

Climate Change Policy

1. Introduction

1.1 Purpose

At Cathay Group (“Cathay”), we are dedicated to fostering a sustainable future and have already implemented a robust Sustainable Development Policy that guides our actions towards environmental responsibility. Recognizing the urgent need to address climate change and minimize our carbon footprint, this climate change policy is developed to outline specific measures and initiatives we are undertaking.

With a clear focus on innovation, collaboration, and continuous improvement, this policy aims to minimize greenhouse gas emissions, promote the use of sustainable aviation fuel, invest in energy-efficient technologies, and engage with stakeholders to drive positive change throughout the industry.

1.2 Scope

This Policy is applicable to all aspects of Cathay’s operations. We will consistently encourage our business partners, suppliers, contractors, service providers, and vendors to align with and adopt similar policies. We appreciate the active participation of customers, suppliers, and shareholders in the development, implementation, and evaluation of the Policy to ensure its effectiveness.

1.3 Compliance

Compliance with this policy is essential in maintaining Cathay’s climate change commitment and aspirations to become a sustainability leader in the global business community. Should you, at any time, have any questions or concerns related to this Policy, please contact Group Sustainability Department (GSD) at: sustainability@cathaypacific.com.

1.4 Roles and Responsibilities

Our management team is responsible for implementing this policy, overseen by the Board of Directors, who are ultimately accountable for the Group’s sustainable development strategy and performance. The Sustainability Leadership Group (SLG) is chaired by the Chief Executive Officer and reports to the Board regularly on climate change strategy and issues. SLG is supported by the Group Sustainability Department on strategy development, target setting, and implementation.

2. Policy

In line with the main objectives set by the Paris Agreement. Specifically recognizing the potential opportunities and business threats from climate change, our policy is as follows:

2.1 Commitments

- We commit to achieving net-zero carbon emissions by 2050, with the use of market-based measures or new technology to bring our residue carbon emissions to zero;
- We commit to using Sustainable Aviation Fuel (SAF) for 10% of Cathay Pacific Airways' fuel consumption by 2030;
- We commit to reduce ground emissions, including our major subsidiaries in Hong Kong, by 32% by 2030 and 55% by 2035 from a 2018 baseline.

2.2 Mitigation

- We commit to achieving the stated goals through a collaborative and company-wide approach, engaging with governments, supply chain, industry associations, corporates, and all relevant stakeholders.
- We make use of a comprehensive five-pillars strategy to mitigate carbon emissions from our aircraft operations: fleet modernization, operational efficiency improvements, increased use of SAF, carbon offset and/or carbon removal, and to support research and development of new technologies related to aviation decarbonisation.
- We collaborate with regulatory bodies and public agencies to develop and implement suitable SAF policies and other climate-friendly industry regulations.
- We work with airline alliances and industry associations to drive decarbonization efforts within the aviation sector, particularly in the adoption and deployment of SAF.
- We engage our suppliers and vendors to understand their carbon emissions as related to products and services provided to Cathay (Scope 3 emissions). We encourage them to reduce carbon emissions in their daily operations and value chain associated with Cathay, wherever feasible. We also incorporate climate change considerations into procurement processes.
- We provide our customers with climate-related products or services that enable them to mitigate Scope 3 emissions from business air travel and cargo.
- In addition to carbon mitigation efforts, we commit to addressing other greenhouse gas emissions (e.g., contrail) and minimizing negative environmental impacts (e.g., air pollutants) while continuously improving the efficiency of our business activities.

2.3 Adaptation

- We conduct climate change scenario planning to assess potential impacts and develop appropriate strategies regularly.
- We ensure processes and measures are in place to prevent or minimise the damage caused by climate change and to take advantage of the opportunities that may arise.
- We incorporate climate change and extreme weather events into enterprise risk management processes and business continuity plans.
- We collaborate with airport authorities to enhance the resilience of our operating airports against potential sea level rise and other climate-related risks.

- We develop contingency plans to address serious disruptions caused by extreme weather events and ensure ground staff and crew members are adequately trained and prepared for such situations.
- We support public policies and strategies that deal in a coordinated and consistent manner with the social problems relating to climate change.

2.4 Governance

- The establishment of the Sustainability Leadership Group (SLG) ensures effective oversight of climate change affairs within the Board. The Group Sustainability Department has been formed in support of execution of approved climate change policy, strategy, and initiatives for meeting approved targets.
- We implement a comprehensive environmental management system throughout the organisation and raise awareness of the climate action policy among our people, business partners, suppliers and other key stakeholder groups.
- We adhere to relevant climate change laws and regulations of the Hong Kong Special Administrative Region and other markets we operate in. Our management approach and compliance status with laws and regulations related to emissions are reported annually in our Sustainable Development Report.

2.5 Disclosure and communication

- We publish our sustainability performance and commitments in our annual Sustainable Development Report on our website. The report is prepared in adherence to the ESG Reporting Guide issued by the Hong Kong Stock Exchange and incorporates the Global Reporting Initiative (GRI) standards. We also reference the Taskforce on Climate-related Financial Disclosures (TCFD) guidance and other emerging standards such as the Sustainability Disclosure Standards developed by the International Sustainability Standards Board International Financial Reporting Standards (ISSB IFRS). We remain committed to continuously enhancing transparency and aligning with best practices in sustainability disclosures.
- We ensure the accuracy of key data pertaining to our sustainability and climate performance by subjecting it to rigorous verification and audit processes conducted by a third-party assurer.
- We actively engage and communicate with our key stakeholder groups about our approach and performance in fostering collaborative partnerships for climate action.
- We take appropriate action when the industry association position is notably weaker, or conflicts with our own stance on climate change. This ensures that our commitment to sustainability leadership remains unwavering, and we actively contribute to leading positive change within our industry.

3. Supplement information

3.1 Glossary

Name	Definition
GSD	Group Sustainability Department

CCAG	Climate Change Action Group
ESG	Environmental, Social, Governance
SAF	Sustainable Aviation Fuel
SD	Sustainable Development
SLG	Sustainability Leadership Group
GRI	Global Reporting Initiative
TCFD	Taskforce on Climate-related Financial Disclosures

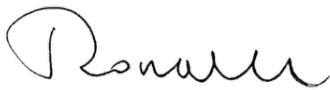
3.2 Reference Documents

Name of Reference Document	Description	Document Location
Sustainable Development Policy	This document outlines our approach and commitment to environmental sustainability	URL: https://www.cathaypacific.com/content/dam/cx/about-us/esg-policies/sustainable-development-policy-en.pdf
Communications Guideline for Sustainability Related Contents (internal)	The document outlines the principle of the development of sustainability related communications contents and materials and provides guidance on internal approval processes.	URL: https://hub.cathaypacific.com/documents/sppreview/19eaf336-991d-4d08-9746-492692f59441

3.3 Policy Maintenance

This policy will be reviewed periodically, at least once every three years. Any major changes made during the review shall be maintained in the version control table.

The policy, including any major changes, is reviewed and approved by the Board of Directors.



Ronald Lam

Chief Executive Officer