS enables AAHK to effectively assess risks and develop solutions, thus improving risk management decision making and increasing AAHK's ability to target resources to address those issues appropriately. The SMS refers to the requirements stipulated in the following: • ICAO Doc 9859 Safety Management Manual • Occupational Safety and Health Ordinance (Cap. 509, The Laws of Hong Kong)
403-2	Hazard identification, risk assessment, and incident investigation	• Operational Excellence	Safety hazards are identified through safety inspection, incident investigation and hazard reporting followed by risk assessment. Hazards must be eliminated where practicable. Where not practicable, risk reduction will be pursued according to the hierarchy of risk mitigation—risk elimination, substitution, engineering controls, administrative controls and personal protective equipment. AAHK has established a hazard reporting system for the airport community that is voluntary and non-punitive and affords protection to the sources of the information. There are various channels for reporting aviation occurrences or hazards, including telephone hotline, facsimile, hazard report form and online. When an incident occurs, an investigation will be conducted and responsible departments will implement corrective measures, if appropriate. The Capital Works Division screens contractors for safety and performance risks. Projects under the Third Runway Division and the Capital Works Division Accident Frequency Rate are closely monitored and reviewed at least monthly, with relevant information shared in safety management meetings. The Capital Works Construction Department also carries out the following inspections, in addition to Project Progress Meetings, Project Safety and Environmental Committee Meetings and Capital Works Safety Management meetings: • Senior management inspection • Weekly safety inspection • Fall protection inspection • Electrical safety inspection

Disclosure	Description	Sustainability Report 2023/24 / Other references	AAHK's direct response / reasons for omission
403-3	Occupational health services	• Operational Excellence	AAHK implements its Corporate Occupational Safety and Health (OSH) Management Plan to provide a safe and healthy workplace and achieve legal OSH compliance. OSH hazards are identified, assessed and monitored with a risk control process in place. Training is provided to ensure staff are equipped with the required knowledge and ability to carry out their duties in a competent and safe manner.
403-4	Worker participation, consultation, and communication on occupational health and safety	• Operational Excellence	At AAHK, key departments run various operational or safety committees / working groups, which meet regularly to discuss and review health and safety matters for continual improvement. Safety programmes and initiatives are communicated to all staff and workers via various appropriate channels such as management briefings, bulletins, circulars, handbooks, posters, videos, etc. Theme-specific and airport-wide safety promotion programmes are also organised for the airport community. An "Airport Safety" page in our HKIA Operations Portal, safety posters and campaigns with different themes are available for the airport community to promote an injury-free workplace.
403-5	Worker training on occupational health and safety	• Operational Excellence	AAHK arranges mandatory basic safety training and safety awareness testing for airport restricted area permit holders, baggage hall operators and work contractors, and safety briefings for non-permit holders. We also organise theme-specific and airport-wide safety promotion programmes for the airport community. Contractor Safety Programme for Three-Runway System Projects: Contractors are contractually required to develop a comprehensive training programme commensurate with their scope of their projects. Contractors are also required to set safety goals and targets and review them at least annually.
403-6	Promotion of worker health	• Operational Excellence • Thriving Economies and Societies • Thriving People	AAHK organises a variety of classes, lunch seminars and outing activities amongst others to promote work-life balance and the wellbeing of airport staff.

Disclosure	Description	Sustainability Report 2023/24 / Other references	AAHK's direct response / reasons for omission
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	• Operational Excellence	AAHK monitors the implementation of safety management systems across its franchisees, licensees and contractors through regular safety inspection and audit programmes, and organises safety recognition schemes for its airport business partners to encourage good safety practices and innovative safety suggestions for all airport staff. The Capital Works Construction Department has also organised safety training for contractors and set objectives and targets regarding contractor safety. Construction Safety Controls: The Capital Works Construction Safety Manual defines the safety management activities required to be performed by the contractors employed by AAHK. The Capital Works Health and Safety Management Plan is intended to ensure that construction and commissioning activities are conducted safely in accordance with AAHK's contractual and procedural requirements and Hong Kong safety-related legislation. The past safety performance of contractors is considering during the tendering stage. All subcontracting arrangements must have the consent of the Third Runway Division Project Manager. The safety performance of contractors and the effectiveness of their safety management systems are discussed regularly during: • Routine weekly or bi-weekly safety inspections • Monthly Third Runway Division safety management meetings • Project safety management meetings • Scheduled VCommit Independent Safety Assessments (VISAs)
403-9	Work-related injuries	• Performance Data	Work-related hazards that pose a risk of serious injury are determined through reviewing past accidents and lessons learned, etc. Hazard identification and risk management focus on proactive and systemic examination of potentially hazardous activities. Risk reduction is pursued according to the hierarchy of risk mitigation—risk elimination, substitution, engineering controls, administrative controls and the use of personal protective equipment.
Training and Education			
GRI 3: Material Topics 2021			
3-3	Management of material topics	• Our Approach to Sustainability • Thriving Economies and Societies • Thriving People • Sustainability Impacts, Risks and Opportunities • Stakeholder Engagement	

Disclosure	Description	Sustainability Report 2023/24 / Other references	AAHK's direct response / reasons for omission
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	• Performance Data	
404-2	Programmes for upgrading employee skills and transition assistance programmes	• Thriving Economies and Societies • Thriving People	
Diversity and Equal Opportunity			
GRI 3: Material Topics 2021			
3-3	Management of material topics	• Our Approach to Sustainability • Thriving Economies and Societies • Thriving People • Sustainability Impacts, Risks and Opportunities • Stakeholder Engagement	
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	• Performance Data • Annual Report 2023/24 (pages 12-15, 20-21)	
405-2	Ratio and basic salary and remuneration of women to men	• Performance Data	

Disclosure	Description	Sustainability Report 2023/24 / Other references	AAHK's direct response / reasons for omission
Local Communities			
GRI 3: Material Topics 2021			
3-3	Management of material topics	• Our Approach to Sustainability • Thriving Economies and Societies • Sustainability Impacts, Risks and Opportunities • Stakeholder Engagement	
GRI 413: Local Communities 2016			
413-2	Operations with significant actual and potential negative impacts on local communities	• HKIA at a Glance • Our Approach to Sustainability • Thriving Economies and Societies	
Customer Health and Safety			
GRI 3: Material Topics 2021			
3-3	Management of material topics	• Our Approach to Sustainability • Operational Excellence • Sustainability Impacts, Risks and Opportunities • Stakeholder Engagement	
GRI 416: Customer Health and Safety 2016			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	• Our Approach to Sustainability	

Disclosure	Description	Sustainability Report 2023/24 / Other references	AAHK's direct response / reasons for omission
Customer Privacy			
GRI 3: Material Topics 2021			
3-3	Management of material topics	• Our Approach to Sustainability • Operational Excellence • Sustainability Impacts, Risks and Opportunities • Stakeholder Engagement	
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		AAHK has not identified any substantiated complaints concerning breaches of customer privacy during the reporting period.

Other Material Topics

Disclosure	Description	Sustainability Report 2023/24 / Other references	AAHK's direct response / reasons for omission
Contingency Planning			
GRI 3: Material Topics 2021			
3-3	Management of material topics	• Our Approach to Sustainability • Operational Excellence • Sustainability Impacts, Risks and Opportunities • Stakeholder Engagement	
Customer Experience			
GRI 3: Material Topics 2021			
3-3	Management of material topics	• Our Approach to Sustainability • Operational Excellence • Sustainability Impacts, Risks and Opportunities • Stakeholder Engagement	
Green Design and Construction			
GRI 3: Material Topics 2021			
3-3	Management of material topics	• Our Approach to Sustainability • Environmental Excellence • Sustainability Impacts, Risks and Opportunities • Stakeholder Engagement	

Disclosure	Description	Sustainability Report 2023/24 / Other references	AAHK's direct response / reasons for omission
Innovation and Technology			
GRI 3: Material Topics 2021			
3-3	Management of material topics	• Our Approach to Sustainability • Operational Excellence • Sustainability Impacts, Risks and Opportunities • Stakeholder Engagement	
Noise			
GRI 3: Material Topics 2021			
3-3	Management of material topics	• Our Approach to Sustainability • Environmental Excellence • Sustainability Impacts, Risks and Opportunities • Stakeholder Engagement • Corporate Website: Noise • Sustainability Report 2022/23 (pages 79-80)	During the operation of the Interim Two-Runway System (I-2RS), for which AAHK commenced operation familiarisation on 8 July 2022, and the subsequent Three-Runway System (3RS), relevant aircraft noise monitoring and audits are undertaken by AAHK to meet the 3RS Environmental Permit conditions, as well as requirements and commitments set out in the Updated Environmental Monitoring and Audit (EM&A) Manual for the 3RS. Regarding construction noise from 3RS-related works, AAHK implements a formal EM&A programme with construction noise monitoring results reported in monthly EM&A Reports. In addition to Community Liaison Groups and a Professional Liaison Group to facilitate enquiries and complaint handling for the 3RS Project, a Complaint Management Plan has also been made available to stakeholders. Regarding noise from fixed sources, as detailed in the 3RS EIA and related Updated EM&A Manual, AAHK undertakes relevant commissioning tests to ensure that the operational noise from fixed sources will comply with the Technical Memorandum of the Environmental Impact Assessment Process.

GRI G4 Airport Operators Sector Disclosures

Disclosure	Description	Sustainability Report 2023/24 / Other references	AAHK's direct response / reasons for omission
Market Presence			
G4-AO1	Total number of passengers annually	• Performance Data	
G4-AO2	Total annual number of aircraft movements		
G4-AO3	Total amount of cargo tonnage		
Effluents and Waste			
G4-AO6	Aircraft and pavement de-icing/ anti-icing fluid used and treated		Not applicable: De-icing and anti-icing are not required due to the climate at HKIA's geographic location.
Customer Health and Safety			
G4-AO9	Total annual number of wildlife strikes per 10,000 aircraft movements	• Performance Data	

Correlation between AAHK's most important sustainability issues and the GRI Standards

Material Topics – Definition	Related GRI Standards
Environmental Excellence	
Air quality – Minimise the air emissions generated from the operation and development of HKIA	• Emissions
Biodiversity – Avoid and minimise adverse impacts on biodiversity associated with the operation and development of HKIA, including illegal wildlife trafficking	• Biodiversity
Climate change – Minimise the energy consumption and greenhouse gas emissions generated from, and evaluate and manage the risks of climate change on, the operation and development of HKIA	• Economic Performance • Energy • Emissions
Green design and construction – Incorporate environmental considerations and green design elements at the design and construction stages of HKIA's development projects	
Noise – Manage the noise generated from the operation and development of HKIA	
Operational Excellence	
Airport safety and security – Ensure the safety and security of passengers, airport staff and other airport users by maintaining a safe aerodrome	• Customer Health and Safety
Contingency planning – Identify and respond to potential disruptions that may affect airport operations and strengthen the operational resilience of HKIA	
Customer experience – Maintain the highest standards of service quality and enrich the customer/passenger experience	• Customer Health and Safety
Cybersecurity and data privacy – Protect HKIA's systems and networks from cyberattacks and ensure the confidentiality and integrity of AAHK's information assets. Manage personal data AAHK collects through all touchpoints and platforms by upholding data protection principles	• Customer Privacy
Innovation and technology – Accelerate the transformation of HKIA into a fully digitalised airport by employing innovative technologies	

Material Topics – Definition	Related GRI Standards
Thriving Economies and Societies	
Air cargo strategy – Develop HKIA into a high-value air cargo hub to capture demand for e-commerce, transhipment and temperature-controlled cargo	• Market Presence • Indirect Economic Impacts
Community investment and engagement – Engage the local community in the operation and development of HKIA and invest to meet their needs while supporting AAHK's business objectives	• Local Communities
Connectivity – Strengthen HKIA's global air network and connectivity in the Greater Bay Area to reinforce its hub status	• Market Presence
Economic and social contribution– Strengthen HKIA as a key engine for the economic growth of Hong Kong	• Indirect Economic Impacts
Infrastructure development – Develop HKIA as an Airport City by implementing infrastructure development projects	• Indirect Economic Impacts
Thriving People	
Attracting and retaining talent – Strengthen AAHK's ability to attract and retain the right talent to meet business needs	• Employment • Training and Education
Employee engagement and wellbeing – Engage AAHK's employees through various communication platforms and activities and promote their physical health, mental health and social wellbeing	• Employment • Occupational Health and Safety
Ethics and integrity – Maintain the highest level of integrity and honesty in conducting the affairs of AAHK and performing duties	• Anti-corruption
Occupational health and safety – Maintain a safe and healthy workplace for AAHK staff	• Occupational Health and Safety
Training and career development – Provide training and development opportunities to equip AAHK staff with necessary competencies and skills	• Training and Education

Appendix IIIb

HKEX ESG Guide Content Index

Requirements, subject areas, aspects, general disclosures and KPIs		Locations of Disclosures or Remarks
Mandatory Disclosure Requirements		
Governance Structure	A statement from the board containing the following elements: (i) A disclosure of the board's oversight of ESG issues; (ii) The board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) How the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	• Our Approach to Sustainability
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: • Materiality; • Quantitative; • Consistency.	• Materiality: Our Approach to Sustainability • Quantitative: About this Report, Performance Data • Consistency: About this Report
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	• About this Report

Requirements, subject areas, aspects, general disclosures and KPIs		Locations of Disclosures or Remarks
'Comply or explain' Provisions		
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	• Our Approach to Sustainability • GRI Content Index
KPI A1.1	The types of emissions and respective emissions data.	• Since 2004, AAHK has been monitoring the air quality at HKIA and made this information available on its website since 2012. Ambient air quality at HKIA is monitored through two on-airport air quality monitoring stations and a control site on Sha Chau. Monitored air pollutants include nitrogen dioxide (NO_2), sulphur dioxide (SO_2), respirable suspended particulates (PM10), fine suspended particulates (PM2.5), carbon monoxide (CO) and ozone (O_3). In 2016, we upgraded our website to include hourly Air Quality Health Index (AQHI) information, which refers to the AQHI published by the HKSAR Government. The AQHI information is available on our website.

Requirements, subject areas, aspects, general disclosures and KPIs		Locations of Disclosures or Remarks
KPI A1.1 (Continued)	The types of emissions and respective emissions data.	• Air quality monitoring of 1-hour Total Suspended Particulates (TSP) is conducted three times every six days at two representative monitoring stations in the vicinity of air sensitive receivers in Tung Chung and villages in North Lantau. The data is disclosed to the public on the dedicated 3RS Project environmental website.
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	• Performance Data • AAHK's GHG intensity in 2023 was 1.35kg CO_2e per workload unit. One workload unit is either 1 passenger or 100kg of cargo.
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	• Performance Data • AAHK's total hazardous waste intensity in 2023 was 0.0004kg per passenger.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	• Performance Data • AAHK's total non-hazardous waste intensity in 2023 was 0.346kg per passenger.
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	• Environmental Excellence
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	• Environmental Excellence

Requirements, subject areas, aspects, general disclosures and KPIs		Locations of Disclosures or Remarks
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	• Our Approach to Sustainability • GRI Content Index
KPI A2.1	Direct and/or indirect energy consumption by type (e.g., electricity, gas or oil) in total (kWh in '000s) and intensity (e.g., per unit of production volume, per facility).	• Performance Data • AAHK's energy intensity in 2023 was 0.026GJ per passenger.
KPI A2.2	Water consumption in total and intensity (e.g., per unit of production volume, per facility).	• Performance Data • AAHK's water consumption intensity in 2023 was 5.77 litres per passenger.
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	• Environmental Excellence

Requirements, subject areas, aspects, general disclosures and KPIs		Locations of Disclosures or Remarks
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	• Water is not considered as a top sustainability issue to AAHK. • During the reporting period, AAHK has not experienced any issue with sourcing water in its operations. • While AAHK has not set a water efficiency target, it has implemented various water-saving measures, including low-flow sensor type water taps, dual-flush water cisterns and sensor type urinals. Besides, HKIA adopts a 'triple water system' to improve the efficiency of its three major water sources: freshwater, seawater and treated wastewater. Details of our 'triple water system' are available on our website.
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	• Material use is not considered as a top sustainability issue to AAHK. • The HKairportShop.com is an online shopping platform operated by AAHK through an outsourced contractor. The online shop enables passengers and customers to shop online for products offered by retail tenants operating at HKIA. Packaging materials, such as gift wrapping, packaging filing, including inflatable air cushion bags, inflatable air column cushions, bubble film sheets/ bags, and paper carton boxes, are managed and used by contractors.

Requirements, subject areas, aspects, general disclosures and KPIs		Locations of Disclosures or Remarks
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	• Our Approach to Sustainability • GRI Content Index
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	• Environmental Excellence
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	• Our Approach to Sustainability • GRI Content Index
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	• Environmental Excellence • Task Force on Climate-related Financial Disclosures Statement

Requirements, subject areas, aspects, general disclosures and KPIs		Locations of Disclosures or Remarks
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	• Our Approach to Sustainability • GRI Content Index
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	• Performance Data
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	• Performance Data

Requirements, subject areas, aspects, general disclosures and KPIs		Locations of Disclosures or Remarks
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	• Our Approach to Sustainability • GRI Content Index
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	• Performance Data
KPI B2.2	Lost days due to work injury.	• Performance Data

Requirements, subject areas, aspects, general disclosures and KPIs		Locations of Disclosures or Remarks
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	• Operational Excellence • Thriving People • AAHK has put in place a Safety Management System (SMS) that addresses OSH risks. The SMS enables AAHK to effectively assess risks and develop solutions, thus improving risk management decision making and increasing AAHK's ability to target resources to address those issues appropriately. • AAHK also implements the Corporate Occupational Safety and Health (OSH) Management Plan to provide a safe and healthy workplace and achieve legal OSH compliance. OSH hazards are identified, assessed and monitored with a risk control process in place. Training is provided to ensure staff are equipped with the required knowledge and ability to carry out their duties in a competent and safe manner. Mandatory basic safety training and safety awareness testing are arranged for airport restricted area permit holders, baggage hall operators and work contractors, and safety briefings for non-permit holders. Theme- specific and airport-wide safety promotion programmes are also organised for the airport community. Safety programmes and initiatives are communicated to all staff and workers via various appropriate channels such as management briefings, bulletins, circulars, handbooks, posters, videos, etc.

Requirements, subject areas, aspects, general disclosures and KPIs		Locations of Disclosures or Remarks
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	• Our Approach to Sustainability • GRI Content Index
KPI B3.1	The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	• Performance Data
KPI B3.2	The average training hours completed per employee by gender and employee category.	• Performance Data

Requirements, subject areas, aspects, general disclosures and KPIs		Locations of Disclosures or Remarks
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	• Our Approach to Sustainability • GRI Content Index
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	• Labour standards is not considered as a top sustainability issue to AAHK. • AAHK's suppliers are required to comply with all legislation in Hong Kong, including those concerning working conditions and labour practices, as stated in the General Conditions of Contract. For contractors and their subcontractors of the Three-Runway System (3RS) Project, AAHK requires them to undertake and confirm their commitments to comply with all relevant internationally recognised good practices on labour standards, and the employment of staff and workforce wellbeing. These include the prohibition of the use of any form of child labour or forced labour. The contractors/ sub-contractors are also required to formulate a control mechanism to ensure their compliance with the above-mentioned good practices.

Requirements, subject areas, aspects, general disclosures and KPIs		Locations of Disclosures or Remarks
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	• Our Approach to Sustainability • GRI Content Index
KPI B5.1	Number of suppliers by geographical region.	• About Airport Authority Hong Kong • Performance Data
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	• AAHK has established our 'Procurement Principles and Process' to set out the values and principles underlying the procurement and tendering process, including the management of suppliers. We maintain pre-qualified tenderer lists for certain types of work. Companies are assessed across three aspects—technical capabilities, resourcing and safety management (where appropriate), for approval and inclusion in the relevant pre-qualification list. The Procurement Department will continuously monitor the list of pre-qualified tenderers to ascertain these companies' strengths and qualifications over time.

Requirements, subject areas, aspects, general disclosures and KPIs		Locations of Disclosures or Remarks
KPI B5.2 (Continued)	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored	• In particular, briefings are organised during the tendering process (i.e., any purchases with an estimated value above HK$2 million are normally managed by open and competitive tender procedures) to clearly communicate our requirements and expectations with tenderers. A debriefing will also be arranged to explain the relative advantages of successful tenders. • AAHK also provides incentives in connection with certain contracts to encourage better performance from its contractors. For example, incentives are offered to contractors of 3RS-related work for meeting specific environmental criteria outlined in contracts.
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	• Our Approach to Sustainability
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	• AAHK has established a Green Procurement Policy, which sets out its commitment to integrate environmental considerations into the procurement process with the aim of continuous improvement amidst industrial, commercial and technological constraints. A Guidance Note on Green Procurement was created to aid in the implementation of the policy along the procurement process.

Requirements, subject areas, aspects, general disclosures and KPIs		Locations of Disclosures or Remarks
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	• Our Approach to Sustainability • GRI Content Index
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	• This KPI is not relevant to AAHK's business in managing, operating and developing HKIA. • The HKairportShop.com is an online shopping platform operated by AAHK through an outsourced contractor. The online shop enables passengers and customers to shop online for products offered by retail tenants operating at HKIA. While AAHK is not involved in any product quality or product recall issues, it has included terms and/or procedures to guide the online shop contractor and logistics partner in dealing with cases of product quality and product recalls.
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	• Performance Data
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	• Our Approach to Sustainability
KPI B6.4	Description of quality assurance process and recall procedures.	• This KPI is not relevant to AAHK's business in managing, operating and developing HKIA. • The HKairportShop.com is an online shopping platform operated by AAHK through an outsourced contractor. The online shop enables passengers and customers to shop online for products offered by retail tenants operating at HKIA. While AAHK is not involved in any product quality or product recall issues, it has included terms and/or procedures to guide the online shop contractor and logistics partner in dealing with cases of product quality and product recalls.
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	• Our Approach to Sustainability • Operational Excellence • AAHK's Privacy Policy, which is available on its corporate website, details its commitment to safeguarding data privacy and ensuring compliance with the Personal Data (Privacy) Ordinance (Cap.486) of the Laws of the Hong Kong Special Administrative Region when collecting, retaining, and/or using the collected personal data.

Requirements, subject areas, aspects, general disclosures and KPIs		Locations of Disclosures or Remarks
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	• Our Approach to Sustainability • GRI Content Index
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	• Our Approach to Sustainability
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	• Our Approach to Sustainability
KPI B7.3	Description of anti-corruption training provided to directors and staff.	• Our Approach to Sustainability • Performance Data

Requirements, subject areas, aspects, general disclosures and KPIs		Locations of Disclosures or Remarks
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	• Our Approach to Sustainability • Thriving Economies and Societies • GRI Content Index
KPI B8.1	Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sport).	• Environmental Excellence • Thriving Economies and Societies • Performance Data
KPI B8.2	Resources contributed (e.g., money or time) to the focus area.	• Environmental Excellence • Thriving Economies and Societies • Performance Data

Appendix IIIc

Contributing to the United Nations Sustainable Development Goals

For the third year in a row, Airport Authority Hong Kong (AAHK)'s Sustainability Report is explicitly aligned with the United Nations Sustainable Development Goals (SDGs). This appendix presents the results of a mapping exercise AAHK undertook in 2021/22 that determined which SDGs and their constituent targets are most aligned with and relevant to our industry and operations and our ability to deliver genuine, long-term impact. In 2023/24, we reassessed our contributions to the SDGs and determined that our efforts to conserve and enhance marine biodiversity in North Lantau are aligned with multiple targets within SDG 14: Life Below Water.

