

## Corporate Social Responsibility 2007



## Overview of 2007

***Let us work together as a professional team to exceed customers' expectation by providing safe, reliable and quality services, first time, every time.***

With years of hard work and persistent co-ordination with all authorities, we commenced our scheduled operation to Osaka, Japan on 26<sup>th</sup> July 2007. The inauguration to Japan marked a major milestone of our development. Rather than focusing on cross-Straits services, we have worked aggressively to diversify our network in the region throughout the past 3 years. Our operation to Seoul, Korea was a successful start in July 2004. With 3 years of hard work, our development in the Korean market was very successful and the number of Korean visitors have increased fourth-fold from 38,281 in 2003 to 162,709 last year. We believe that, being the base carrier of Macau, we have the corporate responsibility to foster tourism growth in Macau; to diversify its tourists' base by introducing more new routes and to develop Macau from a transit point to a tourist destination. We will continue to head towards this strategic growth direction in order to support tourism growth in Macau SAR.

With a fleet of 13 passenger aircraft and 4 freighters, we are currently operating to 16 passenger destinations and 3 freighter destinations, with a weekly frequency of 196 passenger flights and 51 freighter services. Up to Oct 07, we have already carried 2,056,529 passengers and 142,235 tones of cargo during the year. Even though the overall market environment was not very satisfactory, we have managed to achieve stable and satisfactory performance during 2007.

Our challenge for the future is to meet the expectations of our stakeholders and customers, to sustain and improve our safety, reliability and quality performance. Being a responsible corporate citizen, we are also committed to improving environmental performance across all areas of the business. For this reason, we are providing in this report an update of the social and community aspects of our business.

# Safety

In keeping our vision to provide safe, reliable and quality services to our customers, we are highly committed to render the safest air travel to our customers and the safest working environment for our employees. Our work practice is based on a clearly defined risk management program which is established in our Safety Management Manual in conformity with the highest current industry standards.

We are continuing to develop a proactive Safety Management System based on confidential hazard reporting supported by all employees. A Safety Committee comprised of representatives from each department is being put together to apply strategic solutions to help control risks in our operations.



We are also operating the Airbus Line Operations Monitoring System which is a well-proven tool in helping to improve safety in aircraft operations and handling. We also work to ensure a free flow of important educational and safety information to employees as well as a reporting channel for feedback on hazard reporting.

Another novel approach to line safety is the implementation of a Line Operations Safety Audit (LOSA) program. Through the kind support and cooperation of all technical crew, LOSA will bring the forefront of aviation safety information as well as a necessary and regular “safety check” that will better inform us on how our technical crew are performing as a team and how we deal with everyday threats and errors on line.

# Protecting the environment

*Air Macau is aware of its responsibility to minimize its impact on the environment and is highly committed to help protecting the environment.*



## *Maximizing fuel efficiency*

In an attempt to maximize our fuel efficiency, the following practices were adopted:

- Only use one engine during taxi.
- Use ground power instead of Auxiliary Power Unit (APU) at designated destinations such as Bangkok.
- Avoid carrying excess fuel which may result in more fuel burn.
- Remove unnecessary weight from the aircraft. For instance, based on our survey conducted among our passengers, surplus magazines and drinks were removed from flight which resulted in a weight reduction of approximately 35.5 kg per flight.

## *Keeping the noise down*

To minimize the impact of aircraft noise on the community, we ensure that our aircraft engine noise complies with EASA CS-36, JAR 36 Subpart B, 14 CFR (FAR) Part 36 Appendix C Stage 3 of ICAO annex 16 Chapter 3 noise requirements.

## *Modernizing our fleet*

Fleet management is an operational priority which significantly influences our environmental performances. For this reason, we are gradually introducing dry-leased AB6F freighters to replace our wet-leased AB4F freighters. The first AB6F freighter joined our fleet in Aug 07 and the second one will start operation in Jul 08. Compared with the AB4F freighters, the AB6F is a much younger aircraft (10 years age difference) and therefore the AB6F has a much higher fuel efficiency, produce much less noise and air pollutions and thus more favorable for the environment.

## Community initiatives

We recognized that Air Macau bears a social responsibility and commitment towards the Macau community and therefore we always get actively involved in local major event such as the Second Asia Indoor Games in 2007 and the Fourth East Asia Games in 2005. Air Macau was appointed as the Official Carrier of these major events and we worked aggressively to promote tourism and stimulate public interest on sports activities. In view of the 2008 Olympic Games to be held in Beijing next year, we are also planning to launch a second daily flight to/from Beijing in Dec 2007 so as to facilitate air transportation between Macau and Beijing to prepare for this great event.



In order to promote Macau tourism, we worked in coordination with the Macau Government Tourism Office to paint the logo “ Experience Macau” as our aircraft livery. Furthermore, we have also organized numerous joint promotions with other major local companies, e.g. CTM, Macau Fisherman’s Wharf, Bank of China, Macau Beer, etc. to pool our resources together to jointly promote Macau.

In addition, in order to maintain close ties with the community, we have organized various aircraft visits for young people, disadvantaged groups and local students at the Macau International Airport as well as inviting our cabin crew to share their flying experience with the local community.

Finally, as a rebate to local citizens for traveling on Air Macau, we have launched numerous promotions throughout the year and

especially during festive seasons such as Mother's Day, Father's Day, etc. in order to encourage Macau citizens to enjoy privilege and special discounts for traveling with their families on Air Macau during these meaningful festivals.

## Human Resources

Air Macau recognizes that employees are our most important assets. In every country where we have local staff employed, we will definitely meet the local employment law requirement while striving to exceed the legal requirements on certain conditions since we are committed to rewarding our employees in a fair and reasonable way. We provide equal employment opportunities to all individuals irrespective of gender, race, ethnic origin, etc. Air Macau currently employs a total of about 980 employees system wide recruited from 33 places all over the world.



We certainly agree that getting constant feedback from staff is critical to continuous improvement. Staff is welcomed to generate new ideas and offer suggestion to Management through a suggestion box available on the intranet. In addition, staff surveys are undertaken on a periodic basis to obtain feedback from staff regarding their comments on work and to assess their satisfaction towards the Company which provides a critical source of information for staff development and retention.

## Agenda for 2008

Looking ahead, we shall continue with our commitment to corporate social responsibilities and the following are to be done in the coming year:

- *To merge Safety, Security and Quality into one single division in order to ensure better control and coordination between these 3 critical functions.*
- *Continue to introduce more fuel efficient AB6F to replace AB4F freighters.*
- *Continue to improve fuel efficiency and reduce gas emissions.*
- *Communicate and work with airport authorities, manufacturers and other airline partners to more effectively address noise issues.*
- *Undertake comprehensive system wide staff survey.*