SDG	Most relevant SDG Target	AAHK contribution (examples)
	**8.4** Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead **8.8** Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	• AAHK's **Green Airport Design and Construction (GADC) Strategy** includes resource management requirements for new developments to minimise environmental impacts, and AAHK's Green Procurement Policy continually aims to achieve reduced and efficient consumption. • AAHK's **waste reduction at source initiatives**, such as the installation of water dispensers to reduce the use of single-use plastic bottles, the digitalisation of internal procedures and the food recycling programme, aim to promote resource efficiency and reduction. • AAHK's **Safety Management System** and Corporate Occupational Safety and Health (OSH) Management Plan enables assessment of OSH-related risks and hazards to facilitate the development of appropriate solutions. • **OSH training and awareness testing** are carried out to promote workplace safety across staff, contractors, and others in the airport community. • **Drills and exercises** are conducted to promote preparedness and safety in the event of adverse incidents. • AAHK's **Corporate Social Policy Statement** describes how we will deliver our commitment to provide a safe, ethical and respectful workplace for our employees.
	**9.1** Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all **9.4** By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	• **Development of infrastructure**, including the Three-Runway System (3RS), SKYCITY and Hong Kong Port (HKP), to support Hong Kong International Airport (HKIA)'s role as an international and regional hub for passengers and air cargo. • AAHK established a **HKIA Technovation and Data Management Board** and released a **HKIA Technology Roadmap** that drive strategic direction on technology and innovation, including **continued improvements to the Smart Airport experience** to ensure seamless travel for the travellers. • The expansion of Terminal 2 and T2 Concourse (T2C) have **attained a Provisional Platinum rating** in Hong Kong's leading Building Environmental Assessment Method (BEAM) Plus. • Implementation of **GADC Strategy** to ensure green design principles and sustainable construction techniques in projects undertaken by AAHK. • AAHK's **Climate Resilience Guidance Note** provides guidance to project managers on integrating climate change considerations into future infrastructure, building development or renewal. • AAHK's **Guidelines on Energy Efficiency for New Buildings and Retrofitting Works Design** provide guidelines to the stakeholders of the airport community to implement energy-efficient design in new development projects.

SDG	Most relevant SDG Target	AAHK contribution (examples)
	**11.2** By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons **11.6** By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management **11.7** By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities	• HKIA is a **hub for transportation** modes. AAHK is undertaking several developments to help facilitate public access and improve the connectivity of transportation modes within Hong Kong and in the Greater Bay Area such as the new autonomous Airportcity Link and Airport Tung Chung Link, HKP, SkyPier Terminal and "Fly-Via-Zhuhai-HK" Passenger Transfer Service. • AAHK has set **a target to increase the recyclables recovery rate across HKIA by 25% from baseline**. • Ambient air quality at HKIA is monitored in real-time through two **onsite air quality monitoring stations** and a control site on Sha Chau. Other initiatives to enhance air quality at HKIA includes airside vehicles electrification, a GSE Pooling Scheme, and autonomous transportation systems. • The **7.1km Airport Trail** is highly accessible and connects the terminal area with Tung Chung. The trail includes access to the Ancient Kiln Park, the HKIA Historical Garden, and an outdoor gym and yoga area. The space and facilities are open for public use. • AHK's **Airport City vision includes the development of spaces for public use** such as upgrades to Terminal 1 and Phase 2 of AsiaWorld-Expo. • Accessibility is promoted through **Caring Corners**, which are **wheelchair accessible and provide seating and helplines** for passengers with reduced mobility, elderly and pregnant women, and a wheelchair-accessible changing room with washrooms and showers.
	**12.2** By 2030, achieve the sustainable management and efficient use of natural resources **12.4** By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment **12.5** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse **12.6** Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	• AAHK has **set a target to increase the recyclables recovery rate across HKIA by 25% by 2025 from a 2018 baseline**. Other initiatives to promote responsible waste management include the HKIA Food Waste Recycling programme, HKIA Food Rescue Programme, HKIA Waste Separation at Source Incentive Programme and an MSW charging Implementation Study and subsequent trial. • AAHK has deployed a **Food TranSmarter** system to convert food waste into slurry onsite for delivery to Government facilities for biogas production and electricity generation off-site. • AAHK adopts **a three-pronged approach to waste management** which includes waste reduction at source, facilitation of recycling, and exploring alternative disposal options. • **AAHK tracks hazardous and non-hazardous waste volume and discloses this data annually**. For reporting on hazardous waste, AAHK adopts the 'chemical waste' categorisation as specified under Hong Kong's Waste Disposal Ordinance. • AAHK **marks its 12th year of annual sustainability reporting**.

SDG	Most relevant SDG Target	AAHK contribution (examples)
	**13.1** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	• AAHK conducted a **Climate Resilience Study** using a scenario analysis approach in 2020/21 to review and strengthen HKIA's operational resilience and adaptive capacity in a changing climate. An organisation-wide **Climate Adaptation and Resilience Plan** (CARP) was developed to address both physical and transition risks. • AAHK completed a review with **further modelling of the seawall and an airport-wide drainage system** to assess flooding risk using the latest Intergovernmental Panel on Climate Change (IPCC)'s climate projections and downscaled data from the Hong Kong Observatory (HKO). • AAHK has **pledged with 30 aviation-related Business Partners to achieve Net Zero Carbon by 2050**, with a midpoint target at 2035. This pledge is in line with IPCC's 1.5°C scenario, the Government of the Hong Kong Special Administrative Region's 2050 carbon neutrality target, and the ACI Long-term Carbon Goal of Net Zero Carbon by 2050. • AAHK has **established a carbon management action plan and a HKIA Business Partners Carbon Support Programme** to support the HKIA 2050 Net Zero Carbon Pledge. • AAHK's **Climate Resilience Guidance Note** and **Guidelines on Energy Efficiency for New Buildings and Retrofitting Works Design** are incorporated into the GADC Strategy. • **AAHK's Corporate Environmental Policy Statement**, supported by the Annual Environmental Sustainability Plan, sets out a range of targets and footprint reduction initiatives across key impact areas. • AAHK's **publishes an annual Task Force on Climate-related Financial Disclosures Statement** to report on climate risk mitigation and resilience strategy and efforts and is undertaking a **gap analysis against IFRS S2 Climate-related Disclosures**.
	**14.1** By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution **14.4** By 2020, effectively regulate harvesting and end overfishing, illegal, unreported and unregulated fishing and destructive fishing practices and implement science-based management plans, in order to restore fish stocks in the shortest time feasible, at least to levels that can produce maximum sustainable yield as determined by their biological characteristics **14.5** By 2020, conserve at least 10 per cent of coastal and marine areas, consistent with national and international law and based on the best available scientific information	• Impacts on biodiversity, including marine biodiversity, were a key aspect of the **Environmental Impact Assessment** (EIA) conducted for the expansion of HKIA into a 3RS. All construction-phase EIA recommendations were fully implemented during land formation. • AAHK has committed to **monitoring Chinese White Dolphin population density and abundance** for the first six years after the designation of the North Lantau Marine Park. • AAHK's independent **Marine Ecology Enhancement Fund** and **Fisheries Enhancement Fund** support the delivery of the **Marine Ecology and Fisheries Enhancement Strategy**, with a capital injection of HK$400 million. • AAHK continues to progress **voluntary marine ecology and fisheries enhancement projects** in Lantau waters. Currently, these projects include an eco-enhanced seawall, artificial reef deployment, shellfish reef deployment and fish restocking projects. • We are undertaking a study and benchmarking exercise to establish a roadmap for alignment with the **Recommendations of the Taskforce on Nature-related Financial Disclosures**.

Appendix IV

Sustainability Impacts, Risks and Opportunities

Appendix IVa

Material Topics

The chart below shows AAHK's material topics and where our significant impacts on economy, environment and people occur along our value chain. In each case, we have described how AAHK is responding to maximise positive impacts and minimise negative impacts where possible.

Topic	Positive Impacts	Negative Impacts	How AAHK is Responding	AAHK employees	Business partners	Customers / passengers	General public	Section(s)
Environmental Excellence								
Air Quality	Electrification of vehicles and the use of renewable energy at HKIA can reduce GHG emissions and air pollution. Supporting airlines to switch to SAF and providing related infrastructure can accelerate the decarbonisation of the aviation sector.	Emissions from aircraft engines, power generators, vehicles, Ground Services Equipment (GSE), fuel handling, fuel storage and other sources at HKIA can harm human and ecosystem health around the airport.	Ambient air quality is monitored at two on-airport monitoring stations and a control site at Sha Chau. Other initiatives to enhance air quality at HKIA include airside vehicles electrification, the GSE Pooling Scheme, and autonomous transportation systems.	✓	✓	✓	✓	• Environmental Excellence and Sustainable Finance Transactions Annual Report
Biodiversity	Voluntary ecosystem enhancement measures around HKIA and investments in projects through the Marine Ecology Enhancement Fund (MEEF) and Fisheries Enhancement Fund (FEF) to support local biodiversity. Maintaining biodiversity can enhance the aesthetic value of an airport by providing visually appealing green spaces and natural features for community engagement.	Activities in and around HKIA may contribute to the loss of habitat for plant and animal species, leading to reduced biodiversity in areas around HKIA.	The EIA for the expansion of HKIA into a 3RS provided a thorough assessment of marine ecological issues. All construction phase EIA recommendations have been fully implemented and completed. We undertake voluntary biodiversity enhancement measures in areas around HKIA and support the initiatives of third parties through the MEEF and FEF.	✓	✓	✓	✓	• Environmental Excellence

Topic	Positive Impacts	Negative Impacts	How AAHK is Responding	AAHK employees	Business partners	Customers / passengers	General public	Section(s)
Environmental Excellence								
Climate Change	Investment in climate mitigation measures including clean transportation and renewable energy promote the transition to a low-carbon future and further reduce emissions associated with HKIA. Investments in climate adaptation measures including seawall and drainage systems help AAHK and its business partners by reducing the risk of damage or disruption from climate change impacts.	Carbon emissions from airport operations contribute to climate change, which can have negative impacts on the environment and human health. Insufficient measures to adapt to climate change impacts may damage airport infrastructure and disrupt airport operations, which can also impact the health and safety of airport employees and travellers.	AAHK launched the HKIA 2050 Net Zero Carbon Pledge, which is supported by the HKIA Decarbonisation Roadmap to 2035 to drive rapid decarbonisation across the airport. AAHK's CARP, which includes a sub-set of departmental climate action plans, addresses AAHK's climate-related risks and opportunities.	✓	✓	✓	✓	• Environmental Excellence and Sustainable Finance Transactions Annual Report
Green Design and Construction	Incorporating green design principles into HKIA's projects, and encouraging our business partners to do the same, can make buildings at the airport more resilient to climate-related impacts, improve energy efficiency and reduce carbon emissions.	Failure to adopt green design principles in projects at HKIA can make buildings more susceptible to the physical risks of climate change and increase energy consumption, water usage and waste generation, which can have negative impacts on the environment.	AAHK's GADC Strategy offers a consistent approach to embedding green design principles and sustainable construction techniques in our projects, as well as projects undertaken in partnership with franchisees and other business partners. The strategy addresses climate resilience, energy efficiency and other elements to minimise negative environmental impacts over the entire project lifecycle.	✓	✓	✓	✓	• Environmental Excellence and Sustainable Finance Transactions Annual Report
Noise	Quota schemes and other measures to encourage airlines to limit noise from aircraft can reduce the negative impacts noise may have on environments and communities in Hong Kong.	Aircraft, vehicles and other sources generate noise associated with the operation and development of HKIA. Noise exposure can negatively impact the health and overall quality of life of residents and the functioning of ecosystems around HKIA.	AAHK has been implementing the Noise Quota Count Scheme since 2017 to regulate aircraft operations of different noise levels at night. Procedures for Mitigation of Aircraft Noise have been in place for the Interim Two-Runway System (I-2RS) operation. Vehicle electrification significantly reduces noise from ground traffic.	✓	✓	✓	✓	• Corporate Website: Noise

Topic	Positive Impacts	Negative Impacts	How AAHK is Responding	AAHK employees	Business partners	Customers / passengers	General public	Section(s)
Operational Excellence								
Airport Safety and Security	Safety and security efforts prevent harm to AAHK's stakeholders, creating an airport environment that supports a positive customer experience and a productive, efficient workforce.	Hazards inherent in the development and operation of HKIA may lead to injuries and fatalities. Without proper safety and security measures, it can create a sense of unease and discomfort for customers, while also damaging the reputation of the airport.	AAHK collaborates with employees and business partners and deploys cutting edge technologies to enhance all aspects of the customer airport experience, as well as predict, prevent and, where necessary, swiftly respond to potential disruptions or crises, to ensure the smooth operation of HKIA.	✓	✓	✓	✓	• Operational Excellence
Contingency Planning	Emergency response plans and frequent training help ensure AAHK and our business partners are prepared to respond to future events consistently and efficiently. Training exercises are an opportunity to promote cross-functional collaboration.	Inadequate or delayed responses to emergencies may increase risk to passenger safety, damage airport infrastructure, disrupt airport operations, and negatively impact the airport's reputation and financial performance.	AAHK implements and tests contingency response plans applicable to the numerous disruptions or crises that could affect the airport. We partner with specialists, including the Fire Services Department (FSD), to jointly train emergency responders. In 2023/24, we held approximately 35 drills and exercises, and 75 training workshops covering a variety of operational and emergency scenarios.	✓	✓	✓		• Operational Excellence
Customer Experience	Positive customer experiences can alleviate the mental and physical stresses associated with air travel. Customers who enjoy their experiences at HKIA will be happier and more likely to return in the future, which can further contribute to the airport's financial success.	Potential loss of customer loyalty may lead to decreased revenue and profitability and increased costs associated with addressing customer complaints.	AAHK is investing in technology, facility enhancements and new programmes to meet customer expectations while continuing to deliver a world-class experience that enhances the airport's competitiveness. Retail developments will continue to be enriched with a widened trade mix to provide customers with more quality options. Facilities, value-adding services and entertainment have been launched.			✓		• Operational Excellence

Topic	Positive Impacts	Negative Impacts	How AAHK is Responding	AAHK employees	Business partners	Customers / passengers	General public	Section(s)
Operational Excellence								
Cybersecurity and Data Privacy	A strong approach to cybersecurity can build trust in AAHK's ability to operate a technology-enabled airport. Cybersecurity and data privacy management supports digitalisation that can amplify positive impacts (e.g., the use of biometrics to improve the customer experience).	Cyberattacks may result in theft of proprietary, sensitive or personal data, which may result in disruption of airport operations, financial loss and regulatory penalties.	AAHK actively works to maintain and strengthen data governance and security to comply with applicable regulations and ensure the continuity of operations and the safety of sensitive data. The Information Security Policy and Standards guide our overall approach to information security risks. All employees are engaged and trained on information security issues through a security awareness programme, phishing assessments, virtual seminars and other channels.	✓	✓	✓		• Operational Excellence
Innovation and Technology	Investment in innovation and new technologies enables new services for passengers, further enhancing airport operations and improving efficiency, security, and the customer experience.	Outdated or otherwise insufficient technology may struggle to attract customers and lead to reduced efficiency in business operations and increase costs.	The Innovation Centre under the HKIA Technovation and Data Management Board enables the trialling of new technologies with a considered funding approval process. Technologies including 5G networks, data solutions and a zero-emission autonomous transportation system to connect neighbouring infrastructure and cities are helping AAHK achieve various sustainability goals.	✓	✓	✓		• Operational Excellence
Thriving Economies and Societies								
Air Cargo Strategy	Air cargo enables global supply chains. AAHK's air cargo strategy supports the efficient and reliable delivery of goods, drives international trade and fuels HKIA's economic contribution to Hong Kong and the Greater Bay Area.	As the busiest cargo airport in the world, inadequate management of AAHK's air cargo strategy could stifle international trade and reduce economic activity in the region.	AAHK remains focused on our strategy to develop high-value, high-growth air cargo segments. We are expanding HKIA's cargo capabilities with new handling facilities and logistics centres while exploring innovative ways to make cargo flow between the Greater Bay Area and the world even more efficient and cost effective.	✓	✓	✓	✓	• Overview and Thriving Economies and Societies

Topic	Positive Impacts	Negative Impacts	How AAHK is Responding	AAHK employees	Business partners	Customers / passengers	General public	Section(s)
Thriving Economies and Societies								
Community Investment and Engagement	Strategic investments in the development of people and skills for the aviation industry contribute to Hong Kong's social development. Community engagement helps generate initiatives that benefit HKIA and keep the airport community connected, vibrant and thriving.	Failure to engage communities around HKIA limits AAHK's opportunity to gain valuable insights and feedback from stakeholders, making it difficult for the organisation to achieve its goals.	AAHK regularly engages local communities through a variety of channels including committees, liaison groups, job fairs, partnerships with local organisations and HKIAA. We invest in projects to benefit those around HKIA such as our flagship EXTRA MILE project, which assists key groups in resolving issues that limit their ability to join the workforce.	✓	✓		✓	• Thriving Economies and Societies
Connectivity	HKIA connects Hong Kong, the Greater Bay Area and the rest of the world through its extensive air network, allowing people, products and services to flow across global networks.	If HKIA lacks effective connections to the surrounding region and a strong global air network, it may compromise both the airport's competitiveness and its contribution to Hong Kong's economy and society.	AAHK is stepping up efforts to rebuild HKIA's air connectivity and trunk routes and launch a business recovery campaign targeting both short-haul and long-haul markets. AAHK continues to invest in infrastructure and programmes to enhance connectivity within the Greater Bay Area, including innovative intermodal transport modes, development of the Hong Kong Port (HKP) and collaboration with other major airports in the region.		✓	✓	✓	• Thriving Economies and Societies
Economic and Social Contribution	AAHK makes direct, indirect, catalytic and induced economic and social contributions by providing a gateway for international trade and commerce, creating jobs, and enabling greater mobility for people and goods.	Failure to contribute to economic and social development can have negative impacts on an airport's economic performance, community support, the environment and our social license to operate.	HKIA generates substantial economic value for Hong Kong through aviation services and non-aviation businesses operating at the airport that generate employment and income. Our Airport City vision aims to combine aviation with ancillary services such as retail, dining and entertainment, to help grow the airport's attractiveness as a global aviation hub and contribute to Hong Kong's economic and social growth.	✓	✓	✓	✓	• HKIA at a Glance, About Airport Authority Hong Kong and Thriving Economies and Societies

Topic	Positive Impacts	Negative Impacts	How AAHK is Responding	AAHK employees	Business partners	Customers / passengers	General public	Section(s)
Thriving Economies and Societies								
Infrastructure Development	Development projects to deliver on the Airport City vision create a market for skilled construction labour. Longer-term benefits include opportunities for employment in service industries, new revenue generation opportunities and more impactful economic and social contributions through increased passenger and air cargo capacity.	Infrastructure development may have significant environmental impacts through emissions, effluents, noise, waste and impacts on biodiversity. Development activities also expose workers to health and safety risks.	AAHK has implemented a dedicated, comprehensive environmental monitoring and audit programme in accordance with the requirements set out in relevant EIA Reports and Environmental Permits, including those for the 3RS Project, and regularly engages the community on development activities through community liaison groups and other channels. Our GADC Strategy includes resource management requirements for new developments to minimise impacts on the environment. Specific terms, conditions and clauses are embedded in our contracts with suppliers and contractors making clear our requirements in areas such as environmental compliance, health and safety, and working conditions.	✓	✓	✓	✓	• Thriving Economies and Societies
Thriving People								
Attracting and Retaining Talent	Ensuring the right employees join and stay with AAHK helps foster a cohesive culture, which enables employees to contribute to positive sustainability impacts in other areas and AAHK's overall success. Employees that are a good fit for our business will feel empowered and are more likely to find purpose at work.	High turnover complicates culture building and can create negative impacts if new employees are not prepared to fulfil the diverse roles required to operate HKIA.	AAHK actively works to grow our talent pipeline by developing young talent and preparing leaders for promotion. We offer competitive remuneration and comprehensive benefits and connect the Hong Kong community with opportunities at HKIA through job fairs and other channels.	✓			✓	• Thriving Economies and Societies and Thriving People

Topic	Positive Impacts	Negative Impacts	How AAHK is Responding	AAHK employees	Business partners	Customers / passengers	General public	Section(s)
Thriving People								
Employee Engagement and Wellbeing	Programmes and initiatives can promote physical and mental wellbeing, leading to happier and healthier employees. Employee engagement can identify opportunities for positive sustainability impacts in other areas and helps colleagues feel valued and find purpose at work.	Difficult working conditions can negatively impact both physical and mental wellbeing leading to increased stress, illness, and healthcare costs. Failure to engage employees in strategy and programme development can lead to decreased productivity which can have negative impacts on business performance.	AAHK's Employee Communication Framework outlines our goals and overall approach to engaging and communicating with staff. We distribute information to employees, invite them to share their views and promote cross-departmental dialogue through physical, online and mobile-friendly formats. Wellbeing is promoted through numerous channels including wellness talks, counselling support, social activities and the AAHK Staff Club.	✓				• Thriving Economies and Societies and Thriving People
Occupational Health and Safety	Building a culture of safety with robust occupational safety and health (OSH) management can reduce the risk of accidents, injuries and illnesses amongst employees through better identification and management of risks and opportunities.	Insufficient OSH practices can lead to or exacerbate injuries and fatalities amongst AAHK staff. Unsafe environments make employees less productive and negatively impact both physical and mental health.	Our airport-wide safety management system provides a comprehensive framework for managing and tracking safety performance at HKIA. In particular, a hazard reporting system has been established for the airport community which is voluntary and non-punitive and affords protection to the sources of the information. We actively promote a culture of safety by engaging and training AAHK employees.	✓	✓			• Operational Excellence and Thriving People

Topic	Positive Impacts	Negative Impacts	How AAHK is Responding	AAHK employees	Business partners	Customers / passengers	General public	Section(s)
Thriving People								
Ethics and Integrity	Ethical business practices set the foundation for functioning economies and markets throughout the value chain. Robust corporate governance and transparency can improve AAHK's reputation and ability to attract talent while enabling and amplifying other positive sustainability impacts.	Misconduct or unethical behaviour reduces trust throughout the value chain. It may result in fines or legal action, negatively impacting AAHK's reputation.	Our Code of Conduct, which is part of our employment contract with each employee, lays out a clear standard of ethical behaviour. We regularly engage our employees on ethics issues, provide training on applicable law and require senior managers to declare conflicts of interest. Employees are encouraged to raise ethical and other concerns in accordance with our Whistle-blowing Policy.	✓	✓		✓	• Our Approach to Sustainability
Training and Career Development	Training and development empower employees and provide skills that can improve livelihoods and job satisfaction. Well-trained staff are better equipped to make positive contributions to AAHK's business and the economy.	Inadequate training can cause or exacerbate negative sustainability impacts including injuries and fatalities, unethical conduct and unhealthy turnover. Poorly trained workers may experience limited job satisfaction and be unprepared to perform their job duties effectively.	Our Training and Development Policy guides the delivery of General and Management Training, Operational and Technical Training and Leadership Development Training. Targeted programmes develop young talent for management, engineering and other positions, including through mentorship and intensive classroom and on-the job training. We conduct an annual, organisation-wide talent review and succession planning exercise and Leadership Development Programmes to maintain our leadership pipeline.	✓				• Thriving People

Appendix IVb

Sustainability Risks and Opportunities

AAHK has taken a proactive approach to supplementing our existing risk management framework and enhancing our understanding of the evolving sustainability-related risks and opportunities that impact our business. To achieve this, in 2022/23 we engaged with our internal and external stakeholders to obtain diverse perspectives and insights on emerging sustainability challenges and trends. Through this collaborative process, we have identified four key topics that represent the most significant sustainability risks and opportunities for our business. The table below presents the four key topics identified, along with the associated risks and opportunities, and how AAHK is responding to them.

Topic	Risks	Opportunities	How AAHK is Responding
Attracting and Retaining Talent	Challenges in attracting and retaining talent can limit HKIA's capacity for growth and competitiveness as an international aviation hub. This challenge may be exacerbated as traffic continues to return to pre-pandemic levels.	Programmes to attract and retain talent are an opportunity to improve livelihoods, enhance productivity and help our business remain resilient to changing market conditions. Investing in the training and development of our people drives succession planning, securing the leadership and expertise needed for long-term success at AAHK.	AAHK connects the community with opportunities at HKIA through numerous job fairs. We are growing our talent pipeline through our Management Trainee Programme, Graduate Engineer Programme and Summer Internship Programme. We conduct an annual, organisation-wide talent review and succession planning exercise and Leadership Development Programmes to maintain our leadership pipeline. We offer comprehensive benefit packages and have established robust policies and systems to ensure employees' remuneration remains competitive. HKIAA offers a comprehensive aviation-related curriculum to develop the local talent market and strengthen Hong Kong's position as a regional civil aviation training hub.
Climate Change	Physical impacts of climate change, including extreme heat, more frequent extreme weather events, sea-level rise and flooding may disrupt the operation and development of HKIA, as well as our supply chains. Our expenses may increase to adapt and maintain HKIA's resilience to the changing climate. Potential financial, operational and reputational risks associated with the transition to a low-carbon economy, such as increased operating costs for meeting new regulations and policies related to emission reductions and the introduction of carbon pricing mechanisms.	Investigating new technologies to introduce low-carbon products and services as part of AAHK's service offering is an opportunity to generate new forms of revenue. Implementing energy efficiency measures across assets and operations can mitigate operational cost increases for increased energy costs and/or carbon pricing. Engaging the aviation sector on emission reduction, including through the adoption of sustainable aviation fuels (SAF) and the delivery of related fuel services, is an opportunity to form mutually beneficial partnerships, increase demand for airside services and grow revenues.	AAHK has pledged with 30 aviation-related business partners to achieve Net Zero Carbon by 2050, with a midpoint target in 2035 from a 2018 baseline. Our HKIA Decarbonisation Roadmap to 2035 and HKIA Business Partners Carbon Support Programme provide an overarching framework for the combined carbon reduction efforts of AAHK and our pledged airport business partners. We are promoting, adopting and exploring renewable and lower-carbon fuels at HKIA. AAHK conducted a Climate Resilience Study to review and strengthen HKIA's operational resilience and adaptive capacity in a changing climate. An organisation-wide Climate Adaptation and Resilience Plan (CARP) was developed to address both physical and transition risks. Our GADC Strategy embeds green design principles and sustainable construction techniques into projects at HKIA to improve energy efficiency and reduce carbon emissions. Energy use is managed under an ISO 50001-certified energy management system. We publish an annual Task Force on Climate-related Financial Disclosures Statement to report on our climate risk mitigation and resilience strategy and efforts and intend to incorporate IFRS S2 Climate-related Disclosures in the future.

Topic	Risks	Opportunities	How AAHK is Responding
Infrastructure Development	Development activities pose environmental risks from GHG emissions, noise, waste, effluents and other sources that can negatively impact ecosystems near HKIA and human health. Construction workers and others in the vicinity of development activities face health and safety risks.	The development of HKIA into an Airport City will allow the airport to strengthen its status as a leading international aviation hub. Development projects are an opportunity to contribute to economies and societies in Hong Kong and beyond through stimulating economic growth and creating new job opportunities in the region.	AAHK continues to realise the Airport City Vision and mobilise necessary resources to ensure that all critical development projects are on track. Implementation of the GADC Strategy ensures green design principles and sustainable construction techniques on projects undertaken by AAHK. We also voluntarily pursue third-party green building and sustainable infrastructure certification for major developments at HKIA. Our airport-wide safety management system provides a comprehensive framework for managing and tracking safety performance. Contractors are required to develop their own safety goals, targets, plans and training programmes. AAHK regularly monitors the safety performance of contractors and the effectiveness of their management systems.
Innovation and Technology	Adopting new technologies and the rise in the intensity and sophistication of cyberattacks may result in security vulnerabilities affecting HKIA's information technology (IT) infrastructure and systems. Disruptions to HKIA's IT services or other technological system failures may affect airport operations and negatively impact HKIA's reputation.	Developments in advanced biometrics, mobile and self-services, artificial intelligence (AI) and data analytics may enable HKIA to offer more personalised end-to-end experiences and enhance airport operations. Innovation is an opportunity to engage stakeholders, including AAHK employees and the airport community, to ideate new solutions.	The HKIA Technology Roadmap drives strategic direction on technology and innovation, including continued improvements to the Smart Airport experience to ensure seamless travel for passengers and efforts to digitalise airport operations with increased deployment of automation, robotics, video analytics and digital twin. IT governance and risk management frameworks ensure consistent risk assessment and management, including through the continual monitoring of emerging security risks and proactive measures to enhance risk awareness.

Appendix V

Stakeholder Engagement

AAHK engages with diverse stakeholders to better understand and meet their needs, inform our business decisions and manage the impacts of those decisions.

The tables below detail our key stakeholder groups, their key interests and the typical engagement methods we adopt.

Business relationships

Airport business partners

Contractors and suppliers

Employees

Passengers

Market shapers

Government departments and regulatory authorities

Financial institutions

Industry associations and professional bodies

Non-governmental organisations and fishermen groups

Wider community

Legislative and district councillors, and political groups

Local community

Young people

Media

Business relationships

Airport business partners	Contractors and suppliers	Employees	Passengers	Engagement methods
Key interests: • Airport safety and security • Community investment and engagement • Contingency planning • Customer experience • Labour issues • Infrastructure development • Innovation and technology • Training and career development	Key interests: • Airport safety and security • Contingency planning • Ethics and integrity • Infrastructure development • Occupational health and safety • Supply chain management	Key interests: • Employee engagement and wellbeing • Contingency planning • Infrastructure development • Occupational safety and health • Staff remuneration and benefits • Corporate governance and internal controls • Legal compliance	Key interests: • Airport safety and security • Connectivity • Customer experience • Infrastructure development	• Audits and inspections • Awards, recognition schemes and initiatives • Drills, exercises and training workshops • Website, emails, circulars and manuals • Employee relations activities

Market shapers

Government departments and regulatory authorities	Financial institutions	Industry associations and professional bodies	Non-governmental organisations and fishermen groups	Engagement methods
Key interests: • Airport Safety and Security • Contingency planning • Corporate governance and internal controls • Economic and social contribution • Ethics and integrity • Financial performance • Infrastructure development • Training and development	Key interests: • Airport planning and development • Financial performance • Infrastructure development	Key interests: • Economic and social contribution • Ethics and integrity • Infrastructure development • Innovation and technology • Occupational safety and health • Supply chain management	Key interests: • Community investment and engagement • Customer experience • Infrastructure development • Occupational safety and health	• Annual and interim reports, results announcements and tax filings • Audits and inspections • Briefings and airport visits • Marine Ecology Enhancement Fund (MEEF) and Fisheries Enhancement Fund (FEF), • Participation in awards and recognition schemes

Wider community

Legislative and district councillors, and political groups	Local community	Young people	Media	Engagement methods
Key interests: • Ethics and integrity • Financial performance • Infrastructure development • Innovation and technology	Key interests: • Community investment and engagement • Infrastructure development • Innovation and technology	Key interests: • Attracting and retaining talent • Community investment and engagement • Economic and social contribution • Infrastructure development	Key interests: • Corporate governance • Ethics and integrity • Financial performance • Infrastructure development • Innovation and technology	• AAHK Staff Club • Briefings and airport visits • Community partnerships and investment projects • Media publications • Training and mentoring programmes

Appendix VI

Verification Statement

Scope and Objective

Hong Kong Quality Assurance Agency ("HKQAA") has conducted an independent verification for the Sustainability Report 2023/24 ("The Report") of Airport Authority Hong Kong ("AAHK"). The Report illustrates AAHK's sustainability commitments, strategies, plans and targets, contributions to the United Nations Sustainable Development Goals as well as the overall sustainability performance for the period from 1st April 2023 to 31st March 2024. The Report covers AAHK's core business in the operation and development of Hong Kong International Airport. Reference is also made to AAHK's subsidiaries and outsourced operations where relevant. Also, the Report incorporates a Sustainable Finance Transactions Annual Report ("SFTs Annual Report") which provides information about AAHK's green bond portfolio, impact data and relevant information. AAHK continues to report on its climate change risk mitigation and resilience strategies and efforts in its Task Force on Climate-related Financial Disclosures (TCFD) Statement.

The objective of this verification is to provide a reasonable assurance on the reliability of the data and information disclosed in the Report. The Report has been prepared in accordance with the GRI Sustainability Reporting Standards ("GRI Standards") and the GRI G4 Airport Operators Sector Disclosures. AAHK also voluntarily disclosed the Report in compliance with Hong Kong Exchanges and Clearing Limited's Environmental, Social and Governance Reporting Guide ("HKEX ESG Guide").

Level of Assurance and Methodology

The verification process was conducted according to:

- International Standard on Assurance Engagement (ISAE) 3000 (Revised) – "Assurance Engagement Other Than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board;
- GRI Standards and the GRI G4 Airport Operators Sector Disclosures and;
- HKEX ESG Guide.

The verification process included reviewing internal data management mechanism, interviewing personnel responsible for preparing the Report, and checking the raw activity data and supporting evidence of the selected samples.

Independence

Our verification is independent and impartial. There is no relationship between AAHK and HKQAA beyond the contractual agreement for providing the verification service.

Conclusion

Based on the verification results, HKQAA has obtained a reasonable assurance and is in the opinion that:

- The Report has been prepared in accordance with the GRI Standards, GRI G4 Airport Operators Sector Disclosures and HKEX ESG Guide;
- The Report expresses AAHK's sustainability strategies aligned with the United Nations Sustainable Development Goals;
- The Report illustrates AAHK's sustainability performance, covering all relevant material aspects in a balanced, comparable and timely manner; and
- The data and information disclosed in the Report are accurate and reliable.

AAHK has been enhancing its transparency continuously to allow stakeholders to understand its commitments to address sustainability risks and opportunities as well as the improvement initiatives.

Signed on behalf of Hong Kong Quality Assurance Agency



Connie Sham

Head of Audit

July 2024

Appendix VII

Sustainable Finance Transactions Annual Report

This Sustainable Finance Transactions (SFTs) Annual Report from Airport Authority Hong Kong (AAHK) provides information about AAHK's SFTs portfolio and information on each of the Eligible Project Categories in which its investments are focused. Short case studies on Eligible Projects that have been allocated, or earmarked for, the proceeds of SFTs during the fiscal year 2023/24 ended 31 March 2024 (SFTs Reporting Period) are also provided, together with data on expected impacts.

About Airport Authority Hong Kong

Established in 1995, AAHK is a statutory body wholly owned by the Government of the Hong Kong Special Administrative Region (HKSAR Government). It is responsible for the provision, operation, development and maintenance of Hong Kong International Airport (HKIA), which is not only one of the busiest passenger airports globally, but also consistently ranks as the world's busiest cargo gateway. AAHK is required to conduct its business according to prudent commercial principles and with due regard for the safe and efficient movement of aircraft, passengers and cargo.

As air traffic continues to rebound from the pandemic period, AAHK has been preparing for the future of HKIA. We are nearing the completion of the Three-Runway System (3RS), a milestone project that will significantly grow the airport's capacity and enhance efficiency. In the longer term, HKIA is evolving from a city airport into an Airport City—a bold vision comprising diverse projects to create new sources of revenue while facilitating regional and global trade and connectivity. This includes SKYCITY, a retail, business and entertainment destination, and the second phase of AsiaWorld-Expo (AWE), Hong Kong's largest indoor performance venue for up to 20,000 people.

We remain committed to developing and operating HKIA responsibly. Building upon decades of sustainability leadership, we manage and, wherever possible, minimise the airport's environmental impacts. Our airport-wide Green Airport Design and Construction (GADC) Strategy incorporates green design technologies and initiatives throughout our projects' lifecycles, including all aspects of the 3RS Project. Please refer to the Environmental Excellence section of our Sustainability Report for more information on our environmental policies and programmes.



Investing in Sustainability at the Airport City

Sustainability Vision, Goals and Initiatives

AAHK's sustainability vision is to strengthen HKIA's capabilities to achieve environmental and operational excellence while contributing to thriving economies, societies and people.

We have taken a holistic, airport-wide approach to sustainability for decades, engaging the airport community to manage impacts throughout our value chain. Partnerships and collaboration continue to drive our success.

> **SFTs enable AAHK to implement the World's Greenest Airport pledge across HKIA. From improving energy efficiency to adopting cleaner transportation and more, we are pleased to share the positive impacts of these milestone transactions in this report.**
>
> **Julian Lee, Executive Director, Finance, AAHK**

Some of our key historic and recent sustainability achievements are shown below. Details of AAHK's broader sustainability investments and initiatives can be found in our Sustainability Report.

World's Greenest Airport Pledge: Since 2012, AAHK has been on a journey to make HKIA the World's Greenest Airport. This pledge serves as both a goal and driver to continuously improve the airport's environmental performance.

Green Building Design and Construction: The GADC Strategy, launched in July 2021, incorporates green design principles and sustainable construction techniques in projects undertaken by AAHK and its business partners.

HKIA 2050 Net Zero Carbon Pledge: In 2021, HKIA became the first airport to measure, report and adopt a Net Zero Carbon Target encompassing business partners' activities. The pledge now includes AAHK and 30 of our key aviation-related business partners.

Climate Adaptation and Resilience Plan: In 2021, our Climate Resilience Study confirmed that HKIA already has a high level of resilience to climate change. The Climate Adaptation and Resilience Plan includes a series of five- and ten-year actions to address both physical and transition risks.

HKIA Business Partners Carbon Support Programme: Since 2022, AAHK has dedicated funding to help business partners pilot new decarbonisation technologies, as well as capacity-building support.

ACI-ACA Level 4: In 2023, HKIA achieved the Airports Council International (ACI) Airport Carbon Accreditation (ACA) Level 4 "Transformation"–an advancement recognising our commitment to carbon management and the alignment of our long-term carbon targets with the goals of the Paris Agreement.

Sustainable Finance Framework

AAHK uses funding from SFTs in accordance with its Sustainable Finance Framework (SFF), published in January 2022. The SFF helps allocate funds towards projects that will deliver environmental and/or social benefits and support AAHK's objective to become the World's Greenest Airport. SFTs may include bonds, loans and other forms of debt financing.

Each SFT will adopt the core components of the Green Bond Principles 2021, Green Loan Principles 2021, Social Bond Principles 2021, Social Loan Principles 2021 and Sustainability Bond Guidelines 2021.

Use of Proceeds

The SFF defines a series of Eligible Project Categories for which proceeds raised through SFTs may be used:



Eligible Green Categories

- Green Buildings
- Clean Transportation
- Energy Efficiency
- Renewable Energy
- Pollution Prevention and Control
- Water and Wastewater Management
- Climate Change Adaptation
- Terrestrial and Aquatic Biodiversity



Eligible Social Categories

- Affordable Basic Infrastructure
- Employment Generation
- Socioeconomic Advancement and Empowerment

The exclusion list in the SFF defines that proceeds from SFTs will not be used to fund fossil-fuel-based power generation, storage or transportation infrastructure.

A Second-Party Opinion issued in October 2021 by Sustainalytics confirmed that the SFF was credible and aligned with relevant external guidelines and principles, namely the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, Social Bond Principles 2021, Green Loan Principles 2021 and Social Loan Principles 2021.

Governance

The SFF describes AAHK's the structures and processes outlined below for the robust governance and management of sustainable finance.

Project Evaluation and Selection

AAHK has established a cross-divisional Sustainability Executive Taskforce (SET), which meets twice a year and is chaired by AAHK's Chief Executive Officer. SET members include the Chief Operating Officer and all Executive Directors across divisions including Finance, Engineering and Technology, Third Runway, Airport Operations, Commercial, and Human Resources and Administration, as well as the General Manager, Sustainability. Department heads, along with respective project teams, identify potential Eligible Projects, which are then submitted to the SET for approval. The SET oversees risk assessment and management of potential Eligible Projects.

Management of Proceeds

AAHK monitors net proceeds and maintains a register to keep track of their use. Net proceeds should be allocated within the last three financial years of each SFT issuance, including the financial year the SFT is issued. Unallocated proceeds will be temporarily held in the forms of cash and cash equivalents or deposits. During the life of the SFTs issued, if any designated project(s) ceases to fulfil the criteria necessary for it to be deemed an Eligible Project, the net proceeds will be re-allocated to an alternative Eligible Project(s) that complies with the eligibility criteria outlined in the Use of Proceeds section above, as soon as reasonably practicable.

Reporting

AAHK reports on the allocation and impact of SFT proceeds through SFTs Annual Reports, available as standalone documents and appended to AAHK's annual Sustainability Reports, both of which can be downloaded from AAHK's corporate website, on an annual basis until full allocation. Reporting includes a list of Eligible Projects, descriptions of major projects, the total amounts allocated to Eligible Projects, the amounts of unallocated proceeds, and the applicable shares of financing versus refinancing. This SFTs Annual Report currently fulfils these commitments.

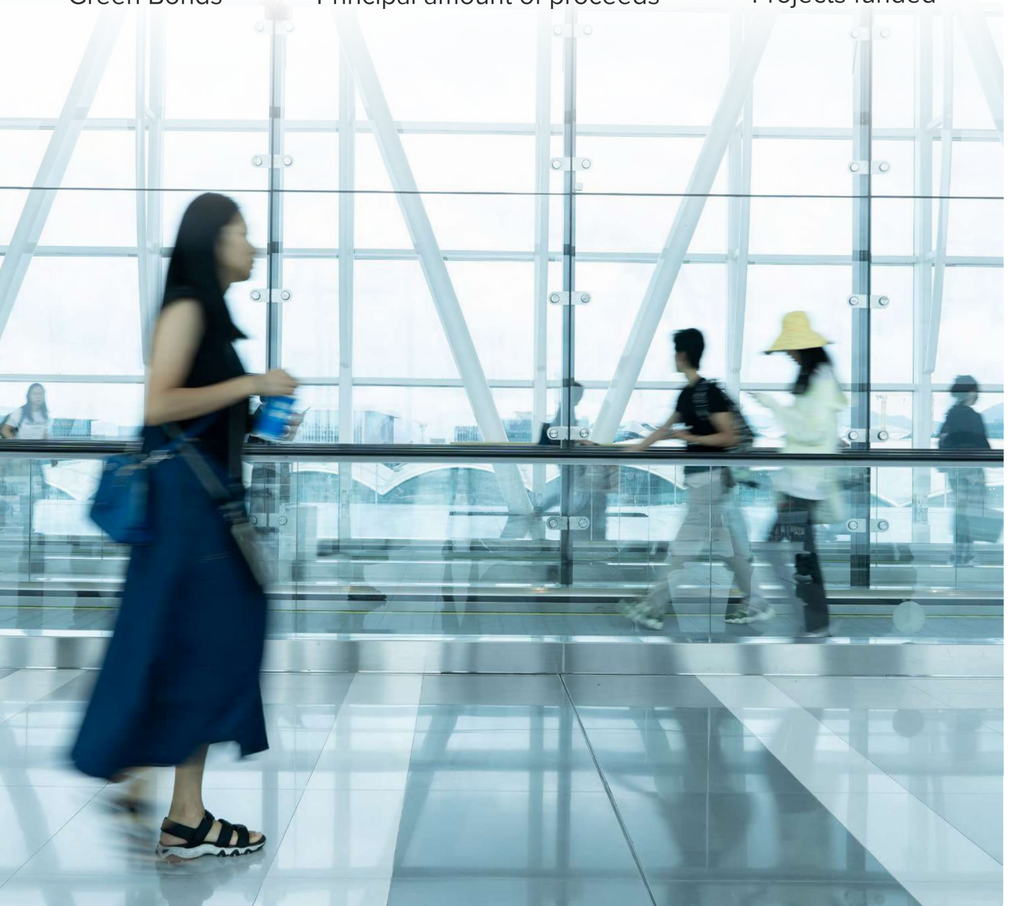
Green Bond Portfolio

As of 31 March 2024, AAHK's Green Bond portfolio consists of two issuances: our inaugural Green Bond (2022 Green Bond) issued in January 2022; and our second Green Bond (2023 Green Bond) issued in January 2023.

2
Green Bonds

US$ 2 billion
Principal amount of proceeds

14
Projects funded



2022 Green Bond

AAHK issued multi-tranche US$ Bonds in January 2022, which include our debut Green Bond issuance. This issuance was fully allocated as of 31 March 2024.

In August 2022, this Green Bond issuance became a constituent security of the Bloomberg MSCI Green Bond Index. The index aims to offer investors an objective and robust measure of the global market for fixed-income securities issued to fund projects with direct environmental benefits. The bond was reviewed against MSCI ESG Research's independent research-driven methodology and evaluated for adherence to established green bond principles before being included.

Bond Information

Issuer entity	Airport Authority Hong Kong
Issue date	12 January 2022
Principal amount of proceeds	US$1.0 billion
Maturity date	12 January 2027
Tenor	5-year
Interest or coupon rate	1.75% p.a.
ISIN number of the Green Bond	US00946AAC80 / USY000AKAB30
Ratings (at issuance)	AA+ by S&P Global Ratings
Certification	Pre-issuance Stage Certificate from Hong Kong Quality Assurance Agency
Second-party opinion provider	Sustainalytics (on Sustainable Finance Framework)

Allocation of Green Bond Proceeds by Category

Total proceeds allocated and earmarked are shown by Eligible Category below.[1]



Total
7,832 million

83% **Green Buildings**
HK$ 6,539 million

14% **Clean Transportation**
HK$ 1,088 million

3% **Energy Efficiency**
HK$ 205 million

1 Based on indicative exchange rate.

2023 Green Bond

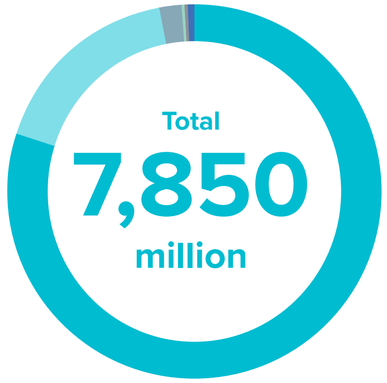
AAHK issued multi-tranche US$ Bonds in January 2023, which include AAHK's second Green Bond issuance. This issuance was fully allocated or earmarked as of 31 March 2024.

Bond Information

Issuer entity	Airport Authority Hong Kong
Issue date	12 January 2023
Principal amount of proceeds	US$1.0 billion
Maturity date	12 January 2028
Tenor	5-year
Interest or coupon rate	4.75% p.a.
ISIN number of the Green Bond	US00946AAG94 / USY000AKAF44
Ratings (at issuance)	AA+ by S&P Global Ratings
Certification	Pre-issuance Stage Certificate from Hong Kong Quality Assurance Agency
Second-party opinion provider	Sustainalytics (on Sustainable Finance Framework)

Allocation of Green Bond Proceeds by Category

Total proceeds allocated and earmarked are shown by Eligible Category below.[2,3]



80% **Green Buildings**
HK$ 6,309 million

17% **Clean Transportation**
HK$ 1,336 million

2% **Energy Efficiency**
HK$ 173 million

<1% **Renewable Energy**
HK$ 17 million

<1% **Terrestrial and Aquatic Biodiversity**
HK$ 10 million

<1% **Pollution Prevention and Control**
HK$ 4 million

2 Based on indicative exchange rate.
3 Figures subject to rounding differences.

Awarded

Best Green Bond – Public Sector

in Hong Kong at The Asset Triple A Country Awards for Sustainable Finance 2024



Driving Sustainability across the Airport Island

Our airport-wide approach to sustainability aims to address AAHK's impacts wherever they may occur, whether at HKIA or elsewhere along our value chain. On the airport island, SFTs have enabled numerous projects that incorporate more sustainable design features, promote resource efficiency, reduce impacts on our climate and create other environmental benefits. These projects are described in more detail on the following pages.

Green Buildings

1. T2 Concourse
2. HKIA Tower Two
3. Sky Bridge
4. AsiaWorld-Expo Phase 2

Clean Transportation

5. Airportcity Link and Airport Tung Chung Link
6. Airport-wide Electric Charging Infrastructure and Electric Fleet

Energy Efficiency

7. Chilled Water System Enhancement at Terminal 1
8. Chiller Replacement Works at Ground Transportation Centre
9. Replacement of Airfield Ground Lighting for existing Two-Runway System
10. Replacement of Air Handling Units at Terminal 1
11. Modernisation of Escalators and Walkways in Terminal 1
12. Enhancement of Lighting in Terminal 1
13. Replacement of Sewage Pumping System and Stormwater Pumping Systems

Renewable Energy

14. Solar Panel Array on Expanded Terminal 2



Remarks: This figure is for illustrative purposes only and showcases the eligible projects to which green bond proceeds were allocated.

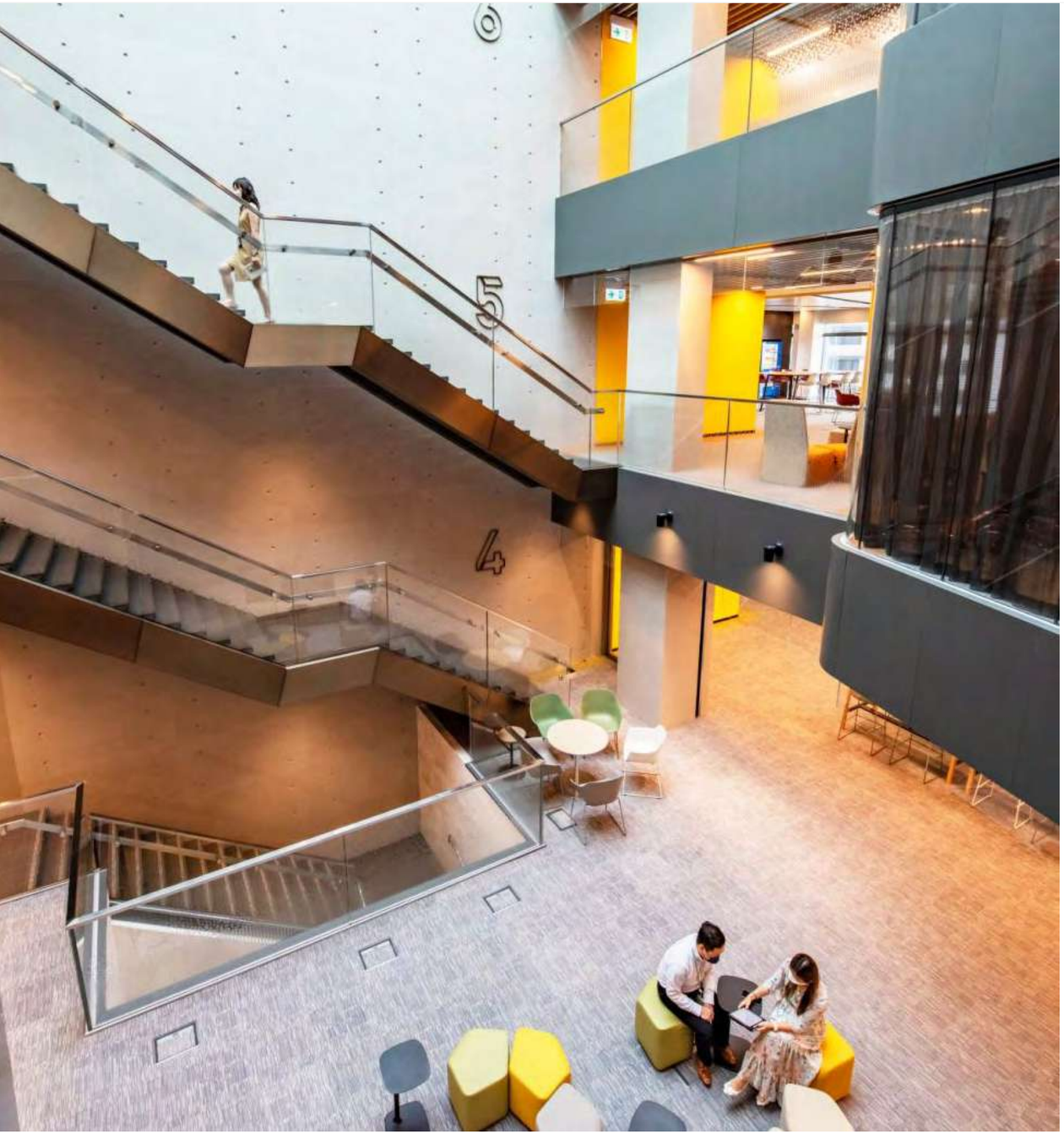
Allocation of Green Bond Proceeds by Project

Green Bond proceeds allocated to expenditures incurred and earmarked are shown below. Information on the proportion of Green Bond proceeds used as new funding for Eligible Projects versus the proportion used as refinancing can be found in previous SFTs Annual Reports. All Eligible Projects have been endorsed by the Sustainability Executive Taskforce to ensure that they conform to the objectives and criteria set out in the SFF.

	2022 Green Bond	2023 Green Bond	
Project Name	**Amount allocated for expenditures from 2019/20-2023/24 (HK$ million)**	**Amount allocated for expenditures from 2020/21-2023/24 (HK$ million) [4]**	**Amount earmarked for expenditures in 2024/25 (HK$ million) [4]**
Green Buildings	**6,539**	**6,307**	**2**
T2 Concourse	5,498	6,051	–
HKIA Tower Two*	567	–	–
Sky Bridge*	474	–	–
AsiaWorld-Expo Phase 2	–	256	–
Clean Transportation	**1,088**	**484**	**853**
Airportcity Link and Airport Tung Chung Link	843	100	–
Airport-wide Electric Charging Infrastructure and Electric Fleet	245	384	–
Hydrogen Filling Infrastructure	–	–	–
Energy Efficiency	**205**	**77**	**96**
Chilled Water System Enhancement at Terminal 1*	69	–	–
Chillers Replacement Works at Ground Transportation Centre*	18	–	–
Replacement of Airfield Ground Lighting for Existing Two-Runway System	67	–	–
Replacement of Air Handling Units at Terminal 1	51	–	–
Modernisation of Escalators and Walkways in Terminal 1	–	63	–
Enhancement of Lighting in Terminal 1	–	7	–
Replacement of Sewage and Stormwater Pumping Systems	–	7	–
Solar Irradiance Predictive Control for Air Handling Units at Terminal 1	–	–	–
Renewable Energy	**–**	**9**	**8**
Solar Panel Array on Expanded Terminal 2	–	9	–
Site-wide Solar Installation	–	–	–
Terrestrial and Aquatic Biodiversity	**–**	**–**	**10**
Marine Ecology Enhancement Projects	–	–	–
Pollution Prevention and Control	**–**	**–**	**4**
Food TranSmarter	–	–	–

* As there have been no material changes to these completed projects, please refer to our SFTs Annual Report 2021/22 for further information.

4 Figures subject to rounding differences.



Green Buildings

Investments in the Green Buildings category include the construction of new passenger terminals and facilities, as well as the renovation and retrofitting of existing structures to achieve green building certifications. We focus on reducing carbon and other GHG emissions and improving energy efficiency to mitigate impacts on our climate.

Projects across HKIA are developed in alignment with the GADC Strategy, and many have achieved BEAM Plus certification. Notably, the T2 Concourse received one of the highest overall scores amongst all BEAM Plus-certified projects, and the highest rating available, a BEAM Plus Provisional Platinum Rating. The T1 Midfield Concourse was one of the first buildings to ever receive the BEAM Plus Gold Rating in 2016.

During the reporting period, significant achievements included Phase 2 of AWE receiving a Provisional BEAM Plus Platinum rating, HKIA Tower Two achieving a BEAM Plus Final Gold rating and Sky Bridge attaining the BEAM Plus Final Platinum rating.

Green Buildings: Consolidated KPIs[5]

	2022 Green Bond	2023 Green Bond
Bond proceeds allocated	HK$6,539 million	HK$6,307 million
Total gross floor area (GFA) of certified green buildings (m^2)	Approximate 648,000m^2	
Certifications achieved	• BEAM Plus Provisional Platinum – T2 Concourse (certified 2022) • BEAM Plus Final Gold – HKIA Tower Two (certified 2024) • BEAM Plus Final Platinum – Sky Bridge (certified 2023) • BEAM Plus Provisional Platinum – AsiaWorld-Expo Phase 2 (certified 2024)	
Annual energy savings (MWh)	52,812	
Annual GHG emissions avoided (tCO_2e)[6]	21,084 (including 269 tonnes of CO_2e as a result of renewable energy generated)	

5 Include all Eligible Projects under Green Buildings.

6 Cumulative energy savings include renewable energy produced at T2 Concourse.

T2 Concourse

The T2 Concourse (T2C) is a seven-level, Y-shaped airside concourse of 519,000m^2 in gross floor area (GFA) and 345,000m^2 in construction floor area (CFA). A key aspect of the 3RS, it features comprehensive departure, arrival and transfer functions within a sleek, modern structure. The building's sustainability features include energy-efficient passive and smart engineering designs that minimise energy consumption in alignment with green building standards. Outdoors, a landscaped courtyard creates a serene environment for passengers waiting at the T2C departure level.

Project name	T2 Concourse
Bond proceeds allocated (as of 31 March 2024)	2022 Green Bond: HK$5,498 million 2023 Green Bond: HK$6,051 million
Completion date	2024
Project status	In progress – Foundation works were completed. The superstructure works continued in tandem with the fit-out and building services works.
Green building certification	Provisional Platinum achieved for the T2C and Air Traffic Control Tower under BEAM Plus New Buildings Version 1.2 (certified February 2022)
Key environmental features	• Climate-responsive building design including high-energy-performance glazing, optimal spatial planning and maximised access to natural light • Installation of photovoltaic (PV) panels covering a total area of approximately 4,000m^2 for onsite energy generation • Energy-efficient lighting design and high-efficiency chiller system design • Demand-controlled ventilation, heat recovery and free cooling to reduce energy consumption • Over 60% of construction waste to be recycled and at least 10% of recycled building materials to be used for exterior and interior components
Estimated key environmental impacts[7]	• 45,000 MWh total annual energy savings • 17,500 tonnes of CO_2e avoided annually[8] • PV panels expected to produce approximately 690 MWh of renewable energy per year, leading to 269 tonnes of CO_2e avoided annually[9] • Up to 29% annual energy savings compared to EMSD Building Energy Codes 2018[10]



7 T2C figures are likely to change when energy modelling is undertaken again based on the final design.

8 Estimated based on 2023 emission factor of 0.39kg CO_2 from CLP Power Hong Kong Limited (CLP).

9 Energy consumption here is 98% T2C, with the remainder accounted by the Air Traffic Control Tower, a government building on the same site.

10 The EMSD Building Energy Codes set out the technical guidance and details in respect of the minimum energy efficiency requirements governing the building services installations defined in the Hong Kong Buildings Energy Efficiency Ordinance. It is used as a baseline to evaluate energy performance of the project.

AsiaWorld-Expo Phase 2

AWE hosts iconic events as Asia's premier hub for entertainment, as well as meetings, incentives, conferences and exhibitions (MICE). It is an integral part of SKYCITY, one of the foundations of the transformative Airport City vision, offering brands and corporations a flexible integrated exposition space with comprehensive support facilities and unparalleled catering options. The facility complements other SKYCITY developments, including 11 SKIES, forming an attractive destination for high-value business and leisure travellers from the Greater Bay Area, Mainland China and the rest of the world.

Phase 2 will bring Hong Kong's largest indoor performance venue to AWE—an indoor, state-of-the-art arena housing 20,000 spectators for multi-functional activities. Other development projects include 17,500m^2 of indoor exhibition halls, a 12,650m^2 outdoor exhibition area and back-of-house supporting facilities and ancillary offices. Upon the completion of Phase 2, the GFA of AWE's exhibition and convention facilities will be an expansive 100,000m^2.

Project name	AsiaWorld-Expo Phase 2
Bond proceeds allocated (as of 31 March 2024)	2023 Green Bond: HK$256 million
Completion date	2027/28
Project status	Planned – Construction work is anticipated to commence in 2024/25.
Green building certification	Provisional Platinum under BEAM Plus New Buildings Version 1.2, with an approximate GFA of 85,000m^2
Key environmental features	• High-efficiency water-cooled centrifugal chillers • Seawater cooling that eliminates the need for cooling towers • Energy-saving variable speed drive pumps • Low overall thermal transfer value (OTTV) that helps to maintain a more comfortable indoor temperature by reducing heat loss or gain • 30% more fresh air for indoor air quality[11] • Plate-type heat recovery without cross-contamination for the Arena and Exhibition halls • Demand controlled ventilation with CO_2 sensors for the Arena in response to changes in occupancy • LEDs with lower lighting power density • Water-saving faucets and shower heads • Seawater flushing to reduce fresh water used • Rainwater harvesting for irrigation with a catchment area of approximately 9,000m^2 and rainwater storage tanks of 260m^3 • 100% of parking lots will have enabling provisions for electric vehicle (EV) charging facilities
Estimated key environmental impacts	• 5,267 MWh total annual energy savings • 2,054 tonnes of CO_2e reduced per year[12] • 40% saving in potable water consumption[13]



11 Based on ASHRAE 62.1 Standard as baseline, a recognised standard for ventilation system design and acceptable indoor air quality (IAQ).

12 Estimated based on 2023 emission factor of 0.39kg CO_2 from CLP.

13 Based on BEAM Plus baseline scenario.



Clean Transportation

Investments in Clean Transportation aim to reduce GHG emissions and improve air quality by minimising air pollutants. Key airside initiatives include the Airside Vehicles Electrification Programme and award-winning Ground Services Equipment (GSE) Pooling Scheme, started in 2013 and 2018, respectively.

AAHK has used autonomous driving technology since 2019, employing autonomous electric patrol cars and tractors for delivering luggage and cargo. In 2023, the airport introduced an autonomous shuttle bus that transports airport staff to different locations within the restricted area. Landside, AAHK commissioned Hong Kong's first locally-made "Smart-to-Charge" EV charging facility in the HKIA Tower car park.

Construction is underway for the Airportcity Link (ACL), a bridge link between the Hong Kong Port (HKP) and SKYCITY that will transport autonomous EVs and pedestrians. This autonomous transportation system will be extended via the Airport Tung Chung Link, which will connect SKYCITY with Tung Chung's town centre.

Clean Transportation: Consolidated KPIs

	2022 Green Bond	2023 Green Bond
Bond proceeds allocated	HK$1,088 million	HK$484 million
No. and types of new electric charging points installed and EV procured (as of March 2024)	• 7 EV charging facilities to be installed on the HKP walkway • 329 normal EV chargers installed • 21 quick EV chargers installed • 152 e-GSE chargers installed • 262 new EV chargers to be procured and installed by 2028/29 • 12 new e-bus chargers installed • 2 new EVs procured • 19 new electric buses procured • 467 new e-GSE unit procured	

Airportcity Link and Airport Tung Chung Link

The ACL will be a major bridge link for both autonomous shuttle buses and pedestrians to travel between SKYCITY and the Hong Kong Port (HKP). Spanning land and sea at approximately 850 metres long, the viaduct will comprise a pedestrian walkway and vehicular road. An autonomous transportation system will feature 100% EVs meeting the Society of Automotive Engineers Level 4 automation, which covers vehicles such as local driverless taxis.

Looking ahead, the ACL will be an integral part of the planned Airport Tung Chung Link between HKIA and the Tung Chung town centre. The roads on the eastern coast of the Airport Island will be integrated into this plan, creating a comprehensive transportation network that prioritises sustainability. This is expected to reduce the driving time from the HKP Island or SKYCITY to Tung Chung Town Centre to a mere eight to ten minutes.

Project name	Airportcity Link and Airport Tung Chung Link
Bond proceeds allocated (as of 31 March 2024)	2022 Green Bond: HK$843 million 2023 Green Bond: HK$100 million
Completion date	2024/2025 for Airportcity Link
Project status	In progress - Construction underway for overall marine portion and superstructure works for the land portion of ACL, design underway for Airport Tung Chung Link
Key environmental features	• Airport autonomous transportation system featuring 100% electric vehicles or low-carbon fuel vehicles • Electric charging facilities at the HKP walkway • Pedestrian walkway
Estimated key environmental impacts	• 7 EV charging facilities to be installed on the HKP walkway, as 100% of total parking



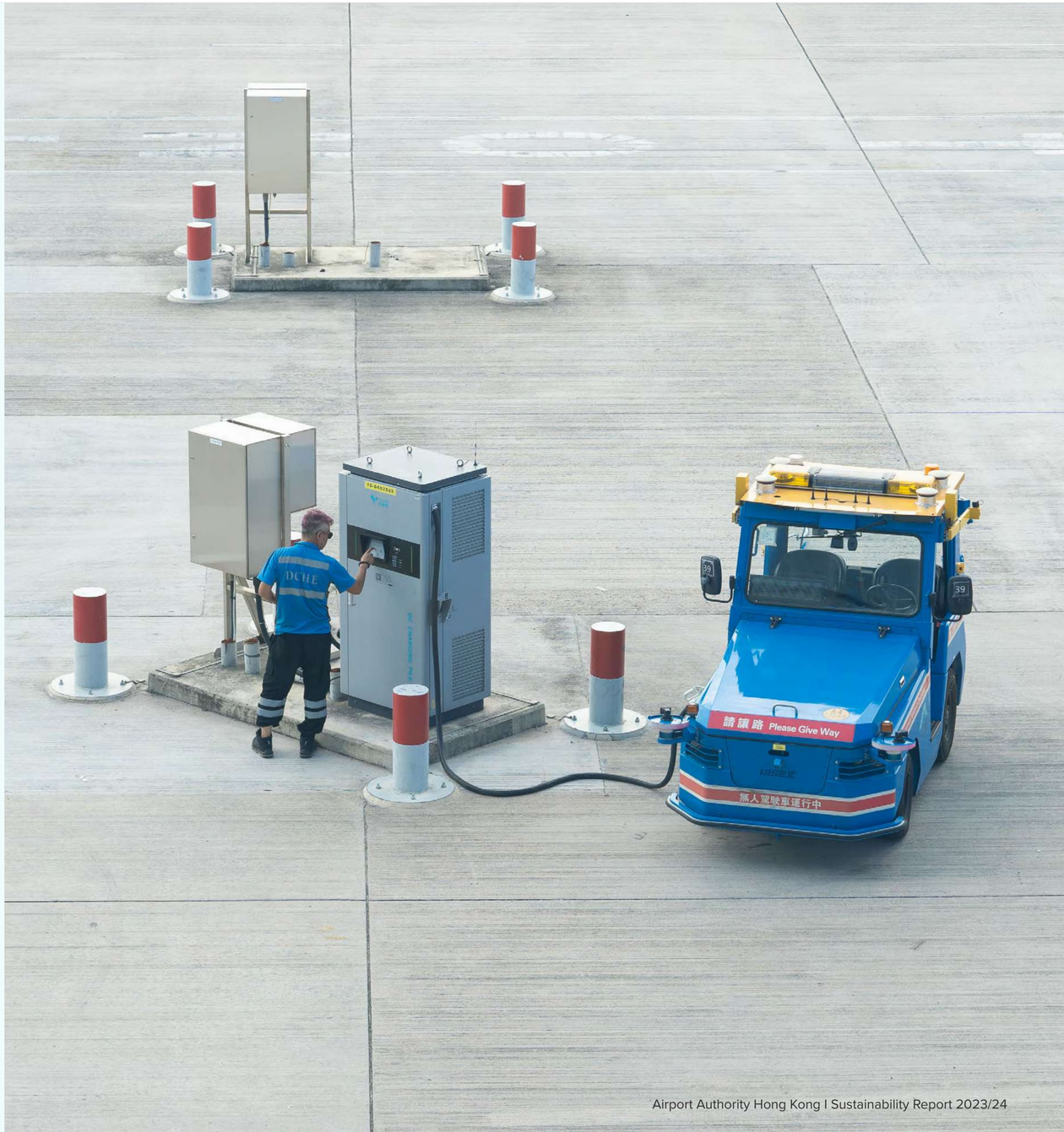
Airport-wide Electric Charging Infrastructure and Electric Fleet

Hong Kong is undergoing a transportation transformation, with private EVs becoming more popular in the market. Amidst this change, there is a need for more EV chargers in public carparks and staff carparks in HKIA's landside areas. AAHK is responding by increasing the number of chargers available at the airport and showing leadership by growing our own EV fleet in support of the HKSAR Government's "Hong Kong Roadmap on Popularisation of Electric Vehicles".

We aim to increase the total number of EV charging points to over 1,300 by 2030. To support the operation of the 3RS, we also plan to expand the number of e-GSE units in AAHK's GSE Pooling Scheme from the existing 500 units to about 1,000 units upon full implementation of the scheme. At least 95% of these units will be e-GSE, making us the first international airport in the world to adopt GSE Pooling on such a large scale.

During the reporting period, we completed Phase 2 of the Airside Vehicle Electrification Programme by replacing all airside private cars with EV models and commenced Phase 3, which targets to phase out the existing fleet of non-electric airside vans, mini-buses and buses.

Project name	Airport-wide Electric Charging Infrastructure and Electric Fleet
Bond proceeds allocated (as of 31 March 2024)	2022 Green Bond: HK$245 million 2023 Green Bond: HK$384 million
Completion date	2028/29
Project status	In progress
Key environmental features	EV chargers and charging points • 329 normal EV chargers installed • 21 quick EV chargers installed • 152 e-GSE chargers installed • 12 new e-bus chargers installed • 262 new EV chargers to be installed by 2028/29 Electric fleet • 2 new EVs procured • 19 new electric buses procured • 467 new e-GSE unit procured





Energy Efficiency

AAHK has long led the airport community in improving energy efficiency. From energy-efficient chillers to LED lighting, we continue to upgrade our facilities with more sustainable technology. Inside the terminals, cutting-edge building analytics are helping us to identify opportunities to deploy new energy-efficient options.

Our successes include Hong Kong's most extensive LED replacement project since 2015. More recently, Airfield Ground Lighting (AGL) fixtures utilising efficient LED lights have been used on the new Third Runway and associated taxiways.

AAHK's technological progress in this area includes the development of the largest Battery Energy Storage System in Hong Kong and implementation of the award-winning Weather Forecast for Air-conditioning Control System, a predictive system that uses real-time weather and passenger flow data to optimise energy usage in terminal buildings. Proudly, HKIA was the first airport to adopt this ground-breaking model globally.

These projects help AAHK reduce costs while reducing GHG and other air emissions, benefitting both our business and local air quality.

Energy Efficiency: Consolidated KPIs[14]

	2022 Green Bond	2023 Green Bond
Bond proceeds allocated	HK$205 million	HK$77 million
Annual energy savings (MWh)	11,550	
Annual GHG emissions avoided (tCO_2e)	4,504	

14 Include all Eligible Projects under Energy Efficiency. For details on the completed projects, please refer to our SFTs Annual Report 2021/22.

Energy Efficiency Projects

Halogen light fittings are being replaced by LEDs across the South and Centre Runways.



Project name	Replacement of Airfield Ground Lighting for existing Two-Runway System
Bond proceeds allocated (as of 31 March 2024)	2022 Green Bond: HK$67 million
Completion date	2027
Project status	In progress
Key environmental features	• Replacement of halogen AGL fittings with LED light fittings on the South and Centre Runways
Estimated key environmental impacts	• 1,540 MWh of electricity saved per year[15] • 601 tonnes of CO_2e avoided annually[16]

We are upgrading 546 ventilation (air handling) units in Terminal 1.

Project name	Replacement of Air Handling Units at Terminal 1
Bond proceeds allocated (as of 31 March 2024)	2022 Green Bond: HK$51 million
Completion date	2027
Project status	In progress
Key environmental features	• Adoption of electronically commutated motors in 546 air handling units
Estimated key environmental impacts	• 3,000 MWh of electricity saved per year[17] • 1,170 tonnes of CO_2e avoided annually[18]



We are upgrading 22 escalators and six moving walkway in Terminal 1.



Project name	Modernisation of Escalators and Walkways in Terminal 1
Bond proceeds allocated (as of 31 March 2024)	2023 Green Bond: HK$63 million
Completion date	2025
Project status	In progress
Key environmental features	• Adoption of high-efficiency motors in 22 escalators and six moving walkways in Terminal 1
Estimated key environmental impacts	• 180 MWh of electricity saved per year[19] • 70 tonnes of CO_2e avoided annually[20]

15 Estimated 28% energy saving after AGL replacement. Estimation is calculated using energy performance of similar products available in the market.

16 Estimated based on 2023 emission factor of 0.39kg CO_2 from CLP.

17 Estimated 20% annual energy saving after air handling units replacement. Estimation is calculated using energy performance of similar products available in the market.

18 Estimated based on 2023 emission factor of 0.39kg CO_2 from CLP.

19 Estimated 7% annual energy saving after modernisation of escalators and walkways. Estimation is calculated using energy performance of similar products available in the market.

20 Estimated based on 2023 emission factor of 0.39kg CO_2 from CLP.

In Terminal 1, we are replacing the gantry lighting with second-generation LED technology that has automatic dimming functionality. Additionally, we are replacing high-pressure sodium (SON-T) lamps with LED alternatives in the Baggage Hall of Terminal 1.



Project name	Enhancement of Lighting in Terminal 1
Bond proceeds allocated (as of 31 March 2024)	2023 Green Bond: HK$7 million
Completion date	2025
Project status	Planned
Key environmental features	• Replacing the gantry lighting with second generation LED technology that has automatic dimming functionality • Replacement of high bay SON-T lamps with LED alternatives at T1 Baggage Hall
Estimated key environmental impacts	• 1,000 MWh of electricity saved per year[21] • 390 tonnes of CO_2e avoided annually[22]

We are replacing motors at eight pumping stations to improve performance and enhance the energy efficiency of our stormwater and sewage pumping systems.

Project name	Replacement of Sewage and Stormwater Pumping Systems
Bond proceeds allocated (as of 31 March 2024)	2023 Green Bond: HK$7 million
Completion date	2026
Project status	Planned
Key environmental features	• Replacement of 26 aged pumpset with high-efficiency motors
Estimated key environmental impacts	• 130 MWh of electricity saved per year[23] • 50 tonnes of CO_2e avoided annually[24]



21 Estimated 20% annual energy saving after implementation of wireless dimming and 37% annual energy saving after replacement of SON-T lamps. Estimations are calculated using energy performance of similar products available in the market.

22 Estimated based on 2023 emission factor of 0.39kg CO_2 from CLP.

23 Estimated 7% annual energy saving after replacement of pump motors. Estimation is calculated using energy performance of similar products available in the market.

24 Estimated based on 2023 emission factor of 0.39kg CO_2 from CLP.



Renewable Energy

It is widely recognised that solar photovoltaic (PV) solutions for airports can be limited by space constraints, shade from buildings and glare. AAHK is nonetheless strategically investing in this potentially impactful clean energy opportunity, incorporating solar PV panels into our projects where feasible.

To date, we have installed 1,200m^2 of solar PV panels on the roof of the T1 Midfield Concourse and plan to install 2,000m^2 of solar PV panels on the roof of the expanded Terminal 2 (T2E). The T2C is also designed to incorporate solar PV panels on its roof[25]. Together, these projects are providing evidence that solar PV is a viable option for airports to generate clean electricity, support independence from the grid and reduce both GHG emissions and electricity costs.

Renewable Energy: Consolidated KPIs

	2023 Green Bond
Bond proceeds allocated	HK$9 million
Annual energy savings (MWh)	317
Annual GHG emissions avoided (tCO_2e)	124

25 Details regarding the installation of solar PV panels on T2C is wrapped under the "Green Buildings" category.

Solar Panel Array on Expanded Terminal 2

We are planning to install 2,000m^2 of solar PV panels on the roof of the expanded Terminal 2, reducing GHG emissions and enhancing the overall sustainability performance of a project that has received a BEAM Plus Provisional Platinum rating.

Project name	Solar Panel Array on Expanded Terminal 2
Bond proceeds allocated (as of 31 March 2024)	2023 Green Bond: HK$9 million
Completion date	End of 2024
Project status	In progress
Green building certifications	Provisional Platinum achieved for the Terminal 2 Expansion project under BEAM Plus New Buildings Version 1.2 (certified April 2020)
Key environmental features	• Installation of approximately 2,000m^2 high-efficiency PV panels as part of the roof design of the expanded Terminal 2
Estimated key environmental impacts	• 317 MWh of electricity saved per year • 124 tonnes of CO_2e avoided annually[26]



26 Estimated based on 2023 emission factor of 0.39kg CO_2 from CLP.

Verification Statement

Scope of the verification

Hong Kong Quality Assurance Agency (HKQAA) has been engaged by Airport Authority Hong Kong ("The issuer") to undertake an independent verification for providing limited assurance on the compliance of the issuer's allocation of proceeds[1] to Eligible Green Projects[2] and Sustainable Finance Transactions Annual Report[3] ("Report") using its Sustainable Finance Framework[4] ("Framework") as the reporting criteria. The scope of HKQAA's verification covers the data and information for the period 1 July 2023 to 30 June 2024[5].

Level of Assurance and Methodology

The process applied in this verification was based on the International Standard on Assurance Engagements 3000 (Revised) – "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board (ISAE 3000). Our evidence gathering process was designed to obtain a limited level of assurance as set out in ISAE 3000 for the purpose of devising the verification.

Our verification procedure performed covered reviewing of relevant documentation, interviewing responsible personnel with accountability for preparing the reporting contents and verifying the selected representative sample of project, data and information. Raw data and supporting evidence of the selected samples were also examined during the verification process.

Independence

The issuer is responsible for the collection and presentation of the information presented. HKQAA does not involve in calculating, compiling, or in the development of the Report. Our verification activities are independent from the issuer.

Limitations

There are inherent limitations in performing assurance as follows. Assurance engagements are based on selective testing of the information and data being examined and it is possible that fraud, error or non-compliance may occur and not be detected. The assurance did not provide assurance on information outside the defined reporting boundary and period. There are additional inherent risks associated with assurance over non-financial information including reporting against which require information to be assured against source data compiled using definitions and estimation methods that are developed by the reporting entity. Finally, adherence to ISAE 3000 is subjective and will be interpreted differently by different stakeholder groups.

The information contained in this document is not intended to provide professional advice, constitute any express or implied advice or recommendation by HKQAA for any investments and should not be relied upon in those regards. Persons intending to use any information obtained from this document are advised to obtain appropriate professional advice. Our assurance was limited to the selected information (i.e. 'bond proceeds allocated to each Eligible Green Project and unallocated proceeds yet to be earmarked', and 'environmental impacts resulting from Eligible Green Projects funded with the bond proceeds'), set out in the Report, and did not include statutory financial statements, financial statements and economic performance. Our assurance is limited to policies and procedures in place as of the end date of this verification.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected information as at 30 June 2024 has not been prepared, in all material respects, in accordance with the reporting criteria.

Signed on behalf of Hong Kong Quality Assurance Agency,



KT Ting

Chief Operating Officer
July 2024

Approval from the Sustainability Executive Taskforce

This Sustainable Finance Transactions Annual Report has been reviewed and approved by AAHK's Sustainability Executive Taskforce.

1 Proceeds of "Airport Authority 2022 Green Bond" and "Airport Authority 2023 Green Bond" which were issued by Airport Authority on 12 January 2022 and 12 January 2023 respectively.
2 Green Bond Portfolio reported in Sustainable Finance Transactions Annual Report.
3 Sustainable Finance Transactions Annual Report to be reported on the Sustainability Report 2023/2024 of Airport Authority Hong Kong.
4 Airport Authority's Sustainable Finance Framework was certified by HKQAA at the pre-issuance stage of "Airport Authority 2022 Green Bond" in alignment with Green Bond Principles 2021.
5 The start date of 1 July 2023 was a continuation of the previous verification period's end date.

Appendix VIII

Task Force on Climate-related Financial Disclosures Statement

Enhancing Climate Resilience at HKIA

Climate change is an increasingly pressing global challenge that is expected to have significant impacts on society, the environment and people. As temperatures and precipitation patterns shift, the occurrence of both extreme weather events and slow onset changes, such as prolonged droughts, frequent and severe storms, floods and rising sea levels, are becoming more prevalent. To address this challenge, global and regional efforts are underway to reduce greenhouse gas (GHG) emissions from human activities and transition to low-carbon economies.

As airports serve as gateways for regional and international business, trade and travel, airport operators need to understand and manage climate-related risks, initiate adaptation measures, and help enable the transition to a low-carbon economy to reduce operational disruptions and improve resilience.

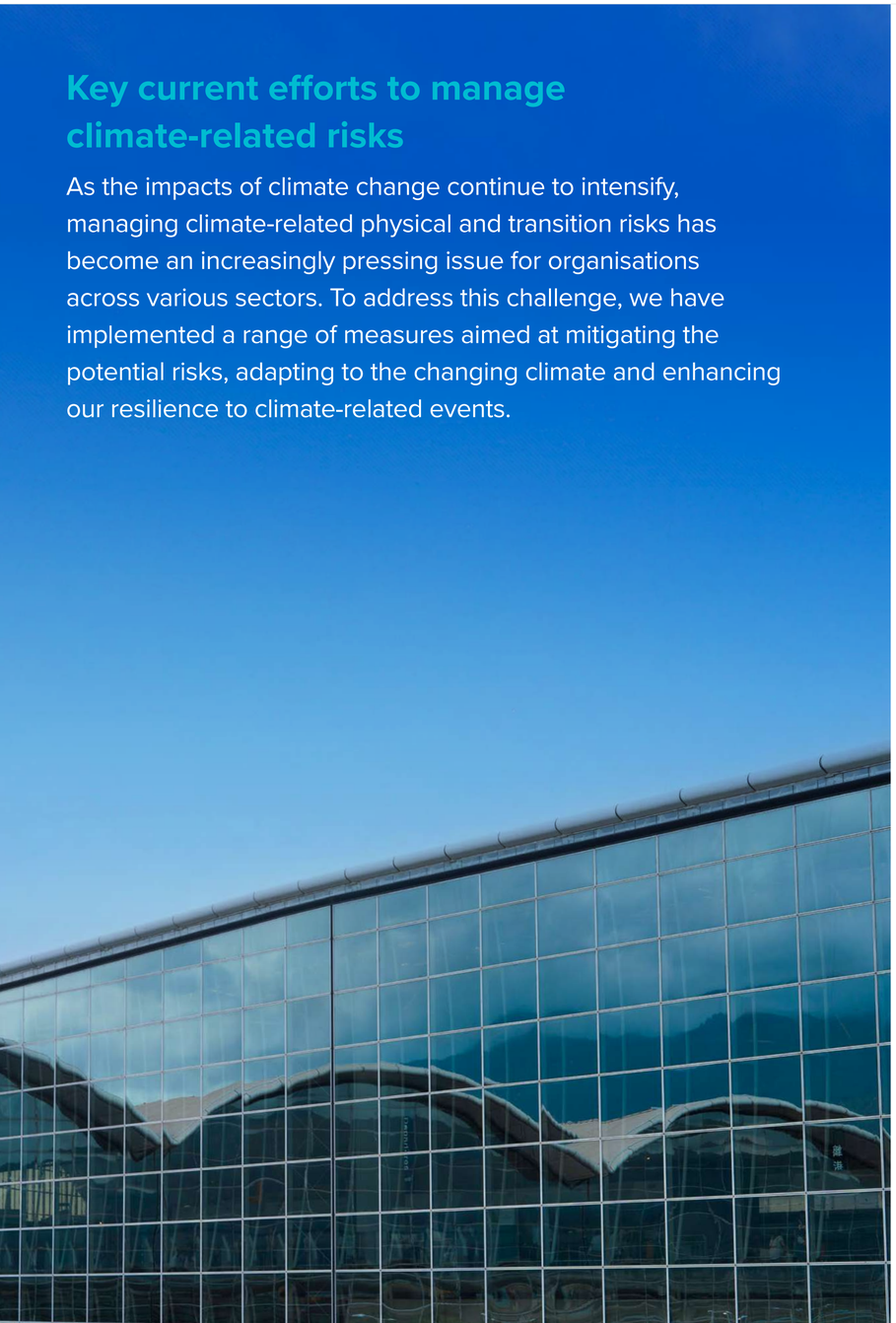
Our Response to Managing Climate-related Risk

In 2023, Hong Kong experienced its second-hottest year on record, indicating a significant trend towards rising temperatures in the region. Notably, the month of September was particularly eventful, as Hong Kong was struck by Super Typhoon Saola, followed by a record-breaking rainstorm that resulted in widespread flooding and landslides across the territory. These occurrences highlight the increasing frequency of extreme weather events in Hong Kong, reinforcing the need for proactive measures to address climate-related risks.

Amidst these challenges, Hong Kong International Airport (HKIA) has consistently demonstrated a commendable level of resilience and preparedness. During past extreme weather events, HKIA swiftly returned to normal operations, showcasing its ability to effectively respond to and recover from such incidents.

Our approach to climate-related disclosures is guided by the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In this fourth TCFD statement, we outline our strategy and initiatives for managing and reporting climate-related risks and opportunities. We are committed to integrating relevant climate change considerations into our governance, strategy, risk management, and metrics and targets to ensure the long-term success of our business. As one of the first airports in Asia to publish a TCFD Statement, we set a precedent for other airports and demonstrate our commitment to our Greenest Airport pledge.





Key current efforts to manage climate-related risks

As the impacts of climate change continue to intensify, managing climate-related physical and transition risks has become an increasingly pressing issue for organisations across various sectors. To address this challenge, we have implemented a range of measures aimed at mitigating the potential risks, adapting to the changing climate and enhancing our resilience to climate-related events.

Physical risks:

Operational procedures

Manuals and procedures in place to deal with extreme weather events, covering topics such as business continuity, typhoon precautions and media engagement.

Monitoring and maintenance

Inspection and preventive maintenance programme for critical infrastructure, regular reviews of enhancement works needed, and power supply analysis to monitor anomalies.

Emergency management

Invested in emergency generators and established specialised teams such as Fault Response Teams and Passenger Care Teams. Airport Emergency Centre for multi-agency coordination.

Physical and system protection

Constructed seawalls and drainage systems, installed uninterruptible power supplies for essential systems, and deployed Internet of Things (IoT) sensors to provide real-time storm surge alerts.

Assessment and guidance

Conducted assessments of our infrastructure and reviewed our modelling assumptions to ensure that they reflect the most up-to-date understanding of climate science. Embedded climate considerations into new developments through the Climate Resilience Guidance Note.

Transition risks and opportunities:

HKIA 2050 Net Zero Carbon Target

AAHK and 30 of its key aviation-related business partners committed to achieving Net Zero Carbon by 2050 with a midpoint target of a 55% reduction in absolute emissions by 2035 against a 2018 baseline. The target covers our Scope 1, 2 and selected Scope 3 emissions. The HKIA Decarbonisation Roadmap to 2035 and the HKIA Carbon Reduction Programme provide an overarching framework for the combined carbon reduction efforts of AAHK and our airport business partners.

HKIA Business Partners Carbon Support Programme

Through the programme, AAHK provides a dedicated green funding mechanism to support the piloting of new technologies that can help to accelerate decarbonisation across the airport community, and a multi-stakeholder governance structure to tighten partnership and knowledge-sharing. In addition, the Programme offers an airport-wide approach to enabling technology and innovation, as well as capacity-building support.

Green Airport Design & Construction Strategy

Implementation of the Green Airport Design and Construction (GADC) Strategy ensures a consistent approach for embedding green design principles and sustainable construction techniques in projects undertaken by AAHK and its business partners. The strategy includes a set of Guidelines on Energy Efficiency for New Buildings and Retrofitting Works Design and a Climate Resilience Guidance Note to ensure energy-efficient design and climate-related considerations are embedded in new developments.

Promoting use of Sustainable Aviation Fuels (SAF)

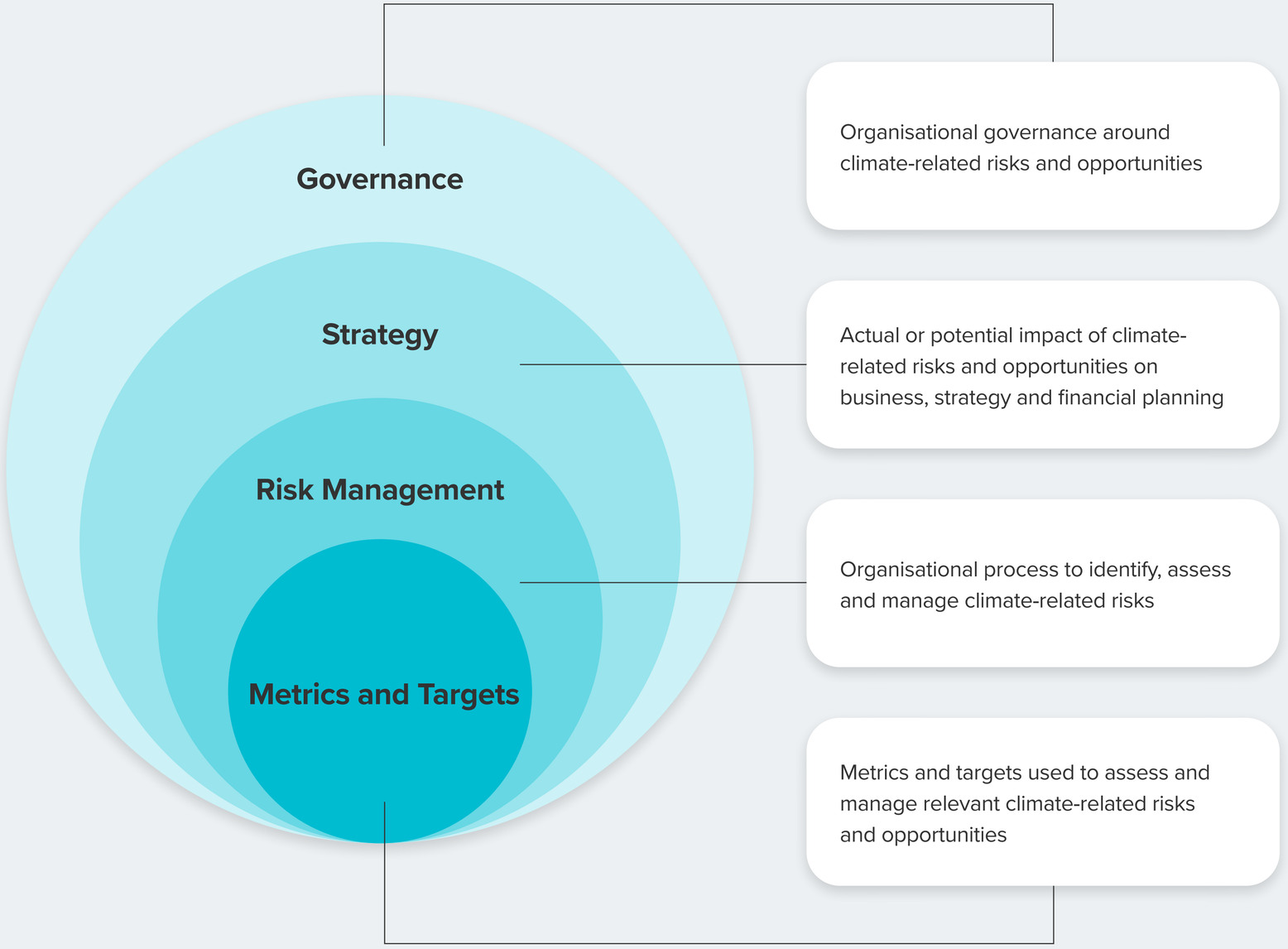
Facilitates the use of SAF by providing fuelling infrastructure that enables airlines to receive, store and uptake pre-blended SAF at the airport. SAF offers one of the most significant opportunities to decarbonise airline operations and reduce Scope 3 airport emissions over the coming decades. Our two aviation fuel facilities, the On-airport Aviation System and Permanent Aviation Fuel Facility, have obtained the International Sustainability and Carbon Certification: Carbon Offsetting and Reduction Scheme for International Aviation (ISCC CORSIA) certification. This certifies that the SAF handled at these facilities complies with ICAO's CORSIA sustainability requirements and enables traceability throughout the SAF supply chain.

TCFD Recommendations

The TCFD recommendations, first launched in 2017, are designed to encourage consistent and comparable reporting on climate-related risks and opportunities by companies to their stakeholders. The TCFD recommendations are structured around four content pillars: (i) Governance; (ii) Strategy; (iii) Risk Management; and (iv) Metrics and Targets; and 11 recommendations to support effective disclosure under each pillar, which are complemented by supplemental guidance for sectors. Throughout this Report, AAHK has sought to provide information on all four pillars and 11 recommendations.

Preparing for IFRS S2 standard

Following the publication of the International Sustainability Standards Board's (ISSB) inaugural disclosure standards in June 2023, the Financial Stability Board confirmed the disbanding of the TCFD in October 2023. The disbanding of the TCFD reflects the alignment of the ISSB's new climate disclosure standard (IFRS S2 Climate-related Disclosure, "S2") with the four content pillars and 11 recommendations of the TCFD. Going forward, the International Financial Reporting Standards (IFRS) Foundation will take over the monitoring of the progress of companies' climate-related disclosures. As such, and in light of the 1 January 2024 effective date for the S2 disclosure standard, AAHK continues to align with the TCFD recommendations for its 2023 climate-related disclosure. AAHK will also remain attentive to the aspects required by S2, aiming to ensure consistent alignment and compliance with upcoming relevant regulations on climate-related disclosures.



Governance

TCFD Disclosure
a) Describe the Board's oversight of climate-related risks and opportunities
b) Describe management's role in assessing and managing climate-related risks and opportunities



Disclose the organisation's governance around climate-related risks and opportunities.

Oversight and management of climate-related issues are embedded within our governance structure. The Board and senior management are responsible for the oversight of climate-related issues and set climate-related strategy and oversee its implementation.

The Board and Board Committees' Oversight of Climate-related Risks and Opportunities

The **Board** has full accountability for AAHK's sustainability strategy, including climate-related issues. It is responsible for the oversight of the strategic direction and overall performance of AAHK's sustainability and climate change strategies. This encompasses reviewing and endorsing key initiatives where applicable, such as the HKIA 2050 Net Zero Carbon Target, the Decarbonisation Plan to 2035, and the release of AAHK's first TCFD Statement. The Board also noted the key findings of AAHK's Climate Resilience Study and the implementation approach relating to the Climate Adaptation and Resilience Plan (CARP). The CEO provides regular updates to the Board on AAHK's progress, including advancements made in corporate sustainability.

The Board is supported by four Board Committees to consider matters in specialised areas. Each Board Committee has specific oversight responsibilities for climate-related matters, including the following:

The **Business Development Committee (BDC)** assists the Board with considering, approving and providing recommendations for AAHK's sustainability strategy, including climate-related issues, as reflected in its Terms of Reference. The BDC met five times in 2023/24. At least once a year, the General Manager, Sustainability provides an update on key focus areas aligned with the Annual Environmental Sustainability Plan, with a strong focus on climate-related programmes and initiatives. Where needed, additional updates are provided to this Committee based on emerging topics and opportunities.

The **Audit Committee and Finance Committee (ACFC)** is responsible for overseeing internal and external audits as well as AAHK's internal control and risk management systems. The ACFC reviews risk areas including environmental risks, which encompass climate-related risks.

The **Human Resources and Remuneration Committee (HRRC)** is responsible for reviewing AAHK's staffing, remuneration and employment policies, as well as making annual recommendations to the Board on issues such as annual corporate goals and performance measures, including sustainability-related goals, variable compensation and salary review.

The **3RS & Works Committee (3RSWC)** is responsible for overseeing the 3RS and other capital works projects from project implementation to successful completion, including ensuring that climate change considerations are integrated into infrastructure planning, on-time and within budget.

Management's Role in Assessing and Managing Climate-related Risks and Opportunities

The **Sustainability Executive Taskforce (SET)**, comprising the Chief Executive Officer, Chief Operating Officer and Executive Directors, serves as the decision-making body for key strategic sustainability efforts. The SET provides oversight for climate change programmes that directly address key climate-related risks and opportunities, such as the HKIA 2050 Net Zero Carbon Target and implementation of the CARP. The SET reviews progress and provides feedback on AAHK's climate-related strategy and risk management and incorporates climate considerations into the company's business strategies and financial planning. The Corporate Environmental Policy Statement was updated with enhanced climate-related commitments and approved by the SET in June 2023.

The **Chief Executive Officer (CEO)**, who also serves on the Board, is responsible for formulating AAHK's strategic operating plans, which include sustainability and climate-related elements, in line with the objectives established by the Board. He also leads the executive management team to implement the policies and strategies supported by the Board.

Executive Director, Third Runway oversees AAHK's Sustainability Department and reports directly to the CEO. The Sustainability Department evaluates AAHK's sustainability progress and provides recommendations for improvement, with a specific focus on climate change. The General Manager, Sustainability oversees the design and implementation of AAHK's corporate sustainability strategy, which includes addressing climate-related risks and opportunities, and reports to the Executive Director, Third Runway.

Executive Director, Finance oversees AAHK's Sustainable Finance Framework (SFF), which sets out how AAHK intends to use funding from Sustainable Finance Transactions (SFTs), which may include bonds, loans and other forms of debt financing, to fund projects that will deliver environmental and/or social benefits and support AAHK's objective to become the World's Greenest Airport. The SFF defines a series of Eligible Project Categories for which proceeds raised through SFTs may be used. Relevant Eligible Project Categories include Green Buildings, Clean Transportation, Energy Efficiency, Renewable Energy and Climate Change Adaptation.

Cross-departmental Teams for Assessing and Managing Climate-related Risks and Opportunities

The **Internal Sustainability Committee (ISC)** oversees key sustainability programmes, including those related to climate change. This committee comprises General Managers who lead departments responsible for these initiatives. They are particularly focused on driving carbon management and climate adaptation projects.

The **Sustainability Department**, which includes a Climate Resilience Team, is led by a Senior Manager who reports to the General Manager, Sustainability. The team has nine members dedicated to managing key climate change programmes and reporting disclosures, specifically the HKIA 2050 Net Zero Carbon Pledge and co-ordination of AAHK's CARP, which includes a sub-set of departmental Climate Action Plans addressing AAHK's climate-related risks and opportunities. The Sustainability Department reports to the SET biannually and seeks the latter's steer on potential new sustainability policies, targets and strategies. The Sustainability Department also provides support to the ISC, which monitors the delivery and progress of key sustainability initiatives.

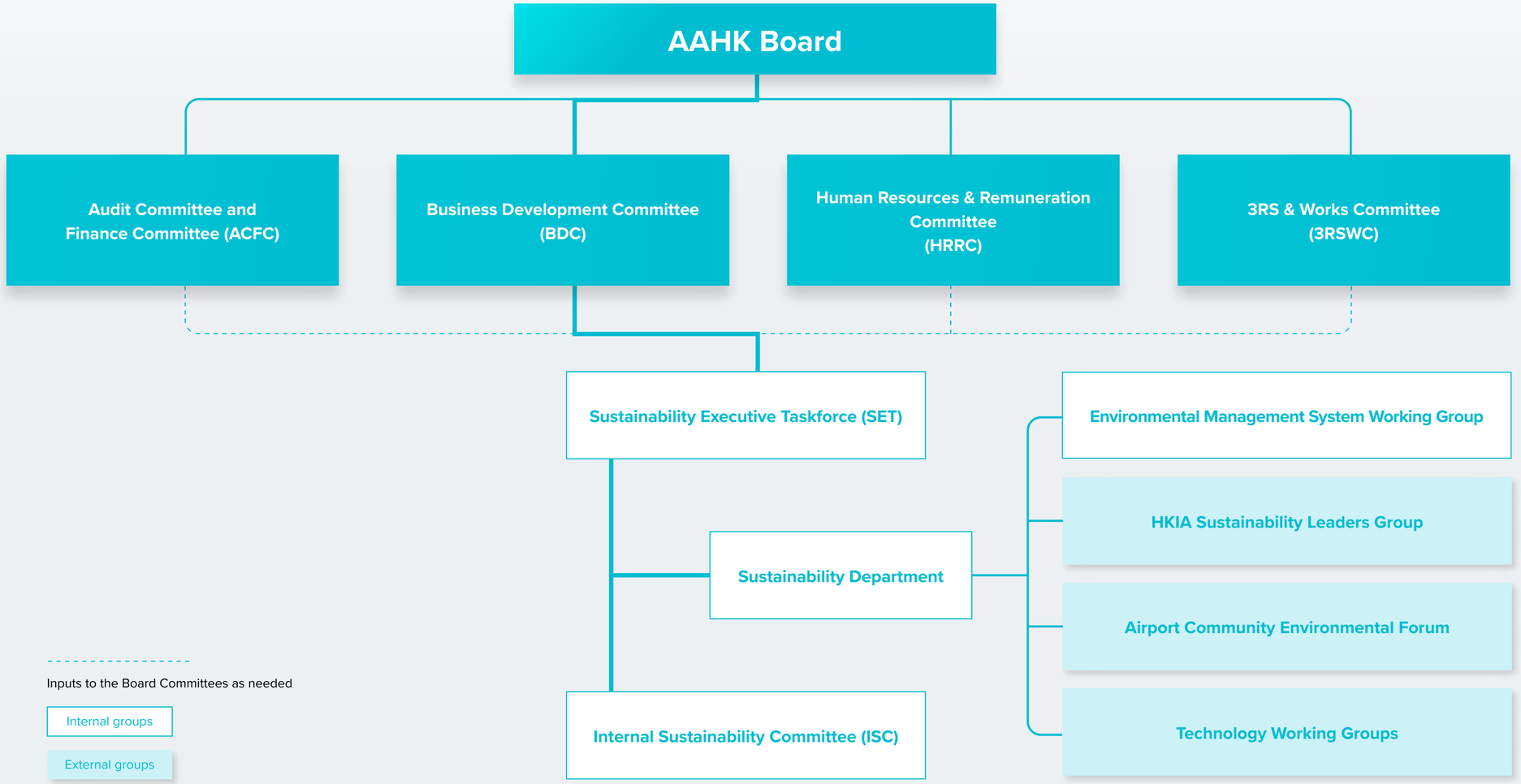
The **Environmental Management System Working Group (EMS Working Group)**, made up of representatives from all departments within AAHK, helps develop and implement environmental actions, including those covered under the respective departmental climate action plans.

The SET has sufficient knowledge of climate-related issues and the impacts of such issues on the company's business and operations. The ISC, Sustainability Department and EMS Working Group are composed of members with technical expertise in climate-related issues.

Performance and Remuneration

Sustainable development is included in AAHK's corporate goals and covers specific targets relating to environmental management (including climate-related targets for carbon reduction and climate readiness), the airport community, talent and people management, and systems and process improvement. A portion of the CEO and executive directors' performance-related compensation is determined with reference to the corporate goals.

AAHK's sustainability governance structure is as follows:



Note: The Business Development Committee of the Board is responsible for overseeing AAHK's sustainability strategy. Sustainability-related issues may be considered by other Board Committees where relevant.

Strategy

TCFD Disclosure
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario



Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is available.

At AAHK, we recognise the importance of addressing climate-related risks and opportunities as a key aspect of our sustainability approach. Our primary goal is to limit the negative impacts that may result from anticipated climate change, and we are actively working on measures to support a transition towards a low-carbon and climate-resilient airport.

We have a dedicated Climate Resilience Team within the Sustainability Department, which is responsible for managing our key action plans for carbon management and climate adaptation and resilience. We are committed to allocating sufficient resources to implement mitigation and adaptation measures and ensuring that our climate-related risks are continuously monitored and reviewed.

Our Climate Strategy

As we continue to transition to a low-carbon and climate-resilient airport, our climate change strategy is built around the following aspects:



HKIA 2050 Net Zero Carbon Pledge



Green Airport Design and Construction Strategy



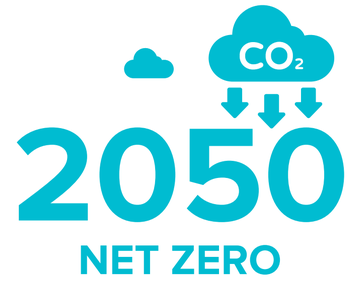
Collaborating with Stakeholders



Climate Adaptation and Resilience Plan



Sustainable Finance



Read more
Environmental Excellence section in Sustainability Report

HKIA 2050 Net Zero Carbon Pledge

AAHK and 30 of our key aviation-related business partners commit to achieving Net Zero Carbon by 2050, with a midpoint target of 55% absolute emissions reduction by 2035 from a 2018 baseline. The HKIA Decarbonisation Roadmap to 2035 outlines specific actions, initiatives and opportunities for collaboration with our partners to achieve our midpoint reduction targets. It focuses on the following areas:

- **Accelerating electrification -** actively transitioning to electric-powered equipment and vehicles across the airport
- **Adopting renewable diesel -** piloting and promoting the use of renewable diesel across HKIA
- **Improving energy efficiency -** implementing energy-efficient technologies and practices throughout our operations, optimising energy usage
- **Increasing the use of renewable energy -** expanding our utilisation of renewable energy sources, such as solar
- **Using low global warming potential (GWP) refrigerants -** phasing out the use of high GWP refrigerants and transitioning to low GWP alternatives

To provide financial support to business partners who have joined AAHK's Net Zero Carbon pledge, we have launched the HKIA Greenovation Fund to support the piloting of new technologies that can help to accelerate decarbonisation across the airport community.

A tailored HKIA Carbon Capacity Building Programme, in partnership with the Business Environment Council, was launched in March 2022. This programme was specifically designed for the airport community and aims to develop the necessary skills and awareness required to achieve the HKIA 2050 Net Zero Carbon Pledge.



Read more
Risk Management section in this TCFD Statement

Climate Adaptation and Resilience Plan

A Climate Resilience Study was conducted in 2020 to enhance the operational resilience and adaptability of HKIA in the face of a changing climate. Using scenario analysis, the study identified physical climate-related risks associated with the airport's facilities and operations, as well as key risks linked to the transition to a low-carbon economy. The Study confirmed that HKIA already has a high level of resilience to climate change. A key output of the study was a Climate Adaptation and Resilience Plan (CARP), which included a subset of departmental Climate Action Plans designed to address AAHK's specific climate-related risks and opportunities. These plans are integral to AAHK's overall transition planning process and address the need for our key business operations to pivot towards a low-carbon and resilient airport in line with the latest science.

In 2024/25, we will introduce a new Climate Event Feedback Mechanism (CEFM) to capture information relating to damage to HKIA and operational impacts due to past climate-related events, such as typhoons and extreme heat. New actions identified will then be incorporated into the CARP and departmental Climate Action Plans. Annual meetings will be organised to review the key findings from the CEFM, presenting a summary of the findings and progress made against the departmental Climate Action Plans to the SET on an annual basis.

To ensure that adaptation actions are taken well in advance of risks, a regular review of the risk assessment will be conducted at least once every five years. In addition, our overall climate change strategy is reviewed annually as part of our corporate planning process.



Green Airport Design and Construction Strategy

The Green Airport Design and Construction (GADC) Strategy was formalised in 2021 to ensure the consistent integration of green design principles and sustainable construction techniques in projects undertaken by AAHK and its business partners. To facilitate the effective implementation of the GADC Strategy, we established a Technical Advisory Group comprising seasoned project managers and green design professionals.

The Strategy incorporates the following guidelines to integrate climate-related considerations and future-proof our infrastructure:

- **Guidelines on Energy Efficiency for New Buildings and Retrofitting Works Design –** The guidelines refer to the "Zero-Carbon-Ready" concept, which applies to highly energy-efficient and resilient buildings that either use renewable energy directly, or rely on a source of energy supply with a significantly reduced carbon footprint, such as electricity from renewable sources.
- **Climate Resilience Guidance Note –** The note outlines AAHK's approach for assessing climate-related risks early in a project's lifecycle and developing options to build resilience into future assets operating at HKIA. This Guidance Note was adopted on our Airportcity Link and Airport Tung Chung Link projects to ensure the planning and design phases considered projected climate variables such as extreme heat, extreme precipitation, sea level rises, and extreme wind speeds with key measures implemented as needed. The Guidance Note will continue to be adopted into future project processes as appropriate.

AAHK has also invested in green building and infrastructure projects that have received or are expected to receive green building or infrastructure certification–with a focus on reducing carbon, energy or other GHG emissions.



Sustainable Finance

AAHK published its inaugural Sustainable Finance Framework and obtained green financing through the issuance of its first Green Bond in January 2022. This landmark achievement was followed by the issuance of a second Green Bond in January 2023, further solidifying AAHK's commitment to sustainable finance practices.

The proceeds from these bonds will be utilised to fund projects in Eligible Project Categories, including Green Buildings, Clean Transportation and Energy Efficiency, which support AAHK's transition to net-zero.

The Sustainability Report includes a Sustainable Finance Transactions Annual Report, which provides comprehensive data on the project investments funded by Green Bonds, including estimates of their environmental impacts, such as energy savings, carbon reduction, and renewable energy generation.

Read More
Sustainable Finance Transactions Annual Report



Collaborating with stakeholders

To ensure that sustainability initiatives are promoted and progress is monitored, biannual Airport Community Environmental Forums are organised for airport business partners. These forums serve to share best practices, update participants on sustainability programmes and raise new ideas, including climate-related initiatives. To further enhance our airport-wide engagement mechanisms, we established the HKIA Sustainability Leaders Group, which comprises leaders of airport business partner companies, with AAHK's General Manager, Sustainability as the chair. It provides a platform for leaders to discuss common sustainability challenges, develop new programmes and initiatives, and monitor and report on progress.

AAHK has actively engaged with the Hong Kong Government's Climate Change Working Group on Infrastructure (CCWGI) to share the outcomes of our Climate Resilience Study and exchange information on updated governmental manuals, which acknowledge future climate projections. AAHK will continue to engage with Government departments as necessary to address interdependent climate risks relating to HKIA and develop adaptation measures as needed.

At the industry level, our participation in the following forums, amongst others, helps us raise awareness of key aspects of sustainability issues, including climate change, and share best practices in a way that supports industry transformation:

- ACI Asia-Pacific & Middle East Climate Change Adaptation Working Group (Chair)
- Airports Council International (ACI) Airport Carbon Accreditation (ACA) Task Force (Regional representative)
- ACI World Long Term Carbon Goal Implementation Taskforce (Co-lead)
- BEC Climate Change Business Forum Advisory Group (Steering Committee Member)
- The Hong Kong Green Building Council (Member of the Council's Infrastructure Rating System Committee)

Incorporating Resilience in our Strategy Planning

Strategic risks are managed as part of our Corporate Planning Process. In the annual preparation and compilation of AAHK's Annual Business Plan and Budget and rolling Five-Year Business Plan and Financial Plan, senior management draws on industry intelligence, air traffic data and forecasts, as well as knowledge of HKIA's operational challenges, to identify the corporate-wide strategic risks.

Corporate themes are then established to guide the management teams of relevant divisions to develop projects or initiatives and budget proposals to address the identified challenges. Following Board approval, responsible divisions implement the projects/initiatives according to the Annual Business Plan & Budget, and progress is reported on a regular basis by senior management.

A corporate theme, 'Advance Airport Sustainability', was incorporated into the Annual Business Plan, in which carbon management and climate resilience are key focus areas. A number of key initiatives under the new theme are listed in the plan and monitored by the CEO.



Scenario Analysis

Scenario analysis is an important tool for understanding and exploring the strategic implications of climate-related risks and opportunities, both physical and transition. The Climate Resilience Study examined the potential business impacts of these risks under a wide range of possible futures. AAHK utilised climate scenario models developed by the Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathways (RCPs). RCP 8.5, which models minimal efforts to reduce emissions resulting in the highest global temperature change, and RCP2.6, which represents strong mitigation efforts leading to a reduction of emissions to net-zero by 2070. Our study also considered the H++ sea level rise scenario, which provides a high-end estimate of sea level rise.

These scenarios, together, represent balanced science-based scenarios that offer a contrast between more optimistic cases versus worst-case scenarios for us to sufficiently consider the risks and opportunities posed by climate change that could potentially impact our business operations as well as our value chain.

Climate scenarios adopted by AAHK in climate-related risks assessment

Climate Scenario	Temperature change (relative to period)	Emissions trend	Relevance to AAHK's Climate Resilience Study or review of climate-related risks
H++ Accelerated Sea level rise	N/A	**Accelerated rates of sea level rise** due to significant acceleration in the melting rate of the land-based ice sheets of Antarctica and Greenland	Considered for sea level rise in physical risk assessment
SSP5-8.5 High emissions with no climate policy (AR6)	3.3 – 5.7°C (1995-2014)	**Carbon emissions continue to rise** throughout the 21st century, leading to a global average temperature increase of 4°C or more by the end of the century	Considered for sea level rise in a review of seawall study and airport-wide drainage system
RCP8.5 Business as usual (AR5)	3.2 – 5.5°C (1986-2005)	**Continuing current carbon emissions** to 2100 and beyond	Considered in physical risk assessment
RCP6.0 High-moderate transition (AR5)	2.0 – 3.7°C (1986-2005)	A **moderate reduction in carbon emissions** which peak around 2080, **then reduce** and stabilise around 2100	Considered in physical risk assessment
RCP4.5 Low-Moderate transition (AR5)	1.7 – 3.2°C (1986-2005)	A **moderate reduction in carbon emissions** which peak around 2045, **then reduce** and stabilise around 2080	Considered in physical risk assessment
RCP2.6 Accelerated transition (AR5)	0.9 – 2.3°C (1986-2005)	A **strong reduction pathway** with emissions peaking around 2020 and then rapidly declining, reaching net-zero by 2070	Considered in transition risk assessment

Deepening our scenario analysis

In response to the release of the IPCC's sixth assessment report (AR6) in 2021, AAHK has reviewed the new climate scenarios under Shared Socioeconomic Pathways (SSP) and downscaled climate data from the Hong Kong Observatory (HKO).

Given that HKIA is a coastal airport exposed to extreme weather events such as typhoons and storm surges, AAHK conducted a review with further modelling of the seawall and our airport-wide drainage system using the latest IPCC AR6 SSP5-8.5 scenario, which represents the high end of the range of future pathways under IPCC AR6.

SSP5-8.5

4°C

Very high emission scenario leading to a global average temperature increase of 4°C or more by the end of the century

Time Horizons

The Climate Resilience Study identified climate-related risks across various time horizons, including short-, medium- and long-term scenarios. To assess physical risk, the time horizons were set at 2030, 2050, and 2100, respectively, to align with the design lives of the asset components. For transition risk assessment, "short term" accounted for risks and opportunities occurring now or within the next five years, "medium term" referred to a time period between 5-10 years from now, and "long term" referred to greater than 10 years from now. These time horizons recognised that transition risks and opportunities would most likely arise where there was an accelerated pace of change occurring in the near term rather than by the end of the century. By analysing climate-related risks across multiple time horizons, AAHK gains a better understanding of its future performance, consistent with the TCFD Recommendations for scenario analysis.

Physical Risks

Physical risks refer to those arising from acute climate events, such as extreme weather, and from chronic and longer-term shifts such as sea level rise. These risks can lead to impacts including direct damage to assets, resources or supply chains, changing input prices, market impacts or liabilities due to failure to foresee and mitigate losses from any physical risks.

We adopted a three-step approach to identify AAHK's physical risks. The results of the physical risk assessment reveal that there are no extreme risks identified under the assessed scenarios prior to 2100.

Key climate hazards considered in the study:



Typhoons and storm surge

Sea level rise and permanent inundation

Extreme rainfall and related flooding

Extreme heat events

Lightning strikes

Average annual temperature

Process of physical risk assessment

Preliminary screening

Preliminary screening was conducted using an "Assets and Risk Tool", which was developed to align with international standards: ISO 14090:2019 *Adaptation to climate change — Principles, requirements and guidelines* (2019) and ISO 31000:2018 *Risk management guidelines* (2018). The tool considered 94 asset classes and ranked them based on their design lives, criticality to airport operations and past performance in previous extreme weather events. Sixteen asset classes and operations were shortlisted for further assessment, which was validated by a cross-departmental Climate Resilience Study working group.

Physical risk assessment

The physical risk assessment process involved identifying priority risks and current adaptation actions for the sixteen asset classes shortlisted in the preliminary screening. A likelihood and consequence risk matrix was adopted to rate the physical risks of each asset class under multiple climate scenarios over 2030, 2050, and 2100. Existing controls were also identified for each risk. Critical asset classes were then selected for a deep dive assessment.

Deep dive assessment

The deep dive assessment involved conducting focus group meetings with asset owners and technical representatives to assess the risks for each critical asset and identify existing controls and planned measures to enhance the asset's resilience. The outcomes of the deep dive assessment informed the development of the CARP, which contains a list of existing measures and planned controls to address the priority physical risks over the short, medium and long term.

Case Study

Managing flood risk at HKIA

In September 2023, Hong Kong experienced the worst rainstorm in more than a century. This "one-in-500-years" record-breaking downpour triggered flash floods that turned roads into raging rivers and stranded pedestrians, motorists and commuters. Car parks and train stations were flooded, and the deluge also triggered landslides around Hong Kong.

HKIA emerged unscathed from the sudden onset of extreme weather due to its preparedness and robust drainage system on the airport island. A key tool that has enabled AAHK to stay ahead of planning for the future climate is the use of location-specific hydrodynamic modelling, which has fed into our airport-wide drainage modelling. For a number of years, we have recognised the potential risks posed by storm events, extreme weather, flooding and rising sea levels. To address this concern, AAHK commissioned two studies in 2020/21 to identify and assess these risks relating to priority assets at HKIA.

The seawall study assessed extreme water levels and extreme wave conditions along the perimeter of the airport for various future climate change projections. It considered extensive data analyses and involved numerical modelling of hydrodynamics and waves, including typhoon simulations.

The drainage study compared the airport-wide drainage system under normal circumstances and in extreme weather events, including sea level rise, tidal surges, typhoons and heavy rainfall.

Both studies considered a range of climate scenarios over multiple timeframes (2030, 2050 and 2100), including the IPCC AR5's most extreme scenario RCP 8.5 (95th percentile), as well as the H++ scenario to provide an even higher possible rate of sea level rise, which was used as a sensitivity analysis for critical assets.

In 2023/24, a review of the modeling was conducted using the latest climate projections from IPCC AR6 SSP5-8.5 low confidence scenario (83rd percentile) and downscaled data from HKO. This review also incorporated the latest land use information at HKIA to assess the risk of flooding.

The studies concluded that HKIA is well-protected from flooding with our existing sea wall and drainage system under the IPCC-tested scenarios at least until mid-century and operational at the end of the century with adaptation measures in place.



Priority physical risks at 2030 and 2050 (listed in alphabetical order by key asset affected)

Risk to business operation and value chain	Key management and adaptation measures	Potential financial impacts
Extreme heat events resulting in degradation of airfield materials, leading to softened runway surfaces, operational disruption and shortened lifespan **Key asset affected: Airfield**	• Regular inspections of the airfield pavement, including visual inspections, automated Laser Crack Measurement System (LCMS) inspections and annual roughness analysis. • Consultancy study of the effect of extreme heat on the pavement to review and develop a new asphalt mix that better suits higher ambient temperatures. • Collaboration with airlines to enhance understanding and tracking of changes in fuel use and take off performance during periods of extreme heat.	• Increased maintenance expenses relating to regular or recurring works necessary to maintain existing airport pavement in good condition. • Increased operational expenditures for studies related to extreme heat. • Increased depreciation due to the shortened lifespan of airfield pavement. • Increased capital expenditure for major overhaul of airfield pavement.
Storm events (e.g., rainfall, typhoons, lightning) resulting in disruption to operations, including restricted aircraft movements **Key asset affected: Airfield**	• Manuals and procedures for extreme weather events, covering topics such as business continuity and typhoon precautions and preparations. • Annual review of the Operational Risk Register to track and document significant risks associated with adverse weather conditions, ensuring the maintenance of airport operational resilience. • An airport lightning warning system that triggers the implementation of emergency actions. • A flight rescheduling control system manages impacts on aircraft movements. • A runway surface condition reporting mechanism where pilots receive information on runway surface conditions with more than 3mm of water, allowing them to adjust take-off and landing configurations for improved safety.	• Temporary impacts to aeronautical revenues, e.g., landing charge due to traffic disruptions. • Increased operational expenditures due to extended operating hours of facilities and services until normal operation resume. • Increased maintenance expenses for airport lightning warning system and flight rescheduling control system.
Extreme weather events resulting in worker health and safety impacts, leading to restricted movements of ground crew **Key asset affected: Airfield**	• Shelters provided for staff to seek respite from heat and lightning risks, along with guidance to prevent heat-related illness. • Monitor the frequency and intensity of extreme heat and humidity events, assess their impact on staff performance and welfare. Use this information to evaluate the need for adjusted health and safety procedures to protect staff and maintain performance. • New guidance on the use of personal protective equipment (PPE) during extreme temperatures. • Improvement to baggage tunnel ventilation to support safe operating working conditions.	• Increased staff healthcare costs associated with exposures to high temperatures. • Increased capital and operational expenditures for the provision of shelters for staff during extreme weather events.
Extreme weather events and/or flooding (e.g., rainfall and storm surges) resulting in limited damage to assets, requiring immediate action such as clean-up, repair or partial replacement **Key asset affected: Airfield, Airfield Tunnel**	• Measures in place to mitigate flood risks include the seawall and drainage system, flood boards and IoT sensors for real-time stormwater surge alerts. • During extreme weather, contractor standby team provide additional support and system recovery. • Airport-wide drainage review and seawall study using the latest climate projections conducted to identify flood risk hotspots and develop location-specific preventive control measures.	• Increased capital expenditure for installation of flood prevention facilities and upgrades of drainage systems. • Increased operational expenditures for studies related to flood risk. • Increased maintenance expenses, e.g., clean-up, repair or partial replacement expenses, in relation to the flood prevention facilities and drainage systems.

Risk to business operation and value chain	Key management and adaptation measures	Potential financial impacts
Sea level rise resulting in inundation of drainage outfalls, leading to increased incidence of flooding and overwhelmed drainage systems **Key asset affected: Airfield**	• Please refer to the points regarding drainage and seawall studies on previous page.	• Please refer to the previous page.
Flooding (e.g., rainfall, storm surges, sea level rise) and lightning resulting in damage to or complete failure of assets, leading to operational disruptions and major capital works programme **Key assets affected: Airfield Power Distribution System, Baggage Handling Systems, Airfield Tunnels**	• Please refer to the points regarding drainage and seawall studies on previous page. • Key Baggage Handling Systems components are mounted on concrete plinths to elevate them above potential flood waters. Resources are also deployed to monitor system conditions.	• Increased capital and operational expenditures to address physical damage to/recovery of relevant operational assets, e.g., Airfield Power Distribution System, Baggage Handling Systems, Airfield Tunnels.
Extreme weather events and/or flooding (e.g., rainfall and storm surge) resulting in more frequent use of generators/ UPS, leading to increased rate of failure **Key assets affected: Airfield Power Distribution System**	• Dual-feed power supply is in place, with an emergency generator system providing back-up power. Uninterruptable Power Systems (UPS) are installed for most essential systems and monitored continuously. • Replacement of deteriorated or faulty components during regular maintenance activities. • Deployment of voltage dip ride-through devices to prevent power interruptions and maintain a stable power supply, where applicable. • UPS systems installed for chiller control to ensure smooth operations.	• Increased capital and operational expenditures in relation to the Airfield Power Distribution System due to more frequent use of generators/UPS and voltage dip ride-through devices.
Increasing temperatures and ocean acidification resulting in degradation of chiller and seawater system asset components, leading to increased maintenance expenses and shortened lifespan **Key assets affected: Chiller Systems and Seawater Systems**	• Rolling out chiller systems for improved resilience and energy efficiency, with optimal operating parameters adjusted for increased temperatures based on climate projections. • Continue to use Predictive Control of Air Conditioning System and other new technologies and tools optimise our chillers. • Regular inspections of chiller and seawater pumping systems to monitor condition and performance.	• Increased maintenance expenses on preventive or corrective works to ensure chillers and seawater systems are in good condition. • Increased depreciation due to the shortened lifespan of chillers and seawater system. • Increased capital expenditure allocated for the major overhaul of chillers and seawater pump systems.
Extreme weather events resulting in disruption of aircraft movements, leading to stranded customers within the buildings and potential health and safety concerns **Key asset affected: Terminals and Buildings – Structures**	• Passenger care team deployed with additional duty staff to assist stranded passengers, providing water, light food and blankets. • Regular drills conducted to test and continually improve passenger handling processes. • Ongoing review and improvement of communication protocols with airlines and passengers to minimise airport congestion caused by extreme weather-related cancellations.	• Increased operational expenditure to provide adequate supplies to care for stranded passengers during extreme weather events.

End-of-Century Risk

As the sole airport operator and a key infrastructure provider in Hong Kong, AAHK is committed to ensuring the resilience of HKIA by assessing risks related to potential long-term climate scenarios. We consider climate projections in the design phase when we develop new infrastructure to ensure that we build with the future in mind.

In our Climate Resilience study and a subsequent review of seawall and drainage modelling, we have reviewed multiple scenarios and trajectories used by the IPCC and downscaled by the HKO, particularly extreme scenarios including RCP 8.5 under IPCC AR5, SSP5-8.5 under IPCC AR6 as well as the H++ scenario for sea level rise, which was used as a sensitivity analysis for critical assets.

Our priority risks for critical assets relate to sea level rise, extreme weather events, flooding and extreme heat. The modelling discussed in the "Managing flood risk at HKIA" case study above shows that the airport is well-protected from flooding until at least mid-century and operational at the end of the century with adaptation measures in place.

AAHK is dedicated to reviewing the resilience of the airport every five years, or sooner if new climate projections are released or other factors arise. We consider this an opportunity to prepare for any new adaptation measures, especially for long-lived assets, well in advance. Our CARP will be updated accordingly during subsequent reviews.

Case Study

Typhoon Saola

Months after AAHK conducted the comprehensive typhoon readiness exercise, Summer Blow 2023, Typhoon Saola, the most severe storm to hit Hong Kong in five years, tested the city's emergency response capabilities in early September. While Hong Kong ground to a standstill for over a day, AAHK and the airport community pulled together to minimise disruption to aviation operations at HKIA.

The Airport Emergency Centre was activated as Saola approached, with approximately 460 flights cancelled as a result of the typhoon. Additional staff were also deployed to assist passengers at the terminal, while restaurants and convenience stores at the airport extended their operating hours and stocked up on extra food and beverages.

As Saola gradually moved away from Hong Kong, AAHK worked closely with airlines, government departments and other members of the airport community to ensure an orderly resumption of flight operations. Flights were rescheduled, with two runways in operation overnight to handle more flights than usual. HKIA was able to swiftly bounce back thanks to meticulous preparation and a coordinated, efficient response from all members of the airport community. The event has reinforced AAHK's focus on key typhoon responses, including advising passengers to remain inside terminal buildings until normal operations resume, as well as enhancing the contingency mitigation planning.





Transition Risks and Opportunities

Transition risks and opportunities refer to adverse and beneficial effects that arise from a rapid or aggressive transition to a low-carbon economy. These include effects specifically associated with:

Market and Technology Shifts

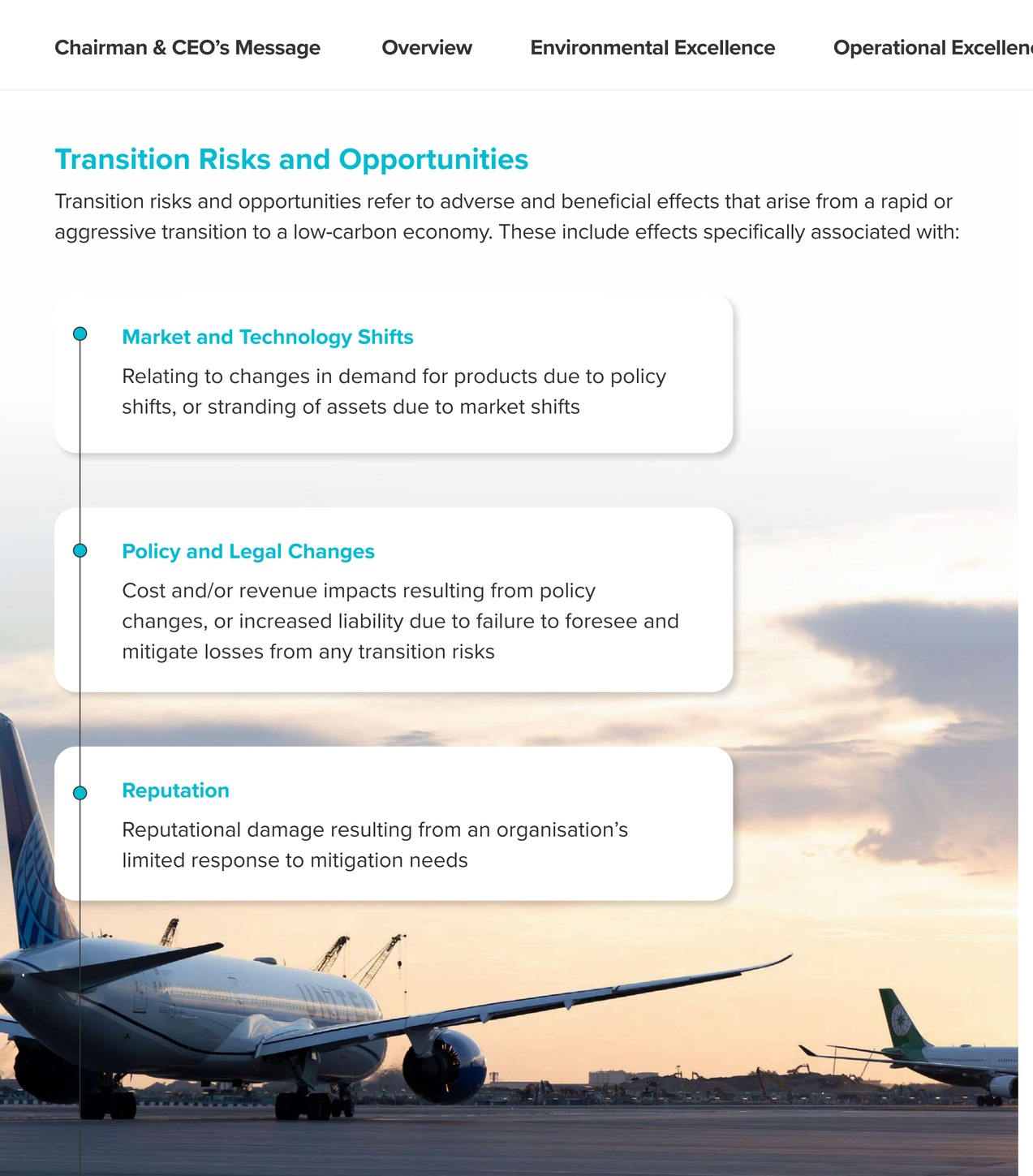
Relating to changes in demand for products due to policy shifts, or stranding of assets due to market shifts

Policy and Legal Changes

Cost and/or revenue impacts resulting from policy changes, or increased liability due to failure to foresee and mitigate losses from any transition risks

Reputation

Reputational damage resulting from an organisation's limited response to mitigation needs



To identify material transition risks and opportunities, all relevant external forces, or transition drivers, first had to be identified and prioritised for AAHK. Transition drivers account for the actual or planned shifts in policy, markets and technology that could bring about risks and opportunities associated with the transition to a low-carbon economy. These were identified and developed through extensive review of policy documents, transport and energy market research, and stakeholder engagement within AAHK and with selected business partners, which covers the following:

Global, national and local climate-related policies

e.g., net-zero emissions policies and action plans, carbon tax and trading programmes

Macroeconomic trends and market sector trends

e.g., consumer preferences regarding travel and freight, SAF

Energy usage and mix

e.g., energy efficiency standards, CLP's shift in energy mix

Developments in technology

e.g., technology upgrades of aircraft design, low- or zero-emissions transport solutions

Potential financial signals related to the priority transition risks and opportunities have also been identified through internal engagement using the financial categories identified within the TCFD Recommendations including capital expenditure, operational expenditure, and revenue. In this report, we describe the priority transition risks and opportunities associated with priority transition drivers influencing AAHK's operations and strategic planning.

We acknowledge the significance of staying informed about the latest scenario analyses to assess the potential risks and opportunities associated with the transition to a low-carbon economy. In light of this, AAHK is exploring updating its transition risk assessment methodology to align with industry best practices and emerging standards, such as the NGFS (Network for Greening the Financial System) and IEA (International Energy Agency) guidelines. These frameworks are increasingly being adopted by various sectors globally to evaluate climate-related risks and opportunities, facilitating a more comprehensive and forward-thinking analysis of AAHK's transition risks and opportunities.

HKIA Carbon Emission Target Trajectory

AAHK has developed a detailed carbon model to establish a carbon emission reduction trajectory to achieve the 2035 midpoint target, with a view to Net Zero Carbon by 2050 at HKIA. The carbon model is based on a comprehensive methodology that has been informed by consultation with key external stakeholders (utility providers, energy solution providers), key internal stakeholders (relevant technical and operations departments) and takes into consideration the following dynamic factors which could affect our carbon footprint. Based on the carbon model, AAHK has developed its HKIA Decarbonisation Roadmap to 2035. This roadmap serves as a key component of AAHK's climate transition plan, outlining concrete actions, initiatives, and opportunities to engage and collaborate with partners across the airport community.

Projected growth of HKIA and the expected rate of recovery after the pandemic to ensure that efforts to reduce carbon align with HKIA's expansion plans.

AAHK and pledged business partners' climate transition plans to incorporate various planned and existing energy-saving initiatives, taking into account collective efforts to reduce carbon emissions.

Assumptions on future energy-saving technologies to leverage cutting-edge solutions to drive carbon emissions reduction in the long term, e.g., hydrogen and low carbon fuel applications.

Grid decarbonisation efforts by CLP to account for the decreasing emissions associated with electricity consumption up to 2035.



Priority transition risks and opportunities to business operation and value chain

Priority risk/opportunity	Key management and adaptation measures	Timeframe[1]	Potential financial impacts
Driver: Global adoption of net-zero emissions policies and action plans **Risk/opportunity category: Policy and legal**			
Risk that net-zero policies develop ambitious targets for emissions reduction	• Launched the HKIA 2050 Net Zero Carbon Pledge and HKIA Decarbonisation Road Map to 2035. • Established the HKIA Greenovation Fund to support our business partners in piloting innovative decarbonisation technologies. • Developed the GADC Strategy and embedded it into our contractual requirements for development projects. An updated set of Guidelines on Energy Efficiency of New Buildings and Retrofitting Works Design, which includes the 'Zero-Carbon-Ready' concept, is embedded into the GADC Strategy. • Completed an airport-wide study on the opportunities to implement onsite solar PV across the airport island. Progressing identified sites to detailed design and installation for existing and future buildings. • Ongoing review of solar energy generation at HKIA. • Conduct a value chain analysis of HKIA's Scope 3 emissions and will identify opportunities for reducing significant emissions in 2024/25.	Short-term	• Increased capital and operational expenditure for the development and operation for HKIA. • Decreased operational expenditure relating to electricity savings from renewable energy generation or energy efficiency projects.
Driver: Legal liabilities and regulatory approvals **Risk/opportunity category: Policy and legal**			
Risk that future construction and expansion projects will be deemed incompatible with Paris Agreement goals, resulting in regulatory approval delays or non-approval **Risk** that more stringent decarbonisation requirements will be imposed as part of regulatory approvals for future capital projects and upgrades	• Implement the CARP to manage climate-related risks identified in the Climate Resilience Study. • Conduct embodied carbon assessments and develop guidelines for reducing embodied carbon. • Enhanced our GADC approach to embed more stringent carbon requirements in the design and construction of capital projects through the use of our new Guidelines on Energy Efficiency of New Buildings and Retrofitting Works Design. • Committed to obtaining third-party verifications (e.g., BEAM, CEEQUAL) which go beyond compliance and anticipate regulatory changes. • Conduct annual third-party verification to ensure compliance with ACA requirements when reporting carbon emissions data. • Maintain a watching brief on upcoming carbon/energy-related regulatory changes in Hong Kong and participating in stakeholder engagement and consultation with Hong Kong Government bureaus and departments on impending changes to regulation (e.g., AAHK participated in stakeholder consultation relating to the Kigali Amendment).	Medium-term	• Increased capital and operational expenditure for the development and operation for HKIA. • Decreased operational expenditure relating to electricity savings.

1 Three time horizons were used and described relative to present day–the short-term horizon accounted for risks and opportunities occurring now or within the next five years, medium term referred to a time period between 5-10 years from now and long term referred to greater than 10 years from now.

Priority risk/opportunity	Key management and adaptation measures	Timeframe[1]	Potential financial impacts
Driver: Shifting consumer preferences with regards to travel and freight **Risk/opportunity category: Market**			
Opportunity for AAHK to collaborate with domestic partners within the Greater Bay Area (GBA) to generate increased domestic travel and visitation **Opportunity** to accommodate increased freight travel by air in response to increasing consumer demand for international products	• There is the potential to collaborate further with high-speed rail in the future. The new SkyPier Terminal commenced in August 2023 and we are developing new cross-boundary services and city terminals in Hong Kong and the GBA to facilitate a connection to high speed rail networks. • Continuing to develop the HKIA Dongguan Logistics Park and a new airside intermodal cargo pier at HKIA, to expand our catchment area and tap growing demand for airfreight services in the GBA. • Enhanced cargo services through our strategic collaborations with UPS and Cainiao Network. • Launched the "Fly-Via-Zhuhai-HK" Passenger Transfer Service allowing Mainland passengers to fly to worldwide destinations via HKIA after passing through Zhuhai Airport and the Hong Kong-Zhuhai-Macao Bridge. • Two automated car parks, "Park and Fly" and "Park and Visit", on the Hong Kong Port will offer about 6,000 new parking spaces in phases, facilitating self-driving visitors from GBA. • The HKIA Cargo Data Platform to facilitate process digitalisation, and track and trace shipments on a near real-time basis. • HKIA attains the full suite of the four IATA CEIV partner airport certifications: CEIV Pharma, CEIV Fresh, CEIV Live Animals and CEIV Lithium Batteries.	Medium to long-term	• Increased revenues due to increased domestic travel and visitation. • Increased revenues due to increased consumer demand for international products.
Driver: Statutory energy and emissions performance standards and reporting requirements **Risk/opportunity category: Policy and legal, Resilience**			
Risk that energy and emissions performance standards will result in increased capital expenditures in order to meet new requirements **Opportunity** to meet energy and emissions performance standards which results in reduced operational expenditures **Opportunity** for AAHK to demonstrate commitment and contribution to regional efforts to meet emissions reduction and carbon neutrality targets	• Management systems in place to ensure that our energy, legal and policy requirements are met. • Ongoing programme of energy management initiatives are in place and monitored under ISO 50001. • Annual third-party verification ensures compliance with ACI-ACA Level 4 requirements for disclosing carbon emissions data. • Conduct a value chain analysis of HKIA's Scope 3 emissions and will identify opportunities for reducing significant emissions. • Carbon emissions from AAHK and business partners are monitored annually against the 2035 target trajectory to ensure performance is on track to achieve the HKIA 2050 Net Zero Carbon Pledge. • Obtained regular market updates with regards to renewable energy opportunities, particularly within Asia-Pacific region. • Active engagement with other airports globally, particularly through the Airport Benchmarking Group and ACI environmental groups to identify new initiatives for carbon emissions reduction.	Medium-term	• Increased capital expenditures to meet new energy and emissions performance standards requirements. • Reduced operational expenditures through implementation of new opportunities for meeting energy and emissions performance standards. • Increased operational expenditure to maintain accreditations and conduct studies.

Priority risk/opportunity	Key management and adaptation measures	Timeframe[1]	Potential financial impacts
Driver: Uptake of energy efficiency and low-carbon technologies **Risk/opportunity category: Technology, Resource efficiency**			
Risk of adopting technologies or investing in R&D activities that do not provide the expected value or benefit **Opportunity** to investigate new technologies to introduce low-carbon products and services as part of AAHK's service offering **Opportunity** to install new technologies to reduce energy use, emissions and associated operational expenditures **Opportunity** to access new forms of capital targeted at new technology research, development and deployment	• The Innovation Centre under the HKIA Technovation and Data Management Board has enabled the trialling of new technologies with a considered funding approval process. • Technology Working Groups are established with AAHK and business partners to pilot new technologies (i.e., renewable energy, solar technologies, energy efficiency technologies etc.). • The HKIA Greenovation Fund was launched to support business partners in implementing innovative technologies for carbon reduction. • HKIA has automated several operations, including autonomous electric tractors and patrol cars (APCs). APCs assist with daily patrols and operate during typhoons to detect abnormalities along the airport boundaries. • Energy efficiency projects, such as replacing chillers with high-efficiency chillers featuring variable speed control, are being implemented. • Implemented the renewable diesel pilot as a low-carbon fuel. • Exploring hydrogen application and as an alternative source of clean energy at HKIA.	Medium-term	• Created new revenue streams by incorporating low-carbon products and services into AAHK's service offering. • Reduced operational expenditures by implementing new energy-saving technologies. • Increased operational expenditure to support HKIA Greenovation Fund. • Increased capital expenditures relating to new energy efficiency / low carbon fuel projects and pilots.
Driver: Policy enacting carbon pricing mechanisms **Risk/opportunity category: Policy and legal, Resource efficiency**			
Risk of increased operational expenditures associated with carbon pricing and purchase of carbon offsets **Risk** that carbon pricing will impact flight volumes and costs across the aviation sector, resulting in reduced revenue for AAHK **Opportunity** to implement energy efficiency measures across assets and operations, thereby mitigating operational cost increases from increased energy costs and/or carbon pricing	• Maintaining a watching brief on energy sector climate commitments and action plans to understand and anticipate grid emissions factors and renewable energy options. • We are members of the Business Environment Council and ACI to ensure that we remain aware of potential implications of carbon pricing locally and globally. • Launched the HKIA 2050 Net Zero Carbon Pledge and HKIA Decarbonisation Roadmap to 2035 to drive rapid decarbonisation across the airport, and reduce the need for offsets. • Implementing the GADC strategy to ensure our assets remain resilient and are built efficiently from the onset. • A review of the business case for investments in energy efficiency measures will be explored to respond to potential carbon pricing signals. • Maintaining a watching brief on the trend for compliance-based carbon markets globally and the impact to the aviation sector. Additionally, we are regularly reviewing the development of the implementation and possible expansion of China's Emissions Trading System possible signals relating to Hong Kong's involvement as well as impacts to the aviation sector.	Medium-term	• Increased operational expenditures and reduced revenue associated with carbon pricing and purchase of carbon offsets. • Reduced operational expenditures due to energy efficiency measures.

Priority risk/opportunity	Key management and adaptation measures	Timeframe[1]	Potential financial impacts
Driver: Transformation of air transportation through fuel switching **Risk/opportunity category: Product services**			
Opportunity to contribute to aviation sector emissions reduction by advocating for the use of sustainable aviation fuels through HKIA's existing fuelling system	• Launch partner of Cathay Pacific's (CX's) Corporate Sustainable Aviation Fuel (SAF) Programme. • Joined the Hong Kong Sustainable Aviation Fuel Coalition (HKSAFC) initiated by the Business Environment Council as a coalition partner. • Support and encourage the uplift of pre-blended SAF at HKIA using the current fuelling infrastructure which is already able to accept pre-blended SAF. • The two aviation fuel facilities at HKIA have obtained the ISCC CORSIA certification, certifying that SAF handled at these facilities complies with ICAO's CORSIA sustainability requirements and enables traceability throughout the SAF supply chain. • Conduct a survey on airlines to gain an understanding of interest in uplifting SAF at HKIA. • Undertaking a study on opportunities to accelerate uplift of SAF at HKIA and the best options for Hong Kong to support aviation decarbonisation.	Long-term	• Increased operational expenditure relating to consultancy study.

Resilience of Strategy

The HKIA 2050 Net Zero Carbon Pledge and corresponding implementation plans, as well as AAHK's CARP, place AAHK in a strong position to address the impacts of a changing climate. The decarbonisation and adaptation plans (which, together, are considered to represent AAHK's climate transition approach) are regularly reviewed and updated in accordance with the latest science and global best practices.

Risk Management

TCFD Disclosure
a) Describe the organisation's process for identifying and assessing climate-related risks and opportunities
b) Describe the organisation's process for managing climate-related risks
c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management



Disclose how the organisation identifies, assesses and manages climate-related risks.

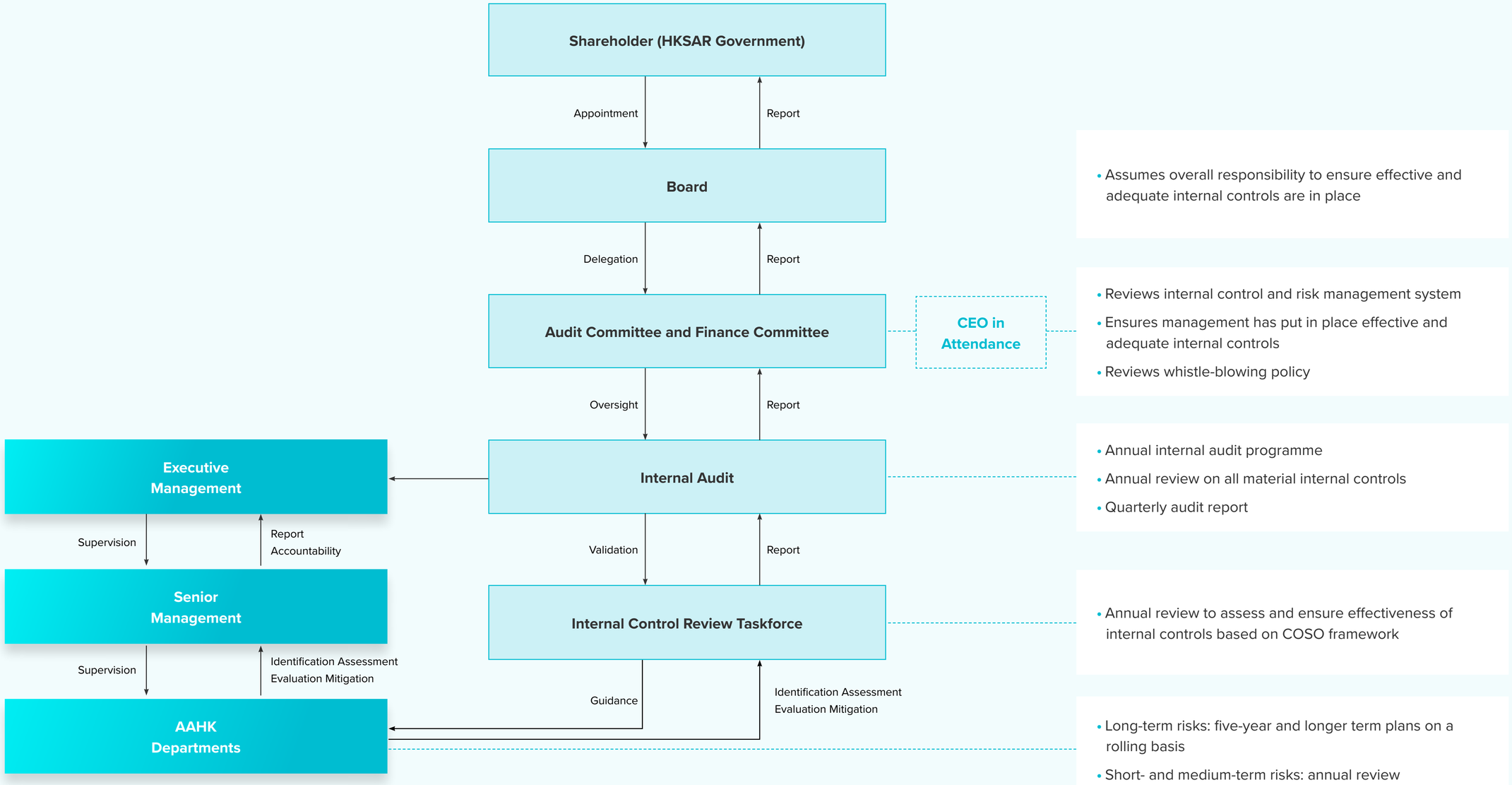
Sustainability-related Risk Management Approach

AAHK has developed a comprehensive and structured approach to enterprise risk management, which is governed by a robust risk management framework. This framework includes various elements of assessment, review and planning to address and monitor risks across the organisation. AAHK's internal control framework is coupled with its risk management framework, and it outlines the roles and responsibilities associated with identifying, assessing and managing risks and controls.

Sustainability-related risks, including climate-related risks, are identified and assessed through an internal control exercise, and material risks are escalated to senior management for consideration of preventive or responsive controls. Where relevant, further advice on the proposed mitigation measures may be sought from the Business Development Committee (BDC). At the Board level, the Audit Committee and Finance Committee (ACFC) is tasked with assisting the Board to review and, where appropriate, strengthen AAHK's risk management system and controls. The ACFC also receives reports from internal and external auditors and identifies key issues that require further attention.

Read more
Risk Management Section - Annual Report 2023/24

Key Features of AAHK's Internal Control Framework



Materiality Assessment

To identify sustainability issues that may have significant impacts on the economy, society and people significant to our business and stakeholders, we undertake an annual materiality assessment. In 2023/24, we conducted a comprehensive materiality assessment, which involved inviting sustainability experts from diverse backgrounds to provide feedback on AAHK's sustainability issues and validate adjustments to our material topics. AAHK's material topics are consolidated into four categories: Environmental Excellence, Operational Excellence, Thriving Economies and Societies, and Thriving People. Climate change was identified as one of the top issues within the Environmental Excellence category.

Integrating Climate-related Risks into our Risk Management System

The Climate Resilience Study has been an important project to identify and assess our climate-related risks. The adoption of AAHK's Operational Risk Register matrix (within our Business Continuity Manual) as part of this Study allowed climate-related risks to be assessed under the same risk parameters as other significant operational risks.

Following the completion of the Climate Resilience Study, AAHK will seek to embed the prioritised climate-related risks within our Sustainability Risk Profile and include these in the Internal Control Review Exercise process, reporting key risks to the ACFC. In addition, several actions have been undertaken to further support the integration of climate-related risks into our risk management system, including:

- Climate Resilience Team, within the Sustainability Department, to systematically track and report progress on the implementation of the CARP. Departments have developed individual Climate Action Plans and report progress to SET annually. The Climate Resilience Team also oversees other climate-related strategic or detailed engineering studies, and manages implementation of actions.
- The Annual Operational Risk Register (ORR) review involves assessing a list of identified operational risks, including those relating to adverse weather, through consultation with operational teams to determine any change in risk level in line with AAHK's operational risk matrix. Risks are reviewed and updated annually with consideration of AAHK's respective business continuity plans, drills and exercises. The outcomes of this review are reported to the Executive Director, Airport Operations.
- Regular communication between the Climate Resilience Team, the Departments' General Managers and Executive Directors to provide progress updates on implementation of climate-related actions.
- Annual reporting to the Board's BDC on the progress, monitoring and evaluation of climate-related actions.

Monitoring the Evolving Risk Landscape

Climate science continues to evolve as experts better understand the impacts of rising concentrations of GHGs in the atmosphere and weather patterns. We track the latest climate science to understand physical risks to our business, emerging policies and technologies and new climate-related initiatives. We recognise the critical importance of having access to the latest science to help us understand future scenarios, as both the intensity and probability of certain physical events continue to increase.

To keep pace with the changing environment, the CARP developed under the Climate Resilience Study is to be reviewed every five years, or as part of planned major investments or changes to infrastructure at HKIA. Other factors that may trigger a review of the CARP include the release of new climate projections that materially influence the current findings or recent climate events that have catalysed a review of routine operations. We acknowledge the need to regularly review and update the climate risk assessment and associated scenario modelling in line with new projections and are committed to preparing and adapting HKIA for future risks well in advance of those risks occurring.

Metrics and Targets

TCFD Disclosure
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process
b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions, and the related risks
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets



Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

AAHK's approach towards addressing climate change is firmly rooted in our pledge to achieve net-zero carbon emissions by 2050, in collaboration with our business partners. We have developed metrics and targets to track progress against our climate-related initiatives.

We are conscious of our direct and indirect emissions upstream and downstream within our value chain. In addition to measuring Scope 1 and Scope 2 carbon emissions, we are conducting a thorough assessment of our Scope 3 emissions in 2024. This assessment aims to identify and measure all relevant emission sources against the 15 categories of the GHG Protocol for effective management and reporting.

We engage third-party auditors to review our GHG inventory and implement an internal monitoring and review process to track and refine accuracy over time.

Accreditations and Memberships

The ACI-ACA Programme governs the airport sector's carbon management standard, and nearly 570 airports are accredited. AAHK achieved ACI-ACA Level 4 "Transformation" in 2023, a significant advancement from its previous recognition of ACA Level 3 "Optimization." The accreditation recognises AAHK's commitment to carbon management, underpinned by the HKIA 2050 Net Zero Carbon Pledge that aligns with the Paris Agreement's goals to reduce absolute emissions. To support the long-term pledge, AAHK has developed a comprehensive carbon management plan that outlines our pathway to achieve the target, and a stakeholder engagement plan that communicates our continuous collaboration with airport business partners and third parties to accelerate carbon reduction across HKIA.

AAHK also joined two global environmental initiatives in 2019, EV100 and EP100, convened by The Climate Group. As the first airport in the world to sign up for both commitments, AAHK is committed to increasing the number of electric vehicles operating at HKIA to 3,000 by 2030 and providing over 1,320 charging points to support airport operations. Under EP100, AAHK expanded the scope of its ISO 50001-certified energy management system to cover all terminal buildings by 2020. The EP100 initiative recognises energy-smart companies worldwide that drive innovation in energy efficiency.

AAHK is an active member of the Business Environment Council, serving as a Board Director and a Steering Committee Member of the Climate Change Business Forum Advisory Group. AAHK was also invited to be a member of the HKGBC's consultancy study steering committee in 2022, allowing us to offer insights and recommendations in the development of the HKGBC Guidebook for Sustainable Built Environment that was released in December 2023. AAHK shares its carbon management approach and strategy with other Hong Kong companies to encourage best practices.

Emissions and Energy Reporting

In 2008, we conducted our first carbon audit of all AAHK-owned facilities at the airport. The success of the first carbon audit laid the foundation to develop an airport-wide carbon reduction programme with our business partners in 2009.

We currently adopt the GHG Protocol Accounting Standard (Revised Edition: March 2004) and the ACI-ACA Application Manual (Issue 14, December 2023) as the basis for our quantification approach.

Our calculations for Scope 1 and 2 emissions, which include direct emissions from owned sources and indirect emissions from purchased electricity, adhere to 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) jointly published by the Electrical and Mechanical Services Department (EMSD) and the Environmental Protection Department (EPD). Additionally, we incorporate the latest grid electricity factors in our calculations. As HKIA operates in a region with limited electricity supply options, we consider the grid carbon intensity of CLP Hong Kong Limited as equivalent to the market-based method. Therefore, we apply the CLP Hong Kong grid carbon intensity to ensure consistency in our calculation methodology compared to previous years.

For Scope 3 emissions, which include indirect emissions from sources not owned or controlled by HKIA, we rely on specific activity data such as flight records, engine testing and business travel records as inputs.

We have chosen this GHG accounting methodology because the GHG Protocol Accounting Standard is widely recognised as an international standard for GHG emissions accounting. Moreover, the ACI-ACA Manual provides industry-specific accounting methodologies that are widely adopted in the airport sector, ensuring alignment with best practices.

The midpoint target included in the HKIA 2050 Net Zero Carbon Pledge covers HKIA's Scope 1 and 2 emissions, as well as the Scope 1 and 2 emissions of our key aviation business partners under AAHK's scope 3. We measure our emissions and track our progress against this target every year.

We committed to implementing comprehensive onsite measures to reduce carbon emissions, such as investing in renewable energy sources and improving energy efficiency. The purchase of carbon credits does not align with AAHK's decarbonisation strategy to achieve net-zero by 2050. It is important to note that our emission targets represent gross GHG emissions and do not include any carbon removal from land use change or carbon offset projects. While the Sectoral Decarbonisation Approach (SDA) is not applicable to the airport sector, our emission reduction target aligns with the ambition set by the ACI-ACA.

We are also committed to understanding our full carbon footprint and are currently exploring the unaccounted-for emissions across the 15 categories of the GHG Protocol, with an aim to report these sources in line with ACI-ACA and identify key pathways for reduction within our value chain.



The following table provides an overview of AAHK's existing metrics and targets which are publicly reported. Indicators that were impacted by COVID-19 are asterisked (*) in the tables and may represent an anomaly in year-on-year performance trends. As air traffic rebounded during the reporting period, many of these indicators are returning to levels that are more consistent with the pre-pandemic period.

	Unit	2019	2020	2021[1]	2022[2]	2023
Greenhouse gas (GHG) emissions[3,4]						
S1 Scope 1 – Direct emissions						
Stationary emissions	Tonnes ('000) of CO_2e	0.13	0.11	0.11	0.10	**0.12**
Mobile emissions	Tonnes ('000) of CO_2e	2.73	1.34*	1.23*	1.37*	**1.18**
Fugitive emissions	Tonnes ('000) of CO_2e	8.19	0.68*	2.84*	5.23	**0.70**
S2 Scope 2 – Indirect emissions						
Electricity[5]	Tonnes ('000) of CO_2e	153.39	80.61*	89.84*	94.90*	**109.20**
S3 Scope 3 – Other indirect emissions from key business partners' operations						
Pledged business partners' Scope 1 & 2 emissions (30 in total)[6]	Tonnes ('000) of CO_2e	200.00	130.66*	126.04*	140.32*	**167.40**

	Unit	2019	2020	2021[1]	2022[2]	2023
S3 Scope 3 – Other indirect ground emissions from AAHK and third parties						
Staff business travel	Tonnes ('000) of CO_2e	0.39	0.01*	0.001*	0.07*	**0.32**
Passenger and staff surface access	Tonnes ('000) of CO_2e	104.37	15.31*	5.82*	10.41*	**65.00**
Electricity consumption for processing fresh water and sewage	Tonnes ('000) of CO_2e	0.18	0.17	0.12	0.12	**0.15**
Waste disposal	Tonnes ('000) of CO_2e	21.97	9.91*	6.76*	9.39*	**7.14**
Tenants' energy	Tonnes ('000) of CO_2e	46.62	10.2*	14.18*	13.76*	**14.50**
Emissions avoided by tree planting and paper recycling[7]	Tonnes ('000) of CO_2e	(0.78)	(0.74)	(0.72)	0.001	**0.009**
Other business partners' Scope 1 & 2 emissions[8]	Tonnes ('000) of CO_2e	29.03	20.46*	19.60*	21.82*	**17.01**
Non-road construction machinery and equipment	Tonnes ('000) of CO_2e	N/A	N/A	123.84	128.94	**129.61**
Maritime access	Tonnes ('000) of CO_2e	N/A	N/A	0.04	0.05	**0.34**

1 From 2021 onwards, the Scope 3 emissions have been expanded to show the emission sources reported under Airport Carbon Accreditation (ACA), including other indirect emissions from ground and aircraft operations.

2 The 'HKIA GHG net emissions' reported under ACA have been revised due to the recalculation of Scope 3 emissions to include additional sources: non-road construction machinery and equipment, maritime access and full-flight emissions for all aircraft passing through HKIA, the number for 2021 has been restated.

3 The GHG emission inventory is 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 the Electrical and Mechanical Services Department and Environmental Protection Department and the Airport Carbon Accreditation (ACA) Application Manual (Issue 14) issued by the Airports Council International (ACI), which aligns with GHG Protocol. AAHK's carbon footprints are verified in accordance with ISO 14064 (Greenhouse Gas Accounting).

4 AAHK follows the operational control approach in defining its organisational boundary, which covers buildings and facilities that AAHK has control over. The inventory covered eight types of GHG, namely carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6), nitrogen trifluoride (NF_3) and hydrochlorofluorocarbons (HCFCs).

5 The emission factor applied is for each respective year with reference to CLP Power Hong Kong Limited, AAHK's electricity provider.

6 This figure covers Scope 1 and Scope 2 emissions from airport business partners participating in the HKIA 2050 Net Zero Carbon Pledge. In 2023, one more business partner (i.e., Asia Airfreight Terminal) joined the Pledge and their emissions are also included in the 2023 data.

7 The methodology for paper recycling has been updated to reflect emissions avoided as zero since 2022.

8 Consists of business partners who have not joined the HKIA 2050 Net Zero Carbon Pledge.

	Unit	2019	2020	2021[1]	2022[2]	2023
S3 Scope 3 – Other indirect emissions from aircraft						
Landing and take-off (LTO) cycle	Tonnes ('000) of CO_2e	1,256.58	548.34*	555.71*	527.46*	**905.87**
Aircraft cruise emissions	Tonnes ('000) of CO_2e	N/A	N/A	10,498.47	8,826.33*	**13,517.50**
Aircraft engine testing	Tonnes ('000) of CO_2e	16.50	22.33	17.55*	14.97*	**16.83**
Auxiliary power units (APU)	Tonnes ('000) of CO_2e	69.29	36.25*	36.52*	34.50*	**51.80**
Total GHG emissions						
HKIA 2050 Net Zero Carbon Pledge GHG emissions S1 S2 S3	Tonnes ('000) of CO_2e	364.44	213.39*	220.06*	241.92*	**278.60**
HKIA GHG net emissions reported under ACA S1 S2 S3 S3 S3	Tonnes ('000) of CO_2e	1,908.57	875.64*	11,497.95*	9,829.74*	**15,004.67**

	Unit	2019	2020	2021	2022	2023
Energy management						
Energy consumption						
Energy consumed (absolute)	GJ[9]	1,143,883	803,990*	847,643*	896,147*	**1,025,832**
Direct energy consumption	GJ	39,457	19,719*	18,329*	20,135*	**17,802**
Indirect energy consumption	GJ	1,104,426	784,271*	829,314*	876,012*	**1,008,030**
Direct energy consumed by type						
Diesel	Litres	967,139	450,404*	417,672*	483,650*	**437,395**
Petrol	Litres	107,268	87,757*	81,939*	64,392*	**46,319**
LPG	Litres	16,031	12,434*	11,779*	11,158*	**9,869**
Indirect energy consumed						
Electricity consumed (absolute)	kWh ('000)	306,785	217,853*	230,365*	243,337*	**280,008**

9 Relevant conversion factors sourced from 'BP Statistical Review of World Energy 2021' were applied.

Verification Statement

Scope and Objective of Verification

Hong Kong Quality Assurance Agency (HKQAA) has been engaged by the Airport Authority Hong Kong ("AAHK") to undertake an independent verification of its Task Force on Climate-related Financial Disclosures (TCFD) Statement 2023/24 ("Statement").

The aim of this verification is to provide reasonable assurance of the reliability of the contents of the Statement. The Statement has been prepared in accordance with Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures (October 2021) and Guidance on Metrics, Targets, and Transition Plans (October 2021).

Level of Assurance and Methodology

The process applied in this verification was based on the International Standard on Assurance Engagements 3000 (Revised) – "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board. Our evidence-gathering process was designed to obtain a reasonable level of assurance as set out in the standard for the purpose of devising the verification conclusion and the extent of this verification process undertaken was provided for the Core Elements of Task Force on Climate-Related Financial Disclosures.

HKQAA's verification procedure covered verifying the framework for disclosures, mechanisms for collecting and analyzing relevant information, and internal controls of reporting and reviewing of supporting evidence pertaining to the Statement. In addition, interviewing responsible personnel with accountability for preparing the disclosed contents and verifying the selected representative sample of data and information were covered. Raw data and supporting evidence of the selected samples were also examined during the verification process.

Independence

AAHK was responsible for the collection and presentation of the information presented. HKQAA did not involve in establishing the disclosure framework, analysis of scenarios and risks, formulation of action plans and measurements as well as compiling or in developing the Statement. Our verification activities were independent from AAHK. There was no relationship between HKQAA and AAHK that would affect the independence of HKQAA for providing the verification service.

Conclusion

Based on the verification results and in accordance with the verification procedures undertaken, HKQAA has obtained reasonable assurance and is in the opinion that:

- The Statement has been prepared in accordance with the recommendations of TCFD and the associated guidance;
- The Statement illustrates the Governance, Strategy, Risk Management and Metrics and Targets of AAHK to address climate risks in a structured, clear and consistent manner; and
- The data and information disclosed in the Statement are reliable and complete.

Nothing has come to HKQAA's attention that the selected disclosed contents contained in the Statement have not been prepared and presented fairly and honestly, in material aspects, in accordance with the verification criteria.

Signed on behalf of Hong Kong Quality Assurance Agency



KT Ting

Chief Operating Officer
July 2024